



BALUCHISTAN WHEELS LIMITED

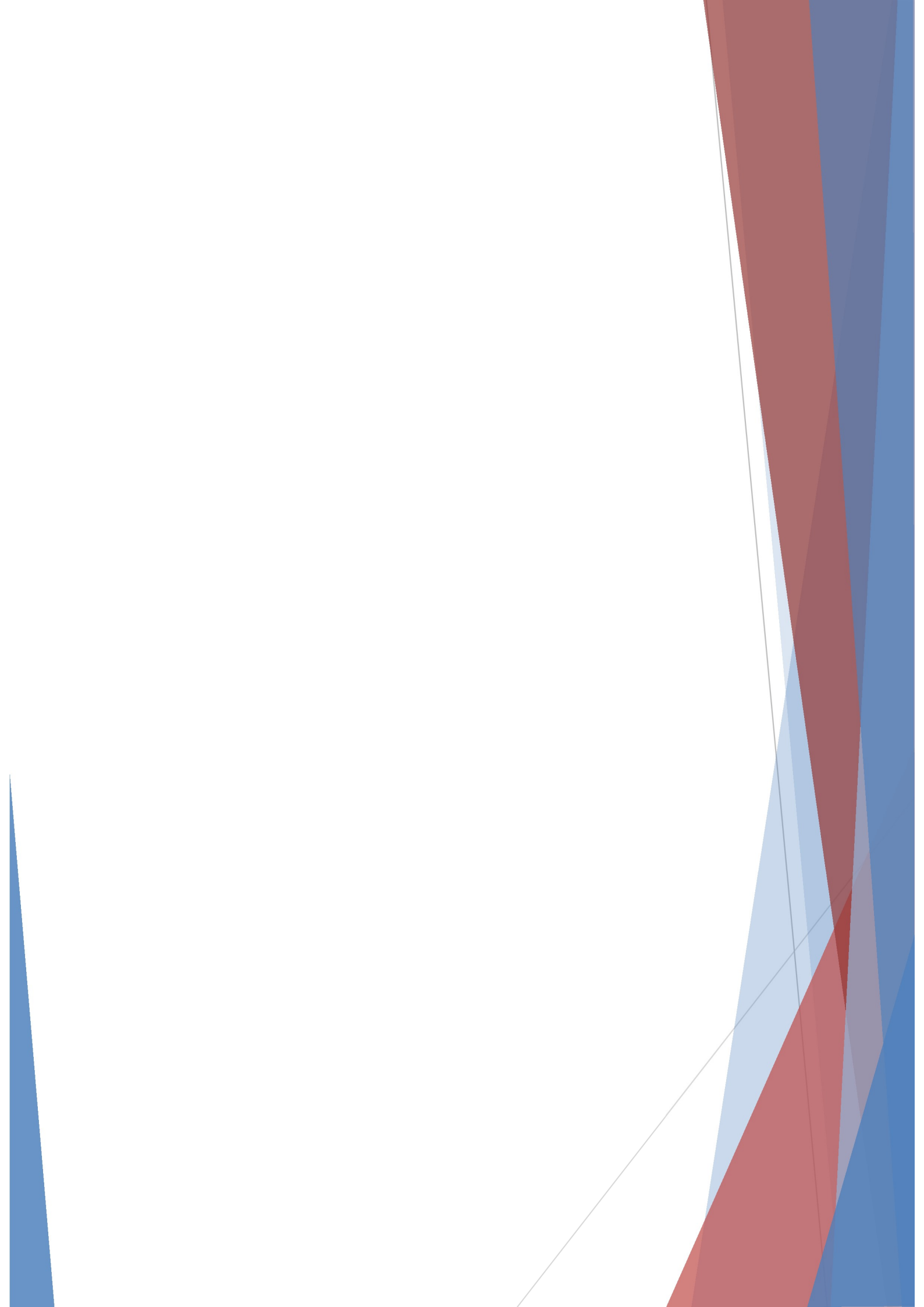
Manufacturers of Automotive Wheels in Pakistan

1ST QUARTERLY ACCOUNTS
(UN-AUDITED)

SEPTEMBER
2018



MOVING AROUND THE WORLD





CONTENTS

Corporate Information	02
Directors' Report (English)	03
Directors' Report (Urdu)	06
Condensed Interim Statement of Financial Position	07
Condensed Interim Statement of Profit or Loss	08
Condensed Interim Statement of Comprehensive Income	09
Condensed Interim Statement of Cash Flows	10
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Statements	12



CORPORATE INFORMATION

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

CHIEF EXECUTIVE

Mr. Razak H.M. Bengali

INDEPENDENT DIRECTOR

Mr. Anis Wahab Zuberi

EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri

Director Marketing/ Business Development(Executive Director)

Mr. Muhammad Irfan Ghani

Chief Operating Officer(Executive Director)

NON-EXECUTIVE DIRECTORS

Syed Zubair Ahmed Shah

(Nominee - NIT)

Mr. Irfan Ahmed Qureshi

Non-Executive Director

Mr. Muhammad Javed

Non-Executive Director

Mrs. Saba Nadeem

Non-Executive Director

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Muhammad Yasin Yunus Ladha

AUDIT COMMITTEE

Mr. Anis Wahab Zuberi

Independent, Non-Executive Director

Syed Zubair Ahmed Shah

Non-Executive Director (Nominee - NIT)

Syed Haroon Rashid

Non-Executive Director

Mr. Irfan Ahmed Qureshi

Non-Executive Director

Mrs. Saba Nadeem

Non-Executive Director

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Anis Wahab Zuberi

Independent, Non-Executive Director

Mr. Muhammad Irfan Ghani

Chief Operating Officer(Executive Director)

Syed Zubair Ahmed Shah

Non-Executive Director (Nominee - NIT)

Mr. Muhammad Javed

Non-Executive Director

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) Mehboob Ahmed

GM (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

Baker Tilly Mehmood Idrees Qamar

(Chartered Accountants)

EY Ford Rhodes

(Chartered Accountants)

BANKERS

Habib Bank Limited

Bank Al-Habib Limited

Faysal Bank Limited

National Bank of
Pakistan

Bank Alfalah Limited

Industrial and Commercial Bank of China

SHARE REGISTRAR

Chairman THK Associates (Pvt) Limited

Member 1st Floor, 40-C, Block-6, P.E.C.H.S

Member Karachi - 75400.

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

Member Direct:+92 (21) 34168270

Fax#+92 (21) 34168271

Chairman HEAD OFFICE

Member 1st Floor, State Life Building # 3

Member Dr. Ziauddin Ahmed Road, Karachi.

Member 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 take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the first quarter ended September 30, 2018.

FINANCIAL RESULTS

Overall at the national level the production of Cars improved by 6% with the total production of 58,188 units during the period July-September 2018 as compared to the 54,873 units in the corresponding period of last year, whereas the production of Trucks & Buses declined by 15% i.e. 2,330 units produced during the period July-September 2018 as compared to 2,746 units during the same period of last year. Similarly, the production of Tractors decreased by 11% i.e. 13,939 units produced during the period July-September 2018 as compared to 15,710 units during the same period of last year.

During the period (July-September 2018) the Company had overall consolidated revenue of Rs. 517 million improved by 25% as compared to Rs. 415 million of corresponding period of last year. The Company has performed well in all segments of the Business. The Car wheels sale was improved to Rs. 245 million compared to Rs. 210 million (up by 16%) during the same period of last year. The Truck/Bus wheels sale was Rs.66 million as compared to Rs.54 million which is 21% higher than the corresponding period of last year. Tractor wheels sale increased significantly by 32% to Rs. 195 million as compared to Rs. 148 million during the same period of last year.

The gross profit increased by Rs. 14.372 million (i.e. 19%) from Rs. 74.78 million to Rs. 89.15 million, similarly the net profit after taxation improved by Rs. 3.33 million (i.e. 13%) from Rs. 26.47 million to Rs. 29.86 million. The main reason for increase in gross profit and net profit after taxation is due to the improvement in our sales value.

Distribution cost increased by Rs. 2.59 million (i.e. 20%) from Rs. 13.083 million to Rs. 15.673 million mainly due to the increased transportation cost which is due to the enhancement of sale of Tractor wheels during the period as compared to the same period of last year. Administrative expenses increased by Rs. 4.07 million (i.e. 19%) from Rs. 21.007 million to Rs. 25.086 million mainly due to the salaries & wages and other related expenses.

NBP AND RELATED MATTERS

The case is pending 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, 2018. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in the company's favour (Insha-Allah).



FUTURE OUTLOOK

Pakistan's inflation is rising in fiscal year 2018-2019 and expected to remain high till fiscal year 2019. The outcome of the drastic depreciation of Pakistan rupee against US dollar in the domestic market incidentally coincided with a rise in the crude oil prices in the global market from the beginning of 2018. This upward trend will cause an increase in the manufacturing and transportation cost resulting in price hike of all the commodities produced locally. Apart from this, the country's economy is facing a sizable increase in current account deficit and fiscal deficit.

Going forward, we may encounter the challenging situation this year, due to restriction of selling vehicles of more than 200cc to non-filers and because of this we expect downward trend in sale of Cars, Truck & Buses sector. Due to uncertainty in cost because of high US dollar price and other elements, it may affect the manufacturing cost of Tractors. Further, due to increase in prices of steel in international market, devaluation of rupee against US dollar and the increase recently announced by the Federal Government in gas and electric prices due to the possible entry of Pakistan in IMF program, as announced by the Finance Minister for bailout package of our weak economy, the operating cost will increase and may have adverse effect, resultantly the margins of the business may shrink.

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 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: October 26, 2018

مستقبل کے خدوخال :-

مالیاتی سال 2018-2019 میں ملکی افراط زر کی شرح میں اضافہ ہو رہا ہے جو سال 2019 تک بڑھنے کی توقع ہے۔ امریکی ڈالر کے مقابلے میں روپے کی قدر میں زبردستی کی کے ساتھ ساتھ عالمی مارکیٹ میں خام تیل کی بڑھتی ہوئی قیمتوں کی وجہ سے تمام مقامی اشیاء کی پیداواری لاگت میں اضافہ ہوگا۔ اس کے علاوہ ملکی معیشت کو بہت زیادہ کرنٹ اکاؤنٹ اور مالیاتی خسارے کا سامنا ہے۔

آنے والے وقتوں میں ہمیں مشکلات کا سامنا کرنا پڑ سکتا ہے جسکی بنیادی وجہ نان فائلرز پر 200-cc سے زائد طاقت کی گاڑی خریدنے پر پابندی عائد کرنا ہے جسکی وجہ سے کار، ٹرک اور بس کی فروخت میں کمی واقع ہو سکتی ہے۔ اسکے علاوہ امریکی ڈالر کی قدر میں اضافے اور دیگر عوامل کی وجہ سے ٹریکٹر کی پیداواری لاگت میں اضافہ ہو سکتا ہے۔

اسکے علاوہ بین الاقوامی مارکیٹ میں اسٹیل کی قیمتوں میں اضافہ، روپے کی قدر میں کمی، وفاقی گورنمنٹ کی جانب سے گیس اور بجلی کی قیمتوں میں اضافہ اور وفاقی وزیر خزانہ کے مطابق پاکستان کا عالمی مالیاتی بنک سے ملک کی کمزور معیشت کو سہارا دینے کیلئے ممکنہ طور پر رجوع کرنے کی وجہ سے کاروباری لاگت میں اضافہ ہوگا جس کا اثر کمپنی کے منافع پر ہو سکتا ہے۔

۲۔ پکی مینجمنٹ مستقبل میں غیر متوقع حالات سے نمٹنے کیلئے مستقل بنیادوں پر حکمت عملی تیار کرتی ہے تاکہ ترقی کا سفر جاری رہے۔

اظہار تشکر :-

ہم اس موقع پر اپنے تمام صارفین اور اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر مکمل اعتماد اور بھروسے کا اظہار کیا۔ ہم اپنے عملے اور کارکنان سمیت تمام بلوچستان و ہیلرز لیڈنگ ٹیم کی کوششوں اور مسلسل تعاون کرنے پر انکا شکریہ ادا کرتے ہیں۔

اللہ تعالیٰ ہمیں برکت دے اور خصوصاً ہمیں اور ہمارے تمام اسٹیک ہولڈرز کو اور عموماً پورے ملک کو ترقی اور کامیابی عطا فرمائے (آمین)۔

بحکم بورڈ آف ڈائریکٹرز

جناب محمد صدیق مصری
ڈائریکٹر

جناب رزاق ایچ ایم بنگالی
چیف ایگزیکٹو

کراچی، ۲۶ اکتوبر ۲۰۱۸ء

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ ۳۰ ستمبر ۲۰۱۸ء کو ختم ہونے والے پہلے سہ ماہی کے غیر جانچ شدہ عبوری مالیاتی رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی نتائج۔

مجموعی طور پر ملکی سطح پر زیر جائزہ مدت کے دوران کار کے 58,188 یونٹس تیار کئے گئے جو گزشتہ سال کے اسی مدت کے 54,873 یونٹس کے مقابلے میں 6% فیصد زیادہ رہے۔ جبکہ اسکے برعکس ٹرک/بس کی پیداوار 2,330 یونٹس رہی جو گزشتہ سال کے اسی دورانیے کے 2,746 یونٹس کے مقابلے میں 15% فیصد کم رہی۔ ٹریکٹرز کے 13,939 یونٹس تیار کئے گئے جبکہ گزشتہ سال کے اسی دورانیے میں 15,710 ٹریکٹرز تیار کئے گئے تھے جو 11% فیصد کم رہے۔

زیر جائزہ مدت کے دوران ہماری فروخت 517 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی فروخت 415 ملین روپے کے مقابلے میں 25% فیصد زیادہ رہی۔ کمپنی نے کاروبار کے تمام حصوں میں اچھی کارکردگی کا مظاہرہ کیا ہے۔ کار کے پہیوں کی فروخت 245 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے 210 ملین روپے کی فروخت کے مقابلے میں 16% فیصد زیادہ رہی۔ ٹرک/بس کے پہیوں کی فروخت 66 ملین روپے رہی جو کہ پچھلی مدت کی فروخت 54 ملین روپے کے مقابلے میں 21% فیصد زیادہ رہی۔ ٹریکٹر کے پہیوں کی فروخت 195 ملین روپے رہی جو کہ پچھلے عرصے کی 148 ملین روپے کی فروخت کے مقابلے میں نمایاں طور پر 32% فیصد زائد رہی۔

غیر خالص منافع 14.372 ملین روپے 19% فیصد اضافے کے ساتھ 89.15 ملین روپے رہا جو گزشتہ سال اسی مدت میں 74.78 ملین روپے تھا، اسی طرح کمپنی کا بعد از ٹیکس منافع 3.33 ملین روپے 13% فیصد اضافے کے ساتھ 29.86 ملین روپے رہا جو کہ گزشتہ سال کے اسی مدت میں 26.47 ملین روپے تھا۔ جسکی بنیادی وجہ ہماری فروخت کی قیمت میں اضافہ ہے۔

تقسیم کاری کے اخراجات 2.59 ملین روپے (20%) فیصد کے اضافے کے ساتھ 15.673 ملین روپے رہے جو کہ گزشتہ سال کے اسی مدت میں 13.083 ملین روپے تھے جسکی بنیادی وجہ ٹریکٹر کے پہیوں کی فروخت میں اضافہ ہے۔ انتظامی اخراجات 4.07 ملین روپے (19%) فیصد کے اضافے کے ساتھ 25.086 ملین روپے رہے جو کہ گزشتہ سال کے اسی مدت میں 21.007 ملین روپے تھے جسکی بنیادی وجہ تنخواہ اور دیگر متعلقہ اخراجات میں اضافہ ہے۔

NBP اور متعلقہ معاملات۔

یہ مقدمہ سندھ ہائی کورٹ میں زیر التوا ہے اور اسکے بارے میں تفصیل 30 جون 2018 کو ختم ہونے والے مالی سال کے آڈیٹڈ مالیاتی رپورٹ کے نوٹ نمبر 24 میں درج ہے۔ آپ کی کمپنی کی انتظامیہ اور وکلاء پر اُمید ہیں کہ اس مقدمہ کا نتیجہ ہمارے حق میں آئے گا۔ (انشاء اللہ)

**BALUCHISTAN WHEELS LIMITED**

Manufacturers of Automotive Wheels in Pakistan

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018**

	Note	(Un-audited) September 30, 2018 ------(Rs. in '000)-----	(Audited) June 30, 2018
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	476,467	494,967
Long-term loans and advances		3,442	3,855
Long-term deposits		5,777	5,777
		<u>485,686</u>	<u>504,599</u>
CURRENT ASSETS			
Stores, spare parts and loose tools		56,004	54,455
Stock-in-trade	8	532,212	532,188
Trade debts		255,316	165,572
Loans and advances		29,911	24,805
Trade deposits and short-term prepayments		1,789	2,049
Other receivables		-	928
Short-term investments	9	4,566	5,516
Taxation - net		136,976	141,608
Bank balances		21,743	31,116
		<u>1,038,517</u>	<u>958,237</u>
		<u>1,524,203</u>	<u>1,462,836</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 25,000,000 (30 June 2018:25,000,000) ordinary share of Rs. 10/ each		250,000	250,000
Issued, subscribed and paid-up capital		133,343	133,343
Reserves		1,165,453	1,135,647
		<u>1,298,796</u>	<u>1,268,990</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases		4,023	5,306
Long-term deposits		1,829	1,710
Deferred taxation		33,090	34,958
		<u>38,942</u>	<u>41,974</u>
CURRENT LIABILITIES			
Trade and other payables		142,454	133,499
Short term borrowing	10	10,156	-
Unclaimed dividend		5,281	5,281
Current portion of liabilities against assets subject to finance leases		5,257	5,257
Provision for warranty		5,139	5,033
Sales tax payable - net		18,178	2,802
		<u>186,465</u>	<u>151,872</u>
CONTINGENCIES AND COMMITMENTS			
	11		
		<u>1,524,203</u>	<u>1,462,836</u>

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
DIRECTOR

RAZAK H.M BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 30, 2018	September 30, 2017
	----- (Rs. in '000) -----	
Turnover - net	516,827	414,889
Cost of sales	(427,675)	(340,109)
Gross profit	89,152	74,780
Distribution cost	(15,673)	(13,083)
Administrative expenses	(25,086)	(21,007)
Other operating expenses	(4,176)	(3,681)
Finance cost	(861)	(430)
	(45,796)	(38,201)
Other income	169	1,008
Profit before taxation	43,525	37,587
Taxation		
Current	(13,838)	(11,344)
Prior	(1,749)	-
Deferred	1,868	231
	(13,719)	(11,113)
Profit after taxation	29,806	26,474
	----- (Rupees) -----	
Earnings per share- basic and diluted	2.24	1.99

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Quarter Ended	
	September 30, 2018	September 30, 2017
	----- (Rs. in '000) -----	
Net Profit for the period	29,806	26,474
Other comprehensive income		
<i>Other comprehensive income/(loss) not to be reclassified profit or loss in subsequent periods</i>	-	-
Total comprehensive income for the period	29,806	26,474

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30, 2017
	------(Rs. in '000)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	43,525	37,587
Adjustments for:		
Depreciation	11,654	10,083
Gain on sales of property, plant and equipment	-	(248)
Finance costs	861	430
Provision / reversal for slow moving stock in trade - net	8	(889)
Provision for doubtful debts - net	1,132	725
Provision for warranty claims	106	3
Provision for employees' benefits	1,008	1,029
Profit on deposit accounts / treasury bills	(259)	(1,969)
Loss / (gain) on revaluation / redemption of mutual fund units / listed shares	950	1,386
Dividend income	-	(42)
	15,460	10,508
	58,985	48,095
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	(1,549)	(297)
Stock-in-trade	(32)	(244,877)
Trade debts	(90,876)	(47,585)
Loans and advances	(5,106)	8,459
Trade deposits & short-term prepayments and other receivables	995	(786)
	(96,568)	(285,086)
	(37,583)	(236,991)
Increase / (decrease) in current liabilities		
Trade and other payables	9,328	(40,187)
Sales tax payables	15,376	515
	(12,879)	(276,663)
Employees' benefits paid	(1,381)	-
Income tax paid - net	(10,955)	(36,387)
Long-term loans and advances - net	413	(315)
Long-term deposits - net	119	(211)
Net cash used in from operating activities	(24,683)	(313,576)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure / Proceeds from disposal of property, plant and equipment	6,846	(11,910)
Profit received on deposit accounts / treasury bills	259	4,121
Short-term Investments redeemed during the period	-	251,286
Dividend received	193	42
Net cash generated from investing activities	7,298	243,539
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against asset subject to finance leases -net	(1,283)	5,263
Short term borrowings	10,156	46,723
Finance costs paid	(861)	(292)
Dividend paid	-	(15)
Net cash generated from financing activities	8,012	51,679
Net decrease in cash and cash equivalents	(9,373)	(18,358)
Cash and cash equivalents at the beginning of the period	31,116	27,530
Cash and cash equivalents at the end of the period	21,743	9,172

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

MUHAMMAD SIDDIQUE MISRI
DIRECTOR

RAZAK H.M BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid-up Capital	General reserve	REVENUE RESERVES		Total reserves	Total equity
			Remeasurement loss on gratuity fund	Unappropriated Profit		
	(Rs. in '000')					
Balance as at 30 June 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 30 September 2017	133,343	160,000	(5,850)	980,066	1,134,216	1,267,559
Balance as at 30 June 2018	133,343	160,000	(12,397)	988,044	1,135,647	1,268,990
Net profit for the period	-	-	-	29,806	29,806	29,806
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive income	-	-	-	29,806	29,806	29,806
Balance as at 30 September 2018	133,343	160,000	(12,397)	1,017,850	1,165,453	1,298,796

The annexed notes 1 to 14 form an integral part of these condensed interim financial information.

MUHAMMAD SIDDIQUE MISRI
DIRECTOR

RAZAK H.M BENGALI
CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA
CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018**

1. THE COMPANY AND ITS OPERATIONS

1.1 Baluchistan Wheels Limited (the Company) was incorporated in Pakistan on 16 June 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. The registered office and factory of the Company is situated at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan.

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

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

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for financial reporting. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

3. BASIS OF MEASUREMENT

These 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.

4. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the financial statement of the Company for the year ended June 30, 2018.

5. 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, 2018

6. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved 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.

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.



	Note	(Unaudited) September 30, 2018	(Audited) June 30, 2018
		-----	-----
		(Rs. in '000)	(Rs. in '000)
7. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	7.1	416,981	435,886
Capital work-in-progress	7.2	59,486	59,081
		<u>476,467</u>	<u>494,967</u>

7.1 Operating fixed assets

Book value at the beginning of the period / year		435,886	367,139
Additions during the period / year	7.1.1	1,143	115,667
Depreciation for the period / year		(11,659)	(45,671)
Disposals / deletion during the period / year (NBV)	7.1.1	(8,389)	(1,249)
Book value at the end of the period / year		<u>416,981</u>	<u>435,886</u>

(Un-audited) 30-Sep-18		(Audited) 30-Jun-18	
Additions at cost	Disposals /deletion at NBV	Additions at cost	Disposals /deletion at NBV

(Rs. in '000)			

7.1.1 Additions and disposals to operating fixed assets:

Plant and machinery	1,143	(8,389)	106,265	560
Office equipment	-	-	1,146	-
Computer	-	-	316	-
Vehicles- Owned	-	-	739	689
Vehicles- Leased	-	-	7,201	-
	<u>1,143</u>	<u>(8,389)</u>	<u>115,667</u>	<u>1,249</u>

	(Unaudited) September 30, 2018	(Audited) June 30, 2018
	-----	-----
	(Rs. in '000)	(Rs. in '000)
7.2 Capital work-in-progress		
Balance at the beginning of the period/ year	59,081	130
Additions during the period / year	405	59,093
Transfer to operating assets during the period / year	-	(142)
Balance at the end of the period / year	<u>59,486</u>	<u>59,081</u>



	Note	(Unaudited) September 30, 2018	(Audited) June 30, 2018
		------(Rs. in '000)-----	
8. STOCK-IN-TRADE			
Raw material and components		183,642	211,283
Work-in-process		165,077	143,066
Finished goods		115,488	97,671
Scrap stock		<u>62,329</u>	<u>63,527</u>
		526,536	515,547
Stock-in-transit		<u>25,434</u>	<u>36,391</u>
		551,970	551,938
Provision for slow moving stock	8.1	<u>(19,758)</u>	<u>(19,750)</u>
		<u>532,212</u>	<u>532,188</u>
8.1 Movement in provision is as follows:			
Balance at the beginning of the period / year		19,750	25,072
Provision made during the period		<u>34</u>	<u>424</u>
		19,784	25,496
Reversal of provision for the period		<u>(26)</u>	<u>(5,746)</u>
Balance at the end of the period / year		<u>19,758</u>	<u>19,750</u>
9. SHORT TERM INVESTMENTS			
Held for trading			
- Listed shares		4,566	5,516
		<u>4,566</u>	<u>5,516</u>
10. 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 2018:Rs. 335 million) of which Rs. 10.156 million (June 2018:Nil) utilized as of the balance sheet date. The rates of mark-up of these finances are ranging between 1% and 1.25% plus three months average KIBOR and is secured against the stock and book debts of the Company for Rs. 463.6 million.			
11. CONTINGENCIES AND COMMITMENTS			
11.1 Contingencies			
There is no change in the status of contingencies as disclosed in the annual audited financial statement for the year ended 30 June 2018.			
		(Unaudited) September 30, 2018	(Audited) June 30, 2018
		------(Rs. in '000)-----	
11.2 Commitments			
Outstanding letters of guarantees		<u>4,512</u>	<u>4,512</u>
Outstanding letters of credit		<u>281,102</u>	<u>167,536</u>
Capital commitments		<u>4,513</u>	<u>-</u>



12. 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) Quarter ended	
		September 30, 2018	September 30, 2017
		----- (Rs. in '000) -----	
Relationship	Nature of transactions		
Key Management Personnel	Sale of fixed assets	-	476
	Remuneration	5,201	3,680
Executives Directors	Remuneration	17,843	16,598
Non-executive directors	Meeting Fee	780	730

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on **October 26, 2018** by the Board of Directors of the Company.

14. GENERAL

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



BALUCHISTAN WHEELS LIMITED
Manufacturers of Automotive Wheels In Pakistan

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

Indus Motor Co. Ltd.



Pak Suzuki Motor Co. Ltd.



Disc Wheels for Agricultural Tractors

Millat Tractors Ltd.



Al-Ghazi Tractors Ltd.

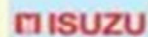


Orient Automotive Industries (Pvt.) Ltd.



Disc Wheels for Commercial Vehicles

Ghandhara Industries Ltd.



Hinopak Motors Ltd.



Ghandhara DF (Pvt.) Ltd.



Master Motors Corporation Ltd.



Fuso Master Motors (Pvt.) Ltd.



Afzal Motors (Pvt.) Ltd.





BALUCHISTAN WHEELS LIMITED
Manufacturers of Automotive Wheels In Pakistan

www.jamapunji.pk



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- 🗉 FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📄 Knowledge center
- 📄 Risk profiler*
- 📄 Financial calculator
- 📄 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📄 Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

jamapunji.pk

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices



BALUCHISTAN WHEELS LIMITED
Manufacturers of Automotive Wheels in Pakistan



FACTORY AND REGISTERED OFFICE

Main RCD Highway, Hub Chowki, Lasbella, Baluchistan.
Telephone #: (0853) 363426, 363428 Fax #: (0853) 364025

www.bwheels.com