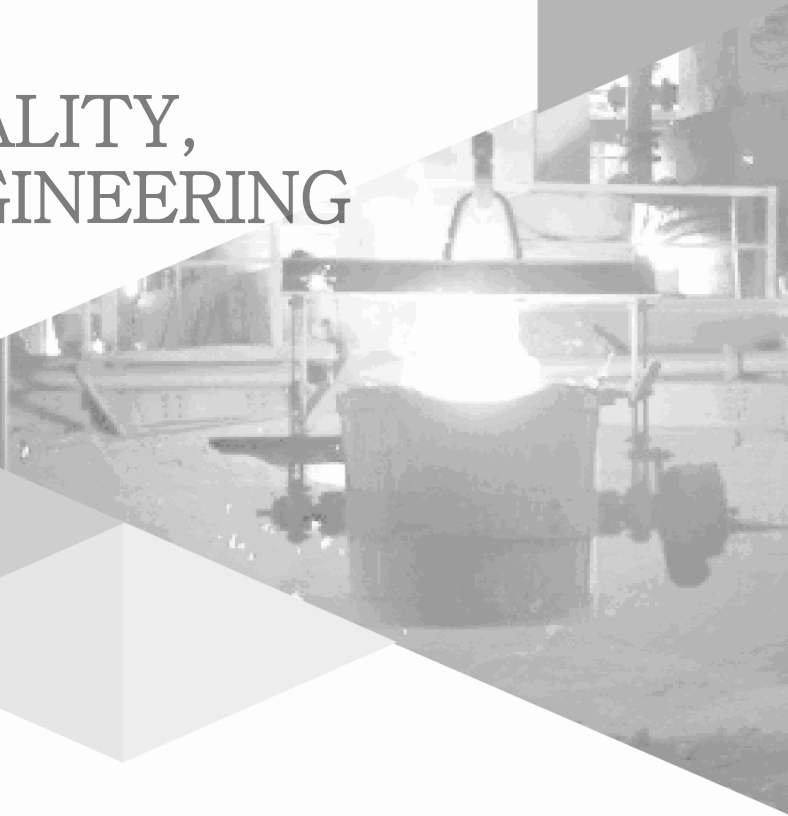


BOLAN CASTINGS LIMITED

Quarterly Financial Statements
For and upto the Third Quarter
Ended March 31,
2020

SOUND QUALITY,
SOUND ENGINEERING



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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 Syed Muhammad Irfan Aqueel Syed Javaid Ashraf Mr. Aamir Amin	Chairman Chief Executive 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 Limited Meezan Bank Limited Faysal Bank Limited Askari Bank Limited Bank AL Habib Limited	
Share Registrar	CDC Shares Registrar Services Limited 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

Director of your company take opportunity to present the un-audited financial statements for the third quarter March 31, 2020.

The net sales for the nine months under review where Rs.1,052.47 million as compared to Rs. 1,178.55 million of corresponding period of last year. The gross loss for the nine months was Rs.22.68 million as compared to gross loss of Rs. 45.02 million of the corresponding period. The loss after tax was Rs.171.81 million as compared to loss after tax of Rs. 121.40 million of the corresponding period.

The loss per share for the nine months ended March 31, 2020 was Rs.14.98 as against loss of Rs.10.58 per shares of corresponding period last year.

Besides the other industries, the ongoing economic slowdown in Pakistan has impacted the tractor industry as well as its part manufacturers. The tractors industry has faced serious challenges due to low sale of tractors to agriculture sector as well as due to high production cost.

According to statistics of the Pakistan Automotive Manufacturers Association, tractor sales have gone down of the current fiscal year as compared to sales in the same period of previous year. Additionally the devaluation of Pakistani Rupees against foreign currencies have resulted increase in raw material and fuel prices and predominantly contributed towards the gross loss.

In addition, the worldwide lock down due to Covid-19 has been the major factor of international and national level economic activities slow down.

The revival of economy depends on government economic policies to facilitate the industries to overcome the economic challenges due to Covid-19 and devaluation in Pakistani Rupees. However, we are hopeful the situation will improve moving forward in upcoming fiscal year.

We are grateful to our customers and shareholders for their continuous trust and confidence for being committed and standing resolute with us during this challenging period.

For and behalf of the Board



NISAR AHMED MIRANI
Chief Executive Office

Hub:
April 24, 2020

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	Note	(Unaudited) March 31, 2020 Rupees	(Audited) June 30, 2019 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	236,898,638	259,215,767
Long-term investment	6	15,973,500	17,580,625
Long-term loans		973,000	836,000
Deferred tax assets		80,580,627	80,580,627
Long-term deposits		3,806,541	3,806,541
Employee benefits prepayments		12,217,876	11,832,931
		<u>350,450,182</u>	<u>373,852,491</u>
Current assets			
Stores, spare parts and loose tools		106,209,652	126,274,513
Stock-in-Trade	8	212,960,265	307,234,973
Trade receivables	9	53,848,914	130,691,149
Loans and advances		5,044,112	11,301,343
Trade deposits and short term prepayments		2,807,168	310,037
Other receivables		1,244,425	1,516,553
Refunds due from the Government - sales tax		-	15,847,317
Taxation - payments less provision		220,843,082	202,416,056
Cash and bank balances		24,774,944	12,821,986
		<u>627,732,562</u>	<u>808,413,927</u>
Total assets		<u><u>978,182,744</u></u>	<u><u>1,182,266,418</u></u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		114,725,290	114,725,290
Reserves		93,651,387	267,076,248
		<u>208,376,677</u>	<u>381,801,538</u>
LIABILITIES			
Non-current liabilities			
Long-term deposits		5,224,743	5,616,202
Employee benefits obligations		51,484,253	49,618,043
		<u>56,708,996</u>	<u>55,234,245</u>
Current liabilities			
Trade and other payables		180,860,641	133,449,279
Current portion of long-term deposits		493,291	411,485
Unclaimed dividend		3,491,222	3,524,426
Sales tax payable		2,401,659	
Short-term financing		525,850,258	607,845,445
		<u>713,097,071</u>	<u>745,230,635</u>
Total liabilities		<u>769,806,067</u>	<u>800,464,880</u>
Contingencies and commitments	10		
Total equity and liabilities		<u><u>978,182,744</u></u>	<u><u>1,182,266,418</u></u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2020 (UNAUDITED)

	Note	Quarter ended		Period ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-----Rupees-----					
Revenue from contracts with customers	11	253,952,654	375,257,867	1,052,477,177	1,178,559,956
Cost of sales		(294,114,643)	(407,442,241)	(1,075,161,561)	(1,223,586,997)
Gross loss		<u>(40,161,989)</u>	<u>(32,184,374)</u>	<u>(22,684,384)</u>	<u>(45,027,041)</u>
Distribution cost		(7,573,247)	(11,593,417)	(30,819,134)	(37,205,787)
Administrative expenses		(16,837,531)	(16,702,446)	(49,625,403)	(58,557,646)
Other income		3,358,762	2,851,805	7,914,990	12,225,449
Operating loss		<u>(61,214,005)</u>	<u>(57,628,432)</u>	<u>(95,213,931)</u>	<u>(128,565,025)</u>
Finance cost		(18,845,461)	(14,470,972)	(60,170,379)	(32,609,674)
Loss before income tax		<u>(80,059,466)</u>	<u>(72,099,404)</u>	<u>(155,384,310)</u>	<u>(161,174,699)</u>
Income tax - net	12	(3,809,291)	17,989,962	(16,433,426)	39,765,951
Loss for the period		<u><u>(83,868,757)</u></u>	<u><u>(54,109,442)</u></u>	<u><u>(171,817,736)</u></u>	<u><u>(121,408,748)</u></u>
Loss per share - Basic and diluted	13	<u><u>(7.31)</u></u>	<u><u>(4.72)</u></u>	<u><u>(14.98)</u></u>	<u><u>(10.58)</u></u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

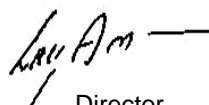
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2020 (UNAUDITED)

Note	Quarter ended		Period ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
-----Rupees-----				
Loss for the period	(83,868,757)	(54,109,442)	(171,817,736)	(121,408,748)
Other comprehensive income / (loss) :				
Items that will not be reclassified to profit or loss				
Unrealized income / (loss) on revaluation of investment at fair value through other comprehensive income	(3,061,875)	4,232,000	(1,607,125)	(5,307,250)
Total comprehensive loss for the period	<u>(86,930,632)</u>	<u>(49,877,442)</u>	<u>(173,424,861)</u>	<u>(126,715,998)</u>

The annexed notes from 1 to 17 form an integral part of this condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

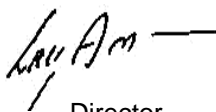
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2020 (UNAUDITED)

	Note	March 31, 2020 Rupees	March 31, 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	14	185,062,707	(105,238,473)
(Increase) / decrease in long term loans		(137,000)	(95,000)
(Increase) / decrease in long-term deposits - net		(309,653)	(1,530,127)
Income tax paid - net		(34,860,452)	(55,290,281)
Employee benefits paid		(1,339,770)	(5,983,118)
Mark-up-paid		(58,227,195)	(22,480,384)
Net cash generated from / (used in) operating activities		90,188,637	(190,617,383)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(904,590)	(50,942,370)
Proceeds from disposal of property, plant and equipment		3,621,929	7,136,527
Return received on savings and deposit accounts		500,373	355,725
Investment in term deposit receipt (TDRs)		-	(454,180)
Dividend received		575,000	-
Net cash generated from / (used in) investing activities		3,792,712	(43,904,298)
CASH USED IN FINANCING ACTIVITIES			
Dividend paid		(33,204)	(28,141,348)
Net increase / (decrease) in cash and cash equivalents		93,948,145	(262,663,029)
Cash and cash equivalents at beginning of the period		(598,879,659)	(211,099,176)
Cash and cash equivalents at the end of the period	15	(504,931,514)	(473,762,205)

The annexed notes from 1 to 17 form an integral part of this condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

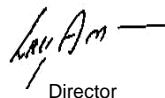
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2020

	RESERVES						Total
	CAPITAL	REVENUE			Gain / (loss) on revaluation of investment at fair value through other comprehensive income (OCI)	Sub total	
	SHARE CAPITAL	Share premium	General	Un-appropriated profit / (Accumulated loss)			
----- Rupees -----							
Balance as at July 1, 2018	114,725,290	12,155,680	424,500,000	62,526,680	25,610,375	524,792,735	639,518,025
Final cash dividend @ 25% for the year ended June 30, 2018	-	-	-	(28,681,323)	-	(28,681,323)	(28,681,323)
Total comprehensive loss for the period ended March 31, 2019							
- Loss for the period ended March 31, 2019	-	-	-	(121,408,748)	-	(121,408,748)	(121,408,748)
- Other comprehensive loss for the period ended March 31, 2019	-	-	-	-	(5,307,250)	(5,307,250)	(5,307,250)
	-	-	-	(121,408,748)	(5,307,250)	(126,715,998)	(126,715,998)
Balance as at March 31, 2019 (unaudited)	114,725,290	12,155,680	424,500,000	(87,563,391)	20,303,125	369,395,414	484,120,704
Balance as at July 1, 2019	114,725,290	12,155,680	424,500,000	(181,660,057)	12,080,625	267,076,248	381,801,538
Total comprehensive loss for the period ended March 31, 2020							
- Loss for the period ended March 31, 2020	-	-	-	(171,817,736)	-	(171,817,736)	(171,817,736)
- Other comprehensive loss for the period ended March 31, 2020	-	-	-	-	(1,607,125)	(1,607,125)	(1,607,125)
	-	-	-	(171,817,736)	(1,607,125)	(173,424,861)	(173,424,861)
Balance as at March 31, 2020 (unaudited)	114,725,290	12,155,680	424,500,000	(353,477,793)	10,473,500	93,651,387	208,376,677

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2020 (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

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These condensed interim financial statements do 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, 2019.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2019.

4 ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of interim financial statements 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 these condensed interim financial statements.

Judgements and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended June 30, 2019.

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, 2019.

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees-----	
5 PROPERTY , PLANT AND EQUIPMENT		
Operating assets - note 5.1	228,738,237	251,055,366
Capital work in progress	8,160,401	8,160,401
	<u>236,898,638</u>	<u>259,215,767</u>

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

	Additions (at cost)		Disposals (at net book value)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	-----Rupees-----			
Buildings on free-hold land	-	455,877	-	-
Plant and machinery	165,589	57,740,036	-	1,080,467
Furniture and fittings	-	-	-	-
Electrical appliances	-	63,200	-	8,043
Office Equipment	-	383,750	-	-
Computers	-	-	-	-
Vehicles	739,000	2,481,600	2,671,957	4,208,123
	<u>904,589</u>	<u>61,124,463</u>	<u>2,671,957</u>	<u>5,296,633</u>

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees-----	
6 LONG-TERM INVESTMENT		
Investment at fair value through OCI		
Balance at the beginning of the year	17,580,625	31,110,375
Unrealized (loss) / gain on revaluation transferred to equity - transferred to equity	(1,607,125)	(13,529,750)
Balance at the end of the period	<u>15,973,500</u>	<u>17,580,625</u>

Represent investment in 287,500 (June 30, 2019: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan wheels Limited. Equity held 2.16% (June 30, 2019: 2.16%).

7 DEFERRED TAX ASSET

Deferred tax debit balances of Rs. 46.54 million in respect of unabsorbed depreciation, tax losses, and deductible temporary differences have not been recognised as their recoverability will be dependent on improved profitability of the Company.

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees-----	
8 STOCK- IN-TRADE		
Raw materials (including in transit Rs. 0.93 Million, June 30, 2019: Rs. 23.96 Million)	70,597,792	153,843,917
Work in process	44,930,989	25,786,443
Finished goods - note 8.1	97,431,484	127,604,613
	<u>212,960,265</u>	<u>307,234,973</u>
Provision for slow moving stock	-	-
	<u>212,960,265</u>	<u>307,234,973</u>

8.1 These include finished goods stock written-down to net realisable value by Rs. 19.04 million (June 30, 2019 Rs. 15.16 million)

	(Unaudited) March 31, 2020	(Audited) June 30, 2019
	-----Rupees-----	
9 TRADE RECEIVABLES		
Considered good		
- Related parties	36,175,314	113,386,566
- Others	17,673,600	17,304,583
	<u>53,848,914</u>	<u>130,691,149</u>

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, 2019.

	March 31, 2020	March 31, 2019
	-----Rupees-----	
11 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross Revenue	1,304,281,592	1,435,669,608
Less:		
- Sales returns	(61,888,984)	(48,855,022)
- Sales tax	(189,915,431)	(208,254,630)
	<u>(251,804,415)</u>	<u>(257,109,652)</u>
	<u>1,052,477,177</u>	<u>1,178,559,956</u>

12 INCOME TAX - NET

Current	(16,433,426)	(14,764,307)
Deferred	-	54,530,258
	<u>(16,433,426)</u>	<u>39,765,951</u>

	March 31, 2020	March 31, 2019
	-----Rupees-----	
13 LOSS PER SHARE - BASIC AND DILUTED		
Loss after taxation attributable to ordinary shareholders	<u>(171,817,736)</u>	<u>(121,408,748)</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
Loss (Rupees) - Basic and diluted	<u>(14.98)</u>	<u>(10.58)</u>

13.1 Diluted (loss) / earnings per share has not been presented as the Company did not have any convertible instruments in issue as at March 31, 2019 and 2018 which would have any effect on the (loss) / earnings per share if the option to convert is exercised.

	March 31, 2020	March 31, 2019
	-----Rupees-----	
14 CASH GENERATED FROM OPERATIONS		
Loss before income tax	(155,384,310)	(161,174,699)
Adjustments for non-cash charges and other items		
Depreciation	20,549,762	20,302,438
Non-cash employee benefits expense	2,821,035	15,295,430
Gain on disposal of property, plant and equipment	(949,972)	(1,839,893)
Return on savings and deposit accounts	(500,373)	(355,725)
Dividend income	(575,000)	-
Mark-up on short-term financing	59,997,591	32,367,099
	81,343,043	65,769,349
	<u>(74,041,267)</u>	<u>(95,405,350)</u>

EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES

Decrease / (increase) in current assets

Stores, spare parts and loose tools	20,064,861	8,667,399
Stock-in-trade	94,274,708	64,749,521
Trade receivables	76,842,235	(158,211,509)
Loans and advances	6,257,231	(23,565,366)
Trade deposits and short-term prepayments	(2,497,131)	(2,509,800)
Other receivables	272,128	(188,777)
Refunds due from government - Sales tax	-	10,710,172
	195,214,032	(100,348,360)

Increase / (decrease) in current liabilities

Trade and other payables	45,640,966	90,515,237
Sales tax payable	18,248,976	-
	63,889,942	90,515,237
	<u>185,062,707</u>	<u>(105,238,473)</u>

15 CASH AND CASH EQUIVALENTS

Cash in hand		124,413	131,304
With Banks on:			
- current accounts		18,756,378	5,629,360
- savings accounts		2,037,953	3,063,893
		20,794,331	8,693,253
Short-term financing		(525,850,258)	(482,586,762)
		<u>(504,931,514)</u>	<u>(473,762,205)</u>

16 RELATED PARTY DISCLOSURE

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

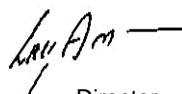
Relationship with the Company	Nature of transactions	March 31, 2020	March 31, 2019
-----Rupees-----			
Parent Company:			
- Millat Tractors Limited (MTL)	Sales of goods	999,853,730	1,109,759,352
	Purchase of goods	42,060	1,486,158
	Purchase of operating assets	-	-
	Dividend paid	-	13,267,448
	Expenses incurred by MTL on behalf of the Company	7,674,989	9,313,628
Associated Companies:			
- Millat Equipment Limited	Sales of goods	541,852	3,551,705
Employee benefit funds:			
- Pension fund	Contributions	1,515,784	1,869,081
- Provident funds	Contributions	3,050,654	3,386,390
- Executives' Gratuity Fund	Contributions	392,450	602,568
- Executives' Gratuity fund	Benefits paid on behalf of the fund	11,326,191	11,576,202
- Key management personnel:			
- Directors / Executives	Salaries and other short term employee benefits paid	30,397,279	35,844,968

17 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 24, 2020 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer