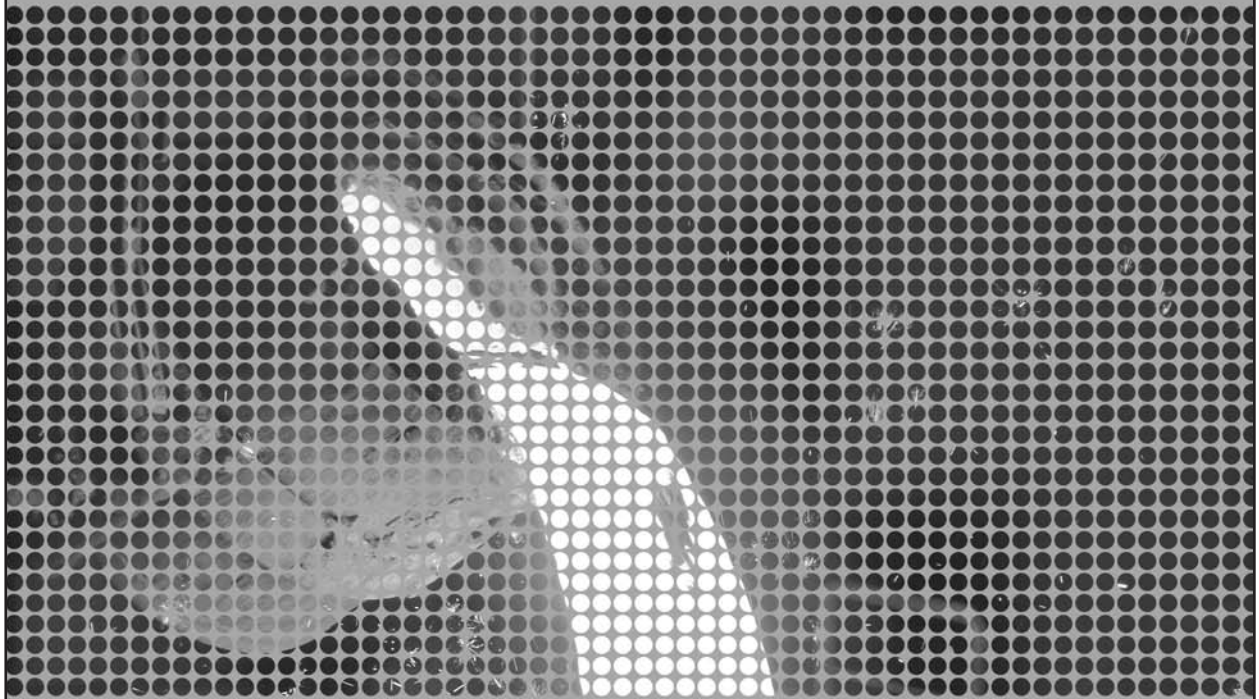


Quarterly Accounts
(Un-Audited)
for and upto the 2nd Quarter ended
December 31, 2009



producing
results



Bolan Castings Limited

CONTENTS

Company Information	3
Directors' Review	4
Auditors' Review Report to the Members	5
Balance Sheet	6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Cash Flow Statement	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

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	
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 un-audited accounts for the second quarter and half year ended December 31, 2009 duly reviewed by the statutory Auditors of the Company pursuant to the requirements of Code of Corporate Governance.

Operating and Financial Results

The net sales for the half year were Rs. 735.503 million as compared to Rs. 723.355 million of corresponding period last year.

The gross profit for the half year under review was Rs. 77.568 million as against Rs. 4.469 million of the corresponding period last year.

The after tax profit for the half year was Rs. 12.949 million as compared to loss of Rs. 33.788 million of corresponding period last year.

As a result of positive operating and financial results, the earnings per share for the current six months period ended December 31, 2009 improved to Rs. 1.37 per share from loss per share of Rs. 3.56 of corresponding period last year.

Future Prospects

The Company expects further increase in its production / sales plus a reduction in costs during next half 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:
February 16, 2010

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Bolan Castings Limited** as at **31 December 2009** and the related condensed interim profit and loss account, condensed interim statements of comprehensive income, cash flows and changes in equity, together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the six-months' period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information 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 information 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 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 information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

KARACHI:
February 16, 2010



ERNST & YOUNG FORD RHODES SIDAT HYDER
CHARTERED ACCOUNTANTS

[In case of any discrepancy on the Company's website, the auditors shall only be responsible in respect of the information contained in the hard copies of the audited financial statements available at the Company's registered office.]

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2009

	Note	December 31, 2009 (Unaudited)	June 30, 2009 (Audited)
-----Rupees-----			
NON-CURRENT ASSETS			
Property, plant and equipment	4	236,412,711	241,449,255
Intangible assets		631,256	795,935
Long-term investment		8,337,500	8,050,000
Long-term loans		1,013,200	607,200
Long-term deposits		4,269,160	4,269,160
		<u>250,663,827</u>	<u>255,171,550</u>
CURRENT ASSETS			
Stores, spares and loose tools		98,450,577	94,456,994
Stock-in-trade		175,446,866	149,532,143
Trade debts	5	174,496,809	278,732,056
Loans and advances		11,948,537	10,978,571
Trade deposits and prepayments		5,368,942	4,042,826
Other receivables		29,944,470	27,106,921
Income tax receivable - net		67,660,264	57,761,960
Sales tax receivable		3,155,728	-
Cash and bank balances		11,478,250	15,704,735
		<u>577,950,443</u>	<u>638,316,206</u>
TOTAL ASSETS		<u>828,614,270</u>	<u>893,487,756</u>
EQUITY AND LIABILITIES			
Share capital	6	94,814,280	79,011,900
Reserves		302,786,164	305,352,432
		<u>397,600,444</u>	<u>384,364,332</u>
NON-CURRENT LIABILITY			
Long-term finance	7	32,206,686	14,081,686
Deferred taxation		29,977,185	30,801,563
Deferred liabilities		21,896,629	20,648,754
		<u>84,080,500</u>	<u>65,532,003</u>
CURRENT LIABILITIES			
Trade and other payables		116,813,233	88,785,656
Accrued interest / mark-up		7,449,970	9,262,410
Short-term borrowings		204,545,123	289,830,220
Current portion of long-term finance		18,125,000	36,250,000
Sales tax payable		-	19,463,135
		<u>346,933,326</u>	<u>443,591,421</u>
CONTINGENCIES AND COMMITMENTS	8		
TOTAL EQUITY AND LIABILITIES		<u>828,614,270</u>	<u>893,487,756</u>

The annexed notes from 1 to 14 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 THE HALF YEAR ENDED DECEMBER 31, 2009**

	Note	Half year ended		Quarter ended	
		December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
-----Rupees-----					
Sales - net		735,503,073	723,354,622	388,463,885	363,722,378
Cost of sales	9	(657,935,335)	(718,885,617)	(340,766,229)	(383,965,438)
Gross profit / (loss)		77,567,738	4,469,005	47,697,656	(20,243,060)
Distribution costs		(18,869,242)	(15,561,510)	(11,144,913)	(8,025,855)
Administrative expenses		(16,376,115)	(14,798,412)	(8,410,978)	(7,171,154)
Other operating expenses	10	(2,216,779)	(572,044)	(1,738,622)	(320,500)
		(37,462,136)	(30,931,966)	(21,294,513)	(15,517,509)
Finance costs		(23,603,368)	(27,853,634)	(11,668,419)	(15,289,940)
Other operating income		3,333,880	2,447,808	1,359,464	1,371,110
Profit / (loss) before taxation		19,836,114	(51,868,787)	16,094,188	(49,679,399)
Taxation	11	(6,887,502)	18,080,845	(5,577,828)	-
Profit / (loss) after taxation		12,948,612	(33,787,942)	10,516,360	(49,679,399)
			Restated		Restated
Profit / (loss) per share - Basic and diluted		1.37	(3.56)	1.11	(5.24)

The annexed notes from 1 to 14 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 HALF YEAR ENDED DECEMBER 31, 2009**

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	-----Rupees-----			
Profit / (loss) for the period	12,948,612	(33,787,942)	10,516,360	(49,679,399)
Other comprehensive income				
Unrealised gain / (loss) due to change in fair value of available for sale investment	287,500	(1,581,250)	(24,000)	-
Total comprehensive income / (loss)	<u>13,236,112</u>	<u>(35,369,192)</u>	<u>10,492,360</u>	<u>(49,679,399)</u>

The annexed notes from 1 to 14 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 HALF YEAR ENDED DECEMBER 31, 2009

	Note	Half-year ended	
		December 31, 2009	December 31, 2008
-----Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	132,188,419	94,827,403
Long-term loans		(406,000)	(280,800)
Long-term deposits		-	(260,500)
Taxes paid		(17,610,183)	(12,730,495)
Retirement benefits paid		(357,293)	(352,109)
Finance costs paid		(25,415,808)	(25,516,267)
Net cash inflow from operating activities		88,399,135	55,687,232
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(8,195,976)	(9,121,686)
Proceeds from disposal of operating assets		262,137	804,117
Dividend received		431,250	359,375
Return on bank deposits		162,066	98,662
Net cash outflow from investing activities		(7,340,523)	(7,859,532)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term finance		-	(18,125,000)
Net cash outflow from investing activities		-	(18,125,000)
Net increase in cash and cash equivalents		81,058,612	29,702,700
Cash and cash equivalents at the beginning of the period		(274,125,485)	(268,021,707)
Cash and cash equivalents at the end of the period		(193,066,873)	(238,319,007)

The annexed notes from 1 to 14 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 HALF YEAR ENDED DECEMBER 31, 2009**

	Issued, subscribed and paid-up capital	Capital reserve	General Reserve	Unrealised 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 period	-	-	-	-	(33,787,942)	(33,787,942)
Other comprehensive income / (loss)	-	-	-	(1,581,250)	-	(1,581,250)
Total comprehensive income / (loss)	-	-	-	(1,581,250)	(33,787,942)	(35,369,192)
Issue of bonus shares @ 1:10 shares	6,077,840	-	-	-	(6,077,840)	-
Transfer to general reserve	-	-	16,500,000	-	(16,500,000)	-
Balance as at December 31, 2008	<u>66,856,220</u>	-	<u>256,500,000</u>	<u>9,881,250</u>	<u>(33,666,908)</u>	<u>299,570,562</u>
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 period	-	-	-	-	12,948,612	12,948,612
Other comprehensive income / (loss)	-	-	-	287,500	-	287,500
	-	-	-	287,500	12,948,612	13,236,112
Issue of bonus shares @ 2:10 shares	15,802,380	-	-	-	(15,802,380)	-
Transfer to general reserve	-	-	18,000,000	-	(18,000,000)	-
Balance as at December 31, 2009	<u>94,814,280</u>	<u>12,155,680</u>	<u>274,500,000</u>	<u>2,837,500</u>	<u>13,292,984</u>	<u>397,600,444</u>

The annexed notes from 1 to 14 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 HALF YEAR ENDED DECEMBER 31, 2009

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

2.1 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'. The 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, 2009.

2.2 The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2008 and 2009 and notes forming part thereof have not been reviewed by the auditors of the Company as they are required to review the cumulative figures for the half years ended December 31, 2008 and 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 the Company's annual financial statements for the year ended June 30, 2009 except for the following:

The revised IAS-1 "Presentation of Financial Statements" separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a 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.

	Note	December 31, 2009 (Unaudited)	June 30, 2009 (Audited)
-----Rupees-----			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	234,433,395	239,531,689
Capital work-in-progress	4.2	1,979,316	1,917,566
		<u>236,412,711</u>	<u>241,449,255</u>
4.1 Operating fixed assets		239,531,689	250,528,443
Opening book value			
Additions during the period / year	4.1.1	8,134,226	18,158,893
Disposals during the period / year	4.1.2	(137,666)	(1,473,425)
Depreciation charged during the period / year		(13,094,854)	(27,682,222)
		<u>234,433,395</u>	<u>239,531,689</u>
4.1.1 Additions during the period / year			
Building on freehold land		26,870	-
Plant and machinery		3,933,558	7,136,228
Electrical and gas installations		567,600	624,180
Furniture and fittings		91,000	111,861
Electrical appliances		229,998	998,728
Office equipments		-	52,000
Computers		39,300	253,260
Vehicles		3,245,900	8,982,636
		<u>8,134,226</u>	<u>18,158,893</u>

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

4.1.2 During the period, assets costing Rs. 455,033/- having net book value of Rs. 137,666/- were disposed off for Rs. 262,137/-.

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. 61,750/- (June 30, 2009: Rs.290,794/-).

	December 31, 2009 (Unaudited)	June 30, 2009 (Audited)
	-----Rupees-----	
5. TRADE DEBTS		
Considered good		
Due from an associated undertaking		
- Millat Tractors Limited	84,481,535	211,325,269
Due from an associated undertaking		
- Millat Equipment Limited	3,086,302	5,676,255
Others	86,928,972	61,730,532
	174,496,809	278,732,056
Considered doubtful		
Less: Provision against debt considered doubtful	259,850 (259,850)	259,850 (259,850)
	174,496,809	278,732,056

6. SHARE CAPITAL

6.1 During the period, the Board of Directors of the Company in their meeting held on October 27, 2009 resolved to issue bonus shares at the ratio of two ordinary shares for every ten ordinary shares held.

7. LONG-TERM FINANCE

7.1 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 over all present and future fixed assets of the Company.

8. CONTINGENCIES AND COMMITMENTS

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

8.2 Letters of credit outstanding as at December 31, 2009 amount to Rs.53.460 million (June 30, 2009: Rs. 86.2 million).

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

9. COST OF SALES

	Half year ended		Quarter ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
(Unaudited)				
Rupees				
Raw material and components consumed				
Opening stock	92,644,163	99,215,460	93,219,038	127,854,364
Purchases	409,287,060	531,712,910	240,655,245	273,590,976
	501,931,223	630,928,370	333,874,283	401,445,340
Closing stock	(130,074,483)	(161,427,390)	(130,074,483)	(161,427,390)
	371,856,740	469,500,980	203,799,800	240,017,950
Salaries, wages and benefits	50,700,034	43,732,250	24,970,677	22,147,829
Staff welfare	3,721,835	3,382,996	2,008,797	1,681,935
Stores and spares consumed	57,427,214	51,303,761	31,816,216	27,530,061
Fuel and power	103,371,034	113,504,715	51,302,173	54,617,972
Machining expenses	2,783,950	4,309,264	1,422,695	1,896,434
Other services	33,119,312	29,465,386	17,610,776	13,840,664
Travelling and conveyance	9,743,770	8,869,367	5,169,368	4,627,131
Rent, rates and taxes	196,923	217,346	101,273	105,050
Repairs and maintenance	2,028,244	2,749,583	1,161,130	1,157,428
Export expenses	156,156	-	139,617	-
Freight charges	43,707	57,950	12,320	29,300
Insurance	1,237,151	1,120,606	589,922	563,428
Vehicle expenses	1,436,222	1,655,553	797,224	714,815
Depreciation	12,603,554	13,218,269	6,374,266	6,655,254
Amortisation	98,807	8,233	78,911	-
Others	2,322,541	2,249,358	1,249,064	964,187
	280,990,454	275,844,637	144,804,429	136,531,488
Work in process - opening	31,922,000	20,139,000	-	32,110,000
- closing	(24,728,000)	(35,756,000)	(4,905,000)	(35,756,000)
Cost of goods manufactured	660,041,194	729,728,617	343,699,229	372,903,438
Finished goods - opening	15,548,141	12,148,000	-	34,053,000
- closing	(17,654,000)	(22,991,000)	(2,933,000)	(22,991,000)
	657,935,335	718,885,617	340,766,229	383,965,438

10. Other operating expenses

This includes workers' profit participation fund amounting to Rs. 1,067,563/- (December 31, 2008: Rs. Nil) and workers' welfare fund amounting to Rs. 447,560/- (December 31, 2008: Rs. Nil) for the half year ended December 31, 2009.

11. Taxation

Current tax for the half year	7,711,880	35,938	6,402,206	-
Deferred tax for the half year	(824,378)	(18,116,783)	(824,378)	-
	6,887,502	(18,080,845)	5,577,828	-

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

12. CASH GENERATED FROM OPERATIONS

	Note	Half year ended	
		December 31, 2009	December 31, 2008
		----- (Unaudited) ----- ----- Rupees -----	
Profit / (loss) before taxation		19,836,114	(51,868,787)
Adjustments for non-cash charges and other items:			
Depreciation / amortisation		13,259,532	13,705,531
Provision for retirement benefits		1,605,168	3,931,001
Gain on disposal of fixed assets		(124,471)	(3,732)
Dividend income		(431,250)	(359,375)
Finance costs		23,603,367	27,853,634
Return on bank deposits		(165,974)	(97,124)
		37,746,372	45,029,935
Working capital changes	12.1	74,605,933	101,666,255
		<u>132,188,419</u>	<u>94,827,403</u>

12.1 Working capital changes

(Increase) / decrease in current assets			
Stores, spares and loose tools		(3,993,583)	(18,564,980)
Stock-in-trade		(25,914,723)	(92,854,448)
Trade debts		104,235,247	3,574,619
Loans and advances		(969,966)	6,158,838
Trade deposits and prepayments		(1,326,116)	15,767,312
Other receivables		(2,833,640)	(3,693,489)
Sales tax receivable		(3,155,728)	-
		<u>66,041,491</u>	<u>(89,612,148)</u>
Increase in current liabilities			
Trade and other payables		28,027,577	191,278,403
Sales tax payable		(19,463,135)	-
		<u>74,605,933</u>	<u>101,666,255</u>

13. 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	Half year ended	
		December 31, 2009	December 31, 2008
		----- (Unaudited) ----- ----- Rupees -----	
Associates			
- Millat Tractors Limited	Sale of goods - net	636,491,318	640,773,315
- Millat Tractors Limited	Purchases	6,211,395	-
- Millat Equipment Limited	Sale of goods - net	8,974,320	-

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

Name of the related party and relationship with the Company	Nature of transactions	December 31, 2009 (Unaudited)	June 30, 2009 (Audited)
		-----Rupees-----	
Post employment plans			
- Provident funds	Contributions for the period	1,169,416	2,250,930
- Pension fund	Contributions for the period	791,236	1,579,633
- Executives' gratuity fund	Benefits paid on behalf of the fund	61,312	2,682,278

13.1 As at December 31, 2009, an amount of Rs. 10,748,367/- (June 30, 2009: Rs. 7,248,367/-) has been received as advance against future sale.

13.2 As at December 31, 2009, an amount of Rs. 84,481,535/- (June 30, 2009: Rs. 211,325,269/-) is receivable from Millat Tractors Limited.

13.3 As at December 31, 2009, an amount of Rs. 3,086,302/- (June 30, 2009: Rs. 5,676,255/-) is receivable from Millat Equipment Limited.

13.4 As at December 31, 2009 an amount of Rs. 7,659,854/- (June 30, 2009: Rs. 5,311,950/-) is payable to Millat Tractors Limited.

14. DATE OF AUTHORISATION OF ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in its meeting held on February 16, 2010.



SHAHID A. HAKIM
Chief Executive



SIKANDAR M. KHAN
Chairman

BOOK POST

PRINTED MATTER

UNDER POSTAL CERTIFICATE

If undelivered please return to:



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

CORPORATE