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COMPANY INFORMATION

Board of Directors	Mr. Sikandar M. Khan	Chairman	
	Mr. Shahid Ahmed Hakim	Chief Executive	
	Mr. Latif Khalid Hashmi	Director	
	Mr. Sohail Bashir Rana	Director	
	Mr. Laeeq Uddin Ansari	Director	
	Mian Muhammad Saleem	Director	
	Mr. Bashir Ahmed Chaudhry	Director	
	Mr. Javed Munir	Director	
	Mr. Asif Jameel	Director	(NIT Nominee)
Audit Committee	Mr. Latif Khalid Hashmi	Director	Chairman Audit Committee
	Mian Muhammad Saleem	Director	Member Audit Committee
	Mr. Bashir Ahmed Chaudhry	Director	Member & Secretary Audit Committee
	Mr. Asif Jameel	Director	Member Audit Committee
Company Secretary	Mr. M. Mushtaq Akhtar	Chief Financial Officer	
Auditors	M/s. A.F. Ferguson & Co.	Chartered Accountants	
Legal Advisors	M/s. Walker Martineau Saleem	Advocates & Legal Consultants	
Bankers	Habib Bank Limited		
	MCB Bank Limited		
	ABN Amro Bank		
	Bank Alfalah Limited		
Factory & Registered Office	Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan Ph # +92-853-302381-2, 302525 Fax : +92-853-302524 E-mail: bclhub@cyber.net.pk		
Head Office	F-1, Hub River Road, S.I.T.E., Karachi Ph # +92-21-2579819, 2579681 Fax : +92-21-2573558 E-mail: bclho@cyber.net.pk		
Website	www.bolancastings.com		

DIRECTORS' REVIEW

Dear Shareholders

The Directors of your company are pleased to present the un-audited accounts for and upto the 3rd quarter ended March 31, 2007.

Operating and Financial Results

During the 3rd quarter, the net sales were Rs. 239.01 million as against Rs. 258.24 million of corresponding period last year.

The sales revenue upto the nine months period ended March 31, 2007 decreased by 0.6 % to Rs. 620.09 million as compared to Rs. 623.54 million of the same period last year.

The gross profit for the 3rd quarter was Rs. 16.17 million as compared to Rs. 82.21 million of corresponding period last year.

The gross profit upto nine months period under review was Rs. 49.76 million as against Rs. 95.31 million of the corresponding period last year, marking a decrease of 48% mainly due to increase in input prices.

The profit before tax for period upto the nine months under review was Rs. 14.56 million as against Rs. 73.35 million.

Future Prospects

As we look forward to the last quarter of the fiscal year, we see a continued strong demand for our product range. However, the profitability is expected to be effected as result of increasing raw material prices, which the management is expecting to control by cost saving, price increase and better capacity utilization.

Expansion Programme

The Company has completed implementation of its plant expansion during the period under review.

Employees' Relations

The management and employees, maintained a very cordial and congenial relations during the period.

Acknowledgement

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 dedication and commitment to the growth of the company.

For and on behalf of the Board



SIKANDAR M. KHAN
Chairman

Karachi:
April 27, 2007

BALANCE SHEET

AS AT MARCH 31, 2007

	Note	UN-AUDITED MARCH 31, 2007 Rupees	AUDITED June 30, 2006 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	243,631,780	203,382,716
Long term investment		15,553,750	16,746,875
Long term loans		661,600	580,900
Long term deposits		3,542,660	3,565,160
Deferred tax		-	1,799,317
		263,389,790	226,074,968
CURRENT ASSETS			
Stores, spares and loose tools		48,649,303	54,230,564
Stock-in-trade		149,343,639	125,315,316
Trade debts		45,212,403	71,250,806
Loans and advances		22,583,989	18,340,394
Trade deposits and short term prepayments		18,672,212	13,660,650
Other receivables		1,705,816	1,318,707
Taxes recoverable		10,783,321	10,555,740
Cash and bank balances		23,363,299	37,170,081
		320,313,982	331,842,258
TOTAL ASSETS		583,703,772	557,917,226
EQUITY AND LIABILITIES			
SHARE CAPITAL		55,253,070	55,253,070
RESERVES		216,773,306	269,461,526
		272,026,376	324,714,596
NON CURRENT LIABILITIES			
Long term finance - secured	5	102,252,670	121,189,837
Deferred liabilities		46,497,387	13,397,147
		148,750,057	134,586,984
CURRENT LIABILITIES			
Current portion of long term finance	5	18,125,000	17,312,834
Trade and other payables		67,797,763	53,648,744
Accrued mark-up		3,309,044	1,503,192
Short term borrowings		73,695,532	26,150,876
		162,927,339	98,615,646
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		583,703,772	557,917,226

The annexed notes form an integral part of these financial statements.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman

PROFIT AND LOSS ACCOUNT (UN-AUDITED) **FOR AND UPTO THE 3RD QUARTER ENDED MARCH 31, 2007**

	Note	Cumulative upto		For the third quarter ended	
		March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Rupees					
Sales - net	7	620,085,861	623,536,818	239,006,458	258,237,952
Cost of goods sold	8	(570,329,277)	(528,224,481)	(222,834,446)	(176,024,110)
Gross profit		49,756,584	95,312,337	16,172,012	82,213,842
Selling and distribution expenses		(4,270,904)	(1,961,601)	(1,018,531)	(771,456)
Administrative expenses		(14,050,598)	(10,431,695)	(5,463,265)	(4,171,383)
Other operating expenses		(1,193,865)	(5,486,331)	(285,251)	(5,142,298)
		(19,515,367)	(17,879,627)	(6,767,047)	(10,085,137)
		30,241,217	77,432,710	9,404,965	72,128,705
Other operating income		2,416,726	1,708,606	203,936	393,495
		32,657,943	79,141,316	9,608,901	72,522,200
Finance cost		(18,096,443)	(5,790,238)	(6,476,979)	(2,449,500)
Profit before taxation		14,561,500	73,351,078	3,131,921	70,072,699
Taxation					
Current		(5,096,525)	(25,672,877)	(3,087,910)	(25,052,707)
Prior		-	1,570,149	-	1,570,149
Deferred		(33,333,535)	(278,770)	(32,067,060)	(278,770)
		(38,430,060)	(24,381,498)	(35,154,970)	(23,761,328)
(Loss) / Profit after taxation		(23,868,560)	48,969,580	(32,023,049)	46,311,371
Earnings per share - basic and diluted		(4.32)	8.86	(5.80)	8.38

The annexed notes form an integral part of these financial statements.



SHAHID A. HAKIM
Chief Executive



SIKANDAR M. KHAN
Chairman

CASH FLOW STATEMENT (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2007

	Note	March 31, 2007 Rupees	March 31, 2006 Rupees
Cash Flow from Operating Activities			
Cash generated from operations	9	57,153,347	59,958,218
Net (increase) in long term loans receivable		(80,700)	(142,200)
Net decrease / (Increase) in long term trade deposits		22,500	(2,300,316)
Taxes paid		(5,324,041)	(5,906,133)
Retirement benefits paid		(540,081)	(1,339,077)
Finance cost paid		(16,290,591)	(4,670,308)
Net cash inflow from operating activities		34,940,434	45,600,184
Cash Flow from Investing Activities			
Capital expenditure		(54,069,034)	(59,747,089)
Proceeds from disposal of operating assets		1,516,425	380,145
Dividend received		718,750	375,000
Return on bank deposits received		1,023,307	1,019,397
Net cash outflow from investing activities		(50,810,552)	(57,972,547)
Cash Flow from financing activities			
Payment / proceeds against long term loan		(18,125,000)	64,860,648
Finance against trust receipt		13,174,430	(19,826,353)
Dividend paid		(27,356,320)	(27,395,905)
Net cash (outflow) / inflow from financing activities		(32,306,890)	17,638,390
Net (decrease) / increase in cash & cash equivalents		(48,177,008)	5,266,027
Cash and cash equivalents at beginning of the period		11,019,205	19,956,840
Cash and cash equivalents at the end of the period		(37,157,803)	25,222,867

The annexed notes form an integral part of these financial statements.



SHAHID A. HAKIM
Chief Executive



SIKANDAR M. KHAN
Chairman

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2007

	Issued, Subscribed and Paid-up Share Capital	General reserve	Unrealized Gain / (Loss) on Long Term Investment	Unappropriated Profit / (Loss)	Total
	(Rupees)				
Balance as at June 30, 2005	55,253,070	195,000,000	3,325,000	43,015,155	296,593,225
Profit for the nine months ended March 31, 2006	-	-	-	48,969,580	48,969,580
Final dividend for the year ended June 30, 2005	-	-	-	(27,626,535)	(27,626,535)
Unrealized gain due to the change in fair value of long term investment	-	-	8,137,500	-	8,137,500
Transfer to general reserves	-	15,000,000	-	(15,000,000)	-
Balance as at March 31, 2006	55,253,070	210,000,000	11,462,500	49,358,200	326,073,770
Loss for the three months ended June 30, 2006	-	-	-	(1,143,549)	(1,143,549)
Unrealized loss due to the change in fair value of long term investment	-	-	(215,625)	-	(215,625)
Balance as at June 30, 2006	55,253,070	210,000,000	11,246,875	48,214,651	324,714,596
Loss for the nine months ended March 31, 2007	-	-	-	(23,868,560)	(23,868,560)
Final dividend for the year ended June 30, 2006	-	-	-	(27,626,535)	(27,626,535)
Unrealized loss due to the change in fair value of long term investment	-	-	(1,193,125)	-	(1,193,125)
Transfer to general reserve	-	20,000,000	-	(20,000,000)	-
Balance as at March 31, 2007	55,253,070	230,000,000	10,053,750	(23,280,444)	272,026,376

The annexed notes form an integral part of these financial statements.


SHAHID A. HAKIM
Chief Executive


SIKANDAR M. KHAN
Chairman

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2007

- 1 The Company is incorporated in Pakistan as a public limited company and is listed on Karachi Stock Exchange. The Company is principally engaged in castings of tractors and automotive parts.
- 2 These financial statements are unaudited and are being submitted to the shareholders in accordance with section 245 of the Companies Ordinance, 1984 and International Accounting Standard 34 - 'Interim Financial Reporting'.
- 3 The accounting policies adopted in the preparation of these quarterly financial statements are the same as those applied in the preparation of the audited published financial statements of the Company for the year ended June 30, 2006.

	MARCH 31, 2007 Rupees	JUNE 30, 2006 Rupees
4 PROPERTY , PLANT AND EQUIPMENT		
Operating fixed assets (note 4.1)	241,404,645	88,415,101
Capital work-in-progress	2,227,135	114,967,615
	<u>243,631,780</u>	<u>203,382,716</u>

4.1 Additions and disposals in fixed assets

Following were the major additions during the period / year:

Building on freehold land	23,865,186	1,621,285
Plant and machinery	139,570,413	4,254,719
Furniture and Fittings	-	191,058
Electrical appliances	362,985	395,959
Office Equipments	-	92,925
Computers	112,500	470,950
Automotive vehicles	2,961,000	7,076,677

Following were the major disposals during the period / year - at net book value:

Automotive vehicles	832,457	979,985
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5 LONG TERM FINANCE - Secured

This represents the demand finance facility , amounting to Rs. 145 million (2006: Rs. 145 million) to finance the ' Balancing, Modernization and Replacement' of the Company's existing foundry. The amount utilized against this facility is repayable in 8 half yearly installments commencing from February 2007 and carries standard mark-up at the rate of 14.6% per annum and timely payment mark-up at the rate of 'KIBOR plus 0.75%'. The facility is secured by way of first registered equitable mortgage charge of Rs. 182 million on overall present and future assets of the Company.

6 CONTINGENCIES AND COMMITMENTS

Capital expenditure contracted for but not incurred amounts to Rs. NIL (June 30, 2006: Rs. 13,007,258).

Letter of credit outstanding as at March 31, 2007 amounted to Rs. 85,681,213 (June 30, 2006: Rs. 101,951,794).

NOTES TO THE FINANCIAL STATEMENTS

Note	Cumulative upto		For the third quarter ended	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Rupees				
7 SALES - NET				
Gross sales	758,336,986	751,581,874	293,401,548	307,286,304
Less:				
Sales Return	(43,446,875)	(35,402,116)	(16,966,895)	(10,269,642)
Sales Tax	(94,804,250)	(92,642,940)	(37,428,195)	(38,778,710)
	(138,251,125)	(128,045,056)	(54,395,090)	(49,048,352)
	620,085,861	623,536,818	239,006,458	258,237,952
8 COST OF GOODS SOLD				
Raw Material & Components consumed:				
Opening Stock	77,344,282	66,698,394	140,272,957	114,316,354
Purchases	355,866,136	302,665,841	87,643,052	52,804,891
	433,210,418	369,364,235	227,916,009	167,121,245
Closing Stock	(103,228,475)	(63,789,291)	(103,228,475)	(63,789,291)
	329,981,943	305,574,944	124,687,534	103,331,954
Salaries,Wages & Benefits	39,364,094	30,621,813	12,388,422	12,077,650
Staff Welfare	3,303,603	2,156,438	1,148,176	724,891
Stores & Spares Consumed	55,049,514	47,676,929	18,913,806	17,501,624
Fuel & power	62,916,214	78,590,718	23,077,645	23,112,890
Machining Expenses	2,654,039	3,659,365	960,373	(83,838)
Other services	30,904,878	22,609,527	11,526,417	7,909,693
Travelling & Conveyance	7,473,686	7,764,714	2,689,262	2,695,285
Rent, Rates & Taxes	309,563	367,923	99,554	129,559
Repair and Maintenance	3,009,354	2,925,857	1,168,100	516,960
Insurance	1,389,679	697,827	522,927	240,501
Vehicle Expenses	1,486,371	2,064,956	690,117	730,470
Freight Expenses	14,338,239	15,172,231	5,853,769	5,566,392
Export Expenses	179,219	485,375	165,623	98,755
Depreciation	12,376,781	7,727,283	6,972,144	2,844,189
Others	3,528,100	2,371,581	1,359,577	829,135
	238,283,334	224,892,537	87,535,912	74,894,156
	568,265,277	530,467,481	212,223,446	178,226,110
Work-in-Process - Opening	19,115,000	21,701,000	29,425,000	22,543,000
- Closing	(19,341,000)	(25,765,000)	(19,341,000)	(25,765,000)
	(226,000)	(4,064,000)	10,084,000	(3,222,000)
Cost of Goods Manufactured	568,039,277	526,403,481	222,307,446	175,004,110
Finished Goods - Opening	13,151,000	8,069,000	11,388,000	7,268,000
- Closing	(10,861,000)	(6,248,000)	(10,861,000)	(6,248,000)
	2,290,000	1,821,000	527,000	1,020,000
Cost of Goods sold - own manufactured	570,329,277	528,224,481	222,834,446	176,024,110
Cost of Goods sold - Trading Goods	-	-	-	-
	570,329,277	528,224,481	222,834,446	176,024,110

NOTES TO THE FINANCIAL STATEMENTS

	MARCH 31, 2007 Rupees	MARCH 31, 2006 Rupees
9 CASH GENERATED FROM OPERATIONS		
Profit before taxation	14,561,500	73,351,078
adjustment for :		
Depreciation	12,987,513	8,380,602
(Reversal) of retirement benefits	(830,462)	(913,614)
(Gain) on sale of operating assets	(683,968)	-
Dividend Income	(718,750)	(375,000)
Finance costs	18,096,443	5,790,238
Return on bank deposits	(751,804)	(893,551)
	28,098,972	11,988,675
Operating profit before working capital changes	42,660,472	85,339,753
Working Capital Changes		
(Increase) / Decrease in current assets:		
Stores,spares and loose tools	5,581,261	2,736,586
Stock-in-trade	(24,028,323)	90,610
Trade debts	26,038,403	(21,949,827)
Loans and advances	(4,243,595)	(11,433,540)
Trade,deposits & short term prepayments	(2,075,063)	(856,681)
Other receivables	(658,612)	296,993
	614,071	(31,115,859)
Increase / (Decrease) in current liabilities:		
Trade and other payables	13,878,804	5,734,324
	57,153,347	59,958,218

NOTES TO THE FINANCIAL STATEMENTS

Cumulative upto
MARCH 31, MARCH 31,
2007 2006
Rupees Rupees

10 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Relationship with the Company Nature of transactions

Associates

- Millat Tractors Limited	Sale of goods - net	582,318,758	351,712,759
- Millat Tractors Limited	Purchases of goods - net	1,426,733	-

Post employment plans

- Pension scheme	Contributions	1,104,382	906,247
- Gratuity scheme	Benefits paid on behalf of fund	3,834,586	791,477

10.1 The outstanding receivable and payable balance from /to Millat Tractors Limited as at March 31, 2007 amounted to Rs. 30,697,486/- (June 30, 2006: Rs. 54,637,673) and Rs. 1,640,743 (June 30, 2006: Rs. Nil) respectively.

11 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard - 34, 'Interim Financial Reporting', the Balance Sheet has been compared with the preceding Balance Sheet as at the year end, whereas the Profit and Loss Account and Cash Flow Statements have been compared with the corresponding periods of the previous year. Corresponding figures have been re-arranged and reclassified where necessary, for the purpose of comparison.

12 DATE OF AUTHORIZATION FOR ISSUE

These Financial Statements were authorized for issue on April 27, 2007 by the Board of Directors of the Company.



SHAHID A. HAKIM
Chief Executive



SIKANDAR M. KHAN
Chairman