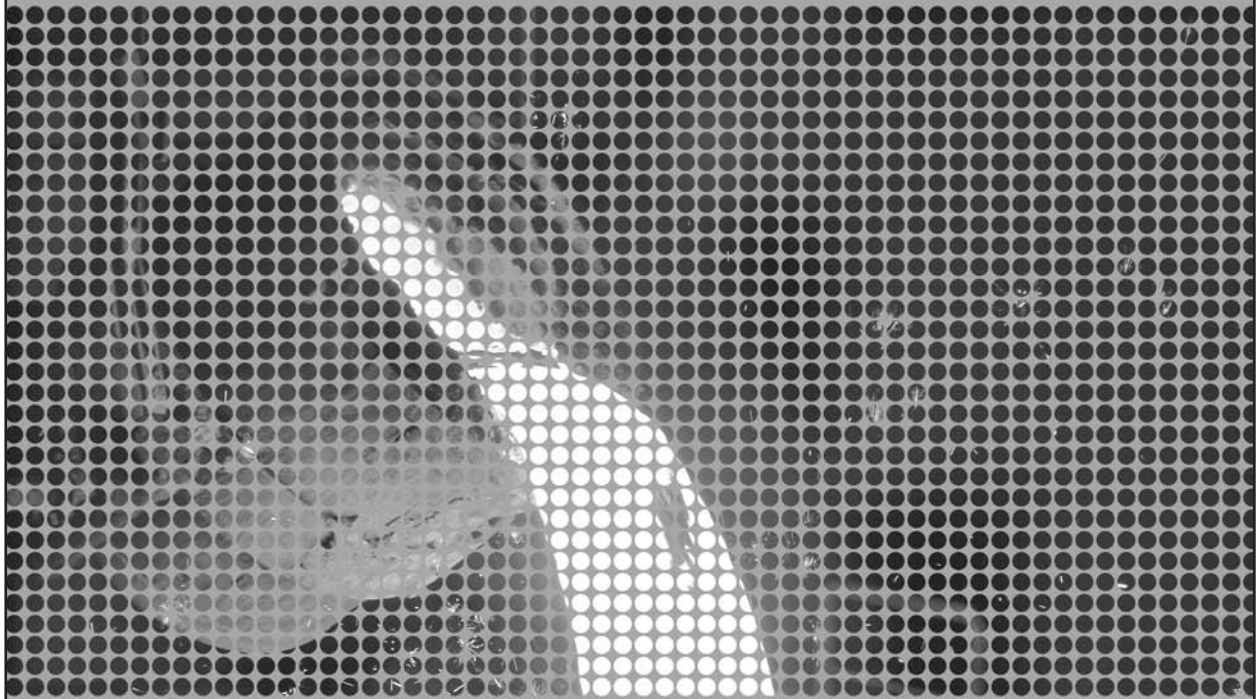


Quarterly Accounts
(Un-Audited)
for the 1st Quarter ended
September 30, 2009



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	
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 1st quarter ended September 30, 2009.

Operating and Financial Results

The net sales for the 1st quarter were Rs. 347.039 million as compared to Rs. 359.632 million of the same period last year.

The gross profit for the 1st quarter under review was Rs. 29.870 million as against Rs. 24.712 million of the corresponding period last year.

The Company has succeeded in controlling costs which enabled turning its losses into profit. The after tax profit for the 1st quarter was Rs. 2.432 million as compared to loss of Rs. 2.189 million of same period last year.

As a result of positive operating and financial results, the earnings per share for the 1st quarter ended September 30, 2009 improved to Rs. 0.30 per share from loss per share of Rs. 0.27 of corresponding period last year.

Future Prospects

The Company expects further increase in its production / sales plus a reduction in costs during remaining period of the financial year. Continuation of this trend will 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:
October 29, 2009

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2009

ASSETS	Note	Un-Audited September 30, 2009 Rupees	Audited June 30, 2009 Rupees
NON-CURRENT ASSETS			
Fixed Assets			
Property, plant and equipment	4	235,866,974	241,449,255
Intangible Assets		729,614	795,935
		236,596,588	242,245,190
Long term investments		8,521,500	8,050,000
Long term loans		1,324,000	607,200
Long term deposits		4,269,160	4,269,160
		250,711,248	255,171,550
CURRENT ASSETS			
Stores, spares and loose tools		112,860,123	94,456,994
Stock-in-trade		145,428,019	149,532,143
Trade debts		151,032,677	278,732,056
Loans and advances		13,778,357	10,978,571
Deposits and short term prepayments		7,342,191	4,042,826
Other receivables		38,539,971	27,106,921
Taxes recoverable		64,550,856	57,761,960
Cash and bank balances		11,162,899	15,704,735
		544,695,093	638,316,206
TOTAL ASSETS		795,406,341	893,487,756
EQUITIES AND LIABILITIES			
SHARE CAPITAL			
RESERVES		79,011,900	79,011,900
		308,256,184	305,352,432
		387,268,084	384,364,332
NON-CURRENT LIABILITIES			
Long term finance - secured	5	14,081,686	14,081,686
Deferred tax liability		30,801,563	30,801,563
Deferred liabilities		20,955,589	20,648,754
		65,838,838	65,532,003
CURRENT LIABILITIES			
Trade and other payables		140,394,890	108,248,791
Accrued interest/mark-up		7,876,489	9,262,410
Short term borrowings		157,778,040	289,830,220
Current portion of long term finance		36,250,000	36,250,000
		342,299,419	443,591,421
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	6	795,406,341	893,487,756

The annexed notes 1 to 12 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 1ST QUARTER ENDED SEPTEMBER 30, 2009

	Note	September 30, 2009 Rupees	September 30, 2008 Rupees
Turnover - net	7	347,039,188	359,632,244
Cost of goods sold	8	(317,169,106)	(334,920,179)
Gross profit		<u>29,870,082</u>	<u>24,712,065</u>
Distribution expenses		(7,724,329)	(7,535,655)
Administrative expenses		(7,965,137)	(7,627,258)
Other operating expenses		(478,157)	(251,544)
		<u>(16,167,623)</u>	<u>(15,414,457)</u>
		<u>13,702,459</u>	<u>9,297,608</u>
Finance cost		(11,934,949)	(12,563,694)
Profit / (loss) from operations		<u>1,767,510</u>	<u>(3,266,086)</u>
Other operating income		1,974,416	1,076,698
Profit / (loss) before taxation		<u>3,741,926</u>	<u>(2,189,388)</u>
Taxation		<u>(1,309,674)</u>	<u>-</u>
Profit / (loss) after taxation		<u>2,432,252</u>	<u>(2,189,388)</u>
Earnings per share - basic and diluted		<u>0.30</u>	Restated <u>(0.27)</u>

The annexed notes 1 to 12 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 1ST QUARTER ENDED SEPTEMBER 30, 2009

	Note	September 30, 2009 Rupees	September 30, 2008 Rupees
Cash Flow from Operating Activities			
Cash generated from operations	9	150,548,411	35,818,528
Net (increase) in long term loans		(716,800)	(543,800)
Net (increase) in long term trade deposits		-	(2,500)
Taxes paid		(8,098,570)	(6,140,415)
Retirement benefits paid		(155,452)	(109,963)
Financial charges paid		(13,320,870)	(11,109,605)
Net Cash Inflow from operating activities		128,256,719	17,912,245
Cash Flow from Investing Activities			
Capital expenditure		(976,375)	(5,034,949)
Proceeds from disposal of operating assets		218,388	573,307
Return on bank deposits received		11,613	44,888
Net cash outflow from investing activities		(746,374)	(4,416,754)
Cash Flow from financing activities			
Repayment of long term loan		-	(18,125,000)
Net cash outflow from financing activities		-	(18,125,000)
Net increase / (decrease) in cash & cash equivalents		127,510,345	(4,629,509)
Cash and cash equivalents at beginning of the year		(274,125,485)	(268,021,707)
Cash and cash equivalents at the end of the period		(146,615,141)	(272,651,216)

The annexed notes 1 to 12 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 1ST QUARTER ENDED SEPTEMBER 30, 2009

	Share Capital	Capital Reserve	General Reserve	Unrealised gain/(loss) on long term investment	Unappropriated Profit	Total
	(Rupees)					
Balance as on June 30, 2008	60,778,380	-	240,000,000	11,462,500	22,698,874	334,939,754
Loss for the 1st quarter ended September 30, 2008	-	-	-	-	(2,189,388)	(2,189,388)
Unrealised loss due to change in fair values of long-term investments	-	-	-	(1,221,875)	-	(1,221,875)
Transfer to general reserve	-	-	16,500,000	-	(16,500,000)	-
Balance as on September 30, 2008	60,778,380	-	256,500,000	10,240,625	4,009,486	331,528,491
Balance as on June 30, 2009	79,011,900	12,155,680	256,500,000	2,550,000	34,146,752	384,364,332
Profit for the 1st quarter ended September 30, 2009	-	-	-	-	2,432,252	2,432,252
Unrealised gain due to change in fair values of long-term investments	-	-	-	471,500	-	471,500
Transfer to general reserve	-	-	18,000,000	-	(18,000,000)	-
Balance as on September 30, 2009	79,011,900	12,155,680	274,500,000	3,021,500	18,579,004	387,268,084

The annexed notes 1 to 12 form an integral part of these condensed interim financial statements.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE 1ST QUARTER ENDED SEPTEMBER 30, 2009

1 THE COMPANY AND ITS OPERATIONS

Bolan Castings Limited (the Company) is a public limited liability Company incorporated and domiciled in Pakistan. The Company is listed on the Karachi Stock Exchange. The address of the Company's registered office and manufacturing plant is main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan. The Company manufactures and sells castings for tractors and automotive parts.

2 BASIS OF PREPARATION

These interim condensed 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', as applicable in Pakistan.

3 ACCOUNTING POLICIES

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

4 FIXED ASSETS	September 30, 2009 Rupees	June 30, 2009 Rupees
Property, plant and equipment (note 4.1 and 4.2)	233,949,408	239,531,689
Capital work-in- progress (note 4.3)	1,917,566	1,917,566
	<u>235,866,974</u>	<u>241,449,255</u>

4.1 Additions during the period / year were as follows:

Building on freehold land	26,870	-
Plant and machinery	63,700	7,136,228
Electrical and Gas Installations	329,208	624,180
Furniture and Fittings	35,000	111,861
Electrical appliances	113,998	998,728
Office Equipments	-	52,000
Computers	30,200	253,260
Vehicles	377,400	8,982,636

4.2 During the period assets costing Rs. 398,643 having net book value of Rs. 93,917 were disposed off for Rs. 124,471.

4.3 During the period the Company incurred expenditure on work-in-progress in respect of civil works amounting to Rs. Nil (June 30, 2009: 1,917,566).

5 LONG TERM FINANCE - Secured

This represents the amount utilized against 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. The amount utilized against this facility is repayable in 8 half yearly installments commencing from February 2007

NOTES TO THE FINANCIAL STATEMENTS

and carries standard mark-up at the rate of 14.6% (June 30, 2009: 14.6%) per annum but subject to a and timely payment mark-up at the rate of 'KIBOR plus .075%'. 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.

6 CONTINGENCIES AND COMMITMENTS

- 6.1** The Company had filed returns declaring tax losses during the tax holiday period amounting to Rs. 82.724 million and Rs. 17.227 million for the assessment years 1987-88 and 1988-89 respectively. These losses were disallowed by the Assessing Officer and upheld by the Commissioner of Income Tax (Appeals).

The Company filed an appeal with Income Tax Appellate Tribunal (ITAT), which decided the matter in the Company's favour.

The department filed a reference application before the Honourable High Court of Sindh, which upheld the ITAT's order in favour of the Company. The department has now filed a reference with the Honourable Supreme Court of Pakistan which is still pending. In the event that the decision is not in the favour of the Company, a tax liability of Rs. 23.9 million would arise representing the tax effect of losses relating to the tax holiday period utilized by the Company. The management of the Company, however, is confident that the decision will be given in favour of the Company and therefore, no provision has been made in these financial statements for this amount.

- 6.2** The Assessing Officer while finalizing the assessment for the assessment year 2001-2002 imposed penalty amounting to Rs. 1.735 million on the alleged concealment of income. The matter is pending before the Honourable High Court of Sindh. Based on the advice of its legal advisor, the management is confident that the ultimate outcome of the matter will be decided in its favour and accordingly no provision has been made for the above liability in these financial statements.

- 6.3** Outstanding letters of credit at the end of the period amounted to Rs. 170.827 million (June 30, 2009: Rs.86.2 million).

7 TURNOVER - net	September 30, 2009 Rupees	September 30, 2008 Rupees
Local Sales	421,405,175	446,961,529
Less: Sales Return	<u>(16,325,540)</u>	<u>(26,191,804)</u>
	405,079,635	420,769,725
Less: Sales Tax	<u>(54,900,493)</u>	<u>(57,541,159)</u>
Less: Special Excise Duty	<u>(3,431,281)</u>	<u>(3,596,322)</u>
	(58,331,774)	(61,137,481)
Add: Export Sales	291,327	-
	<u><u>347,039,188</u></u>	<u><u>359,632,244</u></u>

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2009 Rupees	September 30, 2008 Rupees
8 COST OF GOODS SOLD		
Raw Material & Components consumed		
Opening Stock	92,644,163	99,215,461
Purchases	168,631,815	258,121,934
	261,275,978	357,337,395
Closing Stock	(93,219,038)	(127,854,364)
	168,056,940	229,483,031
Salaries,Wages & Benefits	25,729,357	21,584,421
Staff Welfare	1,713,041	1,701,061
Stores, Spares and Loose Tools Consumed	25,610,998	23,773,700
Fuel & power	52,068,861	58,886,743
Machining Expenses	1,361,255	2,412,830
Other services	15,508,536	15,624,722
Travelling & Conveyance	4,574,402	4,242,236
Rent, Rates & Taxes	95,650	112,296
Repairs and Maintenance	867,114	1,592,155
Insurance	647,229	557,178
Vehicle Expenses	638,998	940,738
Freight Charges	31,387	28,650
Export Expenses	16,536	-
Depreciation	6,229,288	6,571,248
Amortization	19,896	-
Others	1,073,477	1,285,170
	136,186,025	139,313,148
	304,242,965	368,796,179
Work-in-Process - Opening	31,922,000	20,139,000
- Closing	(19,823,000)	(32,110,000)
	12,099,000	(11,971,000)
Cost of Goods Manufactured	316,341,965	356,825,179
Finished Goods - Opening	15,548,141	12,148,000
- Closing	(14,721,000)	(34,053,000)
	827,141	(21,905,000)
Cost of Goods Sold	317,169,106	334,920,179

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2009 Rupees	September 30, 2008 Rupees
9 CASH GENERATED FROM OPERATIONS		
Net profit / (loss) before taxation	3,741,926	(2,189,388)
Adjustment for :		
Depreciation	6,531,061	6,794,425
Provision for retirement benefits	462,287	248,905
(Gain) on sale of operating assets - net	(124,471)	(3,732)
Finance costs	11,934,949	12,563,694
Return on bank deposits	(88,471)	(55,515)
	18,715,355	19,547,777
Operating profit before working capital changes	22,457,281	17,358,389
Working Capital Changes		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(18,403,129)	(13,986,369)
Stock-in-trade	4,104,124	(76,938,926)
Trade debts	127,699,379	24,585,976
Loans and advances	(2,799,786)	(3,343,523)
Trade, deposits & short term prepayments	(3,299,365)	3,898,537
Other receivables	(11,535,192)	(5,724,952)
	95,766,031	(71,509,257)
(Decrease) / increase in current liabilities:		
Trade and other payables	32,146,099	89,969,396
	150,369,411	35,818,528

10 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		
Associates			
- Millat Tractors Limited	Sale of goods - net	311,203,419	309,537,197
- Millat Equipment Limited	Sale of goods - net	6,199,300	1,605,150
- Millat Tractors Limited	Purchase of goods - net	3,878,850	-
Post employment plans			
- Pension scheme	Contributions	396,061	349,811
- Provident funds	Contributions	582,250	501,014
- Gratuity scheme	Benefits paid on behalf of fund	46,312	30,000

NOTES TO THE FINANCIAL STATEMENTS

- 10.1** As at September 30, 2009 an amount of Rs. 77,079,095/- (June 30, 2009: Rs. 211,325,269/-) is receivable from Millat Tractor Limited.
- 10.2** As at September 30, 2009 an amount of Rs. 9,190,800/- (June 30, 2009: Rs. 5,311,950/-) is payable from Millat Tractor Limited.
- 10.3** As at September 30, 2009 an amount of Rs. 4,369,014/- (June 30, 2009: Rs. 5,676,255/-) is receivable from Millat Equipment Limited.

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 29, 2009 by the Board of Directors of the Company.



SHAHID A. HAKIM
Chief Executive



SIKANDAR M. KHAN
Chairman

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