

**Quarterly Accounts
(Un-Audited)
For the 1st
Quarter ended
September 30, 2011**



CASTING A FUTURE OF SUCCESS



BOLAN CASTINGS LIMITED

CONTENTS

Company Information	1
Directors' Review	2
Balance Sheet	3
Profit and Loss Account	4
Statement of Comprehensive Income	5
Cash Flow Statement	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

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. Javed Munir Mr. Sirajuddin Khan Mr. Muhammad Imran Rafiq	Chairman Chief Executive Director Director Director Director Director Director Director (NIT Nominee)
Company Secretary	Mr. Arafat Mushir	
Chief Financial Officer	Mr. Faisal Lakhani	
Head of Internal Audit	Mr. Saqib Hanif	
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 Bank Alfalah Limited Dubai Islamic Bank Soneri Bank Limited Faysal Bank Limited Barclays Bank PLC, Pakistan Askari 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 take this opportunity to present the un-audited accounts for the 1st quarter ended September 30, 2011.

Operating and Financial Results

The net sales for the 1st quarter were Rs. 132.14 million as compared to Rs. 400.28 million of the same period last year.

The gross loss for the 1st quarter under review was Rs. 53.95 million as against gross profit of Rs. 27.16 million of the corresponding period last year. After adjustment of overall expenses, the loss after tax for the 1st quarter was Rs. 82.39 million as compared to loss of Rs. 2.14 million of same period last year.

The profitability is mainly affected as a result of decline of castings' sales to tractor manufacturers, which are facing a dearth of fresh orders from the growers and farmers due to imposition of General Sales Tax on tractor prices.

The loss per share for the 1st quarter ended September 30, 2011 was Rs. 7.90 as against the loss of Rs. 0.21 per share of corresponding period last year.

Future Prospects

The sales of tractors and consequently demand for tractor castings significantly dropped in the current period due to imposition of General Sales Tax on the price of tractors and because of damage to crops due to floods and heavy rains in Sind Province. The tractor sale is, however, gradually improving and hopefully sales in the next quarter will improve. A short and long term strategy is being planned to overcome the situation and the Company is now focusing on export orders and at the same time adopting cost-cutting measures which would help in improving financial results for the remaining period of the current financial year.

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 28, 2011

CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2011

	Note	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
		-----Rupees-----	
ASSETS			
Non-Current Assets			
Fixed Assets			
Property, plant and equipment	5	249,681,349	235,189,350
Intangible assets		70,266	140,533
		249,751,615	235,329,883
Long term investments		8,625,000	9,171,250
Long term loans		1,508,800	762,000
Long term deposits		4,343,500	4,343,500
		264,228,915	249,606,633
Current Assets			
Stores, spare parts and loose tools		96,358,537	101,500,322
Stock-in-trade		541,359,779	289,614,769
Trade debts	6	164,841,487	208,351,875
Loans and advances		13,801,546	24,972,036
Deposits and short term prepayments		8,592,310	2,098,226
Other receivables		32,366,408	32,074,804
Sales tax - net		67,314,820	5,227,813
Income tax - net		76,921,289	52,008,869
Cash and bank balances		11,002,892	23,837,305
		1,012,559,068	739,686,019
TOTAL ASSETS		1,276,787,983	989,292,652
EQUITY AND LIABILITIES			
Share Capital		104,295,710	104,295,710
Reserves		334,914,545	417,848,840
		439,210,255	522,144,550
Non-Current Liabilities			
Long term deposits		5,322,759	4,442,158
Deferred tax liability		27,145,954	25,000,821
Deferred liabilities		36,134,845	35,680,884
		68,603,558	65,123,863
Current Liabilities			
Trade and other payables		335,429,770	247,208,619
Current portion of long term deposits		663,921	663,921
Accrued interest/mark-up		14,723,998	6,790,777
Short term borrowings		418,156,481	147,360,922
		768,974,170	402,024,239
Contingencies and Commitments	7		
TOTAL EQUITY AND LIABILITIES		1,276,787,983	989,292,652

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 THE 1ST QUARTER ENDED SEPTEMBER 30, 2011

	Note	September 30, 2011 -----Rupees-----	September 30, 2010
Turnover - net		132,146,059	400,277,276
Cost of Sales	8	(186,097,943)	(373,114,953)
Gross (loss) / profit		(53,951,884)	27,162,323
Distribution costs		(4,844,921)	(8,505,357)
Administrative expenses		(11,014,433)	(8,688,164)
		(15,859,354)	(17,193,521)
Other operating income		2,245,270	1,902,682
Finance costs		(11,279,156)	(9,852,721)
Other charges		-	(157,915)
		(9,033,886)	(8,107,954)
(Loss) / profit before taxation		(78,845,124)	1,860,848
Taxation			
- Current		(1,397,789)	(4,002,773)
- Deferred		(2,145,132)	-
		(3,542,921)	(4,002,773)
(Loss) / profit after taxation		(82,388,045)	(2,141,925)
			Restated
Earnings per share - basic and diluted		(7.90)	(0.21)

The annexed notes 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 1ST QUARTER ENDED SEPTEMBER 30, 2011

	September 30, 2011	September 30, 2010
	-----Rupees-----	
Net (loss) / profit for the period	(82,388,045)	(2,141,925)
Other comprehensive income		
Unrealised (loss) /gain on revaluation of available-for-sale investments	(546,250)	270,250
Total comprehensive (loss) / income for the period	<u>(82,934,295)</u>	<u>(1,871,675)</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 1ST QUARTER ENDED SEPTEMBER 30, 2011**

	Note	September 30, 2011	September 30, 2010
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	9	(233,473,354)	(693,650)
Long-term loans		(746,800)	(709,000)
Long-term deposits - net		880,601	946,256
Taxes paid		(26,310,207)	(10,253,429)
Retirement benefits paid		(261,935)	(87,444)
Finance costs paid		(3,345,935)	(7,943,392)
Net Cash Inflow from operating activities		(263,257,630)	(18,740,659)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(21,891,061)	(3,026,490)
Proceeds from disposal of fixed assets		1,335,909	-
Return on bank deposits received		182,810	121,671
Net cash outflow from investing activities		(20,372,342)	(2,904,819)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term financing		-	(18,125,000)
Net cash outflow from financing activities		-	(18,125,000)
Net increase in cash and cash equivalents		(283,629,972)	(39,770,478)
Cash and cash equivalents at beginning of the period		(123,523,617)	(210,685,452)
Cash and cash equivalents at the end of the period		(407,153,589)	(250,455,930)
Cash and cash equivalents comprises of :			
Cash and bank balances		11,002,892	81,038,663
Short term borrowings		(418,156,481)	(331,494,593)
		(407,153,589)	(250,455,930)

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 1ST QUARTER ENDED SEPTEMBER 30, 2011

	Reserves						
	Issued, subscribed and paid-up capital	Capital Reserve	Revenue Reserves		Gain / (loss) on revaluation of available for-sale investments	Total	Total equity
			General Reserve	Unappropriated Profit / (loss)			
			(Rupees)				
Balance as on June 30, 2010	94,814,280	12,155,680	274,500,000	82,501,809	2,837,500	371,994,989	466,809,269
Loss for the 1st quarter ended September 30, 2010	-	-	-	(2,141,925)	-	(2,141,925)	(2,141,925)
Other comprehensive (loss) / income	-	-	-	-	270,250	270,250	270,250
Other comprehensive (loss) / income	-	-	-	(2,141,925)	270,250	(1,871,675)	(1,871,675)
Transfer to general reserve	-	-	49,000,000	(49,000,000)	-	-	-
Balance as at September 30, 2010	94,814,280	12,155,680	323,500,000	31,359,884	3,107,750	370,123,314	464,937,594
Balance as on June 30, 2011	104,295,710	12,155,680	323,500,000	78,521,910	3,671,250	417,848,840	522,144,550
Loss for the 1st quarter ended September 30, 2011	-	-	-	(82,388,045)	-	(82,388,045)	(82,388,045)
Other comprehensive (loss) / income	-	-	-	-	(546,250)	(546,250)	(546,250)
Total comprehensive (loss) / income	-	-	-	(82,388,045)	(546,250)	(82,934,295)	(82,934,295)
Transfer to general reserve	-	-	62,000,000	(62,000,000)	-	-	-
Balance as at September 30, 2011	104,295,710	12,155,680	385,500,000	(65,866,135)	3,125,000	334,914,545	439,210,255

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 1ST QUARTER ENDED SEPTEMBER 30, 2011

1 LEGAL STATUS AND 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

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.2 These 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, 2011.

3 BASIS OF MEASUREMENT

- 3.1 These condensed interim financial statements have been prepared under the historical cost convention as modified by revaluation of available-for-sale investments at fair value and certain staff retirement benefits at present value.
- 3.2 These condensed interim financial statements are presented in Pak Rupees which is the Company's functional and presentation currency.

4 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, 2011.

	Note	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
		-----Rupees-----	
5 PROPERTY , PLANT AND EQUIPMENT			
Operating assets	5.1	246,992,949	232,528,399
Capital work-in-progress	5.2	2,688,400	2,660,951
		<u>249,681,349</u>	<u>235,189,350</u>
5.1 Operating assets			
Opening book value		232,528,399	233,820,682
Additions during the period / year	5.1.1	21,909,738	27,584,090
Disposals during the period/ year	5.1.2	(599,070)	(1,621,903)
Depreciation charged during the period / year		(6,799,990)	(27,254,470)
Adjustment during the period		(46,135)	-
		<u>246,992,942</u>	<u>232,528,399</u>

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
	-----Rupees-----	
5.1.1 Additions during the period / year		
Building on freehold land	600,000	699,286
Plant and machinery	16,615,165	10,838,154
Electrical and Gas Installations	-	3,728,269
Furniture and Fittings	32,673	43,345
Electrical appliances	49,200	150,718
Office equipments	-	87,088
Computers	71,000	120,400
Vehicles	4,541,700	11,916,830
	<u>21,909,738</u>	<u>27,584,090</u>

5.1.2 During the period, assets costing Rs. 2,439,588/- having net book value of Rs. 599,070/- were disposed off for Rs. 1,335,909/-.

5.2 During the period the Company incurred expenditure on work-in-progress in respect of plant and machinery and civil works amounting to Rs. 27,450/- (June 30, 2011: Rs. 2,667,675/-).

	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
	-----Rupees-----	
6 TRADE DEBTS		
Considered good		
Related parties		
- Millat Tractors Limited	120,498,422	148,958,749
- Millat Equipment Limited	2,105,187	1,037,892
	<u>122,603,609</u>	<u>149,996,641</u>
Others	42,237,878	58,355,234
	<u>164,841,487</u>	<u>208,351,875</u>
Considered doubtful	67,847	259,850
Less: Provision for impairment	(67,847)	(259,850)
	<u>-</u>	<u>-</u>
	<u>164,841,487</u>	<u>208,351,875</u>

7 CONTINGENCIES AND COMMITMENTS

7.1 There is no change in the status of contingencies as reported in the annual financial statements of the Company for the year ended June 30, 2011.

7.2 Outstanding letters of credit as at September 30, 2011 amount to Rs. 154.46 million (June 30, 2011: Rs. 286.06 million).

NOTES TO THE FINANCIAL STATEMENTS

	Note	September 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)
		-----Rupees-----	
8 COST OF SALES			
Raw material consumed			
Opening stock		141,720,196	132,116,844
Purchases		224,060,043	290,515,597
		<u>365,780,239</u>	<u>422,632,441</u>
Closing stock		(199,607,664)	(206,131,468)
		<u>166,172,575</u>	<u>216,500,973</u>
Manufacturing expenses			
Salaries, wages and benefits		17,432,447	21,217,503
Staff welfare		2,815,265	2,537,548
Stores, spares parts and loose tools consumed		22,809,377	27,664,174
Fuel and power	8.1	61,042,643	62,182,257
Machining expenses		1,919,922	3,351,875
Other services - outsourced job contractors		20,940,803	23,511,487
Travelling and conveyance		6,117,363	5,066,271
Depreciation		6,459,099	6,194,398
Amortization		42,160	28,960
Rent, rates and taxes		118,835	64,335
Printing and stationery		43,987	89,018
Repairs and maintenance		676,637	1,225,954
Communication		150,979	119,621
Insurance		627,999	693,213
Vehicle expenses		796,604	791,216
Training		553,918	785,943
Entertainment		63,086	238,447
Others		241,244	72,760
		<u>142,852,368</u>	<u>155,834,980</u>
Work in process - opening		39,749,000	26,533,000
- closing		(33,347,000)	(27,826,000)
		<u>6,402,000</u>	<u>(1,293,000)</u>
Cost of goods manufactured		<u>315,426,943</u>	<u>371,042,953</u>
Finished goods - opening		67,598,000	20,677,000
- closing		(196,979,000)	(18,605,000)
		<u>(129,381,000)</u>	<u>2,072,000</u>
		<u>186,045,943</u>	<u>373,114,953</u>

8.1 Includes hard coke, diesel and kerosine oil consumed aggregating to Rs. 33,559,800/- (September 30, 2010: 31,784,136/-).

NOTES TO THE FINANCIAL STATEMENTS

		September 30, 2011 (Unaudited)	September 30, 2010 (Unaudited)
	Note	-----Rupees-----	
9 CASH GENERATED FROM OPERATIONS			
Profit before taxation		(78,845,124)	1,860,848
Adjustments for :			
Depreciation / amortization		6,870,258	6,527,869
Provision for retirement benefits		715,896	383,564
Gain on disposal of fixed assets		(736,839)	-
Finance costs		11,279,156	9,852,721
Return on bank deposits		(180,122)	(140,468)
		17,948,349	16,623,686
Working Capital Changes	9.1	(172,576,579)	(19,178,184)
		(233,473,354)	(693,650)
9.1 Working Capital Changes			
(Increase) / decrease in current assets :			
Stores, spares and loose tools		5,141,785	(1,806,325)
Stock-in-trade		(251,745,010)	(68,871,709)
Trade debts		43,510,388	108,542,654
Loans and advances		11,170,490	(8,548,017)
Deposits and short term prepayments		(6,494,084)	(6,929,434)
Other receivables		(294,292)	(6,900,489)
Sales tax - net		(62,087,007)	(10,401,275)
		(260,797,730)	5,085,405
Increase / (decrease) in current liabilities :			
Trade and other payables		88,221,151	(24,263,589)
		(172,576,579)	(19,178,184)
10 TRANSACTIONS WITH RELATED PARTIES			
Nature of relationship	Nature of transactions		
Associates			
- Millat Tractors Limited	Sales	125,111,517	367,012,209
	Purchases	2,209,515	7,510,080
	Receipts / repayments of advances	100,616,247	268,789
- Millat Equipment Limited	Sales	1,417,446	4,493,134
Retirement funds			
- Provident funds	Contributions	798,909	662,618
- Pension fund	Contributions	489,799	418,982
- Executives' gratuity fund	Payments made on behalf of the fund	12,309,700	-
Key management personnel			
- Directors / Executive	Remuneration	1,914,248	1,340,098

NOTES TO THE FINANCIAL STATEMENTS

	September 30, 2011 (Unaudited)	June 30, 2011 (Audited)
Balance as at period / year end:		
	-----Rupees-----	

Nature of relationship	Nature of transactions		
Associates			
- Millat Tractors Limited	Trade debts	120,498,422	148,958,749
	Trade creditors	7,512,465	5,311,950
	Dividend paid	-	12,061,317
	Advances	129,221,911	28,605,664
	Outstanding shares	48,245,270	48,245,270
- Millat Equipment Limited	Trade Debts	2,105,187	1,037,892

11 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.

12 GENERAL

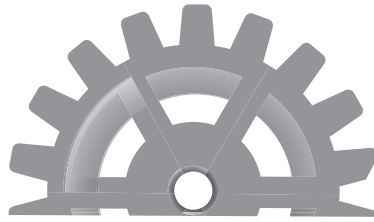
Figures have been rounded off to the nearest Rupee, unless otherwise stated.

13 DATE OF AUTHORIZATION OF ISSUE

These condensed interim Financial Statements were authorised for issue by the Board of Directors of the Company in its meeting held on October 28, 2011.


SHAHID A. HAKIM
 Chief Executive


SIKANDAR M. KHAN
 Chairman



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

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



www.bolancastings.com

