

CONTENTS

Company Information	2
Directors' Review	3
Balance Sheet	4
Profit and Loss Account	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. 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. Ford Rhodes Sidat Hyder & Co.	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 : +92-21-2579681, 2579819 Fax : +92-21-2573558 E-mail: bclho@bclpk.com	
Web Site	www.bolancastings.com	

DIRECTORS' REVIEW

Dear Shareholders,

Directors of your Company hereby present the unaudited accounts of the Company for and upto the third quarter ended March 31, 2009.

Operating and Financial Results

Net Sales upto the nine months period ended March 31, 2009 were Rs.1,110.445 Million (9,753 M.T) as compared to Rs.734.704 Million (9,476 M.T) of corresponding period last year.

The reducing raw material prices are helping, coupled with increasing demand of tractor castings in the Country. This trend is likely to continue during the next quarter.

Gross profit for the nine months period under review was Rs. 22.015 Million against Rs.8.037 Million of corresponding period last year. Net loss after tax upto the period under review was Rs.47.523 Million against loss of Rs.43.969 Million of corresponding period last year.

The amount of markup on Company Credit lines went high due to higher utilization of bank credits to meet working capital requirement.

Loss per share for the nine months period ended March 31, 2009 was Rs.6.01 per share against Loss per share of Rs.5.56 of corresponding period last year.

Future Prospects

The Company expects increase in its production/sales 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.

Karachi:
April 22, 2009

For and on behalf of the Board



SIKANDAR M. KHAN
Chairman

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2009

	Note	Un-Audited March 31, 2009 Rupees	Audited June 30, 2008 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	4	240,624,621	252,155,215
Intangible Assets		878,263	-
Available for sale financial asset		7,762,500	16,962,500
Long term loans		669,600	608,000
Long term deposits		4,069,160	3,808,660
Deferred tax		4,078,568	-
		258,082,712	273,534,375
CURRENT ASSETS			
Stores, spares and loose tools		94,949,028	74,755,416
Stock-in-trade		202,988,357	157,689,411
Trade debts		143,692,231	193,470,877
Loans and advances		17,783,348	15,556,601
Deposits and short term prepayments		22,309,736	41,395,974
Other receivables		426,167	665,824
Taxes recoverable		56,259,581	43,786,496
Cash and bank balances		40,865,152	6,090,689
		579,273,600	533,411,288
TOTAL ASSETS		837,356,312	806,945,663
EQUITIES AND LIABILITIES			
SHARE CAPITAL			
		79,011,900	60,778,380
RESERVES			
		223,516,207	274,161,374
		302,528,107	334,939,754
NON-CURRENT LIABILITIES			
Long term finance	5	14,081,686	50,331,686
Deferred taxation		-	14,038,215
Deferred liabilities		19,940,974	16,913,989
		34,022,660	81,283,890
CURRENT LIABILITIES			
Current portion of long term finance		36,250,000	36,250,000
Trade and other payables		163,562,780	73,062,662
Accrued interest/mark-up		13,194,845	7,296,961
Short term borrowings		287,797,920	274,112,396
		500,805,545	390,722,019
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		837,356,312	806,945,663

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 AND UPTO THE 3RD QUARTER ENDED MARCH 31, 2009**

	Note	Cumulative upto		For the third quarter ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
----- (Rupees) -----					
Net sales	7	1,110,445,000	734,704,171	387,090,378	279,573,666
Cost of goods sold	8	(1,088,430,344)	(726,666,905)	(369,544,726)	(276,659,456)
Gross profit		22,014,656	8,037,266	17,545,652	2,914,210
Distribution costs		(24,512,327)	(18,161,696)	(8,950,817)	(7,007,408)
Administrative expenses		(21,901,830)	(16,296,498)	(7,103,418)	(5,624,004)
Other operating expenses		(758,929)	(882,992)	(186,885)	(30,000)
		(47,173,086)	(35,341,186)	(16,241,120)	(12,661,412)
Finance cost		(44,543,583)	(23,320,174)	(16,689,949)	(8,731,897)
Other operating income		4,141,348	1,427,842	1,693,540	213,498
Loss before taxation		(65,560,665)	(49,196,252)	(13,691,877)	(18,265,601)
Taxation		18,037,658	5,227,097	(43,187)	(1,428,392)
Loss after taxation		(47,523,007)	(43,969,155)	(13,735,064)	(19,693,993)
Earnings per share					
- basic and diluted		(6.01)	(5.56)	(1.74)	(2.49)

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 PERIOD ENDED MARCH 31, 2009

	Note	March 31, 2009 Rupees	March 31, 2008 Rupees
Cash Flow from Operating Activities			
Cash generated from operations	9	95,231,217	68,846,167
Net (Increase) / decrease in long term loans		(61,600)	(124,300)
Net (Increase) / decrease in long term trade deposits		(260,500)	(100,000)
Taxes paid		(12,473,085)	(22,386,924)
Retirement benefits paid		(1,184,857)	(1,796,236)
Finance charged paid		(38,645,699)	(22,153,163)
Net Cash Inflow from operating activities		42,605,476	22,285,544
Cash Flow from Investing Activities			
Purchase of property, plant and equipment		(11,209,414)	(12,130,425)
Proceeds from disposal of operating assets		1,140,305	637,165
Dividend received		359,375	575,000
Return on bank deposits received		131,837	348,277
Net cash (outflow) from investing activities		(9,577,897)	(10,569,983)
Cash Flow from financing activities			
Repayment of long term finance		(36,250,000)	(36,250,000)
Dividend Paid		-	(10,702,749)
Right share subscription received including premium		24,311,360	-
Net cash (outflow) / inflow from financing activities		(11,938,640)	(46,952,749)
Net increase / (decrease) in cash & cash equivalents		21,088,939	(35,237,188)
Cash and cash equivalents at beginning of the period		(268,021,707)	(153,761,365)
Cash and cash equivalents at the end of the period		(246,932,768)	(188,998,553)

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 PERIOD ENDED MARCH 31, 2009

	Share Capital	Share Premium	General reserve	Unrealized Gain / (Loss) on Long Term Investment	Unappropriated Profit / (Accumulated Loss)	Total
	(Rupees)					
Balance as at June 30, 2007	55,253,070	-	230,000,000	13,475,000	26,626,525	325,354,595
Loss for the nine months ended March 31, 2008	-	-	-	-	(43,969,156)	(43,969,156)
Final dividend for the year ended June 30, 2007	-	-	-	-	(11,050,614)	(11,050,614)
Issue of bonus share in the ratio of 1 for every 10 shares @ Rs. 10 per share	5,525,310	-	-	-	(5,525,310)	-
Unrealized gain due to the change in fair value of available for sale financial assets	-	-	-	5,750,000	-	5,750,000
Transfer to general reserve	-	-	10,000,000	-	(10,000,000)	-
Balance as at March 31, 2008	60,778,380	-	240,000,000	19,225,000	(43,918,555)	276,084,825
Profit for the three months ended June 30, 2008	-	-	-	-	66,617,429	66,617,429
Unrealized loss due to the change in fair value of available for sale financial assets	-	-	-	(7,762,500)	-	(7,762,500)
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)
Issue of bonus share in the ratio of 1 for every 10 shares @ Rs. 10 per share	6,077,840	-	-	-	(6,077,840)	-
Unrealized loss due to the change in fair value of available for sale financial assets	-	-	-	(9,200,000)	-	(9,200,000)
Transfer to general reserve	-	-	16,500,000	-	(16,500,000)	-
Right share issue in the ratio of 2 for every 10 shares @ Rs. 20 per share	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

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 PERIOD ENDED MARCH 31, 2009

- 1 The Company is incorporated in Pakistan as a public limited company and is listed on Karachi Stock Exchange. The registered office of the Company is situated at main RCD Highway, Hub Chowki, District Lasbela, Balochistan, Pakistan. The Company manufactures and sells castings for tractors and automotive parts.
- 2 These condensed interim 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, 2008.

	March 31, 2009 Rupees	June 30, 2008 Rupees
4 PROPERTY , PLANT AND EQUIPMENT		
Operating fixed assets (note 4.1 and 4.2)	238,707,055	250,528,443
Capital work-in-progress (note 4.3)	1,917,566	1,626,772
	<u>240,624,621</u>	<u>252,155,215</u>

4.1 Capitalisation of operating assets during the period / year were as follows:

Building on freehold land	-	10,015,783
Plant and machinery	2,967,146	12,466,292
Electrical and Gas Installations	624,180	-
Furniture and Fittings	111,861	417,170
Electrical appliances	888,003	354,949
Office Equipments	17,000	165,450
Computers	253,260	385,622
Vehicles	5,069,136	3,910,886
	<u>9,930,586</u>	<u>27,716,152</u>

4.2 During the period assets costing Rs. 4,389,000 having net book value of Rs. 1,136,574 were disposed off for Rs. 1,140,305.

4.3 During the period the Company incurred expenditure on work-in-progress in respect of civil works amounting to Rs. 290,794 (June 30, 2008: 1,626,772).

5 LONG TERM FINANCE - Secured

This represents the demand finance facility, amounting to Rs. 145 million (June 30, 2008: Rs. 145 million) to finance the 'Balancing, Modernization, Replacement' of the Company's existing foundry. 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 fixed 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. 121.215 million (June 30, 2008: Rs. 216.828 million).

- 6.1** The Company had filed returns declaring the 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 CIT (Appaels). 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 Supreme Court of Pakistan which is 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 for the assessment year 2001-2002 imposed penalty amounting to Rs. 1,734,884 on the alleged concealment of income. The matter is pending before the Honourable High Court of Sindh. The management, based on the advice of its legal advisor, is confident that the ultimate outcome of the matter will be decided in its favour and accordingly has made no provision for the liability in these financial statements.

	Cumulative upto		For the third quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
..... Rupees				
7 NET SALES				
Gross Sales	1,386,484,852	934,180,931	478,565,269	353,026,501
Less: Sales Return	(87,264,202)	(76,529,109)	(25,669,526)	(25,925,313)
	1,299,220,650	857,651,822	452,895,743	327,101,188
Less: Sales Tax	(177,671,200)	(117,285,719)	(61,934,461)	(44,731,786)
Special Excise Duty	(11,104,450)	(7,330,357)	(3,870,904)	(2,795,736)
	(188,775,650)	(124,616,076)	(65,805,365)	(47,527,522)
Add: Export Sales	-	1,668,425	-	-
	1,110,445,000	734,704,171	387,090,378	279,573,666

NOTES TO THE FINANCIAL STATEMENTS

8 COST OF GOODS SOLD

	Cumulative upto		For the third quarter ended	
	March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
	Rupees			
Raw Material & Components consumed:				
Opening Stock	99,215,461	112,905,249	161,427,390	117,937,418
Purchases	736,242,734	384,245,479	204,529,824	119,084,158
	835,458,195	497,150,728	365,957,214	237,021,576
Closing Stock	(122,103,525)	(88,397,568)	(122,103,525)	(88,397,568)
	713,354,670	408,753,160	243,853,689	148,624,008
Salaries, Wages & Benefits	61,606,231	50,973,919	17,873,981	14,957,616
Staff Welfare	5,059,827	4,103,243	1,676,831	1,542,692
Stores & Spares Consumed	78,145,386	71,397,864	26,841,625	29,164,418
Fuel & power	164,682,705	107,746,413	51,177,990	38,710,287
Machining Expenses	5,382,624	3,368,542	1,073,360	1,231,367
Other services	43,174,049	37,578,677	13,708,663	11,880,547
Travelling & Conveyance	13,229,618	9,158,639	4,360,251	2,992,524
Rent, Rates & Taxes	311,165	298,924	93,819	105,684
Repair and Maintenance	3,508,585	3,258,517	759,002	1,085,389
Export Expenses	26,825	104,592	26,825	-
Freight Expenses	115,775	-	57,825	-
Insurance	1,706,728	1,922,436	586,122	640,812
Vehicle Expenses	2,370,434	1,906,636	714,881	642,902
Depreciation	19,912,851	19,772,443	6,694,582	6,591,313
Amortization	32,931	-	24,698	-
Others	3,132,940	3,170,900	883,582	1,062,795
	402,398,674	314,761,745	126,554,037	110,608,346
Work-in-Process - Opening	20,139,000	35,897,000	35,756,000	44,946,000
- Closing	(37,234,000)	(25,471,000)	(37,234,000)	(25,471,000)
	(17,095,000)	10,426,000	(1,478,000)	19,475,000
Cost of Goods Manufactured	1,098,658,344	733,940,905	368,929,726	278,707,354
Finished Goods - Opening	12,148,000	11,883,000	22,991,000	17,109,102
- Closing	(22,376,000)	(19,157,000)	(22,376,000)	(19,157,000)
	(10,228,000)	(7,274,000)	615,000	(2,047,898)
Cost of Goods sold	1,088,430,344	726,666,905	369,544,726	276,659,456

NOTES TO THE FINANCIAL STATEMENTS

9 CASH GENERATED FROM OPERATIONS	March 31, 2009 Rupees	March 31, 2008 Rupees
Loss before taxation	(65,560,665)	(49,196,252)
Adjustment for :		
Depreciation and amortization	20,725,171	20,403,976
Provision for retirement benefits	4,211,842	2,170,318
(Gain) on sale of operating assets-net	(3,732)	(155,474)
Dividend Income	(359,375)	(575,000)
Finance costs	44,543,583	23,320,174
Return on bank deposits	(130,393)	(356,842)
	68,987,096	44,807,152
Operating profit before working capital changes	3,426,431	(4,389,101)
Working Capital Changes		
Decrease / (Increase) in current assets:		
Stores, spares and loose tools	(20,193,612)	(5,426,564)
Stock-in-trade	(45,298,946)	50,305,667
Trade debts	49,778,646	31,780,561
Loans and advances	(2,226,747)	(9,360,302)
Deposits and short term prepayments	19,086,238	(3,847,612)
Other receivables	238,213	(600,715)
	1,383,792	62,851,036
Increase / (Decrease) in current liabilities:		
Trade and other payables	90,420,994	10,384,232
	95,231,217	68,846,167

10 TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party and relation with the Company	Nature of transactions	March 31, 2009 Rupees	March 31, 2008 Rupees
Associates			
- Millat Tractors Limited	Sale of goods - net	993,516,464	666,822,426
- Millat Equipment Limited	Sale of goods - net	102,000	-
- Millat Tractors Limited	Purchase of goods - net	11,551,050	-
Post employment plans			
- Pension scheme	Contributions	1,182,460	1,414,645
- Provident funds	Contributions	1,670,681	1,815,896
- Gratuity scheme	Benefits paid on behalf of fund	2,648,168	1,952,305

NOTES TO THE FINANCIAL STATEMENTS

10.1 The outstanding receivable and payable balance from /to Millat Tractors Limited as at March 31, 2009 amounted to Rs. 89,590,497 (June 30, 2008: Rs. 159,011,301) and Rs. 11,551,050 (June 30, 2008: Rs. Nil) respectively.

10.2 The outstanding receivable and payable balance from /to Millat Equipment Limited as at March 31, 2009 amounted to Rs. 119,340 (June 30, 2008: Rs. Nil) and Rs. Nil (June 30, 2008: Rs. Nil) 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 April 22, 2009 by the Board of Directors of the Company.



SHAHID A. HAKIM
Chief Executive



SIKANDAR M. KHAN
Chairman