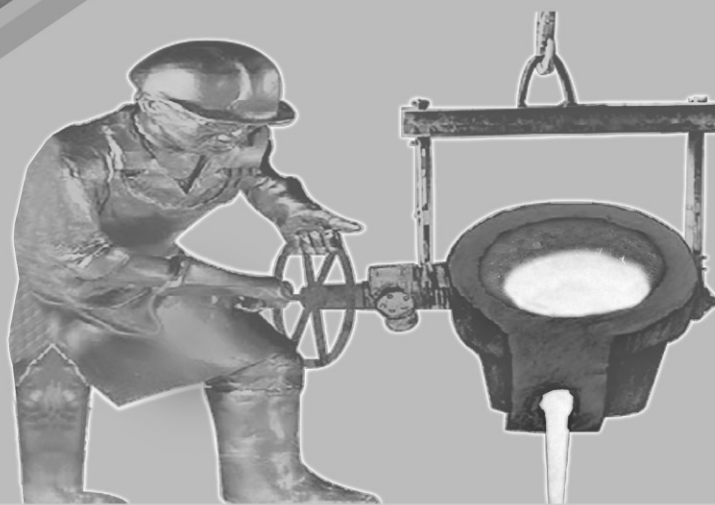




**Quarterly Financial Statements  
For and upto the Second Quarter  
Ended December 31, 2017**



**DAWN OF A NEW ERA**



**Bolan Castings Limited**

## CONTENTS

Company Information .....	2
Directors' Review .....	3
Auditors' Review Report to the Members .....	4
Balance Sheet .....	5
Profit and Loss Account .....	6
Statement of Comprehensive Income .....	7
Cash Flow Statement .....	8
Statement of Changes in Equity .....	9
Notes to the Interim Financial Information .....	10



## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Sikandar M. Khan Mr. Nisar Ahmed Mirani Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Syed Muhammad Irfan Aqueel Syed Javaid Ashraf Mr. Muhammad Imran Rafiq	Chairman Chief Executive 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. Latif & Latif Advocate M/s. Rizwan Manai Associates	
<b>Bankers</b>	Habib Bank Limited MCB Bank Limited Bank Alfalah Limited Dubai Islamic Bank Pakistan Ltd. Meezan Bank Limited Faysal Bank Limited 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 the second quarter and half year ended December 31, 2017 duly reviewed by the statutory auditors of the Company

The tractor industry showed a robust signs of growth during the first half of current fiscal year 2017-18 and has positively impacted on financial performance of your Company.

During the half year under review, the Company recorded net sales revenue of Rs. 1,123.73 million as compared to Rs.780.15 million during the same period last year. The gross profit for the half year was Rs. 179.95 million as compared to Rs. 122.44 million of corresponding period last year.

The Company recorded profit after tax of Rs.75.54 million for the half year under review as compared to Rs. 47.31 million of same period last year. The results translate into earnings per share of Rs. 6.58 as compared to Rs. 4.12 of corresponding period last year.

The growth witnessed during first half of current fiscal year is expected to continue. However, the upward surge of the exchange rates of US Dollar versus the Pakistani Rupees and oil prices is adding to the input cost of your Company and thereby narrowing down the profit margins. The management of your Company is vigilant of these challenges and is taking all possible measures to mitigate their impact.

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



**NISAR AHMED MIRANI**  
Chief Executive Officer

Karachi:  
February 21, 2018

# **AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION**

## **Introduction**

We have reviewed the accompanying condensed interim balance sheet of Bolan Castings Limited as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

## **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.



**A. F. Ferguson & Co.**  
Chartered Accountants  
Karachi

February 23, 2018

**Name of the Engagement Partner: Farrukh Rehman**

## CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2017

		(Unaudited) December 31, 2017	(Audited) June 30, 2017
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	202,617,058	184,941,604
Long-term investment	6	31,696,875	42,693,750
Long-term loans - considered good		1,219,000	853,745
Deferred taxation		-	4,001,393
Long-term deposits		3,893,041	3,893,041
Staff retirement benefits - prepayment	7	17,568,460	17,272,218
		<u>256,994,434</u>	<u>253,655,751</u>
<b>Current assets</b>			
Stores, spare parts and loose tools		118,781,696	116,252,036
Stock-in-trade	8	305,984,892	290,062,182
Trade debts	9	128,567,483	59,631,893
Loans and advances - considered good		5,353,633	4,996,583
Trade deposits and short term prepayments		4,825,408	322,332
Other receivables		154,231	188,457
Refunds due from the Government - Sales tax		2,285,888	23,453,028
Taxation - payments less provision		148,782,942	136,999,840
Cash and bank balances		9,761,401	9,554,186
		<u>724,497,574</u>	<u>641,460,537</u>
<b>Total assets</b>		<u>981,492,008</u>	<u>895,116,288</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital		114,725,290	114,725,290
Reserves		466,603,989	459,422,753
		<u>581,329,279</u>	<u>574,148,043</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term deposits		7,469,394	5,643,444
Deferred taxation		1,053,572	-
Staff retirement benefits - obligations	7	82,304,213	81,211,513
		<u>90,827,179</u>	<u>86,854,957</u>
<b>Current liabilities</b>			
Trade and other payables		102,671,368	106,661,113
Current portion of long-term deposits		1,220,752	1,012,555
Accrued mark-up		2,284,374	938,620
Running finance under mark-up arrangement		203,159,056	125,501,000
		<u>309,335,550</u>	<u>234,113,288</u>
<b>Total liabilities</b>		<u>400,162,729</u>	<u>320,968,245</u>
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<u>981,492,008</u>	<u>895,116,288</u>

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

  
Chief Financial Officer

  
Chief Executive

  
Director

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	Quarter ended		Half year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
-----Rupees-----					
Net Sales	11	<b>635,501,354</b>	466,511,322	<b>1,123,734,146</b>	780,148,500
Cost of sales		<b>(528,730,357)</b>	(387,246,428)	<b>(943,784,660)</b>	(657,704,887)
Gross profit		<b>106,770,997</b>	79,264,894	<b>179,949,486</b>	122,443,613
Distribution cost		<b>(14,892,445)</b>	(11,593,524)	<b>(29,662,512)</b>	(20,287,643)
Administrative expenses		<b>(18,737,955)</b>	(12,437,656)	<b>(34,955,030)</b>	(22,824,164)
Other expenses		<b>(4,838,336)</b>	(4,255,838)	<b>(7,632,305)</b>	(5,623,525)
Other income		<b>3,398,780</b>	2,569,191	<b>4,494,043</b>	3,275,540
<b>Profit from operations</b>		<b>71,701,041</b>	53,547,067	<b>112,193,682</b>	76,983,821
Finance cost		<b>(2,365,240)</b>	(3,680,770)	<b>(5,725,413)</b>	(8,663,667)
<b>Profit before taxation</b>		<b>69,335,801</b>	49,866,297	<b>106,468,269</b>	68,320,154
Taxation		<b>(21,200,604)</b>	(15,833,186)	<b>(30,927,513)</b>	(21,011,888)
<b>Profit after taxation</b>		<b>48,135,197</b>	34,033,111	<b>75,540,756</b>	47,308,266
<b>Earnings per share - Basic and diluted</b>	12	<b>4.20</b>	2.97	<b>6.58</b>	4.12

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

  
Chief Financial Officer

  
Chief Executive

  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)**

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	-----Rupees-----			
Profit after taxation	48,135,197	34,033,111	75,540,756	47,308,266
<b>Other comprehensive income / (loss)</b>				
<b>Items that may be subsequently reclassified to profit or loss</b>				
Unrealised (loss) / gain on revaluation of available-for-sale investment	(3,378,125)	(3,470,125)	(10,996,875)	14,136,375
<b>Total comprehensive income for the period</b>	<u>44,757,072</u>	<u>30,562,986</u>	<u>64,543,881</u>	<u>61,444,641</u>

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

  
 Chief Financial Officer

  
 Chief Executive

  
 Director



**CONDENSED INTERIM CASH FLOW STATEMENT**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

	Note	December 31, 2017	December 31, 2016
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	13	<b>47,066,344</b>	165,585,774
Increase in long-term loans		<b>(365,255)</b>	(421,000)
Increase / (decrease) in long-term deposits - net		<b>2,034,147</b>	(1,077,053)
Income tax paid		<b>(37,655,650)</b>	(1,955,298)
Staff retirement benefits paid		<b>(2,534,979)</b>	(405,167)
Mark-up paid		<b>(3,795,856)</b>	(10,261,391)
Net cash generated from operating activities		<b>4,748,751</b>	151,465,865
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(30,782,603)</b>	(2,780,133)
Proceeds from disposal of property, plant and equipment		<b>2,898,827</b>	905,992
Return received on savings and deposit accounts		<b>194,790</b>	45,153
Dividend income		<b>1,150,000</b>	1,437,500
Net cash used in investing activities		<b>(26,538,986)</b>	(391,488)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		<b>(55,660,606)</b>	(7,691,049)
Net (decrease) / increase in cash and cash equivalents		<b>(77,450,841)</b>	143,383,328
Cash and cash equivalents at the beginning of the period		<b>(118,863,484)</b>	(263,710,052)
<b>Cash and cash equivalents at the end of the period</b>	14	<b>(196,314,325)</b>	<b>(120,326,724)</b>

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

  
Chief Financial Officer

  
Chief Executive

  
Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

	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, 2016	114,725,290	12,155,680	424,500,000	(116,507,055)	17,787,500	337,936,125	452,661,415
Issue of dividend @ 10% for the year ended June 30, 2016	-	-	-	(11,472,529)	-	(11,472,529)	(11,472,529)
Total comprehensive Income for the half year ended December 31, 2016							
Profit for the half year ended December 31, 2016	-	-	-	47,308,266	-	47,308,266	47,308,266
Other comprehensive income for the half year ended December 31, 2016	-	-	-	-	14,136,375	14,136,375	14,136,375
	-	-	-	47,308,266	14,136,375	61,444,641	61,444,641
Balance as at December 31, 2016 (unaudited)	114,725,290	12,155,680	424,500,000	(80,671,318)	31,923,875	387,908,237	502,633,527
<b>Balance as at July 1, 2017</b>	<b>114,725,290</b>	<b>12,155,680</b>	<b>424,500,000</b>	<b>(14,426,677)</b>	<b>37,193,750</b>	<b>459,422,753</b>	<b>574,148,043</b>
Issue of dividend @ 50% for the year ended June 30, 2017	-	-	-	(57,362,645)	-	(57,362,645)	(57,362,645)
Total comprehensive Income for the half year ended December 31, 2017							
Profit for the half year ended December 31, 2017	-	-	-	75,540,756	-	75,540,756	75,540,756
Other comprehensive loss for the half year ended December 31, 2017	-	-	-	-	(10,996,875)	(10,996,875)	(10,996,875)
	-	-	-	75,540,756	(10,996,875)	64,543,881	64,543,881
<b>Balance as at December 31, 2017 (unaudited)</b>	<b>114,725,290</b>	<b>12,155,680</b>	<b>424,500,000</b>	<b>3,751,434</b>	<b>26,196,875</b>	<b>466,603,989</b>	<b>581,329,279</b>

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

  
Chief Financial Officer

  
Chief Executive

  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2017 (UNAUDITED)

### 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 Pakistan 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.

The Company is a subsidiary of Millat Tractors Limited in accordance with the provisions of IFRS 10 - Consolidated Financial Statements.

### 2. BASIS OF PREPARATION

As per the requirements of circular no. CLD/CCD/PR(11)/2017 dated October 4, 2017 issued by the Securities & Exchange Commission of Pakistan (SECP), companies whose financial year, including quarterly and other interim periods, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Accordingly, this condensed interim financial information 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 repealed Companies Ordinance, 1984 have been followed.

This condensed interim financial information does not include all the information required for full financial statements and should be read in conjunction with the annual financial statements for the year ended June 30, 2017.

#### 2.1 Changes in accounting standards, interpretations and pronouncements

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

IAS 7, 'Statement of cash flows' amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is part of the IASB's Disclosure Initiative, which continues to explore how financial statement disclosure can be improved. In the first year of adoption, comparative information need not be provided.

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

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2017 are considered not to be relevant for Company's condensed interim financial information and hence have not been detailed here.

## NOTES TO THE FINANCIAL INFORMATION

### 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 on or after July 1, 2018 that may have an impact on the financial statements of the Company.

IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

### 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, 2017.

### 4. **ACCOUNTING ESTIMATES, JUDGMENTS 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. 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.

Judgments 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, 2017.

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, 2017.

## NOTES TO THE FINANCIAL INFORMATION

	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	-----Rupees-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	197,987,158	178,841,104
Capital work in progress	4,629,900	6,100,500
	<u>202,617,058</u>	<u>184,941,604</u>

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

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	-----Rupees-----			
Plant and machinery	22,318,963	1,711,952	179,125	-
Building on freehold land	864,000	-	-	-
Furniture and fittings	69,485	-	-	-
Electrical appliances	178,500	236,731	-	-
Computers	377,255	126,950	-	-
Office equipment	-	16,000	-	-
Vehicles	8,445,000	4,804,500	2,111,325	905,992
	<u>32,253,203</u>	<u>6,896,133</u>	<u>2,290,450</u>	<u>905,992</u>

	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	-----Rupees-----	
<b>6. LONG-TERM INVESTMENT</b>		
<b>Available for sale</b>		
Balance at the beginning of the year	42,693,750	23,287,500
Unrealised (loss) / gain on revaluation - transferred to equity	(10,996,875)	19,406,250
Balance at the end of the year	<u>31,696,875</u>	<u>42,693,750</u>

Represents investment in 287,500 (June 30, 2017: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan Wheels Limited. Equity held 2.16% (June 30, 2017: 2.16%).

### 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.

## NOTES TO THE FINANCIAL INFORMATION

	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	-----Rupees-----	
<b>8. STOCK-IN-TRADE</b>		
Raw materials (including in transit Rs. 45.51 million; June 30, 2017: Rs. 15.27 million)	<b>175,164,126</b>	170,811,339
Work in process	<b>36,820,990</b>	32,502,643
Finished goods - note 8.1	<b>93,999,776</b>	87,089,900
	<b>305,984,892</b>	290,403,882
Provision for slow moving stock	-	(341,700)
	<b>305,984,892</b>	290,062,182

**8.1** This includes stock of Rs.14.61 million (June 30, 2017: Rs. 17.09 million) which has been written-down to net realisable value by Rs. 1.86 million (June 30, 2017: Rs. 5.53 million).

	(Unaudited) December 31, 2017	(Audited) June 30, 2017
	-----Rupees-----	
<b>9. TRADE DEBTS</b>		
Considered good		
- Related parties	<b>103,286,965</b>	43,269,522
- Others	<b>25,280,518</b>	16,362,371
	<b>128,567,483</b>	59,631,893

### 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, 2017.

**10.2** The aggregate commitments in respect of capital expenditure as at December 31, 2017 amount to Rs 34.96 million (June 30, 2017: Rs. 15.36 million).

	December 31, 2017	December 31, 2016
	-----Rupees-----	
<b>11. NET SALES</b>		
Local sales	<b>1,377,532,036</b>	955,592,029
Less:		
- Sales returns	<b>(53,537,407)</b>	(36,551,207)
- Sales tax	<b>(200,260,483)</b>	(138,892,322)
	<b>(253,797,890)</b>	(175,443,529)
	<b>1,123,734,146</b>	780,148,500

## NOTES TO THE FINANCIAL INFORMATION

	December 31, 2017	December 31, 2016
	-----Rupees-----	
<b>12. EARNINGS PER SHARE - BASIC AND DILUTED</b>		
Profit after taxation attributable to ordinary shareholders	<u>75,540,756</u>	<u>47,308,266</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
Earnings per share - Basic	<u>6.58</u>	<u>4.12</u>
<b>12.1.</b> Diluted Earnings per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2017 and 2016 which would have any effect on the earnings per share if the option to convert is exercised.		
<b>13. CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	<b>106,468,269</b>	68,320,154
<b>Adjustment for non-cash charges and other items</b>		
Depreciation and amortisation	<b>10,816,699</b>	10,412,642
Provision for staff retirement benefits	<b>3,331,437</b>	8,876,770
Gain on disposal of property, plant and equipment	<b>(608,377)</b>	-
Return on savings and deposit accounts	<b>(194,790)</b>	(45,153)
Dividend income	<b>(1,150,000)</b>	(1,437,500)
Mark-up on running finance and advance from customer	<b>5,141,610</b>	8,335,225
	<u>17,336,579</u>	<u>26,141,984</u>
	<u><b>123,804,848</b></u>	<u>94,462,138</u>
<b>EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES</b>		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	<b>(2,529,660)</b>	4,748,986
Stock-in-trade	<b>(15,922,710)</b>	50,244,261
Trade debts	<b>(68,935,590)</b>	47,094,353
Loans and advances	<b>(357,050)</b>	(3,281,056)
Trade deposits and short term prepayments	<b>(4,503,076)</b>	(4,158,725)
Other receivables	<b>34,226</b>	704,836
Refunds due from the Government - Sales tax	<b>21,167,140</b>	10,986,783
	<b>(71,046,720)</b>	106,339,438
Decrease in current liabilities		
Trade and other payables	<u><b>(5,691,784)</b></u>	<u>(23,634,264)</u>
	<u><b>47,066,344</b></u>	<u>177,167,312</u>

## NOTES TO THE FINANCIAL INFORMATION

	December 31, 2017	December 31, 2016
	-----Rupees-----	
<b>14. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	190,365	461,735
<b>With Banks on:</b>		
- current accounts	3,028,554	2,274,689
- savings accounts	3,625,812	2,276,088
	6,654,366	4,550,777
Running finance under mark-up arrangement	(203,159,056)	(125,339,236)
	(196,314,325)	(120,326,724)

### 15. TRANSACTIONS WITH RELATED PARTIES

Related party transactions during the period are as follows:

		December 31, 2017	December 31, 2016
		-----Rupees-----	
Relationship with the Company	Nature of transactions		
<b>Parent company</b>			
- Millat Tractors Limited (MTL)	Sale of goods	1,039,855,952	715,077,896
	Purchase of goods	2,575,229	2,312,031
	Purchase of operating assets	3,323,076	-
	Dividend paid	26,534,895	5,306,979
	Expenses incurred by MTL on behalf of the Company	6,537,977	2,829,056
<b>Associated company</b>			
- Millat Equipment Limited	Sale of goods	12,793,599	3,428,527
<b>Staff retirement benefit funds:</b>			
- Pension fund	Contributions	1,202,776	1,335,536
- Provident fund	Contributions	1,960,671	2,082,337
- Executives' Gratuity Fund	Contributions	447,569	91,819
<b>Key management personnel:</b>	Salaries and other short term employee benefits	20,293,027	9,312,440



## NOTES TO THE FINANCIAL INFORMATION

### 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 February 21, 2018.



Chief Financial Officer



Chief Executive



Director

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