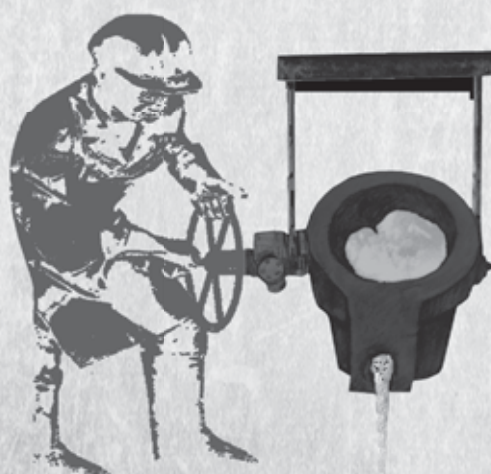


QUARTERLY FINANCIAL STATEMENTS  
FOR AND UPTO THE THIRD QUARTER  
ENDED MARCH 31, 2016

The Foundry  
**ICON** of  
PAKISTAN



BOLAN CASTINGS LIMITED

## CONTENTS

Company Information .....	2
Directors' Review .....	3
Balance Sheet .....	4
Profit and Loss Account .....	5
Statement of Comprehensive Income.....	6
Cash Flow Statement .....	7
Statement of Changes in Equity .....	8
Notes to the Financial Information .....	9

## COMPANY INFORMATION

<b>Board of Directors</b>	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
<b>Company Secretary</b>	Mr. Arafat Mushir	
<b>Chief Financial Officer</b>	Syed Sajid Ali	
<b>Auditors</b>	M/s. A.F. Ferguson & Co.	Chartered Accountants
<b>Legal Advisors</b>	M/s. MJLA, Legal	
<b>Bankers</b>	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	
<b>Share Registrar</b>	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	
<b>Registered Office</b>	Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan Tel : +92-853-364033,363296 Fax : +92-853-363292 E-mail: bclhub@bclpk.com	
<b>Web Site</b>	www.bolancastings.com	

## **DIRECTORS' REVIEW**

### **Dear Shareholders**

Directors of your company take this opportunity to present the un-audited financial statements for and upto the third quarter ended March 31, 2016.

### **Operating and Financial Results**

The net sales upto the nine months period ended March 31, 2016 were Rs. 882.022 million as compared to Rs. 1,357.860 million of corresponding period last year. The gross profit for the nine months period under review was Rs. 62.643 million as against Rs. 181.694 million of corresponding period last year. The after tax loss for the period under review was Rs.11.652 million as compared to profit of Rs. 58.957 million of corresponding period last year. The loss per share for the nine months ended March 31, 2016 was Rs.1.02 as against earnings of Rs.5.14 per share of corresponding period last year.

The profitability is mainly affected as a result of decline of castings' sales to tractor manufacturers, which are facing a dearth of fresh orders from the farmers. However, the tractor and its vending industry have witnessed some improvement in sales during the third quarter as compared to first two quarters of current financial year.

### **Future Prospects**

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.

Our main customer Millat Tractors Limited is focusing the global market for their products. Millat Products with "Made in Pakistan" tag have been launched under MF-300 series from the platform of their principal-AGCO, which hopefully will result into enhanced orders for our castings.

We are taking measures to improve our supply chain and quality of products for satisfaction of our customers. Further, 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 last quarter of the current financial year.

### **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

Karachi:  
April 26, 2016

## CONDENSED INTERIM BALANCE SHEET

### AS AT MARCH 31, 2016

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	184,136,098	187,057,730
Intangible assets		20,160	201,563
Long-term investment		23,000,000	16,718,125
Long term loans		864,745	777,745
Deferred taxation	6	51,229,391	40,179,459
Long-term deposits		3,846,201	3,612,000
Staff retirement benefits - prepayment	7	5,223,028	6,326,953
		<u>268,319,623</u>	<u>254,873,575</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		82,373,321	84,345,162
Stock-in-trade	8	273,863,960	489,320,254
Trade debts	9	216,129,654	183,250,126
Loans and advances		9,413,978	9,614,849
Trade deposits and short term prepayments		2,427,462	21,722,339
Other receivables		1,564,115	2,868,829
Refunds due from government - sales tax		-	19,347,640
Taxation - payments less provision		139,918,697	129,439,128
Cash and bank balances		7,365,948	8,890,582
		<u>733,057,135</u>	<u>948,798,909</u>
<b>Total assets</b>		<u><b>1,001,376,758</b></u>	<u><b>1,203,672,484</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital		114,725,290	114,725,290
Reserves		<u>333,564,864</u>	<u>361,879,819</u>
		<b>448,290,154</b>	<b>476,605,109</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long term deposits		3,346,974	5,126,432
Staff retirement benefits - obligations	7	<u>35,690,072</u>	<u>34,724,304</u>
		<b>39,037,046</b>	<b>39,850,736</b>
<b>Current liabilities</b>			
Trade and other payables		87,439,119	83,091,092
Current portion of long term deposits		1,096,319	845,500
Accrued mark-up		9,159,856	10,362,800
Short term borrowings - from banks		400,961,112	592,917,247
Sales tax payable		15,393,152	-
		<u>514,049,558</u>	<u>687,216,639</u>
<b>Total liabilities</b>		<b>553,086,604</b>	<b>727,067,375</b>
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<u><b>1,001,376,758</b></u>	<u><b>1,203,672,484</b></u>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.



Chief Executive



Director

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR AND UPTO THE 3RD QUARTER ENDED MARCH 31, 2016

	Note	Quarter ended		Period ended	
		March 31 2016	March 31 2015	March 31 2016	March 31 2015
		Rupees			
Sales	11	371,153,237	500,190,665	882,021,768	1,357,859,941
Cost of Sales		(332,946,164)	(427,230,629)	(819,378,768)	(1,176,166,069)
Gross profit		38,207,073	72,960,036	62,643,000	181,693,872
Distribution cost		(8,533,572)	(12,990,547)	(23,764,473)	(36,084,224)
Administrative expenses		(8,849,076)	(8,790,114)	(28,795,042)	(23,787,516)
Other expenses		-	(2,956,340)	(273,545)	(6,594,462)
Other income		795,164	2,575,995	3,887,082	8,374,994
Profit from operations		21,619,589	50,799,030	13,697,022	123,602,664
Finance cost		(8,711,922)	(10,909,368)	(27,470,696)	(34,625,215)
(Loss) / profit before taxation		12,907,667	39,889,662	(13,773,674)	88,977,449
Taxation	12	(5,525,654)	(13,991,114)	2,121,902	(30,020,269)
(Loss) / profit after taxation		7,382,013	25,898,548	(11,651,772)	58,957,180
(Loss) / earnings per share - Basic and diluted	13	0.64	2.26	(1.02)	5.14

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2016**

	Quarter ended		Period ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
	Rupees			
(Loss) / profit after taxation	7,382,013	25,898,548	(11,651,772)	58,957,180
Other comprehensive (loss) / income				
Items that may be subsequently reclassified to profit or loss				
Unrealized gain / (loss) on revaluation of available-for- sale investment	5,393,500	(2,783,000)	6,281,875	1,437,500
<b>Total comprehensive (loss) / income for the period</b>	<b>12,775,513</b>	<b>23,115,548</b>	<b>(5,369,897)</b>	<b>60,394,680</b>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director



# **CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)** **FOR THE PERIOD ENDED MARCH 31, 2016**

	Note	March 31, 2016	March 31, 2015
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	14	269,851,701	32,389,354
(Increase) / decrease in long term loans		(87,000)	2,255
(Increase) / decrease in long-term deposits - net		(1,762,840)	874,855
Income taxes paid		(19,407,599)	(29,615,441)
Staff retirement benefits paid		(1,164,700)	(4,063,193)
Mark-up-paid		(28,329,806)	(34,815,414)
<b>Net cash generated / (used) in from operating activities</b>		<b>219,099,756</b>	<b>(35,227,584)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(9,043,878)	(15,480,145)
Proceeds from disposal of property, plant and equipment		1,920,519	3,509,046
Return received on savings and deposit accounts		232,012	132,682
Dividend received		862,500	646,875
<b>Net cash used in from investing activities</b>		<b>(6,028,847)</b>	<b>(11,191,542)</b>
<b>Cash Flows from financing activities</b>			
Dividend paid during the period		(22,639,408)	-
<b>Net Cash outflow from financing activities</b>		<b>(22,639,408)</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>190,431,501</b>	<b>(46,419,126)</b>
Cash and cash equivalents at beginning of the period		(584,026,665)	(435,818,516)
<b>Cash and cash equivalents at the end of the period</b>		<b>(393,595,164)</b>	<b>(482,237,642)</b>
<b>Cash and cash equivalents comprises of :</b>			
Cash and bank balances		7,365,948	8,855,461
Short-term borrowings		(400,961,112)	(491,093,103)
		<b>(393,595,164)</b>	<b>(482,237,642)</b>

The annexed notes from 1 to 16 form an integral part of this condensed interim financial information.

  
Chief Executive

  
Director



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	SHARE CAPITAL	RESERVES				SUB TOTAL	TOTAL
CAPITAL		REVENUE					
Share premium		General	Unappropriated profit/ (accumulated loss)	Gain on revaluation of available- for-sale investments			
				(Rupees)			
Balance as at July 1, 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 March 31, 2015							
Profit for the period ended March 31, 2015	-	-	-	58,957,180	-	58,957,180	58,957,180
Other comprehensive income for the period year ended March 31, 2015	-	-	-	-	1,437,500	1,437,500	1,437,500
	-	-	-	58,957,180	1,437,500	60,394,680	60,394,680
Balance as at March 31, 2015	114,725,290	12,155,680	424,500,000	(58,831,325)	8,156,250	385,980,605	500,705,895
Balance as at July 1, 2015	114,725,290	12,155,680	424,500,000	(85,993,986)	11,218,125	361,879,819	476,605,109
Issue of dividend @ 20% for the year ended June 30, 2015	-	-	-	(22,945,058)	-	(22,945,058)	(22,945,058)
Total comprehensive loss for the period ended March 31, 2016							
Loss for the period ended March 31, 2016	-	-	-	(11,651,772)	-	(11,651,772)	(11,651,772)
Other comprehensive income for the period year ended March 31, 2016	-	-	-	-	6,281,875	6,281,875	6,281,875
	-	-	-	(11,651,772)	6,281,875	(5,369,897)	(5,369,897)
Balance as at March 31, 2016	114,725,290	12,155,680	424,500,000	(120,590,816)	17,500,000	333,564,864	448,290,154

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 PERIOD ENDED MARCH 31, 2016**

### **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**

**2.1** This condensed interim financial information of the Company for the period ended March 31, 2016 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 Pakistan Stock Exchange.

**2.2** 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 FINANCIAL INFORMATION

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		Rupees	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - at net book value		<b>180,052,758</b>	183,817,230
Capital work-in-progress		<b>4,083,340</b>	3,240,500.00
		<b>184,136,098</b>	<b>187,057,730</b>

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

	Additions (at cost)		Disposals (at net book value)	
	March 31 2016	March 31 2015	March 31 2016	March 31 2015
	Rupees			
Buildings on free-hold land	-	96,350	-	-
Plant and machinery	<b>8,439,999</b>	4,640,291	-	351,380
Furniture and fittings	<b>12,500</b>	26,000	-	-
Electrical appliances	<b>160,700</b>	343,150	-	-
Office Equipment	<b>322,350</b>	-	-	-
Computers	<b>19,000</b>	157,400	-	26,982
Vehicles	<b>4,718,500</b>	6,612,400	<b>1,649,589</b>	2,461,384
	<b>13,673,049</b>	11,875,591	<b>1,649,589</b>	2,839,746

## 6 DEFERRED TAXATION

Includes deferred tax asset of Rs 55.82 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.

## 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.

## NOTES TO FINANCIAL INFORMATION

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		Rupees	
<b>8 STOCK- IN-TRADE</b>			
Raw materials (including in transit Rs. 16,686,669/-, June 30, 2015: Rs. 59,090,429/-)		<b>66,081,910</b>	247,403,409
Work in process		<b>67,675,000</b>	86,121,297
Finished goods - note 8.1		<b>140,448,750</b>	156,137,248
		<b>274,205,660</b>	489,661,954
Provision for slow moving stock		<b>(341,700)</b>	(341,700)
		<b>273,863,960</b>	489,320,254

- 8.1** Stock-in-trade - finished goods includes stock which has been written-down to net realisable value by Rs. 8.79 million (June 30, 2015: Rs. 14.36 million).

	Note	March 31, 2016 (Unaudited)	June 30, 2015 (Audited)
		Rupees	
<b>9 TRADE DEBTS</b>			
Considered good			
- Related parties		<b>193,039,953</b>	164,409,017
- Others		<b>23,089,701</b>	18,841,109
		<b>216,129,654</b>	183,250,126

## 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.

## NOTES TO FINANCIAL INFORMATION

### 10.2 Commitments

Commitments in respect of capital expenditure as at March 31, 2016 were Rs. 0.53 million (June 30, 2015: Rs nil).

	Quarter ended		Period ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>11 SALES</b>	<b>Rupees</b>			
Local Sales	454,305,819	606,817,764	1,081,572,975	1,648,796,675
Less:				
- Sales returns	(17,090,867)	(18,109,993)	(42,318,460)	(51,313,507)
- Sales tax	(66,061,715)	(88,517,106)	(157,232,747)	(239,623,227)
	(83,152,582)	(106,627,099)	(199,551,207)	(290,936,734)
	<u>371,153,237</u>	<u>500,190,665</u>	<u>882,021,768</u>	<u>1,357,859,941</u>

	Quarter ended		Period ended	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>12 TAXATION</b>	<b>Rupees</b>			
Current	(3,711,532)	(6,374,818)	(8,928,030)	(15,016,198)
Prior	-	-	-	-
Deferred	(1,814,122)	(7,616,296)	11,049,932	(15,004,071)
	<u>(5,525,654)</u>	<u>(13,991,114)</u>	<u>2,121,902</u>	<u>(30,020,269)</u>

### 13 (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

(Loss) / profit after taxation attributable to ordinary shareholders	<u>(11,651,772)</u>	<u>58,957,180</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
(Loss) / earnings per share - Basic and diluted	<u>(1.02)</u>	<u>5.14</u>

## NOTES TO FINANCIAL INFORMATION

	March 31, 2016	March 31, 2015
	<b>Rupees</b>	
<b>14 CASH GENERATED FROM OPERATIONS</b>		
(Loss) / profit before taxation	<b>(13,773,674)</b>	88,977,449
<b>Adjustments for non-cash charges and other items</b>		
Depreciation and amortization	<b>10,497,331</b>	15,909,117
Provision for staff retirement benefits	<b>3,234,391</b>	6,226,515
Debtors written off	<b>18,933</b>	-
Gain on disposal of property, plant and equipment - net	<b>(270,935)</b>	(669,300)
Return on savings and deposit accounts	<b>(232,012)</b>	(132,682)
Dividend income	<b>(862,500)</b>	(646,875)
Mark-up on short term borrowings and advance from customers	<b>27,126,862</b>	34,433,445
	<b>39,512,070</b>	55,120,220
	<b>25,738,396</b>	144,097,669
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
<b>(Increase) / decrease in current assets</b>		
Stores, spare parts and loose tools	<b>1,971,841</b>	(9,184,240)
Stock-in-trade	<b>215,456,294</b>	(67,407,545)
Trade debts	<b>(32,898,461)</b>	(42,755,664)
Loans and advances	<b>200,871</b>	(6,184,433)
Trade deposits and short-term prepayments	<b>19,294,877</b>	(13,820,307)
Other receivables	<b>1,304,714</b>	(129,853)
Refunds due from government - Sales tax	<b>-</b>	7,222,601
	<b>205,330,136</b>	(132,259,441)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	<b>4,042,377</b>	20,551,126
Sales tax payable	<b>34,740,792</b>	-
	<b>38,783,169</b>	20,551,126
	<b>269,851,701</b>	32,389,354

## NOTES TO FINANCIAL INFORMATION

March 31, 2016      March 31, 2015

-----Rupees-----

### 15 TRANSACTIONS WITH RELATED PARTIES

Related parties transactions during the period are as follows:

Relationship with the Company	Nature of transactions		
<b>Associated Companies</b>			
- Millat Tractors Limited	Sales of goods	<b>808,853,604</b>	1,365,616,657
	Purchase of goods	<b>7,392,795</b>	5,872,597
	Purchase of fixed assets	-	3,649,744
	Interest on advance	-	222,786
	Repayment of advance against sale of goods	-	16,226,015
	Adjustment of advance against purchase of goods	<b>141,141</b>	96,634
- Millat Equipment Limited	Sales of goods	<b>3,444,613</b>	14,577,866
<b>Staff retirement benefit funds:</b>			
- Pension fund	Contributions	<b>1,754,194</b>	1,712,629
- Provident funds	Contributions	<b>2,780,686</b>	2,571,643
- Executives' gratuity fund	Benefits paid on behalf of the fund	<b>4,879,347</b>	2,773,246
<b>- Key management personnel</b>			
- Directors / Executives	Salaries and other short term employee benefits	<b>13,268,060</b>	9,230,795

### 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 April 26, 2016.

  
Chief Executive

  
Director





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



[www.bolancastings.com](http://www.bolancastings.com)

CORPORATE