

ANNUAL REPORT 2015

The Foundry
ICON of
PAKISTAN

BOLAN CASTINGS LIMITED

HIGH PRESSURE

STATE OF THE ART
PROCESS CONTROL

CONTINUAL IMPROVEMENT

MOULDING PLANT **DUPLEX MELTING**

PAKISTAN'S FIRST ISO-9000-QMS

THE ART OF CASTINGS AT

PAKISTAN'S LARGEST MANUFACTURER
OF TRACTOR AND AUTOMOTIVE CASTINGS

WE POUR QUALITY INTO CASTINGS

SAFETY & ENVIRONMENT CONTROL

MAKING
ENGINEERING
PATTERN
STAYING POWER
MAINTENANCE
PRODUCTIVE



QUALITY IS OUR
RESPONSIBILITY

THE WINNING

TEAM

UNMATCHED
EXPERIENCE

R&D SUPPORT TO
ENGINEERING STUDENTS

HI TECH

COMBINATION

FULLY COMPUTERIZED

CASTINGS

QUALIFIED EMPLOYEES

GREEN SAND PLANT

STATE OF THE ART TECHNOLOGY

Contents

Vision / Mission	03
Code of Conduct	04
Core Values	05
Company Information	06
Board of Directors	07
Board Committees	10
Management Committees	12
Organization Structure	13
Company Profile	14
Customers & Product Range	16
Shareholders Information	17
Notice of Annual General Meeting	18
Chairman's Review	22
Directors' Report	24
Vertical Analysis	32
Horizontal Analysis	33
Decade at a Glance	34
Graphical Illustration	36
Statement of Value Added & its Distribution	38
Statement of Compliance of Code of Corporate Governance	40
Review Report on Compliance of Code of Corporate Governance	42
Auditors' Report to the Members	43
Balance Sheet	44
Profit and Loss Account	45
Statement of Comprehensive Income	46
Cash Flow Statement	47
Statement of Changes in Equity	48
Notes to the Financial Statements	49
Pattern of Shareholding	80
Form of Proxy	

Vision / Mission

Corporate Strategy / Quality

Policy / Safety, Health & Environment

Vision

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

Mission

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

Corporate Strategy

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

Quality Policy

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

Safety

- > The management of Bolan Castings Limited believes that the safety and welfare of its employees is of paramount importance.

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

Health

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

Environment

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

Code of Conduct

Purpose

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

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

Applicability

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

Standards of Conduct

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

- > Shall not engage in business activities, either directly or indirectly, with a customer, vendor, supplier or any other third party, which are inconsistent with, or contrary to, the business activities of the Company.

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

Core Values

1. Ethics & Integrity

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

2. Continual Improvement

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

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

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

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

3. Excellence

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

4. Customer Focus

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

5. Responsibility

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

6. Teamwork

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

7. Mutual Respect

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

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

Company Information

Board of Directors

Mr. Sikandar M. Khan
Mr. Sirajuddin Khan
Mr. Latif Khalid Hashmi
Mr. Sohail Bashir Rana
Mr. Laeeq Uddin Ansari
Mian Muhammad Saleem
Syed Muhammad Irfan Aqueel
Syed Javaid Ashraf
Mr. Muhammad Imran Rafiq

Chairman
Chief Executive
Director
Director
Director
Director
Director
Director

Company Secretary

Mr. Arafat Mushir

Chief Financial Officer

Syed Sajid Ali

Auditors

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

Chartered Accountants

Legal Advisors

M/s. MJLA, Legal

Bankers

Habib Bank Limited
MCB Bank Limited
Bank AlFalah Limited
Dubai Islamic Bank Pakistan Ltd.
Meezan Bank Limited
Faysal Bank Limited
Barclays Bank PLC, Pakistan
Askari Bank Limited
Bank Al-Habib Limited

Share Registrar

M/s. Central Depository Company of Pakistan Ltd.
CDC House, 99-B, Block-B, S.M.C.H.S.
Main Shahrah-e-Faisal, Karachi
Tel: +92-800-23275
Fax: +92-21-34326053

Registered Office

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

Web Site

www.bolancastings.com

Board of Directors



Mr. Sikandar M. Khan

Chairman / Non Executive Director (MTL Nominee)

Appointment

July 03, 1982

Committee Membership

Chairman of Board's Committee for Supervision, Directors' Remuneration Committee and Business Strategy Committee

External Appointments

Chairman of Millat Tractors Ltd., Millat Equipment Ltd., Millat Industrial Products Ltd., TIPEG Intertrade DMCC and Director of Arabian Sea Country Club, Heavy Industries Texila Board



Mr. Sirajuddin Khan

Chief Executive Officer

Appointment

December 08, 2012

Committee Membership

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

External Appointments

Currently no external appointment



Mr. Latif Khalid Hashmi

Non Executive Director

Appointment

June 13, 1993

Committee Membership

Chairman of Audit Committee and Human Resource and Remuneration Committee and Member of Board's Committee for Supervision, Directors' Remuneration Committee and Business Strategy Committee

External Appointments

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

Board of Directors



Mr. Sohail Bashir Rana

Non Executive Director (MTL Nominee)

Appointment

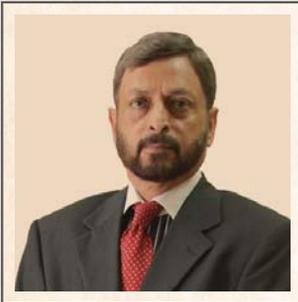
June 13, 1993

Committee Membership

Member of Board's Committee for Supervision

External Appointments

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



Mr. Laeeq Uddin Ansari

Non Executive Director

Appointment

June 13, 1993

Committee Membership

Member of Board's Committee for Supervision and Business Strategy Committee

External Appointments

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



Mian Muhammad Saleem

Non Executive Director (MTL Nominee)

Appointment

June 13, 1993

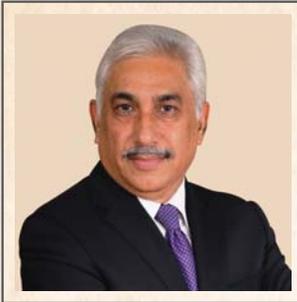
Committee Membership

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

External Appointments

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

Board of Directors



Syed Muhammad Irfan Aqueel

Non Executive Director (MTL Nominee)

Appointment

October 28, 2014

Committee Membership

Member of Audit Committee

External Appointments

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



Syed Javaid Ashraf

Independent Director

Appointment

October 28, 2014

Committee Membership

Member of Audit Committee

External Appointments

Chief Executive Officer of Karachi Tools, Dies & Moulds Centre (KTDMC)



Mr. Muhammad Imran Rafiq

Non Executive Director (NIT Nominee)

Appointment

July 30, 2010

Committee Membership

Member of Audit Committee

External Appointments

Head of Research of National Investment Trust Ltd. and Director of Hashmi Can Co. Ltd., Johnson & Phillips (Pakistan) Ltd., Nishat Chunian Ltd., Century Papers & Board Mills Ltd.

Board Committees

Audit Committee

Composition of Committee

Chairman

Mr. Latif Khalid Hashmi Non-Executive Director

Members

Syed Muhammad Irfan Aqueel Non-Executive Director

Syed Javaid Ashraf Independent Director

Mr. Muhammad Imran Rafiq Non-Executive Director

Terms of Reference

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

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

Board's Committee for Supervision (BCS)

Composition of Committee

Chairman

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

Members

Mr. Latif Khalid Hashmi Non-Executive Director

Mr. Sohail Bashir Rana Non-Executive Director

Mr. Laeeq Uddin Ansari Non-Executive Director

Mian Muhammad Saleem Non-Executive Director

Terms of Reference

- > To provide a forum for the Company's Senior Executives to contribute to planning the strategic direction of the Company.
- > To review and monitor the periodic operating activities regarding technical, financial and administrative aspects of the Company, against budget, forecasts and previous year on monthly basis.
- > To ensure implementation of strategy, the corporate plan, policies and procedures.
- > To ensure successful achievement of objectives of the Company.
- > To ensure active co-ordination, cooperation and communication between all departments of the Company.
- > To review the organizational structure of the Company and making recommendations for change.

Board Committees

Directors' Remuneration Committee

Composition of Committee

Chairman

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

Members

Mr. Latif Khalid Hashmi Non-Executive Director
Mian Muhammad Saleem Non-Executive Director

Terms of Reference

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

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

Human Resource and Remuneration (HR&R) Committee

Composition of Committee

Chairman

Mr. Latif Khalid Hashmi Non-Executive Director

Members

Mr. Sirajuddin Khan Chief Executive Officer
Mian Muhammad Saleem Non-Executive Director

Terms of Reference

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

Management Committees

Business Strategy Committee

Composition of Committee

Chairman

Mr. Sikandar M. Khan

Members

Mr. Latif Khalid Hashmi

Mr. Laeeq Uddin Ansari

Mr. Sirajuddin Khan

Responsibilities

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

System and Technology Committee

Composition of Committee

Chairman

Mr. Sirajuddin Khan

Members

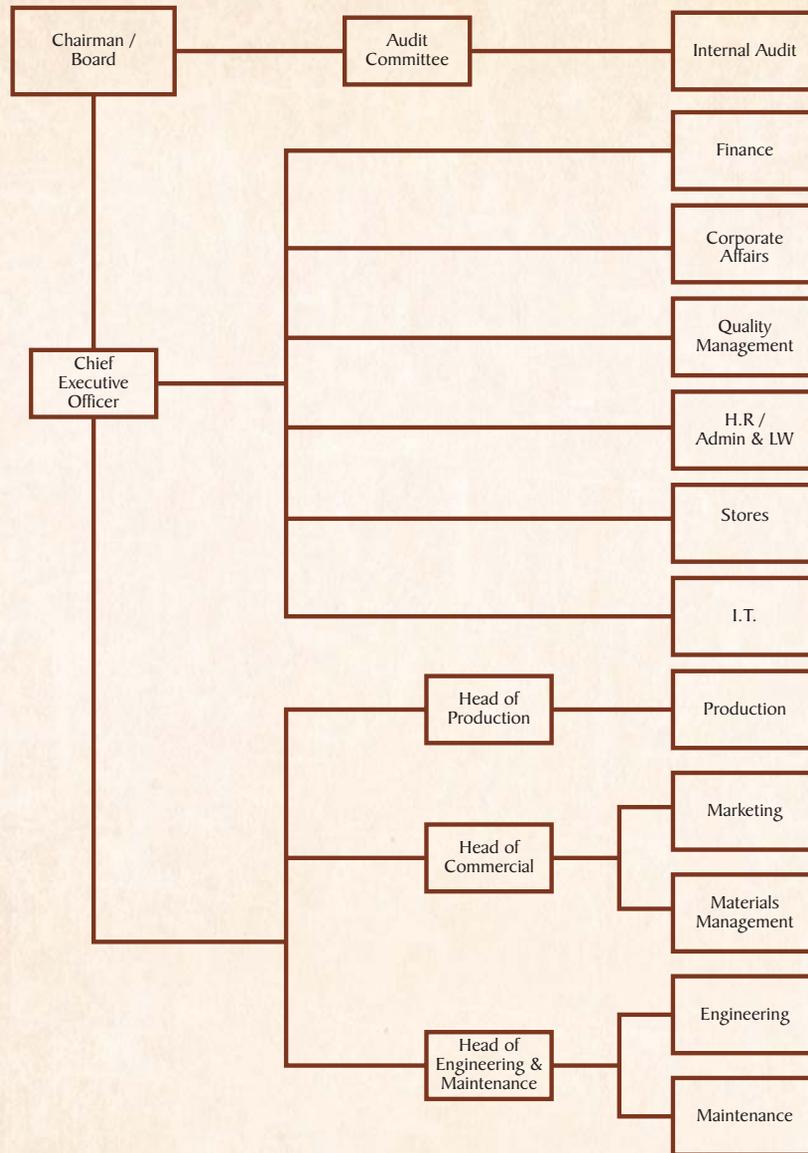
Mr. S. M. Zakaullah

Mr. Aamir Hashmi

Responsibilities

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

Organization Structure



Company Profile

INTRODUCTION

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

The Company was incorporated on 15th July, 1982 as a public limited company by Pakistan Automobile Corporation Limited (PACO) under the administrative control of Ministry of Production, Government of Pakistan. The plant was commissioned in June 1986 with the assistance of Foundry Management & Design Company (FMD), United Kingdom (U.K) and commercial production was started in July, 1986.

The plant is located about 40 Kms from Karachi on the main R.C.D. Highway, Hub Chowki, District Lasbella, Balochistan. The Company was privatised and handed over to a group of management under a joint collaboration of Millat Tractors Limited and the employees of Bolan Castings Limited on 13th June, 1993.



FOUNDRY

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

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

PRODUCTION FACILITIES

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

- > Duplex melting facilities consisting of Twin Cold Blast Cupolas and Coreless Induction Furnaces.
- > Induction melting through two 1.5 tons furnaces.
- > One high pressure line of 1150 x 800 x 300 / 300 mm box size.



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

RESEARCH & DEVELOPMENT

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



QUALITY MANAGEMENT / PROCESS CONTROL

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

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



Company Profile

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

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

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

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

PRODUCTIVE MAINTENANCE

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

POLLUTION CONTROL

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

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

INDUSTRIAL & PERSONAL SAFETY

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

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



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

NO COMPROMISE ON QUALITY IS OUR CLAIM

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

SUPPORT FOR FOUNDRY EDUCATION / ENGINEERING EDUCATION

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

SUGGESTION SCHEME

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

ISO CERTIFICATION

Bolan Castings Limited was the first foundry in Pakistan to obtain ISO-9002 QMS certificate in April 1999. The Company has now acquired certification on ISO 9001 - 2008 version of ISO Quality Management System.



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

INTEGRATED REPORTING / DOCUMENTATION THROUGH COMPUTERIZATION

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

Customers & Product Range

CUSTOMERS

Tractors

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

Automobiles

- . Hino Pak Motors Ltd.
- . Gandhara Nissan Ltd.
- . Gandhara Industries Ltd.
- . Master Motors Corporation Ltd.

Engineering/Others

- . Millat Equipment Limited
- . Alsons Industries

PRODUCT RANGE

Tractor Industry

- a. MF Tractors
 1. Cylinder block
 2. Cylinder head
 3. Transmission case
 4. Centre housing
 5. Timing gears
 6. Bearing caps
 7. Planetary carrier
 8. Differential cases
 9. Hydraulic lift cover
 - 10. Box hydraulic
 - 11. Oil sump 240
 - 12. Link roller
 - 13. Sleeve
 - 14. Fork clutch release
 - 15. Axle housing 240
 - 16. Axle housing 385
 - 17. Oil sump 385
 - 18. Fly wheel 240
 - 19. Fly wheel 385
 - 20. Front wheel hub 240
 - 21. Front wheel hub 385
 - 22. Front axle support 240
- b. Fiat Tractors
 1. Axle casing
 2. Differential case
 3. Trumpet 640
 4. Front axle support
 5. Bearing covers
 6. Trumpet cover 640
 7. Trumpet 480
 8. Hubs
 9. Master clutch housing
 10. Oil sump 480

Automobile Industry

- a. Isuzu Trucks/Buses
 1. Brake drums & Hubs
 2. Exhaust manifold
 3. Spring pads & Brackets
 4. Generator brackets
 5. Fly wheel
- b. Dong Feng Trucks/Buses
 1. Brake drums & Hubs
 2. Brackets
 3. Shackles
- c. Nissan Trucks/Buses
 1. Brake drums & Hubs
 2. Fan pulley
 3. Shackles
 4. Spring stoppers & Brackets
 5. Pads
- d. Hino Trucks/Buses
 1. Brake drums
 2. Spring stoppers & Brackets
 3. Bracket injection pump
 4. Pulleys
- e. Bedford Trucks
 1. Brake drums
 2. Differential carrier
- f. Honda/Courea
 1. Pulleys
- g. Master Trucks
 1. Brake drums
 2. Brackets
- h. Adam Car
 1. Brake drums
 2. Brake discs
- i. Sigma Jeep
 1. Brake drums

Engineering Industry

- a. Pumps
 1. Pump heads
 2. Pump bases
 3. Base plates
 4. Adopter flanges
 5. Pump housings
 6. Suction chambers
 7. Seal covers
- b. Wheel Rims
 1. Blank holder dies
 2. Forming punch dies
 3. Roller dies
- c. Textile
 1. Labyrinth seals



Shareholders Information

Bolan Castings Limited (BCL) is committed to providing a high standard of communication to its Shareholders so that they have all information reasonably required to make informed assessments of the Company's value and prospects.

Periodic Financial Reports

BCL produces four Periodic Financial Reports for shareholders each year:

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

Pursuant to provisions of SECP circular No 19 of 2004 dated April 14, 2004, the Company transmits its quarterly accounts to shareholders through Company's website instead of sending the same by post. However, the quarterly accounts can be provided to shareholders, on demand, at their registered addresses free of cost, within one week of such demand.

The Company dispatches the Annual Accounts to its Shareholders by post. Annual Accounts are also placed on Company's website.

Annual General Meeting

BCL holds Annual General Meeting (AGM) normally in October of each year at Company's Registered Office.

The Notice of AGM is sent to all Shareholders at least 21 days before the date of AGM and also published in one issue each of Daily English and Urdu news papers having circulation in Karachi and Lahore.

The Notice of AGM contains an explanatory memorandum providing information to Shareholders for their convenience.

Shareholders are encouraged to attend the meeting. However, if they are unable to attend, they are encouraged to Vote by Proxy on matters to be decided at the meeting.

The 33rd Annual General Meeting is scheduled to be held at the Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbela, Baluchistan, Pakistan, on Wednesday October 28, 2015 at 1030 hours.

Books Closure

The Share transfer books of BCL will remain closed from October 15, 2015 to October 28, 2015 both days inclusive. Transfers received in order at the

office of Share Registrar of the Company at the address given hereunder by close of working hours on October 14, 2015 shall be treated in time.

Shareholders Enquiries

Enquiries concerning holdings of the Company's ordinary shares, dividend payments and notification of shareholders' change of address should be referred to the Company's Shares Registrar:

Central Depository Company of Pakistan Limited,
 CDC House, 99-B, Block-B,
 S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400.
 Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053
 Email: info@cdcpak.com Website: www.cdcpakistan.com



Shareholders Complaint

Designated contacts, email address and online complaint form are provided on company's website for the shareholders to raise any complaint.

Web Presence

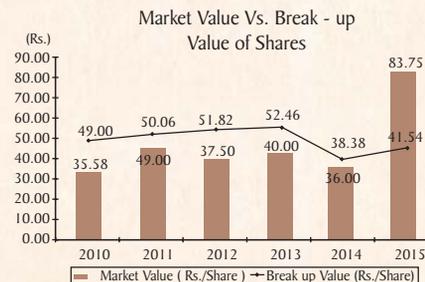
A wide range of information about BCL is available at Company's website, www.bolancastings.com.

The website has general information about the Company and details of its product range. The quarterly and annual reports of the Company are also posted on this site. Further, a dedicated 'Investor Relations' section is also available on the website.

Price Ranges

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

Quarter	2015		2014	
	High	Low	High	Low
First (July-Sep)	39.00	32.89	50.02	34.00
Second (Oct-Dec)	74.45	35.40	32.70	29.45
Third (Jan-Mar)	80.85	51.30	37.00	30.31
Fourth (Apr-June)	91.35	51.00	42.30	30.02



Notice of Annual General Meeting

Notice is hereby given that 33rd Annual General Meeting of Bolan Castings Limited will be held at Registered Office of the Company Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan, on Wednesday October 28, 2015 at 1030 hours to transact the following business:

A. ORDINARY BUSINESS

1. To confirm the minutes of the 32nd Annual General Meeting.
2. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' reports thereon.
3. To approve payment of dividend at the rate of Rs. 2.00 per share i.e. 20% for the year ended June 30, 2015, as recommended by the Board of Directors.
4. To appoint auditors for the year ending June 30, 2016 and to fix their remuneration. Present Auditors M/s. A. F. Ferguson & Co., Chartered Accountants retire and being eligible offer themselves for re-appointment.

B. SPECIAL BUSINESS

5. To ratify and approve the transactions carried out in normal course of business with associated companies for the year ended June 30, 2015 by passing the following resolution as an ordinary resolution:

RESOLVED that the transactions carried out in normal course of business with associated companies as disclosed in note 34 to the financial statements for the year ended June 30, 2015 be and are hereby ratified and approved.

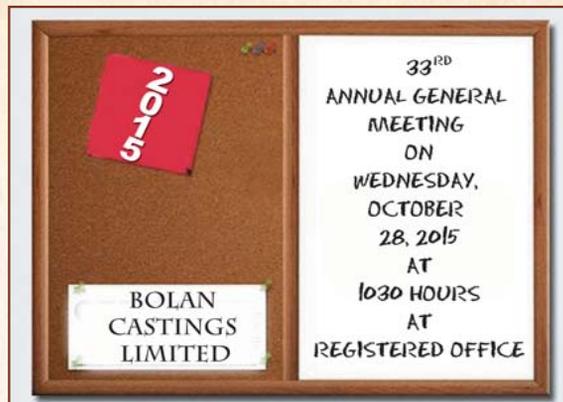
6. To authorize Chief Executive of the Company to approve transactions carried out and to be carried out in normal course of business with associated companies during the year ending June 30, 2016 by passing the following resolution, with or without modification, as an ordinary resolution:

RESOLVED that the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the year ending June 30, 2016.

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

C. OTHER BUSINESS

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



By Order of the Board of Directors

Arafat Mushir
Company Secretary

Hub
October 05, 2015

Notice of Annual General Meeting

Notes :

1. The Share Transfer Books of the Company shall remain closed from October 15, 2015 to October 28, 2015 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited., CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by close of working hours on October 14, 2015 shall be treated in time to determine the above mentioned entitlement and to attend and vote at the meeting.
2. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy to attend the meeting and vote on his / her behalf. Vote may be given either personally or by proxy or in case of a company / corporation by a representative duly authorized.
3. Duly executed proxies in order to be effective must be received at the office of our Share Registrar M/s. Central Depository Company of Pakistan Limited at least 48 hours before the meeting.
4. Members are requested to promptly notify any change in their addresses to our Share Registrar M/s. Central Depository Company of Pakistan Limited.
5. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
 - A. For attending the meeting:
 - i) In case of individual, the account holder or sub-account holder shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall have to be produced (unless it has been provided earlier) at the time of the meeting.
 - B. For appointing proxies:
 - i) In case of individual, the account holder or sub account holder shall submit the proxy form as per the above requirement.
 - ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
 - v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall have to be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. Mandatory submission of CNIC

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

Notice of Annual General Meeting

7. Payment of Cash Dividend Electronically / Dividend Mandate (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 18 of 2012 dated June 5, 2012, a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account under Section 250 of the Companies Ordinance, 1984.

Further transferee of shares may exercise option for dividend mandate by using the revised 'Form of Transfer Deed'. The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particular of its bank account which he/she/it desires to be used for credit of cash.

In accordance with SECP's letter No. 8(4) SM/CDC/2008 dated April 05, 2013, we would like to apprise the shareholders that SECP has devised a strategy for implementation and promotion of e-dividend mechanism whereby the cash dividend amount would be directly credited into their respective bank accounts electronically. The benefits associated with this mechanism include instant credit of cash dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc. The shareholders can avail benefits of the e-dividend mechanism by providing detail of their dividend mandate, specifying (i) Title of Bank account, (ii) Bank Account Number, (iii) Bank Name, (iv) Branch Name, Code & Address, (v) Cell Number, and (vi) Landline Number, if any, to their participant or our share registrar.

8. Deduction of Tax from Dividend Income

The Government of Pakistan through Finance Act, 2015 has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as follows:

- (a) For filers of income tax returns 12.5%
- (b) For non-filers of income tax returns 17.5%

To enable the Company to make tax deduction on the amount of cash dividend @12.5% instead of 17.5% all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of cash dividend, otherwise tax on their dividend will be deducted @17.5% instead of 12.5%.

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

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

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

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

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

Notice of Annual General Meeting

9. Transmission of Annual Financial Statements through email

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

Further, the annual financial statements of the Company for the year ended June 30, 2015 along with related reports have been placed at the website of the Company www.bolancastings.com.

STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984.

This statement set out the material facts concerning the Special Business, given in agenda item No. 5 and 6 of the Notice.

1) Agenda Item No. 5 of the Notice - Transactions carried out with associated companies for the year ended June 30, 2015.

During the financial year ended June 30, 2015, the Company conducted transactions with associated companies in the normal course of business at arm's length price on commercial terms and conditions based on comparable uncontrolled price method. As per provision of clause 5.19.6 (b) of the Code of Corporate Governance, the transactions carried out in normal course of business with associated companies (Related Parties) were required to be approved by the Board as per recommendation of the Audit Committee on quarterly basis. As the majority of Company's Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of these transactions, therefore, in the last Annual General Meeting, the share holders had authorized the Chief Executive of the Company to approve these transactions in the normal course of business subject to final approval/ratification by the shareholders. Therefore, these transactions have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2015 with associated companies are being placed before the shareholders for their approval / ratification.

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

2) Agenda Item No. 6 of the Notice - Authorization to CEO for the transactions carried out and to be carried out with associated companies during the year ending June 30, 2016.

The Company shall be conducting transactions with associated companies in the normal course of business during the financial year ending June 30, 2016. As the majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies, the quorum of directors could not be formed for approval of these transactions, therefore, these transactions could not be approved by the Board on quarterly basis, as required under clause 5.19.6 (b) of the Code of Corporate Governance. Therefore, such transactions with associated companies shall be approved by the shareholders in the next AGM.

In order to ensure routine approval of these transactions throughout the year, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies during the financial year ending June 30, 2016.

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

Chairman's Review

Dear Shareholders,

It gives me pleasure to present the Annual Report together with the Audited Financial Statements of the Company for the Financial Year ended June 30, 2015.



National Economic Review

The revival of growth that started in 2013-14 continued in 2014-15. The factors contributing this momentum include the reform initiatives, calibrated fiscal and monetary measures and overall improvement in macroeconomic situation.

The GDP growth accelerates to 4.24 percent in 2014-15 against the growth of 4.03 percent recorded in the previous year. The growth momentum is broad based, as all sectors namely agriculture, industry and services have supported economic growth. The agriculture sector posted growth of 2.9 percent as compared to 2.7 percent last year. The industrial sector growth however declined at 3.62 percent as compared to 4.45 percent last year.

"Your Company is endeavoring for new sales avenues, both locally and internationally and at the same time adopting cost-cutting measures which would help in improving financial results for the future."



Chairman's Review

Business Review

The reduction of sales tax from 16% to 10% gave an impetus to the crises ridden tractor and its vending industry and led to good recovery of sales of tractors and tractors' castings against last year.

This year there has been an increase in demand for tractors. Accordingly the higher demand for components enabled your Company to produce 11,368 M.T of castings against 8,575 M.T of last year. The tonnage net sales were 10,966 M.T against 7,347 M.T of last year.

Company's Performance

The sales revenues of the Company for the year under review amounted to Rs. 1,695.718 million as against Rs. 1,111.227 million of last year. The gross profit was Rs. 189.450 million as against gross loss of Rs. 21.956 million of last year.

The selling, distribution and administrative expenses were Rs. 79.569 million against Rs. 75.402 million of last year. The financial cost was Rs. 46.319 million against Rs. 62.353 million of last year.

The profit before tax was Rs. 71.640 million as against loss before tax of Rs. 146.343 million of last year. The profit after tax was Rs. 46.915 million against loss after tax of Rs. 105.525 million of last year.

Your Directors were pleased to recommend a cash dividend of Rs. 2.00 per share i.e. 20%, subject to approval at the Annual General Meeting.

Future Prospects

Pakistan is an agro based country, in which agriculture has most pivotal role to play. Government policies on economic development extend a good support to the agricultural sector. It is expected that the current regime of GST @ 10% shall prevail and tractor loaning by ZTBL and other commercial banks will increase significantly. We are optimistic that this will result in further growth for tractors and its vending industry in the next year.

Further, the Governments of Punjab and Sindh have also allocated budget for subsidy schemes of 25,000 and 29,000 tractors respectively, for providing assistance to cash strapped farmer. The actual announcement and details of said schemes are yet to come. These schemes will hopefully benefit the tractor industry and in turn improved demand for your Company's products.

Your Company is endeavoring for new sales avenues, both locally and internationally and at the same time adopting cost-cutting measures which would help in improving financial results for the future.

During the year, our main customer Millat Tractors Limited has started to focus on establishing the "Millat" brand. The management of your Company is also focusing on improving supply of tractors' castings and also the quality for satisfaction of our customers.

Based on above mentioned factors, your Company is expected to achieve higher production and sales targets next year.



Contribution towards Economic Development and Self Reliance

The Company has contributed in development of parts for agricultural tractors and automotive industry. It has made huge investments for the development of toolings and has acquired the expertise to design and manufacture the pattern equipment required for casting of components. The ongoing process of research and development within the Company has been a source of strength for the production lines. It has also been a source of employment to the people of the region at all levels.

Human Resource Development

Human resource is the most valuable asset of your Company. We recognize that skilled and motivated people are essential for success.

Your Company emphasizes on training programmes which assist in enhancement of employee skills. Apart from it, Company also imparts on job training to unskilled workers, fresh diploma holders, engineers and finance graduates which becomes a rich source for their career building.

Acknowledgement

I would like to place my deepest gratitude to all the shareholders, customers, suppliers, contractors, bankers and other stakeholders for their enduring relationship and their continued support towards the prosperity of the Company.

I would like to appreciate the management and employees for their hard work, dedication and commitment.

In the end, I would like to thank my fellow Board members for their untiring efforts in directing the Company's course through favourable and unfavourable business conditions and look forward to continued commitment of all stakeholders for future progress of the Company.

Sikandar M. Khan
Chairman

Directors' Report

Bolan Castings is following the trait of persistence since its start in 1986 to be the No.1 foundry of Pakistan, producing Tractor and Automotive castings.

*Inconsistent Government policies do hamper the expected growth pattern, nevertheless, the resolute adherence to the professional approach supported by contemporary technology and unmatched experience, **BOLAN** do rightly claim to be the Foundry Icon of Pakistan.*

"The will to win is not nearly as important as the will to prepare to win."

Sirajuddin Khan, CEO

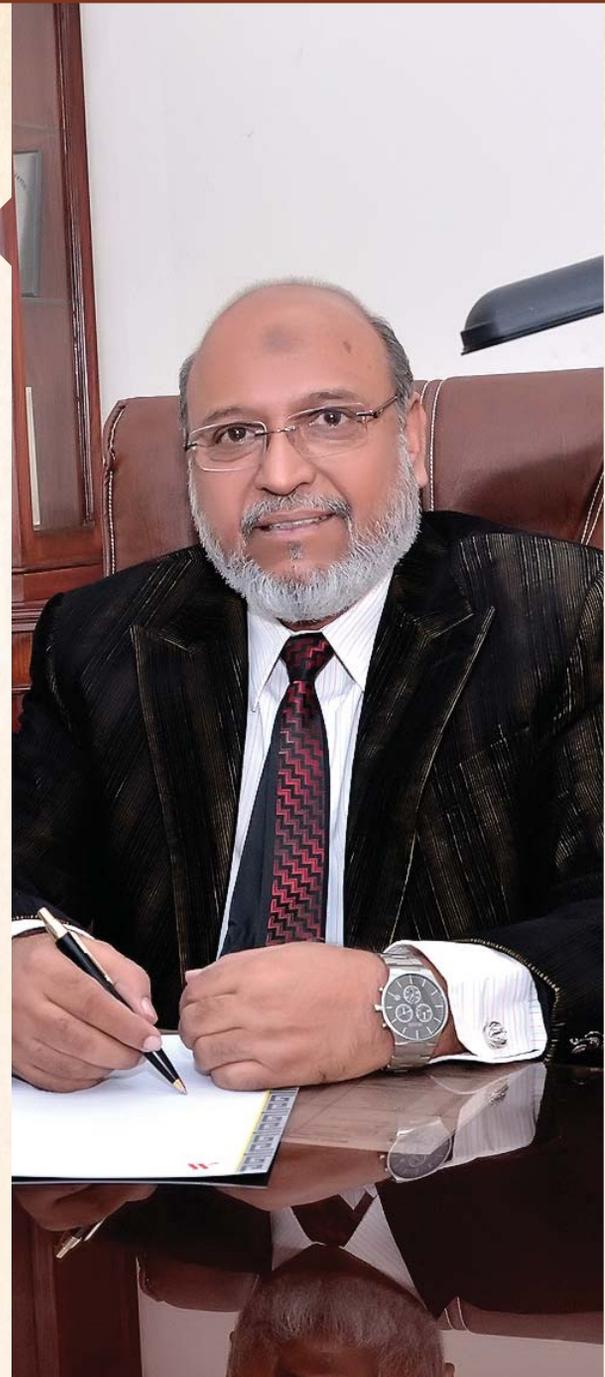
Dear Shareholders

Directors of your Company have pleasure in presenting Annual Report and the Audited Financial Statements of the Company for financial year ended June 30, 2015.



General

Your Company is incorporated in Pakistan as a public limited company and is listed on the Karachi Stock Exchange. Its main business activity is to produce castings of tractors and automotive parts.



Directors' Report

Financial Results

Financial Results for the year are as follows:

	(Rs.000)
Profit before taxation	71,640
Taxation	(24,726)
Profit after taxation	46,914
Other comprehensive loss	(15,120)
Accumulated loss brought forward	(117,789)
Accumulated loss	(85,994)
Appropriations:*	
Proposed dividend (20%)	(22,945)
Accumulated loss carried forward	(108,939)

* The Board of Directors has proposed these appropriations, which are not reflected in the financial statements for the year ended June 30, 2015 in compliance with the Fourth schedule of the Companies Ordinance 1984.

Dividends

The directors have recommended cash dividend at the rate of Rs. 2.00 per share i.e.20%. If approved by the shareholders in the Annual General Meeting, the cash dividend will be paid within thirty days of AGM to the shareholders whose names appear on the register of shareholders of the Company at close of business on October 14, 2015.

Subsequent Effects

The cash dividend amounting to Rs. 22.945 million for the financial year 2015 shall be reflected in the financial statements for the year ending June 30, 2016. However, this will have no bearing on payment of dividends to shareholders.

Earnings Per Share

The earnings per share for the year ended June 30, 2015 were Rs. 4.09 as against loss of Rs. 9.20 per share of preceding year.

Risk Management

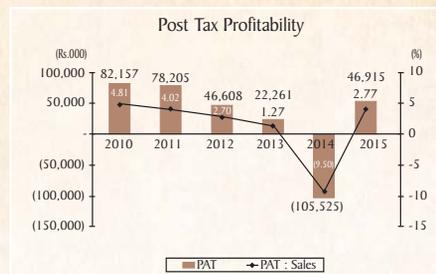
Overall risks arising from the Company's financial instruments are limited as there is no significant exposure to market risk in respect of such instruments.

Interest / Mark-up Rate Risk

The Company manages to mitigate the interest / mark-up rate risk, arising from mismatches of financial assets and liabilities that mature or reprice in a given period, through risk management strategies where significant changes in gap position can be adjusted.

Credit Risk

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



Liquidity Risk

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

Corporate Social Responsibility

Your Company recognizes the importance of conducting its business in a socially responsible manner. This is demonstrated in the way we deal with our employees, customers and the wider community where we operate.

BCL considers that corporate social responsibility is an integral element of good business management. Various activities conducted in this area are enumerated below:

Energy Conservation

BCL is well aware of the Country's need for energy as well as its responsibility towards energy conservation. For this purpose, the Company continues its effort to minimize energy consumption in daily operations of the Company. Our employees are encouraged to avoid unnecessary consumption of electricity, gas and water. Furthermore, the management has also issued directives to minimize fuel consumption in Company-owned vehicles and also to use energy-saving lighting device at all locations of the Company.

Environmental Protection Measures

We attach great importance to the maintenance of a healthy living environment and consistently integrate the ideas and measures of environment protection. We encourage initiatives which benefit the environment. Our operations are conducted with the emphasis on compliance of regulatory requirements relating to the environment. Continued efforts are made so that the Company's plant operational activities are environment friendly. In this regard, following are ensured in particular:

- Wet sludge tank for cupola emissions,
- Scrubbers for air born emission at core plant,
- Reduction of dust emissions through filter bag,
- Closed cabin for shot blasting and sand plant, and
- Maximum plantation in factory through the use of waste water.

Directors' Report

Occupational Safety and Health

BCL believes that the safety and welfare of its employees is of paramount importance. We believe that all industrial injuries can be prevented. Each individual employee is responsible for working safely, both for his own welfare, and for the safety and welfare of his fellow employees.

We believe that production is not so important that time cannot be taken to find a safe way to do our work. We have a proper Safety Policy, duly regulated and certified by ISO 9001 : 2008 Quality Management System. BCL ensures availability at Plant of effective fire fighting system, Ventilation and Protection against direct heat from Sun in storage area of flammable material. Regular and real time fire fighting demonstration are taken as per Safety Policy. All necessary first aid facilities are available with qualified staff round the clock.

Consumer Protection Measures

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

BCL was the first foundry in Pakistan to obtain ISO 9002 certificate in April 1999. The Company has also acquired ISO 9001 - 2008 version of ISO Quality Management System which is a proof of our commitment of providing quality services to our customers as well as to increase their satisfaction level.

Industrial Relations

BCL believes in maintaining cordial industrial relationship with its employees and their Collective Bargaining Agent (CBA).

The Company is always taking measures towards the employees' welfare. The Company provides subsidized food at its canteen. Further, the Company also provides medical facilities to its employees. The Company has a balanced programme of employee in-service and post employment benefits and policies. The Company has provident fund as well as gratuity and pension fund schemes for a majority of its employees.

The Company has a Hajj Scheme for its employees under which three employees are sent to perform Hajj at Company's expense every year.

Employment of Special Persons

BCL continues to be supportive of the employment and advancement of disabled person in accordance with their abilities and aptitudes, provided that they can be employed in a safe working environment.

If employees become disabled every effort is made to ensure the continuity of their employment and where the disability of the employees is such that they can not continue to work then in such cases, the Company provides employment to their child.

Business Ethics and Anti-Corruption Measures

BCL is committed to high standard business conduct. We believe that it is vital to the reputation and financial success of the Company that we conduct our business with honesty, integrity and in compliance with all applicable legal and regulatory requirements. It is a fundamental policy of the Company that all employees observe and comply with the laws and regulations applicable to the Company's business and that they act with high standards of business integrity. Our Code of Conduct is the key document addressing these high values, which has been disseminated throughout the Company.

In addition to above, all employees are required to give a monthly certification on compliance of internal controls which is formally reported by the CEO to the Board on quarterly basis.

Contribution to National Exchequer

BCL has contributed Rs. 347.251 million to the national exchequer during the period by way of taxes and duties. This includes Rs. 29.340 million as income tax, Rs. 300.919 million as sales tax and Rs. 16.992 million as custom & regulatory duties.

Furthermore, the Company also contributed a hefty amount to the national exchequer as withholding tax agent.



Corporate Governance

Compliance with the Code of Corporate Governance

BCL is deeply aware of the significance of corporate governance in achieving effective checks and balance and protecting the interest of all shareholders and is dedicated to pursuing sustained optimization of corporate governance. The Company regards the building of sound corporate governance as an important means to maintain shareholder relationship and enhance corporate value. The Company is convinced that sound corporate governance is of great importance to the sustainable long term growth of the Company and that the efforts to improve and optimize our corporate governance and the progress that have been made to this end will help in enhancing our core competitiveness and increasing corporate value.

In accordance with the Code of Corporate Governance, the Board has established sound corporate governance policies and procedures, which are monitored and reviewed on a continuous basis. Our Corporate governance

Directors' Report

framework is directed towards achieving our business objectives in a manner which is responsible and in accordance with high standards of honesty, transparency and accountability.

For achievement of these principles, our vision / mission statements, overall corporate strategy and significant policy guidelines, have been in place for many years. Further, the Board has developed a code of conduct, setting the standards by which the directors, senior management and all other employees of the Company are expected to conduct themselves.

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

Board of Directors

Board Structure and Changes

Effective management and good stewardship are led by the Board of Directors, which currently consists of nine elected directors, of whom one is executive director and eight are non-executive directors including an independent director.

During the last Annual General Meeting dated October 28, 2014, the nine Directors were elected unopposed as Directors of the Company for the next term of three years ending October 2017.

As a result of Election, Syed Muhammad Irfan Aqueel and Syed Javaid Ashraf elected to the Board as new directors, while Mr. Javed Munir retired from the Board on expiry of three years' term of office of director.

The Board of Directors wishes to place on record its appreciation on the most commendable services rendered by Mr. Javed Munir during his tenure as Director. The Board of Directors also welcomed Syed Muhammad Irfan Aqueel and Syed Javaid Ashraf as new directors and expected a positive contribution towards the success of the Company from them.

The newly elected Board of Directors of our Company comprises the following:

1. Mr. Sikandar Mustafa Khan
2. Mr. Sirajuddin Khan
3. Mr. Latif Khalid Hashmi
4. Mr. Sohail Bashir Rana
5. Mr. Laseq Uddin Ansari
6. Mian Muhammad Saleem
7. Syed Muhammad Irfan Aqueel
8. Syed Javaid Ashraf
9. Mr. Muhammad Imran Rafiq

After election of Board of Directors, the Directors in their meeting re-elected Mr. Sikandar M. Khan as Chairman of the Board of Directors for the next term of three years ending October 2017.

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

Role of the Chairman and Chief Executive Officer

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

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

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

Board Effectiveness / Board Process

The Board is collectively responsible for the success of the Company. Its role is to provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enables risk to be assessed and managed. The Board sets the Company's strategic aims, ensures that the necessary financial and human resources are in place for the Company to meet its objectives and reviews management performance. It also sets the Company's values and standards and ensures that its obligations to its shareholders and others are understood and met.

Specific responsibilities reserved to the Board include:

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

Performance Evaluation of the Board

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

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

Directors' Report

Board Meetings

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

The Board met four times during the financial year 2014-15. All the meetings were presided over by the Chairman. These meetings were also attended by the Chief Financial Officer and the Company Secretary.

Attendance of Directors at Board meetings is set out below:

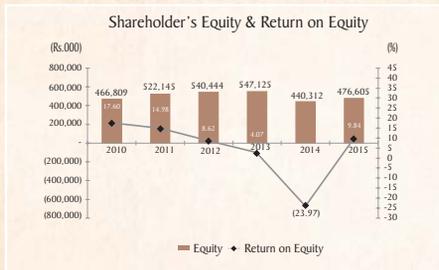
Name of Directors	Meetings Attended
Mr. Sikandar M. Khan	4 of 4
Mr. Sirajuddin Khan	4 of 4
Mr. Latif Khalid Hashmi	3 of 4
Mr. Sohail Bashir Rana	2 of 4
Mr. Laeeq Uddin Ansari	1 of 4
Mian Muhammad Saleem	2 of 4
Mr. Muhammad Imran Rafiq	4 of 4
Syed Muhammad Irfan Aqueel*	3 of 3
Syed Javaid Ashraf*	3 of 3
Mr. Javed Munir**	1 of 1

* Elected as Director w.e.f. 28-10-2014

** Retired as Director w.e.f. 28-10-2014

Notice of meetings along with the agenda items and comprehensive working papers dealing with aspects of the business are distributed to Directors by the Company Secretary in advance of each Board Meeting so that the meeting can benefit from an informed board.

All the directors are fully aware of their responsibilities. At least once in a year, the Company conducts a course for its directors to acquaint them with their duties and responsibilities regarding managing the affairs of the Company on behalf of shareholders. Most of the Directors meet the exemption requirements of the Directors' Training Program. During the year, Director Mr. Muhammad Imran Rafiq has attended the Directors' Training Program. In addition, CEO Mr. Sirajuddin Khan and Director Syed Muhammad Irfan Aqueel have also acquired certification under Directors' Training Program in the past years.



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

The Company Secretary is responsible for advising the Board on all governance matters and for ensuring that Board procedures are followed and applicable rules and regulations complied with. Additionally the Company Secretary is also responsible for compiling the minutes of Board Meeting and circulating amongst the directors within fourteen days of the date of meeting.

The Chief Financial Officer is responsible for advising the Board on all financial and accounting matters and also responsible, alongwith the Chief Executive Officer, for presenting the annual and quarterly financial statements. He takes care of assets and financing thereof.

Additionally, the CFO is also responsible for finalizing Annual Corporate Budgets and periodic review of Budget vs Actual analysis for smooth running of the Company affairs.

Board Committees

In order to provide effective oversight and leadership the Board has established four committees with particular responsibilities. The terms of reference of these committees are clearly defined by the Board.

The proceedings of Board Committees are reported to the Board of Directors in their meetings.

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

Audit Committee

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

The primary role of the Audit Committee, which reports its findings to the Board, is to ensure the integrity of the financial reporting and audit process and the maintenance of a sound internal control and risk management system. In pursuing these objectives, the Committee ensures that an appropriate relationship is maintained between the internal and the external auditors of the Company. The Committee also considers the effectiveness of the external audit process and makes recommendations to the Board on appointment, resignation or dismissal of the auditors and their level of audit fee.

The Committee performs its responsibilities in supervising internal audit function and also plays an important role in optimizing the Company's internal control systems. The Audit Committee reviews the implementation on the internal control systems regularly and supervises the rectification of identified internal control problems.

The Committee also ensures the compliance with the best practices of corporate governance and other relevant regulatory requirements.

Directors' Report

The Committee formally meets at least once in a quarter prior to approval of interim results of the Company and as required by the Code of Corporate Governance. The Chief Executive Officer, the Chief Financial Officer and the Head of Internal Audit attend the meetings. The External Auditors attend the meetings at which annual and half yearly financial statements are reviewed for subsequent approval by the Board of Directors.

In addition, the Committee holds separate meetings with External Auditors to facilitate the discussion on any issue arising from the audit and with the Internal Auditors to discuss the matters related to Internal Controls.

During the financial year 2015, the Committee met four times to coincide with the financial and reporting cycles of the Company.

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

Name of Directors	Meetings Attended
Mr. Latif Khalid Hashmi	3 of 4
Mr. Muhammad Imran Rafiq	4 of 4
Syed Muhammad Irfan Aqueel*	1 of 2
Syed Javaid Ashraf*	2 of 2
Mr. Laeeq Uddin Ansari**	0 of 2
Mian Muhammad Saleem **	1 of 2
Mr. Javed Munir**	2 of 2

* Became member w.e.f. 28-10-2014

** Cease to be a member w.e.f. 28-10-2014

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

Board's Committee for Supervision (BCS)

The Board's Committee for Supervision (BCS) acts as an Executive Committee and is chaired by Mr. Sikandar M Khan. The other members of the committee are Mr. Latif Khalid Hashmi, Mr. Sohail Bashir Rana, Mr. Laeeq Uddin Ansari and Mian Muhammad Saleem.

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

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

Name of Directors	Meetings Attended
Mr. Sikandar M. Khan	7 of 8
Mr. Latif Khalid Hashmi	7 of 8
Mr. Sohail Bashir Rana	2 of 8
Mr. Laeeq Uddin Ansari	1 of 8
Mian Muhammad Saleem	2 of 8

Human Resource and Remuneration (HR&R) Committee

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

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

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

Name of Directors	Meetings Attended
Mr. Latif Khalid Hashmi	2 of 2
Mian Muhammad Saleem	2 of 2
Mr. Sirajuddin Khan	2 of 2

Directors' Remuneration Committee

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

The primary role of the Committee is to follow a formal and transparent procedure, for fixing the remuneration packages of CEO and executive directors of the Company and also to ensure that the levels of remuneration of executive directors are commensurate with their qualifications. The Committee is also responsible to review and recommend compensation arrangements relating to dismissal or removal of CEO and executive directors for misconduct. No meeting of the Committee was held during the year.

Management Committees

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

Business Strategy Committee

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

System & Technology Committee

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

Directors' Report

Aggregate Directors' Remuneration

Details of the directors' remuneration are as follows:

	Chief Executive	Independent & Non-Executive Director
	----- (Rupees in thousand) -----	
Managerial remuneration	1,724	-
Bonus	-	-
Retirement benefits	159	-
House Rent	718	-
Utilities	768	-
Medical expenses	8	-
Fees	-	130
Others	557	-
	<u>3,934</u>	<u>130</u>
Number of person	<u>1</u>	<u>2</u>

Accountability and Audit

Financial Reporting

The Board satisfies that it has met its obligation to present a balanced and understandable assessment of the Company's position and prospects through Chairman's review, Directors' report and Accounts which includes the operational and business review. Directors' statement on corporate and financial reporting is included in this Directors' report.

Internal Controls

The directors are responsible for the Company's system of internal controls which aims to: safeguard the Company's assets; ensure that proper accounting records are maintained; ensure compliance with statutory and regulatory requirements; and ensure the effectiveness and efficiency of operations.

The Company maintains a sound system of internal controls, which is designed to identify, evaluate and manage risks that may impede the achievement of the Company's business objectives rather than to eliminate these risks and can, therefore, provide only reasonable assurance against material misstatement or loss. The Audit Committee has been formally delegated the responsibility for reviewing the effectiveness of the system of internal controls.

The Company and its operations are subject to a detailed annual budget process. Actual performance during the year is monitored periodically against budget, forecasts and previous year. These forecasts and results are presented to the Board's Committee regularly.

Internal Audit

Internal Audit's mission is to provide objective assurance and to increase the effectiveness of the BCL's operations. It helps to achieve BCL's objectives by using a systematic and methodical approach to assess the processes and systems used for risk management, control and corporate governance. It also helps improve them by making proposals to increase their effectiveness.



The scope of the work done by the Internal Audit make it possible to determine whether the processes, systems and controls, as they have been developed and implemented, are sufficient and are applied in such a way as to ensure that:

- Risks are defined, evaluated and managed adequately;
- Financial and operational information is authorized, reliable and available in a timely fashion;
- Directives, policies, laws, regulations and statutory requirements are respected; and
- Human, informational, material and financial resources are acquired economically, used efficiently and protected adequately.

Internal Audit reports directly to the Audit Committee of the Board of Directors. The organizational structure is designed to ensure Internal Audit has the independence required to play its role effectively.

External Audit

The present auditors, M/s. A.F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The directors endorse recommendations of the audit committee for the re-appointment of M/s. A.F. Ferguson & Co., Chartered Accountants as the auditors for the financial year 2015-2016.

M/s. A.F. Ferguson & Co., Chartered Accountants have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan. Further, they have confirmed that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

The external auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

Directors' Report

Relations with shareholders

Constructive use of the Annual General Meeting

The Board considers the Annual General Meeting an opportunity to communicate with shareholders, and encourages their participation. At least 21 days before the date of AGM, the Notice of meeting including the agenda and necessary information are dispatched to shareholders and published in leading Urdu and English newspapers also.

Other

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

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

Chairman's Review

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

Statement on Corporate and Financial Reporting Framework

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

- a) The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements except for those as stated in the notes to the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International accounting standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e) The system of internal controls 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 as detailed in the listing regulations of Stock Exchange.

Operating and Financial Summary

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

Taxation

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

Investment of Retirement Benefits Funds

The values of investments of Provident Funds, Gratuity Fund and Pension Fund based on their un-audited accounts as on June 30, 2015 (audit in progress) were as follows:

Provident Funds	Rs. 80.601 million
Gratuity Fund	Rs. 60.328 million
Pension Fund	Rs. 103.872 million

Trading in the Company Shares

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

Name & Designation	No. of Shares	Nature of Transaction
Mr. Latif Khalid Hashmi Director	200,000	Sale
Mian Muhammad Saleem Director	65,164	Sale

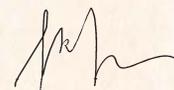
Pattern of Shareholdings

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

Approval and Authorization

The Board of Directors of the Company in its meeting held on September 03, 2015 approved the Directors' Report and authorized Mr. Sirajuddin Khan, Chief Executive Officer of the Company to sign the report on its behalf.

On Behalf of the Board



Sirajuddin Khan
Chief Executive

Vertical Analysis

	2015 (Rs. 000)	%	2014 (Rs. 000)	%	2013 (Rs. 000)	%	2012 (Rs. 000)	%	2011 (Rs. 000)	%	2010 (Rs. 000)	%
Operating results												
Net Sales	1,695,718	100.0	1,111,227	100.0	1,745,974	100.0	1,724,539	100.0	1,946,677	100.0	1,707,846	100.0
Cost of sales	1,506,268	88.8	1,133,183	102.0	1,585,275	90.8	1,533,750	88.9	1,711,481	87.9	1,468,284	86.0
Admin, selling & distribution expenses	79,569	4.7	75,402	6.8	84,404	4.8	77,337	4.5	81,439	4.2	77,955	4.6
Other operating expenses	5,086	0.3	-	-	3,231	0.2	5,039	0.3	9,556	0.5	9,422	0.6
Investment Income	811	0.0	743	0.1	856	0.0	1,076	0.1	1,075	0.1	1,072	0.1
Other income	12,354	0.7	12,625	1.1	9,711	0.6	9,845	0.6	12,344	0.6	16,662	1.0
Finance cost	46,319	2.7	62,353	5.6	49,354	2.8	50,330	2.9	33,822	1.7	44,170	2.6
Taxation	24,726	1.5	40,819	3.7	11,160	0.6	22,395	1.3	45,593	2.3	43,591	2.6
Profit / (Loss) after taxation	46,915	2.8	(105,525)	(9.5)	22,261	1.3	46,608	2.7	78,205	4.0	82,157	4.8
Balance Sheet												
Property, plant and equipment	187,058	15.5	193,926	18.8	219,561	16.6	240,645	22.1	235,330	23.8	236,205	22.6
Long-term investments	16,718	1.4	12,219	1.2	14,088	1.1	8,338	0.8	9,171	0.9	8,338	0.8
Other non-current assets	51,098	4.2	61,897	6.0	18,343	1.4	19,261	1.8	5,106	0.5	4,963	0.5
Current assets	948,799	78.8	761,620	74.0	1,072,818	81.0	819,929	75.3	739,686	74.8	793,499	76.1
Total assets	1,203,672	100.0	1,029,662	100.0	1,324,810	100.0	1,088,173	100.0	989,293	100.0	1,043,004	100.0
Total Share holder's equity	476,605	39.6	440,311	42.8	547,125	41.3	540,444	49.7	522,145	52.8	466,809	44.8
Long term debts (excluding current maturity)	-	-	-	-	-	-	-	-	-	-	14,082	1.4
Long-term deposits	5,126	0.4	3,852	0.4	4,895	0.4	5,178	0.5	4,442	0.4	3,843	0.4
Staff retirement benefits - obligations	34,724	2.9	21,846	2.1	18,834	1.4	12,162	1.1	35,681	3.6	30,284	2.9
Deferred taxation	-	-	-	-	19,557	1.5	25,477	2.3	25,001	2.5	22,383	2.1
Short-term debts	592,917	49.3	444,518	43.2	496,237	37.5	287,733	26.4	147,361	14.9	221,867	21.3
Trade creditors	83,091	6.9	106,267	10.3	209,770	15.8	207,838	19.1	247,873	25.1	277,412	26.6
Other current liabilities	11,208	0.9	12,867	1.2	28,392	2.1	9,341	0.9	6,791	0.7	6,320	0.6
Total liabilities	727,067	60.4	589,350	57.2	777,685	58.7	547,729	50.3	467,148	47.2	576,195	55.2
Total equity and liabilities	1,203,672	100.0	1,029,662	100.0	1,324,810	100.0	1,088,173	100.0	989,293	100.0	1,043,004	100.0
Cash Flow												
Cash generated from operations	(55,650)	37.3	138,713.00	282.6	(90,108)	43.7	7,127	(4.6)	278,139	319.1	162,306	255.8
Cash flow from/(used in) operating activities	(135,539)	90.9	46,340.00	94.4	(179,105)	86.9	(107,379)	69.1	186,039	213.4	83,359	131.4
Cash flow from/(used in) investing activities	(13,565)	9.1	2,742.00	5.6	(6,026)	2.9	(32,439)	20.9	(24,950)	(28.6)	(19,919)	(31.4)
Cash flow from/(used in) financing activities	-	-	-	-	(20,869)	10.1	(15,557)	10.0	(73,927)	(84.8)	-	-
Net increase/(decrease) in cash and cash equivalents	(149,104)	100.0	49,081	100.0	(206,001)	100.0	(155,376)	100.0	87,162	100.0	63,440	100.0

Horizontal Analysis

	2015 (Rs. 000)	Inc./ (dec.) vs last year %	2014 (Rs. 000)	Inc./ (dec.) vs last year %	2013 (Rs. 000)	Inc./ (dec.) vs last year %	2012 (Rs. 000)	Inc./ (dec.) vs last year %	2011 (Rs. 000)	Inc./ (dec.) vs last year %	2010 (Rs. 000)	Inc./ (dec.) vs last year %
Operating results												
Net Sales	1,695,718	52.6	1,111,227	(36.4)	1,745,974	1.2	1,724,539	(11.4)	1,946,677	14.0	1,707,846	6.4
Cost of sales	1,506,268	32.9	1,133,183	(28.5)	1,585,275	3.3	1,533,750	(10.4)	1,711,481	16.6	1,468,284	1.9
Gross profit / (Loss)	189,450	(962.9)	(21,956)	(113.7)	160,699	(15.6)	190,789	(18.9)	235,196	(1.8)	239,562	45.8
Admin, selling & distribution expenses	79,569	5.5	75,402	(10.7)	84,404	9.1	77,337	(5.0)	81,439	4.5	77,955	14.9
Other operating expenses	5,086	(100.0)	-	(100.0)	3,231	(35.9)	5,039	(47.3)	9,556	1.4	9,422	132.9
Investment Income	811	9.1	743	(13.2)	856	(20.4)	1,076	0.1	1,075	0.2	1,072	108.4
Other income	12,354	(2.1)	12,625	42.6	8,855	(10.0)	9,845	(20.2)	12,344	(25.9)	16,662	(10.0)
Profit / (Loss) before finance cost	117,959	(240.4)	(83,990)	(201.5)	82,775	(30.6)	119,334	(24.3)	157,621	(7.2)	169,918	52.5
Finance cost	46,319	(25.7)	62,353	26.3	49,354	(1.9)	50,330	48.8	33,822	(23.4)	44,170	(24.2)
Profit / (Loss) before Taxation	71,640	(149.0)	(146,343)	(537.9)	33,421	(51.6)	69,003	(44.3)	123,799	(1.6)	125,749	136.6
Taxation	24,726	(39.4)	40,819	265.8	11,160	(50.2)	22,395	(50.9)	45,593	4.6	43,591	127.9
Profit after taxation	46,915	(144.5)	(105,525)	(574.0)	22,261	(52.2)	46,608	(40.4)	78,205	(4.8)	82,157	141.5
Balance Sheet												
Property, plant and equipment	187,058	(3.5)	193,926	(11.7)	219,561	(8.8)	240,645	2.3	235,330	(0.4)	236,205	(2.5)
Long-term investments	16,718	36.8	12,219	(13.3)	14,088	69.0	8,338	(9.1)	9,171	10.0	8,338	3.6
Other non-current assets	51,098	(17.4)	61,897	237.4	18,343	(4.8)	19,261	277.3	5,106	2.9	4,963	1.8
Current assets	948,799	24.6	761,620	(29.0)	1,072,818	30.8	819,929	10.8	739,686	(6.8)	793,499	24.1
Total assets	1,203,672	16.9	1,029,662	(22.3)	1,324,810	21.7	1,088,173	10.0	989,293	(5.1)	1,043,004	16.6
Share capital	114,725	-	114,725	10.0	104,296	-	104,296	-	104,296	10.0	94,814	20.0
Reserves	361,880	11.1	325,586	(26.5)	442,829	1.5	436,148	4.4	417,849	12.3	371,995	21.8
Total Share holder's equity	476,605	8.2	440,311	(19.5)	547,125	1.2	540,444	3.5	522,145	11.9	466,809	21.4
Long term debts (excluding current maturity)	-	-	-	-	-	-	-	-	-	(100.0)	14,082	-
Long term Deposits	5,126	33.1	3,852	(21.3)	4,895	(5.5)	5,178	16.6	4,442	15.6	3,843	100.0
Staff retirement benefits - obligations	34,724	59.0	21,846	16.0	18,834	54.9	12,162	(65.9)	35,681	17.8	30,284	(1.7)
Deferred taxation	-	-	-	(100.0)	19,557	(23.2)	25,477	1.9	25,001	11.7	22,383	8.4
Short-term debts	592,917	33.4	444,518	(10.4)	496,237	72.5	287,733	95.3	147,361	(33.6)	221,867	(23.4)
Trade creditors	83,091	(21.8)	106,267	(49.3)	209,770	0.9	207,838	(16.2)	247,873	3.6	277,417	90.4
Other current liabilities	11,208	(12.9)	12,867	(54.7)	28,392	204.0	9,341	37.6	6,791	7.5	6,320	(31.8)
Total liabilities	727,067	23.4	589,350	(24.2)	777,685	42.0	547,729	17.2	467,148	(18.9)	576,195	12.9
Total equity and liabilities	1,203,672	16.9	1,029,662	(22.3)	1,324,810	21.7	1,088,173	10.0	989,293	(5.1)	1,043,004	16.6
Cash Flow												
Cash generated from operations	(55,650)	(140.1)	138,714	(253.5)	(90,373)	(1,368.1)	7,127	(97.4)	278,139	71.4	162,306	67.9
Cash flow from/(used in) operating activities	(135,539)	(392.5)	46,336	(125.9)	(179,106)	66.8	(107,379)	(157.7)	186,039	123.2	83,359	252.8
Cash flow from/(used in) investing activities	(13,565)	(594.1)	2,746	(145.5)	(6,026)	(81.4)	(32,439)	30.0	(24,950)	25.3	(19,919)	12.1
Cash flow from/(used in) financing activities	-	-	-	100.0	(20,869)	(34.1)	(15,557)	(79.0)	(73,927)	100.0	-	(100.0)
Net increase/(decrease) in cash and cash equivalents	(149,104)	(403.8)	49,081	123.8	(206,001)	(32.6)	(155,376)	(278.3)	87,162	37.4	63,440	(1,139.4)

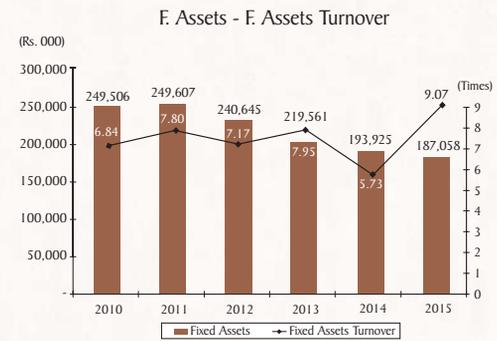
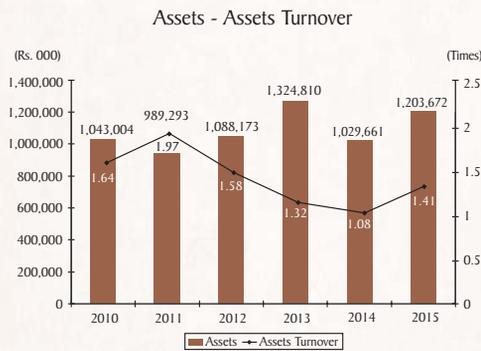
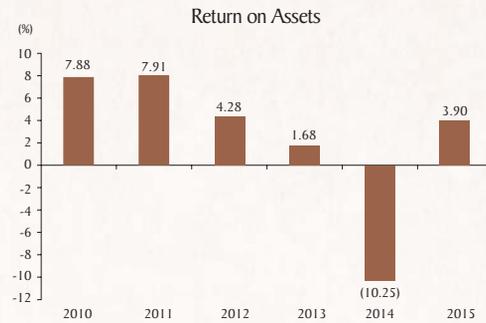
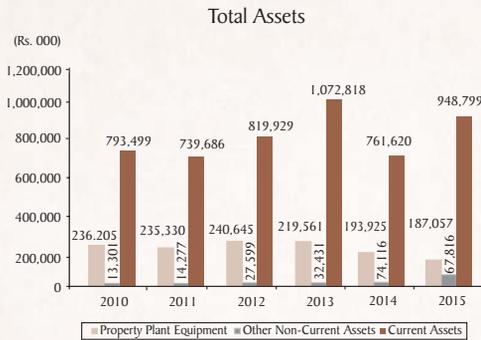
Decade at a Glance

Year ended 30 th June	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
INCOME										
Net Sales	1,695,718	1,111,227	1,745,974	1,724,539	1,946,677	1,707,846	1,604,626	1,130,538	869,672	802,761
Gross Profit / (Loss)	189,450	(21,956)	160,699	190,789	235,196	239,562	164,253	113,943	109,174	122,819
Operating profit / (Loss)	117,959	(83,989)	82,775	124,372	167,176	179,341	115,454	67,403	64,300	84,598
Profit / (Loss) before Tax	71,640	(146,343)	33,421	69,003	123,799	125,749	53,150	34,500	39,870	72,910
Profit / (Loss) after Tax	46,914	(105,525)	22,261	46,608	78,205	82,157	34,026	22,648	26,038	47,826
FINANCIAL POSITION										
Current Assets	948,799	761,620	1,072,818	819,929	739,686	793,499	639,502	533,411	433,427	331,842
Less: Current Liabilities	687,216	563,652	734,399	504,912	402,024	505,603	444,777	390,722	279,276	98,616
Net Working Capital	261,583	197,968	338,419	315,017	337,662	287,896	194,725	142,689	154,151	233,226
Property, Plant and Equipment	187,057	193,925	219,561	240,645	235,330	236,205	242,245	252,155	255,249	203,383
Others-Non Current Assets	67,816	74,116	32,431	27,599	14,277	13,301	12,926	21,379	23,111	22,692
	516,456	466,009	590,411	583,261	587,268	537,401	449,896	416,223	432,510	459,301
Less: Long Term Debts	-	-	-	-	-	14,082	50,332	84,128	121,190	-
Other Liabilities	39,851	25,698	43,286	42,817	65,124	56,510	51,450	30,952	23,028	13,397
Shareholders' Equity	476,605	440,311	547,125	540,444	522,145	466,809	384,364	334,940	325,355	324,714
REPRESENTED BY:										
Share Capital	114,725	114,725	104,296	104,296	104,296	94,814	79,012	60,778	55,253	55,253
General Reserves	424,500	424,500	411,500	385,500	323,500	274,500	256,500	240,000	230,000	210,000
Unrealized Gain on Long Term Investment	11,218	6,719	8,588	2,838	3,671	2,838	2,550	11,463	13,475	11,247
Premium on issuance of Right Share	12,156	12,156	12,156	12,156	12,156	12,156	12,156	-	-	-
Unappropriated Profit / (Loss)	(85,994)	(117,789)	10,585	35,654	78,522	82,502	34,147	22,699	26,627	48,214
Net Capital Employed	476,605	440,311	547,125	540,444	522,145	466,809	384,364	334,940	325,355	324,714
Summary of Cash Flows										
Cash flows from operating activities	(135,539)	46,336	(179,106)	(107,379)	186,039	84,150	23,627	(45,964)	(51,536)	21,070
Cash used in investing activities	(13,565)	2,746	(6,026)	(32,439)	(24,950)	(20,710)	(17,776)	(23,737)	(67,612)	(121,156)
Cash used in financing activities	-	-	(20,869)	(15,557)	(73,927)	-	(11,955)	(44,559)	(45,632)	91,148
Net change in cash and cash equivalents	(149,104)	49,081	(206,001)	(155,375)	87,161	63,440	(6,104)	(114,260)	(164,781)	(8,938)
PRODUCTION / SALES										
Production Capacity Installed (MT)	13,200	13,200	13,200	13,200	13,200	13,200	13,200	10,367	10,367	7,450
Production Capacity Attained (MT)	11,368	8,575	12,264	12,800	16,278	16,069	14,335	13,801	13,543	12,627
Capacity Ratio (%)	86	65	93	97	123	122	109	133	131	169
Net Sales (MT)	11,419	7,342	11,921	12,094	14,895	15,343	13,272	12,907	12,384	11,969

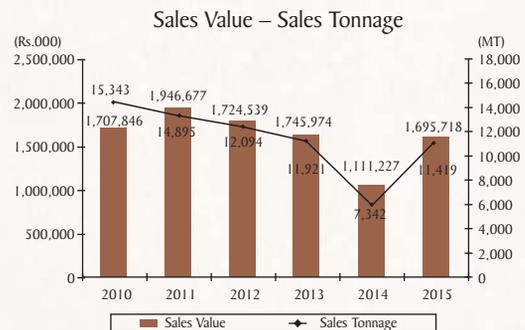
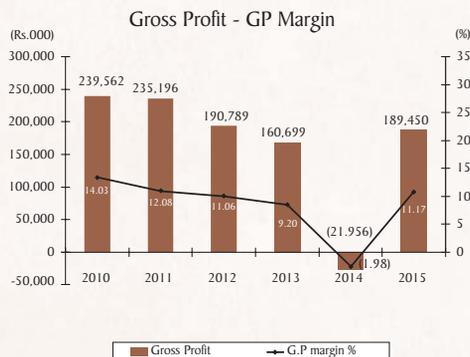
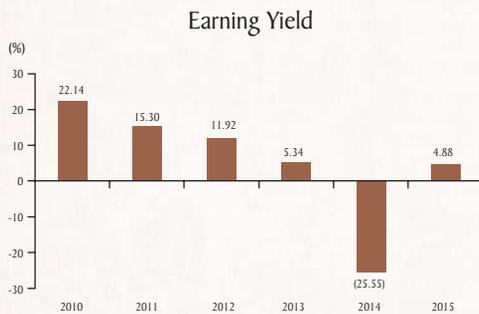
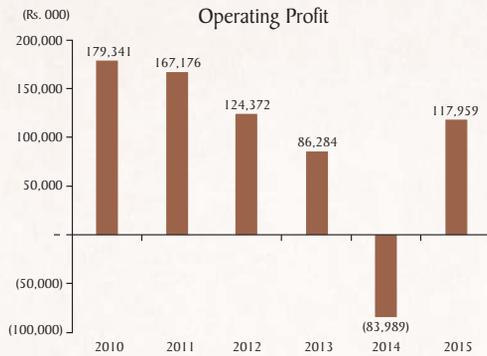
Decade at a Glance

Year ended 30 th June	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
MARKET VALUE RATIOS										
Break up value of a Share of Rs.10/-each	41.54	38.38	52.46	51.82	50.06	49.23	48.65	55.11	58.88	58.77
Dividend (Rupees per share)	-	-	-	2.00	1.50	2.50	-	-	2.00	5.00
Dividend (%)	-	-	-	20	15	25	-	-	20	50
Bonus Shares (%)	-	-	10	-	-	10	20	10	10	-
PROFITABILITY RATIOS										
Gross Profit / (Loss) Ratios (%)	11.17	(1.98)	9.20	11.06	12.08	14.03	10.24	10.08	12.55	15.30
Profit / (Loss) before Tax to Sales (%)	4.22	(13.17)	1.91	4.00	6.36	7.36	3.31	3.05	4.58	9.08
Profit / (Loss) after Tax to Sales (%)	2.77	(9.50)	1.27	2.70	4.02	4.81	2.12	2.00	2.99	5.96
Basic Earnings per share - EPS (Rs.)	4.09	(9.20)	2.13	4.47	7.50	7.88	3.46	2.95	4.28	8.66
Earning Yield - year end price (%)	4.88	(25.55)	5.34	11.92	15.30	22.14	15.73	5.49	6.12	9.41
Price Earning Ratio - year end price	20.48	(3.91)	20.62	8.39	6.53	4.52	6.36	18.22	16.34	10.62
EBITDA%(Earning before interest,tax, depreciation & Amortization).	5.66	(5.37)	6.31	8.60	10.00	12.09	8.93	8.39	9.42	11.65
Dividend Payout (%)	-	-	-	44.74	20.00	28.85	-	-	42.44	57.76
Dividend Yield Ratio (%)	-	-	-	5.33	3.06	7.03	-	-	2.60	5.43
Return on Equity (%)	9.84	(23.97)	4.07	8.62	14.98	17.60	8.85	6.76	8.00	14.73
Return on assets (%)	3.90	(10.25)	1.68	4.28	7.91	7.88	3.80	2.81	3.64	8.57
Operating Cycle	103.14	120.91	66.99	74.84	70.00	89.00	78.00	114.00	109.00	102.00
Divedend Cover	-	-	-	2.24	5.00	3.47	-	-	2.36	1.73
LIQUIDITY RATIOS										
Current Ratio	1.38:1	1.35:1	1.46:1	1.62:1	1.84:1	1.57:1	1.44:1	1.37:1	1.54:1	3.36:1
Quick Ratio	0.55:1	0.50:1	0.91:1	0.71:1	1.12:1	1.19:1	1.10:1	0.96:1	0.62:1	1.54:1
ACTIVITY RATIOS										
Raw material Inventory Turnover - (days)	47	45	39	45	48	48	38	68	76	66
WIP Inventory Turnover - (days)	17	18	12	10	7	7	7	10	13	11
Finished Goods Inventory Turnover - (days)	43	50	24	19	9	5	4	4	6	6
Debtors Turnover Ratio (days)	33	96	73	48	58	74	54	48	36	35
Assets turnover ratio (%)	0.71	0.93	0.76	0.63	1.97	1.64	1.79	1.40	1.22	1.44
Creditors Turnover Ratio (days)	36	88	81	47	63	44	24	25	29	28
Assets turnover - (times)	1.41	1.08	1.32	1.58	1.97	1.64	1.79	1.40	1.22	1.44
Fixed Assets Turnover - (times)	9.07	5.73	7.95	7.17	7.80	6.84	6.29	4.13	3.12	3.95
LEVERAGE RATIOS										
Equity Turnover - (times)	3.56	2.52	3.19	3.19	3.73	3.66	4.17	3.38	2.67	2.47
Debt-Equity Ratio	-	-	-	-	-	3:97	4:96	13:87	21:79	27:73
SHARE PRICE- (RS.)										
Highest	91.35	50.02	44.00	50.90	52.25	63.06	64.60	84.00	114.65	98.70
Lowest	32.89	29.45	33.25	26.60	35.25	22.00	22.00	61.00	68.00	59.85
Average	62.12	39.74	38.63	38.75	43.75	42.53	43.30	73.06	91.33	79.28
At the year end	83.75	36.00	40.00	37.50	49.00	35.58	22.00	67.95	77.00	92.00

Graphical Illustration



Graphical Illustration

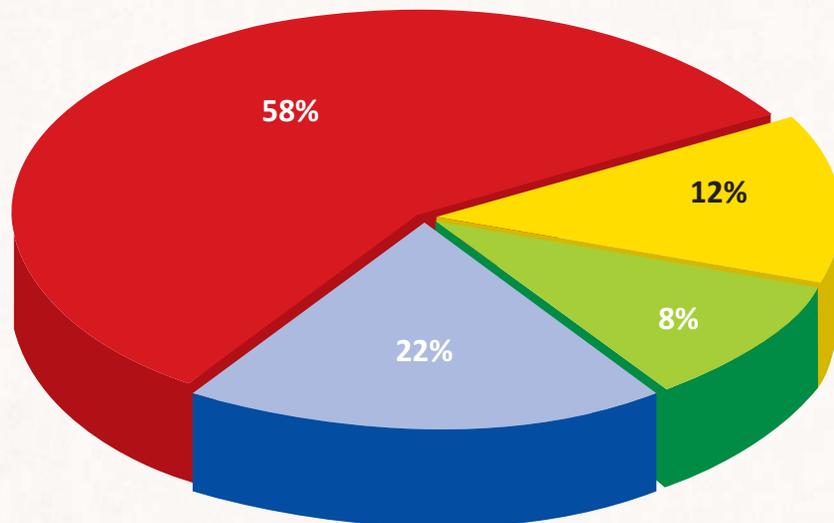


Statement of Value Added and its Distribution

PARTICULARS	2015		2014	
	Rs. 000	%	Rs. 000	%
VALUE ADDITION				
Revenue Generated	1,996,637		1,111,227	
Bought-In Material and Services	(1,446,954)		(864,719)	
Other Income	13,164		13,365	
	<u>562,847</u>		<u>259,873</u>	
DISTRIBUTION TO:				
Employees				
Salaries, Wages and benefits	117,200	20.82	115,755	44.54
Workers Participation Fund	3,582	0.64	-	-
	120,782	21.46	115,755	44.54
Government				
Income Tax	24,726	4.39	(40,819)	(15.71)
Sales Tax	300,919	53.45	203,779	78.41
Special Excise Duty	-	-	-	-
Workers Welfare Fund	1,504.32	0.27	-	-
	327,149	58.12	162,960	62.71
Shareholders & Fund Providers				
Bonus Shares	-	-	-	-
Cash Dividend	-	-	-	-
Financial Charges	46,319	8.23	62,353	23.99
	46,319	8.23	62,353	23.99
Society				
Donation	-	-	-	-
Retained in Business / (Utilized in Operations)	68,598	12.19	(81,195)	(31.24)
	<u>562,847</u>	<u>100</u>	<u>259,873</u>	<u>100</u>

Distribution of Value Addition

2015



■ Employees

■ Shareholders & Fund Providers

■ Government

■ Retained in Business

Statement of Compliance with the Best Practices of the Code of Corporate Governance

For the year ended June 30, 2015

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

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

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

Category	Names
Non-Executive Directors	Mr. Sikandar M. Khan Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mian Muhammad Saleem Syed Muhammad Irfan Aqueel Mr. Muhammad Imran Rafiq (NIT Nominee)
Executive Directors	Mr. Sirajuddin Khan - CEO
Independent Director	Syed Javaid Ashraf

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI. None of the directors is a member of any of the Stock Exchange.
4. No casual vacancy occurred in the Board during the year.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board / shareholders.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Company has arranged an orientation course for its directors during the year to acquaint them with the necessary skills and knowledge to carry out duties and responsibilities as director of the Company. Further, the Company also arranged a training program, under "Corporate Governance Leadership Skills - Director Education Program" offered by the Pakistan Institute of Corporate Governance, for its director during the year.

Statement of Compliance with the Best Practices of the Code of Corporate Governance

10. The Board has approved the appointment, remuneration and terms and conditions of employment of the Head of Internal Audit, CFO and Company Secretary.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises four members, of whom one is independent director and three are non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The Terms of Reference of the Committee have been formed and advised to the Committee for compliance. All the requirements of the CCG with respect to Audit Committee were complied with except that the Chairman Audit Committee was unable to attend the preceding Annual General Meeting of the Company due to his preoccupation. However, the Audit Committee was represented by its member on the Chairman's behalf.
17. The Board has formed a Human Resource (HR) and Remuneration Committee. It comprises three members, of whom two are non-executive directors including Chairman of the Committee.
18. The Board has set-up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP). Further, they have confirmed that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchange.
23. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi:
September 03, 2015



Sirajuddin Khan
Chief Executive



A.F FERGUSON & CO.

Review Report to the Members on the Statement of Compliance With the Code Of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Bolan Castings Limited for the year ended June 30, 2015 to comply with the Code contained in Regulation No. 5.19 of the Karachi Stock Exchange Limited Regulations where the Company is listed.

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

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

The Code required the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Further, we highlight below instance of non-compliance with the requirement of the Code as reflected in paragraph 16 in the Statement of Compliance:

- i. The Chairman Audit Committee shall be present at the Annual General Meeting (point reference 16 of the Statement).

Chartered Accountants
Karachi

Dated: September 04, 2015

Auditors' Report to the Members

We have audited the annexed balance sheet of Bolan Castings Limited as at 30 June 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2015 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



Chartered Accountants
Karachi

Dated: September 04, 2015

Name of the engagement partner: Farrukh Rehman

Balance Sheet

As at June 30, 2015

	Note	2015 Rupees	2014 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	187,057,730	193,925,557
Intangible assets	5	201,563	443,435
Long-term investment	6	16,718,125	12,218,750
Long term loans	7	777,745	847,000
Deferred taxation	8	40,179,459	41,531,963
Long-term deposits		3,612,000	4,012,000
Staff retirement benefits - prepayment	9	6,326,953	15,062,353
		<u>254,873,575</u>	<u>268,041,058</u>
Current assets			
Stores, spare parts and loose tools	10	84,345,162	85,849,805
Stock-in-trade	11	489,320,254	391,174,388
Trade debts	12	183,250,126	121,387,295
Loans and advances	13	9,614,849	3,884,632
Trade deposits and short term prepayments	14	21,722,339	10,889,299
Other receivables	15	2,868,829	2,611,182
Refunds due from the government - sales tax		19,347,640	20,132,247
Taxation - payments less provision		129,439,128	116,992,048
Cash and bank balances	16	8,890,582	8,699,584
		<u>948,798,909</u>	<u>761,620,480</u>
Total assets		<u><u>1,203,672,484</u></u>	<u><u>1,029,661,538</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	17	114,725,290	114,725,290
Reserves	18	361,879,819	325,585,925
		<u>476,605,109</u>	<u>440,311,215</u>
LIABILITIES			
Non-current liabilities			
Long term deposits	19	5,126,432	3,851,690
Staff retirement benefits - obligations	9	34,724,304	21,845,727
		<u>39,850,736</u>	<u>25,697,417</u>
Current liabilities			
Trade and other payables	20	83,091,092	106,266,830
Current portion of long term deposits	19	845,500	1,345,325
Accrued mark-up		10,362,800	11,522,392
Short term borrowings - from banks	21	592,917,247	444,518,359
		<u>687,216,639</u>	<u>563,652,906</u>
Total liabilities		<u>727,067,375</u>	<u>589,350,323</u>
Contingencies and commitments			
	22		
Total equity and liabilities		<u><u>1,203,672,484</u></u>	<u><u>1,029,661,538</u></u>

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


Chief Executive


Director

Profit and Loss Account

For the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
Sales	23	1,695,718,102	1,111,227,012
Cost of sales	24	(1,506,267,955)	(1,133,183,351)
Gross profit / (loss)		189,450,147	(21,956,339)
Distribution cost	25	(45,197,537)	(39,619,499)
Administrative expenses	26	(34,371,600)	(35,782,478)
Other expenses	27	(5,086,026)	-
Other income	28	13,164,427	13,368,477
Profit / (loss) from operations		117,959,411	(83,989,839)
Finance cost	29	(46,319,028)	(62,353,078)
Profit / (loss) before taxation		71,640,383	(146,342,917)
Taxation	30	(24,725,847)	40,818,255
Profit / (loss) after taxation		46,914,536	(105,524,662)
Earnings / (loss) per share - Basic and diluted	31	4.09	(9.20)

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


Chief Executive


Director

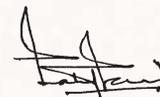
Statement of Comprehensive Income

For the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
Profit / (loss) after taxation		46,914,536	(105,524,662)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of staff retirement benefits	9	(21,600,313)	116,192
Impact of deferred tax		6,480,296	465,259
		(15,120,017)	581,451
Items that may be subsequently reclassified to profit or loss			
Unrealised gain / (loss) on revaluation of available-for-sale investment	6	4,499,375	(1,868,750)
Total comprehensive income / (loss) for the year		<u>36,293,894</u>	<u>(106,811,961)</u>

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


Chief Executive


Director

Cash Flow Statement

For the year ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	32	(55,650,130)	138,713,771
Decrease in long term loans		69,255	1,000
Increase / (decrease) in long term deposits - net		1,174,917	(749,199)
Income tax paid		(29,340,127)	(28,489,481)
Staff retirement benefits paid		(4,659,761)	(3,290,443)
Mark-up paid		(47,133,106)	(59,849,820)
Net cash (used in) / generated from operating activities		(135,538,952)	46,335,828
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(18,297,401)	(2,759,887)
Proceeds from disposal of property, plant and equipment		4,817,687	4,761,939
Return received on savings and deposit accounts		163,901	312,501
Investment in term deposits receipts		(896,000)	-
Dividend income		646,875	431,000
Net cash (used in) / generated from investing activities		(13,564,938)	2,745,553
Net (decrease) / increase in cash and cash equivalents		(149,103,890)	49,081,381
Cash and cash equivalents at the beginning of the year		(437,383,975)	(486,465,356)
Cash and cash equivalents at the end of the year	33	(586,487,865)	(437,383,975)

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


Chief Executive

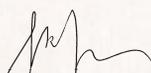

Director

Statement of Changes in Equity

For the year ended June 30, 2015

	Reserves					Sub Total	Total
	Capital		Revenue				
	Share Capital	Share premium	General	Unappropriated Profit / (Accumulated loss)	Gain on revaluation of available for sale investment		
----- Rupees -----							
Balance as at July 1, 2013	104,295,710	12,155,680	411,500,000	10,584,286	8,587,500	442,827,466	547,123,176
Issue of bonus shares @ 10% for the year ended June 30, 2013	10,429,580	-	-	(10,429,580)	-	(10,429,580)	-
Total comprehensive loss for the year ended June 30, 2014							
- Loss for the year ended June 30, 2014	-	-	-	(105,524,662)	-	(105,524,662)	(105,524,662)
- Other comprehensive loss for the year ended June 30, 2014	-	-	-	581,451	(1,868,750)	(1,287,299)	(1,287,299)
	-	-	-	(104,943,211)	(1,868,750)	(106,811,961)	(106,811,961)
Transfer to general reserve	-	-	13,000,000	(13,000,000)	-	-	-
Balance as at June 30, 2014	114,725,290	12,155,680	424,500,000	(117,788,505)	6,718,750	325,585,925	440,311,215
Total comprehensive income for the year ended June 30, 2015							
- Profit for the year ended June 30, 2015	-	-	-	46,914,536	-	46,914,536	46,914,536
- Other comprehensive loss for the year ended June 30, 2015	-	-	-	(15,120,017)	4,499,375	(10,620,642)	(10,620,642)
	-	-	-	31,794,519	4,499,375	36,293,894	36,293,894
Balance as at June 30, 2015	<u>114,725,290</u>	<u>12,155,680</u>	<u>424,500,000</u>	<u>(85,993,986)</u>	<u>11,218,125</u>	<u>361,879,819</u>	<u>476,605,109</u>

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


Chief Executive


Director

Notes to the Financial Statements

For the year ended June 30, 2015

1. THE COMPANY AND ITS OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

2.1.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

2.1.2 Changes in accounting standards, interpretations and pronouncements

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

IFRIC 21, 'Levies' a new interpretation is applicable for the Company for the first time for the financial year beginning on July 1, 2014, sets out the accounting for an obligation to pay a levy that is not income tax. The interpretation addresses what the obligating event is that gives rise to pay a levy and when should a liability be recognised. The Company is not currently subjected to significant levies so the impact on the Company is not material.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2014 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

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

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning January 1, 2015 that may have an impact on the financial statements of the Company.

IFRS 10, 'Consolidated financial statement' replaces all of the guidance on control and consolidation in IAS 27, 'Consolidation and separate financial statement', and SIC-12, 'Consolidation - special purpose entities'. IAS 27 is renamed 'Separate financial statement', it continue to be a standard dealing solely with separate financial statements. IFRS 10 has the potential to affect all reporting entities (investors) that control one or more investees under the revised definition of control. The Company is in the process of evaluating the impact.

Notes to the Financial Statements

For the year ended June 30, 2015

IFRS 11, 'Joint arrangements' focuses on the rights and obligations of the parties to the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where the investors have rights to the assets and obligations for the liabilities of an arrangement. A joint operator accounts for its share of the assets, liabilities, revenue and expenses. Joint ventures arise where the investors have rights to the net assets of the arrangement; joint ventures are accounted for under the equity method. Proportional consolidation of joint arrangements is no longer permitted. The standard may not have impact on financial statements of the Company.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangement, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirement for use across IFRSs. The requirement do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

2.2 Overall valuation policy

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

2.3 Property, plant and equipment and depreciation

Property, plant and equipment is stated at cost less depreciation except capital work-in-progress which is stated at cost. Depreciation is calculated using the reducing balance method at the rates given in note 4 to the financial statements. Depreciation on additions is charged from the month in which the asset is put to use and on disposals up to the month immediately preceding the disposal. Assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of property, plant and equipment are recognised in the profit and loss account.

2.4 Intangible assets and amortisation

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

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

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

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

Notes to the Financial Statements

For the year ended June 30, 2015

2.5 Investments

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

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

2.6 Taxation

2.6.1 Current

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

2.6.2 Deferred

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

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

2.7 Stores, spare parts and loose tools

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

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

2.8 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. Cost of raw material and work in process is determined using the weighted average basis and cost of finished goods is determined using the First In First Out (FIFO) method. Cost for stock-in-transit represents invoice value and other charges paid thereon. Cost of work in process and finished goods include cost of raw materials and appropriate portion of production overheads.

Net realisable value is the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make sale.

2.9 Trade and other receivables

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

Notes to the Financial Statements

For the year ended June 30, 2015

2.10 Staff retirement and other benefits

2.10.1 Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

The Company operates an approved contributory provident fund for all eligible employees. Equal monthly contributions are made, both by the Company and the employees, to the fund at the rate of 10% per annum of the basic salary.

2.10.2 Defined benefit plans

Defined benefit plans define an amount of pension or gratuity that an employee will receive on or after retirement, usually dependent on one or more factors, such as age, years of service and compensation. A defined benefit plan is a plan that is not a defined contribution plan. The liability recognised in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high quality corporate bonds or the market rates on Government bonds. These are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension obligation.

The Company operates the following schemes:

- i) Funded pension scheme for all of the Company's eligible employees. Contributions are made to the fund on the basis of the actuarial valuation. The latest actuarial valuation was carried out as at June 30, 2015, using the 'Projected Unit Credit Method'.
- ii) Funded gratuity scheme for all of the Company's eligible 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, 2015, using the 'Projected Unit Credit Method'.
- iii) Unfunded gratuity scheme for all of the Company's eligible non-executive employees. Provisions are made annually to cover obligations under the scheme, as per actuarial valuation. The most recent valuation of the scheme was carried out as at June 30, 2015, using the 'Projected Unit Credit Method'.

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

Past service costs are recognised immediately in income.

2.10.3 Compensated absences

The Company accounts for compensated absences of its employees on unavailed balance of leave in the period in which the leave is earned.

2.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, balances with banks on current, savings and deposit accounts, short-term investments with original maturities of three months or less, running finance under mark-up arrangements and short-term finance.

Notes to the Financial Statements

For the year ended June 30, 2015

2.12 Impairment

2.12.1 Financial assets

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

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

2.12.2 Non-financial assets

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

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

2.13 Trade and other payables

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

2.14 Provisions

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

2.15 Revenue recognition

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

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

2.16 Dividends and appropriation to general reserve

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

Notes to the Financial Statements

For the year ended June 30, 2015

2.17 Foreign currency transactions and translation

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

2.18 Financial assets and liabilities

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

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

2.19 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

i. Taxation

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

ii. Defined benefit plans

Significant estimates relating to post employment benefits are disclosed in note 9.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management believes that the change in outcome of estimates would not have a material impact on the amounts disclosed in the financial statements.

No critical judgment has been used in applying accounting policies.

4. PROPERTY, PLANT AND EQUIPMENT

Operating assets - note 4.1

Capital work-in-progress - note 4.2

	2015 Rupees	2014 Rupees
Operating assets - note 4.1	183,817,230	193,925,557
Capital work-in-progress - note 4.2	3,240,500	-
	<u>187,057,730</u>	<u>193,925,557</u>

Notes to the Financial Statements

For the year ended June 30, 2015

4.1 Operating assets

	Freehold land	Building on freehold land	Plant and machinery	Electrical and gas installations	Furniture and fittings	Electrical appliances	Office equipments	Computers	Vehicles	Total
----- Rupees -----										
Year ended June 30, 2015										
Opening net book value	2,678,754	24,588,259	130,295,057	14,566,646	551,367	2,609,463	467,297	654,356	17,514,358	193,925,557
Additions (at cost)	-	368,431	4,760,291	-	26,000	442,779	-	157,400	9,302,000	15,056,901
Disposals (at NBV)	-	-	(351,380)	-	-	-	-	(26,982)	(3,345,442)	(3,723,804)
Depreciation charge	-	(2,468,983)	(13,171,523)	(1,455,762)	(55,057)	(276,145)	(46,514)	(217,304)	(3,750,136)	(21,441,424)
Closing net book value	<u>2,678,754</u>	<u>22,487,707</u>	<u>121,532,445</u>	<u>13,110,884</u>	<u>522,310</u>	<u>2,776,097</u>	<u>420,783</u>	<u>567,470</u>	<u>19,720,780</u>	<u>183,817,230</u>
At June 30, 2015										
Cost	2,678,754	82,181,685	474,770,041	34,704,801	1,381,554	6,158,537	1,659,958	3,753,640	38,330,177	645,619,147
Accumulated depreciation	-	(59,693,978)	(353,237,596)	(21,593,917)	(859,244)	(3,382,440)	(1,239,175)	(3,186,170)	(18,609,397)	(461,801,917)
Net book value	<u>2,678,754</u>	<u>22,487,707</u>	<u>121,532,445</u>	<u>13,110,884</u>	<u>522,310</u>	<u>2,776,097</u>	<u>420,783</u>	<u>567,470</u>	<u>19,720,780</u>	<u>183,817,230</u>
Year ended June 30, 2014										
Opening net book value	2,678,754	27,277,903	143,015,696	16,186,842	1,183,927	3,353,717	664,411	1,011,347	24,187,661	219,560,258
Additions (at cost)	-	40,510	1,775,677	-	-	48,000	-	-	895,700	2,759,887
Disposals (at NBV)	-	-	-	-	(1,511)	-	(107,981)	-	(2,878,590)	(2,988,082)
Write off (at NBV)	-	-	(178,559)	(518)	(558,086)	(497,241)	(30,644)	(53,292)	-	(1,318,340)
Depreciation charge	-	(2,730,154)	(14,317,757)	(1,619,678)	(72,963)	(295,013)	(58,489)	(303,699)	(4,690,413)	(24,088,166)
Closing net book value	<u>2,678,754</u>	<u>24,588,259</u>	<u>130,295,057</u>	<u>14,566,646</u>	<u>551,367</u>	<u>2,609,463</u>	<u>467,297</u>	<u>654,356</u>	<u>17,514,358</u>	<u>193,925,557</u>
At June 30, 2014										
Cost	2,678,754	81,813,879	472,403,012	34,703,801	1,356,929	5,694,758	1,659,958	5,308,121	39,887,137	645,506,349
Accumulated depreciation	-	(57,225,620)	(342,107,955)	(20,137,155)	(805,562)	(3,085,295)	(1,192,661)	(4,653,765)	(22,372,779)	(451,580,792)
Net book value	<u>2,678,754</u>	<u>24,588,259</u>	<u>130,295,057</u>	<u>14,566,646</u>	<u>551,367</u>	<u>2,609,463</u>	<u>467,297</u>	<u>654,356</u>	<u>17,514,358</u>	<u>193,925,557</u>
Depreciation rate per annum % "	-	10	10	10	10	10	10	30	20	

Notes to the Financial Statements

For the year ended June 30, 2015

4.2 Capital work-in-progress represent amount given as advance to suppliers.

4.3 The details of operating assets sold are as follows:

Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal	Particulars of Purchaser
	----- Rupees -----					
Vehicle	1,269,000	938,649	330,351	330,351	Company Policy	Mr. M.Saleem Siddiqui - Employee
"	1,060,000	805,283	254,717	254,717	"	Mr. Saifuddin - Employee
"	904,000	666,116	237,884	237,884	"	Mr. Jaleel Ahmed - Employee
"	897,000	576,944	320,056	320,056	"	Mr. Jawaid Fasih - Ex Employee
"	862,000	635,169	226,831	226,831	"	Mr. Munir Ahmed - Employee
"	687,000	312,295	374,705	374,705	"	Mr. M. Zafar Alam - Ex Employee
"	630,000	384,138	245,862	245,862	"	Mr. Kashif Kamal Abbasi - Ex Employee
"	630,000	387,811	242,189	242,189	"	Mr. Rub Nawaz Ansari - Ex Employee
"	611,000	450,218	160,782	160,782	"	Mr Rana M. Azam Khan - Employee
"	611,000	450,218	160,782	160,782	"	Mr. Tariq Mahmood - Employee
"	604,000	393,162	210,838	210,838	"	Mr. Saqib Hanif - Ex Employee
"	520,000	388,716	131,284	131,284	"	Mr. Arafat Mushir - Employee
"	72,500	10,593	61,907	65,250	Insurance Claim	Adamjee Insurance Company Limited
"	72,500	11,652	60,848	48,200	Company Policy	Mr. Murad Ali - Employee
Plant and Machinery	1,127,557	983,816	143,741	608,841	Tender	Mr. Abdul Rahim Memon
"	1,261,705	1,054,065	207,640	420,817	"	Mr. Haibat Khan
	11,819,262	8,448,845	3,370,417	4,039,389		
Aggregate of assets having book value of less than Rs. 50,000 each						
Vehicles	1,429,960	1,103,555	326,405	751,001		
Computers	1,650,881	1,623,899	26,982	27,297		
	3,080,841	2,727,454	353,387	778,298		
2015	<u>14,900,103</u>	<u>11,176,299</u>	<u>3,723,804</u>	<u>4,817,687</u>		
2014	<u>9,913,668</u>	<u>6,925,586</u>	<u>2,988,082</u>	<u>4,761,939</u>		

2015
Rupees

2014
Rupees

5. INTANGIBLE ASSETS – Computer softwares

Net carrying value		
Balance at beginning of the year	443,435	685,308
Amortisation for the year	<u>(241,872)</u>	<u>(241,873)</u>
Balance at end of the year	<u>201,563</u>	<u>443,435</u>
Gross carrying value		
Cost	1,713,649	1,713,649
Accumulated amortisation	<u>(1,512,086)</u>	<u>(1,270,214)</u>
Net book value	<u>201,563</u>	<u>443,435</u>

Amortisation is charged at the rate of 33.33% per annum.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
6. LONG-TERM INVESTMENT		
Available for sale		
Baluchistan Wheels Limited		
Balance at the beginning of the year	12,218,750	14,087,500
Unrealised gain / (loss) on revaluation - transferred to equity	4,499,375	(1,868,750)
Balance at the end of the year	<u>16,718,125</u>	<u>12,218,750</u>

Represents investment in 287,500 (2014: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan Wheels Limited. Equity held 2.16% (2014: 2.16%).

	2015 Rupees	2014 Rupees
7. LONG TERM LOANS - considered good and secured		
Employees - note 7.1 and 7.2	1,463,745	1,510,000
Current portion of loans to employees	(686,000)	(663,000)
	<u>777,745</u>	<u>847,000</u>
7.1 "Reconciliation of carrying amount of loans to employees:"		
- opening balances	1,510,000	1,520,000
- disbursements	850,000	850,000
- repayments	(896,255)	(860,000)
	<u>1,463,745</u>	<u>1,510,000</u>

7.2 Represents interest free loans given to employees for the purchase of motorcycles. These are secured against retirement benefits and are recoverable in monthly installments over a period of fifty months.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
8. DEFERRED TAXATION		
Credit balance arising in respect of:		
- accelerated tax depreciation allowance	(29,145,887)	(34,728,642)
Debit balance arising in respect of:		
- provision for slow moving stores, spare parts and loose tools	309,672	351,098
- provision for slow moving stock in trade	102,440	116,501
- provision for doubtful debts	1,048,033	1,187,032
- provision for retirement benefit obligations	18,370,544	13,629,769
- provision for compensated absences	3,036,485	3,312,500
- carried forward losses	18,330,271	46,449,205
- minimum tax credit	28,127,901	11,214,500
	69,325,346	76,260,605
	<u>40,179,459</u>	<u>41,531,963</u>

8.1 The management believes, based on future projections, that the Company would earn sufficient taxable profits in future years to set off its carried forward losses and minimum tax paid. The determination of such future taxable profits is most sensitive to certain key assumptions such as revenue growth, gross margin percentages and inflation. Any significant change in the key assumptions may have an effect on the realisability of the deferred tax asset.

9. STAFF RETIREMENT BENEFITS

9.1 As stated in note 2.10, the Company operates three defined benefit plans (The Plans) namely approved funded defined benefit executives' gratuity scheme for all eligible executive employees, approved funded defined benefit pension scheme for all eligible employees and unfunded defined benefit non-executives' gratuity scheme for all eligible non-executive employees. Actuarial valuation of the these plans is carried out every year and the latest actuarial valuation was carried out as at June 30, 2015.

9.2 Plan assets held in trusts are governed by local regulations which mainly includes Trust Act, 1882, Companies Ordinance, 1984, Income Tax Rules, 2002 and Rules under the Trust deeds of the Plans. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the Board of Trustees. The Company appoints the trustees and all trustees are employees of the Company.

9.3 The latest actuarial valuation of the plans as at June 30, 2015 was carried out using the Projected Unit Credit Method. Details of the plans as per the actuarial valuation are as follows:

Notes to the Financial Statements

For the year ended June 30, 2015

	2015			2014		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non- Executives' Gratuity	Pension	Executives' Gratuity	Non- Executives' Gratuity
	----- Rupees -----			----- Rupees -----		
9.4	Balance sheet reconciliation					
Present value of defined benefit obligation at June 30 - note 9.5	(118,150,976)	(55,105,412)	(22,253,809)	(75,020,822)	(48,771,484)	(19,177,112)
Fair value of plan assets at June 30 - note 9.6	105,680,481	61,432,365	-	90,083,175	46,102,869	-
(Deficit) / surplus	<u>(12,470,495)</u>	<u>6,326,953</u>	<u>(22,253,809)</u>	<u>15,062,353</u>	<u>(2,668,615)</u>	<u>(19,177,112)</u>
9.5	Movement in the Present value of defined benefit obligation					
Balances as at July 1	75,020,822	48,771,484	19,177,112	73,484,739	46,758,246	18,834,220
Benefits paid by the plan	(4,087,087)	(4,475,216)	(2,350,564)	(3,362,352)	(9,293,103)	(1,123,000)
Current service costs	1,282,872	1,925,418	1,020,996	1,340,632	1,735,095	882,285
Interest cost	9,851,932	6,265,292	2,359,271	8,616,428	4,954,226	2,068,762
Remeasurement	35,055,399	2,618,434	2,046,994	(6,018,632)	4,617,020	(1,485,155)
Employee Contributions	1,027,038	-	-	960,007	-	-
Balance as at June 30	<u>118,150,976</u>	<u>55,105,412</u>	<u>22,253,809</u>	<u>75,020,822</u>	<u>48,771,484</u>	<u>19,177,112</u>
9.6	Movement in the Fair value of plan assets					
Balance as at July 1	90,083,175	46,102,869	-	82,228,289	50,857,697	-
Contributions paid into the plan	2,309,197	-	-	2,167,443	-	-
Benefits paid by the plan	(4,087,087)	(4,475,216)	-	(3,362,352)	(9,293,103)	-
Interest income	12,110,546	5,921,810	-	9,853,301	5,545,337	-
Remeasurement	4,237,612	13,882,902	-	(1,763,513)	(1,007,062)	-
Employee Contributions	1,027,038	-	-	960,007	-	-
Balance as at June 30	<u>105,680,481</u>	<u>61,432,365</u>	<u>-</u>	<u>90,083,175</u>	<u>46,102,869</u>	<u>-</u>

Notes to the Financial Statements

For the year ended June 30, 2015

	2015			2014		
	Funded		Un-Funded	Funded		Un-Funded
	Pension	Executives' Gratuity	Non-Executives' Gratuity	Pension	Executives' Gratuity	Non-Executives' Gratuity
	----- Rupees -----			----- Rupees -----		
9.7	Expense recognised in profit and loss account					
	Current service costs	1,282,872	1,925,418	1,020,996	1,340,632	882,285
	Net Interest (income) / cost (Income) / expense recognised in profit and loss account	(2,258,614)	343,482	2,359,271	(1,236,873)	(591,111)
		<u>(975,742)</u>	<u>2,268,900</u>	<u>3,380,267</u>	<u>103,759</u>	<u>1,143,984</u>
9.8	Remeasurement recognised in Other Comprehensive Income					
	Experience losses / (gains)	35,055,399	2,618,434	2,046,994	(6,018,632)	4,617,020
	Remeasurement of fair value of plan assets	(4,237,612)	(13,882,902)	-	1,763,513	1,007,062
	Remeasurements	<u>30,817,787</u>	<u>(11,264,468)</u>	<u>2,046,994</u>	<u>(4,255,119)</u>	<u>5,624,082</u>
9.9	Net recognised liability / (asset)					
	Net recognised (asset) / liability as at July 1	(15,062,353)	2,668,615	19,177,112	(8,743,550)	(4,099,451)
	(Income) / expense recognised in profit and loss account	(975,742)	2,268,900	3,380,267	103,759	1,143,984
	Contribution made during the year to the Fund	(2,309,197)	-	(2,350,564)	(2,167,443)	-
	Remeasurements recognised in Other Comprehensive Income	30,817,787	(11,264,468)	2,046,994	(4,255,119)	5,624,082
	Recognised liability / (asset) as at June 30	<u>12,470,495</u>	<u>(6,326,953)</u>	<u>22,253,809</u>	<u>(15,062,353)</u>	<u>2,668,615</u>
9.10	Plan assets comprises of following:					
	Debt instruments	88,490,543	35,756,311	-	76,861,349	33,617,954
	Equity and mutual funds	15,381,765	24,571,245	-	12,865,899	10,561,968
	Cash at Bank	1,808,173	1,104,809	-	355,928	1,922,947
	Total as at June 30	<u>105,680,481</u>	<u>61,432,365</u>	<u>-</u>	<u>90,083,176</u>	<u>46,102,869</u>
9.11	Actuarial assumptions					
	Discount rate at June 30	9.75%	9.75%	9.75%	13.50%	13.50%
	Future salary increases	9.75%	9.75%	8.75%	13.25%	13.50%
	Future pension increases	0.00%	9.75%	-	0.00%	-

Notes to the Financial Statements

For the year ended June 30, 2015

9.12 Mortality was assumed to be SLIC (2001-05) table.

9.13 In case of the funded plans, the Company ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the Retirement benefit plan. Within this framework, the Company's ALM objective is to match assets to the retirement benefit obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement benefit plan obligations. The Company has not changed the processes used to manage its risks from previous periods. The Company does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2015 and 2014 consists of government bonds and term deposits. The Company believes that government bond offer the best returns over the long term with an acceptable level of risk.

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

The Company's contribution to the pension fund and executives' gratuity fund for the year ending June 30, 2016 is expected to be Rs 3.38 million and Rs 1.03 million, respectively.

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

9.15 Sensitivity analysis for actuarial assumptions

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

	Change in assumption	Impact on defined benefit obligation	
		Increase in assumption Rupees	Decrease in assumption Rupees
Discount rate at June 30	1.00%	(15,497,511)	18,028,359
Future salary increases	1.00%	8,664,067	(8,059,369)

There is no significant change in the obligation if life expectancy increases by 1 year.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the liabilities recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Notes to the Financial Statements

For the year ended June 30, 2015

9.16 Historical information for the five years is as follows:

	2015	2014	2013	2012	2011
	----- Rupees -----				
Pension fund					
Fair value of plan assets	105,680,481	90,083,175	82,228,289	73,901,474	71,601,529
Present value of the defined benefit obligation	(118,150,976)	(75,020,822)	(73,484,739)	(64,756,378)	(56,536,485)
(Deficit) / Surplus	<u>(12,470,495)</u>	<u>15,062,353</u>	<u>8,743,550</u>	<u>9,145,096</u>	<u>15,065,044</u>
Experience adjustments on plan liabilities - loss / (gain)	<u>35,055,399</u>	<u>(6,018,632)</u>	<u>1,335,308</u>	<u>729,476</u>	<u>1,684,310</u>
Experience adjustments on plan assets - gain / (loss)	<u>4,237,612</u>	<u>(1,763,513)</u>	<u>(1,383,721)</u>	<u>(8,380,077)</u>	<u>1,574,532</u>
Executives' gratuity fund					
Fair value of plan assets	61,432,365	46,102,869	50,857,697	50,214,880	49,843,084
Present value of the defined benefit obligation	(55,105,412)	(48,771,484)	(46,758,247)	(45,302,221)	(34,763,571)
Surplus / (Deficit)	<u>6,326,953</u>	<u>(2,668,615)</u>	<u>4,099,450</u>	<u>4,912,659</u>	<u>15,079,513</u>
Experience adjustments on plan obligations - loss / (gain)	2,618,434	4,617,020	(1,696,085)	5,636,829	4,097,443
Experience adjustments on plan assets - gain / (loss)	<u>13,882,902</u>	<u>(1,007,062)</u>	<u>(1,653,280)</u>	<u>(5,266,296)</u>	<u>7,030,646</u>
Non-Executives' gratuity fund					
Present value of the defined benefit obligation	<u>(22,253,809)</u>	<u>(19,177,112)</u>	<u>(18,834,220)</u>	<u>(12,162,263)</u>	<u>(19,366,007)</u>
Experience adjustments on plan obligations - loss / (gain)	<u>2,046,994</u>	<u>(1,485,155)</u>	<u>(1,293,182)</u>	<u>-</u>	<u>-</u>

9.17 The expected return on plan assets is based on the market expectations and depends upon the asset portfolio of the fund, at the beginning of the period, for returns over the entire life of related obligation.

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

	No. of years
Pension fund	8.0
Executives' gratuity fund	8.0
Non-executives' gratuity	8.0

9.19 Figures in this note are based on the latest actuarial valuation carried out as at June 30, 2015.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
10. STORES, SPARE PARTS AND LOOSE TOOLS		
Stores (including in transit Rs. 0.17 million; 2014: Nil)	20,906,335	20,188,614
Spare parts (including in transit Rs. 0.49 million; 2014: Nil)	56,527,535	56,065,236
Loose tools (including in transit Rs. 1.34 million; 2014: Nil)	<u>3,421,323</u> 80,855,193	<u>1,316,941</u> 77,570,791
Hard coke, diesel and kerosene oil (including in transit Rs. 3.28 million; 2014: Rs. 4.55 million)	4,522,916	9,311,961
Provision for obsolescence	(1,032,947)	(1,032,947)
	<u>84,345,162</u>	<u>85,849,805</u>
11. STOCK-IN-TRADE		
Raw materials (including in transit Rs. 59.11 million; 2014: Rs. 9.59 million)	247,403,409	137,671,978
Work in process	86,121,297	51,697,035
Finished goods - note 11.2	<u>156,137,248</u> 489,661,954	<u>202,147,075</u> 391,516,088
Provision for slow moving stock	(341,700)	(341,700)
	<u>489,320,254</u>	<u>391,174,388</u>
11.1 Stock-in-trade includes Rs. 16.89 million (2014: Rs. 15.84 million) held with third parties, out of which, stock of Rs. 1.57 million (2014: Rs. 1.13 million) is held with Millat Tractors Limited (a related party).		
11.2 Stock-in-trade - finished goods includes stock which has been written-down to net realisable value by Rs 14.36 million (2014: Rs 23.05 million).		
12. TRADE DEBTS	2015 Rupees	2014 Rupees
Considered good		
- Related parties - note 12.1	164,409,017	104,170,901
- Others - note 12.2	<u>18,841,109</u> 183,250,126	<u>17,216,394</u> 121,387,295
12.1 Represents amounts due from following related parties:		
- Millat Tractors Limited	161,724,770	101,519,565
- Millat Equipments Limited	<u>2,684,247</u> 164,409,017	<u>2,651,336</u> 104,170,901

As at June 30, 2015, the age analysis of these trade debts is as follows:

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
Not yet due	161,678,618	95,822,647
Past due		
- Up to 3 months	2,392,954	8,335,888
- 3 to 6 months	325,109	-
- More than 6 months	12,336	12,366
	2,730,399	8,348,254
	<u>164,409,017</u>	<u>104,170,901</u>
12.2 As at June 30, 2015, the age analysis of these trade debts is as follows:		
	2015 Rupees	2014 Rupees
Not yet due	10,034,510	11,103,976
Past due		
- Up to 3 months	4,631,385	5,275,494
- 3 to 6 months	23,000	836,924
- More than 6 months	4,152,214	-
	8,806,599	6,112,418
	<u>18,841,109</u>	<u>17,216,394</u>
13. LOANS AND ADVANCES - considered good		
Current portion of loans to employees - note 7	686,000	663,000
Advances to:		
- employees - note 13.1	6,427,822	307,080
- suppliers - note 13.2	2,501,027	2,914,552
	8,928,849	3,221,632
	<u>9,614,849</u>	<u>3,884,632</u>
13.1 The advances to employees are given to meet business expenses and are settled as and when the expenses are incurred. Further, the Company also provides advance for personal medical expenses to its employees.		
13.2 Includes Nil (2014: Rs. 0.10 million) due from Millat Tractors Limited (a related party).		
14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Security deposits	20,703,500	10,848,900
Margin Deposit	974,352	-
Prepayments	44,487	40,399
	<u>21,722,339</u>	<u>10,889,299</u>

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
15. OTHER RECEIVABLES		
Considered good		
Special excise duty receivable	2,055,837	2,055,837
Others	812,992	555,345
	<u>2,868,829</u>	<u>2,611,182</u>
Considered doubtful		
Claim receivable from supplier	3,495,832	3,495,832
Less: Provision for impairment	(3,495,832)	(3,495,832)
	<u>-</u>	<u>-</u>
	<u>2,868,829</u>	<u>2,611,182</u>
16. CASH AND BANK BALANCES		
With banks on:		
current accounts - note 16.1	3,936,727	5,508,182
savings accounts - note 16.2	2,366,886	1,252,784
term deposit receipts - note 16.2 and 16.3	2,461,200	1,565,200
	<u>8,764,813</u>	<u>8,326,166</u>
Cash in hand	125,769	373,418
	<u>8,890,582</u>	<u>8,699,584</u>

16.1 These include an amount of Nil (2014: Rs. 0.89 million), which is under lien with respect to bank guarantee issued by a commercial bank in favour of Sui Southern Gas Company Limited.

16.2 These carry mark up at the rates ranging from 4.5% to 7% (2014: 6% to 7%) per annum.

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

17. SHARE CAPITAL

Authorised share capital

2015 Numbers of shares	2014 Numbers of shares		2015 Rupees	2014 Rupees
<u>12,000,000</u>	<u>12,000,000</u>	Ordinary shares of Rs. 10 each	<u>120,000,000</u>	<u>120,000,000</u>

Issued, subscribed and paid up capital

Ordinary shares of Rs. 10 each

2015 Numbers of shares	2014 Numbers of shares		2015 Rupees	2014 Rupees
6,740,875	6,740,875	Shares allotted for consideration paid in cash	67,408,750	67,408,750
4,731,654	4,731,654	Shares allotted as bonus shares	47,316,540	47,316,540
<u>11,472,529</u>	<u>11,472,529</u>		<u>114,725,290</u>	<u>114,725,290</u>

Notes to the Financial Statements

For the year ended June 30, 2015

17.1 Movement in issued, subscribed and paid-up capital

Ordinary shares of Rs 10 each

2015 Numbers of shares	2014		2015 Rupees	2014 Rupees
11,472,529	10,429,571	Opening shares outstanding	114,725,290	104,295,710
-	1,042,958	Shares allotted as bonus shares	-	10,429,580
<u>11,472,529</u>	<u>11,472,529</u>		<u>114,725,290</u>	<u>114,725,290</u>

17.2 As at June 30, 2015, 5.31 million (2014: 5.31 million) ordinary shares of Rs. 10 each were held by Millat Tractors Limited (a related party), representing 46.26% of total issued, subscribed and paid up capital (2014: 46.26%).

	2015 Rupees	2014 Rupees
18. RESERVES		
Capital reserves		
Share premium	12,155,680	12,155,680
Revenue reserves		
General	424,500,000	424,500,000
Unappropriated loss	(85,993,986)	(117,788,505)
	338,506,014	306,711,495
Gain on revaluation of available-for-sale investment	11,218,125	6,718,750
	<u>361,879,819</u>	<u>325,585,925</u>

19. LONG TERM DEPOSITS

Deposits from employees	5,971,932	5,197,015
Less: Current portion	(845,500)	(1,345,325)
	<u>5,126,432</u>	<u>3,851,690</u>

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

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
20. TRADE AND OTHER PAYABLES		
Creditors - note 20.1	57,067,316	69,549,924
Advances from customers - note 20.2	3,152,661	22,135,126
Compensated absences - note 20.3	10,128,536	9,753,316
Security deposits	2,073,537	1,058,537
Provision for bonus	1,040,412	874,109
Workers' Profit Participation Fund - note 20.4	3,581,708	-
Workers' Welfare Fund	1,504,318	-
Accrued liabilities	2,653,774	1,395,296
Unclaimed dividend	1,398,555	1,398,555
Others	490,275	101,967
	<u>83,091,092</u>	<u>106,266,830</u>

20.1 This includes Rs. 0.53 million (2014: Rs. 10.21 million) due to Millat Tractors Limited (a related party).

20.2 This includes Nil (2014: Rs. 16.23 million) due to Millat Tractors Limited (a related party).

	2015 Rupees	2014 Rupees
20.3 Compensated absences		
Opening balance	9,753,316	9,940,597
Charge for the year	2,002,418	1,620,306
Payments made during the year	(1,627,198)	(1,807,587)
Closing balance	<u>10,128,536</u>	<u>9,753,316</u>
20.4 Workers' Profits Participation Fund		
Balance at the beginning of the year	-	1,834,844
Allocation for the year	<u>3,581,708</u>	-
	3,581,708	1,834,844
Interest charged during the year	-	63,641
Amount paid to the Trustees of the fund	-	(1,898,485)
Balance at the end of the year	<u>3,581,708</u>	<u>-</u>

21. SHORT TERM BORROWINGS - FROM BANKS

Running finance under markup arrangements - secured

This represents running finance facilities obtained from commercial banks aggregating to Rs. 655 million (2014: Rs. 760 million). These carry mark-up rates ranging from 1 month to 1 year KIBOR plus 0.4% to 0.6% (2014: 1 month to 1 year KIBOR plus 0.4% to 1%) per annum.

The arrangements are secured by way of hypothecation over plant and machinery and current assets of the Company.

The facilities for opening letters of credit and guarantees as at June 30, 2015 amounted to Rs. 0.85 billion (2014: Rs. 0.98 billion) out of which the amount remaining unutilised at the year end was Rs. 0.76 billion (2014: Rs. 0.92 billion).

Notes to the Financial Statements

For the year ended June 30, 2015

22. CONTINGENCIES AND COMMITMENTS

22.1 CONTINGENCIES

- 22.1.1 The Company had filed returns declaring tax losses during the tax holiday period amounting to Rs. 82.72 million and Rs.17.23 million for the assessment years 1987-88 and 1988-89 respectively. These losses were disallowed by the Assessing Officer and upheld by the Commissioner of Income Tax (Appeals). The Company filed an appeal with Income Tax Appellate Tribunal (ITAT), which decided the matter in the Company's favour.

The Income Tax Department filed a reference application before the Honourable High Court of Sindh, which upheld the ITAT's order in favour of the Company. The Income Tax Department filed a reference with the Honourable Supreme Court of Pakistan which is still pending. In the event that the decision is not in the favour of the Company, a tax liability of Rs. 23.9 million would arise representing the tax effect of losses relating to the tax holiday period utilised by the Company. The management of the Company, based on the views of its tax consultant, is confident that the decision will be given in favour of the Company and therefore, no provision has been made in these financial statements for this amount.

- 22.1.2 In 2014, the Company has received a reassessment order, from the Income Tax Department, in respect of return filed for the tax year 2008. The Department has revised the return filed by the Company and reduced the income tax refund claimed by the Company by Rs. 6.02 million. The said order was challenged before the Commissioner (Appeals) who declared the order in original as time barred and annulled it. Subsequently, the Income Tax Department has filed appeal against the order before the Appellate Tribunal Inland Revenue which has not been heard yet. The management of the Company, based on the views of its tax consultant, is confident that the final decision will be given in favour of the Company and therefore, no provision has been made in these financial statements for this amount.

- 22.1.3 In a suit filed against the Company which is pending before the Senior Civil Judge at Hub Balochistan, a plaintiff claims that in the year 2004 the Company allegedly encroached upon the land measuring 5-2-34 belonging to him that he purchased in year 2003. The plaintiff has also sought mesne profits from the Company for such alleged encroachment. The Company claims ownership to the disputed piece of land and disputes any encroachment what so ever. The written statement of the Company has been filed, the issues have been framed and the plaintiff has produced their witnesses. The Company has also produced their witnesses and now the matter is fixed for the evidence of representative of the Company. The management of the Company based on the views of its legal advisor is confident that decision will be given in favour of the Company and therefore, no provision has been made in these financial statements.

22.2 COMMITMENTS

There are no commitments in respect of capital expenditure as at June 30, 2015 (June 30, 2014: Nil).

	2015 Rupees	2014 Rupees
23. SALES		
Local sales	2,070,918,140	1,402,245,864
Less:		
- Sales returns	(74,281,372)	(89,877,354)
- Sales tax	(300,918,666)	(203,778,689)
	<u>(375,200,038)</u>	<u>(293,656,043)</u>
	1,695,718,102	1,108,589,821
Export sales	-	2,637,191
	<u>1,695,718,102</u>	<u>1,111,227,012</u>

- 23.1 Sales to domestic customers in Pakistan are 100% (2014: 99.76%) and to customers outside Pakistan are Nil (2014: 0.24%) of the revenue during the year.

- 23.2 Sales to Millat Tractors Limited (a related party) of Rs. 1,576.45 million (2014: Rs. 994.19 million) account for over 92.97% (2014: 89.47%) of the net sales.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
24. COST OF SALES		
Raw materials consumed		
Opening stock	137,671,978	142,216,915
Purchases	949,086,623	654,601,185
Closing stock - note 11	<u>(247,403,409)</u>	<u>(137,671,978)</u>
	839,355,192	659,146,122
Manufacturing expenses		
Salaries, wages and benefits - note 24.1 and 24.2	95,507,045	89,486,933
Stores, spare parts and loose tools consumed	118,181,511	87,989,015
Fuel and power	161,443,073	128,549,499
Hard coke, diesel and kerosene oil consumed	96,862,419	93,366,269
Machining expenses	8,575,520	6,702,824
Outsourced job contractors	110,502,980	85,633,049
Travelling and conveyance	25,939,587	25,302,608
Depreciation - note 4	20,078,803	22,453,859
Amortisation - note 5	145,123	145,124
Write offs of property, plant and equipment - note 4	-	1,091,487
Repairs and maintenance	4,658,312	3,877,789
Insurance	5,526,330	4,908,916
Vehicle expenses	4,429,267	4,655,066
Training	1,205,862	1,224,814
Entertainment	215,936	257,588
Others	<u>2,055,030</u>	<u>1,927,499</u>
	655,326,798	557,572,339
Opening work in process	51,697,535	59,120,000
Closing work in process - note 11	<u>(86,121,297)</u>	<u>(51,697,035)</u>
Cost of goods manufactured	1,460,258,228	1,224,141,426
Opening stock of finished goods	202,146,975	111,189,000
Closing stock of finished goods - note 11	<u>(156,137,248)</u>	<u>(202,147,075)</u>
	<u>1,506,267,955</u>	<u>1,133,183,351</u>

24.1 This includes Rs. 4.63 million (2014: Rs. 3.56 million) and Rs. 2.75 million (2014: Rs. 2.59 million) in respect of defined benefit and defined contribution plans respectively.

24.2 This includes Rs. 14.04 million (2014: Rs. 13.34 million) in respect of staff welfare expenses.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
25. DISTRIBUTION COST		
Salaries, wages and benefits - note 25.1 and 25.2	2,966,452	4,487,939
Freight charges	39,734,008	33,599,487
Depreciation	340,655	408,577
Amortisation	24,187	24,187
Sales Promotion	1,023,540	189,146
Insurance	509,142	204,911
Travelling and conveyance	352,160	215,060
Others	247,393	490,192
	<u>45,197,537</u>	<u>39,619,499</u>

25.1 This includes Rs. 0.05 million (2014: Rs. 0.16 million) and Rs. 0.12 million (2014: Rs. 0.16 million) in respect of defined benefit and defined contribution plans respectively.

25.2 This includes Rs. 0.24 million (2014: Rs. 0.54 million) in respect of staff welfare expenses.

	2015 Rupees	2014 Rupees
26. ADMINISTRATIVE EXPENSES		
Salaries, wages and benefits - note 26.1 and 26.2	18,726,138	21,780,499
Legal and professional charges	4,553,281	3,127,432
Outsourced job contractors	1,882,424	2,028,497
Travelling and conveyance	449,353	332,338
Utilities	2,561,792	2,062,467
Repairs and maintenance	243,081	163,533
Depreciation - note 4	1,021,966	1,225,730
Amortisation - note 5	72,562	72,562
Write offs of property, plant and equipment - note 4	-	170,890
Vehicle expenses	939,185	1,309,096
Insurance	594,387	614,989
Subscription	414,954	420,975
Auditors' remuneration - note 26.3	949,032	886,680
Entertainment	244,056	146,209
Training	435,355	191,754
Others	1,284,034	1,248,827
	<u>34,371,600</u>	<u>35,782,478</u>

26.1 This includes Nil (2014: Rs. 0.62 million) and Rs. 0.66 million (2014: Rs. 0.80 million) in respect of defined benefit and defined contribution plans respectively.

26.2 This includes Rs. 1.23 million (2014: Rs. 1.53 million) in respect of staff welfare expenses.

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
26.3 Auditors' remuneration		
Audit fee	550,000	550,000
Fee for review of half yearly financial information and other certifications	250,000	250,000
Out of pocket expenses	149,032	86,680
	<u>949,032</u>	<u>886,680</u>
27. OTHER EXPENSES		
Workers' Profits Participation Fund - note 20.4	3,581,708	-
Workers' Welfare Fund	1,504,318	-
	<u>5,086,026</u>	<u>-</u>
28. OTHER INCOME		
Income from financial assets		
Return on savings and deposit accounts	163,901	312,480
Dividend income	646,875	431,000
	<u>810,776</u>	<u>743,480</u>
Income from non-financial assets		
Scrap sales	6,807,680	7,889,862
Liabilities no longer required written back	3,072,101	2,655,127
Gain on disposal of property, plant and equipment	1,093,883	1,773,857
Others	1,379,987	306,151
	<u>12,353,651</u>	<u>12,624,997</u>
	<u>13,164,427</u>	<u>13,368,477</u>
29. FINANCE COST		
Mark up on short term borrowings	45,750,728	49,697,260
Exchange loss	-	209,450
Interest on workers' profits participation fund	-	63,641
Interest on advance from customer (related party)	222,786	11,752,612
Bank charges	345,514	630,115
	<u>46,319,028</u>	<u>62,353,078</u>

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
30. TAXATION		
Current		
- for the year	17,021,869	11,285,017
- for prior year	<u>(128,822)</u>	<u>8,521,774</u>
	16,893,047	19,806,791
Deferred	7,832,800	(60,625,046)
	<u>24,725,847</u>	<u>(40,818,255)</u>
30.1 Reconciliation between tax expense and accounting profit.		
	2015 Rupees	2014 Rupees
Accounting profit / (loss) before tax	71,640,383	(146,342,917)
Tax at the applicable tax rate of 33% (2014: 34%)	23,641,326	(49,756,592)
Effect of final tax regime	(148,781)	327,374
Effect of reduced tax rate	839,068	89,189
Effect of prior years tax	(128,822)	8,521,774
Others	523,056	-
Tax (income) / expense for the year	<u>24,725,847</u>	<u>(40,818,255)</u>
31. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit / (loss) after taxation attributable to ordinary shareholders	<u>46,914,536</u>	<u>(105,524,662)</u>
Weighted average number of shares in issue during the year	<u>11,472,529</u>	<u>11,472,529</u>
Earnings per share (Rupees) - Basic and diluted	<u>4.09</u>	<u>(9.20)</u>
31.1 There is no dilutive effect on the basic profit per share of the Company.		

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Rupees	2014 Rupees
32. CASH (USED IN) / GENERATED FROM OPERATIONS		
Profit / (loss) before taxation	71,640,383	(146,342,917)
Adjustment for non-cash charges and other items		
Depreciation and amortisation	21,683,296	24,330,039
Provision for staff retirement benefits	4,673,425	4,198,790
Write offs of property, plant and equipment	-	1,319,340
Gain on disposal of property, plant and equipment	(1,093,883)	(1,773,857)
Return on savings and deposit accounts	(163,901)	(312,480)
Dividend income	(646,875)	(431,000)
Mark up on short term borrowings and advance from customer	45,973,514	61,449,872
	<u>70,425,576</u>	<u>88,780,704</u>
	142,065,959	(57,562,213)
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	1,504,643	4,347,360
Stock-in-trade	(98,145,866)	(78,990,673)
Trade debts	(61,862,831)	339,520,771
Loans and advances	(5,730,217)	76,515,197
Trade deposits and short term prepayments	(10,833,040)	(5,432,063)
Other receivables	(257,647)	1,414,597
Refunds due from the government - sales tax	784,607	(20,132,247)
	<u>(174,540,351)</u>	<u>317,242,942</u>
Decrease in current liabilities		
Trade and other payables	(23,175,738)	(103,502,975)
Sales tax payable	-	(17,463,983)
	<u>(23,175,738)</u>	<u>(120,966,958)</u>
	<u>(55,650,130)</u>	<u>138,713,771</u>
33. CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,429,382	7,134,384
Short term borrowings	(592,917,247)	(444,518,359)
	<u>(586,487,865)</u>	<u>(437,383,975)</u>

Notes to the Financial Statements

For the year ended June 30, 2015

34. RELATED PARTY DISCLOSURES

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

Relationship with the Company	Nature of transactions	2015 Rupees	2014 Rupees
Associated companies:			
- Millat Tractors Limited	Sale of goods	1,576,450,895	994,189,995
	Purchase of goods	7,754,141	28,796,713
	Purchase of fixed assets	3,649,744	-
	Bonus shares issued	-	4,824,520
	Interest on advance	222,786	11,752,612
	Receipt / (repayment) of advance against sale of goods - net	16,226,015	14,680,015
	Adjustment of advance against purchase of goods	-	(237,444)
- Millat Equipments Limited	Sale of goods	16,243,698	11,576,573
Staff retirement benefit funds:			
- Pension fund	Contributions	2,309,197	2,167,443
- Provident fund	Contributions	3,529,394	3,551,267
- Executives' Gratuity fund	Benefits paid on behalf of the fund	4,475,216	9,285,885
Key management personnel:			
- Salaries and other short term employee benefits paid		17,379,529	17,156,930
- Post retirement benefits		1,086,978	1,499,134
- Proceeds from sale of assets		3,234,483	318,000

The related party status of outstanding balances as at June 30, 2015 and 2014 is included in stock-in-trade, trade debts, loans and advances and trade and other payables respectively. These are settled in ordinary course of business.

35. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

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

Notes to the Financial Statements

For the year ended June 30, 2015

	Chief Executives		Director		Executives	
	2015	2014	2015	2014	2015	2014
	----- Rupees -----					
Managerial remuneration and allowances	1,723,616	1,584,400	-	-	7,094,616	6,816,428
Bonus	-	116,500	-	-	-	665,826
Retirement benefits	159,546	146,790	-	-	927,432	828,372
House rent	717,963	660,555	-	-	2,515,454	2,559,622
Utilities	768,268	993,457	-	-	2,717,892	3,134,152
Medical expenses	7,605	30,932	-	-	542,367	546,000
Others	557,025	543,270	-	-	734,723	731,860
	<u>3,934,023</u>	<u>4,075,904</u>	<u>-</u>	<u>-</u>	<u>14,532,484</u>	<u>15,282,260</u>
Number of persons	1	1	-	-	9	9

35.1 In addition to above; fee to 2 non-executive directors for attending Board of Directors meetings during the year amounted to Rs. 130,000 (2014: Rs. 80,000).

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

	2015	2014
 Metric tons	
36. PLANT CAPACITY AND PRODUCTION		
Installed capacity	<u>13,200</u>	<u>13,200</u>
Actual production	<u>11,368</u>	<u>8,575</u>
Capacity utilisation	<u>86.12%</u>	<u>64.96%</u>

Increased production during the year is consequent to increased market demand.

37. PROVIDENT FUND RELATED DISCLOSURE

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

	2015 Rupees	2014 Rupees
Size of the Fund - Total Assets	88,984,796	88,161,078
Fair value of investments	80,601,473	83,897,981
Percentage of investments made	91%	95%

37.1 The cost of above investments amounted to Rs. 78.50 million (2014: Rs. 81.98 million).

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

Notes to the Financial Statements

For the year ended June 30, 2015

	2015 Percentage	2014	2015 Rupees	2014 Rupees
Special Savings Certificates	89.98%	70.62%	72,525,725	59,248,915
Government Securities	0.00%	16.82%	-	14,109,882
Bank deposits	10.02%	12.56%	8,075,748	10,539,184
	<u>100%</u>	<u>100%</u>	<u>80,601,473</u>	<u>83,897,981</u>

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

	2015	2014
38. NUMBER OF EMPLOYEES		
Number of employees at June 30:		
- Permanent	175	191
- Contractual	<u>8</u>	<u>10</u>
	<u>183</u>	<u>201</u>
Average number of employees during the year:		
- Permanent	180	192
- Contractual	<u>7</u>	<u>12</u>
	<u>187</u>	<u>204</u>

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

39.1 Financial risk factors

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

Notes to the Financial Statements

For the year ended June 30, 2015

39.2 Financial assets and liabilities by category and their respective maturities

	Interest / Mark up bearing			Non-interest / Non-mark up bearing			Total
	Maturity up to one year	Maturity after one year	Sub-total	Maturity up to one year	Maturity after one year	Sub-total	
----- Rupees -----							
FINANCIAL ASSETS							
Available for sale							
Long term investments	-	-	-	-	16,718,125	16,718,125	16,718,125
Loans and receivables							
Loans and advances	-	-	-	7,113,822	777,745	7,891,567	7,891,567
Trade deposits	-	-	-	20,703,500	3,612,000	24,315,500	24,315,500
Trade debts	-	-	-	183,250,126	-	183,250,126	183,250,126
Other receivables	-	-	-	2,868,829	-	2,868,829	2,868,829
Cash and bank balances	4,828,086	-	4,828,086	4,062,496	-	4,062,496	8,890,582
June 30, 2015	<u>4,828,086</u>	<u>-</u>	<u>4,828,086</u>	<u>217,998,773</u>	<u>21,107,870</u>	<u>239,106,643</u>	<u>243,934,729</u>
June 30, 2014	<u>2,817,984</u>	<u>-</u>	<u>2,817,984</u>	<u>141,699,357</u>	<u>17,077,750</u>	<u>158,777,107</u>	<u>161,595,091</u>
FINANCIAL LIABILITIES							
Trade deposits	-	-	-	2,919,037	5,126,432	8,045,469	8,045,469
Trade and other payables	-	-	-	66,695,946	-	66,695,946	66,695,946
Short term borrowings	592,917,247	-	592,917,247	-	-	-	592,917,247
Accrued mark up	-	-	-	10,362,800	-	10,362,800	10,362,800
June 30, 2015	<u>592,917,247</u>	<u>-</u>	<u>592,917,247</u>	<u>79,977,783</u>	<u>5,126,432</u>	<u>85,104,215</u>	<u>678,021,462</u>
June 30, 2014	<u>444,517,359</u>	<u>-</u>	<u>444,517,359</u>	<u>86,374,562</u>	<u>3,851,690</u>	<u>90,226,252</u>	<u>534,743,611</u>
ON BALANCE SHEET GAP							
June 30, 2015	<u>(588,089,161)</u>	<u>-</u>	<u>(588,089,161)</u>	<u>138,020,990</u>	<u>15,981,438</u>	<u>154,002,428</u>	<u>(434,086,733)</u>
June 30, 2014	<u>(441,699,375)</u>	<u>-</u>	<u>(441,699,375)</u>	<u>55,324,795</u>	<u>13,226,060</u>	<u>68,550,855</u>	<u>(373,148,520)</u>
OFF BALANCE SHEET ITEMS							
Letters of credit / guarantee:							
June 30, 2015							<u>91,148,046</u>
June 30, 2014							<u>51,276,867</u>

Notes to the Financial Statements

For the year ended June 30, 2015

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

(i) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets. Out of total financial assets of Rs. 243.93 million (2014: Rs. 161.59 million), the financial assets which are subject to credit risk amounted to Rs. 225.04 million (2014: Rs. 146.95 million).

For trade debts, internal risk assessment process determines the credit quality of the customers, taking into account their financial positions, past experiences and other factors. Individual risk limits are set based on internal or external credit worthiness ratings in accordance with limits set by the management. As of June 30, 2015 trade debts of Rs. 11.54 million (2014: Rs. 14.46 million) were past due but not impaired. Trade debts majorly pertains to related parties for whom there is no significant risk of default.

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

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

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

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

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

(ii) Liquidity risk

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient cash and bank balances and the availability of financing through banking arrangements.

(iii) Market risk

a) Foreign exchange risk

Foreign exchange risk arises mainly where receivables and payables exist in foreign currency. The Company is not exposed to foreign currency risk in respect of financial assets and financial liabilities as at June 30, 2015 and 2014.

b) Interest rate risk

The Company's interest rate risk arises from borrowings as the Company has no significant interest-bearing assets. Borrowings availed at variable rates expose the Company to cash flow interest rate risk.

At June 30, 2015, the Company had variable interest bearing financial assets of Rs. 4.83 million (2014: Rs. 2.82 million) and liabilities of Rs 592.92 million (2014: Rs. 444.52 million), and had the interest rate varied by 100 basis points with all the other variables held constant, profit before tax for the year would have been lower / higher by approximately Rs. 5.89 million (2014: Rs. 4.42 million), mainly as a result of higher / lower interest expense on floating rate borrowings.

Notes to the Financial Statements

For the year ended June 30, 2015

40. CAPITAL RISK MANAGEMENT

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

The gearing ratios as at June 30, 2015, 2014 and 2013 were as follows:

	2015	2014	2013
	----- Rupees -----		
Trade and other payables	83,091,092	106,266,830	209,769,805
Accrued mark up	<u>10,362,800</u>	<u>11,522,392</u>	<u>9,922,340</u>
Total debt	<u>93,453,892</u>	<u>117,789,222</u>	<u>219,692,145</u>
Cash and cash equivalents	<u>586,487,865</u>	<u>437,383,975</u>	<u>486,465,356</u>
Net debt	<u>679,941,757</u>	<u>555,173,197</u>	<u>706,157,501</u>
Total equity	<u>476,605,109</u>	<u>440,311,215</u>	<u>547,123,176</u>
Total capital	<u>1,156,546,866</u>	<u>995,484,412</u>	<u>1,253,280,677</u>
Gearing ratio	58.79%	55.77%	56.34%

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance.

41. SUBSEQUENT EVENTS

The Board of Directors in its meeting held on September 03, 2015 proposed a cash dividend of Rs. 2 per share (2014: Rs. Nil per share) amounting to Rs. 22.95 million (2014: Nil).

Finance Act, 2015 introduced income tax at the rate of 10% on undistributed reserves where such reserves of the company are in excess of its paid up capital and the company derives profits for a tax year but does not distribute requisite cash dividend within six months of the end of the said tax year. Liability in respect of such income tax, if any, is recognised when the prescribed time period for distribution of dividend expires.

42. DATE OF AUTHORISATION

These financial statements were authorised for issue on September 03, 2015 by the Board of Directors of the Company.


Chief Executive


Director

Pattern of Shareholding

As at June 30, 2015

No. of Shareholders	*Size of Holding		Total Shares Held	Amount Rupees
	From	To		
130	1	100	3,730	37,300
407	101	500	92,456	924,560
100	501	1000	89,138	891,380
201	1001	5000	463,707	4,637,070
35	5001	10000	264,331	2,643,310
7	10001	15000	82,676	826,760
4	15001	20000	73,436	734,360
6	20001	25000	141,026	1,410,260
3	25001	30000	77,991	779,910
1	30001	35000	32,500	325,000
2	40001	45000	87,294	872,940
1	45001	50000	46,278	462,780
1	90001	95000	93,011	930,110
1	130001	135000	132,270	1,322,700
1	140001	145000	144,359	1,443,590
2	165001	170000	332,983	3,329,830
2	255001	260000	516,431	5,164,310
1	290001	295000	293,388	2,933,880
1	330001	335000	330,500	3,305,000
1	360001	365000	363,524	3,635,240
1	365001	370000	369,596	3,695,960
1	490001	495000	490,276	4,902,760
1	495001	500000	500,000	5,000,000
1	1140001	1145000	1,144,649	11,446,490
1	5305001	5310000	5,306,979	53,069,790
912			11,472,529	114,725,290

* There is no shareholding in the slabs not mentioned.

Categories of Shareholders

S. No.	Categories	No. of Shareholders	No. of Shares Held	%
1	Associated Companies	1	5,306,979	46.26
2	Investment Companies	1	440	0.00
3	Bank / Financial Institutions	3	1,403,087	12.23
4	Insurance Company	1	330,500	2.88
5	Joint Stock Companies	14	200,535	1.75
6	Mutual Funds	1	490,276	4.27
7	Individuals	884	3,082,023	26.86
8	Others	7	658,689	5.74
	Total	912	11,472,529	100.00

Categories of Shareholders

As at June 30, 2015

S.No.	Particulars	Shareholders	Shares Held	Percentage (%)
1	Directors and their spouse(s) and minor children			
	Sikandar Mustafa Khan	1	166,369	1.45
	Sirajuddin Khan	2	5,172	0.05
	Latif Khalid Hashmi	1	132,270	1.15
	Sohail Bashir Rana	1	144,359	1.26
	Laeq Uddin Ansari	2	733,120	6.39
	Mian Mohammad Saleem	1	2,993	0.03
	Syed Javaid Ashraf	1	17,936	0.16
2	Executives	62	128,801	1.12
3	Associated companies, undertakings and related parties			
	Millat Tractors Limited	1	5,306,979	46.26
4	NIT & ICP	1	440	0.00
5	Public Sector Companies and Corporations	2	1,144,922	9.98
6	Banks, development finance institutions, non-banking finance companies,	1	258,165	2.25
7	Insurance Companies	1	330,500	2.88
8	Modarabas	-	-	-
9	Mutual Funds			
	CDC - Trustee National Investment (Unit) Trust	1	490,276	4.27
10	General Public			
	a. Local	813	1,751,003	15.26
	b. Foreign	-	-	-
11	Others			
	a. Joint Stock Companies	14	200,535	1.75
	b. Miscellaneous	5	319,023	2.78
	c. BCL Officer's Gratuity Fund	1	293,388	2.56
	d. BCL Emp.Pension Fund Trust	1	46,278	0.40
	Total	912	11,472,529	100.00

Share holders holding 5% or more

Millat Tractors Limited	5,306,979	46.26
National Bank of Pakistan	1,144,922	9.98
Laeq Uddin Ansari	733,120	6.39

Proxy Form

Please quote your Folio No. as is in
the Register of Members
Folio No.

I/We _____ (NAME)

of _____ (FULL ADDRESS)

in the district of _____

being a member / members of BOLAN CASTINGS LIMITED and a holder of _____

_____ Shares No. _____ hereby appoint

Mr. / Mrs. / Miss _____ (NAME)

of _____ (FULL ADDRESS)

in the district of _____

_____ as my / our proxy to attend and vote for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company to be held at Registered Office, Main RCD Highway, Hub Chowki, Distt. Lasbela, Balochistan on Wednesday October 28, 2015 at 1030 Hrs. and / or at any adjournment thereof.

Signed this _____ day of _____ 2015

Signature
on
Five Rupees
Revenue
Stamp

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

Important:

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of him / her.
2. The instrument appointing a proxy should be signed by the member (s) or by his / her attorney duly authorised in writing, or if the member is a corporation / company either under the common seal, or under the hand of any officer or attorney so authorised.
3. This Proxy Form, duly completed, must be deposited at the Office of our Share Register M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi not less than 48 hours before the time of holding of the meeting.

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