

DECEMBER 2019

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Manufacturers of Automotive Wheels in Pakistan

COMPANY INFORMATION

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

CHIEF EXECUTIVE

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

(Nominee - NIT)

Chief Operating Officer

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

Director Marketing/ Business Development

Non-Executive Director

HUMAN RESOURCE 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

CHIEF INTERNAL AUDITOR Hafiz Shoaib Ahmed Chauhan Independent, Non-Executive Director
Non-Executive Director
Independent, 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)

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

Chairman THK Associates (Pvt) Limited

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

SHARE REGISTRAR

Member Karachi - 75400.

Member UAN#+92(21) 111-000-322 Direct:+92 (21) 34168270 Fax#+92 (21) 34168271

Chairman Member

Member Member

HEAD OFFICE

er 1st Floor, State Life Building # 3
er 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



Baluchistan Wheels Limited

N.T.N: 0709848-7

DIRECTORS' REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the Half Year ended December 31, 2019.

FINANCIAL RESULTS

During the period (July – December 2019) the Auto Sector trouble continued as sales volumes of entire Auto Industry plunged which forced most of the OEM's to declare the frequent Non Production Days (NPD's). Overall the sale of Cars declined by 43% with the total sale of 59,097 units during the period July-December 2019 as compared to the 104,038 units in the corresponding period of last year, sale of Trucks & Buses declined by 45% i.e. 2,064 units sold during the period July-December 2019 as compared to 3,771 units during the same period of last year. Similarly, the Tractors sale decreased by 38% i.e. 15,219 units sold during the period July-December 2019 as compared to 24,483 units during the same period of last year.

As a result of overall contraction in demand of Auto Sector, the sale volume (Qty) of our company also declined in all the segments with the cumulative decline of 41%, 60% & 58% in Car, Truck/Bus & Tractors wheels respectively.

During the period (July-December 2019) the Company had overall consolidated revenue of Rs. 489 million declined by 44% as compared to Rs. 866 million of corresponding period of last year. The Company's revenue declined in all segments of the Business. The Car wheels sale declined to Rs. 308 million as compared to Rs. 462 million (down by 33%) during the same period of last year. The Truck/Bus wheels sales declined significantly to Rs.39 million as compared to Rs. 105 million which is 63% lower than the corresponding period of last year. Similarly, Tractor wheels sale decreased by 55% to Rs. 124 million as compared to Rs. 276 million during the same period of last year.

The Gross Profit decreased in absolute terms by Rs. 91.616 million from Rs. 154.390 million to Rs. 62.774 million (i.e. 59%). Similarly the profit after taxation declined significantly by Rs. 44.396 million (i.e. 83%) from Rs. 53.730 million to Rs. 9.334 million. The main reason for decrease in gross profit and profit after taxation is due to the depressed demand of wheels in all segments of the Business.

There are no significant changes in Contingencies and Commitments as disclosed in note 23 of the Annual report 2019.

FUTURE OUTLOOK



Demand for Auto Industry continued to decline during the period July-December 2019 on account of devaluation of Pak Rupees against the US Dollar as well as higher interest rates. Average inflation is expected to remain in the range of 11% to 12% due to fiscal deficit and Pak Rupee depreciation.



Tax measures announced in the Federal Budget 2019-20 have severely hit the Auto Industry. Additional custom duty on imported material imposition of federal excise duty, high interest rates manufact, with possive stephnological and the Budget Pak. Bupper additionary of the stephnological pakers.

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Manufacturers of Automotive Wheels in Pakistan



Baluchistan Wheels Limited

N.T.N: 0709848-7

cost of vehicles and it forced the OEM's to enhance the prices of their vehicles which have affected the sales volume of auto industry as price hikes will weaker the purchasing / buying power of customers.

Further, the Tractor manufacturers have been facing sharp decline in demand mainly due to the poor performance of Agricultural sector especially failure of Cotton and some other cash crops and also late start of crushing season of sugar cane.

The additional requirement for the end customers of Truck/Bus sector to be registered under Sales Tax in addition to the CNIC/NTN the sale of Truck/Bus segment has been stopped which has already depressed by more than 50%.

Macro economic indicators of the country are challenging for auto industry. Pak Rupee devaluation, rising raw material prices, increase in interest rates and additional taxes and duties are major challenges for auto industry.

The management is aware of 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

Karachi: January 30, 2020

Razak H.M. Bengali -Chief Executive Muhammad SiddiqueMisri Director







Manufacturers of Automotive Wheels in Pakistan



Baluchistan Wheels Limited

N.T.N: 0709848-7 امریکی ڈالر کے مقابلے میں پاکستانی رویے کی قدر میں کمی کے ساتھ ساتھ بڑھتی ہوئی شرح سود کی وجہ ہے جولائی تا دسمبر 2019 کی مدت کے دوران آٹو انڈسٹری کی مانگ۔/ طلب میں کی کا سلسلہ جاری رہا۔ مالی خسارے اور پاکستانی رویے کی گراوٹ کی وجہ سے اوسط افراط زر 11% فیصد سے 12% فیصد کی حد میں رہنے کی توقع ہے۔

وفاتی بجث2020-2019 میں اعلان کردہ فیکس اقدامات نے آٹوا غرسری کوشد بدمتاثر کیا ہے۔ درآ مدی مواد پراضافی مسلم ڈیوٹی، فیڈرل ایکسائز ڈیوٹی کا نفاذ، برحتی ہوئی شرح سود کے ساتھ ساتھ پاکتانی روپے کی گراوٹ کی وجہ سے گاڑیوں کی لاگت پربزی طرح اثر پڑااوراس نے OEM's کواپی گاڑیوں کی قیتوں میں اضافے پر مجبور کردیا جس کی وجہ سے آٹوانڈسٹری کی فروخت کا حجم متاثر ہواہے جس کی وجہ سے صارفین کی خریداری اوت پٹرید کمزور ہوئی ہے۔

مزید به که ٹریکٹرمینوفینچررز کوطلب میں زبروست کی کا سامنا کرنا پڑر ہاہے جس کی بنیادی وجہ زراعت کے شعبے کی ناقص کارکرد گی خصوصاً کیاس اور پچھودیگر نقذ فصلوں کی تم پیداوار اور گئے کے کرشنگ سیزن کا دیرے آغاز کرنا ہے۔اس کے علاوہ ،ٹرک ابس کے خریداروں پرسلزقیکس کے قانون کے تحت رجٹریشن کی شرطاور پہلے ہے موجود شاختی کارڈا نیشنل فیکس فبر کی شرط نے ٹرک ابس کی فروخت تقریباً بند کردی ہے جس میں پہلے ہی %50 فصد سے زیادہ کی واقع ہوگئی ہے۔

ملک مے میکرومعاشی اشارے آٹوصنعت کیلے چیلنے ہیں۔ یا کستانی رویے کی قدر میں کی ، خام مال کی بڑھتی قیمتوں ، شرح سود میں اضافے اوراضافی نیکس وڈیوٹی آٹوصنعت کیلئے برے چیلنے ہیں۔

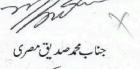
آ كى مىنجىنت مستنتبل ميں غيرمتوقع حالات سے تمشنے كيليے مستقل بنيا دوں پر حكمت عملى تياركرتى ہے تا كر تى كاسفر جارى رہے۔

اظهارتشكر:_

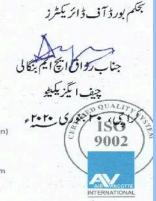
ہم اس موقع پراپے تمام صارفین اوراسٹیک جولڈرز کاشکر بیاواکرتے ہیں جنہوں نے ہم ریکمل اعتاد اور بھرو سے کا ظہار کیا۔ ہم اپنے عملے اور کارکنان سمیت تمام بلو جستان وہمیلو لمیٹر کی قیم کی کوششوں اور مسلسل تعاون کرنے برانکاشکر بیادا کرتے ہیں۔

الله تعالی جمیں برکت و ہاورخصوصاً جمیں اور جمارے تمام اسٹیک ہولڈرز کواورعموماً پورے ملک کوٹر تی اور کامیا فی عطافر مائے (آمین)۔

First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi -75530 (Pakistan Phone (Off): (021) 35683474, 35687502, 35689259, Fax: 92-21-35684003 Factory: Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan. Phones: (0853)-363426, (0853)-363428, Fax: (0853)-364025 E-mail: bwlfin@cyber.net.pk or bwlho@cyber.net.pk internet: http://www.bwheels.com







Manufacturers of Automotive Wheels in Pakistan



Baluchistan Wheels Limited

آ کی کمپنی کے ڈائر کیٹر زنہایت مسرت کے ساتھ اس دمبر 112 موخم ہونے والے پہلے ششاہی کے غیرجائج شدہ عبوری مالیاتی رپورٹ بخوشی پیش کرتے ہیں۔

مالياتى متائج_

آٹوانڈسٹری کی مجموعی فروخت کے تجم میں کی کی وجہ سے چھ ماہ کے دوران (جولائی تا دسمبر 1019ء) آٹو انڈسٹری کی زیوں حالی جاری رہی اورانڈسٹری کو بار بارغیر پیداواری دن (NPD) کا اعلان کرنے پر مجبور کردیا۔ مجموعی طور پر ملکی سطح پرزیر جائزہ مدت کے دوران کار کے 59,097 یونٹس فروخت کئے گئے جو گزشتہ سال کے ای مدت کے 104,038 یونٹس کے 104,038 یونٹس کے مقابلے یس 43% فیصد کم رہی ۔ خبکہ اسکے برنکس ٹرک ابس کی فروخت کا 20,488 یونٹس رہی جو گزشتہ سال کے ای دورائیے میں 24,483 ٹریکٹرز تیار کئے گئے جو 38% فیصد کم رہی ۔ ٹریکٹرز کے 15,219 یونٹس فروخت کئے گئے جبکہ گزشتہ سال کے ای دورائیے میں 24,483 ٹریکٹرز تیار کئے گئے جو 38% فیصد کم رہی ۔

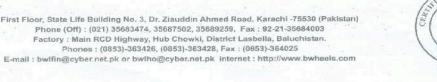
آٹوسکٹری طلب میں مجموی طور پر کی کے باعث، ہماری کمپنی کی فروخت کا جم (مقدار) تمام شعبوں میں کم رہاجو کہ بالتر تیب گاڑی % 41 فیصد، ٹرک ابس % 60 فیصداورٹر یکٹر میں %58 فیصد کم رہا۔

زیرِ جائزہ مت (جولائی تا وسروائی کی کووران ہماری فروخت 489 ملین روپے رہی جوکہ گزشتہ سال کی ای مت کی فروخت 866 ملین روپے کے مقابلے میں %44 فیصد کم رہی ۔ کاروبار کے تمام شعبوں میں کمپنی کی آ مدنی میں کی واقع ہوئی ہے ۔ کار کے پہیوں کی فروخت 308 ملین روپے رہی جوکہ گزشتہ سال کی ای مت کے 462 ملین روپے کی فروخت کے مقابلے میں %33 فیصد کم رہی ۔ ٹرک/س کے پہیوں کی فروخت 39 ملین روپے رہی جوکہ پچپلی مت کی 105 ملین روپے کی فروخت کے مقابلے میں \$63 فیصد کم رہی۔ 105 فیصد کم رہی۔ 105 ملین روپے رہی جوکہ پچپلی مت کی 276 ملین روپے کی فروخت کے مقابلے میں \$630 فیصد کم رہی۔

غیرخالص منافع 91.616 ملین روپے (998 فیصد) کی کے ساتھ 62.774 ملین روپے رہاجو گزشتہ سال ای مدت میں 154.390 ملین روپے تھا، ای طرح کمپنی کا بعداز کیک منافع 44.391 ملین روپے (828 فیصد) کی کے ساتھ 9.334 ملین روپے رہاجو کہ گزشتہ سال کے ای مدت میں 53.730 ملین روپے تھا جسکی بنیادی وجہ کمپنی کے کاروبار کے تمام شعبوں کی فروخت میں کی ہے۔

Contingencies and Commitments میں کوئی قابلِ ذکر تبدیلی واقع نہیں ہوئی اور اسکے بارے میں تفصیل 30 جون 2019 کوفتم ہونے والے مالی سال کے آٹی یکٹر مالیاتی رپورٹ کے نوٹ نمبر 23 میں درج ہے۔





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Manufacturers of Automotive Wheels in Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT



EY Ford Rhodes Chartered Accountants Progressive Plaza, Beaumont Road P.O. Box 15541, Karachi 75530 UAN: +9221 111 11 39 37 (EYFR) Tel: +9221 3565 0007-11 Fax: +9221 3568 1965 ey.khl@pk.ey.com ev.com/pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Baluchistan Wheels Limited (the Company)

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Baluchistan Wheels Limited (the Company) as at 31 December 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, and condensed interim statement of changes in equity and notes to the financial statements for the six months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended 31 December 2019 and 2018 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended 31 December 2019.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information 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 interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

Chartered Accountants Date: 11 February 2020

ET ford Read

Place: Karachi

Docombox 24

BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
ACCETO	Note	(Rupees i	A THE RESIDENCE OF THE PARTY OF
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	421,915	449,581
Right-of-use assets	5	12,803	-
Long-term loans and advances		2,848	3,415
Long-term deposits		3,998	4,607
		441,564	457,603
CURRENT ASSETS	11		
Stores, spare parts and loose tools		47,341	50,840
Stock-in-trade	6	484,612	525,105
Trade debts		100,826	144,187
Loans and advances		14,702	15,914
Trade deposits and short-term prepayments		1,752	2,347
Other receivables		2,974	431
Short-term investments	7	163,354	102,827
Taxation – net		125,796	129,302
Bank balances		57,777	44,994
		999,134	1,015,947
TOTAL ASSETS		1,440,698	1,473,550
SHARE CAPITAL AND RESERVES Authorized share capital 25,000,000 (June 30, 2019: 25,000,000) ordinary shares of Rs.10/- each		250,000	250,000
		200,000	200,000
Issued, subscribed and paid-up capital		133,343	133,343
Reserves	-	1,137,341	1,154,676
	T (1,270,684	1,288,019
NON-CURRENT LIABILITIES	_		
Lease liabilities	- 1	5,165	989
Long-term advances and deposits		2,222	2,010
Deferred taxation	L	36,525	38,250
CURRENT LIABILITIES		43,912	41,249
Trade and other payables Current portion of lease liabilities		105,335	125,289
Unclaimed dividend		4,864	3,747
Provision for warranty claims		6,283	6,846
Sales tax payable		948 8,672	1,354 7,046
Sales san payable	L	126,102	144,282
CONTINGENCIES AND COMMITMENTS	8	120, 102	144,202
	_	1,440,698	1,473,550
	-		

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

RAZAK H.M BENGALI CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half-Yea	ar Ended	Quarte	r Ended
	2019	2018	December 31, 2019	December 31, 2018
) 	Rs. in	'000	
Turnover – net	489,249	865,930	219,243	349,103
Cost of sales	(426,475)	(711,540)	(207,308)	(283,865)
Gross profit	62,774	154,390	11,935	65,238
Distribution costs Administrative expenses Other expenses	(18,637) (43,408) (1,015)	(23,289) (51,995)	(8,808) (21,860)	(7,616) (26,909)
Finance costs	(900)	(10,485) (3,215) (88,984)	(655) (30,590)	(6,309) (2,354) (43,188)
Other income	13,674	1,887	7,789	1,718
Profit / (loss) before taxation	12,488	67,293	(10,866)	23,768
Taxation				
Current Prior	(5,309) 430	(10,255) (1,825)	1,735 430	3,583 (76)
Deferred	(3,154)	(1,483) (13,563)	1,486 3,651	(3,351) 156
Profit / (loss) after taxation	9,334	53,730	(7,215)	23,924
Earnings / (loss) per share - basic and diluted	0.70	4.03	(0.54)	1.79_

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

RAZAK H.M BENGALI CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA CHIEF FINANCIAL OFFICER

BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half year ended		Quarte	r ended
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rs. in '000			
Profit after taxation	9,334	53,730	(7,215)	23,924
Other comprehensive income			77 .6	
Total comprehensive income	9,334	53,730	(7,215)	23,924

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

RAZAK H.M BENGAL CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Not	to the second of	Half year ended December 31, 2018 in '000')
CASH FLOWS FROM OPERATING ACTIVITIES	•	
Profit before taxation	12,488	67,293
Adjustments for non-cash items:		
Depreciation	24,242	23,964
Loss / (gain) on disposals of operating fixed assets	4	(2,099)
Finance costs Provision for slow moving stores, spare parts and loose tools	900	3,215 1,425
Reversal of provision for slow moving stock-in-trade - net	- 300	(924)
Allowance for expected credit losses – net	2,186	3,306
Provision for compensated absences	255	255
Reversal of provision for warranty claims Provision for staff retirement benefits	(407)	(3,341)
Profit on treasury bills and deposit accounts	3,543 (11,466)	2,017
Dividend income	(39)	(49)
Loss on redemption and revaluation of short-term investments	(981)	1,427
	19,225	28,839
	31,713	96,132
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	2,511	(3,756)
Stock-in-trade Trade debts	40,492	(183,461)
Loans and advances	41,175 1,213	32,166 9,656
Trade deposits, short-term prepayments and other receivables	595	55
	85,986	(145,340)
	117,699	(49,208)
(Decrease) / increase in current liabilities		
Trade and other payables	(17,449)	1,199
Sales tax refundable – net	1,626	(23,200)
	(15,823) 101,876	(22,001)
Staff ratiroment honofits paid		
Staff retirement benefits paid Income tax paid	(6,324) (1,376)	(1,440) (8,021)
Long-term loans and advances	566	44
Long-term deposits – net	820	1,217
Net cash generated from / (used in) operating activities	95,562	(79,409)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(644)	4,793
Proceeds from disposal of operating fixed assets	720	3,547
Profit received on treasury bills and savings accounts	8,801	357
Short-term investments made	(307,496)	(13,220)
Short-term investments redeemed Dividend received	247,950 161	13,466 49
Net cash (used in) / generated from investing activities	(50,508)	8,992
Street and applications of the street and the stree	(00,000)	0,002
CASH FLOWS FROM FINANCING ACTIVITIES	(4.466)	(2.572)
Lease rentals paid Finance costs paid	(4,166) (873)	(2,573) (1,116)
Dividend paid	(27,232)	(38,374)
Net cash used in financing activities	(32,271)	(42,063)
Net increase / (decrease) in cash and cash equivalents	12,783	(112,480)
Cash and cash equivalents at the beginning of the period	44,994	31,116
Cash and cash equivalents at the end of the period 9	57,777	(81,364)

RAZAK H.M BENGALI CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

			Revenue reserves			
	Issued, subscribed and paid-up capital	reserve		Unappropriated profit	reserves	Total equity
	· 	.========	(Rupees	in '000')		
Balance as at July 01, 2018	133,343	160,000	(12,397)	988,044	1,135,647	1,268,990
Final dividend for the year ended June 30, 2018 @ Rs. 3 per share	œ ¹	82	√n.	(40,003)	(40,003)	(40,003)
Profit after taxation	-	-	-	53,730	53,730	53,730
Other comprehensive Income		_	-	-		-
Total comprehensive income	•	I (8 0)	-	53,730	53,730	53,730
Balance as at December 31, 2018	133,343	160,000	(12,397)	1,001,771	1,149,374	1,282,717
Balance as at July 01, 2019	133,343	160,000	(24,877)	1,019,553	1,154,676	1,288,019
Final dividend for the year ended June 30, 2019 @ Rs. 2 per share	2	-	-	(26,669)	(26,669)	(26,669)
Profit after taxation	-	-		9,334	9,334	9,334
Other comprehensive Income	_	_	-	- F	_	_
Total comprehensive income	_	-	± 1	9,334	9,334	9,334
Balance as at December 31, 2019	133,343	160,000	(24,877)	1,002,218	1,137,341	1,270,684

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

RAZAK H.M BENGALI CHIEF EXECUTIVE

MUHAMMAD YASIN YUNUS LADHA CHIEF FINANCIAL OFFICER

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Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF-YEAR ENDED DECEMBER 31, 2019

1. CORPORATE INFORMATION

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. These condensed interim financial statements 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 Standards 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 with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2. These condensed interim financial statements do not include all the information and disclosures required in annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019. These condensed interim financial statements are unaudited, however, have been subject to limited scope review by the auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017.
- 2.3. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarters ended December 31, 2019 and December 31, 2018 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended December 31, 2019 and December 31, 2018.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computations 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, 2019 except for;

New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and improvements to IFRSs which became effective for the current period:

Standard or Interpretation

IFRS 16 - Leases

IFRS 9 - Prepayment features with negative compensation (Amendments)
 IAS 19 - Plan amendment, curtailment or settlement (Amendments)

IAS 28 - Long term interests in associates and joint ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

Improvements to accounting standards issued by the IASB in December 2017

IFRS 3 Business combinations - Previously held interests in a joint operation

IFRS 11 Joint arrangements - Previously held interests in a joint operation

IAS 12 Income taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing costs - Borrowing costs eligible for capitalization

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements except for IFRS 16 - Leases.

Manufacturers of Automotive Wheels in Pakistan

Baluchistan Wheels Limited Condensed Interim Financial Statements

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IFRS 16 - Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on statement of financial position model.

The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of July 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Company elected to use the transition practical expedient allowing the standard to be applied only to lease contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The impact of adoption of IFRS 16 is described below:

Assets	Rs. in '000
Right-of-use assets	18,926
Property plant and equipment	(9,467)
	9,459
Liabilities	
Lease liabilities	9,459
	9,459

The right-of-use assets were recognised based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company did not have any sub-lease as on July 01, 2019.

The lease liabilities as at July 01, 2019 can be reconciled to the operating lease commitments as of June 30, 2019 as follows:

	KS. III UUU
Operating lease commitments as at June 30, 2019	11,524
Impact of discounting	(2,065)
Total lease liability as at July 01, 2019	9,459
Average incremental borrowing rate as at July 01, 2019	14.13%

Summary of new accounting policies

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated using reducing balance method. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised

Manufacturers of Automotive Wheels in Pakistan

Baluchistan Wheels Limited Condensed Interim Financial Statements

by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

			Note	December 31, 2019 (Unaudited) Rs. in	June 30, 2019 (Audited) '000
4.	PROPERTY, PLANT AND EQUIPMENT				
	Operating fixed assets Capital work-in-progress		4.1 4.2	421,590 325 421,915	449,581 - 449,581
4.1.	Operating fixed assets				
	Opening net book value (NBV) Additions during the period / year (cost) Transfers to right-of-use assets during the	the period on in	4.1.1 tial	449,581 319	435,886 7,576
	application of IFRS 16 (NBV) Transfers from right-of-use assets during Transfers from capital-work-in progress	the period (NBV)		(9,467) 5,204	-
	year (cost)		4.2		59,485
	Depreciation for the period / year Disposals during the period / year (NBV)		4.1.1	(23,323)	(50,323)
	Closing net book value (NBV)		4.1.1	(724) 421,590	(3,043) 449,581
		December	31, 2019	June 30	0, 2019
		Additions at cost (Un-aud	Disposals at NBV	Additions at cost (Aud	Disposals at NBV
				n '000	
4.1.1.	Additions and disposals to operating fi	xed assets:			
	Plant and machinery			61,728	811
	Furniture and fittings		0.00		83
	Office equipment	291	36		131
	Computer Vehicles	28	688	30	2.040
	vernicles				2,018
		319	724	67,061	3,043



Baluchistan Wheels Limited Condensed Interim Financial Statements

				December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
4.2.	Capital work-in-progress		Note	Rs. in	
	Opening balance			2	59,081
	Capital expenditure incurred during the period	od / year		325	404
		Till		325	59,485
	Transfers to operating fixed assets during the Closing balance	e period / year		325	(59,485)
	Sidening Building			323	
5.	RIGHT-OF-USE ASSETS				
	Office premises			9,134	1-1
	Vehicles		F 4	3,669	-
			5.1	12,803	-
5.1	Movement in right-of-use assets is as foll	ows:			
	Opening net book value (NBV)			_	-
	Transfers from operating fixed assets during	the period on init	ial		
	application of IFRS 16 Additions during the period / year (cost)		5.1.1	9,467	=
	Depreciation for the period / year		5.1.1	9,459 (919)	-
	Transfers to operating fixed assets during the	e period / year (N	BV) 5.1.1	(5,204)	
	Closing net book value (NBV)			12,803	-
		December 3	1 2019	June 3	0. 2019
		December 5			
	-	Additions	Transfers	Additions	Transfers
	-	Additions at cost	Transfers at NBV	Additions at cost	at NBV
	-	Additions at cost (Un-audit	Transfers at NBV	Additions at cost (Aud	
5.1.1	Additions and transfers to right-of-use as	Additions at cost (Un-audit	Transfers at NBV ted)	Additions at cost (Aud	at NBV
5.1.1	Office premises	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii	Additions at cost (Aud n '000	at NBV
5.1.1		Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii	Additions at cost (Aud n '000	at NBV
5.1.1	Office premises	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii	Additions at cost (Aud n '000	at NBV
5.1.1	Office premises	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii	Additions at cost (Aud n '000	at NBV
5.1.1	Office premises	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii	Additions	at NBV ited)
5.1.1	Office premises	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204	Additions at cost (Aud n '000 December 31, 2019 (Unaudited)	at NBV ited)
5.1.1	Office premises	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii	Additions	at NBV ited)
	Office premises Vehicles	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204	Additions at cost (Aud n '000	at NBV ited)
	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204	Additions at cost (Aud n '000 December 31, 2019 (Unaudited)	at NBV ited)
	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204	Additions at cost (Aud n '000	at NBV ited) June 30, 2019 (Audited) '000
	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204	Additions at cost (Aud n '000	at NBV ited)
	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods Scrap stock	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204 5,204 Note	Additions at cost (Aud n '000	at NBV ited) June 30, 2019 (Audited) '000
	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204	Additions at cost (Aud 1 '000	at NBV ited) June 30, 2019 (Audited) '000
6.	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods Scrap stock	Additions at cost (Un-audit	Transfers at NBV ted) Rs. ii 5,204 5,204 Note	Additions at cost (Aud n '000	at NBV ited) June 30, 2019 (Audited) '000
6.	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods Scrap stock Provision for slow moving stock Movement in provision is as follows: Balance at the beginning of the period / year	Additions at cost (Un-auditions) ssets: 9,459 - 9,459	Transfers at NBV ted) Rs. ii 5,204 5,204 Note	Additions at cost (Aud 1 '000	at NBV ited) June 30, 2019 (Audited) '000
6.	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods Scrap stock Provision for slow moving stock Movement in provision is as follows:	Additions at cost (Un-auditions) ssets: 9,459 - 9,459	Transfers at NBV ted) Rs. ii 5,204 5,204 Note	Additions at cost (Auditions at cost) (Unauditions at cost) (Unauditions at cost) (Unauditions at cost) (Unauditions)	at NBV ited) June 30, 2019 (Audited) '000
6.	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods Scrap stock Provision for slow moving stock Movement in provision is as follows: Balance at the beginning of the period / year Provision made during the period / year	Additions at cost (Un-auditions) ssets: 9,459 - 9,459	Transfers at NBV ted) Rs. ii 5,204 5,204 Note	Additions at cost (Aud 1000	at NBV ited) June 30, 2019 (Audited) '000
6.	Office premises Vehicles STOCK-IN-TRADE Raw material and components Work-in-process Finished goods Scrap stock Provision for slow moving stock Movement in provision is as follows: Balance at the beginning of the period / year	Additions at cost (Un-auditions) ssets: 9,459 - 9,459	Transfers at NBV ted) Rs. ii 5,204 5,204 Note	Additions at cost (Auditions at cost) (Unauditions at cost) (Unauditions at cost) (Unauditions at cost) (Unauditions)	at NBV ited) June 30, 2019 (Audited) '000



Baluchistan Wheels Limited
Condensed Interim Financial Statements

		Condensed	Interim Financia	Statements
			December 31, 2019 (Unaudited)	June 30, 2019 (Audited)
7.	SHORT-TERM INVESTMENT	TS	Rs. in	-000
	At fair value through profit of Listed equity investments	or loss	3,807	2,826
	At amortised cost Treasury bills		•	
		₩,	159,547 163,354	100,001 102,827
8.	CONTINGENCIES AND COM	MITMENTS		102,021
8.1.	Contingencies			
		tus of contingencies as disclosed in the annual except for the settlement of one of the cases of a note 23.1.3 of the annual audited financial sta		
			December 31, 2019 (Unaudited) Rs. i	2019 (Audited)
8.2.	Commitments		10.1	11 000
	Outstanding letters of guarante	ees	5,212	5,212
	Outstanding letters of credit		84,654	78,137
			December 31, 2019 (Unaudited)	2018
9.	CASH AND CASH EQUIVALE	NTS	Rs. ir	'000
	Cash and bank balances Short-term running finance		57,777 - 57,777	19,677 (101,041) (81,364)
10.	TRANSACTIONS WITH RELA	TED PARTIES		
	Related parties of the Company plans. Transactions with related	y comprise of directors, key management person diparties are as follows:	onnel and staff re	etirement benefit
×		*	Half-year Ended December 31, 2019 (Un-audited)	2018 (Un-audited)
	Relationship	Nature of transactions	Rs. in	'000

Key management personnel Key management personnel Executive directors Non-executive directors

Staff retirement benefit plans

Contribution to gratuity fund Contribution to provident fund

Nature of transactions

Sales of fixed asset Remuneration Remuneration Meeting fee

716	-
5,577	8,984
23,548	27,385
1,200	1,400

3,544 2,017 3,067 3,165

Manufacturers of Automotive Wheels in Pakistan

Baluchistan Wheels Limited Condensed Interim Financial Statements

11. FINANCIAL RISK MANAGEMENT

These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2019. There have been no changes in any risk management policies since the year end.

The carrying value of all financial and non-financial assets and liabilities measured at other than amortised cost in these condensed interim financial statements approximate their fair values.

12. OPERATING SEGMENTS

These condensed interim financial statements have been prepared on the basis of a single reportable segment.

All the sales of the Company relate to automotive wheel rims for trucks, buses, tractors, cars and mini commercial vehicles.

Total sales of the Company relating to customers in Pakistan were 99.26% during the period ended December 31, 2019 (December 31, 2018: 99.21%).

All non-current assets of the Company as at December 31, 2019 and June 30, 2019 are located in Pakistan.

Sales to the major five customers of the Company are around 95% during the period ended December 31, 2019 (December 31, 2018: 92%)

13. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on the Board of Directors of the Company.

14. GENERAL

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

RAZAK H.M BENGAM CHIEF EXECUTIVE MUHAMMAD YASIN YUNUS LADHA CHIEF FINANCIAL OFFICER

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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.

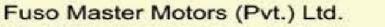




Master Motors Corporation Ltd.







Afzal Motors (Pvt.) Ltd.





