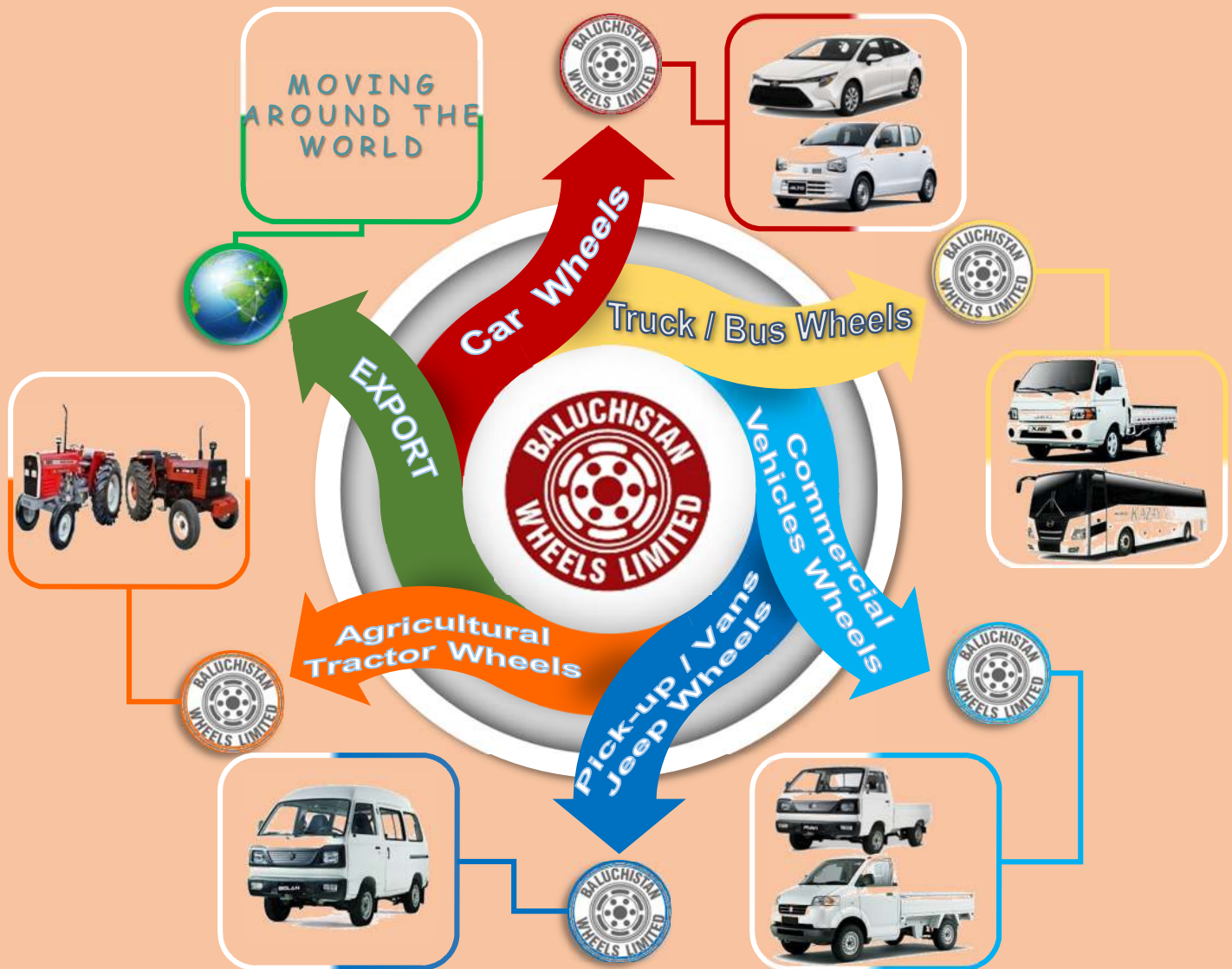




BALUCHISTAN WHEELS LIMITED



HALF YEARLY REPORT

2020-21





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COMPANY INFORMATION

CHAIRMAN (Non-Executive Director)
Syed Haroon Rashid

CHIEF EXECUTIVE (Executive Director)
Mr. Razak H.M. Bengali

INDEPENDENT DIRECTORS
Mr. Anis Wahab Zuberi
Mr. Irfan Ahmed Qureshi
Mr. Muhammad Javed

EXECUTIVE DIRECTORS
Mr. Muhammad Siddique Misri
Mr. Muhammad Irfan Ghani

NON-EXECUTIVE DIRECTORS
Mr. Aamir Amin
Mrs. Saba Nadeem

CHIEF FINANCIAL OFFICER
Mr. Muhammad Yasin Yunus Ladha

COMPANY SECRETARY
Mr. Muhammad Asad Saeed

AUDIT COMMITTEE
Mr. Anis Wahab Zuberi
Mr. Aamir Amin
Mr. Irfan Ahmed Qureshi
Mrs. Saba Nadeem

HUMAN RESOURCES AND REMUNERATION COMMITTEE
Mr. Muhammad Javed
Syed Haroon Rashid
Mr. Anis Wahab Zuberi
Mr. Muhammad Irfan Ghani

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. Muhammad Asad Saeed
Mr. Kumail Irfan Ghani
Mr. Fareed Abdul Razzak
Syed Pervez Akhtar

CHIEF INTERNAL AUDITOR
Hafiz Shoaib Ahmed Chauhan

Director Marketing/ Business Development
Chief Operating Officer

(Nominee - NIT)

Independent, Non-Executive Director
Non-Executive Director (Nominee - NIT)
Independent, Non-Executive Director
Non-Executive Director

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

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

EXTERNAL AUDITORS
M/s. BDO Ebrahim & Co.
(Chartered Accountants)

LEGAL ADVISOR
Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS
Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

BANKERS
Habib Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
National Bank of Pakistan

SHARE REGISTRAR
THK Associates (Pvt) Limited
Plot No. 32-C, Jami Commercial Street 2
D.H.A. Phase VII
Karachi - 75500.
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Direct#+92 (21) 35310191
Fax#+92 (21) 35310190

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1st Floor, State Life Building # 3
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E-mail: 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, 363428
Fax # (0853) 364025

DIRECTOR'S REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the Half Year ended December 31, 2020.

FINANCIAL RESULTS

During the period (July – December 2020) the Company had overall consolidated revenue of Rs. 571.899 million as compared to Rs. 489.249 million of corresponding period of last year increased by 17%. The main reason for increase in Company's revenue is due to increase in sale of Truck/Bus and Tractor wheels by 47% & 106% respectively. The car wheels sale was Rs. 229.549 million as compared to Rs. 308.273 million in the corresponding period of previous year reduced by 26%. However the sale of Truck/Bus and Tractor wheels increased from Rs. 38.890 million to Rs. 57.176 million (increased by 47%) and from Rs. 124.039 million to Rs. 254.986 million (increased by 106%) respectively.

The Gross Profit increased in absolute terms by Rs. 18.799 million from Rs. 62.774 million to Rs. 81.573 million (i.e. 30%). Similarly the profit after taxation increased by Rs. 15.801 million (i.e. 169%) from Rs. 9.334 million to Rs. 25.135 million. The main reason for increase in gross profit and profit after taxation is due to the improved sales of Tractor Wheels.

There are no significant changes in Contingencies and Commitments as disclosed in note 26 of the Financial Statements for the year ended June 30, 2020.

FUTURE OUTLOOK

The world is currently dealing with the impact of COVID-19 pandemic. It has created considerable uncertainty and is expected to have a lasting effect on the global economy in the current year also. Pakistan's GDP's growth is projected at 1.5% in the year 2020-21. The collective impact of uncertainty regarding the outcome of FATF, higher taxation, shrinking GDP, PKR devaluation and the COVID-19 has impacted the Economic activities of the Country.

Pakistan's economy is now moving out of the corona virus induced sluggishness and has begun to crawl forward. The entire auto sector, however, gave an improved and better performance during the first half of the current financial year, 2020-21 on account of low interest rates and better farm income. Despite the rising price trends of the vehicles the Auto Industry recorded 20% more sales during the Half Year under review as compared to the corresponding previous half year. Your management expects that the sales volume will increase in future, in view of the current increasing demand for the vehicles.



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The management is aware of the challenges ahead and is continuously evolving strategies and adopting measures to meet future challenges and to 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

Karachi: February 11, 2021

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



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تاہم پاکستان کی معیشت و بائی بیماری سے زیادہ متاثر نہیں ہوئی اور اب کورونا وائرس سے وابستہ سست روی سے نکلنا شروع ہو گئی ہے اور آگے بڑھنے لگی ہے۔ پورے آٹو سیکٹر نے کم شرح سود اور زرعی پیداوار کی بہتر آمدنی کی وجہ سے رواں مالی سال 2020-21 کے پہلے نصف حصے کے دوران اچھی کارکردگی کا مظاہرہ کیا۔ گاڑیوں کی بڑھتی ہوئی قیمتوں کے باوجود آٹو انڈسٹری نے پچھلے سال کی نصف مدت کے مقابلے میں حالیہ نصف سال کے دوران 20% فیصد زیادہ فروخت ریکارڈ کی ہے۔

آپ کی انتظامیہ کو توقع ہے کہ گاڑیوں کو موجودہ بڑھتی طلب کے پیش نظر، مستقبل میں فروخت کا حجم بڑھ جائے گا۔ آپ کی 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 پیکار لمیٹیڈ کی 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)۔



جناب محمد صدیق مصری
ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے



جناب رزا ایچ ایم بنگالی
چیف ایگزیکٹو

کراچی، 11 فروری 2021

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والے پہلے ششماہی کے غیر آڈٹ شدہ عبوری مالیاتی رپورٹ بخوشی پیش کرتے ہیں۔

مالیاتی نتائج

مجموعی طور پر زیر جائزہ پہلے ششماہی (جولائی تا دسمبر 2020) کے دوران ہماری فروخت 571.899 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی فروخت 489.249 ملین روپے کے مقابلے میں 17% فیصد زیادہ رہی۔ کمپنی کی محصولات میں بہتری کی بنیادی وجہ ٹرک/بس اور ٹریکٹر کے پیہوں کی فروخت میں بالترتیب 47% فیصد اور 106% فیصد کا اضافہ ہے۔

کار کے پیہوں کی فروخت 229.549 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے 308.273 ملین روپے کی فروخت کے مقابلے میں 26% فیصد کم رہی البتہ ٹرک/بس کے پیہوں کی فروخت 57.176 ملین روپے رہی جو کہ پچھلی مدت کی فروخت 38.890 ملین روپے کے مقابلے میں (47% فیصد) زیادہ رہی اسی طرح ٹریکٹر کے پیہوں کی فروخت 254.986 ملین روپے رہی جو کہ پچھلے عرصے کی 124.039 ملین روپے کی فروخت کے مقابلے میں نمایاں طور پر (106% فیصد) زائد رہی۔

غیر خالص منافع 18.799 ملین روپے (30% فیصد) اضافے کے ساتھ 81.573 ملین روپے رہا جو گزشتہ سال اسی مدت میں 62.774 ملین روپے تھا، اسی طرح کمپنی کا بعد از ٹیکس منافع 15.801 ملین روپے (169% فیصد) اضافے کے ساتھ 25.135 ملین روپے رہا جو کہ گزشتہ سال کے اسی مدت میں 9.334 ملین روپے تھا۔ غیر خالص منافع اور بعد از ٹیکس منافع میں اضافے کی بنیادی وجہ ٹریکٹر کے پیہوں کی زیادہ فروخت ہے۔

کنٹیننر اور کمنٹنس میں کوئی خاص تبدیلیاں رونما نہیں ہوئی ہیں اور یہ ویسی ہی ہیں جیسا کہ فنانشل رپورٹ 30 جون 2020 کے نوٹ نمبر 26 میں درج کیا گیا ہے۔

مستقبل کے خدوخال:-

دنیا اس وقت COVID-19 وبائی بیماری کے اثرات سے نمٹ رہی ہے، جسکی وجہ سے کافی غیر یقینی صورتحال پیدا ہوگئی ہے اور توقع کی جارہی ہے کہ اس سے عالمی معیشت پر دیرپا اثر پڑے گا۔ سال 2020-21 میں پاکستان کی جی ڈی پی کی نمو 1.7% فیصد متوقع ہے۔ ایف اے ٹی ایف کے نتائج، ٹیکس کی زیادہ شرح، سسکرتی جی ڈی پی، پاکستانی روپے کی قدر میں کمی اور COVID-19 کے اجتماعی اثر نے معیشت کی کاروائیوں کو متاثر کیا ہے۔



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Sarwar Shaheed Road
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Pakistan

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS BALUCHISTAN WHEELS LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **BALUCHISTAN WHEELS LIMITED** ("the Company") as at December 31, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six-month period ended December 31, 2020 is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting.

Other Matter

The figures for the quarters ended December 31, 2020 and December 31, 2019 in the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income have not been reviewed and we do not express a conclusion on them.

The financial statements of the Company for the year ended June 30, 2020 and condensed interim financial information of the Company for six months period ended December 31, 2019 were audited and reviewed by another firm of chartered accountants who have expressed an unmodified opinion and conclusion thereon vide their reports dated September 28, 2020 and February 11, 2020 respectively.

KARACHI

DATED: 11 FEB 2021

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer



BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2020

		December 31, 2020 (Un-audited)	June 30, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	382,041	400,705
Right-of-use assets	6	10,386	13,586
Long-term loans and advances		5,675	3,826
Long-term deposits		4,618	4,418
		<u>402,720</u>	<u>422,535</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	7	44,736	39,345
Stock-in-trade	8	357,483	413,575
Trade debts	9	153,904	108,542
Loans and advances		12,418	16,331
Trade deposits and short-term prepayments		1,225	1,709
Other receivables		3,518	7,010
Short-term investments	10	424,659	333,906
Sales tax refundable – net		-	1,826
Taxation – net		56,393	103,518
Bank balances	11	52,565	60,362
		<u>1,106,901</u>	<u>1,086,124</u>
		<u>1,509,621</u>	<u>1,508,659</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
25,000,000 (30 June 2020: 25,000,000) ordinary shares of Rs.10/- each		250,000	250,000
Issued, subscribed and paid-up capital			
13,334,250 (30 June 2020: 13,334,250) ordinary shares of Rs.10/- each		133,343	133,343
Reserves		<u>1,166,444</u>	<u>1,161,311</u>
		<u>1,299,787</u>	<u>1,294,654</u>
NON-CURRENT LIABILITIES			
Lease liabilities	12	5,267	6,330
Long-term financing	13	20,779	30,849
Long-term deposits		829	982
Government grant	14	1,204	1,923
Deferred taxation		<u>36,780</u>	<u>33,293</u>
		<u>64,859</u>	<u>73,376</u>
CURRENT LIABILITIES			
Trade and other payables	15	103,484	116,995
Unclaimed dividend		6,066	5,913
Current maturity of lease liabilities	12	5,147	5,302
Current maturity of long term financing	13	18,781	8,711
Current maturity of long term deposits		538	1,457
Current maturity of government grant	14	1,438	1,438
Provision for warranty		1,092	813
Sales tax payable – net		<u>8,429</u>	<u>-</u>
		<u>144,975</u>	<u>140,629</u>
		<u>1,509,621</u>	<u>1,508,659</u>
CONTINGENCIES AND COMMITMENTS			
	16		

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
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

		Half-Year Ended		Quarter Ended	
		2020	2019	2020	2019
	Note	-----Rs. in '000-----			
Turnover – net	17	571,899	489,249	357,045	219,243
Cost of sales	18	(490,326)	(426,475)	(306,199)	(207,308)
Gross profit		81,573	62,774	50,846	11,935
Distribution cost		(22,247)	(18,637)	(12,044)	(8,808)
Administrative expenses		(43,057)	(43,408)	(21,633)	(21,860)
Other expenses		(3,117)	(1,015)	(2,093)	(733)
Finance cost		(1,353)	(900)	(845)	(655)
		(69,774)	(63,960)	(36,615)	(32,056)
Other income	19	24,767	13,674	14,568	7,789
Profit / (loss) before taxation		36,566	12,488	28,799	(12,332)
Taxation					
Current		(8,043)	(5,309)	(5,791)	1,735
Prior		-	430	-	430
Deferred		(3,389)	1,725	(3,389)	1,486
		(11,432)	(3,154)	(9,180)	3,651
Profit / (loss) for the period		25,134	9,334	19,619	(8,681)
----- (Rupees) -----					
Earnings / (loss) per share- basic and diluted		1.88	0.70	1.47	(0.65)

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
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half-Year Ended		Quarter Ended	
	2020	2019	2020	2019
	-----Rs. in '000-----			
Profit / (loss) for the period	25,134	9,334	19,619	(8,681)
Other comprehensive income				
Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	<u>25,134</u>	<u>9,334</u>	<u>19,619</u>	<u>(8,681)</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
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	December 31, 2020	December 31, 2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	36,566	12,488
Adjustments for non-cash items:		
Depreciation on operating fixed assets	21,320	24,242
Depreciation on right of use assets	2,074	-
(Gain) / loss on sales of property, plant and equipment	(2,265)	4
Finance costs	1,353	900
Reversal / provision for slow moving stores spares and stock in trade - net	(11,463)	988
Provision for doubtful debts - net	(517)	2,186
Provision for compensated absences	3,566	255
Provision / reversal of provision for warranty claims - net	416	(407)
Provision for employees' benefits	2,172	3,543
Profit on deposit accounts / treasury bills	(14,802)	(11,466)
Government grant	(719)	-
Profit on savings accounts	(1,378)	-
Gain on revaluation / redemption of mutual fund units / listed shares	(2,162)	(981)
Dividend income	(30)	(39)
	(2,435)	19,225
	34,131	31,713
Change in current assets and current liabilities		
Stores, spare parts and loose tools	(5,365)	2,511
Stock-in-trade	67,529	40,492
Trade debts	(44,845)	41,175
Loans and advances	3,913	1,213
Trade deposits & short-term prepayments and other receivables	3,776	595
Trade and other payables	(10,686)	(17,449)
Sales tax	6,603	1,626
	20,925	70,163
Cash flow used in operations	55,056	101,876
Employees' benefits paid	(5,021)	(6,324)
Income tax refund / (paid) - net	39,181	(1,376)
Long-term loans and advances	1,849	566
Long-term deposits - net	(1,072)	820
Net cash generated from operating activities	89,993	95,562
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,525)	(644)
Proceeds from disposal of property, plant and equipment	4,327	720
Profit received on deposit accounts / treasury bills	12,688	8,801
Short-term investments made / redeemed during the period - net	(90,753)	(59,546)
Dividend received	30	161
Net cash used in investing activities	(75,233)	(50,508)
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against asset subject to finance leases - net	(1,218)	(4,166)
Finance costs paid	(1,491)	(873)
Dividend paid	(19,848)	(27,232)
Net cash used in financing activities	(22,557)	(32,271)
Net decrease in cash and cash equivalents	(7,797)	12,783
Cash and cash equivalents at the beginning of the year	60,362	44,994
Cash and cash equivalents at the end of the year	52,565	57,777

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
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2020

Issued, subscribed and paid-up capital	Reserves				Total equity
	Remeasurement loss on gratuity fund	Revenue		Total reserves	
		General reserve	Unappropriated Profit		
Ordinary share capital					
(Rupees in '000')					
Balance as at July 01, 2019	133,343	(24,877)	160,000	1,019,553	1,154,676
Transaction with owners					
Final dividend for the year ended 30 June 2019 @ Rs. 2 per share	-	-	-	(26,669)	(26,669)
Total comprehensive income for the period ended December 31, 2019					
Net profit for the period	-	-	-	9,334	9,334
Other comprehensive Income	-	-	-	-	-
Balance as at December 31, 2019	133,343	(24,877)	160,000	1,002,218	1,137,341
Balance as at July 01, 2020	133,343	(10,493)	160,000	1,011,804	1,161,311
Transaction with owners					
Final dividend for the year ended 30 June 2020 @ Rs. 1.50 per share	-	-	-	(20,001)	(20,001)
Total comprehensive income for the period ended December 31, 2020					
Net profit for the period	-	-	-	25,134	25,134
Other comprehensive Income	-	-	-	-	-
Total comprehensive income	-	-	-	25,134	25,134
Balance as at December 31, 2020	133,343	(10,493)	160,000	1,016,937	1,166,444

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 HALF YEAR ENDED DECEMBER 31, 2020

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	Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan
Head Office	1 st 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 half year ended December 31, 2020 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, 2020 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 last 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, 2020, 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 half year ended December 31, 2019.

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 flow 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, 2020, but are considered not to be relevant or to have any significant 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, 2021, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

2.4 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, 2020.

2.5 Functional and presentation currency

These condensed interim financial statements have been presented in Pak ("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, 2020.

4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of 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.

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 recognised prospectively commencing from the period of revision.

		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rs. in '000-----	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	<u>382,041</u>	<u>400,705</u>
5.1 Operating fixed assets			
Net book value at the beginning of the period / year		400,705	449,581
Additions during the period / year	5.1.1	1,525	3,880
Depreciation for the period / year		(21,320)	(46,346)
Disposals / deletion during the period / year (NBV)		(2,062)	(1,542)
Transfer from right of use assets		3,193	4,599
Impact of initial application of IFRS 16		-	(9,467)
Book value at the end of the period / year		<u>382,041</u>	<u>400,705</u>



	(Unaudited) December 31, 2020	(Audited) June 30, 2020
Note	-----Rs. in '000-----	

5.1.1 Detail of additions (at cost) during the period / year are as follows:

Plant and machinery	-	2,773
Furniture and fittings	-	29
Office equipment	433	855
Computers	-	223
Vehicles	1,092	-
	<u>1,525</u>	<u>3,880</u>

6 RIGHT-OF-USE ASSETS

Opening net book value (NBV)	13,586	-
Additions during the period / year	2,067	19,967
Transfer to operating fixed assets	(3,193)	-
Depreciation charge for the period / year	(2,074)	(6,381)
Closing net book value (NBV)	<u>10,386</u>	<u>13,586</u>

7 STORES, SPARE PARTS AND LOOSE TOOLS

Stores	4,486	4,315
Spares	96,394	91,846
Loose tools	2,111	1,465
	<u>102,991</u>	<u>97,626</u>
Provision for slow moving stores, spare parts and loose tools	7.1 (58,255)	(58,281)
	<u>44,736</u>	<u>39,345</u>

7.1 Movement in provision is as follows:

Balance at the beginning of the period / year	58,281	54,561
(Reversal) of provision / provision made during the period / year	(26)	3,720
	<u>58,255</u>	<u>58,281</u>



		(Unaudited) December 31, 2020	(Audited) June 30, 2020
	Note	-----Rs. in '000-----	
8 STOCK-IN-TRADE			
Raw material and components		125,050	151,671
Work-in-process		103,032	135,686
Finished goods		122,448	138,748
Scrap stock		9,656	1,610
		<u>360,186</u>	<u>427,715</u>
Provision for slow moving stock	8.1	(2,703)	(14,140)
		<u>357,483</u>	<u>413,575</u>
8.1 Movement in provision is as follows:			
Balance at the beginning of the period / year		14,140	18,563
Reversal of provision during the period / year		(11,437)	(4,423)
		<u>2,703</u>	<u>14,140</u>
9 TRADE DEBTS			
Considered good		153,904	108,542
Considered doubtful		-	517
Allowance for expected credit losses	9.1	-	(517)
		<u>-</u>	<u>-</u>
		<u>153,904</u>	<u>108,542</u>
9.1 Movement in provision is as follows:			
Balance at the beginning of the period / year		517	112
(Reversal) of provision / provision made during the period / year		(517)	405
		<u>-</u>	<u>517</u>
10 SHORT TERM INVESTMENTS			
Fair value through profit or loss			
Listed equity securities		5,470	3,307
At amortised cost			
Treasury bills		419,189	330,599
		<u>424,659</u>	<u>333,906</u>



	(Unaudited) December 31, 2020	(Audited) June 30, 2020
	-----Rs. in '000-----	
11 BANK BALANCES		
Current accounts	16,363	17,916
Saving accounts	36,202	42,446
	<u>52,565</u>	<u>60,362</u>
12 LEASE LIABILITIES		
Lease liabilities	10,414	11,632
Current portion	(5,147)	(5,302)
	<u>5,267</u>	<u>6,330</u>
Maturity analysis-contractual discounted cashflow:		
Less than one year	5,147	5,302
One to five year	5,267	6,330
Total lease liability	<u>10,414</u>	<u>11,632</u>
13 LONG TERM LOAN		
Long term loan - Habib Bank limited	39,560	39,560
Current maturity	18,781	8,711
	<u>20,779</u>	<u>30,849</u>
13.1 Represents a Long term financing obtained from conventional bank under the Refinance Scheme for Payment of Wages and Salaries by State Bank of Pakistan. It carries flat mark-up at the rate of 3% per annum.		
14 LONG TERM GOVERNMENT GRANT		
Current maturity	1,438	1,438
Non-current maturity	1,204	1,923
	<u>2,642</u>	<u>3,361</u>
14.1 As aforementioned in note 13.1, the purpose of the government grant is to facilitate the Company in making timely payments of salaries and wages to their employees in light of COVID-19 pandemic. The grant is conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of six month from the date of receipt of the first tranche.		



	(Unaudited) December 31, 2020	(Audited) June 30, 2020
	-----Rs. in '000-----	
15 TRADE AND OTHER PAYABLES		
Creditors	26,564	32,875
Accrued liabilities	30,295	32,318
Contract liabilities	18,907	26,287
Gratuity fund	3,628	3,410
Provident fund	3	371
Retention money	455	455
Compensated absence	3,566	3,560
Workers' Profit Participation Fund	1,964	-
Workers' Welfare Fund	17,207	16,461
Security deposits	388	398
Mark-up on running finance	1	139
Others	506	721
	<u>103,484</u>	<u>116,995</u>

16 CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended 30 June 2020.

16.2 Commitments

Outstanding letters of guarantees	<u>4,512</u>	<u>5,212</u>
Outstanding letters of credit - raw material	<u>154,475</u>	<u>82,245</u>
Outstanding letters of credit - machineries	<u>3,404</u>	<u>82,245</u>



17 TURNOVER – NET

	Half-Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	-----Rs. in '000-----			
Local sales	671,084	571,349	419,649	256,622
Sales return	(1,961)	(2,543)	(1,906)	(108)
Sales tax	(97,224)	(83,172)	(60,698)	(37,271)
	(99,185)	(85,715)	(62,604)	(37,379)
Export sales	-	3,615	-	-
	571,899	489,249	357,045	219,243

17.1 Local sales include scrap sales of Rs. 30.187 million (2019: Rs. 14.433 million).

18 COST OF SALES

Raw material & components consumed:

Stock at the beginning of the period

Raw material and components

Scrap

	151,671	233,078	-	-
	1,610	449	-	-
	153,281	233,527	-	-

Purchases

Stock at the end of the period

Raw material and components

Scrap

	284,336	236,173	121,894	115,058
	(125,050)	(211,506)	25,639	4,957
	(9,656)	(349)	(1,078)	3,924
	(134,706)	(211,855)	24,561	8,881
	302,911	257,845	146,455	123,939

Manufacturing overheads:

Salaries, wages and benefits

Stores & spares consumed

Fuel and power

Depreciation

Services rendered by contractors

Staff transportation

Repairs & maintenance

	56,521	67,141	28,733	30,682
	25,627	21,248	14,480	12,745
	20,173	15,332	10,288	7,051
	19,693	21,801	9,840	10,885
	13,326	7,775	8,434	3,253
	6,959	7,167	3,842	2,987
	3,700	3,487	1,976	1,338



	Half-Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	-----Rs. in '000-----			
Travelling & conveyance	80	36	34	-
Vehicle running expenses	1,326	1,559	586	738
Insurance	1,042	1,684	741	510
Communication	282	311	144	178
Entertainment	979	1,081	472	568
Printing and stationery	105	8	105	8
Subscription and periodicals	23	22	21	13
Provision for slow moving stores & spares	(26)	988	(26)	988
Provision for slow moving stock in trade	(11,437)	-	(5,480)	-
Computer expense	33	61	28	61
Others	56	109	28	96
	138,462	149,810	74,246	72,101
Manufacturing Cost	441,373	407,655	220,701	196,040
Work in process				
As at the beginning of the period	135,686	169,843	-	-
As at the end of the period	(103,032)	(188,777)	1,498	(20,074)
	32,654	(18,934)	1,498	(20,074)
Cost of goods manufactured	474,027	388,721	222,199	175,966
Finished goods				
As at the beginning of the period	138,747	140,298	-	-
As at the end of the period	(122,448)	(102,544)	84,000	31,342
	16,299	37,754	84,000	31,342
	490,326	426,475	306,199	207,308



19 OTHER INCOME

Income from financial assets

	Half-Year Ended		Quarter Ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	-----Rs. in '000-----			
Profit on savings accounts	1,378	1,645	486	812
Profit on treasury bill	14,802	9,821	7,528	5,579
Dividend income	30	-	30	-
Unrealised gain/loss on revaluation of investments at FVTPL	2,162	981	1,006	1,043
	18,372	12,447	9,050	7,434

Income from non-financial assets

Gain/(Loss) on sale of operating fixed assets	2,265	(4)	2,269	(4)
Exchange gain-net	-	1,187	-	315
Government grant released	719	-	359	-
Others	3,411	44	2,890	44
	6,395	1,227	5,518	355
	24,767	13,674	14,568	7,789



20 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	
		December 31, 2020	December 31, 2019
		-----Rs. in '000-----	
Relationship	Nature of transactions		
Common directorship	Sale to Ghandhara Nissan Limited	9,393	4,749
Key management personnel	Sale of vehicle/equipments	1,705	716
Key management personnel	Remuneration	6,493	5,577
Executives Directors	Remuneration	19,245	23,548
Non-executive directors	Meeting fee	1,070	1,200

21 IMPACT OF COVID-19 ON THE FINANCIAL STATEMENTS

On January 30, 2020, The International Health Regulations Emergency Committee of the World Health Organization declared the COVID-19 outbreak "Public Health Emergency of International Concern". Many countries including Pakistan have enacted protection measures against COVID-19, with a significant impact on economic activities in these countries. The evolution of COVID-19 as well as its impact on the global and the local economy is difficult to predict at this stage. As of the release date of these financial statements, there has been no specifically material quantifiable impact of COVID-19 on the Company's financial condition or results of operations except those disclosed in notes to the financial statements.

22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on **11 FEB 2021** by the Board of Directors of the Company.



23 GENERAL

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


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

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



Pak Suzuki Motor Co. Ltd.



Indus Motor Co. Ltd.



Lucky Motors Corporation Ltd.



Disc Wheels for Agricultural Tractors



Al-Ghazi Tractors Ltd.



Millat Tractors Ltd.



Orient Automotive Industries (Pvt.) Ltd.



Disc Wheels for Commercial Vehicles



Hinopak Motors Ltd.



Fuso Master Motors (Pvt.) Ltd.



Gandhara DF (Pvt.) Ltd.



Gandhara Industries Ltd.



Master Motors Corporation Ltd.



Afzal Motors (Pvt.) Ltd.





BALUCHISTAN WHEELS LIMITED



Factory & Registered Office

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