



ANNUAL REPORT 2024-25

*Advanced Products
in the New Era*



 www.millat.com.pk

 Millat Tractors Limited Official  Millat Tractors Ltd

Key Figures 2025



Dividend Per Share
Rs. **60/-**



Net Profit After Tax
Rs. **6,373** Million



Tractors Sold
18,580 Units



Earning Per Share
Rs. **31.94** /-



Net Revenue
Rs. **52,109** Million

Chronicles

- 1965**
Assembly of tractors from SKD
- 1972**
Nationalization
- 1973**
Licensing and transfer of Technology Agreement with MF, UK
- 1982**
Inauguration of Engine Assembly Plant (Perkins Engines)
- 1984**
Inauguration of Machining Plant
- 1990**
Perkins distributor Agreement
- 1992**
 - Privatization through Employee Buyout
 - Inauguration of New Tractor Assembly Plant (MF Design)
- 1993**
Bolan Castings Ltd Buyout
- 1994**
 - Mass Production of Generating Sets
 - Millat Equipment Ltd established
- 1998**
ISO 9002 Certification Achieved
- 2000**
Licensing Agreement – Heli Forklift Trucks (China)
- 2002**
 - Quality Management System Upgraded to ISO 9001:2000
 - Millat Industrial Products Ltd established
- 2011**
Record tractor production of 42,188 and sale of 42,011 units
- 2012**
TIPEG Inter-trade DMCC, UAE established
- 2015**
Export Agreement with AGCO
- 2017**
 - Business Partnership Agreement with IFS
 - Development of Emission Compliant Euro II Engines
- 2018**
 - Diversification by investment in Hyundai Nishat Motors (Pvt.) Limited
 - Highest ever sales of 42,708 and production of 42,507 units achieved
- 2019**
 - Operations started by IFS segment
 - 4WD Models of MF-360 and MF-375 launched for exports
- 2020**
Export of over 1,000 tractor units
- 2021**
Export of over 2,000 tractor units
- 2022**
998 kw of solar plant with net-meeting completed for green energy and environment initiative
- 2023**
Incorporation of MRO Multan
- 2024**
Export of over 2,500 Tractors
- 2025**
Merger of Millat Equipment Limited with and into Millat Tractors Limited

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OPERATION # 00

A group of men, including some in tan jackets and others in grey work clothes, are gathered around a large industrial machine. The machine is mounted on a yellow cart and has a large circular component. The men appear to be inspecting or working on the machine. One man in the foreground is wearing red headphones.



Company Overview

Vision and Mission Statement

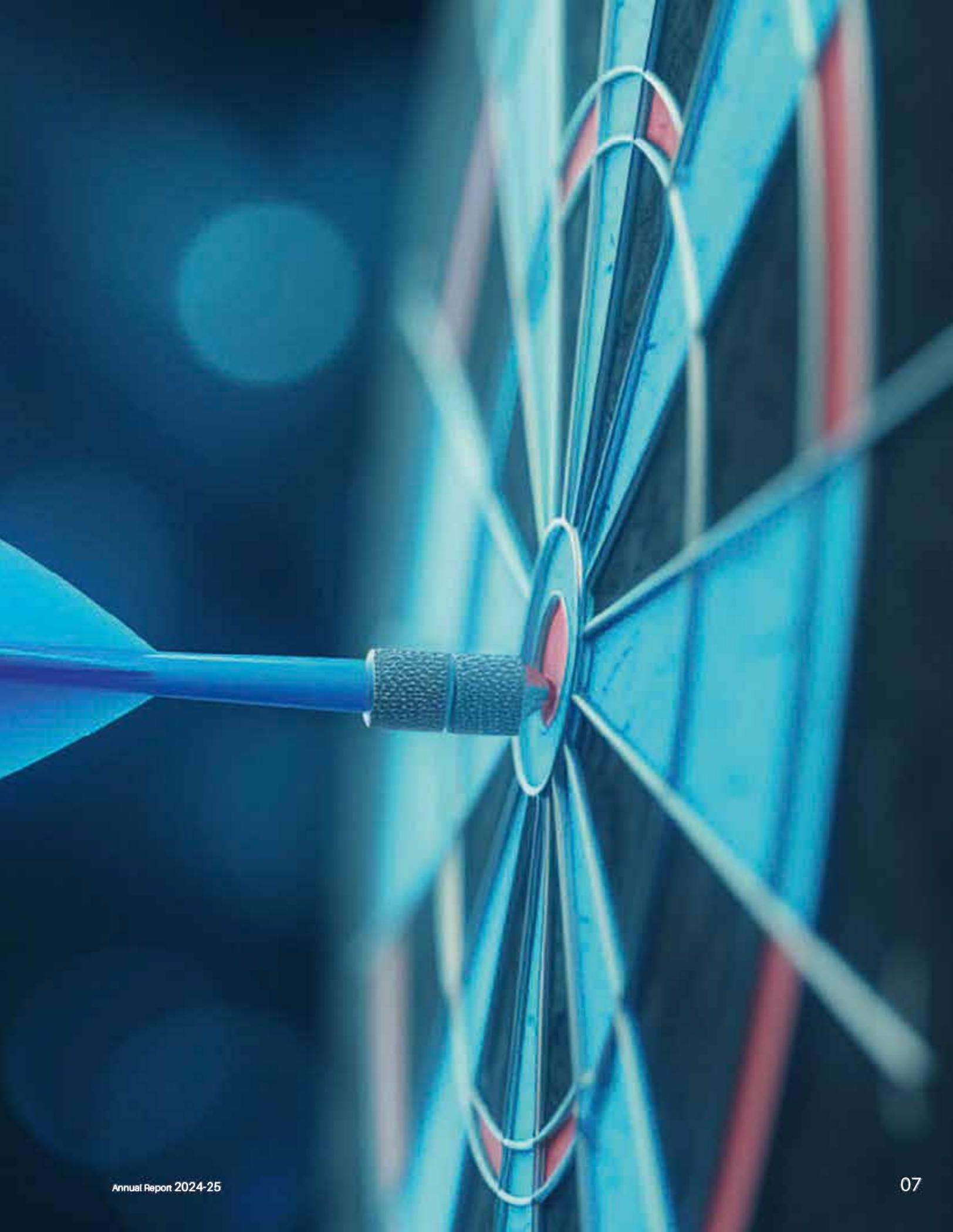
Vision

"Millat to be a global group of companies, recognized for a range of quality products with Innovative design capabilities."

Mission

"To be market leader in agricultural tractors and machinery, building Company's Image through Innovation and competitiveness, grow by Investing into group companies, ensuring satisfaction to customers and stakeholders and to fulfill social obligations."





Company Overview

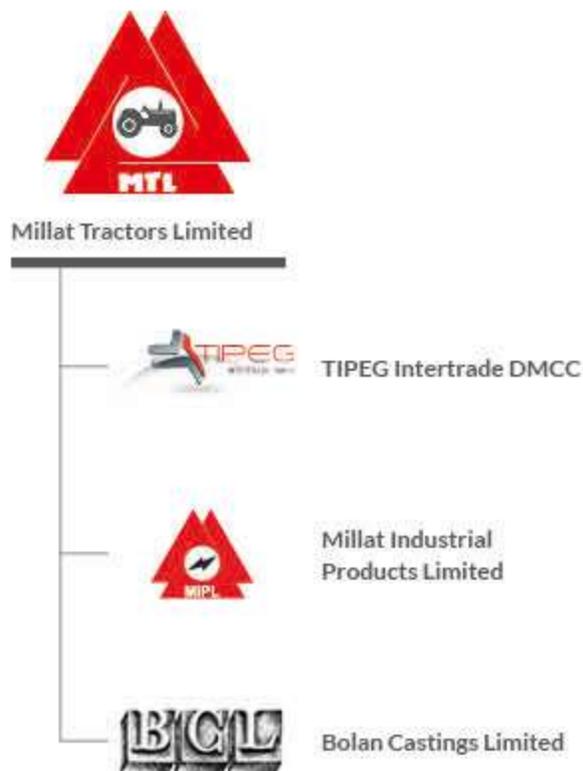
Millat Tractors Limited (MTL), an ISO 9001:2008 certified company, is Pakistan's leading engineering concern in the automobile sector, engaged in the manufacturing and marketing of the world-renowned Massey Ferguson (MF) tractors, under licensing agreement with M/s AGCO Inc., USA; Heli forklift trucks under license from Anhui Forklift Trucks, China; diesel engines; diesel generating sets and a range of allied agricultural and industrial implements.

MTL has played a pivotal role in transfer of technology and transformation of fledgling local light engineering sector into a robust, vibrant, quality conscious auto vending industry. The Company is regarded as a pioneer in setting up country's automotive vendor base. Today, a local content of more than 90% has been achieved in Massey Ferguson tractors. The company offers twelve tractor models in the range of 50 HP - 85 HP, diesel generator sets of capacities ranging from 12.5kVA to 300 kVA, and a 3 ton forklift truck, agriculture implements and genuine spare parts.

The Company is a partner agent of IFS applications in Pakistan. Accordingly, the Company is engaged in the sale, implementation and support of IFS applications in Pakistan and abroad.



Group Structure



TIPEG Intertrade DMCC

TIPEG Intertrade DMCC, a limited liability company registered with Dubai Multi Commodities Centre (DMCC) Authority, is a subsidiary of Millat Tractors Limited, which holds 75% of the company's equity. The principal place of business of the company is located at Jumeirah Lake Towers, Dubai-UAE. The company is formed for trading of machinery and heavy equipment and registered office of the company is situated at Unit No.705, Fortune Executive Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates.

Millat Industrial Products Limited

Millat Industrial Products Limited, an unlisted public company registered under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), is a subsidiary of Millat Tractors Limited, which holds 64.09% of the company's equity. The company is engaged in the business of manufacturing of industrial, domestic and vehicular batteries, cells and components. 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 9 KM, Lahore - Shekhupura Road, Shahdara, Lahore.
- The manufacturing facility of the company is located at 49 KM, off Multan Road, Bhal Pheru, District Kasur.

Bolan Castings Limited

Bolan Castings Limited, a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), and listed on the Pakistan Stock Exchange, is a subsidiary of Millat Tractors Limited, which holds 46.26% of the company's equity. The company is engaged in the business of manufacturing of castings for tractors and automotive parts thereof. The geographical location and address of the Company's business unit, including plant, is RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan.

Financial Highlights



Revenue from contracts with customers

| | |
|--------|----------------|
| 2024 | Rs. in Million |
| 91,535 | 52,109 |



Profit After Tax

| | |
|--------|----------------|
| 2024 | Rs. in Million |
| 10,225 | 6,373 |



No. of Outstanding Shares

| | |
|---------|----------------|
| 2024 | (000's) |
| 191,798 | 199,516 |



Earning per Share

| | |
|-------|--------------|
| 2024 | Rs. |
| 52.26 | 31.94 |



Dividend

| | |
|------|--------------|
| 2024 | Rs. / Share |
| 25 | 60.00 |



Dividend payout ratio

| | |
|-------|---------------|
| 2024 | Percentage |
| 46.90 | 187.84 |



Long Term Investments

| | |
|-------|----------------|
| 2024 | Rs. in Million |
| 6,166 | 6,007 |



Total Current Assets

| | |
|--------|----------------|
| 2024 | Rs. in Million |
| 24,459 | 24,974 |



Shareholder's Equity

| | |
|--------|----------------|
| 2024 | Rs. in Million |
| 10,953 | 8,076 |



Return on Capital Employed

| | |
|--------|----------------|
| 2024 | Rs. in Million |
| 195.87 | 161.92 |



Current Ratio

| | |
|--------|---------------|
| 2024 | Times |
| 1.23:1 | 1.07:1 |



Debt : Equity

| | |
|-------|----------------|
| 2024 | Times |
| 11.89 | 10 : 90 |



Market Capitalization (Year End)

| | |
|---------|----------------|
| 2024 | Rs. in Million |
| 121,999 | 111,462 |



Market Capitalization (Year End)

| | |
|------|------------------|
| 2024 | US \$ in Million |
| 438 | 392 |



Price to Earning Ratio

| | |
|-------|--------------|
| 2024 | Times |
| 12.17 | 17.49 |



Net Assets per Share

| | |
|-------|--------------|
| 2024 | Rs. |
| 57.11 | 40.48 |

Corporate Information

Board of Directors

Chairman

Mr. Sikandar Mustafa Khan

Chief Executive

Mr. Raheel Asghar

Directors

Mr. Sohail Bashir Rana
Mr. Laeeq Uddin Ansari
Mr. Qaiser Saleem
Mr. Saad Iqbal
Mr. Nasar Us Samad Qureshi
Mr. Muhammad Javed Rashid
Mr. Manzoor Ahmed
Mr. Muhammad Mustafa Khan
Mr. Muhammad Mustafa Sohail
Mr. Murad Naseer uddin Ansari
Mrs. Zara Salman Bandial

Company Secretary

Mr. Muhammad Faisal Azeem

Chief Financial Officer

Mr. Sohail A. Nisar

Auditors

M/s. A.F. Ferguson & Co.
Chartered Accountants

Legal Advisors

Riaa Barker Gillete
Akhtar Ali & Associates
Ch. Law Associates Inn

Company Share Registrar

Karachi

CDC Share Registrar Services Limited.
CDC House, 99 - B, Block 'B',
S.M.C.H.S., Main Shahra-e-Faisal,
Karachi-74400.
Tel: Customer Support Services (Toll Free)
0800-CDCPL (23275)
Fax: (92-21) 34326053
Email: info@cdcsrcsl.com
Website: www.cdcsrcsl.com

Lahore

Mezzanine Floor, South Tower, LSE Plaza,
Khayaban-E-Aiwan-E-Iqbal,
Lahore.
Tel: (92-42)- 36362061-66

Islamabad

Room # 410,
4th Floor, ISE Towers, 55-B, Jinnah Avenue,
Blue Area,
Islamabad.
Tel. (92-51) 2895456-9

Bankers

Bank Alfalah Limited
Habib Bank Limited
MCB Bank Limited
Bank of Punjab Limited
Allied Bank Limited
Meezan Bank Limited

Registered Office and Plant

9 - km Sheikhpura Road, Distt. Sheikhpura,
Tel: 042-37911021-25
UAN: 111-200-786
Fax: 042-37924166, 37925835
Website: www.millat.com.pk
E-mail: info@millat.com.pk

Millat Precision Engineering

10 - km Raiwind Road, Lahore.

Regional Offices

Karachi

3-A, Faiyaz Centre, Sindhi Muslim
Co-operative Housing Society, Karachi.
Tel: 021-34553752
UAN: 111-200-786
Fax: 021-34556321

Islamabad

H. No. 22, St. No. 41, Sector F-6/1,
Islamabad.
Tel: 051-2271470
UAN: 111-200-786
Fax: 051-2270693

Multan Cantt.

Garden Town, (Daulatabad), Shershah
Road,
Multan Cantt.
Tel: 061-6537371
Fax: 061-6539271

Sukkur

House No B/106, Akuwat Nagar Society,
Near Gol Masjid, Airport Road, Sukkur.
Tel: 071-5815041
Fax: 071-5815042

Code of Conduct

The Company's Code of Conduct conforms to the Millat Group's Vision and the Company's Mission Statement.

OBJECTIVE:

The Code of Conduct defines the expected behaviors for all the directors, senior management and all employees of Millat Tractors Limited (MTL). MTL will conduct its business fairly, impartially, in an ethical and proper manner, in full compliance with all applicable laws and regulations, and consistent with the values of the Company. Integrity must be ensured in all Company business relationships, including those with customers, suppliers, shareholders, other communities and among employees etc. The highest standards of ethical business conduct are required in the performance of responsibilities. The directors, senior management and other employees will not engage in any conduct or activity that may raise doubts to the honesty, impartiality and reputation of the organization or result in embarrassment to the Company.

APPLICABILITY:

This code is applicable to every director, senior management and other employees of the Company and they shall ensure that he/she:

- Shall not engage in any activity, either directly or indirectly, with a customer, vendor, supplier or any third party, which are inconsistent with, or contrary to, the business activities of the Company. Conflict of interest shall be disclosed where it exists and guidance sought.
- Shall not take advantage of his/her position for personal gain through the inappropriate use of Company name or non-public information or abuse his position.
- Shall refrain from insider trading and shall not use any material information pertaining to the Company, before it is made public, for financial or other personal benefit and also shall not provide such information to others.
- Shall follow all restrictions on use and disclosure of information. This includes protecting Company's information and ensuring that non-company proprietary information is used and disclosed only as authorized by the owner of the information or as otherwise permitted by law and abide by the employee non-disclosure & confidentiality undertaking already signed by him/her.
- Shall observe fair dealing in all of his/her transactions and interactions.
- Shall protect all assets of the Company and use them only for appropriate Company-approved activities.
- Without exception, shall comply with all statutory applicable laws, regulations, company policies and rules etc.

Conflict of Interest Policy

The Board of Directors has an approved conflict of interest policy. The policy is intended to ensure due and timely identification, approval, disclosure and reporting of transactions between Millat Tractors Limited and any of its related parties in compliance with applicable laws and regulations as may be amended from time to time.

This policy applies to transactions between the Company and one or more of its related parties. It provides a framework for governance and reporting of related party transactions, including material transactions.

Core Values



Our customers are our first priority.



Profitability for the prosperity of our stakeholders that allows us to constantly invest, improve and succeed.



Corporate social responsibilities to enrich the lives of community where we operate.



Recognition and reward for the talented and high performing employees.



Excellence in every thing we do.



Integrity in all our dealings.



Respect for our customers and each other.

Health, Safety and Environment Policy

Safety Policy

All the employees have been provided appropriate safety equipment during performance of their duties.

An upgraded fire fighting system has been installed to cope with any mishap.

All the machinery has been fenced and guarded properly to avoid any type of accident causing injury to the employees as well as to the machinery.

Special arrangements have been made for the availability of filtered drinking water for the employees.

All the employees are insured under Group Life Insurance Scheme.

Regular safety inspections are carried out to improve the preparedness.

Safety fire drills and other exercises are carried out periodically to keep employees prepared for any unforeseen incident.

- To carry out comprehensive risk assessment and mitigate any potential threat to health and safety of employees.
- To maintain high standards of health and safety wherever possible and keep measurable standards and improvement plans.
- To comply with all applicable health and safety codes, National legislation and International regulatory requirements.
- To evaluate risks before commencement of new activities or starting operations in new locations.
- To communicate the health and safety policy to all stakeholders including employees, visitors, vendors and customers.
- To train its employees on health and safety standards so that everyone takes the responsibility of safe operations and stands accountable for unsafe actions.
- To investigate and report all incidents/ near misses and ensure corrective actions to avoid recurrence.
- To drive safety culture emphasizing on collective participation and excellence.

Health Policy

MTL is committed to managing its operations and ensuring the safety and health of its employees, visitors, contractors, customers, vendors and all those who are affected by its operations.

While striving to achieve health and safety excellence, MTL commits:

- To provide premises, plant, equipment and work instructions that are free from all kinds of health and safety risks.

Environment Policy

The Company has a separate horticulture department to make the environment pleasant, green and full of flowers. The Company also participates in various competitions on horticulture arranged by Government and other institutions.

Position of the Organization within the Value Chain

Millat Tractors Limited is an assembler of agricultural tractors, implements, forklifts, generators and multi-application products. The raw material is procured from local and international vendors and the company employs around 464 permanent personnel.



Once the raw material is procured, value addition and assembly is done in-house to deliver the best tractors to the customers. Therefore, pre-delivery inspection and continuous after-sales services are an integral part of our operations.



Value addition and assembly



Pre-delivery Inspection



Handing over to dealers



After-sales services

PESTLE Analysis



Political

| Description | Change during the year 2024-25 | Response |
|--|--|--|
| Political situation and its stability affect other factors which in turn affect your company | The country is in a relatively stable political environment. Accordingly, the Government has started few long-term planning and strategic innovations. | Periodic review of the situation to assess the impact, if any, and adjusting the business policies to address these risks. |



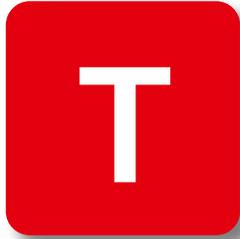
Economical

| Description | Change during the year 2024-25 | Response |
|--|--|---|
| Inflation, currency devaluation, economic growth and economic stability directly affect purchasing power of customers which can impact supply / demand factors | Inflation on average remained at 4.5 percent during the year as compared to 23.4 percent during the last year. Pak Rupee (PKR) depreciated by 2 percent (approx.) due to ongoing economic issues but measures are being taken by the State Bank of Pakistan to stabilize (PKR). Despite depreciation of Pak Rupee, the gross domestic product of the country witnessed a growth of 2.68 percent. | Worked on increasing the share in global market, due to slow down of national economy, and managed to enhance the exports manifold. |



Social

| Description | Change during the year 2024-25 | Response |
|--|--|--|
| A change in brand perception, loyalty or how a customer sees a certain product can greatly affect performance of a company | Emphasis on quality and greater value for money. | Free service campaigns and emphasis on "Right-First-Time" analogy to deliver quality products. |



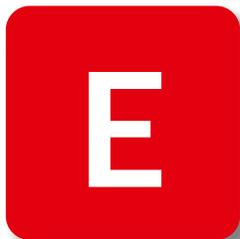
Technological

| Description | Change during the year 2024-25 | Response |
|--|---|---|
| Rapid change in technological landscape requires constant upkeep, otherwise product(s) may become obsolete or outdated | No significant change, as farmers are usually content with proven technology and value proposition by local tractor manufacturers. However, with an aim to obtain a share in global market, the company needs to innovate and move towards environment friendly and sustainable products. | Continuous research and development coupled with launch of new products, and constant improvements in assembly of products for the global market. |



Legal

| Description | Change during the year 2024-25 | Response |
|--|--|--|
| Tax and regulatory measures can have a significant impact on how a company operates and presents its financial and legal information | Significant updates in tax and regulatory environment, such as: -Taxation laws; -Labour related laws; -SBP regulations; and -Environmental laws. | Continuous review of compliance with legal, regulatory and reporting requirements. |



Ecological

| Description | Change during the year 2024-25 | Response |
|--|--|--|
| Global warming, availability of water and shift in seasons are impacting agriculture significantly, which can have a significant impact on the company's performance | During the year, agriculture sector performance was not as per last year. The sector grew only by 0.56% against last year's robust growth of 6.25% | Focus on sustainable and eco-friendly measures to protect the environment. |

SWOT Analysis

Strengths

- Market leader
- Comprehensive 3S and 2S dealer network throughout the country
- Partnership with AGCO for technology and expertise sharing
- A vast vendor-ship network for procurement of supplies
- Strong technical knowledge of the product due to technology transfer



Weaknesses

- Limited diversification
- Quality and reliability of the supply chain
- Limited market – Only local and limited exports



Opportunities

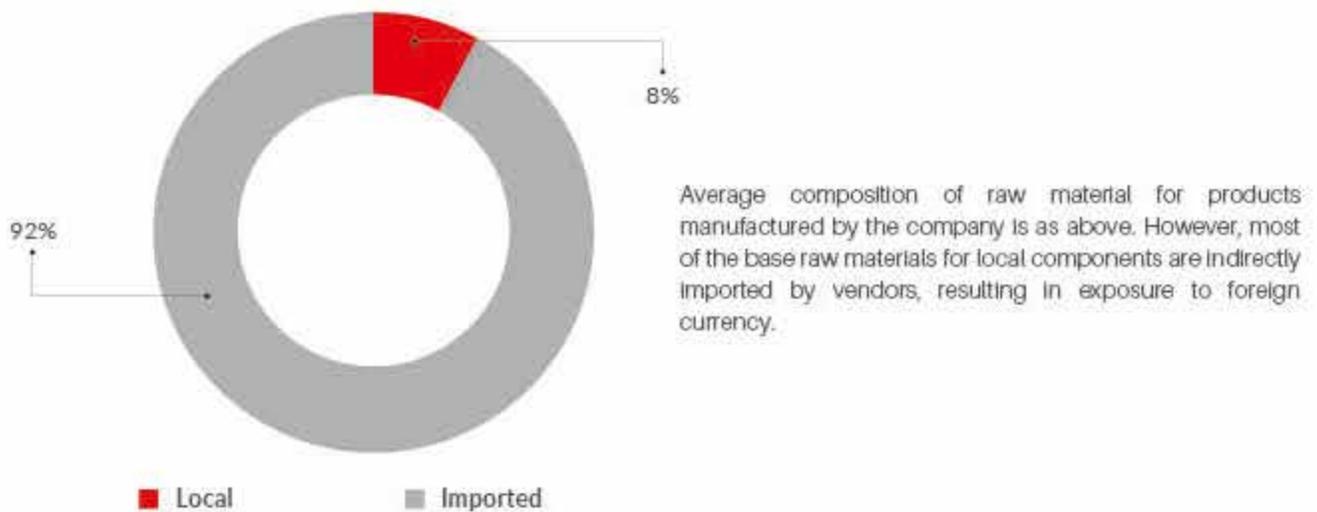
- Expanding export market by increasing presence in Africa and Middle East
- After sales market share by expanding spare parts sales
- Farm mechanization



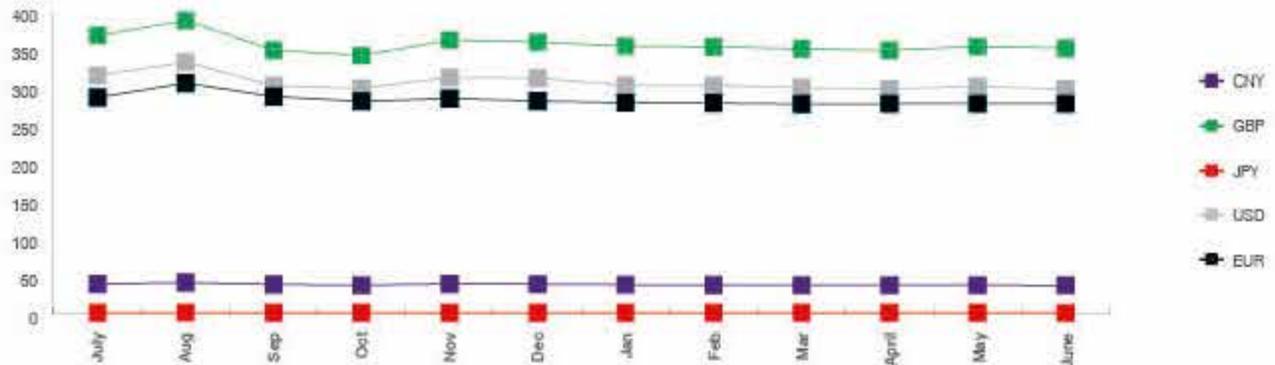
Threats

- Global warming
- Inflation and currency devaluation
- Inconsistent taxation policies
- New entrants in the sector

Composition of Local versus Imported Material and Sensitivity Analysis



The fluctuation in major foreign currencies during the year is as presented in the below graph:

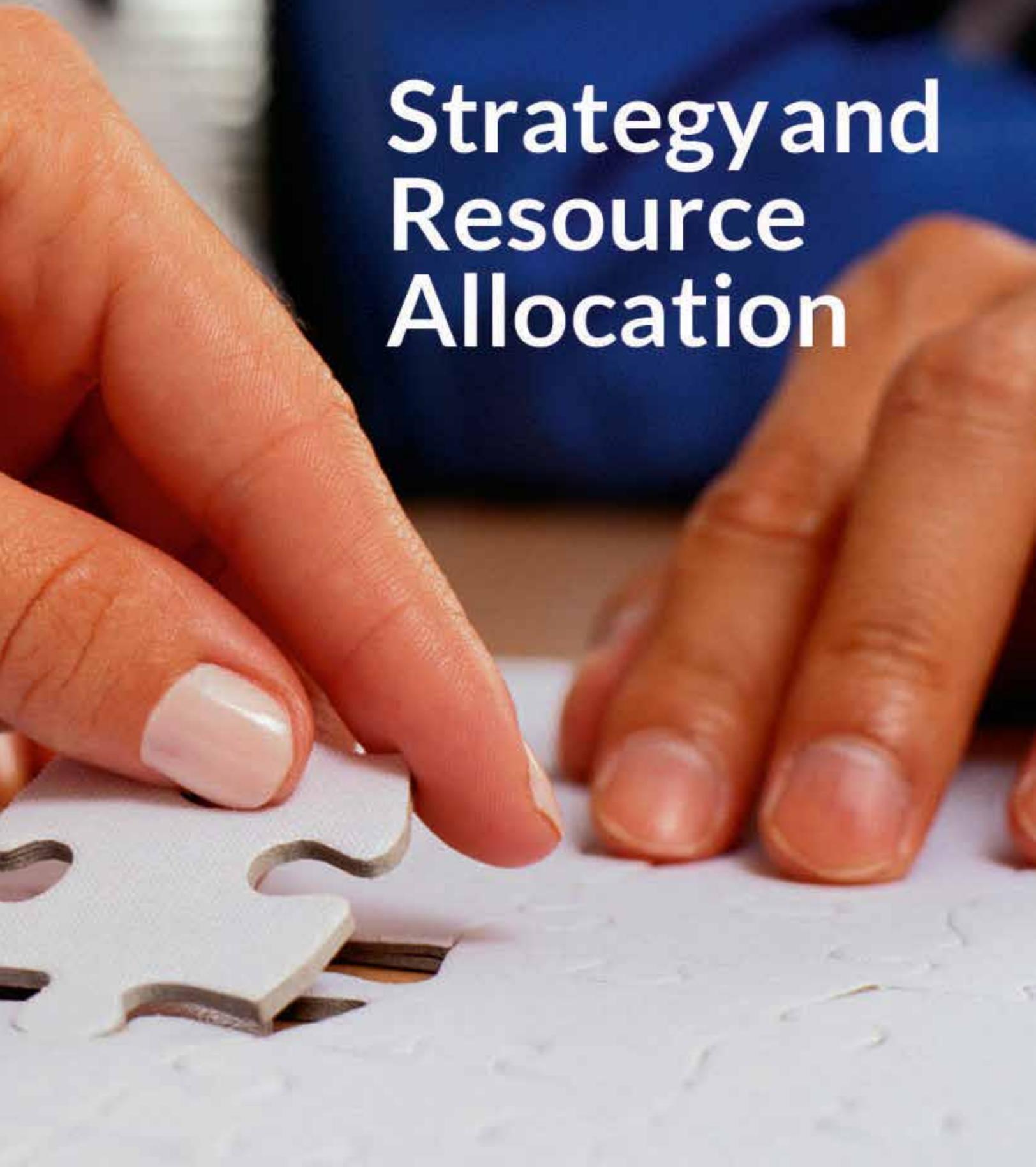


Source: SBP DOMESTIC MARKETS AND MONETARY MANAGEMENT DEPARTMENT WEIGHTED AVERAGE CUSTOMER EXCHANGE RATES

The Company is actively monitoring its exposure, and since no hedging options are available, selling prices will be adjusted as and when needed, to maintain profitability.



Strategy and Resource Allocation



Strategic Objectives

Long term objectives

- Constantly endeavor to be a market leader in terms of market share.
- Technology pace-setters in areas of operations.
- Drive sustainable and environment-friendly growth.
- Continuously improve efficiency and competitive strength.
- Enhance customer satisfaction through quality products and support services at competitive prices.
- Creation of value for all stakeholders.
- Enhance creativity and job satisfaction.
- Equal opportunities to all employees for personal development.
- Creating value for the national economy, with a strong sense of responsibility for the society and environment.

Medium and short-term objectives

- Increase local and export market share.
- Meeting working capital requirements by effective cash flow management.
- Ensure employee retention.
- Safeguard stakeholders' value.

Strategic plan

Millat Tractors Limited ensures that its facilities and operations are state of the art and enabled with latest technology to deliver quality products at optimum price point. In order to achieve this, the Company will continue to invest in its employees and technology.

The Company will continue to enable its vendors through technological and financial support. The Company also plans to work closely with those charged with governance of this country to ensure maximum value creation for all stakeholders.

Liquidity analysis

It is important to discuss and assure our stakeholders of the Company's liquidity position during these times when the economy is fluctuating. Despite all these challenges, we have managed to stabilize the liquidity position of the Company to an acceptable level.

During the year, sales tax refunds of the Company have also ballooned up to PKR 7.588 billion, the liquidity position could have been stronger had the pending sales tax refunds been paid to the Company in time. Management of the Company is actively pursuing this matter at every possible forum; and meanwhile, managing the operations of the Company through cash generated from operations, and utilization of adequate borrowing facilities, where required.

Significant plans

The Company aims to expand its global outreach by expanding its export operations and focusing on diversification through providing Information Technology enabled solutions. The immediate goal is to drive growth, while ensuring safety and well-being of all stakeholders and employees.

Changes in objectives

There has been no significant change in strategy and objectives from the previous years.



Key Performance Indicators

Quantitative



Tractor Units Sold



Export Sales



Earnings per Share



Market Share

Qualitative



Warranty Claims



Employee Retention



Right-First-Time Build



Compliance of Laws and Regulations



Resource Allocation Plans

| Human Capital | Financial Capital | Manufactured Capital | Intangible Capital | Relationship Capital |
|---|---|---|---|--|
| <ul style="list-style-type: none"> Annual performance appraisals allows the resource to set its objectives On-job training and development provided to each employee on the basis of TNA prepared / updated on yearly basis | <ul style="list-style-type: none"> Continuous monitoring of working capital requirements Investment of surplus funds to generate additional income No long-term financing requirements | <ul style="list-style-type: none"> Right-first-time manufacturing concept Continuous research and development activities for development and manufacturing of cost effective parts, products and design Strong affiliation with AGCO and Massey Ferguson to develop quality and cost effective tractors Diversification through other products such as forklifts, power generators, implements and multi-application products | <ul style="list-style-type: none"> Development of in-house and Independent Information technology service provider Partnership with International Financial Solutions (IFS) to develop Oracle based ERP Registration of Massey Ferguson brand in Pakistan by Millat Tractors Limited | <ul style="list-style-type: none"> Cordial relationship with all supply chain stakeholders Liasion and co-operation with government Compliance with laws and regulations Sustainable growth of the community by providing job opportunities for local population |

The company periodically reviews its plans to effectively and efficiently utilize its available resources as outlined above. The senior management is involved in monitoring and supervision of day to day activities to ensure accurate and appropriate actions.

Capital Structure of the Company



The company uses a mixture of long term debt and equity to maintain its capital structure. The company calculates its debt ratio as 'Long term debt / (Long term debt + Equity)'.

The company has obtained the following long term loans as at June 30, 2025:

- Loan from a commercial bank to maintain ownership stake of 15.86% in the Nishat Hyundai Motors (Private) Limited,
- Loan under renewable energy finance scheme by the State Bank of Pakistan; and
- Loan from a commercial bank to finance capex of Precision Engineering.

Risks and Opportunities



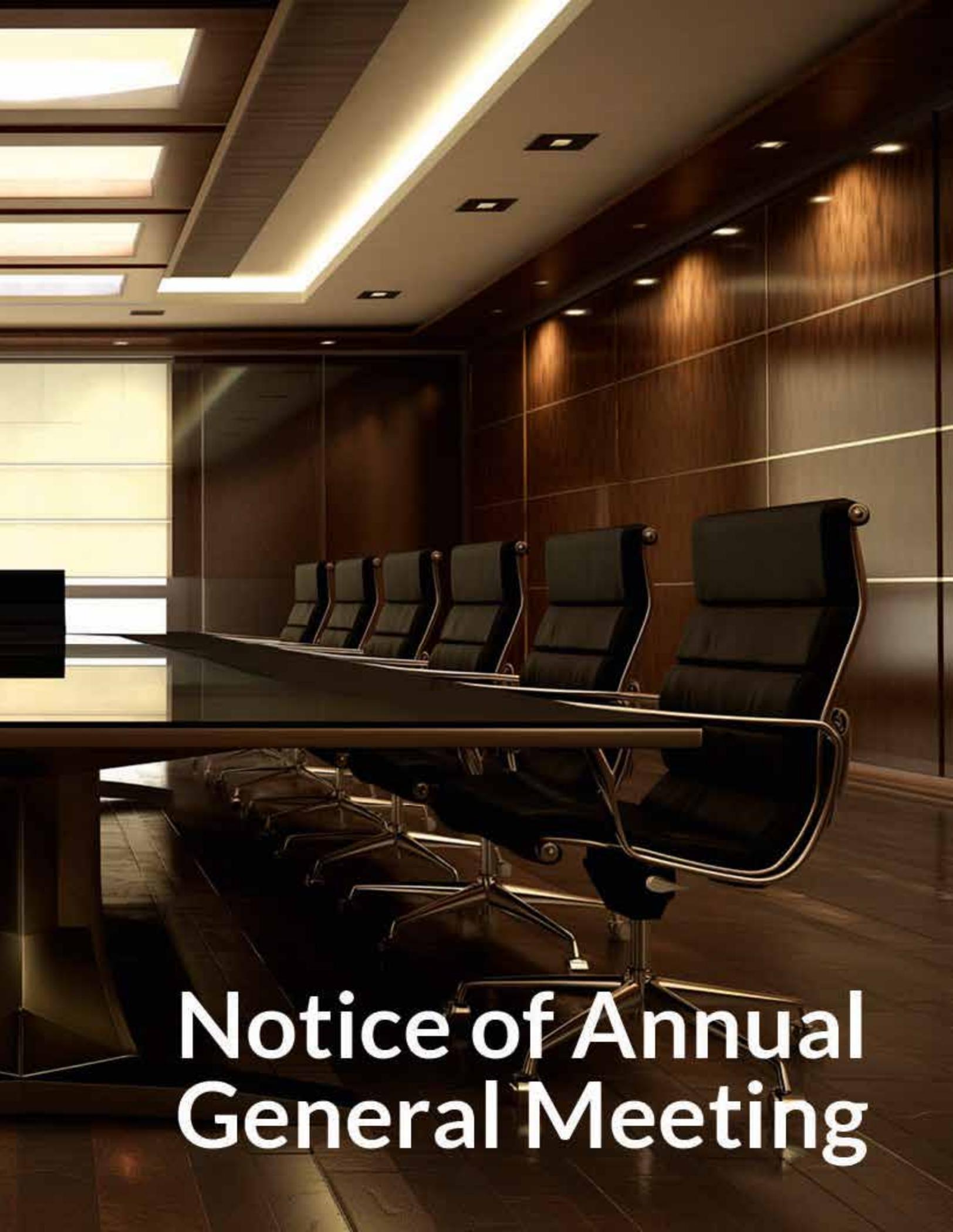


Risks and Opportunities

| Risks | Source | Magnitude | Chance of occurrence | Plan to address |
|--|----------|-----------|----------------------|--|
| <p>Liquidity risk:</p> <p>The company currently has net sales tax refundable, due to lower output tax rate on sale of its tractors. Delay in the release of sales tax refunds may create liquidity issues for the company which will hamper its operations.</p> | External | High | Medium | <ol style="list-style-type: none"> 1. Timely compliance with the requirements of laws and regulations to avoid delay(s) in processing. 2. Actively engaging with relevant tax authorities for release of sales tax refunds. |
| <p>Environment and sustainability:</p> <p>Recent global awareness with respect to climate change risk, environmental harm and other sustainability related issues, has increased disclosure and compliance requirements on part of the company, failure of which may result in legal action or penalties by relevant authorities or reputation loss.</p> | External | Low | Low | <ol style="list-style-type: none"> 1. Developing and implementing sustainability related policies and practices. 2. Periodic review of business performance to devise a mitigating plan, if necessary. 3. Engaging with stakeholders to include investors, consumers and regulators, to understand their expectations and concerns. |
| <p>Deterioration in quality of products:</p> <p>Quality plays an important role in product image, market share and customer perception.</p> <p>Quality of the company's products may deteriorate due to following factors:</p> <ul style="list-style-type: none"> • Supply of low quality products by a single-source vendor • Decrease in Right-First-Time assembly due to untrained staff • Failure to detect procurement of low quality components <p>This may result in loss of sales and reputation among prospective customers as well as reduction in market share.</p> | Internal | Medium | Low | <ol style="list-style-type: none"> 1. Ensuring proper quality checks of supplies from vendors by qualified and trained staff. 2. Conducting periodic trainings of staff to ensure their competency. 3. Strict vendor screening and monitoring process. |
| <p>Increase in costs due to currency devaluation and inflation:</p> <p>Inflation and devaluation of PKR against USD affects the company directly as well as indirectly. Bill of imports increases on account of PKR devaluation. On the other hand, local vendors are likely to push for price increase as majority of their raw material is also imported. These factors have a direct bearing on profitability of the company.</p> | External | Medium | Medium | Continuous monitoring of costs and impact of currency devaluation to evaluate any change required in strategy and targets. |

| Risks | Source | Magnitude | Chance of occurrence | Plan to address |
|---|----------|-----------|----------------------|---|
| <p>Information system / Enterprise Resource Planning (ERP) system failure:</p> <p>ERP system in place may malfunction or stop working, causing delays in operations and / or loss of sensitive information. Although there is a disaster recovery site in place, restoration of ERP database takes considerable time.</p> | Internal | Medium | Medium | <ol style="list-style-type: none"> 1. Keeping disaster recovery plan up to date, and ensuring its implementation in case of any event. 2. Training relevant personnel with respect to disaster recovery plan. 3. Ensuring that an effective business continuity plan is put up in concurrence with disaster recovery plan. |
| <p>High turnover of key employees resulting in loss of expertise:</p> <p>There is a risk that employees at key position may leave the company for better opportunity elsewhere. This may result in diminishing of competitive manpower.</p> | | | | <ol style="list-style-type: none"> 1. Training people to develop specialized skills and add width to their job description through role transition / job rotation. 2. Developing and maintaining an effective succession plan to minimize sudden loss of key personnel, if any. |
| Opportunities | Source | Magnitude | Chance of occurrence | Plan to capture |
| <p>Foreign expansion:</p> <p>The company is still making efforts in global markets, especially Africa, Middle East and Afghanistan to increase its global market share. Further, it is negotiating a deal with Massey Ferguson for exporting tractors to Mexico.</p> | External | High | Medium | <ol style="list-style-type: none"> 1. Enhancing quality of products to compete globally. 2. Engaging in research to develop tailored products for different markets. 3. Active engagement with principal (AGCO) to explore new avenues. |
| <p>Diversification/ Local expansion:</p> <p>The company is foreseeing to establish retail outlets in different cities in order to expand its spare parts sales. Based on its performance, there is a large potential in establishing more retail outlets all over Pakistan to capture this market as well.</p> <p>Moreover, there is also huge potential for agricultural related accessories as customer awareness for new technology is enhancing.</p> | Internal | Medium | Medium | <ol style="list-style-type: none"> 1. Educating customers about importance of usage of genuine spare parts. 2. Expanding spare parts' dealer network. 3. Introducing new categories of implements. |



A modern conference room with a long, dark wooden table and several black leather chairs. The room has wood-paneled walls and recessed ceiling lights. The text "Notice of Annual General Meeting" is overlaid in white at the bottom.

Notice of Annual General Meeting

Notice of Annual General Meeting

Notice is hereby given that 62nd Annual General Meeting of Millat Tractors Limited will be held at the Registered Office of the Company at 9 K.M. Sheikhpura Road, Shahdara, Lahore, on Friday October 24, 2025 at 11:30 A.M as well as through Video Conferencing facility to transact the following business:

A. Ordinary Business

- 1) To confirm minutes of the Extra Ordinary General Meeting held on March 17, 2025.
- 2) To receive, consider and adopt the financial statements of the Company and the Group for the year ended June 30, 2025 together with the Chairman's Review, Directors' and Auditors' Reports thereon.

[The Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link: (www.millat.com.pk) or please scan the QR code below to access the Annual Report]



- 3) To approve final cash dividend of Rs. 15.00 per share i.e., 150% in addition to the interim dividend of Rs. 45.00 per share i.e., 450% already paid making a total cash dividend of Rs. 60.00 per share i.e., 600%.
- 4) To appoint auditors M/s. A.F Ferguson & Co., Chartered Accountants and fix their remuneration for the year ending June 30, 2026.

B. Special Business

- 5) To ratify and approve transactions conducted with subsidiary/associated companies for the year ended June 30, 2025 by passing the following special resolution with or without modification.

"Resolved that the following transactions conducted with subsidiary/associated companies for the year ended June 30, 2025 be and are hereby ratified, approved and confirmed."

| 2025 (AMOUNT IN RUPEES) | | | |
|-------------------------|-----------------------|------------------------------------|------------------------|
| Particulars | TIPEG INTERTRADE DMCC | MILLAT INDUSTRIAL PRODUCTS LIMITED | BOLAN CASTINGS LIMITED |
| Purchase of components | 411,202,941 | 358,516,691 | 1,717,825,523 |
| Sale of components | 1,056,490,538 | - | - |

- 6) To authorize Chief Executive of the Company to approve transactions with subsidiary/associated companies for the year ending June 30, 2026 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 all the transactions with subsidiary/associated companies on case to case basis in normal course of business during the period from 62nd Annual General Meeting till the next Annual General Meeting of the Company.

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

C. Any other Business

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

By order of the Board

-SD-

Muhammad Faisal Azeem

Company Secretary

Lahore:
October 02, 2025

NOTES

1. The share transfer books of the Company will remain closed from October 17, 2025 to October 24, 2025 (both days inclusive) and no transfer will be accepted during this period. Transfers received, complete in all respect by the Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by the close of business on October 16, 2025 will be considered in time for the purpose of payment of final cash dividend, and for the purpose of attending and voting at the meeting.
2. A member entitled to attend and vote at this meeting may appoint another person as his/her proxy to attend the meeting and vote for him/her. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
3. Members, who have deposited their shares into Central Depository Company of Pakistan will further have to follow the under mentioned guidelines.

A. Attending of Meeting in Person

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC)/original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

B. Appointment of Proxies

- i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

- iii) The proxy shall produce his/her original CNIC/ original passport at the time of the meeting.
- iv) In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form to the Company.

4. Participation in the Annual General Meeting

SECP, through its guidelines, has directed the listed companies to also arrange the provision of video link facility. Accordingly, in the best health interest of our valued shareholders and to ensure maximum participation, the Company has also arranged video link facility for attending this AGM. The shareholders interested in attending AGM through video link are requested to register their following particulars by sending an email at corporate.affairs@millat.com.pk

| Folio / CDC Account No. | Company Name | No. of shares held | Name | CNIC | Cell No. | Email Address |
|-------------------------|-------------------------|--------------------|------|------|----------|---------------|
| | Millat Tractors Limited | | | | | |

The video link and login credentials will be shared with the shareholders whose emails, containing all the requested particulars, are received at the above email address by or before the close of business hours (5:00 P.M.) on Wednesday, October 22, 2025.

5. Polling on Special Business Resolutions

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Millat Tractors Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Friday October 24, 2025 at 11:30 A.M, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at www.millat.com.pk for download.

Procedure for E-Voting:

- I. Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 16, 2025.
- II. The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 20, 2025, 09:00 A.M. and shall close on October 23, 2025 at 5:00 P.M. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently

Procedure for Voting Through Postal Ballot

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address at 9 K.M. Sheikhpura Road, Shahdara, Lahore or email at corporate.affairs@millat.com.pk during working hours one day before the Annual General Meeting to be held on October 24, 2025. The signature on the ballot paper shall match the signature on CNIC.

6. Non-CDC 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 Registrar of the Company M/s. CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, All the shareholders holding shares through CDC are requested to update their addresses and Zakat status with their participants. This will assist in prompt receipt of Dividend.

7. Mandatory submission of CNIC

As per clause 6 of the Companies (Distribution of Dividends) Regulations, 2017 read with Section 242 of the Companies Act, 2017, the company has withheld and in future will also withhold cash dividend payment to shareholders who have not yet provided their valid CNIC number. In case your cash dividend is withheld due to aforesaid reason, you are requested to kindly provide legible copy of your valid CNIC to Company's Share Registrar if you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

8. Payment of Cash Dividend Electronically

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. Notices of the foregoing seeking information from shareholders for payment of dividend through electronic mode were sent earlier. The shareholders who have not submitted their details are now once again requested to provide their folio number, name and details of bank account consisting of bank name, branch name, branch code, Account number, Title of Account and IBAN in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's Participant/CDC Investor Account Services.

9. E-Dividend Registration

Central Depository Company (CDC) has developed a Centralized Cash Dividend Register (CCDR), an eServices web portal which would incorporate details pertaining to cash dividends paid, unpaid or withheld by company. counter foil of cash dividend showing details of dividend, tax withheld and Zakat deducted etc shall be available electronically via CCDR Web Portal. Shareholders can get the counterfoil and complete information of all cash dividends paid by the company by registering and accessing CCDR Web Portal at following link: <https://csp.cdcaccess.com.pk/#/login>

10. Placement of Accounts on website

The financial statements of the Company for the year ended June 30, 2025 along with reports have been placed at the website of the Company www.millat.com.pk.

11. Transmission of Annual Financial Statements through email

The Securities and Exchange Commission of Pakistan has allowed companies to circulate annual financial statements, auditors' and directors' reports along with notice of annual general meeting to its members through e-mail.

12. Circulation of Company's Annual Audited Financial Statements through QR Enabled Code and Web link

SECP through SRO. 389 (1)/2023 dated March 21, 2023 has allowed listed companies to circulate the Annual Audited Financial Statements to their members through QR enabled code and web-link. Accordingly, the annual audited financial statements are being circulated through following QR Enabled code and weblink.

| Weblink | QR Code |
|--|---|
| www.millat.com.pk |  |

13. Conversion of Physical Shares in to Book Entry Form

Securities and Exchange Commission of Pakistan (SECP) through its circular no. CSD/ED/Misc/2016-639-640 dated March 26, 2021 has advised the Listed Companies to adhere with the provisions of section 72 of the Companies Act, 2017 (the Act) by replacing shares issued by them in physical form with the shares to be issued in the Book entry Form. The shareholders having physical folios/share certificates are requested to convert their shares from physical form to book entry form at the earliest. The shareholders may contact any stock broker, CDC Participant (member of PSX) or CDC Investor Account services for assistance in opening of CDS Account and subsequent deposit of physical shares into the account in Book entry form.

The same would facilitate the shareholders in many ways including safe custody of shares, no loss of shares, avoidance of formalities required for issuance of duplicate shares and readily available for sale and purchase in open market at prevailing better rates. The shareholders may contact our share registrar for details.

14. In pursuance of directive issued by the Securities & Exchange Commission of Pakistan, no gifts will be distributed at the meeting.

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

Agenda item no. 5

(Related party Transactions (RPTS))

(As per Regulation 5(1) of The Companies (Related party Transactions and Maintenance of Related Records) regulations, 2018

During financial year ended on June 30, 2025, transactions with subsidiary/associated companies in the normal course of business were made by the Company. As per Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, transactions carried out in normal course of business with subsidiary/associated companies (Related Parties) were required to be approved by the Board on quarterly basis duly recommended by the Audit Committee. Majority of directors were interested in these transactions due to their common directorship and holding of shares in the subsidiary/associated companies, the quorum of directors could not be formed for approval of these transactions, therefore the shareholders in their last Annual General Meeting had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders. Therefore, these transactions have to be approved/ratified by the shareholders in the Annual General Meeting. The Board of Directors has approved the ratification of these transactions in its meeting held on September 15, 2025 and recommends the members to approve the same.

It may be noted that principal activity of the company is assembly/manufacture of Agri tractors for which components are procured from approximately 150 vending industries including group companies in the normal course of business.

Bolan Castings Limited (BCL) manufacture intricate tractor components i.e., major tractor castings etc. for which limited sources are available in the country. Millat Industrial Products Limited (MIPL) manufactures tractor batteries while tractors and components are exported through TIPEG INTERTRADE DMCC (TIPEG). In addition, components are imported through TIPEG for in house use by the Company. During the year sale of scrap and swarf etc was also made to BCL for in house consumption.

The commercial reasons for entering into RPTs are the following.

- Availability of state of the art production facilities.
- Advanced Technical Know How.

- Dedicated production facilities.
- Elaborated testing facilities for MTL.
- Smooth supply chain

The Company has the following equity in the Subsidiary Companies.

| | |
|------------------------------------|--------|
| TIPEG Inter Trade DMCC | 75.00% |
| Millat Industrial Products Limited | 64.09% |
| Bolan Castings Limited | 46.26% |

The common directors and their relatives have the following shareholding in the associated companies.

| Sr. No. | Name of Director(s) | TIPEG | MIPL | BCL |
|---------|---------------------------------------|---------------|------------------|----------------|
| | | No. of Shares | No. of Shares | No. of Shares |
| 1 | Mr. Sikandar Mustafa Khan & Relatives | 100 | 625,312 | 166,369 |
| 2 | Mr. Sohail Bashir Rana & Relatives | 100 | 416,874 | 4,359 |
| 3 | Mr. Laeeq Uddin Ansari & Relatives | 100 | 416,875 | 3,120 |
| 4 | Mr. Qaiser Saleem & Relatives | | 228,205 | 3,622 |
| | TOTAL | 300 | 1,687,266 | 177,470 |
| | PERCENTAGE OF SHAREHOLDING | 15.00% | 16.38% | 1.55% |

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

| Name of related party | | TIPEG | MIPL | BCL |
|---|--------------------------------|---|---|---|
| Names of interested or concerned persons or directors | | Mr. Sikandar Mustafa Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Qaiser Saleem (Not a Director in BCL & TIPEG) Mr. Muhammad Mustafa Khan (Not a Director in BCL & TIPEG) Mr. Muhammad Mustafa Sohail (Not a Director in BCL & TIPEG) | | |
| 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 & shareholding: Mr. Sikandar Mustafa Khan Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Qaiser Saleem (Not a Director in BCL & TIPEG) Mr. Muhammad Mustafa Khan (Not a Director in BCL & TIPEG) Mr. Muhammad Mustafa Sohail (Not a Director in BCL & TIPEG) | | |
| Detail, description, terms and conditions of transactions | | 1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders | 1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders 3. Services | 1. Purchase of components against Confirmed orders 2. Sale of components against Confirmed orders 3. Services |
| Amount of Transactions | Purchase of components/ assets | 411,202,941 | 358,516,691 | 1,717,825,523 |
| | Sale of components | 1,056,490,538 | - | - |

| Name of related party | | TIPEG | MIPL | BCL |
|--|------------------------|--------------------------|--------------------------|--------------------------|
| Time frame or duration of the transactions or contracts or arrangements. | | 01-07-2024 to 30-06-2025 | 01-07-2024 to 30-06-2025 | 01-07-2024 to 30-06-2025 |
| Pricing Policy | Purchase of components | At Mutually Agreed price | | |
| | Sale of components | 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.6

Authorization to CEO for Related Party Transactions (RPTs)[transactions with subsidiary/associated companies]

The Company shall be conducting Related Party Transactions (RPTs) with subsidiary/associated companies during the year ending June 30, 2026 in the normal course of business. Seven out of thirteen directors are interested in these transactions due to their common directorship and shareholding in the subsidiary/associated companies. After exclusion of interested directors and in case of absence of any uninterested director from the meeting, the remaining directors cannot form a valid quorum for the purpose of required approvals. Therefore, in order to satisfy the aforesaid requirement of approval by the Board on quarterly basis and in the absence of formation of required quorum for the purpose, the transactions with subsidiary/associated companies will be presented in next AGM for seeking approval/ratification.

Further, in order to avoid non-compliance of any regulatory provision and to ensure routine approval of these transactions throughout the year, the shareholders may authorize the Chief Executive to approve the transactions carried out and to be carried out in normal course of business with subsidiary/associated companies during the period from 62nd AGM to next AGM.

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

ڈائریکٹرز گروپ کمپنیوں میں اپنی مشترکہ ڈائریکٹرشپ اور شیئر ہولڈنگ کی حد تک قرارداد میں دلچسپی رکھتے ہیں۔

ایجنڈا اسٹیم نمبر-6

ریٹیلڈ پارٹی ٹرانزیکشنز (RPTs) (ماتحت) وابستہ کمپنیوں کے ساتھ ریٹیلڈ پارٹی

ٹرانزیکشنز کیلئے CEO کو اجازت

کئی 30 جون، 2025 کو ختم ہونے والے سال کے دوران ماتحت/ وابستہ کمپنیوں کے ساتھ معمول کے کاروبار میں ریٹیلڈ پارٹی ٹرانزیکشنز (RPTs) کرے گی، 13 میں سے 7 ڈائریکٹرز اپنی مشترکہ ڈائریکٹرشپ اور ماتحت/ وابستہ کمپنیوں میں شیئر ہولڈنگ کی وجہ سے اس لین وین میں دلچسپی رکھتے ہیں۔ دلچسپی رکھنے والے ڈائریکٹرز کے اخراج کے بعد اور دلچسپی نہ رکھنے والے ڈائریکٹرز کی اجلاس میں غیر موجودگی کی صورت میں، باقی ڈائریکٹرز مطلوبہ منظور یوں کے مقصد کیلئے درست گورننس بنا سکتے۔ لہذا، یہ مابقی بنیادوں پر پورے کی جانب سے منظور یوں کی مذکورہ بالا ضرورت کو پورا کرانے کیلئے اور اس مقصد کیلئے مطلوبہ گورننس کی تشکیل کی عدم موجودگی میں، ماتحت کمپنیوں کے ساتھ لین وین کو منظور یوں/ توثیق کے حصول کیلئے اگلی AGM میں پیش کیا جائیگا۔

مزید برآں، کسی بھی ریگولیٹری پروویژن کی عدم تعمیل سے بچنے کیلئے اور سال بھر ان لین وین کی معمول کی منظوری کو یقینی بنانے کیلئے، حصص یافتگان 62 ویں AGM سے اگلی AGM تک کی مدت کے دوران کیلئے، چیف ایگزیکٹو کو اختیار دے سکتے ہیں کہ وہ کئے گئے لین وین کی منظوری دے سکے اور ماتحت/ وابستہ کمپنیوں کے ساتھ کاروبار کو معمول کے مطابق کیا جائے۔

ڈائریکٹرز اس قرارداد میں اپنی مشترکہ ڈائریکٹرشپ اور ماتحت کمپنیوں میں شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

مشترکہ ڈائریکٹرز اور ان کے رشتہ داروں کی ذیلی کمپنیوں میں درج ذیل شیئر ہولڈنگ ہے:

| رد نمبر | ڈائریکٹر (ڈائریکٹران) کے نام | ذیلی پیک | ایم آئی بی ایل | بی ایل |
|---------|------------------------------------|--------------|------------------|----------------|
| | حصص کی تعداد | حصص کی تعداد | حصص کی تعداد | حصص کی تعداد |
| 1- | جناب سکندر مصطفیٰ خان اور شہنہ وار | 100 | 625,312 | 166,369 |
| 2- | جناب سکیل شیراز اور شہنہ وار | 100 | 416,874 | 4,359 |
| 3- | جناب نقی الدین انصاری اور شہنہ وار | 100 | 416,875 | 3,120 |
| 4- | جناب قیصر نسیم اور شہنہ وار | - | 228,205 | 3,622 |
| | کل | 300 | 1,687,268 | 177,470 |
| | شیئر ہولڈنگ کا حساب | 15.00% | 16.38% | 1.55% |

ریٹیلڈ پارٹی فرائز یکسٹرز کی معلومات، جیسا کہ یکسٹرز ریگولیشن (1) کے تحت درکار ہے (ریٹیلڈ پارٹی فرائز یکسٹرز اور منجفی ٹیس آف ریٹیلڈ ریکارڈز) ریگولیشن 2018 درج ذیل ہے:

| ریٹیلڈ پارٹی فرائز | ذیلی پیک | ایم آئی بی ایل | بی ایل |
|--|----------------------------------|---|--|
| دیگری رکھنے والے یا حلقہ داروں یا ڈائریکٹرز کے نام | | جناب سکندر مصطفیٰ خان جناب سکیل شیراز جناب نقی الدین انصاری جناب قیصر نسیم (ذیلی پیک اور بی ایل کے ڈائریکٹرز نہیں ہیں) جناب محمد مصطفیٰ خان (ذیلی پیک اور بی ایل کے ڈائریکٹرز نہیں ہیں) جناب محمد مصطفیٰ سکیل (ذیلی پیک اور بی ایل کے ڈائریکٹرز نہیں ہیں) | |
| ریٹیلڈ پارٹی میں ڈائریکٹرز، شیئرز یا گلیڈی ایٹنگ ایجنٹوں کے ناموں کے ذیلی یا دیگر مفادات یا تحفظات کی مکمل معلومات کی درخواست، مفادات یا تحفظات کی وضاحت | | مشترکہ ڈائریکٹرشپ اور شیئر ہولڈنگ ہے: جناب سکندر مصطفیٰ خان جناب سکیل شیراز جناب نقی الدین انصاری جناب قیصر نسیم (ذیلی پیک اور بی ایل کے ڈائریکٹرز نہیں ہیں) جناب محمد مصطفیٰ خان (ذیلی پیک اور بی ایل کے ڈائریکٹرز نہیں ہیں) جناب محمد مصطفیٰ سکیل (ذیلی پیک اور بی ایل کے ڈائریکٹرز نہیں ہیں) | |
| لیسن رین سے متعلق تفصیلی شرائط و ضوابط | | 1- تصدیق شدہ آراء کیلئے ہڈوں کی خریداری 2- تصدیق شدہ آراء کیلئے ہڈوں کی فروخت 3- سرسبز | 1- تصدیق شدہ آراء کیلئے ہڈوں کی خریداری 2- تصدیق شدہ آراء کیلئے ہڈوں کی فروخت 3- سرسبز |
| لیسن رین کی رقم | ہڈوں کی خریداری ہڈوں کی فروخت | 411,202,941 1,056,490,538 | 1,717,825,523 - |
| لیسن رین یا معاہدوں یا تفکعات کا تخمینہ فروری اور جولائی | | 30-06-2025 تا 01-07-2024 | 30-06-2025 تا 01-07-2024 |
| دیوٹیوں کا تخمینہ کرنے کی پالیسی | ہڈوں کی خریداری ہڈوں کی فروخت | پالیسی متفقہ ہے پالیسی متفقہ ہے | |

13۔ فریکل شیئرز کو بک انٹری فارم میں تبدیل کرنا:

دستیاب ہیں، ملت انٹرنیشنل پروڈکٹس لمیٹڈ (MIPL) ٹریڈنگ میٹریاں تیار کرتا ہے جبکہ ٹریڈنگ اور پرنٹ سے علاوہ، کمپنی کے ذریعے گھریلو استعمال کیلئے پرنٹ سے TIPEG INTERTRADE DMCC (TIPEG) کے ذریعے برآمد کئے جاتے ہیں، اس کے دوران اسکرپ اور برادو فیورہ کی فروخت بھی گھریلو استعمال کیلئے BCL کوئی گئی۔

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے سرگرم نمبر CSD/ED/Misc/3026-639-640 مورخہ 26 مارچ 2021 کے ذریعے لٹھ کمپنیوں کو ہدایت کی ہے کہ ویکٹیز ایکٹ 2017 (ایکٹ) کی شق 72 کی دفعات پر، ان کی جانب سے فریکل فارم میں جاری کردہ حصص کی جگہ بک آف انٹری فارم میں جاری کر کے، عمل کریں۔ فریکل فریکل/فریکل شیئرز شیکڈ رکھنے والے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ جلد از جلد اپنے حصص کو فریکل فارم سے بک انٹری فارم میں تبدیل کریں، حصص یافتگان کسی بھی اسٹاک بروکر، سی ڈی سی پابلسٹیٹ (PSX) کا ممبر یا سی ڈی سی اکاؤنٹ سروسز سے CDS اکاؤنٹ کھولنے اور اس کے بعد فریکل شیئرز کو بک انٹری فارم میں اکاؤنٹ میں جمع کروانے میں مدد کیلئے رابطہ کر سکتے ہیں۔

RPTs میں داخل ہونے کی تہائی و جوبات درج ذیل ہیں:

- جدید ترین پیہ اداری سہولتوں کی دستیابی۔
- اہلی درجے کی ٹیکنیکی معلومات۔
- مخصوص پیہ اداری سہولیات۔
- ایم بی ایل کیلئے تفصیلی جانچ کی سہولیات۔
- ہموار پائی چین۔

ماحتہ کمپنیوں میں کمپنی کے پاس درج ذیل انکوییری ہیں:

| | |
|------------|------------------------------|
| 75.00 فیصد | ٹائی پیب انٹرنیٹ (ڈی ایم سی) |
| 64.09 فیصد | ملت انٹرنیشنل پروڈکٹس لمیٹڈ |
| 46.26 فیصد | بولان کاسٹنگ لمیٹڈ |

یہ حصص یافتگان کو کئی طریقوں سے سہولت فراہم کرے گا جن میں حصص کی محفوظ تھیل، حصص کا نقصان نہ ہونا، ڈیٹیکٹ حصص کے اجراء کیلئے درکار رہی کارروائیوں سے گریز اور موجودہ بہتر زرخود پر اوپن مارکیٹ میں فروخت اور خریداری کیلئے آسانی سے دستیاب ہے، حصص یافتگان تفصیلات کیلئے ہمارے شیئرز ہنڈل سے رابطہ کر سکتے ہیں۔

14۔ پاکستان کی سیکورٹیز اینڈ ایکسچینج کمیشن کی جانب سے جاری کردہ ہدایت کے مطابق، اجلاس میں کوئی تھائف تقسیم نہیں کیے جائیں گے۔

کمپنیز ایکٹ 2017 کی شق (3) 134 کے تحت بیان

ایجنڈا آئٹم نمبر 5 (متعلقہ پارٹی ٹرانزیکشنز (RPTs))

(کمپنیز ریلیٹڈ پارٹی ٹرانزیکشنز اینڈ ریلیٹڈ ریکارڈ مینٹننس) ریگولیشنز 2018 کے

ضابطے (1) 5 کے مطابق:

30 جون، 2025 کو ختم ہونے والے مالی سال کے دوران، کمپنی کی جانب سے کاروبار کے معمول کے مطابق ماحتہ/ وابستہ کمپنیوں کے ساتھ لین دین کئے گئے۔ لٹھ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے ضابطے 15 کے مطابق، ماحتہ/ وابستہ کمپنیوں (ریلیٹڈ پارٹیز) کے ساتھ کاروبار کے معمول کے دوران کئے جانے والی ٹرانزیکشنز کو سرمایہ بنیادوں پر آڈٹ کمپنی کی باقاعدہ منظوری کیساتھ منظور کیا جانا ضروری تھا، زیادہ تر ڈائریکٹرز ان ٹرانزیکشنز میں دلچسپی رکھتے تھے کیونکہ ان کی مشورہ ڈائریکٹرز کیلئے اور ماحتہ/ ذیلی کمپنیوں میں حصص رکھنے کی وجہ سے ان ٹرانزیکشنز کی منظوری کیلئے ڈائریکٹرز کا کورم نہیں بن سکا، اس لئے حصص یافتگان نے اپنے گزشتہ سالانہ اجلاس عام میں شیئرز ہولڈرز کی حتمی منظوری/ توثیق سے مشروط، کمپنی کے چیف ایگزیکٹو کو ان ٹرانزیکشنز کو معمول کے کاروبار میں منظور کرنے کیلئے اہتمام از ذکر کرنے کی منظوری دی تھی، لہذا ان ٹرانزیکشنز کو سالانہ اجلاس عام میں شیئرز ہولڈرز کی جانب سے منظور/ توثیق کرنی ہوگی۔ بورڈ کے ڈائریکٹرز نے 15 ستمبر، 2025 کو منظور ہونے والے اپنے اجلاس میں ان لین دین کی توثیق کی منظوری دی ہے اور اراکین کو بھی اس کی منظوری دینے کی سفارش کی ہے۔

واضح رہے کہ کمپنی کی اصل سرگرمی ایگری ٹریڈنگ کی اسٹیبلشمنٹ ہے، جس کیلئے تقریباً 150 ویڈنگ انٹرنیشنل سے پرنٹ جات حاصل کئے جاتے ہیں جن میں گروپ کمپنیاں بھی شامل ہیں، بولان کاسٹنگ لمیٹڈ (BCL) ٹریڈنگ کے پیچھے پرنٹ سے ٹریڈنگ کاسٹنگ وغیرہ تیار کرتے ہیں جن کیلئے ملک میں محدود ذرائع

iv- ای ڈیجٹل 20 اکتوبر، 2025 صبح 09:00 بجے سے شروع ہوگی اور 123 اکتوبر، 2025 کو شام 5:00 بجے بند ہوگی۔ ممبران اس مدت کے دوران کارڈ باری اوقات میں کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں، ایک بار جب کسی رکن کی جانب سے قرارداد پر ووٹ ڈال دیا جائیگا تو اسے بعد ازاں تبدیلی کرنے کی اجازت نہیں ہوگی۔

پوشل بیلٹ کے ذریعے ووٹ ڈالنے کا طریقہ کار۔

ممبران اس بات کو یقینی بنائیں گے کہ کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی کیساتھ درست طریقے سے بڑا اور دستخط شدہ بیلٹ بھی، اجلاس کے اختتام کے پاس، کمپنی کے رجسٹرڈ ایڈریس 9 K.M، شیٹو پورہ روڈ، شاہد روڈ، لاہور یا ای میل corporate_affairs@millat.com.pk پر مورخہ 24 اکتوبر، 2025 کو ہونے والے سالانہ اجلاس عام سے ایک روز قبل پہنچ جائیں، بیلٹ بھی پر دستخط CNIC پر دستخط سے مماثل ہونا چاہئے۔

6-

نان سی ڈی سی حصص یافتگان سے درخواست کی جاتی ہے کہ چیک تبدیلی (اگر کوئی ہو) سے فوری طور پر مطلع کریں اور اگر قابل اطلاق ہو تو CZ-50 فارم (ذکوہ کی عدم کنوٹی کیلئے) کمپنی کے رجسٹرار سسرز سی ڈی سی شیئر رجسٹرار سروسز ایجنڈ، سی ڈی سی ہاؤس، 99-B، بلاک S.M.C.H.S، میں شاہراہ فیصل، کراچی-74400 کے پاس جمع کرائیں، سی ڈی سی کے ذریعے حصص رکھنے والے تمام حصص یافتگان سے درخواست ہے کہ وہ اپنے شراکے کیساتھ اپنے بچے اور ذکوہ کی حیثیت کو اپ ڈیٹ کریں، اس سے ڈیوٹیڈ کی فوری وصولی میں مدد ملے گی۔

7- سی این سی جمع کرانا لازمی:

کمپنیز (اڈزری بیژن آف ڈیوٹیڈ) ریگولیشنز 2017 کی حق 16 اور کمپنیز ایکٹ 2017 کی حق 242 کے مطابق، کمپنی نے ان حصص یافتگان کو ڈیوٹیڈ کی ادائیگی روک دی ہے اور مستقبل میں بھی کمپنی ڈیوٹیڈ کی ادائیگی نہیں کی جائیگی، جنہوں نے ابھی تک اپنا درست CNIC نمبر فراہم نہیں کیا ہے، اگر آپ کا کمپنی ڈیوٹیڈ مذکورہ وجہ سے روک دیا جاتا ہے تو آپ سے درخواست کی جاتی ہے کہ اگر آپ کے پاس فزیکل فارم میں حصص ہیں تو براہ مہربانی اپنے کارآمد CNIC کی صاف کاپی کمپنی کے شیئر رجسٹرار کو فراہم کریں یا اگر حصص ایک ایٹری فارم میں رکھے گئے ہیں تو متعلقہ شرکت کنندہ، انوسٹر اکاؤنٹ سروسز کو فراہم کریں۔

8- نقد ڈیوٹیڈ کی الیکٹرونک ادائیگی:

کمپنیز ایکٹ 2017 کی حق 242 کے مطابق، نقد میں قابل ادائیگی کوئی بھی ڈیوٹیڈ صرف الیکٹرونک موڈ کے ذریعے براہ راست نقد اور حصص یافتگان کے نامزد کردہ بینک اکاؤنٹ میں ادا کیا جائیگا، الیکٹرونک موڈ کے ذریعے ڈیوٹیڈ کی ادائیگی کیلئے حصص یافتگان سے معلومات طلب کرنے کے نوٹس پہلے ہیجے گئے تھے، جن حصص یافتگان نے اپنی تفصیلات جمع نہیں کرائی ہیں اب ایک بار پھر ان سے درخواست کی جاتی ہے کہ وہ اپنا فوئیو نمبر، نام اور بینک اکاؤنٹ کی تفصیلات فراہم کریں جس میں بینک کا نام، برانچ کا نام، برانچ کا کوڈ، اکاؤنٹ نمبر، اکاؤنٹ کا ٹائٹل اور IBAN شامل ہوں، جس میں وہ اپنا منافع چاہتے ہیں، کریڈٹ کیا جائیگا، جس میں ناکام رہنے کی صورت میں کمپنی کسی دوسرے طریقے سے ڈیوٹیڈ ادا کرنے سے قاصر ہوگی، درخواست فارم کمپنی کی ویب سائٹ پر بھی رکھا گیا ہے، ممبران سے گزارش ہے کہ جلد از جلد اس بار سے معلومات ارسال کریں۔

اگر حصص سی ڈی سی میں رکھے گئے ہیں تو فارم کو براہ راست حصص یافتہ کے شرکت کنندہ، سی ڈی سی انوسٹر اکاؤنٹ سروسز میں جمع کرانا چاہئے۔

9- ای ڈیوٹیڈ رجسٹریشن:

سینٹرل ڈپازٹری کمپنی (سی ڈی سی) نے ایک سینٹرلائزڈ کمپنیز ڈیوٹیڈ رجسٹر (CCDR) تیار کیا ہے، ایک ای سروسز ویب پورٹل جس میں کمپنی کی جانب سے ادا کردہ، غیر ادا کردہ، غیر ادا شدہ پاروں کے گئے نقد منافع سے متعلق تفصیلات شامل ہوں گی، کمپنی ڈیوٹیڈ کا ڈیوٹیڈ پروفاکل، جس میں ڈیوٹیڈ ٹیکس روکے گئے اور ذکوہ کی کنوٹی وغیرہ کی تفصیلات ظاہر ہوتی ہیں، CCDR ویب پورٹل کے ذریعے الیکٹرونک طور پر دستیاب ہوگی، حصص یافتگان درج ذیل لنک پر رجسٹریشن اور CCDR ویب پورٹل <https://csp.cdcaaccess.com.pk/#/login> تک رسائی حاصل کر کے کمپنی کی جانب سے ادا کئے گئے تمام نقد منافع کی معلومات حاصل کر سکتے ہیں۔

10- ویب سائٹ پر اکاؤنٹس:

30 جن، 2025 کو قائم ہونے والے سال کیلئے کمپنی کے مالیاتی گوشواروں کیساتھ رپورٹس کمپنی کی ویب سائٹ www.millat.com.pk پر رکھی گئی ہیں۔

11- ای میل کے ذریعے سالانہ مالیاتی گوشواروں کی ترسیل:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے کمپنیوں کو سالانہ اجلاس عام کے نوٹس کیساتھ، سالانہ تفصیلی سٹیٹمنٹس، آڈیٹرز اور ڈائریکٹرز کی رپورٹس، اپنے ممبران کو بذریعہ ای میل ارسال کرنے کی اجازت دی ہے۔

12- QR فعال کوڈ اور ویب لنک کے ذریعے کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کی ترسیل:

SECP نے SRO.389(1)/2023 مورخہ 21 مارچ، 2023 کے ذریعے نوٹس کمپنیوں کو اجازت دی ہے کہ وہ اپنے سالانہ آڈٹ شدہ مالیاتی گوشوارے اپنے ممبران کو QR فعال کوڈ اور ویب لنک کے ذریعے بھیجیں، اسی مناسبت سے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو درج ذیل QR فعال کوڈ اور ویب لنک کے ذریعے ارسال کیا جا رہا ہے۔

| QR کوڈ | ویب سائٹ |
|---|--|
|  | www.millat.com.pk |

نوٹس:

- 1- کبھی کے حصص کی منتقلی کی کتابیں 117 اکتوبر، 2025 سے 24 اکتوبر، 2025 (دونوں دن شامل ہیں) تک بند رہیں گی اور اس مدت کے دوران کوئی منتقلی قبول نہیں کی جائیگی۔ شیئرز رجسٹرار، میسرز سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک S.M.C.H.S.R، شاہراہ فیصل، کراچی۔ 74400 کے ذریعے 16 اکتوبر، 2025 کو کاروبار کے اختتام تک ہر لحاظ سے مکمل موصول ہونے والی منتقلی کوڈ یو این ڈی ادا کیلیں، اجلاس میں شرکت کرنے اور ووٹنگ کیلئے بروقت تصور کیا جائیگا۔
- 2- اس اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار رکن کسی دوسرے شخص کو اپنی جانب سے اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنا پرکسی مقرر کر سکتا ہے، مؤثر ہونے کیلئے پراسیڈر کے اجلاس سے کم از کم 48 گھنٹے قبل کبھی کے رجسٹرار آفس میں باقاعدہ ممبر اور دستخط شدہ، موصول ہوجانی چاہئے۔
- 3- جن ممبران نے اپنے حصص سینٹرل ڈپازٹری کبھی آف پاکستان میں جمع کرائے ہیں، انہیں مزید مندرجہ ذیل ہدایات پر عمل کرنا ہوگا:

الف) ذاتی طور پر اجلاس میں شرکت:

- (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق آپ لوڈ کی گئی ہے، اجلاس میں شرکت کے وقت اپنا اصل کیپیڈ انڈسٹری ٹومی شیفتی کارڈ (CNIC) / اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا۔
- (ii) کارپوریٹ ادارے کی صورت میں، اجلاس کے وقت بورڈ آف ڈائریکٹرز کی قرارداد اور/یا آف انٹرنیٹ بائرنڈر شخص کے دستخط کیساتھ پیش کیا جائیگا۔

ب) پراسیڈر کی تقرری

- (i) افراد کے معاملے میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر اور/یا وہ شخص جس کی سیکورٹیز گروپ اکاؤنٹ میں ہیں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق آپ لوڈ کی گئی ہیں، مندرجہ بالا ضرورت کے مطابق پراسیڈر جمع کرائیں گے۔
- (ii) تنظیمی ادارے کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپیاں، پراسیڈر قائم کیساتھ پیش کرنا ہوں گی۔
- (iii) پراسیڈر کو اجلاس کے وقت اپنا اصل CNIC / اصل پاسپورٹ پیش کرنا ہوگا۔
- (iv) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد اور/یا آف انٹرنیٹ نمونہ دستخط کیساتھ کبھی کو پراسیڈر قائم کے ساتھ جمع کرنا ہوگا۔

4- سالانہ اجلاس عام میں شرکت:

SECP نے اپنی ہدایات کے ذریعے، لسٹڈ کمپنیوں کو ڈیولونگ کی سہولت کی فراہمی کا بھی بندوبست کرنے کی ہدایت کی ہے، اسی مناسبت سے، ہمارے قابل قدر حصص یافتگان کی بہترین صحت کیلئے اور زیادہ سے زیادہ شرکت کو یقینی بنانے کیلئے، کبھی نے اس AGM میں شرکت کیلئے ڈیولونگ کی سہولت کا بھی انتظام کیا ہے، ڈیولونگ کے ذریعے AGM شرکت کرنے میں دلچسپی رکھنے والے حصص یافتگان سے درخواست کی جاتی ہے کہ وہ اپنی درج ذیل تفصیلات corporate.affairs@millat.com.pk پر ای میل کریں۔

| ڈیولونگ نمبر | کبھی نام | موجودہ حصص کی تعداد | ۴ | CNIC | تعلق نمبر | ای میل ایڈریس |
|--------------|----------|---------------------|---|------|-----------|---------------|
| | | | | | | |

ڈیولونگ اور لاگ ان کی تفصیلات ان حصص یافتگان کے ساتھ شیئر کیا جائیگا جن کی ای میل، تمام درخواست کردہ تفصیلات پر مشتمل، مذکورہ ای میل ایڈریس پر بدھ 22 اکتوبر، 2025 کو کاروباری اوقات کے اختتام (شام 5:00 بجے) سے قبل موصول ہوئی ہوں۔

5- خصوصی امور پر پولنگ:

ممبران کو بذریعہ ڈیولونگ کیا جاتا ہے کیلئے (پولنگ ٹیبلٹ) (ریگولیشنز) 2018 ("ریگولیشنز") جو کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان ("SECP") کے جاری کردہ ہیں، کے مطابق SECP نے تمام لسٹڈ کمپنیوں کو خصوصی امور کے تحت درجہ بند تمام امور پر ممبران کو بذریعہ ڈاک ووٹ دینے کا حق فراہم کرنے کی ہدایت کی ہے۔

اسکے مطابق، ملٹ ٹریکٹرز لمیٹڈ ("کبھی") کے ممبران کو اسکے آنے والے سالانہ اجلاس عام جو کہ بروز بدھ 24 اکتوبر، 2025 دوپہر 11:30 بجے، منعقد ہوگا، میں ضروریات کے مطابق اور مذکورہ بالا ضوابط میں موجود شرائط سے مشروط، خصوصی امور کیلئے الیکٹرونک ووٹنگ کی سہولت یا ڈاک کے ذریعے ووٹ دینے کا حق استعمال کرنے کی اجازت ہوگی۔

ممبران کی سہولت کیلئے ٹیبلٹ پیج اس نوٹس کیساتھ منسلک ہے اور یہ کبھی کی ویب سائٹ www.millat.com.pk پر بھی ڈاؤن لوڈ کیلئے دستیاب ہے۔

ای دوونگ کا طریقہ کار:

- I- ای دوونگ کی سہولت کی تفصیلات کبھی کے ان اراکین کیساتھ ایک ای میل کے ذریعے شیئر کی جائیں گی جن کے کارڈ CNIC نمبر، تعلق نمبر اور ای میل ایڈریس کبھی کے ممبران کے رجسٹر میں 16 اکتوبر، 2025 کو کاروبار کے اختتام تک دستیاب ہو گئے۔
- II- ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے ای میل کے ذریعے اراکین کو مطلع کیا جائیگا، سی ڈی سی شیئرز رجسٹرار سروسز لمیٹڈ (ای دوونگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے بذریعہ SMS اراکین کو سیکورٹی کوڈز کی اطلاع دی جائیگی۔
- III- ای دوونگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرونک دستخط یا لاگ ان کیلئے تصدیق کے ذریعے کی جائیگی۔

نوٹس برائے سالانہ اجلاس عام

اطلاع دی جاتی ہے کہ ملت ٹریڈنگز لمیٹڈ کا 62 واں سالانہ اجلاس عام بروز جمعہ 24 اکتوبر، 2025ء کو پہر 11:30 بجے کمپنی کے رجسٹرڈ دفتر 9 گلوسٹر ٹیچو پور روڈ، شاہدرو، لاہور میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا جس میں ویڈیو کانفرنسنگ کے ذریعے شرکت کی سہولت بھی ہوگی۔

الف) عمومی امور

- 1- 17 اربح، 2025 کو ہونے والے غیر معمولی سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- جھڑ میں کے جائزہ، ڈائریکٹرز اور ڈائریکٹرز کی رپورٹس کیساتھ 30 جون، 2025 کو ختم ہونے والے سال کیلئے کمپنی اور گروپ کے مالیاتی گوشواروں پر غور کرنا اور اپنانا۔ کمپنی کے مالیاتی بیانات کمپنی کی ویب سائٹ پر اپ لوڈ کر دیے گئے ہیں جنہیں درج ذیل لنک سے ڈاؤن لوڈ کیا جاسکتا ہے: (www.millat.com.pk) پابراہم سالانہ رپورٹ تک رسائی کے لیے نیچے دیا گیا کیو آر کوڈ اسکین کریں۔



- 3- آئینی منافع حصہ 15.00 روپے فی شیئر یعنی 150 فی صد اور عبوری منافع حصہ 45.00 روپے فی شیئر یعنی 450 فی صد (جو کہ پہلے سے ادا شدہ ہے) جو کہ مجموعی منافع حصہ 60.00 روپے فی شیئر جو کہ 600 فیصد بنتا ہے کی منظوری۔
- 4- آڈیٹرز میسرز اے۔ ایف فرمن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری نیز 30 جون، 2026 کو ختم ہونے والے سال کیلئے ان کا معاوضہ طے کرنا۔

ب) خصوصی امور

- 5- 30 جون، 2025 کو ختم ہونے والے سال کیلئے ذیلی/وابستہ کمپنیوں کے ساتھ کئے گئے لین دین کی توثیق اور منظوری کیلئے درج ذیل خصوصی قرارداد کو ترمیم کیساتھ یا اسکے بغیر منظور کرنا۔
"قرارداد ذیلی/وابستہ کمپنیوں کیساتھ 30 جون، 2025 کو ختم ہونے والے سال کیلئے کئے گئے مندرجہ ذیل لین دین کی توثیق، منظوری اور تصدیق کی جاتی ہے"

| درآمدوں میں) 2025 | | | |
|-------------------|--|--|--|
| تعمیرات | ذیلی/وابستہ کمپنیوں کے ساتھ لین دین کی توثیق اور منظوری کیلئے درج ذیل خصوصی قرارداد کو ترمیم کیساتھ یا اسکے بغیر منظور کرنا۔ | ذیلی/وابستہ کمپنیوں کے ساتھ لین دین کی توثیق اور منظوری کیلئے درج ذیل خصوصی قرارداد کو ترمیم کیساتھ یا اسکے بغیر منظور کرنا۔ | ذیلی/وابستہ کمپنیوں کے ساتھ لین دین کی توثیق اور منظوری کیلئے درج ذیل خصوصی قرارداد کو ترمیم کیساتھ یا اسکے بغیر منظور کرنا۔ |
| 1,717,825,523 | 358,516,691 | 411,202,941 | 1,056,490,536 |

- 6- کمپنی کے چیف ایگزیکٹو کو 30 جون، 2026 کو ختم ہونے والے سال کیلئے ذیلی/وابستہ کمپنیوں کے ساتھ کئے گئے لین دین کی توثیق اور منظوری کیلئے درج ذیل خصوصی قرارداد کو ترمیم کیساتھ یا اسکے بغیر منظور کرنا۔
"طے پایا کہ کمپنی کے چیف ایگزیکٹو کو کمپنی کے 62 ویں سالانہ اجلاس عام سے لے کر اگلے سالانہ اجلاس عام تک کی مدت کے دوران امور کو معمول کے مطابق ذیلی/وابستہ کمپنیوں کیساتھ تمام لین دین کی منظوری دینے کا اختیار ہے۔

مزید طے پایا کہ ان لین دین کو اگلے سالانہ اجلاس عام میں شیئر ہولڈرز کے سامنے ان کی توثیق/منظوری کیلئے رکھا جائیگا"

ج) امور دیگر

جھڑ کی اجازت سے کوئی دیگر امور

محکم پورڈ

محمد فیصل عظیم

کمپنی سیکریٹری

لاہور:

02 اکتوبر، 2025



Governance



Board of Directors



Mr. Sikandar M. Khan
Chairman



Mr. Raheel Asghar
CEO



Mr. Sohail Bashir Rana
Executive Director



Mr. Laeeq Uddin Ansari
Executive Director



Qaiser Saleem
Non-Executive Director



Mr. Saad Iqbal
Non-Executive Director



Mr. Muhammad Mustafa Khan
Non-Executive Director



Mr. Muhammad Mustafa Sohail
Non-Executive Director



Mr. Murad Naseer Uddin Ansari
Non-Executive Director



Mr. Nasar Us Samad Qureshi
Independent Director



Mr. Muhammad Javed Rashid
Independent Director



Mr. Manzoor Ahmed
Independent Director



Ms. Zara Salman Bandal
Independent Director

Board Committees

AUDIT COMMITTEE

| | |
|-------------------------------|----------|
| Mr. Nasar Us Samad Qureshi | Chairman |
| Mr. Qaiser Saleem | Member |
| Mr. Muhammad Mustafa Khan | Member |
| Mr. Muhammad Mustafa Sohail | Member |
| Mr. Murad Naseer Uddin Ansari | Member |

The terms of reference are as per Code of Corporate Governance.

HUMAN RESOURCE AND REMUNERATION COMMITTEE

| | |
|------------------------------|----------|
| 1. Mr. Muhammad Javed Rashid | Chairman |
| 2. Mr. Qaiser Saleem | Member |
| 3. Ms. Zara Salman Bandial | Member |
| 4. Mr. Raheel Asghar | Member |

The terms of reference are as follows:

- Recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors);
- Recommending human resource management policies to the Board.
- Recommending to the Board regarding the appointment of chief financial officer, company secretary and head of internal audit.
- Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

FINANCE COMMITTEE

| | |
|----------------------------|----------|
| 1. Mr. Sohail Bashir Rana, | Chairman |
| 2. Mr. Laeeq Uddin Ansari | Member |
| 3. Mr. Raheel Asghar | Member |

The terms of reference are as follows

- Product(s) pricing including tractors.
- Approval of mutual funds for investment/disinvestment of Company funds.
- Capital Expenditure as per authority table.
- Review Budget proposals prior to finalization.
- Approval of Traveling Abroad up to Executive Grade.
- Retainership (approval and fixation of compensation).
- Any matter(s) brought to the notice of committee for consideration.

The Chairman of the Board shall monitor functioning of the committee.

MARKETING COMMITTEE

| | |
|---------------------------|----------|
| 1. Mr. Sohail Bashir Rana | Chairman |
| 2. Mr. Laeeq Uddin Ansari | Member |
| 3. Mr. Raheel Asghar | Member |

The terms of reference of the Marketing Committee are as follows:

- Formulation of sales/marketing strategy.
- Appointment/termination of dealers including agreements.
- Allowing commission /discounts.
- Approval of priority for early delivery.
- Introducing of incentive schemes.
- Other matters relating to sales & marketing.

The Chairman of the Board shall monitor functioning of the committee.

BOARD'S COMMITTEE FOR GROUP SUPERVISION (BCGS)

| | |
|----------------------------------|----------|
| 1. Mr. Sikandar Mustafa Khan | Chairman |
| 2. Mr. Sohail Bashir Rana | Member |
| 3. Mr. Laeeq Uddin Ansari | Member |
| 4. Mr. Qaiser Saleem | Member |
| 5. Mr. Muhammad Mustafa Khan | Member |
| 6. Mr. Muhammad Mustafa Sohail | Member |
| 7. Mr. Murad Naseer Uddin Ansari | Member |

The terms of reference are as follows

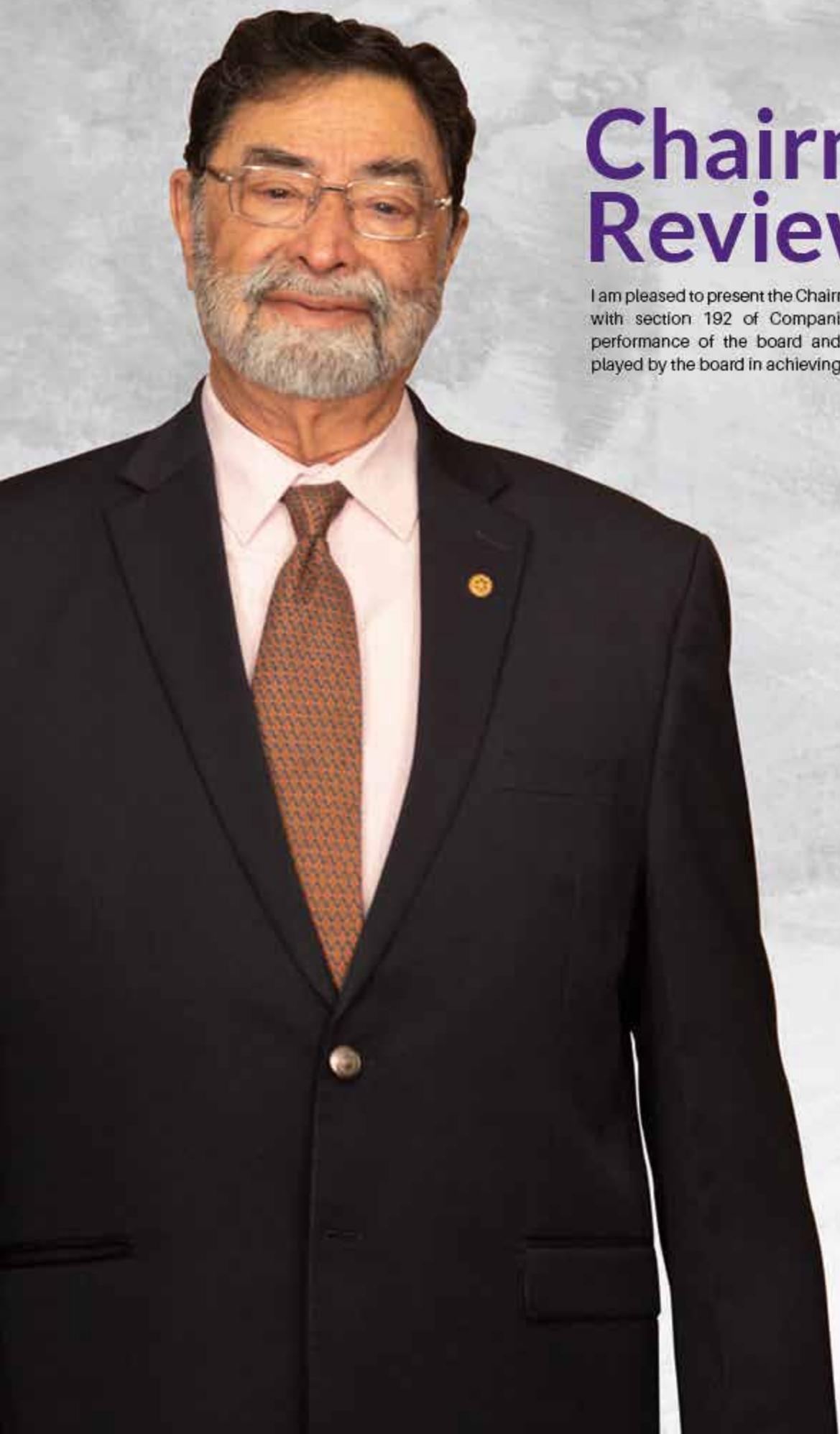
- Approve plan for future growth, expansion and new project of the Company.
- Review over all business performance.
- Approve major projects including new investments.

ESG COMMITTEE

| | |
|----------------------------|----------|
| 1. Mr. Saad Iqbal | Chairman |
| 2. Mr. Sohail Bashir Rana | Member |
| 3. Ms. Zara Salman Bandial | Member |
| 4. Mr. Raheel Asghar | Member |

The terms of reference shall be as follows

- Monitor and review sustainability related risks and opportunities of the company.
- Ensure DE&I practices are in effect at various board committees.
- Oversee compliance of relevant laws pertaining to relevant sustainability related considerations and its appropriate disclosures.
- Submit a report to the board, at least once a year, on embedding sustainability principles into the organization's strategy and operations to increase corporate value.



Chairman's Review

I am pleased to present the Chairman's review in accordance with section 192 of Companies Act, 2017, on overall performance of the board and effectiveness of the role played by the board in achieving Company's objectives.

During the financial year-2025, your Company delivered 18,580 tractors compared to last year figure of 30,620 tractors despite various economic challenges.

GOVERNANCE ROLE OF THE BOARD

Composition and dynamics of the Board

Board's role is to provide entrepreneurial leadership of the Company within a framework of prudent effective controls, which enables risk to be assessed and managed. The Board performs three major roles in a Company - it provides direction (i.e. sets the strategic direction of the company), monitors and provides advisory support to management (advisory role). These roles are in accordance with the vision and mission for achieving the Company's business objectives in accordance with Companies Act, 2017.

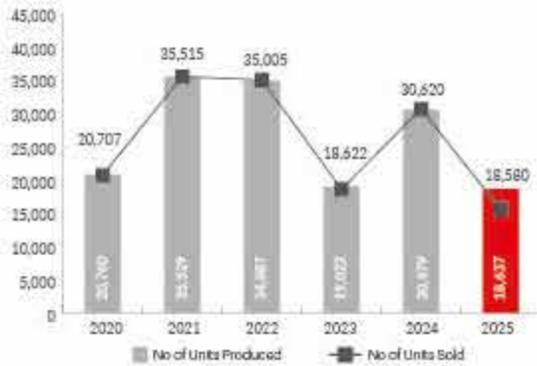
The composition of the Board is given below:

- Independent Directors:04
- Executive Directors:03
- Non-Executive Directors:06

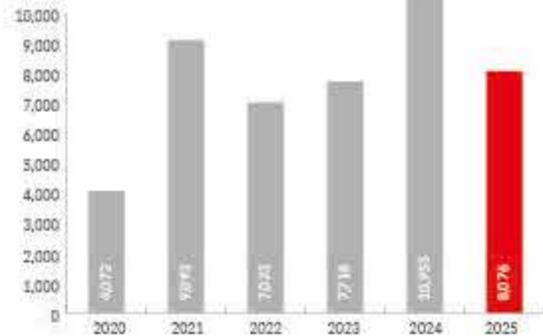
In order to ensure stewardship and monitor the direction, the Board has made sub-committees which in my opinion have significantly contributed in steering and managing the Company. These committees ensure due compliance of Code of Corporate Governance and include:

- Audit Committee
- Human Resource and Remuneration Committee
- Finance Committee
- Marketing Committee
- Board Committee for Group Supervision
- Environmental Social Governance Committee (ESG)

Sale / Production Volume Units



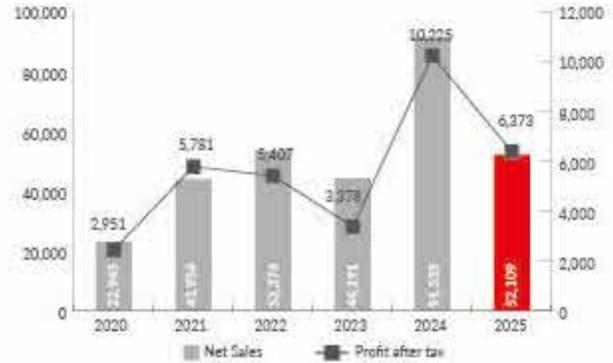
Shareholders Equity (Rs. In Million)



Sales / Pre-Tax Profit (Rs. In Million)



Sales / After-Tax Profit (Rs. In Million)



Board Evaluation

As required under the Code of Corporate Governance and as per past practice, a mechanism consisting of a comprehensive questionnaire was circulated to all directors for evaluation of performance of Board's and its committees performance. The key areas covered included:

- Strategy and planning
- Board operations and effectiveness
- Measuring and monitoring of performance
- Professional development

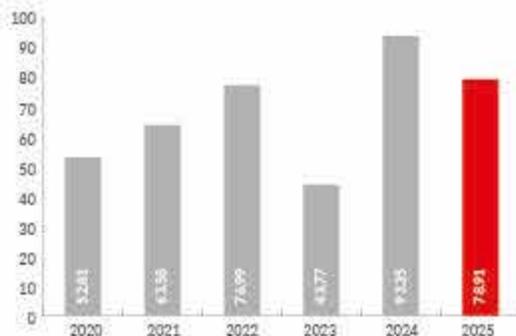
Individual feedback was obtained and on the basis of that feedback the average rating of the performance of the Board

and role of Chairman regarding governing the BOD was found up to the mark as is evident by the performance of the company and its overall image.

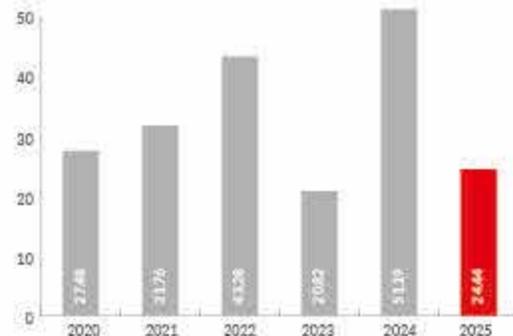
Overall Economic and Industry Review

During Financial year 2025, Pakistan's economy made a modest progress towards stabilization resulting in GDP growth of 2.68%, due to improvement in fiscal indicators and declining inflation. However, the agriculture sector growth target was missed and it grew marginally by 0.56% due to decline in major crop production. Important crops declined by 13.49% due to reduction in cultivation area and adverse weather conditions significantly affecting cotton (-30.7%)

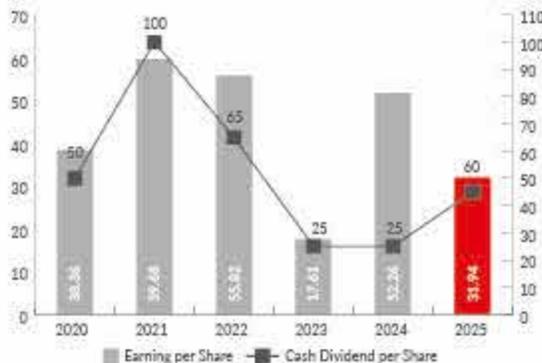
Return on Equity (Percentage)



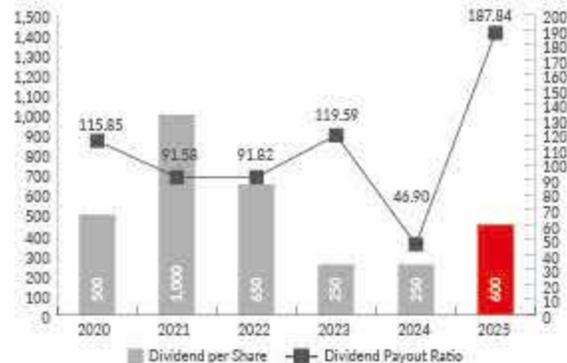
Return on Assets (Percentage)



Earning / Dividend Per Share (Rupees)



Dividend Payout Ratio (Percentage)



Gross Profit / Net Profit After Tax (Percentage)



Break up / Market Value Per Share (Rupees)



wheat (-8.9%) sugar cane (-3.9%), maize (-15.4%) and rice (-1.4%). The manufacturing sector recorded moderate growth of 1.3% in financial year 2025, compared to 3% in financial year 2024. Despite overall macroeconomic stabilization, Large Scale Manufacturing contracted by 1.5%*
*(Source Economic Survey of Pakistan)

The tractor industry also faced a decline and sales dropped to 29,192 units which were lowest in two decades. Despite low sales of industry, your company achieved a market share of 63.64% by selling 18,580 tractors which also included 5,795 tractors sold under Green tractor subsidy scheme of the Government of Punjab. The tractor industry also struggled with liquidity challenges and policy-driven disruptions, including delayed tax refunds and weakened farm economics.

Sales in value terms also declined from Rs. 91.53 billion to Rs. 52.11 billion, i.e., a decrease of 43.1%. The EPS for the year was Rs.31.94 as compared to EPS of Rs. 52.26 (restated) of the corresponding period of last year.

Sales Tax refunds of around Rs 7.588 billion are outstanding for a considerable period which has resulted in liquidity issues for the company and additional financial costs to fund the borrowing needed to continue operations. Despite the overall economic and financial challenges, your

Company has managed to achieve profits while keeping its supply chain intact in the outgoing fiscal year. We are optimistic that economic situation of Pakistan, which has started moving towards recovery and growth will result in better performance of the Company.

I extend my gratitude towards Board of Directors, shareholders, vendors, dealers and employees of MTL and acknowledge their hard-work. Being an agricultural country, the farmers will continue to be dependent on tractor for mechanized farming.

We all stay safe during these testing times and may Allah pull us out successfully.

Sikandar Mustafa Khan
Chairman

Millat Tractors Limited
Lahore: September 15, 2025

فروخت کی مالیت کے لحاظ سے بھی کمی واقع ہوئی اور یہ گزشتہ سال کے 91.53 ارب روپے سے گھٹ کر 52.11 ارب روپے رہی، یعنی 43.1% کی کمی۔ سال کے دوران فی حصص آمدنی 31.94 روپے رہی، جو گزشتہ سال کے اسی عرصے کی فی حصص آمدنی 52.26 روپے (ریٹیلڈ) کے مقابلے میں کم ہے۔

تقریباً 7.588 ارب روپے کے سیکورٹیز ریٹنڈ زطویل عرصے سے زیر التواء ہیں، جس کے باعث کمپنی کو لیکویڈیٹی کے مسائل اور اضافی مالی اخراجات کا سامنا کرنا پڑا تا کہ آپریٹنگ کو جاری رکھنے کے لیے قرض حاصل کیا جاسکے۔

مجموعی معاشی اور مالی مشکلات کے باوجود، آپ کی کمپنی نے رواں مالی سال میں منافع کمایا اور اپنی سہولتی چین کو برقرار رکھا۔ ہمیں امید ہے کہ پاکستان کی معیشت، جو بحالی اور ترقی کی سمت بڑھ رہی ہے، کمپنی کی بہتر کارکردگی کا باعث بنے گی۔

میں بورڈ آف ڈائریکٹرز، حصص یافتگان، ویڈرز، ڈیلرز اور ایم ٹی ایل کے ملازمین کا مشکور ہوں اور ان کی محنت کو سراہتا ہوں۔ ایک زرعی ملک ہونے کے ناطے، کسان ہمیشہ پیشنی کا شکاری کے لیے ٹریکٹرز پر انحصار کرتے رہیں گے۔

اللہ ہم سب کو ان مشکل حالات میں سلامت رکھے اور ہمیں کامیابی کے ساتھ ان سے نکالے۔



اکتدر مصطفیٰ خان

چیئرمین

ملٹ ٹریکٹرز لمیٹڈ

لاہور، 15 ستمبر، 2025

چیمپئن کا جائزہ

میں چیمپئن ایکٹ، 2017 کے سیکشن 192 کے تحت بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول کے لئے بورڈ کے ممبروں کی جانب سے دیئے گئے جائزے کو پیش کرنے پر خوشی محسوس کرتا ہوں۔

مالی سال 2025 کے دوران آپ کی کمپنی نے اقتصادی چیلنجوں کے باوجود مجموعی طور پر 18,580 ٹریکٹرز فروخت کیے جبکہ گزشتہ اسی مدت کے دوران یہ سیکلز 30,620 ٹریکٹرز تھے۔

بورڈ کا انتظامی کردار

بورڈ کی تشکیل اور ساخت

بورڈ کا کردار کمپنی کو ایک فریم ورک کے اندر کاروباری قیادت فراہم کرنا ہے جو محتاط اور موثر کنٹرولز پر مبنی ہوتا ہے تاکہ خطرات کا اندازہ لگایا جاسکے اور انہیں موثر طریقے سے منسوخ کیا جاسکے۔ بورڈ کمپنی میں تین بڑے کردار ادا کرتا ہے۔ یہ رہنمائی فراہم کرتا ہے (یعنی کمپنی کی اسٹرٹجی سمیت متعین کرتا ہے)، مینیجمنٹ کی نگرانی کرتا ہے اور مشاورتی معاونت فراہم کرتا ہے (مشاورتی کردار)۔ یہ تمام کردار کمپنی کے کاروباری مقاصد کے حصول کے لیے اس کے ڈٹن اور مشن کے مطابق اؤٹکمیٹریز ایکٹ 2017 کے تحت ہیں۔

بورڈ کی ساخت درج ذیل ہے۔

| | |
|----|-----------------------------|
| 04 | خود مختار ڈائریکٹرز |
| 03 | ایگزیکٹو ڈائریکٹرز |
| 06 | دیگر نان ایگزیکٹو ڈائریکٹرز |

راہنمائی کو یقینی بنانے اور سمت کی نگرانی کے لیے بورڈ نے ذیلی کمیٹیاں تشکیل دی ہیں، جو میری رائے میں کمپنی کو آگے بڑھانے اور موثر طور پر منظم کرنے میں نمایاں کردار ادا کر چکی ہیں۔ یہ کمیٹیاں کارپوریٹ گورننس کے ضابطہ اخلاق کی مکمل تعمیل کو یقینی بناتی ہیں اور یہ درج ذیل پر مشتمل ہے:

- آڈٹ کمیٹی
- ہیومن ریسورس اور ریٹرنیشن کمیٹی
- ٹائٹس کمیٹی
- مارکیٹنگ کمیٹی
- گروپ سپرویزن کے لئے بورڈ کمیٹی
- انوائسٹمنٹل سوشل گورننس کمیٹی (ای ایس جی)

بورڈ کی کارکردگی کا جائزہ

کارپوریٹ گورننس کے ضابطے کے مطابق اور سابقہ عمل کے تحت، بورڈ اور اس کی کمیٹیوں کی کارکردگی کے جائزے کے لیے ایک جامع سوالنامہ تمام ڈائریکٹرز میں تقسیم کیا گیا۔ اس میں درج ذیل اہم شعبہ جات شامل تھے:

- حکمت عملی اور منصوبہ بندی
- بورڈ کے عملی امور اور مؤثریت
- کارکردگی کی پیمائش اور نگرانی
- پیشہ ورانہ ترقی

انفرادی آراء حاصل کی گئیں اور ان آراء کی بنیاد پر بورڈ کی کارکردگی اور چیمپئن کے کردار بطور بورڈ آف ڈائریکٹرز کے سربراہ کی اوسط درجہ بندی تسلی بخش پائی گئی، جس کا ثبوت کمپنی کی کارکردگی اور اس کی مجموعی ساکھ سے ظاہر ہوتا ہے

مجموعی اقتصادی اور صنعتی جائزہ

مالی سال 2025 کے دوران، پاکستان کی معیشت نے استحکام کی جانب معمولی پیشرفت کی، جس کے نتیجے میں مالی اشاریوں میں بہتری اور افراط زر میں کمی کے باعث پی ڈی پی میں 2.68% اضافہ ہوا۔ تاہم زرعی شعبہ اپنی ترقی کا ہدف حاصل نہ کر سکا اور بڑی فصلوں کی پیداوار میں کمی کے سبب محض 0.56% کی معمولی شرح سے بڑھا۔ اہم فصلوں میں 13.49% کمی ریکارڈ کی گئی، جو کاشت کے رتبے میں کمی اور خراب موسمی حالات کے باعث ہوئی۔ اس کمی نے کپاس (-30.7%)، گندم (-8.9%)، گنا (-3.9%)، مکی (-15.4%) اور چاول (-1.4%) کی پیداوار کو نمایاں طور پر متاثر کیا۔ مالی سال 2025 میں مینوفیکچرنگ سیکٹور نے 1.3% کی معمولی شرح سے ترقی کی، جو مالی سال 2024 کے 3% کے مقابلے میں کم تھی۔ اگرچہ مجموعی سطح پر معاشی استحکام حاصل ہوا، لیکن بڑے پیمانے کی صنعت میں 1.5% کی کمی واقع ہوئی۔ (ماخذ: اکنامک سروے آف پاکستان)

ٹریڈنگ اور سٹریٹجی کو بھی زوال کا سامنا رہا اور فروخت گھٹ کر 29,192 ٹریکٹرز تک آگئی، جو گزشتہ دو دہائیوں میں سب سے کم تھی۔ انڈسٹری کی کم فروخت کے باوجود، آپ کی کمپنی نے 18,580 ٹریکٹرز فروخت کر کے 63.64% مارکیٹ شیئر حاصل کیا، جن میں سے 5,795 ٹریکٹرز حکومت پنجاب کی گرین ٹریڈنگ سہولت اسکیم کے تحت فروخت کیے گئے۔ ٹریڈنگ اور سٹریٹجی کو ٹیکویڈی کے مسائل اور پالیسی سے پیدا شدہ رکاوٹوں کا سامنا رہا، جن میں ٹیکس ریفرنڈمز میں تاخیر اور کمزور زرعی معیشت شامل ہیں۔



Directors' Report

To The Shareholders

The Directors feel pleasure in presenting their 62nd annual report together with audited financial statements of the Company for the year ended June 30, 2025.

APPROPRIATIONS

Your Directors recommended a payment of final cash dividend @ Rs.15.00 per share (150%).

The aforesaid payout shall be in addition to the interim cash dividend of Rs. 45.00 per share (450%) already paid, making a total of Rs. 60.00 per share (600%) as cash dividend.

The following appropriations were made during the year:

| | General Reserve | Un-appropriated Profit |
|---|-----------------|------------------------|
| (Rupees in thousands) | | |
| Opening balance- | 2,278,935 | 4,819,886 |
| Total Comprehensive income for the year ended June 30, 2025 | | 6,197,853 |
| Less: Interim dividend @ Rs 45 of 2025 | | (8,978,220) |
| Un-appropriated profit carried forward | 2,278,935 | 2,039,519 |

EARNINGS PER SHARE

Earnings per share for the year ended June 30, 2025 was Rs. 31.94 as against Rs. 52.26(restated) of the preceding year.

BOARD OF DIRECTORS

The Board comprises of thirteen directors as on June 30, 2025.

| | |
|-------------------------------------|----|
| (a) Male: | 12 |
| (b) Female: | 01 |
| Composition: | |
| (i) Independent Directors: | 04 |
| (ii) Other Non-Executive Directors: | 06 |
| (iii) Executive Directors: | 03 |

Name(s) of Directors

| | |
|---|---|
| 1. Mr. Sikandar M. Khan-Chairman (Non-Executive Director) | 2. Mr. Raheel Asghar-CEO (Executive Director) |
| 3. Mr. Sohail Bashir Rana (Executive Director) | 4. Mr. Laeeq Uddin Ansari (Executive Director) |
| 5. Mr. Qaiser Saleem (Non-Executive Director) | 6. Mr. Saad Iqbal (Non-Executive Director) |
| 7. Mr. Muhammad Mustafa Khan (Non-Executive Director) | 8. Mr. Muhammad Mustafa Sohail (Non-Executive Director) |
| 9. Mr. Murad Naseer Uddin Ansari (Non-Executive Director) | 10. Mr. Nasar Us Samad Qureshi (Independent Director) |
| 11. Mr. Muhammad Javed Rashid (Independent Director) | 12. Mr. Manzoor Ahmed (Independent Director) |
| 13. Mrs. Zara Salman Bandial (Independent Director) | |

The present Board was constituted after election of directors in Extra Ordinary General Meeting, held on October 30, 2024. After the election of directors, approval of holding of office of profit was obtained from shareholders of the Company in Extra Ordinary General Meeting held on March 17, 2025 for Mr. Laeeq Uddin Ansari who was elected as non-executive director in October 30, 2024 and after approval is now an executive director. The three years term of the present Board shall expire on October 30, 2027.

Board Meetings

The Board ensures that the Company achieves its strategic objectives. The Board discharges its responsibilities through a schedule of meetings. During the current fiscal year seven meetings were held, which were also attended by the Chief Financial Officer and the Company Secretary.

Board Committees

The names of members of Board Committees as on June 30, 2025 are as follows:-

1. Audit committee

| | |
|-------------------------------|----------|
| Mr. Nasar Us Samad Qureshi, | Chairman |
| Mr. Qaiser Saleem, | Member |
| Mr. Muhammad Mustafa Khan, | Member |
| Mr. Muhammad Mustafa Sohail | Member |
| Mr. Murad Naseer Uddin Ansari | Member |

2. Human Resource & Remuneration Committee

| | |
|----------------------------|----------|
| Mr. Muhammad Javed Rashid, | Chairman |
| Mr. Qaiser Saleem, | Member |
| Mrs. Zara Salman Bandial, | Member |
| Mr. Raheel Asghar, | Member |

3. Finance Committee

| | |
|-------------------------|----------|
| Mr. Sohail Bashir Rana, | Chairman |
| Mr. Laeeq Uddin Ansari, | Member |
| Mr. Raheel Asghar, | Member |

4. Marketing Committee

| | |
|-------------------------|----------|
| Mr. Sohail Bashir Rana, | Chairman |
| Mr. Laeeq Uddin Ansari, | Member |
| Mr. Raheel Asghar, | Member |

5. Board's Committee For Group Supervision

| | |
|-------------------------------|----------|
| Mr. Sikandar Mustafa Khan, | Chairman |
| Mr. Sohail Bashir Rana, | Member |
| Mr. Laeeq Uddin Ansari, | Member |
| Mr. Qaiser Saleem, | Member |
| Mr. Muhammad Mustafa Khan, | Member |
| Mr. Muhammad Mustafa Sohail | Member |
| Mr. Murad Naseer Uddin Ansari | Member |

6. Environmental Social Governance Committee (ESG)

| | |
|--------------------------|----------|
| Mr. Saad Iqbal | Chairman |
| Mr. Sohail Bashir Rana | Member |
| Mrs. Zara Salman Bandial | Member |
| Mr. Raheel Asghar, | Member |

Director's Remuneration Policy

The Directors Remuneration policy of non-executive directors including independent directors as approved by the Board is as follows:-

I) Non-Executive Directors (Including Independent Directors)

Any fee / remuneration payable to the Independent and / or Non-Executive Directors of the Company shall be in following manner.

Meeting Fee

Independent and / or Non- Executive Director(s) may receive remuneration by way of fee for attending meetings of the Board or Committee(s) thereof as per Articles of Association of the Company.

Performing Extra Service

The remuneration for performing extra service may be paid to Non- Executive Director(s) as may be decided by the Board of Directors of the Company from time to time, depending on the extra time and effort as may be devoted and contribution as may be made by the Non-Executive Director(s).

Reimbursement of actual expenses incurred

Independent and / or Non- Executive Director(s) may also be paid / reimbursed such sums either as fixed allowance and /or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such Directors for attending Board / Committee Meetings.

Aggregate Directors' Remuneration

Details of the Directors' remunerations for the year ended June 30, 2025 are as under:

| | Chief Executive Officer | Executive Directors | Non Executive Directors | Independent Directors |
|--------------------------------|-------------------------|---------------------|-------------------------|-----------------------|
| Number of Persons | 1 | 2 | 6 | 4 |
| | Rupees "000" | | | |
| Managerial remuneration | 29,043 | 23,031 | 9,890 | - |
| Cost of living allowance | - | 23,031 | 9,890 | - |
| Bonus | 12,814 | 38,628 | 21,501 | - |
| House rent | 13,069 | 10,364 | 4,451 | - |
| Contribution to Provident Fund | 2,906 | - | - | - |
| Medical Expenses | 559 | 2,993 | 1,930 | - |
| Utilities | 782 | 2,622 | 1,484 | - |
| Other allowances | 1,536 | 2,284 | 1,186 | - |
| Fees | - | - | 12,100 | 4,200 |
| Expenses reimbursed | - | - | 262 | 85 |

Principal Activities, Development and Performance of Company's Business During Financial Year-2025

The Company is principally engaged in assembly and manufacture of agricultural tractors, farm equipment and multi-application products including forklift trucks and generators.

The financial statements of the Company truly reflect the state of Company's affairs and fair review of its business. Country's economy registered a moderate GDP growth of 2.68 percent which was a result of effective macroeconomic management, improved fiscal and external account balances, and a significant reduction in inflation. The Agri sector grew marginally by 0.56% due to decline in major crop production. Important crops declined by 13.49% due to reduction in cultivation area and adverse weather conditions

The above factors resulted in reduced tractor sales of the company which remained at 18,580 units compared to 30,620

units sold last year. The sales also included 5,795 tractors under the Green Tractor Subsidy Scheme of Government of Punjab.

Gross profit margin remained at 26.61%. Net profit for the period was 12.23% of sales versus 11.17% in previous year. The decrease was due to significant decline in sales revenue, other income and increase in finance cost for the year.

Principal Risks and Uncertainties Facing the Company

Effective risk management is the key to sustainable business. Our risk management framework, coupled with our internal control policies have helped us maintain our focus and mitigating principal risks affecting our Company. The internal control framework established by the Company ensures appropriate risk mitigation plans by assigning designated accountability and policy framework for upward communication of any material issues and incidents. The Company is susceptible to the following principal risks which are mitigated via specific policies and plans:

Operational risks

Operational risks are those which hinder the entity from running its operations smoothly. Our main operational risks are:

Taxation regime of Pakistan

The taxation measures taken by the government during the fiscal year to increase tax-net seem to have not been fruitful due to inconsistencies in the application of law and frequent ad-hoc operational changes. This was most evident in processing of sales tax refunds, which have accumulated to Rs. 7.588 billion. Extreme measures need to be taken to rationalize tax laws and increase investors' confidence.

Environmental Risk

Pakistan has been recognized as one of the top ten nations most affected by climate change globally. The country is experiencing unpredictable weather patterns, leading to occurrences such as cloud bursts, flash floods, severe droughts, glacial lake outbursts, intense heat waves, and erratic rainfall. Consequently, its ecosystems and landscapes are steadily deteriorating. These factors are critical indicators of the fact that we need to ramp up our efforts to address this risk quickly and effectively. Changes in environment may hamper the growth trajectory of the agricultural products, which is worrisome for a country that relies so much on it financially and economically. Our company is also directly linked with agriculture and any adverse impact severely affects company's performance as well.

Financial Risks

Financial risks are those that may cause financial loss to the entity. Financial risk has been described in detail in note 46 of the attached financial statements that include market risks, credit risks and liquidity risk.

Compliance Risk

Non-compliance with laws and regulations may result in imposition of punitive action. Therefore, the Company has zero tolerance policy for non-compliance activities and behaviours. In addition, to mitigate such risks, a very comprehensive and effective compliance function is in place in the Company. Further, the Company's Code of Conduct

clearly defines expectations from employees of the Company. The Company encourages employees and business partners to report compliance violations that they may encounter

Changes During Financial Year Concerning the Nature of The Business of the Company

There has been no change in the principal activity of the Company during the year. The Company continued to increase its efforts in retail and exports sector and has delivered highest ever export sales during the year crossing the over 2607 tractors export mark for the first time in the history of the company.

Future Prospects of Profit

Tractor sales are expected to retain the same trajectory in upcoming fiscal year. However, Punjab Government's subsidized tractor scheme announced for FY 2026 have a potential to help the industry towards recovery.

Adequacy of Internal Financial Controls

The Board of Millat Tractors Limited is responsible for the establishment and maintenance of the Company's system of internal control in order to identify and manage risks faced by the Company.

The System provides reasonable, though not absolute, assurance that:

- assets are safeguarded against unauthorized use or disposition;
- proper and reliable accounting records are available for use within the business;
- adequate control mechanisms have been established within the operational businesses; and
- internal financial controls deployed within the Company have been satisfactory throughout the year.

Main Trends and Factors Likely to Affect the Future Development, Performance and Position of the Company's Business

The major factors that are likely to affect the company's business are:

- Rupee parity
- Kharif and Rabi season crop output
- Supply chain performance
- Pace of CPEC and other development projects

Shift in any of these parameters will impact company's performance. It is anticipated that upcoming fiscal year will be on the same trajectory as current year.

Duty and Taxes

Information about taxes and levies is given in the respective notes to the annexed financial statements.

Auditors

The present auditors M/s. A. F. Ferguson & Company, Chartered Accountants, Lahore retire and offer themselves for re-appointment. The Board Audit Committee and Board of Directors of the Company have endorsed their appointment at remuneration of Rs. 7,150,000/- for shareholders' consideration at the forthcoming Annual General Meeting. The external auditors have certified that they have been given satisfactory rating under the Quality Control Review of the Institute of Chartered Accountants of Pakistan and are registered with Audit Oversight Board of Pakistan and being eligible offer themselves for re-appointment.

Directors' Orientation Program

An orientation course was arranged for the Directors to acquaint them with the code, applicable laws, their duties and responsibilities to enable them to effectively manage affairs of the Company for and on behalf of the shareholders. Written material was also provided to them.

Subsequent Events

No material changes or commitments affecting 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.

Auditor's Observations

No adverse remark, observation was given by the auditors' in their report for the year ended June 30, 2025.

Statement On Corporate Financial Reporting Frame Work

The Company has complied with all the requirements of the Code of Corporate Governance.

Accordingly, the Directors are pleased to confirm the following:

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 2017. These statements present fairly the Company's state of affairs, the results of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in the preparation of financial statements, except for the changes as disclosed in Note no. 4 of the financial statements, which conform to the International Accounting and Reporting Standards as applicable in Pakistan. The accounting estimates, wherever required are based on reasonable and prudent judgement.
- d) The International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e) The system of internal control is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of Corporate Governance.

h) The key operating and financial data for the last six years is annexed.

i) The value of investments of provident, gratuity and pension funds based on their audited accounts as on June 30, 2025 were as follows:

| | |
|------------------|-------------------|
| - Provident Fund | Rs. 660,191,134 |
| - Gratuity Fund | Rs. 122,184,353 |
| - Pension Fund | Rs. 1,360,206,155 |

The value of investment includes accrued interest.

j) The purchase of shares by director during the year was as follows :-

| Name | No. of shares Purchased |
|------------------------|-------------------------|
| Mr. Raheel Asghar, CEO | 250 |

Code of Conduct

In order to put in place professional standards and corporate values for promotion of integrity of the Board, senior management and other employees, the board has approved and disseminated a Code of Conduct, defining therein acceptable and unacceptable behaviors. The same has also been placed on the Company's website.

Statement of Compliance with the Code of Corporate Governance

The requirements of the Code of Corporate Governance, relevant for the year ended June 30, 2025 have been duly complied with. A statement to this effect is annexed separately with the report.

Chairman's Review

The Directors of your Company endorse the contents of the Chairman's Review.

Related Party Transactions

The related party transactions conducted with group companies had to be approved by the board duly recommended by the audit committee periodically pursuant to regulation 15 of the Code of Corporate Governance. However, in the last Annual General Meeting, the shareholders had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders as majority of directors were interested in these transactions at the time of authorization, therefore these transactions will be placed before the shareholders in next Annual General Meeting for final approval/ratification.

Pattern Of Shareholding

The pattern of shareholding is annexed.

Number Of Employees

The numbers of permanent employees as on June 30, 2025 were 464 compared to 473 (restated) of last year.

Consolidated Financial Statements

Consolidated financial statements of the Company as on June 30, 2025 are annexed.

Corporate Social Responsibility

Disclosure of Corporate Social Responsibility is annexed and forms part of this report.

Disclosure Regarding Assessment Of Sustainability Related Risks

Disclosure of as required under Regulation 10A (6) of the Code of Corporate Governance is annexed and forms part of this report.

Web Presence

Company's periodic financial statements for the current financial year including previous annual reports are available on the Company's website www.millat.com.pk for information of the investors.

For and on behalf of the Board.



Chairman

Lahore:

September 15, 2025



Chief Executive

ضابطہ اخلاق:

پرفیشنل اسٹینڈرڈز اور کارپوریٹ اقدار کے فروغ، سینئر مینجمنٹ، دیگر ملازمین اور بورڈ کی سالمیت برقرار رکھنے کے لئے بورڈ نے ایک ضابطہ اخلاق کی منظوری دی ہے جس میں قابل قبول اور ناقابل قبول عمل کی وضاحت کی گئی ہے۔ یہ ضابطہ اخلاق کمپنی کی ویب سائٹ پر بھی موجود ہے۔

کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل کا بیان

30 جون، 2025 کو ختم ہونے والے سال کیلئے متعلقہ کوڈ آف کارپوریٹ گورننس کے تقاضوں کی تعمیل کی گئی ہے۔ اس سے متعلق ایک بیان رپورٹ کے ساتھ ملکہ و سے منسلک ہے۔

چیئر مین کا جائزہ

آپ کی کمپنی کے ڈائریکٹرز چیئر مین کے جائزہ کی تائید کرتے ہیں۔

متعلقہ پارٹی کی ٹرانزیکشنز

گروپ کمپنیوں کے ساتھ کیے گئے متعلقہ فریق کے لین دین کو کوڈ آف کارپوریٹ گورننس کے ضابطہ 15 کے مطابق وقتاً فوقتاً آڈٹ کمپنی کے تجویز کردہ بورڈ کے ذریعے منظور کیا جاتا تھا تاہم پچھلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز نے کمپنی کے چیف ایگزیکٹو کو اختیار دیا تھا کہ وہ ان لین دین کو معمول کے کاروبار میں منظور کریں تاکہ شیئر ہولڈرز کی طرف سے حتمی منظوری / توثیق ہو کیونکہ اس وقت ڈائریکٹرز کی اکثریت ان لین دین میں دلچسپی رکھتی تھی۔ اس لیے ان ٹرانزیکشنز کی حتمی منظوری / توثیق کے لیے اگلی سالانہ جنرل میٹنگ میں شیئر ہولڈرز کے سامنے رکھا جائیگا۔

شیئر ہولڈنگ کا پیئرن

شیئر ہولڈنگ کا پیئرن منسلک کیا گیا ہے۔

ملازمین کی تعداد:

30 جون، 2025 کو ختم ہونے والے سال میں کمپنی کے مستقل ملازمین کی تعداد 464 تھی جبکہ گزشتہ سال یہ تعداد 473 (ریٹریڈ) تھی۔

مجموعی مالیاتی اسٹیٹمنٹ

30 جون، 2025 تک کی مجموعی مالیاتی اسٹیٹمنٹ منسلک کی گئی ہے۔

کارپوریٹ سماجی ذمہ داری

کارپوریٹ سماجی ذمہ داریوں کے متعلق بیان منسلک ہے اور اس رپورٹ کا لازمی حصہ بنایا گیا ہے۔

پائیداری سے متعلق خطرات کی تشخیص کے حوالے سے مواد

کارپوریٹ گورننس کے ضابطہ کی شق (6) 10A کے تحت مطلوبہ مواد منسلک ہے اور اس رپورٹ کا حصہ ہے۔

ویب سائٹ پر موجودگی

موجودہ مالی سال کے لئے کمپنی کی فنانشل اسٹیٹمنٹس بشمول گزشتہ سالانہ رپورٹس سرمایہ کاروں کی معلومات کیلئے کمپنی کی ویب سائٹ www.millat.com.pk پر موجود ہے۔

چیف ایگزیکٹو

چیئر مین

لاہور، 15 ستمبر، 2025

- سہ ماہی چھین کی کارکردگی

- سی پیک اور دوسرے ترقیاتی منصوبے کی رفتار

مندرجہ بالا عوامل میں سے کسی ایک میں نمایاں تہدیلی کمی کی کارکردگی کو متاثر کرے گی۔ توقع کی جاتی ہے کہ آئندہ مالی سال بھی رواں مالی سال جیسا ہی ہوگا۔

ڈیوٹی اور میکسز

میکسز اور ایویز کے بارے میں معلومات خشک مالیاتی پیشینگی کے متعلقہ نوٹس میں دی گئی ہیں۔

آڈیٹرز

موجودہ آڈیٹرز میسرز ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس لاہور ریٹائر ہو گئے ہیں اور انہوں نے خود دوبارہ منتخب ہونے کی پیشکش کی ہے۔ ایویز آڈٹ کمیٹی اور ایویز آڈٹ کمیٹی اور ایویز آڈٹ کمیٹی نے 7,150,000/- روپے معاوضے پر انکی تفریق کی توثیق کی ہے اور آئندہ ہونے والے سالانہ اجلاس عام میں اسے شیئر ہولڈرز کی منظوری کیلئے پیش کیا جائے گا۔ ایکسٹرنل آڈیٹرز نے تصدیق کی ہے کہ انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے گوانٹی کنٹرول جائزہ کے تحت اطمینان بخش درجہ بندی کی گئی ہے اور وہ آڈٹ اور سائنٹ بورڈ آف پاکستان کے ساتھ رجسٹرڈ ہیں اور اہل ہونے کے ناطے دوبارہ اپنی تعیناتی کے خواہش مند ہیں۔

ڈائریکٹرز کا ترقیاتی پروگرام

ڈائریکٹرز کے لئے ایک اور پیشینگی کورس تشکیل دیا گیا جس میں انہیں ضابطہ، قابل اطلاق قوانین اور ان کی ذمہ داریوں و فرائض سے آگاہ کیا گیا تاکہ وہ موثر طریقے سے کمیٹی اور شیئر ہولڈرز کی طرف سے معاملات سنبھال سکیں۔ انہیں تحریری مواد بھی فراہم کیا گیا۔

دیگر متعلقہ ایوشن

کمیٹی کے مالی سال کے اختتام سے موجودہ رپورٹ کی اشاعت کی تاریخ تک کمیٹی کی مالی پوزیشن پر اثر انداز ہونے والی کوئی بھی تہدیلی رونما نہیں ہوئی۔ جبکہ ایسی کوئی بھی تہدیلی اس رپورٹ میں واضح کی گئی ہے۔

آڈیٹرز کا مشاہدہ

سال اختتام 30 جون، 2025 کی سالانہ رپورٹ میں آڈیٹرز نے اپنی رپورٹ میں کسی قسم کی منفی رائے نہیں دی۔

کارپوریٹ فنانشل رپورٹنگ فریم ورک کی اسٹینڈنٹ

کمیٹی نے کارپوریٹ گورننس کے ضابطہ اخلاق کی ضروریات کو مد نظر رکھتے ہوئے درج ذیل قواعد مرتب کئے ہیں۔

ڈائریکٹرز انتہائی مسرت کے ساتھ تصدیق کرتے ہیں کہ:

ا۔ کمیٹی کی طرف سے تیار کردہ مالی پیشینگیس کمپنیز ایکٹ، 2017 کے مطابق ترتیب دی گئی ہیں اور اس میں درج مالیاتی گوشوارے، کمیٹی کے معاملات، کاروباری سرگرمیوں کے نتائج، پیشینگیس اور انکیوٹیٹی میں تہدیلی کی متصفانہ عکاسی کرتے ہیں۔

ب۔ کمیٹی نے باضابطہ طور پر اکاؤنٹس کے کھاتوں کو تیار کر رکھا ہے۔

پ۔ ان مالیاتی گوشواروں کی تیاری میں ضروری اور مخصوص اکاؤنٹنگ پالیسیوں کی پیروی کی گئی ہے۔ مسوائے مالیاتی گوشواروں کی حق نمبر 4 میں واضح کردہ تہدیلیوں کے جوہر میں الاقوامی اکاؤنٹنگ اور رپورٹنگ سٹینڈرڈز کے عین مطابق ہیں اور پاکستان میں قابل اطلاق ہیں۔ کبھی بھی مطلوب ہونے والے اکاؤنٹنگ کے تخمینے انتہائی منطقی اور محتاط انداز سے پہنچی ہیں۔

ت۔ ان مالیاتی گوشواروں کی تیاری میں بین الاقوامی فنانشل رپورٹنگ اسٹینڈرڈز (جہاں تک وہ پاکستان میں قابل اطلاق ہیں) کی پیروی کی گئی ہے۔

ث۔ اندرونی کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر اطلاق اور نگرانی کی جاتی ہے۔

ج۔ کمیٹی کے مستقبل میں کام جاری رکھنے کی اہلیت پر کوئی شکوک و شبہات نہیں ہیں۔

ح۔ متعین شدہ اصول و ضوابط میں درج کارپوریٹ گورننس کے رہنما اصولوں سے انحراف نہیں کیا گیا۔

چ۔ گزشتہ 6 سالوں کے اہم کاروباری اور مالیاتی حسابات درج ہیں۔

30 جون، 2025 کو آڈٹ شدہ اکاؤنٹس کی بنیاد پر پراویڈنٹ، گریجویٹ اور پیشینگیس فنڈز کی سرمایہ کاری کی مالیت درج ذیل ہے۔

| | |
|--------------|--------------------|
| پراویڈنٹ فنڈ | 660,191,134 روپے |
| گریجویٹ فنڈ | 122,184,353 روپے |
| پیشن فنڈ | 1,360,206,155 روپے |

سرمایہ کاری کی رقم میں وصول شدہ انٹرنسٹ شامل ہے۔

ح۔ سال کے دوران ڈائریکٹرز کی جانب سے خرید و فروخت کیے گئے شیئرز ذیل ہے۔

| | |
|----------------------------|-----|
| خریدے گئے شیئرز کی تعداد | 250 |
| مسٹر راجیل اصغر (سی ای او) | |

کمپنی کو درپیش خطرات اور غیر یقینی صورتحال

موٹر رسک منجمنٹ پالیسی کاروبار کی کلید ہے۔ ہمارا رسک منجمنٹ فریم ورک اور اندرونی کنٹرول پالیسیوں نے کمپنی کو اپنے مقاصد پر مرکوز رہنے اور بنیادی خطرات کو کم کرنے میں مدد فراہم کی ہے جو کمپنی پر اثر انداز ہو سکتے ہیں۔ کمپنی کا قائم کردہ اندرونی کنٹرول فریم ورک اس بات کو یقینی بناتا ہے کہ موزوں رسک منجمنٹ پالیسیوں موجود ہوں، جن میں نامزد شدہ آری اور پالیسی فریم ورک شامل ہے تاکہ کسی بھی اہم مسئلے یا واقعے کی بروقت اور پکب ترسیل ہو سکے۔ کمپنی درج ذیل بنیادی خطرات سے متاثر ہو سکتی ہے جنہیں مخصوص پالیسیوں اور منصوبوں کے ذریعے کم کیا جاتا ہے:

اموری خطرات

اموری خطرات کا تعلق ایسے عوامل سے ہے جو آپریشنز کو باآسانی چلانے سے روکتے ہیں۔ ہمارے نمایاں اموری خطرات مندرجہ ذیل ہیں۔

پاکستان میں ٹیکس کا نظام

مالی سال کے دوران ٹیکس ٹیٹ کو بڑھانے کے لیے حکومت کی جانب سے کیے گئے ٹیکسیشن اقدامات موثر ثابت نہ ہو سکے کیونکہ قانون کے اطلاق میں عدم تسلسل اور بار بار کیے جانے والے عارضی انتظامی اقدامات اس میں رکاوٹ رہے۔ اس کی سب سے واضح مثال سیلز ٹیکس ریٹینڈز کی پروسیجرنگ ہے جو جمع ہو کر 7,588 ارب روپے تک پہنچ گئی ہے۔ ٹیکس قوانین کو متوازن کرنے اور سرمایہ کاروں کے اعتماد کو بڑھانے کے لیے سخت اقدامات کی ضرورت ہے۔

ماحولیاتی خطرات

پاکستان کو دنیا کے ان دس ممالک میں شمار کیا گیا ہے جو ماحولیاتی تبدیلیوں سے سب سے زیادہ متاثر ہیں۔ ملک غیر متوقع موسمیاتی تبدیلیوں کا سامنا کر رہا ہے، جس کے نتیجے میں بادل چھٹنے، اچانک سیلاب، شدید خشک سالی، گھلی پھٹی بجلیوں کے چھٹنے، شدید گرمی کی لہریں اور بے قاعدہ بارش جیسے واقعات رونما ہو رہے ہیں۔ اس کے نتیجے میں ملک کے ماحولیاتی نظام اور قدرتی مناظر مسلسل بگڑ رہے ہیں۔ یہ عوامل اس بات کے اہم اشارے ہیں کہ ہمیں اس خطرے سے جلد اور موثر طریقے سے نمٹنے کے لیے اپنی کوششوں کو تیز کرنا ہوگا۔ ماحولیاتی تبدیلیاں زرعی پیداوار کی ترقی کی رفتار کو متاثر کر سکتی ہیں، جو ایک ایسے ملک کے لیے باعث تشویش ہے جو مالی اور اقتصادی طور پر زرعی شعبے پر بہت زیادہ انحصار کرتا ہے۔ ہمارے ادارے کا تعلق بھی براہ راست زراعت سے ہے، اور کسی بھی منفی اثرات کی صورت میں کمپنی کی کارکردگی بری طرح متاثر ہوتی ہے۔

مالیاتی خطرات

مالیاتی خطرات وہ ہیں جو کمپنی کو مالی طور پر نقصان پہنچا سکتے ہیں۔ مشکل فنانشل اسٹیٹمنٹس کے نوٹ 46 میں مالیاتی خطرات کے بارے میں تفصیل سے بیان کیا گیا ہے جس میں مارکیٹ، کریڈٹ اور لیویٹیٹی خطرات شامل ہیں۔

کمپلائنس خطرات

قوانین اور ضوابط کی خلاف ورزی کی صورت میں تعزیری کارروائی عمل میں لائی جاسکتی ہے۔ لہذا کمپنی نے عدم تقابلی کی سرگرمیوں اور رویوں کے لیے ذی دلائل پالیسی اختیار کر رکھی ہے۔ مزید برآں، ایسے خطرات کو کم کرنے کے لیے کمپنی میں ایک نہایت جامع اور موثر کمپلائنس فنکشن قائم کیا گیا ہے۔ اسی کے ساتھ کمپنی کا ضابطہ اخلاق واضح طور پر ملازمین سے توقعات کی وضاحت کرتا ہے۔ کمپنی اپنے ملازمین اور برٹس پارٹنرز کی حوصلہ افزائی کرتی ہے کہ وہ کسی بھی کمپلائنس خلاف ورزی کی صورت میں اس کی رپورٹ کریں۔ جس کا انہیں سامنا ہو۔

مالی سال کے دوران کمپنی برٹس کی نوعیت میں تبدیلی

سال کے دوران کمپنی کی بنیادی سرگرمی میں کوئی تبدیلی نہیں آئی۔ کمپنی نے لوکل اور برآمدات کے شعبے میں اپنی کوششوں کو بڑھانا جاری رکھا اور سال کے دوران سب سے زیادہ برآمدات کا ریکارڈ قائم کیا، پہلی بار کمپنی کی تاریخ میں 2,607 ٹریکٹرز کی برآمدات کا ہدف عبور کر لیا۔

منافع کے مستقبل کے امکانات

آئندہ مالی سال میں ٹریکٹر فروخت کے اسی رجحان پر قائم رہنے کی توقع ہے۔ تاہم، پنجاب حکومت کی سہڈ انڈسٹری ڈیکلاریشن جو مالی سال 2026 کے لیے اعلان کی گئی ہے، جو کہ اس صنعت کو بحالی کی طرف لے جانے کی صلاحیت رکھتی ہے۔

موزوں داخلی مالیاتی کنٹرولز

ملٹ ٹریکٹرز لمیٹڈ کا بورڈ کمپنی کے اندرونی کنٹرول کے نظام کے قیام اور دیگر بحال کا ذمہ دار ہے تاکہ کمپنی کو درپیش خطرات کی نشاندہی اور ان کا انتظام کیا جاسکے۔ اگرچہ حتمی نہیں لیکن سب سے مناسب ضمانت دیتا ہے کہ:

- اثاثے غیر متعلقہ استعمال کے خلاف محفوظ ہیں۔
- مکمل اور قابل اعتبار اکاؤنٹنگ ریکارڈز برٹس کے اندر رہتے ہوئے استعمال کیلئے دستیاب ہیں۔
- آپریشنل برٹس کے اندر ایک مناسب کنٹرول میکانزم تشکیل دیا گیا ہے۔
- کمپنی کے اندر ترتیب دیے جانے والے داخلی مالیاتی کنٹرولز سال بھر عمل میں رہتے ہیں۔

مستقبل میں کمپنی کے کاروبار، ترقی، کارکردگی اور پوزیشن کو متاثر کرنے والے عوامل

کمپنی کے کاروبار کو متاثر کرنے والے بڑے عوامل مندرجہ ذیل ہیں۔

- روپے کی قدر
- ریجنل ڈریف کی فصل کی پیداوار

نان ایگزیکٹو ڈائریکٹرز (بشمول آزاد ڈائریکٹرز)

کمپنی کے نان ایگزیکٹو یا آزاد ڈائریکٹرز کو کسی بھی معاوضہ یا فیس کی ادائیگی مسترد ذیل اصول کے مطابق کی جائیگی۔

مینگ فیس

کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق نان ایگزیکٹو یا آزاد ڈائریکٹرز پورے ایگزیکیوٹو کمیٹی کی مینگ فیس میں شمولیت کے لئے فیس کی صورت میں معاوضہ وصول کریں گے۔

ڈائریکٹرز کا مجموعی معاوضہ

30 جون، 2025 کو ختم ہونے والے سال کیلئے ڈائریکٹرز کے معاوضہ کی تفصیل حسب ذیل ہے:

| ممبران کی تعداد | چیف ایگزیکٹو افسر | ایگزیکٹو ڈائریکٹر | نان ایگزیکٹو ڈائریکٹرز | آزاد ڈائریکٹرز |
|-----------------------|-------------------|-------------------|------------------------|----------------|
| 1 | 2 | 6 | 4 | |
| رقم ہزاروں میں | | | | |
| انتظامی معاوضہ | 29,043 | 23,031 | 9,890 | - |
| کوٹ آف لیونگ الاؤنس | - | 23,031 | 9,890 | - |
| پنشن | 12,814 | 38,628 | 21,501 | - |
| گھر کا کرایہ | 13,069 | 10,364 | 4,451 | - |
| پروویڈنٹ فنڈ میں حصہ | 2,906 | - | - | - |
| طبی اخراجات | 559 | 2,993 | 1,930 | - |
| پرائیویٹ | 782 | 2,622 | 1,484 | - |
| دیگر الاؤنسز | 1,536 | 2,284 | 1,186 | - |
| فیس | - | - | 12,100 | 4,200 |
| قابل واپسی اخراجات | - | - | 262 | 85 |

اہم فسلوں کی پیداوار میں 13.49 فیصد کی واقع ہوئی جس کی بنیادی وجوہات زیر کاشت رقبے میں کمی اور موسمی حالات کے منفی اثرات تھے۔

ان عوامل کے نتیجے میں کمپنی کی ٹریڈرز کی فروخت کم ہو کر 18,580 ٹن رہی، جو گزشتہ سال فروخت ہونے والے 30,620 ٹن سے نمایاں طور پر کم ہے۔ اس فروخت میں پنجاب حکومت کی گرین ٹریڈرز سبڈی اسکیم کے تحت فروخت کیے گئے 5,795 ٹریڈرز بھی شامل ہیں۔

مجموعی منافع کی شرح 26.61 فیصد رہی۔ اس مدت کے دوران فروخت کا خالص منافع 12.23 فیصد رہا جو پچھلے سال 11.17 فیصد تھا۔ اس کی بنیادی وجوہات سال کے دوران فروخت کی آمدنی میں نمایاں کمی، دیگر آمدنی میں کمی اور مالیاتی اخراجات میں اضافہ تھے۔

مالیاتی سال 2025 کے دوران کمپنی کی کارکردگی اور کاروبار میں ترقی سے متعلق

نمایاں سرگرمیاں

کمپنی بنیادی طور پر زرعی ٹریڈرز، زرعی آلات اور کثیر القاصد مصنوعات بشمول فوڈ لٹ ٹرک اور جینز کی تیاری اور اسمبلنگ کے کاروبار میں مصروف ہے۔

کمپنی کے مالی بیانات کمپنی کے معاملات کی حقیقی عکاسی کرتے ہیں اور کاروبار کے منصفانہ جائزے کو پیش کرتے ہیں۔ ملک کی معیشت نے 2.68 فیصد کی معتدل شرح نمو دکھائی، جو مؤثر منیکرو اکنامک پالیسی، بہتر مالی و بیرونی کھاتوں کے توازن اور منگائی میں نمایاں کمی کا نتیجہ تھا۔ زرعی شعبے نے محض 0.56 فیصد کی معمولی شرح نمو حاصل کی، جو بڑی فسلوں کی پیداوار میں کمی کے باعث تھی۔

ڈائریکٹرز کے نام

| | | |
|-----|------------------------------|-------------------------|
| 1- | مسز سکندر راجم خان۔ چیئر مین | (ٹان ایگزیکٹو ڈائریکٹر) |
| 2- | مسز راجیل اصغر۔ سی ای او | (ایگزیکٹو ڈائریکٹر) |
| 3- | مسز سہیل بشیر رانا | (ایگزیکٹو ڈائریکٹر) |
| 4- | مسز نسیم الدین انصاری | (ایگزیکٹو ڈائریکٹر) |
| 5- | مسز قیصر سلیم | (ٹان ایگزیکٹو ڈائریکٹر) |
| 6- | مسز سہدا قبال | (ٹان ایگزیکٹو ڈائریکٹر) |
| 7- | مسز محمد مصطفیٰ خان | (ٹان ایگزیکٹو ڈائریکٹر) |
| 8- | مسز محمد مصطفیٰ سہیل | (ٹان ایگزیکٹو ڈائریکٹر) |
| 9- | مسز مراد نصیر الدین انصاری | (ٹان ایگزیکٹو ڈائریکٹر) |
| 10- | مسز نصر احمد قریشی | (خود بخاری ڈائریکٹر) |
| 11- | مسز محمد جاوید رشید | (خود بخاری ڈائریکٹر) |
| 12- | مسز منظور احمد | (خود بخاری ڈائریکٹر) |
| 13- | محترمہ ڈار اسلمان ہندیال | (خود بخاری ڈائریکٹر) |

موجودہ بورڈ ڈائریکٹرز کے انتخابات کے بعد تشکیل پایا جو کہ 30 اکتوبر، 2024 کو منعقدہ غیر معمولی عام اجلاس میں ہوا۔ ڈائریکٹرز کے انتخاب کے بعد 17 مارچ، 2025 کو منعقدہ غیر معمولی عام اجلاس میں حصہ یا فنڈنگ سے "ہولڈنگ آف آفس آف پرافٹ" کی منظوری حاصل کی گئی جو کہ مسز نسیم الدین انصاری کے لیے تھی، جنہیں 30 اکتوبر، 2024 کو ٹان ایگزیکٹو ڈائریکٹر منتخب کیا گیا تھا اور منظوری کے بعد اب وہ ایگزیکٹو ڈائریکٹر ہیں۔ موجودہ بورڈ کی تین سالہ مدت 30 اکتوبر، 2027 کو مکمل ہوگی۔

بورڈ مینٹلز:

بورڈ اس بات کی یقین دہانی کرتا ہے کہ کمپنی اپنے سٹریٹجک مقاصد کا حصول یقینی بنائے۔ بورڈ اپنی ذمہ داریاں شیفول کردہ اجلاسوں میں سرانجام دیتا ہے۔ موجودہ مالی سال کے دوران سات اجلاس منعقد ہوئے جس میں چیف فنانشل آفیسر اور کمپنی بیکرٹری نے بھی شرکت کی۔

بورڈ مینٹرز

30 جون، 2025 تک بورڈ مینٹرز کے ممبران کے نام مندرجہ ذیل ہیں۔

1- آڈٹ کمیٹی

| | |
|----------|----------------------------|
| چیئر مین | مسز نصر احمد قریشی |
| ممبر | مسز قیصر سلیم |
| ممبر | مسز محمد مصطفیٰ خان |
| ممبر | مسز محمد مصطفیٰ سہیل |
| ممبر | مسز مراد نصیر الدین انصاری |

2- ہیومن ریسورس اینڈ ریلیشن کمپنی

| | |
|----------|--------------------------|
| چیئر مین | مسز محمد جاوید رشید |
| ممبر | مسز قیصر سلیم |
| ممبر | محترمہ ڈار اسلمان ہندیال |
| ممبر | مسز راجیل اصغر |

3- فنانس کمیٹی

| | |
|----------|-----------------------|
| چیئر مین | مسز سہیل بشیر رانا |
| ممبر | مسز نسیم الدین انصاری |
| ممبر | مسز راجیل اصغر |

4- مارکیٹنگ کمیٹی

| | |
|----------|-----------------------|
| چیئر مین | مسز سہیل بشیر رانا |
| ممبر | مسز نسیم الدین انصاری |
| ممبر | مسز راجیل اصغر |

5- گروپ پروویژن کے لئے بورڈ کمیٹی

| | |
|----------|----------------------------|
| چیئر مین | مسز سکندر مصطفیٰ خان |
| ممبر | مسز سہیل بشیر رانا |
| ممبر | مسز نسیم الدین انصاری |
| ممبر | مسز قیصر سلیم |
| ممبر | مسز محمد مصطفیٰ خان |
| ممبر | مسز محمد مصطفیٰ سہیل |
| ممبر | مسز مراد نصیر الدین انصاری |

6- انوار اینٹیل سوشل گورننس کمیٹی (ای ایس جی)

| | |
|----------|--------------------------|
| چیئر مین | مسز سہدا قبال |
| ممبر | مسز سہیل بشیر رانا |
| ممبر | محترمہ ڈار اسلمان ہندیال |
| ممبر | مسز راجیل اصغر |

ڈائریکٹرز کی معاوضہ پالیسی:

بورڈ کی منظوری کے مطابق ٹان ایگزیکٹو ڈائریکٹرز اور آزاد ڈائریکٹرز کی معاوضہ پالیسی مندرجہ ذیل ہے۔

ڈائریکٹرز رپورٹ برائے شیئر ہولڈرز

ڈائریکٹران سالِ چھتمہ 30 جون، 2025 کیلئے کمپنی کی 62 ویں سالانہ رپورٹ مع مالیاتی گوشوارے پیش کرتے ہوئے انتہائی غور محسوس کر رہے ہیں

تخصیص

آپ کے ڈائریکٹرز نے حتمی کمپنیز ڈیویڈنڈ 15.00 روپے فی حصص (150 فیصد) کے حساب سے تجویز کیا ہے۔ یہ رقم پہلے سے جاری کردہ عبوری کمپنیز ڈیویڈنڈ 45.00 روپے فی شیئر (450 فیصد) بنتا ہے اس طرح اہلو کمپنیز ڈیویڈنڈ کل رقم 60.00 روپے فی شیئر (600 فیصد) ہوگی۔

سال کے دوران درج ذیل حصص کیے گئے

| غیر حصص مانع | جزلہ درجہ دو | |
|------------------|--------------|--|
| (رقم ہزاروں میں) | | |
| 4,819,886 | 2,278,935 | اوپننگ بیلنس |
| 6,197,853 | - | 30 جون، 2025 کو ختم ہونے والے سال کے لیے کل جامع آمدنی |
| (8,978,220) | - | حتمی سال 2025 کا عبوری ڈیویڈنڈ 45 روپے |
| 2,039,519 | 2,278,935 | غیر حصص مانع کی برآمد |

نی حصص آمدن

30 جون، 2025 کو ختم ہونے والے سال میں فی حصص آمدنی 31.94 روپے رہی جو کہ گزشتہ سال 52.26 (ریٹینڈ) روپے تھی۔

بورڈ آف ڈائریکٹرز

30 جون، 2025 تک بورڈ 13 ڈائریکٹرز پر مشتمل ہے۔

| | |
|--------------|------------------------------|
| 12 | (ا) مرد |
| 1 | (ب) خاتون |
| ساخت: | |
| 4 | ا۔ خود مختار ڈائریکٹرز |
| 6 | ای۔ دیگر نامہ نگار ڈائریکٹرز |
| 3 | ای۔ دیگر ڈائریکٹرز |

Corporate Social Responsibility

MTL strongly believes in discharging its responsibilities as a corporate citizen of Pakistan and acts as a contributory member of the society. MTL recognizes the importance of its employees, their work life balances, safety & security, reducing carbon footprints for better atmosphere, community uplift programs for the underprivileged, customers & products, ethical behavior, contribution to the national exchequer and community welfare programs.

MTL fulfills its Corporate Social Responsibilities (CSR) in a manner that positively impacts its customers, employees, shareholders, community, and the environment. The company demonstrates active corporate citizenship by promoting and patronizing various activities under its philanthropic and non-philanthropic CSR programs.

Educational Patronage

MTL promotes and patronizes multiple activities in the field of education under its CSR program. Children Education Award Scheme is one of such activities where the Company recognizes better educational performance of Employees' Children and awards scholarships.

The Company also recognises the significance of continuous learning and its importance in career development of its employees which eventually lead to benefit the society. Therefore, the Company provides assistance in improvement of educational qualification that outlines the relaxation in working hours to support educational initiatives of its employees.

During the year, the Company actively supported various social and educational initiatives as part of its Corporate Social Responsibility (CSR) efforts. Key contributions included:

- A donation of Rs. 500,000 given to Developments in Literacy for join us in empowering Pakistan's future through quality education.
- Donation of MF-240-2WD and MF-385-2WD Tractors to The Ghazi University, with a combined value of Rs. 1,837,908, to support agricultural education and training.
- The Company sponsored to Ms. Iram Ansari / Hassan N Ansari for event of Local Industries IMECHE Pakistan UAS Challenge 2024 by paying of Rs. 664,833/-.

Environmental Protection Measures

To combat the looming threat of global warming and its effects on the environment, a tree plantation drive was organized during the year whereby employees of the Company were facilitated to plant a tree within factory premises and nurture it to sustainable growth. The Company also maintains in-house nurseries and vegetable farms to cultivate organic agricultural products and has also participated in various flower exhibitions throughout the year.

Community Welfare Schemes

MTL's CSR program patronizes several measures to protect the environment. One of these measures is active participation in flower shows.

Various sports activities were encouraged by the Company to bring the people together from various communities.

1. A sum of Rs. 1,620,809/- was spent to sponsor Governor Cup Golf Tournament.
2. The Company also sponsored all Pakistan Junior National Tennis Championship by paying an amount of Rs. 778,733/- to Punjab Lawn Tennis Association.
3. The Company sponsored for Livestock Show-2024 by paying an amount of Rs. 1,295,221/- to Punjab Cattle Market Management & Development Company.
4. The Company sponsored for Shab-e-Junar Lahore by paying an amount of Rs. 647,618/- to The Hunar Foundation.
5. The Company sponsored to Mr. Hussain Raza for taking part in power lifting tournament by paying of Rs. 311,495/-.
6. The Company sponsored to Fresh start on Pakistan Day, March 23, 2025 by paying an amount of Rs. 155,747/-.
7. A monetary donation of Rs. 100,000/- to the Lahore Business Association for Rehabilitation of Disabled, reinforcing the commitment to community welfare and inclusion.
8. Donation of an MF-385-2WD Tractor, valued at Rs. 1,140,000, to the Office of the District Police Officer.
9. The Company Sponsored an amount of Rs.100,000/- to the Friends of Mayo Hospital Lahore.
10. The Company provide sponsorship to ASD welfare Trust of Rs. 129,522/-.
11. The Company provide Monthly Golf sponsorship to Mr. Robin Masih & Rofin Shamim of Rs. 33,333/- each.

Consumer Protection

The company has modern production facility with a manufacturing capacity to meet the local as well as export requirements. The company continuously strives to provide a wide range of products built on global standards and powerful after sales support to its customers.

MTL also conducts multiple awareness programs and carries out surveys to obtain feedback from the market to improve its products. There are defined rules for customers' convenience, to directly contact the company in case of dissatisfaction.

Additionally, the Company has partnered with its principal M/s AGCO for product improvement plans to exceed customers' expectations.

Industrial Relations

The Company is an equal opportunity employer and maintains a cordial relationship between the management and workforce. The management holds regular meetings with the labor union leaders to ensure all their needs are fulfilled and to provide a safe and friendly work environment. The Company also facilitates education of employees' children and also provides financial assistance to employees to fulfill their religious obligations like; Hajj under Company's Hajj Scheme.

In order to improve employee satisfaction and boost their morale, the company organizes various activities such as 'Annual Dinner' and 'Annual Gift Scheme'.

Employment of people with special needs

Since the company is an equal opportunity employer, it guarantees that its staffing process stays fair to physical disabilities subject to work requirements. Personnel with special physical needs are working in various capacities in Millat Tractors.

Occupational Safety and Health

MTL urges its workers to be vigilant and careful to ensure the wellbeing and safety of themselves and fellow workers. All employees are urged to follow strict health and safety protocols.

All of the personnel employed at factory premises are provided with appropriate PPEs and necessary safety apparatuses to ensure safe and secure working conditions.

Ethics and Anti-corruption

MTL strongly believes in ethical business operation and condemns all sorts of unethical practices while doing business. The company actively discourages all forms of corruption and any form of conduct that violates principles of business ethics. The company is fully committed to be compliant with all principles of fairness, transparency and integrity.

To ensure compliance with professional, ethical and moral code as well as legal measures, the company has a formal Code of Conduct. It is an integral part of the formal governance regime in the company and is the key element in the Millat's way of doing business. The way company wants to achieve its ambitious goals, is elaborated in the Code which forms its ethical foundation, values for guiding the right behavior and leadership attitudes for driving corporate culture in the desired direction. The code defines the core principles and ethical standards that form the basis to create value in the company. The defined principles and standards are further incorporated in other governing documents as appropriate. The purpose of the code is to highlight the standards of behavior and conduct of employees while dealing with customers, suppliers, clients, co-workers, management and the general public. The code highlights expected behavior as well as punitive measures against violations.

Corporate Philanthropy

Beyond commercial activities, company has also contributed to spread awareness and knowledge in agriculture sector by sponsoring and participating exhibitions including: Pakistan Auto Show, Kissan Mela, Pakistan Agri Expo, First Engineering and Health Care Show arranged by Trade Development Corporation of Pakistan, Green Pakistan Islamabad, NARC, Islamabad



10. ASD ڈیفینڈرز ٹرسٹ کو 129,522 روپے فراہم کیے گئے۔

11. مسٹر راجن سنگ اور روئن ہیم کو ماہانہ بنیاد پر کالف اسپانسرشپ فراہم کی گئی، جس کی رقم 33,333 روپے تھی۔

صارف کا تحفظ

کھپنی کے پاس جدید پیداواری سہولت موجود ہے جس کی تیاری کی صلاحیت مقامی ضروریات کے ساتھ ساتھ برآمدی تقاضوں کو بھی پورا کرتی ہے۔ کھپنی مسلسل کوشش کرتی ہے کہ عالمی معیار کے مطابق وسیع رینج کے مصنوعات فراہم کرے اور اپنے صارفین کو موثر بعد از فروخت خدمات مہیا کرے۔

ایم ٹی ایل مختلف آگاہی پروگرام بھی منعقد کرتی ہے اور مارکیٹ سے رائے حاصل کرنے کے لیے سروے کرتی ہے تاکہ اپنی مصنوعات کو مزید بہتر بنایا جاسکے۔ صارفین کی سہولت کے لیے واضح اصول مرتب کیے گئے ہیں جن کے تحت وہ کسی بھی عدم اطمینان کی صورت میں براہ راست کھپنی سے رابطہ کر سکتے ہیں۔

مزید برآں، کھپنی نے اپنی پرنسپل کھپنی AGCOM/s کے ساتھ شراکت داری کی ہے تاکہ مصنوعات کو بہتر بنانے کے منصوبوں پر عمل کیا جاسکے اور صارفین کی توقعات سے بڑھ کر خدمات فراہم کی جاسکیں۔

صنعتی تعلقات

کھپنی ایک مساوی مواقع فراہم کرنے والا آجر ہے اور انتظامیہ اور کارکنان کے درمیان خوشگوار تعلقات قائم رکھتی ہے۔ انتظامیہ ضرور یومین رہنماؤں کے ساتھ باقاعدگی سے ملاقاتیں کرتی ہے تاکہ ان کی ضروریات پوری کی جاسکیں اور ایک محفوظ اور دوستانہ ماحول فراہم کیا جاسکے۔ کھپنی ملازمین کے بچوں کی تعلیم میں سہولت فراہم کرتی ہے اور ملازمین کو مذہبی فرائض، جیسے حج، کی ادائیگی کے لیے کھپنی کی حج اسکیم کے تحت مالی معاونت بھی فراہم کرتی ہے۔ ملازمین کی اطمینان میں اضافہ اور ان کا مورال بلند کرنے کے لیے کھپنی مختلف سرگرمیاں منعقد کرتی ہے جیسے کہ "سالانہ عشا" اور "سالانہ تحفہ اسکیم"۔

خصوصی ضروریات کے حامل افراد کی ملازمت

چونکہ کھپنی مساوی مواقع فراہم کرنے پر یقین رکھتی ہے، اس لیے یہ یقینی بناتی ہے کہ اس کا بھرتی کا عمل جسمانی معذوری کے حامل افراد کے لیے بھی منصفانہ ہو، بشرطیکہ وہ کام کی ضروریات پوری کر سکیں۔ ملٹری کیمز میں خصوصی ضروریات کے حامل افراد مختلف حیثیتوں میں کام کر رہے ہیں۔

پیشہ ورانہ صحت اور حفاظت

ایم ٹی ایل اپنے ملازمین پر زور دیتی ہے کہ وہ خود اپنی اور اپنے ساتھی کارکنان کی صحت کے لیے جتنا اور چوکنا رہیں۔ تمام ملازمین کو صحت و سلامتی کے اصولوں پر عمل کرنے کی تلقین کی جاتی ہے۔ ٹیکسٹائل میں کام کرنے والے تمام افراد کو ذاتی حفاظتی آلات (PPEs) اور دیگر حفاظتی سامان فراہم کیا جاتا ہے تاکہ محفوظ اور محفوظ حالات کا یقینی بنائے جاسکیں۔

اخلاقیات اور انسداد بدعنوانی

ایم ٹی ایل اخلاقی کاروباری طریقوں پر پختہ یقین رکھتی ہے اور کاروبار میں کسی بھی قسم کے غیر اخلاقی عمل کی مذمت کرتی ہے۔ کھپنی بدعنوانی کی ہر شکل کو فعال طور پر روکنے کے ساتھ ساتھ ایسے کسی بھی طرز عمل کی حوصلہ شکنی کرتی ہے جو کاروباری اخلاقیات کے اصولوں کے خلاف ہو۔ کھپنی مکمل طور پر شفافیت، دیانتداری اور انصاف کے اصولوں کی پابند ہے۔

کھپنی نے پیشہ ورانہ، اخلاقی اور قانونی ضابطوں کی تعمیل کو یقینی بنانے کے لیے باضابطہ "کوڈ آف کنڈکٹ" مرتب کیا ہے، جو کھپنی کے گورنرس کے فریم ورک کا لازمی حصہ ہے۔ یہ کوڈ کھپنی کے کاروباری طریقہ کار کی اخلاقی بنیاد، درست رویے کی رہنمائی کے اقدار اور کارپوریٹ گھڑ کو درست سمت دینے کے لیے قیادت کے رویوں کو واضح کرتا ہے۔ کوڈ میں بنیادی اصول اور اخلاقی معیارات شامل ہیں جو کھپنی میں قدر پیدا کرنے کی بنیاد ہیں۔ یہ اصول اور معیارات دیگر گورنرس دستاویزات میں بھی شامل کیے گئے ہیں۔ کوڈ کا مقصد ملازمین کے رویے اور طرز عمل کے معیارات کو اجاگر کرنا ہے جب وہ گاہکوں، سپلائرز، کلائنٹس، ساتھی کارکنان، انتظامیہ اور عوام سے معاملہ کرتے ہیں۔ کوڈ میں متوقع رویے کے ساتھ ساتھ خلاف ورزی کی صورت میں سزا کے اقدامات بھی بیان کیے گئے ہیں۔

کارپوریٹ فلاحی سرگرمیاں

تجارتی سرگرمیوں سے آگے بڑھ کر، کھپنی نے زرعی شعبے میں آگاہی اور علم کے فروغ میں بھی حصہ ڈالا ہے اور مختلف نمائشوں میں شرکت اور اسپانسرشپ کی ہے، جن میں شامل ہیں: پاکستان آٹو شو، کسان میلہ، پاکستان ایگریکلچر ایکسپو، نریڈو ویلنٹ کارپوریشن آف پاکستان کے ذریعہ اہتمام پھیلائیے ٹریگ اور ہیلتھ کیئر شو، گرین پاکستان اسلام آباد، اور نیشنل ایگریکلچرل ریسرچ سینٹر (NARC) اسلام آباد۔

سی ایس آر رپورٹ

کارپوریٹ منسویوں کو برقرار رکھنا

ایم ٹی ایل پاکستان کے ایک کارپوریٹ شہری کی حیثیت سے اپنی ذمہ داریاں ادا کرنے پر پختہ یقین رکھتی ہے اور معاشرے کے ایک فعال رکن کے طور پر اپنا کردار ادا کرتی ہے۔ ایم ٹی ایل اپنے ملازمین کی اہمیت، ان کی کام اور ذاتی زندگی میں توازن، حفاظت و سلامتی، بہتر ماحول کے لیے کاربن کے اثرات میں کمی، پسماندہ طبقے کے لیے کمیونٹی ترقی کے پروگرام، گاہکوں اور مصنوعات، اخلاقی طرز عمل قومی خزانے میں شراکت اور کمیونٹی ویلفیئر پروگراموں کی اہمیت کو تسلیم کرتی ہے۔

ایم ٹی ایل اپنی کارپوریٹ سماجی ذمہ داریاں (CSR) اس انداز میں پوری کرتی ہے جس سے اس کے گاہکوں، ملازمین، حصص یافتگان، معاشرے اور ماحول پر مثبت اثرات مرتب ہوں۔ کمپنی اپنے فلاحی اور غیر فلاحی CSR پروگراموں کے تحت مختلف سرگرمیوں کو فروغ دے کر اور ان کی سرپرستی کر کے فعال کارپوریٹ شہریت کا عملی مظاہرہ کرتی ہے۔

تعلیمی خدمات

ایم ٹی ایل اپنے سی ایس آر (CSR) پروگرام کے تحت تعلیم کے شعبے میں متعدد سرگرمیوں کو فروغ دیتی اور ان کی سرپرستی کرتی ہے۔ بچوں کی ایجوکیشن ایوارڈ اسکیم ایسی سرگرمیوں میں سے ایک ہے جس کے تحت کمپنی اپنے ملازمین کے بچوں کی بہتر تعلیمی کارکردگی کو تسلیم کرتی ہے اور انہیں اسکالرشپ فراہم کرتی ہے۔

کمپنی مسلسل تعلیم کی اہمیت اور ملازمین کی پیشہ ورانہ ترقی میں اس کے کردار کو بھی تسلیم کرتی ہے، جو باآ خر معاشرے کے لیے فائدہ مند ثابت ہوتا ہے۔ اسی لیے کمپنی تعلیمی قابلیت میں بہتری کے لیے معاونت فراہم کرتی ہے، جس میں ملازمین کی تعلیمی سرگرمیوں کی حوصلہ افزائی کے لیے اوقات کار میں نرمی بھی شامل ہے۔

سال کے دوران کمپنی نے اپنی کارپوریٹ سماجی ذمہ داری (CSR) کے تحت مختلف سماجی اور تعلیمی اقدامات کی بھرپور معاونت کی۔ اہم تعاون میں شامل ہیں:

ڈیولپمنٹس ان لٹریسی (Developments in Literacy) کو 500,000 روپے کا عطیہ تاکہ معیاری تعلیم کے ذریعے پاکستان کے مستقبل کو بااختیار بنایا جاسکے۔

ٹاڈی یونیورسٹی کو MF-240-2WD اور MF-385-2WD ٹریکٹر عطیہ کیے گئے، جن کی مجموعی مالیت 1,837,908 روپے تھی، تاکہ زرعی تعلیم اور تربیت کو فروغ دیا جاسکے۔

مقامی انڈسٹریز IMECHE پاکستان UAS چیلنج 2024 کے ایونٹ کے لیے محترمہ ارم انصاری احسن این انصاری کی سرپرستی کی گئی اور 664,833 روپے کی مالی معاونت فراہم کی گئی۔

ماحولیاتی تحفظ سے متعلق اقدامات

ماحولیاتی تبدیلی اور گلوبل وارمنگ کے بڑھتے ہوئے خطرات سے نمٹنے کے لیے سال کے دوران ایک شہرکاری مہم کا اہتمام کیا گیا، جس کے تحت کمپنی کے ملازمین کو موقع فراہم کیا گیا کہ وہ فیکٹری کے احاطے میں درخت لگائیں اور اس کی پائیدار نشوونما تک اس کی دیکھ بھال کریں۔ کمپنی نے اپنے احاطے میں نرسریوں اور بزیروں کے کھیت بھی قائم کیے ہیں جہاں نامیاتی زرعی پیداوار کاشت کی جاتی ہے۔ اس کے علاوہ، کمپنی نے سال بھر مختلف پھولوں کی نمائشوں میں بھی حصہ لیا۔

کمیونٹی ویلفیئر سکیس

ایم ٹی ایل کے CSR پروگرام کے تحت ماحول کے تحفظ کے لیے متعدد اقدامات کیے جاتے ہیں، جن میں پھولوں کی نمائشوں میں فعال شرکت بھی شامل ہے۔

کمپنی نے مختلف کھیلوں کی سرگرمیوں کی بھی حوصلہ افزائی کی تاکہ مختلف کمیونٹی کے افراد کو ایک ساتھ لایا جاسکے۔ ان سرگرمیوں کے لیے درج ذیل تعاون فراہم کیا گیا:

1. گورنر کپ گالف ٹورنامنٹ کی اسپانسرشپ پر 1,620,809 روپے خرچ کیے گئے۔
2. آل پاکستان جونیئر ہینٹل ٹینس چیمپئن شپ کی اسپانسرشپ کے لیے پنجاب لان ٹینس ایسوسی ایشن کو 778,733 روپے دیے گئے۔
3. لائیو اسٹاک شو 2024 کی اسپانسرشپ کے لیے پنجاب کھیل مارکیٹ مینجمنٹ ایجنڈا ڈیولپمنٹ کمپنی کو 1,295,221 روپے فراہم کیے گئے۔
4. شپ جز لاہور کی اسپانسرشپ کے لیے دی ہیر فاؤنڈیشن کو 647,618 روپے دیے گئے۔
5. مسٹر حسین رضا کو پاور لفٹنگ ٹورنامنٹ میں شرکت کے لیے 311,495 روپے فراہم کیے گئے۔
6. پاکستان ڈے 23 مارچ، 2025 کے موقع پر "فریش اسٹارٹ" ایونٹ کے لیے 155,747 روپے کی اسپانسرشپ دی گئی۔
7. لاہور بزنس ایسوسی ایشن کو معذور افراد کی بحالی کے لیے 100,000 روپے کا مالی عطیہ دیا گیا، جو کمیونٹی ویلفیئر اور شمولیت کے عزم کی عکاسی کرتا ہے۔
8. ڈسٹرکٹ پولیس آفیسر کے دفتر کو ایک MF-385-2WD ٹریکٹر عطیہ کیا گیا، جس کی مالیت 1,140,000 روپے ہے۔
9. فرینڈز آف میڈیہسپتال لاہور کو 100,000 روپے کی اسپانسرشپ دی گئی۔

Disclosures Regarding Sustainability

Enhancing Green Cover and Biodiversity:

In line with our commitment to environmental stewardship and sustainable development, MTL undertook proactive measures during FY 2024-25 to enhance green cover within our operations. Employees actively participated in tree plantation drives, successfully planting 100+ trees within the factory premises. This initiative not only contributes to carbon sequestration but also fosters a culture of environmental responsibility across the organization. Additionally, MTL has developed in-house nurseries and engaged in various flower exhibitions to further promote biodiversity and ecological sustainability. The trees planted are estimated to sequester approximately 2 tons of CO₂ annually, reinforcing our ongoing climate action efforts.

Solar Energy Investment & Environmental Impact:

As part of our strategic approach to decarbonization and long-term sustainability, MTL made a significant investment in renewable energy infrastructure through the installation of 998.5 kW solar system in 2022. This investment directly supports our goal of reducing Scope 2 greenhouse gas (GHG) emissions and lowering our overall carbon footprint (CFP) by transitioning to clean energy sources. Between 2022 and 2025, this solar installation has cumulatively generated substantial environmental benefits, including an estimated CO₂ emissions avoidance of 2,090 tons, equivalent to the planting of approximately 2,860 trees, and a saving of around 1,760 tons of standard coal.

In FY 2024-25, the system generated 799,551 kWh of renewable electricity. Based on CFP conversion metrics (approximately 0.85 kg CO₂/kWh for grid emission factor), this generation resulted in an estimated 679.62 tons of CO₂ emissions avoided. This output alone is equivalent to the planting of approximately 930 trees and the saving of roughly 570 tons of standard coal during the fiscal year.

These measurable outcomes highlight the positive impact of our clean energy transition and affirm our commitment to responsible energy use. By adopting low-carbon technologies and applying CFP-based accounting methodologies, MTL continues to lead by example in reducing environmental impact and advancing long-term climate resilience.

Energy efficiency improvement:

During FY 2024-25, MTL made significant progress in upgrading our facility's lighting systems by replacing traditional 400W mercury vapor lamps with energy-efficient 120W LED High Bay Lights. This initiative has resulted in a substantial reduction in energy consumption and associated greenhouse gas emissions, lowering emission factors from 78.162 kg CO₂/kWh to 14.57 kg CO₂/kWh a net reduction of 63.592 kg CO₂/kWh. In the reporting period, we successfully completed approximately 60% of this lighting retrofit project, reinforcing our commitment to reducing Scope 2 emissions and improving overall operational energy efficiency. The remaining phase is planned for completion in the upcoming fiscal year, further enhancing our sustainability performance.

Resource reuse & waste minimization:

We have strengthened our resource circularity by adopting a reuse and upcycling strategy for packaging and production materials:

- Cardboard, foam, and wooden crates have been creatively repurposed into waste bins and functional office furniture.
- Steel and iron scrap materials have been utilized for constructing internal shelters and structural supports within the facility.

These actions have reduced landfill waste and supported our material efficiency goal.

VOCs reduction at paint booths:

In line with our efforts to improve air quality and reduce hazardous emissions, MTL deployed water shower systems in its paint booths, resulting in an estimated 60% reduction in Volatile Organic Compounds (VOCs). This has not only improved indoor air quality but has also enhanced the safety and well-being of our workforce.

Water Management Strategy:

Millat Tractors Limited remains dedicated to advancing sustainability by optimizing water usage across its operations. In fiscal year 2024-25, MTL achieved a notable reduction in water consumption, using 235,582,778 liters, down from 250,223,611 liters in the previous year. This improvement reflects a strong focus on efficiency and environmental responsibility.

Key contributors to this reduction include the reuse of water in critical areas such as the Paint Shop, Engine Assembly Plant, and Casting facilities, where closed-loop systems have been effectively implemented. In addition, leakage control measures have played a vital role. By proactively identifying and addressing water leakages across our facilities, we have minimized waste and reinforced our commitment to the responsible stewardship of natural resources.

Occupational Health and Safety & Employee well-being:

In fiscal year 2024-25, MTL achieved a 47.6% reduction in safety incidents compared to the previous year. This significant improvement reflects the effectiveness of our continued efforts to enhance safety protocols, deliver targeted employee training, and foster a proactive safety culture across the organization.

We further strengthened our workplace health and safety framework by maintaining robust safety policies, conducting regular risk assessments, and implementing effective control measures across all operational areas. A key highlight of the year was reaching 3.5 million safe man-hours without a lost-time incident, underscoring our commitment to operational excellence and workforce protection.

Community Engagement and Social Impact:

MTL remains committed to creating a positive and lasting impact on the communities in which we operate. In line with our Corporate Social Responsibility (CSR) framework and the United Nations Sustainable Development Goals (SDGs), we have actively engaged with local communities to address critical needs and support inclusive development.

As part of our CSR initiatives during FY 2024-25, MTL installed two Reverse Osmosis (RO) water purification plants in underserved local areas to improve access to clean and safe drinking water. This initiative directly contributes to SDG 6: Clean Water and Sanitation, enhancing public health and supporting the well-being of community members. These efforts reflect our broader approach to responsible business practices—promoting sustainable development, improving quality of life, and strengthening trust and relationships with the communities around us.

Diversity:

As of the end of fiscal year 2024-25, women make up 2% of MTL's total workforce. This year, the company hired 2 new female employees, representing a 38% increase. Additionally, the hiring of differently-abled individuals also increased by 25% compared to the last year which shows our efforts and commitment towards improving diversity.

کیونٹی انجمن اور سماجی اثرات

ایم ٹی ایل (MTL) اس عزم پر قائم ہے کہ وہ ان کیونٹیز پر مثبت اور دیرپا اثر ڈالے جہاں ہم کام کرتے ہیں۔ اپنے کارپوریٹ سوشل ریسپانسیبلٹی (CSR) فریم ورک اور اقوام متحدہ کے پائیدار ترقی کے اہداف (SDGs) کے مطابق، ہم نے مقامی کیونٹیز کے ساتھ فعال طور پر شمولیت اختیار کی ہے تاکہ ہم ضروریات کو پورا کیا جاسکے اور جامع ترقی کو فروغ دیا جاسکے۔

مالی سال 2024-25 کے دوران اپنی CSR اقدامات کے تحت، ایم ٹی ایل نے پسماندہ مقامی علاقوں میں دور یورس اوسموسس (RO) واٹر پیوریفیکیشن پلانٹس نصب کیے تاکہ صاف اور محفوظ پینے کے پانی تک رسائی کو بہتر بنایا جاسکے۔ یہ اقدام براہ راست پائیدار ترقی کے ہدف 6- ایس ڈی جی صاف پانی اور حفظانِ صحت میں معاون ہے، جو عوامی صحت کو بہتر بنانے اور کیونٹی کے اراکین کی فلاح و بہبود کے فروغ میں مددگار ہے۔ یہ اقدامات ہمارے وسیع تر ذمہ دارانہ کاروباری طریقہ کار کی عکاسی کرتے ہیں۔ یعنی پائیدار ترقی کو فروغ دینا، معیار زندگی کو بہتر بنانا اور ہمارے ارد گرد کی کیونٹیز کے ساتھ احترام اور مضبوط تعلقات قائم کرنا۔

تنوع (Diversity)

مالی سال 2024-25 کے اختتام تک، ایم ٹی ایل (MTL) کی مجموعی افرادی قوت میں خواتین کا حصہ 2% ہے۔ اس سال کھیتی نے 2 نئی خواتین کو ملازمت دی، جو کہ 38% اضافے کی نمائندگی کرتا ہے۔ اس کے علاوہ، گزشتہ سال کے مقابلے میں خصوصی ضروریات رکھنے والے افراد کی بھرتی میں بھی 25% اضافہ ہوا، جو اس بات کا ثبوت ہے کہ ہم تنوع میں بہتری لانے کے لیے اپنی کاوشوں اور عزم کو برقرار رکھے ہوئے ہیں۔

ہیز ماحول اور حیاتی تنوع میں اضافہ

ماحولیاتی تحفظ اور پائیدار ترقی کے اپنے عزم کے تحت، ایم ٹی ایل نے مالی سال 2024-25 کے دوران اپنی سرگرمیوں میں ہیز ماحول بڑھانے کے لیے فعال اقدامات کیے۔ ملازمین نے شجر کاری مہم میں حصہ لیا اور فیکٹری کے احاطے میں 100 سے زائد درخت لگائے۔ یہ اقدام نہ صرف کاربن جذب کرنے میں مددگار ہے بلکہ ادارے میں ماحولیاتی ذمہ داری کی ثقافت کو بھی فروغ دیتا ہے۔ مزید برآں، ایم ٹی ایل نے اپنی نرسریاں قائم کیں اور سال بھر مختلف پھولوں کی نمائشوں میں حصہ لیا تاکہ حیاتی تنوع اور ماحولیاتی پائیداری کو فروغ دیا جاسکے۔ لگائے گئے درختوں سے اندازاً سالانہ 2 ٹن CO2 جذب ہوگا، جو ہماری ماحولیاتی تبدیلی کے خلاف کوششوں کو مزید مضبوط بناتا ہے۔

شہسی توانائی میں سرمایہ کاری اور ماحولیاتی اثرات

کاربن اخراج میں کمی اور طویل مدتی پائیداری کے اپنے اسٹریٹجک لائحہ عمل کے حصے کے طور پر، ایم ٹی ایل نے 2022 میں 998.5 کلو واٹ کا شہسی توانائی نظام نصب کر کے قابل تجدید توانائی کے ڈھانچے میں نمایاں سرمایہ کاری کی۔ یہ اقدام گرین ہاؤس گیسز میں کمی اور کاربن فٹ پرنٹ گھٹانے میں مددگار ثابت ہوا۔ 2022 سے 2025 کے درمیان اس نظام نے مجموعی طور پر 2,090 ٹن CO2 کے اخراج کو روکنے، تقریباً 2,860 درخت لگانے کے برابر اثرات اور 1,760 ٹن کوئلے کی بچت جیسے فوائد فراہم کیے۔

مالی سال 2024-25 میں، اس نظام نے 799,551 kWh بجلی پیدا کی جس سے 679.62 ٹن CO2 کے اخراج کو روکا گیا۔ یہ پیداوار تقریباً 930 درخت لگانے اور 570 ٹن کوئلہ بچانے کے مساوی ہے۔ یہ نتائج ہمارے صاف توانائی کے سفر اور ماحولیاتی اثرات میں کمی کے عزم کو ظاہر کرتے ہیں۔

یہ قابل پیمائش نتائج ہماری صاف توانائی کی منتقلی کے مثبت اثرات کو اجاگر کرتے ہیں اور ذمہ دارانہ توانائی کے استعمال کے لیے ہمارے عزم کی توثیق کرتے ہیں۔ کم کاربن مینا لو جیئر اختیار کرنے اور CFP پر مبنی صحابی طریقہ کار اپنانے کے ذریعے، ایم ٹی ایل ماحولیاتی اثرات کو کم کرنے اور طویل المدتی ماحولیاتی پیک کو فروغ دینے میں مثال قائم کرتا جا رہا ہے۔

توانائی کی کارکردگی میں بہتری

مالی سال 2024-25 کے دوران، ایم ٹی ایل نے اپنی سہولت کے لامپنگ سسٹم کو اپ گریڈ کرنے میں نمایاں پیش رفت کی، جس کے تحت روایتی 400W مرکزی ویپر لیمپس کو توانائی کے موثر 120W ایل ای ڈی ہائی بی لائٹس سے تبدیل کیا گیا۔ اس اقدام کے نتیجے میں توانائی کے استعمال اور اس سے وابستہ گرین ہاؤس گیس کے اخراج میں نمایاں کمی واقع ہوئی، جس سے اخراج کے عوامل 78.162 کلوگرام CO2/kWh سے کم ہو کر 14.57 کلوگرام CO2/kWh رہ گئے، جو کہ خالص کمی 63.592 کلوگرام CO2/kWh ہے۔ رپورٹنگ کے عرصے کے دوران ہم نے اس

لامپنگ ریفریٹ مضروبے کا تقریباً 60% کامیابی سے مکمل کیا، جو اس بات کو مزید تقویت دیتا ہے کہ ہم 2Scope کے اخراج کو کم کرنے اور مجموعی طور پر آپریشنل توانائی کی کارکردگی کو بہتر بنانے کے لیے پُر عزم ہیں۔ باقی مرحلہ آئندہ مالی سال میں مکمل کرنے کا منصوبہ ہے، جس سے ہماری پائیداری کی کارکردگی مزید بہتر ہوگی۔

وسائل کے دوبارہ استعمال اور فضلہ میں کمی

پیداواری اور پیکیجنگ کے مواد کو دوبارہ استعمال اور اپ سائیکلنگ کے ذریعے کارآمد بنانا:

- 1- کارڈ بورڈ، فوم اور کٹڑی کے کرش کو پچرے کے ڈبوں اور ڈرنیچر میں بدلا گیا۔
 - 2- لوہے اور اسٹیل کے سکرپ سے اندرونی شیڈز اور اسٹریچرل سپورٹس بنائے گئے۔
- یہ اقدامات لینڈ فیل فضلہ کو کم کرنے اور میٹریل انیشیٹیو کے اہداف کو حاصل کرنے میں مددگار ثابت ہوئے۔

پینٹ بوتھ میں VOCs کی کمی

پینٹ بوتھ میں واٹر شاؤر سسٹم نصب کیے گئے جس سے VOCs میں تقریباً 60% کمی واقع ہوئی۔ اس سے نہ صرف اندرونی فضائی معیار بہتر ہوا بلکہ ملازمین کی صحت اور حفاظت میں بھی بہتری آئی۔

پانی کے انتظام کی حکمت عملی

ایم ٹی ایل نے پانی کے استعمال میں بہتری لاکر 2024-25 میں 235,582,778 لیٹر پانی استعمال کیا جو گزشتہ سال کے 250,223,611 لیٹر سے کم تھا۔ اس کمی میں کلوڈ لوپ سسٹم، پینٹ شاپ، انجن اسٹیل اور کاسٹنگ پلانٹ اور کھج کنٹرول اقدامات نے اہم کردار ادا کیا۔

صحت، حفاظت اور ملازمین کی فلاح

مالی سال 2024-2025 میں، ایم ٹی ایل نے پچھلے سال کے مقابلے میں 47.6% حفاظتی حادثات میں کمی حاصل کی۔ یہ نمایاں بہتری ہماری مسلسل کاوشوں کی عکاسی کرتی ہے جن کا مقصد حفاظتی طریقہ کار کو بہتر بنانا، ملازمین کو بہتر تربیت فراہم کرنا اور تنظیم بھر میں ایک فعال حفاظتی ثقافت کو فروغ دینا ہے۔

ہم نے اپنے کام کی جگہ پر صحت اور حفاظت کے ڈھانچے کو مزید مضبوط بنایا ہے، جس کے لیے ہم نے جامع حفاظتی پالیسیوں کو برقرار رکھا، باقاعدہ رسک اسسٹمنٹ کی اور تمام عملی شعبوں میں مؤثر کنٹرول اقدامات نافذ کیے۔ اس سال کا ایک نمایاں سنگ میل 35 لاکھ محفوظ اوقات کار بغیر کسی نقصان وہ حادثے کے مکمل کرنا تھا، جو ہماری عملی شاندار اور روک فورس کو تحفظ کے عزم کو اجاگر کرتا ہے۔

Gender Pay Gap 2024-2025

| | | | |
|---|-----------------------|---------------|-------|
| 1 | Mean gender pay gap | $(A-B)/A*100$ | 35.36 |
| 2 | Median gender pay gap | $(C-D)/C*100$ | 16.96 |

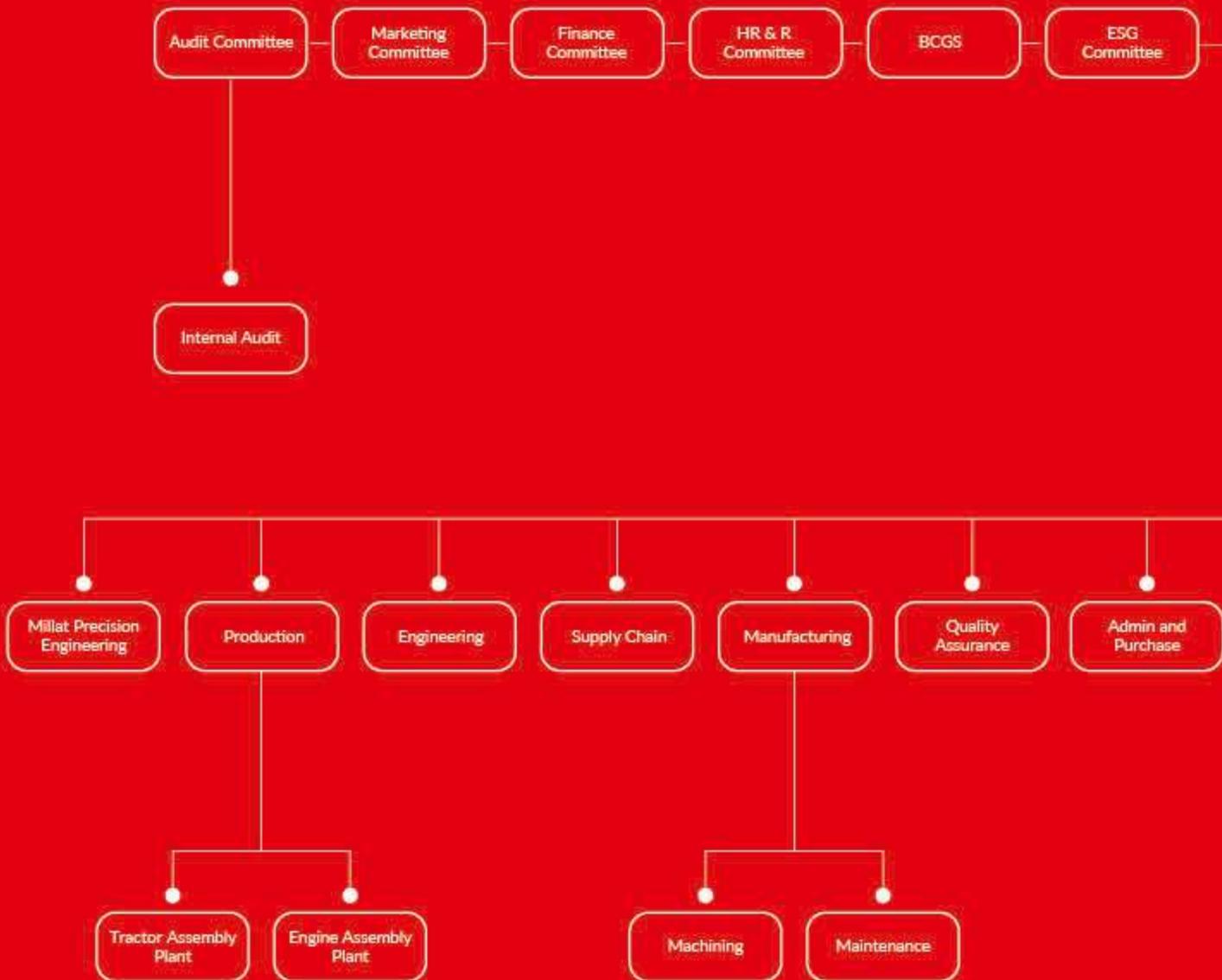
| Mean | | Median | |
|----------|--------|--------|--------|
| Male | Female | Male | Female |
| A | B | C | D |
| 1,092.35 | 706.08 | 599.02 | 497.44 |

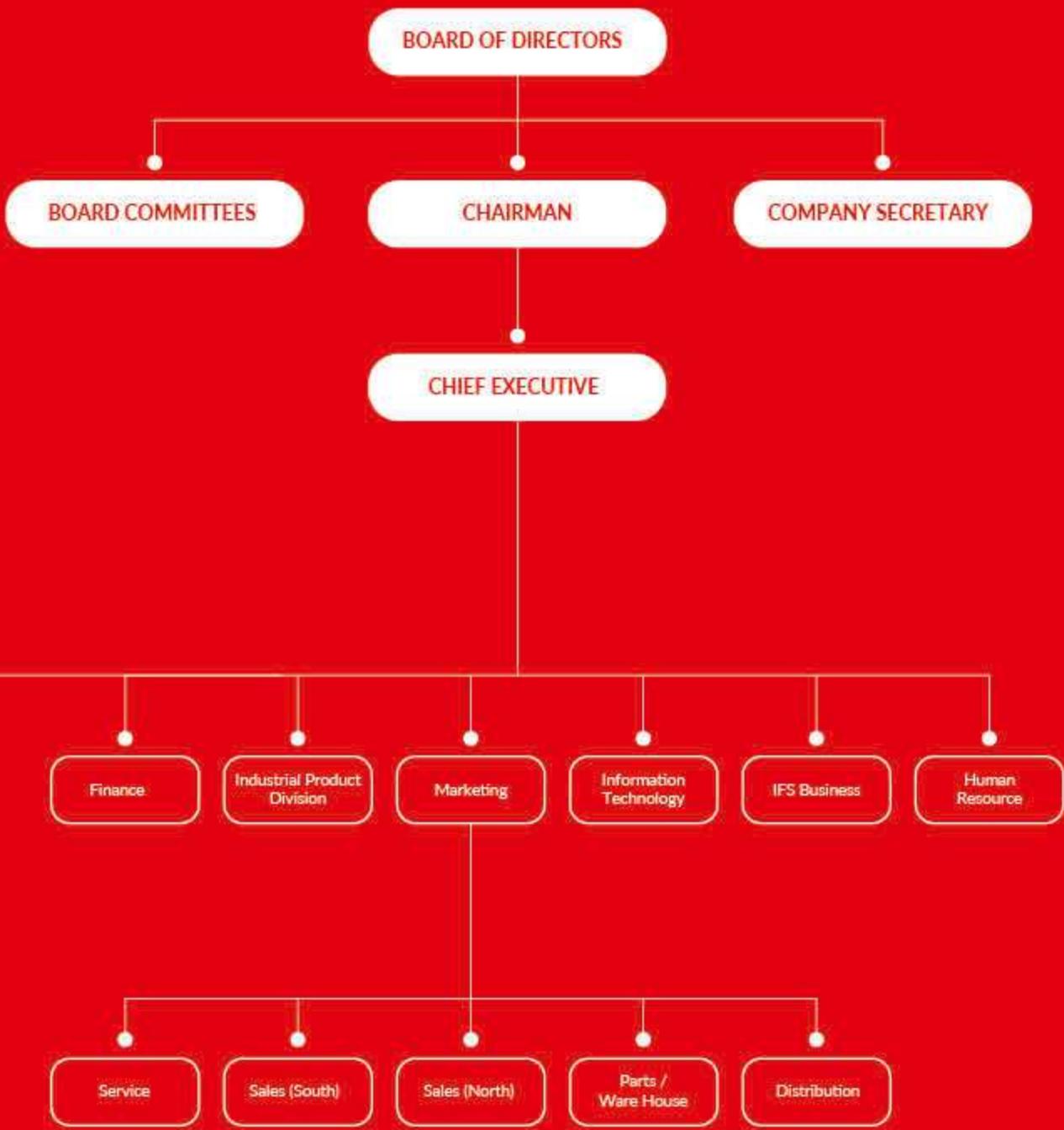
Integral notes:

- Employee categories included are as follows:
 - Management
 - Executive
 - Production Worker
 - Staff Worker
- For simplicity, 365 days with 8 working hours have been used. For joiners and leavers, actual no. of days have been used.
- Reimbursements of all sorts, including petrol and toll reimbursements, have been excluded.
- Following other allowances have been taken, in addition to salary:
 - Leave fare assistance allowance - for all categories
 - Bonus - for all categories
 - Fridge allowance - for management only
 - Special allowance - for production and staff workers only
 - Leave encashment - only in case of production and staff workers since executives and management are paid only on resignation
 - Cloth allowance - for production and staff workers only
- Leave fare assistance allowance, where negative/overdrawn, and leave encashment have been excluded from other allowances of executive and management leavers for comparability purposes.



Organization Structure





Performance and Position





Summary of Cash Flows

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|--|----------------------|-------------|-------------|-------------|-------------|-------------|
| | (Rupees in thousand) | | | | | |
| Net cash generated from / (used in): | | | | | | |
| Operating activities | 8,324,208 | 6,870,709 | (4,619,052) | (98,985) | 8,903,236 | 3,788,057 |
| Investing activities | (532,104) | 507,626 | (1,390,334) | 6,438,272 | (5,667,833) | (238,376) |
| Financing activities | (8,012,423) | (7,726,630) | (1,842,838) | (6,033,201) | (3,755,263) | (2,682,207) |
| Net increase / (decrease) in cash and cash equivalents | 843,889 | (348,295) | (7,852,224) | 306,086 | (519,860) | 867,474 |
| Cash and cash equivalents at the beginning of the year | (6,694,831) | (6,346,536) | 1,505,688 | 1,199,602 | 1,719,462 | 851,988 |
| Cash and cash equivalents at the end of the year | (5,850,942) | (6,694,831) | (6,346,536) | 1,505,688 | 1,199,602 | 1,719,462 |

Cash Flow Analysis (Rs. In Million)





Six Years at a Glance

| | | 2025 | 2024 Restated | 2023 | 2022 Restated | 2021 | 2020 |
|--|-------------|------------|------------------|------------|------------------|--------------|--------------|
| Statement of Profit or Loss Summary | | | | | | | |
| Revenue from contracts with customers | Rs thousand | 52,108,997 | 91,534,501 | 44,190,843 | 53,374,415 | 43,953,778 | 22,942,275 |
| Gross profit | Rs thousand | 13,867,091 | 21,434,290 | 8,842,390 | 10,197,475 | 9,271,094 | 4,245,596 |
| Operating profit | Rs thousand | 10,236,479 | 18,017,751 | 6,707,223 | 8,892,530 | 7,888,338 | 3,187,471 |
| Profit before tax | Rs thousand | 8,063,835 | 16,827,904 | 5,350,223 | 8,665,111 | 7,879,074 | 2,969,635 |
| Profit after tax | Rs thousand | 6,372,928 | 10,224,875 | 3,377,636 | 5,407,006 | 5,780,927 | 2,150,548 |
| Earning before interest, tax, depreciation and amortization (EBITDA) | Rs thousand | 10,444,538 | 18,195,844 | 6,812,049 | 8,983,418 | 7,965,475 | 3,267,847 |
| Statement of Financial Position Summary | | | | | | | |
| Share capital | Rs thousand | 1,995,160 | 1,917,983 | 1,917,983 | 968,679 | 560,578 | 498,292 |
| General reserves | Rs thousand | 2,278,935 | 2,278,935 | 2,278,935 | 2,278,935 | 2,278,935 | 2,278,935 |
| Operating fixed assets | Rs thousand | 1,672,939 | 1,537,146 | 827,326 | 775,150 | 777,638 | 667,980 |
| Other non-current assets | Rs thousand | 6,341,269 | 6,876,809 | 7,099,571 | 4,642,354 | 6,547,172 | 2,354,967 |
| Current assets | Rs thousand | 24,974,383 | 24,459,473 | 17,766,037 | 14,604,316 | 17,481,439 | 7,781,665 |
| Current liabilities | Rs thousand | 23,332,686 | 19,759,295 | 15,685,887 | 12,123,350 | 14,543,064 | 6,400,770 |
| Net working capital | Rs thousand | 1,641,697 | 4,700,178 | 2,080,150 | 2,480,966 | 2,938,375 | 1,380,895 |
| Non-current liabilities | Rs thousand | 1,579,605 | 2,160,981 | 2,289,395 | 875,713 | 1,170,415 | 331,766 |
| Profitability Ratios | | | | | | | |
| Gross profit | % | 26.61 | 23.42 | 20.01 | 19.11 | 21.09 | 18.51 |
| Operating profit | % | 19.64 | 19.68 | 15.18 | 16.66 | 17.95 | 13.89 |
| Profit before tax | % | 15.47 | 18.38 | 12.11 | 16.23 | 17.93 | 12.94 |
| Net profit after tax | % | 12.23 | 11.17 | 7.64 | 10.13 | 13.15 | 9.37 |
| EBITDA margin | % | 20.04 | 19.88 | 15.42 | 16.83 | 18.12 | 14.24 |
| Operating leverage | % | 1.00 | 1.57 | 1.43 | 0.59 | 1.61 | 1.44 |
| Return on equity | % | 78.91 | 93.35 | 43.77 | 76.99 | 63.58 | 52.81 |
| Return on capital employed | % | 161.92 | 195.87 | 115.35 | 164.38 | 139.45 | 84.44 |
| Return on assets | % | 24.44 | 51.19 | 20.82 | 43.28 | 31.76 | 27.48 |
| Liquidity Ratios | | | | | | | |
| Current ratio | Times | 1.07:1 | 1.23:1 | 1.13:1 | 1.20:1 | 1.20:1 | 1.22:1 |
| Quick ratio | Times | 0.49:1 | 0.45:1 | 0.49:1 | 0.63:1 | 0.82:1 | 1.06:1 |
| Cash to current liabilities | Times | 0.06:1 | 0.07:1 | 0.06:1 | 0.12:1 | 0.05:1 | 0.27:1 |
| Cash flow from operations to sales | Times | 0.159:1 | 0.0750:1 | -0.104:1 | -0.001:1 | 0.20:1 | 0.17:1 |
| Activity / Turnover Ratios | | | | | | | |
| Inventory turnover ratio | Times | 2.49 | 5.48 | 3.74 | 6.41 | 6.62 | 4.32 |
| No. of days in inventory | Days | 147 | 67 | 98 | 57 | 55 | 85 |
| Debtor turnover ratio | Times | 118.81 | 294.03 | 183.71 | 283.53 | 361.35 | 308.61 |
| No. of days in receivables | Days | 3 | 1 | 2 | 1 | 1 | 1 |
| Creditor turnover ratio | Times | 9.27 | 19.83 | 12.16 | 14.50 | 14.74 | 9.61 |
| No. of days in creditors | Days | 39 | 18 | 30 | 25 | 25 | 38 |
| Total assets turnover ratio | Times | 1.58 | 3.13 | 1.93 | 2.38 | 1.77 | 2.12 |
| Fixed assets turnover ratio | Times | 32.47 | 77.42 | 55.15 | 68.75 | 60.81 | 33.09 |
| Operating cycle | Days | 110 | 49 | 70 | 33 | 31 | 48 |
| Investment / Market Ratios | | | | | | | |
| Earning per share (after tax) | Rs | 31.94 | 52.26 | 17.61 | 55.82 | 59.68 | 38.36 |
| Price earning | Times | 17.49 | 12.17 | 22.16 | 15.63 | 18.09 | 18.41 |
| Price to book value | Times | 13.80 | 11.14 | 9.70 | 12.04 | 11.50 | 8.64 |
| Dividend yield | % | 10.01 | 4.71 | 3.94 | 6.87 | 9.89 | 7.21 |
| Dividend payout ratio (after tax) | % | 187.84 | 46.90 | 119.59 | 91.82 | 91.58 | 115.85 |
| Dividend cover | Times | 0.71 | 2.13 | 2.91 | 1.09 | 1.09 | 0.86 |
| Cash dividend per share (includes final dividend) | Rs | 60.00 | 25.00 | 25.00 | 65.00 | 100.00 | 50.00 |
| Bonus per share (includes final bonus shares) | % | - | - | 60.00 | 60.00 | 32.50 | - |
| Market value per share: | | | | | | | |
| Year end | Rs | 558.66 | 636.08 | 390.31 | 872.59 | 1,079.61 | 706.16 |
| During the year: | | | | | | | |
| Highest | Rs | 731.29 | 661.99 | 904.79 | 1,120.94 | 1,298.75 | 863.58 |
| Average | Rs | 599.47 | 530.97 | 634.96 | 945.58 | 1,011.30 | 693.59 |
| Lowest | Rs | 510.73 | 380.36 | 382.83 | 746.46 | 698.74 | 468.49 |
| Break-up value per share (With surplus on revaluation of investments) | Rs | 40.48 | 57.11 | 40.24 | 72.50 | 93.87 | 81.72 |
| Capital Structure Ratios | | | | | | | |
| Debt to equity ratio (Long term debt / Long term debt + Equity) | Times | 10 : 90 | 11 : 89 | 15 : 85 | 0.02 : 99.98 | 0.03 : 99.97 | 0.03 : 99.97 |
| Financial charges coverage | Times | 4.71 | 15.14 | 4.94 | 38.10 | 1943.05 | 13.82 |

Statement of Value Addition and its Distribution



Employees
2025: **26.32%**
2024: 16.93%



Financial Charges
2025: **15.08%**
2024: 5.33%



Government
2025: **12.88%**
2024: 31.12%



Society
2025: **0.02%**
2024: 0.03%



Shareholders
2025: **62.33%**
2024: 21.47%



Retained in Business
2025: **(16.64)%**
2024: 25.12%

| VALUE ADDITION | 2025 Rs. in ('000) | Restated 2024 Rs. in ('000) |
|--------------------------------------|-----------------------|-----------------------------------|
| Revenue from contract with customers | 52,108,997 | 91,534,501 |
| Material and services | (38,344,044) | (70,348,443) |
| Other income | 639,394 | 1,142,311 |
| | 14,404,347 | 22,328,369 |

Value Distribution

| | 2025 Rs. ('000) | % | Restated 2024 Rs. ('000) | % |
|--|--------------------|----------------|--------------------------------|---------------|
| Employees | | | | |
| Salaries wages and amenities | 3,358,789 | 23.32 | 2,872,557 | 12.87 |
| Worker's profit participation fund | 433,074 | 3.01 | 907,869 | 4.07 |
| | 3,791,863 | 26.32 | 3,780,426 | 16.93 |
| Government | | | | |
| Tax | 1,690,907 | 11.74 | 6,603,029 | 29.57 |
| Workers welfare fund | 164,568 | 1.14 | 345,989 | 1.55 |
| | 1,855,475 | 12.88 | 6,949,018 | 31.12 |
| Shareholders | | | | |
| Cash dividend (includes final dividend) | 8,978,220 | 62.33 | 4,794,958 | 21.47 |
| Bonus shares (includes final bonus shares) | - | - | - | - |
| | 8,978,220 | 62.33 | 4,794,958 | 21.47 |
| Financial charges | | | | |
| Finance cost | 2,172,644 | 15.08 | 1,189,847 | 5.33 |
| | 2,172,644 | 15.08 | 1,189,847 | 5.33 |
| Society | | | | |
| Donation | 3,378 | 0.02 | 6,110 | 0.03 |
| | 3,378 | 0.02 | 6,110 | 0.03 |
| Retained in business | | | | |
| Depreciation and amortisation | 208,059 | 1.44 | 178,093 | 0.80 |
| Retained profit / (Over-drawn) | (2,605,292) | (18.09) | 5,429,917 | 24.32 |
| | (2,397,233) | (16.64) | 5,608,010 | 25.12 |
| | 14,404,347 | 100.00 | 22,328,369 | 100.00 |

Horizontal Analysis

| | 2025 | | 2024 Restated | |
|--|---------------------------------------|----------------|---------------------------------------|---------------|
| | Increase/(Decrease) from last year | | Increase/(Decrease) from last year | |
| | Rs. ('000) | % | Rs. ('000) | % |
| Statement of Financial Position | | | | |
| Operating fixed assets | 1,672,939 | 8.83 | 1,537,146 | 85.80 |
| Capital work in progress | 113,136 | 29.71 | 87,220 | 285.71 |
| Right-of-use assets | 1,444 | (78.54) | 6,730 | (47.65) |
| Intangible assets | 15,720 | (33.33) | 23,580 | (25.00) |
| Investment property | 38,861 | (86.81) | 294,569 | 15.20 |
| Long term investments | 6,007,386 | (2.57) | 6,165,557 | (4.85) |
| Long term loans | 9,789 | (11.59) | 11,072 | 50.66 |
| Deferred tax asset - ne | - | - | - | - |
| Employee benefits | 154,933 | (46.22) | 288,081 | (0.62) |
| Stores, spares parts and loose tools | 696,330 | 2.13 | 681,778 | 203.89 |
| Stock in trade | 12,836,160 | (13.75) | 14,882,738 | 51.80 |
| Trade debts | 500,407 | 32.81 | 376,792 | 53.28 |
| Loans and advances | 134,216 | (67.82) | 417,086 | 309.40 |
| Trade deposits and prepayments | 159,968 | 28.86 | 124,140 | (56.27) |
| Balance with statutory authorities | 7,587,586 | 20.54 | 6,294,755 | 5.22 |
| Other receivables | 285,999 | 0.81 | 283,705 | 141.85 |
| Tax refunds due from Government | 1,207,969 | 100.00 | - | - |
| Short term investments | - | - | - | - |
| Cash and bank balances | 1,565,748 | 11.96 | 1,398,479 | 38.91 |
| Total Assets | 32,988,591 | 0.35 | 32,873,428 | 27.95 |
| Shareholder's equity | 8,076,300 | (26.27) | 10,953,152 | 41.92 |
| Non-current liabilities | 1,579,605 | (26.90) | 2,160,981 | (5.61) |
| Current liabilities | 23,332,686 | 18.08 | 19,759,295 | 25.97 |
| Total Liabilities and Equity | 32,988,591 | 0.35 | 32,873,428 | 27.95 |
| Statement of Profit or Loss | | | | |
| Revenue from contracts with customers | 52,108,997 | (43.07) | 91,534,501 | 107.13 |
| Cost of sales | 38,241,906 | (45.45) | 70,100,211 | 98.31 |
| Gross profit | 13,867,091 | (35.30) | 21,434,290 | 142.40 |
| Distribution and marketing expenses | 1,631,382 | (14.25) | 1,902,420 | 77.68 |
| Administrative expenses | 1,664,087 | 19.16 | 1,396,462 | 87.33 |
| Other operating income | 639,394 | (44.03) | 1,142,311 | 142.39 |
| Other operating expenses | 974,537 | (22.65) | 1,259,968 | 59.43 |
| Operating profit | 10,236,479 | (43.19) | 18,017,751 | 168.63 |
| Finance costs | 2,172,644 | 82.60 | 1,189,847 | (12.32) |
| Profit before tax | 8,063,835 | (52.08) | 16,827,904 | 214.53 |
| Levies and taxes | 1,690,907 | (74.39) | 6,603,029 | 234.74 |
| Profit after tax | 6,372,928 | (37.67) | 10,224,875 | 202.72 |

| 2023 | | 2022 Restated | | 2021 | | 2020 | |
|---------------------------------------|--------------|---------------------------------------|----------------|---------------------------------------|---------------|---------------------------------------|-------------|
| Increase/(Decrease) from last year | | Increase/(Decrease) from last year | | Increase/(Decrease) from last year | | Increase/(Decrease) from last year | |
| Rs. ('000) | % | Rs. ('000) | % | Rs. ('000) | % | Rs. ('000) | % |
| 827,326 | 6.73 | 775,150 | (0.32) | 777,638 | 16.42 | 667,980 | (7.04) |
| 22,613 | 117.04 | 10,419 | (76.93) | 45,166 | 1,433.65 | 2,945 | (77.04) |
| 12,857 | 1,044.88 | 1,123 | (77.06) | 4,896 | 100 | 12,931 | - |
| 31,440 | (20.00) | 39,300 | (0.41) | 39,462 | (4.69) | 41,405 | 922.85 |
| 255,708 | - | 255,708 | - | 255,708 | - | 255,708 | - |
| 6,479,728 | 55.25 | 4,173,730 | (32.68) | 6,199,458 | 203.94 | 2,039,726 | 47.39 |
| 7,349 | (61.37) | 19,023 | 666.44 | 2,482 | 10.21 | 2,252 | (20.31) |
| - | - | - | - | - | - | - | (100.00) |
| 289,876 | 102.64 | 143,051 | 100.00 | - | - | - | (100.00) |
| 224,348 | 22.85 | 182,625 | 13.20 | 161,329 | 2.50 | 157,399 | 4.38 |
| 9,803,885 | 45.05 | 6,758,898 | 25.80 | 5,372,584 | 39.29 | 3,857,166 | 22.50 |
| 245,821 | 4.49 | 235,269 | 66.58 | 141,234 | 38.41 | 102,044 | 118.80 |
| 101,878 | 157.50 | 39,565 | (29.80) | 56,359 | 8.66 | 51,869 | (54.45) |
| 283,875 | 385.75 | 58,440 | (10.47) | 65,273 | 50.46 | 43,382 | (6.63) |
| 5,982,200 | 4.81 | 5,707,842 | 24.30 | 4,592,169 | 344.69 | 1,032,656 | (54.11) |
| 117,305 | 1.13 | 115,989 | 7.15 | 108,253 | 179.65 | 38,710 | (55.52) |
| - | - | - | - | - | (100.00) | 778,977 | (38.59) |
| - | - | - | (100.00) | 6,134,636 | 100.00 | - | - |
| 1,006,725 | (33.14) | 1,505,688 | 77.22 | 849,602 | (50.59) | 1,719,462 | 101.82 |
| 25,692,934 | 28.32 | 20,021,820 | (19.29) | 24,806,249 | 129.59 | 10,804,612 | 2.18 |
| 7,717,652 | 9.89 | 7,022,757 | (22.77) | 9,092,770 | 123.30 | 4,072,076 | (15.75) |
| 2,289,395 | 161.43 | 875,713 | (25.18) | 1,170,415 | 252.78 | 331,766 | 2,505.97 |
| 15,685,887 | 29.39 | 12,123,350 | (16.64) | 14,543,064 | 127.21 | 6,400,770 | 11.74 |
| 25,692,934 | 28.32 | 20,021,820 | (19.29) | 24,806,249 | 129.59 | 10,804,612 | 2.18 |
| 44,190,843 | (17.21) | 53,374,415 | 21.43 | 43,953,778 | 91.58 | 22,942,275 | (26.33) |
| 35,348,453 | (18.13) | 43,176,940 | 24.49 | 34,682,684 | 85.50 | 18,696,679 | (25.80) |
| 8,842,390 | (13.29) | 10,197,475 | 9.99 | 9,271,094 | 118.37 | 4,245,596 | (28.60) |
| 1,070,694 | 15.36 | 928,162 | 8.60 | 854,630 | 50.51 | 567,838 | (1.93) |
| 745,465 | 14.96 | 648,456 | 11.92 | 579,369 | 29.27 | 448,178 | 0.41 |
| 471,274 | (27.42) | 649,283 | 5.39 | 616,066 | 108.27 | 295,803 | (50.42) |
| 790,282 | (14.19) | 920,956 | 38.01 | 667,309 | 163.04 | 253,694 | (68.31) |
| 6,707,223 | (24.57) | 8,892,530 | 12.73 | 7,888,338 | 147.48 | 3,187,471 | (37.80) |
| 1,357,000 | 496.70 | 227,419 | 2,354.87 | 9,264 | (95.75) | 217,836 | 418.11 |
| 5,350,223 | (38.26) | 8,665,111 | 9.98 | 7,879,074 | 165.32 | 2,969,635 | (41.58) |
| 1,972,587 | (39.46) | 3,258,105 | 55.28 | 2,098,147 | 156.16 | 819,087 | (43.31) |
| 3,377,636 | (37.53) | 5,407,006 | (6.47) | 5,780,927 | 168.81 | 2,150,548 | (40.89) |

Vertical Analysis

| | 2025 | | 2024 Restated | |
|--|-------------------|--------------|-------------------|--------------|
| | Rs. ('000) | % | Rs. ('000) | % |
| Statement of Financial Position | | | | |
| Operating fixed assets | 1,672,939 | 5.1 | 1,537,146 | 4.7 |
| Capital work in progress | 113,136 | 0.3 | 87,220 | 0.3 |
| Right-of-use assets | 1,444 | 0.0 | 6,730 | 0.0 |
| Intangible assets | 15,720 | 0.0 | 23,580 | 0.1 |
| Investment property | 38,861 | 0.1 | 294,569 | 0.9 |
| Long term investments | 6,007,386 | 18.2 | 6,165,557 | 18.8 |
| Long term loans and advances | 9,789 | 0.0 | 11,072 | 0.0 |
| Deferred tax asset - net | - | - | - | - |
| Employee benefits | 154,933 | 0.5 | 288,081 | 0.9 |
| Stores, spares parts and loose tools | 696,330 | 2.1 | 681,778 | 2.1 |
| Stock in trade | 12,836,160 | 38.9 | 14,882,738 | 45.3 |
| Trade debts | 500,407 | 1.5 | 376,792 | 1.1 |
| Loans and advances | 134,216 | 0.4 | 417,086 | 1.3 |
| Trade deposits and prepayments | 159,968 | 0.5 | 124,140 | 0.4 |
| Balance with statutory authorities | 7,587,586 | 23.0 | 6,294,755 | 19.1 |
| Other receivables | 285,999 | 0.9 | 283,705 | 0.9 |
| Tax refunds due from Government | 1,207,969 | 3.7 | - | - |
| Short term investments | - | - | - | - |
| Cash and bank balances | 1,565,748 | 4.7 | 1,398,479 | 4.3 |
| Total Assets | 32,988,591 | 100.0 | 32,873,428 | 100.0 |
| Shareholder's equity | 8,076,300 | 24.5 | 10,953,152 | 33.3 |
| Non-current liabilities | 1,579,605 | 4.8 | 2,160,981 | 6.6 |
| Current liabilities | 23,332,686 | 70.7 | 19,759,295 | 60.1 |
| Total Liabilities and Equity | 32,988,591 | 100.0 | 32,873,428 | 100.0 |
| Statement of Profit or Loss | | | | |
| Revenue from contracts with customers | 52,108,997 | 100.0 | 91,534,501 | 100.0 |
| Cost of sales | 38,241,906 | 73.4 | 70,100,211 | 76.6 |
| Gross profit | 13,867,091 | 26.6 | 21,434,290 | 23.4 |
| Distribution and marketing expenses | 1,631,382 | 3.1 | 1,902,420 | 2.1 |
| Administrative expenses | 1,664,087 | 3.2 | 1,396,462 | 1.5 |
| Other operating expenses | 974,537 | 1.9 | 1,259,968 | 1.4 |
| Other operating income | 639,394 | 1.2 | 1,142,311 | 1.2 |
| Operating profit | 10,236,479 | 19.6 | 18,017,751 | 19.7 |
| Finance costs | 2,172,644 | 4.2 | 1,189,847 | 1.3 |
| Profit before tax | 8,063,835 | 15.5 | 16,827,904 | 18.4 |
| Levies and taxes | 1,690,907 | 3.2 | 6,603,029 | 7.2 |
| Profit after tax | 6,372,928 | 12.2 | 10,224,875 | 11.2 |

| 2023 | | 2022 Restated | | 2021 | | 2020 | |
|------------|-------|------------------|-------|------------|-------|------------|-------|
| Rs. ('000) | % | Rs. ('000) | % | Rs. ('000) | % | Rs. ('000) | % |
| 827,326 | 3.2 | 775,150 | 3.9 | 777,638 | 3.1 | 667,980 | 6.2 |
| 22,613 | 0.1 | 10,419 | 0.1 | 45,166 | 0.2 | 2,945 | 0.0 |
| 12,857 | 0.1 | 1,123 | 0.0 | 4,896 | 0.0 | 12,931 | 0.1 |
| 31,440 | 0.1 | 39,300 | 0.2 | 39,462 | 0.2 | 41,405 | 0.4 |
| 255,708 | 1.0 | 255,708 | 1.3 | 255,708 | 1.0 | 255,708 | 2.4 |
| 6,479,728 | 25.2 | 4,173,730 | 20.8 | 6,199,458 | 25.0 | 2,039,726 | 18.9 |
| 7,349 | 0.0 | 19,023 | 0.1 | 2,482 | 0.0 | 2,252 | 0.0 |
| - | - | - | - | - | - | - | - |
| 289,876 | 1.1 | 143,051 | 0.7 | - | - | - | - |
| 224,348 | 0.9 | 182,625 | 0.9 | 161,329 | 0.7 | 157,399 | 1.5 |
| 9,803,885 | 38.2 | 6,758,898 | 33.8 | 5,372,584 | 21.7 | 3,857,166 | 35.7 |
| 245,821 | 1.0 | 235,269 | 1.2 | 141,234 | 0.6 | 102,044 | 0.9 |
| 101,878 | 0.4 | 39,565 | 0.2 | 56,359 | 0.2 | 51,869 | 0.5 |
| 283,875 | 1.1 | 58,440 | 0.3 | 65,273 | 0.3 | 43,382 | 0.4 |
| 5,982,200 | 23.3 | 5,707,842 | 28.5 | 4,592,169 | 18.5 | 1,032,656 | 9.6 |
| 117,305 | 0.5 | 115,989 | 0.6 | 108,253 | 0.4 | 38,710 | 0.4 |
| - | - | - | - | - | - | 778,977 | 7.2 |
| - | - | - | - | 6,134,636 | 24.7 | - | - |
| 1,006,725 | 3.9 | 1,505,688 | 7.5 | 849,602 | 3.4 | 1,719,462 | 15.9 |
| 25,692,934 | 100.0 | 20,021,820 | 100.0 | 24,806,249 | 100.0 | 10,804,612 | 100.0 |
| 7,717,652 | 30.0 | 7,022,757 | 35.1 | 9,092,770 | 36.7 | 4,072,076 | 37.7 |
| 2,289,395 | 8.9 | 875,713 | 4.4 | 1,170,415 | 4.7 | 331,766 | 3.1 |
| 15,685,887 | 61.1 | 12,123,350 | 60.6 | 14,543,064 | 58.6 | 6,400,770 | 59.2 |
| 25,692,934 | 100.0 | 20,021,820 | 100.0 | 24,806,249 | 100.0 | 10,804,612 | 100.0 |
| 44,190,843 | 100.0 | 53,374,415 | 100.0 | 43,953,778 | 100.0 | 22,942,275 | 100.0 |
| 35,348,453 | 80.0 | 43,176,940 | 80.9 | 34,682,684 | 78.9 | 18,696,679 | 81.5 |
| 8,842,390 | 20.0 | 10,197,475 | 19.1 | 9,271,094 | 21.1 | 4,245,596 | 18.5 |
| 1,070,694 | 2.4 | 928,162 | 1.7 | 854,630 | 1.9 | 567,838 | 2.5 |
| 745,465 | 1.7 | 648,456 | 1.2 | 579,369 | 1.3 | 448,178 | 2.0 |
| 790,282 | 1.8 | 649,283 | 1.2 | 616,066 | 1.4 | 295,803 | 1.3 |
| 471,274 | 1.1 | 920,956 | 1.7 | 667,309 | 1.5 | 253,694 | 1.1 |
| 6,707,223 | 15.2 | 8,892,530 | 16.7 | 7,888,338 | 17.9 | 3,187,471 | 13.9 |
| 1,357,000 | 3.1 | 227,419 | 0.4 | 9,264 | 0.0 | 217,836 | 0.9 |
| 5,350,223 | 12.1 | 8,665,111 | 16.2 | 7,879,074 | 17.9 | 2,969,635 | 12.9 |
| 1,972,587 | 4.5 | 3,258,105 | 6.1 | 2,098,147 | 4.8 | 819,087 | 3.6 |
| 3,377,636 | 7.6 | 5,407,006 | 10.1 | 5,780,927 | 13.2 | 2,150,548 | 9.4 |

Commentary on Financial Results

Profitability

Gross profit margin has increased by 320 basis points owing to cost control measures adopted by the management.

Profit before tax margin was lower as compared to the last year by 300 basis points due to substantial increase in finance cost and decrease sales volume as compared to last year.

Liquidity

The company's short-term liquidity has been hampered due to stuck up sales tax refunds and decrease in sales volume resulting in an increase in short term borrowings.

Furthermore, decrease in inventory does not directly correspond with the decrease in sales volume resulting an increase in net operating cycle to 110 days from 49 days.

However, sales tax refunds due from Government have increased during the year and stood at Rs. 7.588 billion at year end, primarily due to delay in processing by the tax authorities.

Overall, the financial position remains stable and no short or long term issues are envisaged.

Solvency

Due to delays in recovery of sales tax refunds, in order to make long term investment and purchase fixed assets, the company has used a mixture of long term debt and equity in the ratio of 10:90 in its capital structure.

Nevertheless, the interest coverage ratio is 4.71, which shows that it will be able to discharge its obligations in respect thereof, with ease.

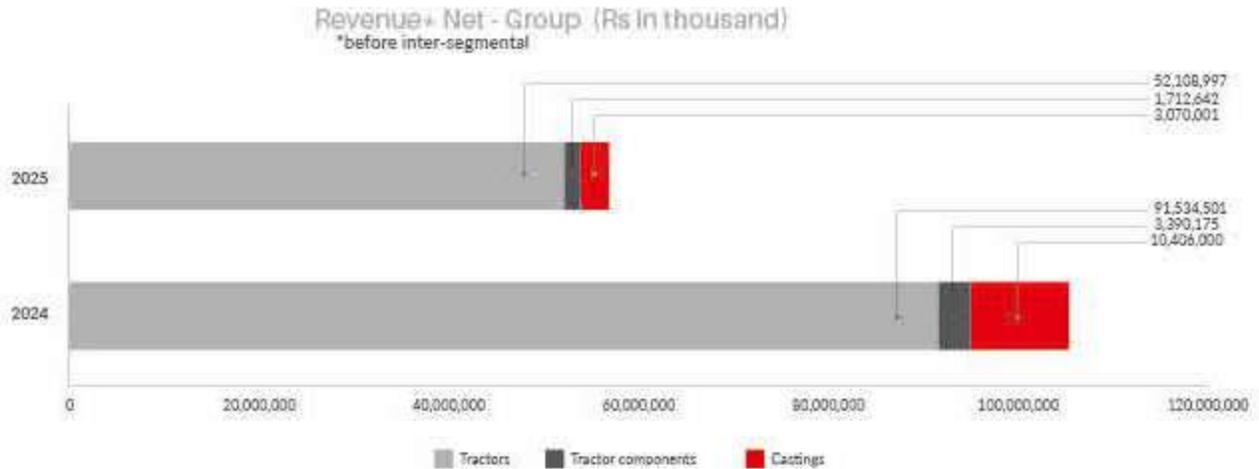
Investor

Earnings per share have decreased because of decrease in sales volumes. The company has disbursed interim cash dividend of Rs. 45 per share and final dividend of Rs. 15 per share. The market price of the shares shows confidence of investors in the company's fundamentals.



Segmental Review of Business Performance

Millat group of companies is closely integrated with one another, where the subsidiary companies supply input materials to the parent entity. The operating segment information is given in Note 51 to the consolidated financial statements. A brief analysis of the same is presented below:



Due to a decrease in tractor sales, the sales of castings and other miscellaneous items/ services have also exhibited a proportional decrease.

Since the Group is vertically integrated, performance of tractor segment directly impacts other operating segments, as evident above. Resultantly, profitability moved in the same direction as revenue.



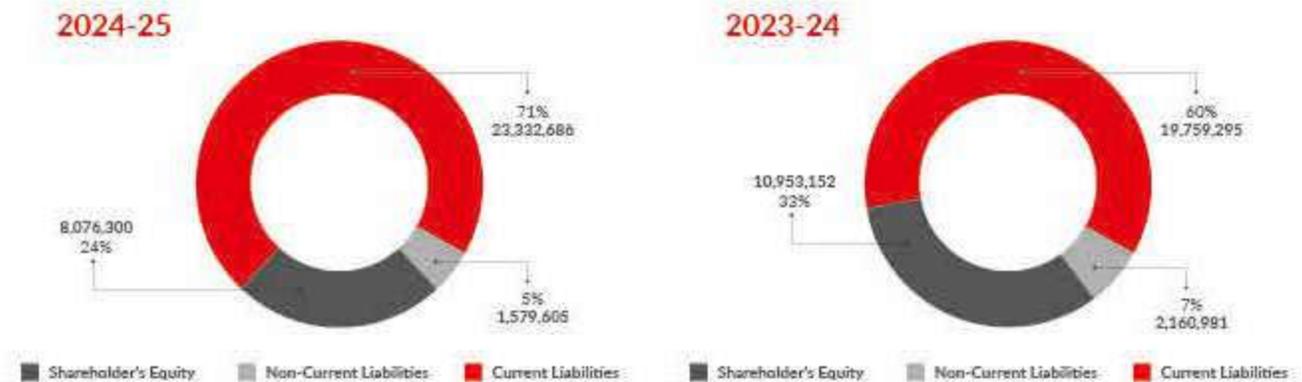
Current ratio of the Group has decreased but remained at an acceptable level due to effective management of resources. Quick ratio has slightly improved. Overall, liquidity position of the Group is satisfactory.

DUPONT Analysis

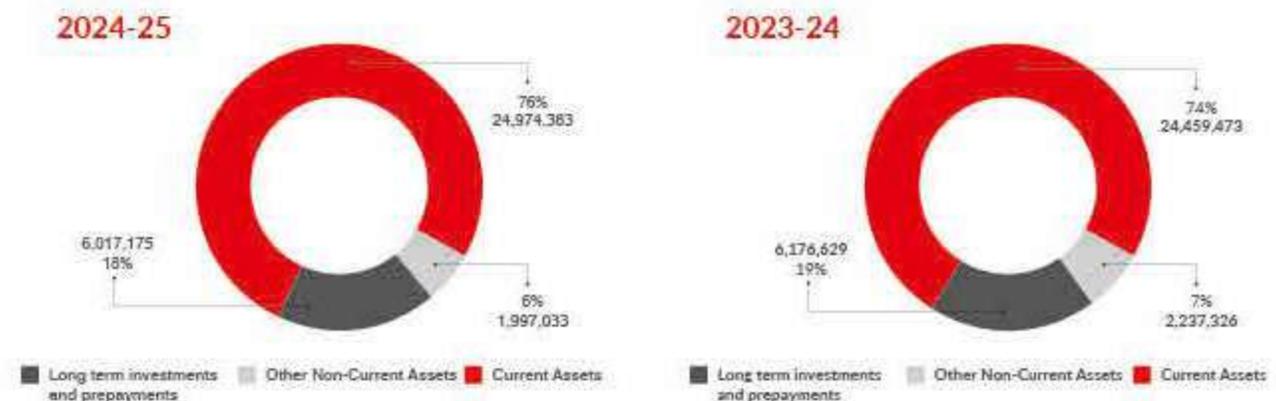


Graphical Analysis of Statement of Financial Position

Equity and Liabilities



Assets





CORPORATE COMPLIANCE AND FINANCIAL STATEMENTS



Independent Auditor's Review Report

TO THE MEMBERS OF MILLAT TRACTORS LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Millat Tractors Limited (the Company) for the year ended June 30, 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: October 2, 2025

UDIN: CR20251088900lhY8GqX

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

- The total number of directors are thirteen as per the following:

- Male: Twelve
- Female: one

- The composition of board is as follows:

| Category | Names |
|-----------------------------|--|
| i) Independent Directors | Mr. Nasar Us Samad Qureshi |
| | Mr. Muhammad Javed Rashid |
| | Mr. Manzoor Ahmed |
| ii) Non-executive Directors | Mrs. Zara Salman Bandial (Female Director) |
| | Mr. Sikandar Mustafa Khan |
| | Mr. Qaiser Saleem |
| | Mr. Saad Iqbal |
| | Mr. Muhammad Mustafa Khan |
| iii) Executive Directors | Mr. Muhammad Mustafa Sohail |
| | Mr. Murad Naseer Uddin Ansari |
| | Mr. Sohail Bashir Rana |
| | Mr. Laeeq Uddin Ansari |
| | Mr. Raheel Asghar, CEO |

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company; (excluding the listed subsidiaries of listed holding companies)
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with the date of approval or updating is maintained by the company;
- All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

- The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- During the year one head of department and a female executive completed the Directors' Training Program arranged by the Company. All directors have either acquired the prescribed certification or meet exemption criteria as contained in these regulations;
- The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below:

a) Audit Committee

| | | |
|----|--|----------|
| 1. | Mr. Nasar Us Samad Qureshi Independent Director, | Chairman |
| 2. | Mr. Qaiser Saleem Non-Executive Director, | Member |
| 3. | Mr. Muhammad Mustafa Khan Non-Executive Director, | Member |
| 4. | Mr. Muhammad Mustafa Sohail Non-Executive Director, | Member |
| 5. | Mr. Murad Naseer Uddin Ansari Non-Executive Director, | Member |

b) HR and Remuneration Committee

| | | |
|----|--|----------|
| 1. | Mr. Javed Rashid Independent Director, | Chairman |
| 2. | Mr. Qaiser Saleem Non-Executive Director, | Member |
| 3. | Ms. Zara Salman Bandial Independent Director, | Member |
| 4. | Mr. Raheel Asghar | Member |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:-
- a) Audit Committee 04 meetings
- b) HR and Remuneration Committee 02 meetings
15. The Board has set up and effective internal audit function, the staff is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative(spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with, However, for the purpose of Clause 6 (1) of the Regulations, the Company has not rounded up the fraction as one since the Board has adequate Independent Directors i.e. 04 Independent Directors;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

| Sr. No. | Requirement | Explanation for Non-Compliance | Reg. No. |
|---------|---|--|----------|
| 1. | Responsibilities of the Board and its members Adoption of the corporate governance practices | Non-mandatory provisions of the CCG Regulations are partially complied. | 10(1) |
| 2. | Nomination Committee The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. | The Board and the HR and Remuneration Committee, collectively perform all the functions of the Nomination Committee. | 29(1) |
| 3. | Risk Management Committee The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board. | The Board reviews the overall business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders. Consequently, the Board itself performs all the functions of the Risk Management Committee. | 30(1) |



SIKANDAR MUSTAFA KHAN

Chairman

Lahore:

Lahore: September 15, 2025



Independent Auditor's Report

To the members of Millat Tractors Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Millat Tractors Limited (the Company), which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information 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 unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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, 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following is the Key Audit matter:

| Sr. # | Key audit matter | How the matter was addressed in our audit |
|-------|--|---|
| 1. | <p>Investment measured at Fair Value (Refer note 4.19, 21.2 and 48.1 to the annexed unconsolidated financial statements)</p> <p>The Company holds investment in the equity instrument of Hyundai Nishat Motor (Private) Limited ('HNMPL'). Due to HNMPL being a non-listed company, their shares do not have a quoted price in an active market.</p> <p>Therefore, fair value of their shares has been determined through valuation methodology based on discounted cash flow method. This involves several estimation techniques and management's judgements to obtain reasonable expected future cash flow of the business and related discount rate.</p> <p>Due to the significant level of judgment and estimation required to determine the fair value of the investment, we consider it to be a key audit matter.</p> | <p>Our audit procedures in respect of this matter included the following:</p> <ul style="list-style-type: none"> understood and evaluated the process by which the cash flow forecast was prepared and approved, including confirming the mathematical accuracy of the underlying calculations; evaluated the cash flow forecast by obtaining an understanding of respective businesses of HNMPL; obtained an understanding of the work performed by the management's expert on the models for the purpose of valuations; examined the professional qualification of management's expert and assessed the independence, competence and experience of the management's expert in the field; obtained corroborating evidence relating to the values as determined by the management by challenging key assumptions for the growth rates in the cash flow forecast by comparing them to historical results and economic forecasts and challenging the discount rate by independently estimating a range based on market data; performed sensitivity analysis around key assumptions to ascertain the extent of change, individually in the value of the investment; and assessed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards. |
| 2. | <p>Merger/ amalgamation of Millat Equipment Limited (MEL) with and into the Company (Refer note 2.3 to the annexed unconsolidated financial statements)</p> <p>During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of MEL with and into the Company has been sanctioned by the Honorable Lahore High Court, and is effective from January 1, 2024, i.e. the date at which all assets and liabilities of MEL are vested with the Company.</p> <p>The consideration agreed is Rs. 77,177 million fully paid ordinary shares of Rs 10 each be issued to the shareholders of MEL (other than the Company) in accordance with the approved swap ratio.</p> <p>We considered merger/ amalgamation of MEL with and into the Company to be a key audit matter as this was a significant transaction during the year.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Inspected minutes of the meeting of the Board of Directors and shareholders of the Company for the approval of the transaction; Inspected the approved Scheme of Arrangement of merger/ amalgamation, sanction order of Lahore High Court, and other relevant documents to obtain an understanding of the transaction, establish transaction date and other key terms; Analyzed the financial impacts and the related accounting treatment of the transaction in the financial statements; Traced assets acquired and liabilities assumed with MEL's audited financial statements as of the effective date of merger/ amalgamation; Checked shares issued to the shareholders of MEL against consideration agreed in accordance with the approved swap ratio; |

| Sr. # | Key audit matter | How the matter was addressed in our audit |
|-------|------------------|---|
| | | <ul style="list-style-type: none"> Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements in accordance with Company's accounting policy and the applicable accounting and financial reporting framework; and Assessed the adequacy and appropriateness of the related disclosures in the financial statements for compliance with the requirement of the applicable financial reporting framework |

Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Reports Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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 Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated 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 unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss and other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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.

Other Matter

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Aleem Zubair.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: October 2, 2025

UDIN: AR202510889w7j4QomGF

Unconsolidated Statement of Financial Position

As at June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|--|------|------------------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 530,000,000 (2024: 530,000,000) ordinary shares of Rs. 10 each | | 5,300,000 | 5,300,000 |
| Issued, subscribed and paid up capital | 5 | 1,995,160 | 1,917,983 |
| Reserves | 6 | 6,081,140 | 9,035,169 |
| | | 8,076,300 | 10,953,152 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long-term finances - secured | 7 | 460,690 | 894,649 |
| Deferred grant | 8 | 6,585 | 10,527 |
| Lease liabilities | 9 | - | 2,334 |
| Long-term deposits | 10 | 15,698 | 15,433 |
| Deferred tax liabilities - net | 11 | 1,096,632 | 1,238,038 |
| | | 1,579,605 | 2,160,981 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 12 | 6,301,640 | 8,648,032 |
| Contract liabilities | 13 | 1,808,426 | 960,805 |
| Taxation - net | | - | 1,013,021 |
| Short-term borrowings | 14 | 14,036,499 | 8,093,310 |
| Current portion of non-current liabilities | 15 | 433,191 | 428,614 |
| Unclaimed dividend | | 362,053 | 344,541 |
| Unpaid dividend | | 79,163 | 43,714 |
| Accumulating compensated absences | | 311,714 | 227,258 |
| | | 23,332,686 | 19,759,295 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 16 | | |
| | | 32,988,591 | 32,873,428 |

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer

| | Note | 2025 | Restated 2024 |
|---|------|------------|------------------|
| (Rupees in thousand) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 17 | 1,786,075 | 1,624,366 |
| Right-of-use assets | 18 | 1,444 | 6,730 |
| Investment property | 19 | 38,861 | 294,569 |
| Intangible assets | 20 | 15,720 | 23,580 |
| Long-term investments | 21 | 6,007,386 | 6,165,557 |
| Employees' defined benefit plan | 22 | 154,933 | 288,081 |
| Long-term loans and advances | 23 | 9,789 | 11,072 |
| | | 8,014,208 | 8,413,955 |
| CURRENT ASSETS | | | |
| Stores, spare parts and loose tools | 24 | 696,330 | 681,778 |
| Stock-in-trade | 25 | 12,836,160 | 14,882,738 |
| Trade debts | 26 | 500,407 | 376,792 |
| Loans and advances | 27 | 134,216 | 417,086 |
| Trade deposits and short-term prepayments | 28 | 159,968 | 124,140 |
| Other receivables | 29 | 285,999 | 283,705 |
| Taxation - net | | 1,207,969 | - |
| Balances with statutory authorities | 30 | 7,587,586 | 6,294,755 |
| Cash and bank balances | 31 | 1,565,748 | 1,398,479 |
| | | 24,974,383 | 24,459,473 |
| | | 32,988,591 | 32,873,428 |



Chairman

Unconsolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|---|------|------------------------------|-------------------|
| Revenue from contracts with customers | 32 | 52,108,997 | 91,534,501 |
| Cost of sales | 33 | (38,241,906) | (70,100,211) |
| Gross profit | | 13,867,091 | 21,434,290 |
| Distribution and marketing expenses | 34 | (1,631,382) | (1,902,420) |
| Administrative expenses | 35 | (1,664,087) | (1,396,462) |
| Other operating expenses | 36 | (974,537) | (1,259,968) |
| | | (4,270,006) | (4,558,850) |
| Other income | 37 | 639,394 | 1,142,311 |
| Operating profit | | 10,236,479 | 18,017,751 |
| Finance cost | 38 | (2,172,644) | (1,189,847) |
| Profit before income taxes and levies | | 8,063,835 | 16,827,904 |
| Levy - final taxes | 39 | (24,175) | (64,243) |
| Profit before income tax | | 8,039,660 | 16,763,661 |
| Taxation - income tax | 39 | (1,666,732) | (6,538,786) |
| Profit after tax for the year | | 6,372,928 | 10,224,875 |
| Other comprehensive income: | | | |
| Items not to be reclassified to profit or loss in subsequent periods - (Net of tax): | | | |
| Unrealized loss on revaluation of investments at fair value through other comprehensive income | 21 | (158,171) | (197,171) |
| Less: Deferred tax | | 61,686 | 48,614 |
| | | (96,485) | (148,557) |
| Remeasurement loss on employees' defined benefit plan | | (175,075) | (51,723) |
| Total other comprehensive loss | | (271,560) | (200,280) |
| Total comprehensive income for the year | | 6,101,368 | 10,024,595 |
| Earnings per share - basic and diluted (Rupees) | 42 | 31.94 | Restated 52.26 |

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Unconsolidated Statement of Changes in Equity

For the year ended June 30, 2025

| | Issued, subscribed and paid up capital | Capital reserves | | | Revenue reserves | | Total |
|---|---|--------------------------|------------------------------|-------------------------|---------------------|-------------------------------|-------------|
| | | Fair value reserve | Share issuance reserve | Amalgamation reserve | General reserves | Unappropri- ated profit | |
| (Rupees in thousand) | | | | | | | |
| Balance as on July 01, 2023 (audited) | 1,917,983 | 1,902,905 | - | - | 2,278,935 | 1,617,829 | 7,717,652 |
| Transaction with owners in their capacity as | | | | | | | |
| owners recognised directly in equity: | | | | | | | |
| Final dividend for the year ended June | | | | | | | |
| 30, 2023 @ Rs. 15 per share | - | - | - | - | - | (2,876,973) | (2,876,973) |
| Interim dividend for the year ended June | | | | | | | |
| 30, 2024 @ Rs. 25 per share | - | - | - | - | - | (4,794,958) | (4,794,958) |
| | - | - | - | - | - | (7,671,931) | (7,671,931) |
| Effect of changes due to | | | | | | | |
| amalgamation - note 2.4 | - | - | 77,177 | 104,823 | - | 700,836 | 882,836 |
| Net profit for the year | - | - | - | - | - | 10,224,875 | 10,224,875 |
| Other comprehensive loss for the year | - | (148,557) | - | - | - | (51,723) | (200,280) |
| Total comprehensive income for | | | | | | | |
| the year ended June 30, 2024 | - | (148,557) | - | - | - | 10,173,152 | 10,024,595 |
| Balance as on June 30, 2024 (Restated) | 1,917,983 | 1,754,348 | 77,177 | 104,823 | 2,278,935 | 4,819,886 | 10,953,152 |
| Transaction with owners in their capacity as | | | | | | | |
| owners recognised directly in equity: | | | | | | | |
| Interim dividend for the year ended June | | | | | | | |
| 30, 2025 @ Rs. 45 per share | - | - | - | - | - | (8,978,220) | (8,978,220) |
| Shares issued against the share issuance | | | | | | | |
| reserve due to amalgamation | 77,177 | - | (77,177) | - | - | - | - |
| Net profit for the year | - | - | - | - | - | 6,372,928 | 6,372,928 |
| Other comprehensive loss for the year | - | (96,485) | - | - | - | (175,075) | (271,560) |
| Total comprehensive income for | | | | | | | |
| the year ended June 30, 2025 | - | (96,485) | - | - | - | 6,197,853 | 6,101,368 |
| Balance as on June 30, 2025 | 1,995,160 | 1,657,863 | - | 104,823 | 2,278,935 | 2,039,519 | 8,076,307 |

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Unconsolidated Statement of Cash Flow

For the year ended June 30, 2025

| | Note | 2025 | Restated 2024 |
|---|--------|----------------------|------------------|
| | | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 43 | 10,253,249 | 15,066,730 |
| Interest paid | | (2,178,386) | (1,111,337) |
| Receipt / (payment of) against long-term loans to employees | | 1,283 | (3,723) |
| Workers' Profit Participation Fund paid | 29 | (371,087) | (1,054,582) |
| Workers' Welfare Fund paid | | (353,959) | (82,483) |
| Income taxes paid | | (3,973,948) | (5,863,147) |
| Levy - final taxes paid | | (24,175) | (64,243) |
| Employee benefits paid | | (11,243) | (17,306) |
| Long-term security deposits received | | 265 | 800 |
| | | (6,911,250) | (8,196,021) |
| Net cash flows generated from operating activities | | 3,341,999 | 6,870,709 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment made for property, plant and equipment | | (439,884) | (311,068) |
| Proceeds from disposal of property, plant and equipment | 17.1.4 | 75,333 | 40,100 |
| Short-term investments made | | (3,000,000) | (3,000,000) |
| Short-term investments redeemed | | 3,051,157 | 3,029,949 |
| Proceeds from disposal of investment property | | 400,000 | - |
| Interest received on bank deposits | | 102,111 | 203,116 |
| Dividend income received from short term investments | | - | 47,475 |
| Dividend income received from long-term investments | | 57,732 | 498,054 |
| Net cash flows generated from investing activities | | 246,449 | 507,626 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid | | (8,925,259) | (7,623,439) |
| Payments made against lease liabilities | | (5,926) | (4,778) |
| Long-term financing paid | | (433,183) | (367,983) |
| Long-term financing received | | - | 269,570 |
| Net cash flows used in financing activities | | (9,364,368) | (7,726,630) |
| Net decrease in cash and cash equivalents | | (5,775,920) | (348,295) |
| Cash and cash equivalents at the beginning of the year | | (6,694,831) | (6,346,536) |
| Cash and cash equivalents at the end of the year | 44 | (12,470,751) | (6,694,831) |

The annexed notes from 1 to 55 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

1 The Company and its activities

Millat Tractors Limited (the Company) is a public limited company and was incorporated in Pakistan in 1964 under the repealed Companies Act, 1913 (now the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited. The registered office and factories of the Company are situated at 9 KM, Sheikhpura Road, District Sheikhpura and 10 Km Raiwind Road, Lahore. The Company also has regional offices located in Karachi, Multan, Sukkur and Islamabad.

The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products. The Company is also involved in the sale, implementation and support of IFS applications in Pakistan and abroad.

2 Basis of preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

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

2.2 These financial statements represent the separate financial statements of Millat Tractors Limited, in which investments in the subsidiary companies, namely Bolan Castings Limited (BCL), Millat Industrial Products Limited (MIPL) and TIPEG Intertrade DMCC have been accounted for at cost less accumulated impairment losses, if any. The consolidated financial statements of the Group are being issued separately.

2.3 Millat Equipment Limited ('MEL'), was incorporated as a private limited company under the repealed Companies Ordinance 1984 (now the Companies Act, 2017), and was converted into an unlisted public limited company on April 20, 2004. MEL was a subsidiary of the Company which held 45% of the MEL's equity. MEL was engaged in the business of manufacturing parts and components of automotive, agricultural and industrial vehicles. The registered office of MEL was situated at Sheikhpura Road, Lahore and the manufacturing facility at 10 Km Raiwind Road, Lahore.

The Board of Directors of the Company and MEL, in their meetings held on May 6, 2024, considered and approved the Scheme of Compromises, Arrangements and Reconstruction ('the Scheme') drafted under provisions of sections 279 to 282 of the Companies Act, 2017 by amalgamating the Company's operations with the subsidiary company, MEL, with effect from January 1, 2024 ('effective date').

A petition was submitted in the Lahore High Court ('LHC') for obtaining sanction of this Scheme wherein under the supervision of the LHC, the above Scheme had been duly approved by the shareholders of the Company and MEL in their Extra Ordinary General Meetings held on June 15, 2024. Due to pending approval of LHC for sanction of the Scheme, the unconsolidated financial statements of the Company and financial statements of MEL for the year ended June 30, 2024 were prepared and authorized for issue by Board of Directors of the Companies in their meetings held on September 9, 2024 and September 2, 2024 respectively, in compliance with the statutory requirement under the Companies Act, 2017 without taking impact of the above referred merger transaction. The Scheme was sanctioned by the LHC through its order dated January 21, 2025. Consequently, the assets, liabilities and reserves (excluding dividend amount distributed to the shareholders of MEL on March 7, 2024) of MEL shall be vested with the Company and MEL shall stand dissolved from the effective date without winding up.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

The consideration transferred is 7,717,718 fully paid ordinary shares of Rs. 10 each issued to the shareholders of MEL (other than the Company) in accordance with the approved swap ratio (i.e. 1 share of the Company to be issued for 2.13 shares of MEL).

The amalgamation of MEL into the Company has been identified as a 'Common Control Transaction' in light of the guidance provided in the financial reporting standard 'Accounting for Common Control Transactions' as developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022. In accordance with the said standard, MEL's assets, liabilities and reserves as of January 1, 2024 i.e. the effective date of merger / amalgamation have been amalgamated on a line-by-line basis in the Company's financial statements at their respective carrying amounts and the difference in the value of net assets acquired and the consideration transferred to the shareholders of MEL (other than the Company) has been recognized as an "Amalgamation Reserve" directly within equity in the financial statements of the Company.

Accordingly, the comparative financial statements of the Company were restated as at June 30, 2024 to reflect the impacts of the amalgamation, eliminations thereon and the transactions for the six month period from January 01, 2024 to June 30, 2024. However, third balance sheet is not presented due to the fact that this transaction does not carry any retrospective implications prior to its effective date. Moreover, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the current year are not entirely comparable with the prior year as the prior year includes the impact of operations of MEL from effective date i.e January 01, 2024.

The Board of Directors of the Company in their meeting held on February 11, 2025 have declared and approved issuance of 7,717,718 ordinary shares of Rs. 10 each in accordance with the scheme approved by LHC. The same have been issued on February 17, 2025.

| | Carrying amount as at effective date |
|---|---|
| 2.3.1 Consideration transferred | |
| Fully paid up ordinary shares of the Company having par value of Rs. 10 per share to be issued to MEL shareholders other than the Company (No.) | 7,717,718 |
| Nominal value (Rs. per share) | 10 |
| Total nominal value of consideration transferred (Rupees in thousands) | <u>77,177</u> |

2.3.2 MEL's assets acquired and liabilities assumed

The details of MEL's balances, based on audited financial statements as of December 31, 2023 which have been merged / amalgamated into the Company, are as follows:

**Carrying
amount as at
effective date
(Rupees in thousand)**

| ASSETS | |
|---|-------------|
| Non-current assets | |
| Property, plant and equipment | 668,468 |
| Intangible assets | 9,452 |
| Investment property | 38,861 |
| Long-term deposits | 3,518 |
| | 720,299 |
| Current assets | |
| Stores, spares and loose tools | 365,128 |
| Stock in trade | 1,071,872 |
| Trade receivables | 1,465,167 |
| Advances and short-term prepayments | 303,388 |
| Balances with statutory authorities | 11,000 |
| Cash and bank balances | 22,636 |
| | 3,239,191 |
| Total assets | 3,959,490 |
| LIABILITIES | |
| Non-current liabilities | |
| Long-term loans | (22,144) |
| Deferred grant | (2,382) |
| Long-term advances | (23,232) |
| Deferred tax liability | (52,109) |
| | (99,867) |
| Current liabilities | |
| Current portion of long-term loans | (8,297) |
| Current portion of deferred grant | (866) |
| Accumulating compensated absences | (50,527) |
| Trade and other payables | (1,494,046) |
| Mark-up accrued on borrowings | (42,952) |
| Short-term borrowings | (1,211,505) |
| Provision for income tax | (22,771) |
| Contract liabilities | (13,194) |
| Unclaimed dividend | (15,629) |
| | (2,859,787) |
| Total liabilities | (2,959,654) |
| Carrying amount of MEL's net assets at amalgamation date | 999,836 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

2.3.2.1 This additionally includes Rs. 448,500 thousand representing dividends out of accumulated profits of MEL distributed to MEL's shareholders on March 7, 2024. These were not considered part of undertaking of MEL as at effective date of merger. Accordingly, the carrying amount of net assets of MEL have been adjusted as per scheme of merger approved by LHC.

**Carrying
amount as at
effective date
(Rupees in thousand)**

2.3.3 Amalgamation reserve

Amalgamation reserve arising from the transaction has been recognized directly within the equity as follows:

| | |
|--|-----------|
| Total nominal value of consideration transferred | (77,177) |
| Company's existing stake / investment in MEL prior to amalgamation - at cost | (117,000) |
| | (194,177) |
| Carrying amount of MEL's net assets as on acquisition date | 999,836 |
| Retained earnings of MEL recognized by the Company | (700,836) |
| Amalgamation reserve | 104,823 |

Following is the impact of above restatement on the statement of financial position of the Company:

| | June 30, 2024 | | |
|---|--|------------------|-------------------|
| | As previously statutory reported | Restatement | Restated |
| | (Rupees in thousand) | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 977,803 | 646,563 | 1,624,366 |
| Right-of-use assets | 6,730 | - | 6,730 |
| Investment property | 255,708 | 38,861 | 294,569 |
| Intangible assets | 23,580 | - | 23,580 |
| Long-term investments | 6,282,557 | (117,000) | 6,165,557 |
| Employees' defined benefit plan | 288,081 | - | 288,081 |
| Long-term loans, advances and deposits | | | |
| Long-term loans and deposits | 7,554 | 3,518 | 11,072 |
| | 7,842,013 | 571,942 | 8,413,955 |
| Current assets | | | |
| Stores, spare parts and loose tools | 234,855 | 446,923 | 681,778 |
| Stock-in-trade | 13,827,561 | 1,055,177 | 14,882,738 |
| Trade debts | 375,537 | 1,255 | 376,792 |
| Loans and advances | 40,271 | 376,815 | 417,086 |
| Trade deposits and short-term prepayments | 114,143 | 9,997 | 124,140 |
| Balances with statutory authorities | 6,283,650 | 11,105 | 6,294,755 |
| Other receivables | 273,606 | 10,099 | 283,705 |
| Cash and bank balances | 1,368,368 | 30,111 | 1,398,479 |
| | 22,517,991 | 1,941,482 | 24,459,473 |
| Total assets | 30,360,004 | 2,513,424 | 32,873,428 |

| | June 30, 2024 | | |
|--|--|------------------|-------------------|
| | As previously statutory reported | Restatement | Restated |
| | (Rupees in thousand) | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Issued, subscribed and paid up capital | 1,917,983 | - | 1,917,983 |
| Reserves | 7,844,063 | 1,191,106 | 9,035,169 |
| | 9,762,046 | 1,191,106 | 10,953,152 |
| Non-current liabilities | | | |
| Long-term finances - secured | 660,632 | 234,017 | 894,649 |
| Deferred grant | 8,578 | 1,949 | 10,527 |
| Lease liabilities | 2,334 | - | 2,334 |
| Long-term deposits and advances 15,433 | - | 15,433 | |
| Deferred tax liabilities - net | 1,198,014 | 40,024 | 1,238,038 |
| | 1,884,991 | 275,990 | 2,160,981 |
| Current liabilities | | | |
| Trade and other payables | 8,890,463 | (242,431) | 8,648,032 |
| Contract liabilities | 954,874 | 5,931 | 960,805 |
| Taxation - net | 1,086,918 | (73,897) | 1,013,021 |
| Short-term borrowings | 6,871,015 | 1,222,295 | 8,093,310 |
| Current portion of non-current liabilities | 365,536 | 63,078 | 428,614 |
| Unclaimed dividend | 327,150 | 17,391 | 344,541 |
| Unpaid dividend | 40,734 | 2,980 | 43,714 |
| Accumulating compensated absences | 176,277 | 50,981 | 227,258 |
| | 18,712,967 | 1,046,328 | 19,759,295 |
| Total equity and liabilities | 30,360,004 | 2,513,424 | 32,873,428 |

Following is the impact of above restatement on the statement of profit and loss and other comprehensive income of the Company:

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | June 30, 2024 | | |
|---|--|----------------|-------------------|
| | As previously statutory reported | Restatement | Restated |
| | (Rupees in thousand) | | |
| Revenue from contracts with customers | 91,508,626 | 25,875 | 91,534,501 |
| Cost of sales | (70,855,759) | 755,548 | (70,100,211) |
| Gross profit | 20,652,867 | 781,423 | 21,434,290 |
| Distribution and marketing expenses | (1,898,313) | (4,107) | (1,902,420) |
| Administrative expenses | (1,193,274) | (203,188) | (1,396,462) |
| Other operating expenses | (1,214,220) | (45,748) | (1,259,968) |
| | (4,305,807) | (253,043) | (4,558,850) |
| Other income | 1,035,716 | 106,595 | 1,142,311 |
| Operating profit | 17,382,776 | 634,975 | 18,017,751 |
| Finance cost | (1,068,164) | (121,683) | (1,189,847) |
| Profit before income taxes and levies | 16,314,612 | 513,292 | 16,827,904 |
| Levy - final taxes | (64,243) | - | (64,243) |
| Profit before income tax | 16,250,369 | 513,292 | 16,763,661 |
| Taxation - income tax | (6,333,764) | (205,022) | (6,538,786) |
| Profit after tax for the year | 9,916,605 | 308,270 | 10,224,875 |
| Other comprehensive income: | | | |
| Items not to be reclassified to profit or loss in subsequent periods - (Net of tax): | | | |
| Unrealized (loss) / gain on revaluation of investments at fair value through other comprehensive income | (197,171) | - | (197,171) |
| Less: Deferred tax | 48,614 | - | 48,614 |
| | (148,557) | - | (148,557) |
| Remeasurement (loss) / gain on employees' defined benefit plan | (51,723) | - | (51,723) |
| Total other comprehensive (loss) / income | (200,280) | - | (200,280) |
| Total comprehensive income for the year | 9,716,325 | 308,270 | 10,024,595 |

3 Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention except as stated otherwise.

3.2 Critical accounting estimates and judgments

The Company's material accounting policies are stated in note 4. Not all of these material accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers significant because of the complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

3.2.1 Employees' retirement benefits and other obligations

The Company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations i.e. employees' defined benefit plan and other obligations. The valuation is based on assumptions as mentioned in note 4.13 to these financial statements.

3.2.2 Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Pending instances where the Company's view differs from the view taken by the income tax department at the assessment stage and where the Company considers that its views on items of material nature are in accordance with law and the outcome is expected in favor of the Company, are shown as contingent liabilities.

3.2.3 Estimated useful lives, residual values and method of depreciation of property, plant and equipment

The Company reviews the useful lives, residual value and method of depreciation of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2.4 Impairment of trade receivables

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3.2.5 Fair value of unquoted investments

Fair value of unquoted investments is determined by using valuation techniques. The Company uses the valuation performed by an independent valuation expert to determine the fair value of its unquoted investments. The Company has used discounted cash flow analysis for this purpose as fully explained in note 21 to these financial statements.

4 Summary of material accounting policies

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

4.1 New and amended standards and interpretations

a) Standards, amendments and interpretations to approved accounting standards that are effective in current year or have been early adopted by the Company

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on or after July 01, 2024 but are considered not to be relevant to the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements, except for the following:

-Amendment to International Accounting Standard (IAS) 1, "Non-current liabilities with covenants" (effective for annual period beginning on January 1, 2024)

Amendment clarifies how conditions that an entity must comply with within twelve months after the reporting period affect the classification of a liability. The amendment also aims to improve the information an entity provides related to liabilities subject to these amendments. The amendment clarifies that a liability should be classified as a current liability

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

if a breach of covenant that gives the lender the right to demand immediate repayment occurs at or prior to the end of the reporting period, unless sufficient relief is granted by the lender before or at the end of the reporting period.

The above amendment did not result in any significant changes to these unconsolidated financial statements.:

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

a) Amendment to IAS 21 – Lack of Exchangeability

These amendments were in response to concerns raised when an entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Assessing exchangeability between two currencies requires an analysis of different factors; such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

The new amendments are effective for annual reporting year beginning on or after January 1, 2025 with earlier application permitted.

b) Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the Solely Payment of Principal and Interest ('SPPI') criterion, require new disclosures for instruments with cash flow changes linked to Environmental, Social and Governance ('ESG') targets, and update disclosures for equity instruments designated at FVOCI.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

The above mentioned amendments are effective for accounting periods beginning on or after January 1, 2026.

c) IFRS 18 Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined

performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

The above mentioned standard is effective for accounting periods beginning on or after January 01, 2027.

d) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures'

The International Sustainability Standards Board ('ISSB') issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after July 01, 2025, as notified by the Securities Exchange Commission of Pakistan through order dated December 31, 2024. Subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

e) Annual improvements to International Financial Reporting Standards - Volume 11 (effective for annual period beginning on July 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IAS 7 Statement of Cash Flows.

4.2 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.3 Reserves

Reserve are classified into two categories as follows:

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

4.3.1 Revenue reserve

Revenue reserve is the reserve which is regarded as available for distribution through the profit or loss including general reserves and other specific reserves created out of profit and un-appropriated or accumulated profits of previous years.

4.3.2 Capital reserve

Capital reserve includes all the reserves other than the ones classified as revenue reserves.

4.4 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

4.5 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.6 Leases

The Company is the lessee:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments include fixed payments, variable lease payment that are based on an index or a rate and amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term

reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

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

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

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.7 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. The Company's financial liabilities include long-term finances, lease liabilities, short-term finances utilized under mark-up arrangements, trade and other payables and are measured at amortized cost.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

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

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

4.8 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.9 Taxation

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these financial statements, except for taxes on normal business income and dividend earned from investment in subsidiaries, associates and joint arrangements which is specifically within the scope of IAS 12 and hence it continues to be categorised as current income tax.

Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Current

The charge for current tax is calculated using prevailing tax rates at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

4.10 Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.11 Contract asset and contract liability

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.12 Dividend and appropriations

Dividend distribution to the Company's shareholders is recognized as a liability in the period in which these are approved. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

4.13 Employee benefits

4.13.1 Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

4.13.2 Post employment benefits

The main features of the schemes operated by the Company for its employees are as follows:

4.13.2.1 Defined benefit plan - Pension

The Company operates a funded defined benefit pension scheme for all its eligible employees. Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. Contributions under the scheme are made to this fund on the basis of actuarial recommendation and are charged to profit or loss. The latest actuarial valuation for the scheme was carried out as at June 30, 2025.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

The amount recognized in the statement of financial position represents the present value of the plan assets reduced by value of defined benefit obligation. Any charge or credit arising as a result of remeasurements are recognized in the other comprehensive income of the Company in the period in which they occur. Past service costs are recognized immediately in the statement of profit or loss.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, based on the following significant assumptions, is used for valuation of this scheme:

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Expected rate of increase per annum in salary level | 11.75% | 14.75% |
| Discount rate per annum used for interest cost in profit or loss | 14.75% | 16.25% |
| Discount rate per annum used for year end obligation | 11.75% | 14.75% |
| Retirement Assumption | Age 60 | Age 60 |
| Expected mortality rates | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| | Set back one year | Set back one year |

The Board Members of the Millat Tractors Limited Employees' Pension Fund Trust are managing the Pension Fund as per the applicable Pension Fund Deed, Rules and Regulations of the fund.

The amount recognized in the statement of financial position represents the fair value of the plan assets reduced by the present value of defined benefit obligation.

4.13.2.2 Defined contribution plans

a) Gratuity

The Company operates an approved defined contribution funded gratuity scheme for permanent employees who joined the Company before July 01, 2004. Under the scheme, based on the graduated scale, the contributions are calculated with reference to last drawn salary of the employees and are paid over to the Employees' Gratuity Fund Trust.

The Board Members of the Millat Tractors Limited Employees' Gratuity Fund Trust are managing the Gratuity Fund as per the applicable Gratuity Fund Deed, Rules and Regulations of the fund."

b) Provident fund

The Company operates an approved defined contribution provident fund for all permanent employees. Equal contributions are made by employees and the Company at the rate of 10 percent of basic salary per month. The Company has no further payment obligations once the contributions have been paid. Obligation for contributions to defined contribution plan is recognised as an expense in the statement of profit or loss as and when incurred.

The Board Members of the Millat Tractors Limited Employees' Provident Fund Trust ('the Trust') are managing the Provident Fund as per the applicable Provident Fund Deed, Rules and Regulations of the fund.

4.13.2.3 Accumulating compensated absences

The Company provides for accumulating compensated absences, when the employees render services that increase their entitlement to future compensated absences. Under the service rules, employees are entitled to 2.5 days leave per month. Unutilised leaves can be accumulated up to 150 days in case of executives and management and 180 days in case of workers. Workers, executives and management are entitled to encash the unutilised earned leave accrued

on or before retirement date, or due to medical grounds could utilize / encash their outstanding days of leaves before leaving. Any further unutilised leaves lapse. The earned leave encashment is based on basic salaries for executives and management, and in case of workers, basic salaries plus house rent allowance.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss. The most recent valuation was carried out as at June 30, 2025 using the "Projected Unit Credit Method.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the statement of profit or loss immediately in the period when these occur.

Projected unit credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

| | 2025 | 2024 |
|--|----------------------|----------------------|
| Expected rate of increase per annum in salary level | 11.75% | 13.75% |
| Discount rate per annum used for interest cost in profit or loss | 14.75% | 16.25% |
| Discount rate per annum used for year end obligation | 11.75% | 14.75% |
| Expected mortality rates | SLIC 2001 - 2005 | SLIC 2001 - 2005 |
| | Set back one year | Set back one year |
| Duration of the plan (years) | 6 | 8 |

4.14 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized. A contingent liability is disclosed unless the possibility of an outflow is remote. Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements since this may result in recognition of income that may never be realised.

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or
- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

4.15 Property, plant and equipment

4.15.1 Operating fixed assets

Property, plant and equipment except for freehold and leasehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold and leasehold land is stated at cost less any identified impairment loss.

Depreciation on all items of property, plant and equipment is charged to profit or loss applying the diminishing balance method so as to write-off the depreciable amount of an asset over its useful life. Depreciation is being charged at the rates given in note 17. Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value and useful life of its operating fixed assets during the year has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (as explained in note 4.17 to these financial statements).

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 or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

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 profit or loss in the year the asset is derecognized.

4.15.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure including borrowing costs connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.16 Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite life are amortised using the straight line method over a period of three to five years and Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortization on additions to finite 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (as explained in note 4.17 to these financial statements).

4.17 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.18 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The investment property of the Company comprises land and is valued using the cost method i.e. at cost less any identified impairment loss.

The Company assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The gain or loss on disposal or retirement of an investment property represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in profit or loss.

4.19 Investments and other financial assets

4.19.1 Investments in equity instruments of subsidiaries

A subsidiary is an entity controlled by the Company. The Company controls an investee when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in equity instruments of subsidiaries are measured at cost as per the requirements of IAS-27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognised as an expense in the statement of profit or loss.

The Company assesses at the end of each reporting period whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. It assesses whether there have been favourable events or changes in circumstances, since impairment loss was recognised. If any such indication exists, the Company estimates the recoverable amount of that investment and reverses the impairment loss. The amount of any reversal recognised is restricted to increasing the carrying value of investment to the carrying value that would have been recognised if the original impairment had not occurred.

All purchases and sales of investments are recognised on the trade date, which is the date on which the Company commits to purchase or sell the investment.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

The Company is required to issue consolidated financial statements along with its separate financial statements in accordance with the requirements of IFRS 10, 'Consolidated financial statements' and IAS 27, 'Separate financial statements'.

4.19.2 Financial assets other than investments in equity instruments of subsidiaries

4.19.2.1 Classification

The Company classifies its financial assets other than investments in subsidiaries in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

4.19.2.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.19.2.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the

carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.

iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments except for investments in subsidiaries at fair value through other comprehensive income. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.19.2.4 Impairment of financial assets other than investment in equity instruments

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables, while general 3-stage approach for deposits, loans, bank balances and other receivables i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Trade debts;
- Loans and advances;
- Loans to employees;
- Trade deposits and other receivables; and
- Bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 360 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties"

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.20 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.21 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at moving weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realizable value. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.22 Stock-in-trade

Stock of raw materials (except for those in transit), work-in-process and finished goods are valued principally at the lower of weighted average cost and net realisable value ("NRV"). Cost of work-in-process and finished goods comprises cost of direct materials, labour and related production overheads (based on normal operating capacity).

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the financial statements for obsolete and slow moving stock-in-trade based on management estimate.

4.23 Trade debts and other receivables

Trade debts are amounts due from customer for goods sold or services performed in ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Company. Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method less loss allowance.

4.24 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

4.25 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies.

a) Sale of goods

Revenue from contracts for sale of tractors, implements, multi-application products and trading goods is recognized upon delivery and acknowledgement of the good by the customer i.e. at a point-in-time when the performance obligation of the Company is satisfied. Since there is only one performance obligation the revenue is recognized at full amount. Payments for sale of tractors are received in advance from customers, while in the case of implements and multi-application products credit periods are provided as per Company policy on a case to case basis. The credit term does not include any financing component. Any rebate / markup on account of delayed delivery of tractor is deducted from the transaction price upon satisfaction of the performance obligation.

b) Sale of service

- Warranties

The Company provides various types of warranties. When determining the nature of warranty-related promises, the Company considers:

- whether the customer has the option to separately purchase the warranty; and
- whether all or part of the warranty provides the customer with an additional service beyond the basic assurance that it will perform in accordance with published specifications.

Standard-type warranties of free repair, parts replacement, assurance and major rectification to the customer along with free service after specific intervals are not offered separately for any consideration by the Company and rather are embedded in the sale price of the good. Accordingly, the same are not considered to be separate performance obligations and are accounted for under IAS 37.

For extended-type warranties or separate after sale services offered by the Company the same are treated as separate performance obligations. Revenue from such warranties or after sale services contracts is recognized over time i.e. duration of the contract.

- IFS services

Revenue from IFS services includes contracts for software implementation / customization services along with post implementation consultancy / maintenance services. Revenue from implementation / customization services is recognized at a point-in-time i.e. when the performance obligation of the Company for implementation/ customization is satisfied whereas revenue from post implementation consultancy / maintenance services is recognized on straight-line method over-time i.e. duration of the Service Level Agreement. Invoice is usually charged with 45 days credit period or as per contract terms.

- Others

- Dividend is recognized as income when the right to receive dividend is established.
- Profit on bank deposits is recognized on effective rate of interest method.
- Investment income is recognized when right to receive the income is established.

4.26 Research cost

These costs are charged to profit or loss when incurred.

4.27 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

4.28 Earnings per share

The company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.29 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

4.30 Transactions with related parties

Transactions with related parties are conducted in normal course of business in accordance with the agreed terms and conditions. All the related party transactions are presented for approval of shareholders in General Meeting in accordance with the requirements of Section 208 of Companies Act, 2017.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

4.31 Accounting of common control transactions - Predecessor method

The Company has adopted 'Predecessor Method' under 'Accounting for Common Control Transactions' (Accounting Standard) as developed by the Institute of Chartered Accountants of Pakistan (ICAP) and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022, as disclosed below:

Recognition principle

As at the date of common control transaction, the Company recognises the assets transferred and liabilities assumed of the transferred entity; or received from the transferring entity. The Company recognises, as part of applying the predecessor method, only the consideration transferred for the transferred entity and the assets acquired and liabilities assumed in the exchange for the transferred entity. Other transactions have been accounted for separately in accordance with the relevant International Financial Reporting Standards as notified under the Companies Act, 2017.

Measurement principle

The Company measures the assets and liabilities received from the transferred / transferring entity at their carrying amounts as reflected in the financial statements of the transferred / transferring entity, at the date of common control transaction. No fair value adjustments to the assets and liabilities of the transferred / transferring entity or recognition of new assets or liabilities for the transferred / transferring entity are recorded in the financial statements.

The Company recognises within its 'equity' the difference between consideration transferred, measured in accordance with this Accounting Standard and net of carrying amount of the assets and liabilities received from the transferred / transferring entity, measured in accordance with this accounting Standard. There is no recognition of new goodwill while accounting for the common control transaction, under the predecessor method.

5 Issued, subscribed and paid up capital

| 2025 (Number of shares in thousand) | | 2024 | | Note | 2025 (Rupees in thousand) | | 2024 | |
|--|--|---------|--|------|------------------------------|-----------|------|-----------|
| 2,543 | | 2,543 | | | | | | |
| | | | | | | 25,429 | | 25,429 |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| 189,255 | | 189,255 | | | | 1,892,554 | | 1,892,554 |
| 7,718 | | | | 5.1 | | 77,177 | | |
| 196,973 | | 189,255 | | | | 1,969,731 | | 1,892,554 |
| 199,516 | | 191,798 | | | | 1,995,160 | | 1,917,983 |

5.1 These shares have been issued as the consideration against purchase of MEL at the rate of Rs. 10 per share.

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|---|--|------------------------------|------------------|
| 6 Reserves | | | |
| Capital reserve | | | |
| Fair value reserve - Investments measured at FVOCI | | 1,657,863 | 1,754,348 |
| Share issuance reserve | | - | 77,177 |
| Amalgamation reserve | | 104,823 | 104,823 |
| | | 1,762,686 | 1,936,348 |
| Revenue reserve | | | |
| General reserve | | 2,278,935 | 2,278,935 |
| Unappropriated profits | | 2,039,519 | 4,819,886 |
| | | 4,318,454 | 7,098,821 |
| | | 6,081,140 | 9,035,169 |
| 7 Long-term finances – secured | | | |
| Long-term loan | 7.1 | 886,736 | 1,313,763 |
| Less: Current portion shown under current liabilities | 7.1 | (426,046) | (419,114) |
| | | 460,690 | 894,649 |
| 7.1 | The reconciliation of carrying amount is as follows: | | |
| Opening balance | 7.2 and 7.3 | 1,313,763 | 1,377,687 |
| Liabilities assumed as at January 1, 2024 for MEL | | - | 30,441 |
| Loan received during the year | | - | 269,570 |
| Repayments during the year | | (433,183) | (367,983) |
| Interest cost | | 6,156 | 4,048 |
| | | 886,736 | 1,313,763 |
| Less: Current portion shown under current liabilities | | (426,046) | (419,114) |
| | | 460,690 | 894,649 |

7.2 This includes amount of loan against facility of Rs.160,000 thousand (June 30, 2024: Rs.160,000 thousand) obtained under renewable energy finance scheme announced by the State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. It carries standard markup of 2.5% per annum, which is payable on quarterly basis. The loan was previously repayable in 40 equal quarterly instalments starting from September 30, 2021, however in the year ended June 30, 2022, the loan facility was modified by the Bank with equal 36 payments payable starting from April 28, 2022. The modification was considered to be non-substantial, with the resulting impact recognized in these financial statements accordingly. The discount rate used is 11.47% per annum (June 30, 2024: 11.47% per annum). The difference between cash received and present value of cash outflows upon initial recognition and subsequent modification has been recognized as deferred grant. The carrying amount of loan as of year end is Rs. 46,502 thousand (June 30, 2024: Rs. 36,055 thousand). This facility is secured by specific and exclusive charge on the purchased machinery and ranking charge over current assets of the Company.

7.3 This includes amount of loan against facility of Rs. 1,500,000 thousand (June 30, 2024: Rs. 1,500,000 thousand) to maintain the Company's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly instalments commencing from April 1, 2023 and carries markup at the rate of base rate plus 0.40% per annum, which is payable quarterly. Base rate is defined as the 'average of 3-month offer rate of KIBOR'. The base rate will be set for the first time at the date of initial disbursement and subsequently reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. The carrying amount of loan as of period end is Rs. 624,578 thousand (June 30, 2024: Rs. 981,479 thousand). This facility is secured by first exclusive mortgage charge over land of the factory situated at 9 KM, Sheikhpura Road, Lahore, amounting to Rs. 2,000,000 thousand (including 25% margin).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

7.4 This includes Term Finance (TF) loan facility amounting to Rs. 269,570 thousand (June 30, 2024: 269,570 thousand) availed from The Bank of Punjab in April 2024 to finance capital expenditure. The facility has a sanctioned limit of Rs. 500,000 thousand. The loan carries markup at the rate of 1 month KIBOR plus 0.95%. The carrying amount of loan as of period end is Rs. 215,656 thousand (June 30, 2024: Rs. 269,570 thousand). The loan is secured against 1st Pari Passu charge over present and future fixed assets of the company amounting to Rs. 666,667 thousand with 25% margin. The loan is repayable in 20 equal quarterly instalments.

| | Note | 2025 | Restated 2024 |
|----------------------|---|---------|------------------|
| (Rupees in thousand) | | | |
| 8 | Deferred grant | | |
| | At start of the year | 14,177 | 14,428 |
| | Grant assumed as at January 1, 2024 for MEL | - | 3,248 |
| | Transferred to profit or loss during the year | (3,995) | (3,499) |
| | At end of year | 8.1 | 14,177 |
| | Represented by: | | |
| | Non-current portion | 6,585 | 10,527 |
| | Current portion | 3,597 | 3,650 |
| | | 10,182 | 14,177 |

8.1 Government grant has been recognized against loan obtained under SBP refinance scheme for renewable energy in lieu of below market-interest rate payable on this loan. There are no unfulfilled conditions or contingencies attached to this grant effecting its recognition at the reporting date.

| | Note | 2025 | Restated 2024 |
|----------------------|--|---------|------------------|
| (Rupees in thousand) | | | |
| 9 | Lease liabilities | | |
| | Lease liabilities at start of year | 8,184 | 10,986 |
| | Interest accrued | 1,290 | 1,976 |
| | Payments made during the year | (5,926) | (4,778) |
| | Lease liabilities at year end | 9.1 | 8,184 |
| | Less: current portion of lease liabilities | (3,548) | (5,850) |
| | Non current lease liabilities | - | 2,334 |
| 9.1 | Commitments in relations to leases recognised under IFRS 16, are payable as follows: | | |
| | Payable not later than one year | 3,685 | 7,182 |
| | Payable later than one year but not later than five years | - | 2,471 |
| | | 3,685 | 9,653 |
| | Future finance charges | (137) | (1,469) |
| | Total lease liabilities | 3,548 | 8,184 |

10 Long-term deposits

These represent security deposits received from dealers which, by virtue of agreement, are interest free. These are repayable on cancellation of dealership contract with dealers and cannot be utilized for the purpose of the business. These have been kept in separate bank account in accordance with the requirements of the section 217 of the Companies Act, 2017. These deposits have not been discounted as the impact is considered to be immaterial.

| | Note | 2025 | Restated 2024 |
|----------------------|---|-----------|------------------|
| (Rupees in thousand) | | | |
| 11 | Deferred tax liabilities – net | | |
| | The liability for deferred tax comprises temporary differences relating to: | | |
| | Taxable temporary differences: | | |
| | Accelerated tax depreciation | 207,410 | 163,682 |
| | Changes in fair value of investments | 21 | 1,121,631 |
| | Worker's profit participation fund (WPPF) | 8,552 | - |
| | | 1,275,906 | 1,285,313 |
| | Deductible temporary differences: | | |
| | Lease liability against right of use asset | - | (859) |
| | Unrealized gain on closing stock of MEL | - | (26,535) |
| | Worker's welfare funds (WWF) | (57,706) | - |
| | Provisions | (121,568) | (19,881) |
| | | (179,274) | (47,275) |
| | Net deferred tax liability at the year end | 1,096,632 | 1,238,038 |

11.1 Reconciliation of deferred tax liabilities – net

| | Deferred tax liability | | | Deferred tax asset | | | | Net liability / (asset) |
|--|------------------------------|---|-------------------------------------|--|--|------------------------------|---|-------------------------|
| | Accelerated tax depreciation | Worker's profit participation fund (WPPF) | Change in fair value of investments | Lease liability against right-of-use asset | Unrealized gain on closing stock of MEL in MTL | Worker's welfare funds (WWF) | Provision for impaired / doubtful receivables | |
| (Rupees in thousand) | | | | | | | | |
| Balance as at June 30, 2023 | 85,095 | - | 1,170,245 | (2,529) | - | - | (13,296) | 1,239,515 |
| Tax expense / (income) during the year recognised in | | | | | | | | |
| - Profit or loss | (12,415) | - | - | 1,670 | (26,535) | - | 32,308 | (4,972) |
| - Other comprehensive income | - | - | (48,614) | - | - | - | - | (48,614) |
| - MEL liabilities assumed | 91,002 | - | - | - | - | - | (38,893) | 52,109 |
| Balance as at June 30, 2024 | 163,682 | - | 1,121,631 | (859) | (26,535) | - | (19,881) | 1,238,038 |
| Tax expense / (income) during the year recognised in | | | | | | | | |
| - Profit or loss | 43,728 | 8,552 | - | 859 | 26,535 | (57,706) | (101,688) | (86,226) |
| - Other comprehensive income | - | - | (61,686) | - | - | - | - | (61,686) |
| Balance as at June 30, 2025 | 207,410 | 8,552 | 1,059,945 | - | - | (57,706) | (121,569) | 1,096,632 |

11.2 Under the Finance Act, 2025, a corporate tax rate of 29% has been fixed with an additional super tax of 10% (2024: 10%) for the persons having income more than Rs. 500 million (2024: Rs. 500 million). Therefore, deferred tax assets and liabilities have been recognized using the enacted applicable rate i.e. 39% (2024: 39%).

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 | Restated 2024 |
|-----------|--------------------------------------|----------------------|------------------|
| | | (Rupees in thousand) | |
| 12 | Trade and other payables | | |
| | Trade creditors | 3,778,542 | 4,468,794 |
| | Accrued liabilities | 316,352 | 338,880 |
| | Bills payable | 419,949 | 1,242,850 |
| | Security deposits | 242,365 | 676,247 |
| | Trademark fee payable | 507,065 | 730,919 |
| | Workers' Welfare Fund | 158,464 | 347,855 |
| | Accrued markup on long-term finances | 26,969 | 56,427 |
| | Accrued markup on running finance | 557,000 | 540,011 |
| | Payable against sale tax withheld | 67,428 | 79,045 |
| | Others | 227,506 | 167,004 |
| | | 6,301,640 | 8,648,032 |

12.1 These include balances due to related parties amounting Rs. 197,972 thousand (2024: Rs. 16,839 thousand).

12.2 These represent security deposits from dealers and contractors against short-term agreements for goods to be delivered or sold to the dealers which, by virtue of the agreements, are interest free, repayable on demand and are used in the Company's business. As at year end the Company has utilized these security deposits for business operations of the Company in accordance with the terms of the contract in writing.

12.3 These include deposits by employees under car and motorcycle scheme amounting to Rs. 68,429 thousand (2024: Rs. 62,387 thousand) and carry no markup.

13 Contract liabilities

13.1 These represent the amounts received in advance from customers against performance obligations / sales made in subsequent periods i.e. sale of tractors, and are unsecured. This includes advances received from related parties of Rs. 4,107 thousand (2024: Rs. 3,772 thousand). Further, as referred in note 31 to these financial statements, these also include Rs. 295,004 thousand (2024: Rs. 247,020 thousand) representing cheques in hand at the reporting date.

Customers who have given these advances, are entitled to discount at the rate of Karachi Inter Bank Offered Rate ('KIBOR') plus 3% per annum, from the date of advance payment to the date of delivery exceeding 60 days of initial booking, subject to certain other conditions.

13.2 Revenue recognised during the period that was included in the contract liability balance at the beginning of the year amounted to Rs. 2,969,189 thousand (2024: Rs. 1,703,837 thousand).

| | Note | 2025 | Restated 2024 |
|-----------|--|----------------------|------------------|
| | | (Rupees in thousand) | |
| 14 | Short-term borrowing facilities | | |
| | Short-term running finance | 14,036,499 | 7,909,951 |
| | Invoice bill discounting | - | 183,359 |
| | | 14,036,499 | 8,093,310 |

- 14.1** The Company has obtained short-term borrowing facilities from various banks to meet its working capital requirements against aggregate sanctioned limit of Rs. 22,500,000 thousand (2024: Rs. 15,100,000 thousand) out of which Rs. 8,966,232 thousand (2024: Rs. 7,006,690 thousand) remained unutilized as at the reporting date. The rates of mark up range from KIBOR - 3.5% to KIBOR + 0.40% (2024: KIBOR + 0.04% to KIBOR + 0.40%) per annum.
- 14.2** Out of the above mentioned authorized limit, an amount of Rs. 6,500,000 thousand (2024:Rs. 3,000,000 thousand) has been obtained under Islamic mode of financing.
- 14.3** The Company has facilities for opening of letters of credit and guarantees aggregating to Rs. 8,195,990 thousand (2024: Rs. 7,040,241 thousand) out of which Rs. 1,600,000 thousand (2024: Rs. 500,000 thousand) has been obtained under Islamic mode of financing.
- 14.4** Out of the authorized limit of letter of credit and guarantees Rs. 5,493,223 thousand (2024: Rs. 3,796,394 thousand) remained unutilized at the end of the year.
- 14.5** These facilities are secured by pari passu hypothecation charge over current and future assets and book debts of the Company, lien over import documents and counter guarantees of the Company.

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|--|------------------------------|------------------|
| 15 | Current portion of non-current liabilities | | |
| | Current portion of long term finances - secured | 426,046 | 419,114 |
| | Current portion of deferred grant | 3,597 | 3,650 |
| | Current portion of lease liabilities against right-of-use assets | 3,548 | 5,850 |
| | | 433,191 | 428,614 |

16 Contingencies and commitments

16.1 Contingencies

- 16.1.1** The Income tax department has disputed the Company's treatment on certain tax matters relating to certain tax years from 2012 till 2021, entailing a possible additional tax liability of Rs. 2,967,540 thousand (2024: 1,895,721 thousand). These primarily include disallowances made by tax authorities in respect of apportionment of expenses to export sales, super tax liability effect, tax refunds / adjustments claimed by the Company, consumption of stock and consequently value of closing stock claimed by the Company, salaries and wages, import and domestic purchases etc. Both the Company and the Income tax department are currently in appeal at the Commissioner Inland Revenue Appeals and Appellate Tribunal level regarding the tax matters, while certain tax matters have been remanded back to the Commissioner Inland Revenue level for reassessment. Decisions regarding these tax matters are still pending. The management in consultation with their tax advisor is confident that all the tax matters will eventually be decided in the favor of the Company; therefore no provision has been deemed necessary and / or made in these financial statements.
- 16.1.2** The Income tax department has disputed the Company's payment against Workers' Welfare Fund for years 2014 to 2020 and thereby created a demand of Rs. 268,452 thousand (2024: Rs. 657,509 thousand) under section 4(9) of Workers Welfare Fund Ordinance, 1971. The Company has submitted its response on the aforementioned order to the Income tax department which is currently pending a response. No further proceedings has been initiated to date by the department. The management in consultation with their tax advisor is confident that the matter will eventually be decided in the favor of the Company; therefore no provision has been made in these financial statements.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

16.1.3 The Federal Board of Revenue (FBR) has conducted sales tax audits for the years 2019-20 and 2020-21. In both the years, the liability adjudged by the appellate forum amounts to Rs. 34,305 thousand, which has been contested by the Company at the Appellate Tribunal Inland Revenue (ATIR) and was decided against the Company. Now, the Company has filed a reference to the Honorable High Court. The management, in consultation with their tax advisor, is confident that the tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

16.1.4 The Company has filed an appeal dated January 13, 2023 to the Commissioner, Customs Appeal, against the order dated October 26, 2022 of the Additional Collector of Customs, Adjudication, regarding the short payment of custom duties amounting to Rs. 2,330 thousand. The management, in consultation with the tax advisor, is confident that the matter will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

16.1.5 The Company has filed a reference in Lahore High Court on March 12, 2023 against an order of the ATIR for non-payment of sales tax amounting to Rs. 29,413 thousand on after-sales services (warranty parts) for the period July, 2012 to June, 2014. The management and the legal advisor are confident of a favorable outcome in the case; therefore no provision has been made in these financial statements.

16.1.6 The Company is defending a demand of Rs. 31,869 thousand from the Customs Authorities (Authorities), alleging the Company for non payment of custom and other additional duties. The demand is on account of purchase of certain starter motors and alternators to be used for the assembly of the tractors. The Company filed an appeal against the said demand and the order passed by Additional Collector, Lahore and Collector Appeals, Lahore before the Customs Appellate Tribunal, Lahore and the said tribunal passed order in favour of the Company. The Custom department has filed reference against the decision in Honourable Lahore High Court, which is pending adjudication. The Company made payment of Rs. 8,000 thousand under protest in response to demand notice served and obtained stay order from Honourable High Court, Lahore against further recovery action of Authorities. The management and legal advisor are confident that the outcome of the case would be decided in their favour, hence no provision relating to aforesaid demand has been made in these financial statements.

16.1.7 FBR has conducted post-refund audits of the Company's monthly sales tax refunds for eleven tax periods selected from April 2020 to February 2021. The Company is defending a demand of Rs. 55,640 thousand at different appellate forums.

Furthermore, in relation to the Company's post refund audit under rule 36 of sales tax for the period from July 2016 to March 2020, Deputy Commissioner Inland Revenue (DCIR) has issued a show cause notice to the Company. The Company has filed a writ petition in the Lahore High Court against the show cause notice. During proceedings, the DCIR was directed to decide the Company's legal objections, against which the DCIR passed adverse order dated June 30, 2025 in which the DCIR held that the show cause notice was legally issued. Subsequent to the year end, ATIR annulled the order made by DCIR.

16.1.8 The Company is defending a suit for Rs.19,579 thousand, filed in previous years by an ex-vendor on account of damages and inconvenience. Previously, the case was pending before the Civil Court, Lahore. However it was held by the Civil Court that the damages of Rs. 15,000 thousand have been awarded in favor of vendor for the aforementioned inconvenience. In addition to that the Company is also required to pay the amount of parts already supplied by the vendor which amounts to Rs 4,579 thousand along with markup @ 7% per annum till its realization. However, the Company has filed an appeal in the Honorable High Court, Lahore against the aforesaid order of Civil Court. The management and the legal advisor are confident that outcome of the case would be in the Company's favor and no payment in this regard would be required, hence no provision there against has been made in these financial statements.

16.1.9 The show cause proceedings were initiated against the Company by the Competition Commission of Pakistan ('CCP') on September 08, 2021 under the Competition Act, 2010. The Company has filed a writ petition before the Islamabad High Court against the CCP. The matter is pending adjudication. The management and the legal advisor are confident of favorable outcome of the case, hence no provision in this regard has been made in these financial statements.

16.1.10 The Company had lodged sales tax refund claims for the tax periods July, 2021, September, 2021, November, 2021, December, 2021, and February, 2022, amounting to Rs. 3,806,856 thousand under SRO 363(I)/2012, which did not contain any provision relating to pre-refund audit and did not lay down any condition for availing benefit of the reduced rate of 5% on sale of tractors. The Deputy Commissioner Inland Revenue issued refund processing orders (RPOs) amounting to Rs. 77,945 thousand for the above tax periods and deferred the remaining amount of Rs. 3,728,911 thousand on the basis that the reduced rate of 5% was only available to supplies made to persons involved in agricultural activities. The Company preferred an appeal before the Commissioner Inland Revenue (Appeals) against the RPOs and is also contesting the legality of these RPOs in the Lahore High Court. The Commissioner Appeals directed the department to re-examine the complete refund claims and sanction them accordingly. The Company has filed an appeal to the Appellate Tribunal Inland Revenue (ATIR) against this direction, since the claims have already been deferred by the department.

Alternative Dispute Resolution Committee (ADRC) was constituted on Company's application but was dissolved without deciding the case. The management, in consultation with the tax advisor, is confident that the matter will eventually be decided in favor of the Company; therefore, no provision has been made in these financial statements.

16.1.11 FBR had conducted a sales tax audit for the year 2021-22 the Deputy Commissioner Inland Revenue (DCIR) completed the proceedings and finalized the demand for sales tax amounting to Rs. 11,046,595 thousand and penalty of Rs. 7,168 thousand through an order dated January 22, 2025. The Company filed an appeal against the said order before the ATIR which was accepted and order in original was annulled. FBR has filed an appeal in Lahore High Court against therein. The matter is pending for adjudication. The management, in consultation with the tax advisor, is confident that the matter will eventually be decided in favor of the Company; therefore, no provision has been made in these financial statements.

16.2 Commitments

16.2.1 The Company has provided guarantee amounting to Rs. 5,000 thousand (2024: Rs.5,000 thousand) to banks for repayment of loan by employees. At June 30, 2025 an amount of Rs. 485 thousand (2024: Rs. 500 thousand) was utilized by employees.

16.2.2 Guarantees issued by the banks on behalf of the Company in the normal course of business at June 30, 2024 amount to Rs. 777,876 thousand (2024: Rs. 656,134 thousand).

16.2.3 Commitments in respect of outstanding letters of credit for import of raw material amounting to Rs. 1,924,890 thousand (2024: Rs. 2,587,714 thousand) at the reporting date.

16.2.4 The Company has a commitment to deliver tractors against booking orders amounting to Rs. 36,165 thousand (2024: Rs. 256,757 thousand) other than those reflected in note 13.

| | Note | 2025 | Restated 2024 |
|----------------------|--------------------------------------|------------------|------------------|
| (Rupees in thousand) | | | |
| 17 | Property, plant and equipment | | |
| | Operating fixed assets | 1,672,939 | 1,537,146 |
| | Capital work in progress | 113,136 | 87,220 |
| | | 1,786,075 | 1,624,366 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

17.1 Operating fixed assets

| Note | Land | | | Buildings | | | Owned | | | | Total |
|--|----------|-----------|------------------|-------------------|---------------------|--------------------------------|-----------|---------------------|-----------|-------------|-------|
| | Freehold | Leasehold | On freehold land | On leasehold land | Plant and machinery | Furniture and office equipment | Vehicles | Tools and equipment | Computers | | |
| Net book value basis | | | | | | | | | | | |
| Year ended June 30, 2025 | | | | | | | | | | | |
| 17.1.2 and 17.1.3 | 106,557 | 8 | 261,138 | - | 576,604 | 55,074 | 420,798 | 98,779 | 18,188 | 1,537,146 | |
| Additions (at cost) | - | - | 4,446 | - | 258,114 | 23,668 | 109,056 | 10,311 | 8,373 | 413,968 | |
| Disposals (at NBV) | - | - | - | - | (125) | (98) | (74,050) | (69) | (1,386) | (75,728) | |
| Adjustments | - | - | - | - | - | - | (2,175) | - | (73) | (2,248) | |
| Write offs | - | - | - | - | - | - | - | - | - | - | |
| 17.1.1 | - | - | (15,306) | - | (69,657) | (8,726) | (83,962) | (15,505) | (7,043) | (200,199) | |
| Closing net book value | 106,557 | 8 | 250,278 | - | 764,936 | 69,918 | 369,667 | 93,516 | 18,059 | 1,672,939 | |
| Gross book value basis | | | | | | | | | | | |
| As at June 30, 2025 | | | | | | | | | | | |
| Cost | 106,557 | 8 | 522,563 | 2,900 | 1,285,356 | 143,116 | 606,429 | 197,388 | 78,203 | 2,942,520 | |
| Accumulated depreciation | - | - | (272,285) | (2,900) | (520,420) | (73,198) | (236,762) | (103,872) | (60,144) | (1,269,581) | |
| Net book value | 106,557 | 8 | 250,278 | - | 764,936 | 69,918 | 369,667 | 93,516 | 18,059 | 1,672,939 | |
| Depreciation rate % per annum | | | | | | | | | | | |
| | - | - | 5-10 | 5 | 10 | 10-15 | 20 | 10-15 | 33 | | |
| Net book value basis | | | | | | | | | | | |
| Year ended June 30, 2024 (Restated) | | | | | | | | | | | |
| 17.1.2 and 17.1.3 | 58,308 | 8 | 206,829 | - | 231,724 | 39,097 | 256,478 | 24,266 | 10,616 | 827,326 | |
| MEL assets acquired as | | | | | | | | | | | |
| at January 01, 2024 | 48,249 | - | 64,370 | - | 380,028 | 12,659 | 126,332 | 33,904 | 2,926 | 668,468 | |
| Additions (at cost) | - | - | 2,827 | - | 14,592 | 9,340 | 159,161 | 49,072 | 11,469 | 246,461 | |
| Disposals (at NBV) | - | - | - | - | (1) | - | (39,300) | - | (371) | (39,672) | |
| Adjustments | - | - | - | - | - | - | (3,974) | - | (30) | (4,004) | |
| 17.1.1 | - | - | (12,888) | - | (49,739) | (6,022) | (77,899) | (8,463) | (6,422) | (161,433) | |
| Closing net book value | 106,557 | 8 | 261,138 | - | 576,604 | 55,074 | 420,798 | 98,779 | 18,188 | 1,537,146 | |
| Gross book value basis | | | | | | | | | | | |
| As at June 30, 2024 (Restated) | | | | | | | | | | | |
| Cost | 106,557 | 8 | 600,847 | 2,900 | 1,696,928 | 144,261 | 702,088 | 284,115 | 86,395 | 3,624,099 | |
| Accumulated depreciation | - | - | (339,709) | (2,900) | (1,120,324) | (89,187) | (281,290) | (185,336) | (68,207) | (2,086,953) | |
| Net book value | 106,557 | 8 | 261,138 | - | 576,604 | 55,074 | 420,798 | 98,779 | 18,188 | 1,537,146 | |
| Depreciation rate % per annum | | | | | | | | | | | |
| | - | - | 5-10 | 5 | 10 | 10-15 | 20 | 10-15 | 20-33 | | |

| | Note | 2025 | Restated 2024 |
|----------------------|---|----------------|------------------|
| (Rupees in thousand) | | | |
| 17.1.1 | The depreciation charge for the year has been allocated as follows: | | |
| | Cost of sales | 102,558 | 75,986 |
| | Distribution and marketing expenses | 10,142 | 14,666 |
| | Administrative expenses | 87,499 | 70,781 |
| | | <u>200,199</u> | <u>161,433</u> |

17.1.2 Freehold land and building on owned land represents 202,343 square meters of factory land situated at Sheikhpura Road; Sheikhpura, 51,036 square meters of factory land situated at Raiwind Road, Lahore; 759 square meters at Khera Gali District Abbottabad; 697 square meters in sector F-6/1 Islamabad; and Corporate office floors in Tricon Corporate Centre Lahore.

17.1.3 Leasehold property represents Igloo hanger / godown measuring total area of 6,662 square meters situated near Brooke Bond factory SITE area, Karachi.

17.1.4 Disposal of operating fixed assets

| Particulars of asset | Sold to | Mode of disposal | Cost | Book value | Sale proceeds | Gain on disposal |
|-------------------------|---------|------------------|------|---------------|------------------|---------------------|
|-------------------------|---------|------------------|------|---------------|------------------|---------------------|

(Rupees in thousand)

| Fixed assets sold having book value greater than Rs. 500,000 | | | | | | |
|--|---------------------------|--------------------------|--------|--------|--------|---|
| Key Management Personnels: | | | | | | |
| Vehicle | Mr. Azhar Noor | As approved by the Board | 14,100 | 11,625 | 11,625 | - |
| Employees: | | | | | | |
| Vehicle | Mr. Qamar Mahmood | Company car scheme | 7,196 | 4,478 | 4,478 | - |
| Vehicle | Mr. Waqar Abid Shah | Company car scheme | 4,479 | 4,255 | 4,255 | - |
| Vehicle | Ms. Zunaira Qamar | Company car scheme | 3,718 | 3,007 | 3,007 | - |
| Vehicle | Mr. Ahsan Imran Sheikh | Company car scheme | 6,750 | 2,595 | 2,595 | - |
| Vehicle | Mr. Azhar Noor | Company car scheme | 4,006 | 2,442 | 2,442 | - |
| Vehicle | Mr. Sheraz Zulfiqar | Company car scheme | 2,612 | 2,316 | 2,316 | - |
| Vehicle | Mr. Sohail Ahmed Nisar | Company car scheme | 4,006 | 2,137 | 2,137 | - |
| Vehicle | Mr. Usman Yaseen | Company car scheme | 2,612 | 2,077 | 2,077 | - |
| Vehicle | Mr. Asghar Ali | Company car scheme | 2,487 | 1,826 | 1,826 | - |
| Vehicle | Mr. Farhat Nadeem | Company car scheme | 2,487 | 1,671 | 1,671 | - |
| Vehicle | Mr. Imran Ayub | Company car scheme | 2,754 | 1,559 | 1,559 | - |
| Vehicle | Mr. Syed Shoab Hasany | Company car scheme | 2,583 | 1,465 | 1,465 | - |
| Vehicle | Mr. Syed Shoab Hasany | Company car scheme | 2,703 | 1,338 | 1,338 | - |
| Vehicle | Mr. Imran Ahmad | Company car scheme | 2,803 | 1,294 | 1,294 | - |
| Vehicle | Ms. Ayesha Rasheed Mughal | Company car scheme | 1,976 | 1,210 | 1,210 | - |
| Vehicle | Mr. Muhammad Irfan Daha | Company car scheme | 2,443 | 1,174 | 1,174 | - |
| Vehicle | Mr. Rao Sajjad Jan | Company car scheme | 2,030 | 1,151 | 1,151 | - |
| Vehicle | Mr. Raafay Zaman Durrani | Company car scheme | 2,803 | 1,141 | 1,141 | - |
| Vehicle | Mr. Raafay Zaman Durrani | Company car scheme | 2,543 | 1,035 | 1,035 | - |
| Vehicle | Mr. Imran Ahmad | Company car scheme | 2,498 | 1,016 | 1,016 | - |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| Particulars of asset | Sold to | Mode of disposal | Cost | Book value | Sale proceeds | Gain on disposal |
|--|----------------------------|--------------------|---------|------------|---------------|------------------|
| (Rupees in thousand) | | | | | | |
| Vehicle | Mr. Syed Alley Ali Zaidi | Company car scheme | 2,498 | 997 | 997 | - |
| Vehicle | Mr. Qamar Mahmood Ch. | Company car scheme | 2,498 | 959 | 959 | - |
| Vehicle | Mr. Khalid Saeed Akbar | Company car scheme | 2,498 | 905 | 905 | - |
| Vehicle | Mr. Ahsan Imran Sheikh | Company car scheme | 2,854 | 730 | 730 | - |
| Vehicle | Mr. Safdar Ali | Company car scheme | 1,780 | 725 | 725 | - |
| Vehicle | Mr. Rohan | Company car scheme | 1,780 | 723 | 723 | - |
| Vehicle | Mr. Athar Rasul | Company car scheme | 1,780 | 711 | 711 | - |
| Vehicle | Mr. Hafiz Fahim Afzaal | Company car scheme | 1,780 | 711 | 711 | - |
| Vehicle | Mr. Muhammad Afzal Nasir | Company car scheme | 1,780 | 671 | 671 | - |
| Vehicle | Mr. Muhammad Usman | Company car scheme | 1,433 | 637 | 637 | - |
| Vehicle | Mr. Sohail Ahmed Nisar | Company car scheme | 2,362 | 622 | 622 | - |
| Vehicle | Mr. Mian Atique Ahmed | Company car scheme | 1,433 | 616 | 616 | - |
| Vehicle | Mr. Alley Ali Zaidi | Company car scheme | 2,147 | 565 | 565 | - |
| Vehicle | Mr. Tariq Ch. | Company car scheme | 2,076 | 551 | 551 | - |
| Vehicle | Mr. Mirza Jafar | Company car scheme | 2,076 | 550 | 550 | - |
| Vehicle | Mr. Sajjad Hussain | Company car scheme | 1,745 | 536 | 536 | - |
| Vehicle | Mr. Hafiz Nabeel Ahmed | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Waqas ur Rehman | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Muzzamil Dogar | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Muhammad Faheem Sattar | Company car scheme | 1,745 | 526 | 526 | - |
| Vehicle | Mr. Asif Javed | Company car scheme | 1,745 | 526 | 526 | - |
| Vehicle | Mr. Mukhtar Bhatti | Company car scheme | 1,967 | 517 | 517 | - |
| Vehicle | Ms. Qamar Sultana | Company car scheme | 1,924 | 508 | 508 | - |
| Fixed assets sold having book value less than Rs. 500,000 | | | 35,887 | 10,019 | 9,624 | (395) |
| Year ended: June 30, 2025 | | | 160,612 | 75,728 | 75,333 | (395) |
| Year ended: June 30, 2024 | | | 81,465 | 39,671 | 40,100 | 428 |

| | Note | 2025 | Restated 2024 |
|---|--------|-----------|---------------|
| (Rupees in thousand) | | | |
| 17.2 Capital work in progress | | | |
| Plant and machinery | 17.2.1 | 113,136 | 87,220 |
| 17.2.1 Movement in capital work in progress is as follows: | | | |
| Opening balance | | 87,220 | 22,613 |
| Additions during the year | | 284,971 | 100,687 |
| Capitalized during the year | | (259,055) | (36,080) |
| | | 113,136 | 87,220 |

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|---|------------------------------|------------------|
| 18 | Right-of-use assets | | |
| | This represents the right-of-use asset in respect of warehouses, leased by the Company. | | |
| | Opening net book value | 6,730 | 12,857 |
| | Additions during the year | - | - |
| | Depreciation charged during the year | 34 (5,286) | (6,127) |
| | | 1,444 | 6,730 |
| 19 | Investment property | | |
| | Land | 19.1 41,597 | 297,305 |
| | Provision for impairment | 19.5 (2,736) | (2,736) |
| | | 38,861 | 294,569 |
| | Movement in Investment property | | |
| | Opening | 294,569 | 255,708 |
| | Acquired during the year | - | 38,861 |
| | Disposed during the year | (255,708) | - |
| | Closing | 38,861 | 294,569 |

19.1 The Company carried out the fair valuation of this property in June 2025 which was Rs. 1,957,500 thousand. These valuations were performed by an independent valuer, who has appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuation is based on the comparable market transactions that considers sales of similar properties that have been transacted in open market.

19.2 The level of hierarchy for fair value disclosed falls in level 2 i.e. inputs other than quoted prices including within in level 1 that are observable for real estate properties directly or indirectly.

19.3 The Company believes that the above-mentioned amount fairly represents the fair value of the investment property as at June 30, 2025.

19.4 Management of the Company believes that holding on to these properties for appreciation in their market value is the highest and best use of this investment property.

19.5 This represents provision for impairment against land measuring 12 kanals and 14.5 marlas located at Raiwind Road having gross value of Rs. 2,736 thousand (2024: 2,736 thousand) at the reporting date.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

20 Intangible assets

| | Note | Software with definite life | Licenses | Total |
|---|------|-----------------------------|----------|----------|
| (Rupees in thousand) | | | | |
| Net carrying value basis: | | | | |
| Opening net book value as at July 1, 2024 | | | | |
| | | - | 23,580 | 23,580 |
| Amortization charge | 35 | - | (7,860) | (7,860) |
| As at June 30, 2025 | | - | 15,720 | 15,720 |
| Gross carrying value basis: | | | | |
| As at June 30, 2025 | | | | |
| Cost | | - | 39,300 | 39,300 |
| Accumulated amortization | | - | (23,580) | (23,580) |
| | | - | 15,720 | 15,720 |
| Opening net book value as at July 1, 2023 | | | | |
| | | - | 31,440 | 31,440 |
| MEL intangible asset acquired as at January 01, 2024 | | | | |
| | | 7,584 | - | 7,584 |
| Amortization charge | 35 | (7,584) | (7,860) | (15,444) |
| As at June 30, 2024 (Restated) | | - | 23,580 | 23,580 |
| Gross carrying value basis: | | | | |
| As at June 30, 2024 (Restated) | | | | |
| Cost | | 31,853 | 39,300 | 71,153 |
| Accumulated amortization | | (31,853) | (15,720) | (47,573) |
| | | - | 23,580 | 23,580 |
| Rate of amortization | | | | |
| | | 33% | 20% | |

| | Note | 2025 | | 2024 | |
|---|------|---------------|-----------|---------------|-----------|
| | | Equity % held | Amount | Equity % held | Amount |
| (Rupees in thousand) | | | | | |
| 21 Long-term investments | | | | | |
| - Investment in related parties | | | | | |
| In subsidiary undertakings - at cost: | | | | | |
| Unquoted: | | | | | |
| Millat Industrial Products Limited | | | | | |
| 6,598,125 (2024: 6,598,125) fully paid ordinary shares of Rs.10/- each | | 64.09 | 57,375 | 64.09 | 57,375 |
| TIPEG Intertrade DMCC | | | | | |
| 1,500 (2024: 1,500) fully paid ordinary shares of AED 1,000/- each | 21.1 | 75.00 | 40,020 | 75.00 | 40,020 |
| Quoted: | | | | | |
| Bolan Castings Limited | | | | | |
| 5,306,979 (2024: 5,306,979) fully paid ordinary shares of Rs. 10/- each | | 46.26 | 76,610 | 46.26 | 76,610 |
| Balance carried forward | | | 174,005 | | 174,005 |
| Other investments - at FVOCI: | | | | | |
| Unquoted: | | | | | |
| Arabian Sea Country Club Limited | | | | | |
| 500,000 (2024: 500,000) fully paid ordinary shares of Rs. 10/- each | | 6.45 | 5,000 | 6.45 | 5,000 |
| Loss on fair valuation of investment | | | (5,000) | | (5,000) |
| | | | - | | - |
| Hyundai Nishat Motors (Private) Limited | | | | | |
| 310,302,936 (2024: 310,302,936) fully paid ordinary shares of Rs. 10/- each | 21.3 | 15.86 | 3,103,029 | 15.86 | 3,103,029 |
| Surplus on fair valuation of investment - notes 21.3 and 48.1 (Level - 3) | | | 2,547,586 | | 2,721,356 |
| | | | 5,650,615 | | 5,824,385 |
| - Investments other than related parties - at FVOCI | | | | | |
| Quoted: | | | | | |
| Baluchistan Wheels Limited | | | | | |
| 1,282,825 (2024: 1,282,825) fully paid ordinary shares of Rs. 10/- each | | | 12,145 | | 12,145 |
| Surplus on fair valuation of investment - note 48.1 (Level - 1) | | | 170,221 | | 154,622 |
| | | | 182,366 | | 166,767 |
| Unquoted: | | | | | |
| TCC Management Services (Private) Limited | | | | | |
| 40,000 (2024: 40,000) fully paid ordinary shares of Rs. 10/- each - note 48.1 (Level - 3) | 21.4 | | 400 | | 400 |
| | | | 6,007,386 | | 6,165,557 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

21.1 Subsidiaries incorporated outside Pakistan

Information about the related party incorporated outside the Pakistan in which the Company has a long-term investment and/ or with whom the Company had entered into transactions during the year is as follows:

| | |
|---|-----------------------|
| Name of Company: | TIPEG Intertrade DMCC |
| Country of incorporation: | United Arab Emirates |
| Basis of association: | Subsidiary |
| Aggregate percentage of shareholding: | 75% |
| Details of litigation status (as on June 30, 2025): | None |
| Default / breach relating to foreign investment: | None |

The unconditional amount of equity investment in the foreign subsidiary is AED 1,500 thousand which is equivalent to Rs. 40,020 thousand as on June 30, 2025 (2024: Rs. 40,020 thousand), as disclosed in note 21 to these financial statements.

The foreign subsidiary has remitted back dividend / return of: Nil (2024: Rs. 45,389 thousand) during the year.

21.2 The Company owns a total of 310,303 thousand fully paid ordinary shares of Rs. 10 each (30 June 2024: 310,303 thousand fully paid ordinary shares of Rs. 10 each) in Hyundai Nishat Motors (Private) Limited.

21.3 This represents investment in the ordinary shares of Hyundai Nishat Motor (Private) Limited ('HNMPL') that has setup up a greenfield project for assembly and sales of Hyundai Motor Company passenger and commercial vehicles. Since HNMPL's ordinary shares are not listed, an independent valuer has estimated a fair value of Rs 18.21 per ordinary share as at June 30, 2025 (2024: Rs. 19.67 per ordinary share) through a valuation technique based on discounted cash flow analysis of HNMPL. Hence, it has been classified under level 3 of fair value hierarchy as further explained in note 48.1 to these financial statements. The fair value loss of Rs 173,770 thousand (2024: fair value loss of Rs. 279,272 thousand) is included in the fair value loss / gain recognised during the year in other comprehensive income.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discount rate is determined using a Capital Asset Pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to HNMPL.
- Long-term growth rate is estimated based on historical performance of HNMPL and current market information for similar type of entities.

The significant assumptions used in this valuation technique are as follows:

- Discount rate of 17.01% per annum.
- Long-term growth rate of 2% per annum for computation of terminal value; and
- Annual growth in costs are linked to inflation and currency devaluation both of 0.33% per annum respectively, and revenue are linked to currency devaluation at 4% per annum.

Sensitivity analysis

Sensitivity analysis of the significant assumptions used in the valuation technique is as follows, with all other variables held constant as at June 30, 2025:

| Significant assumptions | Impact on fair value gain | |
|----------------------------|---------------------------|----------|
| | +1% | - 1% |
| | (Rupees in thousand) | |
| - Discount rate | (250,473) | 273,067 |
| - Long-term growth rate | 112,841 | (99,297) |
| - Inflation rate per annum | (163,692) | 152,048 |
| - Interest rate per annum | 63,623 | (60,664) |

21.4 The fair value of this investment approximates its cost.

| | Note | 2025 | Restated 2024 |
|-------------|--|----------------------|------------------|
| | | (Rupees in thousand) | |
| 22 | Employees' defined benefit plan | | |
| 22.1 | Present value of defined benefit obligation | | |
| | Fair value of plan assets | 1,241,582 | 1,031,486 |
| | Asset recognized in the statement of financial position | (1,396,515) | (1,319,567) |
| | | (154,933) | (288,081) |
| 22.2 | Charge for the year | | |
| | Salaries, wages and amenities include the following in respect of employees' pension scheme: | | |
| | Current service cost | 9,520 | 7,599 |
| | Interest cost | 142,420 | 133,600 |
| | Interest Income on plan assets | (185,527) | (181,488) |
| | | (33,587) | (40,289) |
| 22.3 | Remeasurements chargeable in other comprehensive income | | |
| | Remeasurement of plan obligation: | | |
| | Actuarial losses / (gains) from changes in financial assumptions | 184,432 | 77,702 |
| | Experience adjustments | 5,581 | 48,762 |
| | | 190,013 | 126,464 |
| | Interest income on plan assets | (14,938) | (74,741) |
| | | 175,075 | 51,723 |
| 22.4 | The movement in present value of defined benefit obligation is as follows: | | |
| | Present value of defined benefit obligation at beginning of the year | 1,031,486 | 880,488 |
| | Current service cost | 9,520 | 7,599 |
| | Interest cost | 142,420 | 133,600 |
| | Benefits paid | (131,857) | (116,665) |
| | Benefits due but not paid | - | - |
| | Actuarial loss / (gain) from changes in financial assumptions | 184,432 | 77,702 |
| | Experience adjustments | 5,581 | 48,762 |
| | Present value of defined benefit obligation at end of the year | 1,241,582 | 1,031,486 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | 2025 | 2024 |
|--|----------------------|-----------|
| | (Rupees in thousand) | |
| 22.5 The movement in fair value of plan assets is as follows: | | |
| Fair value of plan assets at beginning of the year | 1,319,567 | 1,170,364 |
| Interest Income on plan assets | 185,527 | 181,488 |
| Contributions | 8,340 | 9,639 |
| Benefits paid | (131,857) | (116,665) |
| Benefits due but not paid | - | - |
| Return on plan assets, excluding interest income | 14,938 | 74,741 |
| Fair value of plan assets at end of the year | 1,396,515 | 1,319,567 |
| Actual return on plan assets | 200,465 | 256,229 |
| 22.6 Plan assets comprise of : | | |
| Term Deposit Receipts: | | |
| Zarai Taraqati Bank Limited | - | 905,000 |
| United Bank Limited | 920,000 | - |
| Mutual funds: | | |
| NAFA Capital Protected Fund | 440,206 | 371,953 |
| Accrued interest and bank balance: | | |
| Bank balances | 14,947 | 31,906 |
| Other receivables | 19,585 | 8,931 |
| Advance income tax | 1,777 | 1,777 |
| Less: Payables | - | - |
| | 1,396,515 | 1,319,567 |

Investments out of fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

22.7 Comparison of present value of defined benefit obligation, the fair value of plan assets and the resulting surplus or deficit of pension fund is as follows:

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------------------|-----------|-----------|-----------|-----------|
| As at June 30 | (Rupees in thousand) | | | | |
| Present value of defined benefit obligation | 1,241,582 | 1,031,486 | 880,488 | 960,430 | 1,160,998 |
| Less: Fair value of plan assets | 1,396,515 | 1,319,567 | 1,170,364 | 1,103,481 | 1,110,743 |
| Surplus/ (deficit) | 154,933 | 288,081 | 289,876 | 143,051 | (50,255) |
| Experience adjustment on obligation | 184,432 | 77,702 | (143,808) | (218,848) | (89,128) |
| Return on plan assets, excluding interest income | 14,938 | 74,741 | 29,747 | (17,990) | (1,530) |

The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in June 30, 2025 and June 30, 2024 consists of term deposits and mutual funds.

Sensitivity analysis

Significant assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase as disclosed in note 4.13.

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation / asset to significant actuarial assumptions the same method (present value of the defined benefit obligation / asset calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation / asset recognised in the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

| | 2025 | 2024 |
|---------------------------|----------------------|-------|
| | (Rupees in thousand) | |
| Discount rate + 100 bps | 1,166 | 976 |
| Discount rate - 100 bps | 1,327 | 1,093 |
| Salary increase + 100 bps | 1,250 | 1,039 |
| Salary increase - 100 bps | 1,234 | 1,025 |
| Indexation rate + 100 bps | 1,334 | 1,100 |

22.8 Risks on account of defined benefit plan

The Company faces the following risks on account of defined benefit plan:

Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than what we assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks:

- Mortality risk – The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal risk – The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Investment risk:

The risk of the investment underperforming and being not sufficient to meet the liabilities

22.9 The Company's net refund from the pension fund for the year ending June 30, 2026 is expected to be Rs. 3,070 thousand.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|--------------------------------------|------------------------------|------------------|
| 23 | Long-term loans and advances | | |
| | Loan to employees – considered good: | | |
| | Company loan | 8,606 | 9,721 |
| | Motor cycle loan | 1,183 | 1,351 |
| | | <u>9,789</u> | <u>11,072</u> |

23.1 These represent interest free loans to employees secured against their gratuity and provident fund balances. These loans are repayable in monthly installments over a period of twenty four months for executives and thirty six months for workers. They have not been carried at amortized cost since the impact of discounting is not material.

23.2 These represent interest free loans to employees for purchase of motor cycles secured by joint registration of motor cycles in the name of the Company and employees. These loans are repayable in monthly installments over a period of sixty months. They have not been carried at amortized cost since the impact of discounting is not material.

23.3 None of the above loans are shariah compliant or based on Islamic mode of financing.

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|--|------------------------------|------------------|
| 24 | Stores, spare parts and loose tools | | |
| | Stores, spare parts and loose tools | 696,330 | 681,778 |
| | Less: provision for obsolescence | - | - |
| | | <u>696,330</u> | <u>681,778</u> |

24.1 Most of the items of stores, spare parts and loose tools are of inter-changeable nature and can be consumed as stores or used as machine spares against capital expenditure. Accordingly, it is not practical to distinguish stores from spares until their actual usage.

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|---|------------------------------|-------------------|
| 25 | Stock-in-trade | | |
| | Raw material | 10,720,318 | 12,939,911 |
| | Work-in-process | 507,767 | 505,853 |
| | Finished goods: | | |
| | Manufacturing | 1,082,563 | 894,873 |
| | Trading | 525,512 | 542,101 |
| | | <u>1,608,075</u> | <u>1,436,974</u> |
| | | <u>12,836,160</u> | <u>14,882,738</u> |
| | Provision for obsolete / slow-moving stock-in-trade | - | - |
| | | <u>12,836,160</u> | <u>14,882,738</u> |

25.1 This includes stock in transit amounting to Rs. 575,657 thousand (2024: Rs. 2,509,312 thousand).

25.2 This includes raw materials and components held with third parties amounting to Rs. 114,299 thousand (2024: 88,581 thousand) and with related party, Bolan Castings Limited, amounting to Rs. 154,572 thousand (2024: 40,137 thousand).

25.3 This includes work-in-process amounting to Rs. 268,881 thousand (2024: Rs. 36,038 thousand) held with third parties.

25.4 The movement in provision for obsolete / slow-moving stock-in-trade during the year is as follows:

| | 2025 | Restated 2024 |
|---|-----------------------------|--------------------------|
| | (Rupees in thousand) | |
| Opening balance | - | - |
| Charged during the year | - | 12,438 |
| Stock-in-trade scrapped against provision during the year | - | (12,438) |
| Closing balance | - | - |

25.5 Obsolete / slow-moving stock-in-trade written off during the year amounts to Nil (2024: Rs. 15,446 thousand.)

| | Note | 2025 | Restated 2024 |
|---|-------------|-----------------------------|--------------------------|
| | | (Rupees in thousand) | |
| 26 Trade debts | | | |
| 26.1 Trade debts from contracts with customers | | | |
| - considered good | 26.3 | 500,407 | 376,792 |

26.2 The maximum aggregate amount of trade debts / receivable from related parties at the end of any month during the year was Rs. 159,722 thousand (2024: Rs. 44,094 thousand).

| | 2025 | Restated 2024 |
|---|-----------------------------|--------------------------|
| | (Rupees in thousand) | |
| 26.3 This includes amounts due from following related parties: | | |
| - TIPEG Intertrade DMCC UAE | 159,722 | - |
| - Hyundai Nishat Motors (Private) Limited | 14,120 | 44,094 |
| | 173,842 | 44,094 |

26.4 Aging analysis of the amounts due from related parties is as follows:

| | Not yet Due | Past Due less than 60 Days | Past Due less than 90 Days | Past Due less than 365 Days | Past Due Over 365 Days | Total |
|-------------|-----------------------------|---------------------------------------|---------------------------------------|--|-----------------------------------|--------------|
| | (Rupees in thousand) | | | | | |
| 2025 | 173,317 | - | - | - | 525 | 173,842 |
| 2024 | 43,569 | - | - | - | 525 | 44,094 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|---|------------------------------|------------------|
| 27 | Loans and advances | | |
| | Advances to employees – considered good | 19,319 | 9,861 |
| | Advances to suppliers – considered good | 114,866 | 407,194 |
| | | 134,185 | 417,055 |
| | Advances to suppliers – considered doubtful | - | - |
| | Less: provision for doubtful advances | - | - |
| | | - | - |
| | Letter of credit opening charges | 31 | 31 |
| | | 134,216 | 417,086 |

27.1 These represent interest free advances to employees for the purpose of the expenses, tour and salary as per Company's approved Human Resource policy. These advances have not been discounted at present value as the resultant impact is immaterial. This includes advances amounting to: Nil (2024: Rs. 360 thousand) given to key management personnel against their salaries.

27.2 These represent interest free advances given to suppliers as per mutually agreed terms.

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-----------|--|------------------------------|------------------|
| 28 | Trade deposits and short-term prepayments | | |
| | Security deposits | 26,670 | 27,986 |
| | Prepayments | 133,298 | 96,154 |
| | | 159,968 | 124,140 |

28.1 These represent interest free security deposits made for tender placement.

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|-------------|--|------------------------------|------------------|
| 29 | Other receivables | | |
| | Claims receivable from suppliers | 263,458 | 197,106 |
| | Interest accrued | 614 | 2,685 |
| | Workers' Profit Participation Fund | 21,927 | 83,914 |
| | | 285,999 | 283,705 |
| 29.1 | Balance at start of the year | 83,914 | 50,513 |
| | Receipts during the year | - | (64,094) |
| | Payments made during the year | 371,087 | 1,054,584 |
| | | 455,001 | 1,041,003 |
| | Charge for the year | (433,074) | (907,870) |
| | Liability assumed as at January 01, 2024 | - | (49,219) |
| | Balance at end of the year | 21,927 | 83,914 |

| | Note | 2025 | Restated 2024 |
|----------------------|--|-----------|------------------|
| (Rupees in thousand) | | | |
| 30 | Balances with statutory authorities | | |
| | Excise duties receivable | 15,566 | - |
| | Sales tax recoverable | 7,572,020 | 6,294,755 |
| | Less: allowance for doubtful claims | - | - |
| | | 7,572,020 | 6,294,755 |
| | | 7,587,586 | 6,294,755 |
| 30.1 | The reconciliation of allowance for doubtful claims during the year is as follows: | | |
| | Opening Balance | - | 34,147 |
| | Impairment charge for the period / year | - | - |
| | Amounts written off | - | (34,147) |
| | Closing Balance | - | - |

30.2 Included in this is a sales tax refund of Rs. 289,430 thousand, withheld by the Deputy Commissioner Inland Revenue, Lahore, regarding the reduced payment of sales tax on the sale of tractors by the Company to its customers in the period June to November 2016. The case is pending in the Lahore High Court against the decision of the ATIR for re-examination. The management and the legal advisor are confident that the outcome of the case will be in the Company's favor.

| | Note | 2025 | Restated 2024 |
|----------------------|-------------------------------|-----------|------------------|
| (Rupees in thousand) | | | |
| 31 | Cash and bank balances | | |
| | Cash in hand | 1,485 | 2,045 |
| | Cheques in hand | 685,004 | 247,020 |
| | | 686,489 | 249,065 |
| | At banks: | | |
| | Current accounts-Conventional | 346,893 | 690,275 |
| | Deposit accounts-Conventional | 388,556 | 161,924 |
| | Deposit accounts-Islamic | 143,810 | 297,215 |
| | | 879,259 | 1,149,414 |
| | | 1,565,748 | 1,398,479 |

31.1 These deposits are made under conventional arrangements and carry mark-up at the rates ranging from 8.50% to 20.55% (June 30, 2024: 19% to 21%) per annum.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|---|--------------------------------------|------------------------------|------------------|
| 32 Revenue from contracts with customers | | | |
| Disaggregation of revenue | Timing of revenue recognition | | |
| Local: | | | |
| Tractors | Point-in-time | 50,942,864 | 85,134,969 |
| Implements | Point-in-time | 111,856 | 251,566 |
| Multi-application products | Point-in-time | 434,199 | 485,513 |
| Trading goods | Point-in-time | 2,732,819 | 3,052,881 |
| IFS services | Point-in-time / Over time | 15,377 | 54,638 |
| | | 54,237,115 | 88,979,567 |
| Less: | | | |
| - Trade discount | | (290,800) | (238,962) |
| - Delayed delivery charges | 13.1 | (85) | (982) |
| - Sales tax and special excise duty | | (6,453,037) | (1,193,545) |
| - Provincial sales tax on services | | (3,111) | (12,519) |
| | | (6,747,033) | (1,446,008) |
| | | 47,490,082 | 87,533,559 |
| Export: | | | |
| Tractors | Point-in-time | 5,176,609 | 5,103,522 |
| Implements | Point-in-time | 79,483 | 223 |
| Trading goods | Point-in-time | 97,049 | 159,202 |
| IFS services | Point-in-time / Over time | 9,861 | 6,244 |
| | | 5,363,002 | 5,269,191 |
| | | 52,853,084 | 92,802,750 |
| Less: Commission | | (744,087) | (1,268,249) |
| | 32.1 | 52,108,997 | 91,534,501 |

32.1 Revenues earned are from shariah compliant business segments.

32.2 Payments for sale of tractors are received in advance, whereas credit terms for other products extend between 45 to 60 days.

| | Note | 2025 | Restated 2024 | |
|-------------|--------------------------------|----------------------|------------------|--------------|
| | | (Rupees in thousand) | | |
| 33 | Cost of sales | | | |
| | Components consumed | 33.1 | 33,398,584 | 65,579,421 |
| | Salaries, wages and amenities | 33.2 | 956,385 | 745,930 |
| | Contract services | | 1,011,587 | 993,925 |
| | Fuel and power | | 299,457 | 313,829 |
| | Communication | | 57 | - |
| | Travelling and vehicle running | | 87,822 | 83,967 |
| | Printing and stationery | | 13,264 | 12,579 |
| | Insurance | | 77,820 | 53,911 |
| | Repairs and maintenance | | 330,549 | 241,914 |
| | Stores and spares consumed | | 291,347 | 326,406 |
| | Depreciation | 17.1.1 | 102,558 | 75,986 |
| | Other expenses | | 98,060 | 116,241 |
| | | | 36,667,490 | 68,544,109 |
| | Add: Opening work-in-process | | 505,853 | 44,826 |
| | Stock transferred from MEL | | - | 428,884 |
| | Less: Closing work-in-process | | (507,767) | (505,853) |
| | | | (1,914) | (32,143) |
| | Cost of goods manufactured | | 36,665,576 | 68,511,966 |
| | Add: Opening finished goods | | 1,110,211 | 1,174,015 |
| | Stock transferred from MEL | | - | 150,971 |
| | Less: Closing finished goods | | (1,082,563) | (1,110,211) |
| | | | 27,648 | 214,775 |
| | Cost of sales - manufactured | | 36,693,224 | 68,726,741 |
| | Cost of sales - trading | 33.3 | 1,548,682 | 1,373,470 |
| | | | 38,241,906 | 70,100,211 |
| 33.1 | Components consumed | | | |
| | Opening stock | | 12,939,911 | 8,217,666 |
| | Add: Purchased during the year | | 31,178,991 | 70,301,666 |
| | | | 44,118,902 | 78,519,332 |
| | Less: Closing stock | | (10,720,318) | (12,939,911) |
| | | | 33,398,584 | 65,579,421 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 | |
|-------------|--|------------------------------|------------------|------------------|
| 33.2 | This includes the following staff retirement benefit (income) / expense: | | | |
| | Defined benefit plan – pension | (13,964) | (16,208) | |
| | Defined contribution plan – gratuity | 2,723 | 2,541 | |
| | Defined contribution plan – provident fund | 22,558 | 13,341 | |
| | Provision for compensated absences | 31,468 | 36,034 | |
| | | <u>42,785</u> | <u>35,708</u> | |
| 33.3 | Cost of sales – trading | | | |
| | Opening stock | 542,101 | 367,378 | |
| | Purchases | 1,532,093 | 1,548,193 | |
| | | <u>2,074,194</u> | <u>1,915,571</u> | |
| | Closing stock | (525,512) | (542,101) | |
| | | <u>1,548,682</u> | <u>1,373,470</u> | |
| 34 | Distribution and marketing expenses | | | |
| | Salaries and amenities | 34.1 | 281,209 | 263,862 |
| | Contract services | | 120,313 | 124,917 |
| | Fuel and power | | 10,074 | 16,144 |
| | Communication | | 1,821 | 944 |
| | Travelling and vehicle running | | 68,443 | 62,264 |
| | Printing and stationery | | 13,836 | 7,874 |
| | Insurance | | 165,327 | 276,671 |
| | Trademark fee | 34.2 | 587,891 | 847,866 |
| | Advertisement and sales promotion | | 63,386 | 40,472 |
| | Depreciation | 17.1.1 | 10,142 | 14,666 |
| | Depreciation charge for the right-of-use assets | 18 | 5,286 | 6,127 |
| | Meeting/convention fee | | 75,520 | 17,511 |
| | After sales support | | 86,117 | 65,837 |
| | Carriage, sea freight and wharfage | | 22,386 | 25,448 |
| | Other expenses | | 119,631 | 131,817 |
| | | | <u>1,631,382</u> | <u>1,902,420</u> |

34.1 This includes the following staff retirement benefit (income) / expense:

| | 2025 | Restated 2024 |
|--|----------------------|------------------|
| | (Rupees in thousand) | |
| Defined benefit plan - pension | (3,063) | (3,041) |
| Defined contribution plan - gratuity | 3,253 | 4,290 |
| Defined contribution plan - provident fund | 7,920 | 7,197 |
| Provision for compensated absences | 12,157 | 17,139 |
| | <u>20,268</u> | <u>25,585</u> |

34.2 Trademark fee is incurred under a trademark agreement between the Company and M/s Massey Ferguson Corp., having its registered office situated at 4205 River Green Parkway, Duluth, Georgia 30096, United States of America.

Under the trademark agreement M/s Massey Ferguson grants exclusive rights to the Company for use of its brand name with certain terms and conditions.

| | Note | 2025 | Restated 2024 |
|-------------|--|----------------------|------------------|
| | | (Rupees in thousand) | |
| 35 | Administrative expenses | | |
| | Salaries and amenities | 831,930 | 602,855 |
| | Contract services | 157,365 | 141,068 |
| | Fuel and power | 36,361 | 34,432 |
| | Communication | 12,804 | 7,786 |
| | Travelling and vehicle running | 146,488 | 98,936 |
| | Insurance | 28,819 | 21,836 |
| | Repairs and maintenance | 50,218 | 90,483 |
| | Security | 41,211 | 31,986 |
| | Legal and professional | 60,296 | 94,248 |
| | Depreciation | 87,499 | 71,997 |
| | Amortization of intangible assets | 7,860 | 15,444 |
| | Rent, rates and taxes | 2,677 | 7,022 |
| | Fee and subscription | 7,735 | 6,122 |
| | Entertainment | 23,273 | 14,431 |
| | Other expenses | 169,551 | 157,816 |
| | | <u>1,664,087</u> | <u>1,396,462</u> |
| 35.1 | This includes the following staff retirement benefit (income) / expense: | | |
| | Defined benefit plan - pension | (17,079) | (21,040) |
| | Defined contribution plan - gratuity | 2,351 | 2,428 |
| | Defined contribution plan - provident fund | 20,249 | 19,249 |
| | Provision for compensated absences | 35,926 | 45,074 |
| | | <u>41,447</u> | <u>45,711</u> |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 | Restated 2024 |
|-------------|--|----------------------|------------------|
| | | (Rupees in thousand) | |
| 35.2 | Legal and professional expenses include following in respect of: | | |
| | Audit Services | | |
| | Statutory audit | 4,800 | 5,000 |
| | Special purpose audit | 1,250 | 4,250 |
| | Half year review | 1,100 | 900 |
| | Special reports and sundry certifications | 600 | 500 |
| | Out of pocket expenses | 715 | 1,045 |
| | Sales tax | 388 | 533 |
| | | 8,853 | 12,228 |
| | Non-Audit Services | | |
| | Valuation services | - | 26,000 |
| | Sales tax | - | 1,300 |
| | | - | 27,300 |
| 36 | Other operating expenses | | |
| | Workers' Profit Participation Fund | 30.1 | 433,074 |
| | Workers' Welfare Fund | | 164,568 |
| | Donations | 36.1 and 36.2 | 3,378 |
| | Exchange loss – net | | 8,517 |
| | Other expenses | | 365,000 |
| | | 974,537 | 1,259,968 |

36.1 The particulars of the donation exceeding 10 per cent of company's total amount of donation or Rs. 1,000 thousand, whichever is higher are as follows:

| | Note | 2025 | Restated 2024 |
|--|---------------------------------|----------------------|------------------|
| | | (Rupees in thousand) | |
| | Ghazi University | 36.2 | 2,977 |
| | Lahore Hospital Welfare Society | 36.2 | - |
| | Progressive Education Network | 36.2 | - |
| | Developments in Literacy | 36.2 | - |
| | National Flour Mills | 36.2 | - |
| | | | 1,000 |
| | | | 1,028 |

36.2 The Company's Directors and / or their spouse(s) have no interest in the donee at the reporting dates.

| | Note | 2025 | Restated 2024 |
|---|------|---------|------------------|
| (Rupees in thousand) | | | |
| 37 Other income | | | |
| Income from financial assets | | | |
| Dividend income from Baluchistan Wheels Limited | 37.1 | 11,545 | 17,318 |
| Dividend income from Hyundai Nishat Motor (Private) Limited | | 62,061 | - |
| Return on bank deposits | | 100,040 | 205,182 |
| Gain on sale of short-term investments net - at FVPL | 37.2 | 51,157 | 29,949 |
| Dividend income from short-term investments - at FVPL | 37.3 | - | 47,475 |
| Interest received on early payments and advances | | 14,283 | 103,907 |
| | | 239,086 | 403,831 |
| Income from investment in subsidiary | | | |
| Dividend income from Millat Equipment Limited | | - | 336,375 |
| Dividend income from Millat Industrial Products Limited | | 46,187 | 98,972 |
| Dividend income from TIPEG Intertrade DMCC | | - | 45,389 |
| | 37.1 | 46,187 | 480,736 |
| Income from assets other than financial assets | | | |
| Rental income | | 43,569 | 40,675 |
| Gain on sale of investment property - at cost | | 144,292 | - |
| Scrap sales | | 118,666 | 136,546 |
| Exchange gain - net | 37.5 | - | 53,752 |
| Sundry income | 37.4 | 46,221 | 24,303 |
| Multiapplication products service income | | 792 | 1,618 |
| Gain on sale of fixed assets | | 6 | 428 |
| Lab income | | 575 | 422 |
| | | 354,121 | 257,744 |
| | | 639,394 | 1,142,311 |

37.1 Dividend income is earned from investments in non-shariah compliant companies.

| | 2025 | Restated 2024 |
|--|--------|------------------|
| (Rupees in thousand) | | |
| 37.2 Gain on sale of short-term investments - at FVPL: | | |
| ABL Cash Fund | 25,148 | 5,441 |
| Atlas Money Market Fund | - | 4,956 |
| Lakson Money Market Fund | 17,426 | 19,552 |
| Alfalah Investments | 8,583 | - |
| | 51,157 | 29,949 |
| 37.3 Dividend income from short-term investments - at FVPL: | | |
| ABL Cash Fund | - | 24,906 |
| Atlas Money Market Fund | - | 11,781 |
| Lakson Money Market Fund | - | 10,788 |
| | - | 47,475 |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

37.4 This includes income received as tender money in case of auctions and late delivery charges from suppliers.

37.5 Exchange gains earned are from actual currency.

| | Note | 2025 | Restated 2024 |
|-----------|--|----------------------|------------------|
| | | (Rupees in thousand) | |
| 38 | Finance cost | | |
| | Mark-up on short-term borrowings | 2,007,839 | 911,458 |
| | Interest expense on long-term finances - secured | 158,078 | 270,077 |
| | Interest expense against lease liabilities | 1,290 | 1,976 |
| | Mark-up on Workers Profit Participation Fund | - | 1,146 |
| | Bank charges | 5,437 | 5,190 |
| | | <u>2,172,644</u> | <u>1,189,847</u> |

38.1 This represents markup and profit paid under conventional and Islamic mode of financing arrangements respectively having mark up and profit rates ranging from KIBOR minus 3.45% to KIBOR plus 0.40% (2024: KIBOR plus 0.04% to KIBOR plus 0.40%) per annum.

38.2 This includes an amount of Rs. 545,232 thousand (2024: Rs. 156,476 thousand) paid as profit under Islamic mode of financing.

38.3 This represents interest expense against long-term financing net of unwinding of Government grant income for the year recognised as per IAS-20, amounting to Rs. 1,655 thousand (2024: 616 thousand).

| | Note | 2025 | Restated 2024 |
|-----------|-----------------------------------|----------------------|------------------|
| | | (Rupees in thousand) | |
| 39 | Taxation | | |
| | For the year final taxes - levies | | |
| | - Tax on exports | - | 52,629 |
| | - Tax on dividend | 24,175 | 11,614 |
| | | 24,175 | 64,243 |
| | For the year income tax charge | | |
| | - Current | 3,127,866 | 6,560,922 |
| | - Deferred | (86,226) | (4,971) |
| | | 3,041,640 | 6,555,951 |
| | Prior years income tax charge | | |
| | - Current | (1,374,908) | (17,165) |
| | | <u>1,690,907</u> | <u>6,603,029</u> |

| | 2025 % | Restated 2024 % |
|--|-----------|-----------------------|
| 39.1 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 | (17.05) | (0.11) |
| - Income chargeable to tax at different rates | (2.24) | 1.03 |
| - Tax effect of super tax | 10.08 | 10.20 |
| - Effect on opening deferred taxes on increase of rate | - | - |
| - Others | 1.18 | (0.88) |
| | (8.03) | 10.24 |
| Average effective tax rate | 20.97 | 39.24 |

39.2 The current tax expense has been computed using the tax rate enacted for the tax year 2025, which includes an additional 10% Super Tax.

39.3 This represents final taxes paid under section 5, section 8 and section 154 of Income Tax Ordinance, 2001 (ITO 2001), representing levy in terms of requirements of IAS 37/ IFRIC 21.

39.4 The Company challenged the vires of section 4C of Income Tax Ordinance, 2001 (ITO, 2001) inserted vide Finance Act, 2022 vide writ petition in Lahore High Court (LHC) for tax year 2022. LHC vide its interim order dated December 29, 2022 directed the Federal Board of Revenue (FBR) to allow the Company to file its return excluding the tax under section 4C of ITO, 2001 subject to deposit of postdated cheques of the differential amount liable to be deposited under section 4C. Accordingly, Company assessed its liability under section 4C and deposited the postdated cheque for the balance amount. On February 16, 2023 LHC modified its interim order asking the petitioners to deposit, under protest, 50% of their due liability i.e. Rs. 934,130 thousand. On February 17, 2023 the DCIR issued the notice for deposit of 50% amount in the light of above directions. Accordingly, required amount was deposited and due compliance was made of the notice. LHC in its judgement dated June 4, 2024 removed retrospective application of super tax for the tax year 2022. The Company has accordingly reversed the provision for super tax u/s 4C of ITO in the current period. The matter is currently pending adjudication before Honourable Supreme Court of Pakistan.

39.5 Reconciliation between current tax and levy

Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in profit and loss accounts as follows:

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | 2025 | Restated 2024 |
|--|----------------------|------------------|
| | (Rupees in thousand) | |
| Current tax liability for the period as per applicable laws | 1,777,133 | 6,608,000 |
| Less: | | |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12 | 1,752,958 | 6,543,757 |
| Portion of current tax computed as per current tax Laws representing levy in terms of requirements of Requirements of IAS 37/ IFRIC 21 | 24,175 | 64,243 |
| | - | - |

40 Transactions with related parties

Related parties include subsidiaries, associates, entities under common control, entities with common directors, group companies, major shareholders, post employment benefit plans and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes to these financial statements other than the following:

| Relation with undertaking | Nature of transaction | 2025 | 2024 |
|---------------------------------|---|----------------------|------------|
| | | (Rupees in thousand) | |
| Subsidiaries | Sale of goods | 1,056,491 | 432,499 |
| | Purchase of components | 2,487,746 | 12,277,184 |
| | Payment of compensation to staff | 5,146 | 31,978 |
| | Dividend income | 46,187 | 480,736 |
| Associates | Sale of services | 13,256 | 38,219 |
| | Purchase of components | 6,094 | - |
| | Purchase of fixed assets | 9,126 | 23,825 |
| | Dividend income | 62,061 | - |
| Key Management Personnel | Remuneration paid | 60,709 | 407,692 |
| | Disposal of fixed assets | 11,625 | 10,097 |
| | Dividend paid - net | 1,616,281 | 973,362 |
| Employees' defined benefit plan | Contribution to employees' defined benefit plan | 8,340 | 9,639 |
| Defined contribution plans | Contribution to defined contribution plan | 8,327 | 9,259 |
| Provident Fund | Amount contributed | 50,727 | 39,787 |

40.1 Transactions with related parties are carried out on mutually agreed terms and conditions.

40.2 The names of related parties with whom the Company has entered into transactions or had agreements / arrangements in place during the year, are as follows:

| Name of the related party | Basis of relationship | Country of Incorporation | Percentage of shareholding (%) |
|---|-----------------------|--------------------------|--------------------------------|
| Millat Industrial Products Limited | Subsidiary | Pakistan | 64.09 |
| Bolan Castings Limited | Subsidiary | Pakistan | 46.26 |
| TIPEG Intertrade DMCC | Subsidiary | United Arab Emirates | 75.00 |
| Arabian Sea Country Club Limited | Common Directorship | Pakistan | 6.45 |
| Hyundai Nishat Motors (Private) Limited | Common Directorship | Pakistan | 15.86 |

41 Remuneration of Chief Executive Officer, Directors and Executives

The aggregate remuneration recognized in these financial statements including certain benefits to the Chief Executive Officer, Directors and Executives of the Company is as follows:

| | Chief Executive Officer | | Directors | | | | Executives | |
|---|-----------------------------|--------|------------------------|--------------------|------------------------|--------------------|------------|---------|
| | 2025 | 2024 | 2025 | | 2024 | | 2025 | 2024 |
| | | | Non Executive Director | Executive Director | Non Executive Director | Executive Director | | |
| Number of persons | 1 | 2 | 10 | 2 | 10 | 2 | 144 | 112 |
| | (Rupees in thousand) | | | | | | | |
| Managerial remuneration | 29,043 | 39,092 | 9,890 | 23,031 | 2,161 | 43,138 | 360,834 | 242,526 |
| Cost of living allowance | - | - | 9,890 | 23,031 | 2,161 | 1,751 | 54,879 | 37,780 |
| Bonus | 12,814 | 20,970 | 21,501 | 38,628 | 19,451 | 43,063 | 196,473 | 181,313 |
| House rent | 13,069 | 11,639 | 4,451 | 10,364 | 972 | 788 | 157,258 | 86,061 |
| Contribution to provident fund and gratuity funds | 2,906 | 3,093 | - | - | - | - | 41,075 | 29,199 |
| Pension contribution | - | - | - | - | - | - | 5,979 | 6,423 |
| Medical expenses | 559 | 760 | 1,930 | 2,993 | 2,802 | 2,321 | 31,978 | 14,066 |
| Utilities | 782 | 1,157 | 1,484 | 2,622 | 3,195 | 3,155 | 19,992 | 27,781 |
| Other allowances and reimbursable expenses | 1,536 | 2,402 | 1,186 | 2,284 | 2,167 | (3,467) | 9,630 | 25,172 |
| Meeting fees | - | - | 16,300 | - | 10,400 | - | - | - |
| Travelling expenses | - | - | 347 | - | 641 | - | - | - |
| | 60,709 | 79,113 | 66,979 | 102,953 | 43,950 | 90,749 | 878,098 | 650,321 |

41.1 The Company has also provided the Chief Executive Officer, Directors and certain employees with free use of Company maintained cars and residential utilities.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

42 Earnings per share - Basic and diluted

42.1 Basic earnings per share

Earnings per share are calculated by dividing the profit after tax for the year by weighted average number of shares outstanding during the year as follows:

| | | 2025 | Restated 2024 |
|---|------|-----------------------------------|------------------|
| | | (Rupees in thousand) | |
| Profit after tax for the year | | 6,372,928 | 10,224,875 |
| | | (Number of shares in thousand) | |
| | Note | 2025 | 2024 |
| Weighted average number of ordinary shares outstanding during the year | 5 | 199,516 | 195,657 |
| | | (Rupees) | |
| | | 2025 | 2024 |
| Earnings per share | | 31.94 | 52.26 |

42.2 Diluted earnings per share

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

| | Note | 2025 | Restated 2024 |
|-------------|---|----------------------|-------------------|
| | | (Rupees in thousand) | |
| 43 | Cash generated from operations | | |
| | Profit before income taxes | 8,039,660 | 16,763,661 |
| | Adjustments to reconcile profit before tax to net cash flows: | | |
| | Depreciation of property, plant and equipment | 17.1 200,199 | 161,433 |
| | Depreciation charged to related parties | 17.1 2,249 | 4,004 |
| | Depreciation of right-of-use assets | 18 5,286 | 6,127 |
| | Amortization of intangible assets | 20 7,860 | 15,444 |
| | Provision for accumulating compensated absences | 79,551 | 98,247 |
| | Obsolete stock-in-trade written off | - | 12,438 |
| | Balances with statutory authorities written off | - | 34,147 |
| | Profit on bank deposits | 37 (100,040) | (205,182) |
| | Dividend income from long-term investments | 37 (57,732) | (498,054) |
| | Dividend income from short-term investments | 37.3 - | (47,475) |
| | Credited to employees' defined benefit plan | (34,105) | (40,289) |
| | Provision for gratuity | 8,327 | 9,259 |
| | Loss on disposal of property, plant and equipment | 17.1.4 395 | (428) |
| | Gain on sale of short-term investments - at FVPL | 37.2 (51,157) | (29,949) |
| | Gain on sale of long-term investments - at Cost | (144,292) | - |
| | Finance cost | 38 2,165,917 | 1,181,535 |
| | Finance cost on lease liability | 38 1,290 | 1,976 |
| | Amortization of deferred grant | 8 (3,995) | (3,499) |
| | Unwinding of long-term loan | 7.1 6,156 | 4,048 |
| | Unrealised exchange loss | 37 - | - |
| | Final tax - levy | 39 24,175 | 64,243 |
| | Provision for Workers' Profit Participation Fund | 36 433,074 | 907,869 |
| | Provision for Workers' Welfare Fund | 36 164,568 | 345,989 |
| | | <u>10,747,385</u> | <u>18,785,544</u> |
| 43.1 | Working capital changes | | |
| | (Increase) / decrease in current assets | | |
| | Stores and spares | (14,552) | (457,430) |
| | Stock-in-trade | 2,046,578 | (5,091,291) |
| | Trade debts | (123,615) | (130,971) |
| | Loans and advances | 282,870 | (315,208) |
| | Trade deposits and short-term prepayments | (35,828) | 159,735 |
| | Balances with statutory authorities | (1,292,831) | (346,702) |
| | Other receivables | (66,352) | (130,934) |
| | | 796,270 | (6,312,801) |
| | Increase / (decrease) in current liabilities: | | |
| | Trade and other payables | (2,138,027) | 4,469,991 |
| | Contract liabilities | 847,621 | (1,876,004) |
| | | (1,290,406) | 2,593,987 |
| | Net cash flows from operating activities | <u>10,253,249</u> | <u>15,066,730</u> |

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 | Restated 2024 |
|-----------|----------------------------------|----------------------|------------------|
| | | (Rupees in thousand) | |
| 44 | Cash and cash equivalents | | |
| | Cash and bank balances | 1,565,748 | 1,398,479 |
| | Short-term borrowings - secured | (14,036,499) | (8,093,310) |
| | | (12,470,751) | (6,694,831) |

45 Operating segments

45.1 These financial statements have been prepared on the basis of a single reportable segment.

45.2 Revenue from contracts with customers relating to sale of tractors represents 95% (2024: 95.68%) of the gross revenue from contracts with customers of the Company.

45.3 91% (2024: 95.63%) of the revenue from contracts with customers of the Company relates to customers in Pakistan.

45.4 All non-current assets of the Company at the respective reporting dates are located in Pakistan.

46 Financial risk management

46.1 Financial risk factors

Financial instruments comprise loans and advances, trade deposits, trade debts, other receivables, short-term investments, cash and bank balances, short-term borrowings, long-term deposits, interest / mark-up accrued, borrowings, lease liabilities and trade and other payables.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by the Board of Directors ('the Board'). The Company's finance department evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are as follows:

(i) Market risk

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Company are periodically restated to Pak rupee equivalent and the associated gain or loss is taken to the profit or loss. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Company's exposure to currency risk is as follows:

| | Currency | 2025 (FCY in thousand) | 2024 |
|--------------------------|----------|---------------------------|--------|
| Receivables | GBP | - | 4 |
| | USD | 622 | 549 |
| | EUR | - | 17 |
| | CNY | - | 316 |
| Trade and other payables | GBP | 788 | 2,325 |
| | USD | 357 | 1,995 |
| | EUR | - | 752 |
| | CNY | - | 17,230 |
| | JPY | - | 7,198 |

The following analysis demonstrates the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant, of the Company's profit before tax:

| | Changes in rate | Effects on profit before tax 2025 (Rupees in thousand) | Effects on profit before tax 2024 |
|--|--------------------|--|--|
| Receivables / (Trade and other payables) - GBP | +15 | (11,820) | (34,815) |
| | -15 | 11,820 | 34,815 |
| Receivables / (Trade and other payables) - USD | +15 | 3,975 | (21,690) |
| | -15 | (3,975) | 21,690 |
| Receivables / (Trade and other payables) - EUR | +15 | - | (11,025) |
| | -15 | - | 11,025 |
| Receivables / (Trade and other payables) - CNY | +15 | - | (253,710) |
| | -15 | - | 253,710 |
| Trade and other payables - JPY | +15 | - | (107,970) |
| | -15 | - | 107,970 |

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| | 2025 | Restated 2024 |
|--------------------------|----------------------|------------------|
| | (Rupees in thousand) | |
| Reporting date rate per: | | |
| GBP to PKR | 389.65 | 351.85 |
| USD to PKR | 284.10 | 278.80 |
| EUR to PKR | 332.83 | 298.41 |
| CNY to PKR | 39.66 | 38.53 |
| JPY to PKR | 1.97 | 1.73 |

(b) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

The Company is exposed to equity securities price risk because of investments held by the Company and classified as fair value through other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Company's investment strategy is to maximise investment returns.

The Company's certain investments in equity instruments are publicly traded on the Pakistan Stock Exchange Limited.

The table below summarises the impact of increases/decreases of the KSE-100 index on the Company's equity. The analysis is based on the assumption that the KSE-100 index had increased/decreased by 10% with all other variables held constant and all the Company's equity investments moved according to the historical correlation with the index:

| | Impact on other components of equity | |
|---------------------------------|---|--------|
| | 2025 | 2024 |
| | (Rupees in thousand) | |
| Pakistan Stock Exchange Limited | 18,237 | 16,677 |

As at June 30, 2025, the Company had no investments classified as at fair value through profit or loss, hence there is no impact on the profit for the year.

(c) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from short-term and long-term borrowings, lease liabilities and bank balances. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

| | Note | 2025 | Restated 2024 |
|----------------------------------|------|---------------------|--------------------|
| (Rupees in thousand) | | | |
| Fixed rate instruments: | | | |
| Financial liabilities | | | |
| Lease liabilities | 9 | (3,548) | (8,184) |
| Long-term finances - secured | 7 | (886,736) | (1,044,193) |
| Net exposure | | (890,284) | (1,052,377) |
| Floating rate instruments | | | |
| Financial liabilities | | | |
| Short-term borrowings | 14 | (14,036,499) | (8,093,310) |
| Long-term finances - secured | | (215,656) | (269,570) |
| Financial assets | | | |
| Bank balances - deposit accounts | 31 | 388,556 | 459,139 |
| Net exposure | | (13,863,599) | (7,903,741) |

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 reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a change in interest rates, with all other variables held constant, of the Company's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

| | | Changes in interest rate | Effects on profit before tax |
|----------------------------------|-----------------|--------------------------------|------------------------------------|
| (Rupees in thousand) | | | |
| Bank balances - deposit accounts | 2025 | +5% | 19,428 |
| | | -5% | (19,428) |
| | 2024 (Restated) | +5% | 8,096 |
| | | -5% | (8,096) |
| Short-term borrowings | 2025 | +5% | (701,825) |
| | | -5% | 701,825 |
| | 2024 (Restated) | +5% | (404,666) |
| | | -5% | 404,666 |
| Long-term finances - secured | 2025 | +5% | (10,783) |
| | | -5% | 10,783 |
| | 2024 (Restated) | +5% | (13,479) |
| | | -5% | 13,479 |

(ii) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk of the Company arises from deposits with banks and other financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

| | 2025 | Restated 2024 |
|-----------------------------------|------------------|------------------|
| (Rupees in thousand) | | |
| Trade debts | 500,407 | 376,792 |
| Long term investments | 6,007,386 | 6,165,557 |
| Long term loans | 9,789 | 11,072 |
| Security deposits | 26,670 | 27,986 |
| Other receivables | 264,072 | 283,705 |
| Bank balances and cheques in hand | 1,564,263 | 1,396,434 |
| | <u>8,372,587</u> | <u>8,261,546</u> |

(b) Impairment of financial assets

The Company's financial assets, other than investments in equity instruments, are subject to the expected credit losses model.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. For trade receivables, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management.

| | 2025 | Restated 2024 |
|--|-----------------------------|--------------------------|
| | (Rupees in thousand) | |
| The aging of trade receivables at the reporting date is: | | |
| Past due 1 - 3 months | 250,204 | 181,882 |
| Past due 4 - 6 months | 100,081 | 16,712 |
| Past due 7 - 12 months | 25,020 | 143,588 |
| Past due one year | 125,102 | 34,610 |
| | <u>500,407</u> | <u>376,792</u> |

Based on management's assessment of the expected credit loss, no material impairment is necessary in respect of trade receivables past due, as some receivables have been recovered subsequent to the year end and for other receivables and security deposits, there are reasonable grounds to believe that the amounts will be recovered in short course of time.

While bank balances, loans to employees, deposits and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial and are therefore not exposed to any material credit risk.

(c) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate.

Notes to the Unconsolidated Financial Statements

For the year ended June 30, 2025

The table below shows the bank balances held with some major counterparties at the reporting date:

| Balances with banks | Rating | | | 2025 | 2024 |
|---------------------------------|------------|-----------|---------|----------------------|-----------|
| | Short term | Long term | Agency | (Rupees in thousand) | |
| Allied Bank Limited | A-1+ | AAA | PACRA | 114,466 | 125,094 |
| Bank Alfalah Limited | A-1+ | AAA | PACRA | 15,447 | 23,738 |
| Habib Bank Limited | A-1+ | AAA | VIS | 150,779 | 149,288 |
| MCB Bank Limited | A-1+ | AAA | PACRA | 402,987 | 446,483 |
| MCB Islamic Bank Limited | A-1 | A+ | PACRA | 2,092 | 2,092 |
| Meezan Bank Limited | A-1+ | AAA | VIS | 141,718 | 295,123 |
| National Bank of Pakistan | A-1+ | AAA | PACRA | 1,203 | 1,303 |
| Sindh Bank Limited | A-1+ | AA- | VIS | 2,431 | 2,951 |
| Standard Chartered Bank Limited | A-1+ | AAA | PACRA | 7,446 | 1,694 |
| Askari Bank Limited | A-1+ | AA+ | PACRA | 18,817 | 10,917 |
| The Bank of Punjab Limited | A-1+ | AA+ | PACRA | 1,647 | 13,835 |
| United Bank Limited | A-1+ | AAA | VIS | 19,063 | 68,015 |
| Zarai Taraqati Bank Limited | A-1+ | AAA | VIS | 1,091 | 8,809 |
| Industrial and Commercial | | | | | |
| Bank of China Limited | P-1 | A-2 | Moody's | 68 | 68 |
| JS Bank | A-1+ | AA | PACRA | 4 | 4 |
| | | | | 879,259 | 1,149,414 |

(iii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2025, the Company had Rs. 22,500,000 thousand (2024: Rs. 15,100,000 thousand) available borrowing limits from financial institutions and Rs. 1,565,748 thousand (2024: Rs. 1,398,479 thousand) cash and bank balances.

Management monitors the forecasts of the Company's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| | Total | On demand | Less than one year | More than one year |
|---|----------------------|------------|--------------------|--------------------|
| | (Rupees in thousand) | | | |
| June 30, 2025 | | | | |
| Trade and other payables | 6,143,176 | - | 6,143,176 | - |
| Unclaimed dividend | 362,053 | - | 362,053 | - |
| Unpaid dividend | 79,163 | - | 79,163 | - |
| Long-term finances - secured | 896,918 | - | 429,643 | 467,275 |
| Short-term borrowings | 14,036,499 | 14,036,499 | - | - |
| Lease liabilities against right-of-use assets | 3,685 | - | 3,685 | - |
| Long-term deposits | 15,698 | - | - | 15,698 |
| | 21,537,192 | 14,036,499 | 7,017,720 | 482,973 |
| | Total | On demand | Less than one year | More than one year |
| | (Rupees in thousand) | | | |
| June 30, 2024 (Restated) | | | | |
| Trade and other payables | 8,300,177 | - | 8,300,177 | - |
| Unclaimed dividend | 344,541 | - | 344,541 | - |
| Unpaid dividend | 43,714 | - | 43,714 | - |
| Long-term finances - secured | 1,313,763 | - | 419,114 | 894,649 |
| Short-term borrowings | 8,093,310 | 8,093,310 | - | - |
| Lease liabilities against right-of-use assets | 9,653 | - | 7,182 | 2,471 |
| Long-term deposits | 15,433 | - | - | 15,433 |
| | 18,120,591 | 8,093,310 | 9,114,728 | 912,553 |

46.2 Reconciliation of movements in liabilities to cash flows arising from financing activities

| | Long-term finances - secured | Dividends | Lease liabilities against right-of-use assets | Total |
|---|------------------------------|-------------|---|-------------|
| | (Rupees in thousand) | | | |
| Balance at July 01, 2024 | 1,313,763 | 388,255 | 8,184 | 1,710,202 |
| Changes in liabilities | | | | |
| Dividend announced during the year | - | 8,978,220 | - | 8,978,220 |
| Finance cost | 6,156 | - | 1,290 | 7,446 |
| Total liability related changes | 6,156 | 8,978,220 | 1,290 | 8,985,666 |
| Changes from financing cash flows | | | | |
| Principal payment against lease liabilities | - | - | (5,926) | (5,926) |
| Long-term financing received | - | - | - | - |
| Long-term financing repaid | (433,183) | - | - | (433,183) |
| Dividend paid during the year including unclaimed / unpaid balances | - | (8,925,259) | - | (8,925,259) |
| Total changes from financing cash flows | (433,183) | (8,925,259) | (5,926) | (9,364,368) |
| Balance at June 30, 2025 | 886,736 | 441,216 | 3,548 | 1,331,500 |

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| | Long-term finances - secured | Dividends | Lease liabilities against right- of-use assets | Total |
|---|------------------------------------|-------------|--|-------------|
| (Rupees in thousand) | | | | |
| Balance at July 01, 2023 | 1,377,687 | 339,763 | 10,986 | 1,728,436 |
| Changes in liabilities | | | | |
| Dividend announced during the year | - | 7,671,931 | - | 7,671,931 |
| Finance cost | 4,048 | - | 1,976 | 6,024 |
| Total liability related changes | 4,048 | 7,671,931 | 1,976 | 7,677,955 |
| Changes from financing cash flows | | | | |
| Principal payment against lease liabilities | - | - | (4,778) | (4,778) |
| Long-term financing received | 269,570 | - | - | 269,570 |
| Long-term financing repaid | (367,983) | - | - | (367,983) |
| Dividend paid during the year including unclaimed / unpaid balances | - | (7,623,439) | - | (7,623,439) |
| Total changes from financing cash flows | (98,413) | (7,623,439) | (4,778) | (7,726,630) |
| Balance at June 30, 2024 (Restated) | 1,283,322 | 388,255 | 8,184 | 1,679,761 |

46.3 Financial instruments by categories

| | FVOCI | | At amortised cost | | TOTAL | |
|-----------------------|-----------|-----------|-------------------|-----------|-----------|-----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| (Rupees in thousand) | | | | | | |
| Financial assets | | | | | | |
| Long-term investments | 5,833,381 | 5,991,552 | - | - | 5,833,381 | 5,991,552 |
| Loans and advances | - | - | 29,108 | 17,415 | 29,108 | 17,415 |
| Trade debts | - | - | 500,407 | 376,792 | 500,407 | 376,792 |
| Trade deposits | - | - | 26,670 | 27,986 | 26,670 | 27,986 |
| Other receivables | - | - | 264,072 | 199,792 | 264,072 | 199,792 |
| Bank balances | - | - | 879,259 | 1,149,414 | 879,259 | 1,149,414 |
| | 5,833,381 | 5,991,552 | 1,699,516 | 1,771,399 | 7,532,897 | 7,762,951 |

| | Restated | |
|----------------------|-----------|-----------|
| | 2025 | 2024 |
| (Rupees in thousand) | | |
| Comprised of: | | |
| Total current | 1,689,727 | 1,760,327 |
| Total non-current | 5,843,170 | 6,002,624 |
| | 7,532,897 | 7,762,951 |

| | At amortised cost | |
|------------------------------|-----------------------------|-------------------|
| | 2025 | 2024 |
| | (Rupees in thousand) | |
| Financial liabilities | | |
| Trade and other payables | 6,143,176 | 8,300,177 |
| Short-term borrowings | 14,036,499 | 8,093,310 |
| Unclaimed dividend | 362,053 | 344,541 |
| Unpaid dividend | 79,163 | 43,714 |
| Long-term finances - secured | 886,736 | 1,283,322 |
| Lease liabilities | 3,548 | 8,184 |
| Long-term deposits | 15,698 | 15,433 |
| | 21,526,873 | 18,088,681 |
| Comprised of: | | |
| Total current | 21,043,900 | 17,165,738 |
| Total non-current | 482,973 | 922,943 |
| | 21,526,873 | 18,088,681 |

The Company has no financial asset or liabilities valued at fair value through profit and loss.

47 Capital management

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

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares. Furthermore, if any loan covenants are breached, the Company may be restricted from declaring or paying dividends without obtaining prior approval from the lending bank(s).

The Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as total borrowing (including related markup / interest) divided by total equity / capital employed:

| | 2025 | 2024 |
|---|-----------------------------|-------------|
| | (Rupees in thousand) | |
| Total borrowings | 14,923,235 | 9,407,073 |
| less: Liquid investments and cash and bank balances | (1,565,748) | (1,398,479) |
| Net Debt | 13,357,487 | 8,008,594 |
| Total Equity | 8,076,300 | 10,953,152 |
| Gearing Ratio | 1.85 | 0.86 |

In accordance with the terms of agreements with the lenders of long term financing (as referred to in note 7 to these financial statements), the Company is required to comply with certain financial covenants.

At the minimum, the Company is required to comply with the following financial covenants:

- Current ratio shall not fall below 1.10 times
- Leverage shall not exceed 2.50 times
- Gearing ratio shall not exceed 2.50 times

Notes to the Unconsolidated Financial Statements

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Interest cover ratio shall be at least 1.25 times

Debt service coverage shall be at least 1.25 times

The Company has complied with these covenants except for two covenants in respect of which the lender required the Company to maintain current ratio at least 1.1 times and leverage ratio to be at least 2.5 times, failing which the Company does not have the right to defer its settlement. The Company's current ratio as at June 30, 2025 is 1.07 times and leverage ratio is 3.08 times, which does not meet the covenant requirement. However, the Company has obtained a waiver subsequent to the year end for these covenant breaches, effective for a period of twelve months from June 30, 2025 to June 30, 2026. Furthermore, the impact of reclassification on the financial statements is considered to be immaterial.

There are no indications that the Company would have difficulties complying with the covenants when they will be next tested.

48 Fair values of financial assets and liabilities

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on arm's length basis.

The carrying values of other financial assets and financial liabilities reflected in financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

48.1 Fair value hierarchy

IFRS 13 "Fair Value Measurement requires the Company to classify fair value measurement and fair value hierarchy that reflects the significance of the inputs used in making the measurement of fair value hierarchy, which has the following levels:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable.

Level 3: If one or more of the significant inputs is not based on observable market data. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest Rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying values of all financial and liabilities reflected in the financial statements approximate their fair values.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred, if any. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Changes between various levels of fair value hierarchy are analyzed at the end of each reporting period during the annual valuation discussion between the Chief Financial Officer and the management of investee company. As part of this discussion, the investee company presents a report that explains the reason for the fair value movement, if any. There have been no transfers between various levels of the fair value hierarchy during the respective reporting periods.

As at June 30, 2025, the Company held the following financial instruments carried at fair value:

| | Note | Total 2025 | Level 1 | Level 2 | Level 3 |
|-----------------------------------|------|---------------|---------|---------|-----------|
| (Rupees in thousand) | | | | | |
| Financial assets measured - FVOCI | | | | | |
| Long-term investments | 21 | 5,833,381 | 182,366 | - | 5,651,015 |

Date of valuation : June 30, 2025

There were no financial liabilities measured at fair value as at June 30, 2025.

As at June 30, 2024, the Company held the following financial instruments carried at fair value:

| | Note | Total 2024 | Level 1 | Level 2 | Level 3 |
|-----------------------------------|------|---------------|---------|---------|-----------|
| (Rupees in thousand) | | | | | |
| Financial assets measured - FVOCI | | | | | |
| Long-term investments | 21 | 5,991,552 | 166,767 | - | 5,824,785 |

Date of valuation : June 30, 2024

There were no financial liabilities measured at fair value as at June 30, 2024.

Movement / reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy

| | Note | 2025 | 2024 |
|---|------|-----------|-----------|
| (Rupees in thousand) | | | |
| Opening balance | | 5,824,385 | 6,103,657 |
| Investment made during the year | | - | - |
| (Deficit) / surplus on fair valuation of investment | | (173,770) | (279,272) |
| | 21 | 5,650,615 | 5,824,385 |

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49 Disclosure requirements for Companies not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O. 1278(I)/2024 dated August 15, 2024:

| | | Note | 2025 | 2024 |
|--|-------------|------|----------------------|------------|
| | | | (Rupees in thousand) | |
| Description | | | | |
| Unconsolidated statement of financial position | | | | |
| Financing obtained as per Islamic mode | Shariah | | 6,500,000 | 2,500,000 |
| Accrued finance cost on conventional loan | Shariah | | 378,000 | 356,000 |
| Long-term and short-term Shariah compliant Investments | Shariah | 21 | 5,748,410 | 5,922,180 |
| Bank balances - Shariah compliant | Shariah | 31 | 143,810 | 297,215 |
| Unconsolidated statement of profit or loss | | | | |
| Revenue earned from a shariah-compliant business segment | Shariah | 32 | 52,108,997 | 91,534,501 |
| Late payments or liquidated damages- charges | Non-Shariah | 32 | 85 | 982 |

Source and detailed break up of other income

| | | Note | 2025 | 2024 |
|---|-------------|------|----------------------|---------|
| | | | (Rupees in thousand) | |
| Other income earned from shariah compliant: | | | | |
| Rental Income | Shariah | 37 | 43,569 | 40,675 |
| Gain on disposal of operating fixed assets | Shariah | 37 | 6 | 428 |
| Sale of scrap | Shariah | 37 | 118,666 | 136,546 |
| Miscellaneous | Shariah | 37 | 46,221 | 24,303 |
| Dividend income | Shariah | 37 | 46,187 | 480,736 |
| Gain on disposal of investment property | Shariah | 37 | 144,292 | - |
| Other income earned from non - shariah compliant | | | | |
| Income on bank deposits | Non-Shariah | 37 | 100,040 | 205,182 |
| Gain on disposal of investments | Non-Shariah | 37 | 51,157 | 29,949 |
| Dividend income | Non-Shariah | 37 | 11,545 | 17,318 |

Relationship with shariah compliant banks

| Name | Relationship |
|---------------------|--|
| Meezan Bank Limited | Funded / Non-funded facility & Bank Balances |

50 Provident fund trust

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

| | 2025 | 2024 |
|-----------------------------------|-----------------|--------|
| | Units per annum | |
| 51 Capacity and production | | |
| Tractors | | |
| Plant capacity (double shift) | 30,000 | 30,000 |
| Actual production | 18,637 | 30,479 |

The Company has a normal capacity of producing 30,000 tractors per annum on double shift basis. However, the lower production compared to normal capacity in 2025 was due to the lower demand.

| | 2025 | Restated 2024 |
|--|----------------------|------------------|
| | (Rupees in thousand) | |
| 52 Number of employees | | |
| Total number of employees at the end of the year | 464 | 473 |
| Total number of factory employees at the end of the year | 125 | 134 |
| Average number of employees during the year | 469 | 473 |
| Average number of factory employees during the year | 130 | 140 |

The number of employees mentioned above does not include third party contractual employees.

53 Corresponding Figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, except for the reasons mentioned in note 2.3 of these unconsolidated financial statements, no significant re-arrangements have been made.

54 Subsequent events

Subsequent events not disclosed elsewhere in the financial statements include:

The Board of Directors of the Company in its meeting held on September 15, 2025 has proposed a final cash dividend of Rs. 15.00 per share (2024: Nil). The appropriation will be approved by the members in the forthcoming Annual General Meeting. These financial statements do not include the effect of these appropriations which will be accounted for subsequent to the year end.

55 Date of authorization for issue

These financial statements were authorized for issue by Board of Directors of the Company in the meeting held on September 15, 2025.



Chief Financial Officer



Chief Executive Officer



Chairman



**CONSOLIDATED
FINANCIAL STATEMENTS**

Group Directors' Report

The Directors are pleased to present their report together with the audited Group Consolidated Financial Statements for the year ended June 30, 2025.

THE GROUP

The Group comprises Millat Tractors Limited (MTL) (Holding Company) and its subsidiaries i.e., Millat Industrial Products Limited (MIPL), TIPEG INTERTRADE DMCC, Dubai, U.A.E and Bolan Castings Limited (BCL).

MILLAT INDUSTRIAL PRODUCTS LIMITED

a. BOARD OF DIRECTORS

The present Board consists of eight directors. The present directors of the company are: M/s. Sikandar Mustafa Khan, Sohail Bashir Rana, Laeeq Uddin Ansari, Muhammad Mustafa Khan, Muhammad Mustafa Sohail, Shehryar Ansari, Qaiser Saleem and Mr. Ghulam Mustafa, CEO

b. PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF COMPANY'S BUSINESS

The Company is engaged in the business of manufacture and sale of vehicular, industrial and domestic batteries. Sales during the year were Rs. 1.594 billion and net loss after tax was Rs.78.134 million. Loss per share for the year was Rs.7.59.

c. 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.

d. FUTURE PROSPECTS OF PROFIT

Although the Company has incurred a loss last year in highly competitive market, there remain opportunities to achieve profitability in the future. The Company has to focus on innovation, cost reduction and market opportunities to enhance profits.

e. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls are in place and are being meticulously observed by concerned persons and being monitored by internal audit department on regular basis.

TIPEG INTERTRADE DMCC

a. BOARD OF DIRECTORS

The Directors of the Company are: M/s. Sikandar Mustafa Khan, Sohail Bashir Rana and Laeeq Uddin Ansari.

b. PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF COMPANY'S BUSINESS

TIPEG Intertrade DMCC, Dubai, U.A.E is a Limited Liability Company registered with Dubai Multi Commodities Centre Authority. Millat Tractors Limited holds 75% equity of the Company. The principal activity of the Company is trading in machinery and heavy equipment and parts thereof. The Company office is located at Jumeirah Lake Towers, Dubai, UAE. TIPEG earned a net profit of AED 0.256 million and registered sale of AED 11.373 million for the period. Earnings per share were AED 128.144.

c. PRINCIPAL RISKS AND UNCERTAINTIES

Currently no apparent risk or uncertainty is likely to affect the performance of the Company. No changes have occurred during the period concerning the nature of the business of the company.

d. FUTURE PROSPECTS OF PROFIT

The Company aims to enhance its revenue by marketing products of MTL and other group companies in African and other international markets.

e. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Adequate internal financial controls are in place and are being observed.

BOLAN CASTINGS LIMITED

a) BOARD OF DIRECTORS

The present Board consists of seven elected directors and a Chief Executive Officer. The Directors of the company are: M/s. Sikandar Mustafa Khan, Sohail Bashir

Rana, Laeeq Uddin Ansari, Syed Muhammad Irfan Aqueel, Aamir Amin, Tabassum Rana, Abdul Hamid Ahmed Dagia and Chief Executive Officer Mr. Mujtaba Ahmad.

b) PRINCIPAL ACTIVITIES, DEVELOPMENT AND PERFORMANCE OF COMPANY'S BUSINESS

BCL is a public limited company listed on Pakistan Stock Exchange. BCL manufactures intricate tractor components i.e., major tractor castings for MTL. MTL holds 46.26% shares of the total paid up capital of the Company. 3,534 tons of casting has been produced during the fiscal year against 7,227 tons of last year resulting in a decrease of 51.01%, while 3,946 tons of casting has been sold against 7,136 tons sold last year i.e., a decrease of 44.70%.

The sales revenues of the Company for the year under review amounted to Rs. 1,712.642 million against Rs. 3,390.175 million of last year. In the financial year under review, the loss before tax was Rs. 0.555 million against profit before tax Rs. 319.403 million of last year. The loss after tax was Rs. 19.145 million against profit after tax Rs. 118.667 million of last year. The loss per share was Rs. 1.67 against profit per share of Rs. 10.34.

c) PRINCIPLE RISKS AND UNCERTAINTIES

Effective risk management is the key to sustainable business. Risk management framework, coupled with internal control policies have helped the company to maintain focus and mitigate principle risks affecting the company. However, overall risks arising from the Company's financial instruments are limited as there is no significant exposure to market risk in respect of such instruments. Internal Audit department provides independent report to Board of Directors on the effectiveness of risk management and control processes.

d) FUTURE PROSPECTS

Government initiatives aimed at supporting the agriculture sector, particularly the forthcoming Punjab Government's Green Tractor Subsidy Scheme, are expected to revive demand in the tractor industry and allied businesses. Your Company is well-positioned to benefit from these developments by enhancing production capacity utilization and maintaining robust cost-control measures. These efforts will strengthen its ability to navigate challenges and capitalize on future opportunities.

e) ADEQUACY OF INTERNAL FINANCIAL CONTROLS

BCL maintains a system of internal controls, which is designed to identify, evaluate and manage risks that may affect the achievement of business objectives rather than to eliminate these risks and can, therefore, provide only reasonable assurance against material misstatement or loss. Audit Committee is responsible for reviewing the effectiveness of the system of internal controls.

SUBSEQUENT EVENTS

No material changes or commitments affecting the financial position of the Group Companies have occurred between the end of the financial year of the Companies and the date of this report except as disclosed in their respective annual reports.

CHANGE IN NATURE OF BUSINESS

During the year there has been no major change in the nature of business of any group company.

AUDITOR'S OBSERVATIONS

No adverse remark or observation was given by the auditors' of any group company in their reports for the year ended June 30, 2025.

FUTURE PROSPECTS

There is no significant doubt about the group companies' ability to continue as going concerns and therefore future prospects are positive.

PATTERN OF SHAREHOLDING

The pattern of shareholding of MTL is annexed to the Directors' Report and the shareholding pattern of MIPL, TIPEG and BCL is enclosed.

EARNINGS PER SHARE

Earnings per share of the group for the year ended June 30, 2025 was Rs. 31.70 as against Rs. 54.37 of the preceding year.



Chairman

Lahore: September 15, 2025



Chief Executive Officer

بعد میں پیش آنے والے واقعات

گروپ کمپنیز کے مالیاتی سال ختم اور اس رپورٹ کی تاریخ کے درمیان نہی کوئی عوام کے لئے اور نہ ہی کوئی واضح تبدیلی ہوئی جس سے گروپ کمپنیز کی مالیاتی پوزیشن اثر انداز ہو سوائے جن کو متعلقہ سالانہ رپورٹس میں بیان کیا گیا ہے۔

کاروبار کی نوعیت میں تبدیلی

سال کے دوران کسی بھی گروپ کمپنی کے کاروبار کی نوعیت میں کوئی اہم تبدیلی نہیں ہوئی۔

آڈیٹرز کا مشاہدہ

سال ختم 30 جون 2025 کی سالانہ آڈٹ رپورٹ میں کسی بھی گروپ کمپنی کے بارے میں آڈیٹرز نے اپنی رپورٹ میں کسی قسم کی تنقید کی نہیں دی۔

مستقبل کے امکانات

گروپ کمپنیز کی صلاحیتوں پر کسی کو کوئی بھی شک نہیں اس لئے مستقبل میں ترقی کے امکانات روشن ہیں۔

شیر ہولڈنگ (پینرن)

ایم ٹی ایل کی شیر ہولڈنگ (پینرن) کو ڈائریکٹرز رپورٹ کے ساتھ منسلک کیا گیا ہے جبکہ ایم آئی پی ایل، جانی پیگ اور بی سی ایل کی شیر ہولڈنگ (پینرن) بھی منسلک ہے۔

نی حصص آمدنی

سال ختم 30 جون 2025 کیلئے گروپ کی نی حصص آمدنی 31.70 روپے رہی جو گزشتہ برس 54.37 روپے تھی۔

چیف ایگزیکٹو آفیسر

چیرمین

لاہور: 15 ستمبر، 2025

کمپنی کے کل ادا شدہ سرمائے میں 46.26 فیصد کے شیئرز رکھتی ہے۔ اس مالیاتی سال کے دوران کمپنی نے 13,534 ایم ٹی کا شیئرز بنائی ہیں جو گزشتہ سال 17,227 ایم ٹی تھیں۔ یوں اس میں 51.01 فیصد کمی رہی۔ جبکہ اس سال 13,946 ایم ٹی کا شیئنگ سیلز کی گئیں جبکہ گزشتہ سال یہ مقدار 17,136 ایم ٹی تھیں یوں اس میں 44.70 فیصد کمی ہوئی۔

سال کیلئے کمپنی کا سیلز ریویو 1,712,642 ملین روپے رہا جبکہ گزشتہ سال یہ سیلز 3,390,175 ملین روپے رہیں۔ مالی سال میں ٹیکس سے پہلے کا نقصان 0.555 ملین روپے جبکہ گزشتہ سال ٹیکس سے پہلے کا منافع 319,403 ملین روپے تھا۔ ٹیکس کے بعد کا نقصان 19,145 ملین جبکہ گزشتہ سال ٹیکس کے بعد کا منافع 118,667 ملین روپے تھا۔ نی شیئرز نقصان 1.67 روپے جبکہ اس کے برعکس نی حصص منافع 10.34 روپے تھا۔

پ۔ بنیادی خطرات اور غیر یقینی صورتحال

موثر رسک منجمنٹ پالیسیوں کا کاروبار کی کلید ہے۔ رسک منجمنٹ کا فریم ورک اور اندرونی کنٹرول کی پالیسیوں کے ساتھ کمپنی کو توجہ مرکوز رکھنے اور کمپنی پر اثر انداز ہونے والے بنیادی خطرات کو کم کرنے میں مدد ملی ہے۔ تاہم، کمپنی کے مالیاتی آلات سے متعلق مجموعی خطرات محدود ہیں کیونکہ ایسے آلات کے حوالے سے مارکیٹ کے خطرات کا کوئی خاص سامنا نہیں ہے۔ داخلی آڈٹ ٹیم بورڈ آف ڈائریکٹرز کو رسک منجمنٹ اور کنٹرول کے عمل کی موثریت پر آزاد رپورٹ فراہم کرتا ہے۔

ج۔ مستقبل کے امکانات

حکومتی اقدامات جو زرعی شعبے کی معاونت کے لیے کیے جا رہے ہیں، بالخصوص آنے والی پنجاب حکومت کی گرین ڈیکلریشن سے توقع ہے کہ ڈیکلریشن اور اس سے منسلک کاروباروں میں طلب کو دوبارہ بحال کیا جائے گا۔ آپ کی کمپنی ان اقدامات سے فائدہ اٹھانے کے لیے اچھی پوزیشن میں ہے کیونکہ یہ پیداوار کی صلاحیت کے استعمال میں اضافہ کرنے اور مضبوط لاگت پر قابو پانے کے اقدامات جاری رکھے ہوئے ہے۔ یہ کوششیں کمپنی کی صلاحیت کو مزید مضبوط کریں گی تاکہ وہ چیلنجز کا سامنا کر سکے اور مستقبل کے مواقع سے فائدہ اٹھا سکے۔

د۔ سوزوں داخلی مالیاتی کنٹرولرز

بی سی ایل کے پاس داخلی کنٹرولرز کا ایک منظم سسٹم ہے جسے ایسے خطرات کی شناخت اور نفاذ نہی کے لئے تیار کیا گیا ہے جو کمپنی کے کاروباری اہداف میں رکاوٹ بن سکتے ہیں۔ اس لئے یہ سسٹم کسی بنیادی غلط بیانی یا نقصان کے حوالے سے ایک معقول اور یقینی حل پیش کرتا ہے۔ آڈٹ کمیٹی داخلی کنٹرولرز سسٹم کی افادیت کو جانچنے کی ذمہ دار ہے۔

گروپ ڈائریکٹرز رپورٹ

ڈائریکٹرز کی جانب سے گروپ کی 30 جون، 2025 کو ختم ہونے والے سال کی رپورٹ ہمراہ گروپ کی آڈٹ شدہ مجموعی فنانشل سٹیٹمنٹس بخوشی پیش کی جاتی ہیں۔

گروپ

گروپ جو کہ ملٹ ٹریکٹرز لمیٹڈ (ایم ٹی ایل) (ہولڈنگ کمپنی) اور اس کی ذیلی کمپنیاں جیسے کہ ملٹ انڈسٹریل پراڈکٹس لمیٹڈ (ایم آئی پی ایل)، ٹائی پیگ انڈسٹریڈ ڈی ایم سی سی، دہئی، یو اے ای اور بولان کاسٹنگولیمینٹ (بی سی ایل) پر مشتمل ہے

ملٹ انڈسٹریل پراڈکٹس لمیٹڈ

الف۔ بورڈ آف ڈائریکٹرز

موجودہ بورڈ 18 ڈائریکٹرز پر مشتمل ہے۔ کمپنی کے موجودہ ڈائریکٹرز درج ذیل ہیں: میسرز سکندر مصطفیٰ خان، اسمیل بشیر رانا، لیتیق الدین انصاری، محمد مصطفیٰ خان، محمد مصطفیٰ سمیل، شہریار انصاری، قیسر سلیم اور مسز نظام مصطفیٰ چیف ایگزیکٹو آفیسر۔

ب۔ بنیادی سرگرمیاں، کمپنی کا روہاری کارکردگی اور ترقی

کمپنی گاڑیوں، جینٹریوں اور گھروں میں استعمال ہونے والی جینٹریاں بنانے کے کام سے وابستہ ہے۔ کمپنی نے رواں سال کے دوران 1,594 ملین روپے کی سیلز کیس اور خالص منافع بعد از ٹیکس 78,134 ملین روپے رہا۔ سال کیلئے مجموعی نقصان فی شیئر کے حساب سے 7.59 روپے رہا۔

ب۔ بنیادی خطرات اور غیر یقینی صورتحال

کمپنی کو درپیش اہم مسائل اور خطرات میں خام مال کی قیمتوں میں تبدیلی، روپے کی غیر معمولی گراؤ کی وجہ سے درآمد شدہ خام مال کی لاگت میں اضافہ اور مارکیٹ میں نئے مقابلہ دوروں کی آمد شامل ہیں۔ رواں سال کے دوران مقامی اور بین الاقوامی سطح پر خام مال کی قیمتوں میں اضافے نے منافع کی شرح کو بے حد متاثر کیا۔ کمپنی کے کاروبار کی نوعیت کی بات اس مالی سال میں کوئی تبدیلی وقوع پذیر نہیں ہوئی۔

ج۔ مستقبل میں منافع کے امکانات

اگرچہ کمپنی نے گزشتہ سال انتہائی مسابقتی مارکیٹ میں نقصان برداشت کیا ہے، تاہم مستقبل میں منافع حاصل کرنے کے مواقع موجود ہیں۔ کمپنی کو منافع میں اضافے کے لیے جدت، لاگت میں کمی اور مارکیٹ کے مواقع پر توجہ مرکوز کرنی ہوگی۔

د۔ موزوں داخلی مالیاتی کنٹرولز

داخلی مالیاتی کنٹرولز اپنی جگہ پر ہیں اور انٹرنل آڈٹ ڈیپارٹمنٹ کے متعلقہ افراد کی جانب سے ان کا مستقل بنیادوں پر بائیک بینی سے مشاہدہ کیا جا رہا ہے۔

ٹائی پیگ انڈسٹریڈ ڈی ایم سی سی

ا۔ بورڈ آف ڈائریکٹرز

کمپنی کے ڈائریکٹرز میسرز سکندر مصطفیٰ خان، اسمیل بشیر رانا اور لیتیق الدین انصاری ہیں۔

ب۔ کمپنی کے کاروبار کی کارکردگی، ترقی اور بنیادی سرگرمیاں

ٹائی پیگ انڈسٹریڈ ڈی ایم سی سی، دہئی، یو اے ای میں ایک لمیٹڈ لائسنسڈ کمپنی ہے جو کہ دہئی ٹی کوڈ ٹیئر سینٹر اتھارٹی کے ساتھ رجسٹرڈ ہے۔ ملٹ ٹریکٹرز لمیٹڈ کمپنی کی ایکویٹی میں 75% کا ملکتی حصہ رکھتی ہے۔ کمپنی کی بنیادی سرگرمیوں میں مشینری اور بھاری ایکویپمنٹ اور پارٹس کی ٹریڈنگ شامل ہے۔ کمپنی کے کاروبار کی جگہ جو میرہ ایک ٹاورز (Jumeirah Lake Towers) دہئی، یو اے ای ہے۔ ٹائی پیگ کی اس عرصہ کے دوران خالص منافع 0.256 ملین (اے ای ڈی) رہا اور رجسٹرڈ سٹاک 11,373 ملین (اے ای ڈی) رہی۔ فی شخص آمدنی 128,144 (اے ای ڈی) رہی۔

پ۔ بنیادی خطرات اور غیر یقینی صورتحال

فی الوقت کمپنی کو ایسے کسی بھی خطرے یا غیر یقینی صورتحال کا سامنا نہیں ہے جو کمپنی کی کارکردگی کو متاثر کرے۔ کمپنی کے کاروبار کی نوعیت کے حوالے سے مالیاتی سال میں کوئی تبدیلی نہیں آئی۔

ج۔ مستقبل کے امکانات

کمپنی کا یہ عزم ہے کہ ایم ٹی ایل اور دیگر گروپ کمپنیوں کی مارکیٹنگ پراڈکٹس کو افریقہ اور دیگر بین الاقوامی مارکیٹس تک رسائی دے کر سیلز میں اضافہ کیا جائے۔

د۔ موزوں داخلی مالیاتی کنٹرولز

موزوں داخلی مالیاتی کنٹرولز اپنی جگہ پر ہیں اور ان کا مشاہدہ کیا جا رہا ہے۔

بولان کاسٹنگولیمینٹ

ا۔ بورڈ آف ڈائریکٹرز

موجودہ بورڈ 7 ڈائریکٹرز اور ایک چیف ایگزیکٹو آفیسر پر مشتمل ہے۔ کمپنی کے ڈائریکٹرز ہیں: میسرز سکندر مصطفیٰ خان، اسمیل بشیر رانا، لیتیق الدین انصاری، سید محمد عرفان عثمانی، عامر امین، جمہ رانا اور عبدالحمید احمد ڈی اے اور مسز یقینی چیف ایگزیکٹو آفیسر ہیں۔

ب۔ کمپنی کا روہاری کارکردگی، ترقی اور بنیادی سرگرمیاں

بی سی ایل پاکستان اسٹاک ایکسچینج میں لسٹڈ ایک پبلک لمیٹڈ کمپنی ہے۔ بی سی ایل ٹریکٹرز کے پیچیدہ پرزہ جات، بناتی ہے جیسا کہ ایم ٹی ایل کیلئے سبجیکٹس کا سٹنگ وغیرہ۔ ایم ٹی ایل

Independent Auditor's Report

To the members of Millat Tractors Limited

Opinion

We have audited the annexed consolidated financial statements of Millat Tractors Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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 consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Following is the Key Audit matter:

| S. No. | Key audit matter | How the matter was addressed in our audit |
|--------|--|--|
| 1. | <p>Investment measured at Fair Value</p> <p>(Refer note 4.13, 22.1 and 49.1 to the annexed consolidated financial statements)</p> <p>The Group holds investment in the equity instrument of Hyundai Nishat Motor (Private) Limited ('HNMPL'). Due to HNMPL being a non-listed company, their shares do not have a quoted price in an active market.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Understood and evaluated the process by which the cash flow forecast was prepared and approved, including confirming the mathematical accuracy of the underlying calculations; |

| S. No. | Key audit matter | How the matter was addressed in our audit |
|--------|---|---|
| | <p>Investment measured at Fair Value</p> <p>Therefore, fair value of their shares has been determined through valuation methodology based on discounted cash flow method. This involves several estimation techniques and management’s judgements to obtain reasonable expected future cash flow of the business and related discount rate.</p> <p>Due to the significant level of judgment and estimation required to determine the fair value of the investment, we consider it to be a key audit matter.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Evaluated the cash flow forecast by obtaining an understanding of respective businesses of HNMPPL; • Obtained an understanding of the work performed by the management’s expert on the models for the purpose of valuations; • Examined the professional qualification of management’s expert and assessed the independence, competence and experience of the management’s expert in the field; • Obtained corroborating evidence relating to the values as determined by the management by challenging key assumptions for the growth rates in the cash flow forecast by comparing them to historical results and economic forecasts and challenging the discount rate by independently estimating a range based on market data; • Performed sensitivity analysis around key assumptions to ascertain the extent of change individually in the value of the investment; and • Assessed the adequacy of the disclosures made by the Group in this area with regard to applicable accounting and reporting standards. |
| 2. | <p>Merger / amalgamation of Millat Equipment Limited (MEL) with and into the Holding Company (Refer note 2.2 to the annexed consolidated financial statements)</p> <p>During the year, a Scheme of Arrangement (the Scheme) for merger/ amalgamation of MEL with and into the Holding Company has been sanctioned by the Honorable Lahore High Court, and is effective from January 1, 2024, i.e. the date at which all assets and liabilities of MEL are vested with the Holding Company.</p> <p>The consideration agreed is Rs. 77,177 million fully paid ordinary shares of Rs. 10 each be issued to the shareholders of MEL (other than the Group) in accordance with the approved swap ratio.</p> <p>We considered merger / amalgamation of MEL with and into the Holding Company to be a key audit matter as this was a significant transaction during the year.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Inspected minutes of the meeting of the Board of Directors and shareholders of the Holding Company for the approval of the transaction; • Inspected the approved Scheme of Arrangement of merger/ amalgamation, sanction order of Lahore High Court, and other relevant documents to obtain an understanding of the transaction, establish transaction date and other key terms; • Analyzed the financial impacts and the related accounting treatment of the transaction in the financial statements; • Traced assets acquired and liabilities assumed with MEL’s audited financial statements as of the effective date of merger / amalgamation; • Checked shares issued to the shareholders of MEL against consideration agreed in accordance with the approved swap ratio; • Assessed whether appropriate accounting treatment has been applied to the transaction in the financial statements in accordance with the Holding Company’s accounting policy and the applicable accounting and financial reporting framework; and • Assessed the adequacy and appropriateness of the related disclosures in the financial statements for compliance with the requirement of the applicable financial reporting framework |

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditor's Reports Thereon

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

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

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

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Aleem Zubair.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: October 2, 2025

UDIN: AR202510889nVEB4rYNH

Consolidated Statement of Financial Position

As at June 30, 2025

| | Note | 2025 (Rupees in thousand) | Restated 2024 |
|---|------|------------------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 530,000,000 (2024: 530,000,000) ordinary shares of Rs. 10/- each | | 5,300,000 | 5,300,000 |
| Issued, subscribed and paid up capital | 5 | 1,995,160 | 1,917,983 |
| Reserves | 6 | 6,748,685 | 9,711,000 |
| Capital and reserves attributable to owners | | 8,743,845 | 11,628,983 |
| Non-controlling interest | | 534,643 | 590,218 |
| Total equity | | 9,278,488 | 12,219,201 |
| LIABILITIES | | | |
| NON-CURRENT LIABILITIES | | | |
| Long term finances - secured | 7 | 465,690 | 959,651 |
| Deferred grant | 8 | 6,585 | 10,527 |
| Lease liabilities against right-of-use assets | 9 | - | 2,334 |
| Employees' defined benefit plan | 10 | 22,659 | 21,867 |
| Long term deposits | 11 | 17,977 | 17,493 |
| Deferred tax liabilities - net | 12 | 1,107,346 | 1,202,362 |
| | | 1,620,257 | 2,214,234 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 13 | 6,535,954 | 9,371,817 |
| Contract liabilities | 14 | 2,062,405 | 1,095,641 |
| Taxation - net | | - | 1,013,021 |
| Short term borrowings | 15 | 14,116,369 | 8,189,336 |
| Current portion of non-current liabilities | 16 | 493,411 | 488,747 |
| Unclaimed dividend | | 368,183 | 350,269 |
| Unpaid dividend | | 79,163 | 90,452 |
| Accumulating compensated absences | | 327,050 | 243,309 |
| | | 23,982,535 | 20,842,592 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 17 | 34,881,280 | 35,276,027 |

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive Officer

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2025

| | Note | 2025 | Restated 2024 |
|--|------|----------------------|------------------|
| | | (Rupees in thousand) | |
| Revenue from contracts with customers | 34 | 53,347,603 | 95,020,571 |
| Cost of sales | 35 | (38,940,489) | (71,048,945) |
| Gross profit | | 14,407,114 | 23,971,626 |
| Distribution and marketing expenses | 36 | (1,743,400) | (2,090,918) |
| Administrative expenses | 37 | (1,985,289) | (1,882,084) |
| Other operating expenses | 38 | (974,537) | (1,386,312) |
| | | (4,703,226) | (5,359,314) |
| Other income | 39 | 612,595 | 768,556 |
| Operating profit | | 10,316,483 | 19,380,868 |
| Finance cost | 40 | (2,211,516) | (1,381,806) |
| Profit before income taxes and final taxes | | 8,104,967 | 17,999,062 |
| Levy - Final taxes | 41 | (24,175) | (64,243) |
| Profit before income tax | | 8,080,792 | 17,934,819 |
| Taxation - Income tax | 41 | (1,756,619) | (7,297,572) |
| Profit after tax for the year | | 6,324,173 | 10,637,247 |
| Other comprehensive income: | | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | | |
| Exchange differences on translation of foreign operations | | 5,818 | 190,203 |
| Items not to be reclassified to profit or loss in subsequent periods: | | | |
| Remeasurement loss on employees' defined benefit plan | | (172,891) | (53,911) |
| Deferred tax | | (721) | 723 |
| Unrealized loss on revaluation of investments at fair value through other comprehensive income | | (154,675) | (178,771) |
| Deferred tax | | 61,686 | 48,614 |
| | | (266,601) | (183,345) |
| Total other comprehensive (loss) / income | | (260,783) | 6,858 |
| Total comprehensive income for the year | | 6,063,390 | 10,644,105 |
| Attributable to: | | | |
| - Owners of the holding company | | | |
| Profit after tax | | 6,357,985 | 10,299,703 |
| Other comprehensive loss for the year | | (264,903) | (150,928) |
| | | 6,093,082 | 10,148,775 |
| - Non-controlling interests | | | |
| (Loss) / profit after tax | | (33,812) | 337,544 |
| Other comprehensive income for the year | | 4,120 | 157,786 |
| | | (29,692) | 495,330 |
| | | 6,063,390 | 10,644,105 |
| Earnings per share - basic and diluted (Rupees) | 44 | 31.70 | 54.37 |

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Consolidated Statement of Changes in Equity

For the year ended June 30, 2025

| | Issued, subscribed and paid up capital | Capital reserves | | | | Revenue reserves | | Total | Non controlling interest | Total equity | |
|--|---|------------------------------------|------------------------------|------------------------------|-------------------|--------------------------|---------------------|-------------|--------------------------------|-----------------|-------------------------------|
| | | Exchange translation reserve | Share issuance reserve | Amalgama- tion Reserve | Other reserves | Fair value reserve | General reserves | | | | Unapprop- riated profit |
| (Rupees in thousand) | | | | | | | | | | | |
| Balance as on June 30, 2023 | 1,917,983 | 101,134 | - | - | 208,929 | 1,947,260 | 2,475,309 | 1,951,614 | 8,602,229 | 1,126,518 | 9,728,747 |
| Transaction with owners in their capacity | | | | | | | | | | | |
| as owners recognised directly in equity: | | | | | | | | | | | |
| Final dividend for the year ended June | | | | | | | | | | | |
| 30, 2023 @ Rs. 15 per share | - | - | - | - | - | - | - | (2,876,973) | (2,876,973) | - | (2,876,973) |
| Interim dividend for the year ended June | | | | | | | | | | | |
| 30, 2024 @ Rs. 25 per share | - | - | - | - | - | - | - | (4,794,958) | (4,794,958) | - | (4,794,958) |
| Dividend payment to non controlling interest | - | - | - | - | - | - | - | - | - | (481,720) | (481,720) |
| Effect of changes due to amalgamation - note 2.2 | - | - | 77,177 | 104,823 | - | - | - | 367,910 | 549,910 | (549,910) | - |
| Net profit for the year | - | - | - | - | - | - | - | 10,299,703 | 10,299,703 | 337,544 | 10,637,247 |
| Other comprehensive income for the year | - | 41,518 | - | - | - | (178,167) | - | (14,279) | (150,928) | 157,786 | 6,858 |
| Total comprehensive income | - | 41,518 | - | - | - | (178,167) | - | 10,285,424 | 10,148,775 | 495,330 | 10,644,105 |
| Balance as on June 30, 2024 (Restated) | 1,917,983 | 142,652 | 77,177 | 104,823 | 208,929 | 1,769,093 | 2,475,309 | 4,933,017 | 11,628,983 | 590,218 | 12,219,201 |
| Transaction with owners in their capacity | | | | | | | | | | | |
| as owners recognised directly in equity: | | | | | | | | | | | |
| Interim dividend for the year ended June | | | | | | | | | | | |
| 30, 2025 @ Rs. 45 per share | - | - | - | - | - | - | - | (8,978,220) | (8,978,220) | - | (8,978,220) |
| Dividend payment to non controlling interest | - | - | - | - | - | - | - | - | - | (25,883) | (25,883) |
| Effect of changes due to amalgamation - note 2.2 | 77,177 | - | (77,177) | - | - | - | - | - | - | - | - |
| Net profit for the year | - | - | - | - | - | - | - | 6,357,985 | 6,357,985 | (33,812) | 6,324,173 |
| Other comprehensive income / (loss) for the year | - | 4,363 | - | - | - | (94,868) | - | (174,398) | (264,903) | 4,120 | (260,783) |
| Total comprehensive income | - | 4,363 | - | - | - | (94,868) | - | 6,183,587 | 6,093,082 | (29,692) | 6,063,390 |
| Balance as on June 30, 2025 | 1,995,160 | 147,015 | - | 104,823 | 208,929 | 1,674,225 | 2,475,309 | 2,138,384 | 8,743,845 | 534,643 | 9,278,488 |

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Consolidated Statement of Cash Flows

For the year ended June 30, 2025

| | Note | 2025 | Restated 2024 |
|---|------|----------------------|------------------|
| | | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 45 | 10,475,473 | 18,118,350 |
| Finance cost paid | | (2,218,746) | (1,353,392) |
| Payment of long term loans to employees – net | | (1,734) | 231 |
| Workers' Profit Participation Fund paid | 31 | (389,499) | (1,016,450) |
| Workers' Welfare Fund paid | | (369,859) | (123,966) |
| Income taxes paid | | (4,072,734) | (6,516,335) |
| Levy – final taxes paid | | (24,175) | (64,243) |
| Retirement benefits paid – net | | (11,859) | (40,138) |
| Long term security deposits received / (returned) | | 4,088 | (18,640) |
| | | (7,084,518) | (9,132,933) |
| Net cash generated from operating activities | | 3,390,955 | 8,985,417 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital expenditure | | (460,346) | (389,232) |
| Proceeds from disposal of property, plant and equipment | | 80,285 | 45,620 |
| Short term investments made during the year | | (3,060,000) | (3,000,000) |
| Short term investments redeemed during the year | | 3,051,157 | 3,029,949 |
| Proceeds from disposal of investment property | | 400,000 | - |
| Profit on bank deposits received | | 112,041 | 221,495 |
| Dividend received from investments | | 14,131 | 68,674 |
| Net cash generated from / (used in) investing activities | | 137,268 | (23,494) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Dividends paid to non-controlling interests | | (25,883) | (481,720) |
| Payments made against lease liabilities | | (5,926) | (4,778) |
| Short term financing paid – net | | (199,515) | (214,780) |
| Long term financing received during the year | | - | 434,571 |
| Long term financing paid during the year | | (493,183) | (412,131) |
| Dividends paid to owners of the Holding Company | | (8,971,595) | (7,638,680) |
| Net cash used in financing activities | | (9,696,102) | (8,317,518) |
| Net (decrease) / increase in cash and cash equivalents | | (6,167,879) | 644,405 |
| Cash and cash equivalents at the beginning of the year | | (6,128,183) | (6,962,791) |
| Foreign exchange difference | | 5,818 | 190,203 |
| Cash and cash equivalents at the end of the year | 46 | (12,290,244) | (6,128,183) |

The annexed notes from 1 to 59 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive Officer



Chairman

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

1 Legal status and nature of business

1.1 Holding Company:

Millat Tractors Limited (MTL)

Millat Tractors Limited (the Holding Company) is a public limited company and was incorporated in Pakistan in 1964 under the Companies Act, 1913 (now the Companies Act, 2017), and is listed on the Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at 9 km Sheikhpura Road, District Sheikhpura and 10 Km Raiwind Road, Lahore. The Company also has regional offices located in Karachi, Multan, Sukkur and Islamabad.

The Company is principally engaged in assembling and manufacturing of agricultural tractors, implements and multi-application products. The Company is also involved in the sale, implementation and support of IFS applications in Pakistan and abroad.

Subsidiary companies:

a) Millat Industrial Products Limited (MIPL)

Millat Industrial Products Limited, an unlisted public company registered under the Companies Ordinance 1984 (now the Companies Act, 2017), is a subsidiary of Millat Tractors Limited which holds 64.09% of the MIPL's equity. MIPL is engaged in the business of manufacturing of industrial, domestical and vehicular batteries, cells and components. The registered office of MIPL is situated at 8.8 km, Lahore – Sheikhpura Road, Shahdara, Lahore and the manufacturing facility of MIPL is located at 49 km, off Multan Road, Bhai Pheru, District Kasur.

b) TIPEG Intertrade DMCC (TIPEG)

TIPEG Intertrade DMCC, a limited liability company registered with Dubai Multi Commodities Centre (DMCC) Authority, is a subsidiary of Millat Tractors Limited which holds 75% of the TIPEG Intertrade DMCC's equity. The principal place of business of the TIPEG Intertrade DMCC is located at Jumeirah Lake Towers, Dubai-United Arab Emirates. TIPEG Intertrade DMCC is formed for trading of machinery and heavy equipment and its registered office is situated at Unit No.705, Fortune Executive Tower, Jumeirah Lake Towers, Dubai, United Arab Emirates.

c) Bolan Castings Limited (BCL)

Bolan Castings Limited, a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017), and listed on the Pakistan Stock Exchange, is a subsidiary of Millat Tractors Limited which holds 46.26% of the BCL's equity. BCL is engaged in the business of manufacturing of castings for tractors and automotive parts thereof. The registered office and address of BCL's business unit, including plant is RCD Highway, Hub Chowki, District Lasbela, Baluchistan, Pakistan.

2 Basis of preparation

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions and directives issued under the Companies Act, 2017.

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

2.2 The Board of Directors of the Holding Company and Millat Equipment Limited (MEL), in their meetings held on May 6, 2024, considered and approved the Scheme of Compromises, Arrangements and Reconstruction ('the Scheme') drafted under provisions of sections 279 to 282 of the Companies Act, 2017 by amalgamating the Holding Company's operations with the subsidiary company, MEL, with effect from January 1, 2024 ('effective date').

Millat Equipment Limited, was incorporated as a private limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017 on May 30, 2017), and was converted into an unlisted public limited company on April 20, 2004 was a subsidiary of Millat Tractors Limited which holds 45% of the MEL's equity. MEL was engaged in the business of manufacturing of automotive, agricultural and industrial vehicles, parts and components thereof. The registered office of MEL was situated at Sheikhpura Road, Lahore and the manufacturing facility was situated at 10 km Raiwind Road, Lahore.

A petition was submitted in the Lahore High Court ('LHC') for obtaining sanction of this Scheme wherein under the supervision of the LHC, the above Scheme had been duly approved by the shareholders of the Holding Company and MEL in their Extra Ordinary General Meetings held on June 15, 2024. Due to pending approval of LHC for sanction of the Scheme, the consolidated financial statements of the Holding Company for the year ended June 30, 2024 were prepared and authorized for issue by Board of Directors of the Holding Company in its meeting held on September 9, 2024, in compliance with the statutory requirement under the Companies Act, 2017 without taking impact of the above referred merger transaction. The Scheme was sanctioned by the LHC through its order dated January 21, 2025. Consequently, the assets, liabilities and reserves (excluding dividend amount distributed to the shareholders of MEL on March 7, 2024) of MEL shall be vested with the Holding Company and MEL shall stand dissolved from the effective date without winding up.

The consideration is 7,717,718 fully paid ordinary shares of Rs. 10 each issued to the shareholders of MEL (other than the Holding Company) in accordance with the approved swap ratio (i.e. 1 share of the Holding Company to be issued for 2.13 shares of MEL).

The amalgamation of MEL into the Holding Company has been identified as a 'Common Control Transaction' in light of the guidance provided in the financial reporting standard 'Accounting for Common Control Transactions' as developed by the Institute of Chartered Accountants of Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 53(I)/2022 dated January 12, 2022. In accordance with the said standard, MEL's assets, liabilities and reserves as of January 1, 2024 i.e. the effective date of merger / amalgamation have been amalgamated on a line-by-line basis in the Company's financial statements at their respective carrying amounts and the difference in the value of net assets acquired and the consideration transferred to the shareholders of MEL (other than the Company) has been recognized as an "Amalgamation Reserve" directly within equity in the financial statements of the Holding Company.

Accordingly, the comparative financial statements of the Holding Company were restated as at June 30, 2024 to reflect the impacts of the amalgamation, eliminations thereon and the transactions for the six month period from January 01, 2024 to June 30, 2024. However, third balance sheet is not presented due to the fact that this transaction does not carry any retrospective implications prior to its effective date.

The Board of Directors of the Holding Company in their meeting held on February 11, 2025 have declared and approved issuance of 7,717,718 ordinary shares of Rs. 10 each in accordance with the scheme approved by LHC. The same have been issued on February 17, 2025.

| | Carrying amount as at effective date |
|---|---|
| 2.2.1 Consideration transferred | |
| Fully paid up ordinary shares of the Holding Company having par value of Rs. 10 per share to be issued to MEL shareholders other than the Holding Company (No.) | 7,717,718 |
| Nominal value (Rs. per share) | 10 |
| Total nominal value of consideration transferred (Rupees in thousands) | <u>77,177</u> |

2.2.2 MEL's assets acquired and liabilities assumed

The details of MEL's balances, based on audited financial statements as of December 31, 2023 which have been merged / amalgamated into the Holding Company, are as follows:

| | Carrying amount as at effective date (Rupees in thousand) |
|-------------------------------------|--|
| ASSETS | |
| Non-current assets | |
| Property, plant and equipment | 668,468 |
| Intangible assets | 9,452 |
| Investment property | 38,861 |
| Long-term deposits | 3,518 |
| | <u>720,299</u> |
| Current assets | |
| Stores, spares and loose tools | 365,128 |
| Stock in trade | 1,071,872 |
| Trade receivables | 1,465,167 |
| Advances and short-term prepayments | 303,388 |
| Balances with statutory authorities | 11,000 |
| Cash and bank balances | 22,636 |
| | <u>3,239,191</u> |
| Total assets | <u>3,959,490</u> |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Note | Carrying amount as at effective date (Rupees in thousand) |
|---|---------|--|
| LIABILITIES | | |
| Non-current liabilities | | |
| Long-term loans | | (22,144) |
| Deferred grant | | (2,382) |
| Long-term advances | | (23,232) |
| Deferred tax liability | | (52,109) |
| | | (99,867) |
| Current liabilities | | |
| Current portion of long-term loans | | (8,297) |
| Current portion of deferred grant | | (866) |
| Accumulating compensated absences | | (50,527) |
| Trade and other payables | 2.2.2.1 | (1,494,046) |
| Mark-up accrued on borrowings | | (42,952) |
| Short-term borrowings | | (1,211,505) |
| Provision for income tax | | (22,771) |
| Contract liabilities | | (13,194) |
| Unclaimed dividend | | (15,629) |
| | | (2,859,787) |
| Total liabilities | | (2,959,654) |
| Carrying amount of MEL's net assets at amalgamation date | | 999,836 |

2.2.2.1 This additionally includes Rs. 448,500 thousand representing dividends out of accumulated profits of MEL distributed to its shareholders on March 7, 2024. These were not considered part of undertaking of MEL as at effective date of merger. Accordingly, the carrying amount of net assets of MEL have been adjusted as per scheme of merger approved by LHC.

| | Carrying amount as at effective date (Rupees in thousand) |
|--|--|
| 2.2.3 Amalgamation reserve | |
| Amalgamation reserve arising from the transaction has been recognized directly within the equity as follows: | |
| Carrying amount of non-controlling interest as at December 31, 2023 | 549,910 |
| Total nominal value of consideration (issue of shares) to non-controlling interest | (77,177) |
| Unappropriated profits of MEL attributed to non-controlling interest | (367,910) |
| Amalgamation reserve | 104,823 |

Following is the impact of above restatement on the consolidated statement of financial position of the Group:

| | June 30, 2024 | | |
|--|--|-------------|------------|
| | As previously statutory reported | Restatement | Restated |
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Issued, subscribed and paid up capital | 1,917,983 | - | 1,917,983 |
| Reserves | 8,954,891 | 756,109 | 9,711,000 |
| | 10,872,874 | 756,109 | 11,628,983 |
| Non-controlling interest | 1,346,327 | (756,109) | 590,218 |
| Total equity | 12,219,201 | - | 12,219,201 |

Following is the impact of above restatement on the consolidated statement of profit and loss and other comprehensive income of the Group:

| | June 30, 2024 | | |
|--|--|-------------|------------|
| | As previously statutory reported | Restatement | Restated |
| (Rupees in thousand) | | | |
| Attributable to: | | | |
| - Owners of the holding company | | | |
| Profit after tax | 10,093,504 | 206,199 | 10,299,703 |
| Other comprehensive (loss) / income for the year | (150,928) | - | (150,928) |
| | 9,942,576 | 206,199 | 10,148,775 |
| - Non-controlling interests | | | |
| Profit after tax | 543,743 | (206,199) | 337,544 |
| Other comprehensive income for the year | 157,786 | - | 157,786 |
| | 701,529 | (206,199) | 495,330 |
| | 10,644,105 | - | 10,644,105 |

3 Basis of measurement

3.1 These consolidated financial statements have been prepared under the historical cost convention except as stated otherwise.

3.2 Critical accounting estimates and judgments

The Group's material accounting policies are stated in note 4. Not all of these material accounting policies require management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies that management considers significant because of the complexity, judgment of estimation involved in their application and their impact on these consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the consolidated financial statements are as follows:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

3.2.1 Employees' retirement benefits and other obligations

The Group uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations i.e. employees' defined benefit plan and other obligations. The valuation is based on assumptions as mentioned in note 4.4 to these consolidated financial statements.

3.2.2 Provision for taxation

The Group takes into account the current income tax law and the decisions taken by appellate authorities. Pending instances where the Group's view differs from the view taken by the income tax department at the assessment stage and where the Group considers that its views on items of material nature are in accordance with law and the outcome is expected in favour of the Group are shown as contingent liabilities.

3.2.3 Estimated useful lives, residual values and method of depreciation of property, plant and equipment

The Group reviews the useful lives, residual value and method of depreciation of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

3.2.4 Provision for inventories and stores

The Group regularly reviews the inventories for impairment. Provision for obsolete and slow-moving inventories is based on management's estimate of the condition and usability of inventories and stores.

3.2.5 Impairment of trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

The expected loss rates are based on the payment profiles of sales over a period of time before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

3.2.6 Fair value of unquoted investments

Fair value of unquoted investments is determined by using valuation techniques. The Group uses the valuation performed by an independent valuation expert to determine the fair value of its unquoted investments. The Group has used discounted cash flow analysis for this purpose as fully explained in note 22.1 to these consolidated financial statements.

3.2.7 Recording and impairment of goodwill

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss account.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's Cash-Generating Units (CGU) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a CGU and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3.2.8 Contingencies

The Group reviews the status of all the legal cases on a regular basis. Based on the expected outcomes and lawyers' judgements, appropriate disclosure or provision is made.

3.3 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees (PKR or Rupee) which is the Group's functional and presentation currency.

4 Summary of material accounting policies

The Group adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from January 1, 2023. Although amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the consolidated financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that user need to understand other information in the consolidated financial statements.

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

4.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, amendments and interpretations to approved accounting standards that are effective in current year or have been early adopted

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on or after July 01, 2024 but are considered not to be relevant to the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements except for the following:

i) Amendment to International Accounting Standard (IAS) 1, "Non-current liabilities with covenants" (effective for annual period beginning on January 1, 2024)

The amendment clarifies how conditions that a Group must comply with within twelve months after the reporting period affect the classification of a liability. The amendment also aims to improve the information a Group provides related to liabilities subject to these amendments. The amendment clarifies that a liability should be classified as a current liability if a breach of covenant that gives the lender the right to demand immediate repayment occurs at or prior to the end of the reporting period, unless sufficient relief is granted by the lender before or at the end of the reporting period.

The above amendment did not result in any significant changes to these consolidated financial statements.

b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 1, 2025, but are considered not to be relevant to the Group's operations and are, therefore, not detailed in these consolidated financial statements, except for the following:

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i) Amendment to IAS 21 – Lack of Exchangeability

These amendments were in response to concerns raised when a Group is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

Assessing exchangeability between two currencies requires an analysis of different factors; such as the time frame for the exchange, the ability to obtain the other currency, markets or exchange mechanisms, the purpose of obtaining the other currency, and the ability to obtain only limited amounts of the other currency.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated. The objective in estimating the spot exchange rate at a measurement date is to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

These amendments are not expected to have a material impact on the Group's financial statements when they become effective.

The new amendments are effective for annual reporting year beginning on or after January 1, 2025 with earlier application permitted.

ii) Annual improvements to International Financial Reporting Standards – Volume 11 (effective for annual period beginning on July 1, 2026)

Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards:

- IFRS 1 First-time Adoption of International Financial Reporting Standards;
- IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7;
- IFRS 9 Financial Instruments;
- IAS 7 Statement of Cash Flows.

iii) Amendment to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments

The amendments clarify the timing for recognizing and derecognizing certain financial assets and liabilities, introduce an exception for some financial liabilities settled via electronic cash transfers, provide additional guidance for assessing if a financial asset meets the SPPI criterion, require new disclosures for instruments with cash flow changes linked to ESG targets, and update disclosures for equity instruments designated at FVOCI.

The Group is in the process of assessing the impact of this amendment on the Group's consolidated financial statements.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2026.

iv) IFRS 18 Presentation and Disclosure in Financial Statements

The new standard on presentation and disclosure in financial statements, IFRS 18, focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The Group is in the process of assessing the impact of this amendment on the Group's consolidated financial statements.

The above mentioned standard is effective for accounting periods beginning on or after January 01, 2027.

v) International Financial Reporting Standard (IFRS) S1, 'General requirements for disclosure of sustainability-related financial information' and International Financial Reporting Standard (IFRS) S2, 'Climate-related disclosures'

The International Sustainability Standards Board ('ISSB') issued its first two sustainability reporting standards on June 26, 2023, applicable on reporting periods beginning on or after July 01, 2025, as notified by the Securities Exchange Commission of Pakistan through order dated December 31, 2024. Subject to endorsement of the standards by local jurisdictions. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across a Group's value chain and set out the requirements for Groups to disclose information about climate-related risks and opportunities.

IFRS S1 requires Groups to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the Group. The standards provide guidance on identifying sustainability-related risks and opportunities, and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires a Group to identify and disclose climate-related risks and opportunities that could affect the Group's prospects over the short, medium and long term. In addition, IFRS S2 requires Groups to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the Group uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The Group is in the process of assessing the impact of this amendment on the Group's consolidated financial statements.

4.2 Principles of consolidation

4.2.1 Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the following:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interests in the acquired entity on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in the consolidated statement of profit or loss and other comprehensive income as a bargain purchase. "

4.2.2 Non-controlling interest

The Group applies a policy of treating transactions with non-controlling interests as transactions with parties external to the Group. Disposals to non-controlling interests result in gains and losses for the Group that are recorded in the profit or loss. Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquirees' identifiable net assets on fair value.

4.3 Segment reporting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer (the CEO) to assess segment's performance, and for which discrete financial information is available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Accordingly, for reporting purposes, the Group has been organised into business units based on its products and services and has two separate reportable segments, as follows:

The "tractors segment", which deals with assembling and manufacturing of agricultural tractors, implements and multi-application products.

The "castings segment", which is engaged in the business of manufacturing of castings for tractors and automotive parts thereof.

Other business activities of the Group have been presented under "others segment". Accordingly, no operating segments have been aggregated to form the above reportable operating segments.

4.4 Employees' retirement benefits and other obligations

4.4.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

4.4.2 Post employment benefits

The main features of the schemes operated by the Group for its employees are as follows:

4.4.2.1 Defined benefit plan

Pension

MTL operates a funded defined benefit pension scheme for all its eligible employees. Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. Contributions under the scheme are made to this fund on the basis of actuarial recommendation and are charged to profit or loss. The latest actuarial valuation for the scheme was carried out as at June 30, 2025.

The amount recognized in the consolidated statement of financial position represents the present value of the plan assets reduced by value of defined benefit obligation. Any charge or credit arising as a result of remeasurements are recognized in the other comprehensive income of the Group in the period in which they occur. Past service costs are recognized immediately in the consolidated statement of profit or loss.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, based on the following significant assumptions, is used for valuation of this scheme:

| | Pension scheme Millat Tractors Limited | |
|---|---|-----------|
| | 2025 | 2024 |
| Expected rate of increase in salary level | 11.75% | 14.75% |
| Discount rate used for interest cost in profit and loss | 14.75% | 16.25% |
| Discount rate used for year end obligation | 11.75% | 14.75% |
| Retirement Assumption | 60 years | 60 years |
| | SLIC 2001 | SLIC 2001 |
| | - 2005 | - 2005 |
| Expected mortality rates | Set back | Set back |
| | one year | one year |

The Board Members of the Millat Tractors Limited Employees' Pension Fund Trust are managing the Pension Fund as per the applicable Pension Fund Deed, Rules and Regulations of the fund.

The amount recognized in the consolidated statement of financial position represents the fair value of the plan assets reduced by the present value of defined benefit obligation.

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Gratuity

BCL operates a defined benefit gratuity for its permanent employees. The plan defines an amount of gratuity that an employee will receive on or after retirement, usually dependent on one or more factors, such as age, years of service and compensation. A defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The liability recognised in the consolidated statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds or the market rates on Government bonds. These are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related employee benefit obligation.

BCL operates the following schemes:

- i) Funded gratuity scheme for all of its eligible executive employees appointed under the old salary grade scale up to 2006. Provisions are made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2025, using the 'Projected Unit Credit Method'.
- ii) Unfunded gratuity scheme for all of its eligible non-executive employees. Provisions are made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2025, using the 'Projected Unit Credit Method'.

The amount arising as a result of remeasurements are recognised in the consolidated statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which these occur.

Past service costs are recognised immediately in the consolidated statement of profit or loss.

4.4.3 Defined contribution plans

4.4.3.1 Provident fund

The Group operates an approved defined contribution provident fund for all permanent employees. Equal contributions are made by employees and the Group at the rate of 10 percent of basic salary per month. The Group has no further payment obligations once the contributions have been paid. Obligation for contributions to defined contribution plan is recognised as an expense in the consolidated statement of profit or loss as and when incurred.

4.4.3.2 Accumulating compensated absences

The Group provides for accumulating compensated absences, when the employees render services that increase their entitlement to future compensated absences. Under the service rules, employees are entitled to 2.5 days leave per month. Unutilised leaves can be accumulated up to 150 days in case of executives and management and 180 days in case of workers. Workers, executives and management are entitled to encash the unutilised earned leave accrued on or before retirement date, or due to medical grounds could utilize / encash their outstanding days of leaves before leaving. Any further unutilised leaves lapse. The earned leave encashment is based on basic salaries for executives and management, and in case of workers, basic salaries plus house rent allowance.

Provisions are made annually to cover the obligation for accumulating compensated absences based on actuarial valuation and are charged to statement of profit or loss. The most recent valuation was carried out as at June 30, 2025 using the "Projected Unit Credit Method".

The amount recognised in the consolidated statement of financial position represents the present value of the defined benefit obligations. Actuarial gains and losses are charged to the consolidated statement of profit or loss immediately in the period when these occur.

Projected unit credit method, using the following significant assumptions, has been used for valuation of accumulating compensated absences:

| | 2025 | 2024 |
|--|------------|------------|
| Expected rate of increase per annum in salary level | 11.75% | 13.75% |
| Discount rate per annum used for interest cost in profit or loss | 11.75% | 16.25% |
| Discount rate per annum used for year end obligation | 14.75% | 14.75% |
| SLIC 2001 | SLIC 2001 | |
| | - 2005 | - 2005 |
| Expected mortality rates | Set back 1 | Set back 1 |
| | Year | Year |
| Duration of the plan (years) | 6 | 8 |

4.5 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized. A contingent liability is disclosed unless the possibility of an outflow is remote.

Contingent asset is disclosed when an inflow of economic benefits is probable. Contingent assets are not recognised in these consolidated financial statements since this may result in recognition of income that may never be realised.

Contingent liabilities and assets are generally estimated using:

- The single most likely outcome; or
- A weighted average of all the possible outcomes (the 'expected value' method). This is likely to be the most appropriate method for a large population of similar claims, but can also be applied to a single obligation with various possible outcomes.

4.6 Taxation

Levy

In accordance with the Income Tax Ordinance, 2001, computation of final taxes is not based on taxable income. Therefore, as per IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes issued by the Institute of Chartered Accountants of Pakistan, these fall within the scope of IFRIC 21 / IAS 37 and accordingly have been classified as levy in these consolidated financial statements, except for taxes on normal business income and dividend earned from investment in subsidiaries, associates and joint arrangements which is specifically within the scope of IAS 12 and hence it continues to be categorised as current income tax.

Notes to the Consolidated Financial Statements

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Income Tax

Income tax comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

The charge for current tax is calculated using prevailing tax rates at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

4.7 Property, plant and equipment

Property, plant and equipment except for freehold and leasehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold and leasehold land is stated at cost less any identified impairment loss.

Depreciation on all items of property, plant and equipment is charged to profit or loss applying the diminishing balance method so as to write-off the depreciable amount of an asset over its useful life. Depreciation is being charged at the rates given in note 18. Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalized while no depreciation is charged for the month in which the asset is disposed off.

The assets' residual values and useful lives are reviewed at each financial year end, and adjusted if impact on depreciation is significant. The Group's estimate of the residual value and useful life of its operating fixed assets during the year has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (as explained in note 4.11 to these financial statements).

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 Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

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 profit or loss in the year the asset is derecognized.

4.8 Right-of-use asset and Lease liability

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

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

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

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

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When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.9 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure including borrowing costs connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.10 Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite life are amortised using the straight line method over a period of three to five years and intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Amortization on additions to finite 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.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (as explained in note 4.11 to these financial statements).

4.11 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.12 Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The investment property of the Group comprises land and is valued using the cost method i.e. at cost less any identified impairment loss.

The Group assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets is reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit or loss for the year. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The gain or loss on disposal or retirement of an investment property represented by the difference between the sale proceeds and the carrying amount of the asset is recognized in profit or loss.

4.13 Investments and other financial assets

4.13.1 Classification

The Group classifies its financial assets other than investments in subsidiaries in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4.13.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4.13.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

ii) FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.

iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value through other comprehensive income. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the consolidated statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.13.4 Impairment of financial assets other than investment in equity instruments

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Group applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables, while general 3-stage approach for deposits, loans, bank balances and other receivables i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Trade debts;
- Loans and advances;
- Loans to employees;
- Trade deposits and other receivables; and
- Bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, in case of trade debts, the Group considers that default has occurred when a debt is more than 360 days past due, unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties"

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Group recognizes an impairment gain or loss in the consolidated statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.14 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.15 Stores, spare parts and loose tools

Stores, spare parts and loose tools are valued at moving weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realizable value. The Group reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.16 Stock in trade

Stock of raw materials (except for those in transit), work-in-process and finished goods are valued principally at the lower of weighted average cost and net realisable value ('NRV'). Cost of work-in-process and finished goods comprises cost of direct materials, labour and related production overheads (based on normal operating capacity).

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the consolidated financial statements for obsolete and slow moving stock-in-trade based on management estimate.

4.17 Trade debts and other receivables

Trade debts are amounts due from customer for goods sold or services performed in ordinary course of business. Other receivables generally arise from transactions outside the usual operating activities of the Group. Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing component in which case such are recognised at fair value. The Group holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method less loss allowance.

4.18 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

4.19 Revenue recognition

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised good or service to a customer, and control either transfers over time or at a point in time. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, commissions and government levies.

4.19.1 a) Sale of goods

Tractors, Implements, multi-application products and trading goods

Revenue from contracts for sale of tractors, implements, multi-application products and trading goods is recognized upon delivery and acknowledgement of the good by the customer i.e. at a point-in-time when the performance obligation of the Group is satisfied. Since there is only one performance obligation the revenue is recognized at full amount. Payments for sale of tractors are received in advance from customers, while in the case of implements and multi-application products, credit periods are provided as per Group policy on a case to case basis. The credit term does not include any financing component. Any rebate / markup on account of delayed delivery of tractor is deducted from the transaction price upon satisfaction of the performance obligation.

Castings

Revenue is recognised when control of the goods has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Revenue is recognised upon transfer of title to the customers, which generally coincides with physical delivery.

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

Others

Sale of batteries and others 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 advances from customers are received before the goods are dispatched/invoiced. Deferred parent terms may also be agreed in case of sale to certain categories of customers.

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

Sale of scrap items

Revenue from sale of scrap and store items is recognized when control of items passes to buyers which is generally on dispatch of goods.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

b) Sale of service

- Warranties

The Group provides various types of warranties. When determining the nature of warranty-related promises, the Group considers:

- whether the customer has the option to separately purchase the warranty; and
- whether all or part of the warranty provides the customer with an additional service beyond the basic assurance that it will perform in accordance with published specifications.

Standard-type warranties of free repair, parts replacement, assurance and major rectification to the customer along with free service after specific intervals are not offered separately for any consideration by the Group and rather are embedded in the sale price of the good. Accordingly, the same are not considered to be separate performance obligations and are accounted for under IAS 37.

For extended-type warranties or separate after sale services offered by the Group the same are treated as separate performance obligations. Revenue from such warranties or after sale services contracts is recognized over time i.e. duration of the contract.

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.

Sales 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 sales to certain categories of customers.

Transaction price is adjusted for time value of money in case of significant financing component.

The Group'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 sales revenue is deferred under IFRS 15, if it is deemed material.

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

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

- IFS services

Revenue from IFS services includes contracts for software implementation / customization services along with post implementation consultancy / maintenance services. Revenue from implementation / customization services is recognized at a point-in-time i.e. when the performance obligation of the Group for implementation/ customization is satisfied whereas revenue from post implementation consultancy / maintenance services is recognized on straight-line method over-time i.e. duration of the Service Level Agreement. Invoice is usually charged with 45 days credit period or as per contract terms.

Others

- Dividend is recognized as income when the right to receive dividend is established.
- Profit on bank deposits is recognized on effective rate of interest method.
- Investment income is recognized when right to receive the income is established.

4.20 Research cost

These costs are charged to profit and loss when incurred.

4.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

4.22 Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current. Deferred tax liabilities are classified as non-current assets or liabilities.

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4.23 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

4.24 Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.25 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

4.26 Financial liabilities

All financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in

profit or loss. The Group's financial liabilities include long-term finances, lease liabilities, short-term finances utilized under mark-up arrangements, trade and other payables and are measured at amortized cost.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

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

4.27 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.28 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.29 Reserves

Reserves are classified into two categories as follows:

4.29.1 Revenue reserve

Revenue reserve is the reserve which is regarded as available for distribution through the profit or loss including general reserves and other specific reserves created out of profit and un-appropriated or accumulated profits of previous years.

4.29.2 Capital reserve

Capital reserve includes all the reserves other than reserve which are classified as revenue reserve.

4.30 Earning per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.31 Dividend and appropriations

Dividend distribution to the Group's shareholders is recognized as a liability in the period in which these are approved. Appropriations of profit are reflected in the consolidated statement of changes in equity in the period in which such appropriations are approved.

4.32 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred

| | | 2025 | Restated 2024 |
|----------|--|----------------------|------------------|
| | | (Rupees in thousand) | |
| 6 | Reserves | | |
| | Capital reserve | | |
| | Fair value reserve - Investments measured at FVOCI | 1,674,225 | 1,769,093 |
| | Other reserves | 208,929 | 208,929 |
| | Advance against share subscription | - | 77,177 |
| | Amalgamation reserve | 104,823 | 104,823 |
| | Exchange translation reserve | 147,015 | 142,652 |
| | | 2,134,992 | 2,302,674 |
| | Revenue reserve | | |
| | General reserve | 2,475,309 | 2,475,309 |
| | Unappropriated profit | 2,138,384 | 4,933,017 |
| | | 4,613,693 | 7,408,326 |
| | | 6,748,685 | 9,711,000 |

| | | Note | 2025 | 2024 |
|------------|---|----------------------|-----------|-----------|
| | | (Rupees in thousand) | | |
| 7 | Long term finances – secured | | | |
| | Long term loan | 7.1 | 951,736 | 1,438,764 |
| | Less: Current portion shown under current liabilities | 7.1 | (486,046) | (479,113) |
| | | | 465,690 | 959,651 |
| 7.1 | The reconciliation of carrying amount is as follows: | | | |
| | Opening balance | 7.2,7.3,7.4 & 7.5 | 1,438,763 | 1,411,910 |
| | Loan received during the year | | - | 434,571 |
| | Repayments during the year | | (493,183) | (412,131) |
| | Unwinding of interest cost | | 6,156 | 4,414 |
| | | | 951,736 | 1,438,764 |
| | Less: Current portion shown under current liabilities | 7 | (486,046) | (479,113) |
| | | | 465,690 | 959,651 |

7.2 This includes amount of loan against facility of Rs.160,000 thousand (June 30, 2024: Rs.160,000 thousand) obtained under renewable energy finance scheme announced by the State Bank of Pakistan (SBP) to promote renewable energy use in Pakistan. It carries standard markup of 2.5% per annum, which is payable on quarterly basis. The loan was previously repayable in 40 equal quarterly instalments starting from September 30, 2021, however in the year ended June 30, 2022, the loan facility was modified by the Bank with equal 36 payments payable starting from April 28, 2022. The modification was considered to be non-substantial, with the resulting impact recognized in these financial statements accordingly. The discount rate used is 11.47% per annum (June 30, 2024: 11.47% per annum). The difference between cash received and present value of cash outflows upon initial recognition and subsequent modification has been recognized as deferred grant. The carrying amount of loan as of year end is Rs. 46,502 thousand (June 30, 2024: Rs. 36,055 thousand). This facility is secured by specific and exclusive charge on the purchased machinery and ranking charge over current assets of the Group.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

7.3 This includes amount of loan against facility of Rs. 1,500,000 thousand (June 30, 2024: Rs. 1,500,000 thousand) to maintain the Group's ownership stake of 15.86% in Hyundai Nishat Motors (Private) Limited. The loan is repayable in 16 equal quarterly instalments commencing from April 1, 2023 and carries markup at the rate of base rate plus 0.40% per annum, which is payable quarterly. Base rate is defined as the 'average of 3-month offer rate of KIBOR'. The base rate will be set for the first time at the date of initial disbursement and subsequently reset on the first working day of each calendar quarter, using the rate prevailing on last working day of preceding calendar quarter. The carrying amount of loan as of period end is Rs. 624,578 thousand (June 30, 2024: Rs. 981,479 thousand). This facility is secured by first exclusive mortgage charge over land of the factory situated at 9 KM, Sheikhpura Road, Lahore, amounting to Rs. 2,000,000 thousand (including 25% margin).

7.4 This represents long-term financing arrangements obtained by the Group through restructuring of its short-term running finance facility with Bank Alfalah Limited. Facility is payable in equal monthly installments over a period of 36 months which include a grace period of 3 months and has to be repaid by July 2026. This facility carries mark-up at the rate of one month KIBOR plus 1.6% per annum and it is secured by way of hypothecation charge over plant and machinery and current assets of the Group amounting to Rs. 266,670 thousand.

7.5 This includes Term Finance (TF) loan facility amounting to Rs. 269,570 thousand (June 30, 2024: 269,570 thousand) availed from The Bank of Punjab in April 2024 to finance capital expenditure. The facility has a sanctioned limit of Rs. 500,000 thousand. The loan carries markup at the rate of 1 month KIBOR plus 0.95%. The carrying amount of loan as of period end is Rs. 215,656 thousand (June 30, 2024: Rs. 269,570 thousand). The loan is secured against 1st Pari Passu charge over present and future fixed assets of the Group amounting to Rs. 666,667 thousand with 25% margin. The loan is repayable in 20 equal quarterly instalments.

| | 2025 | 2024 |
|---|----------------------|---------|
| | (Rupees in thousand) | |
| 8 | | |
| Deferred grant | | |
| At start of year | 14,177 | 18,109 |
| Received during the year | - | - |
| Transferred to profit or loss during the year | (3,995) | (3,932) |
| At end of year | 10,182 | 14,177 |
| Represented by: | | |
| Non-current | 6,585 | 10,527 |
| Current | 3,597 | 3,650 |
| | 10,182 | 14,177 |

8.1 Government grants have been recognized against loan obtained under the SBP refinance scheme for renewable energy in lieu of below market-interest / return rate payable on these loans. There are no unfulfilled conditions or contingencies attached to these grants effecting its recognition at the reporting date.

| | Note | 2025 | 2024 |
|---------------|--|----------------------|-------------|
| | | (Rupees in thousand) | |
| 9 | Lease liabilities against right-of-use assets | | |
| | Lease liabilities at start of year | 8,184 | 10,986 |
| | Additions during the year | - | - |
| | Interest accrued | 1,290 | 1,976 |
| | Payments made during the year | (5,926) | (4,778) |
| | Lease liabilities at year end | 3,548 | 8,184 |
| | Less: current portion of lease liabilities | (3,548) | (5,850) |
| | Non current lease liabilities | - | 2,334 |
| 9.1 | Commitments in relations to finance leases recognised under IFRS 16 are payable as follows: | | |
| | Payable not later than one year | 3,685 | 7,182 |
| | Payable later than one year but not later than five years | - | 2,471 |
| | Payable later than five years | - | - |
| | | 3,685 | 9,653 |
| | Future finance charges | (137) | (1,469) |
| | Total lease liabilities | 3,548 | 8,184 |
| 10 | Employees' defined benefit plan | | |
| | Staff retirements benefit plan- Liability | | |
| | Holding Company | 10.1 | - |
| | Subsidiary | 10.2 | 22,659 |
| | | 22,659 | 21,867 |
| | Staff retirements benefit plan- Asset | | |
| | Holding Company | 10.1 | (154,933) |
| | Subsidiary | 10.2 | (20,058) |
| | | (174,991) | (305,262) |
| 10.1 | Holding staff retirement benefit plan - MTL | | |
| | Present value of defined benefit obligation | 10.1.2 | 1,241,582 |
| | Fair value of plan assets | 10.1.3 & 10.1.4 | (1,396,515) |
| | Asset recognized in the statement of financial position | | (154,933) |
| | | | (288,081) |
| 10.1.1 | For the year | | |
| | Salaries, wages and amenities include the following in respect of employees' pension scheme: | | |
| | Current service cost | 9,520 | 7,599 |
| | Interest cost | 142,420 | 133,600 |
| | Interest Income on plan assets | (185,527) | (181,488) |
| | | (33,587) | (40,289) |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | 2025 | 2024 |
|--|----------------------|------------------|
| | (Rupees in thousand) | |
| Remeasurements chargeable in other comprehensive income | | |
| Remeasurement of plan obligation: | | |
| Actuarial losses / (gains) from changes in financial assumptions | 184,432 | 77,702 |
| Experience adjustments | 5,581 | 48,762 |
| | 190,013 | 126,464 |
| Interest income on plan assets | (14,938) | (74,741) |
| | <u>175,075</u> | <u>51,723</u> |
| 10.1.2 The movement in present value of defined benefit obligation is as follows: | | |
| Present value of defined benefit obligation at beginning of year | 1,031,486 | 880,488 |
| Current service cost | 9,520 | 7,599 |
| Interest cost | 142,420 | 133,600 |
| Benefits paid | (131,857) | (116,665) |
| Benefits due but not paid | - | - |
| Actuarial losses / (gains) from changes in financial assumptions | 184,432 | 77,702 |
| Experience adjustments | 5,581 | 48,762 |
| Present value of defined benefit obligation at end of year | <u>1,241,582</u> | <u>1,031,486</u> |
| 10.1.3 The movement in fair value of plan assets is as follows: | | |
| Fair value of plan assets at beginning of year | 1,319,567 | 1,170,364 |
| Interest Income on plan assets | 185,527 | 181,488 |
| Contributions | 8,340 | 9,639 |
| Benefits paid | (131,857) | (116,665) |
| Return on plan assets | 14,938 | 74,741 |
| Fair value of plan assets at end of year | <u>1,396,515</u> | <u>1,319,567</u> |
| Actual return on plan assets | <u>200,465</u> | <u>256,229</u> |
| 10.1.4 Plan assets comprise of : | | |
| Term deposit receipts : | | |
| United Bank Limited | 920,000 | - |
| Zarai Taraqiyati Bank Limited | - | 905,000 |
| Special Bank account: | | |
| NAFA Capital Protected Fund | 440,206 | 371,953 |
| Accrued interest and bank balance: | | |
| Bank balances | 14,947 | 31,906 |
| Accrued interest | 19,585 | 8,931 |
| Advance income tax | 1,777 | 1,777 |
| Less: payables | - | - |
| | <u>1,396,515</u> | <u>1,319,567</u> |

Investments out of fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

10.1.5 Comparison of present value of defined benefit obligation, the fair value of plan assets and the resulting surplus or deficit of pension fund is as follows:

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------------------|-------------|-------------|-------------|-------------|
| | (Rupees in thousand) | | | | |
| Present value of defined benefit obligation | 1,241,582 | 1,031,486 | 880,488 | 960,430 | 1,160,998 |
| Less: Fair value of plan assets | (1,396,515) | (1,319,567) | (1,170,364) | (1,103,481) | (1,110,743) |
| (Surplus) / deficit | (154,933) | (288,081) | (289,876) | (143,051) | 50,255 |
| Experience adjustment on obligation | 184,432 | 77,702 | (143,808) | (218,848) | (89,128) |
| Return on plan assets, excluding interest income | 14,938 | 74,741 | 29,747 | (17,990) | (1,530) |

Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation / asset to significant actuarial assumptions the same method (present value of the defined benefit obligation / asset calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation / asset recognised in the statement of financial position. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

| | 2025 | 2024 |
|---------------------------|----------------------|-------|
| | (Rupees in thousand) | |
| Discount rate + 100 bps | 1,166 | 976 |
| Discount rate - 100 bps | 1,327 | 1,093 |
| Salary increase + 100 bps | 1,250 | 1,039 |
| Salary increase - 100 bps | 1,234 | 1,025 |
| Indexation rate + 100 bps | 1,334 | 1,100 |

10.1.6 The Group's net refund from the pension fund for the year ending June 30, 2026 is expected to be Rs. 3,070 thousand.

| | 2025 | 2024 |
|--|----------------------|----------|
| | (Rupees in thousand) | |
| 10.2 Subsidiary staff retirement benefit plan – BCL | | |
| Employees' defined benefit plan - liability | 22,659 | 21,867 |
| Employees' defined benefit plan - asset | (20,059) | (17,181) |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | 2025 | | 2024 | |
|--|----------------------|--------------------------|----------------------|--------------------------|
| | Funded | Un-funded | Funded | Un-funded |
| | Executives' Gratuity | Non-Executives' Gratuity | Executives' Gratuity | Non-Executives' Gratuity |
| | (Rupees in thousand) | | | |
| Balance sheet reconciliation | | | | |
| Present value of defined benefit obligation at end of year | (5,584) | (22,659) | (10,102) | (21,867) |
| Less: Fair value of plan assets at end of year | 25,642 | - | 27,283 | - |
| Surplus / (deficit) | 20,058 | (22,659) | 17,181 | (21,867) |
| Movement in the present value of defined benefit obligation | | | | |
| Balances at beginning of year | 10,102 | 21,867 | 15,194 | 26,981 |
| Benefits paid by the plan | (4,352) | (1,984) | (13,836) | (5,912) |
| Current service costs | 291 | 1,050 | 351 | 1,087 |
| Interest cost | 1,143 | 3,251 | 1,542 | 4,154 |
| Actuarial (gain) / loss arising from experience adjustment | (1,600) | (1,525) | 6,851 | (4,443) |
| Balance at end of year | 5,584 | 22,659 | 10,102 | 21,867 |
| Movement in the fair value of plan assets | | | | |
| Balance at beginning of year | 27,283 | - | 35,793 | - |
| Contributions paid into the plan | 143 | - | 325 | - |
| Benefits paid by the plan | (4,352) | - | (13,836) | - |
| Interest income | 3,509 | - | 4,781 | - |
| Remeasurement | (941) | - | 220 | - |
| Balance at end of year | 25,642 | - | 27,283 | - |
| Expense / (income) recognised in profit and loss account | | | | |
| Current service costs | 291 | 1,050 | 351 | 1,087 |
| Net Interest (income) / cost | (2,366) | 3,251 | (3,239) | 4,154 |
| (Income) / expense recognised in profit or loss | (2,075) | 4,301 | (2,888) | 5,241 |
| Remeasurement recognised in other comprehensive income | | | | |
| Experience (gains) / losses | (1,600) | (1,525) | 6,851 | (4,443) |
| Remeasurement of fair value of plan assets | 941 | - | (220) | - |
| Remeasurements | (659) | (1,525) | 6,631 | (4,443) |

| | 2025 | | 2024 | |
|--|----------------------|--------------------------|----------------------|--------------------------|
| | Funded | Un-funded | Funded | Un-funded |
| | Executives' Gratuity | Non-Executives' Gratuity | Executives' Gratuity | Non-Executives' Gratuity |
| | (Rupees in thousand) | | | |
| Net recognised liability / (asset) | | | | |
| Net recognised (asset) / liability at beginning of year | (17,181) | 21,867 | (20,599) | 26,981 |
| (Income) / expense recognised in profit or loss | (2,075) | 4,301 | (2,888) | 5,241 |
| Contribution made during the year to the Fund | (143) | (1,984) | (325) | (5,912) |
| Remeasurements recognised in other comprehensive income / (loss) | (659) | (1,525) | 6,631 | (4,443) |
| Recognised (asset) / liability at end of year | (20,058) | 22,659 | (17,181) | 21,867 |
| Plan assets comprise of following: | | | | |
| Mutual funds | 25,000 | - | 10,000 | - |
| Cash at bank | 642 | - | 17,283 | - |
| Total plan asset | 25,642 | - | 27,283 | - |
| Actuarial assumptions | | | | |
| Discount rate | 11.75% | 11.75% | 14.75% | 14.75% |
| Future salary increases | 11.75% | 10.75% | 14.75% | 13.75% |

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

| | 2025 | 2024 |
|---|----------------------|--------|
| | (Rupees in thousand) | |
| Maturity profile of the defined benefit obligation | | |
| Distribution of timing of benefit payments | | |
| One year | 3,137 | 5,861 |
| Two years | 6,150 | 4,600 |
| Three years | 6,853 | 6,671 |
| Four years | 819 | 7,645 |
| Five years | 2,802 | 936 |
| Six years to ten years | 21,137 | 28,497 |

| | Impact on defined benefit obligation | | |
|---|--------------------------------------|------------------------|------------------------|
| | Change in assumption | Increase in assumption | Decrease in assumption |
| Sensitivity analysis for actuarial assumptions | | | |
| Discount rate at June 30, 2025 | 0.50% | (1,439) | 1,620 |
| Future salary increases | 0.50% | 1,484 | (1,340) |

Notes to the Consolidated Financial Statements

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There is no significant change in the obligation if life expectancy increases by 1 year.

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liabilities recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

| | 2025 | 2024 | 2023 | 2022 | 2021 |
|--|----------------------|----------|----------|----------|----------|
| | (Rupees in thousand) | | | | |
| Pension fund | | | | | |
| Fair value of plan assets | - | - | - | - | - |
| Present value of the defined benefit obligation | - | - | - | - | - |
| (Surplus) / deficit | - | - | - | - | - |
| Experience adjustments on plan obligations - (gain) / loss | - | - | - | - | (7,114) |
| Experience adjustments on plan assets - gain / (loss) | - | - | - | - | (9,205) |
| Executives' gratuity fund | | | | | |
| Fair value of plan assets | 25,642 | 27,283 | 35,792 | 38,871 | 39,589 |
| Present value of the defined benefit obligation | (5,584) | (10,102) | (15,194) | (20,501) | (26,205) |
| Surplus | 20,058 | 17,181 | 20,598 | 18,370 | 13,384 |
| Experience adjustments on plan obligations - (gain) / loss | (1,600) | 6,851 | (433) | (1,841) | 254 |
| Experience adjustments on plan assets - gain / (loss) | (941) | 220 | (858) | 1,906 | (13,441) |
| Non-Executives' gratuity fund | | | | | |
| Present value of the defined benefit obligations | (22,659) | (21,867) | (26,981) | 26,004 | (34,817) |
| Experience adjustments on plan obligations | (1,525) | (4,443) | 1,180 | (5,694) | 4,932 |

| | 2025 | 2024 |
|--|-----------------|------|
| | Number of years | |
| The weighted average duration of the plans are as follows: | | |
| Executives' gratuity fund | 4.73 | 3.11 |
| Non-executives' gratuity | 5.56 | 5.65 |

Amounts in this note are based on the latest actuarial valuation carried out as at June 30, 2025.

10.3 Risks on account of defined benefit plan

The Group faces the following risks on account of defined benefit plan:

Final salary risk (linked to inflation risk) – The risk that the final salary at the time of cessation of service is greater than what is currently assumed. Since, the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Asset volatility – Most assets are invested in risk free investments of 3 year Special Savings Certificates. However, instruments in Open-ended Mutual Funds is subject to adverse fluctuation as a result of change in market price.

Discount rate fluctuation – The plan liabilities are calculated using discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by increase in the value of the current plan's bond holdings.

Risk of insufficiency of assets – This is managed by making regular contribution to the fund as advised by the actuary.

Demographic risks:

- Mortality risk – The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.
- Withdrawal risk – The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.
- Investment risk – The risk of the investment underperforming and not being sufficient to meet the liabilities.

11 Long term deposits

These represent security deposits received from dealers which, by virtue of agreement, are interest free. These are repayable on cancellation of dealership contract with dealers and cannot be utilized for the purpose of the business. These have been kept in separate bank account in accordance with the requirements of the section 217 of the Companies Act, 2017.

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

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For the year ended June 30, 2025

| | Note | 2025 | 2024 |
|-----------|---|----------------------|-----------|
| | | (Rupees in thousand) | |
| 12 | Deferred tax liabilities – net | | |
| | The liabilities / (asset) for deferred tax comprises temporary differences relating to: | | |
| | Taxable temporary differences: | | |
| | Accelerated tax depreciation | 238,265 | 201,285 |
| | Change in fair value of investments | 1,059,944 | 1,121,631 |
| | Worker's profit participation fund (WPPF) | 8,552 | - |
| | | 1,306,761 | 1,322,916 |
| | Deductible temporary differences: | | |
| | Accumulating compensated absences | (126,015) | (25,177) |
| | Provision for Worker Welfare Fund | (57,706) | - |
| | Lease liabilities | - | (859) |
| | Provision for warranty | (6,952) | (5,978) |
| | Unused tax losses | (3,290) | (3,743) |
| | Unrealised gain on closing stock-in-trade | 11,824 | (66,512) |
| | Provision for retirement benefit obligations | (15,876) | (17,242) |
| | Provision for slow moving stores | (1,400) | (1,043) |
| | | (199,415) | (120,554) |
| | Net deferred tax liability at the year end | 1,107,346 | 1,202,362 |

12.1 Reconciliation of deferred tax liabilities – net

| | Unrealised gain on closing stock -in-trade | Accelerated tax depreciation | Change in fair value of investments | Accumulating compensated absences | Provisions | Unused tax losses | Net liability / (asset) |
|--|--|------------------------------|-------------------------------------|-----------------------------------|------------|-------------------|-------------------------|
| (Rupees in thousand) | | | | | | | |
| Balance as at June 30, 2023 | (80,870) | 201,136 | 1,170,245 | (14,181) | (39,415) | (73,357) | 1,163,558 |
| Tax (income) / expense during the year recognised in | | | | | | | |
| - profit or loss | 14,358 | (710) | - | (10,996) | 15,875 | 69,614 | 88,141 |
| - Other comprehensive income | - | - | (48,614) | - | (723) | - | (49,337) |
| Balance as at June 30, 2024 | (66,512) | 200,426 | 1,121,631 | (25,177) | (24,263) | (3,743) | 1,202,362 |
| Tax expense / (income) during the year recognised in | | | | | | | |
| - profit or loss | 51,801 | 47,782 | - | (102,536) | (37,149) | (454) | (40,556) |
| - Other comprehensive income | - | - | (61,686) | - | 721 | - | (60,965) |
| Balance as at June 30, 2025 | (14,711) | 248,208 | 1,059,945 | (127,713) | (60,691) | (4,197) | 1,107,346 |

| | Note | 2025 | 2024 |
|----------------------|-----------------------------------|------------------|------------------|
| (Rupees in thousand) | | | |
| 13 | Trade and other payables | | |
| | Trade creditors | 3,900,283 | 5,056,465 |
| | Accrued liabilities | 398,490 | 424,419 |
| | Bills payable | 419,949 | 1,242,850 |
| | Security deposits | 243,765 | 677,647 |
| | Trademark fee payable | 507,065 | 730,919 |
| | Income tax deducted at source | 513 | 691 |
| | Workers' Welfare Fund | 162,716 | 368,007 |
| | Accrued markup on running finance | 587,858 | 606,152 |
| | Payable against sale tax withheld | 67,428 | 79,045 |
| | Others | 247,887 | 185,622 |
| | | <u>6,535,954</u> | <u>9,371,817</u> |

13.1 These represent security deposits from dealers and contractors against short term agreements for goods to be delivered or sold to the dealers which, by virtue of the agreements, are interest free, repayable on demand and are used in the Group's business. As at year end, the Group has utilized these security deposits for business operations of the Group in accordance with the terms of the contract in writing.

13.2 These include deposits by employees under car and motorcycle scheme amounting to Rs. 74,564 thousand (2024: Rs. 46,023 thousand) and carry no markup.

14 Contract liabilities

14.1 These represent amounts received in advance from customers against performance obligations / sales made in subsequent periods and carry no mark-up and are unsecured. Further, as referred in note 33 to these consolidated financial statements, these also include an amount of Rs. 685,585 thousand (2024: Rs. 247,601 thousand) representing cheques in hand at the reporting date.

Customers who have given advances for tractor sales, are entitled to discount at the rate of Karachi Inter Bank Offered Rate ('KIBOR') plus 3% per annum, from the date of advance payment to the date of delivery exceeding 60 days of initial booking, subject to certain other conditions.

14.2 Revenue recognised during the year that was included in the contract liability balance at the beginning of the year amounted to Rs. 3,011,306 thousand (2024: Rs. 1,704,882 thousand).

| | Note | 2025 | 2024 |
|----------------------|--------------------------------|-------------------|------------------|
| (Rupees in thousand) | | | |
| 15 | Short term borrowings | | |
| | Short term running finance | 14,036,499 | 7,909,951 |
| | Invoice bill discounting | - | 183,359 |
| | Istisna / Musawammah facility | 4,870 | 21,026 |
| | Istisna-cum-Wakala arrangement | 75,000 | 75,000 |
| | | <u>14,116,369</u> | <u>8,189,336</u> |

15.1 The Group has obtained short-term borrowing facilities from various banks to meet its working capital requirements against aggregate sanctioned limit of Rs. 22,500,000 thousand (2024: Rs. 15,100,000 thousand) out of which Rs. 8,966,232 thousand (2024: Rs. 7,006,690 thousand) remained unutilized as at the reporting date. The rates of mark up range from KIBOR - 3.5% to KIBOR + 0.40% (2024: KIBOR + 0.04% to KIBOR + 0.40%) per annum.

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Out of the above mentioned authorized limit, an amount of Rs. 6,500,000 thousand (2024:Rs. 3,000,000 thousand) has been obtained under Islamic mode of financing.

15.2 The Group has also obtained finance under Istisna-cum-Wakala arrangement from a commercial bank amounting to Rs. 75,000 thousand (2024: Rs. 75,000 thousand) and Istisna / Musawammah arrangement from another commercial bank amounting to Rs. 100,000 thousand (2024: Rs. 100,000 thousand). The profit rates on these facilities are 6 months KIBOR plus 2.25% (2024: 6 months KIBOR plus 2%) and 6 month KIBOR plus 1% (2024: 6 month KIBOR plus 1%) per annum respectively. They are secured by way of hypothecation charge over fixed assets and current assets of the Group amounting to Rs. 333,330 thousand and hypothecation charge over present and future stocks and book debts with 25% margin respectively. Amount utilised as at June 30, 2025 is Rs. 75,000 thousand (2024: Rs. 75,000 thousand) and Rs. 4,870 thousand (2024: Rs. 21,026 thousand) respectively.

15.3 The Group has facilities for opening of letters of credit and guarantees aggregating to Rs. 8,403,190 thousand (2024: Rs. 7,772,571 thousand) out of which Rs. 1,600,000 thousand (2024: Rs. 500,000 thousand) have been obtained under Islamic mode of financing. At year end, the unutilized portion of the group-wide facilities for opening of letters of credit and guarantees aggregated to Rs. 5,693,283 thousand (2024: Rs. 4,085,984 thousand). These facilities are secured by pari passu hypothecation charge over current assets and book debts of the Group, lien over import documents and counter guarantees.

| | 2025 | 2024 |
|--|----------------------|---------|
| | (Rupees in thousand) | |
| 16 | | |
| Current portion of non – current liabilities | | |
| Current portion of term finances – secured | 486,046 | 479,113 |
| Current portion of deferred grant | 3,597 | 3,650 |
| Current portion of lease liabilities against right-of-use assets | 3,548 | 5,850 |
| Current portion of long term deposit | 220 | 134 |
| | 493,411 | 488,747 |

17 Contingencies and commitments

17.1 Contingencies

17.1.1 Holding Company

17.1.1.1 The Income tax department has disputed the Company's treatment on certain tax matters relating to certain tax years from 2012 till 2021, entailing a possible additional tax liability of Rs. 2,967,540 thousand (2024: Rs. 1,895,721 thousand). These primarily include disallowances made by tax authorities in respect of apportionment of expenses to export sales, super tax liability effect, tax refunds / adjustments claimed by the Company, consumption of stock and consequently value of closing stock claimed by the Company, salaries and wages, import and domestic purchases etc. Both the Company and the Income tax department are currently in appeal at the Commissioner Inland Revenue Appeals and Appellate Tribunal level regarding the tax matters, while certain tax matters have been remanded back to the Commissioner Inland Revenue level for reassessment. Decisions regarding these tax matters are still pending. The management in consultation with their tax advisor is confident that all the tax matters will eventually be decided in the favor of the Company; therefore no provision has been deemed necessary and / or made in these financial statements.

17.1.1.2 The Income tax department has disputed the Company's payment against Workers' Welfare Fund for years 2014 to 2020 and thereby created a demand of Rs. 268,452 thousand (2024: Rs. 657,509 thousand) under section 4(9) of Workers Welfare Fund Ordinance, 1971. The Company has submitted its response on the aforementioned order to the Income tax department which is currently pending a response. No further proceedings has been initiated to date by the department. The management in consultation with their tax advisor is confident that the matter will eventually be decided in the favor of the Company; therefore no provision has been made in these financial statements.

17.1.1.3 The Federal Board of Revenue (FBR) has conducted sales tax audits for the years 2019–20 and 2020–21. In both the years, the liability adjudged by the appellate forum amounts to Rs. 34,305 thousand, which has been contested by the Company at the Appellate Tribunal Inland Revenue (ATIR) and was decided against the Company. Now, the Company has filed a reference to the Honorable High Court. The management, in consultation with their tax advisor, is confident that the tax matters will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

17.1.1.4 The Company has filed an appeal dated January 13, 2023 to the Commissioner, Customs Appeal, against the order dated October 26, 2022 of the Additional Collector of Customs, Adjudication, regarding the short payment of custom duties amounting to Rs. 2,330 thousand. The management, in consultation with the tax advisor, is confident that the matter will eventually be decided in favor of the Company; therefore no provision has been made in these financial statements.

17.1.1.5 The Company has filed a reference in Lahore High Court on March 12, 2023 against an order of the ATIR for non-payment of sales tax amounting to Rs. 29,413 thousand on after-sales services (warranty parts) for the period July, 2012 to June, 2014. The management and the legal advisor are confident of a favorable outcome in the case; therefore no provision has been made in these financial statements.

17.1.1.6 The Company is defending a demand of Rs. 31,869 thousand from the Customs Authorities (Authorities), alleging the Company for non payment of custom and other additional duties. The demand is on account of purchase of certain starter motors and alternators to be used for the assembly of the tractors. The Company filed an appeal against the said demand and the order passed by Additional Collector, Lahore and Collector Appeals, Lahore before the Customs Appellate Tribunal, Lahore and the said tribunal passed order in favour of the Company. The Custom department has filed reference against the decision in Honourable Lahore High Court, which is pending adjudication. The Company made payment of Rs. 8,000 thousand under protest in response to demand notice served and obtained stay order from Honourable High Court, Lahore against further recovery action of Authorities. The management and legal advisor are confident that the outcome of the case would be decided in their favour, hence no provision relating to aforesaid demand has been made in these financial statements.

17.1.1.7 FBR has conducted post-refund audits of the Company's monthly sales tax refunds for eleven tax periods selected from April 2020 to February 2021. The Company is defending a demand of Rs. 55,640 thousand at different appellate forums.

Furthermore, in relation to the Company's post refund audit under rule 36 of sales tax for the period from July 2016 to March 2020, Deputy Commissioner Inland Revenue (DCIR) has issued a show cause notice to the Company. The Company has filed a writ petition in the Lahore High Court against the show cause notice. During proceedings, the DCIR was directed to decide the Company's legal objections, against which the DCIR passed adverse order dated June 30, 2025 in which the DCIR held that the show cause notice was legally issued. Subsequent to the year end, ATIR annulled the order made by DCIR.

17.1.1.8 The Company is defending a suit for Rs.19,579 thousand, filed in previous years by an ex-vendor on account of damages and inconvenience. Previously, the case was pending before the Civil Court, Lahore. However it was held by the Civil Court that the damages of Rs. 15,000 thousand have been awarded in favor of vendor for the aforementioned inconvenience. In addition to that the Company is also required to pay the amount of parts already supplied by the vendor which amounts to Rs 4,579 thousand along with markup @ 7% per annum till its realization. However, the Company has filed an appeal in the Honorable High Court, Lahore against the aforesaid order of Civil Court. The management and the legal advisor are confident that outcome of the case would be in the Company's favor and no payment in this regard would be required, hence no provision thereagainst has been made in these financial statements.

Notes to the Consolidated Financial Statements

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17.1.1.9 The show cause proceedings were initiated against the Company by the Competition Commission of Pakistan ('CCP') on September 08, 2021 under the Competition Act, 2010. The Company has filed a writ petition before the Islamabad High Court against the CCP. The matter is pending adjudication. The management and the legal advisor are confident of favorable outcome of the case, hence no provision in this regard has been made in these financial statements.

17.1.1.10 The Company had lodged sales tax refund claims for the tax periods July 2021, September 2021, November 2021, December 2021, and February 2022, amounting to Rs. 3,806,856 thousand under SRO 363(I)/2012, which did not contain any provision relating to pre-refund audit and did not lay down any condition for availing benefit of the reduced rate of 5% on sale of tractors. The Deputy Commissioner Inland Revenue issued refund processing orders (RPOs) amounting to Rs. 77,945 thousand for the above tax periods and deferred the remaining amount of Rs. 3,728,911 thousand on the basis that the reduced rate of 5% was only available to supplies made to persons involved in agricultural activities. The Company preferred an appeal before the Commissioner Inland Revenue (Appeals) against the RPOs and is also contesting the legality of these RPOs in the Lahore High Court. The Commissioner Appeals directed the department to re-examine the complete refund claims and sanction them accordingly. The Company has filed an appeal to the Appellate Tribunal Inland Revenue (ATIR) against this direction, since the claims have already been deferred by the department.

Alternative Dispute Resolution Committee (ADRC) was constituted on Company's application but was dissolved without deciding the case. The management, in consultation with the tax advisor, is confident that the matter will eventually be decided in favor of the Company; therefore, no provision has been made in these financial statements.

17.1.1.11 FBR had conducted a sales tax audit for the year 2021-22 the Deputy Commissioner Inland Revenue (DCIR) completed the proceedings and finalized the demand for sales tax amounting to Rs. 11,046,595 thousand and penalty of Rs. 7,168 thousand through an order dated January 22, 2025. The Company filed an appeal against the said order before the ATIR which was accepted and order in original was annulled. FBR has filed an appeal in Lahore High Court against therein. The matter is pending for adjudication. The management, in consultation with the tax advisor, is confident that the matter will eventually be decided in favor of the Company; therefore, no provision has been made in these financial statements.

Subsidiaries

17.1.2 Bolan Castings Limited

17.1.2.1 In a suit filed against the Company before the Senior Civil Judge at Hub Baluchistan, Altaf Hussain Agha (the Plaintiff) claims that in the year 2004 the Company allegedly encroached upon the land measuring 5 acres - 2 roads - 34 poles belonging to him that he purchased in year 2003. The Plaintiff has also sought mesne profits from the Company for such alleged encroachment. The Company claims ownership to the said piece of land and disputes the alleged encroachment claim whatsoever. The written statement of the Company was filed, the issues were framed and the Plaintiff had produced his witnesses. However, suit was decreed against the Company by the Senior Civil Judge. The original order was challenged by the Company before Baluchistan High Court, which suspended the said order. In November 2019, the Government of Baluchistan enhanced the limit of session courts from claims of Rs. 50,000 thousand to Rs. 100,000 thousand. Hence, the case of the Company was transferred to Session Court, Hub on November 21, 2019. The Company's appeal was dismissed by Senior Civil Judge on August 18, 2020. The Company decided to file an appeal against the order in Baluchistan High Court Quetta on September 08, 2020 for revision and suspension of the order. The case is pending for hearing. The exposure on account of profits claimed under the suit amounts to Rs. 126,000 thousand (2024: Rs. 89,500 thousand). The management of the Company based on the views of its legal advisor is confident that decision will be given in favor of the Company and therefore, no provision has been made in these consolidated financial statements.

During the year, the Company received sales tax demand of Rs. 8,400 thousand from Baluchistan Revenue Department (BRA) for the tax year 2019. The order was issued to the Company over non-withholding of sales tax over various heads. Subsequent to the year end the Company has challenged the order in Appellate Tribunal of the BRA. The management of the Company based on the views of its legal advisor is confident that decision will be given in favor of the Company and therefore, no provision has been made in these consolidated financial statements.

17.1.3 Millat Industrial Products Limited

17.1.3.1 Demand of Rs. 5,436 thousand was created vide order dated June 29, 2021 u/s 124/129/122 for the year 2013. CIR(A) vide appellate order dated April 28, 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.

17.1.3.2 Proceedings under section 122(5A) for the tax year 2015 were finalized by the Additional Commissioner on May 05, 2021, creating a demand of Rs. 17,937 thousand. The Company filed an appeal to the Commissioner of Inland Revenue (Appeals) [CIR(A)], who, on December 03, 2021 deleted the material addition and set aside a partial issue. Based on the appeal effect/re-assessment, a tax liability of Rs. 6 thousand was anticipated. However, the Additional Commissioner created a demand of Rs. 13,404 thousand by disallowing the tax credit under section 65B. The Company has filed a rectification application and an appeal to the Commissioner of Inland Revenue (Appeals) against the Additional Commissioner's order. The CIR(A) deleted the liability of Rs. 13,404 thousand, remanding the case back and directing the assessing officer to re-examine the record and issue a tax credit adjustment as per the law. Prima facie no tax demand is anticipated.

17.1.3.3 Proceeding finalized u/s 122(1)/177 of tax year 2016 vide order dated June 01, 2021 creating demand of Rs. 173,761 thousand. The Company had filed appeal to CIR(A) who vide order dated December 09, 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.

17.1.3.4 Proceeding finalized u/s 122(1)/177/214C of tax year 2017, vide order dated June 25, 2021 creating demand of Rs. 184,515 thousand. The Company had filed an appeal to CIR(A) who vide order dated January 03, 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.

17.1.3.5 Proceedings were finalized under sections 122(1)/177/214C for the tax year 2018, with an order dated September 30, 2022 creating a demand of Rs. 206,769 thousand. The Company filed an appeal to the CIR(A), who, through an order dated March 31, 2023 deleted the material additions and reduced the demand to Rs. 24,854 thousand, while setting aside partial issues. The Company then appealed to the Income Tax Appellate Tribunal against the decision of the CIR(A). The ATIR, in its order dated March 20, 2024 remanded the case back, instructing the assessing officer to recheck the company records and pass a speaking order, as no prima facie errors were found in the records. No tax liability is anticipated.

17.1.3.6 Proceedings for the tax year 2019 were finalized under sections 122(1)/177/214C with an order dated October 03, 2022 creating a demand of Rs. 191,460 thousand. The Company appealed to the CIR(A), who, in an order dated May 21, 2023 deleted the material additions, reduced the demand to Rs. 126 thousand, and set aside partial issues. The Company then appealed to the Income Tax Appellate Tribunal against the CIR(A)'s decision. The ATIR, in its order dated March 20, 2024 remanded the case back, directing the assessing officer to recheck the company records and issue a speaking order, as no prima facie errors were found in the records. No tax liability is anticipated.

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- 17.1.3.7** Proceeding finalized u/s 221(1) of tax year 2021, vide order dated August 11, 2022 creating demand of Rs. 3,062 thousand. The Company had filed appeal to CIR(A).Commissioner Appeals vide order dated August 23, 2023 remanded it back to assessing officer to credit to taxpayer as per law. 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.
- 17.1.3.8** 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 thousand. 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 April 28, 2017 registered by the Additional Director, Intelligence and Investigation – FBR, Karachi. Total demand raised against the Company is Rs. 2,439 thousand which the FBR allowed to deposit in two equal instalments of which first instalment of Rs. 1,220 thousand was deposited on June 16, 2017 and second installment of Rs. 1,220 thousand was deposited on September 25, 2017 by the Company. The management, in consultation with the legal advisor, is confident that the matter will eventually be decided in favor of the company; therefore, no consolidated provision has been made in these financial statements.
- 17.1.3.9** A sales tax audit under section 25 of the Sales Tax Act, 1990, for the period from July 1, 2015 to June 30, 2016 was initiated by the FBR on May 03, 2018. Proceedings were finalized with an order dated March 22, 2019 creating a demand of Rs. 939 thousand. The Company filed an appeal with the CIR(A) on April 15, 2019 who upheld the sales tax amounting to Rs. 936 thousand. The Company then appealed to the Appellate Tribunal Inland Revenue under section 46 of the Sales Tax Act, 1990, which decided the case in favor of the Company. No liability is anticipated.
- 17.1.3.10** A Sales Tax Audit under section 25(3) of the Sales Tax Act, 1990, for the years 2017–2020 was initiated by the FBR (Inland Revenue) on December 14, 2021. The Company filed writ petition no. 35175/2021 before the Honourable Lahore High Court, Lahore, seeking an interlocutory injunction and interim relief against proceedings pursuant to section 25 of the Act. The Honourable Lahore High Court, issued an order dated June 04, 2021 suspending the operations of the impugned notices. The appeal is currently pending adjudication before the Honourable Lahore High Court. According to the Company's legal advisor, there is a significant likelihood of a favorable decision for the Company.
- 17.1.3.11** The Directorate of Internal Audit – Inland Revenue, Karachi filed the 5th interim challan in the honorable court of the Special Judge of Customs, Taxation, and Anti-Smuggling–Karachi on July 31, 2023. The challan alleges that the Company purchased goods from a dummy or fake supplier, M/s. Premier Metals Industries (Pvt.) Limited (NTN: 4378071-7), who issued fake sales tax invoices. As a result, the Company allegedly claimed illegal and inadmissible input tax adjustments amounting to Rs. 124,519 thousand.

In response, the Company provided all necessary records and submitted a detailed reply stating that they purchased supplies from a Sales Tax Registered Party. Throughout the entire reported period, the concerned party was active on the FBR website. All payments were made via crossed cheques, pay orders, IBFTs, RTGS, and through banking channels in compliance with Section 73 of the Sales Tax Act, 1990. The supplies were genuinely purchased, and no fake invoice business was conducted. The Company has proof of the supplies actually purchased, including weighing slip receipts, gate passes, GRNs, and consumption records.

Furthermore, the FBR issued a withholding tax exemption to the party under Section 153 (4) to not deduct withholding tax under Section 153 1(a) of the Income Tax Ordinance, 2001. During periods when the exemption certificate was not issued, the Company duly deducted and deposited withholding tax under Section 153 1(a) to the Government.

The management, in consultation with the legal advisor, is confident that the matter will eventually be decided in favor of the company; therefore, no provision has been made in these consolidated financial statements.

17.1.3.12 The Directorate of Intelligence & Investigation – Inland Revenue, Karachi, issued a notice to the Company on September 12, 2023 and subsequently filed an interim challan with the honorable court of the special judge of customs, taxation, and anti-smuggling in Karachi. The allegation claims that the Company purchased goods from a dummy/fake supplier, M/s. Nasif Private Limited, NTN 7309657-1, who issued fake sales tax invoices. Consequently, the Company is accused of claiming illegal/inadmissible input tax adjustments amounting to Rs. 134,319 thousand.

In response, the Company has provided all necessary records and submitted a detailed reply, asserting that the purchases were made from a Sales Tax Registered Party. Throughout the reported period, the concerned party was active on the FBR website. All payments were made through Crossed Cheque, Pay Order, IBFTs, RTGS, and banking channels, in compliance with Section 73 of the Sales Tax Act, 1990. The supplies were indeed purchased, and there was no involvement in fake invoicing. Evidence supporting the actual purchase of supplies includes Weighing Slip Receipts, Gate Passes, GRNs, and consumption records.

Furthermore, the FBR issued a withholding tax exemption to the party under Section 153 (4), exempting them from withholding tax under Section 153 1(a) of the Income Tax Ordinance, 2001. For periods when the exemption certificate was not issued, the Company duly deducted and deposited withholding tax under Section 153 1(a) with the Government.

The Company maintains that it has fully complied with all relevant provisions of the Sales Tax Act, 1990, and no liability is anticipated. The Company's legal advisor has also stated that the Company has a strong case, and the chances of success are bright.

17.1.3.13 The Competition Commission of Pakistan imposed a penalty of Rs 2,300 thousand on the Company on March 30, 2018 for allegedly engaging in deceptive marketing practices. The Company contested this decision before the Competition Appellate Tribunal in Islamabad, asserting that it was not involved in any deceptive marketing practices. However, on April 17, 2024 the Tribunal upheld the penalty against the Company. Under the Competition Act of 2010, the Company filed an appeal with the Honourable Supreme Court of Pakistan. On June 11, 2024 the Supreme Court granted a stay and suspended the impugned judgment of the Competition Appellate Tribunal. The Company's legal advisor believes there is a strong chance of winning the case, and no liability is anticipated.

17.1.3.14 Pursuant to the order dated June 28, 2025, proceedings under Section 11E of the Sales Tax Act, 1990 were finalized, whereby the Deputy Commissioner Inland Revenue (DCIR) raised a tax demand of Rs. 76,178 thousand against the Company during the tax period January 2022 to August 2024. The basis of the demand was the alleged inadmissible input tax claimed on purchases made from M/s Vohra Metal Industries (Pvt.) Limited.

Aggrieved by the order, the Company has filed an appeal before the Appellate Tribunal Inland Revenue under Section 46 of the Sales Tax Act, 1990. In its defence, the Company has submitted all necessary documentation and a detailed written response, asserting that the purchases were made from a duly registered sales tax entity. During the relevant period, the supplier remained active and operative on the FBR's Active Taxpayer List (ATL). All payments for the purchases were made through proper banking channels—including crossed cheques, pay orders, IBFTs, and RTGS—in strict compliance with Section 73 of the Sales Tax Act, 1990. The Company has substantiated the transactions with verifiable records such as weighing slips, gate passes, goods receipt notes (GRNs), and material consumption records. It has strongly refuted any implication of involvement in fake or fictitious invoicing.

Additionally, the Company withheld and deposited 80% of the applicable sales tax in accordance with the Eleventh Schedule of the Sales Tax Act, 1990, amounting to Rs. 32,604 thousand for the period under review. However, this crucial fact was not taken into consideration by the DCIR in the assessment proceedings.

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The Company maintains that it has fully complied with all relevant provisions of the Sales Tax Act, 1990, and, therefore, no tax liability arises. The Company's legal counsel has expressed confidence in the merits of the case and believes there is a strong likelihood of a favorable outcome in the appellate proceedings.

17.1.3.15 Pursuant to the order dated June 28, 2025, proceedings under Section 11E of the Sales Tax Act, 1990 were finalized, whereby the Deputy Commissioner Inland Revenue (DCIR) raised a tax demand of Rs. 124,916 thousand against the Company during the tax period June 2022 to August 2024. The basis of the demand was the alleged inadmissible input tax claimed on purchases made from M/s Hermes Industries (Pvt.) Limited.

Aggrieved by the order, the Company has filed an appeal before the Appellate Tribunal Inland Revenue under Section 46 of the Sales Tax Act, 1990. In its defence, the Company has submitted all necessary documentation and a detailed written response, asserting that the purchases were made from a duly registered sales tax entity. During the relevant period, the supplier remained active and validly listed on the FBR's Active Taxpayer List (ATL). All payments for the purchases were made through proper banking channels—including crossed cheques, pay orders, IBFTs, and RTGS—in strict compliance with Section 73 of the Sales Tax Act, 1990. The Company has substantiated the transactions with verifiable records such as weighing slips, gate passes, goods receipt notes (GRNs), and material consumption records. It has strongly refuted any implication of involvement in fake or fictitious invoicing.

Additionally, the Company withheld and deposited 80% of the applicable sales tax in accordance with the Eleventh Schedule of the Sales Tax Act, 1990, amounting to Rs.19,774 thousand for the period under review. However, this crucial fact was not taken into consideration by the DCIR in the assessment proceedings.

The Company maintains that it has fully complied with all relevant provisions of the Sales Tax Act, 1990, and, therefore, no tax liability arises. The Company's legal counsel has expressed confidence in the merits of the case and believes there is a strong likelihood of a favorable outcome in the appellate proceedings.

17.2 Commitments

17.2.1 The Group has given guarantee amounting to Rs. 5,000 thousand (2024: Rs. 5,000 thousand) to bank for repayment of loan by employees. An amount of Rs.485 thousand (2024: Rs. 500 thousand) was utilized by employees as at June 30, 2025.

17.2.2 Guarantees issued by various banks on behalf of the Group in the normal course of business amount to Rs. 811,258 thousand out of which Rs. 26,242 thousand relates to Sui Northern Gas Pipelines Limited (2024: Rs.706,774 thousand).

17.2.3 Commitments in respect of outstanding letters of credit amounting to Rs. 2,124,890 thousand (2024: Rs. 3,164,154 thousand) at the reporting date.

17.2.4 The Group has a commitment to deliver tractors against booking orders amounting to Rs. 36,165 thousand (2024: Rs. 256,757 thousand) other than those reflected in note 14.

| | Note | 2025 | 2024 |
|-----------|--------------------------------------|----------------------|------------------|
| | | (Rupees in thousand) | |
| 18 | Property, plant and equipment | | |
| | Operating fixed assets | 1,975,157 | 1,873,144 |
| | Capital work-in-progress | 113,346 | 88,079 |
| | | <u>2,088,503</u> | <u>1,961,223</u> |

18.1 Operating fixed assets

| | Land Note 18.1.2 & 18.1.3 | | Buildings | | Owned | | | | | Total |
|---------------------------------|---------------------------|-----------|------------------|-------------------|---------------------|--------------------------------|-----------|---------------------|-----------|-------------|
| | Freehold | Leasehold | On freehold land | On leasehold land | Plant and machinery | Furniture and office equipment | Vehicles | Tools and equipment | Computers | |
| | | | | | | | | | | |
| Net book value basis | | | | | | | | | | |
| Year ended June 30, 2025 | | | | | | | | | | |
| Opening Net Book Value | 119,691 | 8 | 317,461 | - | 677,930 | 64,967 | 459,854 | 217,704 | 15,529 | 1,873,144 |
| Additions (at cost) | - | - | 7,188 | - | 268,046 | 25,204 | 109,530 | 15,754 | 9,357 | 435,079 |
| Disposals (at NBV) | - | - | - | - | (125) | (165) | (78,255) | (70) | (1,403) | (80,018) |
| Adjustments | - | - | - | - | 91,694 | - | 1,469 | (99,216) | 3,921 | (2,132) |
| Transfer to investment property | - | - | - | - | - | - | - | - | - | - |
| Write offs | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | - | (28,952) | - | (92,793) | (10,031) | (92,954) | (18,567) | (7,619) | (250,916) |
| Closing Net Book Value | 119,691 | 8 | 295,697 | - | 944,752 | 79,975 | 399,644 | 115,605 | 19,785 | 1,975,157 |
| Gross book value basis | | | | | | | | | | |
| As at June 30, 2025 | | | | | | | | | | |
| Cost | 119,691 | 8 | 780,808 | 2,900 | 2,058,277 | 170,014 | 672,422 | 255,527 | 88,637 | 4,148,284 |
| Accumulated depreciation | - | - | (484,992) | (2,900) | (1,113,525) | (90,271) | (272,662) | (139,922) | (68,855) | (2,173,127) |
| Net Book Value | 119,691 | 8 | 295,816 | - | 944,752 | 79,743 | 399,760 | 115,605 | 19,782 | 1,975,157 |
| Depreciation rate % per annum | | | 5-10 | 5 | 10-15 | 10-33 | 20 | 10-20 | 30-33 | |
| Net book value basis | | | | | | | | | | |
| Year ended June 30, 2024 | | | | | | | | | | |
| Opening Net Book Value | 158,551 | 8 | 341,942 | - | 724,433 | 56,454 | 398,315 | 196,672 | 11,937 | 1,890,312 |
| Additions (at cost) | - | - | 4,660 | - | 34,868 | 14,288 | 207,263 | 56,858 | 10,394 | 328,331 |
| Disposals (at NBV) | - | - | - | - | (1) | (98) | (43,738) | - | (325) | (44,162) |
| Adjustments | 1 | - | (496) | - | (2,856) | 2,857 | (3,974) | (2) | (27) | (4,497) |
| Transfer to investment property | (38,861) | - | - | - | - | - | - | - | - | (38,861) |
| Write offs | - | - | - | - | - | - | - | - | - | - |
| Depreciation charge | - | - | (28,645) | - | (78,514) | (8,534) | (98,012) | (37,824) | (6,450) | (257,979) |
| Closing Net Book Value | 119,691 | 8 | 317,461 | - | 677,930 | 64,967 | 459,854 | 217,704 | 15,529 | 1,873,144 |
| Gross book value basis | | | | | | | | | | |
| As at June 30, 2024 | | | | | | | | | | |
| Cost | 119,691 | 8 | 854,681 | 2,900 | 2,233,158 | 175,391 | 764,379 | 583,527 | 79,786 | 4,813,521 |
| Accumulated depreciation | - | - | (537,220) | (2,900) | (1,555,228) | (110,424) | (304,525) | (365,823) | (64,257) | (2,940,377) |
| Net Book Value | 119,691 | 8 | 317,461 | - | 677,930 | 64,967 | 459,854 | 217,704 | 15,529 | 1,873,144 |
| Depreciation rate % per annum | | | 5-10 | 5 | 10-15 | 10-33 | 20 | 10-20 | 30-33 | |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 | 2024 |
|---------------|---|----------------------|---------|
| | | (Rupees in thousand) | |
| 18.1.1 | The depreciation charge for the year has been allocated as follows: | | |
| | Cost of sales | 140,626 | 146,122 |
| | Distribution and marketing expenses | 11,473 | 16,026 |
| | Administrative expenses | 98,816 | 95,831 |
| | | 250,915 | 257,979 |

18.1.2 The freehold land and building on owned land of the Group are as follows:

- 202,343 square meters of factory land situated at Sheikhpura Road, Sheikhpura – MTL;
- 759 square meters of land at Khera Gali District Abbottabad – MTL;
- 697 square meters of land in sector F-6/1 Islamabad – MTL;
- Corporate office floors in Tricon Corporate Centre Lahore – MTL;
- 100.9 Kanals of factory land and head office, situated at Mauza Bhoptian, Tehsil and District Lahore – MTL;
- 52 Kanals and 10 Marlas is located at 49-K.M., off Multan Road, Bhai Pheru, District Kasur – MIPL; and
- 22.93 acres of factory land situated at Main RCD Highway, Hub Chowki, Tehsil Hub, District Lasbella, Baluchistan BCL

18.1.3 Leasehold property represents Igloo Hanger Godown measuring total area of 6,662 square meters situated near Brooke Bond factory SITE area, Karachi.

18.1.4 Disposal of operating fixed assets

| Particulars of asset | Sold to | Mode of disposal | Cost | Book value | Sale proceeds | Gain on disposal |
|----------------------|---------|------------------|------|------------|---------------|------------------|
|----------------------|---------|------------------|------|------------|---------------|------------------|

(Rupees in thousand)

Fixed assets sold having book value greater than Rs. 500,000

| Employees : | | | | | | |
|-------------|------------------------|--------------------|--------|--------|--------|---|
| Vehicle | Mr. Abdul Rehman Arif | Company car scheme | 4,349 | 2,950 | 2,950 | - |
| Vehicle | Mr. Azhar Noor | Company car scheme | 14,100 | 11,625 | 11,625 | - |
| Vehicle | Mr. Qamar Mahmood | Company car scheme | 7,196 | 4,478 | 4,478 | - |
| Vehicle | Mr. Waqar Abid Shah | Company car scheme | 4,479 | 4,255 | 4,255 | - |
| Vehicle | Ms. Zunaira Qamar | Company car scheme | 3,718 | 3,007 | 3,007 | - |
| Vehicle | Mr. Ahsan Imran Sheikh | Company car scheme | 6,750 | 2,595 | 2,595 | - |
| Vehicle | Mr. Azhar Noor | Company car scheme | 4,006 | 2,442 | 2,442 | - |
| Vehicle | Mr. Sheraz Zulfiqar | Company car scheme | 2,612 | 2,316 | 2,316 | - |
| Vehicle | Mr. Sohail Ahmed Nisar | Company car scheme | 4,006 | 2,137 | 2,137 | - |
| Vehicle | Mr. Usman Yaseen | Company car scheme | 2,612 | 2,077 | 2,077 | - |
| Vehicle | Mr. Asghar Ali | Company car scheme | 2,487 | 1,826 | 1,826 | - |
| | | C/F | 56,315 | 39,708 | 39,708 | - |

| Particulars of asset | Sold to | Mode of disposal | Cost | Book value | Sale proceeds | Gain on disposal |
|--|----------------------------|--------------------|---------|------------|---------------|------------------|
| (Rupees in thousand) | | | | | | |
| | | B/F | 56,315 | 39,708 | 39,708 | - |
| Vehicle | Mr. Farhat Nadeem | Company car scheme | 2,487 | 1,671 | 1,671 | - |
| Vehicle | Mr. Imran Ayub | Company car scheme | 2,754 | 1,556 | 1,556 | - |
| Vehicle | Syed Shoaib Hasany | Company car scheme | 2,583 | 1,465 | 1,465 | - |
| Vehicle | Syed Shoaib Hasany | Company car scheme | 2,703 | 1,338 | 1,338 | - |
| Vehicle | Mr. Imran Ahmad | Company car scheme | 2,803 | 1,294 | 1,294 | - |
| Vehicle | Ms. Ayesha Rasheed Mughal | Company car scheme | 1,976 | 1,210 | 1,210 | - |
| Vehicle | Mr. Muhammad Irfan Daha | Company car scheme | 2,443 | 1,174 | 1,174 | - |
| Vehicle | Mr. Rao Sajjad Jan | Company car scheme | 2,030 | 1,151 | 1,151 | - |
| Vehicle | Mr. Raafay Zaman Durrani | Company car scheme | 2,803 | 1,141 | 1,141 | - |
| Vehicle | Mr. Raafay Zaman Durrani | Company car scheme | 2,543 | 1,035 | 1,035 | - |
| Vehicle | Mr. Imran Ahmad | Company car scheme | 2,498 | 1,016 | 1,016 | - |
| Vehicle | Syed Alley Ali Zaidi | Company car scheme | 2,498 | 997 | 997 | - |
| Vehicle | Mr. Qamar Mahmood Ch. | Company car scheme | 2,498 | 959 | 959 | - |
| Vehicle | Mr. Khalid Saeed Akbar | Company car scheme | 2,498 | 905 | 905 | - |
| Vehicle | Mr. Ahsan Imran Sheikh | Company car scheme | 2,853 | 730 | 730 | - |
| Vehicle | Mr. Safdar Ali | Company car scheme | 1,780 | 725 | 725 | - |
| Vehicle | Mr. Rohan | Company car scheme | 1,780 | 723 | 723 | - |
| Vehicle | Mr. Athar Rasul | Company car scheme | 1,780 | 711 | 711 | - |
| Vehicle | Mr. Hafiz Fahim Afzaal | Company car scheme | 1,780 | 711 | 711 | - |
| Vehicle | Mr. Muhammad Afzal Nasir | Company car scheme | 1,780 | 671 | 671 | - |
| Vehicle | Mr. Muhammad Usman | Company car scheme | 1,433 | 637 | 637 | - |
| Vehicle | Mr. Sohail Ahmed Nisar | Company car scheme | 2,362 | 622 | 622 | - |
| Vehicle | Mian Atique Ahmed | Company car scheme | 1,433 | 616 | 616 | - |
| Vehicle | Mr. Syed Alley Ali Zaidi | Company car scheme | 2,147 | 565 | 565 | - |
| Vehicle | Mr. Tariq Ch. | Company car scheme | 2,076 | 551 | 551 | - |
| Vehicle | Mr. Mirza Jafar | Company car scheme | 2,076 | 550 | 550 | - |
| Vehicle | Mr. Sajjad Hussain | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Hafiz Nabeel Ahmed | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Waqas ur Rehman | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Muzzamil Dogar | Company car scheme | 1,745 | 537 | 537 | - |
| Vehicle | Mr. Muhammad Faheem Sattar | Company car scheme | 1,745 | 526 | 526 | - |
| Vehicle | Mr. Asif Javed | Company car scheme | 1,745 | 526 | 526 | - |
| Vehicle | Mr. Mukhtar Bhatti | Company car scheme | 1,967 | 518 | 518 | - |
| Vehicle | Ms. Qamar Sultana | Company car scheme | 1,924 | 508 | 508 | - |
| Fixed assets sold having book value less than Rs. 500,000 | | | 41,427 | 11,360 | 11,627 | 267 |
| Year ended: June 30, 2025 | | | 170,500 | 80,018 | 80,285 | 267 |
| Year ended: June 30, 2024 | | | 94,465 | 44,162 | 45,620 | 1,458 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 | 2024 |
|---|--------|----------------------|----------|
| | | (Rupees in thousand) | |
| 18.2 Capital work in progress | | | |
| Plant and machinery | | 113,346 | 87,220 |
| Factory building | | - | 859 |
| | 18.2.1 | 113,346 | 88,079 |
| 18.2.1 Movement in capital work in progress is as follows: | | | |
| Opening balance | | 88,079 | 27,178 |
| Additions during the year | | 284,971 | 101,547 |
| Capitalized during the year | | (259,704) | (40,646) |
| | | 113,346 | 88,079 |
| 19 Right-of-use assets | | | |
| Opening net book value | | 6,730 | 12,857 |
| Derecognition during the year | | - | - |
| Depreciation charged during the year | 36 | (5,286) | (6,127) |
| Closing net book value | | 1,444 | 6,730 |
| 20 Intangible assets | | | |
| Software and licenses | 20.1 | 15,720 | 24,550 |

20.1 Software and licenses

| | Note | Software with definite life | Licenses | Total |
|---|---------|-----------------------------|----------|----------|
| | | (Rupees in thousand) | | |
| Net carrying value basis: | | | | |
| Opening net book value as at June 30, 2024 | | - | 23,580 | 23,580 |
| Additions | | - | - | - |
| Amortization charge | 35 & 37 | - | (7,860) | (7,860) |
| As at June 30, 2025 | | - | 15,720 | 15,720 |
| Gross carrying value basis: | | | | |
| As on June 30, 2025 | | | | |
| Cost | | 14,610 | 39,300 | 53,910 |
| Additions | | - | - | - |
| Accumulated amortization | | (14,610) | (23,580) | (38,190) |
| | | - | 15,720 | 15,720 |

| | Note | Software with definite life | Licenses | Total |
|----------------------------------|---------|--------------------------------|---------------|---------------|
| (Rupees in thousand) | | | | |
| Net carrying value basis: | | | | |
| Opening net book value as | | | | |
| at June 30, 2023 | | 4,705 | 31,440 | 36,145 |
| Amortization charge | 35 & 37 | (3,735) | (7,860) | (11,595) |
| As at June 30, 2024 | | <u>970</u> | <u>23,580</u> | <u>24,550</u> |
| Gross carrying value basis: | | | | |
| As on June 30, 2024 | | | | |
| Cost | | 33,857 | 39,300 | 73,157 |
| Accumulated amortization | | (32,887) | (15,720) | (48,607) |
| | | <u>970</u> | <u>23,580</u> | <u>24,550</u> |
| Rate of amortization | | 33% | 20% | |

| | Note | 2025 | 2024 |
|---------------------------------------|-------------|---------------|----------------|
| (Rupees in thousand) | | | |
| 21 Investment property | | | |
| Land | | 41,597 | 297,305 |
| Provision for impairment | 21.6 | (2,736) | (2,736) |
| | | <u>38,861</u> | <u>294,569</u> |
| 21.1 Land | | | |
| As at July 01 | 21.2 & 21.7 | 297,305 | 258,444 |
| Transfers from operating fixed assets | | - | 38,861 |
| Sale of investment property | | (255,708) | - |
| As at June 30 | | <u>41,597</u> | <u>297,305</u> |

21.2 The Group carried out the fair valuation of this property in June 2025 which was Rs. 1,957,500 thousand. These valuations were performed by an independent valuer, who has appropriate professional qualifications and recent experience in the location and category of the properties being valued. The valuation is based on the comparable market transactions that considers sales of similar properties that have been transacted in open market.

The Group asserts that the above mentioned amount fairly represents the fair value of the investment property as at June 30, 2025.

21.3 The valuation method used by the independent valuers were based on market approach method.

21.4 The level of hierarchy for fair value disclosed falls in level 2 i.e. inputs other than quoted prices included within level 1 that are observable for real estate properties either directly or indirectly.

21.5 Management of the Group believes that holding on to these properties for appreciation in their market value is the highest and best use of these investment properties.

21.6 This represents provision for impairment against land measuring 12 kanals and 14.5 marlas located at Raiwind Road, having gross value of Rs. 2,736 thousand (2024: Rs. 2,736 thousand) at the reporting date.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | 2024 |
|---|------|------------------------------|-----------|
| 22 Long term investments | | | |
| Investment in related parties – at FVOCI | | | |
| Unquoted | | | |
| Arabian Sea Country Club Limited | | | |
| 500,000 (2024: 500,000) fully paid ordinary shares of Rs. 10/- each | | 5,000 | 5,000 |
| Equity held 6.45% (2024: 6.45%) | | | |
| Loss on fair valuation of investment | | (5,000) | (5,000) |
| | | - | - |
| Hyundai Nishat Motors (Private) Limited | | | |
| 310,302,936 (2024: 310,302,936) fully paid ordinary shares of | | | |
| Rs. 10/- each | 22.1 | 3,103,029 | 3,103,029 |
| Equity held 15.86% (2024: 15.86%) | | | |
| Surplus on fair valuation of investment | | 2,547,586 | 2,721,356 |
| - note 22.1 & 49.1 (Level -3) | | | |
| | | 5,650,615 | 5,824,385 |
| Investment other than related parties – at FVOCI | | | |
| Quoted | | | |
| Baluchistan Wheels Limited | | | |
| 1,570,325 (2024: 1,570,325) fully paid ordinary shares of Rs. 10/- each | | 24,364 | 24,364 |
| Surplus on revaluation of investment - note 48.1 (Level -1) | | 198,873 | 179,778 |
| | | 223,237 | 204,142 |
| Unquoted | | | |
| TCC Management Services (Private) Limited | | | |
| 40,000 (2024: 40,000) fully paid ordinary shares of Rs. 10/- each - note 48.1 (Level-3) | 22.2 | 400 | 400 |
| | | 5,874,252 | 6,028,927 |

22.1 This represents investment in the ordinary shares of Hyundai Nishat Motor (Private) Limited ('HNMPL') that has set up a greenfield project for assembly and sales of Hyundai Motor Company passenger and commercial vehicles. Since HNMPL's ordinary shares are not listed, an independent valuer has estimated a fair value of Rs. 18.21 per ordinary share as at June 30, 2025 (2024: Rs. 18.77 per ordinary share) through a valuation technique based on discounted cash flow analysis of HNMPL. Hence, it has been classified under level 3 of fair value hierarchy as further explained in note 49.1 to these consolidated financial statements. The fair value loss of Rs. 173,770 thousand (2024: fair value gain of Rs. 279,272 thousand) is included in the fair value gain recognised during the year in other comprehensive income.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discount rate is determined using a Capital Asset Pricing model to calculate a post-tax rate that reflects current market assessments of the time value of money and the risk specific to HNMPL.
- Long term growth rate is estimated based on expected future performance of HNMPL and current market information for similar type of entities.

The significant assumptions used in this valuation technique are as follows:

- Discount rate of 17.01% per annum.
- Long term growth rate of 2% per annum for computation of terminal value; and
- Annual growth in costs are linked to inflation and currency devaluation both of 0.33% per annum respectively, and revenue are also linked to currency devaluation at 4% per annum.

Sensitivity analysis

Sensitivity analysis of the significant assumptions used in the valuation technique are as follows, with all other variables held constant as at June 30, 2025:

| Significant assumptions | Impact on fair value gain | |
|----------------------------|---------------------------|----------|
| | +1% | - 1% |
| | (Rupees in thousand) | |
| - Discount rate | (250,473) | 273,067 |
| - Long term growth rate | 112,841 | (99,297) |
| - Inflation rate per annum | (163,692) | 152,048 |
| - Interest rate | 63,623 | (60,664) |

22.2 The fair value of this investment approximates its cost.

| | Note | 2025 | 2024 |
|--|------|----------------------|-------|
| | | (Rupees in thousand) | |
| 23 Long term loans and advances | | | |
| Loan to employees: | | | |
| Company loan | 23.1 | 8,606 | 6,203 |
| Motor cycle loan | 23.2 | 1,724 | 2,859 |
| | 23.3 | 10,330 | 9,062 |
| Less: Current portion included in current assets | 28 | (452) | (918) |
| | | 9,878 | 8,144 |

23.1 These represent interest free loans to employees secured against their gratuity and provident fund balances. These loans are repayable in monthly installments over a period of twenty four months for executives and thirty six months for workers. They have not been carried at amortized cost since the impact of discounting is not material.

23.2 This represents interest free loans to employees for purchase of motor cycles secured by joint registration of motor cycles in the name of the Group and employees. These loans are repayable in monthly instalments over a period of sixty months. They have not been carried at amortized cost since the impact of discounting is not material.

23.3 The above loans were provided for personal use of the executives in accordance with approved Human Resource policy and employment terms.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

24 Long term deposits

These include Rs. 11,753 thousand (2024: Rs. 11,753 thousand) deposits placed with utility companies. These deposits are non-interest bearing.

| | Note | 2025 | 2024 |
|----------------------|--|---------|---------|
| (Rupees in thousand) | | | |
| 25 | Stores, spare parts and loose tools | | |
| | Stores, spare parts and loose tools | 863,521 | 863,480 |
| | Less: provision for obsolescence | (4,829) | (3,161) |
| | | 858,692 | 860,319 |

25.1 Most of the items of stores, spare parts and loose tools are of inter-changeable nature and can be consumed as stores or used as machine spares against capital expenditure. Accordingly, it is not practical to distinguish stores from spares until their actual usage.

| | Note | 2025 | 2024 |
|----------------------|---|------------|------------|
| (Rupees in thousand) | | | |
| 26 | Stock in trade | | |
| | Raw material | 11,043,588 | 13,074,274 |
| | Work in process | 672,433 | 914,502 |
| | Finished goods: | | |
| | Manufacturing | 1,274,994 | 1,380,539 |
| | Trading | 525,512 | 542,101 |
| | | 1,800,506 | 1,922,640 |
| | Provision for obsolete / slow-moving stock-in-trade | - | - |
| | | 13,516,527 | 15,911,416 |

26.1 This includes stock in transit amounting to Rs. 575,657 thousand (2024: Rs. 2,514,942 thousand).

26.2 Finished goods include inventories which have been written-down to net realisable value by Rs. 4,610 thousand (2024: Rs. 4,610 thousand).

26.3 The movement in provision for obsolete / slow-moving stock-in-trade during the year is as follows:

| | 2025 | 2024 |
|---|------|----------|
| (Rupees in thousand) | | |
| Opening balance | - | - |
| Charged during the year | - | 12,438 |
| Stock-in-trade scrapped against provision during the year | - | (12,438) |
| Closing balance | - | - |

26.4 Included in stocks are raw materials and components held with third parties amounting to Rs. 153,849 thousand (2024: Rs. 105,600 thousand).

26.5 Obsolete / slow-moving stock-in-trade written off during the year amounts to Nil (2024: Rs. 15,446 thousand).

| | Note | 2025 | 2024 |
|---|------|---------|---------|
| (Rupees in thousand) | | | |
| 27 Trade debts | | | |
| Trade debts from contracts with customers - considered good | 27.1 | 883,507 | 805,680 |

27.1 This includes amount of Rs. 14,120 thousand (2024: Rs. 44,094 thousand) due from related party Hyundai Nishat Motors (Private) Limited.

27.2 Aging analysis of the amounts due from related parties is as follows:

| | Not yet Due | Past Due less than 60 Days | Past Due less than 90 Days | Past Due less than 365 Days | Past Due Over 365 Days | Total |
|----------------------|-------------|----------------------------|----------------------------|-----------------------------|------------------------|--------|
| (Rupees in thousand) | | | | | | |
| 2025 | 13,595 | - | - | - | 525 | 14,120 |
| 2024 | 43,569 | - | - | - | 525 | 44,094 |

27.3 Age analysis of these trade debts is given in note 47.2 of these consolidated financial statements.

| | Note | 2025 | 2024 |
|---|------|---------|---------|
| (Rupees in thousand) | | | |
| 28 Loans and advances | | | |
| Current portion of long term loans to employees | 23 | 452 | 918 |
| Advances to employees - considered good | 28.1 | 19,892 | 10,777 |
| Advances to suppliers - considered good | 28.2 | 130,153 | 419,047 |
| | | 150,497 | 430,742 |
| Advances to suppliers - considered doubtful | | - | - |
| Less: Provision for doubtful advances | | - | - |
| | | - | - |
| Letter of credit opening charges | | 2,056 | 190 |
| | | 152,553 | 430,932 |

28.1 These represent interest free advances to employees for the purpose of the expenses, travel and salary as per Group's human resource policy. These advances have not been discounted at present value as the resultant impact is immaterial.

28.2 These represent interest free advances given to suppliers as per mutually agreed terms.

| | Note | 2025 | 2024 |
|---|------|---------|---------|
| (Rupees in thousand) | | | |
| 29 Trade deposits and short term prepayments | | | |
| Security deposits | 29.1 | 30,945 | 31,388 |
| Prepayments | | 144,195 | 114,891 |
| | | 175,140 | 146,279 |

29.1 These represents interest free security deposits made for tender placement.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 | 2024 |
|-----------|--|----------------------|-----------|
| | | (Rupees in thousand) | |
| 30 | Balances with statutory authorities | | |
| | Excise duties receivable | 15,566 | - |
| | Sales tax recoverable | 7,588,845 | 6,316,129 |
| | Less: provision for doubtful claims | - | - |
| | | 7,588,845 | 6,316,129 |
| | 30.1 | 7,604,411 | 6,316,129 |
| | The reconciliation of allowance for doubtful claims during the year is as follows: | | |
| | Opening balance | - | 34,147 |
| | Amounts written off | - | (34,147) |
| | Closing balance | - | - |

30.1 Included in this is a sales tax refund of Rs. 289,430 thousand, withheld by the Deputy Commissioner Inland Revenue, Lahore, regarding the reduced payment of sales tax on the sale of tractors by the holding company to its customers in the period June to November, 2016. The case is pending in the Lahore High Court against the decision of the ATIR for re-examination. The management and the legal advisor are confident that the outcome of the case will be in the Group's favor.

| | Note | 2025 | 2024 |
|-------------|---|----------------------|-----------|
| | | (Rupees in thousand) | |
| 31 | Other receivables | | |
| | Claims receivable from suppliers | 272,034 | 205,199 |
| | Interest accrued | 614 | 2,685 |
| | Workers' Profit Participation Fund - net | 21,922 | 43,128 |
| | | 294,570 | 251,012 |
| 31.1 | Workers' Profit Participation Fund - net | | |
| | Balance at start of year | 66,733 | 24,689 |
| | Mark-up on Workers' Profit Participation Fund | (1,236) | (141) |
| | Expense for the year | (433,074) | (997,870) |
| | | (367,577) | (973,322) |
| | Payments made during the year | 389,499 | 1,016,450 |
| | Balance receivable at end of year | 21,922 | 43,128 |
| 32 | Short term investments | | |
| | Term Deposit Receipt | 63,856 | 3,856 |

32.1 These deposits are made under conventional arrangements and carry mark-up at the rate of 9.8% to 11.15% (2024: 19.9%) per annum.

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

| | Note | 2025 | 2024 |
|----------------------|---------------------------------|-----------|-----------|
| (Rupees in thousand) | | | |
| 33 | Cash and bank balances | | |
| | Cash in hand | 2,111 | 4,049 |
| | Cheques in hand | 685,585 | 247,020 |
| | | 687,696 | 251,069 |
| | At banks: | | |
| | Current accounts – Conventional | 569,993 | 1,130,134 |
| | Deposit accounts – Conventional | 420,473 | 199,376 |
| | Deposit accounts – Islamic | 147,963 | 297,215 |
| | | 1,138,429 | 1,626,725 |
| | | 1,826,125 | 1,877,794 |

33.1 These deposits are made under conventional arrangements and carry mark-up ranging from 5.87% to 21% (2024: 10% to 21%) per annum.

| | Note | 2025 | 2024 |
|----------------------|--|-------------|-------------|
| (Rupees in thousand) | | | |
| 34 | Revenue from contracts with customers | | |
| | Disaggregation of revenue | | |
| | Timing of revenue recognition | | |
| | Local: | | |
| | Tractors | 50,942,864 | 85,134,969 |
| | Implements and tractor components | 111,856 | 2,294,565 |
| | Multi-application products | 434,199 | 485,513 |
| | Trading goods | 2,732,819 | 2,255,098 |
| | Batteries | 1,740,933 | 4,097,119 |
| | Castings | 322,302 | 662,514 |
| | IFS services | 15,377 | 54,638 |
| | | 56,300,350 | 94,984,416 |
| | Less: | | |
| | Trade discount | (535,076) | (876,896) |
| | Delayed delivery charges | (85) | (982) |
| | Sales tax and special excise duty | (7,102,948) | (3,360,035) |
| | Provincial Sales tax on services | (3,111) | (12,518) |
| | | (7,641,220) | (4,250,431) |
| | | 48,659,130 | 90,733,985 |
| | Export: | | |
| | Tractors | 5,184,424 | 5,114,778 |
| | Trading goods and tractor components | 97,049 | 159,305 |
| | Implements | 79,483 | 223 |
| | IFS services | 9,861 | 6,244 |
| | Batteries | 62,708 | 275,959 |
| | | 5,433,525 | 5,556,509 |
| | | 54,092,655 | 96,290,494 |
| | Less: Commission | (745,052) | (1,269,923) |
| | | 53,347,603 | 95,020,571 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

34.1 Revenues earned are from shariah compliant business segments.

34.2 Payments for sale of tractors are received in advance, whereas credit terms for other products extend between 45 to 60 days.

| | Note | 2025 (Rupees in thousand) | 2024 |
|--------------------------------|--------------------------------|------------------------------|--------------|
| 35 | Cost of sales | | |
| Components consumed | 35.1 | 32,753,959 | 63,956,332 |
| Salaries, wages and amenities | 35.2 | 1,167,815 | 1,264,745 |
| Contract services | | 1,184,847 | 1,462,457 |
| Fuel and power | | 594,187 | 1,000,002 |
| Oil and lubricants | | 41,518 | 266,034 |
| Communication | | 193 | 137 |
| Travelling and vehicle running | | 132,624 | 143,992 |
| Printing and stationery | | 13,264 | 12,579 |
| Insurance | | 90,513 | 73,823 |
| Repairs and maintenance | | 342,402 | 328,547 |
| Stores and spares consumed | | 409,149 | 660,044 |
| Packing material consumed | | - | 20,656 |
| Depreciation | 18.1.1 | 140,626 | 146,122 |
| Amortization | 20.1 | 2 | 2,435 |
| Other expenses | | 173,092 | 229,953 |
| | | 37,044,191 | 69,567,858 |
| Add: Opening work-in-process | | 914,502 | 751,583 |
| Less: Closing work-in-process | | (672,433) | (914,501) |
| | | 242,069 | (162,918) |
| Cost of goods manufactured | | 37,286,260 | 69,404,940 |
| Add: Opening finished goods | | 1,380,541 | 1,651,076 |
| Less: Closing finished goods | | (1,274,994) | (1,380,541) |
| | | 105,547 | 270,535 |
| | | 37,391,807 | 69,675,475 |
| Cost of sales - trading | 35.3 | 1,548,682 | 1,373,470 |
| | | 38,940,489 | 71,048,945 |
| 35.1 | Components consumed | | |
| | Opening stock | 13,074,274 | 8,823,628 |
| | Add: Purchased during the year | 30,723,273 | 68,206,978 |
| | | 43,797,547 | 77,030,606 |
| | Less: Closing stock | (11,043,588) | (13,074,274) |
| | | 32,753,959 | 63,956,332 |

| | Note | 2025 | 2024 |
|----------------------|---|------------------|------------------|
| (Rupees in thousand) | | | |
| 35.2 | It includes the following staff retirement benefits expense / (income): | | |
| | Defined benefit plan – pension | (13,964) | (16,208) |
| | Defined benefit plan – gratuity | 3,005 | 4,190 |
| | Defined contribution plan – gratuity | 2,723 | 2,541 |
| | Defined contribution plan – provident fund | 27,354 | 22,852 |
| | Provision for compensated absences | 31,468 | 29,015 |
| | | <u>50,586</u> | <u>42,390</u> |
| 35.3 | Cost of sales - trading | | |
| | Opening stock | 542,101 | 367,378 |
| | Purchases | 1,532,093 | 1,548,193 |
| | | <u>2,074,194</u> | <u>1,915,571</u> |
| | Closing stock | (525,512) | (542,101) |
| | | <u>1,548,682</u> | <u>1,373,470</u> |
| 36 | Distribution and marketing expenses | | |
| | Salaries and amenities | 36.1 | 310,561 |
| | Contract services | | 120,313 |
| | Fuel and power | | 12,045 |
| | Communication | | 1,995 |
| | Travelling and vehicle running | | 77,648 |
| | Carriage and freight | | 80,993 |
| | Printing and stationery | | 13,871 |
| | Insurance | | 171,019 |
| | Trademark fee | 36.2 | 587,891 |
| | Advertisement and sales promotion | | 65,852 |
| | Depreciation | 18.1.1 | 11,473 |
| | Depreciation charge for the right-of-use assets | 19 | 5,286 |
| | Meeting/convention fee | | 39,146 |
| | After sales support | | 86,117 |
| | Other expenses | | 159,190 |
| | | | <u>1,743,400</u> |
| | | | <u>2,090,918</u> |
| 36.1 | It includes the following staff retirement benefits expense / (income): | | |
| | Defined benefit plan – pension | (3,063) | (3,041) |
| | Defined benefit plan – gratuity | 39 | 130 |
| | Defined contribution plan – gratuity | 3,253 | 4,290 |
| | Defined contribution plan – provident fund | 8,603 | 8,058 |
| | Provision for compensated absences | 12,157 | 17,139 |
| | | <u>20,989</u> | <u>26,576</u> |

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36.2 Trademark fee is incurred under a trademark agreement between the Group and M/s Massey Ferguson Corp., having its registered office situated at 4205 River Green Parkway, Duluth, Georgia 30096, United States of America.

Under the trademark agreement, M/s Massey Ferguson grants exclusive rights to the Group for use of its brand name with certain terms and conditions.

| | Note | 2025 (Rupees in thousand) | 2024 |
|--|---|------------------------------|------------------|
| 37 | Administrative expenses | | |
| Salaries and amenities | 37.1 | 1,033,879 | 946,225 |
| Contract services | | 160,612 | 145,039 |
| Fuel and power | | 45,794 | 56,011 |
| Communication | | 13,780 | 9,229 |
| Travelling and vehicle running | | 166,187 | 123,630 |
| Insurance | | 31,526 | 27,973 |
| Repairs and maintenance | | 50,424 | 90,934 |
| Security | | 50,037 | 39,312 |
| Legal and professional | 37.2 | 93,491 | 116,156 |
| Depreciation | 18.1.1 | 98,817 | 95,831 |
| Amortization | 20.1 | 7,860 | 9,162 |
| Rent, rates and taxes | | 2,831 | 9,087 |
| Fee and subscription | | 10,079 | 19,023 |
| Entertainment | | 26,165 | 18,048 |
| Other expenses | | 193,807 | 176,424 |
| | | <u>1,985,289</u> | <u>1,882,084</u> |
| 37.1 | It includes the following staff retirement benefits expense / (income): | | |
| Defined benefit plan – pension | | (17,079) | (21,040) |
| Defined benefit plan – gratuity | | 2,390 | 130 |
| Defined contribution plan – gratuity | | 2,351 | 2,428 |
| Defined contribution plan – provident fund | | 21,127 | 22,613 |
| Provision for compensated absences | | 35,926 | 42,608 |
| | | <u>44,715</u> | <u>46,739</u> |
| 37.2 | Legal and professional expenses include following in respect of auditors' services: | | |
| Statutory audit | | 7,115 | 7,065 |
| Special audit | | 1,250 | 6,500 |
| Half year review | | 1,445 | 1,200 |
| Special reports and sundry certifications | | 900 | 600 |
| Sales tax | | 740 | 1,180 |
| Out of pocket expenses | | 661 | 1,137 |
| | | <u>12,111</u> | <u>17,682</u> |
| Non-Audit Services | | | |
| Valuation services | | - | 26,000 |
| Sales tax | | - | 1,300 |
| | | <u>-</u> | <u>27,300</u> |

| | Note | 2025 | 2024 |
|----------------------|---|----------------|------------------|
| (Rupees in thousand) | | | |
| 38 | Other operating expenses | | |
| | Workers' Profit Participation Fund | 433,074 | 997,870 |
| | Workers' Welfare Fund | 164,568 | 382,332 |
| | Exchange loss - net | 8,517 | - |
| | Donations | 3,378 | 6,110 |
| | Other expenses | 365,000 | - |
| | | <u>974,537</u> | <u>1,386,312</u> |
| 38.1 | The particulars of the donation exceeding Rs 1,000 thousand are as follows: | | |
| | Name of Donee | | |
| | Ghazi University | 2,977 | - |
| | Lahore Hospital Welfare Society | - | 2,500 |
| | Progressive Education Network | - | 1,000 |
| | Developments in Literacy | - | 1,000 |

38.2 The Group's Directors and / or their spouses have no interest in the donee(s) at the reporting dates.

| | Note | 2025 | 2024 |
|----------------------|---|----------------|----------------|
| (Rupees in thousand) | | | |
| 39 | Other income | | |
| | Income from financial assets | | |
| | Dividend income from Baluchistan Wheels Limited | 14,131 | 21,199 |
| | Dividend income from Hyundai Nishat Motor (Private) Limited | 62,061 | - |
| | Return on bank deposits | 109,970 | 223,561 |
| | Gain on sale of short term investments | 51,157 | 29,949 |
| | Dividend income from short term investments | - | 47,475 |
| | Interest charged on early payments and advances | 14,283 | 103,907 |
| | | <u>251,602</u> | <u>426,091</u> |
| | Income from assets other than financial assets | | |
| | Rental income | 43,569 | 40,675 |
| | Gain on sale of long-term investments net - at cost | 144,292 | - |
| | Scrap sales | 121,466 | 215,910 |
| | Exchange gain - net | - | 53,752 |
| | Gain on disposal of property, plant and equipment | 267 | 1,458 |
| | Laboratory testing | 575 | 421 |
| | Multiapp products service income | 792 | 1,618 |
| | Others | 50,032 | 28,631 |
| | | <u>360,993</u> | <u>342,465</u> |
| | | <u>612,595</u> | <u>768,556</u> |

39.1 Dividend income is earned from investments in non-shariah compliant companies.

39.2 This includes income received as tender money in case of auctions and late delivery charges from suppliers.

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| | Note | 2025 | 2024 |
|-----------|---|----------------------|------------------|
| | | (Rupees in thousand) | |
| 40 | Finance cost | | |
| | Mark-up on short term borrowings – secured | 2,024,987 | 1,059,042 |
| | Interest expense on long term financing – net | 174,229 | 303,678 |
| | Mark-up on Workers’ Profit Participation Fund | 1,236 | 1,287 |
| | Interest expense against lease liability | 1,290 | 1,976 |
| | Bank charges and commission | 9,774 | 15,823 |
| | | <u>2,211,516</u> | <u>1,381,806</u> |

40.1 This represents markup and profit paid under conventional and Islamic mode of financing arrangements respectively having mark up and profit rates ranging from KIBOR minus 3.45% to KIBOR plus 0.40% (2024: KIBOR plus 0.04% to KIBOR plus 0.40%) per annum.

40.2 This includes Rs.562,381 thousand (2024: Rs. 183,074 thousand) mark-up paid on Islamic mode of financing.

40.3 This represents finance cost against long term financing net of unwinding of Government grant income for the year recognised as per IAS-20 amounting to Rs. 3,995 thousand (2024: Rs. 3,932 thousand).

| | Note | 2025 | 2024 |
|-----------|------------------------------------|----------------------|------------------|
| | | (Rupees in thousand) | |
| 41 | Taxation | | |
| | For the year final taxes – levies: | | |
| | - Tax on exports | - | 52,629 |
| | - Tax on dividend | 24,175 | 11,614 |
| | | 41.3 | 24,175 |
| | | | 64,243 |
| | For the year income tax charge: | | |
| | - Current | 3,172,502 | 7,177,315 |
| | - Deferred | (40,556) | 88,141 |
| | | 3,131,946 | 7,265,456 |
| | Prior years income tax charge: | | |
| | - Current | (1,375,327) | 32,116 |
| | - Deferred | - | - |
| | | (1,375,327) | 32,116 |
| | | <u>1,780,794</u> | <u>7,361,815</u> |

| | 2025 % | 2024 % |
|--|-----------|-----------|
| 41.1 Numerical reconciliation between average effective tax rate and the applicable tax rate is as follows: | | |
| Applicable tax rate | 29.00 | 29.00 |
| - Effect of change in prior year | (16.05) | 0.47 |
| - Unutilized tax losses | - | - |
| - Income chargeable to tax at different rates | (2.24) | 0.81 |
| - Tax effect of super tax | 10.08 | 10.18 |
| - Effect on opening deferred taxes on reduction of rate | - | (0.02) |
| - Others | 1.18 | 0.46 |
| | (7.03) | 11.90 |
| Average effective tax rate | 21.97 | 40.90 |

41.2 The group of companies do not opt for the group taxation and are taxed and assessed individually therefore assessment of sufficiency of provision of taxation is carried out in each individual company.

The current tax expense has been computed using the tax rate enacted for the tax year 2024, which includes an additional Super Tax.

41.3 This represents final taxes paid under section 5, section 8 and section 154 of Income Tax Ordinance, 2001 (ITO 2001), representing levy in terms of requirements of IAS 37/ IFRIC 21.

Reconciliation between current tax and levy

Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in profit and loss accounts is as follows:

| | 2025 (Rupees in thousand) | 2024 |
|--|------------------------------|-------------|
| Current tax liability for the period as per applicable laws | 1,821,350 | 7,273,674 |
| Less: | | |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12 | (1,797,175) | (7,209,431) |
| Portion of current tax computed as per current tax laws representing levy in terms of requirements of IAS 37/ IFRIC 21 | (24,175) | (64,243) |
| | - | - |

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42 Transactions with related parties

Related parties comprise of associated entities, entities under common control, entities with common directors, major shareholders, post employment benefit plans and key management personnel, inclusive of directors, and their close family members. Amounts due from and to related parties are shown under receivables and payables. Amount of assets sold to related parties during the year are shown in Note 18.1.4. Amounts due from directors and key management personnel are shown under receivables and remuneration of directors and key management personnel is disclosed in Note 43. Other significant transactions with related parties are as follows:

| Relation with undertaking | Nature of transaction | 2025 (Rupees in thousand) | 2024 |
|--|---|------------------------------|---------|
| Associates | Sale of services | 13,256 | 38,219 |
| | Purchase of components | 6,094 | - |
| | Purchase of fixed assets | 9,126 | 23,825 |
| | Dividend income | 62,061 | - |
| Employees' defined benefit plan | Contribution to staff retirement benefit plan | 8,340 | 9,639 |
| Defined contribution plan | Contribution to defined contribution plan | 8,469 | 9,584 |
| Executives' gratuity fund | Benefits paid on behalf of the fund | 4,352 | 13,836 |
| Provident fund | Amount contributed | 59,231 | 55,894 |
| Directors and key management personnel | Remuneration and benefits paid | 137,439 | 596,717 |
| | Sale of assets at net book value | 526 | 10,693 |

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

42.2 Transactions with related parties are carried out on mutually agreed terms and conditions.

42.3 The names of related parties with whom the Group has entered into transactions or had agreements / arrangements in place during the year, are as follows:

| Name of the related party | Percentage of shareholding % |
|---|---------------------------------|
| - Arabian Sea Country Club Limited | 6.45 |
| - Hyundai Nishat Motors (Private) Limited | 15.86 |

43 Remuneration of Chief Executive Officers, Directors and Executives

The aggregate amounts charged in the accounts for the year for remuneration including certain benefits to the Chief Executive Officers, Directors and Executives of the Group are as follows:

| | Chief Executive Officers | | Directors | | | | Executives | |
|---|--------------------------|---------|-------------------------|---------------------|-------------------------|---------------------|------------|---------|
| | 2025 | 2024 | 2025 | | 2024 | | 2025 | 2024 |
| | | | Non Executive Directors | Executive Directors | Non Executive Directors | Executive Directors | | |
| Number of persons | 3 | 4 | 11 | 3 | 6 | 8 | 164 | 133 |
| | (Rupees in thousand) | | | | | | | |
| Managerial remuneration | 46,714 | 68,467 | 9,890 | 23,031 | 2,161 | 81,289 | 419,363 | 361,768 |
| Cost of living allowance | - | - | 9,890 | 23,031 | 2,161 | 1,751 | 54,879 | 37,780 |
| Bonus | 15,053 | 29,743 | 21,501 | 38,628 | 19,451 | 43,063 | 201,198 | 211,557 |
| House rent | 15,233 | 13,607 | 4,451 | 10,364 | 972 | 788 | 165,644 | 94,278 |
| Contribution to provident fund and gratuity funds | 3,387 | 3,953 | - | 2,190 | - | - | 44,759 | 36,084 |
| Pension contribution | - | - | - | - | - | - | 5,979 | 6,423 |
| Medical expenses | 1,486 | 11,441 | 1,930 | 2,993 | 2,802 | 3,102 | 34,203 | 16,640 |
| Utilities | 4,593 | 5,724 | 1,484 | 2,622 | 3,195 | 3,880 | 31,151 | 40,430 |
| Other reimbursable expenses | 5,379 | 8,098 | 1,186 | 2,284 | 2,167 | 1,955 | 16,783 | 33,292 |
| Meeting fees | - | - | 16,300 | - | 6,825 | - | - | - |
| Travelling expenses | - | - | 347 | - | 641 | - | - | - |
| | 91,845 | 141,033 | 66,979 | 105,143 | 40,375 | 135,828 | 973,959 | 838,252 |

43.1 The Group also provides the Chief Executive Officer(s), Director(s) and certain employees with free use of company maintained cars and residential utilities.

43.2 Executive means an employee of the Group whose basic salary exceeds Rs. 1,200 thousand (2024: Rs. 1,200 thousand) during the year.

44 Earnings per share – basic and diluted

44.1 Combined basic earnings per share

Earnings per share are calculated by dividing the net profit for the year by weighted average number of shares outstanding during the year as follows:

| | 2025 | 2024 |
|--|--------------------------------|------------|
| | (Rupees in thousand) | |
| Profit for the year after tax | 6,324,173 | 10,637,247 |
| | (Number of shares in thousand) | |
| | 2025 | 2024 |
| Weighted average number of ordinary shares outstanding during the year | 199,516 | 195,657 |
| | (Rupees) | |
| | 2025 | 2024 |
| Earnings per share | 31.70 | 54.37 |

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44.2 Combined diluted earnings per share

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

| | Note | 2025 | 2024 |
|---|--------|----------------------|-------------------|
| | | (Rupees in thousand) | |
| 45 Cash generated from operations | | | |
| Profit before taxation | | 8,080,792 | 17,934,819 |
| Adjustment for: | | | |
| Depreciation on property, plant and equipment | 18.1.1 | 250,916 | 257,979 |
| Depreciation charge for the right-of-use assets | 19 | 5,286 | 6,127 |
| Adjustments pertaining to property, plant and equipment | 18.1 | 2,132 | 4,497 |
| Amortization of intangible assets | 20.1 | 7,860 | 11,595 |
| Provision for accumulating compensated absences | | 79,551 | 88,762 |
| Provision for slow moving stores and spares | 25 | 1,668 | 348 |
| Obsolete stock-in-trade written off | 26 | - | 12,438 |
| Balances with statutory authorities written off | 30 | - | 34,147 |
| Profit on bank deposits | 39 | (109,970) | (223,561) |
| Dividend income | 39 | (14,131) | (21,199) |
| Charged to employees' defined benefit plan | | (34,106) | (40,289) |
| Provision for gratuity | | 8,327 | 9,259 |
| Property, plant and equipment written off | 18.1 | - | - |
| Exchange gain - net | 38 | - | (53,752) |
| Dividend income from short term investments | 39 | - | (47,475) |
| Gain on disposal of property, plant and equipment | 39 | (267) | (1,458) |
| Gain on sale of long-term investments - at Cost | | (144,292) | - |
| Gain on sale of short term investments | 39 | (51,157) | (29,949) |
| Finance cost | 40 | 2,200,452 | 1,364,007 |
| Finance cost on lease liability | 40 | 1,290 | 1,976 |
| Amortization of deferred grant | 8 | (3,995) | (3,932) |
| Unwinding of long-term loan | 7 | 6,156 | 4,414 |
| Provision for Workers' Profit Participation Fund | 38 | 434,310 | 998,011 |
| Provision for Workers' Welfare Fund | 38 | 164,568 | 382,332 |
| Final tax - levy | 41 | 24,175 | 64,243 |
| Working capital changes | 45.1 | (434,092) | (2,634,989) |
| | | <u>10,475,473</u> | <u>18,118,350</u> |

| | | 2025 | 2024 |
|-------------|---|----------------------|-------------|
| | | (Rupees in thousand) | |
| 45.1 | Working capital changes | | |
| | (Increase) / decrease in current assets: | | |
| | Stores and spares | (41) | (176,207) |
| | Stock in trade | 2,394,889 | (4,330,188) |
| | Trade debts | (77,827) | (154,475) |
| | Loans and advances | 278,379 | (233,589) |
| | Trade deposits and short term prepayments | (28,861) | 158,866 |
| | Balances with statutory authorities | (1,288,282) | (246,044) |
| | Other receivables | (66,835) | (137,597) |
| | | 1,211,422 | (5,119,234) |
| | Increase/ (decrease) in current liabilities: | | |
| | Trade and other payables | (2,612,278) | 4,239,469 |
| | Contract liabilities | 966,764 | (1,755,224) |
| | | (434,092) | (2,634,989) |

| | | Note | 2025 | 2024 |
|-----------|---|------|----------------------|-------------|
| | | | (Rupees in thousand) | |
| 46 | Cash and cash equivalents | | | |
| | Cash and bank balances | 33 | 1,826,125 | 1,877,794 |
| | Portion of short term borrowings classified as cash and cash equivalents | | (14,116,369) | (8,005,977) |
| | | | (12,290,244) | (6,128,183) |

47 Financial risk management

Financial instruments comprise loans and advances, trade deposits, trade debts, other receivables, short term investments, cash and bank balances, short term borrowings, long term deposits, interest / mark-up accrued, borrowings, lease liabilities and trade and other payables.

The Group has exposure to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Board of Directors ('the Board') of the holding company as well as its subsidiaries. Finance departments evaluate and hedge financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

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The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows:

47.1 Market risk

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

Monetary items, including financial assets and financial liabilities, denominated in currency other than functional currency of the Group are periodically restated to Pak Rupee equivalent and the associated gain or loss is taken to the profit or loss. Currently, the Group's foreign exchange risk exposure is restricted to the amounts receivable from / payable to the foreign entities. The Group's exposure to currency risk is as follows:

| | Changes in rate | Effects on profit before tax | Effects on profit before tax |
|---|-----------------|------------------------------|------------------------------|
| | | 2025 | 2024 |
| (Rupees in thousand) | | | |
| Receivables/ (Trade and other payables) - GBP | +15 | (11,820) | (34,900) |
| | -15 | 11,820 | 34,900 |
| Receivables/ (Trade and other payables) - USD | +15 | (9,728) | (23,552) |
| | -15 | 9,728 | 23,552 |
| Receivables/ (Trade and other payables) - EUR | +15 | - | (11,628) |
| | -15 | - | 11,628 |
| Receivables/ (Trade and other payables) - CNY | +15 | - | (253,710) |
| | -15 | - | 253,710 |
| Receivables/ (Trade and other payables) - JPY | +15 | - | (107,970) |
| | -15 | - | 107,970 |
| | | 2025 | 2024 |
| (Rupees in thousand) | | | |
| Reporting date rate per: | | | |
| GBP to PKR | | 389.65 | 351.85 |
| USD to PKR | | 284.10 | 278.80 |
| EUR to PKR | | 332.83 | 298.41 |
| CNY to PKR | | 39.66 | 38.53 |
| JPY to PKR | | 1.97 | 1.73 |

(b) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers. The long-term equity instrument held by the Group does not trade on a regular basis on the stock exchange and historically, it does not have a direct correlation with the equity index of the Pakistan Stock Exchange (PSX). Therefore, it is not possible to measure the impact of increase / decrease in the PSX Index on the Group's profit after taxation for the year and on equity (fair value reserve).

Price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group is exposed to equity securities price risk because of investments held by the Group and classified as fair value through other comprehensive income. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board. The primary goal of the Group's investment strategy is to maximise investment returns.

The Group's certain investments in equity instruments are publicly traded on the Pakistan Stock Exchange Limited.

The table below summarises the impact of increases/decreases of the KSE-100 index on the Group's equity. The analysis is based on the assumption that the KSE-100 index had increased/decreased by 10% with all other variables held constant and all the Group's equity investments moved according to the historical correlation with the index:

| | Impact on other components of equity | |
|---------------------------------|---|-------------|
| | 2025 | 2024 |
| | (Rupees in thousand) | |
| Pakistan Stock Exchange Limited | (22,324) | (20,414) |

As at June 30, 2025, the Group had no investments classified as at fair value through profit or loss, hence there is no impact on the profit for the year.

Short-term investments pertain to investment in mutual funds. These investment are carefully managed and observed on the basis of duly approved policy by Board of Directors. The underlying composition of these mutual funds does not involve equity instruments therefore it does not have any co-relation with stock market. Hence, the Group is not exposed to other price risk in this avenue as well.

(c) Cash flow and fair value interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group has no significant long-term interest-bearing instruments. The Group's interest rate risk arises from lease liabilities, short term and long term borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. The Group mitigates its risk against the exposure by focusing on short-term investment and maintaining adequate bank balances.

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The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

| | Note | 2025 (Rupees in thousand) | 2024 |
|------------------------------------|------|------------------------------|--------------------|
| Fixed rate instruments | | | |
| Financial assets | | | |
| Investment in Term Deposit Receipt | 32 | 63,856 | 3,856 |
| Financial liabilities | | | |
| Lease liabilities | 9 | (3,548) | (8,184) |
| Long term financing | 7 | (951,736) | (1,438,764) |
| Net exposure | | (891,428) | (1,443,092) |
| Floating rate instruments | | | |
| Financial assets | | | |
| Bank balances - deposit accounts | 33 | 147,963 | 496,591 |
| Financial liabilities | | | |
| Short term borrowings | 15 | (14,116,369) | (8,189,336) |
| Net exposure | | (13,968,406) | (7,692,745) |

Fair value sensitivity analysis for fixed rate instruments

The Group 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 reporting date would not affect profit or loss of the Group.

Cash flow sensitivity analysis for variable rate instruments

The following analysis demonstrates the sensitivity to a change in interest rates, with all other variables held constant, of the Group's profit before tax. This analysis is prepared assuming the amounts of floating rate instruments outstanding at reporting dates were outstanding for the whole year.

| | | Changes in interest rate | Effects on profit before tax |
|----------------------------------|------|--------------------------------|------------------------------------|
| (Rupees in thousand) | | | |
| Bank balances – deposit accounts | 2025 | +5 | 7,398 |
| | | -5 | (7,398) |
| | 2024 | +5 | 24,830 |
| | | -5 | (24,830) |
| Short term borrowings | 2025 | +5 | (705,818) |
| | | -5 | 705,818 |
| | 2024 | +5 | (409,467) |
| | | -5 | 409,467 |

47.2 Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk of the Group arises from deposits with banks and other financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

| | Note | 2025 | 2024 |
|-----------------------------------|------|------------------|------------------|
| (Rupees in thousand) | | | |
| Trade debts | 27 | 883,507 | 805,680 |
| Long term investments | 22 | 5,874,252 | 6,028,927 |
| Trade deposits | 29 | 30,945 | 31,388 |
| Other receivables | 31 | 272,648 | 207,884 |
| Short term investments | 32 | 63,856 | 3,856 |
| Bank balances and cheques in hand | 33 | 1,824,014 | 1,873,745 |
| Long term deposits | 24 | 9,409 | 12,927 |
| | | <u>8,958,631</u> | <u>8,964,407</u> |

Notes to the Consolidated Financial Statements

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(b) Impairment of financial assets

The Group's financial assets, other than investments in equity instruments, are subject to the expected credit losses model.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade debts. For trade receivables, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management.

| | 2025 | 2024 |
|--|----------------------|---------|
| | (Rupees in thousand) | |
| The aging of trade receivables at the reporting date is: | | |
| Past due 1 - 3 Months | 653,795 | 596,203 |
| Past due 4 - 6 Months | 106,021 | 96,682 |
| Past due one year | 123,691 | 112,795 |
| | 883,507 | 805,680 |

Based on management's assessment of the expected credit loss, no material impairment is necessary in respect of trade receivables past due, as some receivables have been recovered subsequent to the year end and for other receivables and security deposits, there are reasonable grounds to believe that the amounts will be recovered in short course of time.

While bank balances, loans to employees, deposits and other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial and are therefore not exposed to any material credit risk.

(c) Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or to historical information about counterparty default rate.

The table below shows the bank balances held with some major counterparties at the reporting date:

| Balances with banks | Rating | | | 2025 | 2024 |
|--|------------|-----------|--------|----------------------|-----------|
| | Short term | Long term | Agency | (Rupees in thousand) | |
| Allied Bank Limited | A1+ | AAA | PACRA | 114,466 | 125,094 |
| Askari Bank Limited | A1+ | AA+ | PACRA | 20,997 | 12,884 |
| Bank Al Habib Limited | A1+ | AAA | PACRA | 312 | 1,485 |
| Bank Alfalah Limited | A1+ | AAA | PACRA | 24,667 | 87,835 |
| Dubai Islamic Bank | A-1+ | AA | VIS | 18 | 1,095 |
| Emirates NBD Bank | F1 | A+ | FITCH | - | 37,841 |
| Faysal Bank Limited | A1+ | AA | PACRA | 24,671 | 3,826 |
| Habib Bank Limited | A-1+ | AAA | VIS | 150,789 | 151,236 |
| Habib Metropolitan Bank Limited | A1+ | AA+ | PACRA | - | - |
| JS Bank Limited | A1+ | AA | PACRA | 4 | 4 |
| MCB Bank Limited | A1+ | AAA | PACRA | 599,929 | 691,943 |
| MCB Islamic Bank Limited | A1 | A+ | PACRA | 2,092 | 2,092 |
| Meezan Bank Limited | A-1+ | AAA | VIS | 167,535 | 374,514 |
| National Bank of Pakistan | A-1+ | AAA | VIS | 1,203 | 1,314 |
| Sindh Bank Limited | A-1+ | AA- | VIS | 2,431 | 2,951 |
| Standard Chartered Bank (Pakistan) Limited | A1+ | AAA | PACRA | 7,446 | 1,694 |
| Soneri Bank Limited | A1+ | AA- | PACRA | - | 5,876 |
| The Bank of Punjab | A1+ | AA+ | PACRA | 1,647 | 13,835 |
| United Bank Limited | A-1+ | AAA | VIS | 19,063 | 99,349 |
| Industrial and Commercial Bank of China Limited | F1+ | A | FITCH | 68 | 68 |
| Zarai Taraqjati Bank Limited | A-1+ | AAA | VIS | 1,091 | 8,809 |
| | | | | 1,138,429 | 1,623,745 |

| | Rating | | 2025 | 2024 |
|------------------------|-------------|--------|----------------------|-------|
| | Long term | Agency | (Rupees in thousand) | |
| Short term investments | | | | |
| Term Deposit Receipts | | | | |
| Bank Alfalah Limited | AA+ | | | |
| | (long term) | VIS | 3,856 | 3,856 |
| | | | 3,856 | 3,856 |

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For the year ended June 30, 2025

47.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Group's businesses, the finance departments maintains flexibility in funding by maintaining availability under committed credit lines.

The Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2025, the Group had short term borrowing facilities available from financial institutions as disclosed in note 15 and, cash and bank balances as disclosed in note 33 to these consolidated financial statements.

Management monitors the forecasts of the Group's cash and cash equivalents on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Group's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring consolidated statement of financial position liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

| | Carrying amount | On demand | Less than one year | More than one year |
|---|--------------------|-------------------|-----------------------|-----------------------|
| (Rupees in thousand) | | | | |
| June 30, 2025 | | | | |
| Trade and other payables | 6,373,238 | - | 6,373,238 | - |
| Long term finances - secured | 951,736 | - | 486,046 | 465,690 |
| Lease liabilities against right-of-use assets | 3,548 | - | 3,548 | - |
| Short term borrowings | 14,116,369 | 14,036,499 | 79,870 | - |
| Unclaimed dividend | 368,183 | - | 368,183 | - |
| Unpaid dividend | 79,163 | - | 79,163 | - |
| Long term deposits | 17,977 | - | - | 17,977 |
| | 21,910,214 | 14,036,499 | 7,390,048 | 483,667 |
| June 30, 2024 | | | | |
| Trade and other payables | 9,003,810 | - | 9,003,810 | - |
| Long term finances - secured | 1,438,764 | - | 479,113 | 959,651 |
| Lease liabilities against right-of-use assets | 8,184 | - | 5,850 | 2,334 |
| Short term borrowings | 8,189,336 | 7,909,951 | 279,385 | - |
| Unclaimed dividend | 350,269 | - | 350,269 | - |
| Unpaid dividend | 90,452 | - | 90,452 | - |
| Long term deposits | 17,493 | - | - | 17,493 |
| | 19,098,308 | 7,909,951 | 10,208,879 | 979,478 |

(a) Reconciliation of movements in liabilities to cash flows arising from financing activities

| | Long term Financing | Short term Financing | Dividends paid - Equity Holders & NCI | Lease liabilities | Total |
|--|------------------------|-------------------------|---|----------------------|-------------|
| (Rupees in thousand) | | | | | |
| Balance at July 01, 2024 | 1,438,764 | 279,385 | 440,721 | 8,184 | 2,167,054 |
| Changes in liabilities | | | | | |
| Dividend announced during the year | - | - | 9,004,103 | - | 9,004,103 |
| Finance cost | 6,156 | - | - | 1,290 | 7,446 |
| Total liability related changes | 6,156 | - | 9,004,103 | 1,290 | 9,011,549 |
| Changes from financing cash flows | | | | | |
| Payments made against lease liabilities | - | - | - | (5,926) | (5,926) |
| Long term financing (paid) / received - net | (493,183) | - | - | - | (493,183) |
| Short term financing repaid | - | (199,515) | - | - | (199,515) |
| Dividend paid during the year | - | - | (8,997,478) | - | (8,997,478) |
| Total changes from financing cash flows | (493,183) | (199,515) | (8,997,478) | (5,926) | (9,696,102) |
| Balance at June 30, 2025 | 951,737 | 79,870 | 447,346 | 3,548 | 1,482,501 |
| Balance at July 01, 2023 | 1,411,910 | 546,775 | 407,470 | 10,986 | 2,377,141 |
| Changes in liabilities | | | | | |
| Dividend announced during the year | - | - | 8,153,651 | - | 8,153,651 |
| Finance cost | 4,414 | - | - | 1,976 | 6,390 |
| Total liability related changes | 4,414 | - | 8,153,651 | 1,976 | 8,160,041 |
| Changes from financing cash flows | | | | | |
| Payments made against lease liabilities | - | - | - | (4,778) | (4,778) |
| Long term financing (paid) / received - net | 22,440 | - | - | - | 22,440 |
| Short term financing repaid | - | (214,780) | - | - | (214,780) |
| Dividend paid during the year | - | - | (8,120,400) | - | (8,120,400) |
| Total changes from financing cash flows | 22,440 | (214,780) | (8,120,400) | (4,778) | (8,317,518) |
| Balance at June 30, 2024 | 1,438,764 | 331,995 | 440,721 | 8,184 | 2,219,664 |

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

47.4 Financial instruments by categories

| | FVOCI | | At amortised cost | | TOTAL | |
|------------------------|----------------------|-----------|-------------------|-----------|-----------|-----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | (Rupees in thousand) | | | | | |
| Financial assets | | | | | | |
| Long term investments | 5,874,252 | 6,028,927 | - | - | 5,874,252 | 6,028,927 |
| Long term loans | - | - | 9,878 | 8,144 | 9,878 | 8,144 |
| Long term deposits | - | - | 9,409 | 12,927 | 9,409 | 12,927 |
| Loans to employees | - | - | 20,344 | 11,695 | 20,344 | 11,695 |
| Trade debts | - | - | 883,507 | 805,680 | 883,507 | 805,680 |
| Trade deposits | - | - | 30,945 | 31,388 | 30,945 | 31,388 |
| Other receivables | - | - | 272,648 | 207,884 | 272,648 | 207,884 |
| Short term investments | - | - | 63,856 | 3,856 | 63,856 | 3,856 |
| Cash and bank balances | - | - | 1,826,125 | 1,877,794 | 1,826,125 | 1,877,794 |
| | 5,874,252 | 6,028,927 | 3,116,712 | 2,959,368 | 8,990,964 | 8,988,295 |

| | 2025 | 2024 |
|-------------------|----------------------|-----------|
| | (Rupees in thousand) | |
| Comprised of: | | |
| Total current | 3,097,425 | 2,938,297 |
| Total non-current | 5,893,539 | 6,049,998 |
| | 8,990,964 | 8,988,295 |

| | At amortised cost | |
|---|----------------------|------------|
| | 2025 | 2024 |
| | (Rupees in thousand) | |
| Financial liabilities | | |
| Trade and other payables | 6,373,238 | 9,003,810 |
| Short term borrowings | 14,116,369 | 8,189,336 |
| Unclaimed dividend | 368,183 | 350,269 |
| Unpaid dividend | 79,163 | 90,452 |
| Long term finance | 951,736 | 1,438,764 |
| Lease liabilities against right-of-use assets | 3,548 | 16,377 |
| Long term deposits | 17,977 | 17,493 |
| | 21,910,214 | 19,106,501 |
| Comprised of: | | |
| Total current | 21,426,547 | 18,127,023 |
| Total non-current | 483,667 | 979,478 |
| | 21,910,214 | 19,106,501 |

48 Capital management

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

The Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as total borrowing (including related markup / interest) divided by total equity / capital employed.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Furthermore, if any loan covenants are breached, the Group may be restricted from declaring or paying dividends without obtaining prior approval from the lending bank.

| | 2025 | 2024 |
|---|----------------------|------------|
| | (Rupees in thousand) | |
| Total borrowings | 15,068,105 | 9,628,100 |
| less: Liquid investments and cash and bank balances | 1,826,125 | 1,877,794 |
| Net Debt | 16,894,230 | 11,505,894 |
| Total Equity | 9,278,488 | 12,219,201 |
| Gearing Ratio | 1.69 | 0.79 |

In accordance with the terms of agreements with the lenders of long term financing (as referred to in note 7 to these consolidated financial statements), the Group is required to comply with certain financial covenants.

At the minimum, the Group is required to comply with the following financial covenants:

- Current ratio shall not fall below 1.10 times
- Leverage shall not exceed 2.50 times
- Gearing ratio shall not exceed 2.50 times
- Interest cover ratio shall be at least 1.25 times
- Debt service coverage shall be least 1.25 times

The Group has complied with these covenants throughout the reporting period except for one covenants in respect of which the lender required the Group to maintain leverage ratio of at least 2.50 times failing which the Group does not have the right to defer its settlement. The Group's leverage ratio is 2.76 times, which does not meet the covenant requirement. However, subsequent to the year end the Group has obtained a waiver for these covenant breaches, effective for a period of twelve months from June 30, 2025 to June 30, 2026. Furthermore, the impact of reclassification on the financial statements is considered to be immaterial.

There are no indications that the Group would have difficulties complying with the covenants when they will be next tested.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares. Furthermore, if any loan covenants are breached, the Group may be restricted from declaring or paying dividends without obtaining prior approval from the lending bank.

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49 Fair values of financial assets and liabilities

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on arm's length basis.

The carrying values of other financial assets and financial liabilities reflected in consolidated financial statements approximate to their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

49.1 Fair value hierarchy

IFRS 13 "Fair Value Measurement" requires the Group to classify fair value measurement and fair value hierarchy that reflects the significance of the inputs used in making the measurement of fair value hierarchy, which has the following levels:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable.

Level 3: If one or more of the significant inputs is not based on observable market data. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying values of all financial and liabilities reflected in the financial statements approximate their fair values.

Transfer between levels of the fair value hierarchy are recognized at the end of the reporting period during which the changes have occurred, if any. The Group's policy is to recognize transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Changes between various levels of fair value hierarchy are analysed at the end of each reporting period during the annual valuation discussion between the Chief Financial Officer and the management of investee company. As part of this discussion, the investee company presents a report that explains the reason for the fair value movement, if any. There have been no transfers between various levels of the fair value hierarchy during the respective reporting periods.

As at June 30, 2025, the Group held the following financial instruments carried at fair value:

| | Note | Total 2025 | Level 1 | Level 2 | Level 3 |
|--|------|---------------|---------|---------|-----------|
| (Rupees in thousand) | | | | | |
| Recurring fair value measurements | | | | | |
| Financial assets measured - FVOCI | | | | | |
| Long term investments - Equity shares | 22 | 5,874,252 | 223,237 | - | 5,651,015 |

Date of valuation : June 30, 2025

There were no financial liabilities measured at fair value as at June 30, 2025.

As at June 30, 2024, the Group held the following financial instruments carried at fair value:

| | Note | Total 2024 | Level 1 | Level 2 | Level 3 |
|--|------|---------------|---------|---------|-----------|
| (Rupees in thousand) | | | | | |
| Recurring fair value measurements | | | | | |
| Financial assets measured - FVOCI | | | | | |
| Long term investments - Equity shares | 22 | 6,028,927 | 204,142 | - | 5,824,785 |

Date of valuation : June 30, 2024

There were no financial liabilities measured at fair value as at June 30, 2024.

Movement / reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Note | 2025 (Rupees in thousand) | 2024 |
|---|------|------------------------------|-----------|
| Opening balance | | 5,824,785 | 6,104,057 |
| Investment made during the year | | - | - |
| (Deficit) / surplus on fair valuation of investment | | (173,770) | (279,272) |
| | 22 | 5,651,015 | 5,824,785 |

50 Disclosure requirements for Group not engaged in Shariah non-permissible business activities

Following information has been disclosed as required under Part 1 Clause VII of the Fourth Schedule to the Companies Act, 2017 as amended via S.R.O.1278(I)/2024 dated August 15, 2024:

| | | 2025 (Rupees in thousand) | 2024 |
|--|-------------|------------------------------|------------|
| Description | | | |
| Unconsolidated statement of financial position | | | |
| Financing obtained as per Islamic mode | Shariah | 6,500,000 | 2,500,000 |
| Accrued finance cost on conventional loan | Shariah | 378,000 | 356,000 |
| Long-term and short-term Shariah compliant Investments | Shariah | 5,651,015 | 5,824,785 |
| Bank balances - Shariah compliant | Shariah | 147,963 | 297,215 |
| Unconsolidated statement of profit or loss | | | |
| Revenue earned from a shariah-compliant business segment | Shariah | 53,347,603 | 95,020,571 |
| Late payments or liquidated damages- charges | Non-Shariah | (85) | (982) |
| Source and detailed break up of other income | | | |
| Other income earned from shariah compliant: | | | |
| Rental Income | Shariah | 43,569 | 40,675 |
| Gain on disposal of operating fixed assets | Shariah | 267 | 1,458 |
| Sale of scrap | Shariah | 121,466 | 215,910 |
| Miscellaneous | Shariah | 50,032 | 28,631 |
| Dividend income | Shariah | 62,061 | - |
| Gain on disposal of investment property | Shariah | 144,292 | - |
| Other income earned from non - shariah compliant: | | | |
| Income on bank deposits | Non-Shariah | 109,970 | 223,561 |
| Gain on disposal of investments | Non-Shariah | 51,157 | 29,949 |
| Dividend income | Non-Shariah | 14,131 | 21,199 |

Relationship with shariah compliant banks

| Name | Relationship |
|----------------------------|--|
| Meezan Bank Limited | Funded / Non-funded facility & Bank Balances |
| Dubai Islamic Bank Limited | Funded / Non-funded facility & Bank Balances |
| Faysal Bank Limited | Funded / Non-funded facility & Bank Balances |

51 Provident fund trust

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

52 Operating segment information

Business segments

For management and reporting purposes, the Group has been organized into two separate reportable segments based on the products and services as follows:

- a) Tractors
- b) Castings

Other business activities of the Group have been presented under "others segment". Accordingly, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its operating segments separately for the purpose of performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Tractors | | Castings | | Others | | Inter-segment / group eliminations | | Total | |
|--|----------------------|--------------|-------------|-------------|-------------|-------------|------------------------------------|--------------|--------------|--------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| | (Rupees in thousand) | | | | | | | | | |
| Revenue from contracts with customers | 52,108,997 | 91,534,501 | 1,712,642 | 3,390,175 | 3,070,001 | 10,406,000 | (3,544,037) | (10,310,105) | 53,347,603 | 95,020,571 |
| Cost of sales | (38,241,906) | (70,100,211) | (1,555,890) | (2,809,936) | (2,818,245) | (8,346,395) | 3,675,552 | 10,207,597 | (38,940,489) | (71,048,945) |
| Gross profit | 13,867,091 | 21,434,290 | 156,752 | 580,239 | 251,756 | 2,059,605 | 131,515 | (102,508) | 14,407,114 | 23,971,626 |
| Distribution and marketing expenses | (1,631,382) | (1,902,420) | (52,977) | (83,448) | (59,039) | (105,050) | - | - | (1,743,400) | (2,090,918) |
| Administrative expenses | (1,664,087) | (1,396,462) | (80,570) | (106,848) | (240,633) | (386,356) | - | 7,582 | (1,985,289) | (1,882,084) |
| Other operating expenses | (974,537) | (1,259,968) | - | (24,153) | - | (102,191) | - | - | (974,537) | (1,386,312) |
| Other income | (4,270,006) | (4,558,850) | (133,547) | (214,449) | (299,672) | (593,597) | - | 7,582 | (4,703,226) | (5,359,314) |
| Operating profit | 639,394 | 1,142,311 | 11,111 | 19,219 | 8,276 | 87,761 | (46,186) | (480,735) | 612,595 | 768,556 |
| Finance cost | 10,236,479 | 18,017,751 | 34,316 | 385,009 | (39,640) | 1,563,769 | 85,329 | (575,661) | 10,316,483 | 19,380,868 |
| Profit before income taxes and final taxes | (2,172,644) | (1,189,847) | (34,871) | (65,606) | (4,002) | (126,353) | - | - | (2,211,516) | (1,381,806) |
| Lewy - Final taxes | 8,063,835 | 16,827,904 | (555) | 319,403 | (43,642) | 1,427,416 | 85,329 | (575,661) | 8,104,967 | 17,999,062 |
| Profit before income tax | (64,243) | (64,243) | - | - | - | - | - | - | (64,243) | (64,243) |
| Taxation | 7,999,592 | 16,763,661 | (555) | 319,403 | (43,642) | 1,427,416 | 85,329 | (575,661) | 8,040,724 | 17,934,819 |
| Profit after tax for the year | (1,626,664) | (6,538,786) | (18,591) | (200,736) | (19,496) | (517,157) | (51,800) | (40,893) | (1,716,551) | (7,297,572) |
| | 6,372,928 | 10,224,875 | (19,146) | 118,667 | (63,138) | 910,259 | 33,529 | (616,554) | 6,324,173 | 10,637,247 |

52.1 Inter-segment / group transactions have been eliminated for the purpose of consolidation.

52.2 Allocation of assets and liabilities

| | Tractors | | Castings | | Others | | Inter-segment/ group eliminations | | Total | |
|---|------------|------------|----------|---------|-----------|-----------|-----------------------------------|-----------|------------|------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Segment operating assets | | | | | | | | | | |
| Non-current assets | | | | | | | | | | |
| Property, plant and equipment | 1,786,075 | 1,624,366 | 142,688 | 159,519 | 171,189 | 188,787 | (11,449) | (11,449) | 2,088,503 | 1,961,223 |
| Right-of-use assets | 1,444 | 6,730 | - | - | - | - | - | - | 1,444 | 6,730 |
| Intangible assets | 15,720 | 23,580 | - | - | - | - | - | 970 | 15,720 | 24,550 |
| Goodwill | - | - | - | - | - | - | 18,572 | 18,572 | 18,572 | 18,572 |
| Investment property | 38,861 | 294,569 | - | - | - | - | - | - | 38,861 | 294,569 |
| Long term investments | 6,007,386 | 6,165,557 | 40,871 | 37,375 | - | - | (174,005) | (174,005) | 5,874,252 | 6,028,927 |
| Long term loans | 9,789 | 7,554 | 89 | 590 | - | - | - | - | 9,878 | 8,144 |
| Long term deposits | - | 3,518 | 4,748 | 4,748 | 4,661 | 4,661 | - | - | 9,409 | 12,927 |
| Deferred tax asset - net | - | - | 3,227 | 138 | - | - | (3,227) | (138) | - | - |
| Employees' defined benefit plan | 154,933 | 288,081 | 20,058 | 17,181 | - | - | - | - | 174,991 | 305,262 |
| Current assets | | | | | | | | | | |
| Stores, spare parts and loose tools | 696,330 | 681,778 | 124,752 | 145,301 | 37,610 | 33,240 | - | - | 858,692 | 860,319 |
| Stock in trade | 12,836,160 | 14,882,738 | 243,038 | 415,505 | 407,011 | 715,678 | 30,318 | (102,505) | 13,516,527 | 15,911,416 |
| Trade debts | 500,407 | 376,792 | 147,357 | 122,330 | 549,565 | 323,400 | (313,822) | (16,842) | 883,507 | 805,680 |
| Loans and advances | 134,216 | 417,086 | 3,320 | 9,963 | 15,015 | 7,652 | 2 | (3,769) | 152,553 | 430,932 |
| Trade deposits and short term prepayments | 159,968 | 124,140 | 4,550 | 1,127 | 10,622 | 21,012 | - | - | 175,140 | 146,279 |
| Balances with statutory authorities | 7,587,586 | 6,294,755 | 14,386 | 18,935 | 2,439 | 2,439 | - | - | 7,604,411 | 6,316,129 |
| Other receivables | 285,999 | 283,706 | 1,702 | 1,733 | 6,874 | 6,359 | (5) | (40,786) | 294,570 | 251,012 |
| Tax refunds due from the Government | 1,207,969 | - | 12,615 | 6,147 | 53,685 | 5,559 | - | - | 1,274,269 | 11,706 |
| Short term investments | - | - | 3,856 | 3,856 | 60,000 | - | - | - | 63,856 | 3,856 |
| Cash and bank balances | 1,565,748 | 1,398,479 | 29,520 | 43,496 | 230,857 | 435,819 | - | - | 1,826,125 | 1,877,794 |
| Non-current assets held for sale | - | - | - | - | - | - | - | - | - | - |
| Total operating assets | 32,988,591 | 32,873,429 | 796,777 | 987,944 | 1,549,528 | 1,744,606 | (453,616) | (329,952) | 34,881,280 | 35,276,027 |

(Rupees in thousand)

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | Tractors | | Castings | | Others | | Inter-segment / group eliminations | | Total | |
|---|----------------------|------------|----------|---------|---------|---------|------------------------------------|-----------|------------|------------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Segment operating liabilities | (Rupees in thousand) | | | | | | | | | |
| Non-current liabilities | | | | | | | | | | |
| Long term finance- secured | 460,690 | 894,651 | 5,000 | 65,000 | - | - | - | - | 465,690 | 959,651 |
| Deferred grant | 6,585 | 10,527 | - | - | - | - | - | - | 6,585 | 10,527 |
| Lease liabilities against right-of-use assets | - | 2,334 | - | - | - | - | - | - | - | 2,334 |
| Employees' defined benefit plan | - | - | 22,659 | 21,867 | - | - | - | - | 22,659 | 21,867 |
| Long term deposits | 15,698 | 15,433 | 2,279 | 2,060 | - | - | - | - | 17,977 | 17,493 |
| Deferred tax liabilities - net | 1,096,632 | 1,238,038 | - | - | 2,115 | 4,436 | 8,599 | (40,112) | 1,107,346 | 1,202,362 |
| Current liabilities | | | | | | | | | | |
| Trade and other payables | 6,301,640 | 8,648,032 | 285,663 | 386,284 | 262,478 | 395,130 | (313,827) | (57,629) | 6,535,954 | 9,371,817 |
| Contract liabilities | 1,808,426 | 960,805 | 1,011 | 1,579 | 252,968 | 137,029 | - | (3,772) | 2,062,405 | 1,095,641 |
| Taxation - net | - | 1,013,021 | - | - | - | - | - | - | - | 1,013,021 |
| Short term borrowings | 14,036,499 | 8,093,310 | 79,870 | 96,026 | - | - | - | - | 14,116,369 | 8,189,336 |
| Current portion of non-current liabilities | 433,191 | 428,614 | 60,220 | 60,133 | - | - | - | - | 493,411 | 488,747 |
| Unclaimed dividend | 362,053 | 344,541 | 3,377 | 3,395 | 2,753 | 2,333 | - | - | 368,183 | 350,269 |
| Unpaid dividend | 79,163 | 43,714 | - | - | - | 46,738 | - | - | 79,163 | 90,452 |
| Accumulating compensated absences | 311,714 | 227,258 | 15,336 | 16,051 | - | - | - | - | 327,050 | 243,309 |
| Total operating liabilities | 24,912,291 | 21,920,278 | 475,415 | 652,395 | 520,314 | 585,666 | (305,228) | (101,513) | 25,602,792 | 23,058,826 |

Inter-segment / group balances have been eliminated for the purpose of consolidation.

53 Listing of subsidiary companies

| Name of subsidiary | Group shareholding (%) | NCI shareholding (%) | Country of incorporation | Financial year end |
|---|------------------------|----------------------|--------------------------|--------------------|
| Millat Industrial Products Limited (MIPL) | 64.09% | 35.91% | Pakistan | June 30 |
| Bolan Castings Limited (BCL) | 46.26% | 53.74% | Pakistan | June 30 |
| TIPEG Intertrade DMCC (TIPEG) | 75% | 25.00% | Dubai | December 31 |

TIPEG Intertrade DMCC has year-end according to the applicable law of the country of its incorporation.

53.1 Set out below is summarized financial information for each subsidiary that has Non-Controlling Interest (NCI). The amounts disclosed for each subsidiary are before inter company eliminations:

| | MIPL | BCL | TIPEG |
|---|----------------------|----------|----------|
| | (Rupees in thousand) | | |
| Total assets | 1,032,751 | 796,777 | 516,776 |
| Total liabilities | 224,135 | 475,415 | 296,179 |
| Total comprehensive income | (78,135) | (17,683) | 14,997 |
| Total comprehensive income allocated to NCI | (28,058) | (9,503) | 3,749 |
| Accumulated NCI | 293,468 | 154,539 | 55,149 |
| Cash and bank balances, excluding term deposit receipts | 36,019 | 29,520 | 194,838 |
| Cash generated from / (used in): | | | |
| Operating activities | 202,791 | 55,119 | (48,310) |
| Investing activities | (29,758) | 7,079 | - |
| Financing activities | (160,880) | (76,174) | (47,675) |

| | 2025 | 2024 |
|-----------------------------------|-----------------|--------|
| | Units per annum | |
| 54 Capacity and production | | |
| a) Tractors | | |
| Plant capacity (double shift) | 30,000 | 30,000 |
| Actual production | 18,637 | 30,479 |

The Group has a normal capacity of producing 30,000 tractors per annum on double shift basis. However, the excess production over normal capacity is due to working on overtime schedules to meet the higher demand.

b) Batteries

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 116,183 batteries {Standard 15 plates 97,348 batteries} compared with (2024: 291,985 standard 15 plates 232,038 batteries} against annual manufacturing capacity of 360,000 standard 15 plates batteries (2024: 360,000).

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

Notes to the Consolidated Financial Statements

For the year ended June 30, 2025

| | 2025 | 2024 |
|--|-------------|--------|
| | Metric tons | |
| c) Castings | | |
| Installed capacity (single shift without overtime) | 13,200 | 13,200 |
| Actual production | 3,534 | 7,227 |
| Capacity utilisation | 26.77% | 54.75% |

Production during the year was as per the market demand.

| | 2025 | 2024 |
|--|------|------|
| 55 Number of employees | | |
| Number of employees at the end of the year | 537 | 855 |
| Average number of employees during the year | 683 | 867 |
| Total number of factory employees at the end of the year | 274 | 452 |
| Average number of factory employees during the year | 351 | 467 |

The number of employees mentioned above does not include third party contractual employees.

56 Subsequent events

The Board of Directors of the Holding Company in its meeting held on September 15, 2025 has proposed a final cash dividend of Rs. 15.00 per share (2024: Nil) and Nil bonus shares (2024: Nil) in respect of the year ended June 30, 2025. The appropriation will be approved by the members in the forthcoming Annual General Meeting. These consolidated financial statements do not include the effect of these appropriations which will be accounted for subsequent to the year end.

57 Corresponding figures

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison and better presentation as per reporting framework. However, except for the reasons mentioned in note 2.2 of these consolidated financial statements, no significant re-arrangements have been made.

58 Date of authorization for issue

These consolidated financial statements have been approved for issue by Board of Directors of the Holding Company in their board meeting held on September 15, 2025.

59 General

Figures have been rounded off to the nearest thousand of rupees, unless otherwise stated



Chief Financial Officer



Chief Executive Officer



Chairman

Pattern of Shareholding

As on June 30, 2025

| No. of share Holders | From | Shareholding To | Number of Shares Held | % of Capital |
|----------------------|--------|-----------------|-----------------------|--------------|
| 6234 | 1 | 100 | 218,536 | 0.11 |
| 3787 | 101 | 500 | 1,034,945 | 0.52 |
| 1524 | 501 | 1,000 | 1,184,753 | 0.59 |
| 2273 | 1001 | 5,000 | 5,426,216 | 2.72 |
| 530 | 5001 | 10,000 | 3,811,748 | 1.91 |
| 264 | 10001 | 15,000 | 3,245,649 | 1.63 |
| 163 | 15001 | 20,000 | 2,849,016 | 1.43 |
| 106 | 20001 | 25,000 | 2,396,877 | 1.20 |
| 90 | 25001 | 30,000 | 2,494,488 | 1.25 |
| 58 | 30001 | 35,000 | 1,880,970 | 0.94 |
| 49 | 35001 | 40,000 | 1,844,309 | 0.92 |
| 27 | 40001 | 45,000 | 1,147,772 | 0.58 |
| 30 | 45001 | 50,000 | 1,454,453 | 0.73 |
| 21 | 50001 | 55,000 | 1,113,977 | 0.56 |
| 15 | 55001 | 60,000 | 871,235 | 0.44 |
| 19 | 60001 | 65,000 | 1,187,441 | 0.60 |
| 9 | 65001 | 70,000 | 612,419 | 0.31 |
| 15 | 70001 | 75,000 | 1,091,794 | 0.55 |
| 8 | 75001 | 80,000 | 626,641 | 0.31 |
| 10 | 80001 | 85,000 | 823,298 | 0.41 |
| 7 | 85001 | 90,000 | 614,945 | 0.31 |
| 7 | 90001 | 95,000 | 643,657 | 0.32 |
| 21 | 95001 | 100,000 | 2,067,459 | 1.04 |
| 8 | 100001 | 105,000 | 816,317 | 0.41 |
| 9 | 105001 | 110,000 | 964,912 | 0.48 |
| 2 | 110001 | 115,000 | 223,750 | 0.11 |
| 6 | 115001 | 120,000 | 715,101 | 0.36 |
| 7 | 120001 | 125,000 | 847,039 | 0.42 |
| 8 | 125001 | 130,000 | 1,016,055 | 0.51 |
| 2 | 130001 | 135,000 | 265,756 | 0.13 |
| 8 | 135001 | 140,000 | 1,098,358 | 0.55 |
| 5 | 140001 | 145,000 | 714,617 | 0.36 |
| 3 | 145001 | 150,000 | 442,702 | 0.22 |
| 2 | 150001 | 155,000 | 303,255 | 0.15 |
| 1 | 155001 | 160,000 | 159,963 | 0.08 |
| 3 | 160001 | 165,000 | 490,812 | 0.25 |
| 3 | 170001 | 175,000 | 515,064 | 0.26 |
| 1 | 175001 | 180,000 | 175,884 | 0.09 |
| 4 | 180001 | 185,000 | 732,658 | 0.37 |
| 3 | 185001 | 190,000 | 559,736 | 0.28 |
| 5 | 190001 | 195,000 | 956,095 | 0.48 |
| 3 | 195001 | 200,000 | 595,722 | 0.30 |
| 3 | 205001 | 210,000 | 620,660 | 0.31 |
| 4 | 210001 | 215,000 | 845,567 | 0.42 |
| 3 | 215001 | 220,000 | 651,777 | 0.33 |
| 1 | 220001 | 225,000 | 224,519 | 0.11 |
| 1 | 225001 | 230,000 | 229,743 | 0.12 |
| 1 | 230001 | 235,000 | 230,243 | 0.12 |
| 1 | 235001 | 240,000 | 240,000 | 0.12 |
| 3 | 240001 | 245,000 | 728,112 | 0.36 |

Pattern of Shareholding

As on June 30, 2025

| No. of share Holders | From | Shareholding To | Number of Shares Held | % of Capital |
|----------------------|---------|-----------------|-----------------------|--------------|
| 1 | 245001 | 250,000 | 250,000 | 0.13 |
| 2 | 250001 | 255,000 | 504,106 | 0.25 |
| 1 | 255001 | 260,000 | 256,941 | 0.13 |
| 1 | 260001 | 265,000 | 261,009 | 0.13 |
| 1 | 270001 | 275,000 | 270,768 | 0.14 |
| 4 | 280001 | 285,000 | 1,131,124 | 0.57 |
| 1 | 295001 | 300,000 | 295,805 | 0.15 |
| 1 | 310001 | 315,000 | 313,925 | 0.16 |
| 1 | 325001 | 330,000 | 328,739 | 0.16 |
| 5 | 335001 | 340,000 | 1,687,960 | 0.85 |
| 1 | 340001 | 345,000 | 341,987 | 0.17 |
| 1 | 345001 | 350,000 | 346,420 | 0.17 |
| 1 | 350001 | 355,000 | 352,434 | 0.18 |
| 1 | 355001 | 360,000 | 356,673 | 0.18 |
| 1 | 365001 | 370,000 | 370,000 | 0.19 |
| 1 | 375001 | 380,000 | 378,859 | 0.19 |
| 1 | 380001 | 385,000 | 381,597 | 0.19 |
| 2 | 390001 | 395,000 | 785,854 | 0.39 |
| 2 | 395001 | 400,000 | 797,311 | 0.40 |
| 1 | 400001 | 405,000 | 404,964 | 0.20 |
| 1 | 410001 | 415,000 | 414,744 | 0.21 |
| 2 | 430001 | 435,000 | 869,466 | 0.44 |
| 1 | 450001 | 455,000 | 453,209 | 0.23 |
| 1 | 465001 | 470,000 | 466,356 | 0.23 |
| 1 | 485001 | 490,000 | 488,668 | 0.24 |
| 1 | 510001 | 515,000 | 510,087 | 0.26 |
| 1 | 525001 | 530,000 | 529,809 | 0.27 |
| 3 | 535001 | 540,000 | 1,613,357 | 0.81 |
| 1 | 645001 | 650,000 | 650,000 | 0.33 |
| 1 | 660001 | 665,000 | 664,619 | 0.33 |
| 1 | 665001 | 670,000 | 666,289 | 0.33 |
| 1 | 700001 | 705,000 | 704,959 | 0.35 |
| 1 | 745001 | 750,000 | 746,547 | 0.37 |
| 3 | 770001 | 775,000 | 2,313,666 | 1.16 |
| 1 | 785001 | 790,000 | 786,352 | 0.39 |
| 1 | 790001 | 795,000 | 790,591 | 0.40 |
| 1 | 855001 | 860,000 | 856,576 | 0.43 |
| 1 | 890001 | 895,000 | 893,046 | 0.45 |
| 1 | 1000001 | 1,005,000 | 1,000,125 | 0.50 |
| 1 | 1165001 | 1,170,000 | 1,165,796 | 0.58 |
| 1 | 1185001 | 1,190,000 | 1,185,781 | 0.59 |
| 1 | 1265001 | 1,270,000 | 1,265,295 | 0.63 |
| 1 | 1295001 | 1,300,000 | 1,298,528 | 0.65 |
| 1 | 1300001 | 1,305,000 | 1,302,898 | 0.65 |
| 1 | 1395001 | 1,400,000 | 1,395,329 | 0.70 |
| 1 | 1535001 | 1,540,000 | 1,536,448 | 0.77 |
| 1 | 1540001 | 1,545,000 | 1,544,407 | 0.77 |
| 1 | 1565001 | 1,570,000 | 1,569,944 | 0.79 |
| 1 | 1580001 | 1,585,000 | 1,581,258 | 0.79 |
| 1 | 1600001 | 1,605,000 | 1,604,388 | 0.80 |

| No. of share Holders | From | Shareholding To | Number of Shares Held | % of Capital |
|-----------------------------|--------------|------------------------|------------------------------|---------------------|
| 2 | 1740001 | 1,745,000 | 3,484,508 | 1.75 |
| 1 | 1890001 | 1,895,000 | 1,894,260 | 0.95 |
| 1 | 2015001 | 2,020,000 | 2,016,482 | 1.01 |
| 1 | 2155001 | 2,160,000 | 2,159,220 | 1.08 |
| 1 | 2225001 | 2,230,000 | 2,228,322 | 1.12 |
| 1 | 2360001 | 2,365,000 | 2,360,662 | 1.18 |
| 1 | 2435001 | 2,440,000 | 2,437,847 | 1.22 |
| 1 | 2500001 | 2,505,000 | 2,504,834 | 1.26 |
| 2 | 2505001 | 2,510,000 | 5,010,064 | 2.51 |
| 4 | 2515001 | 2,520,000 | 10,076,351 | 5.05 |
| 1 | 2750001 | 2,755,000 | 2,754,405 | 1.38 |
| 1 | 3100001 | 3,105,000 | 3,103,397 | 1.56 |
| 2 | 3535001 | 3,540,000 | 7,075,558 | 3.55 |
| 1 | 3675001 | 3,680,000 | 3,676,498 | 1.84 |
| 1 | 3785001 | 3,790,000 | 3,786,627 | 1.90 |
| 1 | 4115001 | 4,120,000 | 4,118,856 | 2.06 |
| 1 | 4445001 | 4,450,000 | 4,448,316 | 2.23 |
| 1 | 4525001 | 4,530,000 | 4,529,956 | 2.27 |
| 1 | 4660001 | 4,665,000 | 4,662,495 | 2.34 |
| 1 | 5035001 | 5,040,000 | 5,038,177 | 2.53 |
| 1 | 5175001 | 5,180,000 | 5,177,208 | 2.59 |
| 1 | 5275001 | 5,280,000 | 5,279,475 | 2.65 |
| 1 | 17000001 | 17,005,000 | 17,000,400 | 8.52 |
| 15,461 | Total | | 199,515,947 | 100.00 |

Categories of Shareholding

As on June 30, 2025

| Categories of Shareholders | No. of Shareholders | Shares Held | Percentage |
|--|---------------------|--------------------|---------------|
| 1 Directos, CEO and their spouse & minor children | 19 | 63,024,710 | 31.59 |
| Mr. Sikandar Mustafa Khan | 1 | 18,572,276 | 9.31 |
| Mr. Sohail Bashir Rana | 1 | 12,446,421 | 6.24 |
| Mr. Laeeq Uddin Ansari | 1 | 15,087,719 | 7.56 |
| Mr. Qaiser Saleem | 1 | 5,118,981 | 2.57 |
| Mr. Saad Iqbal | 1 | 4,529,956 | 2.27 |
| Mr. Muhammad Mustafa Khan | 1 | 2,228,322 | 1.12 |
| Mr. Muhammad Mustafa Sohail | 1 | 392,859 | 0.20 |
| Mr. Murad Naseer Uddin Ansari | 1 | 2,645,129 | 1.33 |
| Mr. Manzoor Ahmed | 1 | 10 | 0.00 |
| Mr. Muhammad Javed Rashid | 1 | 1 | 0.00 |
| Mr. Mr Nasar Us Samad Qureshi | 1 | 487 | 0.00 |
| Mrs. Zara Salman Bandial | 1 | 200 | 0.00 |
| Mr. Raheel Asghar | 1 | 250 | 0.00 |
| Mrs. Cyra Khan (Spouse of Mr. Sikandar Mustafa Khan) | 1 | 253,993 | 0.13 |
| Mrs. Ayesha Sohail (Spouse of Mr. Sohail Bashir Rana) | 1 | 1,397,096 | 0.70 |
| Mrs. Samina Laeeq (Spouse of Mr. Laeeq Uddin Ansari) | 1 | 42,581 | 0.02 |
| Mrs. Rabia Qaiser (Spouse of Mr. Qaiser Saleem) | 1 | 33,339 | 0.02 |
| Mrs. Hanan Murad Ansari (Spouse of Mr. Murad Naseer Uddin Ansari) | 1 | 270,090 | 0.14 |
| Mr. Adil Umar Bandial (Spouse of Mrs. Zara Salman Bandial) | 1 | 5,000 | 0.00 |
| 2 Associated Companies, Undertakings and Related parties | 33 | 22,675,544 | 11.37 |
| a- Associated Companies | 0 | 0 | 0.00 |
| b- Associated Undertakings | 3 | 359,817 | 0.18 |
| c- Related Parties | 30 | 22,315,727 | 11.18 |
| 3 NIT and ICP | 5 | 2,125,256 | 1.07 |
| 4 Banks, Development Financial Institutions, Non-Banking Financial Institutions & Pension Funds | 6 | 5,291,893 | 2.65 |
| 5 Insurance Companies | 6 | 21,234,937 | 10.64 |
| 6 Modarabas & Mutual Funds | 20 | 418,436 | 0.21 |
| 7 Shareholders Holding 10% or more Voting Interest | - | - | - |
| 8 General Public | 15,246 | 75,217,353 | 37.70 |
| a-Local | 15,235 | 73,869,312 | 37.02 |
| b-Foreign | 11 | 1,348,041 | 0.68 |
| 9 Others | 126 | 9,527,818 | 4.78 |
| Joint Stock Companies | 101 | 2,286,198 | 1.15 |
| Trusts | 21 | 6,990,955 | 3.50 |
| Others | 4 | 250,665 | 0.13 |
| | 15,461 | 199,515,947 | 100.00 |

Millat Group of Companies

Consolidated Pattern of Shareholding

As on June 30, 2025

Pattern of Shareholding of Millat Industrial Products Limited

As on 30-06-2025

| No. of Shareholders | Size of Holding | | Total Shares Held |
|---------------------|-----------------|-----------|-------------------|
| | From | To | |
| 6 | 1 | 100 | 478 |
| 52 | 101 | 500 | 14,821 |
| 52 | 501 | 1,000 | 43,938 |
| 49 | 1,001 | 1,500 | 62,893 |
| 33 | 1,501 | 2,000 | 59,492 |
| 31 | 2,001 | 3,000 | 74,070 |
| 26 | 3,001 | 5,000 | 103,788 |
| 46 | 5,001 | 40,000 | 723,202 |
| 12 | 40,001 | 100,000 | 660,966 |
| 4 | 100,001 | 400,000 | 915,832 |
| 1 | 400,001 | 600,000 | 415,724 |
| 2 | 600,001 | 6,000,000 | 7,220,562 |
| 314 | | | 10,295,766 |

Pattern of Shareholding of Tipeg Intertrade DMCC

As on 30-06-2025

| No. of Shareholders | Size of Holding | | Total Shares Held |
|---------------------|-----------------|-------|-------------------|
| | From | To | |
| 5 | 1 | 100 | 500 |
| 1 | 101 | 1,500 | 1,500 |
| 6 | | | 2,000 |

Pattern of Shareholding of Bolan Castings Limited

As on 30-06-2025

| No. of Shareholders | Size of Holding | | Total Shares Held |
|---------------------|-----------------|---------|-------------------|
| | From | To | |
| 452 | 1 | 100 | 18,431 |
| 675 | 101 | 500 | 178,287 |
| 272 | 501 | 1000 | 232,459 |
| 347 | 1001 | 5000 | 836,327 |
| 53 | 5001 | 10000 | 390,382 |
| 18 | 10001 | 15000 | 228,584 |
| 6 | 15001 | 20000 | 114,948 |
| 9 | 20001 | 25000 | 200,588 |
| 2 | 25001 | 30000 | 52,000 |
| 3 | 30001 | 35000 | 100,770 |
| 1 | 35001 | 40000 | 40,000 |
| 3 | 40001 | 45000 | 128,563 |
| 1 | 50001 | 55000 | 53,500 |
| 1 | 55001 | 60000 | 57,000 |
| 1 | 60001 | 65000 | 64,700 |
| 2 | 70001 | 75000 | 150,000 |
| 1 | 165001 | 170000 | 166,369 |
| 1 | 195001 | 200000 | 200,000 |
| 1 | 255001 | 260000 | 258,266 |
| 1 | 295001 | 300000 | 300,000 |
| 1 | 485001 | 490000 | 488,276 |
| 1 | 775001 | 780000 | 776,100 |
| 1 | 1125001 | 1130000 | 1,130,000 |
| 1 | 5305001 | 5310000 | 5,306,979 |
| 1854 | | | 11,472,529 |

Consolidated Categories of Shareholding

As on June 30, 2025

| Categories of Shareholders | MIPL | % | TIPEG | % | BCL | % |
|--|-------------------|---------------|--------------|---------------|-------------------|---------------|
| 1- Directors, CEO's, spouse & minor children | | | | | | |
| Mr. Sikandar Mustafa Khan | 622,437 | 6.05 | 100 | 5.00 | 166,369 | 1.45 |
| Mr. Sohail Bashir Rana | 415,724 | 4.04 | 100 | 5.00 | 4,359 | 0.04 |
| Mr. Laeeq Uddin Ansari | 390,425 | 3.79 | 100 | 5.00 | 3,120 | 0.03 |
| Syed Muhammad Irfan Aqueel (BCL Director only) | - | 0.00 | - | - | 2,500 | 0.02 |
| Mr. Abdul Hamid Ahmed Dagia (BCL Director only) | - | 0.00 | - | - | 2,500 | 0.02 |
| Mrs. Tabassum Rana (BCL Director only) | - | 0.00 | - | - | 80 | 0.00 |
| Mr. Muhammad Mustafa Khan (Not a Director in BCL & TIPEG) | 5,290 | 0.05 | - | - | - | - |
| Mr. Muhammad Mustafa Sohail (Not a Director in BCL & TIPEG) | 1,150 | 0.01 | - | - | - | - |
| Mr. Shehryar Ansari (MIPL Director only) | 26,450 | 0.26 | - | - | - | - |
| Mr. Qaiser Saleem (Not a Director in TIPEG & BCL) | 227,845 | 2.21 | - | - | 3,248 | 0.03 |
| | 1,689,321 | 16.41 | 300 | 15.00 | 182,176 | 1.59 |
| 2- Associated Companies, Undertakings and related parties | | | | | | |
| a) Millat Tractors Limited | 6,598,125 | 64.09 | 1,500 | 75.00 | 5,306,979 | 46.26 |
| b) Associated Undertakings | - | - | - | - | 46,278 | 0.40 |
| c) Related Parties | - | - | - | - | - | - |
| 3- NIT and ICP | - | - | - | - | 488,276 | 4.26 |
| 4- Banks, Development Financial Institutions, Non-Banking Financial Institutions & Pensions Funds | - | - | - | - | 75,713 | 0.66 |
| 5- Insurance Companies | - | - | - | - | 500,000 | 4.36 |
| 6- Modarabas & Mutual Funds | - | - | - | - | - | - |
| 7- Shareholders Holding 10% or more Voting Interest (Detail as per 2 (a) above) | | | | | | |
| 8- General Public | | | | | | |
| a-Local | - | - | - | - | 4,429,275 | 38.61 |
| b-Foreign | - | - | - | - | 48,594 | 0.42 |
| 9- Others | | | | | | |
| Joint Stock Companies | - | - | - | - | - | - |
| Trust | - | - | - | - | - | - |
| Public | 2,008,320 | 19.51 | - | - | - | - |
| Miscellaneous | - | - | 200 | 10.00 | 395,238 | 3.45 |
| | 10,295,766 | 100.00 | 2,000 | 100.00 | 11,472,529 | 100.00 |

Electronic Transmission Consent



Pursuant to the allowance granted through SRO 787(I)/2014 of September 8, 2014, by the Securities Exchange Commission of Pakistan, the Company can circulate its Annual Audited Financial Statements, Auditor's report(s) and Directors' report(s) etc. 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's Share Registrar, M/s. CDC Share Registrar Services Ltd.

ELECTRONIC TRANSMISSION CONSENT FORM

The Share Registrar

Date: _____

| Karachi | Lahore | Islamabad |
|---|---|---|
| CDC Share Registrar Services Limited CDC House, 99 - B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal Karachi-74400. | Mezzanine Floor, South Tower, LSE Plaza, Khayaban-E-Aiwan-E-Iqbal, Lahore. | Room # 410, 4th Floor, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad. |

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I, Mr./Ms. _____ S/o, D/o, W/o _____ hereby consent to have Millat Tractors Ltd., 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/CDC Account Number _____

Email Address: _____

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar 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



MILLAT TRACTORS LIMITED

اظہار رضامندی بابت ترسیل برق روی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 2014/(1)787 مورخہ 08 ستمبر، 2014 کے بموجب مہلت مہیا کی گئی ہے کہ کمپنی اپنی سالانہ تینٹس شیٹ اور فیغ و نقصان کے گوشوارے بحساب و ختمہ کی مرتب کردہ اطلاقی معلومات (پڑتال شدہ مالیاتی حسابات) بشمول سالانہ اجلاس عام کی اطلاع اپنے شیئر ہولڈرز کو بذریعہ ای میل ارسال کر سکتی ہے۔ وہ تمام شیئر ہولڈرز جو کمپنی کی سالانہ رپورٹ بذریعہ ای میل حاصل کرنے کے خواہش مند ہیں ان سے التماس ہے کہ تکمیل شدہ رضامندی کے فارم کمپنی کے شیئر رجسٹر اری میسرز ڈی سی شیئر رجسٹر اری سرورسز لمیٹڈ کو مہیا کریں۔

اظہار رضامندی بابت ترسیل برق روی فارم

تاریخ:

شیئر رجسٹرار

میسرز ڈی سی شیئر رجسٹر اری سرورسز لمیٹڈ

| | | |
|--|---|---|
| کراچی | لاہور | اسلام آباد |
| سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس۔ ایم۔ سی۔ ایچ۔ ایس، میدان اٹارن فلو، ساؤتھ ٹاور، ایل۔ ایس۔ ای پیلازہ، خیابان ایوان اقبال، لاہور | میدان اٹارن فلو، ساؤتھ ٹاور، ایل۔ ایس۔ ای پیلازہ، خیابان ایوان اقبال، لاہور | روم نمبر 4th، 410 فلو، آئی۔ ایس۔ ای ٹاورز، جناح ایویٹو، ایوی اریا، اسلام آباد |

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او 2014/(1)787 مورخہ 08 ستمبر، 2014 کی تعمیل کرتے ہوئے میں سہمی / مسما

ولدیت ازوجیت ملت ٹریڈرز 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

مجھرا شیئر ہولڈر کا نام

فونیوی ڈی سی اکاؤنٹ نمبر

ای میل ایڈریس

ہر گاہ اقرار کیا جاتا ہے کہ مندرجہ بالا معلومات صحیح اور درست ہیں اور یہ کہ میں کمپنی اور اس کے شیئر رجسٹر اری 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 / گی۔

مجھرا شیئر ہولڈر کے دستخط

Ballot Paper



MILLAT TRACTORS LIMITED

Millat Tractors Limited POSTAL BALLOT PAPER

for voting through post for the Special Business at the Annual General Meeting to be held on
Friday, October 24, 2025, at 11:30 A.M. at Registered Office of the Company at 9 K.M. Sheikhpura Road, Shahdara, Lahore

www.millat.com.pk

| | |
|--|--|
| Folio / CDS Account Number | |
| Name of Shareholder / Proxy Holder | |
| Registered Address | |
| Number of shares Held | |
| CNIC/Passport No. (in case of foreigner) (copy to be attached) | |
| Additional information and enclosures (in case of representative of body corporate, corporation, and federal Government) | |
| Name of Authorized Signatory | |
| CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached) | |

Resolution For Agenda Item No. 5

- 5) To ratify and approve transactions conducted with subsidiary/associated companies for the year ended June 30, 2025 by passing the following special resolution with or without modification.

"Resolved that the following transactions conducted with subsidiary/associated companies for the year ended June 30, 2025 be and are hereby ratified, approved and confirmed."

2025 (AMOUNT IN RUPEES)

| Particulars | TIPEG INTERTRADE DMCC | MILLAT INDUSTRIAL PRODUCTS LIMITED | BOLAN CASTINGS LIMITED |
|------------------------|-----------------------|------------------------------------|------------------------|
| Purchase of components | 411,202,941 | 358,516,691 | 1,717,825,523 |
| Sale of components | 1,056,490,538 | - | - |

Resolution For Agenda Item No.6

- 6) To authorize Chief Executive of the Company to approve transactions with subsidiary/associated companies for the year ending June 30, 2026 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 all the transactions with subsidiary/associated companies on case to case basis in normal course of business during the period from 62nd Annual General Meeting till the next Annual General Meeting of the Company.

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

Instructions For Poll

- Please indicate your vote by ticking (✓) the relevant box.
- In case if both the boxes are marked as (✓), you poll shall be treated as "Rejected".

I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

| Resolution | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|------------------|-------------------------------------|--|
| Resolution No. 5 | | |
| Resolution No. 6 | | |

NOTES:

- Dully filled ballot paper should be sent to the Chairman of Millat Tractors Limited at 9 K.M. Sheikhpura Road, Shahdara, Lahore or e-mail at corporate.affairs@millat.com.pk
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Tuesday, October 23, 2025. Any postal Ballot received after this date, will not be considered for voting.
- Signature on ballot paper should match with signature on CNIC/ Passport. (in case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, over written poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper Form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution, / Power of Attorney, / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Counsel General of Pakistan having jurisdiction over the member.
- Ballot Paper form has also been placed on the website of the Company at: www.millat.com.pk. Members may download the Ballot paper from the website or use an original/ photocopy published in newspapers.

Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Date

Proxy Form

62nd Annual General Meeting



Please quote your Folio No. as in the Register of Members

Folio No. _____

I/We, _____, of _____
_____(Full Address), being the holder(s) of _____
shares of Millat Tractors Limited, do hereby appoint _____ of _____
_____ CDC Account No./Folio No., another member of the Company or
failing him, _____ (Name) of _____
_____(Full Address) CDC Account No./Folio No., another member
of the Company as my/our proxy to attend and vote for me/us and on my/ our behalf at the 62nd Annual General Meeting
of the Company to be held at the Company's Registered office 9 K.M, Sheikhpura Road, Lahore on Friday, October 24,
2025 at 11:30 A.M and at every adjournment thereof.

Signed this _____ day of October, 2025

Signatures on Rupees
Fifty Revenue Stamp

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

Important

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled 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.
2. 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 company, its company stamp should be affixed to the instrument.
3. This Proxy Form, duly completed, must be deposited at the Company's Registered Office, 9 K.M, Sheikhpura Road, Lahore, not less than 48 hours before the time of holding of the meeting.

میں اہم
ساکن
رکن و حامل
اور یا سی ڈی سی کے شراکتی آئی ڈی نمبر
عام حصص بمطابق شیئر رجسٹرڈ فون نمبر
اور ذیلی کھاتا نمبر
ساکن
یا بصورت دیگر
ساکن
کو اپنی جگہ بروز جمعہ مورخہ 24 اکتوبر، 2025ء وقت 11:30 بجے، بمقام کمپنی کے رجسٹرڈ آفس: 9- کلومیٹر شیخوپورہ روڈ شاہدرہ لاہور میں منعقد یا ملتوی ہونے والے 62 ویں سالانہ اجلاس عام میں رائے دہندگی کے لئے اپنا نمائندہ مقرر کرتا ہوں۔

دستخط کئے گئے مورخہ 2025ء

براہ کرم پچاس روپے مالیت
کے ریونیو ٹکٹ چسپاں کریں۔

دستخط

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

نوٹس:

1. کمپنی کی سالانہ جنرل میٹنگ میں شرکت کرنے اور ووٹ دینے کا حق دار رکن یعنی، بجائے دوسرے کو شرکت کرنے اور ووٹ دینے کا حق دے سکتا ہے۔ جو کمپنی کلارکن نہیں ہے کوئی بھی شخص پراکسی کے طور پر کام نہیں کرے گا سوائے اس کے کہ ایک کارپوریشن کسی ایسے شخص کو مقرر کرے جو رکن نہیں ہے۔
2. پراکسی کا تقرر کرنے والے پراکسی پر رکن (ممبران) یا اس کے وکیل کی طرف سے تحریری طور پر مجاز ہونا چاہیے۔ اگر ممبر ایک کارپوریشن ہے تو اس کی عام ممبر کو پراکسی پر چسپاں کیا جانا چاہیے۔
3. یہ پراکسی قدم کمپنی کے رجسٹرڈ آفس 9- کلومیٹر، شیخوپورہ روڈ، لاہور میں اجلاس کے انعقاد سے 48 گھنٹے پہلے وصول ہو جانی چاہیے۔

Instructions for using QR Code for downloading the Company's Annual Report for the year ended June 30, 2025.

QR Code MTL Annual Report-2024-25

For Android Users

1. Open Play Store and download QR Code reader.
2. Open "QR Code reader"
3. Scan the QR Code to access the Annual Report-2024-25.
Or
4. Type link in your search bar : <https://www.millat.com.pk/wp-content/uploads/2025/09/MTL-AR-2425.pdf>

For IOS Users

1. Open the Camera application
2. Scan the QR Code
3. A Notification will appear on the top of the Screen, click it to access the Annual Report-2024-25.
Or
4. Type link in your search bar : <https://www.millat.com.pk/wp-content/uploads/2025/09/MTL-AR-2425.pdf>



**Scan QR Code
for AR-2024-25**



 www.millat.com.pk

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VANTAGE