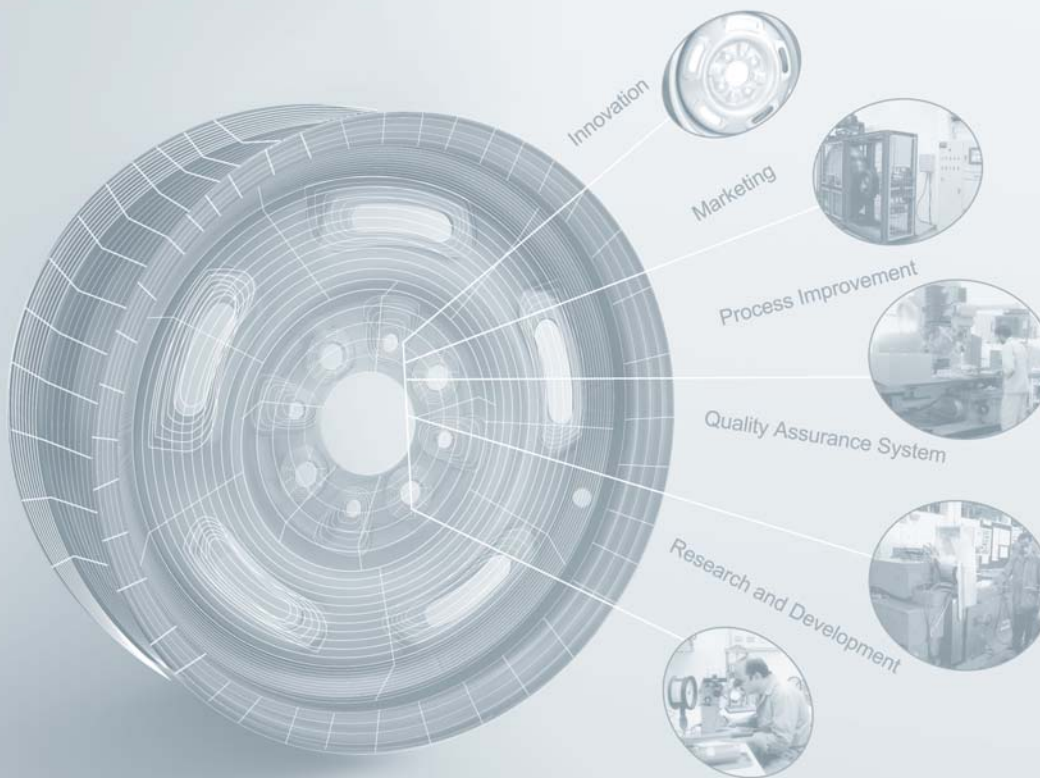




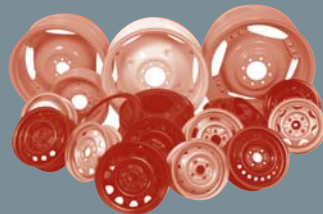
Manufacturers of Automotive Wheels in Pakistan

INNOVATION & STRENGTH



3rd Quarterly Accounts March 31, 2012 (Un-audited)

Baluchistan Wheels Limited



COPY OF THE COMPUTERIZED NATIONAL IDENTITY CARD (CNIC)

Dear Shareholder(s)

In order to protect the interest of the shareholders, Securities and Exchange Commission of Pakistan has issued a Notification stating that the **Computerized National Identity Card Number be stated on the Dividend Warrants.**

In the interest of the Shareholders you are requested to please provide us by mail or Fax the copy of your Computerized National Identity Card (CNIC) to the Company (unless it has been provided earlier). Which is required to be stated on the Dividend warrants as per the Notification issued by the SECP.

Please visit Company's Head Office or Mail / Fax your CNIC at the earliest convenience.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Siddique Misri
Mr. Razak H.M. Bengali
Mr. Muhammad Irfan Ghani
Syed Haroon Rashid
Syed Zubair Ahmed
Mr. Muhammad Javed
Mr. Irfan Ahmed Qureshi

Chairman
Chief Executive
Chief Operating Officer
Director (Nominee - NIT)
Director (Nominee - NIT)
Director
Director

COMPANY SECRETARY

Mr. Irfan Ahmed Qureshi

BOARD AUDIT COMMITTEE

Syed Haroon Rashid - Chairman
Director
Syed Zubair Ahmed - Member
Director
Mr. Muhammad Irfan Ghani - Member
Chief Operating Officer
Mr. Yasin Younus Ladha - Secretary
G.M (Finance)

MANAGEMENT COMMITTEE

Mr. Muhammad Siddique Misri
Mr. Razak H.M. Bengali
Mr. Muhammad Irfan Ghani
Mr. Muhammad Javed
Mr. Irfan Ahmed Qureshi
Mr. Shaikh Muhammad Iqbal
Mr. Sajid Nadri
Mr. Yasin Younus Ladha
Mr. Nisar Ahmed
Mr. Arshad Ali Siddiqui

Chairman
Chief Executive
Chief Operating Officer
Director / S.G.M (Technical)
Director / S.G.M (Finance) / Company Secretary
G.M (Sales)
G.M (Research & Development)
G.M (Finance)
G.M (Supply & Services)
Dy. General Manager (Human Resources)

BOARD HUMAN RESOURCES AND COMPENSATION COMMITTEE

Mr. Muhammad Siddique Misri
Mr. Razak H.M. Bengali
Mr. Muhammad Irfan Ghani
Mr. Arshad Ali Siddiqui

Chairman
Chief Executive (Member)
Chief Operating Officer (Member)
Dy. General Manager HR (Secretary)

RELATED PARTIES

Staff Retirement Funds

BANKERS

Habib Bank Limited
Faysal Bank Limited
Standard Chartered Bank (Pakistan) Limited
Bank Alfalah Limited
National Bank of Pakistan

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

EXTERNAL AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)

TAX CONSULTANTS

Ernst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)

Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

CHIEF INTERNAL AUDITOR

Mr. Muhammed Asad Saeed

SHARE REGISTRAR

Shares & Corporate Services (Pvt) Ltd
Mehersons Estate, Block-E,
Talpur Road, Karachi-74000
Telephone # 32429632-35, 32401634
Fax # 32420015

HEAD OFFICE

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

Your Directors are pleased to present 3rd Quarterly Accounts of the Company for the period ended March 31, 2012.

Operational and Financial Performance

The sales during the nine-month period under review were Rs.1,067 million as compared to Rs.1,113 million which is 4% less than the corresponding previous period. The sales of Car wheels have improved by 14%. It has gone to Rs.677 million as compared to Rs.593 million in the corresponding period. The sales of Truck / Bus Wheels were Rs.72 million as compared to Rs.70 million of the previous period which is 3% more than the previous period. The Tractor Wheels sales have declined by 36% to Rs.261 million as compared to Rs.407 million for the period of nine months under review. The exports sales were Rs.34 million as compared to Rs.23 million in the corresponding period last year.

The gross profit was Rs.205 million as compared to Rs.201 million of the previous period. The profit after taxation was Rs.75 million as compared to Rs.71 million of the previous period.

In terms of percentage the current period gross profit is 19% as compared to 18% of the previous period.

The administrative expenses have slightly increased due to the inflation & usual increments etc, the other operative expenses like WPPF & WWF have increased in line with the profit & the exchange loss is due to the weakening of Pak Rupee against US \$ and the finance cost has increased due to the increase in short term borrowings to finance the procurement of steel. The decrease in the distribution cost is due to drop in sales of tractor wheels to up country.

Our sales are directly linked with the Auto Industry sales. The Auto Industry is showing the signs of improvement and therefore it reflects on the performance of our company during the period under review.

NBP and Related Matters

NBP suit for recovery against the Company (BWL) and Privatization Commission (PC) for payment amounting to Rs. 91.25 million it has paid to PC, which the Company does not acknowledge as briefly explained at Note No. 25.1(ii) in the financial statements for the year ended June 30, 2011, has been heard by the High Court of Sindh and the orders were expected, but has been sent for final arguments again because of July 31, 2009 decision of the Honorable Supreme Court of Pakistan where by several Judges were removed and the Honorable Judge who had heard this matter was also removed and as such this matter had been finally argued and reheard & was reserved for Judgment, but the latest development is that the Honorable Judge who heard the case has also been transferred, and now the matter will be argued & heard again. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in Company's favour.



DIRECTORS' REPORT

Future Outlook

As reported in the Half Yearly Accounts of December 31, 2011, imposition of 16% GST on tractors had significantly eroded the tractors sales of the last quarter and effective February 2012 the Government has reduced sales tax on tractors to 5% and now tractors sales is also picking up & it is expected to improve in the next quarter too.

The car wheels sales have improved by 14% and the improvement is mostly in the 1000 cc segment. There is no significant improvement in the Truck / Bus sales, since noticeable number of trucks & commercial vehicles are entering the market under various schemes like gift & transfer of baggage etc It is hoped that the next quarter will also improve despite electrical /gas shortages etc.

Acknowledgment

We thank our valued customers for their patronage of our products, and are pleased to record our appreciation for the services rendered by the staff members and workers, and look forward to their continued efforts and dedication.

For and on Behalf of the Board of Directors

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

Karachi: April 24, 2012



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2012

	Note	March 31, 2012 (Rupees in thousand) (Un-audited)	June 30, 2011 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	362,996	394,140
Intangible asset		248	330
Long-term investment		559	925
Long-term loans and advances		2,007	1,939
Long-term deposits		12,218	10,838
		378,028	408,172
CURRENT ASSETS			
Stores, spare parts and loose tools		48,437	51,702
Stock-in-trade	5	552,987	440,673
Trade debts		154,679	133,364
Loans and advances		15,313	26,722
Trade deposits and short-term prepayments		2,940	1,355
Other receivables		-	5,733
Bank balances		5,949	41,391
		780,305	700,940
TOTAL ASSETS		1,158,333	1,109,112
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		133,343	133,343
Reserves		763,134	715,189
		896,477	848,532
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		3,177	4,501
Long-term deposits		719	335
Deferred taxation		50,239	50,596
		54,135	55,432
CURRENT LIABILITIES			
Trade and other payables		82,579	104,211
Accrued mark-up		3,194	918
Murabaha		69,153	6,773
Short-term borrowings		30,056	67,473
Current portion of:			
- liabilities against assets subject to finance lease		1,599	1,668
- long-term deposits		-	117
Taxation - net		21,140	23,988
		207,721	205,148
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		1,158,333	1,109,112

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

	Nine-Month Ended		Quarter Ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
----- (Rupees in thousand) -----				
Sales - net	1,067,067	1,113,128	412,327	406,185
Cost of sales	(861,756)	(912,021)	(325,605)	(329,116)
Gross profit	205,311	201,107	86,722	77,069
Distribution costs	(21,979)	(26,368)	(9,288)	(11,356)
Administrative expenses	(48,171)	(47,441)	(15,582)	(15,460)
Other operating expenses	(10,080)	(8,725)	(4,792)	(3,435)
Finance costs	(13,312)	(9,755)	(4,752)	(2,403)
	(93,542)	(92,289)	(34,414)	(32,654)
Operating profit	111,769	108,818	52,308	44,415
Other operating income	2,784	814	(1,047)	226
Profit before taxation	114,553	109,632	51,261	44,641
Taxation				
Current	(41,118)	(40,965)	(16,675)	(15,360)
Prior	1,188	(44)	-	-
Deferred	357	2,849	(681)	(422)
	(39,573)	(38,160)	(17,356)	(15,782)
Net profit for the period	74,980	71,472	33,905	28,859
Basic earnings per share	Rs. 5.63	Rs. 5.36	Rs. 2.55	Rs. 2.16

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

	March 31, 2012	March 31, 2011
	(Rupees in thousand)	
Net profit for the period	74,980	71,472
Other comprehensive income / (loss)		
Unrealised (loss) / gain due to changes in fair value of available for sale investments during the period	(366)	267
Total comprehensive income for the period	<u>74,614</u>	<u>71,739</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE



CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)

	March 31, 2012	March 31, 2011
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	114,553	109,632
Adjustment for non-cash charges and other items:		
Depreciation	32,094	32,445
Amortisation	83	82
Provision for employees' benefits	2,282	3,653
Provision for doubtful debts - net	58	953
Provision for compensated absences	22	101
Provision for slow moving stores, spare parts and loose tools	5,710	2,382
Reversal of slow moving stock in trade	(947)	(630)
(Reversal) / provision for warranty	(635)	442
Finance costs	8,560	9,755
Dividend income	(28)	(43)
Gain on disposal of fixed assets	(1,226)	-
Profit on bank balances	(55)	(161)
	45,918	48,979
Operating profit before working capital changes	160,471	158,611
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(2,445)	(2,437)
Stock-in-trade	(111,366)	(2,405)
Trade debts	(19,414)	(32,504)
Loans and advances	11,409	(15,416)
Trade deposits and short-term prepayments	(1,585)	735
Other receivables	5,733	-
	(117,668)	(52,027)
	42,803	106,584
Decrease in current liabilities		
Trade and other payables	(19,362)	(16,945)
	23,441	89,639
Cash generated from operations		
Long-term loans and advances-net	(68)	(60)
Long-term deposits-net	(1,113)	23
Income tax paid	(39,993)	(42,433)
Employees' benefits paid	(4,391)	(1,870)
Net cash (out flow)/ inflow from operating activities	(22,124)	45,299
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(4,442)	(10,662)
Proceeds from sale of property, plant and equipments	4,718	1,761
Dividend received	55	161
Profit received on bank balances	28	43
Net cash inflow/ (used in) investing activities	359	(8,697)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term financing	-	(3,956)
Proceed from /(Repayment of) murabaha	62,380	(9,930)
Repayment of short term borrowings - net	(37,417)	-
Finance cost paid	(11,036)	(8,100)
Repayment of liabilities against asset subject to finance lease	(1,393)	-
Dividend paid	(26,211)	(16,545)
Net cash used in financing activities	(13,677)	(38,531)
Net decrease in cash and cash equivalents	(35,442)	(1,929)
Cash and cash equivalents at the beginning of the period	41,391	12,377
Cash and cash equivalents at the end of the period	5,949	10,448

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

	Share capital	Reserves			Total reserves	Total
		General reserves	Unrealised gain / (loss) on available for sale investments	Unappropriated profit		
----- (Rupees in thousand) -----						
Balance as at June 30, 2010	133,343	160,000	467	476,079	636,546	769,889
Final dividend @ Rs.1.25 per share	-	-	-	(16,668)	(16,668)	(16,668)
Net profit for the period	-	-	-	71,472	71,472	71,472
Other comprehensive income	-	-	267	-	267	267
Total comprehensive income for the period	-	-	267	71,472	71,739	71,739
Balance as at March 31, 2011	<u>133,343</u>	<u>160,000</u>	<u>734</u>	<u>530,883</u>	<u>691,617</u>	<u>824,960</u>
Balance as at June 30, 2011	133,343	160,000	781	554,408	715,189	848,532
Final dividend @ Rs. 2.00 per share	-	-	-	(26,669)	(26,669)	(26,669)
Net profit for the period	-	-	-	74,980	74,980	74,980
Other comprehensive income / (loss)	-	-	(366)	-	(366)	(366)
Total comprehensive income / (loss) for the period	-	-	(366)	74,980	74,614	74,614
Balance as at March 31, 2012	<u>133,343</u>	<u>160,000</u>	<u>415</u>	<u>602,719</u>	<u>763,134</u>	<u>896,477</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

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 Karachi Stock Exchange. The registered office of the Company is situated at Main RCD Highway, Hub Chowki Lasbella, Baluchistan.

2. BASIS OF PREPARATION

2.1. These condensed interim financial statements have been prepared in accordance with International Accounting Standard-34 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirement differ, the provision of or directives issued under the Companies Ordinance, 1984 have been followed.

2.2. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2011.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended June 30, 2011, except for the adoption of following new and amended standards and interpretations which became effective during the period:

IFRS 7 - Financial Instruments: Disclosures
IAS 24 - Related Party Disclosures (Revised)
IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)

In May 2010, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wordings. These improvements are listed below:

IFRS 7 - Financial Instruments: Disclosures
IAS 1 - Presentation of Financial Statements
IAS 34 - Interim Financial Reporting
IFRIC 13 - Customer Loyalty Programmes (Fair value of award credits)

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements.

	Note	March 31, 2012 (Rupees in thousand) (Un-audited)	June 30, 2011 (Audited)
4. PROPERTY, PLANT AND EQUIPMENT			
Opening written down value (WDV)		394,140	399,774
Additions during the period / year - at cost	4.1	4,442	40,054
		398,582	439,828
Disposals during the period / year - at WDV	4.1	(3,492)	(1,900)
Depreciation charged during the period / year		(32,094)	(43,788)
Closing WDV		362,996	394,140



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

4.1. Additions and disposals to property, plant and equipment

	March 31, 2012		June 30, 2011	
	Additions (Rupees in thousand) (Un-Audited)	Disposals	Additions (Rupees in thousand) (Audited)	Disposals
Building	-	-	146	-
Plant and machinery	-	-	28,362	-
Office equipment	482	36	339	23
Furniture	23	-	-	-
Computers	235	-	123	-
Vehicles	3,702	3,456	11,084	1877
	<u>4,442</u>	<u>3,492</u>	<u>40,054</u>	<u>1,900</u>

5. STOCK-IN-TRADE

	March 31, 2012 (Rupees in thousand) (Un-audited)	June 30, 2011 (Audited)
Raw material	247,245	188,265
Work-in-process	123,040	101,728
Finished goods	143,692	110,994
Scrap stock	28,195	39,990
	<u>542,172</u>	<u>440,977</u>
Stock-in-transit	12,044	1,873
	<u>554,216</u>	<u>442,850</u>
Less: Provision for slow moving items	1,229	2,177
	<u>552,987</u>	<u>440,673</u>

6. CONTINGENCIES AND COMMITMENTS

There were no major changes in the status of contingencies as reported in the financial statements for the year ended June 30, 2011.

	March 31, 2012 (Rupees in thousand) (Un-audited)	June 30, 2011 (Audited)
Commitments		
Letters of credit issued by commercial banks	<u>151,492</u>	<u>220,914</u>
Outstanding custom duties against stock in transit	<u>391</u>	<u>724</u>

7. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise holding company, associates, directors, key management personnel, retirement benefit plans, major suppliers and Government of Pakistan (GoP). Transactions and balances with related parties are as follows:



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2012
(UN-AUDITED)**

<u>Transactions</u>		Nine - Month Ended	
		March 31, 2012	March 31, 2011
		(Rupees in thousand) (Un-audited)	
<u>Nature of relationship</u>	<u>Nature of transactions</u>		
Retirement benefit funds			
- Provident funds	Contribution during the period	<u>2,486</u>	2,415
- Gratuity fund	Expense for the period	<u>2,282</u>	3,653
Key management personnel			
	Sale of fixed assets	<u>906</u>	1,481
	Remuneration - Director	<u>19,150</u>	15,951
	- Executive	<u>4,609</u>	4,832
Officers & Staff			
	Sale of fixed assets	<u>364</u>	279
Balances			
Amount receivable / payable			
Loan and advances	Advances to key management personnel	<u>839</u>	-
	Loan to key management personnel	<u>347</u>	-
Trade and other payables	Provident fund	<u>-</u>	-
	Gratuity fund	<u>3,814</u>	6,533

8. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **April 24, 2012** by the Board of Directors of the Company.

9. GENERAL

Figures have been rounded off to the nearest thousand Rupees.

MUHAMMAD SIDDIQUE MISRI
CHAIRMAN

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

If undelivered please return to:



Baluchistan Wheels Limited

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Fax # 35684003
E-mail: bwlfm@cyber.net.pk
Website: <http://www.bwheels.com>