



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

HALF YEARLY REPORT DECEMBER 2023



www.bwheels.com



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

CONTENTS

● Company Information	03
● Directors' Report to the Shareholders (English)	04
● Directors' Report to the Shareholders (Urdu)	06
● Independent Auditor's Review Report to the Members	07
● Condensed Interim Statement of Financial Position	08
● Condensed Interim Statement of Profit or Loss	09
● Condensed Interim Statement of Comprehensive Income	10
● Condensed Interim Statement of Cash Flows	11
● Condensed Interim Statement of Changes of Equity	12
● Notes to the Condensed Interim Financial Statements	13



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

COMPANY INFORMATION

CHAIRMAN (Non-Executive Director)

Mr. Anis Wahab Zuberi

CHIEF EXECUTIVE (Executive Director)

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 RESOURCES 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

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 (Finance)/Deputy CFO

G.M (HR/IR)

D.G.M (Finance) / Company Secretary

D.G.M (Supply & Services)

CHIEF INTERNAL AUDITOR

Mr. Atif Iqbal

Sr. Manager

EXTERNAL AUDITORS

BDO Ebrahim & Co.

(Chartered Accountants)

LEGAL ADVISOR

Mohsin Tayebaly & Company

(Advocates)

TAX CONSULTANTS

Baker Tilly Mehmoos 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.

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HEAD OFFICE

1st Floor, State Life Building # 3

Dr. Ziauddin Ahmed Road, Karachi.

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, 28

Fax # (0853) 364025



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

DIRECTORS' REPORT

The Directors take pleasure in presenting the Un-Audited Condensed Interim Financial Statements for the Half Year ended December 31, 2023.

FINANCIAL RESULTS

During the period (July– December 2023) the Company had overall consolidated revenue of Rs. 1,026 million as compared to Rs. 885 million of corresponding period of last year (increased by 16%).

The car wheels sale was Rs. 337 million as compared to Rs. 498 million in the corresponding period of previous year (decreased by 32%). Likewise, the Truck/Bus wheels sale declined from Rs.107 million to Rs. 88 million (decreased by 18%), whilst, the sale of Tractor wheels increased from Rs. 225 million to Rs. 579 million (increased by 157%).

The Gross Profit increased by 50% to Rs.232.121 million as against Rs.154.868 million. The Company earned Net Profit after tax of Rs.121.887 million as against Rs.58.045 million in the corresponding period of last year, increased by 110%.

The improvement in gross profit and net profit is mainly due to surge in the production and sale of tractor wheels owing to sudden jump in tractors sales amid bumper crops. However, the sale of car wheels and truck/bus wheels witnessed drop due to weak/depressed demand in cars and truck/bus segments. The substantial increase in other income primarily due to profit on investment of surplus funds in treasury bills and reversal of prior year tax provision also contributed to net profit.

There are no significant changes in Contingencies and Commitments as disclosed in Note 28 of the Financial Statements for the year ended June 30, 2023.

FUTURE OUTLOOK

The escalating/surging auto prices coupled with expensive auto financing on account of record high interest rates and low purchasing power of consumers resulted in significant reduction in auto sales and low performance in 1HF 24. However, easing auto-part imports and stable currency would improve the production and sales volumes of autos in 2HFY 24. Further, bumper crops yield primarily due to low base of last period amid flood would increase the tractors' sales as well.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

The management being conscious of the challenges that lie ahead is continuously evolving strategies and adopting measure 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

Razak H.M. Bengali

Chief Executive

Muhammad Siddique Misri

Director

Karachi:February 02, 2024



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



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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, 2023 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, 2023 and December 31, 2022 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: 02 FEB 2024

UDIN: RR202310067malQgCHD1

BDO Ebrahim & Co.
CHARTERED ACCOUNTANTS

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

	December 31, 2023 (Un-audited)	June 30, 2023 (Audited)
	----- (Rupees in '000) -----	
ASSETS	Note	
NON-CURRENT ASSETS		
Property, plant and equipment	5	937,428
Operating fixed assets		3,152
Long-term loans and advances		5,414
Long-term deposits		8,579
		<u>945,994</u>
		<u>962,728</u>
CURRENT ASSETS		
Stores, spare parts and loose tools	6	32,082
Stock-in-trade	7	532,662
Trade debts	8	185,949
Loans and advances		15,188
Trade deposits and short-term prepayments		3,668
Other receivables		8,619
Short-term investments	9	639,571
Sales tax refundable – net		3,343
Bank balances	10	20,647
		<u>1,441,729</u>
		<u>1,394,905</u>
TOTAL ASSETS		<u><u>2,387,723</u></u>
		<u><u>2,357,633</u></u>
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized share capital		
25,000,000 (30 June 2023: 25,000,000) ordinary shares of Rs.10/- each		250,000
Issued, subscribed and paid-up capital		250,000
13,334,250 (30 June 2023: 13,334,250) ordinary shares of Rs.10/- each		133,343
Revaluation surplus on property, plant and equipment		579,075
Revenue reserves		1,392,328
		<u>2,104,746</u>
		<u>2,055,971</u>
NON-CURRENT LIABILITIES		
Lease liabilities	11	10,122
Long-term deposits		1,248
Deferred taxation		29,541
		<u>40,911</u>
		<u>46,368</u>
CURRENT LIABILITIES		
Trade and other payables	12	213,636
Unclaimed dividend		8,850
Current maturity of lease liabilities	11	16,279
Current portion of long term deposits		56
Taxation – net		1,238
Provision for warranty		2,007
		<u>242,066</u>
		<u>255,294</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,387,723</u></u>
		<u><u>2,357,633</u></u>
CONTINGENCIES AND COMMITMENTS		
	13	

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Note	Half-Year Ended		Quarter Ended	
		2023	2022	2023	2022
-----Rs. in '000-----					
Turnover – net	14	1,026,080	885,002	517,452	481,606
Cost of sales	15	(793,959)	(730,134)	(329,533)	(417,260)
Gross profit		232,121	154,868	187,919	64,346
Distribution cost		(38,473)	(27,058)	(23,630)	(8,076)
Administrative expenses		(74,716)	(61,651)	(40,219)	(27,000)
Other expenses		(12,243)	(19,346)	(10,691)	(2,426)
Finance cost		(3,629)	(2,584)	(1,863)	(1,193)
		(129,061)	(110,639)	(76,403)	(38,695)
Other income	16	62,141	42,870	33,064	22,580
Profit before taxation		165,201	87,099	144,580	48,231
Taxation					
Current		(54,241)	(30,394)	(47,849)	(19,122)
Prior		9,447	-	(4,493)	-
Deferred		1,480	1,340	1,480	1,340
		(43,314)	(29,054)	(50,862)	(17,782)
Profit for the period		121,887	58,045	93,718	30,449
----- (Rupees) -----					
Earnings per share- basic and diluted		9.14	4.35	7.03	2.28

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half-Year Ended		Quarter Ended	
	2023	2022	2023	2022
	-----Rs. in '000-----			
Profit for the period	121,887	58,045	93,718	30,449
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	121,887	58,045	93,718	30,449

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOW (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	December 31, 2023	December 31, 2022
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	165,201	87,099
Adjustments for non-cash items:		
Depreciation on operating fixed assets	21,842	22,915
Gain on sales of property, plant and equipment	(8)	(6)
Finance costs	3,629	2,584
Provision for slow moving stores spares and stock in trade – net	390	1
Provision for compensated absences	(30)	-
Provision / (reversal) for warranty claims - net	505	(1,056)
Provision for employees' benefits	10,754	1,141
Profit on savings accounts / treasury bills	(60,097)	(42,454)
Government grant	-	(91)
(Gain)/ loss on revaluation / redemption of mutual fund units / listed shares	(560)	597
Dividend income	-	(153)
	<u>(23,574)</u>	<u>(16,522)</u>
	141,626	70,577
Change in current assets and current liabilities		
Stores, spare parts and loose tools	4,423	3,370
Stock-in-trade	95,591	(34,379)
Trade debts	(75,541)	213,662
Loans and advances	23,220	18,358
Trade deposits & short-term prepayments and other receivables	2,442	(6,537)
Trade and other payables	36,721	(16,672)
Sales tax	8,706	5,670
	<u>95,562</u>	<u>183,472</u>
Cash flow generated from operations	237,189	254,049
Income tax paid	(79,936)	(51,785)
Employees' benefits paid	-	(1,141)
Long-term loans and advances - net	4,601	(1,390)
Long-term deposits	3,265	861
Net cash generated from operating activities	<u>165,119</u>	<u>200,594</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(11,241)	(935)
Proceeds from disposal of property, plant and equipment	1,569	1,066
Profit received on deposit accounts / treasury bills	51,792	34,781
Investment redeem in Equity	3,169	-
Short-term investments (made) / redeemed during the period – net	(124,667)	(177,775)
Dividend received	-	153
Net cash (used in) / investing activities	<u>(79,378)</u>	<u>(142,710)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against asset subject to finance leases –net	(7,564)	(9,324)
Finance cost paid	(3,629)	(2,586)
Dividend paid	(72,673)	(62,779)
Net cash (used in) financing activities	<u>(83,866)</u>	<u>(74,689)</u>
Net increase /(decrease) in cash and cash equivalents	1,875	(16,805)
Cash and cash equivalents at the beginning of the period	18,772	66,034
Cash and cash equivalents at the end of the period	<u>20,647</u>	<u>49,229</u>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total equity
	Revaluation surplus on land	General reserve	Remeasurement loss on gratuity fund	Unappropriated Profit	

----- (Rupees in '000') -----

Balance as at July 01, 2022	133,343	579,075	160,000	(1,366)	1,170,718	1,908,428	2,041,771
Transaction with owners							
Final dividend on ordinary shares 30 June 2022 @ Rs. 4.75 per share	-	-	-	-	(63,338)	(63,338)	(63,338)
					(63,338)	(63,338)	(63,338)
Total comprehensive income for the period ended December 31, 2022							
Net 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	1,903,135	2,036,478
Balance as at July 01, 2023	133,343	579,075	160,000	(229)	1,183,782	1,922,628	2,055,971
Transaction with owners							
Final dividend on ordinary shares 30 June 2023 @ Rs. 3.5 per share	-	-	-	-	(46,670)	(46,670)	(46,670)
Interim dividend on ordinary shares 30 June 2024 @ Rs. 2.0 per share	-	-	-	-	(26,669)	(26,669)	(26,669)
					(73,339)	(73,339)	(73,339)
Total comprehensive income for the period ended December 31, 2023							
Net profit for the period	-	-	-	-	121,887	121,887	121,887
Other comprehensive Income	-	-	-	229	-	229	229
Total comprehensive income	-	-	-	229	121,887	122,116	122,116
Balance as at December 31, 2023	133,343	579,075	160,000	-	1,232,330	1,971,405	2,104,748

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

BALUCHISTAN WHEELS LIMITED NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED DECEMBER 31, 2023

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, 2023 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.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

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, 2023 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, 2023, 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, 2022.

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, 2021, 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, 2022, 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.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

2.4 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, 2023.

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, 2023.

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rs. in '000-----	
5	PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	5.1	<u>937,428</u>	<u>946,396</u>
5.1	Operating fixed assets		
Net book value at the beginning of the period / year		942,811	963,138
Additions during the period / year	5.1.1	18,021	28,716
Depreciation for the period / year		(21,842)	(45,529)
Disposals during the period / year (NBV)		(1,562)	(3,514)
Book value at the end of the period / year		<u>937,428</u>	<u>942,811</u>
Capital work in progress		-	3,585
Book value at the end of the period / year		<u>937,428</u>	<u>946,396</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
Note	-----Rs. in '000-----	

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

Plant and machinery	11,959	3,145
Furniture and fittings	-	175
Office equipment	702	1,447
Computers	287	73
Head Office(right of use)	2,725	9,110
Vehicles	2,348	14,766
	<u>18,021</u>	<u>28,716</u>

6 STORES, SPARE PARTS AND LOOSE TOOLS

Stores	8,140	8,126
Spares	85,255	89,007
Loose tools	1,531	2,216
	<u>94,926</u>	<u>99,349</u>
Provision for slow moving stores, spare parts and loose tools	6.1 <u>(62,844)</u>	<u>(62,844)</u>
	<u>32,082</u>	<u>36,505</u>

6.1 Movement in provision is as follows:

Balance at the beginning of the period / year	62,844	62,610
Provision made during the period / year	-	234
	<u>62,844</u>	<u>62,844</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

		(Unaudited) December 31, 2023	(Audited) June 30, 2023
	Note	-----Rs. in '000-----	
7 STOCK-IN-TRADE			
Raw material and components		120,181	192,742
Work-in-process		198,422	175,548
Finished goods		108,283	176,174
Scrap stock		24,662	2,674
		<u>451,548</u>	<u>547,138</u>
Stock in transit		93,180	113,668
		<u>544,728</u>	<u>660,806</u>
Provision for slow moving stock	7.1	(12,066)	(11,676)
		<u>532,662</u>	<u>649,130</u>
7.1 Movement in provision is as follows:			
Balance at the beginning of the period / year		11,676	4,018
Reversal of provision during the period / year		390	7,658
		<u>12,066</u>	<u>11,676</u>
8 TRADE DEBTS			
Unsecured - Considered good		185,949	110,408
		<u>185,949</u>	<u>110,408</u>
9 SHORT TERM INVESTMENTS			
Fair value through profit or loss			
Listed equity securities		-	2,609
		-	2,609
At amortised cost			
Treasury bills		639,571	507,295
Sukuks		-	5,000
		<u>639,571</u>	<u>514,904</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rs. in '000-----	
10 BANK BALANCES		
Saving accounts	7,928	12,004
Current accounts	12,719	6,768
	<u>20,647</u>	<u>18,772</u>
11 LEASE LIABILITIES		
Lease liabilities	26,401	33,965
Current portion	(16,279)	(20,197)
	<u>10,122</u>	<u>13,768</u>
Maturity analysis-contractual discounted cashflow:		
Less than one year	16,279	20,197
One to five years	10,122	13,768
	<u>26,401</u>	<u>33,965</u>
12 TRADE AND OTHER PAYABLES		
Creditors	23,940	16,085
Accrued liabilities	124,449	100,800
Contract liabilities	26,701	25,720
Gratuity fund	-	2,188
Provident fund	(2)	314
Retention money	455	455
Compensated absences	5,770	5,800
Workers' Profit Participation Fund	8,872	3,120
Workers' Welfare Fund	22,721	32,636
Security deposits	388	388
Mark-up on running finance	-	200
Others	342	220
	<u>213,636</u>	<u>187,926</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no change in the status of contingencies as disclosed in the annual audited financial statements for the year ended 30 June 2023, except for the following:

13.1.1 On November 24, 2023, the ACIR amended the assessment and issued order under section 122(5) of the ITO, 2001 for the Tax Year 2020 and created tax demand of Rs. 0.35418 million on various issues. Being aggrieved with the Order of the concerned ACIR, the company filed an appeal before the CIR(A) which is pending adjudication.

13.1.2 The Company received show cause notice dated April 13, 2023 issued under Section 122(9) of the ITO, 2001 by the concerned ACIR, Range-A, Zone-III, Large Tax Payers' Office(LTO), Karachi whereas in the said referred Notice, the concerned ACIR has required us to provide certain details and documents for the Tax Year 2021. Total 10 issues were raised in the above referred Notice. In this connection, we have submitted our point-wise replies through our Tax Consultant, of the required details along with supporting documents.

	(Unaudited) December 31, 2023	(Audited) June 30, 2023
	-----Rs. in '000-----	
13.2 Commitments		
Outstanding letters of guarantees	4,512	4,512
Outstanding letters of credit - raw material	219,710	6,982



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

	Half-Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rs. in '000-----			
14 TURNOVER – NET				
Local sales	1,225,810	1,068,530	620,721	582,511
Sales return	(12,742)	(2,263)	(8,583)	(895)
Sales tax	(186,988)	(181,265)	(94,686)	(100,010)
	(199,730)	(183,528)	(103,269)	(100,905)
	<u>1,026,080</u>	<u>885,002</u>	<u>517,452</u>	<u>481,606</u>
14.1	Local sales include scrap sales of Rs. 22.456 million (Dec 2022: Rs. 55.2 million).			
15 COST OF SALES				
Raw material & components consumed:				
Stock at the beginning of the period				
Raw material and components	192,743	119,216	114,845	245,644
Scrap	2,674	8,316	8,402	16,519
	<u>195,417</u>	<u>127,532</u>	<u>123,247</u>	<u>262,163</u>
Purchases	462,814	654,225	245,671	188,635
Stock at the end of the period				
Raw material and components	(120,167)	(216,558)	(120,167)	(216,558)
Scrap	(24,662)	(3,771)	(24,662)	(3,771)
	<u>(144,829)</u>	<u>(220,329)</u>	<u>(144,829)</u>	<u>(220,329)</u>
	513,402	561,428	224,089	230,469
Manufacturing overheads:				
Salaries, wages and benefits	91,844	71,012	55,567	24,510
Stores & spares consumed	35,246	35,600	18,277	15,321
Fuel and power	38,504	28,561	22,340	5,921
Depreciation	16,431	18,118	8,322	9,062
Services rendered by contractors	29,971	30,803	18,372	20,033
Staff transportation	13,763	11,166	7,734	5,621
Repairs and maintenance	2,599	5,364	1,991	3,595



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

	Half-Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rs. in '000-----			
Travelling and conveyance	156	65	104	-
Vehicle running	2,685	2,449	1,231	1,093
Insurance	2,189	1,917	1,200	848
Communication	276	252	126	130
Entertainment	1,418	1,255	684	695
Printing and stationery	-	2	-	2
Subscription and periodicals	21	38	3	19
Provision for slow moving stores & spares	-	-	-	-
Provision for slow moving stock in trade	390	-	390	-
Computer	22	34	12	24
Others	46	57	46	49
	235,561	206,693	136,399	86,923
Manufacturing Cost	748,963	768,121	360,488	317,392
Work in process				
As at the beginning of the period	175,548	177,745	171,864	241,865
As at the end of the period	(198,443)	(180,382)	(198,443)	(180,382)
	(22,895)	(2,637)	(26,579)	61,483
Cost of goods manufactured	726,068	765,484	333,909	378,875
Finished goods				
As at the beginning of the period	176,174	84,855	103,907	158,590
As at the end of the period	(108,283)	(120,205)	(108,283)	(120,205)
	67,891	(35,350)	(4,376)	38,385
	793,959	730,134	329,533	417,260

	Half-Year Ended		Quarter Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	-----Rs. in '000-----			
16 OTHER INCOME				
Income from financial assets				
Profit on savings accounts & Treasury Bills	60,097	42,600	32,038	22,257
Dividend income	-	153	-	21
Realised gain / unrealized (loss) on investment at FVTPL	560	(597)	-	(315)
	60,657	42,156	32,038	21,963
Income from non-financial assets				
Gain on sale of operating fixed assets	8	6	(5)	-
Exchange Gain- Net	1,273	91	828	-
Others	203	617	203	617
	1,484	714	1,026	617
	62,141	42,870	33,064	22,580



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

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, 2023	December 31, 2022
		-----Rs. in '000-----	
Key management personnel	Sale of vehicle / equipments	1,525	29
Key management personnel	Long term loans	4,141	4,746
Key management personnel	Advances	-	4,702
Key management personnel	Remuneration	13,464	18,128
Executives directors	Remuneration	32,317	28,222
Non-executive directors	Meeting fee	1,445	1,315
		December 31,	June 30,
		2023	2023
		(Un-audited)	(Audited)
		----- (Rupees in '000) -----	
Period end / year balances			
Due from key management personnel		4,141	9,448
		<u>4,141</u>	<u>9,448</u>

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, 2023.

19 NUMBER OF EMPLOYEES

The number of employees including contractual employees as at December 2023 was 208. (June 2023 :207)



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

20 NON-ADJUSTING EVENTS AFTER THE REPORTING DATE

20.1 The majority shareholders representing approximately 63.56% shareholding of the Company have entered into Share Purchase Agreement (SPA), on October 09, 2023 with a potential acquirer for the sale of 8,474,907 shares. The consummation of the proposed transaction is subject to the terms of SPA, receipt of requisite approvals, clearance from the Competition Commission of Pakistan, including issuance of public offer by the acquirer and completion of other closing formalities.

20.2 The Board of Directors in their meeting held on February 02, 2024 declared an interim cash dividend @ 50% i.e. Rs. 5.00 per share amounting to Rs. 66.671 million, for the second quarter / half year ended December 2023. This is in addition to 20% i.e. Rs. 2.00 per share dividend, amounting to Rs. 26.669 million already paid in first quarter. These condensed interim financial statements do not reflect this dividend payable which will be accounted for in the period in which it is approved.

21 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorised for issue on February 02, 2024 by the Board of Directors of the Company.

22 GENERAL

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

A handwritten signature in black ink, appearing to be "A. Khan", written over a horizontal line.

CHIEF EXECUTIVE OFFICER

A handwritten signature in black ink, appearing to be "M. Khan", written over a horizontal line.

DIRECTOR

A handwritten signature in black ink, appearing to be "Y. Khan", written over a horizontal line.

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 Corp. 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 Automobiles Ltd.





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