



Quarterly Financial Statements (Un-Audited)
for the 1st Quarter ended September 30, 2014

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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 (NIT Nominee)
Company Secretary	Mr. Arafat Mushir	
Chief Financial Officer	Syed Sajid Ali	
Auditors	M/s. A.F. Ferguson & Co.	Chartered Accountants
Legal Advisors	M/s. Walker Martineau Saleem	Advocates & Legal Consultants
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, 2014.

Operating and Financial Results

The net sales for the 1st quarter were Rs. 375.16 million as compared to Rs. 173.11 million of the same period last year.

The gross profit for the 1st quarter under review was Rs. 68.80 million as against gross loss of Rs. 41.42 million of the corresponding period last year. After adjustment of overall expenses, the profit after tax for the 1st quarter was Rs. 21.91 million as compared to loss of Rs. 47.95 million of same period last year.

As a result of positive operating and financial results, the earnings per share for the 1st quarter ended September 30, 2014 improved to Rs. 1.91 per share from loss per share of Rs. 4.18 of corresponding period last year.

Future Prospects

The Government's decision to reduce GST from 16% to 10% coupled with the resuming of loaning facility by Zarai Taraqati Bank and other commercial banks have given an exponential boost to the sales of tractors. The tractor and its vending industry recorded booming sales during the quarter under review.

Sales of tractors are expected to improve in the upcoming quarters of the current financial year. Our Company, being part of tractors' vending industry also expects better scope for further increase in sales of its castings during remaining period of the current financial year. The management is now concentrating on improving supply of tractors' castings and also the quality for satisfaction of our customers. Further, the efforts are being made to explore the export market which has enormous potential.

Acknowledgement

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

For and on behalf of the Board



SIRAJUDDIN KHAN
Chief Executive Officer

CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2014

	Note	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
		-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	188,403,330	193,925,557
Intangible assets		382,967	443,435
Long term investments		14,662,500	12,218,750
Long term loans		1,485,000	847,000
Deferred taxation	6	27,153,966	41,532,963
Long term deposits		4,012,000	4,012,000
Staff retirement benefits - prepayments		15,062,354	15,062,354
		<u>251,162,117</u>	<u>268,042,059</u>
Current assets			
Stores, spares and loose tools		79,947,887	85,849,805
Stock in trade	7	327,928,019	391,174,788
Trade debts	8	180,103,033	121,387,295
Loans and advances		10,858,358	3,884,632
Deposits and short term prepayments		18,994,121	10,889,299
Other receivables		3,397,313	2,611,182
Refunds due from government - sales tax		-	20,132,247
Taxation - payments less provision		120,279,085	116,991,448
Cash and bank balances		11,191,422	8,699,584
		<u>752,699,238</u>	<u>761,620,280</u>
TOTAL ASSETS		<u>1,003,861,355</u>	<u>1,029,662,339</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital		114,725,290	114,725,290
Reserves		349,942,527	325,585,925
		<u>464,667,817</u>	<u>440,311,215</u>
Liabilities			
Non-current liabilities			
Long term deposits		3,614,046	3,851,690
Staff retirement benefits - obligations		21,893,551	21,845,728
		<u>25,507,597</u>	<u>25,697,418</u>
Current liabilities			
Trade and other payables	9	92,755,308	106,268,629
Current portion of long term deposit		1,345,325	1,345,325
Accrued mark-up		14,753,430	11,522,392
Short term borrowings		398,597,058	444,517,360
Sales tax payable		6,234,820	-
		<u>513,685,941</u>	<u>563,653,706</u>
Total liabilities		<u>539,193,538</u>	<u>589,351,124</u>
Contingencies and Commitments	10		
TOTAL EQUITY AND LIABILITIES		<u>1,003,861,355</u>	<u>1,029,662,339</u>

The annexed notes from 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, 2014

	Note	September 30, 2014	September 30, 2013
		-----Rupees-----	
Sales	11	375,160,300	173,108,934
Cost of goods sold		(306,359,615)	(214,534,463)
Gross profit / (loss)		68,800,685	(41,425,529)
Distribution costs		(9,741,393)	(8,354,981)
Administrative expenses		(6,570,458)	(8,472,957)
Other operating expenses		(2,960,826)	-
Other income		3,032,078	5,073,291
Profit / (loss) from operations		52,560,086	(53,180,176)
Finance cost		(12,610,385)	(12,262,995)
Profit / (loss) before taxation		39,949,701	(65,443,171)
Taxation	12	(18,036,849)	17,493,100
Profit after taxation		21,912,852	(47,950,071)
Earnings per share - basic and diluted	13	1.91	(4.18)

The annexed notes from 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, 2014

	September 30, 2014	September 30, 2013
	-----Rupees-----	
Profit / (loss) for the period	21,912,852	(47,950,071)
Other comprehensive income		
Items that will not be reclassified to Profit and Loss		
Remeasurements of staff retirement benefits	-	-
Items that may be subsequently reclassified to Profit and Loss		
Unrealised gain / (loss) on revaluation of available-for-sale investments	2,443,750	862,500
Total comprehensive income / (loss) for the period	<u>24,356,602</u>	<u>(47,087,571)</u>

The annexed notes from 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, 2014

	Note	September 30, 2014	September 30, 2013
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flows generated / (used in) from operations	14	65,861,691	(45,365,208)
Long-term loans		(638,000)	(615,000)
Long-term deposits - net		(237,644)	79,464
Income tax paid		(6,945,450)	(19,495,500)
Staff retirement benefits paid		(597,479)	(437,626)
Finance cost paid		(9,360,817)	(9,155,138)
Net Cash outflow from operating activities		48,082,301	(74,989,008)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(489,597)	(787,411)
Proceeds from disposal of fixed assets		780,219	2,806,145
Return on bank deposits received		39,217	123,214
Net cash outflow from investing activities		329,839	2,141,948
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net decrease in cash and cash equivalents		48,412,140	(72,847,060)
Cash and cash equivalents at beginning of the period		(437,382,776)	(486,465,356)
Cash and cash equivalents at the end of the period		(388,970,636)	(559,312,416)
Cash and cash equivalents comprises of :			
Cash and bank balances		9,626,422	14,249,240
Short-term borrowings		(398,597,058)	(573,561,656)
		(388,970,636)	(559,312,416)

The annexed notes from 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, 2014

	Capital		Reserves			Sub total	Total
	Share Capital	Share premium	General	Un-appropriated profit / (accumulated loss)	Gain on revaluation of available-for-sale investments		
	(Rupees)						
Balance as on June 30, 2013	104,295,710	12,155,680	411,500,000	10,584,286	8,587,500	442,827,466	547,123,176
Loss for the 1st quarter ended September 30, 2013	-	-	-	(47,950,071)	-	(47,950,071)	(47,950,071)
Other comprehensive income	-	-	-	-	862,500	862,500	862,500
Total comprehensive (loss) / income	-	-	-	(47,950,071)	862,500	(47,087,571)	(47,087,571)
Transfer to general reserve	-	-	13,000,000	(13,000,000)	-	-	-
Balance as at September 30, 2013	104,295,710	12,155,680	424,500,000	(50,365,785)	9,450,000	395,739,895	500,035,605
Balance as on June 30, 2014	114,725,290	12,155,680	424,500,000	(117,788,505)	6,718,750	325,585,925	440,311,215
Profit for the 1st quarter ended September 30, 2014	-	-	-	21,912,852	-	21,912,852	21,912,852
Other comprehensive income	-	-	-	-	2,443,750	2,443,750	2,443,750
Total comprehensive (loss) / income	-	-	-	21,912,852	2,443,750	24,356,602	24,356,602
Transfer to general reserve	-	-	-	-	-	-	-
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

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


 Chief Executive


 Director

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2014

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 BASIS OF PREPARATION

2.1 This condensed interim financial information of the Company for the period ended September 30, 2014 has been prepared in accordance with International Accounting Standard No. 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.

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 as at and for the year ended June 30, 2014.

3 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the financial statements for the year ended June 30, 2014.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of this condensed interim financial information in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

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, 2014.

NOTES TO THE FINANCIAL STATEMENTS

	Note	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
		-----Rupees-----	
5. PROPERTY , PLANT AND EQUIPMENT			
Operating assets - at net book value	5.1	188,403,330	193,925,557
5.1 Operating assets			
Opening book value		193,925,557	219,561,258
Additions during the period / year	5.2	492,900	2,760,889
Disposals during the period / year	5.2	(780,219)	(2,988,084)
Depreciation charged during the period / year		(5,234,908)	(24,089,166)
Write-offs during the period / year		-	(1,319,340)
		188,403,330	193,925,557

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

	Additions (at cost)		Disposals (at net book value)	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
-----Rupees-----				
Buildings on freehold land	-	-	-	-
Plant and machinery	60,000	-	-	-
Electrical and gas installations	-	-	-	-
Furniture and fittings	13,500	-	-	-
Electrical appliances	-	48,000	-	-
Office Equipment	-	-	-	-
Computers	-	-	-	-
Vehicles	419,400	685,000	780,219	937,379
	492,900	733,000	780,219	937,379

6 DEFERRED TAXATION

Includes deferred tax asset of Rs 27,153,966/- (June 30, 2014: Rs 41,532,963/-) in respect of tax loss of Rs 102,573,694/- (June 30, 2014: Rs 136,615,313/-). The management believes, based on future projections, that the Company would earn sufficient taxable profits in the future to set off its carried forward losses.

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2014 (Unaudited)	June 30, 2014 (Audited)
	-----Rupees-----	
7 STOCK-IN-TRADE		
Raw materials at costs (including in transit Rs. 1,247,163/-, June 30, 2014: Rs. 9,594,375/-)	81,246,719	137,671,978
Work in process	51,995,000	51,697,535
Finished goods	195,028,000	202,146,975
Provision for slow moving stock	(341,700)	(341,700)
	<u>327,928,019</u>	<u>391,174,788</u>
8 TRADE DEBTS - unsecured		
Considered good		
Related parties	149,420,648	441,370,408
Others	30,682,385	19,537,658
	<u>180,103,033</u>	<u>460,908,066</u>
9 TRADE AND OTHER PAYABLES		
9.1 This includes Rs. 12.82 million (June 30, 2013 Rs. 10.21 million) due to Millat Tractors Limited (a related party).		
9.2 This includes Rs. Nil (June 30, 2014 Rs. 16.23 million) due to Millat Tractors Limited (a related party), carrying mark up at the rate of 18% per annum and is adjustable against future sales invoices.		
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, 2014.		
10.2 COMMITMENTS		
Outstanding guarantees and letters of credit issued on behalf of the Company as at September 30, 2014 were Rs. 2.46 million (June 30, 2014: Rs. 2.46 million) and Rs. 190.57 million (June 30, 2014: Rs. 46.31 million) respectively.		

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)
	-----Rupees-----	
11 NET SALES		
Local Sales	456,361,830	216,600,167
Less: Sales returns	<u>(14,892,532)</u>	<u>(12,014,856)</u>
Sales tax	<u>(66,308,998)</u>	<u>(31,476,377)</u>
	<u>(81,201,530)</u>	<u>(43,491,233)</u>
	<u>375,160,300</u>	<u>173,108,934</u>
12 TAXATION		
Current	(3,657,813)	-
Prior	-	-
Deferred	(14,379,036)	17,493,100
	<u>(18,036,849)</u>	<u>17,493,100</u>
12.1 The provision for current taxation is based on minimum taxation under section 113 of the Income Tax Ordinance, 2001.		
	September 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)
	-----Rupees-----	
13 BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation	<u>21,912,852</u>	<u>(47,950,071)</u>
Weighted average number of shares outstanding during the period	<u>11,472,529</u>	<u>11,472,529</u>
Earnings per share	<u>1.91</u>	<u>(4.18)</u>
14 CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit / (loss) before taxation	39,949,701	(65,443,171)
Adjustments for non-cash charges and other items		
Depreciation / amortization	<u>5,295,377</u>	<u>6,119,599</u>
Provision for staff benefits	<u>645,302</u>	<u>644,269</u>
Gain on disposal of property, plant and equipment	<u>(3,343)</u>	<u>(1,868,766)</u>
Finance costs	<u>12,591,855</u>	<u>12,262,995</u>
Return on bank accounts	<u>(39,217)</u>	<u>(123,214)</u>
	<u>18,489,974</u>	<u>17,034,883</u>
Working Capital Changes - note 14.1	<u>7,422,016</u>	<u>3,043,080</u>
	<u>65,861,691</u>	<u>(45,365,208)</u>

NOTES TO THE FINANCIAL STATEMENTS

		September 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)
	Note	-----Rupees-----	
14.1 Working Capital Changes			
Decrease / (increase) in current assets			
Stores, spare parts and loose tools		5,901,918	(4,289,933)
Stock-in-trade		63,246,769	(231,786,781)
Trade debts		(58,715,738)	355,732,730
Loans and advances		(6,973,726)	49,334,665
Deposits and short-term prepayments		(8,104,822)	(11,876,072)
Other receivables		(786,131)	(510,507)
		(5,431,730)	156,604,102
Increase / (decrease) in current liabilities			
Trade and other payables		(13,513,321)	(76,501,060)
Sales tax payable		26,367,067	(77,059,962)
		<u>7,422,016</u>	<u>3,043,080</u>
		September 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)
		-----Rupees-----	
15 TRANSACTIONS WITH RELATED PARTIES			
Transactions for the period			
Nature of relationship	Nature of transactions		
Associates			
- Millat Tractors Limited	Sales	377,435,286	147,586,618
	Purchases	2,611,262	2,489,000
	Markup on advance	309,113	-
	Receipt of advances	-	-
	Repayment / adjustment of advance	16,226,015	-
	Payment / adjustment of advance	-	-
- Millat Equipment Limited	Sales	6,223,600	5,827,460

NOTES TO THE FINANCIAL STATEMENTS

		September 30, 2014 (Unaudited)	September 30, 2013 (Unaudited)
		-----Rupees-----	
Nature of relationship	Nature of transactions		
Retirement funds			
-	Provident funds	Contributions 837,306	865,652
-	Pension fund	Contributions 527,701	547,431
-	Executives' gratuity fund	Benefits paid on behalf of the fund 1,189,646	1,631,757
Key management personnel			
-	Directors / Executives	Salaries and other short term employee benefits 3,467,892	4,522,181

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, 2014.


Chief Executive


Director



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