



# **BALUCHISTAN WHEELS LIMITED**

**Manufacturers of Automotive Wheels in Pakistan**



## **HALF YEARLY REPORT DECEMBER 2022**

[www.bwheels.com](http://www.bwheels.com)

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# BALUCHISTAN WHEELS LIMITED<sup>2</sup>

Manufacturers of Automotive Wheels in Pakistan

## COMPANY INFORMATION

### CHAIRMAN (Non-Executive Director)

Mr. Anis Wahab Zuberi

### CHIEF EXECUTIVE

Mr. Razak H.M. Bengali

### INDEPENDENT DIRECTORS

Syed Zubair Ahmed Shah

Mr. Aamir Amin

Mr. Irfan Ahmed Qureshi

Mr. Muhammad Javed

### EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri

Mr. Muhammad Irfan Ghani

Director Marketing/ Business Development  
Chief Operating Officer

### NON-EXECUTIVE DIRECTOR

Mrs. Saba Nadeem

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Yasin Yunus Ladha

### COMPANY SECRETARY

Mr. Muhammad Asad Saeed

### AUDIT COMMITTEE

Syed Zubair Ahmed Shah

Mr. Anis Wahab Zuberi

Mr. Aamir Amin

Mr. Irfan Ahmed Qureshi

Mrs. Saba Nadeem

Independent Director  
Non-Executive Director  
Independent Director  
Independent Director  
Non-Executive Director

Chairman  
Member  
Member  
Member  
Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Javed

Syed Zubair Ahmed Shah

Mr. Anis Wahab Zuberi

Mr. Muhammad Irfan Ghani

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

Chairman  
Member  
Member  
Member

### 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. Fareed Abdul Razzak

Syed Pervaiz Akhter

Mr. Muhammad Asad Saeed

Mr. Kumail Irfan Ghani

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

### CHIEF INTERNAL AUDITOR

Hafiz Shoaib Ahmed Chauhan

D.G.M (CIA)

### EXTERNAL AUDITORS

BDO Ebrahim & Co.

(Chartered Accountants)

### LEGAL ADVISOR

Mohsin Tayebaly & Company

(Advocates)

### TAX CONSULTANTS

Baker Tilly Mehmood Idrees Qamar

(Chartered Accountants)

BDO Ebrahim & Co.

(Chartered Accountants)

### BANKERS

Habib Bank Limited

Bank Al-Habib Limited

Faysal Bank Limited

National Bank of Pakistan

### SHARE REGISTRAR

THK Associates (Pvt) Limited

Plot # 32-C 2, Jami Commercial Street 2, D.H.A.

Phase VII Karachi - 75400.

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

Direct:+92 (21) 34168270

Fax#+92 (21) 34168271

### HEAD OFFICE

1st Floor, State Life Building # 3

Dr. Ziauddin Ahmed Road, Karachi.

E-mail: [bwlfm@cyber.net.pk](mailto: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, 28

Fax # (0853) 364025

## DIRECTORS' REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the Half Year ended December 31, 2022.

### FINANCIAL RESULTS

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During the period (July– December 2022) the Company had overall consolidated revenue of Rs. 885 million as compared to Rs. 1,304 million of corresponding period of last year (decreased by 32%).

The car wheels sale was Rs. 498 million as compared to Rs. 662 million in the corresponding period of previous year (decreased by 25%). The sale of Truck/Bus wheels dropped from Rs. 109 million to Rs. 107 million (decreased by 2%). The sale of Tractor wheels declined from Rs. 502 million to Rs. 225 million (decreased by 55%).

The Gross Profit decreased by 44% from Rs. 274.412 million to Rs. 154.868 million. Similarly, the profit after taxation decreased by 46% from Rs. 108.461 million to Rs. 58.047 million. The main reason for decline in gross profit and net profit during the period is due to depressed demand for wheels in all segments which is due to the plant shutdown of various assemblers of the Auto Sector because of non-availability of raw material due to the restrictions on opening of Letters of Credit (LCs). As a result of drop in sales orders, the production activities of the company was also temporary closed during the period from December 12, 2022 to December 31, 2022 and thereafter till January 6, 2023.

There are no significant changes in Contingencies and Commitments as disclosed in note 30 of the Financial Statements for the year ended June 30, 2022. The company has incorporated the provision of super tax in these condensed interim financial statements.

### FUTURE OUTLOOK

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Auto-sector in the Financial Year (FY) 2023, is expected to witness slump in sales volume, owing to rapid increase in vehicle prices by automakers, coupled with high interest rates, rising inflation, continuous weakening of Pak Rupee against US Dollar and curbs on auto-financing.

The non-opening of LCs by Commercial Banks due to scarcity of the Foreign Exchange reserves has resulted in the shortage of auto-parts, which, in turn, has brought the production of vehicles by various assemblers to a grinding halt, forcing them to observe Non-Production Days (NPDs).

Tractor demands have also dipped, as the country's agricultural sector remained subdued, and the recent floods in August, 2022 have also affected tractor sales badly.

The management being conscious of the challenges that lie ahead is continuously evolving strategies and adopting measures with a view to meeting future challenges and achieving business growth.

## ACKNOWLEDGEMENT

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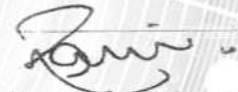
We take this opportunity to thank our customers and all the stakeholders who reposed their trust and confidence in the company and acknowledge the efforts of the entire BWL team including our staff and workers and look forward to their continued support.

May Almighty Allah bless us and help us in the achievement of success for the Company and for the benefits of all stakeholders, and the Country in general. Aameen!

For and on Behalf of the Board



**Razak H.M. Bengali**  
Chief Executive



**Muhammad Irfan Ghani**  
Director

Karachi: February 16, 2023

# BALUCHISTAN WHEELS LIMITED 5

Manufacturers of Automotive Wheels in Pakistan

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)۔  
بورڈ آف ڈائریکٹرز کی جانب سے

جناب محمد عرفان عینی  
ڈائریکٹر

جناب رزاقی ایچ ایم بنگالی  
چیف ایگزیکٹو  
کراچی 16 فروری 2023

# BALUCHISTAN WHEELS LIMITED 6

Manufacturers of Automotive Wheels in Pakistan

ڈائریکٹرز رپورٹ

آپ کی کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے غیر آڈٹ شدہ عبوری مالیاتی رپورٹ منجوشی پیش کرتے ہیں۔

مالیاتی نتائج :-

مجموعی طور پر زیر جائزہ مدت (جولائی تا دسمبر 2022) کے دوران ہماری فروخت 885 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کی فروخت 1,304 ملین روپے کے مقابلے میں 32% فیصد کم رہی۔

کار کے پہیوں کی فروخت 498 ملین روپے رہی جو کہ گزشتہ سال کی اسی مدت کے 662 ملین روپے کی فروخت کے مقابلے میں 25% کم رہی۔ ٹرک ایس کے پہیوں کی فروخت 107 ملین روپے رہی جو کہ پچھلی مدت کی فروخت 109 ملین روپے کے مقابلے میں 2% فیصد کم رہی ٹریکٹر کے پہیوں کی فروخت 225 ملین روپے رہی جو کہ پچھلے عرصے کی 502 ملین روپے کی فروخت کے مقابلے میں 55% فیصد کم رہی۔

غیر خالص منافع 44% فیصد کمی کے ساتھ 154.868 ملین روپے رہا جو گزشتہ سال اسی مدت میں 274.412 ملین روپے تھا، اسی طرح کمپنی کا بعد از ٹیکس منافع 46% فیصد کمی کے ساتھ 58.047 ملین روپے رہا جو کہ گزشتہ سال کے اسی مدت میں 108.461 ملین روپے تھا۔ زیر جائزہ مدت کے دوران غیر خالص منافع اور بعد از ٹیکس منافع میں گراؤ کی بنیادی وجہ تمام پہیوں کی فروخت میں کمی ہے جو کہ آٹو ز کی طلب میں مندی کی وجہ سے ہوئی ہے۔ آٹو اسمبلر کے خام مال کی ایل سیز کھولنے پر پابندی کی وجہ سے کئی آٹو اسمبلر نے اپنے پلانٹ بند کیئے۔ سیز آڈرز میں کمی کے نتیجے میں دسمبر 2022، 12 سے دسمبر 2022، 31 تک اور اس کے بعد جنوری 2023، 06 تک کمپنی کی پیداواری سرگرمیاں بھی عارضی طور پر بند رہیں۔

کنٹینر سیز کمیشنس میں کوئی خاص تبدیلیاں رونما نہیں ہوئی ہیں جیسا کہ فنانشل رپورٹ 30 جون 2022 کے نوٹ نمبر 30 میں درج کیا گیا ہے۔ کمپنی نے ان عبوری مالیاتی رپورٹ میں سپر ٹیکس کے تخمینہ کو شامل کیا ہے۔

مستقبل کے خدو خال :-

مالی سال 2023 کے دوران آٹو سیکٹر کی فروخت میں کمی واقع ہو سکتی ہے جس کی بنیادی وجہ گاڑیوں کی قیمتوں میں بے پناہ اضافہ ہونا ہے۔ مزید مالی سال 2023 کے دوران آٹو سیکٹر مختلف خطرات سے دوچار ہوگا جیسا کہ زیادہ شرح سود، بڑھتی ہوئی مہنگائی کی شرح، پاکستانی روپے کی قدر میں مسلسل کمی اور مہنگی آٹو فنانسنگ ہے۔ گاڑیوں کے خام مال کی درآمد کے لیے کمرشل بینکوں کا ایل سیز کا نہ کھولنا آٹو پارٹس کی قلت کا سبب بنا جس کا اثر بڑے پیمانے پر گاڑیوں کی پیداوار پر پڑے گا۔

ملک بھر میں آنے والے گزشتہ اگست 2022 کے سیلابی ریلوں نے بڑے پیمانے پر ٹریکٹر سیکٹر پر اثرات مرتب کیئے جس کی وجہ سے ٹریکٹر کی فروخت میں نمایاں کمی ہوئی ہے

انتظامیاں کو آنے والے چیلنجوں کا علم ہے اور مسلسل حکمت عملی تیار کر رہی ہیں اور مستقبل کے چیلنجوں سے نمٹنے اور کاروبار کی ترقی کو برقرار رکھنے کے لئے اقدامات کر رہی ہیں۔

اظہار تشکر :-

ہم اس موقع پر اپنے 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 وہیلز لمیٹڈ کی ٹیم کی کوششوں اور مسلسل تعاون کرنے پر ان کا شکریہ ادا کرتے ہیں۔

# BALUCHISTAN WHEELS LIMITED<sup>7</sup>

Manufacturers of Automotive Wheels in Pakistan



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Lakson Square, Building No.1  
Sarwar Shaheed Road  
Karachi-74200  
Pakistan

## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE MEMBERS OF 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, 2022 and the related condensed interim statement of profit or loss, the condensed interim statement of comprehensive income, the condensed interim statement of cash flows, the condensed interim statement of changes in equity and the notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred as the "interim financial statements"). Management is responsible for the preparation and presentation of these condensed 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 condensed 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 statements are not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

### Other Matter

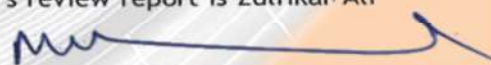
The figures for the quarters ended December 31, 2022 and December 31, 2021 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's review report is Zulfikar Ali Causer.

KARACHI

DATED: 16 FEB 2023

UDIN: RR202210067i9L3CmyOd



BDO Ebrahim & Co.  
CHARTERED ACCOUNTANTS



# BALUCHISTAN WHEELS LIMITED 8

Manufacturers of Automotive Wheels in Pakistan

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2022

	Note	December 31, 2022 (Un-audited) ------(Rupees in '000)-----	June 30, 2022 (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	5	949,503	963,138
Long-term loans and advances		7,528	6,138
Long-term deposits		7,449	7,649
		<u>964,480</u>	<u>976,925</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	6	36,359	39,729
Stock-in-trade	7	574,143	539,764
Trade debts	8	44,655	258,317
Loans and advances		22,715	41,073
Trade deposits and short-term prepayments		1,089	1,433
Other receivables		7,673	792
Short-term investments	9	701,541	523,766
Bank balances	10	49,229	66,034
		<u>1,437,404</u>	<u>1,470,908</u>
<b>TOTAL ASSETS</b>		<u>2,401,884</u>	<u>2,447,833</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
25,000,000 (30 June 2022: 25,000,000) ordinary shares of Rs.10/- each		250,000	250,000
Issued, subscribed and paid-up capital			
13,334,250 (30 June 2022: 13,334,250) ordinary shares of Rs.10/- each		133,343	133,343
Reserves		1,324,060	1,329,352
Revaluation of land		579,075	579,075
		<u>2,036,478</u>	<u>2,041,770</u>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11	13,169	13,949
Long-term deposits		1,020	896
Deferred taxation		33,674	34,972
		<u>47,863</u>	<u>49,817</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	168,051	183,306
Unclaimed dividend		7,646	7,087
Current maturity of lease liabilities	11	15,177	12,365
Current portion of long-term loan		-	8,790
Current portion of long term deposits		68	1,053
Current portion of government grant		-	91
Taxation – net		109,390	130,781
Provision for warranty		1,659	2,716
Sales tax payable – net		15,552	9,882
Current portion of GIDC payable		-	175
		<u>317,543</u>	<u>356,246</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>2,401,884</u>	<u>2,447,833</u>

### CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

# BALUCHISTAN WHEELS LIMITED<sup>9</sup>

Manufacturers of Automotive Wheels in Pakistan

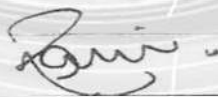
## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Note	Half-Year Ended		Quarter Ended	
		2022	2021	2022	2021
-----Rs. in '000-----					
Turnover – net	14	885,002	1,304,447	481,606	757,065
Cost of sales	15	(730,134)	(1,030,035)	(417,260)	(573,714)
Gross profit		154,868	274,412	64,346	183,351
Distribution cost		(27,058)	(33,815)	(8,076)	(17,537)
Administrative expenses		(61,651)	(56,373)	(27,000)	(28,976)
Other expenses		(19,346)	(30,481)	(2,426)	(22,720)
Finance cost		(2,584)	(2,043)	(1,193)	(968)
		(110,639)	(122,712)	(38,695)	(70,201)
Other income	16	42,870	19,547	22,580	7,613
Profit before taxation		87,099	171,247	48,231	120,763
Taxation					
Current		(30,394)	(50,273)	(19,122)	(35,633)
Prior			(10,994)	-	(10,994)
Deferred		1,340	(1,519)	1,340	(1,519)
		(29,054)	(62,786)	(17,782)	(48,146)
Profit for the period		58,045	108,461	30,449	72,617
----- (Rupees) -----					
Earnings per share- basic and diluted		4.35	8.13	2.28	5.45


The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



CHIEF EXECUTIVE OFFICER



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Half-Year Ended		Quarter Ended	
	2022	2021	2022	2021
	-----Rs. in '000-----			
Profit for the period	58,045	108,461	30,449	72,617
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>58,045</u>	<u>108,461</u>	<u>30,449</u>	<u>72,617</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

# BALUCHISTAN WHEELS LIMITED<sup>11</sup>

Manufacturers of Automotive Wheels in Pakistan

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	December 31, 2022	December 31, 2021
	------(Rupees in '000)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	87,099	171,247
Adjustments for non-cash items:		
Depreciation on operating fixed assets	22,915	25,141
Gain on sales of property, plant and equipment	(6)	(16)
Finance costs	2,584	2,043
Provision for slow moving stores spares and stock in trade - net	1	1,652
Provision for compensated absences	-	561
Provision for warranty claims - net	(1,056)	659
Provision for employees' benefits	1,141	588
Profit on deposit accounts / treasury bills	(153)	(13,598)
Government grant	(91)	(719)
Profit on savings accounts	(42,454)	(2,010)
Loss on revaluation / redemption of mutual fund units / listed shares	597	1,977
Dividend income	-	(743)
	<u>(16,522)</u>	<u>15,535</u>
	70,577	186,782
Change in current assets and current liabilities		
Stores, spare parts and loose tools	3,370	(2,331)
Stock-in-trade	(34,379)	(124,001)
Trade debts	213,662	(21,982)
Loans and advances	18,358	15,479
Trade deposits & short-term prepayments and other receivables	(6,537)	4,321
Trade and other payables	(16,672)	(71,617)
Sales tax	5,670	15,664
	<u>183,472</u>	<u>(184,467)</u>
Cash generated from operations	254,049	2,315
Income tax paid	(51,785)	(29,910)
Employees' benefits paid	(1,141)	(23,218)
Long-term loans and advances - net	(1,390)	32
Long-term deposits-net	861	356
Net cash generated from / (used in) operating activities	<u>200,594</u>	<u>(50,425)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(935)	(24,996)
Proceeds from disposal of property, plant and equipment	1,066	614
Profit received on deposit accounts / treasury bills	34,781	19,894
Short-term investments made / redeemed during the period - net	(177,775)	156,318
Dividend received	153	743
Net cash (used in) / generated from investing activities	<u>(142,710)</u>	<u>152,573</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Liabilities against asset subject to finance leases -net	(9,324)	3,618
Finance cost paid	(2,586)	(1,876)
Dividend paid	(62,779)	(79,393)
Net cash (used in) financing activities	<u>(74,689)</u>	<u>(77,651)</u>
Net (decrease) / increase in cash and cash equivalents	(16,805)	24,497
Cash and cash equivalents at the beginning of the year	66,034	19,320
Cash and cash equivalents at the end of the year	<u>49,229</u>	<u>43,817</u>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

# BALUCHISTAN WHEELS LIMITED<sup>12</sup>

Manufacturers of Automotive Wheels in Pakistan

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2022

	Issued, subscribed and paid-up capital Ordinary share capital	Capital reserves Revaluation surplus on land	Revenue reserves			Total equity	
			General reserve	Remeasurement loss on gratuity fund	Unappropriated Profit		Total reserves
(Rupees in '000')							
Balance as at July 01, 2021	133,343	538,518	160,000	(3,455)	1,092,490	1,787,553	1,920,896
<b>Transaction with owners</b>							
Final dividend on ordinary shares 30 June 2021 @ Rs. 4.50 per share	-	-	-	-	(60,004)	(60,004)	(60,004)
Interim dividend on ordinary shares 30 June 2022 @ Rs. 1.50 per share	-	-	-	-	(20,001)	(20,001)	(20,001)
					(80,005)	(80,005)	(80,005)
<b>Total comprehensive income for the period ended December 31, 2021</b>							
Profit for the period	-	-	-	-	108,461	108,461	108,461
Other comprehensive Income	-	-	-	-	-	-	-
	-	-	-	-	108,461	108,461	108,461
Balance as at December 31, 2021	133,343	538,518	160,000	(3,455)	1,120,946	1,816,009	1,949,352
Balance as at July 01, 2022	133,343	579,075	160,000	(1,366)	1,170,718	1,908,428	2,041,771
<b>Transaction with owners</b>							
Final dividend on ordinary shares June 30, 2022 @ Rs. 4.75 per share	-	-	-	-	(63,338)	(63,338)	(63,338)
<b>Total comprehensive income for the period ended December 31, 2022</b>							
Profit for the period	-	-	-	-	58,045	58,045	58,045
Other comprehensive Income	-	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	58,045	58,045	58,045
Balance as at December 31, 2022	133,343	579,075	160,000	(1,366)	1,165,425	1,903,134	2,036,478

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

  
CHIEF EXECUTIVE OFFICER

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER

### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2022

#### 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 <sup>st</sup> 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, 2022 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, 2022 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 latest 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, 2022, 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, 2021.

### **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 flows 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, 2022, but are considered not to be relevant or to have any material 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, 2023, but are considered not to be relevant or to have any material effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

### 2.4 Functional and presentation currency

These condensed interim financial statements have been presented in Pakistani rupee ("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, 2022.

### 4 SIGNIFICANT ACCOUNTING ESTIMATES, JUDGEMENTS, AND ASSUMPTIONS

The preparation of these condensed interim 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. Actual result may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. During the preparation of these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual financial statements for the year ended June 30, 2022.

	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
		-----Rs. in '000-----	
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<u>949,503</u>	<u>963,138</u>
<b>5.1 Operating fixed assets</b>			
Net book value at the beginning of the period / year		963,138	945,950
Additions during the period / year	5.1.1	10,340	28,935
Depreciation for the period / year		(22,915)	(50,617)
Disposals during the period / year (NBV)		(1,060)	(1,687)
Revaluation		-	40,557
Book value at the end of the period / year		<u>949,503</u>	<u>963,138</u>



	Note	(Unaudited) December 31, 2022	(Audited) June 30, 2022
-----Rs. in '000-----			
<b>5.1.1 Detail of additions (at cost) during the period / year are as follows:</b>			
Plant and machinery		-	20,819
Furniture and fittings		-	67
Office equipment		887	1,419
Computers		48	277
Head Office (right of use)		9,405	-
Vehicles		-	6,353
		10,340	28,935
<b>6 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		5,116	7,959
Spares		81,082	92,444
Loose tools		12,772	1,936
		98,969	102,339
Provision for slow moving stores, spare parts and loose tools	6.1	(62,610)	(62,610)
		36,359	39,729
<b>6.1 Movement in provision is as follows:</b>			
Balance at the beginning of the period / year		62,610	60,293
Provision made during the period / year		-	2,317
		62,610	62,610
<b>7 STOCK-IN-TRADE</b>			
Raw material and components		216,558	272,866
Work-in-process		180,382	177,745
Finished goods		120,205	84,855
Scrap stock		3,771	8,316
		520,916	543,782
Stock in transit		57,246	-
Provision for slow moving stock	7.1	(4,019)	(4,018)
		574,143	539,764

# BALUCHISTAN WHEELS LIMITED<sup>17</sup>

Manufacturers of Automotive Wheels in Pakistan

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
Note	-----Rs. in '000-----	
<b>7.1 Movement in provision is as follows:</b>		
Balance at the beginning of the period / year	4,018	1,966
Provision during the period / year	1	2,052
	<u>4,019</u>	<u>4,018</u>
<b>8 TRADE DEBTS</b>		
Considered good	44,655	258,317
Allowance for expected credit losses	-	-
	<u>44,655</u>	<u>258,317</u>
<b>9 SHORT TERM INVESTMENTS</b>		
<b>Fair value through profit or loss</b>		
Listed equity securities	3,173	3,770
Sukuk	5,000	-
	<u>8,173</u>	<u>3,770</u>
<b>At amortised cost</b>		
Treasury bills	693,368	519,996
	<u>701,541</u>	<u>523,766</u>
<b>10 BANK BALANCES</b>		
Saving accounts	39,169	15,937
Current accounts	10,060	50,097
	<u>49,229</u>	<u>66,034</u>
<b>11 LEASE LIABILITIES</b>		
Lease liabilities	28,346	26,314
Current portion	(15,177)	(12,365)
	<u>13,169</u>	<u>13,949</u>
Maturity analysis-contractual discounted cashflow:		
Less than one year	15,177	12,365
One to five year	13,169	13,949
	<u>28,346</u>	<u>26,314</u>

	(Unaudited) December 31, 2022	(Audited) June 30, 2022
	-----Rs. in '000-----	
<b>12 TRADE AND OTHER PAYABLES</b>		
Creditors	17,273	23,485
Accrued liabilities	82,377	113,028
Contract liabilities	25,465	6,735
Gratuity fund	1,141	-
Retention money	455	455
Compensated absences	6,086	6,086
Workers' Profit Participation Fund	4,678	4,845
Workers' Welfare Fund	29,809	28,030
Security deposits	388	388
Mark-up on running finance	-	2
Others	378	252
	<u>168,051</u>	<u>183,306</u>
<b>13 CONTINGENCIES AND COMMITMENTS</b>		
<b>13.1 Contingencies</b>		
There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended June 30, 2022.		
<b>13.2 Commitments</b>		
Outstanding letters of guarantees	<u>4,512</u>	<u>4,512</u>
Outstanding letters of credit - raw material	<u>49,458</u>	<u>248,886</u>

# BALUCHISTAN WHEELS LIMITED<sup>19</sup>

Manufacturers of Automotive Wheels in Pakistan

	Half-Year Ended (Unaudited)		Quarter Ended (Unaudited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
-----Rs. in '000-----				
<b>14 TURNOVER – NET</b>				
Local sales	1,068,530	1,529,173	582,511	887,276
Sales return	(2,263)	(2,970)	(895)	(1,510)
Sales tax	(181,265)	(221,756)	(100,010)	(128,701)
	(183,528)	(224,726)	(100,905)	(130,211)
	<u>885,002</u>	<u>1,304,447</u>	<u>481,606</u>	<u>757,065</u>
14.1	Local sales include scrap sales of Rs. 55.2 million (2021: Rs. 31.104 million).			
<b>15 COST OF SALES</b>				
<b>Raw material &amp; components consumed:</b>				
<b>Stock at the beginning of the period</b>				
Raw material and components	119,216	103,134	245,644	218,363
Scrap	8,316	156	16,519	13,384
	<u>127,532</u>	<u>103,290</u>	<u>262,163</u>	<u>231,747</u>
<b>Purchases</b>	654,225	991,404	188,635	446,231
<b>Stock at the end of the period</b>				
Raw material and components	(216,558)	(168,952)	(216,558)	(168,952)
Scrap	(3,771)	(35,326)	(3,771)	(35,326)
	<u>(220,329)</u>	<u>(204,278)</u>	<u>(220,329)</u>	<u>(204,278)</u>
	<u>561,428</u>	<u>890,416</u>	<u>230,469</u>	<u>473,700</u>
<b>Manufacturing overheads:</b>				
Salaries, wages and benefits	71,012	82,231	24,510	41,600
Stores & spares consumed	35,600	42,788	15,321	22,545
Fuel and power	28,561	42,067	5,921	20,189
Depreciation	18,118	19,901	9,062	10,115
Services rendered by contractors	30,803	31,252	20,033	19,029
Staff transportation	11,166	9,479	5,621	4,783
Repairs and maintenance	5,364	1,828	3,595	920

# BALUCHISTAN WHEELS LIMITED<sup>20</sup>

Manufacturers of Automotive Wheels in Pakistan

	Half-Year Ended (Unaudited)		Quarter Ended (Unaudited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	-----Rs. in '000-----			
Travelling and conveyance	65	13	-	-
Vehicle running	2,449	1,617	1,093	828
Insurance	1,917	1,470	848	814
Communication	252	271	130	126
Entertainment	1,255	1,119	695	518
Printing and stationery	2	29	2	29
Subscription and periodicals	38	34	19	28
Provision for slow moving stores & spares	-	1,652	-	1,652
Computer	34	26	24	18
Others	57	142	49	96
	206,693	235,919	86,923	123,290
Manufacturing cost	768,121	1,126,335	317,392	596,990
<b>Work in process</b>				
As at the beginning of the period	177,745	115,778	241,865	180,898
As at the end of the period	(180,382)	(208,576)	(180,382)	(208,576)
	(2,637)	(92,798)	61,483	(27,678)
<b>Cost of goods manufactured</b>	765,484	1,033,537	378,875	569,312
<b>Finished goods</b>				
As at the beginning of the period	84,855	42,093	158,590	49,997
As at the end of the period	(120,205)	(45,595)	(120,205)	(45,595)
	(35,350)	(3,502)	38,385	4,402
	730,134	1,030,035	417,260	573,714
	-----Rs. in '000-----			
	Half-Year Ended (Unaudited)		Quarter Ended (Unaudited)	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
<b>16 OTHER INCOME</b>				
<b>Income from financial assets</b>				
Profit on savings accounts and treasury bill	42,600	15,608	22,257	5,729
Dividend income	153	743	21	428
Unrealised (loss) / gain on revaluation of investments at FVTPL	(597)	(1,977)	(315)	(530)
	42,156	14,374	21,963	5,627
<b>Income from non-financial assets</b>				
Gain on sale of operating fixed assets	6	16	-	12
Government grant released	91	719	-	358
Others	617	4,438	617	1,616
	714	5,173	617	1,986
	42,870	19,547	22,580	7,613

### 17 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:

Relationship	Nature of transactions	(Un-audited) Half year ended	
		December 31, 2022	December 31, 2021
-----Rs. in '000-----			
Key management personnel	Sale of vehicle / equipments	29	228
Key Management Personnel	Long term loans	4,746	2,355
Key Management Personnel	Advances	4,702	5,367
Key management personnel	Remuneration	18,128	7,907
Executives Directors	Remuneration	28,222	26,918
Non-executive directors	Meeting fee	1,315	940

Due from key management personnel as at December 2022 was Rs. 9,448,000 (June 2022: Rs. 1,984,000).

### 18 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objective and policies are consistent with that disclosed in the annual financial statements for the year ended June 30, 2022.

### 19 FAIR VALUE MEASUREMENT - FINANCIAL INSTRUMENTS

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (Unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset either directly or derived from prices.

Level 3: inputs for the asset or liability that are not based on observable market data (unadjusted) inputs.

# BALUCHISTAN WHEELS LIMITED<sup>22</sup>

Manufacturers of Automotive Wheels in Pakistan

As at December 31, 2022, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
<b>At fair value through profit or loss</b>				
<b>Short term investments</b>				
Listed equity securities	3,173	-	-	3,173
Sukuk	5,000	-	-	5,000
	<u>8,173</u>	<u>-</u>	<u>-</u>	<u>8,173</u>

As at June 30, 2022, the Company held the following financial instruments measured at fair value:

	Level 1	Level 2	Level 3	Total
	Rupees			
<b>At fair value through profit or loss</b>				
<b>Short term investments</b>				
Listed equity securities	<u>3,770</u>	<u>-</u>	<u>-</u>	<u>3,770</u>
	3,770	-	-	3,770
<b>Transfers during the reporting period</b>				

During the period ended December 31, 2022, there were no transfers between level 1 and level 2 fair value measurement and into or out of Level 3 fair value measurements.

## 20 NUMBER OF EMPLOYEES

The number of employees including contractual employees as at December 2022 was 214 (June 2022: 217).

## 21 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

The Board of Directors in their meeting held on February 16, 2023 declared an interim cash dividend @ 25% i.e. Rs. 2.50/- per share amounting to Rs. 33.335 million, for the second quarter/half year ended December 2022. These condensed interim financial statement do not reflect this dividend payable which will be accounted for in the period in which it is approved.

## 22 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on February 16, 2023 by the Board of Directors of the Company.

## 23 GENERAL

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

## 24 SIGNIFICANT EVENT DURING THE PERIOD

The production activities of the Company was temporary closed during the period, from 12 December, 2022 to 31 December, 2022 and thereafter till 6 January 2023 due to drop in sales orders.



**CHIEF EXECUTIVE OFFICER**



**DIRECTOR**



**CHIEF FINANCIAL OFFICER**



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

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



Pak Suzuki Motor Co. Ltd.



Indus Motor Co. Ltd.



Lucky Motors Co. Ltd



## Disc Wheels for Agricultural Tractors



Millat Tractors Ltd.



Al-Ghazi Tractor Ltd.



## Disc Wheels for Commercial Vehicles



Ghandhara Industries Ltd.



Fuso Master Motors (Pvt.) Ltd.



Hinopak Motors Ltd.



Ghandhara Nissan Ltd.



# BALUCHISTAN WHEELS LIMITED



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