

Bolan
Castings
Limited

*Everything
happens
for a
reason*

**Quarterly
Financial Statements
For and upto the Third Quarter
Ended March 31
2021**



CONTENTS

Company Information.....	2
Directors' Review	3
Statement of Financial Position.....	4
Statement of Profit or Loss	5
Statement of Profit or Loss and Other Comprehensive Income.....	6
Statement of Cash Flows	7
Statement of Changes in Equity	8
Notes to and Forming Part of the Condensed Interim Financial Statements..	9

COMPANY INFORMATION

Board of Directors

Mr. Sikandar M. Khan	Chairman
Mr. Nisar Ahmed Mirani	Chief Executive
Mr. Sohail Bashir Rana	Director
Mr. Laeeq Uddin Ansari	Director
Mr. Muhammad Saleem	Director
Mr. Abdul Hamid Ahmed Dagia	Director
Mr. Aamir Amin	Director
Mrs. Tabassum Rana	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

Directors of your Company are presenting the un-audited financial statements for and up to the third quarter ended March 31, 2021.

The net sale for the nine months under review were Rs. 1,822.83 million as compared to Rs. 1,052.47 million of the corresponding period of last year. The gross profit for the nine month under review was Rs. 239.24 million as against Rs. 22.68 million gross loss of the corresponding period of last year. The Profit after tax for the nine months is Rs. 77.36 million as compared to loss after tax of Rs. 171.81 million of the corresponding period of last year.

The earnings per share for the nine month ended March 31, 2021 Rs. 6.74 as against the loss per share of Rs. 14.98 of corresponding period of last year.

We have witnessed the hike in tractors sale due to high local as well as foreign demand which have resulted the vendors also to gear up their efforts in providing parts and accessories at a fast pace. We are striving to produce tractor parts of international quality. We are aspiring new avenues and embracing the cost cutting measures to further improve the profitability of the company during the current financial year.

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

Hub:
April 26, 2021

BOLAN CASTINGS LIMITED

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021**

	Note	(Unaudited) March 31, 2021 Rupees	(Audited) June 30, 2020 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	5	215,956,970	228,900,903
Long-term investment	6	22,137,500	17,459,875
Long-term loans		964,000	829,000
Deferred tax asset	7	95,524,645	95,524,645
Long-term deposits		4,077,790	4,077,790
Employee benefits prepayment		25,863,112	25,301,704
		<u>364,524,017</u>	<u>372,093,917</u>
Current assets			
Stores, spare parts and loose tools	8	127,534,684	123,843,606
Inventories	9	257,365,791	172,157,921
Trade receivables	10	50,926,423	28,228,101
Loans and advances		12,756,353	8,326,869
Trade deposits and short-term prepayments		3,389,599	722,221
Other receivables		1,870,384	348,074
Refunds due from the Government - sales tax		-	152,002
Taxation - payments less provision		95,550,295	220,833,567
Cash and bank balances	11	91,078,379	6,408,170
		<u>640,471,908</u>	<u>561,020,531</u>
Total assets		<u>1,004,995,925</u>	<u>933,114,448</u>
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital		114,725,290	114,725,290
Share premium		12,155,680	12,155,680
General reserve		424,500,000	424,500,000
Gain on revaluation of investment at fair value through OCI		16,637,500	11,959,875
Accumulated loss		(391,585,347)	(468,948,295)
		<u>176,433,123</u>	<u>94,392,550</u>
LIABILITIES			
Non-current liabilities			
Long-term deposits		3,743,027	5,231,810
Long-term loan	12	44,937,338	17,888,910
Deferred grant		6,449,884	2,693,712
Employee benefits obligations		94,710,171	89,958,811
		<u>149,840,420</u>	<u>115,773,243</u>
Current liabilities			
Trade and other payables		212,013,946	219,147,937
Current portion of long-term deposits		859,382	806,454
Current portion of long-term loan	12	25,920,420	5,661,925
Unclaimed dividend		3,461,695	3,487,166
Sales tax payable		10,762,528	-
Short-term financing		425,703,411	493,845,173
		<u>678,721,382</u>	<u>722,948,655</u>
Total liabilities		<u>828,561,802</u>	<u>838,721,898</u>
Contingencies and commitments	13		
Total equity and liabilities		<u>1,004,994,925</u>	<u>933,114,448</u>

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

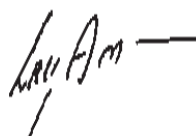
BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED

	Note	<u>Quarter ended</u>		<u>Period ended</u>	
		March 31 2021	March 31 2020	March 31 2021	March 31 2020
-----Rupees-----					
Revenue from contracts with customers	14	799,234,732	253,952,654	1,822,831,870	1,052,477,177
Cost of sales		<u>(663,774,220)</u>	<u>(294,114,643)</u>	<u>(1,583,585,158)</u>	<u>(1,075,161,561)</u>
Gross profit / (loss)		135,460,512	(40,161,989)	239,246,712	(22,684,384)
Distribution costs		(17,088,869)	(7,573,247)	(43,735,960)	(30,819,134)
Administrative expenses		(19,944,347)	(16,837,531)	(65,744,897)	(49,625,403)
Other expenses	15	(7,400,125)	-	(8,363,517)	-
Other income		17,263,838	3,358,762	23,156,997	7,914,990
Operating profit /(loss)		<u>108,291,009</u>	<u>(61,214,005)</u>	<u>144,559,335</u>	<u>(95,213,931)</u>
Finance cost		(9,891,084)	(18,845,461)	(35,443,428)	(60,170,379)
Profit / (loss) before tax		<u>98,399,925</u>	<u>(80,059,466)</u>	<u>109,115,907</u>	<u>(155,384,310)</u>
Income tax	16	<u>(11,988,521)</u>	<u>(3,809,291)</u>	<u>(31,752,959)</u>	<u>(16,433,426)</u>
Profit /(loss) for the period		<u><u>86,411,404</u></u>	<u><u>(83,868,757)</u></u>	<u><u>77,362,948</u></u>	<u><u>(171,817,736)</u></u>
Profit / (loss) per share - Basic	17	<u><u>7.53</u></u>	<u><u>(7.31)</u></u>	<u><u>6.74</u></u>	<u><u>(14.98)</u></u>

The annexed notes from 1 to 21 form an integral part of this condensed interim financial information.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED

	Quarter ended		Period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	← Rupees →			
Profit / (loss) for the period	86,411,404	(83,868,757)	77,362,948	(171,817,736)
Other comprehensive income:				
Items not to be reclassified to profit or loss				
Unrealised income on revaluation of investment at fair value through other comprehensive income	(3,162,500)	(3,061,875)	4,677,625	(1,607,125)
Total comprehensive income / (loss) for the period	83,248,904	(86,930,632)	82,040,573	(173,424,861)

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT CASH FLOWS
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED

	Note	March 31, 2021 Rupees	March 31, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	18	50,992,739	185,062,707
Increase in long-term loans		(135,000)	(137,000)
Decrease in long-term deposits - net		(1,435,855)	(309,653)
Income taxes refund / (paid) - net		93,530,313	(34,860,452)
Employee benefits paid		(3,694,060)	(1,339,770)
Mark-up paid on short-term financing		(32,059,704)	(58,227,195)
Net cash generated from operating activities		107,198,433	90,188,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(8,827,339)	(904,590)
Proceeds from disposal of property, plant and equipment		3,990,223	3,621,929
Return received on savings and deposit accounts		178,057	500,373
Dividend received		431,250	575,000
Net cash (used in) / generated from investing activities		(4,227,809)	3,792,712
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(25,470)	(33,204)
Proceeds from long-term loan		49,866,817	-
Net cash inflow / (outflow) from financing activities		49,841,347	(33,204)
Net increase in cash and cash equivalents		152,811,971	93,948,145
Cash and cash equivalents at beginning of the period		(491,293,203)	(598,879,659)
Cash and cash equivalents at end of the period	19	(338,481,232)	(504,931,514)

The annexed notes 1 to 21 form an integral part of these condensed interim financial statements.



Chief Executive



Director



Chief Financial Officer

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2021 - UNAUDITED

	RESERVES					Sub total	TOTAL
	CAPITAL	REVENUE		Gain / (loss) on revaluation of investment at fair value through other comprehensive income (OCI)			
	Share Capital	Share premium	General reserves		Accumulated loss		
----- Rupees -----							
Balance at on 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 income / (loss) for the period ended March 31, 2020							
- Loss for the period	-	-	-	(171,817,736)	-	(171,817,736)	(171,817,736)
- Other comprehensive loss for the period	-	-	-	-	(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
Balance at on July 1, 2020	114,725,290	12,155,680	424,500,000	(468,948,295)	11,959,875	(20,332,740)	94,392,550
Total comprehensive income / (loss) for the period ended March 31, 2021							
- Profit for the period	-	-	-	77,362,948	-	77,362,948	77,362,948
- Other comprehensive income for the period	-	-	-	-	4,677,625	4,677,625	4,677,625
	-	-	-	77,362,948	4,677,625	82,040,573	82,040,573
Balance as at March 31, 2021 (unaudited)	114,725,290	12,155,680	424,500,000	(391,585,347)	16,637,500	61,707,833	176,433,123

The annexed notes 1 to 21 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, 2021 (UNAUDITED)

1 THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited company incorporated in Pakistan on July 15, 1982 under the repealed Companies Ordinance, 1984 and listed on the Pakistan Stock Exchange (PSX). The Company manufactures and sells castings for tractors and automotive parts.

The geographical location and address of the Company's business unit, including plant is RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan.

The Company is a subsidiary of Millat Tractors Limited (the Parent Company).

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 comprises of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard 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, 2020.

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 preceding annual financial statements of the Company for the year ended June 30, 2020.

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 this 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, 2020.

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, 2020.

5 PROPERTY, PLANT AND EQUIPMENT

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
Operating assets - note 5.1	207,020,269	219,240,502
Capital work-in-progress	8,936,701	9,660,401
	<u>215,956,970</u>	<u>228,900,903</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, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees-----			
Plant and machinery	468,767	165,589	1,790,114	-
Electrical Appliances	100,500	-	-	-
Computers	157,795	-	-	-
Motor Vehicles	8,823,977	739,000	1,973,273	2,671,957
	9,551,039	904,589	3,763,387	2,671,957

6 LONG-TERM INVESTMENT

Investment at fair value through OCI

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
Balance at beginning of the period	17,459,875	17,580,625
Unrealized gain / (loss) on revaluation transferred to equity	4,677,625	(120,750)
Balance at end of the period	22,137,500	17,459,875

Represent investment in 287,500 (June 30, 2020: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan wheels Limited. Equity held 2.16% (June 30, 2020: 2.16%).

7 DEFERRED TAX ASSET

Deferred tax debit balances of Rs. 133.13 million (June 30, 2020: Rs. 105.79 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.

8 STORES, SPARE PARTS AND LOOSE TOOLS

These include stores, spares and loose tools in transit amounting to Rs. 12.42 million (June 30, 2020 Rs. 18.45 million)

9 INVENTORIES

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
Raw Materials (including in transit Rs. 35.84 Million; June 30, 2020: Rs. 45.41 Million)	150,223,542	90,809,516
Work in process	52,474,101	14,963,447
Finished goods (including in transit Rs. 47.99 million; June 30, 2020: Nil) - note 9.1	54,668,148	66,384,958
	257,365,791	172,157,921

9.1 These include finished goods stock written-down to net realisable value by Rs. 2.55 million (June 30, 2020 Rs. 7.48 million)

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
-----Rupees-----		
10 TRADE RECEIVABLES		
Considered good		
- Related parties	33,687,776	17,955,554
- Others	17,238,647	10,272,547
	<u>50,926,423</u>	<u>28,228,101</u>

11 CASH AND BANK BALANCES

With Banks on:		
- current accounts	78,031,533	715,572
- savings accounts - note 11.1	8,751,912	1,781,702
- term deposit receipts	3,856,200	3,856,200
	<u>90,639,645</u>	<u>6,353,474</u>
Cash in hand	438,734	54,696
	<u>91,078,379</u>	<u>6,408,170</u>

11.1 These accounts are maintained under mark up arrangement and carry mark up at the rate of 5.5% (June 30, 2020: 6.5% to 7.3%) per annum.

12 LONG TERM LOAN

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
-----Rupees-----		
Balance at beginning of the period	23,550,835	-
Disbursements	49,866,817	26,244,547
Deferred grant recognition	(4,985,941)	(2,693,712)
Interest expense including impact of unwinding	2,426,047	-
Balance at end of the period	<u>70,857,758</u>	<u>23,550,835</u>
Current portion	25,920,420	5,661,925
Long-term portion	44,937,338	17,888,910
	<u>70,857,758</u>	<u>23,550,835</u>

13 CONTINGENCIES AND COMMITMENTS

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2020.

	March 31, 2021	March 31, 2020
-----Rupees-----		
14 REVENUE FROM CONTRACTS WITH CUSTOMERS		
Gross Revenue	2,270,887,424	1,304,281,592
Less:		
- Sales returns	(117,799,201)	(61,888,984)
- Sales tax	(330,256,353)	(189,915,431)
	<u>(448,055,554)</u>	<u>(251,804,415)</u>
	<u>1,822,831,870</u>	<u>1,052,477,177</u>

	(Unaudited) March 31, 2021	(Audited) June 30, 2020
	-----Rupees-----	
15 OTHER EXPENSES		
Provision for Workers' Welfare Fund	5,873,971	-
Provision for Workers' Profit Participation Fund	2,489,546	-
	<u>8,363,517</u>	<u>-</u>
16 INCOME TAX		
Current		
- for the period	27,407,166	16,433,426
- deferred	-	-
- prior year	4,345,793	-
	<u>31,752,959</u>	<u>16,433,426</u>
17 PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED		
Profit / (loss) after taxation attributable to ordinary shareholders (Rupees)	<u>77,362,948</u>	<u>(171,817,736)</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
Profit / (loss) - Basic (Rupees)	<u>6.74</u>	<u>(14.98)</u>
17.1 Diluted Earnings per share has not been presented as the Company did not have any convertible instruments in issue as at March 31, 2021 and 2020 which would have any effect on the earnings / (loss) per share if the option to convert is exercised.		
	March 31, 2021	March 31, 2020
	-----Rupees-----	
18 CASH GENERATED FROM OPERATIONS		
Profit / (loss) before income tax	109,115,907	(155,384,310)
Adjustments for non-cash charges and other items		
Depreciation	18,007,885	20,549,762
Non-cash employee benefit expense	7,884,012	2,821,035
Gain on disposal of property, plant and equipment	(226,836)	(949,972)
Return on savings and deposit accounts	(178,057)	(500,373)
Dividend Income	(431,250)	(575,000)
Mark-up on long-term loan	1,196,278	-
Mark-up on short-term financing	29,693,401	59,997,591
	<u>55,945,433</u>	<u>81,343,043</u>
	<u>165,061,340</u>	<u>(74,041,267)</u>
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Stores, spares parts and loose tools	(3,691,078)	20,064,861
Stock-in-trade	(85,207,870)	94,274,708
Trade receivables	(22,698,322)	76,842,235
Loans and advances	(4,429,484)	6,257,231
Trade deposits and short-term prepayments	(2,667,378)	(2,497,131)
Other receivables	(1,522,310)	272,128
Refunds due from the Government - Sales tax	-	-
	<u>(120,216,442)</u>	<u>195,214,032</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(4,767,689)	45,640,966
Sales tax payable	10,915,530	18,248,976
	<u>6,147,841</u>	<u>63,889,942</u>
	<u>50,992,739</u>	<u>185,062,707</u>

19 CASH AND CASH EQUIVALENTS

Cash in hand	438,734	124,413
With Banks on:		
- current accounts	78,031,533	18,756,378
- savings accounts	8,751,912	2,037,953
	86,783,445	20,794,331
Short-term financing	(425,703,411)	(525,850,258)
	(338,481,232)	(504,931,514)

20 RELATED PARTY DISCLOSURES

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

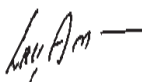
Relationship with the Company	Nature of transactions	March 31, 2021	March 31, 2020
-----Rupees-----			
Parent Company:			
- Millat Tractors Limited (MTL)	Sales of goods	1,739,226,865	999,853,730
	Purchase of goods	59,432	42,060
	Expenses incurred by MTL on behalf of the Company	7,665,972	7,674,989
Associated Company:			
- Millat Equipment Limited	Sales of goods	11,594,356	541,852
Employee benefit funds:			
- Pension fund	Contributions	1,447,850	1,515,784
- Provident funds	Contributions	3,008,593	3,050,654
- Executives' Gratuity Fund	Contributions	318,359	392,450
- Executives' Gratuity fund	Benefits paid on behalf of the fund	6,796,869	11,326,191
- Key management personnel:			
- Directors / Executives	Salaries and other short term employee benefits paid	25,631,543	30,397,279

21 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 26, 2021 by the Board of Directors of the Company.



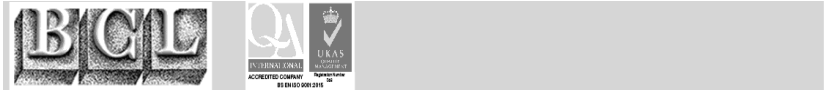
Chief Executive



Director



Chief Financial Officer



**Main RCD Highway,
Hub Chowki, District Lasbela,
Balochistan, Pakistan**

Tel : + 92-853-364033,363296,

Fax : +92-853-363292

E-mail : bclhub@bcipk.com

www.bolancastings.com