



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



Car Wheels



Truck / Bus Wheels



Commercial Vehicles
Wheels



Pick-up / Vans / Jeep
Wheels



Agricultural Tractor
Wheels



Export / Moving Around
The World



HALF YEARLY REPORT DECEMBER 2021



BALUCHISTAN WHEELS LIMITED

CONTENTS

Company Information	02
Director's Report (English)	03
Director's Report (Urdu)	06
Independent Auditor's Review Report	07
Condensed Interim Statement of Financial Position	08
Condensed Interim Statement of Profit or Loss	09
Condensed Interim Statement of Comprehensive Income	10
Condensed Interim Statement of Cash Flow	11
Condensed Interim Statement of Changes in Equity	12
Notes to the Condensed Interim Financial Statements	13



BALUCHISTAN WHEELS LIMITED

COMPANY INFORMATION

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

CHIEF EXECUTIVE

Mr. Razak H.M. Bengali

INDEPENDENT DIRECTORS

Mr. Anis Wahab Zuberi
Mr. Irfan Ahmed Qureshi
Mr. Muhammad Javed

EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri
Mr. Muhammad Irfan Ghani

Director Marketing/ Business Development
Chief Operating Officer

NON-EXECUTIVE DIRECTORS

Mr. Aamir Amin
Mrs. Saba Nadeem

(Nominee - NIT)

CHIEF FINANCIAL OFFICER

Mr. Muhammad Yasin Yunus Ladha

COMPANY SECRETARY

Mr. Muhammad Asad Saeed

AUDIT COMMITTEE

Mr. Anis Wahab Zuberi
Mr. Aamir Amin
Mr. Irfan Ahmed Qureshi
Mrs. Saba Nadeem

Independent, Non-Executive Director	Chairman
Non-Executive Director (Nominee - NIT)	Member
Independent, Non-Executive Director	Member
Non-Executive Director	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Javed
Syed Haroon Rashid
Mr. Anis Wahab Zuberi
Mr. Muhammad Irfan Ghani

Independent, Non-Executive Director	Chairman
Non-Executive Director	Member
Independent, Non-Executive Director	Member
Chief Operating Officer(Executive Director)	Member

MANAGEMENT COMMITTEE

Mr. Razak H.M. Bengali
Mr. Muhammad Siddique Misri
Mr. Muhammad Irfan Ghani
Mr. Muhammad Yasin Yunus Ladha
Lt. Col. (R) Mehboob Ahmed
Mr. Muhammad Asad Saeed
Mr. Kumail Irfan Ghani
Mr. Fareed Abdul Razzak
Syed Pervez Akhtar

Chief Executive
Director Marketing/ Business Development
Chief Operating Officer
S.G.M (Finance) / Chief Financial Officer
G.M (Technical)
D.G.M (Finance) / Company Secretary
D.G.M (Supply & Services)
D.G.M (Finance)
D.G.M (HR / IR)

CHIEF INTERNAL AUDITOR

Hafiz Shoaib Ahmed Chauhan

EXTERNAL AUDITORS

BDO Ebrahim & Co.
(Chartered Accountants)

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS

Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

BDO Ebrahim & Co.

(Chartered Accountants)

BANKERS

Habib Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
National Bank of Pakistan

SHARE REGISTRAR

THK Associates (Pvt) Limited
Plot # 32-C2, Jami Commercial Street 2,
DHA Phase VII Karachi 75500-
UAN#+92(21) 35310185
Direct:+92 (21) 35310188
Fax#+92 (21) 34168271

HEAD OFFICE

1st Floor, State Life Building # 3
Dr. Ziauddin Ahmed Road, Karachi.
E-mail: bwlfin@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



BALUCHISTAN WHEELS LIMITED

DIRECTORS REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the Half Year ended December 31, 2021.

FINANCIAL RESULTS

During the period (July – December 2021) the Company had overall consolidated revenue of Rs. 1,304 million as compared to Rs. 572 million of corresponding period of last year increased substantially by 128%.

The car wheels sale was Rs. 661.54 million as compared to Rs. 229.54 million in the corresponding period of previous year (increased significantly by 188%). Sale of Truck/Bus wheels increased from 57.17 million to Rs. 109.40 million (increased by 91%). Similarly, the sale of Tractor wheels increased from Rs. 254.98 million to Rs. 502.39 million (increased by 97%) respectively.

The Gross Profit increased in absolute terms by Rs. 192.83 million from Rs. 81.57 million to Rs. 274.41 million (i.e. 236%). Similarly the profit after taxation increased significantly by Rs. 83.32 million (i.e. 332%) from Rs. 25.13 million to Rs. 108.46 million. The main reason for increase in gross profit and profit after taxation is due to the higher demand of wheels in all segments which is due to the robust sales of Auto Sector during the period under review.

During the period under review (July to December 2021) Assemblers are cashing in on the strong demand backlog and improvement in supply chain.

There are no significant changes in Contingencies and Commitments as disclosed in note 28 of the Financial Statements for the year ended June 30, 2021.

FUTURE OUTLOOK

The last fiscal year (FY 2021) turned out to be a massive recovery period for the Auto sector amid the ongoing COVID-19 pandemic restrictions. The demand for Autos remained upbeat in the first half of Fiscal year (1HFY). The massive growth in sales volume is mainly due to improved purchasing power amid rapid economic recovery and consumers interest in buying new vehicles despite surging prices, increase in interest rates and curbs on auto financing by the State Bank of Pakistan in the last quarter i.e October to December 2021.

However the unprecedented increase in input cost (Steel, energy, transportation, etc.) is expected to hit the profitability of the Automobile sector before it normalizes over time.

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



BALUCHISTAN WHEELS LIMITED

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

Karachi: January 31, 2022


Razak H.M. Bengali
Chief Executive


Muhammad Siddique Misri
Director





BALUCHISTAN WHEELS LIMITED

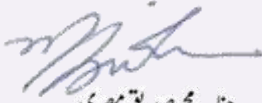
تاہم پیداواری لاگت (اسٹیل، توانائی، نقل و حمل وغیرہ) میں غیر معمولی اضافے سے آئیکسٹر کا منافع متاثر ہو سکتا ہے جو کے وقت کے ساتھ بہتر ہو جائے گا۔

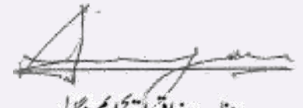
انتظامیاں کو آنے والے چیلنجوں کا علم ہے اور مسلسل حکمت عملی تیار کر رہی ہیں اور مستقبل کے چیلنجوں سے نمٹنے اور کاروبار کی ترقی کو برقرار رکھنے کے لیے اقدامات کر رہی ہیں۔

اظہار تشکر:-

ہم اس موقع پر اپنے 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 وہیلز 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)۔
بورڈ آف ڈائریکٹرز کی جانب سے


جناب محمد صدیق مصری
ڈائریکٹر


جناب رزاق علی ایم بی اے
چیف ایگزیکٹو

کراچی 31 جنوری 2022





BALUCHISTAN WHEELS LIMITED

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2021 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ عبوری مالیاتی رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی نتائج :-

مجموعی طور پر زیر جائزہ مدت (جولائی تا دسمبر 2021) کے دوران ہماری فروخت 1,304 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی فروخت 572 ملین روپے کے مقابلے میں نمایاں طور پر 128% فیصد زیادہ رہی۔

کار کے پہیوں کی فروخت 661.54 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے 229.54 ملین روپے کی فروخت کے مقابلے میں واضح طور پر 188% فیصد زیادہ رہی۔ ٹرک/بس کے پہیوں کی فروخت 2.226 ملین روپے اضافے (91% فیصد) کیساتھ 109.4 ملین روپے رہی اسی طرح ٹریکٹر کے پہیوں کی فروخت 502.39 ملین روپے رہی جو کہ پچھلے عرصے کی 254.98 ملین روپے کی فروخت کے مقابلے میں 97% فیصد زائد رہی۔

غیر خالص منافع 192.839 ملین روپے اضافے (236% فیصد) کے ساتھ 274.41 ملین روپے رہا جو گزشتہ سال اسی مدت میں 81.57 ملین روپے تھا، اسی طرح کمپنی کا بعد از ٹیکس منافع 83.32 ملین روپے (32% فیصد) اضافے کے ساتھ 108.46 ملین روپے رہا جو کہ گزشتہ سال کے اسی مدت میں 25.13 ملین روپے تھا۔ غیر خالص منافع اور بعد از ٹیکس منافع میں اضافے کی بنیادی وجہ تمام پہیوں کی فروخت میں اضافہ ہے جس کی وجہ زیر جائزہ مدت کے دوران آٹوز کی طلب میں تیزی ہے۔

زے جائزہ مدت کے دوران آٹو اسمبلر ز مضبوط ڈیمانڈ کی وجہ سے جمع شدہ مال (اسٹاک) فروخت کر رہے ہیں۔

کنٹینر کیمٹنس میں کوئی خاص تاہدیلیاں رونما نہیں ہوئی ہیں جیسا کہ فنانشل رپورٹ 31 جون 2021 کے نوٹ نمبر 28 درج کیا گیا ہے۔

مستقبل کے خدوخال :-

پچھلا مالی سال (2021) COVID-19 کی وبائی پابندیوں کے باوجود آٹو سکٹر کے لئے بڑے پیمانے پر بحالی کا دور ثابت ہوا۔ سال کی پہلی ششماہی میں آٹوز کی ڈیمانڈ بہت زیادہ رہی۔ فروخت کے حجم میں بڑے پیمانے پر اضافے کی بنیادی وجہ قوت خرید میں بہتری ہے جو کہ معیشت کی تیزی سے بحالی کی وجہ سے ہوئی ہے اور قیمتوں میں اضافے، شرح سود میں اضافے اور اسٹیٹ بینک آف پاکستان کی جانب سے اکتوبر تا دسمبر 2021 میں آٹو فنانسنگ کو کم کرنے کے باوجود صارفین کی نئی گاڑیاں خریدنے میں دلچسپی برقرار ہونا ہے۔



BALUCHISTAN WHEELS LIMITED



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF BALUCHISTAN WHEELS LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **BALUCHISTAN WHEELS LIMITED** ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six-month period ended December 31, 2021 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting.

Other Matter

The figures for the quarters ended December 31, 2021 and December 31, 2020 in the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income have not been reviewed and we do not express a conclusion on them.

KARACHI

DATED: 31 JAN 2022

UDIN Number: RR2021100670xmfOvDJo

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer



BALUCHISTAN WHEELS LIMITED

BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2021

		December 31, 2021 (Un-audited)	June 30, 2021 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	5	909,013	907,957
Capital work in progress	6	2,129	4,100
		911,142	912,057
Right-of-use assets	7	36,196	37,993
Long-term loans and advances		6,144	6,176
Long-term deposits		8,069	7,709
		961,551	963,935
CURRENT ASSETS			
Stores, spare parts and loose tools	8	38,483	37,804
Stock-in-trade	9	467,672	343,671
Trade debts	10	286,607	264,625
Loans and advances		16,525	32,004
Trade deposits and short-term prepayments		730	556
Other receivables		25,491	29,986
Short-term investments	11	394,255	550,573
Sales tax refundable - net		-	595
Taxation - net		1,333	32,690
Bank balances	12	43,817	19,320
		1,274,913	1,311,824
		2,236,464	2,275,759
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
25,000,000 (30 June 2021: 25,000,000) ordinary shares of Rs.10/- each		250,000	250,000
Issued, subscribed and paid-up capital			
13,334,250 (30 June 2021: 13,334,250) ordinary shares of Rs.10/- each		133,343	133,343
Revaluation surplus on land		538,518	538,518
Revenue reserves		1,277,491	1,249,035
		1,949,352	1,920,896
NON-CURRENT LIABILITIES			
Long-term loan	13	-	10,418
Lease liabilities	14	20,096	23,477
Long-term deposits		637	1,405
Deferred taxation		35,213	33,694
Government grant	15	-	91
GIDC payable		-	1,311
		55,946	70,396
CURRENT LIABILITIES			
Trade and other payables	16	169,461	240,350
Unclaimed dividend		6,677	6,065
Current maturity of lease liabilities	14	13,736	13,973
Current portion of long-term loan	13	19,488	19,768
Current portion of long term deposits		975	563
Current portion of government grant	15	650	1,278
Provision for warranty		2,548	1,889
Sales tax payable - net		16,259	-
Current portion of GIDC payable		1,372	581
		231,166	284,467
		2,236,464	2,275,759
CONTINGENCIES AND COMMITMENTS			
	17		

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

		Half-Year Ended		Quarter Ended	
		2021	2020	2021	2020
Note		-----Rs. in '000-----			
Turnover – net	18	1,304,447	571,899	757,065	357,045
Cost of sales	19	(1,030,035)	(490,326)	(573,714)	(306,199)
Gross profit		274,412	81,573	183,351	50,846
Distribution cost		(33,815)	(22,247)	(17,537)	(12,044)
Administrative expenses		(56,373)	(43,057)	(28,976)	(21,633)
Other expenses		(30,481)	(3,117)	(22,720)	(2,093)
Finance cost		(2,043)	(1,353)	(968)	(845)
		(122,712)	(69,774)	(70,201)	(36,615)
Other income	20	19,547	24,767	7,613	14,568
Profit before taxation		171,247	36,566	120,763	28,799
Taxation					
Current		(50,273)	(8,043)	(35,633)	(5,791)
Prior		(10,994)	-	(10,994)	-
Deferred		(1,519)	(3,389)	(1,519)	(3,389)
		(62,786)	(11,432)	(48,146)	(9,180)
Profit for the period		108,461	25,134	72,617	19,619
----- (Rupees) -----					
Earnings per share- basic and diluted		8.13	1.88	5.45	1.47

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	Half-Year Ended		Quarter Ended	
	2021	2020	2021	2020
	-----Rs. in '000-----			
Profit for the period	108,461	25,134	72,617	19,619
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>108,461</u>	<u>25,134</u>	<u>72,617</u>	<u>19,619</u>

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER





BALUCHISTAN WHEELS LIMITED

BALUCHISTAN WHEELS LIMITED

CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2021

	December 31, 2021	December 31, 2020
	------(Rupees in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	171,247	36,566
Adjustments for non-cash items:		
Depreciation on operating fixed assets	19,744	21,320
Depreciation on right of use assets	5,397	2,074
Gain on sales of property, plant and equipment	(16)	(2,265)
Finance costs	2,043	1,353
Provision / (reversal) for slow moving stores spares and stock in trade - net	1,652	(11,463)
Provision for doubtful debts - net	-	(517)
Provision for compensated absences	561	3,566
Provision for warranty claims - net	659	416
Provision for employees' benefits	588	2,172
Profit on deposit accounts / treasury bills	(13,598)	(14,802)
Government grant	(719)	(719)
Profit on savings accounts	(2,010)	(1,378)
Loss / (gain) on revaluation / redemption of mutual fund units / listed shares	1,977	(2,162)
Dividend income	(743)	(30)
	15,535	(2,435)
	186,782	34,131
Change in current assets and current liabilities		
Stores, spare parts and loose tools	(2,331)	(5,365)
Stock-in-trade	(124,001)	67,529
Trade debts	(21,982)	(44,845)
Loans and advances	15,479	3,913
Trade deposits & short-term prepayments and other receivables	4,321	3,776
Trade and other payables	(71,617)	(10,686)
Sales tax	15,664	6,603
	(184,467)	20,925
Cash flow generated from operations	2,315	55,056
Employees' benefits paid	(23,218)	(5,021)
Income tax (paid) / refund - net	(29,910)	39,181
Long-term loans and advances	32	1,849
Long-term deposits - net	356	(1,072)
Net cash (used in) / generated from operating activities	(50,425)	89,993
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(24,996)	(1,525)
Proceeds from disposal of property, plant and equipment	614	4,327
Profit received on deposit accounts / treasury bills	19,894	12,688
Short-term investments made / redeemed during the period - net	156,318	(90,753)
Dividend received	743	30
Net cash generated from / (used in) investing activities	152,573	(75,233)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against asset subject to finance leases - net	3,618	(1,218)
Finance costs paid	(1,876)	(1,491)
Dividend paid	(79,393)	(19,848)
Net cash used in financing activities	(77,651)	(22,557)
Net increase / (decrease) in cash and cash equivalents	24,497	(7,797)
Cash and cash equivalents at the beginning of the year	19,320	60,362
Cash and cash equivalents at the end of the year	43,817	52,565

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2021

Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves				Total equity
		General reserve	Remeasurement loss on gratuity fund	Unappropriated Profit	Total reserves	
Ordinary share capital	Revaluation surplus on land					

----- (Rupees in '000') -----

Balance as at July 01, 2020 133,343 - 160,000 (10,493) 1,011,804 1,161,311 1,294,654

Transaction with owners

Final dividend for the year ended

30 June 2020 @ Rs. 1.50 per share - - - (20,001) (20,001) (20,001)

Total comprehensive income for the period ended

December 31, 2020

Net profit for the period

-	-	-	-	25,134	25,134	25,134
-	-	-	-	-	-	-

Other comprehensive Income

-	-	-	-	25,134	25,134	25,134
---	---	---	---	--------	--------	--------

Balance as at December 31, 2020

133,343	-	160,000	(10,493)	1,016,937	1,166,444	1,299,787
---------	---	---------	----------	-----------	-----------	-----------

Balance as at July 01, 2021

133,343	538,518	160,000	(3,455)	1,092,490	1,787,553	1,920,896
---------	---------	---------	---------	-----------	-----------	-----------

Transaction with owners

Final dividend for the year ended

30 June 2021 @ Rs. 4.50 per share - - - (60,004) (60,004) (60,004)

Interim dividend for the year ended

30 June, 2022 @ Rs. 1.50 per share

- - - (20,001) (20,001) (20,001)

Total comprehensive income for the period ended

December 31, 2021

Net profit for the period

-	-	-	-	108,461	108,461	108,461
-	-	-	-	-	-	-

Other comprehensive Income

Total comprehensive income

-	-	-	-	108,461	108,461	108,461
---	---	---	---	---------	---------	---------

Balance as at December 31, 2021

133,343	538,518	160,000	(3,455)	1,120,946	1,816,009	1,949,352
---------	---------	---------	---------	-----------	-----------	-----------

The annexed notes 1 to 28 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

BALUCHISTAN WHEELS LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2021

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 the Pakistan Stock Exchange Limited.

1.1 Geographical location and addresses of business units

Geographical location and address of business units / plant and its purposes are as follows:

Manufacturing facility	Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan
Head Office	1 st Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi Pakistan

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements are unaudited but subject to the limited scope review by auditors and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

These condensed interim financial statements of the Company for the half year ended December 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) as notified under the Companies Act, 2017

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.



BALUCHISTAN WHEELS LIMITED

These condensed interim financial information does not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual financial statements of the Company as at and for the year ended June 30, 2021 which have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Company for the year ended June 30, 2021, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the half year ended December 31, 2020.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost basis unless, stated otherwise. These condensed interim financial statements has been prepared following accrual basis of accounting except for cash flow information.

2.3 Initial application of standards, amendments or an interpretation to existing standards

(a) Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on January 01, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim financial statements.

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company.

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2022, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.



BALUCHISTAN WHEELS LIMITED

2.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pak ("Rupees" or "Rs"), which is the functional and presentation currency of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those adopted in the preparation of the annual financial statements for the year ended June 30, 2021.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of these condensed interim financial statements in conformity with accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual result may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. During the preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements for

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	Rs. in '000	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	909,013	907,957

5.1 Operating fixed assets

Net book value at the beginning of the period / year		907,957	400,705
Additions during the period / year	5.1.1	21,396	49,895
Depreciation for the period / year		(19,744)	(42,244)
Disposals during the period / year (NBV)		(596)	(38,917)
Revaluation		-	538,518
Book value at the end of the period / year		909,013	907,957



BALUCHISTAN WHEELS LIMITED

(Unaudited) (Audited)
December 31, June 30,
2021 2021

Note -----Rs. in '000-----

5.1.1 Detail of additions (at cost) during the period / year are as follows:

Plant and machinery	20,819	3,631
Office equipment	539	1,069
Computers	38	74
Electrical installations	-	4,225
Vehicles	-	40,896
	<u>21,396</u>	<u>49,895</u>

6 CAPITAL WORK-IN-PROGRESS

This comprises of:

Plant and machinery	6.1	<u>2,129</u>	<u>4,100</u>
---------------------	-----	--------------	--------------

6.1 Movement of carrying amount of plant and machinery

Opening balance	4,100	-
Additions (at cost) during the period / year	15,666	4,100
Transferred to operating fixed assets	(17,637)	-
Closing balance	<u>2,129</u>	<u>4,100</u>

7 RIGHT-OF-USE ASSETS

Opening net book value (NBV)	37,993	13,586
Additions during the period / year	3,600	33,939
Disposals during the period / year (NBV)	-	(2,845)
Depreciation charge for the period / year	(5,397)	(6,687)
Closing net book value (NBV)	<u>36,196</u>	<u>37,993</u>

8 STORES, SPARE PARTS AND LOOSE TOOLS

Stores		7,044	4,398
Spares		91,482	91,797
Loose tools		1,902	1,902
		<u>100,428</u>	<u>98,097</u>
Provision for slow moving stores, spare parts and loose tools	8.1	<u>(61,945)</u>	<u>(60,293)</u>
		38,483	37,804

8.1 Movement in provision is as follows:

Balance at the beginning of the period / year	60,293	58,281
Provision made during the period / year	1,652	2,012
	<u>61,945</u>	<u>60,293</u>



BALUCHISTAN WHEELS LIMITED

		(Unaudited) December 31, 2021	(Audited) June 30, 2021
	Note	Rs. in '000	
9 STOCK-IN-TRADE			
Raw material and components		168,952	187,610
Work-in-process		208,576	115,778
Finished goods		45,596	42,093
Scrap stock		35,326	156
		458,450	345,637
Stock in transit		11,188	-
Provision for slow moving stock	9.1	(1,966)	(1,966)
		467,672	343,671
9.1 Movement in provision is as follows:			
Balance at the beginning of the period / year		1,966	14,140
Reversal of provision during the period / year		-	(12,174)
		1,966	1,966
10 TRADE DEBTS			
Considered good		286,607	264,625
Considered doubtful		-	-
Allowance for expected credit losses	10.1	-	-
		-	-
		286,607	264,625
10.1 Movement in provision is as follows:			
Balance at the beginning of the period / year		-	517
Reversal of provision during the period / year		-	(517)
		-	-
11 SHORT TERM INVESTMENTS			
Fair value through profit or loss			
Listed equity securities		4,125	6,102
Mutual funds		20,856	20,279
		24,981	26,381
At amortised cost			
Treasury bills		369,274	524,193
		394,255	550,573



BALUCHISTAN WHEELS LIMITED

(Unaudited) (Audited)
December 31, June 30,
2021 2021

-----Rs. in '000-----

12 BANK BALANCES

Saving accounts	28,194	17,767
Current accounts	15,623	1,553
	<u>43,817</u>	<u>19,320</u>

13 LONG TERM LOAN

Non-current maturity	-	10,418
Current maturity	19,488	19,768
	<u>19,488</u>	<u>30,186</u>

13.1 This represents a long term financing obtained from conventional bank under the Refinance Scheme for Payment of Wages and Salaries by State Bank of Pakistan. It carries flat mark-up at the rate of 3% per annum and is repayable within next twelve months.

14 LEASE LIABILITIES

Lease liabilities	33,833	37,450
Current portion	(13,736)	(13,973)
	<u>20,096</u>	<u>23,477</u>
Maturity analysis-contractual discounted cashflow:		
Less than one year	13,736	13,973
One to five year	20,096	23,477
	<u>33,833</u>	<u>37,450</u>

15 GOVERNMENT GRANT

Current maturity	650	1,278
Non-current maturity	-	91
	<u>650</u>	<u>1,369</u>

15.1 As aforementioned in note 13.1, the purpose of the government grant is to facilitate the Company in making timely payments of salaries and wages to their employees in light of COVID-19 pandemic. The grant is conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of six month from the date of receipt of the first tranche.



BALUCHISTAN WHEELS LIMITED

(Unaudited)	(Audited)
December 31,	June 30,
2021	2021
-----Rs. in '000-----	

16 TRADE AND OTHER PAYABLES

Creditors	39,114	145,221
Accrued liabilities	80,703	57,519
Contract liabilities	6,799	7,777
Provident fund	10	-
Retention money	455	455
Compensated absence	7,806	7,245
Workers' Profit Participation Fund	10,087	1,607
Workers' Welfare Fund	23,183	19,350
Security deposits	388	388
Mark-up on running finance	202	35
Others	714	752
	<u>169,461</u>	<u>240,350</u>

17 CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended 30 June 2021.

17.2 Commitments

Outstanding letters of guarantees	<u>4,512</u>	<u>4,512</u>
Outstanding letters of credit - raw material	<u>402,713</u>	<u>428,777</u>
Outstanding letters of credit - machineries	<u>-</u>	<u>12,667</u>



BALUCHISTAN WHEELS LIMITED

Half-Year Ended		Quarter Ended	
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020

-----Rs. in '000-----

18 TURNOVER – NET

Local sales	1,529,173	671,084	887,276	419,649
Sales return	(2,970)	(1,961)	(1,510)	(1,906)
Sales tax	(221,756)	(97,224)	(128,701)	(60,698)
	(224,726)	(99,185)	(130,211)	(62,604)
	<u>1,304,447</u>	<u>571,899</u>	<u>757,065</u>	<u>357,045</u>

18.1 Local sales include scrap sales of Rs. 31.104 million (2020: Rs. 30.187 million).

19 COST OF SALES

Raw material & components consumed:

Stock at the beginning of the period

Raw material and components	103,134	151,671	-	-
Scrap	156	1,610	-	-
	<u>103,290</u>	<u>153,281</u>	<u>-</u>	<u>-</u>

Purchases

	991,404	284,336	446,231	121,894
--	---------	---------	---------	---------

Stock at the end of the period

Raw material and components	(168,952)	(125,050)	49,411	25,639
Scrap	(35,326)	(9,656)	(21,942)	(1,078)
	<u>(204,278)</u>	<u>(134,706)</u>	<u>27,469</u>	<u>24,561</u>
	<u>890,416</u>	<u>302,911</u>	<u>473,700</u>	<u>146,455</u>

Manufacturing overheads:

Salaries, wages and benefits	82,231	56,521	41,600	28,733
Stores & spares consumed	42,788	25,627	22,545	14,480
Fuel and power	42,067	20,173	20,189	10,288
Depreciation	19,901	19,693	10,115	9,840
Services rendered by contractors	31,252	13,326	19,029	8,434
Staff transportation	9,479	6,959	4,783	3,842
Repairs and maintenance	1,828	3,700	920	1,976



BALUCHISTAN WHEELS LIMITED

Half-Year Ended		Quarter Ended	
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
-----Rs. in '000-----			

Travelling and conveyance	13	80	-	34
Vehicle running	1,617	1,326	828	586
Insurance	1,470	1,042	814	741
Communication	271	282	126	144
Entertainment	1,119	979	518	472
Printing and stationery	29	105	29	105
Subscription and periodicals	34	23	28	21
Provision for slow moving stores & spares	1,652	(26)	1,652	(26)
Provision for slow moving stock in trade	-	(11,437)	-	(5,480)
Computer	26	33	18	28
Others	142	56	96	28
	235,919	138,462	123,290	74,246
Manufacturing Cost	1,126,335	441,373	596,990	220,701

Work in process

As at the beginning of the period	115,778	135,686	-	-
As at the end of the period	(208,576)	(103,032)	(27,678)	1,498
	(92,798)	32,654	(27,678)	1,498
Cost of goods manufactured	1,033,537	474,027	569,312	222,199

Finished goods

As at the beginning of the period	42,093	138,747	-	-
As at the end of the period	(45,595)	(122,448)	4,402	84,000
	(3,502)	16,299	4,402	84,000
	1,030,035	490,326	573,714	306,199





BALUCHISTAN WHEELS LIMITED

Half-Year Ended		Quarter Ended	
December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
-----Rs. in '000-----			

20 OTHER INCOME

Income from financial assets

Profit on savings accounts	2,010	1,378	1,152	486
Profit on treasury bill	13,598	14,802	4,577	7,528
Dividend income	743	30	428	30
Unrealised (loss) / gain on revaluation of investments at FVTPL	(1,977)	2,162	(530)	1,006
	14,374	18,372	5,627	9,050

Income from non-financial assets

Gain on sale of operating fixed assets	16	2,265	12	2,269
Government grant released	719	719	358	359
Others	4,438	3,411	1,616	2,890
	5,173	6,395	1,986	5,518
	19,547	24,767	7,613	14,568





BALUCHISTAN WHEELS LIMITED

21 TRANSACTIONS WITH RELATED PARTIES

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

		(Un-audited)	
		Half year ended	
		December 31,	December
		2021	31, 2020
		-----Rs. in '000-----	
Relationship	Nature of transactions		
Common directorship	Sale to Ghandhara Nissan Limited	17,070	9,393
Key management personnel	Sale of vehicle / equipments	228	1,705
Key Management Personnel	Long term loans	2,355	2,060
Key Management Personnel	Advances	5,367	2,104
Key management personnel	Remuneration	7,907	6,493
Executives Directors	Remuneration	26,918	19,245
Non-executive directors	Meeting fee	940	1,070
Period end / year balances		December 31,	June 30,
		2021	2021
		(Un-Audited)	(Audited)
		-----Rs. in '000-----	
Receivable from associated companies -			
Ghandhara Nissan Limited.		2,710	2,683
Due from key management personnel		7,722	8,077
		10,432	10,760

22 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2021.

23 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:



BALUCHISTAN WHEELS LIMITED

- Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.
- Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

As at December 31, 2021, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss				
Short term investments				
Listed equity securities	4,125	-	-	4,125
Mutual funds	20,856	-	-	20,856
	<u>24,981</u>	<u>-</u>	<u>-</u>	<u>24,981</u>

As at June 30, 2021, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	----- Rupees -----			
At fair value through profit or loss				
Short term investments				
Listed equity securities	6,102	-	-	6,102
Mutual funds	20,279	-	-	20,279
	<u>26,381</u>	<u>-</u>	<u>-</u>	<u>26,381</u>

Transfers during the period

During period ended December 31, 2021, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

24 FAIR VALUE MEASUREMENT - NON FINANCIAL ASSET

Fair value is the price that would be received to sell an assets or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value of freehold land is based on the valuation carried out by independent valuer M/s. fairwater Property Valuers & Surveyors (Private) Limited on the basis of market value. Fair value of freehold land is considered to be based on level 2 in the fair value hierarchy due to significant observable inputs used in the valuation.



BALUCHISTAN WHEELS LIMITED

Valuation techniques used to derive level 2 fair values

Fair value of freehold land was derived using sale comparison approach, standard appraisal procedures and physical site inspection. Sale prices of comparable land in close proximity is adjusted for differences in key attributes, such as location and size of the land. The most significant input in this valuation approach is price / rate per kanal / acre in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

25 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations except those disclosed in notes to the financial statements.

26 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in their meeting held on January 31, 2022 declared an interim cash dividend @ 17.50% i.e. Rs. 1.75/- per share amounting to Rs. 23.335 million, for the second quarter/half year ended December 2021. This is in addition to 15% i.e. Rs. 1.50/- per share dividend, amounting to Rs. 20.001 million. These condensed interim financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

27 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on January 31, 2022 by the Board of Directors of the Company.

28 GENERAL

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

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

Disc Wheels for Cars, Vans, Pick-ups and 4x4s



Pak Suzuki Motor Co. Ltd.



Indus Motor Co. Ltd.



Lucky Motors Co. Ltd.



Disc Wheels for Agricultural Tractors



Al-Ghazi Tractors Ltd.



Millat Tractors Ltd.



Orient Automotive Industries (Pvt.) Ltd.



Disc Wheels for Commercial Vehicles



Hinopak Motors Ltd.



Fuso Master Motors (Pvt.) Ltd.



Ghandhara DF (Pvt.) Ltd.



Ghandhara Industries Ltd.



Master Motors Corporation Ltd.



Afzal Motors (Pvt.) Ltd.





BALUCHISTAN WHEELS LIMITED



Factory & Registered Office
Main RCD Highway, Hub Chowki,
Lasbella Baluchistan
Telephone # : (0853)-363426, 363428
Fax # : (0853)-364025
WWW.BWHEELS.COM