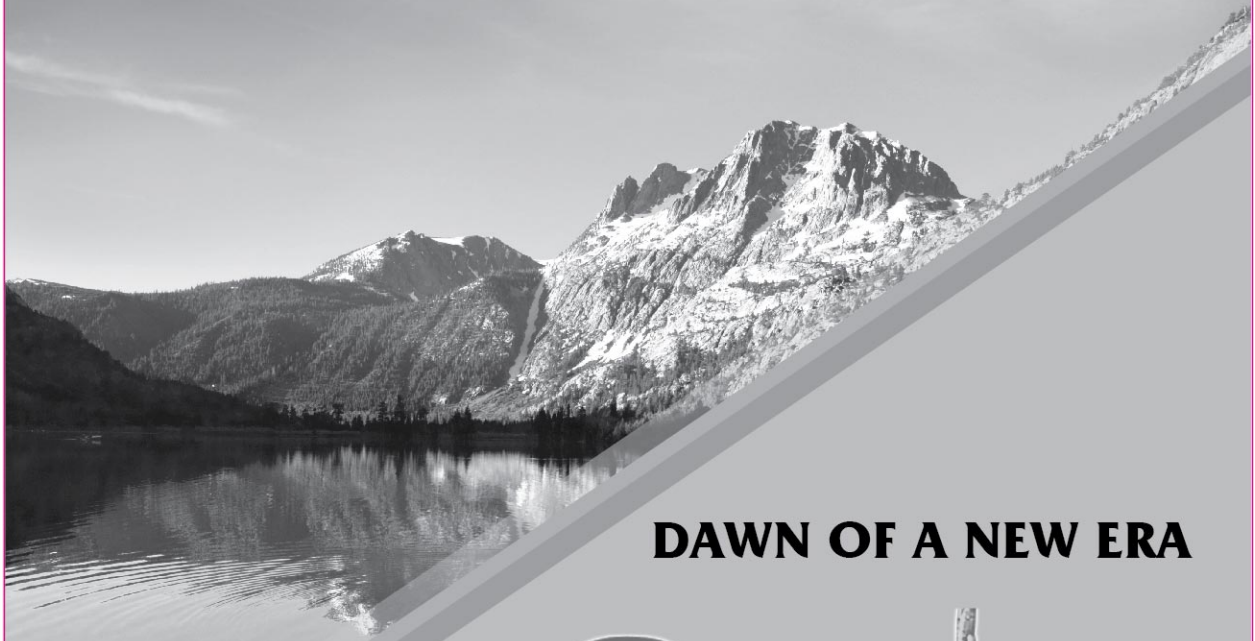
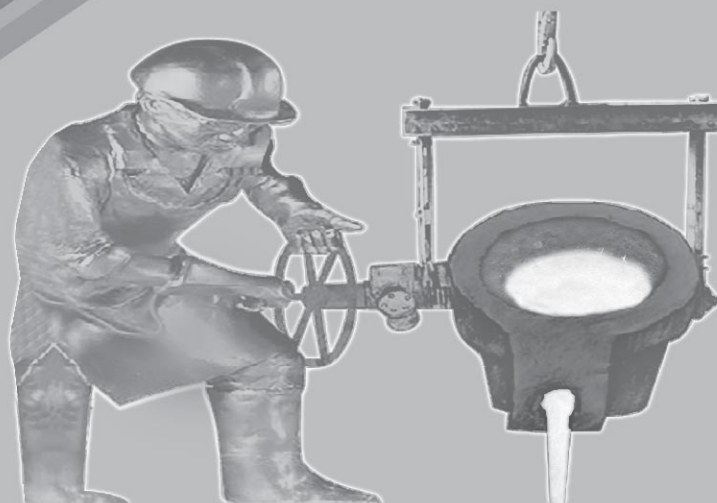




**Quarterly Financial Statements
For the First Quarter Ended
September 30, 2017**



DAWN OF A NEW ERA



Bolan Castings Limited

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COMPANY INFORMATION

Board of Directors	Mr. Sikandar M. Khan Mr. Nisar Ahmed Mirani 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 Mr. Saifuddin	Chairman Chief Executive Director 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. Latif & Latif Advocate M/s. Rizwan Manai Associates	
Bankers	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	
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, 2017.

During the quarter under review, the Company recorded net sales revenue of Rs. 488.23 million as compared to Rs.313.64 million during the same period last year. However, efficient management of the resources coupled with the cost-cutting measures helped in improving the gross profit margin from 13.77% to 15%.

The Company recorded profit after tax of Rs.27.41 million for the 1st quarter under review as compared to Rs. 13.28 million of same period last year. The results translate into earnings per share of Rs. 2.39 for the 1st quarter ended September 30, 2017 as against Rs. 1.16 of corresponding period last year.

The existing upward trends in production, improving efficiency and profitability of the Company are likely to continue.

Government policies on economic development extend full support to the agricultural sector. Being linked with agricultural sector, the tractor industry is expected to grow further. The growth shall result into enhanced orders for tractor castings thereby enhancing possibility of additional sales orders for your Company.

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

Lahore:
October 23, 2017

BALANCE SHEET

AS AT SEPTEMBER 30, 2017

	Note	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
-----Rupees-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	180,956,140	184,941,604
Intangible Assets		-	-
Long-term investment		35,075,000	42,693,750
Long-term loans		1,581,745	853,745
Deferred taxation		5,446,654	4,001,393
Long-term deposits		3,893,041	3,893,041
Staff retirement benefits - prepayment	6	17,196,555	17,272,218
		<u>244,149,135</u>	<u>253,655,751</u>
Current assets			
Stores, spares and loose tools		125,417,739	116,252,036
Stock-in-trade	7	250,390,756	290,062,182
Trade debts	8	91,187,813	59,631,893
Loans and advances		15,273,506	4,996,583
Trade deposits and short term prepayments		6,896,711	322,332
Other receivables		98,121	188,457
Refunds due from government - sales tax		-	23,453,028
Taxation - payments less provision		141,512,736	136,999,840
Cash and bank balances		27,063,661	9,554,186
		<u>657,841,043</u>	<u>641,460,537</u>
Total assets		<u>901,990,178</u>	<u>895,116,288</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share Capital		114,725,290	114,725,290
Reserves		479,209,562	459,422,753
		<u>593,934,852</u>	<u>574,148,043</u>
LIABILITIES			
Non-current liabilities			
Long-term deposits		5,867,971	5,643,444
Staff retirement benefits - obligations	6	81,354,655	81,211,513
		<u>87,222,626</u>	<u>86,854,957</u>
Current liabilities			
Trade and other payables		90,392,316	106,661,113
Current portion of long term deposits		393,185	1,012,555
Accrued mark-up		2,874,136	938,620
Short term borrowings - from banks		125,206,630	125,501,000
Sales tax payable		1,966,433	-
		<u>220,832,700</u>	<u>234,113,288</u>
Total liabilities		<u>308,055,326</u>	<u>320,968,245</u>
Contingencies and Commitments	9		
Total equity and liabilities		<u>901,990,178</u>	<u>895,116,288</u>

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


Chief Executive


Director


Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2017

	Note	September 30, 2017	September 30, 2016
		-----Rupees-----	
Sales	10	488,232,792	313,637,178
Cost of sales		(415,054,303)	(270,458,459)
Gross profit		73,178,489	43,178,719
Distribution cost		(14,770,067)	(8,694,119)
Administrative expenses		(16,217,075)	(10,386,508)
Other expenses		(2,793,969)	(1,367,687)
Other income		1,095,263	706,349
Profit from operations		40,492,641	23,436,754
Finance cost		(3,360,173)	(4,982,897)
Profit before taxation		37,132,468	18,453,857
Taxation	11	(9,726,909)	(5,178,102)
Profit after taxation		27,405,559	13,275,755
Earnings per share - Basic and diluted	12	2.39	1.16

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



Chief Executive



Director



Chief Financial Officer

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017	September 30, 2016
	-----Rupees-----	
Profit after taxation	27,405,559	13,275,755
Other comprehensive income / (loss) :		
Items that will not be reclassified to profit or loss		
Remeasurements of post employment benefit obligations - note 6	-	-
Items that may be subsequently reclassified to profit or loss		
Unrealised (loss) / gain on revaluation of available-for-sale investment	(7,618,750)	17,606,500
Total comprehensive income / (loss) for the period	<u>19,786,809</u>	<u>30,882,255</u>

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



Chief Executive



Director




Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2017

	Note	September 30, 2017	September 30, 2016
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	13	38,076,764	8,140,901
Increase in long-term loans		(728,000)	(663,000)
Increase in long-term deposits - net		(394,843)	(360,878)
Income tax paid		(15,685,066)	7,138,875
Staff retirement benefits paid		(1,683,225)	-
Mark-up-paid		(938,620)	(4,277,837)
Net cash generated from operating activities		18,647,010	9,978,061
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,684,737)	(2,540,081)
Proceeds from disposal of property, plant and equipment		754,227	323,777
Return received on savings and deposit accounts		87,345	23,752
Net cash used in investing activities		(843,165)	(2,192,552)
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net increase in cash and cash equivalents		17,803,845	7,785,509
Cash and cash equivalents at beginning of the period		(118,863,484)	(263,710,052)
Cash and cash equivalents at the end of the period	14	(101,059,639)	(255,924,543)

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


 Chief Executive


 Director


 Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2017

	Capital		Reserves			Sub total	Total
	Share Capital	Share premium	General	Un-appropriated profit / (accumulated loss)	Gain on revaluation of available-for-sale investment		
	(Rupees)						
Balance as at June 30, 2016	114,725,290	12,155,680	424,500,000	(116,507,055)	17,787,500	337,936,125	452,661,415
Total comprehensive income for the period ended September 30, 2016							
Profit for the 1st quarter ended September 30, 2016	-	-	-	13,275,755	-	13,275,755	13,275,755
Other comprehensive income for the 1st quarter ended September 30, 2016	-	-	-	-	17,606,500	17,606,500	17,606,500
	-	-	-	13,275,755	17,606,500	30,882,255	30,882,255
Balance as at September 30, 2016	114,725,290	12,155,680	424,500,000	(103,231,300)	35,394,000	368,818,380	483,543,670
Balance as at June 30, 2017	114,725,290	12,155,680	424,500,000	(14,426,677)	37,193,750	459,422,753	574,148,043
Total comprehensive income for the period ended September 30, 2017							
Profit for the 1st quarter ended September 30, 2017	-	-	-	27,405,559	-	27,405,559	27,405,559
Other comprehensive loss for the 1st quarter ended September 30, 2017	-	-	-	-	(7,618,750)	(7,618,750)	(7,618,750)
	-	-	-	27,405,559	(7,618,750)	19,786,809	19,786,809
Balance as at September 30, 2017	114,725,290	12,155,680	424,500,000	12,978,882	29,575,000	479,209,562	593,934,852

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


 Chief Executive


 Director


 Chief Financial Officer

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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 (PSX). 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

2.1 As per the requirement of circular No. 23 of 2017 (dated October 04, 2017), issued by the Securities & Exchange Commission of Pakistan (SECP) and further clarification through the Institute of Chartered Accountants of Pakistan (ICAP) circular No.17 of 2017; the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

2.2 This condensed interim financial information of the Company for the period ended September 30, 2017 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 237 of the Companies Act, 2017 and the Listing Regulations of Pakistan Stock Exchange.

2.3 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, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The principal 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, 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.

NOTES TO THE FINANCIAL STATEMENTS

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, 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.

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees-----	
5 PROPERTY, PLANT AND EQUIPMENT		
Operating assets - at net book value	177,652,640	178,841,104
Capital work-in-progress	3,303,500	6,100,500
	<u>180,956,140</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)	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
	-----Rupees-----			
Buildings on free-hold land	-	-	-	-
Plant and machinery	749,513	1,669,452	-	-
Furniture and fittings	38,919	-	-	-
Electrical appliances	79,000	182,131	-	-
Office Equipment	-	-	-	-
Computers	129,805	-	-	-
Vehicles	3,484,500	4,804,500	750,144	323,777
	<u>4,481,737</u>	<u>6,656,083</u>	<u>750,144</u>	<u>323,777</u>

NOTES TO THE FINANCIAL STATEMENTS

6 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, 2017 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees-----	
7 STOCK- IN-TRADE		
Raw materials (including in transit Rs. 7.70 million; June 30, 2017: Rs. 15.27 million)	104,727,437	170,811,339
Work in process	48,718,899	32,502,643
Finished goods - note 7.1	<u>97,286,120</u>	<u>87,089,900</u>
	250,732,456	290,403,882
Provision for slow moving stock	<u>(341,700)</u>	<u>(341,700)</u>
	<u>250,390,756</u>	<u>290,062,182</u>

7.1 Stock-in-trade - finished goods includes stock which has been written-down to net realisable value by Rs. 3.99 million (June 30, 2017: Rs. 5.53 million).

	September 30, 2017 (Unaudited)	June 30, 2017 (Audited)
	-----Rupees-----	
8 TRADE DEBTS		
Considered good		
- Related parties	71,049,635	43,269,522
- Others	20,138,178	16,362,371
	<u>91,187,813</u>	<u>59,631,893</u>

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2017.

NOTES TO THE FINANCIAL STATEMENTS

9.2 Commitments

The aggregate commitments in respect of capital expenditure as at September 30, 2017 amount to Rs. 12.05 million, (June 30, 2017: Rs 15.36 million).

	September 30, 2017	September 30, 2016
	-----Rupees-----	
10 SALES		
Local Sales	595,159,622	384,862,237
Less:		
- Sales returns	(24,712,363)	(15,266,290)
- Sales tax	(82,214,467)	(55,958,769)
	<u>(106,926,830)</u>	<u>(71,225,059)</u>
	<u>488,232,792</u>	<u>313,637,178</u>
11 TAXATION		
Current	(11,172,170)	(3,143,435)
Deferred	1,445,261	(2,034,667)
	<u>(9,726,909)</u>	<u>(5,178,102)</u>
12 EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to ordinary shareholders	<u>27,405,559</u>	<u>13,275,755</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
Earnings per share (Rupees) - Basic and diluted	<u>2.39</u>	<u>1.16</u>
13 CASH GENERATED FROM / (USED IN) OPERATIONS		
Profit before taxation	37,132,468	18,453,857
Adjustments for non-cash charges and other items		
Depreciation	4,920,057	5,143,195
Provision for staff retirement benefits	1,902,030	2,301,105
Gain on disposal of property, plant and equipment - net	(4,083)	-
Return on savings and deposit accounts	(87,345)	(23,752)
Mark-up on short term borrowings	2,874,136	4,775,913
	<u>9,604,795</u>	<u>12,196,461</u>
	<u>46,737,263</u>	<u>30,650,318</u>

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2017	September 30, 2016
Note	-----Rupees-----	
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(9,165,703)	660,259
Stock-in-trade	39,671,426	(12,995,591)
Trade debts	(31,555,920)	63,786,415
Loans and advances	(10,276,923)	(9,048,966)
Trade deposits and short-term prepayments	(6,574,379)	(6,260,645)
Other receivables	90,336	1,093,406
Refunds due from government - Sales tax	-	(23,394,713)
	(17,811,163)	13,840,165
Increase / (decrease) in current liabilities		
Trade and other payables	(16,268,797)	(36,349,582)
Sales tax payable	25,419,461	-
	9,150,664	(36,349,582)
	<u>38,076,764</u>	<u>8,140,901</u>
	September 30, 2017	September 30, 2016
	-----Rupees-----	
14 CASH AND CASH EQUIVALENTS		
Cash and bank balances	24,146,991	4,521,787
Short term borrowings	(125,206,630)	(260,446,330)
	<u>(101,059,639)</u>	<u>(255,924,543)</u>

NOTES TO THE FINANCIAL STATEMENTS

15 RELATED PARTY DISCLOSURES

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

Relationship with	Nature of transactions	September 30,	September 30,
		2017	2016
		-----Rupees-----	
Parent Company:			
- Millat Tractors Limited	Sales of goods	452,719,355	280,610,188
	Purchase of goods	334,730	1,046,117
	Expenses incurred by MTL on behalf of Company	1,448,962	1,433,592
Associated Company:			
- Millat Equipment Limited	Sales of goods	4,055,217	3,141,600
Staff retirement benefit funds:			
- Pension fund	Contributions	633,662	630,350
- Provident funds	Contributions	1,028,948	1,033,641
- Executives' gratuity fund	Benefits paid on behalf of the fund	5,029,801	-
- Key management personnel:			
- Directors / Executives	Salaries and other short term employee benefits	9,165,094	4,779,407

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 23, 2017.



Chief Executive



Director



Chief Financial Officer

CORPORATE

www.bolancastings.com



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