



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

Moving Around The World

1ST QUARTERLY | SEPTEMBER
ACCOUNTS | 2017
(UN-AUDITED)





CONTENTS

Corporate Information	02
Directors' Report	03
Condensed Interim Balance Sheet	05
Condensed Interim Profit and Loss Account	06
Condensed Interim Statement of Comprehensive Income	07
Condensed Interim Cash Flow Statement	08
Condensed Interim Statement of Changes in Equity	09
Notes to the Condensed Interim Financial Statements	10



CORPORATE INFORMATION

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

INDEPENDENT DIRECTOR

Mr. Anis Wahab Zuberi

NON-EXECUTIVE DIRECTOR

Syed Zubair Ahmed Shah (Nominee - NIT)

Mr. Muhammad Javed

Mr. Irfan Ahmed Qureshi

Mrs. Saba Nadeem

CHIEF EXECUTIVE

Mr. Razak H. M. Bengali

EXECUTIVE DIRECTOR

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

AUDIT COMMITTEE

Mr. Anis Wahab Zuberi	Independent, Non-Executive Director	Chairman	National Bank of Pakistan
Syed Zubair Ahmed Shah	Non-Executive Director (Nominee - NIT)	Member	Industrial and Commercial Bank of China
Syed Haroon Rashid	Non-Executive Director	Member	
Mr. Irfan Ahmed Qureshi	Non-Executive Director	Member	
Mrs. Saba Nadeem	Non-Executive Director	Member	

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Syed Zubair Ahmed Shah	Non-Executive Director (Nominee - NIT)	Chairman	P.E.C.H.S., Karachi-75400
Mr. Muhammad Irfan Ghani	Chief Operating Officer(Executive Director)	Member	E-mail: secretariat@thk.com.pk
Mr. Anis Wahab Zuberi	Independent, Non-Executive Director	Member	UAN # +92 (21) 111-000-322,
Mr. Muhammad Javed	Non-Executive Director	Member	Direct: +92 (21) 34168270
			Fax # +92 (21) 34168271

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Muhammad Yasin Yunus Ladha

MANAGEMENT COMMITTEE

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

CHIEF INTERNAL AUDITOR

Hafiz Shoaib Ahmed Chauhan

EXTERNAL AUDITORS

EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS

EY Ford Rhodes
(Chartered Accountants)

Baker Tilly Mehmood Idrees Qamar

(Chartered Accountants)

BANKERS

Habib Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited

National Bank of Pakistan
Industrial and Commercial Bank of China

SHARE REGISTRAR

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

The Directors are pleased to present the Un-Audited Condensed Interim Financial Statements for the first quarter ended September 30, 2017.

FINANCIAL RESULTS

During the period (July to September 2017) the Company had overall consolidated revenue of Rs. 415 million improved by 29% as compared to Rs. 322 million of corresponding period of last year. The Car wheels sale was up marginally to Rs. 210 million compared to Rs. 202 million (up by 4%) during the same period of last year. The Truck/Bus wheels sale was Rs. 54 million as compared to Rs. 46 million which is 18% higher than the corresponding period of last year. The growth is mainly attributed to the increase in Truck production due to increasing demand under China Pakistan Economic Corridor (CPEC). Tractor wheels sale increased significantly by 98% to Rs. 148 million as compared to Rs. 75 million during the same period of last year. The increase in sale of Tractor wheels is due to the high demand due to the reduction in General Sales Tax (GST) rate on Tractors to 5%, subsidies on fertilizers and better crop yields having a positive impact on our sales too.

The gross profit increased in absolute terms by Rs.16.765 million from Rs.58.015 million to Rs.74.780 million. However, the gross profit margins remained the same i.e. %. Similarly, the company earned net profit after taxation of Rs.26.474 million compared to Rs.22.610 million in the same period of last year, increased by 17%. Improved sales volume of Tractors and Trucks/Busses coupled with higher production had an impact on the net profit for the period.

Distribution cost increased by Rs. 4.393 million (i.e. 51%) from Rs. 8.690 million to Rs. 13.083 million mainly due to the increased sale of Tractor wheels during the period as compared to the same period of last year. Administrative expenses increased by Rs. 4.235 million (i.e. 25%) from Rs. 16.772 million to Rs. 21.007 million primarily due to the salaries & wages and other related expenses. Other income declined substantially due to the shortages of surplus funds which the company had invested in Debt and Equity Securities in the past.

NBP AND RELATED MATTERS

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

FUTURE OUTLOOK

The Company is continuously investing in projects for modernizing of Plant and Machinery in order to deliver quality products to its customers. A new Mono Rail Conveyor has been successfully installed which has enhanced the painted production capacity and ensure delivery of quality products to our customers on time. Further, different plans are underway to be implemented during the year to satisfy the customer needs.

Due to the implementation of China Pakistan Economic Corridor (CPEC) the Truck/Bus sector is performing well and we expect that there will be a impetus growth in Truck/Bus sector.

Tractor sales exhibited an upward trajectory during the quarter under review and is expecting to outperform during the financial year 2017-2018, due to lower General Sales Tax rate on Tractors, continuation of subsidies on fertilizers and discount to farmers in the shape of Tractor Schemes.

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

ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board

Razak H.M. Bengali
Chief Executive

Karachi: October 27, 2017



ڈائریکٹر زر پورٹ

آپ کے ڈائریکٹر 30 نومبر 2017 کو ختم ہونے والے پہلی سال میں کے Un-Audited عبوری مالیاتی رپورٹ ہمچو شی پیش کرتے ہیں۔
مالیاتی نتائج۔

زیر جائزہ مدت کے دوران ہماری فروخت 415 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی فروخت 322 ملین روپے کے مقابلے میں 29% نیصدزیادہ رہی۔ گاڑی کے پہیوں کی فروخت 210 ملین روپے رہی جو کہ گزشتہ سال کی اسی سال میں کے 202 ملین روپے کی فروخت کے مقابلے میں صرف 4% نیصدزیادہ رہی۔ ٹرک / بس کے پہیوں کی فروخت 54 ملین روپے رہی جو کہ پچھلی مدت کی فروخت 46 ملین روپے کے مقابلے میں 18% نیصدزیادہ رہی۔ جسکی بنیادی وجہ CPEC میں ٹرک کی بڑھتی ہوئی طلب کی وجہ سے پیداوار میں اضافہ ہے۔ ٹرکیٹر کے پہیوں کی فروخت 148 ملین روپے رہی جو کہ پچھلے عرصے کی 75 ملین روپے کی فروخت کے مقابلے میں غیب معمولی طور پر 98% نیصدزیادہ رہی۔ ٹرکیٹر کے پہیوں کی فروخت میں اضافے کی بنیادی وجہ جریل سیلیکس کی شرح کو 5% نیصدزیادہ تک محدود کرنا، کھاد پر سبستی اور بہتر فصل کی پیداوار ہے جو کہ اسراہمی فروخت پر بھی پڑتا۔

غیر خاص منافع 16.765 ملین روپے کے اضافے کے ساتھ 74.780 ملین روپے کا گزشتہ سال اسی مدت میں 58.015 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹکس منافع 17% نیصدزیادہ تک ساتھ 26.474 ملین روپے رہا جو کہ گزشتہ سال کے اسی مدت میں 22.610 ملین روپے تھا۔ بعد از ٹکس منافع میں اضافے کی بنیادی وجہ ٹرک / بس اور ٹرکیٹر کے پہیوں کی فروخت اور پیداوار میں اضافہ ہے۔

تقریب کاری کے اخراجات میں 4.393 ملین روپے (51%) نیصدزیادہ تک ساتھ 4.780 ملین روپے کی فروخت میں اضافہ ہے۔ انتظامی اخراجات میں 4.235 ملین روپے (25%) نیصدزیادہ تک ساتھ 26.474 ملین روپے رہا جو کہ گزشتہ سال کے اضافے میں نیصدزیادہ تک ساتھ 22.610 ملین روپے تھا۔ اضافی نیصدزیادہ تک ساتھ اور ٹکس منافع میں کمپنی کی وجہ سے دوسرا آمدی میں کافی کمی آئی ہے۔

NBP اور متعلقہ محکملات۔

یہ مقدمات سندھ ہائی کورٹ میں زیر اندازیں اور اسکے بارے میں تفصیل 30 جون 2017 کو ختم ہونے والے مالی سال کے آٹھ بیانی مالیاتی رپورٹ کے نوٹ نمبر 24 میں درج ہے۔ آپ کی کمپنی کی انتظامی اور وکلاء اپامیدی میں کہاں مقدمات کا تیجہ ہمارے حق میں آئے گا۔

مستقبل کے خروج و نتائج:-

اپنے گاہوں کو معیاری مصنوعات کی فراہمی کیلئے آپ کا ادارہ پلاٹ اور مشینی کو جدت پر استوار کرنے کیلئے مستقل سرمایہ کاری کر رہا ہے۔ بینٹ شاپ میں نئی کوئی تھیسیب کر دی گئی ہے جسکی وجہ سے بینٹ شاپ کی پیداواری صلاحیت میں اضافہ ہوا ہے جس کی وجہ سے گاہوں کو معیاری مصنوعات برداشت فراہم کی جا سکیں گی۔ اسکے علاوہ گاہوں کی صدوریات کو پورا کرنے کے لیے مختلف منصوبے زیر غور ہیں۔

CPEC منصوبے کے نفاذ کی وجہ سے ٹرک بس ٹرکیٹر کی فروخت میں اضافہ ہوا ہے اور مستقبل میں مزید اضافہ متوقع ہے۔ زیر جائزہ مدت کے دوران ٹرکیٹر کی فروخت میں قابل ذکر اضافہ ہوا ہے اور ہم امید کرتے ہیں کہ ٹرکیٹر جریل سیلیکس کی کم شرح اور کھاد پر سبستی کی وجہ سے مالیاتی سال 2018-2017 میں ٹرکیٹر کی فروخت میں مزید اضافہ ہو گا۔

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

اظہار تشكیر:-

ہم اس موقع پر اپنے تمام صارفین اور اسٹیک ہولڈر کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر کمل اعتماد اور بہرہ سے کا اظہار کیا۔ ہم اپنے عملے اور کارکنان سمیت تمام بلوچستان و ہمیں لیڈنگ کی ٹیم کی کوششوں اور مسلسل تعاون کرنے پر ایک شکریہ ادا کرتے ہیں۔

اللہ تعالیٰ ہمیں برکت دے اور خصوصاً ہمیں اور ہمارے تمام اسٹیک ہولڈر کو اور عوام پر ملک کوتتنی اور کامیابی عطا فرمائے (آمین)۔

یحیم بورڈ آف ڈائریکٹر

جناب رزان ایچ ایم بگالی

چیف ایگزیکیوٹو

کراچی، ۲۷ اکتوبر ۲۰۱۸ء



CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017
(UN-AUDITED)

ASSETS	Note	(Un-audited) (Audited)	
		September 30, 2017	June 30, 2017
NON-CURRENT ASSETS			
Property, plant and equipment	4	369,343	367,269
Long-term loans and advances		4,590	4,275
Long-term deposits		5,672	5,063
		379,605	376,607
CURRENT ASSETS			
Stores, spare parts and loose tools	5	56,227	55,930
Stock-in-trade		764,640	518,874
Trade debts		142,642	95,781
Loans and advances		24,133	32,592
Trade deposits and short-term prepayments		3,222	1,694
Other receivable		-	2,894
Short term investments		8,999	261,671
Taxation - net		102,596	77,553
Sales Tax refundable - net		8,039	8,554
Bank balances		9,172	27,530
		1,119,670	1,083,073
TOTAL ASSETS		1,499,275	1,459,680
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Issued, subscribed and paid-up capital		133,343	133,343
Reserves		1,134,216	1,107,742
		1,267,559	1,241,085
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		8,448	4,958
Long-term deposits		1,272	874
Deferred taxation		28,948	29,179
		38,668	35,011
CURRENT LIABILITIES			
Trade and other payables		137,426	176,569
Accrued mark-up		151	-
Short-Term Borrowings	6	46,723	-
Current portion of Liabilities against assets subject to finance leases		4,721	2,948
Provision for warranty		4,027	4,067
		193,048	183,584
CONTINGENCIES AND COMMITMENTS	7		
TOTAL EQUITY AND LIABILITIES		1,499,275	1,459,680

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

RAZAK H. M. BENGALI MUHAMMAD YASIN YUNUS LADHA MUHAMMAD SIDDIQUE MISRI
CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	Quarter Ended	
	September 30, 2017	September 30, 2016
	-----(Rs.in '000)-----	
Turnover	414,889	322,490
Cost of sales	(340,109)	(264,475)
Gross profit	74,780	58,015
Distribution cost	(13,083)	(8,690)
Administrative expenses	(21,007)	(16,772)
Other operating expenses	(3,681)	(2,640)
	(37,771)	(28,102)
Operating Profit	37,009	29,913
Other income	1,008	3,033
Finance cost	(430)	(178)
Profit Before Taxation	37,587	32,768
Taxation	(11,113)	(10,158)
Profit After Taxation	26,474	22,610
	-----(Rupees)-----	
Earnings Per Share - Basic & Diluted	1.99	1.69

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

September 30, 2017 September 30, 2016
-----(Rs.in '000)-----

Net profit for the period	26,474	22,610
Other comprehensive income / (loss) to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the period	26,474	22,610

The annexed notes 1 to 10 form an integral part of these condensed interim financial statements.

RAZAK H. M. BENGALI **MUHAMMAD YASIN YUNUS LADHA** **MUHAMMAD SIDDIQUE MISRI**
CHIEF EXECUTIVE **CHIEF FINANCIAL OFFICER** **DIRECTOR**



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (UN-AUDITED)

	September 30, 2017 ----- (Rs.in '000)	September 30, 2016 -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	37,587	32,768
Adjustments for:		
Depreciation	10,083	8,690
(Gain) on sale of property, plant and equipment	(248)	-
Finance cost	430	178
Reversal of provision for slow moving stock-in-trade	(889)	-
Provision for doubtful debts	725	-
Provision/(reversal) of provision for warranty claims	3	(205)
Provision for employees' benefits	1,029	3,693
Profit on deposit accounts / treasury bills	(1,969)	(2,028)
Dividend income	(42)	-
Loss/(Gain) on revaluation / redemption of listed shares / mutual fund units	1,386	(1,005)
	10,508	9,323
	48,095	42,091
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(297)	2,113
Stock-in-trade	(244,877)	36,005
Trade debts	(47,585)	10,390
Loans and advances	8,459	11,178
Trade deposits, short-term prepayments and other receivables	(786)	(1,205)
Sales tax refundable - net	515	-
	(284,571)	58,481
	(236,476)	100,572
Increase/ (Decrease) in current liabilities		
Trade and other payables	(40,187)	(30,658)
Sales tax payable - net	-	3,861
	(276,663)	73,775
Income tax paid	(36,387)	(24,918)
Long-term loans and advances-net	(315)	(1,781)
Finance cost paid	(292)	(825)
Long-term deposits - net	(211)	478
Net cash (used in) / generated from operating activities	(313,868)	46,729
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(12,847)	(2,126)
Proceeds from sale of property, plant and equipment	937	(2,007)
Profit received on deposit accounts / treasury bills	4,121	2,028
Short term Investments redeemed / (made)	251,286	(12,179)
Dividend received	42	-
Net cash generated from / (used in) investing activities	243,539	(14,284)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against assets subject to finance lease -net	5,263	9,353
Short term borrowings	46,723	-
Dividend paid	(15)	-
Net cash generated from financing activities	51,971	9,353
Net (decrease) / increase in cash and cash equivalents	(18,358)	41,798
Cash and cash equivalents at the beginning of the period	27,530	44,051
Cash and cash equivalents at the end of the period	9,172	85,849

The annexed notes1 to 10 form an integral part of these condensed interim financial statements.

RAZAK H. M. BENGALI MUHAMMAD YASIN YUNUS LADHA MUHAMMAD SIDDIQUE MISRI
CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	Issued, subscribed and paid-up Capital	Reserves					Total
		General reserves	Unrealised gain / (loss) on remeasurement of available- for-sale Investments	Remeasu- rement loss on gratuity fund	Unappropriated Profit	Total reserves	
(Rs. in '000)							
Balance as at June 30, 2016	133,343	160,000	-	(1,892)	893,922	1,052,030	1,185,373
Net profit for the period	-	-	-	-	22,610	22,610	22,610
Other comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	22,610	22,610	22,610
Balance as at September 30, 2016	<u>133,343</u>	<u>160,000</u>	<u>-</u>	<u>(1,892)</u>	<u>916,532</u>	<u>1,074,640</u>	<u>1,207,983</u>
Balance as at June 30, 2017	133,343	160,000	-	(5,850)	953,592	1,107,742	1,241,085
Net profit for the period	-	-	-	-	26,474	26,474	26,474
Other comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	26,474	26,474	26,474
Balance as at September 30, 2017	<u>133,343</u>	<u>160,000</u>	<u>-</u>	<u>(5,850)</u>	<u>980,066</u>	<u>1,134,216</u>	<u>1,267,559</u>

The annexed notes¹ to 10 form an integral part of these condensed interim financial statements.

RAZAK H. M. BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER

MUHAMMAD SIDDIQUE MISRI
DIRECTOR



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (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 Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan.

2. BASIS OF PREPARATION

2.1. Statement of compliance

These condensed interim financial statements of the Company for the period ended September 30, 2017 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the repealed Companies Ordinance, 1984 since the applicability of the Companies Act, 2017 (the Act) for financial reporting purposes has been deferred by the Securities and Exchange Commission of Pakistan (SECP) till June 30, 2018. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

2.2. Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value and present value of defined benefit obligations as reduced by fair value of planned assets.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2017.

	(Un-audited) September 30, 2017	(Audited) June 30, 2017
Note	----- (Rs.in '000)-----	

4. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	4.1	369,343	367,139
Capital work-in-progress	4.2	-	130
		369,343	367,269

4.1. Operating fixed assets

Book value at the beginning of the period / year	4.1.1	367,139	302,423
Additions during the period / year (cost)	4.1.1	12,977	105,713
Depreciation for the period / year	4.1.1	(10,084)	(37,838)
Disposals during the period / year	4.1.1	(689)	(3,159)
Book value as at the end of the period / year		369,343	367,139



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2017
(UN-AUDITED)**

	(Un-audited) September 30, 2017	(Audited) June 30, 2017		
	Additions at cost	Disposals at written down value	Additions at cost	Disposals at written down value
-----(Rs.in '000)-----				

4.1.1. Additions and disposals to property, plant and equipment:

Building	-	-	830	-
Plant and machinery	5,940	-	88,039	-
Office equipment	97	-	1,291	24
Computer	54	-	358	-
Vehicles- Owned	739	369	13,195	3,135
Vehicles- Leased	6,147	320	2,000	-
	12,977	689	105,713	3,159

	(Un-audited) September 30, 2017	(Audited) June 30, 2017
Note	-----(Rs.in '000)-----	

4.2. Capital work-in-progress

Balance at the beginning of the period / year	130	3,524
Additions during the period / year	-	55,010
Transfer to operating assets during the period / year	(130)	(58,404)
Balance at the end of the period / year	-	130

5. STOCK-IN-TRADE

Raw material and components	286,635	168,872
Work-in-process	140,389	222,337
Finished goods	115,665	91,969
Scrap stock	72,279	56,647
	614,967	539,825
Stock-in-transit	173,856	4,121
	788,823	543,946
Provision for slow moving stock	5.1	(25,072)
	764,640	518,874

5.1. Movement in Provision is as follows:

Opening balance	25,072	28,751
Provision made during the period / year	578	5,960
	25,650	34,711
Reversal during the period / year	(1,467)	(9,639)
Closing balance	24,183	25,072



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2017 (UN-AUDITED)

6. SHORT TERM BORROWINGS

These facilities are obtained from three commercial banks under mark-up arrangements and are secured by way of hypothecation charge banking pari passu over company's stock and debts amounting to Rs. 335 million (June 2017:Rs. 335 million) of which Rs. 47 million (June 2017:Nil) utilized as of the balance sheet date. The rates of mark-up of these finances are three months' KIBOR plus 125 basis points and three months' KIBOR plus 100 basis points.

7. CONTINGENCIES AND COMMITMENTS

There were no major changes in the status of contingencies and commitments as reported in the financial statements for the year ended June 30, 2017 except for the following:

Commitments	(Un-audited) (Audited)	
	September 30, 2017	June 30, 2017
<hr/>		
Outstanding letters of credit	59,654	362,054
Capital commitments	63,509	30,304

8. TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	Quarter Ended	
		September 30, 2017	September 30, 2016
<hr/>			
Key Mgt Personnel / Executives	Sale of vehicles	476	2,007
	Remuneration	10,498	5,159
Executives Directors	Remuneration	16,598	12,728
Non-executive directors	Fee	730	450

9. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on **October 27, 2017** by the Board of Directors of the Company.

10. GENERAL

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

RAZAK H. M. BENGALI MUHAMMAD YASIN YUNUS LADHA MUHAMMAD SIDDIQUE MISRI
CHIEF EXECUTIVE CHIEF FINANCIAL OFFICER DIRECTOR



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CORPORATE

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