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***Financial Statements
For the First Quarter
Ended September 30,
2023***



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

Web Site

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, 2023.

During the period under review, the Company recorded net sales of Rs. 652.46 million as compared to Rs. 474.46 million of the same period of the last year. The gross profit for the 1st quarter under review was Rs.77.37 million as against Rs. 25.39 million of corresponding period of the last year. The profit after tax for the 1st quarter was Rs. 12.21 million as compared to loss after tax Rs. 21.94 million of same period of last year.

The earning per share was Rs. 1.06 as against the loss per share of Rs. 1.91 of corresponding period of last year.

Since the current economic situation of the country is improving day by day, the overall industry in general and the tractor industry in particular are responding positively. In turn the tractor's vendor industry including BCL is also showing signs of improvement in production and sales. In addition, BCL has taken major cost cutting measures mainly by substituting the expensive imported raw materials with local raw materials. This has greatly improved the profitability of the company's operation. We hope to maintain the rising trend in our production and sales and thereby in the profitability in the coming months.

We would like to take this opportunity to express our gratitude to our customers and shareholders for their unwavering trust and confidence in our company. We also would like to acknowledge the dedication and hard work of the entire BCL team during the challenging times.

For and on behalf of the Board



MUJTABA AHMAD
Chief Executive Officer

Hub:
October 24, 2023

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

| | Note | (Unaudited) September 30, 2023 Rupees | (Audited) June 30, 2023 Rupees |
|---|------|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 5 | 165,966,896 | 170,927,775 |
| Long-term investment | 6 | 45,065,625 | 18,975,000 |
| Long-term loans | | 785,000 | 1,026,000 |
| Deferred tax asset | 7 | 72,524,645 | 72,524,645 |
| Long-term deposits | | 4,352,790 | 4,347,790 |
| Employee benefits prepayment | | 21,391,041 | 20,598,929 |
| | | <u>310,085,997</u> | <u>288,400,139</u> |
| Current assets | | | |
| Stores, spare parts and loose tools | 8 | 113,053,509 | 117,631,087 |
| Inventories | 9 | 237,222,424 | 313,746,345 |
| Trade receivables | 10 | 167,342,823 | 99,400,812 |
| Loans and advances | | 10,301,960 | 9,004,695 |
| Trade deposits and short-term prepayments | | 9,373,202 | 467,980 |
| Other receivables | | 1,162,564 | 899,844 |
| Taxation - payments less provision | | 84,934,277 | 69,941,541 |
| Cash and bank balances | 11 | 42,887,745 | 30,029,049 |
| | | <u>666,278,504</u> | <u>641,121,353</u> |
| TOTAL ASSETS | | <u>976,364,501</u> | <u>929,521,492</u> |
| EQUITY AND LIABILITIES | | | |
| Share Capital and reserves | | | |
| Share capital | | 114,725,290 | 114,725,290 |
| Reserve | | 123,523,971 | 85,221,947 |
| | | <u>238,249,261</u> | <u>199,947,237</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term deposits | | 1,441,713 | 1,580,890 |
| Long-term finance facility | 12 | 110,000,000 | - |
| Employee benefits obligations | | 27,186,690 | 26,981,450 |
| | | <u>138,628,403</u> | <u>28,562,340</u> |
| Current liabilities | | | |
| Trade and other payables | 13 | 318,681,156 | 329,253,637 |
| Advances from customers | | 1,712,236 | 1,044,936 |
| Current portion of long-term deposits | | 1,487,609 | 1,461,362 |
| Current portion of long-term finance facility | | 55,000,000 | - |
| Sales tax payable | | 17,770,131 | 10,263,040 |
| Unclaimed dividend | | 3,399,012 | 3,399,012 |
| Short-term financing | 14 | 201,436,693 | 355,589,928 |
| | | <u>599,486,837</u> | <u>701,011,915</u> |
| TOTAL LIABILITIES | | <u>738,115,240</u> | <u>729,574,255</u> |
| Contingencies | 15 | | |
| TOTAL EQUITY AND LIABILITIES | | <u>976,364,501</u> | <u>929,521,492</u> |

The annexed notes 1 to 24 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, 2023 - (UNAUDITED)

| | Note | September 30, 2023 Rupees | September 30, 2022 Rupees |
|---|------|---------------------------------|---------------------------------|
| Revenue from contracts with customers | 16 | 652,464,466 | 474,463,188 |
| Cost of sales | 17 | (575,093,530) | (449,067,610) |
| Gross profit | | <u>77,370,936</u> | <u>25,395,578</u> |
| Distribution cost | | (13,932,640) | (12,653,318) |
| Administrative expenses | | (22,804,771) | (15,060,083) |
| Other expenses | 18 | (1,561,194) | - |
| Other income | | 3,245,809 | 4,927,465 |
| Operating profit | | <u>42,318,140</u> | <u>2,609,642</u> |
| Finance cost | | (21,799,997) | (18,621,848) |
| Profit / (loss) before tax | | <u>20,518,143</u> | <u>(16,012,206)</u> |
| Income tax expense | 19 | (8,306,744) | (5,930,790) |
| Profit / (loss) for the period | | <u><u>12,211,399</u></u> | <u><u>(21,942,996)</u></u> |
| Earnings / (Loss) per share - Basic and diluted | 20 | <u><u>1.06</u></u> | <u><u>(1.91)</u></u> |

The annexed notes 1 to 24 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, 2023 - (UNAUDITED)

| | September 30, 2023 Rupees | September 30, 2022 Rupees |
|---|--|--|
| Profit / (loss) for the period | 12,211,399 | (21,942,996) |
| Other comprehensive income / (loss) | | |
| Items that will not be reclassified to Profit or Loss | | |
| Unrealised gain / (loss) on revaluation of Investment at fair value through Other Comprehensive Income - (FVTOCI) | 26,090,625 | (4,283,750) |
| Total comprehensive income / (loss) for the period | <u>38,302,024</u> | <u>(26,226,746)</u> |

The annexed notes 1 to 24 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, 2023 - (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 → | | | | | | | |
| Balance as at July 1, 2022 | 114,725,290 | 12,155,680 | 424,500,000 | (339,043,542) | 16,350,000 | 113,962,138 | 228,687,428 |
| 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) |
| Balance as at September 30, 2022 (unaudited) | 114,725,290 | 12,155,680 | 424,500,000 | (360,986,538) | 12,066,250 | 87,735,392 | 202,460,682 |
| Balance as at July 1, 2023 | 114,725,290 | 12,155,680 | 424,500,000 | (364,908,733) | 13,475,000 | 85,221,947 | 199,947,237 |
| Total comprehensive income for the 1st quarter ended September 30, 2023 | | | | | | | |
| Profit for the 1st quarter ended September 30, 2023 | - | - | - | 12,211,399 | - | 12,211,399 | 12,211,399 |
| Other comprehensive gain for the 1st quarter ended September 30, 2023 | - | - | - | - | 26,090,625 | 26,090,625 | 26,090,625 |
| | - | - | - | 12,211,399 | 26,090,625 | 38,302,024 | 38,302,024 |
| Balance as at September 30, 2023 (unaudited) | 114,725,290 | 12,155,680 | 424,500,000 | (352,697,334) | 39,565,625 | 123,523,971 | 238,249,261 |

The annexed notes 1 to 24 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, 2023 - (UNAUDITED)

| | Note | September 30, 2023 Rupees | September 30, 2022 Rupees |
|---|------|---------------------------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated / (used in) from operations | 21 | 40,956,493 | (19,655,137) |
| Increase in long-term loans | | 241,000 | 176,000 |
| (Decrease) / increase in long-term deposits - net | | (117,930) | 103,134 |
| Income tax payments | | (23,299,480) | (18,697,625) |
| Employee benefits paid | | (1,104,833) | (1,733,391) |
| Finance cost paid | | (16,795,196) | (12,986,595) |
| Net cash used in from operating activities | | (119,946) | (52,793,614) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | - | - |
| Proceeds from disposal of property, plant and equipment | | 283,861 | 3,144,753 |
| Return received on savings and deposit accounts | | 841,766 | 136,987 |
| Dividend received | | 1,006,250 | - |
| Net cash generated from investing activities | | 2,131,877 | 3,281,740 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long-term loan repaid | | - | (9,513,921) |
| Proceeds from long-term finance | | 165,000,000 | - |
| Net cash inflow / (outflow) from financing activities | | 165,000,000 | (9,513,921) |
| Net increase / (decrease) in cash and cash equivalents | | 167,011,931 | (59,025,795) |
| Cash and cash equivalents at beginning of the period | | (329,417,079) | (402,022,555) |
| Cash and cash equivalents at the end of the period | 22 | (162,405,148) | (461,048,350) |

The annexed notes 1 to 24 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, 2023 (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 Standard 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, 2023.

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, 2023.

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, 2023.

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, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|-----------------------------|---|--|
| | -----Rupees----- | |
| Operating assets - note 5.1 | 165,966,896 | 166,509,375 |
| Capital work-in-progress | - | 4,418,400 |
| | <u>165,966,896</u> | <u>170,927,775</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, 2023 | September 30, 2022 | September 30, 2023 | September 30, 2022 |
| | -----Rupees----- | | | |
| Plant and machinery | - | - | - | - |
| Motor Vehicles | 4,418,400 | - | 283,861 | 997,049 |
| | <u>4,418,400</u> | <u>-</u> | <u>283,861</u> | <u>997,049</u> |

| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|--|--------------------------------------|-------------------------------|
| | -----Rupees----- | |
| 6. LONG-TERM INVESTMENT | | |
| Investment at fair value through OCI | | |
| Balance at beginning of the period | 18,975,000 | 21,850,000 |
| Unrealized gain / (loss) on revaluation - transferred to equity | 26,090,625 | (2,875,000) |
| Balance at end of the period | <u>45,065,625</u> | <u>18,975,000</u> |
| 6.1 Represent investment in 287,500 (June 30, 2023: 287,500) quoted ordinary shares of Rs. 10/- each of Baluchistan wheels Limited Equity held 2.16% (June 30, 2023: 2.16%). | | |
| 6.2 There are no investment in associated companies or undertakings. | | |
| 7. DEFERRED TAX ASSET | | |
| Deferred tax debit balances of Rs. 139.93 million (June 30, 2023: Rs. 139.93 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. 0.017 (June 30, 2023: Rs. Nil). | | |
| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
| | -----Rupees----- | |
| 9. INVENTORIES | | |
| Raw Materials (including in transit Rs. 0.074 June 30, 2023: Rs. 6.50 Million) | 73,675,851 | 113,880,207 |
| Work in process | 71,093,791 | 76,649,524 |
| Finished goods | <u>92,452,782</u> | <u>123,216,614</u> |
| | <u>237,222,424</u> | <u>313,746,345</u> |
| 9.1 Finished goods inventories which have been written-down to net realisable value by Rs. 0.091 million (June 30, 2023: Rs. 2.32 million). | | |
| 9.2 Inventories include Rs. 19.25 million (June 30, 2023: Rs. 17.56 million) held with third parties. | | |
| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
| | -----Rupees----- | |
| 10. TRADE RECEIVABLES | | |
| Considered good | | |
| - Related parties | 146,097,599 | 88,136,261 |
| - Others | 21,245,224 | 11,264,551 |
| | <u>167,342,823</u> | <u>99,400,812</u> |
| 11. CASH AND BANK BALANCES | | |
| Cash at bank | | |
| Conventional | | |
| - on savings accounts - note 11.1 | 19,422,463 | 6,470,369 |
| - on current accounts | 2,173,509 | 13,137,829 |
| | 21,595,972 | 19,608,198 |
| - Term deposit account - note 11.1 & 11.2 | <u>3,856,200</u> | <u>3,856,200</u> |
| | 25,452,172 | 23,464,398 |
| Islamic | | |
| - on savings accounts - note 11.1 | 3,582,204 | 3,582,204 |
| - on current accounts | 13,564,464 | 2,916,123 |
| | <u>17,146,668</u> | <u>6,498,327</u> |
| Cash in hand | 288,905 | 66,324 |
| | <u>42,887,745</u> | <u>30,029,049</u> |
| 11.1 During the period , the mark-up / profit rates on savings accounts and term deposit account range from 19.50% to 20.50% (June 30, 2023: 12.25% to 19.50%) 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, 2023 | (Audited) June 30, 2023 |
|---|--------------------------------------|-------------------------------|
| | -----Rupees----- | |
| 12. LONG TERM FINANCE FACILITY | | |
| Opening | - | 28,684,470 |
| Proceeds during the period | 165,000,000 | - |
| Repayments during the period | - | (28,684,470) |
| | <u>165,000,000</u> | <u>-</u> |
| Less: Current portion shown under current liabilities | <u>(55,000,000)</u> | <u>-</u> |
| | <u>110,000,000</u> | <u>-</u> |

- 12.1 This represents current running finance facility restructured into long term finance facility obtained from Bank Alfalah (2023: NIL). It carries mark-up at the of 1 month KIBOR plus 1.6% per annum. Principal to be repaid in 33 equal monthly installments starting from November 2023 The loan is secured by way of hypothecation (First Pari Passu charge) on plant and Machinery amounting to Rs. 200 million and current assets amounting to Rs. 66.67 million.

| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|------------------------------------|--------------------------------------|-------------------------------|
| | -----Rupees----- | |
| 13. TRADE AND OTHER PAYABLES | | |
| Creditors | 235,998,554 | 271,971,160 |
| Accrued liabilities | 34,035,392 | 14,672,699 |
| Accrued mark-up | 22,975,244 | 18,021,942 |
| Compensated absences | 12,486,734 | 12,471,814 |
| Workers' Profit Participation Fund | 2,593,760 | 1,489,793 |
| Workers' Welfare Fund | 6,476,098 | 6,018,871 |
| Security deposits | 1,400,037 | 1,400,037 |
| Withholding tax | 241,112 | 563,200 |
| Others | 2,474,225 | 2,644,121 |
| | <u>318,681,156</u> | <u>329,253,637</u> |

| | (Unaudited) September 30, 2023 | (Audited) June 30, 2023 |
|---|--------------------------------------|-------------------------------|
| | -----Rupees----- | |
| 14. SHORT-TERM FINANCING | | |
| Secured | | |
| Short-term running finance facilities | | |
| - Conventional Finance | | |
| Under mark-up arrangement - note 15.1 | 27,082,092 | 206,953,527 |
| - Islamic Finance | | |
| Under Istisna cum wakala arrangements - note 15.2 | 75,000,000 | 75,000,000 |
| Under Istisna / Musawammah arrangements - note 15.2 | 99,354,601 | 73,636,401 |
| | <u>201,436,693</u> | <u>355,589,928</u> |

- 14.1 These represent running finance facilities obtained from Bank Alfalah Limited amounting to Rs. Nil (June 30, 2023: Rs. 165 million), Faysal Bank Limited amounting to Rs. 100 million (June 30, 2023: Rs.100 million) and Habib Metropolitan Bank Limited amounting to Rs. 14.87 million (June 30, 2023: Rs.14.87 million) . The mark-up rates on these facilities range between 1 month KIBOR plus 1% to 1.60% per annum and 3 months KIBOR plus 2.5% (June 30, 2023: 1 month KIBOR plus 1% to 1.60% and 3 months KIBOR plus 2.5%) per annum. The arrangements are secured by way of hypothecation of plant and machinery and current assets of the company amounting to Rs. 599.6 million.

- 14.2 The Company has also obtained finance under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (June 30, 2022: Rs. 75 million) and Istisna / Musawammah arrangements from Meezan Bank Limited amounting to Rs.100 million (June 30, 2022: Rs. 100 million) . The profit rate on these facilities are 6 months KIBOR plus 2% (June 30, 2022: 6 months KIBOR plus 2%) and 6 months KIBOR plus 1% (June 30, 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 33, 2023 is Rs. 75 million (June 30, 2022: Rs. 75 million) and Rs. 99.35 million (June 30, 2023: Rs. 73.64 million) respectively.

- 14.3 The facilities for opening letters of credit and guarantees as at September 30, 2023 amounted to Rs. 350 million and Rs. 3.86 million (June 30, 2023: Rs. 350 million and Rs. 3.86 million) respectively out of which the amount unutilized as at September 30, 2023 was Rs. 291.48 million and Nil (June 30, 2023: Rs. 344.91 million and Rs. Nil) respectively.

15. **CONTINGENCIES AND COMMITMENTS**

There has been no change in status of contingencies reported in the financial statements for the year ended June 30, 2023.

16. **REVENUE FROM CONTRACTS WITH CUSTOMERS**

| | September 30, 2023 | September 30, 2022 |
|----------------------|-----------------------|-----------------------|
| | -----Rupees----- | |
| Gross Revenue | 817,978,070 | 569,860,915 |
| Less: | | |
| - Sales returns | (40,470,281) | (12,596,804) |
| - Sales tax | (125,043,323) | (82,800,923) |
| | (165,513,604) | (95,397,727) |
| | <u>652,464,466</u> | <u>474,463,188</u> |

17. **COST OF SALES**

| | | |
|---------------------------------|--------------------|--------------------|
| Cost of goods manufactured | 544,079,378 | 466,234,173 |
| Opening stock of finished goods | 123,466,934 | 203,595,332 |
| Closing stock of finished goods | (92,452,782) | (220,761,895) |
| Cost of goods manufactured sold | <u>575,093,530</u> | <u>449,067,610</u> |

18. **OTHER EXPENSES**

| | | |
|--|------------------|----------|
| Provision for Workers' Welfare Fund | 1,103,967 | - |
| Provision for Workers' Profit Participation Fund | 457,227 | - |
| | <u>1,561,194</u> | <u>-</u> |

19. **INCOME TAX**

| | | |
|------------------|------------------|------------------|
| Current | | |
| - for the period | 8,306,744 | 5,930,790 |
| | <u>8,306,744</u> | <u>5,930,790</u> |

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

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

| | September 30, 2023 | September 30, 2022 |
|---|-----------------------|-----------------------|
| | -----Rupees----- | |
| Profit / (Loss) after taxation attributable to ordinary shareholders (Rupees) | 12,211,399 | (21,942,996) |
| Weighted average number of shares in issue during the period | 11,472,529 | 11,472,529 |
| Earnings / (Loss) per share - Basic (Rupees) | <u>1.06</u> | <u>(1.91)</u> |

20.1 Diluted Earnings per share has not been presented as the Company did not have any convertible instruments in issue as at September 30, 2023 and 2022 which would have any effect on the earnings per share if the option to convert is exercised.

21. **CASH GENERATED FROM / OPERATIONS**

| | September 30, 2023 | September 30, 2022 |
|---|-----------------------|-----------------------|
| | -----Rupees----- | |
| Profit / (loss) before income tax | 20,518,143 | (16,012,206) |
| Adjustments for non-cash charges and other items | | |
| Depreciation | 4,677,018 | 5,055,323 |
| Non-cash employee benefits expense | 2,102,185 | 572,990 |
| Gain on disposal of property, plant and equipment | - | (2,147,704) |
| Return on savings and deposit accounts | (841,766) | (136,987) |
| Dividend Income | (1,006,250) | - |
| Mark-up on long-term finance | 6,642,358 | 47,961 |
| Mark-up on short-term financing | 15,106,140 | 18,543,720 |
| | <u>26,679,685</u> | <u>21,935,303</u> |
| | 47,197,828 | 5,923,097 |

EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES

Decrease / (increase) in current assets

| | | |
|---|--------------|--------------|
| Stores, spares parts and loose tools | 4,577,578 | (40,664,813) |
| Stock-in-trade | 76,523,921 | (16,262,290) |
| Trade receivables | (67,942,011) | 10,383,816 |
| Loans and advances | (1,297,265) | 6,340,289 |
| Trade deposits and short-term prepayments | (8,905,222) | (8,747,980) |
| Other receivables | (262,720) | 143,855 |
| | 2,694,281 | (48,807,123) |

(Decrease) / increase in current liabilities

| | | |
|--------------------------|--------------------|---------------------|
| Trade and other payables | (17,110,007) | 6,877,930 |
| Advances from customers | 667,300 | - |
| Sales tax payable | 7,507,091 | 16,350,959 |
| | <u>(8,935,616)</u> | <u>23,228,889</u> |
| | <u>40,956,493</u> | <u>(19,655,137)</u> |

September 30, September 30,
2023 2022
-----Rupees-----

22. CASH AND CASH EQUIVALENTS

With Banks on:

- current accounts
- savings accounts

| | |
|-------------------|------------------|
| 15,737,973 | 121,313 |
| 23,004,667 | 6,489,704 |
| 38,742,640 | 6,611,017 |

- Cash in hand
- Short-term financing

| | |
|----------------------|----------------------|
| 288,905 | 382,040 |
| (201,436,693) | (468,041,407) |
| (162,405,148) | (461,048,350) |

23. RELATED PARTY DISCLOSURES

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

| Relationship with the Company | Nature of transactions | September 30, 2023 | September 30, 2022 |
|----------------------------------|------------------------|-----------------------|-----------------------|
| | | -----Rupees----- | |

Holding Company:

| | | | |
|---------------------------------|-------------------|-------------|-------------|
| - Millat Tractors Limited (MTL) | Sales of goods | 624,365,777 | 444,669,319 |
| | Purchase of goods | 126,286 | - |

Associated Company:

| | | | |
|----------------------------------|----------------|---|---------|
| - Millat Equipment Limited (MEL) | Sales of goods | - | 331,200 |
|----------------------------------|----------------|---|---------|

Employee benefit funds:

| | | | |
|-----------------------------|-------------------------------------|-----------|-----------|
| - Provident funds | Contributions | 1,252,533 | 1,076,396 |
| - Executives' Gratuity fund | Contributions | 70,089 | 76,326 |
| - Executives' Gratuity fund | Benefits paid on behalf of the fund | - | - |

- Key management personnel:

| | | | |
|--------------------------|--|------------|-----------|
| - Directors / Executives | Salaries and other short term employee benefits paid | 13,163,264 | 6,604,022 |
|--------------------------|--|------------|-----------|

24. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on October 24, 2023 by the Board of Directors of the Company.



Chief Executive



Director



Chief Financial Officer



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

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