

BOLAN CASTINGS LIMITED
NOTES TO THE ACCOUNTS (UNAUDITED)
FOR THE 1st QUARTER ENDED SEPTEMBER 30, 2004

1 LEGAL STATUS AND NATURE OF BUSINESS

The Company is incorporated in Pakistan as a quoted public limited company and is listed on Karachi Stock Exchange. Its main business activity is to undertake castings of Tractors and Automotive Parts.

2 COMPLIANCE WITH STATUTORY REQUIREMENTS

These unaudited Financial statements have been prepared in Compliance of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and are being circulated as required under section 245 of the Companies Ordinance, 1984.

3 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly accounts for the period ended September 30, 2004 are the same as those applied in the preparation of the audited published accounts of the company for the period ended June 30, 2004.

4 CONTINGENCIES AND COMMITMENTS

4.1 Letters of credit outstanding as at September 30, 2004 Rs.27,594,535/=(June 30,2004: Rs.9,402,000/=)

4.2 Post dated cheques issued in favour of collector of customs in support of indemnity bonds Rs.93,393/= (June 30, 2004 Rs.319,076/=)

5 ADDITIONS AND DELETIONS IN FIXED ASSETS

		SEPTEMBER 30, 2004	JUNE 30, 2004
		RUPEES	RUPEES
Additions	(Cost)	4,281,976	7,101,999
Deletions	(Cost)	621,410	1,307,000
		SEPTEMBER 30, 2004	SEPTEMBER 30, 2003
		RUPEES	RUPEES

6 SALES

Manufactured Goods	190,071,641	82,298,437
Export	2,361,594	4,066,920
Trading Goods - Export	1,299,765	3,108,556
	193,733,000	89,473,913
Less: Sales Return	(11,126,797)	(4,508,204)
Sales Tax	(24,791,953)	(10,387,713)
	(35,918,750)	(14,895,917)
	157,814,250	74,577,996

SEPTEMBER 30,

SEPTEMBER 30,

	2004 RUPEES	2003 RUPEES
7 COST OF GOODS SOLD		
Raw Material & Components consumed:		
Opening Stock	55,031,214	23,321,983
Purchases	96,678,936	43,625,608
	<u>151,710,150</u>	<u>66,947,591</u>
Closing Stock	(74,759,901)	(37,845,431)
	<u>76,950,249</u>	<u>29,102,160</u>
Salaries,Wages & Benefits	10,740,392	7,422,894
Staff Welfare	613,907	513,212
Stores & Spares Consumed	11,676,264	6,934,329
Fuel & power	20,404,074	11,776,799
Machining Expenses	1,070,778	840,756
Other services	5,358,289	3,062,003
Travelling & Conveyance	1,998,782	1,317,699
Rent, Rates & Taxes	67,784	60,594
Repair and Maintenance	884,741	378,357
Insurance	178,467	204,774
Vehicle Expenses	410,233	447,061
Freight Expenses	3,384,592	1,327,393
Export Expenses	35,385	406,796
Depereciation	2,409,463	2,511,581
Others	396,900	543,483
	<u>59,630,051</u>	<u>37,747,731</u>
	<u>136,580,300</u>	<u>66,849,891</u>
Work-in-Process - Opening	28,295,000	14,957,000
- Closing	(24,065,000)	(15,704,000)
	<u>4,230,000</u>	<u>(747,000)</u>
Cost of Goods Manufactured	<u>140,810,300</u>	<u>66,102,891</u>
Finished Goods - Opening	5,022,000	4,332,000
- Closing	(7,491,000)	(9,183,000)
	<u>(2,469,000)</u>	<u>(4,851,000)</u>
Cost of Goods sold - own manufactured	<u>138,341,300</u>	<u>61,251,891</u>
Cost of Goods sold - Trading Goods	7.1 1,018,955	2,497,335
	<u>139,360,255</u>	<u>63,749,226</u>
7.1 Cost of Goods sold - Trading Goods		
Opening stock	964,280	-
Purchases	54,675	2,497,335
	<u>1,018,955</u>	<u>2,497,335</u>
Closing stock	-	-
Cost of Goods sold - Trading Goods	<u>1,018,955</u>	<u>2,497,335</u>

8 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS AND RELATED PARTIES

Sales and purchases to/from Millat Tractors Limited for the 1st quarter ended September 30,2004 amounted to Rs.133,376,126(September 30,2003 :Rs.46,381,980)and September 30,2004 : Nil (September 30, 2003 :Rs.2,442,935) respectively.Receivable and payable from/to Millat Tractors Limited as at September 30,2004 amounted to Rs.38,438,854(June 30, 2004:Rs.18,343,588) and Rs. Nil (June 30, 2004:Nil) respectively

8.1 All Transactions with associated undertakings are at arm's length price.

9 AUTHORIZATION OF ISSUE

The Financial Statements were authorized for issue by the Board of Directors on October , 2004.

10 CORRESPONDING FIGURES

Corresponding figures have been re-arranged,where necessary,for the purpose of comparison.

LAEEQ UDDIN ANSARI
CHIEF EXECUTIVE

SIKANDAR M.KHAN
CHAIRMAN