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COMPANY INFORMATION

Board of Directors	Mr. Sikandar M. Khan Mr. Shahid A. Hakim Mr. Latif Khalid Hashmi Mr. Sohail Bashir Rana Mr. Laeeq Uddin Ansari Mr. Mian Muhammad Saleem Mr. Bashir Ahmed Chaudhry Mr. Javed Munir Mr. Sajid Hassan	Chairman Chief Executive Director Director Director Director Director Director Director (NIT Nominee)
Company Secretary	Mr. M. Mushtaq Akhtar	
Chief Financial Officer	Mr. Imran Ahmed	
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 Tel : +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 Tel : +92-21-2579681, 2579819 Fax : +92-21-2573558 E-mail: bclho@cyber.net.pk	
Web Site	www.bolancastings.com	

DIRECTORS' REVIEW

Dear Shareholders

Directors of your Company take this opportunity to present the un-audited accounts for the 1st quarter ended September 30, 2007.

Operating and Financial Results

The net sales for the 1st quarter increased by 22.31 % to Rs. 240.069 million as compared to Rs. 196.28 million of the same period last year.

The gross profit for the 1st quarter under review was Rs. 2.87 million as against Rs. 28.07 million of the corresponding period last year.

The loss before tax for the period under review was Rs. 10.07 million as against profit of Rs. 17.30 million of the corresponding period last year.

The loss after tax for the 1st quarter was Rs. 10.91 million as compared to profit after tax of Rs. 11.25 million of same period last year.

The profitability is mainly affected as a result of rapidly fluctuating raw material prices, which the management is expecting to control by cost saving and upward adjustment in the selling price of castings.

The negative earnings per share for the 1st quarter ended September 30, 2007 were Rs. 1.97 per share as against the positive earnings of Rs. 2.04 per share of corresponding period last year.

Future Prospects

The upward trend in automotive and tractor industry is expected to continue creating more demand for castings.

Acknowledgement

We would like to thank our customers and the shareholders for their trust and confidence in the Company. We also would like to convey our appreciation to entire BCL team including officers and workers for their dedicated efforts and contribution during the period under review.

For and on behalf of the Board



SIKANDAR M. KHAN
Chairman

Karachi:
October 25, 2007

BALANCE SHEET

AS AT SEPTEMBER 30, 2007

	Note	UN-AUDITED September 30, 2007 Rupees	AUDITED June 30, 2007 Rupees
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	252,300,685	255,248,879
Long term investment		18,816,875	18,975,000
Long term loans		1,116,600	577,300
Long term deposits		3,558,660	3,558,660
		275,792,820	278,359,839
CURRENT ASSETS			
Stores, spares and loose tools		56,580,898	54,237,455
Stock-in-trade		196,185,849	206,713,192
Trade debts		76,499,841	101,689,808
Loans and advances		11,509,073	10,800,133
Deposits and short term prepayments		22,545,030	17,529,657
Other receivables		5,511,634	3,949,205
Taxes recoverable		28,172,808	24,129,127
Cash and bank balances		8,901,002	18,230,925
		405,906,135	437,279,502
TOTAL ASSETS		681,698,955	715,639,341
EQUITIES AND LIABILITIES			
SHARE CAPITAL			
		55,253,070	55,253,070
RESERVES			
		259,037,161	270,101,525
		314,290,231	325,354,595
NON CURRENT LIABILITIES			
Long term finance - secured	5	66,002,670	84,127,670
Deferred taxation		7,471,034	7,838,399
Deferred liabilities		15,297,369	15,189,714
		88,771,073	107,155,783
CURRENT LIABILITIES			
Current portion of long term finance		36,250,000	36,250,000
Trade and other payables		65,883,586	70,987,837
Accrued interest/mark-up		4,996,262	3,898,836
Short term borrowings		171,507,803	171,992,290
		278,637,651	283,128,963
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		681,698,955	715,639,341

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 THE 1ST QUARTER ENDED SEPTEMBER 30, 2007

	Note	September 30, 2007 Rupees	September 30, 2006 Rupees
Net sales	7	240,068,929	196,283,010
Cost of goods sold	8	(237,196,826)	(168,212,174)
Gross profit		2,872,103	28,070,836
Selling and distribution expenses		(850,755)	(899,602)
Administrative expenses		(5,503,459)	(4,180,590)
Other operating expenses		-	(1,356,943)
		(6,354,214)	(6,437,135)
		(3,482,111)	21,633,701
Other operating income		153,518	619,005
		(3,328,593)	22,252,706
Finance cost		(6,744,666)	(4,951,129)
(Loss) / Profit before taxation		(10,073,259)	17,301,577
Taxation		(832,980)	(6,055,552)
(Loss) / Profit after taxation		(10,906,239)	11,246,025
Earnings per share - Basic and diluted (Rupees)		(1.97)	2.04

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 1ST QUARTER ENDED SEPTEMBER 30, 2007

	Note	September 30, 2007 Rupees	September 30, 2006 Rupees
Cash Flow from Operating Activities			
Cash generated from operations	9	25,309,970	11,885,409
Net (increase) in long term loans		(539,300)	(532,300)
Taxes paid		(2,843,336)	(446,217)
Retirement benefits paid		(479,901)	(1,164,081)
Financial charges paid		(5,647,240)	(3,874,618)
Net Cash Inflow from operating activities		15,800,193	5,868,193
Cash Flow from Investing Activities			
Capital expenditure		(3,829,782)	(16,921,934)
Proceeds from disposal of operating assets		-	243,763
Return on bank deposits received		148,565	484,292
Net cash (outflow) from investing activities		(3,681,217)	(16,193,879)
Cash Flow from financing activities			
Repayment of long term loan		(18,250,000)	-
Finance against trust receipt		-	9,789,660
Repayment of finance against trust receipt		(41,580,551)	-
Net cash (outflow) / inflow from financing activities		(59,830,551)	9,789,660
Net (decrease) in cash & cash equivalents		(47,711,575)	(536,026)
Cash and cash equivalents at beginning of the year		(93,761,365)	11,019,205
Cash and cash equivalents at the end of the period		(141,472,940)	(11,555,231)

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 1ST QUARTER ENDED SEPTEMBER 30, 2007

	Share Capital	General Reserve	Unrealised gain/(loss) on long term investment	Unappropriated Profit	Total
	(Rupees)				
Balance as on June 30, 2006	55,253,070	210,000,000	11,246,875	48,214,651	324,714,596
Profit for the 1st quarter ended September 30, 2006	-	-	-	11,246,025	11,246,025
Unrealised gain due to change in fair values of long-term investments	-	-	1,940,625	-	1,940,625
Transfer to general reserve	-	20,000,000	-	(20,000,000)	-
Balance as on September 30, 2006	55,253,070	230,000,000	13,187,500	39,460,676	337,901,246
Balance as on June 30, 2007	55,253,070	230,000,000	13,475,000	26,626,525	325,354,595
Loss for the 1st quarter ended September 30, 2007	-	-	-	(10,906,239)	(10,906,239)
Unrealised loss due to change in fair values of long-term investments	-	-	(158,125)	-	(158,125)
Transfer to general reserve	-	10,000,000	-	(10,000,000)	-
Balance as on September 30, 2007	55,253,070	240,000,000	13,316,875	5,720,286	314,290,231

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 1ST QUARTER ENDED SEPTEMBER 30, 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 producing 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, 2007.

	September 30, 2007	June 30, 2007
	Rupees	Rupees
4 PROPERTY , PLANT AND EQUIPMENT		
Operating fixed assets (note 4.1)	246,473,730	251,590,374
Capital work-in-progress	5,826,955	3,658,505
	<u>252,300,685</u>	<u>255,248,879</u>

4.1 Additions and disposals in fixed assets

Following were the major additions during the period / year:

Building on freehold land	-	26,507,039
Plant and machinery	300,000	126,085,117
Furniture and Fittings	309,171	475,801
Electrical and Gas Installations	-	21,827,600
Electrical appliances	99,000	762,825
Office Equipments	-	150,750
Computers	246,222	501,599
Automotive vehicles	706,940	5,838,000

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

Automotive vehicles	-	1,068,774
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5 LONG TERM FINANCE - Secured

This represents the demand finance facility, amounting to Rs. 145 million (2007: Rs. 145 million) to finance the Balancing, Modernization, Replacement and expansion of plant production facility. 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.

NOTES TO THE FINANCIAL STATEMENTS

6 CONTINGENCIES AND COMMITMENTS

Outstanding letters of credit at the end of the period amounted to Rs. 173.144 million (June 30, 2007: Rs. 170.731 million).

	September 30, 2007 Rupees	September 30, 2006 Rupees
7 SALES		
Manufactured goods	303,619,491	239,438,241
Less: Sales Return	(27,704,044)	(13,902,084)
Less: Sales Tax	(35,846,518)	(29,253,147)
	(63,550,562)	(43,155,231)
	<u>240,068,929</u>	<u>196,283,010</u>
8 COST OF GOODS SOLD		
Raw Material & Components consumed:		
Opening Stock	112,905,249	77,344,282
Purchases	153,484,009	144,908,293
	266,389,258	222,252,575
Closing Stock	(126,213,212)	(122,228,200)
	140,176,046	100,024,375
Salaries,Wages & Benefits	15,404,784	12,490,570
Staff Welfare	1,171,229	828,845
Stores & Spares consumed	25,660,476	17,113,320
Fuel & power	30,221,580	19,460,216
Machining expenses	1,084,358	414,186
Other services	12,257,467	9,077,428
Travelling & Conveyance	3,057,091	2,266,806
Rent, Rates & Taxes	95,555	91,460
Repair and Maintenance	634,959	864,924
Insurance	640,812	226,419
Vehicle expenses	642,381	453,975
Freight expenses	5,134,720	4,016,265
Export expenses	104,591	6,230
Depereciation	6,567,486	2,062,856
Others	1,109,291	1,082,299
	103,786,780	70,455,799
	243,962,826	170,480,174
Work-in-Process - Opening	35,897,000	19,115,000
- Closing	(42,367,000)	(18,096,000)
	(6,470,000)	1,019,000
Cost of Goods Manufactured	237,492,826	171,499,174
Finished Goods - Opening	11,883,000	13,151,000
- Closing	(12,179,000)	(16,438,000)
	(296,000)	(3,287,000)
Cost of Goods sold - own manufactured	<u>237,196,826</u>	<u>168,212,174</u>

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2007 Rupees	September 30, 2006 Rupees
9 CASH GENERATED FROM OPERATIONS		
(Loss) / Profit before taxation	(10,073,259)	17,301,577
Adjustment for :		
Depreciation	6,777,976	2,578,570
Provision for retirement benefits	238,812	217,741
Finance costs	6,744,666	4,951,129
Return on bank deposits	(153,518)	(444,697)
	13,607,936	7,302,743
Operating profit before working capital changes	3,534,677	24,604,320
Working Capital Changes		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(2,343,443)	(9,642,515)
Stock-in-trade	10,527,343	(47,841,032)
Trade debts	25,189,967	23,076,668
Loans and advances	(708,940)	(460,665)
Deposits & short term prepayments	(5,015,373)	(4,247,893)
Other receivables	(1,557,476)	(558,798)
	26,092,078	(39,674,235)
(Decrease) / increase in current liabilities:		
Trade and other payables	(4,316,785)	26,955,324
	25,309,970	11,885,409

NOTES TO THE FINANCIAL STATEMENTS

10 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties during the period are as follows:

Relationship with the Company	Nature of Transactions	September 30, 2007 Rupees	September 30, 2006 Rupees
Associates			
- Millat Tractors Limited	Sale of goods - net	219,306,975	178,979,084
- Millat Tractors Limited	Purchases of goods - net	-	-
Post employment plans			
- Pension scheme	Contributions	348,744	389,673
- Gratuity scheme	Benefits paid on behalf of fund	-	-

10.1 The outstanding receivable and payable balance from /to Millat Tractors Limited as at September 30, 2007 amounted to Rs. 47,035,817 (June 30, 2007: Rs. 77,458,999) and Rs. 4,950,636 (June 30, 2007: Rs. 4,950,636) 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 October 25, 2007 by the Board of Directors of the Company.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman