



# **QUARTERLY FINANCIAL STATEMENTS**



*For the First Quarter  
Ended September 30,*

# **2022**

*Excellence  
in every Field  
of Operations*

**Bolan Castings Limited**

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## COMPANY INFORMATION

### Board of Directors

Mr. Sikandar M. Khan	Chairman
Mr. Mujtaba Ahmad	Chief Executive
Mr. Sohail Bashir Rana	Director
Mr. Laeeq Uddin Ansari	Director
Mr. Qaiser Saleem	Director
Mr. Aamir Amin	Director
Mr. Abdul Hamid Ahmed Dagia	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  
Habib Metropolitan Bank 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)

### Web Site

[www.bolancastings.com](http://www.bolancastings.com)

## DIRECTORS' REVIEW

Dear Shareholders

The Directors of your Company are presenting the un-audited financial statements for the 1st quarter ended September 30, 2022.

During the under review, the Company recorded net sales of Rs. 474.46 million as compared to Rs. 621.19 million of the same period of the last year. The gross profit for the 1st quarter under review was Rs. 25.39 million as against Rs. 63.38 million of corresponding period of the last year. The loss after tax for the 1st quarter was Rs. 21.94 million as compared to profit after tax Rs. 13.84 million of same period of last year.

The loss per share was Rs. 1.91 as against the earning per share of Rs. 1.21 of corresponding period of last year.

The devastated flood situation in the country, the complete power outage in the Hub District, collapsed of main bridge on the Hub River and the damaged road infrastructures forced us to go on shutdown for weeks during the period under review. All these adversities had badly affected the sales and production of the company by lowering down to 1,291 M. Ton and 1,249 M. Ton respectively as compared to 2,419 M. Ton and 2,238 M. Ton respectively of the same period last year and predominantly contributed towards the losses of the company.

The increase in raw materials prices, logistic and energy cost, fuel prices, adverse currency exchange rate and negative cash flows have also affected the profitability of the company during the first quarter and resulted in decrease of gross profit and operating profit ratios as compared of corresponding period of the last year. The slight recent decrease in Us Dollar rate and fuel prices have given us hope for the remaining financial year and we are looking forward to perform better by achieving higher production and sales targets, reduction in cost of production by improving yield, controlling rejections, increasing value addition and better utilization of available manpower resources.

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, contributions and for being steadfast and standing resolute with us during the period under review.

For and on behalf of the Board



**MUJTABA AHMAD**  
Chief Executive Officer

Hub:  
October 25, 2022

**BOLAN CASTINGS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2022**

	Note	(Unaudited) September 30, 2022 Rupees	(Audited) June 30, 2022 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	181,043,238	187,095,610
Long-term investment	6	17,566,250	21,850,000
Long-term loans		761,000	937,000
Deferred tax asset	7	95,524,645	95,524,645
Long-term deposits		4,047,790	4,047,790
Employee benefits prepayment		18,915,164	18,370,168
		<u>317,858,087</u>	<u>327,825,213</u>
<b>Current assets</b>			
Stores, spare parts and loose tools	8	161,901,991	121,237,178
Inventories	9	452,709,191	436,446,901
Trade receivables	10	98,786,525	109,170,341
Loans and advances		3,228,348	9,568,637
Trade deposits and short-term prepayments		9,176,297	428,317
Other receivables		204,670	348,525
Refunds due from the Government - sales tax		-	6,213,131
Taxation - payments less provision		67,807,019	55,040,184
Cash and bank balances	11	10,849,257	81,668,301
		<u>804,663,298</u>	<u>820,121,515</u>
<b>TOTAL ASSETS</b>		<u><b>1,122,521,385</b></u>	<u><b>1,147,946,728</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and reserves</b>			
Share capital		114,725,290	114,725,290
Reserve		87,735,392	113,962,138
		<u>202,460,682</u>	<u>228,687,428</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long-term deposits		2,936,208	2,850,583
Employee benefits obligations		25,388,678	26,004,083
		<u>28,324,886</u>	<u>28,854,666</u>
<b>Current liabilities</b>			
Trade and other payables	12	389,711,707	377,228,692
Advances from customers		951,262	951,262
Current portion of long-term deposits		946,411	928,902
Current portion of long-term loan		18,539,450	28,053,370
Unclaimed dividend		3,407,752	3,407,752
Sales tax payable		10,137,828	-
Short-term financing	13	468,041,407	479,834,656
		<u>891,735,817</u>	<u>890,404,634</u>
<b>TOTAL LIABILITIES</b>		<u><b>920,060,703</b></u>	<u><b>919,259,300</b></u>
<b>Contingencies</b>	14		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>1,122,521,385</b></u>	<u><b>1,147,946,728</b></u>

The annexed notes 1 to 23 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 1st QUARTER ENDED SEPTEMBER 30, 2022 - (UNAUDITED)**

	Note	September 30, 2022 Rupees	September 30, 2021 Rupees
Revenue from contracts with customers	15	474,463,188	621,190,319
Cost of sales	16	(449,067,610)	(557,804,886)
Gross profit		<u>25,395,578</u>	<u>63,385,433</u>
Distribution cost		(12,653,318)	(14,124,866)
Administrative expenses		(15,060,083)	(17,861,829)
Other expenses	17	-	(1,800,560)
Other income		4,927,465	3,049,165
Operating profit		<u>2,609,642</u>	<u>32,647,343</u>
Finance cost		(18,621,848)	(9,486,649)
(Loss) / Profit before tax		<u>(16,012,206)</u>	<u>23,160,694</u>
Income tax expense	18	(5,930,790)	(9,317,855)
(Loss) / profit for the period		<u>(21,942,996)</u>	<u>13,842,839</u>
(Loss) / earnings per share - Basic and diluted	19	<u>(1.91)</u>	<u>1.21</u>

The annexed notes 1 to 23 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 AND OTHER COMPREHENSIVE INCOME**  
**FOR THE 1st QUARTER ENDED SEPTEMBER 30, 2022 - (UNAUDITED)**

	<b>September 30, 2022 Rupees</b>	<b>September 30, 2021 Rupees</b>
<b>(Loss) / profit for the period</b>	<b>(21,942,996)</b>	13,842,839
<b>Other comprehensive (loss) / income</b>		
<b>Items that will not be reclassified to Profit or Loss</b>		
Unrealised (loss) / gain on revaluation of Investment at fair value through Other Comprehensive Income - (FVTOCI)	<b>(4,283,750)</b>	(641,125)
<b>Total comprehensive (loss) / income for the period</b>	<b><u>(26,226,746)</u></b>	<b><u>13,201,714</u></b>

The annexed notes 1 to 23 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 1st QUARTER ENDED SEPTEMBER 30, 2022 - (UNAUDITED)**

	Share Capital		Reserves			Sub Total	Total
	Issued, Subscribed and paid up capital	Capital	Revenue		Gain / (loss) on revaluation of investment at fair value		
		Share premium	General	Accumulated loss			
	Rupees						
<b>Balance as at July 1, 2021</b>	<b>114,725,290</b>	<b>12,155,680</b>	<b>424,500,000</b>	<b>(361,067,957)</b>	<b>17,209,625</b>	<b>92,797,348</b>	<b>207,522,638</b>
Total comprehensive income for the 1st quarter ended September 30, 2021							
Profit for the 1st quarter ended September 30, 2021	-	-	-	13,842,839	-	13,842,839	13,842,839
Other comprehensive loss for the 1st quarter ended September 30, 2021	-	-	-	-	(641,125)	(641,125)	(641,125)
	-	-	-	13,842,839	(641,125)	13,201,714	13,201,714
<b>Balance as at September 30, 2021 (unaudited)</b>	<b>114,725,290</b>	<b>12,155,680</b>	<b>424,500,000</b>	<b>(347,225,118)</b>	<b>16,568,500</b>	<b>105,999,062</b>	<b>220,724,352</b>
<b>Balance as at July 1, 2022</b>	<b>114,725,290</b>	<b>12,155,680</b>	<b>424,500,000</b>	<b>(339,043,542)</b>	<b>16,350,000</b>	<b>113,962,138</b>	<b>228,687,428</b>
Total comprehensive loss for the 1st quarter ended September 30, 2022							
Loss for the 1st quarter ended September 30, 2022	-	-	-	(21,942,996)	-	(21,942,996)	(21,942,996)
Other comprehensive loss for the 1st quarter ended September 30, 2022	-	-	-	-	(4,283,750)	(4,283,750)	(4,283,750)
	-	-	-	(21,942,996)	(4,283,750)	(26,226,746)	(26,226,746)
<b>Balance as at September 30, 2022 (unaudited)</b>	<b>114,725,290</b>	<b>12,155,680</b>	<b>424,500,000</b>	<b>(360,986,538)</b>	<b>12,066,250</b>	<b>87,735,392</b>	<b>202,460,682</b>

The annexed notes 1 to 23 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 1st QUARTER ENDED SEPTEMBER 30, 2022 - (UNAUDITED)**

	Note	September 30, 2022 Rupees	September 30, 2021 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	20	(19,655,137)	3,854,203
Increase / (decrease) in long-term loans		176,000	(796,000)
Increase in long-term deposits - net		103,134	135,602
Income tax payments		(18,697,625)	(18,043,625)
Employee benefits paid		(1,733,391)	-
Finance cost paid		(12,986,595)	(7,728,333)
<b>Net cash used in from operating activities</b>		<b>(52,793,614)</b>	<b>(22,578,153)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		-	(4,049,938)
Proceeds from disposal of property, plant and equipment		3,144,753	22,940
Return received on savings and deposit accounts		136,987	101,766
<b>Net cash generated from / (used in) investing activities</b>		<b>3,281,740</b>	<b>(3,925,232)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		-	(7,457)
Long-term loan repaid		(9,513,921)	(9,513,921)
<b>Net cash outflow from financing activities</b>		<b>(9,513,921)</b>	<b>(9,521,378)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(59,025,795)</b>	<b>(36,024,763)</b>
Cash and cash equivalents at beginning of the period		(402,022,555)	(347,568,180)
<b>Cash and cash equivalents at the end of the period</b>	21	<b>(461,048,350)</b>	<b>(383,592,943)</b>

The annexed notes 1 to 23 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 1st QUARTER ENDED SEPTEMBER 30, 2022 (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 Companies Act, 1913 (now the Companies Act, 2017) , and is 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 Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan 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, 2022.

#### **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, 2022.

#### **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 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, 2022.

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, 2022.

	<b>(Unaudited) September 30, 2022</b>	(Audited) June 30, 2022
	-----Rupees-----	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets - note 5.1	<b>181,043,238</b>	187,095,610
	<b><u>181,043,238</u></b>	<u>187,095,610</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, 2022	September 30, 2021	September 30, 2022	September 30, 2021
	-----Rupees-----			
Plant and machinery	-	2,587,938	-	-
Computers	-	-	-	22,940
Motor Vehicles	-	4,592,000	<b>997,049</b>	-
	<b>-</b>	<b>7,179,938</b>	<b><u>997,049</u></b>	<u>22,940</u>

	<b>(Unaudited) September 30, 2022</b>	(Audited) June 30, 2022
	-----Rupees-----	
<b>6. LONG-TERM INVESTMENT</b>		

**Investment at fair value through OCI**

Balance at beginning of the period	<b>21,850,000</b>	22,709,625
Unrealized loss on revaluation - transferred to equity	<b>(4,283,750)</b>	(859,625)
<b>Balance at end of the period</b>	<b><u>17,566,250</u></b>	<u>21,850,000</u>

Represent investment in 287,500 (June 30, 2022: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan wheels Limited. Equity held 2.16% (June 30, 2021: 2.16%).

**7. DEFERRED TAX ASSET**

Deferred tax debit balances of Rs. 117.07 million (June 30, 2022: Rs. 107.05 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. 37.17 million (June 30, 2022: Rs. 0.73 million).

	<b>(Unaudited) September 30, 2022</b>	(Audited) June 30, 2022
	-----Rupees-----	
<b>9. INVENTORIES</b>		
Raw Materials (including in transit Rs. 37.99 Million; June 30, 2022: Rs. 17.34 Million)	<b>142,652,212</b>	127,594,855
Work in process	<b>89,295,084</b>	105,256,714
Finished goods -note 9.1	<b>220,761,895</b>	203,595,332
	<b><u>452,709,191</u></b>	<u>436,446,901</u>

9.1 These include finished goods stock written-down to net realisable value by Rs. 0.79 million (June 30, 2022: Rs. 12.26 million).

9.2 Inventories include Rs. 22.09 million (June 30, 2022: Rs. 24.93 million) held by third parties.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	-----Rupees-----	
<b>10. TRADE RECEIVABLES</b>		
Considered good		
- Related parties	74,192,856	80,257,676
- Others	24,593,669	28,912,665
	<u>98,786,525</u>	<u>109,170,341</u>
<b>11. CASH AND BANK BALANCES</b>		
Cash at bank		
<b>Conventional</b>		
- on savings accounts - note 11.1	12,978,128	3,977,859
- on current accounts	(10,113,194)	66,732,780
	<u>2,864,934</u>	<u>70,710,639</u>
- Term deposit account - note 11.1 & 11.2	3,856,200	3,856,200
	<u>6,721,134</u>	<u>74,566,839</u>
<b>Islamic</b>		
- on savings accounts - note 11.1	3,527,998	3,527,998
- on current accounts	218,085	3,082,110
	<u>3,746,083</u>	<u>6,610,108</u>
Cash in hand	382,040	491,354
	<u>10,849,257</u>	<u>81,668,301</u>

11.1 During the period , the mark-up / profit rates on savings accounts and term deposit account range from 12.25% to 13.50% (June 30, 2022: 5.5% to 12.25%) per annum.

11.2 These are under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	-----Rupees-----	
<b>12. TRADE AND OTHER PAYABLES</b>		
- Creditors	311,085,161	307,086,688
- Accrued liabilities	33,161,412	30,177,494
- Accrued mark-up	20,717,340	15,160,215
- Compensated absences	12,064,277	11,758,810
- Security deposits - note 12.1	1,400,037	1,400,037
- Workers' Profit Participation Fund	2,944,403	2,944,403
- Workers' Welfare Fund	5,257,857	5,257,857
- Current portion of deferred income - government grant - note 12.2	559,745	559,745
- Withholding tax	357,429	615,723
- Others	2,164,046	2,267,720
	<u>389,711,707</u>	<u>377,228,692</u>

12.1 These represent deposits obtained from customers which are kept in a separate bank account in compliance with section 217 of the Company Act , 2017.

12.2 This represents benefit obtained under SBP's Refinance Scheme for Payment of Wages and Salaries to Workers and Employees of Business Concerns' at concessionary rates. According to the condition of the SBP scheme, the Company was prohibited from laying-off employees for a period of three months from the date of loan.

	(Unaudited) September 30, 2022	(Audited) June 30, 2022
	-----Rupees-----	
<b>13. SHORT-TERM FINANCING</b>		
<b>Secured</b>		
Short-term running finance facilities		
<b>- Conventional Finance</b>		
Under mark-up arrangement - note 13.1	<b>299,711,534</b>	306,053,524
<b>- Islamic Finance</b>		
Under Istisna cum wakala arrangements - note 13.2	<b>75,000,000</b>	75,000,000
Under Istisna / Musawammah arrangements - note 13.2	<b>93,329,873</b>	98,781,132
	<b>468,041,407</b>	479,834,656
13.1	These represent running finance facilities obtained from Bank Alfalah Limited amounting to Rs. 200 million (2022: Rs. 200 million), Faysal Bank Limited amounting to Rs. 100 million (2022: Rs.100 million) and Habib Metropolitan Bank Limited amounting to Rs.50 million 2022: Rs.50 million) . The mark-up rates on these facilities range between 1 month to 3 months KIBOR plus 1% to 1.60% (2022: 1 month KIBOR plus 1% to 1.6% and 3 months KIBOR plus 1.5% ) per annum. The arrangements are secured by way of hypothecation of plant and machinery and current assets of the company amounting to Rs. 600 million.	
13.2	The Company has also obtained finance under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting Rs. 75 million (2021:Rs. 75 million) and Istisna / Musawammah arrangements from Meezan Bank Limited amounting to Rs. 100 million (2022: Rs. 100 million) . The profit rate on these facilities are 6 months KIBOR plus 2% (2022: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (2022: 6 months KIBOR plus 1%) per annum respectively.They are secured by way of hypothecation charge over fixed assets and current assets of the Company amounting to Rs. 333 million and hypothecation charge over all customer's present and future stocks and book debts with 25% margin respectively. Amount utilized as at September 30, 2022 is Rs. 75 million (2022: Rs. 75 million) and Rs. 93.32 million (2022: Rs. 98.78 million) respectively.	
<b>14. CONTINGENCIES</b>		
	There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2022.	
<b>15 REVENUE FROM CONTRACTS WITH CUSTOMERS</b>		
	<b>September 30, 2022</b>	September 30, 2021
	-----Rupees-----	
<b>Gross Revenue</b>	<b>569,860,915</b>	787,039,166
Less:		
- Sales returns	<b>(12,596,804)</b>	(51,245,397)
- Sales tax	<b>(82,800,923)</b>	(114,603,450)
	<b>(95,397,727)</b>	(165,848,847)
	<b>474,463,188</b>	621,190,319
<b>16 COST OF SALES</b>		
Cost of goods manufactured	<b>466,234,173</b>	603,935,775
Opening stock of finished goods	<b>203,595,332</b>	80,561,987
Closing stock of finished goods	<b>(220,761,895)</b>	(126,692,876)
Cost of goods manufactured sold	<b>449,067,610</b>	557,804,886
<b>17 OTHER EXPENSES</b>		
Provision for Workers' Welfare Fund	-	1,248,063
Provision for Workers' Profit Participation Fund	-	552,497
	-	1,800,560

**18 INCOME TAX**Current  
- for the period

<u>5,930,790</u>	<u>9,317,855</u>
<u><u>5,930,790</u></u>	<u><u>9,317,855</u></u>

18.1 The Company has computed current tax for the period under section 113 of the Income Tax Ordinance, 2001 i.e. Minimum Tax.

**19 (LOSS) / EARNINGS PER SHARE  
- BASIC AND DILUTED**

(Loss) / profit for the period attributable to ordinary shareholders	<u>(21,942,996)</u>	<u>13,842,839</u>
Weighted average number of shares in issue during the period	<u>11,472,529</u>	<u>11,472,529</u>
(Loss) / earnings per share - Basic and diluted	<u>(1.91)</u>	<u>1.21</u>

19.1 Diluted Earnings per share has not been presented as the Company did not have any convertible instruments in issue as at September 2022 and 2021 which would have any effect on the earnings per share if the option to convert is exercised.

<b>September 30, 2022</b>	<b>September 30, 2021</b>
-----Rupees-----	

**20. CASH GENERATED FROM /  
OPERATIONS**

(Loss) / profit before tax

(16,012,206) 23,160,694

**Adjustments for non-cash charges and other items**

Depreciation	5,055,323	5,695,189
Non-cash employee benefits expense	572,990	886,572
Gain on disposal of property, plant and equipment	(2,147,704)	-
Return on savings and deposit accounts	(136,987)	(101,766)
Mark-up on long-term loan	47,961	142,579
Mark-up on short-term financing	18,543,720	9,326,561
	<u>21,935,303</u>	<u>15,949,135</u>
	<u>5,923,097</u>	<u>39,109,829</u>

**EFFECT ON CASH FLOW DUE  
TO WORKING CAPITAL CHANGES****(Increase) / Decrease in current assets**

Stores, spare parts and loose tools	(40,664,813)	14,743,858
Stock-in-trade	(16,262,290)	34,834,490
Trade receivables	10,383,816	(121,425,954)
Loans and advances	6,340,289	4,421,370
Trade deposits and short-term prepayments	(8,747,980)	(8,407,708)
Other receivables	143,855	471,794
Refunds due from the Government - Sales tax	-	511,390
	<u>(48,807,123)</u>	<u>(74,850,760)</u>

**Increase / (decrease) in current liabilities**

Trade and other payables	6,877,930	39,595,134
Sales tax payable	16,350,959	-
	<u>23,228,889</u>	<u>39,595,134</u>
	<u>(19,655,137)</u>	<u>3,854,203</u>

<b>September 30, 2022</b>	<b>September 30, 2021</b>
-----Rupees-----	

**21. CASH AND CASH EQUIVALENTS**

Cash and bank balances

6,993,057 25,477,055

Short-term financing

(468,041,407) (409,069,998)

(461,048,350) (383,592,943)

## 22. RELATED PARTY DISCLOSURES

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

Relationship with the Company	Nature of transactions	September 30,	September 30,
		2022	2021
		-----Rupees-----	
<b>Parent Company:</b>			
- Millat Tractors Limited (MTL)	Sales of goods	<b>444,669,319</b>	593,352,716
	Purchase of goods	-	103,540
	Expenses incurred by MTL on behalf of the Company	-	2,825,473
<b>Associated Company:</b>			
- Millat Equipment Limited (MEL)	Sales of goods	<b>331,200</b>	6,871,200
<b>Employee benefit funds:</b>			
- Provident funds	Contributions	<b>1,076,396</b>	1,053,355
- Executives' Gratuity fund	Contributions	<b>76,326</b>	102,371
- Executives' Gratuity fund	Benefits paid on behalf of the fund	-	-
<b>- Key management personnel:</b>			
- Directors / Executives	Salaries and other short term employee benefits paid	<b>6,604,022</b>	7,135,387

\* Key management personnel include CEO, CFO and Head of Departments.

## 23 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 25, 2022 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



**MF Tractor Chassis Assembly  
is made of BCL Castings**



MF AXLE HOUSING 240 RH



MF CENTER HOUSING



MF CYLINDER HEAD



MF CYLINDER BLOCK



MF TRANSMISSION CASE



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