



# **BALUCHISTAN WHEELS LIMITED**

**Manufacturers of Automotive Wheels in Pakistan**



**NINE MONTHLY / 3<sup>RD</sup> QUARTERLY REPORT**

**MARCH 2023**

[www.bwheels.com](http://www.bwheels.com)

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# BALUCHISTAN WHEELS LIMITED<sup>2</sup>

Manufacturers of Automotive Wheels in Pakistan

## COMPANY INFORMATION

### CHAIRMAN (Non-Executive Director)

Mr. Anis Wahab Zuberi

### CHIEF EXECUTIVE (Executive Director)

Mr. Razak H.M. Bengali

### INDEPENDENT DIRECTORS

Syed Zubair Ahmed Shah

Mr. Aamir Amin

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 DIRECTOR

Mrs. Saba Nadeem

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Yasin Yunus Ladha

### COMPANY SECRETARY

Mr. Muhammad Asad Saeed

### AUDIT COMMITTEE

Syed Zubair Ahmed Shah

Mr. Anis Wahab Zuberi

Mr. Aamir Amin

Mr. Irfan Ahmed Qureshi

Mrs. Saba Nadeem

Independent Director  
Non-Executive Director  
Independent Director  
Independent Director  
Non-Executive Director

Chairman  
Member  
Member  
Member  
Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Javed

Syed Zubair Ahmed Shah

Mr. Anis Wahab Zuberi

Mr. Muhammad Irfan Ghani

Independent Director  
Independent Director  
Non-Executive Director  
Chief Operating Officer (Executive Director)

Chairman  
Member  
Member  
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. Fareed Abdul Razzak

Syed Pervaiz Akhter

Mr. Muhammad Asad Saeed

Mr. Kumail Irfan Ghani

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

### CHIEF INTERNAL AUDITOR

Mr. Atif Iqbal

Sr. Manager

### EXTERNAL AUDITORS

BDO Ebrahim & Co.

(Chartered Accountants)

### LEGAL ADVISOR

Mohsin Tayebaly & Company

(Advocates)

### TAX CONSULTANTS

Baker Tilly Mehmoed 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-C 2, Jami Commercial Street 2, D.H.A.

Phase VII Karachi - 75400.

UAN#+92(21) 111-000-322

Direct:+92 (21) 34168270

Fax#+92 (21) 34168271

### HEAD OFFICE

1st Floor, State Life Building # 3

Dr. Ziauddin Ahmed Road, Karachi.

E-mail: [bwlfm@cyber.net.pk](mailto: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, 28

Fax # (0853) 364025

## DIRECTORS' REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the nine months ended March 31, 2023.

### FINANCIAL RESULTS

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During the period (July 2022– March 2023) the Company had overall consolidated revenue of Rs.1,359 million as compared to Rs. 2,037million of corresponding period of last year (decreased by 33%).

The car wheels sale was Rs. 624 million as compared to Rs. 1,051million in the corresponding period of previous year (decreased by41%).The sale of Truck/Bus wheels dropped from Rs. 186 million to Rs. 148 million (decreased by 20%). The sale of Tractor wheels declined from Rs. 693 million to Rs.523 million (decreased by 24%).

The Gross Profit decreased by 32% from Rs. 384.733 million to Rs. 261.324 million. Similarly, the profit after taxation decreased by 35% from Rs. 163.088 million to Rs105.934 million. The main reason for decline in gross profit and net profit during the period under review is due to depressed demand for wheels in all segments which is due to the plant shutdown of various assemblers of the Auto Sector because of non-availability of raw materials due to the restrictions on opening of Letters of Credit (LCs). As a result of drop in sales orders, the production activities of the company was also temporarily closed from December 12, 2022 to January 06, 2023 and thereafter from April 07,2023 to April 20, 2023.

There are no significant changes in Contingencies and Commitments as disclosed in note 30 of the Financial Statements for the year ended June 30, 2022 except that on March 13,2023,the Privatization Commission(PC) has filed an appeal in the Honorable Supreme Court(SC) against the order of the Islamabad High Court which had dismissed the appeal of the PC on the grounds of limitation on February 09,2023.The management of the Company has decided to defend this case and engaged a lawyer to file a caveat in the Honorable SC.

The company has paid and deposited Super Tax amounting to Rs.17.396 million on March 13, 2023 for the Tax Year 2022 under section 4C of the Income Tax Ordinance, 2001.

### FUTURE OUTLOOK

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Auto-sector in the Financial Year (FY) 2023, is expected to witness slump in sales volume, owing to rapid increase in vehicle prices by automakers, coupled with high interest rates, rising inflation, continuous weakening of Pak Rupee against US Dollar, costly auto-financing and low purchasing power of consumers.

The non-opening of LCs by Commercial Banks due to restrictions imposed by SBP which resulted in the shortage of auto-parts, which, in turn, has brought the production of vehicles by various assemblers to a grinding halt, forcing them to observe Non-Production Days (NPDs).

Tractor demands have also dipped, as the country's agricultural sector remained subdued, and the recent floods have also affected tractor sales badly.

The management being conscious of the challenges that lie ahead is continuously evolving strategies and adopting measures with a view to meeting future challenges and achieving business growth.

### ACKNOWLEDGEMENT

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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 officers, staff and workers and look forward to their continued support.

May Almighty Allah bless us and help us in the achievement of success for the Company and for the benefits of all stake holders, and the Country in general. Aameen!

**For and on Behalf of the Board**



**Razak H.M. Bengali**  
Chief Executive



**Muhammad Siddique Misri**  
Director

**Karachi: April 26, 2023**

# BALUCHISTAN WHEELS LIMITED 5


Manufacturers of Automotive Wheels in Pakistan


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 آفیسرز، عملے اور کارکنان سمیت تمام بلوچستان وہیلز لمیٹڈ کی ٹیم کی کوششوں اور مسلسل تعاون کرنے پر ان کا 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 صدیق مصری  
ڈائریکٹر

  
جناب رزاق ایچ ایم بنگالی  
چیف ایگزیکٹو  
کراچی 26 اپریل 2023

### ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 مارچ 2023 کو ختم ہونے والے نو مہینوں کے غیر آڈٹ شدہ عبوری مالیاتی رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی نتائج :-

مجموعی طور پر زیر جائزہ مدت (جولائی 2022 تا مارچ 2023) کے دوران ہماری فروخت 1,359 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی فروخت 2,037 ملین روپے کے مقابلے میں 33% فیصد کم رہی۔

کار کے پہیوں کی فروخت 624 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی 1,051 ملین روپے فروخت کے مقابلے میں 41% کم رہی۔ ٹرک اہس کے پہیوں کی فروخت 148 ملین روپے رہی جو کہ پچھلی مدت کی فروخت 186 ملین روپے کے مقابلے میں 20% فیصد کم رہی ٹریکٹر کے پہیوں کی فروخت 523 ملین روپے رہی جو کہ پچھلے عرصے کی 693 ملین روپے کی فروخت کے مقابلے میں 24% فیصد کم رہی۔

غیر خالص منافع 32% فیصد کمی کے ساتھ 261.324 ملین روپے رہا جو گزشتہ سال اسی مدت میں 384.733 ملین روپے تھا، اسی طرح کمپنی کا بعد از ٹیکس منافع 35% فیصد کمی کے ساتھ 105.934 ملین روپے رہا جو کہ گزشتہ سال اسی مدت میں 163.088 ملین روپے تھا۔ زیر جائزہ مدت کے دوران غیر خالص منافع اور بعد از ٹیکس منافع میں گراؤٹ کی بنیادی وجہ تمام پہیوں کی فروخت میں کمی ہے جو کہ آٹو ز کی طلب میں مندی کی وجہ سے ہوئی ہے۔ آٹو اسمبلرز کے خام مال کی ایل سیز کھولنے پر پابندی کی وجہ سے کئی آٹو اسمبلرز نے اپنے پلانٹ بند کیے۔ سیلز ڈرز میں کمی کے نتیجے میں دسمبر 2022، 12 سے جنوری 2023، 06 اور اس کے بعد اپریل 2023، 07 سے اپریل 2023، 20 تک کمپنی کی پیداواری سرگرمیاں بھی عارضی طور پر بند رہیں۔

کنٹریبیوٹسز کمیشنس میں کوئی خاص تبدیلیاں رونما نہیں ہوئی ہیں جیسا کہ فنانشل رپورٹ 30 جون 2022 کے نوٹ نمبر 30 میں درج کیا گیا ہے۔ ماسوائے اس کے پرائیویٹائزیشن کمیشن نے مارچ 2023، 13 کو سپریم کورٹ میں اسلام آباد ہائی کورٹ کے فروری 2023، 09 کے فیصلے کے خلاف ایک اپیل دائر کی ہے۔ کمپنی کی پمپنجیٹ نے اس اپیل کو اپنے وکیل کے ذریعے سپریم کورٹ میں چیلنج کرنے کا فیصلہ کیا ہے۔ کمپنی نے انکم ٹیکس آرڈیننس 2001 کی سٹ 4C کے تحت ٹیکس سال 2022 کی آمدن پر عائد کردہ سپر ٹیکس 17.396 ملین روپے مارچ 2023، 13 گورنمنٹ کے خزانے میں جمع کروادیا ہے۔

مستقبل کے خدو خال :-

مالی سال 2023 کے دوران آٹو ٹیکٹر کی فروخت میں کمی واقع ہو سکتی ہے جس کی بنیادی وجہ گاڑیوں کی قیمتوں میں بے پناہ اضافہ ہونا ہے۔ مزید مالی سال 2023 کے دوران آٹو ٹیکٹر مختلف خطرات سے دوچار ہوگا جیسا کہ زیادہ شرح سود، بڑھتی ہوئی مہنگائی کی شرح، پاکستانی روپے کی قدر میں مسلسل کمی، آٹو فنانسنگ اور گاڑیوں کی قوت خرید میں کمی ہونا ہے۔ گاڑیوں کے خام مال کی درآمد کے لیے کمرشل بینکوں کا SBP کی مقرر کردہ حد کے مطابق ایل سیز کا نہ کھولنا آٹو پارٹس کی قلت کا سبب بنا جس کا اثر بڑے پیمانے پر گاڑیوں کی پیداوار پر پڑے گا۔

ملک بھر میں آنے والے حالیہ سیلابی ریلوں نے بڑے پیمانے پر ٹریکٹریکٹر پر اثرات مرتب کیے جس کی وجہ سے ٹریکٹر کی فروخت میں نمایاں کمی ہوئی ہے

انتظامیہ 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 لئے اقدامات کر رہی ہے۔

# BALUCHISTAN WHEELS LIMITED<sup>7</sup>

Manufacturers of Automotive Wheels in Pakistan

**BALUCHISTAN WHEELS LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2023**

	Note	March 31, 2023 (Un-audited)	June 30, 2022 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	5	951,693	963,138
Long-term loans and advances		7,796	6,138
Long-term deposits		8,579	7,649
		<u>968,068</u>	<u>976,925</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	6	35,120	39,729
Stock-in-trade	7	566,536	539,764
Trade debts	8	289,844	258,317
Loans and advances		63,773	41,073
Trade deposits and short-term prepayments		914	1,433
Other receivables		9,141	792
Short-term investments	9	545,588	523,766
Bank balances	10	25,249	66,034
		<u>1,536,165</u>	<u>1,470,908</u>
<b>TOTAL ASSETS</b>		<u>2,504,233</u>	<u>2,447,833</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
25,000,000 (30 June 2022: 25,000,000) ordinary shares of Rs. 10/- each		250,000	250,000
Issued, subscribed and paid-up capital			
13,334,250 (30 June 2022: 13,334,250) ordinary shares of Rs. 10/- each		133,343	133,343
Reserves		1,338,613	1,329,352
Revaluation of land		579,075	579,075
		<u>2,051,031</u>	<u>2,041,770</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11	20,502	13,949
Long-term deposits		821	896
Deferred taxation		33,440	34,972
		<u>54,763</u>	<u>49,817</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	297,547	183,306
Unclaimed dividend		7,928	7,087
Current maturity of lease liabilities	11	17,920	12,365
Current portion of long-term loan		-	8,790
Current portion of long term deposits		298	1,053
Current portion of government grant		-	91
Taxation – net		39,652	130,781
Provision for warranty		1,825	2,716
Sales tax payable – net		33,269	9,882
Current portion of GIDC payable		-	175
		<u>398,439</u>	<u>356,246</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,504,233</u>	<u>2,447,833</u>

**CONTINGENCIES AND COMMITMENTS**

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The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



# BALUCHISTAN WHEELS LIMITED 8

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Nine months ended		Quarter ended	
		March, 31 2023	March, 31 2022	March, 31 2023	March, 31 2022
		Rs. in '000			
Turnover – net	14	1,358,850	2,036,681	473,848	732,234
Cost of sales	15	(1,097,526)	(1,651,948)	(367,392)	(621,913)
Gross profit		261,324	384,733	106,456	110,321
Distribution cost		(43,477)	(49,627)	(16,419)	(15,812)
Administrative expenses		(90,614)	(81,597)	(28,963)	(25,224)
Other expenses		(35,125)	(34,521)	(15,779)	(4,040)
Finance cost		(3,644)	(3,038)	(1,060)	(995)
		(172,860)	(168,783)	(62,221)	(46,071)
Other income	16	67,647	32,238	24,777	12,691
Profit before taxation		156,111	248,188	69,012	76,941
Taxation					
Current		(51,516)	(72,587)	(21,122)	(22,314)
Prior		-	(10,994)	-	-
Deferred		1,340	(1,519)	-	-
		(50,176)	(85,100)	(21,122)	(22,314)
Profit for the period		105,935	163,088	47,890	54,627
		(Rupees)			
Earnings per share- basic and diluted		7.94	12.23	3.59	4.10

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# BALUCHISTAN WHEELS LIMITED<sup>9</sup>

Manufacturers of Automotive Wheels in Pakistan

**BALUCHISTAN WHEELS LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	Nine months ended		Quarter ended	
	March, 31 2023	March, 31 2022	March, 31 2023	March, 31 2022
	-----Rs. in '000-----			
Profit for the period	105,935	163,088	47,890	54,627
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>105,935</u>	<u>163,088</u>	<u>47,890</u>	<u>54,627</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER


# BALUCHISTAN WHEELS LIMITED<sup>10</sup>

Manufacturers of Automotive Wheels in Pakistan

**BALUCHISTAN WHEELS LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

	March, 31 2023	March, 31 2022
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	156,111	248,188
Adjustments for non-cash items:		
Depreciation on operating fixed assets	33,354	37,892
Gain on sales of property, plant and equipment	(6)	(31)
Finance costs	3,644	3,038
Provision for slow moving stores spares and stock in trade - net	1	1,652
Provision for compensated absences	747	222
(Reversal) /provision for warranty claims - net	(891)	912
Provision for employees' benefits	4,455	882
Dividend income	(153)	(1,044)
Profit on mutual fund/sukuk	(507)	-
Government grant	(91)	(1,079)
Profit on savings accounts / treasury bills	(67,201)	(24,708)
Loss on revaluation of listed shares	928	2,344
	(25,720)	20,080
	130,391	268,268
Change in current assets and current liabilities		
Stores, spare parts and loose tools	4,609	(1,661)
Stock-in-trade	(26,773)	(132,502)
Trade debts	(31,527)	(15,064)
Loans and advances	22,700	14,839
Trade deposits & short-term prepayments and other receivables	(7,830)	368
Trade and other payables	123,904	(58,006)
Sales tax	33,269	1,023
	118,352	(191,003)
Cash generated from operations	248,743	77,265
Income tax -net	(91,129)	(43,459)
Employees' benefits paid	(2,795)	(27,276)
Long-term loans and advances - net	(1,658)	(7,916)
Long-term deposits-net	1,760	252
Net cash generated from operating activities	7,276	(1,134)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(1,110)	(25,245)
Proceeds from disposal of property, plant and equipment	3,520	634
Profit received on saving accounts / treasury bills	58,294	18,659
Short-term investments (made) / redeemed during the period - net	(21,822)	121,201
Profit on mutual fund/ sukuk received	273	-
Dividend received	153	1,044
Net cash generated from investing activities	39,308	116,293
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Liabilities against asset subject to finance leases -net	12,108	7,355
Finance cost paid	(3,644)	(3,038)
Dividend paid	(95,833)	(102,516)
Net cash (used in) financing activities	(87,369)	(98,199)
Net (decrease) / increase in cash and cash equivalents	(40,785)	16,960
Cash and cash equivalents at the beginning of the period	66,034	19,320
Cash and cash equivalents at the end of the period	25,249	36,280

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

# BALUCHISTAN WHEELS LIMITED<sup>11</sup>

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED  
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023

Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves			Total equity	
	Revaluation surplus on land	General reserve	Remeasurement loss on gratuity fund	Unappropriated Profit	Total reserves		
Ordinary share capital							
(Rupees in '000')							
<b>Balance as at July 01, 2021</b>	133,343	538,518	160,000	(3,455)	1,092,490	1,787,553	1,920,896
<b>Transaction with owners</b>							
Final dividend on ordinary shares							
30 June 2021 @ Rs. 4.50 per share	-	-	-	-	(60,004)	(60,004)	(60,004)
1st Interim dividend on ordinary shares							
30 June 2022 @ Rs. 1.50 per share	-	-	-	-	(20,001)	(20,001)	(20,001)
2nd Interim dividend on ordinary shares							
30 June 2022 @ Rs. 1.75 per share	-	-	-	-	(23,334)	(23,334)	(23,334)
					(103,339)	(103,339)	(103,339)
<b>Total comprehensive income for the period ended March 31, 2022</b>							
Profit for the period	-	-	-	-	163,088	163,088	163,088
Other comprehensive Income	-	-	-	-	-	-	-
	-	-	-	-	163,088	163,088	163,088
<b>Balance as at March 31, 2022</b>	133,343	538,518	160,000	(3,455)	1,152,239	1,847,302	1,980,645
<b>Balance as at July 01, 2022</b>	133,343	579,075	160,000	(1,366)	1,170,718	1,908,428	2,041,771
<b>Transaction with owners</b>							
Final dividend on ordinary shares							
June 30, 2022 @ Rs. 4.75 per share	-	-	-	-	(63,338)	(63,338)	(63,338)
Interim dividend on ordinary shares							
30 June 2023 @ Rs. 2.5 per share	-	-	-	-	(33,336)	(33,336)	(33,336)
					(96,674)	(96,674)	(96,674)
<b>Total comprehensive income for the period ended March 31, 2023</b>							
Profit for the period	-	-	-	-	105,935	105,935	105,935
Other comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	105,935	105,935	105,935
<b>Balance as at March 31, 2023</b>	133,343	579,075	160,000	(1,366)	1,179,979	1,917,688	2,051,031

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

### BALUCHISTAN WHEELS LIMITED

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED MARCH 31, 2023

#### 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  
Head Office

Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan

1<sup>st</sup> 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 period ended March 31, 2023 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 and

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.

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, 2022 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 latest 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, 2022, 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 period ended March 31, 2022.

### **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 flows 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, 2022, but are considered not to be relevant or to have any material 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, 2023, but are considered not to be relevant or to have any material effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

### 2.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani rupee ("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, 2022.

### 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 judgments 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 judgments 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 the year ended June 30, 2022.

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rs. in '000-----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<u>951,693</u>	<u>963,138</u>
<b>5.1 Operating fixed assets</b>			
Net book value at the beginning of the period / year		963,138	945,950
Additions during the period / year	5.1.1	25,423	28,935
Depreciation for the period / year		(33,354)	(50,617)
Disposals during the period / year (NBV)		(3,514)	(1,687)
Revaluation		-	40,557
Book value at the end of the period / year		<u>951,693</u>	<u>963,138</u>

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rs. in '000-----	
<b>5.1.1</b>	Detail of additions (at cost) during the period / year are as follows:		
Plant and machinery		-	20,819
Furniture and fittings		175	67
Office equipment		887	1,419
Computers		48	277
Head Office (right of use)		9,405	-
Vehicles		14,908	6,353
		<u>25,423</u>	<u>28,935</u>
<b>6</b>	<b>STORES, SPARE PARTS AND LOOSE TOOLS</b>		
Stores		5,389	7,959
Spares		90,355	92,444
Loose tools		1,986	1,936
		<u>97,730</u>	<u>102,339</u>
Provision for slow moving stores, spare parts and loose tools	6.1	<u>(62,610)</u>	<u>(62,610)</u>
		<u>35,120</u>	<u>39,729</u>
<b>6.1</b>	<b>Movement in provision is as follows:</b>		
Balance at the beginning of the period / year		62,610	60,293
Provision made during the period / year		-	2,317
		<u>62,610</u>	<u>62,610</u>
<b>7</b>	<b>STOCK-IN-TRADE</b>		
Raw material and components		216,827	272,866
Work-in-process		173,767	177,745
Finished goods		157,403	84,855
Scrap stock		22,558	8,316
		<u>570,555</u>	<u>543,782</u>
Provision for slow moving stock	7.1	<u>(4,019)</u>	<u>(4,018)</u>
		<u>566,536</u>	<u>539,764</u>



# BALUCHISTAN WHEELS LIMITED<sup>16</sup>

Manufacturers of Automotive Wheels in Pakistan

		(Unaudited) March 31, 2023	(Audited) June 30, 2022
	Note	-----Rs. in '000-----	
<b>7.1</b>	<b>Movement in provision is as follows:</b>		
	Balance at the beginning of the period / year	4,018	1,966
	Provision during the period / year	1	2,052
		<u>4,019</u>	<u>4,018</u>
<b>8</b>	<b>TRADE DEBTS</b>		
	Considered good	289,844	258,317
	Allowance for expected credit losses	-	-
		<u>289,844</u>	<u>258,317</u>
<b>9</b>	<b>SHORT TERM INVESTMENTS</b>		
	<b>Fair value through profit or loss</b>		
	Listed equity securities	2,842	3,770
	Sukuk	5,000	-
	Mutual Funds	20,000	-
		<u>27,842</u>	<u>3,770</u>
	<b>At amortised cost</b>		
	Treasury bills	517,746	519,996
		<u>545,588</u>	<u>523,766</u>
<b>10</b>	<b>BANK BALANCES</b>		
	Saving accounts	11,018	15,937
	Current accounts	14,231	50,097
		<u>25,249</u>	<u>66,034</u>
<b>11</b>	<b>LEASE LIABILITIES</b>		
	Lease liabilities	38,422	26,314
	Current portion	(17,920)	(12,365)
		<u>20,502</u>	<u>13,949</u>
	Maturity analysis-contractual discounted cashflow:		
	Less than one year	17,920	12,365
	One to five year	20,502	13,949
		<u>38,422</u>	<u>26,314</u>

	(Unaudited) March 31, 2023	(Audited) June 30, 2022
	-----Rs. in '000-----	
<b>12 TRADE AND OTHER PAYABLES</b>		
Creditors	29,142	23,485
Accrued liabilities	183,514	113,028
Contract liabilities	33,476	6,735
Gratuity fund	1,208	-
Retention money	455	455
Compensated absences	6,833	6,086
Workers' Profit Participation Fund	9,562	4,845
Workers' Welfare Fund	31,664	28,030
Security deposits	388	388
Mark-up on running finance	-	2
Others	1,305	252
	<u>297,547</u>	<u>183,306</u>
<b>13 CONTINGENCIES AND COMMITMENTS</b>		
<b>13.1 Contingencies</b>		
<p>There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended June 30, 2022 except that on March 13, 2023, the Privatization Commission (PC) has filed an appeal in the Honorable Supreme (SC) against the order of the Islamabad High Court which had dismissed the appeal of the PC on the grounds of limitation on February 09, 2023. The management of the company has decided to defend this case and engaged a lawyer to file a caveat in the Honorable SC.</p>		
<b>13.2 Commitments</b>		
Outstanding letters of guarantees	<u>4,512</u>	<u>4,512</u>
Outstanding letters of credit - raw material	<u>242,772</u>	<u>248,886</u>

# BALUCHISTAN WHEELS LIMITED<sup>18</sup>

Manufacturers of Automotive Wheels in Pakistan

Nine months ended (Unaudited)		Quarter ended (Unaudited)	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

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

## 14 TURNOVER – NET

Local sales	1,626,969	2,453,833	558,439	924,660
Sales return	(5,100)	(8,217)	(2,837)	(5,247)
Sales tax	(265,948)	(408,935)	(84,683)	(187,179)
	(271,048)	(417,152)	(87,520)	(192,426)
Export sales	2,929	-	2,929	-
	<u>1,358,850</u>	<u>2,036,681</u>	<u>473,848</u>	<u>732,234</u>

14.1 Local sales include scrap sales of Rs. 61.509 million (2022: Rs. 107.077 million).

## 15 COST OF SALES

### Raw material & components consumed:

#### Stock at the beginning of the period

Raw material and components	119,216	103,134	216,558	168,952
Scrap	8,316	156	3,771	35,326
	127,532	103,290	220,329	204,278

#### Purchases

	968,188	1,510,977	313,963	519,573
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#### Stock at the end of the period

Raw material and components	(216,827)	(207,214)	(216,827)	(207,214)
Scrap	(22,558)	(4,243)	(22,558)	(4,243)
	<u>(239,385)</u>	<u>(211,457)</u>	<u>(239,385)</u>	<u>(211,457)</u>

	856,335	1,402,810	294,907	512,394
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### Manufacturing overheads:

Salaries, wages and benefits	108,182	127,428	37,170	45,197
Stores & spares consumed	52,300	68,541	16,700	25,753
Fuel and power	38,952	50,690	10,391	8,623
Depreciation	26,996	29,917	8,878	10,016
Services rendered by contractors	49,628	44,431	18,825	13,179
Staff transportation	17,119	14,459	5,953	4,980
Repairs and maintenance	7,023	2,339	1,659	511

# BALUCHISTAN WHEELS LIMITED<sup>19</sup>

Manufacturers of Automotive Wheels in Pakistan

	Nine months ended (Unaudited)		Quarter ended (Unaudited)	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	-----Rs. in '000-----			
Travelling and conveyance	65	52	-	39
Vehicle running	3,843	2,520	1,394	903
Insurance	2,871	2,325	954	855
Communication	383	389	131	118
Entertainment	2,093	1,668	838	549
Printing and stationery	2	29	-	-
Subscription and periodicals	54	50	16	16
Provision for slow moving stores & spares	-	1,661	-	9
Computer	46	51	12	25
Others	204	162	147	20
	309,761	346,712	103,068	110,793
Manufacturing cost	1,166,096	1,749,522	397,975	623,187
<b>Work in process</b>				
As at the beginning of the period	177,745	115,778	180,382	208,576
As at the end of the period	(173,767)	(156,060)	(173,767)	(156,060)
	3,978	(40,282)	6,615	52,516
<b>Cost of goods manufactured</b>	1,170,074	1,709,240	404,590	675,703
<b>Finished goods</b>				
As at the beginning of the period	84,855	42,093	120,205	45,595
As at the end of the period	(157,403)	(99,385)	(157,403)	(99,385)
	(72,548)	(57,292)	(37,198)	(53,790)
	<u>1,097,526</u>	<u>1,651,948</u>	<u>367,392</u>	<u>621,913</u>

# BALUCHISTAN WHEELS LIMITED<sup>20</sup>

Manufacturers of Automotive Wheels in Pakistan

Nine months ended (Unaudited)		Quarter ended (Unaudited)	
March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
-----Rs. in '000-----			

## 16 OTHER INCOME

### Income from financial assets

Profit on savings accounts and treasury bill	67,201	24,708	24,601	9,100
Dividend income	153	1,044	-	301
Gain on mutual fund/sukuk units	507	-	507	-
Unrealised (loss) / gain on revaluation of Investments at FVTPL	(928)	(2,344)	(331)	(367)
	66,933	23,408	24,777	9,034

### Income from non-financial assets

Gain on sale of operating fixed assets	6	31	-	15
Government grant released	91	1,079	-	360
Others	617	7,720	-	3,282
	714	8,830	-	3,657
	67,647	32,238	24,777	12,691

## 17 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)	
Nine month ended	
March 31, 2023	March 31, 2022
-----Rs. in '000-----	

Relationship	Nature of transactions		
Key management personnel	Sale of vehicle / equipments	2,413	228
Key Management Personnel	Long term loans	4,031	2,485
Key Management Personnel	Advances	5,477	3,925
Key management personnel	Remuneration	21,253	10,777
Executives Directors	Remuneration	41,622	35,819
Non-executive directors	Meeting fee	2,600	1,540

Due from key management personnel as at March 2023 was Rs. 9,508,361 (June 2022: Rs. 7,215,000).

## 18 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, 2022.

## 19 NUMBER OF EMPLOYEES

The number of employees including contractual employees as at March 2023 was 210 (June 2022: 217).

## 20 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in their meeting held on April 26, 2023 declared an interim cash dividend @ 20 % i.e. Rs. 2.0 /- per share amounting to Rs. 26.668 million, for the third quarter ended March 2023. This is in addition to 25% i.e. Rs. 2.50 per share interim dividend, amounting to Rs. 33.336 millions. These condensed interim financial statement do not reflect this dividend payable which will be accounted for in the period in which it is approved.

## 21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on **April 26, 2023** by the Board of Directors of the Company.

## 22 GENERAL

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

## 23 SIGNIFICANT EVENT DURING THE PERIOD

The production activities of the Company was temporary closed during the period, from 12 December, 2022 to 06 January 2023 and thereafter from 07 April, 2023 to 20 April, 2023 due to drop in sales orders.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

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



Pak Suzuki Motor Co. Ltd.



Indus Motor Co. Ltd.



Lucky Motors Corp. Ltd



## Disc Wheels for Agricultural Tractors



Millat Tractors Ltd.



Al-Ghazi Tractor Ltd.



## Disc Wheels for Commercial Vehicles



Gandhara Industries Ltd.



Fuso Master Motors (Pvt.) Ltd.



Hinopak Motors Ltd.



Gandhara Automobiles Ltd.



# BALUCHISTAN WHEELS LIMITED



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