

Bolan  
Castings  
Limited

*Everything  
happens  
for a  
reason*

**Quarterly  
Financial Statements  
For and upto the 2<sup>nd</sup> Quarter  
Ended December 31  
2020**



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# 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. 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](mailto:bclhub@bclpk.com)

## **DIRECTORS' REVIEW**

Dear Shareholders

The Directors of your Company take this opportunity to present the un-audited financial statements for the half year ended December 31, 2020.

During the six months under review, the company recorded net sales Rs. 1,023.59 million as compared to Rs. 798.52 million of the same period of last year. The gross profit for the six month under review was Rs. 103.78 million as against Rs. 17.47 million of the corresponding period last year. The profit before tax for the six month is Rs.10,71 million as against loss Rs. 75.32 million of the same period of last year. The loss after tax for the six month is Rs. 9.04 million as compared to loss after tax of Rs. 87.94 million of the same period of last year. The loss per share was Rs. 0.79 as against the loss per share of Rs. 7.67 of corresponding period of last year.

The tractor and auto sector showed a robust sign of growth in first half of current financial year and it is expected to improve further in the second half of the current financial year. Our Company, being part of tractors' vending industry also expects better scope for sales of its castings during remaining period of the current financial year. Further our Company is also endeavoring for new sales avenues and at the same time adopting cost-cutting measures to improve the profitability.

We are pleased to extend our deepest gratitude towards our stakeholders including our employees for their trust and confidence for being steadfast and standing resolute with us in this challenging time.

For and on behalf of the Board



Chief Executive Officer

Hub:  
February 18, 2021

# **INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF BOALN CASTINGS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION**

## **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Bolan Castings Limited as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in- after referred to as the " interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

## **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 statements 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 statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's report is Syed Fahim ul Hasan.



**A.F.Ferguson & Co.**

Chartered Accountants Karachi

Date-February 25,2021

**BOLAN CASTINGS LIMITED**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT DECEMBER 31, 2020**

	Note	(Unaudited) December 31, 2020 Rupees	(Audited) June 30, 2020 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	221,594,952	228,900,903
Long-term investment	6	25,300,000	17,459,875
Long-term loans		1,235,000	829,000
Deferred tax asset	7	95,524,645	95,524,645
Long-term deposits		4,077,790	4,077,790
Employee benefits prepayment		26,094,233	25,301,704
		<u>373,826,620</u>	<u>372,093,917</u>
<b>Current assets</b>			
Stores, spare parts and loose tools	8	120,899,234	123,843,606
Inventories	9	314,233,397	172,157,921
Trade receivables	10	30,436,489	28,228,101
Loans and advances		15,236,369	8,326,869
Trade deposits and short-term prepayments		6,881,579	722,221
Other receivables		551,382	348,074
Refunds due from the Government - sales tax		25,346,999	152,002
Taxation - payments less provision		99,135,185	220,833,567
Cash and bank balances	11	22,016,779	6,408,170
		<u>634,737,413</u>	<u>561,020,531</u>
<b>Total assets</b>		<u>1,008,564,033</u>	<u>933,114,448</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
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		19,800,000	11,959,875
Accumulated loss		(477,996,751)	(468,948,295)
		<u>93,184,219</u>	<u>94,392,550</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term deposits		4,061,597	5,231,810
Long-term loan	12	44,937,338	17,888,910
Deferred grant		6,449,884	2,693,712
Employee benefits obligations		95,508,836	89,958,811
		<u>150,957,655</u>	<u>115,773,243</u>
<b>Current liabilities</b>			
Trade and other payables		246,744,596	219,147,937
Current portion of long-term deposits		798,628	806,454
Current portion of long-term loan	12	25,920,420	5,661,925
Unclaimed dividend		2,815,338	3,487,166
Short-term financing		488,143,177	493,845,173
		<u>764,422,159</u>	<u>722,948,655</u>
<b>Total liabilities</b>		<u>915,379,814</u>	<u>838,721,898</u>
<b>Contingencies and commitments</b>	13		
<b>Total equity and liabilities</b>		<u>1,008,564,033</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 HALF YEAR ENDED DECEMBER 31, 2020 - UNAUDITED**

	Note	Quarter ended		Half year ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
← Rupees →					
Revenue from contracts with customers	14	559,701,004	298,359,947	1,023,597,138	798,524,523
Cost of sales		<u>(517,205,536)</u>	<u>(332,542,295)</u>	<u>(919,810,938)</u>	<u>(781,046,918)</u>
Gross profit / (loss)		42,495,468	(34,182,348)	103,786,200	17,477,605
Distribution costs		(15,969,253)	(9,016,279)	(26,647,091)	(23,245,887)
Administrative expenses		(20,669,011)	(16,894,753)	(45,800,550)	(32,787,872)
Other expenses	15	327,288	-	(963,392)	-
Other income		<u>3,059,427</u>	<u>2,467,304</u>	<u>5,893,159</u>	<u>4,556,228</u>
Operating profit / (loss)		9,243,919	(57,626,076)	36,268,326	(33,999,926)
Finance cost		<u>(15,422,544)</u>	<u>(20,379,308)</u>	<u>(25,552,344)</u>	<u>(41,324,918)</u>
Profit / (loss) before tax		(6,178,625)	(78,005,384)	10,715,982	(75,324,844)
Income tax	16	<u>(3,222,671)</u>	<u>(13,227,385)</u>	<u>(19,764,438)</u>	<u>(12,624,135)</u>
Loss for the period		<u>(9,401,296)</u>	<u>(91,232,769)</u>	<u>(9,048,456)</u>	<u>(87,948,979)</u>
Loss per share - Basic	17	<u>(0.82)</u>	<u>(7.95)</u>	<u>(0.79)</u>	<u>(7.67)</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 COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 - UNAUDITED**

	Quarter ended		Half year ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	←————— Rupees —————→			
Loss for the period	(9,401,296)	(91,232,769)	(9,048,456)	(87,948,979)
Other comprehensive income:				
<b>Items not to be reclassified to profit or loss</b>				
Unrealised income on revaluation of investment at fair value through other comprehensive income	2,300,000	4,519,500	7,840,125	1,454,750
Total comprehensive income / (loss) for the period	<u>(7,101,296)</u>	<u>(86,713,269)</u>	<u>(1,208,331)</u>	<u>(86,494,229)</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 CASH FLOWS  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 - UNAUDITED**

	Note	December 31, 2020 Rupees	December 31, 2019 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	18	(93,492,353)	148,811,101
Increase in long-term loans		(406,000)	(365,000)
Decrease in long-term deposits - net		(1,178,039)	(386,386)
Income taxes refund / (paid) - net		101,933,944	(27,425,545)
Employee benefits paid		(1,295,262)	(632,549)
Mark-up paid on short-term financing		(29,320,304)	(37,198,611)
Net cash (used in) / generated from operating activities		<u>(23,758,014)</u>	<u>82,803,010</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for acquisition of property, plant and equipment		(5,976,044)	(904,589)
Proceeds from disposal of property, plant and equipment		1,400,940	2,315,800
Return received on savings and deposit accounts		17,484	443,260
Dividend received		431,250	575,000
Net cash (used in) / generated from investing activities		<u>(4,126,370)</u>	<u>2,429,471</u>
<b>CASH USED IN FINANCING ACTIVITIES</b>			
Dividend paid		(671,828)	(25,375)
Proceeds from long-term loan		49,866,817	-
		49,194,989	(25,375)
Net increase in cash and cash equivalents		<u>21,310,605</u>	<u>85,207,106</u>
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	<u>(469,982,598)</u>	<u>(513,672,553)</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 CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED DECEMBER 31, 2020 - UNAUDITED**

	RESERVES					SUB TOTAL	TOTAL
	SHARE CAPITAL	CAPITAL	REVENUE		Gain on revaluation of investment at fair value through other comprehensive income (OCI)		
		Share premium	General reserve	Accumulated loss			
	← Rupees →						
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 income / (loss) for the half year ended December 31, 2019							
- Loss for the period	-	-	-	(87,948,979)	-	(87,948,979)	(87,948,979)
- Other comprehensive income for the period	-	-	-	-	1,454,750	1,454,750	1,454,750
	-	-	-	(87,948,979)	1,454,750	(86,494,229)	(86,494,229)
Balance as at December 31, 2019 (unaudited)	114,725,290	12,155,680	424,500,000	(269,609,036)	13,535,375	180,582,019	295,307,309
Balance as at 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 half year ended December 31, 2020							
- Loss for the period	-	-	-	(9,048,456)	-	(9,048,456)	(9,048,456)
- Other comprehensive income for the period	-	-	-	-	7,840,125	7,840,125	7,840,125
	-	-	-	(9,048,456)	7,840,125	(1,208,331)	(1,208,331)
Balance as at December 31, 2020 (unaudited)	114,725,290	12,155,680	424,500,000	(477,996,751)	19,800,000	(21,541,071)	93,184,219

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 HALF YEAR ENDED DECEMBER 31, 2020 (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 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, 2020.

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

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

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on July 1, 2020. However, these do not have any significant impact on the Company's financial reporting.

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

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2020 are considered not to be relevant to the Company's financial statements and hence have not been detailed here.

**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, 2020.

**4. ACCOUNTING ESTIMATES, JUDGMENTS 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 these 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.

	<b>(Unaudited) December 31, 2020 Rupees</b>	<b>(Audited) June 30, 2020 Rupees</b>
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 5.1	210,958,251	219,240,502
Capital work-in-progress	10,636,701	9,660,401
	<u>221,594,952</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)	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	←————— Rupees —————→			
Plant and machinery	134,767	165,589	216,857	-
Office equipment	20,000	-	-	-
Motor vehicles	4,844,977	739,000	1,100,940	2,315,800
	<u>4,999,744</u>	<u>904,589</u>	<u>1,317,797</u>	<u>2,315,800</u>
			<b>(Unaudited)</b> <b>December 31,</b> <b>2020</b> <b>Rupees</b>	<b>(Audited)</b> <b>June 30,</b> <b>2020</b> <b>Rupees</b>

## 6. LONG-TERM INVESTMENT

### Investment at fair value through OCI

Balance at beginning of the period	17,459,875	17,580,625
Unrealised gain / (loss) on revaluation - transferred to equity	7,840,125	(120,750)
Balance at end of the period	<u>25,300,000</u>	<u>17,459,875</u>

Represents 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. 123.39 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. 14.70 million (June 30, 2020: Rs. 18.45 million).

<b>9. INVENTORIES</b>	<b>(Unaudited) December 31, 2020 Rupees</b>	<b>(Audited) June 30, 2020 Rupees</b>
Raw materials (including in transit Rs. 14.52 million; June 30, 2020: Rs. 45.41 million)	105,253,939	90,809,516
Work in process	104,313,895	14,963,447
Finished goods (including in transit Rs. 28.93 million; June 30, 2020: Nil) - note 9.1	104,665,563	66,384,958
	<u>314,233,397</u>	<u>172,157,921</u>

9.1 These include finished goods stock written-down to net realisable value by Rs. 1.87 million (June 30, 2020: Rs. 7.48 million).

<b>10. TRADE RECEIVABLES</b>	<b>(Unaudited) December 31, 2020 Rupees</b>	<b>(Audited) June 30, 2020 Rupees</b>
Considered good		
- related parties	7,201,821	17,955,554
- others	23,234,668	10,272,547
	<u>30,436,489</u>	<u>28,228,101</u>

#### **11. CASH AND BANK BALANCES**

With banks on:

- current accounts	15,696,991	715,572
- savings accounts - note 11.1	2,080,784	1,781,702
- term deposit receipts	3,856,200	3,856,200
	<u>21,633,975</u>	<u>6,353,474</u>
Cash in hand	382,804	54,696
	<u>22,016,779</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.

	<b>December 31, 2020 Rupees</b>	<b>June 30, 2020 Rupees</b>
<b>12. LONG TERM LOAN</b>		
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	-
<b>Balance at end of the period</b>	<b><u>70,857,758</u></b>	<b><u>23,550,835</u></b>
Current portion	25,920,420	5,661,925
Long-term portion	44,937,338	17,888,910
	<b><u>70,857,758</u></b>	<b><u>23,550,835</u></b>
<b>13. CONTINGENCIES AND COMMITMENTS</b>		
There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2020.		
<b>14. REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<b>December 31, 2020 Rupees</b>	<b>December 31, 2019 Rupees</b>
Gross revenue	1,273,010,751	977,582,107
Less:		
- Sales returns	(64,147,895)	(36,918,587)
- Sales tax	(185,265,718)	(142,138,997)
	(249,413,613)	(179,057,584)
	<b><u>1,023,597,138</u></b>	<b><u>798,524,523</u></b>
<b>15. OTHER EXPENSES</b>		
Provision for Workers' Welfare Fund	379,423	-
Provision for Workers' Profit Participation Fund	583,969	-
	<b><u>963,392</u></b>	<b><u>-</u></b>
<b>16. INCOME TAX</b>		
Current		
- for the period	15,418,645	12,055,838
- prior year	4,345,793	568,297
	<b><u>19,764,438</u></b>	<b><u>12,624,135</u></b>



	December 31, 2020	December 31, 2019
<b>17. LOSS PER SHARE</b>		
<b>- BASIC AND DILUTED</b>		
Loss after taxation attributable to ordinary shareholders (Rupees)	<u>(9,048,456)</u>	<u>(87,948,979)</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
Loss per share - Basic (Rupees)	<u>(0.79)</u>	<u>(7.67)</u>

17.1 Diluted loss per share has not been presented as the Company did not have any convertible instruments in issue as at December 31, 2020 and 2019 which would have any effect on the loss per share if the option to convert is exercised.

	December 31, 2020 Rupees	December 31, 2019 Rupees
<b>18. CASH GENERATED FROM OPERATIONS</b>		
Profit / (loss) before income tax	10,715,982	(75,324,844)
<b>Adjustment for non-cash charges and other items</b>		
Depreciation	11,964,198	13,704,231
Non-cash employee benefits expense	6,052,758	2,204,366
Gain on disposal of property, plant and equipment	(83,143)	-
Return on savings and deposit accounts	(17,484)	(443,260)
Dividend income	(431,250)	(575,000)
Provision for doubtful debts	-	-
Mark-up on long-term loan	1,196,278	-
Mark-up on short-term financing	20,014,478	41,221,820
	<u>38,695,835</u>	<u>56,112,157</u>
	49,411,817	(19,212,687)

**EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES**

(Increase) / decrease in current assets		
Stores, spare parts and loose tools	2,944,372	7,358,848
Stock-in-trade	(142,075,476)	(2,042,685)
Trade receivables	(2,208,388)	110,869,594
Loans and advances	(6,909,500)	5,825,228
Trade deposits and short-term prepayments	(6,159,358)	(4,875,243)
Other receivables	(203,308)	558,483
Refunds due from the Government - Sales tax	(25,194,997)	4,826,105
	<u>(179,806,655)</u>	<u>122,520,330</u>
Increase in current liabilities		
Trade and other payables	36,902,485	45,503,458
	<u>(93,492,353)</u>	<u>148,811,101</u>

	<b>December 31, 2020 Rupees</b>	<b>December 31, 2019 Rupees</b>
<b>19. CASH AND CASH EQUIVALENTS</b>		
Cash in hand	382,804	207,483
With banks on:		
- current accounts	15,696,991	3,780,487
- savings accounts	2,080,784	32,822,663
	17,777,775	36,603,150
Short-term financing	(488,143,177)	(550,483,186)
	(469,982,598)	(513,672,553)

## 20. RELATED PARTY DISCLOSURE

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

Relationship with the Company	Nature of transactions	December 31, 2020 Rupees	December 31, 2019 Rupees
<b>Parent company:</b>			
- Millat Tractors Limited (MTL)	Sale of goods	959,700,783	770,571,515
	Purchase of goods	35,780	42,060
	Expenses incurred by MTL on behalf of the Company	4,887,997	5,071,992
<b>Associated company:</b>			
- Millat Equipment Limited	Sale of goods	13,487,920	-
<b>Employee benefit funds:</b>			
- Pension fund	Contributions	976,922	1,019,553
- Provident fund	Contributions	2,005,383	2,056,768
- Executives' Gratuity Fund	Contributions	206,018	268,214
- Executives' Gratuity Fund	Benefits paid on behalf of the fund	4,239,696	11,326,191
<b>Key management personnel:</b>			
	Salaries and other short term employee benefits paid	18,837,741	19,807,880

## 21. DATE OF AUTHORISATION FOR ISSUE

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



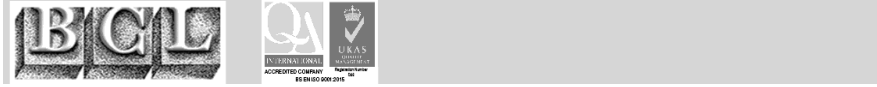
**Chief Executive**



**Director**



**Chief Financial Officer**



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