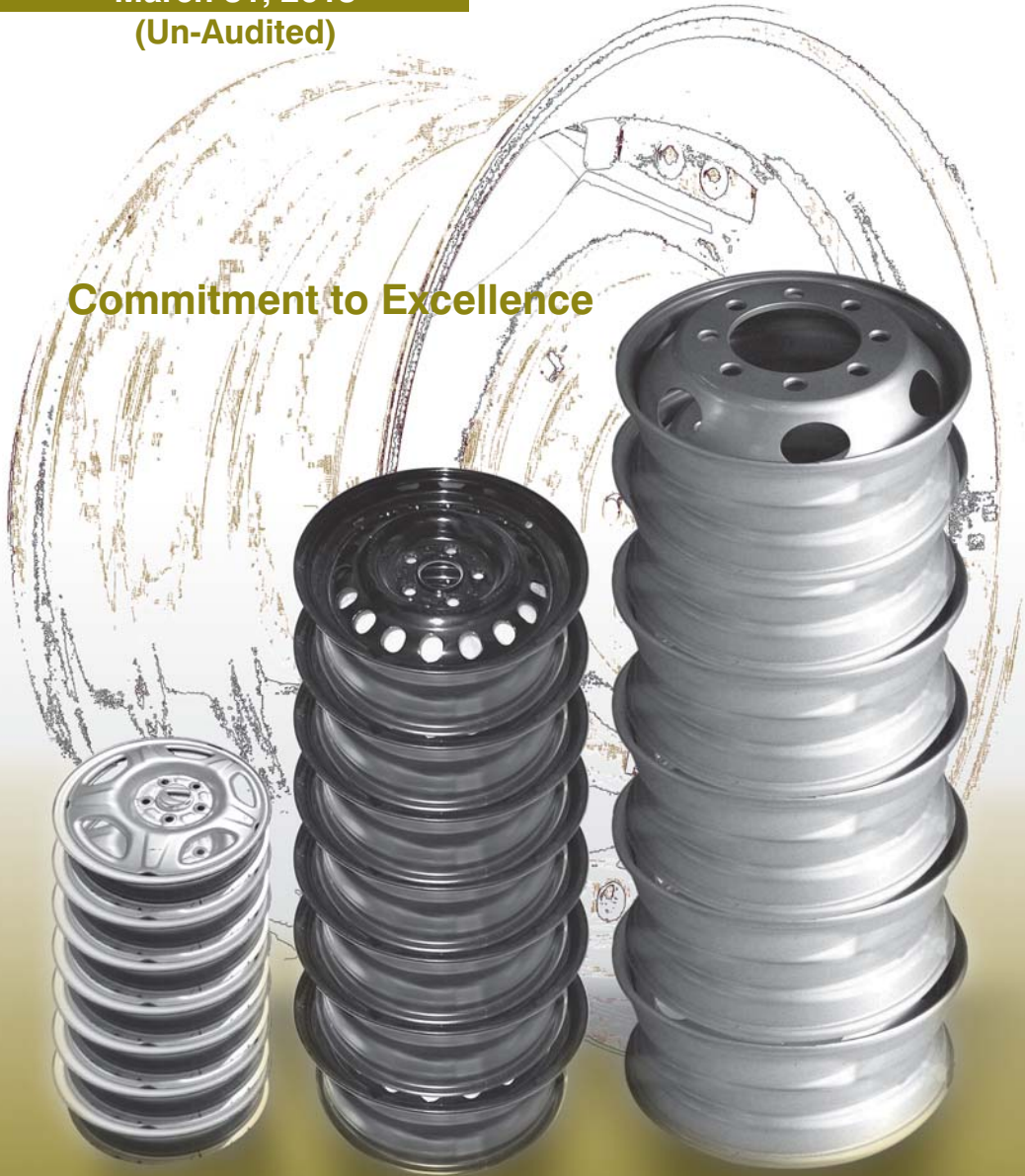


**3rd Quarterly
Accounts
March 31, 2013
(Un-Audited)**

Manufacturers of Automotive
Wheels in Pakistan

Commitment to Excellence



Baluchistan Wheels Limited



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Siddique Misri	Chairman(Executive Director)
Mr. Razak H.M.Bengali	Chief Executive(Executive Director)
Mr. Muhammad Irfan Ghani	Chief Operating Officer(Executive Director)
Syed Haroon Rashid	Non-Executive Director (Nominee - NIT)
Syed Zubair Ahmed Shah	Non-Executive Director (Nominee - NIT)
Mr. Muhammad Javed	Executive Director
Mr. Irfan Ahmed Qureshi	Executive Director

COMPANY SECRETARY

Mr.Irfan Ahmed Qureshi

BOARD AUDIT COMMITTEE

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

MANAGEMENT COMMITTEE

Mr. Muhammad Siddique Misri	Chairman
Mr. Razak H.M.Bengali	Chief Executive
Mr. Muhammad Irfan Ghani	Chief Operating Officer
Mr. Muhammad Javed	Director / S.G.M (Technical)
Mr. Irfan Ahmed Qureshi	Director / S.G.M (Finance) / Company Secretary
Mr. Shaikh Muhammad Iqbal	G.M (Sales)
Mr. Sajid Nadi	G.M (Research & Development)
Mr. Muhammad Yasin Ladha	G.M (Finance)
Mr. Nisar Ahmed	G.M (Supply & Services)
Mr. Arshad Ali Siddiqui	D.G.M (Human Resources)

BOARD HUMAN RESOURCES AND REMUNERATION COMMITTEE

Syed Haroon Rashid- Chairman	Non-Executive Director
Syed Zubair Ahmed Shah - Member	Non-Executive Director
Mr. Muhammad Irfan Ghani - Member	Chief Operating Officer(Executive Director)

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: 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



DIRECTORS' REPORT

Your Directors are pleased to present 3rd Quarterly Accounts of the Company for the period ended March 31, 2013.

Operational and Financial Performance

The sales during the nine-month period under review were Rs.825 million as compared to Rs.1,067 million which is 23% less than the corresponding previous period. The sales of Car wheels have decreased by 34%. It has gone to Rs.446 million as compared to Rs.677 million in the corresponding period. The sales of Truck / Bus Wheels were Rs.49 million as compared to Rs.72 million of the previous period which is 31% less than the previous period. The Tractor Wheels sales have improved by 10% to Rs.287 million as compared to Rs.261 million for the period of nine months under review. The exports sales were Rs.23 million as compared to Rs.34 million in the corresponding period last year.

The gross profit was Rs. 123 million as compared to Rs.205 million of the previous period. The profit after taxation was Rs.34 million as compared to Rs.75 million of the previous period.

In terms of percentage the current period gross profit is 15% as compared to 19% of the previous period & this is due to less absorption of factory overheads & other expenses due to low productivity & sales.

The slight decrease in the distribution cost is due to drop in sales. The administrative expenses remained within the same vicinity. The other operative expenses like WPPF & WWF have decreased in line with the profit & the exchange loss occurred due to the weakening of Pak Rupee against US \$. The finance costs have decreased significantly due to the control in short term borrowings to finance the procurement of steel.

Our sales are directly linked with the Auto Industry sales and the decline in wheels sales is mainly due to decline in the sales of Auto Cars.

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, 2012, 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 whereby 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.

Future Outlook

The relaxation in age of used cars to five years with depreciation at the rate of two percent has left the auto industry in a confused state and through the import of used cars at low price & concession by way of depreciation etc has damaged the industry beyond imagination and has resulted in piling up of stock of used & local cars in the local market and resulted in the drastic decline of car manufacturing by the local assemblers which had resulted in the sharp decline in the sales of the local vending industry too.

Although, the Government of Pakistan has again shifted to the policy of three years, but it will take some time by the market to absorb the current stock of reconditioned cars and thereafter it is expected the sales of locally manufactured cars will again pickup.

Nevertheless we were able to improve our sales of tractor wheels because of the reduction in sales tax by the Government thus we remained afloat.

Similarly, the demand for local trucks / buses is also low, a noticeable number of trucks and commercial vehicles are entering the market under various schemes like gift and transfer of baggage.

We are hopeful that things will be emerging positively very soon.

Acknowledgement

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 8, 2013



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013

	Note	March 31, 2013 (Rupees in thousand) (Un-audited)	June 30, 2012 (Audited)
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	361,447	360,700
Intangible		138	220
		361,585	360,920
Long-term investment		715	708
Long-term loans and advances		1,447	1,740
Long-term deposits		4,029	9,082
		367,776	372,450
CURRENT ASSETS			
Stores, spare parts and loose tools		44,335	45,925
Stock-in-trade	5	622,123	508,184
Trade debts		112,261	129,508
Loans and advances		28,814	8,568
Trade deposits and short-term prepayments		4,021	2,907
Bank balances		7,297	48,331
		818,851	743,423
TOTAL ASSETS		1,186,627	1,115,873
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		133,343	133,343
Reserves		805,045	790,921
		938,388	924,264
NON CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		4,514	5,695
Long-term deposits		979	784
Deferred taxation		47,684	45,076
		53,177	51,555
CURRENT LIABILITIES			
Trade and other payables		62,701	87,107
Accrued mark-up		900	149
Short-term borrowings		108,140	70
Sales tax payable - net		6,017	3,131
Current portion of:			
- liabilities against assets subject to finance lease		2,026	3,291
Provision for warranty		2,605	4,091
Provision for taxation - net		12,673	42,215
		195,062	140,054
CONTINGENCIES AND COMMITMENTS	6		
TOTAL EQUITY AND LIABILITIES		1,186,627	1,115,873

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, 2013
(UN-AUDITED)**

	Nine-Month Ended		Quarter Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
(Rupees in thousand)				
Sales - net	824,879	1,067,067	268,648	412,327
Cost of sales	(701,800)	(861,756)	(229,424)	(325,605)
Gross profit	123,079	205,311	39,224	86,722
Distribution costs	(18,410)	(21,344)	(5,819)	(10,879)
Administrative expenses	(49,168)	(48,171)	(16,410)	(15,582)
Other operating expenses	(5,805)	(10,080)	(2,510)	(4,792)
Finance costs	(3,784)	(13,312)	(1,335)	(4,752)
	(77,167)	(92,907)	(26,074)	(36,005)
Operating profit	45,912	112,404	13,150	50,717
Other operating income	1,113	2,149	380	544
Profit before taxation	47,025	114,553	13,530	51,261
Taxation				
Current	(10,536)	(41,118)	(5,840)	(16,675)
Prior	236	1,188	-	-
Deferred	(2,607)	357	1,432	(681)
	(12,907)	(39,573)	(4,408)	(17,356)
Net profit for the period	34,118	74,980	9,122	33,905
Basic earnings per share	Rs. 2.56	Rs. 5.63	Rs. 0.69	Rs. 2.55

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, 2013
(UN-AUDITED)**

	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
Net profit for the period	34,118	74,980
Other comprehensive income / (loss)		
Unrealised gain / (loss) due to changes in fair value of available for sale investments during the period	7	(366)
Total comprehensive income for the period	<u>34,125</u>	<u>74,614</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, 2013
(UN-AUDITED)

	March 31, 2013	March 31, 2012
	(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	47,025	114,553
Adjustment for non-cash charges and other items:		
Depreciation	30,275	32,094
Amortisation	82	83
Provision for employees' benefits	2,944	2,282
Provision for doubtful debts - net	1	58
(Reversal) / Provision for compensated absences	(176)	22
Provision for slow moving stores, spare parts and loose tools	-	5,710
Reversal of slow moving stock in trade	(810)	(947)
Reversal of provision for warranty	(1,390)	(635)
Finance costs	3,784	8,560
Dividend income	(38)	(28)
Gain on disposal of fixed assets	(442)	(1,226)
Profit on bank balances	(232)	(55)
Gain on redemption of mutual fund units	(151)	-
	33,847	45,918
Operating profit before working capital changes	80,872	160,471
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	1,590	(2,445)
Stock-in-trade	(113,939)	(111,366)
Trade debts	17,247	(19,414)
Loans and advances	(20,246)	11,409
Trade deposits and short-term prepayments	(1,114)	(1,585)
Other receivables	-	5,733
	(116,462)	(117,668)
	(35,590)	42,803
Decrease in current liabilities		
Trade and other payables	(16,585)	(19,362)
Cash generated from operations	(52,175)	23,441
Long-term loans and advances-net	293	(68)
Long-term deposits-net	5,248	(1,113)
Income tax paid	(43,538)	(39,993)
Employees' benefits paid	(3,196)	(4,391)
Net cash outflow from operating activities	(93,368)	(22,124)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(33,460)	(4,442)
Proceeds from sale of property, plant and equipments	2,680	4,718
Dividend received	38	55
Profit received on bank balances	232	28
Net cash (used in) / inflow from investing activities	(30,510)	359
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceed from / (Repayment of) murabaha	-	62,380
Short term borrowings - net	108,070	(37,417)
Finance cost paid	(3,033)	(11,036)
Repayment of liabilities against asset subject to finance lease	(2,446)	(1,393)
Dividend paid	(19,747)	(26,211)
Net cash inflow / (used in) financing activities	82,844	(13,677)
Net decrease in cash and cash equivalents	(41,034)	(35,442)
Cash and cash equivalents at the beginning of the period	48,331	41,391
Cash and cash equivalents at the end of the period	7,297	5,949

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, 2013
(UN-AUDITED)**

	Reserves			Total reserves	Total	
	Share capital	General reserves	Unrealised gain / (loss) on available for sale investments			Unappropriated profit
----- (Rupees in thousand) -----						
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	-	-	(366)	-	(366)	(366)
Total comprehensive income for the period	-	-	(366)	74,980	74,614	74,614
Balance as at March 31, 2012	133,343	160,000	415	602,719	763,134	896,477
Balance as at June 30, 2012	133,343	160,000	564	630,357	790,921	924,264
Final dividend @ Rs. 1.50 per share	-	-	-	(20,001)	(20,001)	(20,001)
Net profit for the period	-	-	-	34,118	34,118	34,118
Other comprehensive income / (loss)	-	-	7	-	7	7
Total comprehensive income / (loss) for the period	-	-	7	34,118	34,125	34,125
Balance as at March 31, 2013	133,343	160,000	571	644,474	805,045	938,388

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, 2013 (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, 2012.

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, 2012.

The company has adopted the following amendments to IFRSs which became effective for the current period:

IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income (Amendment)

IAS 12 - Income Taxes - Recovery of Underlying Assets (Amendment)

The adoption of the above amendments did not have any effect on these condensed interim financial statements.

4. PROPERTY, PLANT AND EQUIPMENT

		March 31, 2013	June 30, 2012
	Note	(Rupees in thousand) (Un-audited)	(Audited)
Opening written down value (WDV)		360,500	394,140
Additions during the period / year - at cost	4.1	33,460	13,428
		<u>393,960</u>	<u>407,568</u>
Disposals during the period / year - at WDV	4.1	(2,238)	(3,889)
Impairment during the period / year		-	(108)
Depreciation charged during the period / year		<u>(30,275)</u>	<u>(43,071)</u>
Closing WDV		361,447	360,500
Capital work in progress		-	200
		<u>361,447</u>	<u>360,700</u>



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2013
(UN-AUDITED)**

4.1. Additions and disposals to property, plant and equipment

	March 31, 2013		June 30, 2012	
	Additions	Disposals	Additions	Disposals
	(Rupees in thousand) (Un-Audited)		(Rupees in thousand) (Audited)	
Building	200	-	135	-
Plant and machinery	29,603	-	2,359	348
Electrical installation	422	-	-	-
Office equipment	547	13	629	43
Furniture & fitting	-	-	23	-
Computers	211	-	353	-
Vehicles	2,477	2,225	9,929	3,498
	<u>33,460</u>	<u>2,338</u>	<u>13,428</u>	<u>3,889</u>

5. STOCK-IN-TRADE

	March 31, 2013 (Rupees in thousand) (Un-audited)	June 30, 2012 (Rupees in thousand) (Audited)
Raw material	291,570	185,941
Work-in-process	118,686	127,211
Finished goods	94,595	156,569
Scrap stock	41,788	33,148
	<u>546,639</u>	<u>502,869</u>
Stock-in-transit	91,882	22,524
	<u>638,521</u>	<u>525,393</u>
Less: Provision for slow moving items	(16,398)	(17,209)
	<u>622,123</u>	<u>508,184</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, 2012.

	March 31, 2013 (Rupees in thousand) (Un-audited)	June 30, 2012 (Rupees in thousand) (Audited)
Commitments		
Capital Commitments - Plant and machinery	-	2,321
Letters of credit issued by commercial banks	35,274	169,048
Outstanding custom duties against stock in transit	2,258	295

7. TRANSACTIONS WITH RELATED PARTIES

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



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2013
(UN-AUDITED)**

		Nine - Month Ended	
		March 31, 2013	March 31, 2012
		(Rupees in thousand) (Un-audited)	
<u>Transactions</u>			
Nature of relationship	Nature of transactions		
Retirement benefit funds			
- Provident funds	Contribution during the period	<u>2,739</u>	<u>2,486</u>
- Gratuity fund	Expense for the period	<u>2,944</u>	<u>2,282</u>
Key management personnel			
	Sale of fixed assets	<u>875</u>	<u>906</u>
	Remuneration - Director	<u>22,960</u>	<u>19,150</u>
	- Executive	<u>4,167</u>	<u>4,609</u>
Officers & Staff			
	Sale of fixed assets	<u>-</u>	<u>364</u>
<u>Balances</u>			
Amount receivable / payable			
Loan and advances	Advances to key management personnel	<u>625</u>	<u>839</u>
	Loan to key management personnel	<u>520</u>	<u>347</u>
Trade and other payables	Provident fund	<u>-</u>	<u>-</u>
	Gratuity fund	<u>4,760</u>	<u>3,814</u>

8. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **April 08, 2013** 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

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