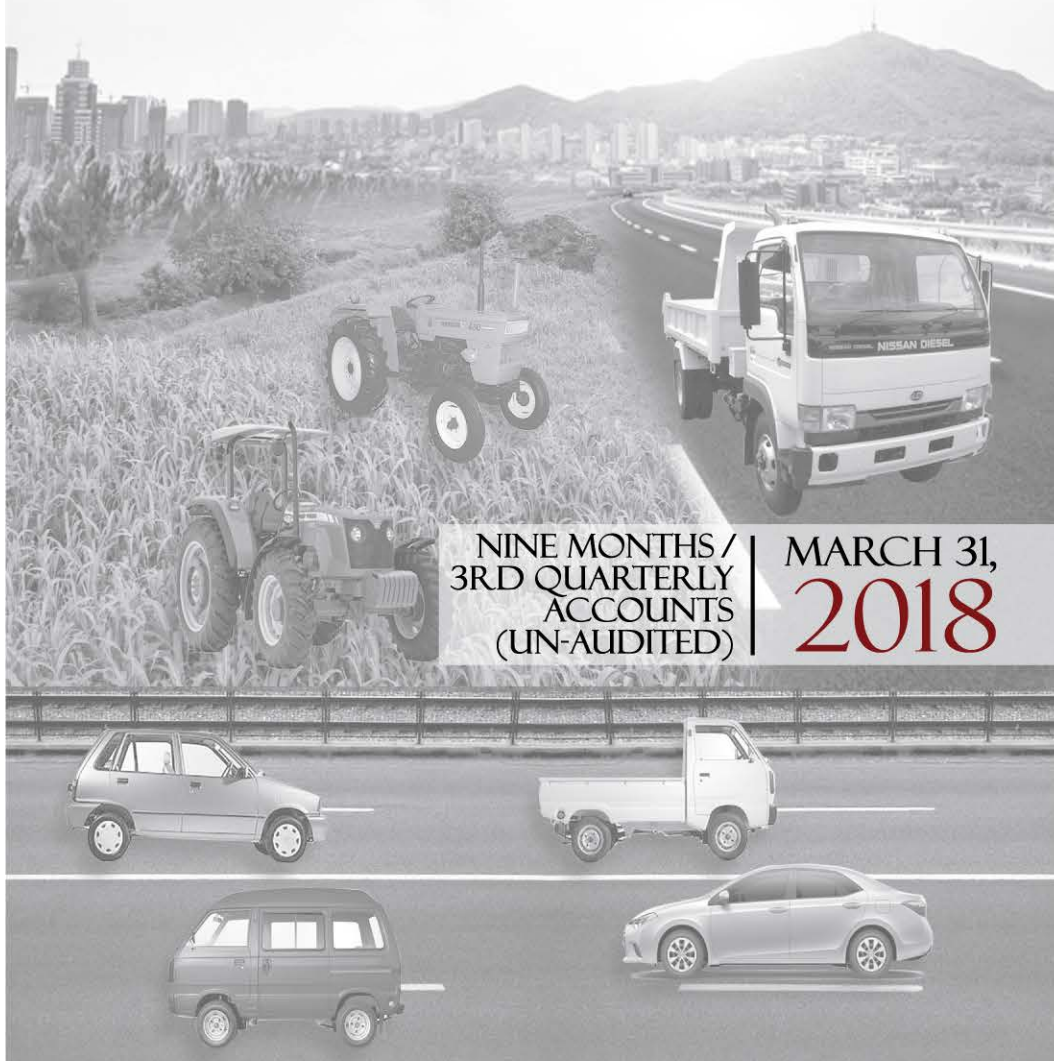




BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

Moving Around The World



NINE MONTHS /
3RD QUARTERLY
ACCOUNTS
(UN-AUDITED)

MARCH 31,
2018



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CORPORATE INFORMATION

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

CHIEF EXECUTIVE

Mr. Razak H. M. Bengali

INDEPENDENT DIRECTOR

Mr. Anis Wahab Zuberi

EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri	Director Marketing/ Business Development
Mr. Muhammad Irfan Ghani	Chief Operating Officer

NON-EXECUTIVE DIRECTORS

Syed Zubair Ahmed Shah (Nominee - NIT)
Mr. Muhammad Javed
Mr. Irfan Ahmed Qureshi
Mrs. Saba Nadeem

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Muhammad Yasin Yunus Ladha

AUDIT COMMITTEE

Mr. Anis Wahab Zuberi	Independent, Non-Executive Director	Chairman
Syed Zubair Ahmed Shah	Non-Executive Director (Nominee - NIT)	Member
Syed Haroon Rashid	Non-Executive Director	Member
Mr. Irfan Ahmed Qureshi	Non-Executive Director	Member
Mrs. Saba Nadeem	Non-Executive Director	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Syed Zubair Ahmed Shah	Non-Executive Director (Nominee - NIT)	Chairman
Mr. Muhammad Irfan Ghani	Chief Operating Officer (Executive Director)	Member
Mr. Anis Wahab Zuberi	Independent, Non-Executive Director	Member
Mr. Muhammad Javed	Non-Executive Director	Member

MANAGEMENT COMMITTEE

Mr. Razak H.M. Bengali	Chief Executive
Mr. Muhammad Siddique Misri	Director Marketing/ Business Development
Mr. Muhammad Irfan Ghani	Chief Operating Officer
Mr. Sajid Nadri	S.G.M (Technical)
Mr. Muhammad Yasin Yunus Ladha	S.G.M (Finance) / Company Secretary
Lt. Col. (R) Mehboob Ahmed	G.M (Maintenance)
Mr. Muhammad Asad Saeed	D.G.M (Finance)
Mr. Kumail Irfan Ghani	D.G.M (Supply & Services)
Mr. Fareed Abdul Razzak	D.G.M (Finance)

CHIEF INTERNAL AUDITOR

Hafiz Shoaib Ahmed Chauhan

EXTERNAL AUDITORS

EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS

EY Ford Rhodes
(Chartered Accountants)

Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Industrial and Commercial Bank of China

SHARE REGISTRAR

THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6
P.E.C.H.S., Karachi-75400
E-mail: secretariat@thk.com.pk
UAN # +92 (21) 111-000-322
Direct: +92 (21) 34168270
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HEAD OFFICE

1st Floor, State Life Building # 3
Dr. Ziauddin Ahmed Road, Karachi.
E-mail: bwlfm@cyber.net.pk
Website: <http://www.bwheels.com>
Telephone # 35689259, 35683474, 35687502
Fax # 35684003

FACTORY AND REGISTERED OFFICE

Main RCD Highway, Hub Chowki,
Lasbella, Baluchistan.
Telephone # (0853) 363426, 363428
Fax # (0853) 364025



DIRECTORS' REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Information for the nine months ended March 31, 2018.

FINANCIAL RESULTS

Overall at the national level the production of Cars improved by 16% with the total production of 183,072 units during the period July 2017-March 2018 as compared to the 157,529 units in the corresponding period of last year, whereas the production of Trucks & Buses increased by 17% i.e. 7,462 units produced during the period July 2017 - March 2018 as compared to 6,382 units during the same period of last year. Similarly, the production of Tractors increased significantly by 39% i.e. 52,551 units produced during the period July 2017 - March 2018 as compared to 37,938 units during the same period of last year.

During the period (July 2017 to March 2018) the Company had overall consolidated revenue of Rs. 1.35 billion improved by 23% as compared to Rs. 1.09 billion of corresponding period of last year. The Car wheels sales was down marginally to Rs. 619 million compared to Rs. 643 million (lower by 4%) during the same period of last year. The change in import procedure, availability of auto finance at low rates and demand from online ride hailing services boosted card demand. The Truck / Bus wheels sales was Rs.212 million as compared to Rs.134 million which is 58% higher than the corresponding period of last year. The growth in Truck / Bus sales is due to China Pakistan Economic Corridor (CPEC) higher road connectivity, low financing rates, robust growth in Large Scale Manufacturing (LSM) sector and change in enforcement of axle road limit per ton on highway. Tractor wheels sales increased significantly by 63% to Rs. 487 million as compared to Rs. 299 million during the same period of last year. The increase in sales of Tractor wheels is due to reduced rate of General Sales Tax (GST) on Tractors, subsidies on fertilizers and better crop yields having a positive impact on our sales too.

Despite higher production and sales, the gross profit decreased by Rs. 13.01 million (i.e. 6%) from Rs. 221.11 million to Rs. 208.10 million due to increase in imported steel and fuel prices in international market, increase in other elements of cost as well as devaluation of Pak Rupee vs US Dollar by more than 10% in short span of time. Similarly the net profit after taxation declined by Rs. 27.74 million (i.e. 28%) from Rs. 98.54 million to Rs. 70.79 million. The main reason for decline in net profit after taxation is huge reduction of 94% in other income during this period.

Distribution cost increased by Rs. 7.68 million (i.e. 22%) from Rs. 34.70 million to Rs. 42.38 million mainly due to increased sale of Tractor wheels during the period as compared to the same period of last year. Administrative expenses increased by Rs. 4.55 million (i.e. 7%) from Rs. 62.56 million to Rs. 67.11 million mainly due to the salaries & wages and other related expenses. The company earned other income of Rs. 1 million only during the period under review as compared to the Rs. 17.42 million due to the non availability of surplus funds.



DIRECTORS' REPORT

NBP AND RELATED MATTERS

The case is pending in the High Court of Sindh which has been briefly explained in note No. 24 of the Annual Audited Financial Information for the year ended June 30, 2017. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in the company's favour (Insha-Allah).

FUTURE OUTLOOK

The Pakistan economy maintained its growth during the period under review as achieved in the fiscal year 2016 - 2017. The Automobile industry performed well during the nine months period of Financial Year 2017-2018. Availability of cheap financing sources, government initiatives and development of infrastructure facilities has been the main source of demand.

Your Company is committed to invest in various projects for balancing, modernizing and replacing (BMR) of Plant and Machinery in order to deliver quality products to its customers. Different measures have also been taken to eliminate bottlenecks and enhance productivity.

Due to substantial devaluation of Pak Rupee against the US Dollar and also increase in discount rate by the State Bank of Pakistan, the costs of inputs to be increased manifolds. However, due to the high demand of automobile, particularly in the Tractors and Trucks / Buses, your company will hopefully try to manage its revenue and profitability.

With the implementation of the Auto Policy 2016-2021 a lot of Companies and large Business Groups are interested in investing in our Country and some of them have already ground break their plants, due to which we expect growth in the automobiles sector and consequently increase in our business volume.

The management is aware to the challenges ahead and is continuously evolving strategies and adopting measures to meet future challenges and maintain business growth.

ACKNOWLEDGEMENT

We take this opportunity to thank our customers and all the stakeholders who reposed their trust and confidence in the company and acknowledge the efforts of the entire BWL team including our staff and workers and look forward to their continued support.

May Allah bless us and help us to achieve success for your company and for the benefit of all stake holders, and the Country in general. Aameen!

For and on Behalf of the Board

Razak H.M. Bengali
Chief Executive
Karachi: April 20, 2018



ڈائریکٹر رپورٹ

آپ کی کمپنی کے ڈائریکٹر نہایت مسرت کے ساتھ ۳۱ مارچ ۲۰۱۸ء کو ختم ہونے والے نو مہینوں کے غیر جانچ شدہ عبوری مالیاتی رپورٹ پیش کرتے ہیں۔

مالیاتی نتائج۔

مجموعی طور پر ملکی سطح پر زیر جائزہ نو ماہ (جولائی ۲۰۱۷ء تا مارچ ۲۰۱۸ء) کے دوران کار کے 183,072 یونٹس تیار کئے گئے جو گزشتہ سال کے اسی مدت کے 157,529 یونٹس کے مقابلے میں 16% فیصد زیادہ رہے۔ اسی طرح ٹرک / بس کی پیداوار 7,462 یونٹس رہی جو گزشتہ سال کے اسی دورانیے کے 6,382 یونٹس کے مقابلے میں 17% فیصد زیادہ رہی۔ جبکہ ٹریکٹرز کی پیداوار میں غیر معمولی اضافہ ہوا اور ٹریکٹرز کے 52,551 یونٹس تیار کئے گئے جبکہ گزشتہ سال کے اسی دورانیے میں 37,938 ٹریکٹرز تیار کئے گئے تھے جو 39% فیصد زیادہ رہے۔

زیر جائزہ مدت کے دوران ہماری فروخت 1.35 ملین روپے رہی جو گزشتہ سال کی اسی مدت کی فروخت 1.09 ملین روپے کے مقابلے میں 23% فیصد زیادہ رہی۔ کار کے پھیوں کی فروخت 619 ملین روپے رہی جو گزشتہ سال کی اسی مدت کے 643 ملین روپے کی فروخت کے مقابلے میں صرف 4% فیصد کم رہی۔ درآمدی طریقہ کار میں تبدیلی، کم شرح سود پر آئو فنانس کی دستیابی اور آن لائن سواری سے متعلق خدمات کی مانگ میں اضافہ کی وجہ سے کار کی طلب میں اضافہ ہوا ہے۔ ٹرک / بس کے پھیوں کی فروخت 212 ملین روپے رہی جو گزشتہ سال کی فروخت 134 ملین روپے کے مقابلے میں 58% فیصد زیادہ رہی۔ جسکی بنیادی وجہ سی پیک (CPEC)، وسیع تر سڑکوں کا جال، کم شرح سود، بڑی اسکیل میٹروپیکچرنگ کے شعبہء میں غیر معمولی ترقی اور ہائی وے پر ٹرک وزن کے قانون پر عملدرآمد ہے۔ ٹریکٹرز کے پھیوں کی فروخت 487 ملین روپے رہی جو گزشتہ سال کے 299 ملین روپے کی فروخت کے مقابلے میں غیر معمولی طور پر 63% فیصد زائد رہی۔ ٹریکٹرز کے پھیوں کی فروخت میں اضافے کی بنیادی وجہ ٹریکٹر پرنٹرز سلائیٹنگ کی کم شرح، کھاد پرمسڈی برقرار رکھنا اور بہتر فصل کی پیداوار ہے جس کا براہ راست اثر ہماری فروخت پر بھی پڑا۔

اضافی پیداوار اور فروخت کے باوجود غیر خالص منافع 13.01 ملین روپے 6% فیصد کی کمی کے ساتھ 208.10 ملین روپے رہا جو گزشتہ سال اسی مدت میں 221.11 ملین روپے تھا۔ جسکی بنیادی وجہ بین الاقوامی مارکیٹ میں اسٹیل، ایندھن اور لاگت کے دیگر عناصر کی بڑھتی ہوئی قیمت، اور مختصر عرصے میں ڈالر کے مقابلے میں روپے کی دس فیصد سے زائد گراوٹ شامل ہیں۔ بالکل اسی طرح کمپنی کا بعد از ٹیکس منافع 27.74 ملین روپے 28% فیصد کی کمی کے ساتھ 70.79 ملین روپے رہا جو گزشتہ سال کے اسی مدت میں 98.54 ملین روپے تھا۔ بعد از ٹیکس منافع میں کمی کی بنیادی وجہ دوسرے ذرائع آمدن میں 94% فیصد کی زبردستی کمی ہے۔

تقسیم کاری کے اخراجات 7.68 ملین روپے (22%) فیصد کے اضافے کے ساتھ 42.38 ملین روپے رہے جو گزشتہ سال کے اسی مدت میں 34.70 ملین روپے تھے جسکی بنیادی وجہ ٹریکٹرز کے پھیوں کی فروخت میں اضافہ ہے۔ انتظامی اخراجات 4.55 ملین روپے (7%) فیصد کے اضافے کے ساتھ 67.11 ملین روپے رہے جو گزشتہ سال کے اسی مدت میں 62.56 ملین روپے تھے جسکی بنیادی وجہ تنخواہ اور دیگر متعلقہ اخراجات میں اضافہ ہے۔ اضافی فنڈز کی قلت کی وجہ سے کمپنی نے صرف 1 ملین روپے دوسرے ذرائع آمدنی کی مدد میں کمائے جبکہ گزشتہ سال کی اسی مدت میں 17.42 ملین روپے کمائے تھے۔

NBP اور متعلقہ معاملات۔

یہ مقدمہ سندھ ہائی کورٹ میں زیر التوا ہے اور اسکے بارے میں تفصیل 30 جون 2017 کو ختم ہونے والے مالی سال کے آڈیٹڈ مالیاتی رپورٹ کے نوٹ



ڈائریکٹر رپورٹ

نمبر 24 میں درج ہے۔ آپ کی کمپنی کی انتظامیہ اور کلاء پر امید ہیں کہ اس مقدمہ کا نتیجہ ہمارے حق میں آئے گا۔ (انشاء اللہ)

مستقبل کے غدو خال:-

مالی سال 2016-2017 کی طرح زیر جائزہ نو ماہ کے دوران پاکستان کی معیشت نے اپنی ترقی کو برقرار رکھا۔ آٹوموبائل انڈسٹری نے مالی سال 2017-2018 کے نو ماہ کے دوران اچھی کارکردگی کا مظاہرہ کیا جسکی بنیادی وجہ سستی ذرائع فنانسنگ، حکومتی اقدامات اور بنیادی انفراسٹرکچر کی ڈویلپمنٹ ہے۔

اپنے گاؤں کو معیاری مصنوعات کی فراہمی کیلئے آپ کا ادارہ پلانٹ اور مشینری کو بتلیس کرنے اور جدت پر استوار کرنے کیلئے مستقل سرمایہ کاری کر رہا ہے۔ پیداوار کی رفتار کو بڑھانے کے لیے مزید اقدامات کئے گئے ہیں۔

روپے کی قدر میں کمی اور اسٹیٹ بینک آف پاکستان کی جانب سے سود کی شرح میں اضافہ کی وجہ سے کاروبار کی لاگت میں اضافہ ہو سکتا ہے۔ آٹوموبائل کی بڑھتی ہوئی طلب خاص طور پر ٹرک/بس اور ٹریکٹر کی ڈیمانڈ میں اضافہ ہوگا۔ اس وجہ سے امید ہے کہ آپ کی کمپنی بھی اپنے منافع کو برقرار رکھنے کی کوشش کرے گی۔

آٹوموبائل 2016-2021 پر عملدرآمد کی وجہ سے بہت سی کمپنیز اور بڑے بزنس گروپس ہمارے ملک میں سرمایہ کاری کرنے میں دلچسپی ظاہر کر رہے ہیں اور کچھ بزنس گروپس نے تو اپنے پلانٹ لگانا بھی شروع کر دیئے ہیں جسکی وجہ سے ہم امید کرتے ہیں کہ مستقبل میں آٹوموبائل سیکٹر کی ترقی میں اضافہ ہوگا اور اسی وجہ سے ہمارے کاروبار کے حجم میں بھی اضافہ ہوگا۔

آپ کی بٹجمنٹ مستقبل میں غیر متوقع حالات سے نمٹنے کیلئے مستقل بنیادوں پر حکمت عملی تیار کرتی ہے تاکہ ترقی کا سفر جاری رہے۔

اظہار تشکر:-

ہم اس موقع پر اپنے تمام صارفین اور اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر مکمل اعتماد اور بھروسے کا اظہار کیا۔ ہم اپنے عملے اور کارکنان سمیت تمام بلوچستان ویہیلر لمیٹڈ کی ٹیم کی کوششوں اور مسلسل تعاون کرنے پر انکا شکریہ ادا کرتے ہیں۔

اللہ تعالیٰ ہمیں برکت دے اور خصوصاً ہمیں اور ہمارے تمام اسٹیک ہولڈرز کو اور عموماً پورے ملک کو ترقی اور کامیابی عطا فرمائے (آمین)۔

بحکم بورڈ آف ڈائریکٹرز

جناب رزاق ایچ ایم بنگالی

چیف ایگزیکٹو

کراچی، ۲۰ اپریل ۲۰۱۸ء



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

ASSETS	Note	(Un-audited) March 31, 2018 (Rs. in '000)	(Audited) June 30, 2017
NON-CURRENT ASSETS			
Property, plant and equipment	6	420,857	367,269
Long-term loans and advances		4,378	4,275
Long-term deposits		5,777	5,063
		<u>431,012</u>	<u>376,607</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		58,347	55,930
Stock-in-trade	7	540,716	518,874
Trade debts		216,089	95,781
Loans and advances		18,404	32,592
Trade deposits and short-term prepayments		4,421	1,694
Other receivables		-	2,894
Short-term investments	8	7,548	261,671
Taxation - net		139,197	77,553
Sales tax refundable-net		-	8,554
Bank balances		67,867	27,530
		<u>1,052,589</u>	<u>1,083,073</u>
		<u>1,483,601</u>	<u>1,459,680</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 25,000,000 (30 June 2017:25,000,000) ordinary shares of Rs.10/- each		<u>250,000</u>	<u>250,000</u>
Issued, subscribed and paid-up capital		133,343	133,343
Reserves		<u>1,125,201</u>	<u>1,107,742</u>
		<u>1,258,544</u>	<u>1,241,085</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		6,650	4,958
Long-term deposits		1,601	874
Deferred taxation		<u>34,398</u>	<u>29,179</u>
		<u>42,649</u>	<u>35,011</u>
CURRENT LIABILITIES			
Trade and other payables		165,788	176,569
Sales tax payable - net		6,896	-
Current portion of liabilities against assets subject to finance leases		5,176	2,948
Provision for warranty		<u>4,548</u>	<u>4,067</u>
		<u>182,408</u>	<u>183,584</u>
CONTINGENCIES AND COMMITMENTS	9	<u>1,483,601</u>	<u>1,459,680</u>

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

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

	<u>Nine Months Ended</u>		<u>Quarter Ended</u>	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- (Rs. in '000) -----			
Turnover - net	1,351,289	1,099,168	495,507	425,684
Cost of sales	(1,143,188)	(878,056)	(422,944)	(322,099)
Gross profit	208,101	221,112	72,563	103,585
Distribution cost	(42,387)	(34,700)	(16,547)	(14,326)
Administrative expenses	(67,648)	(62,565)	(21,363)	(21,670)
Other operating expenses	(6,949)	(11,123)	(1,768)	(5,536)
Finance cost	(1,566)	(1,060)	(201)	(337)
	(118,550)	(109,448)	(39,879)	(41,869)
Other income	1,001	17,425	1,130	3,859
Profit before taxation	90,552	129,089	33,814	65,575
Taxation				
Current	(15,320)	(29,842)	(3,216)	(10,478)
Prior	783	(556)	-	-
Deferred	(5,219)	(149)	(3,575)	(3,811)
	(19,756)	(30,547)	(6,791)	(14,289)
Profit after taxation for the period	70,796	98,542	27,023	51,286
Earnings per share- basic and diluted(Rs)	5.31	7.39	2.03	3.85

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

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

	Nine Months Ended		Quarter Ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- (Rs. in '000) -----			
Profit after taxation for the period	70,796	98,542	27,023	51,286
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>70,796</u>	<u>98,542</u>	<u>27,023</u>	<u>51,286</u>

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

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2018

	March 31, 2018 (Rs. in '000)	March 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	90,552	129,089
Adjustments for non-cash items:		
Depreciation	32,952	27,312
Gain on disposal of fixed assets	(601)	(286)
Finance cost	1,566	1,060
Provision for slow moving stores, spare parts and loose tools	1,555	452
Reversal of provision for slow moving stock in trade - net	(3,614)	(11,375)
Reversal of provision for doubtful debts - net	(352)	(590)
Provision for compensated absences	1,639	1,367
Provision for warranty claims - net	482	2,061
Provision for employees' benefits	3,064	2,746
Profit on treasury bills and deposit accounts	(2,599)	(14,003)
Dividend income	(119)	(245)
Loss/(gain) on redemption and revaluation of mutual fund units / listed shares	2,837	(1,688)
	<u>36,810</u>	<u>6,811</u>
	127,362	135,900
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(3,972)	(6,376)
Stock-in-trade	(18,229)	6,702
Trade debts	(119,955)	2,157
Loans and advances	14,189	6,383
Trade deposits, short-term prepayments and other receivables	(1,985)	(697)
Sales tax refundable	8,554	-
	<u>(121,398)</u>	<u>8,169</u>
	5,964	144,069
(Decrease) / increase in current liabilities		
Trade and other payables	(14,740)	28,470
Sales tax payable	6,896	(948)
	<u>(1,880)</u>	<u>171,591</u>
Employees' benefits paid	(1,236)	(3,224)
Income tax paid	(76,181)	(82,322)
Long-term loans and advances	(104)	169
Long-term deposits - net	13	(656)
Net cash (used in) / generated from operating activities	<u>(79,388)</u>	<u>85,558</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(87,789)	(87,582)
Proceeds from disposal of fixed assets	1,849	2,512
Profit received on treasury bills and bank accounts	4,751	11,292
Short-term Investments made	(6,653)	-
Short-term Investments redeemed	257,939	63,202
Dividend received	119	245
Gain on redemption of investments	-	3,620
Net cash generated from / (used in) investing activities	<u>170,216</u>	<u>(6,711)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance leases -net	3,920	6,039
Finance cost paid	(1,572)	(1,050)
Dividend paid	(52,839)	(65,893)
Net cash used in financing activities	<u>(50,491)</u>	<u>(60,904)</u>
Net increase in cash and cash equivalents	<u>40,337</u>	<u>17,943</u>
Cash and cash equivalents at the beginning of the period	<u>27,530</u>	<u>44,051</u>
Cash and cash equivalents at the end of the period	<u>67,867</u>	<u>61,994</u>

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

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

	Issued, subscribed and paid-up Capital	Reserves			Total equity	
		General reserve	Remeasu- ment loss on gratuity fund	Unappropriated profit		Total reserves
----- (Rs. in '000) -----						
Balance as at 30 June 2016	133,343	160,000	(1,892)	893,922	1,052,030	1,185,373
Final dividend for the year ended June 30, 2016 @ Rs. 5 per share	-	-	-	(66,672)	(66,672)	(66,672)
Net profit after tax for the period	-	-	-	98,542	98,542	98,542
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive income	-	-		98,542	98,542	98,542
Balance as at 31 March 2017	<u>133,343</u>	<u>160,000</u>	<u>(1,892)</u>	<u>925,792</u>	<u>1,083,900</u>	<u>1,217,243</u>
Balance as at 30 June 2017	133,343	160,000	(5,850)	953,592	1,107,742	1,241,085
Final dividend for the year ended 30 June 2017 @ Rs. 4 per share	-	-	-	(53,337)	(53,337)	(53,337)
Net profit after tax for the period	-	-	-	70,796	70,796	70,796
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive income	-	-	-	70,796	70,796	70,796
Balance as at 31 March 2018	<u>133,343</u>	<u>160,000</u>	<u>(5,850)</u>	<u>971,051</u>	<u>1,125,201</u>	<u>1,258,544</u>

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

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2018

1. THE COMPANY AND ITS OPERATIONS

Baluchistan Wheels Limited (the Company) was incorporated in Pakistan on June 16, 1980. The Company is engaged in manufacturing and marketing of automotive wheel rims for trucks, buses, tractors, cars, and mini commercial vehicles. The Company is listed on Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan.

2. STATEMENT OF COMPLIANCE

Effective 30th May 2017, the Companies Act, 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 communicated its decision that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Furthermore, Institute of Chartered of Pakistan has obtained clarification from SECP regarding the said circular, which explains that this circular also covers interim financial information of companies for the periods ending on or before March 31, 2018. Accordingly, these condensed interim financial information has been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards as applicable in Pakistan comprise of International Accounting Standard - 34 'Interim Financial Reporting' and provisions of and directives issued under the repealed Companies Ordinance, 1984. In case where requirements differ, the provision of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

Currently, the Company is assessing the impact of the requirements of the Companies Act 2017, on the financial statements for the future periods in terms of accounting and disclosure requirements.

3. BASIS OF PREPARATION

These condensed interim financial information are un-audited and do not include all the information and disclosures required in the annual financial information, and should be read in conjunction with the financial information of the Company for the year ended June 30, 2017.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial information are the same as those adopted in the preparation of the annual financial information for the year ended June 30, 2017 except for the adoption of standards becomes effective during the current period. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2018

4.1 Revised standards, amendments and interpretations of IFRSs

The Company has adopted the following amendments to IFRS which became effective for the current period:

IAS 7 Statement of Cashflows: Disclosures - Disclosure Initiative (Amendment).
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

The adoption of the above amendments to accounting standards did not have any material impact on these condensed interim financial information of the Company.

In addition to the above, improvements to various accounting standards have also been issued by the IASB. The Company expects that such improvements to the standards do not have any material impact on the interim financial information of the Company.

5. ACCOUNTING ESTIMATES AND ACCOUNTING POLICIES

The preparation of these condensed interim financial information in conformity with the approved accounting standards, as applicable in Pakistan, requires the management to make estimates, judgments that affect the application of policies and the reported amount of assets and liabilities and income and expenses.

Estimates and judgments made by the management in the preparation of this condensed interim financial information are the same as those that were applied to the annual audited financial information of the Company for the year ended June 30, 2017. The Company's financial risk management objectives and policies are consistent with those disclosed in the financial information as at and for the year ended June 30, 2017.

Income tax expense is recognized based on the best estimate of the weighted average annual effective income tax rate for the full financial year.

		(Un-audited) March 31, 2018	(Audited) June 30, 2017
	Note	----- (Rs. in '000') -----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	420,834	367,139
Capital work-in-progress	6.2	23	130
		<u>420,857</u>	<u>367,269</u>
6.1 Operating fixed assets			
Opening net book value (NBV)		367,139	302,423
Additions during the period / year (cost)	6.1.1	87,896	105,713
Depreciation for the period / year		(32,952)	(37,838)
Disposals during the period / year (NBV)	6.1.1	(1,249)	(3,159)
Closing NBV		<u>420,834</u>	<u>367,139</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

	(Un-audited) March 31, 2018		(Audited) June 30, 2017	
	Additions at cost	Disposals at NBV	Additions at cost	Disposals at NBV
	------(Rs.in '000)-----			
6.1.1 Additions and disposals to operating fixed assets:				
Building	-	-	830	-
Plant and machinery	78,896	560	88,039	-
Office equipment	744	-	1,291	24
Computer	316	-	358	-
Vehicles- Owned	739	689	13,195	3,135
Vehicles- Leased	7,201	-	2,000	-
	<u>87,896</u>	<u>1,249</u>	<u>105,713</u>	<u>3,159</u>

	(Un-audited) March 31, 2018	(Audited) June 30, 2017
	------(Rs.in '000)-----	
6.2 Capital work-in-progress		
Balance at the beginning of the period/ year	130	3,524
Additions during the period / year	23	55,010
Transfer to operating assets during the period / year	(130)	(58,404)
Balance at the end of the period / year	<u>23</u>	<u>130</u>

7. STOCK-IN-TRADE

Raw material and components	220,081	168,872
Work-in-process	142,674	222,337
Finished goods	115,578	91,969
Scrap stock	64,761	56,647
	<u>543,094</u>	<u>539,825</u>
Stock-in-transit	19,080	4,121
	<u>562,174</u>	<u>543,946</u>
Provision for slow moving stock	7.1 (21,458)	(25,072)
	<u>540,716</u>	<u>518,874</u>

7.1 Movement in provision is as follows:

Balance at the beginning of the period / year	25,072	28,751
Provision made during the period	555	5,960
	<u>25,627</u>	<u>34,711</u>
Reversal of provision for the period	(4,169)	(9,639)
Balance at the end of the period / year	<u>21,458</u>	<u>25,072</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

	(Un-audited) March 31, 2018	(Audited) June 30, 2017
	------(Rs.in '000)-----	
8. SHORT TERM INVESTMENTS		
Held for trading		
- Listed shares	7,548	3,732
Held to maturity		
- Treasury bills	-	257,939
	<u>7,548</u>	<u>261,671</u>

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial information for the year ended 30 June 2017.

	(Un-audited) March 31, 2018	(Audited) June 30, 2017
	------(Rs.in '000)-----	
9.2 Commitments		
Outstanding letters of guarantees	<u>4,512</u>	<u>3,622</u>
Outstanding letters of credit	<u>173,897</u>	<u>362,054</u>
Capital commitments	<u>63,470</u>	<u>30,304</u>

10. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise of directors, key management personnel and retirement benefit plans. Transactions with related parties are as follows:



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

<u>Relationship</u>	<u>Nature of transactions</u>	(Un-audited)	
		Nine Months Ended March 31, 2018	Nine Months Ended March 31, 2017
		------(Rs.in '000)-----	
Key Management Personnel	Sale of fixed assets	<u>476</u>	<u>2,032</u>
Key Management Personnel	Remuneration	<u>21,207</u>	<u>17,129</u>
Executive Directors	Remuneration	<u>32,424</u>	<u>33,126</u>
Non-executive directors	Meeting Fee	<u>2,130</u>	<u>1,490</u>
Retirement benefit plans	Contribution during the period	<u>7,559</u>	<u>6,734</u>

11. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on **April 20, 2018** by the Board of Directors of the Company.

12. GENERAL

Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR

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