

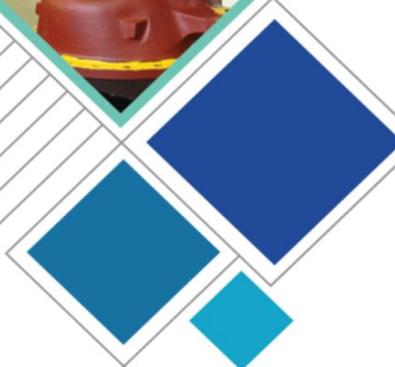


BOLAN CASTINGS LIMITED

*Quarterly Financial
Statements For and upto the
2nd Quarter Ended
December 31,
2025*



*We Pour
Quality into
Castings*



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COMPANY INFORMATION

Board of Directors

Mr. Sikandar M. Khan	Chairman / Non-Executive Director.
Mr. Mujtaba Ahmad	Chief Executive Officer
Mr. Sohail Bashir Rana	Non-Executive Director
Mr. Laeeq Uddin Ansari	Non-Executive Director
Mr. S.M.Irfan Aqeel	Non-Executive Director
Mr. Aamir Amin	Independent Director
Mr. Syed Javed Ashraf	Independent Director
Mrs. Tabassum Rana	Independent 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 Advocates
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

The Directors of your Company are presenting the un-audited financial statements for the half year ended December 31, 2025.

During the six months under review, the Company recorded net sales of Rs. 714.73 million as compared to Rs. 854.97 million of the same period of the last year. The gross profit for the six months under review was Rs. 62.30 million as against gross profit of Rs. 54.07 million of corresponding period of the last year. The loss after tax for the six months was Rs. 23.02 million as compared to loss after tax of Rs. 35.42 million of same period of the last year.

The loss per share for the half year under review was Rs. 2.01 as against the loss per share of Rs. 3.09 of corresponding period of the last year.

The Company recorded the production and sales volume of 1,936 MT and 1,785 MT, respectively, compared to 1,881 MT and 2,030 MT in the corresponding period of the last year.

Although, the first phase of Punjab Government's Green Tractor Subsidy Scheme for Bigger H.P tractor has benefitted the Company, but, the Company is expected to fully benefit after the presents Subsidy scheme for smaller H.P tractors.

Moreover, the anticipated continuation of government support for agricultural mechanization, coupled with Millat Tractors' strategic expansion into export markets, should also greatly help BCL in boasting its production and sales in the following months.

We would like to thank and acknowledge the efforts and cooperation of our executives and workforce, vendors and all other stakeholders for being steadfast and standing resolute with us during the period under review.

Karachi:
February 12, 2026

For and on behalf of the Board



MUJTABA AHMAD
Chief Executive Officer

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF BOALN CASTINGS LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Bolan Castings Limited as at December 31, 2025 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 and forming part of the condensed interim financial statements for the six months 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 interim financial statements based on our review.

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.

Other matter

Pursuant to the requirement of Section 237 (1) (b) of the Companies Act, 2017, only cumulative figures for the six months, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Company. Accordingly, the figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2025 and December 31, 2024 have not been reviewed by us.

The engagement partner on the audit resulting in this independent auditor's report is Farrukh Rehman.



A.F.Ferguson & Co.

Chartered Accountants

Karachi

Date : February 23, 2026

UDIN : RR202510059raoq2fZjO

BOLAN CASTINGS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	Note	(Unaudited) December 31, 2025 Rupees	(Audited) June 30, 2025 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment	4	134,943,102	142,687,584
Long-term investment	5	-	40,871,000
Long-term loans		11,000	89,000
Deferred tax asset - net	6	4,277,907	3,227,499
Long-term deposits		4,747,790	4,747,790
Employee benefits plan asset		21,063,404	20,058,142
		<u>165,043,203</u>	<u>211,681,015</u>
Current assets			
Stores, spare parts and loose tools		106,584,668	124,751,685
Inventories	7	261,036,342	243,038,159
Trade receivables	8	52,875,832	147,356,764
Loans and advances		3,998,986	3,320,373
Trade deposits and short-term prepayments	9	14,177,215	8,406,204
Other receivables	10	18,212,137	16,139,888
Taxation - payments less provision		15,771,395	12,562,927
Cash and bank balances	11	105,535,283	29,520,607
		<u>578,191,858</u>	<u>585,096,607</u>
TOTAL ASSETS		<u>743,235,061</u>	<u>796,777,622</u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Share capital		114,725,290	114,725,290
General and other reserves		197,078,635	206,636,773
		<u>311,803,925</u>	<u>321,362,063</u>
LIABILITIES			
Non-current liabilities			
Long-term deposits		2,234,020	2,279,120
Employee benefits plan obligations		23,684,499	22,658,997
Long-term financing	12	-	5,000,000
		<u>25,918,519</u>	<u>29,938,117</u>
Current liabilities			
Trade and other payables	13	303,406,137	297,110,491
Advances from customers		1,043,834	1,011,303
Accrued mark-up		2,447,630	3,888,567
Current portion of long-term deposits		239,040	219,888
Current portion of long-term financing	12	35,000,000	60,000,000
Unclaimed dividend		3,375,976	3,377,193
Short-term financing	14	60,000,000	79,870,000
		<u>405,512,617</u>	<u>445,477,442</u>
TOTAL LIABILITIES		<u>431,431,136</u>	<u>475,415,559</u>
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		<u>743,235,061</u>	<u>796,777,622</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 SIX MONTH PERIOD ENDED DECEMBER 31, 2025 - (UNAUDITED)

Note	Quarter ended		Six months period ended		
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	
	(Rupees)				
Revenue from contracts with customers	16	421,858,943	440,922,109	714,731,428	854,976,464
Cost of sales	17	<u>(363,158,896)</u>	(392,083,574)	<u>(652,423,920)</u>	(800,901,673)
Gross profit		58,700,047	48,838,535	62,307,508	54,074,791
Distribution expenses		(16,059,797)	(11,732,783)	(29,871,318)	(23,285,215)
Administrative expenses		(22,964,530)	(19,466,150)	(44,080,511)	(39,961,658)
Other expense	18	956,954	-	(129,913)	-
Other income		<u>(46,251,562)</u>	1,663,316	<u>5,424,966</u>	6,043,659
Operating (loss) / profit		(25,618,888)	19,302,918	(6,349,268)	(3,128,423)
Finance costs		<u>(3,586,599)</u>	(10,498,055)	<u>(8,091,395)</u>	(23,198,735)
(Loss) / profit before income tax expense		(29,205,487)	8,804,863	(14,440,663)	(26,327,158)
Income tax expense	19	<u>(4,830,298)</u>	(5,583,489)	<u>(8,583,422)</u>	(9,091,435)
(Loss) / Profit for the period		<u>(34,035,785)</u>	3,221,374	<u>(23,024,085)</u>	<u>(35,418,593)</u>
(Loss) / earnings per share - basic and diluted	20	<u>(2.97)</u>	0.28	<u>(2.01)</u>	<u>(3.09)</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 COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025 - (UNAUDITED)

	Quarter ended		Six months period ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	← (Rupees) →			
(Loss) / profit for the period	(34,035,785)	3,221,374	(23,024,085)	(35,418,593)
Others comprehensive (loss) / income				
Items that will not be reclassified to profit or loss in subsequent period				
Unrealised gain on revaluation of investment at fair value through other comprehensive income (FVTOCI) - note 5	-	10,798,500	13,465,947	3,737,500
Total comprehensive (loss) / income for the period	<u>(34,035,785)</u>	<u>14,019,874</u>	<u>(9,558,138)</u>	<u>(31,681,093)</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 SIX MONTH PERIOD ENDED DECEMBER 31, 2025 - (UNAUDITED)

	SHARE CAPITAL	RESERVES					Sub Total	Total
	Issued, subscribed and paid up capital	CAPITAL		REVENUE				
		Share premium	General reserve	Accumulated loss	Investment revaluation reserve			
	(Rupees)							
Balance as at July 1, 2024	114,725,290	12,155,680	424,500,000	(247,707,725)	31,875,000	220,822,955	335,548,245	
Total comprehensive loss for the six months period ended December 31, 2024								
- Loss for the period	-	-	-	(35,418,593)	-	(35,418,593)	(35,418,593)	
- Other comprehensive income for the period	-	-	-	-	3,737,500	3,737,500	3,737,500	
	-	-	-	(35,418,593)	3,737,500	(31,681,093)	(31,681,093)	
Balance as at December 31, 2024	114,725,290	12,155,680	424,500,000	(283,126,318)	35,612,500	189,141,862	303,867,152	
Balance as at July 1, 2025	114,725,290	12,155,680	424,500,000	(265,389,907)	35,371,000	206,636,773	321,362,063	
Total comprehensive loss for the six months period ended December 31, 2025								
- Loss for the period	-	-	-	(23,024,085)	-	(23,024,085)	(23,024,085)	
- Other comprehensive income for the period	-	-	-	-	13,465,947	13,465,947	13,465,947	
	-	-	-	(23,024,085)	13,465,947	(9,558,138)	(9,558,138)	
- Transfer of reserve on disposal of investment held at FVTOCI	-	-	-	48,836,947	(48,836,947)	-	-	
Balance as at December 31, 2025	114,725,290	12,155,680	424,500,000	(239,577,045)	-	197,078,635	311,803,925	

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 SIX MONTH PERIOD ENDED DECEMBER 31, 2025 - (UNAUDITED)

	Note	Six months period ended	
		December 31,	December 31,
		2025	2024
		Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	21	91,523,804	111,526,433
Decrease in long-term loans		78,000	423,248
(Decrease) / increase in long-term deposits		(25,948)	104,104
Income taxes paid		(12,842,298)	(2,331,163)
Employee benefits paid		(766,249)	(1,035,387)
Finance costs paid - Islamic		(5,270,335)	(10,853,718)
Finance costs paid - Conventional		(4,175,273)	(13,740,435)
Net cash generated from operating activities		68,521,701	84,093,082
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4.1	(479,700)	-
Proceeds from disposal of property, plant and equipment		1,291,408	134,730
Return received on savings and deposit accounts		2,215,537	2,938,285
Proceeds from disposal of long term investment		54,336,947	-
Dividend received		-	862,500
Net cash generated from investing activities		57,364,192	3,935,515
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,217)	(15,362)
Repayment of long-term financing	12	(30,000,000)	(30,000,000)
Short-term financing obtained	14	60,000,000	83,910,000
Repayment of short-term financing	14	(79,870,000)	(96,026,000)
Net cash used in financing activities		(49,871,217)	(42,131,362)
Net increase in cash and cash equivalents		76,014,676	45,897,235
Cash and cash equivalents at beginning of the period		29,520,607	43,495,992
Cash and cash equivalents at end of the period	11	105,535,283	89,393,227

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.


Chief Executive


Director


Chief Financial Officer

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2025 - (UNAUDITED)**

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Bolan Castings Limited (the Company) is a public limited company incorporated in Pakistan on July 15, 1982 under the repealed Companies Ordinance, 1984 (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) which holds 5.31 million shares of the Company as at December 31, 2025 representing 46.26% shareholding in the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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, directives and notifications issued under the Companies Act, 2017.

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

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2025. However, selected explanatory notes are included to explain events and transactions that are significant to understanding of changes in Company's financial position and performance since the last annual financial statements.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy notes.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistani Rupees, which is also the Company's functional currency.

2.4 Changes in accounting standards, interpretations and amendments to published accounting and reporting standards.

a) Standards, interpretations and amendments to approved accounting and reporting standards that are effective

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, 2025. However, these do not have any significant impact on the Company's financial reporting.

b) Standards and amendments to approved accounting Standards that are not yet effective

The following standards or amendments are not effective for the accounting periods beginning on or after July 1, 2026 and have not been early adopted by the Company:

IFRS 18 'Presentation and Disclosure in Financial Statements' (IFRS 18) (effective January 1, 2027)

A new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss is being introduced. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Other than above, there are standards and certain amendments to accounting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 1, 2026. Such standards and amendments are not expected to have any significant impact in the Company's financial reporting and, therefore, have not been presented in these financial statements.

3. ACCOUNTING POLICIES, ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2025.

The preparation of condensed interim financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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, 2025.

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, 2025.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	-----Rupees-----	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets - note 4.1	<u>134,943,102</u>	<u>142,687,584</u>

4.1 Additions to and disposals from operating fixed assets during the period are as follows:

	Additions (at cost)		Disposals (at net book value)	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
	-----Rupees-----			
Motor vehicles	<u>479,700</u>	-	<u>592,763</u>	134,730

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	-----Rupees-----	
5. LONG-TERM INVESTMENT		

Fair Value through Other Comprehensive Income (FVTOCI)

Balance at beginning of the period / year	40,871,000	37,375,000
Unrealised gain on revaluation		
- transferred to equity	13,465,947	3,496,000
Sales proceed	<u>(54,336,947)</u>	-
Balance at end of the period / year - note 5.1	<u>-</u>	<u>40,871,000</u>

5.1 This represents equity investment in Baluchistan Wheels Limited which was sold during the period.

6. DEFERRED TAX ASSET - NET

Minimum tax and alternate corporate tax on which deferred tax asset is not recognised amounts to Rs. 146.96 million (June 30, 2025: Rs. 138.02 million).

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	-----Rupees-----	
7. INVENTORIES		
Raw materials [including in transit of Rs. 8.53 million (June 30, 2025: Rs. Nil)]	82,000,398	91,567,428
Work in process - note 7.1	112,573,349	65,491,604
Finished goods - at cost	59,312,064	58,028,274
Finished goods - at fair value less cost to sell - note 7.2	7,150,531	27,950,853
	66,462,595	85,979,127
	261,036,342	243,038,159

7.1 Inventories include Rs. 19.55 million (June 30, 2025: Rs. 11.90 million) held with third parties.

7.2 Finished goods costing Rs. 8.79 million (June 30, 2025: Rs. 34.13 million) have been written-down to net realisable value by Rs. 1.64 million (June 30, 2025: Rs. 6.18 million).

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	-----Rupees-----	
8. TRADE RECEIVABLES		
Considered good		
- due from related parties	52,602,162	147,105,520
- others	273,670	251,244
	52,875,832	147,356,764

9. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

These include an amount of Rs. 3.86 million (June 30, 2025: Rs. 3.86 million) in the form of Term Deposit Receipt, which is under lien with a bank for issuance of bank guarantee in favour of Sui Southern Gas Company Limited which carries mark-up of 10.55% (June 30, 2025: 10.55 %).

10. OTHER RECEIVABLES

These include sales tax refundable amounting to Rs. 17.22 million (June 30, 2025: Rs.15.09 million).

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
	-----Rupees-----	
11. CASH AND BANK BALANCES		
Cash at bank		
Conventional		
- in savings accounts - note 11.1	84,814,447	22,817,916
- in current accounts	15,351,745	2,426,929
	100,166,192	25,244,845
Islamic		
- in savings accounts - note 11.1	4,146,305	4,032,884
- in current accounts	970,673	120,330
	5,116,978	4,153,214
Cash in hand	252,113	122,548
	105,535,283	29,520,607

11.1 During the period, the mark-up / profit rates on savings accounts range from 6.00% to 9.50% (June 30, 2025: 6.00% to 19.00%) per annum.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
12. LONG-TERM FINANCING	-----Rupees-----	
Opening balance	65,000,000	125,000,000
Repayments during the period / year	<u>(30,000,000)</u>	<u>(60,000,000)</u>
	35,000,000	65,000,000
Less: Current portion of long-term financing	<u>(35,000,000)</u>	<u>(60,000,000)</u>
Closing balance	<u><u>-</u></u>	<u><u>5,000,000</u></u>

- 12.1 This represents long-term financing arrangements obtained by the Company through the restructuring of its short-term running finance facility with Bank Alfalah Limited. The facility is payable in equal monthly installments over a period of 36 months which include a grace period of 3 months. This facility carries a mark-up at one month KIBOR plus 1.6% per annum and is secured by way of hypothecation charge over plant and machinery and current assets of the Company amounting to Rs. 266.67 million.

	(Unaudited) December 31, 2025	(Audited) June 30, 2025
13. TRADE AND OTHER PAYABLES	-----Rupees-----	
Creditors	216,262,153	225,924,067
Accrued liabilities	63,207,312	46,216,073
Payable to Provident Fund	514,460	1,784,338
Compensated absences	15,334,776	15,336,100
Workers' Profits Participation Fund	5,221	4,579
Workers' Welfare Fund	4,382,344	4,252,431
Security deposits	1,400,037	1,400,037
Withholding tax	686,764	513,148
Others	<u>1,613,070</u>	<u>1,679,718</u>
	<u><u>303,406,137</u></u>	<u><u>297,110,491</u></u>

14. SHORT-TERM FINANCING

Secured short-term running finance facilities

- Islamic Finance

Under Istisna / Musawammah arrangement - note 14.1

Under Istisna cum Wakala arrangement - note 14.2

-	4,870,000
<u>60,000,000</u>	<u>75,000,000</u>
<u><u>60,000,000</u></u>	<u><u>79,870,000</u></u>

- 14.1 This represents finance facility under Istisna / Musawammah arrangement from Meezan Bank Limited amounting to Rs. 100 million (June 30, 2025: Rs. 100 million) which carries a profit rate of 6 months KIBOR plus 1% (June 30, 2025: 6 months KIBOR plus 1%) per annum. The facility is secured by way of hypothecation charge over present and future stocks and book debts with 25% margin respectively. Amount utilised as at December 31, 2025 is Rs. Nil (June 30, 2025: Rs. 4.87 million).
- 14.2 This represents finance facility under Istisna cum Wakala arrangement from Dubai Islamic Bank Pakistan Limited amounting to Rs. 75 million (June 30, 2025: Rs. 75 million) which carries a profit rate of 6 months KIBOR plus 2.25% (June 30, 2025: 6 months KIBOR plus 2.25%) per annum. The facility is secured by way of hypothecation charge over fixed assets and current assets of the Company amounting to Rs. 200 million. Amount utilised as at December 31, 2025 is Rs. 60 million (June 30, 2025: Rs. 75 million).

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingency

There have been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended June 30, 2025, except as disclosed below:

During the year ended June 30, 2025, the Company received a sales tax demand of Rs. 8.4 million through order numbered BSTS/HUB/103/2024-25 dated June 16, 2025 from the Office of the Commissioner, Balochistan Revenue Authority (BRA) for the tax year 2019. The order was issued to the Company on account of alleged non-withholding of sales tax on various heads of expenses, as asserted by the representatives of the BRA.

Subsequent to the year end, the Company challenged the said order before the Appellate Tribunal of the BRA. The appellate proceedings were finalized, and a revised order was issued on November 25, 2025, whereby the sales tax demand was reduced to Rs. 0.84 million. The Company has paid the revised demand amount. Accordingly, the case now stands closed.

15.2 Commitments

The facilities for opening letters of credit and guarantees from banks as at December 31, 2025 amounted to Rs. 100 million (June 30, 2025: Rs. 200 million) and Rs. 7.26 million (June 30, 2025: Rs. 7.23 million) respectively of which unutilised at six months period ended was Rs. 91.19 million and 0.02 million (June 30, 2025: Rs. 200 million and Rs. 0.06 million) respectively.

		------(Unaudited)-----	
		December 31, 2025	December 31, 2024
		-----Rupees-----	
21. CASH GENERATED FROM OPERATIONS			
Loss before income tax expense		(14,440,663)	(26,327,158)
Adjustments for non-cash charges and other items			
Depreciation		7,631,419	8,818,480
Employee benefits expense		786,489	994,576
Return on savings and deposit accounts		(2,215,537)	(2,938,285)
Dividend income		-	(862,500)
Mark-up on long-term financing		3,104,994	10,794,914
Gain on disposal of property, plant and equipment		(698,645)	-
Mark-up on short-term financing		4,899,677	11,045,634
Provision for compensated absences		332,780	1,738,346
		<u>13,841,177</u>	<u>29,591,165</u>
		(599,486)	3,264,007

		------(Unaudited)-----	
		December 31, 2025	December 31, 2024
		-----Rupees-----	
WORKING CAPITAL CHANGES			
Decrease / (increase) in current assets			

Stores, spare parts and loose tools		18,167,017	258,567
Inventories		(17,998,183)	55,948,252
Trade receivables		94,480,932	84,694,947
Loans and advances		(678,613)	5,099,853
Trade deposits and short-term prepayments		(5,771,011)	(8,824,924)
Other receivables		(2,072,249)	16,110,482
		<u>86,127,893</u>	<u>153,287,177</u>

Increase / (decrease) in current liabilities			
Trade and other payables		5,962,866	(45,117,256)
Advances from customers		32,531	3,569,197
		<u>91,523,804</u>	<u>115,003,125</u>

22. RELATED PARTY DISCLOSURES

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

		------(Unaudited)-----	
Relationship with the Company	Nature of transactions	December 31, 2025	December 31, 2024
		-----Rupees-----	
Holding company:			
- Millat Tractors Limited (MTL)	Sale of goods	706,463,114	824,177,914
	Purchase of goods	-	208,370
	Sales adjusted against material receipt	135,953,092	15,477,174
	Material received	62,900,500	137,034,658
	Expenses incurred by MTL on behalf of Company	500,691	442,208
Employee benefit funds:			
- Provident fund	Contributions	2,647,420	2,721,665
- Executives' Gratuity Fund	Contributions	-	118,362
- Executives' Gratuity Fund	Benefits paid on behalf of the fund	435,226	-
Key management personnel:	Salaries and other employee benefits paid	32,406,524	28,300,013

		(Unaudited) December 31, 2025		(Audited) June 30, 2025	
		-----Rupees-----			
23. SHARIAH COMPLIANCE STATUS DISCLOSURE					

Condensed interim statement of financial position - Liability Side					
i) Short-term financing as per Islamic mode	14	60,000,000	79,870,000		
ii) Mark-up accrued on conventional loan		1,305,897	2,381,682		
iii) Mark-up accrued on Islamic loan		1,141,733	1,506,885		
Condensed interim statement of financial position - Asset Side					
i) Shariah-compliant bank balances	11	5,116,978	4,153,214		

-----**(Unaudited)**-----

December 31, December 31,
2025 2024

-----**Rupees**-----

Condensed interim statement of profit or loss

i) Revenue earned from Shariah compliant business segment	714,731,428	854,976,464
ii) Profit on bank deposit - Islamic	143,296	-
iii) Income on bank deposit - conventional	2,072,241	2,938,285
iv) Profit paid on Islamic mode of financing	4,899,677	11,045,637

Break-up of other income excluding profits in bank deposits

Shariah compliant income:

i) Scrap sales	2,227,792	1,873,500
ii) Gain on disposal of property, plant and equipment	698,645	-
iii) Dividend income	-	862,500
iv) Miscellaneous income	79,577	369,374

Shariah non-compliant income:

i) Income on term deposit receipts - conventional	203,415	-
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23.1 Relationship with Shariah-compliant financial institutions

Islamic banks

The Company has facilities with Dubai Islamic Bank Pakistan Limited for Istisna cum Wakala, letter of guarantees and letter of credit amounting to Rs. 75 million, Rs. 3.4 million and Rs. 50 million respectively.

The Company has facilities with Meezan Bank Limited for Istisnah/Musawammah and letter of credit amounting to Rs. 100 million and Rs. 50 million respectively.

Takaful operators

The company has no relationship with takaful operators.

24. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on February 12, 2026 by the Board of Directors of the Company.



Chief Executive



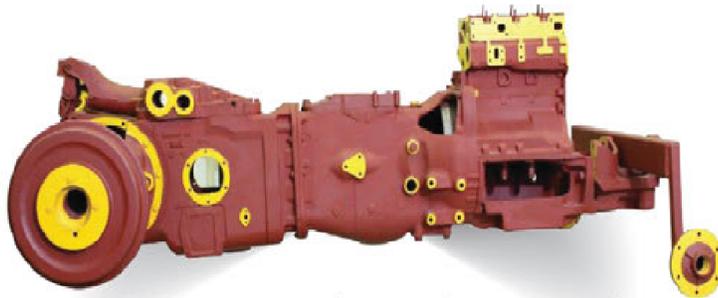
Director



Chief Financial Officer



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