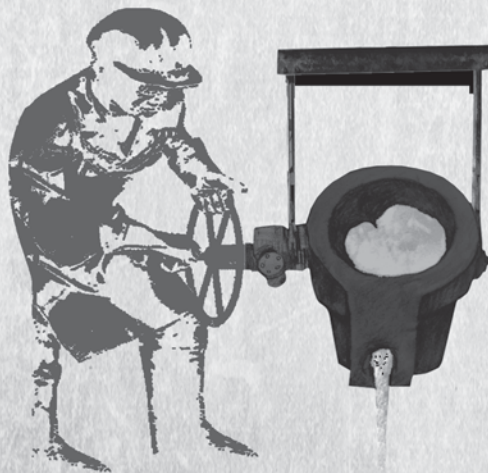


QUARTERLY FINANCIAL STATEMENTS
FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2015

The Foundry
ICON of
PAKISTAN



BOLAN CASTINGS LIMITED

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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 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	

DIRECTORS' REVIEW

Dear Shareholders

Directors of your company take this opportunity to present the un-audited financial statements for the 1st quarter ended September 30, 2015.

Operating and Financial Results

The net sales for the 1st quarter were Rs. 388.20 million as compared to Rs. 375.16 million of the same period last year.

The gross profit for the 1st quarter under review was Rs. 35.55 million as against Rs. 68.80 million of the corresponding period last year. After adjustment of overall expenses, the profit after tax for the 1st quarter was Rs. 4.15 million as compared to Rs. 21.91 million of same period last year. The profitability was mainly affected due to increase in cost of sales, which the management is striving to offset by taking cost cutting measures.

The earnings per share for the 1st quarter ended September 30, 2015 was Re. 0.36 per share as against Rs. 1.91 of corresponding period last year.

Future Prospects

Delay in tractor schemes, announced by the Punjab and Sindh Governments in their budgets, led to a drastic drop in the sales of tractors during the first quarter of current financial year. Additionally, decrease of commodity prices, internationally as well as locally, has also adversely impacted by reducing the buying power of the farmers and resultantly scaling down the demand of tractors.

Sales of your Company's products are mainly to the tractor assemblers and manufacturers. Therefore, any change in tractor sales has direct impact on our sales and profitability.

As we look forward, we expect the implementation of long awaited tractor subsidy schemes in the second half of the financial year, which would benefit the farmer as well as tractor and its vending industries.

The management of your Company is concentrating on improving supply of castings in the most economical manner and also focusing on improving quality of castings. Enormous potential is foreseen for the export of tractor sub-assemblies. As such, we hope a substantial share in the same.

Acknowledgement

We would like to thank our Customers and Shareholders for their trust and confidence in the Company. We also would like to convey our appreciation to the entire BCL team for their dedicated efforts and contribution during the period under review.

For and on behalf of the Board



SIRAJUDDIN KHAN
Chief Executive Officer

Hub:
October 28, 2015

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2015

		September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	Note	Rupees	
ASSETS			
Non-current assets			
Property, plant and equipment	5	184,152,015	187,057,730
Intangible assets		141,095	201,563
Long-term investments		19,541,375	16,718,125
Long term loans		1,416,745	777,745
Deferred taxation	6	43,092,512	40,179,459
Long term deposits		3,612,000	3,612,000
Staff retirement benefits - prepayments	7	5,958,978	6,326,953
		<u>257,914,720</u>	<u>254,873,575</u>
Current assets			
Stores, spares and loose tools		85,378,058	84,345,162
Stock-in-trade	8	394,971,203	489,320,254
Trade debts	9	216,805,833	183,250,126
Loans and advances		22,088,413	9,614,849
Trade deposits and short term prepayments		14,223,788	21,722,339
Other receivables		4,333,649	2,868,829
Refunds due from government - sales tax		-	19,347,640
Taxation - payments less provision		136,401,778	129,439,128
Cash and bank balances		7,440,864	8,890,582
		<u>881,643,586</u>	<u>948,798,909</u>
Total assets		<u>1,139,558,306</u>	<u>1,203,672,484</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital		114,725,290	114,725,290
Reserves		<u>368,848,193</u>	<u>361,879,819</u>
		483,573,483	476,605,109
LIABILITIES			
Non-current liabilities			
Long term deposits		5,070,132	5,126,432
Staff retirement benefits - obligations	7	<u>35,356,598</u>	<u>34,724,304</u>
		40,426,730	39,850,736
Current liabilities			
Trade and other payables		78,116,811	83,091,092
Current portion of long term deposits		804,219	845,500
Accrued mark-up		10,081,422	10,362,800
Short term borrowings - from banks		519,721,889	592,917,247
Sales tax payable		6,833,752	-
		<u>615,558,093</u>	<u>687,216,639</u>
Total liabilities		655,984,823	727,067,375
Contingencies and Commitments			
	10		
Total equity and liabilities		<u>1,139,558,306</u>	<u>1,203,672,484</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015

		September 30, 2015	September 30, 2014
	Note	-----Rupees-----	
Sales	11	388,203,135	375,160,300
Cost of sales		(352,652,559)	(306,359,615)
Gross profit / (loss)		<u>35,550,576</u>	<u>68,800,685</u>
Distribution costs		(10,937,263)	(9,741,393)
Administrative expenses		(9,859,132)	(6,570,458)
Other expenses		(647,038)	(2,960,826)
Other income		655,678	3,032,078
Profit / (loss) from operations		<u>14,762,821</u>	<u>52,560,086</u>
Finance cost		(9,648,719)	(12,610,385)
Profit / (loss) before taxation		<u>5,114,102</u>	<u>39,949,701</u>
Taxation	12	(968,978)	(18,036,849)
Profit / (loss) after taxation		<u>4,145,124</u>	<u>21,912,852</u>
Earnings / (loss) per share - basic and diluted	13	<u>0.36</u>	<u>1.91</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015

	September 30, 2015	September 30, 2014
	-----Rupees-----	
Profit / (loss) after taxation	4,145,124	21,912,852
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations - note 7	-	-
Items that may be subsequently reclassified to profit or loss		
Unrealised gain / (loss) on revaluation of available-for-sale investment	2,823,250	2,443,750
Total comprehensive income / (loss) for the period	<u>6,968,374</u>	<u>24,356,602</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


 Chief Executive


 Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015

	Note	September 30, 2015	September 30, 2014
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated / (used in) from operations	14	95,617,665	65,861,691
Increase in long-term loans		(639,000)	(638,000)
Increase in long-term deposits - net		(97,581)	(237,644)
Income tax paid		(10,844,681)	(6,945,450)
Staff retirement benefits paid		(290,350)	(597,479)
Mark-up-paid		(9,875,241)	(9,360,817)
Net cash generated from operating activities		73,870,812	48,082,301
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,354,788)	(489,597)
Proceeds from disposal of property, plant and equipment		197,079	780,219
Return received on savings and deposit accounts		32,537	39,217
Net cash (used in) / generated from investing activities		(2,125,172)	329,839
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase in cash and cash equivalents		71,745,640	48,412,140
Cash and cash equivalents at beginning of the period		(586,487,865)	(437,382,776)
Cash and cash equivalents at the end of the period		(514,742,225)	(388,970,636)
Cash and cash equivalents comprises of :			
Cash and bank balances		4,979,664	9,626,422
Short term borrowings		(519,721,889)	(398,597,058)
		(514,742,225)	(388,970,636)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) **FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015**

			Reserves				
	Capital	Revenue					
	Share Capital	Share premium	General	Un-appropriated profit / (accumulated loss)	Gain on revaluation of available - for-sale investments	Sub total	Total
	(Rupees)						
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 period ended September 30, 2014							
Profit for the 1st quarter ended September 30, 2014	-	-	-	21,912,852	-	21,912,852	21,912,852
Other comprehensive income for the 1st quarter ended September 30, 2014	-	-	-	-	2,443,750	2,443,750	2,443,750
	-	-	-	21,912,852	2,443,750	24,356,602	24,356,602
Balance as at September 30, 2014	114,725,290	12,155,680	424,500,000	(95,875,653)	9,162,500	349,942,527	464,667,817
Balance as at June 30, 2015	114,725,290	12,155,680	424,500,000	(85,993,986)	11,218,125	361,879,819	476,605,109
Total comprehensive income for the period ended September 30, 2015							
Profit for the 1st quarter ended September 30, 2015	-	-	-	4,145,124	-	4,145,124	4,145,124
Other comprehensive income for the 1st quarter ended September 30, 2015	-	-	-	-	2,823,250	2,823,250	2,823,250
	-	-	-	4,145,124	2,823,250	6,968,374	6,968,374
Balance as at September 30, 2015	114,725,290	12,155,680	424,500,000	(81,848,862)	14,041,375	368,848,193	483,573,483

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Chief Executive


Director

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2015

1 THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited liability 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 BASIS OF PREPARATION

This condensed interim financial information of the Company for the period ended September 30, 2015 has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34, 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the Listing Regulations of Karachi Stock Exchange.

This condensed interim financial information does not include all the information and disclosures required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2015.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2015.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these judgements, estimates and assumptions.

However, management believes that the change in outcome of judgements, estimates and assumptions would not have a material impact on the amounts disclosed in this condensed interim financial information.

Judgements and estimates made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the financial statements as at and for the year ended June 30, 2015.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended June 30, 2015.

NOTES TO THE FINANCIAL INFORMATION

	Note	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
		-----Rupees-----	
5 PROPERTY , PLANT AND EQUIPMENT			
Operating assets - at net book value	5.1	179,371,075	183,817,230
Capital work-in-progress	5.2	4,780,940	3,240,500
		184,152,015	187,057,730
5.1 Operating assets			
Opening book value		183,817,230	193,925,557
Additions during the period / year	5.3	814,350	15,056,901
Disposals during the period / year	5.3	(190,477)	(3,723,804)
Depreciation charged during the period / year		(5,070,028)	(21,441,424)
		<u>179,371,075</u>	<u>183,817,230</u>

5.2 Capital work-in-progress represent amount given as advance to suppliers and construction.

5.3 Additions and disposals to operating assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	-----Rupees-----			
Plant and machinery	-	60,000	-	-
Furniture and fittings	12,500	13,500	-	-
Electrical appliances	91,000	-	-	-
Office Equipment	12,350	-	-	-
Vehicles	698,500	419,400	190,477	780,219
	<u>814,350</u>	<u>492,900</u>	<u>190,477</u>	<u>780,219</u>

6 DEFERRED TAXATION

Includes deferred tax asset of Rs 47.99 million (June 30, 2015: Rs. 46.46 million) in respect of carried forward losses and minimum tax credits. 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.

NOTES TO THE FINANCIAL INFORMATION

7 STAFF RETIREMENT BENEFITS

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence, the impact, if any, relating to remeasurements of post employment benefit obligations (actuarial gains/losses) on condensed interim financial information is not calculated and accounted for as considered immaterial.

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	-----Rupees-----	
8 STOCK- IN-TRADE		
Raw materials (including in transit Rs. 16.59 million, June 30, 2015: Rs. 59.11 million)	179,000,913	247,403,409
Work in process	92,725,990	86,121,297
Finished goods - note 8.1	123,586,000	156,137,248
	<u>395,312,903</u>	<u>489,661,954</u>
Provision for slow moving stock	(341,700)	(341,700)
	<u>394,971,203</u>	<u>489,320,254</u>

- 8.1** Stock-in-trade - finished goods includes stock which has been written-down to net realisable value by Rs. 12.15 million (June 30, 2015: Rs. 14.36 million).

	September 30, 2015 (Unaudited)	June 30, 2015 (Audited)
	-----Rupees-----	
9 TRADE DEBTS		
Considered good		
- Related parties	192,107,418	164,409,017
- Others	24,698,415	18,841,109
	<u>216,805,833</u>	<u>183,250,126</u>
9.1 Represents amounts due from the following related parties:		
- Millat Tractors Limited	186,154,369	161,724,770
- Millat Equipment Limited	5,953,049	2,684,247
	<u>192,107,418</u>	<u>164,409,017</u>

NOTES TO THE FINANCIAL INFORMATION

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2015.

10.2 Commitments

Outstanding guarantees and letters of credit issued on behalf of the Company as at September 30, 2015 were Rs 2.46 million (June 30, 2015: Rs 2.46 million) and Rs 79.68 million (June 30, 2015: Rs 91.14 million) respectively.

Commitments in respect of capital expenditure as at September 30, 2015 were Rs. 0.25 million (June 30, 2015: Rs nil).

	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
	-----Rupees-----	
11 SALES		
Local Sales	471,411,934	456,361,830
Less: Sales returns	(14,683,409)	(14,892,532)
Sales tax	(68,525,390)	(66,308,998)
	(83,208,799)	(81,201,530)
	<u>388,203,135</u>	<u>375,160,300</u>
12 TAXATION		
Current	(3,882,031)	(3,657,813)
Deferred	2,913,053	(14,379,036)
	<u>(968,978)</u>	<u>(18,036,849)</u>
12.1	The provision for current taxation is based on minimum taxation under section 113, of the Income Tax Ordinance, 2001.	
	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
	-----Rupees-----	
13 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit / (loss) after taxation attributable to ordinary shareholders	4,145,124	21,912,852
Weighted average number of shares in issue during the period	11,472,529	11,472,529
Earnings per share (Rupees) - Basic and diluted	0.36	1.91

NOTES TO THE FINANCIAL INFORMATION

	Note	September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
		-----Rupees-----	
14 CASH (USED IN) / GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		5,114,102	39,949,701
Adjustments for non-cash charges and other items			
Depreciation and amortization		5,130,496	5,295,377
Provision for staff retirement benefits		1,290,617	645,302
Gain on disposal of property, plant and equipment		(6,602)	(3,343)
Return on savings and deposit accounts		(32,537)	(39,217)
Mark-up on short term borrowings		9,593,863	12,591,855
		15,975,837	18,489,974
		<u>21,089,939</u>	<u>58,439,675</u>
14.1 EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES			
(Increase) / decrease in current assets			
Stores, spare parts and loose tools		(1,032,896)	5,901,918
Stock-in-trade		94,349,051	63,246,769
Trade debts		(33,555,707)	(58,715,738)
Loans and advances		(12,473,564)	(6,973,726)
Trade deposits and short-term prepayments		7,498,551	(8,104,822)
Other receivables		(1,464,820)	(786,131)
		53,320,615	(5,431,730)
Increase / (decrease) in current liabilities			
Trade and other payables		(4,974,281)	(13,513,321)
Sales tax payable		26,181,392	26,367,067
		21,207,111	12,853,746
		<u>95,617,665</u>	<u>65,861,691</u>

NOTES TO THE FINANCIAL INFORMATION

15 TRANSACTIONS WITH RELATED PARTIES

Related parties transactions during the period are as follows:

		September 30, 2015 (Unaudited)	September 30, 2014 (Unaudited)
Relationship with the Company	Nature of transactions	-----Rupees-----	
Associated Companies			
- Millat Tractors Limited	Sales of goods	361,120,139	377,435,286
	Purchase of goods	-	2,611,262
	Interest on advance	-	309,113
	Repayment of advance against sale of goods	-	16,226,015
	Payment / (adjustment) of advance against		
	Purchase of goods	141,141	-
- Millat Equipment Limited	Sales of goods	2,843,000	6,223,600
Staff retirement benefit funds:			
- Pension fund	Contributions	591,547	527,701
- Provident funds	Contributions	938,705	837,306
- Executives' gratuity fund	Benefits paid on behalf of the fund	-	1,189,646
Key management personnel			
- Directors / Executives	Salaries and other short term employee benefits	7,216,261	3,467,892

16 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information has been authorised for issue by the Board of Directors of the Company on October 28, 2015.


Chief Executive


Director



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