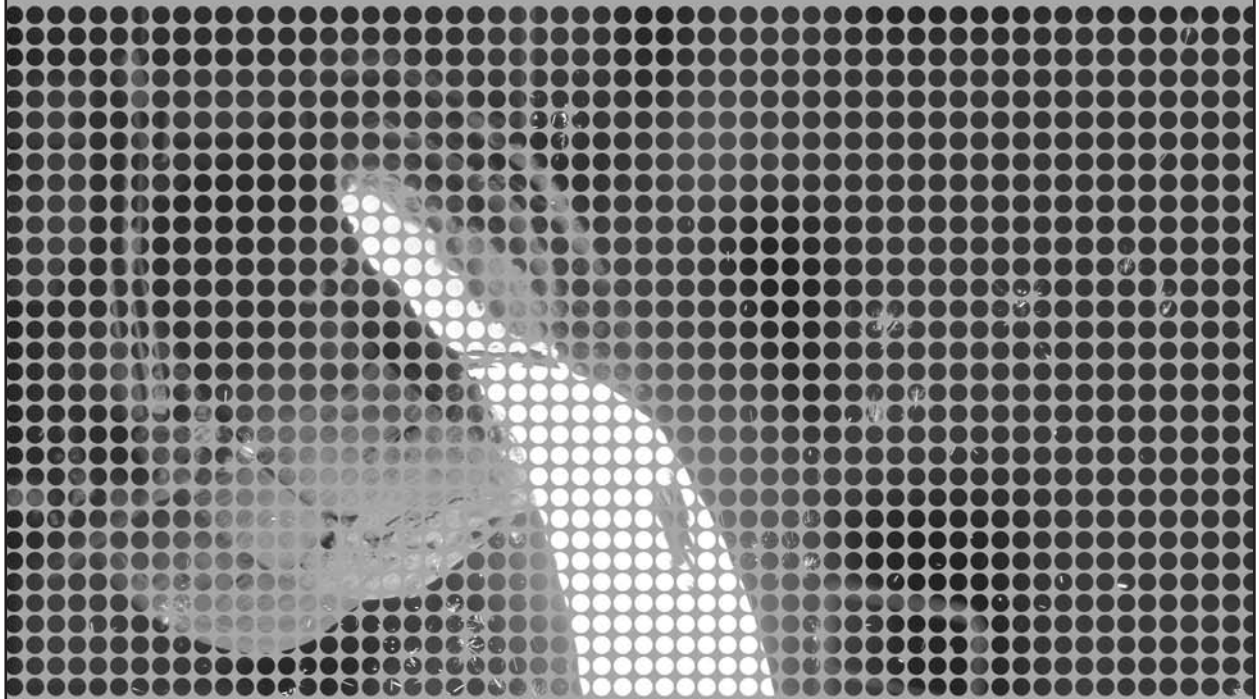


Quarterly Accounts
(Un-Audited)
for and upto the 3rd Quarter ended
March 31, 2010



producing
results



Bolan Castings Limited

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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. Sajid Hassan Mr. Javed Munir Mr. Mujtaba Ahmed	Chairman Chief Executive Director Director Director Director Director (NIT Nominee) Director Director
Company Secretary	Mr. M. Mushtaq Akhtar	
Chief Financial Officer	Mr. Faisal Lakhani	
Auditors	M/s. Ernst & Young Ford Rhodes Sidat Hyder.	Chartered Accountants
Legal Advisors	M/s. Walker Martineau Saleem	Advocates & Legal Consultants
Bankers	Habib Bank Limited MCB Bank Limited Royal Bank of Scotland Bank Alfalah Limited Dubai Islamic Bank JS Bank Limited Soneri Bank Limited	
Share Registrar	M/s. Central Depository Company of Pakistan Ltd. CDC House, 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi Tel: +92-800-23275 Fax: +92-21-34326053	
Factory & Registered Office	Main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan Tel : +92-853-363293,363296 Fax : +92-853-363292 E-mail: bclhub@bclpk.com	
Head Office	F-1, Hub River Road, S.I.T.E., Karachi Tel : +92-21-32579681, 32579819 Fax : +92-21-32573558 E-mail: bclho@bclpk.com	
Web Site	www.bolancastings.com	

DIRECTORS' REVIEW

Dear Shareholders,

Directors of your Company are pleased to present the unaudited accounts of the Company for and upto the third quarter ended March 31, 2010.

Operating and Financial Results

Net Sales upto the nine months period ended March 31, 2010 were Rs.1,191.411 Million as compared to Rs. 1,110.445 Million of corresponding period last year.

Gross profit for the nine months period under review was Rs. 145.487 Million against Rs. 22.015 Million of corresponding period last year.

Profit before tax for the nine months period ended March 31, 2010 was Rs.59.219 Million against loss of Rs. 65.561 Million of corresponding period last year.

The after tax profit upto the nine months period under review was Rs.39.317 Million against loss of Rs. 47.523 Million of corresponding period last year.

As a result of positive operating and financial results, the earnings per share for the nine months ended March 31, 2010 improved to Rs. 4.15 per share from loss per share of Rs. 5.01 of corresponding period last year.

Future Prospects

The Company management is grappling with the difficult task of filling the gap of electrical and gas load shedding. They feel confident of achieving budgeted targets, despite these difficulties. A short and long term strategy is being planned to ensure increase in its production/sales during last quarter of the financial year. Continuation of this trend will further improve the financial health of the Company.

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 dedicated efforts and contribution during the period under review.

For and on behalf of the Board



SIKANDAR M. KHAN
Chairman

Karachi:
April 27, 2010

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2010

	Note	March 31, 2010 (Unaudited) Rupees	June 30, 2009 (Audited) Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	235,008,246	241,449,255
Intangible assets		548,917	795,935
Long-term investment		9,286,250	8,050,000
Long term loans		809,800	607,200
Long term deposits		4,269,160	4,269,160
		249,922,373	255,171,550
CURRENT ASSETS			
Stores, spares and loose tools		89,360,270	94,456,994
Stock-in-trade		128,087,745	149,532,143
Trade debts	5	275,232,050	278,732,056
Loans and advances		12,164,195	10,978,571
Trade deposits and prepayments		3,381,400	4,042,826
Other receivables		26,595,820	27,106,921
Income Tax receivable - net		60,755,456	57,761,960
Cash and bank balances		13,765,258	15,704,735
		609,342,194	638,316,206
TOTAL ASSETS		859,264,567	893,487,756
EQUITY AND LIABILITIES			
Share capital		94,814,280	79,011,900
Reserves		330,103,058	305,352,432
		424,917,338	384,364,332
NON-CURRENT LIABILITY			
Long-term finance	6	32,206,686	14,081,686
Deferred taxation		29,977,185	30,801,563
Deferred liabilities		21,245,228	20,648,754
		83,429,099	65,532,003
CURRENT LIABILITIES			
Trade and other payables		123,734,211	88,785,656
Accrued interest/mark-up		7,940,071	9,262,410
Short-term borrowings		185,100,920	289,830,220
Current portion of long-term finance		18,125,000	36,250,000
Sales tax payable		16,017,928	19,463,135
		350,918,130	443,591,421
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		859,264,567	893,487,756

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR AND UPTO THE 3RD QUARTER ENDED MARCH 31, 2010**

	Note	Cumulative upto		For the third quarter ended	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
----- (Rupees) -----					
Sales - net		1,191,410,664	1,110,445,000	455,907,591	387,090,378
Cost of goods sold	8	(1,045,923,574)	(1,088,430,344)	(387,988,239)	(369,544,726)
Gross profit		145,487,090	22,014,656	67,919,352	17,545,652
Distribution costs		(29,721,028)	(24,512,327)	(10,851,786)	(8,950,817)
Administrative expenses		(24,447,193)	(21,901,830)	(8,071,078)	(7,103,418)
Other operating expenses	9	(5,328,436)	(758,929)	(3,111,657)	(186,885)
		(59,496,657)	(47,173,086)	(22,034,521)	(16,241,120)
Finance costs		(32,752,853)	(44,543,583)	(9,149,485)	(16,689,949)
Other operating income		5,981,464	4,141,348	2,647,584	1,693,540
Profit / (loss) before taxation		59,219,044	(65,560,665)	39,382,930	(13,691,877)
Taxation		(19,902,288)	18,037,658	(13,014,786)	(43,187)
Profit / (loss) after taxation		39,316,756	(47,523,007)	26,368,144	(13,735,064)
			Restated		Restated
Profit / (loss) per share - Basic and diluted		4.15	(5.01)	2.78	(1.45)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


SHAHID A. HAKIM
Chief Executive


SIKANDAR M. KHAN
Chairman

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010**

	Period-ended		Quarter-ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	(Rupees)			
Profit / (loss) for the period	39,316,756	(47,523,007)	26,368,144	(13,735,064)
Other comprehensive income				
Unrealised gain / (loss) due to change in fair value of available for sale investment	1,236,250	(9,200,000)	948,750	-
Total comprehensive income / (loss)	<u>40,553,006</u>	<u>(56,723,007)</u>	<u>27,316,894</u>	<u>(13,735,064)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


SHAHID A. HAKIM
Chief Executive


SIKANDAR M. KHAN
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2010

	Note	March 31, 2010 Rupees	March 31, 2009 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	10	174,511,929	95,231,217
Net (Increase) in long term loans		(202,600)	(61,600)
Net (Increase) in long term deposits		-	(260,500)
Taxes paid		(23,720,159)	(12,473,085)
Retirement benefits paid		(1,131,646)	(1,184,857)
Finance costs paid		(34,075,192)	(38,645,699)
Net Cash Inflow from operating activities		115,382,332	42,605,476
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,911,400)	(11,209,414)
Proceeds from disposal of operating assets		670,514	1,140,305
Dividend received		431,250	359,375
Return on bank deposits received		217,127	131,837
Net cash outflow from investing activities		(12,592,509)	(9,577,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finance		-	(36,250,000)
Proceeds from issue of shares		-	24,311,360
Net cash outflow from financing activities		-	(11,938,640)
Net increase / (decrease) in cash & cash equivalents		102,789,823	21,088,939
Cash and cash equivalents at beginning of the period		(274,125,485)	(268,021,707)
Cash and cash equivalents at the end of the period		(171,335,662)	(246,932,768)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

	Issued, subscribed and paid-up capital	Capital reserve	General reserve	Unrealized gain/(loss) on long term investment	Unappropriated profit / (accumulated loss)	Total
(Rupees)						
Balance as at June 30, 2008	60,778,380	-	240,000,000	11,462,500	22,698,874	334,939,754
Loss for the nine months ended March 31, 2009	-	-	-	-	(47,523,007)	(47,523,007)
Other comprehensive income / (loss)	-	-	-	(9,200,000)	-	(9,200,000)
Total comprehensive income / (loss)	-	-	-	(9,200,000)	(47,523,007)	(56,723,007)
Issue of bonus share @ 1:10 shares	6,077,840	-	-	-	(6,077,840)	-
Transfer to general reserve	-	-	16,500,000	-	(16,500,000)	-
Issue of right share @ 2:10 shares	12,155,680	12,155,680	-	-	-	24,311,360
Balance as at March 31, 2009	79,011,900	12,155,680	256,500,000	2,262,500	(47,401,973)	302,528,107
Profit for the three months ended June 30, 2009	-	-	-	-	81,548,725	81,548,725
Other comprehensive income / (loss)	-	-	-	287,500	-	287,500
Balance as at June 30, 2009	79,011,900	12,155,680	256,500,000	2,550,000	34,146,752	384,364,332
Profit for the nine months ended March 31, 2010	-	-	-	-	39,316,756	39,316,756
Other comprehensive income / (loss)	-	-	-	1,236,250	-	1,236,250
Total comprehensive income / (loss)	-	-	-	1,236,250	39,316,756	40,553,006
Issue of bonus share @ 2:10 shares	15,802,380	-	-	-	(15,802,380)	-
Transfer to general reserve	-	-	18,000,000	-	(18,000,000)	-
Balance as at March 31, 2010	94,814,280	12,155,680	274,500,000	3,786,250	39,661,128	424,917,338

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.


SHAHID A. HAKIM
Chief Executive


SIKANDAR M. KHAN
Chairman

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2010

1 LEGAL STATUS AND OPERATIONS

The Company is incorporated in Pakistan as a public limited company and is listed on Karachi Stock Exchange. The factory and the registered office of the Company is situated at main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan. Its main business activity is to undertake castings of tractors and automotive parts.

2 BASIS OF PREPARATION

These condensed interim financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with International Accounting Standard (IAS) 34 'Interim Financial Reporting', as applicable in Pakistan. The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should read in conjunction with the financial statements of the Company for the year ended June 30, 2009.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of Company's annual financial statements for the year ended June 30, 2009 except the following:

The revised IAS-1 "Presentation of Financial Statements" separates owner and non-owner changes in equity. The statements of changes in equity include only details of transactions with owners, with non-owners changes in equity presented as single line in the statement of changes in equity. In addition, the standard introduces the statement of comprehensive income which presents all items of recognized income and expenses, either in one single statement, or in two linked statements. The Company elected to present two statements.

		March 31, 2010 (Unaudited) Rupees	June 30, 2009 (Audited) Rupees
4 PROPERTY , PLANT AND EQUIPMENT			
Operating fixed assets	4.1	233,090,680	239,531,689
Capital work-in-progress	4.2	<u>1,917,566</u>	<u>1,917,566</u>
		<u>235,008,246</u>	<u>241,449,255</u>
4.1 Operating fixed assets			
Opening book value		239,531,689	250,528,443
Additions during the period / year	4.1.1	13,911,400	18,158,893
Disposals during the period/ year	4.1.2	(477,362)	(1,473,425)
Depreciation charged during the period / year		<u>(19,875,047)</u>	<u>(27,682,222)</u>
		<u>233,090,680</u>	<u>239,531,689</u>
4.1.1 Additions during the period / year			
Building on freehold land		242,828	-
Plant and machinery		8,019,936	7,136,228
Electrical and Gas Installations		896,808	624,180
Furniture and Fittings		91,000	111,861
Electrical appliances		245,448	998,728
Office Equipments		-	52,000
Computers		39,300	253,260
Vehicles		<u>4,376,080</u>	<u>8,982,636</u>
		<u>13,911,400</u>	<u>18,158,893</u>

NOTES TO THE FINANCIAL STATEMENTS

4.1.2 During the period, assets costing Rs. 914,893/- having net book value of Rs. 477,362/- were disposed off for Rs. 670,514/-.

4.2 During the period the Company incurred expenditure on work-in-progress in respect of plant and machinery and civil works amounting to Rs. 140,586/- (June 30, 2009: Rs. 290,794/-).

	March 31, 2010 (Unaudited) Rupees	June 30, 2009 (Audited) Rupees
5 TRADE DEBTS		
Considered good		
Due from an associated undertaking		
- Millat Tractors Limited	145,315,032	211,325,269
Due from an associated undertaking		
- Millat Equipment Limited	2,253,950	5,676,255
Others	127,663,068	61,730,532
	275,232,050	278,732,056
Considered doubtful	259,850	259,850
Less: Provision against debt considered doubtful	(259,850)	(259,850)
	-	-
	275,232,050	278,732,056

6 LONG TERM FINANCE

This represents the demand finance facility, amounting to Rs. 145 million (June 30, 2009: Rs. 145 million) to finance the 'Balancing, Modernization and Replacement' of the Company's existing foundry. During the period, the above facility has been restructured. The amount utilized against this facility is repayable in 8 equal half yearly installments and carries a mark-up at the rate of 'KIBOR plus 1.25%' (June 30, 2009: 0.75%) per annum. The facility is secured by way of first registered equitable mortgage charge of Rs. 182 million on over all present and future fixed assets of the Company.

7 CONTINGENCIES AND COMMITMENTS

7.1 There is no change in the status of contingencies as reported in the annual financial statements for the year ended June 30, 2009.

7.2 Letters of credit outstanding as at March 31, 2010 amount to Rs. 113.521 million (June 30, 2009: Rs. 86.200 million).

NOTES TO THE FINANCIAL STATEMENTS

8 COST OF GOODS SOLD

	Cumulative upto		For the third quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
(Unaudited)				
Rupees				
Raw material and components consumed				
Opening stock	92,644,159	99,215,461	130,074,483	161,427,390
Purchases	589,674,392	736,242,734	180,387,332	204,529,824
	682,318,551	835,458,195	310,461,815	365,957,214
Closing stock	(77,906,832)	(122,103,525)	(77,906,832)	(122,103,525)
	604,411,719	713,354,670	232,554,983	243,853,689
Salaries, wages and benefits	70,694,229	61,606,231	19,994,195	17,873,981
Staff welfare	6,404,203	5,059,827	2,682,368	1,676,831
Stores and spares consumed	94,819,159	78,145,386	37,391,945	26,841,625
Fuel and power	162,495,477	164,682,705	59,124,443	51,177,990
Machining expenses	4,296,950	5,382,624	1,513,000	1,073,360
Other services	54,450,187	43,174,049	21,330,875	13,708,663
Travelling and conveyance	15,163,589	13,229,618	5,419,819	4,360,251
Rent, rates and taxes	298,220	311,165	101,297	93,819
Repair and maintenance	3,398,675	3,508,585	1,370,431	759,002
Export expenses	156,956	26,825	800	26,825
Freight charges	150,626	115,775	106,919	57,825
Insurance	1,876,833	1,706,728	639,682	586,122
Vehicle expenses	2,439,917	2,370,434	1,003,695	714,881
Depreciation	19,116,383	19,912,851	6,512,829	6,694,582
Amortization	148,210	32,931	49,403	24,698
Others	3,330,100	3,132,940	1,007,555	883,582
	439,239,714	402,398,674	158,249,256	126,554,037
Work in process - opening	31,922,000	20,139,000	24,728,000	35,756,000
- closing	(23,780,000)	(37,234,000)	(23,780,000)	(37,234,000)
	8,142,000	(17,095,000)	948,000	(1,478,000)
Cost of goods manufactured	1,051,793,433	1,098,658,344	391,752,239	368,929,726
Finished goods - opening	15,548,141	12,148,000	17,654,000	22,991,000
- closing	(21,418,000)	(22,376,000)	(21,418,000)	(22,376,000)
	(5,869,859)	(10,228,000)	(3,764,000)	615,000
Cost of goods sold	1,045,923,574	1,088,430,344	387,988,239	369,544,726

NOTES TO THE FINANCIAL STATEMENTS

9 OTHER OPERATING EXPENSES

This include Workers' Profit Participation Fund amounting to Rs. 3,180,400/- (March 31, 2009: Rs. Nil) and Workers' Welfare Fund amounting to Rs. 1,208,552/- (March 31, 2009: Rs. Nil).

	March 31, 2010 ----- (Unaudited) ----- Rupees	March 31, 2009 ----- Rupees
10 CASH GENERATED FROM OPERATIONS		
Profit / (loss) before taxation	59,219,044	(65,560,665)
Adjustments for non-cash charges and other items :		
Depreciation / amortization	20,122,061	20,725,171
Provision for retirement benefits	1,728,120	4,211,842
Gain on disposal of fixed assets	(193,151)	(3,732)
Dividend Income	(431,250)	(359,375)
Finance costs	32,752,853	44,543,583
Return on bank deposits	(226,636)	(130,393)
	53,751,997	68,987,096
Working Capital Changes	10.1 61,540,888	91,804,786
	174,511,929	95,231,217
10.1 Working Capital Changes		
Decrease / (Increase) in current assets :		
Stores, spares and loose tools	5,096,724	(20,193,612)
Stock-in-trade	21,444,398	(45,298,946)
Trade debts	3,500,006	49,778,646
Loans and advances	(1,185,624)	(2,226,747)
Deposits and short term prepayments	661,426	19,086,238
Other receivables	520,610	238,213
	30,037,540	1,383,792
Increase / (Decrease) in current liabilities :		
Trade and other payables	15,485,420	87,321,294
Sales tax payable	16,017,928	3,099,700
	61,540,888	91,804,786

11 TRANSACTIONS WITH RELATED PARTIES

Details of transactions with related parties during the period, are as follows:

Name of the related party and relationship with the Company	Nature of transactions	March 31, 2010 ----- (Unaudited) ----- Rupees	March 31, 2009 ----- Rupees
Associates			
- Millat Tractors Limited	Sale of goods - net	1,043,235,867	993,516,464
- Millat Equipment Limited	Sale of goods - net	9,487,390	102,000
- Millat Tractors Limited	Purchases	10,599,045	11,551,050

NOTES TO THE FINANCIAL STATEMENTS

Name of the related party and relationship with the Company	Nature of transactions	March 31, 2010 (Unaudited) Rupees	June 30, 2009 (Audited) Rupees
Post employment plans			
- Provident funds	Contributions for the period	1,810,383	2,250,930
- Pension fund	Contributions for the period	1,202,953	1,579,633
- Executives' gratuity fund	Benefits paid on behalf of the fund	377,428	2,682,278

11.1 As at March 31, 2010, an amount of Rs. 10,860,583/- (June 30, 2009: Rs. 7,248,367/-) has been received as advance against future sales.

11.2 As at March 31, 2010, an amount of Rs. 145,315,032/- (June 30, 2009: Rs. 211,325,269/-) is receivable from Millat Tractors Limited.

11.3 As at March 31, 2010, an amount of Rs. 2,253,950/- (June 30, 2009: Rs. 5,676,255/-) is receivable from Millat Equipment Limited.

11.4 As at March 31, 2010, an amount of Rs. 7,410,600/- (June 30, 2009: Rs. 5,311,950/-) is payable to Millat Tractors Limited.

12 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard - 34, 'Interim Financial Reporting', the Condensed Balance Sheet has been compared with the preceding Balance Sheet as at the year end, whereas the Condensed Profit and Loss Account, Condensed Statement of Comprehensive Income and Condensed Cash Flow Statement 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.

13 DATE OF AUTHORIZATION OF ISSUE

These condensed interim Financial Statements were authorized for issue by the Board of Directors of the Company in its meeting held on April 27, 2010.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman

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CORPORATE