



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

ANNUAL REPORT 2023



www.bwheels.com



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



To produce Automotive Wheels and Allied Products of International Quality Standard of ISO 9002 and contribute towards national economy by import substitution, exports, taxation, employment and consistently compensate the stake holders through stable returns.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

CONTENTS

● Company Information	03
● Board of Directors	04
● Management Team	07
● Six Years at a Glance	09
● Horizontal & Vertical Analysis	11
● Statement of Value Addition & Its Distribution	15
● Review Report by the Chairman	16
● Directors' Report to the Shareholders (English)	18
● Directors' Report to the Shareholders (Urdu)	27
● Investor Relations	36
● Statement of Compliance with the Best Practices of Code of Corporate Governance	37
● Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	40
● Auditor's Report to the Members	41
● Statement of Financial Position	45
● Statement of Profit or Loss	46
● Statement of Comprehensive Income	47
● Statement of Cash Flows	48
● Statement of Changes in Equity	49
● Notes to the Financial Statements	50
● Pattern & Breakup of Shareholding	96
● Notice of the Meeting & Proxy Form	98
● Code of Conduct / Statement of Ethics and Business Practices	102

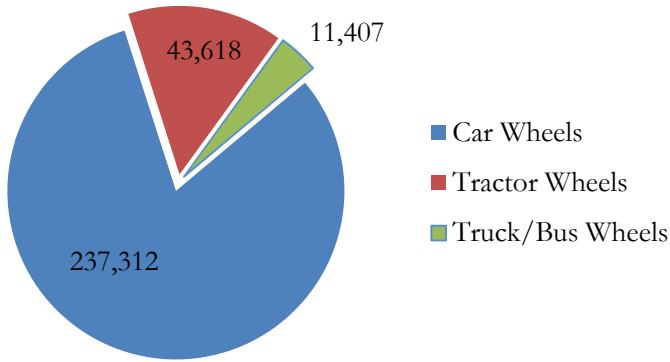


BALUCHISTAN WHEELS LIMITED

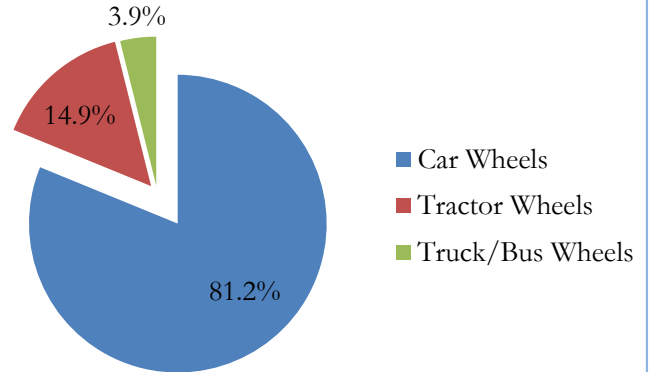
Manufacturers of Automotive Wheels in Pakistan

GRAPHICAL REPRESENTATION

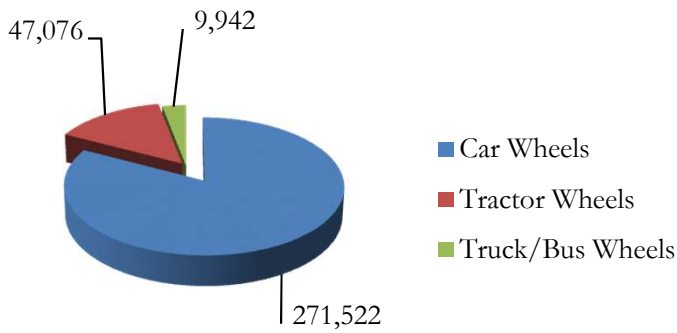
Sales in Qty 2023



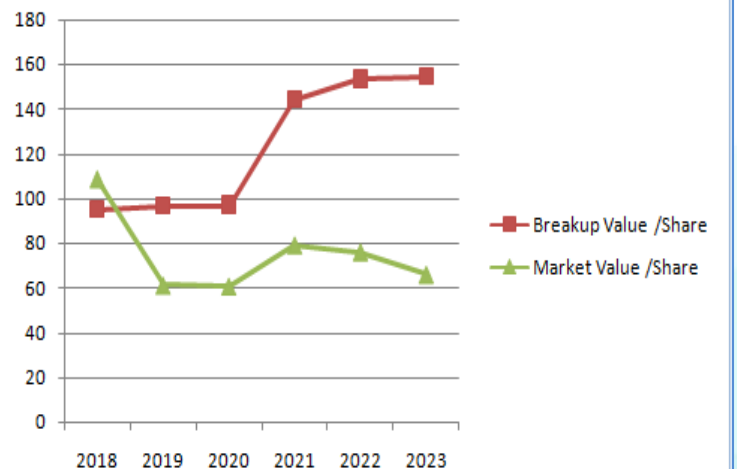
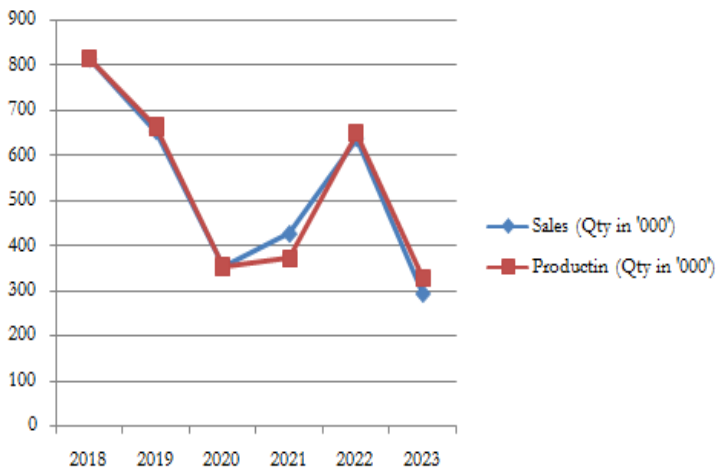
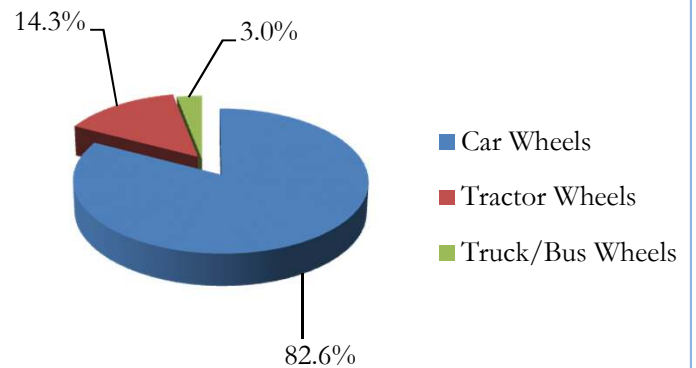
Sales in % 2023



Production in Qty 2023



Production in % 2023





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 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
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 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: 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, 28
Fax # (0853) 364025



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS



Mr. Anis Wahab Zuberi
Chairman (Non Executive Director)

Mr. Anis Wahab Zuberi is a Non Executive Director and he is a Chartered Accountant and a fellow of the Institute of the Chartered Accountants in England and Wales and Pakistan. He carries a vast experience of teaching, management of large scale industries, investment and financing. He has been associated with National Investment Trust (NIT) and has served on the Board of various companies as a nominee Director of NIT. He has attended various seminars and lectures in the process of continuing professional development and have been associated with Institute of Chartered Accountants of Pakistan (ICAP) Committee for Technical Services and also served as a member of Quality Assurance Board of ICAP.

He is a Certified Director and had completed Director's Training Programme from the Institute of Chartered Accountants of Pakistan.



Mr. Razak H. M. Bengali
Managing Director / CEO (Executive Director)

Mr. Razak Haji Mohammed Bengali belongs to an industrialist family which has been in business since 1947. After graduating in First Class First Position in commerce from Karachi, he joined Siemens and proceeded to Germany where he received business education in German language and passed the examination of Industrial Businessmen (equivalent to MBA).

After coming back from Germany, he remained associated with his family business for about 30 years. At present, he is the Chief Executive of Baluchistan Wheels Limited (an engineering unit producing automotive steel wheel rims), which position he has been holding since July, 1998.

He has been the Chairman of Filament Yarn Manufacturers Association, and Vice President of the Employers Federation of Pakistan.

Also, he has been the President and Vice President of Pakistan German Business Forum (PGBF) for a long number of years. He made this institution active and vibrant which has the recognition and support of various Government organizations and the business people in Pakistan and in Germany.

He holds the membership of the following social bodies:

1. Member and Past President of Karachi Gymkhana
2. Member of Karachi Boat Club
3. Member of Rotary Club of Karachi Continental
4. Member of Defence Authority Country & Golf Club

Also, he has participated in various international seminars, and has widely traveled around the globe. Besides English and Urdu, he is well-versed in German language.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



Mr. Muhammad Siddique Misri

Director Marketing / Business Development (Executive Director)

Mr. Muhammad Siddique Misri is a Graduate from Sindh University. After graduation, he proceeded to Saudi Arabia and started his business of trading, imports and distribution of food items from 1982 and captured a larger market share in this field in Saudi Arabia.

He came back to Pakistan and set up a food processing industry with the name of Zaiqa Food Industries in the year 1995. The unit is engaged in processing of spices and other foods items and in exports of the same to the gulf countries, the Middle East, the UK, the USA and the Canada. In the year 1998, he took over with the association of his friends the management of Baluchistan Wheels Limited, and since then he is involved in managing and running the company with dedication and hard-work. He is a man of wisdom and possesses business acumen.

He has been the member of Managing Committee of the Federation of Pakistan Chambers of Commerce & Industry. He has also served as the Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM) and played an active role for the growth of Vending Industry as well as for the Auto Industry in the Country.



Mr. Muhammad Irfan Ghani

Chief Operating Officer (Executive Director)

Mr. Muhammad Irfan Ghani joined Baluchistan Wheels Ltd as Chief Operating Officer (C.O.O) in the year 1996 and took the responsibility of planning and production. He has been instrumental in the balancing modernization and expansion of various Plant facilities at BWL. He has over 30 years of experience in the field of manufacturing, marketing & administration. He has been associated with various business groups. He is certified Director and had successfully completed Director's Training Programme from the Institute of the Chartered Accountants of Pakistan (ICAP).



Syed Zubair Ahmed Shah

Independent Director

Syed Zubair Ahmad Shah is MBA from the Institute of Business Administration (IBA) Karachi and MPhil in Economics from Glasgow University UK. He did post graduate diploma in General Management of State Enterprises with distinction from the Research Institute for Development Sciences, Netherlands. In addition he has attended and qualified various short international seminars/courses in the field of Privatization, Development Policies, Corporate Planning and Performance Evaluation etc. He joined NIT on May 21, 2010 as Controller of Branches. He have been representing NIT as Director on the Board of various Companies since 1999. Presently he represents NIT as Director on the Board of Bannu Woollen Mills Ltd. He is an independent Director on the Board of Baluchistan Wheels Ltd.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



Mr. Muhammad Javed
Independent Director

Mr. Muhammad Javed is a Mechanical Engineer and life time member of Pakistan Engineering Council. He had foreign training in Japan and visits to China, Taiwan, Malaysia, Netherlands, Turkey and India for technical agreement, selection /testing and development of plant machinery and equipment.

He has over 40 years' experience of managing engineering and automobile wheel industry. He retired from the Baluchistan Wheels Limited in 2015 after serving 31years at various positions, Head of Technical Division and Director on Board and executed projects of Plant Expansion & Modernization.



Mr. Irfan Ahmed Qureshi
Independent Director

Mr. Irfan Ahmed Qureshi has over 30 years of versatile experience in the fields of Investment-Banking, Feasibility Studies of projects and its implementation by raising equity & debt, Leasing, Finance and Corporate affairs and Manufacturing. He had been associated with Baluchistan Wheels Ltd (BWL) for over 15 years in various capacities as company secretary, Head of Finance & Director on the Board. He retired from the Baluchistan Wheels Limited in 2015 and is very well versed with the Auto Vending and Assembly Industry. He is a Commerce Graduate and an MBA besides he is also a member of Institute of Chartered Secretaries and Managers.



Mr. Aamir Amin
Independent Director

Mr. Aamir Amin is at present Head of Finance of National Investment Trust Limited. Mr. Amin is a Chartered Accountant by profession from Institute of Chartered Accountants of Pakistan (ICAP) with training from Ernst & Young – Pakistan. He is also a Certified Information Systems Auditor (CISA). He has work experience of over 19 years, substantially in financial services industry and also represents NIT as Nominee Director on various Boards.



Mrs. Saba Nadeem
Non-Executive / Female Director

Mrs. Saba Nadeem belongs to a business family. She has done A 'Levels. Also, she has done Diploma in Interior Designing from the Indus Valley School of Arts, and remained involved in activities like Fabric Painting and Glass Painting. She has been a teacher in a grammar school in Clifton, Karachi.

She is a Certified Director and had completed Director Education Certification Program from the Institute of Cost & Management Accountants of Pakistan (ICMAP).

She has developed a special interest in being involved in business and commerce and, therefore, she has chosen to be on the Board of Directors of Baluchistan Wheels Limited.



BALUCHISTAN WHEELS LIMITED

MANAGEMENT TEAM



Mr. Razak H.M. Bengali
Managing Director / Chief Executive Officer
(Executive Director)



Mr. Muhammad Siddique Misri
Director Marketing / Business Development
(Executive Director)



Mr. Muhammad Irfan Ghani
Chief Operating Officer
(Executive Director)



Mr. Muhammad Yasin Yunus Ladha
Chief Financial Officer / Sr. General Manager (Finance)

Mr. Muhammad Yasin Ladha is an associate of the Institute of Chartered Accountants of Pakistan (ICAP) & a fellow member of the Institute of Cost & Management Accountants of Pakistan (ICMAP). Besides this he is also fellow member of Chartered Secretaries, Certified Internal Control Auditor (USA) and CPA (UK).

He is also a member of the Economic Advisory & Government Relationship Committee of the ICAP. He has over thirty years of experience in the field of Finance & Accounts, Taxation & Corporate Affairs.

He has worked in various multinational / public listed companies. He is associated with the Company since 1996. Presently, he is CFO / Senior General Manager (Finance).



Mr. Fareed Abdul Razzak
General Manager (Finance) / Deputy CFO

Mr. Fareed Abdul Razzak has done his EMBA from Karachi School of Business Leadership (KSBL), he is also MBA (Finance) and MCS. He is associated with the company since year 2000 and currently working as General Manager Finance / Deputy CFO.

He has vast experience in the field of Accounts & Finance, Treasury, Banking Matters & Corporate Affairs.



MANAGEMENT TEAM



Syed Pervez Akhtar
General Manager (H.R / I.R)

Syed Pervez Akhtar has done his MBA in Human Resource Management and is also a Law Graduate.

He carries working experience of 25 years in the areas of Human Resource Management and Industrial Relations in reputed organizations such as Kohinoor Chemical Co. (Tibet Group), S.G. Fiber Limited and Pak Hy-Oils Limited.



Mr. Muhammad Asad Saeed
Company Secretary / Deputy General Manager (Finance)

Mr. Muhammad Asad Saeed is an associate of the Institute of Chartered Accountants of Pakistan (ICAP). He has over twenty years of experience in the field of Finance & Accounts, Taxation, Internal Audit & Corporate Affairs. He has worked in various public listed companies. At present, he is working as Company Secretary / Deputy General Manager (Finance).

He is associated with the company since 2007. In addition he has attended various seminars /courses / conferences on Finance / Taxation / Audit / Corporate & Financial Reporting /Budget etc.



Mr. Kumail Irfan Ghani
Deputy General Manager (Supply & Services)

Mr. Kumail Irfan Ghani completed his BSc (Hons) Accounting from University of Hull, England and MSc Banking and International Finance from Cass Business School, London, England.

He has previously worked at Standard Chartered and NIB Bank. Mr. Kumail is a progressive minded individual who joined us in 2014. Currently he is working as Head of Supply & Services Department.

Chief Internal Auditor



Mr. Atif Iqbal
Chief Internal Auditor

Mr. Atif Iqbal has done his MBA in Finance. He is associated with the Company since 2004 and currently working as Chief Internal Auditor / Senior Manager. He has over eighteen years of experience in the field of Audit, Finance, Taxation, Treasury & Banking Matters and Corporate Affairs.



BALUCHISTAN WHEELS LIMITED

SIX YEARS AT A GLANCE

STATEMENT OF FINANCIAL POSITION

Rupees in '000'

	2023	2022	2021	2020	2019	2018
ASSETS						
Non Current Assets						
Property, plant & equipment	946,396	963,138	950,050	414,291	449,581	494,967
Long-term loans & advances	7,753	6,138	6,176	3,826	3,415	3,855
Long-term deposits	8,579	7,649	7,709	4,418	4,607	5,777
	962,728	976,925	963,935	422,535	457,603	504,599
Current Assets						
Stores, spare parts & loose tools	36,505	39,729	37,804	39,345	50,840	54,455
Stock-in-trade	649,130	539,764	343,671	413,575	525,105	532,188
Trade debts	110,408	258,317	264,625	108,542	144,187	165,572
Loans and advances	38,408	41,073	32,004	16,331	15,914	24,805
Trade deposits and short term prepayments	778	1,433	556	1,709	2,347	2,049
Other receivables	13,951	792	29,986	7,010	431	928
Short term investments	514,904	523,766	550,573	333,906	102,827	5,516
Sales tax refundable - net	12,049	-	595	1,826	-	-
Taxation - net	-	-	32,690	103,518	129,302	141,608
Bank balances	18,772	66,034	19,320	60,362	44,994	31,116
	1,394,905	1,470,908	1,311,824	1,086,124	1,015,947	958,237
TOTAL ASSETS	2,357,633	2,447,833	2,275,759	1,508,659	1,473,550	1,462,836
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Authorised Capital						
25,000,000 Ord. shares of Rs. 10/- each	250,000	250,000	250,000	250,000	250,000	250,000
Share Capital	133,343	133,343	133,343	133,343	133,343	133,343
Revaluation of Land	579,075	579,075	538,518	-	-	-
Reserves	1,343,553	1,329,352	1,249,035	1,161,311	1,154,676	1,135,647
	2,055,971	2,041,770	1,920,896	1,294,654	1,288,019	1,268,990
Non Current Liabilities						
Liabilities against assets subject to finance lease	13,768	13,949	23,477	6,330	989	5,306
Long term loan	-	-	10,418	30,849	-	-
Long term deposits	1,115	896	1,405	982	2,010	1,710
Long term Government grant	-	-	91	1,923	-	-
GIDC Payable	-	-	1,311	-	-	-
Deferred taxation	31,485	34,972	33,694	33,292	38,250	34,958
	46,368	49,817	70,396	73,376	41,249	41,974
Current Liabilities						
Trade and other payables	187,926	183,306	240,350	116,995	122,709	133,499
Unclaimed dividend	8,184	7,087	6,065	5,913	6,846	5,281
Current portion of						
- liabilities against assets subject to finance lease	20,197	12,365	13,973	5,302	3,747	5,257
- long term loan	-	8,790	19,768	8,711	-	-
- long term advance	-	-	-	-	2,580	-
- long term deposits	89	1,053	563	1,457	-	-
- long term government grant	-	91	1,278	1,438	-	-
GIDC Payable	-	175	581	-	-	-
Provision for warranty	1,502	2,716	1,889	813	1,354	5,033
Taxation-net	37,396	130,781	-	-	-	-
Sales tax payable - net	-	9,882	-	-	7,046	2,802
	255,294	356,246	284,467	140,629	144,282	151,872
TOTAL EQUITY AND LIABILITIES	2,357,633	2,447,833	2,275,759	1,508,659	1,473,550	1,462,836



BALUCHISTAN WHEELS LIMITED

10

SIX YEARS AT A GLANCE

STATEMENT OF PROFIT OR LOSS

Rupees in '000'

	2023	2022	2021	2020	2019	2018
Turnover - net	1,675,857	2,778,192	1,574,822	912,820	1,587,558	1,882,640
Cost of Sales	(1,349,925)	(2,166,540)	(1,331,759)	(795,406)	(1,341,776)	(1,612,676)
Gross Profit	325,932	611,652	243,063	117,414	245,782	269,964
Distribution Costs	(57,325)	(66,798)	(51,477)	(35,424)	(44,945)	(60,116)
Administration Expenses	(120,601)	(116,612)	(91,246)	(82,148)	(92,595)	(92,075)
Other Expenses	(41,796)	(51,406)	(10,496)	(1,784)	(12,541)	(8,284)
Finance Costs	(5,559)	(3,976)	(4,216)	(2,353)	(6,791)	(1,927)
	(225,281)	(238,792)	(157,435)	(121,709)	(156,872)	(162,402)
Other Income	101,101	52,514	55,940	27,990	5,045	180
Profit before Taxation	201,752	425,374	141,568	23,695	93,955	107,742
Taxation	(65,346)	(217,136)	(40,882)	(4,775)	(22,443)	(19,953)
Profit after Taxation	136,406	208,238	100,686	18,920	71,512	87,789
Earnings per Share (Rupees) - Basic and Diluted	10.23	15.62	7.55	1.42	5.36	6.58

SIGNIFICANT RATIOS AND STATISTICS

	2023	2022	2021	2020	2019	2018
Liquidity & Leverage Ratios:						
-Current Ratios	5.46	4.13	4.59	7.72	7.04	6.31
-Quick Ratios	2.78	2.50	3.26	4.50	3.05	2.45
-Liability as a % of Total Assets	12.80	16.59	15.59	14.19	12.59	13.25
-Interest Cover Ratio (Times)	37.28	107.99	34.58	11.07	14.84	56.91
Equity Ratios:						
-Break up Value per Share (Rs)	154.19	153.12	144.06	97.09	96.59	95.18
-Dividend as a % of Capital	80.00	100.00	45.00	15.00	20.00	30.00
-Dividend Yield Ratio/ Cost of Equity (%)	12.12	13.16	5.70	2.47	3.27	2.77
-Dividend per Share (Rs)	8.00	10.00	4.50	1.50	2.00	3.00
Profitability Ratios:						
-Gross Profit (%)	19.45	22.02	15.43	12.86	15.48	14.34
-Operating Profit(%)	12.37	17.30	9.92	3.05	6.34	5.83
-Profit before Tax(%)	12.04	15.31	8.99	2.60	5.92	5.72
-Profit after Tax (%)	8.14	7.50	6.39	2.07	4.50	4.66
-Return on Capital Employed(%)	9.81	20.83	7.37	1.83	7.29	8.49
-Earnings per Share (Rs)	10.23	15.62	7.55	1.42	5.36	6.58
-Price Earing Ratio(Times)	6.45	4.87	10.46	42.80	11.41	16.45
-Dividend Payout Ratio (%)	78.20	64.03	59.59	105.71	37.31	45.56
-Dividend Cover (Times)	1.28	1.56	1.68	0.95	2.68	2.19
-Capital Turnover (Times)	0.82	1.36	0.82	0.71	1.23	1.48
-Return on Assets (%)	5.78	8.51	4.42	1.25	4.85	6.00
Turnover/Efficiency Ratios:						
-Inventory Turnover Ratio(Times)	2.13	4.51	3.19	1.55	2.31	2.78
-Debtor Turnover Ratio(Times)	9.09	10.63	8.44	7.22	10.25	14.41
-Fixed Assets Turnover Ratio(Times)	1.77	2.88	1.66	2.28	3.53	3.80
Plant Capacity:						
-Plant Capacity Utilisation (%)	39	76	44	42	79	96
Share Performance:						
-Year end Market Price per Share	66.00	76.00	78.99	60.73	61.15	108.21
-High Price per Share during the Year	86.49	90.75	92.44	71.89	111.90	160.94
-Low Price per Share during the Year	57.00	62.00	55.20	40.27	61.15	96.00



BALUCHISTAN WHEELS LIMITED

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

	2023 Rs. in '000'	2023 Vs. 2022 (%)	2022 Rs. in '000'	2022 Vs. 2021 (%)	2021 Rs. in '000'	2021 Vs. 2020 (%)	2020 Rs. in '000'	2020 Vs. 2019 (%)	2019 Rs. in '000'	2019 Vs. 2018 (%)	2018 Rs. in '000'	2018 Vs. 2017 (%)
ASSETS												
Non Current Assets												
Property, plant & equipment	946,396	(2)	963,138	1	950,050	129	414,291	(8)	449,581	(9)	494,967	35
Long-term loans & advances	7,753	26	6,138	(1)	6,176	61	3,826	12	3,415	(11)	3,855	(10)
Long-term deposits	8,579	12	7,649	(1)	7,709	74	4,418	(4)	4,607	(20)	5,777	14
	962,728	(1)	976,925	1	963,935	128	422,535	(8)	457,603	(9)	504,599	34
Current Assets												
Stores, spare parts & loose tools	36,505	(8)	39,729	5	37,804	(4)	39,345	(23)	50,840	(7)	54,455	(3)
Stock-in-trade	649,130	20	539,764	57	343,671	(17)	413,575	(21)	525,105	(1)	532,188	3
Trade debts	110,408	(57)	258,317	(2)	264,625	144	108,542	(25)	144,187	(13)	165,572	73
Loans and advances	38,408	(6)	41,073	28	32,004	96	16,331	3	15,914	(36)	24,805	(24)
Trade deposits and short term prepayments	778	(46)	1,433	158	556	(67)	1,709	(27)	2,347	15	2,049	21
Other receivables	13,951	1,661	792	(97)	29,986	328	7,010	1,526	431	(54)	928	(68)
Short term investments	514,904	(2)	523,766	(5)	550,573	65	333,906	225	102,827	1,764	5,516	(98)
Taxation - net	-	(100)	-	(100)	32,690	(68)	103,518	(20)	129,302	(9)	141,608	83
Sales tax refundable - net	12,049	100	-	(100)	595	100	1,826	100	-	-	-	(100)
Bank balances	18,772	(72)	66,034	242	19,320	(68)	60,362	34	44,994	45	31,116	13
	1,394,905	(5)	1,470,908	12	1,311,824	21	1,086,124	7	1,015,947	6	958,237	(12)
TOTAL ASSETS	2,357,633	(4)	2,447,833	8	2,275,759	51	1,508,659	2	1,473,550	1	1,462,836	0
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Authorised Capital												
25,000,000 Ord. shares of Rs. 10/- each	250,000		250,000		250,000		250,000		250,000		250,000	
Share Capital	133,343	-	133,343	-	133,343	-	133,343	-	133,343	-	133,343	-
Revaluation Surplus on land	579,075	-	579,075	8	538,518	100	-	-	-	-	-	-
Revenue Reserves	1,343,553	1	1,329,352	6	1,249,035	8	1,161,311	1	1,154,676	2	1,135,647	3
	2,055,971	1	2,041,770	6	1,920,896	48	1,294,654	1	1,288,019	1	1,268,990	2
Non Current Liabilities												
Liabilities against assets subject to finance lease												
Long term loan	13,768	(1)	13,949	(41)	23,477	271	6,330	540	989	(81)	5,306	7
Long term deposits	1,115	24	896	(36)	1,405	43	982	(51)	2,010	18	1,710	96
Long term Govt Grant	-	(100)	-	(100)	91	(95)	1,923	100	-	-	-	-
GIDC Payable	-	(100)	-	(100)	1,311	100	-	-	-	-	-	-
Deferred taxation	31,485	(10)	34,972	4	33,694	1	33,293	(13)	38,250	9	34,958	20
	46,368	(7)	49,817	(29)	70,396	(4)	73,377	78	41,249	(2)	41,974	20
Current Liabilities												
Trade and other payables	187,926	3	183,306	(24)	240,350	105	116,995	(7)	125,289	(6)	133,499	(22)
Unclaimed dividend	8,184	15	7,087	17	6,065	3	5,913	(14)	6,846	30	5,281	9
Current portion of - liabilities against assets subject to finance leases	20,197	63	12,365	(12)	13,973	164	5,302	41	3,747	(29)	5,257	78
- long term loan	-	(100)	8,790	(56)	19,768	127	8,711	100	-	-	-	-
- long term deposits	89	(92)	1,053	87	563	(61)	1,457	100	-	-	-	-
- long term Government Grant	-	(100)	91	(93)	1,278	(11)	1,438	100	-	-	-	-
- GIDC Payable	-	(100)	175	(70)	581	100	-	-	-	-	-	-
Provision for warranty	1,502	(45)	2,716	44	1,889	132	813	(40)	1,354	(73)	5,033	24
Taxation-net	37,396	100	130,781	100	-	-	-	-	-	-	-	-
Sales tax payable - net	-	100	9,882	100	-	-	-	(100)	7,046	100	2,802	100
	255,294	(28)	356,246	25	284,467	102	140,629	(3)	144,282	(5)	151,872	(17)
TOTAL EQUITY AND LIABILITIES	2,357,633	(4)	2,447,833	8	2,275,759	51	1,508,659	2	1,473,550	1	1,462,836	0



BALUCHISTAN WHEELS LIMITED

HORIZONTAL ANALYSIS STATEMENT OF PROFIT OR LOSS

	2023 Rs. in '000'	2023 Vs. 2022 (%)	2022 Rs. in '000'	2022 Vs. 2021 (%)	2021 Rs. in '000'	2021 Vs. 2020 (%)	2020 Rs. in '000'	2020 Vs. 2019 (%)	2019 Rs. in '000'	2019 Vs. 2018 (%)	2018 Rs. in '000'	2018 Vs. 2017 (%)
Turnover - net	1,675,857	(40)	2,778,192	76	1,574,822	73	912,820	(43)	1,587,558	(16)	1,882,640	23
Cost of Sales	<u>(1,349,925)</u>	(38)	<u>(2,166,540)</u>	63	<u>(1,331,759)</u>	67	<u>(795,406)</u>	(41)	<u>(1,341,776)</u>	(17)	<u>(1,612,676)</u>	31
Gorss Profit	325,932	(47)	611,652	152	243,063	107	117,414	(52)	245,782	(9)	269,964	(10)
Administration Expenses	(120,601)	3	(116,612)	28	(91,246)	11	(82,148)	(11)	(92,676)	1	(92,075)	7
Selling and distribution Exp	(57,325)	(14)	(66,798)	30	(51,477)	45	(35,424)	(21)	(44,945)	(25)	(60,116)	22
Other expenses	(41,796)	(19)	(51,406)	390	(10,496)	488	(1,784)	(86)	(12,541)	51	(8,284)	(45)
Other Income	101,101	93	52,514	(6)	55,940	100	27,990	446	5,126	2,748	180	(99)
	<u>(118,621)</u>	(35)	<u>(182,302)</u>	87	<u>(97,279)</u>	6	<u>(91,366)</u>	(37)	<u>(145,036)</u>	(10)	<u>(160,295)</u>	28
Operating Profit	207,311		429,350		145,784		26,048		100,746		109,669	
Finance Costs	<u>(5,559)</u>	40	<u>(3,976)</u>	(6)	<u>(4,216)</u>	79	<u>(2,353)</u>	(65)	<u>(6,791)</u>	252	<u>(1,927)</u>	40
Profit before Taxation	201,752	(53)	425,374	200	141,568	497	23,695	(75)	93,955	(13)	107,742	(37)
Taxation	<u>(65,346)</u>	(70)	<u>(217,136)</u>	431	<u>(40,882)</u>	756	<u>(4,775)</u>	(79)	<u>(22,443)</u>	12	<u>(19,953)</u>	(56)
Profit after Taxation	<u><u>136,406</u></u>	(34)	<u><u>208,238</u></u>	107	<u><u>100,686</u></u>	432	<u><u>18,920</u></u>	(74)	<u><u>71,512</u></u>	(19)	<u><u>87,789</u></u>	(31)
Earnings per Share- Basic and Diluted (Rupees)	<u><u>10.23</u></u>	(34)	<u><u>15.62</u></u>	107	<u><u>7.55</u></u>	432	<u><u>1.42</u></u>	(74)	<u><u>5.36</u></u>	(19)	<u><u>6.58</u></u>	(31)



BALUCHISTAN WHEELS LIMITED

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

	2023		2022		2021		2020		2019		2018	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
ASSETS												
Non Current Assets												
Property, plant & equipment	946,396	40.1	963,138	40.9	950,050	38.8	414,291	18.2	449,581	29.8	494,967	33.6
Long-term loans & advances	7,753	0.3	6,138	0.3	6,176	0.3	3,826	0.2	3,415	0.2	3,855	0.3
Long-term deposits	8,579	0.4	7,649	0.3	7,709	0.3	4,418	0.2	4,607	0.3	5,777	0.4
	962,728	40.8	976,925	41.4	963,935	39.4	422,535	28.0	457,603	30.3	504,599	34.2
Current Assets												
Stores, spare parts & loose tools	36,505	1.5	39,729	1.7	37,804	1.5	39,345	1.7	50,840	3.4	54,455	3.7
Stock-in-trade	649,130	27.5	539,764	22.9	343,671	14.0	413,575	18.2	525,105	34.8	532,188	36.1
Trade debts	110,408	4.7	258,317	11.0	264,625	10.8	108,542	4.8	144,187	9.6	165,572	11.2
Loans and advances	38,408	1.6	41,073	1.7	32,004	1.3	16,330	0.7	15,914	1.1	24,805	1.7
Trade deposits and short term prepayments	778	0.0	1,433	0.1	556	0.0	1,709	0.1	2,347	0.2	2,049	0.1
Other receivables	13,951	0.6	792	0.0	29,986	1.2	7,010	0.3	431	0.0	928	0.1
Short term investments	514,904	21.8	523,766	22.2	550,573	22.5	333,906	14.7	102,827	6.8	5,516	0.4
Taxation - net	-	0.0	-	0.0	32,690	1.3	103,518	4.5	129,302	8.6	141,608	9.6
Sales tax refundable - net	12,049	0.5	-	0.0	595	0.0	1,827	0.1	-	0.0	-	0.0
Bank balances	18,772	0.8	66,034	2.8	19,320	0.8	60,362	2.7	44,994	3.0	31,116	2.1
	1,394,905	59.2	1,470,908	62.4	1,311,824	53.6	1,086,124	47.7	1,015,947	67.3	958,237	65.0
TOTAL ASSETS	2,357,633	100.0	2,447,833	103.8	2,275,759	93.0	1,508,659	66.3	1,473,550	97.7	1,462,836	99.3
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Authorised Capital												
25,000,000 Ord. shares of Rs. 10/- each	250,000		250,000		250,000		250,000		250,000		250,000	
Share Capital	133,343	5.7	133,343	5.7	133,343	5.4	133,343	5.9	133,343	8.8	133,343	9.0
Revaluation Surplus on land	579,075	24.6	579,075	24.6	538,518	22.0	-	0.0	-	0.0	-	0.0
Revenue Reserves	1,343,553	57.0	1,329,352	56.4	1,249,035	51.0	1,161,311	51.0	1,154,676	76.5	1,135,647	77.1
	2,055,971	87.2	2,041,770	86.6	1,920,896	78.5	1,294,654	56.9	1,288,019	85.4	1,268,990	86.1
Non Current Liabilities												
Liabilities against assets subject to finance lease	13,768	0.6	13,949	0.6	23,477	1.0	6,330	0.3	989	0.1	5,306	0.4
Long term loan	-	0.0	-	0.0	10,418	0.4	-	0.0	-	0.0	-	0.0
Long term deposits	1,115	0.0	896	0.0	1,405	0.1	982	0.0	2,010	0.1	1,710	0.1
Long term Govt Grant	-	0.0	-	0.0	91	0.0	1,923	0.1	-	0.0	-	0.0
GIDC Payable	-	0.0	-	0.0	1,311	0.1	-	0.0	-	0.0	-	0.0
Deferred taxation	31,485	1.3	34,972	1.5	33,694	1.4	33,293	1.5	38,250	2.5	34,958	2.4
	46,368	2.0	49,817	2.1	70,396	2.9	73,377	3.2	41,249	2.7	41,974	2.8
Current Liabilities												
Trade and other payables	187,926	8.0	183,306	7.8	240,350	9.8	116,995	5.1	125,289	8.3	133,499	9.1
Unclaimed dividend Current portion of	8,184	0.3	7,087	0.3	6,065	0.2	5,913	0.3	6,846	0.5	5,281	0.4
- liabilities against assets subject to finance lease	20,197	0.9	12,365	0.5	13,973	0.6	5,302	0.2	3,747	0.2	5,257	0.4
- long term loan	-	0.0	8,790	0.4	19,768	0.8	8,711	0.4	-	0.0	-	0.0
- long term deposits	89	0.0	1,053	0.0	563	0.0	1,457	0.1	-	0.0	-	0.0
- long term Govt Grant	-	0.0	91	0.0	1,278	0.1	1,438	0.1	-	0.0	-	0.0
- GIDC Payable	-	0.0	175	0.0	581	0.0	-	0.0	-	0.0	-	0.0
Provision for warranty	1,502	0.1	2,716	0.1	1,889	0.1	813	0.0	1,354	0.1	5,033	0.3
Taxation-net	37,396	1.6	130,781	5.5	-	0.0	-	0.0	-	0.0	-	0.0
Sales tax payable - net	-	0.0	9,882	0.4	-	0.0	-	0.0	7,046	0.5	2,802	0.2
	255,294	10.8	356,246	15.1	284,467	11.6	140,629	6.2	144,282	9.6	151,872	10.3
TOTAL EQUITY AND LIABILITIES	2,357,633	100.0	2,447,833	103.8	2,275,759	93.0	1,508,659	66.3	1,473,550	97.7	1,462,836	99.3



BALUCHISTAN WHEELS LIMITED

VERTICAL ANALYSIS STATEMENT OF PROFIT OR LOSS

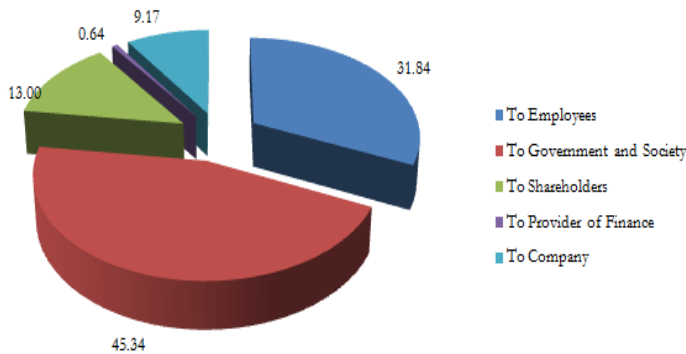
	2023		2022		2021		2020		2019		2018	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
Turnover - net	1,675,857	100	2,778,192	100	1,574,822	100	912,820	100	1,587,558	100	1,882,640	100
Cost of Sales	<u>(1,349,925)</u>	(48.59)	<u>(2,166,540)</u>	(77.98)	<u>(1,331,759)</u>	(84.57)	<u>(795,406)</u>	(87.14)	<u>(1,341,776)</u>	(84.52)	<u>(1,612,676)</u>	(85.66)
Gross Profit	325,932	11.73	611,652	22.02	243,063	15.43	117,414	12.86	245,782	15.48	269,964	14.34
Administration expenses	<u>(120,601)</u>	(4.34)	<u>(116,612)</u>	(4.20)	<u>(91,246)</u>	(5.79)	<u>(82,148)</u>	(9.00)	<u>(92,676)</u>	(5.84)	<u>(92,075)</u>	(4.89)
Selling and distribution Exp	<u>(57,325)</u>	(2.06)	<u>(66,798)</u>	(2.40)	<u>(51,477)</u>	(3.27)	<u>(35,424)</u>	(3.88)	<u>(44,945)</u>	(2.83)	<u>(60,116)</u>	(3.19)
Other expenses	<u>(41,796)</u>	(1.50)	<u>(51,406)</u>	(1.85)	<u>(10,496)</u>	(0.67)	<u>(1,784)</u>	(0.20)	<u>(12,541)</u>	(0.79)	<u>(8,284)</u>	(0.44)
Other Income	<u>101,101</u>	3.64	<u>52,514</u>	1.89	<u>55,940</u>	3.55	<u>27,990</u>	3.07	<u>5,126</u>	0.32	<u>180</u>	0.01
	<u>(118,621)</u>		<u>(182,302)</u>		<u>(97,279)</u>		<u>(91,366)</u>		<u>(145,036)</u>		<u>(160,295)</u>	
Operating Profit	207,311	7.46	429,350	15.45	145,784	5.25	26,048	0.94	100,746	3.63	109,669	3.95
Finance Cost	<u>(5,559)</u>	(0.20)	<u>(3,976)</u>	(0.14)	<u>(4,216)</u>	(0.27)	<u>(2,353)</u>	(0.26)	<u>(6,791)</u>	(0.43)	<u>(1,927)</u>	(0.10)
Profit before Taxation	201,752	7.26	425,374	15.31	141,568	8.99	23,695	2.60	93,955	5.92	107,742	5.72
Taxation	<u>(65,346)</u>	(2.35)	<u>(217,136)</u>	(7.82)	<u>(40,882)</u>	(2.60)	<u>(4,775)</u>	(0.52)	<u>(22,443)</u>	(1.41)	<u>(19,953)</u>	(1.06)
Profit after Taxation	<u>136,406</u>	4.91	<u>208,238</u>	7.50	<u>100,686</u>	6.39	<u>18,920</u>	2.07	<u>71,512</u>	4.50	<u>87,789</u>	4.66



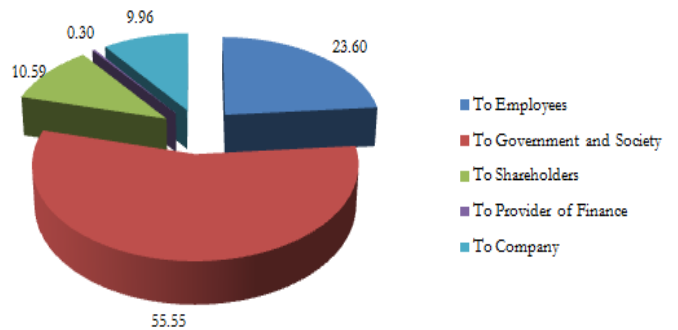
STATEMENT OF VALUE ADDITION AND ITS DISTRIBUTION

Statement of Value Addition and its Distribution	2023		2022	
	(Rupees in '000')	%	(Rupees in '000')	%
Wealth Generated				
Total gross revenue and other income	2,084,286		3,302,294	
Brought in materials and services	1,263,878		2,042,584	
	820,408	100	1,259,710	100
Wealth distribution to stakeholders				
To Employees				
Salaries and wages including retirement benefits	261,209	31.84	297,323	23.60
To Government and Society				
Income Tax, Sales Tax, FED and WWF	372,014	45.34	699,737	55.55
To Shareholders				
Dividend	106,674	13.00	133,343	10.59
To providers of Finance				
Financial charges for borrowed funds	5,249	0.64	3,795	0.30
To Company				
Retained Profits, Dep and Amortizatin	75,262	9.17	125,512	9.96
	820,408	100.00	1,259,710	100.00

Wealth distribution to stakeholders 2023



Wealth distribution to stakeholders 2022





REVIEW REPORT BY THE CHAIRMAN ON THE OVERALL PERFORMANCE OF BOARD AND EFFECTIVENESS OF THE ROLE PLAYED BY THE BOARD IN ACHIEVING THE COMPANY'S OBJECTIVES:

The Board of Directors (the Board) of Baluchistan Wheels Limited (BWL) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 (previously Companies Ordinance 1984), the Listed Companies Corporate Governance Regulations 2019 (the Code) and the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30 June 2023 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive, independent and female directors on the Board and its committees as required under the Code and that members of the Board and its respective committees have adequate skill, experience and knowledge to manage the affairs of the Company;
- The Board has formed an Audit Committee and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the five directors of the Company have certification under Directors Training Program and two directors of the Company have the exemption from the requirements of the Directors' Training Program;
- The Board has ensured that the meetings of the Board and that of its Committees were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;



- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- All the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors' report is published with the quarterly and annual financial statements of the Company and the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of Internal Audit;
- The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and
- The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows.

Based on the aforementioned, it can reasonably be stated that the Board of BWL has played a key role in ensuring that the Company objectives are not only achieved, but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.


ANIS WAHAB ZUBERI

Chairman

August 18, 2023



DIRECTORS' REPORT

The Directors are pleased to present their Report together with the Audited Financial Statements and Auditors' Report thereon for the year ended June 30, 2023.

BUSINESS REVIEW

Over all at the national level, the Passenger Cars(PCs), LCVs, Vans and Jeep sales shrunk by 56% to 123,954 units in Financial Year (FY) 23 as compared to 278,899 units in FY 22. In the same manner, Trucks/Buses sales declined by 41% to 3,836 units in FY 23 as compared to 6,498 units in FY 22. The Tractors sales also decreased by 48% to 30,942 units in FY 2023 as compared to 58,947 units in FY 22.

The decrease in overall automobile sales in FY 23 was due to: (i) Govt's restrictions on opening of Letters of Credit (LCs) for import of CKD kits (ii) Significant increase in auto prices mostly reflecting the impact of a depreciating PKR (iii) SBP's shortening of financing terms and (iv) High interest rates amid economic slowdown.

During the FY 23, the company had overall consolidated revenue of Rs.1,675.857 million as compared to Rs.2,778.192 million which is 40% lower than FY 22. The car wheels sales was Rs. 759.675 million as compared to Rs. 1,403.692 million in the previous year decreased by 46%. The Truck / Bus wheels sales was Rs. 153.198 million as compared to Rs. 229.197 million in the previous year decreased by 33%. Similarly, the Tractor wheels sales was also decreased to Rs. 664.916 million as compared to Rs. 993.229 million in the previous year decreased by 33%. The scrap sales were Rs. 95.138 million as compared to Rs. 152.037 million in the previous year which is less than 37%. However the export sales were Rs.2.929 million in FY 23. The Cost of Sales was Rs. 1,349.922 million during the year under review as against Rs. 2,166.540 million, last year

FINANCIAL RESULTS

The gross profit decreased by 47% to Rs. 325.935 million as against Rs. 611.652 million last year. Similarly, the company earned profit after taxation of Rs. 138.011 million as compared to Rs. 208.238 million in the previous year, reduced by 34%.

The main reason for decline in gross profit and net profit during the year under review 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 materials and shortage of auto-parts owing to restrictions on opening of LCs. As a result of drop in sales orders, the production activities of the company were also temporarily closed from December 12, 2022 to January 06, 2023 and thereafter from April 07, 2023 to April 20, 2023.



The comparative financial results for the year 2023 as against the year 2022 are as follows:

	2023	2022
	(Rs. in '000)	
Turnover-net	1,675,857	2,778,192
Gross Profit	325,932	611,652
Profit before Taxation	201,753	425,374
Profit after Taxation	136,406	208,238
Earnings per Share (Rs.)	10.23	15.62

EARNINGS PER SHARE

Based on the net profit for the current year, the earnings per share is **Rs. 10.23**(2022: Rs. 15.62)

DIVIDEND

The Board of Directors have approved final cash dividend of Rs. 3.5 per share(35%) for the year ended June 30, 2023 amounting Rs.46.669 million (2022: Rs.4.75 per share 47.50% amounting Rs.63.338 million). This is in addition to the interim cash dividend of Rs. 4.50 per share (45%) already declared and paid to the shareholders thus making a total of Rs. 8.00 per share cash dividend (80%) for the FY 23.

HUMAN RESOURCE & WELFARE SCHEMES

We firmly believe that our officers, staff and workforce are the backbone of our business. The management believes in encouraging the talented and dedicated employees, who are frequently sent for training at home and abroad to update their professional and technical skills. Human resource policies were designed to ensure best practices to attract, recruit, develop and retain highest quality of human capital.

Direct and indirect rewards to the workforce like worker-of-the-month award, special health allocation and many other such benefits are in place. The Labour laws are strictly followed and the company is able to maintain cordial relationships with CBA Labour Union. The management is also regularly paying bonus to all the employees. WPPF as well as Eid advance are also being paid to the workers. The Company also gives workers social security and EOBI pension benefit / facilities. This year the management has entered into CBA agreement with CBA labour union for a period of two years.

SAFETY, HEALTH & ENVIRONMENT

We are actively managing health and safety risks associated with our manufacturing process and are working towards improving our procedures to reduce and control the risk of accidents or injuries during work, and up till now, no serious accident has taken place during the production, resulting in any major injury or loss of life. All the employees at plant are provided with safety appliance/equipment i.e. uniforms, shoes, helmets, ear plugs, gloves, goggles, etc. during performance of their duties. Firefighting system has been installed to cope with any mishap and full time safety officer is employed for this job. In-house Fire Fighting and safety training and exercises are carried out regularly.



The company allows and shall continue to allow medical facilities and other facilities as may be adequate from time to time for up keep of health of its employees. A dispensary with qualified dispenser has been established in the factory for all types of treatment/emergency. Services of qualified MBBS doctors have been hired on retainer-ship basis for treatment/emergency of employees. Workers medical check-up is conducted by a certified surgeon every six months. Apart from this, healthy activities of sports are encouraged, and we have a cricket as well as a football team. Every year, picnic, is arranged for Officers and workers.

Protection of environment is of prime concern and every measure is being taken to preserve nature and to maintain clean environment at workplaces. Green environment is maintained by planting trees and grass all around the factory. BWL fully discourages the use of substance of concern and ensure that all the products and materials procured and products manufactured are free from hazardous material.

We comply with all applicable laws, regulations and conditions as required by environmental standards. Also design new facilities and conduct operations with preventive approach and industry best practices to avoid adverse impacts to the human health and the environment. Ensure appropriate training and awareness on environmental systems, procedures, best practices and on shared responsibility towards environmental protection among employees, contractors, suppliers and customers. Regularly review environmental performance and carry out audit and set targets to achieve continuous improvement.

The company has obtained International Certification ISO-14001 of environment to meet the International Environment Standards and has been recertified by the International Agency.

ENERGY CONSERVATION

Effective measures and steps are being taken to conserve energy, wherever possible in the area of electricity, gas and heating system to reduce the consumption of electricity, gas and fuels etc. In this regard, a comprehensive plan is made and implemented and production and operations are planned in such a manner that only essential plants are operated in electricity peak hours.

UPGRADATION OF PLANT & PROCESS

The company is producing wheels as per International Standards, and to meet the customers' product specification and quality requirements it is necessary that plant and machinery and process are continuously upgraded and maintained in good working and operative condition, so that we get a satisfactory performance and machinery and equipment give a good and longer period of workable life.

Foreign technical experts are engaged from time to time and continuous liaison is kept with the plant and machinery/equipment suppliers for technical advice and improvements.

This year following machines were refurbished/overhauled in FY 23:



- a. We have overhauled and refurbished 1x2500KVA, 2X1500KVA, 1X300KVA power transformers, 6X 11KV H.T Switch gears, 5 x L.T switch gears panels 2x Power factor improvement panels installed in factory for supplying power to plant and machinery in the financial year 2022-2023 .
- b. We have installed proper LPG setup furnished with 100kg/hour vaporizer unit with regulators and a header to accommodate 30 gas cylinders at a time. After installing this set up we are now able to run our production smoothly during the period when sui gas is not available specially in winter season.
- c. Up-gradation of RGM-3 machine was completed and the software is updated now with new Programmable control logic (PLC), Human machine interface (HMI), motorized and manual slides at the gauging station is also installed and now the machine is on testing and checking phase.

RESEARCH & DEVELOPMENT & QUALITY CONTROL

The Research and Development (R&D) Department is constantly engaged to support the development of new products and production as per customer's satisfaction and international standards. Over the year the R&D facilities have grown and our Design Office is now capable of computer aided designing of products, tool & dies, jigs and fixtures and FEA / Computer analysis of design for confirmation and 3D model development.

R&D Department has a complete Tool & Die manufacturing shop equipped with the Conventional and CNC Machines for in-house manufacturing of complete set of Tools Dies, Fixtures, Jigs, Gauges and running Tooling Spares to meet the production requirement and also support in repair and manufacturing of machinery spares etc.

Our R&D Department has highly experienced and qualified team to carry out the repair and maintenance of the production tooling. The team is constantly endeavoring to improve the process, reduce down time and rejections by analyzing and supporting for addition of latest equipment, machinery and tooling etc.

Wheel being a critical and safety part requiring very stringent dimensional control is being manufactured with a standard quality control procedures and quality is being assured right from the material procurements to the final delivery to the customers.

Quality Control Department is equipped with the requisite international standard testing equipment, tool and instruments to control the process and to monitor the quality of wheels. The instruments / gauges, quality checking equipment are regularly up graded and calibrated to ensure its precision and accuracy so that products are produce as per customer quality requirement, and this is also supplemented by the experienced and trained manpower.

COMPANY'S CONTRIBUTION TO THE ECONOMY OF THE COUNTRY

Your company being an import substitution unit is contributing to the economy by saving foreign exchange and is very important vending industry for the auto assemblers. During the year under review, your company saved approx. \$5.830 million foreign exchange reserves on account of supply of wheels to the OEM's and contributed to national exchequer by paying income tax, sales



tax and other indirect taxes to the tune of Rs.451million (approx.). Besides, it is also providing employment opportunities to the local people residing in Hub and other adjoining areas.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors and the Company remain committed to the principles of good corporate management practice with emphasis on transparency and disclosures. The Board and management are cognizant of their responsibilities and monitor the Company's operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

In Compliance with the provisions of the Listing Regulations of the Pakistan Stock Exchange the Board Members / Directors are pleased to place the following statements on record:

- a. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. Proper books of accounts have been maintained by the Company.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e. The system of internal controls is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts in the company's ability to continue as going concern.

Key Operating and Financial Data

The Key operating and financial data for last six years is given in this report.

Government Taxes

Outstanding Taxes were Rs.37.396 million as disclosed in the Financial Statements.

Investment of Employees Retirement Funds

The following were the value of investments held by employee's retirement benefits fund at the year end:

	June 23(un-audited)
- Executive Provident Fund	Rs. 146.562million
- Non-Executive Provident Fund	Rs. 63.893 million
- Gratuity Fund	Rs. 103.429million



Composition of the Board

In line with the requirements of the CCG, the Company encourages representation of independent and non-executive directors, as well as gender diversity on its Board.

The current composition of the Board is as follows:

Total number of Directors:	
Total Number of Directors : 9 including	
(a) Male	: 8
(b) Female	: 1

Composition of the Board:	
(a) Independent Directors:	4
(b) Non-executive Directors:	2
(c) Executive Directors:	3

The Board is responsible for making decisions with respect to important management matters, including the execution of important business activities and other matters as prescribed by law. These decisions are made after deliberating such matters according to the established criteria, assessing risks and giving such matters due consideration. The Board is also responsible for supervising and monitoring the conduct of duties.

Board of Directors Meetings

During the year, five meetings of the Board of Directors were held. Attendance by each Director was as follows:

Sr. No.	Name of Director	No. of Meetings Attended
1	Mr. Anis Wahab Zuberi	5
2	Mr. Razak H.M. Bengali	5
3	Mr. Muhammad Siddique Misri	5
4	Mr. Muhammad Irfan Ghani	5
5	Syed Zubair Ahmed Shah	5
6	Mr. Aamir Amin	5
7	Mr. Muhammad Javed	5
8	Mr. Irfan Ahmed Qureshi	5
9	Mrs. Saba Nadeem	4

The leave of absence was granted to the member for not attending the Board meetings.



Audit Committee Meetings

During the year four meetings of the Audit Committee were held. Attendance by each Director was as follows:

Sr. No.	Name of Director	No. of Meetings Attended
1	Syed Zubair Ahmed Shah	4
2	Mr. Anis Wahab Zuberi	4
3	Mr. Irfan Ahmed Qureshi	4
4	Mr. Aamir Amin	4
5	Mrs. Saba Nadeem	2

Human Resource & Remuneration Committee

During the year a meeting of the Human Resource & Remuneration Committee (HR&R) was held. Attendance by each Director was as follows:

Sr. No.	Name of Director	No. of Meetings Attended
1	Mr. Muhammad Javed	1
2	Mr. Muhammad Irfan Ghani	1
3	Mr. Anis WahabZuberi	1
4	Syed Zubair Ahmed Shah	1

Directors' Remuneration

Directors Fee is paid in line with Board approval and the Company is in the process of finalizing a formal policy in this regard in accordance with the Companies Act, 2017 and the CCG,2019.

Board Evaluation

During the year, the Board has undertaken a formal process of evaluation of its performance. The overall performance of the Board measured on the defined parameters for the year was satisfactory.

Directors' Training

The Board ensured the compliance of the requirement of Code of Corporate Governance in respect of Directors' training program of the Board members. The Company stands complied with the requirement of the Board Directors Training Program (DTP) certified as prescribed under the sub clause 1 of regulation no. 19 of the Listed Companies (Code of Corporate Governance) Regulations 2019. Currently five directors of the Company have certification under Directors Training Program and two directors of the Company have the exemption from the requirements of the Directors' Training Program. The remaining directors shall obtain certification under the DTP in due course of time.



Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019

There has been no material departure from the best practices of the Code of Corporate Governance and the company has fully complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with this report.

Pattern of Shareholding

The total number of Company's shareholders as at June 30, 2023 was 1,321 as against 1,302 on June 30, 2022. The pattern of shareholding as at June 30, 2023 and its disclosure is included in this annual report.

The highest and lowest market prices of the Company's shares during 2022-2023 were as follows:

Highest	August 16, 2022	PKR 86.49
Lowest	March 17, 2023	PKR 57.00

Trading in Shares of the Company by Directors and Executives

During the year ended June 30, 2023, the directors, executives and their spouses and minor children have not traded in the shares of the Company.

Appointment of Auditors

The present Auditors **M/s. BDO Ebrahim & Co., Chartered Accountants**, retire and being eligible offered themselves for re-appointment. The Audit Committee has recommended for their re-appointment for the year ending June 30, 2024. The Directors endorse recommendation of Audit Committee.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

The Board regularly reviews the company's strategic direction. Annual plans and performance targets for business are set and are reviewed by the Board in the light of the company's overall objectives. The Board is committed to maintain highest standards of good corporate governance. As a leading wheel manufacturer, reputation for high ethical standards is critical to business success. Treatment of stakeholders with respect, courtesy and competence, ensuring clear conscientiousness in all decisions and operations and on this basis code of business principles has been developed and acknowledged by each Director and employee of the company.

NBP AND RELATED MATTERS

NBP suit for recovery against the Company (BWL) and Privatization Commission (PC) for payment amounting to Rs. 91.25 million it has paid to PC, which the Company does not acknowledge as briefly explained at Note No. 28.1 in the financial statements for the year ended June 30, 2023.



On March 13, 2023, the Privatization Commission (PC) has filed an appeal in the Honorable Supreme Court (SC) against the order of the Islamabad High Court which had dismissed the appeal of the PC on the grounds of limitation on February 09, 2023. The management of the Company has decided to defend this case and engaged a lawyer to file a caveat in the Honorable SC.

FUTURE OUTLOOK

The record high interest rates, rising inflation and substantial increase in auto prices due to PKR/US \$ depreciation would keep auto sales subdued in FY 24. However, removal of restrictions on opening of LCs for import of CKD kits and auto parts and stability in PKR/US \$ parity would cause auto sales to stabilize at current levels as in the FY23.

The management being conscious of the challenges that lie ahead is continuously evolving strategies and adopting measures to meet future challenges and to maintain business growth.

ACKNOWLEDGEMENT

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

May Allah bless us and help us to achieve success for your company and for the benefit of all stake-holders, and the Country in general. Aameen!

For and on Behalf of the Board

A handwritten signature in black ink, appearing to read 'Razak H.M. Bengali'.

Razak H.M. Bengali
Chief Executive
Karachi: August 18, 2023

A handwritten signature in black ink, appearing to read 'Muhammad Siddique Misri'.

Muhammad Siddique Misri
Director



اظہار تشکر:-

ہم اس موقع پر اپنے تمام صارفین اور اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد اور بھروسے کا اظہار کیا۔ ہم اپنے عملے اور کارکنان سمیت تمام بلوچستان وہیلرز لمیٹڈ کی ٹیم کی کوششوں اور مسلسل حمایت کرنے کا شکریہ ادا کرتے ہیں۔

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

بورڈ آف ڈائریکٹرز کی جانب سے

جناب محمد صدیق مصری
ڈائریکٹر

جناب رزاق علی بھٹائی
چیف ایگزیکٹو
کراچی: اگست 18، 2023

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے کمپنی کے حصص کی خرید و فروخت:-

30 جون 2023 کو ختم ہونے والے مالی سال کے دوران، ڈائریکٹرز، ایگزیکٹوز اور ان کی شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا ہے۔

آڈیٹرز کا تقرر:-

کمپنی کے سبکدوش ہونے والے آڈیٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی (BDO Ebrahim & Co. Chartered Accountants) چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے دوبارہ تقرری کے لئے پیش کیا ہے اور آڈٹ کمیٹی نے بھی اس کی سفارش کی ہے۔

اخلاقیات اور کاروباری طریقوں کا بیان:-

بورڈ باقاعدگی کے ساتھ کمپنی کی اسٹریٹجک سمت کا جائزہ لیتا ہے، سالانہ منصوبہ بندی کرتا ہے اور کاروباری اہداف مقرر کرتا ہے اور کمپنی کے مجموعی مقاصد کی روشنی میں ان اہداف کا جائزہ لیتا ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے مصروف عمل ہے۔ ایک معروف پہیہ بنانے والی کمپنی کے طور پر اعلیٰ اخلاقی معیار کاروبار کی کامیابی کے لیے اہم ہے۔ تمام اسٹیک ہولڈرز کے ساتھ احترام، خوش اخلاقی اور قابلیت کے ساتھ سلوک کیا جاتا ہے اور تمام فیصلے اور کارروائیاں کاروباری اصولوں کے مطابق کیے جاتے ہیں۔ تمام ڈائریکٹرز اور کمپنی کے ملازمین اس کو تسلیم کرتے ہیں۔

نیشنل بینک آف پاکستان اور متعلقہ معاملات:-

نیشنل بینک آف پاکستان نے کمپنی اور پرائیویٹائزیشن کمیشن کے خلاف 91.25 ملین روپے کا مقدمہ دائر کیا تھا جو کہ کمپنی تسلیم نہیں کرتی اور جس کی مختصر وضاحت نوٹ نمبر 28.1 میں دی گئی ہے۔ آپ کی کمپنی کی انتظامیہ اور وکلاء پر امید ہیں کہ اس مقدمے کا نتیجہ ہمارے حق میں آئے گا۔

پرائیویٹائزیشن کمیشن نے مارچ 2023، 13 کو سپریم کورٹ میں اسلام آباد ہائی کورٹ کے فروری 2023، 09 کے فیصلے خلاف ایک اپیل دائر کی ہے کمپنی کی مینجمنٹ نے اس اپیل کو اپنے وکیل کے ذریعے سپریم کورٹ میں چیلنج کرنے کا فیصلہ کیا ہے۔

مستقبل کے خدو خال:-

زیادہ شرح سود بڑھتی ہوئی منگائی کی شرح اور گاڑیوں کی قیمتوں میں بے پناہ اضافہ کی وجہ سے مالی سال 2024 میں آٹوز کی فروخت متاثر رہے گی تاہم گاڑیوں کے خام مال اور اسپیر پارٹس کی درآمد کے لیے ایل سیز کھولنے پر پابندی کو اٹھانا / ختم کرنا اور پاکستانی روپے کی ڈالر کے مقابلے میں استحکام سے آٹوز کی فروخت کو موجودہ سطح پر برقرار رکھا جا سکتا ہے۔

انتظامیہ آگے آنے والے چیلنجوں سے باخبر ہے مسلسل حکمت عملی تیار کر رہی ہے مستقبل کے چیلنجوں سے نمٹنے اور کاروبار کی ترقی کو برقرار رکھنے کے لیے اقدامات کر رہی ہے۔

انسانی وسائل اور معاوضے کی کمیٹی کا جلسہ:-

کمپنی کے مالی سال کے دوران انسانی وسائل اور معاوضے کی کمیٹی کا ایک جلسہ منعقد کیا گیا۔ جلسے میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ جلسے کی تعداد
1.	جناب محمد جاوید	01
2.	جناب محمد عرفان غنی	01
3.	جناب انیس وہاب زبیری	01
4.	سید زبیر احمد شاہ	01

ڈائریکٹرز کا معاوضہ:-

بورڈ کی منظوری کے مطابق ڈائریکٹرز کو معاوضہ ادا کیا جاتا ہے اور کمپنی، کمپنیز ایکٹ، 2017 اور سی سی جی کے مطابق اس سلسلے میں ایک روایتی پالیسی کو حتمی شکل دینے کے عمل میں ہے۔

بورڈ کی تشخیص:-

رواں سال کے دوران، بورڈ نے اپنی کارکردگی کا جائزہ لینے کے لیے ایک رسمی عمل کیا۔ بورڈ کی مجموعی کارکردگی سال کیلئے متعین کردہ پیرامیٹرز پر تسلی بخش تھی۔

ڈائریکٹروں کی تربیت :-

کمپنی ڈائریکٹرز ٹریننگ پروگرام سرٹیفیکیشن کی ریگولیشن نمبر 19 کی ذیلی شق 1 کے قوانین کے مطابق عمل کر رہی ہے۔ اب تک پانچ ڈائریکٹرز یہ سرٹیفیکٹ حاصل کر چکے ہیں اور اس کے علاوہ دو ڈائریکٹرز اس پروگرام سے مستثنیٰ ہیں۔ باقی ماندہ ڈائریکٹرز آنے والے سالوں میں ڈائریکٹرز ٹریننگ پروگرام میں شرکت کریں گے۔

لسٹڈ کمپنیز کے ضابطہ اخلاق کی تعمیل - 2019 (کوڈ آف کارپوریٹ گورننس):-

کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق سے کوئی مادی انحراف نہیں کیا گیا ہے اور کمپنی نے لسٹنگ ریگولیشنز - 2019 (کوڈ آف کارپوریٹ گورننس) کے مطابق پوری طرح سے عمل درآمد کیا ہے اس سلسلے میں ایک اسٹیٹمنٹ اس رپورٹ کے ساتھ منسلک ہے۔

شیر ہولڈنگ کا پیٹرن:-

30 جون 2023 کو کمپنی کے حصص داروں کی کل تعداد 1,321 تھی جبکہ 30 جون 2022 کو 1,302 تھی۔ 30 جون 2023 کو ختم شدہ مالی سال کے لیے حصص داروں کا پیٹرن اور اس کی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کے مطابق درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔

2022-2023 کے دوران کمپنی کے حصص کی زیادہ سے زیادہ اور کم سے کم کاروباری قیمتیں مندرجہ ذیل ہیں:

16 اگست 2022	زیادہ سے زیادہ	PKR 86.49
17 مارچ 2023	کم سے کم	PKR 57.00

بورڈ اہم انتظامی معاملات کی فیصلہ سازی کے لیے ذمہ دار ہے۔ اس میں اہم کاروباری امور پر عمل درآمد اور قانون کی جانب سے مقرر کردہ معاملات بھی شامل ہیں۔ یہ فیصلہ سازی طے کردہ معیار، خطرات کا اندازہ اور ان معاملات کو مد نظر رکھتے ہوئے کی جاتی ہے۔ بورڈ ضابطہ اخلاق کی دیکھ بھال اور نگرانی کے لیے بھی ذمہ دار ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس:-

کمپنی کے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد کیے گئے۔ ان اجلاس میں ڈائریکٹرز کی حاضری درج ذیل رہی۔

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1.	جناب انیس وہاب زبیری	05
2.	جناب رزاق ایچ ایم بنگالی	05
3.	جناب محمد صدیق مصری	05
4.	جناب محمد عرفان غنی	05
5.	سید زبیر احمد شاہ	05
6.	جناب عامر امین	05
7.	جناب محمد جاوید	05
8.	جناب عرفان احمد قریشی	05
9.	محترمہ صبا ندیم	04

بورڈ اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو باقاعدہ چھٹی کی اجازت دی گئی۔

آڈٹ کمیٹی کے اجلاس:-

کمپنی کے مالی سال کے دوران آڈٹ کمیٹی کے چار اجلاس منعقد کیے گئے۔ ان اجلاس میں کمیٹی اراکین کی حاضری درج ذیل رہی۔

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1.	سید زبیر احمد شاہ	04
2.	جناب انیس وہاب زبیری	04
3.	جناب عرفان احمد قریشی	04
4.	جناب عامر امین	04
5.	محترمہ صبا ندیم	02

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار۔

گزشتہ چھ سال کی کلیدی آپریٹنگ اور مالیاتی اعداد و شمار فنانشل اسٹیٹمنٹس سالانہ رپورٹ میں موجود ہیں۔

گورنمنٹ محصولات۔

گورنمنٹ کے بقایا جات محصولات کی مد میں 37.396 ملین روپے ہے۔ جس کی تفصیل فنانشل اسٹیٹمنٹس میں موجود ہے۔

ریٹائرمنٹ بینیفٹ فنڈز کی سرمایہ کاری:-

سال کے اختتام پر ملازمین کے ریٹائرمنٹ بینیفٹ فنڈز میں لگائی گئی سرمایہ کاری کی قدر مندرجہ ذیل ہے۔

۲۰۲۳ جون (غیر آڈٹ شدہ)

ایگزیکٹو پرائیڈنٹ فنڈ۔	146.562 ملین روپے
نان ایگزیکٹو پرائیڈنٹ فنڈ۔	63.893 ملین روپے
گریجویٹ فنڈ۔	103.429 ملین روپے

بورڈ کی تشکیل:-

کمپنی اپنے بورڈ میں کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق آزاد، نان ایگزیکٹو ڈائریکٹرز میں مردوں کے ساتھ ساتھ عورتوں کی بورڈ میں شمولیت کی بھی حوصلہ افزائی کرتی ہے۔

بورڈ کی موجودہ ساخت مندرجہ ذیل ہے:

ڈائریکٹرز کی کل تعداد:

ڈائریکٹرز کی کل تعداد 9 ہے جن میں 8 مرد اور 1 خاتون ڈائریکٹرز شامل ہیں۔

بورڈ کی ساخت:

04 - (الف) آزاد ڈائریکٹر

02 - (ب) نان ایگزیکٹو ڈائریکٹر

03 - (ج) ایگزیکٹو ڈائریکٹر

ریسرچ اینڈ ڈویلپمنٹ محکمے کے پاس مکمل ٹول اور ڈائمی بنانے کی صلاحیت ہے جو کہ روایتی اور CNC مشینوں پر مشتمل ہے جس کے ذریعے ہم مصنوعات کی تیاری کیلئے ٹول ڈائز، فلچر، گچز اور ٹولنگ کے پرزے اپنے طور پر بنا سکتے ہیں۔

ہمارے ریسرچ اینڈ ڈویلپمنٹ محکمے میں بہترین تعلیم یافتہ اور تجربہ کار ٹیم ہے جو کہ مختلف مصنوعات کی ٹولنگ کی مرمت اور بحالی کا کام کرتی ہے۔ یہ ٹیم نئی مشینوں، پرزہ جات اور ٹولنگ وغیرہ کے اضافے کرنے کے ساتھ ساتھ مسلسل پروسس کو بہتر بنانے اور ڈائمن ٹائم کو کم کرنے میں کوشاں ہے۔

پہلے ایک اہم حفاظتی حصہ ہونے کی وجہ سے بہت کڑی نگرانی میں معیار کو برقرار رکھتے ہوئے بنایا جاتا ہے اور خام مال کی خریداری سے لیکر گاہک کو پہلے کی فراہمی تک معیار کی یقین دہانی کرائی جاتی ہے۔

کوالٹی کنٹرول محکمہ عالمی معیار کے ٹولز اور جانچ کے آلات پر مشتمل ہے جو کہ پہلے کے معیار کو جانچنے کے کام آتا ہے اور ان آلات کی درستگی کے لیے وقتاً فوقتاً کیلیبریشن کی جاتی ہے، تاکہ مصنوعات کی پیداوار گاہک کی ضروریات کے مطابق ہوں اور یہ سب کا راور تربیت یافتہ افرادی قوت سے بھی منسلک ہے۔

ملکی معیشت میں کمپنی کا حصہ :-

آپ کی کمپنی ایک درآمدی متبادل یونٹ ہونے کی وجہ سے غیر ملکی زرمبادلہ کی بچت میں حصہ لے رہی ہے اور یہ آٹو انڈسٹری کی ایک بڑی اہم وینڈنگ انڈسٹری ہے۔ زیر بحث مالی سال کے دوران آپ کی کمپنی نے OEM's کو پہلوں کی فراہمی سے تقریباً 5.830 ملین امریکی ڈالر کی بچت کی ہے۔ اس کے ساتھ سرکاری خزانے میں بطور انکم ٹیکس، سیلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور دیگر بالواسطہ ٹیکسوں کی مدد میں تقریباً 451 ملین روپے سرکاری خزانے میں جمع کرائے ہیں۔ اس کے علاوہ، ہماری کمپنی حب اور اس سے ملحقہ دیگر علاقوں کے مقامی لوگوں کو ملازمت کے مواقع بھی فراہم کر رہی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک :-

کمپنی اور بورڈ آف ڈائریکٹرز بہترین کارپوریٹ گورننس کے اصولوں پر عمل کرنے پر یقین رکھتے ہیں اور اس کے لیے شفافیت اور افشائے حقائق پر زور دیتا ہے۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور اس امر کے لیے کوشاں ہیں کہ کمپنی کی سرگرمیوں اور کارکردگی کو اس طرح سے فروغ دیں کہ مالی وغیرہ مالی معاملات سے متعلق تمام

معلومات کو مکمل درستگی، جامعیت اور شفافیت کے ساتھ مرتب اور پیش کیا جائے۔

کمپنی پوری طرح "ضابطہ برائے کاروباری نظم و نسق" پر عمل پیرا ہے، اور قواعد و ضوابط کے مطابق درج ذیل مخصوص نکات پیش ہیں۔

۱۔ انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمد و رفت اور کاروباری سرمائے میں ہونے والی تبدیلیاں۔

۲۔ کمپنی کے حسابداری کے باقاعدہ کھاتے مرتب کیے جاتے ہیں۔

۳۔ مناسب حسابداری کے اصول تسلسل سے مالیاتی حسابات بنانے میں استعمال ہوتے ہیں اور گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔

۴۔ پاکستان میں لاگو "انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز" کو مالیاتی گوشواروں کی تیاری کے لیے بروئے کار لایا جاتا ہے۔

۵۔ اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے رو بہ عمل ہے جس کی مسلسل نگرانی بھی کی جاتی ہے۔

۶۔ کمپنی کے قائم نہ رہنے کے حوالے سے کسی بھی قسم کا کوئی خدشہ نہیں پایا جاتا۔

کمپنی کی کوشش ہے کہ طبی امور اور حفاظتی چیزوں میں ملازمین کا خیال رکھا جائے اسکے لئے ایک ڈپنٹری بمعہ تجربہ کار ڈپنٹری کے فیکٹری میں موجود ہے تاکہ کسی ممکنہ حادثاتی صورتحال کا سامنا کیا جاسکے۔ اس کے علاوہ تجربہ کار ڈاکٹروں کی خدمات Retainership کی بنیاد پر بھی حاصل کی گئی ہیں۔ ملازمین کا ہر چھ مہینے کے بعد طبی معائنہ کیا جاتا ہے جو کہ ایک ماہر سرجن کرتا ہے۔ اس کے علاوہ کھیلوں کی صحت مندرسر گرمیوں کی بھی حوصلہ افزائی کی جاتی ہے، کمپنی کی اپنی کرکٹ اور فٹ بال کی بھی ٹیمیں موجود ہیں۔ سالانہ پکنک کا انتظام بھی کیا جاتا ہے۔

ماحول کی حفاظت کا خاص خیال رکھا جاتا ہے اور ہر ممکن تدابیر کی جاتی ہیں تاکہ کام کی جگہ کا ماحول صاف ستھرا رہے۔ ماحول کو سبز اور ہرا بھرا رکھنے کیلئے پوری فیکٹری کے گرد پودے اور درخت لگائے گئے ہیں۔ ہم تشویشناک مادہ کے استعمال کی مکمل حوصلہ شکنی کرتے ہیں اور اس بات کو یقینی بناتے ہیں کہ تیار کردہ اور خریدی ہوئی تمام مصنوعات خطرناک مواد سے پاک ہو۔

ہم تمام قانونی معاملات کا باقاعدگی سے خیال رکھتے ہیں اور ہماری پوری کوشش ہوتی ہے کہ ماحول دوست انتظامات اور انڈسٹری کے اچھے طریقے کو اپنایا جائے تاکہ انسانی صحت پر اسکے اچھے اثرات مرتب ہوں۔ اس کے ساتھ ساتھ تربیت کا بھی انتظام موجود ہے تاکہ ملازمین میں ماحول دوست شعور پیدا ہو۔ ان تمام چیزوں کا مستقل بنیادوں پر جائزہ لیا جاتا ہے کمپنی نے ISO-14001 سرٹیفکیٹ حاصل کیا ہے تاکہ کمپنی کے معیار کو عالمی ماحولیاتی معیار کے مطابق کیا جاسکے۔

توانائی کی بچت:-

توانائی کی بچت کے لئے مناسب اقدامات کئے گئے، جہاں تک ممکن ہو سکی، گیس اور فیول کی کھپت کو کم کیا گیا اور اس کے لیے ایک جامع منصوبہ بندی کی گئی تاکہ ان گھنٹوں میں جن میں بجلی مہنگی پڑتی ہے صرف وہ مشینیں چلائی جائیں جن کی اشد ضرورت ہو۔

پلانٹ اور مشینری کا اپ گریڈیشن:-

(i) 1X300KVA، 2X1500KVA، 1x2500KVA پاور ٹرانسفارمرز، 6X11KV H.T، سوئچ گیزرز، 5x L.T سوئچ گیزرز پینلز، 2x پاور فیکٹری کے پینلز کو فیکٹری میں نصب کیا ہے اور ان کی مرمت اور تجدید کی گئی ہے

(ii) مناسب ایل پی جی سیٹ اپ نصب کیا ہے جس میں ریگولیٹرز کے ساتھ 100 کلوگرام فی گھنٹہ واپورائزر یونٹ ہے اور اس سیٹ اپ کو انسٹال کرنے کے بعد ایک وقت میں 30 گیس سلنڈروں کو ایڈجسٹ کرنے کے لیے ایک ہیڈر لگایا گیا ہے اور اب ہم خاص طور پر سردیوں کے موسم کے دوران اپنی پیداوار کو آسانی سے چلانے کے قابل ہیں جب سوئی گیس دستیاب نہیں ہوتی۔

(iii) اس سال RGM-3 مشین کی اپ گریڈیشن مکمل ہو چکی ہے سافٹ ویئر کو اب نئے پروگرام ایبل کنٹرول لاجک (PLC)، ہیومن مشین انٹرفیس (HMI) کے ساتھ اپ ڈیٹ کر دیا گیا ہے، گچینگ سٹیشن پر موٹرائزڈ اور مینوئل سلائیڈز بھی لگائی گئی ہیں۔

ریسرچ اینڈ ڈویلپمنٹ اور کوالٹی کنٹرول:-

ریسرچ اینڈ ڈویلپمنٹ محکمہ مسلسل عالمی معیار کے مطابق گاہکوں کے لئے موجودہ اور نئی مصنوعات کی اطمینان بخش تیاری میں کوشاں ہے۔ گزشتہ کئی سالوں میں ریسرچ اینڈ ڈویلپمنٹ میں سہولیات بڑھتی جا رہی ہیں اور اب یہ CAD مصنوعات، ٹول اور ڈائری، جگڑ اور فلکچر اور FEA تجزیہ کی صلاحیتوں پر مشتمل ہے۔

تقابلی جائزہ:-

درج ذیل چارٹ میں مالیاتی نتائج 2022 اور 2023 کا تقابلی جائزہ پیش کیا جا رہا ہے:

مالیاتی سال 2022	مالیاتی سال 2023	
(روپے ہزاروں میں)		
2,778,192	1,675,857	مال کی فروخت
611,652	325,932	غیر خالص منافع
425,374	201,753	قبل از ٹیکس منافع
208,238	136,406	بعد از ٹیکس منافع
15.62	10.23	فی شیئر آمدنی (روپے میں)

فی شیئر آمدنی:-

فی شیئر آمدنی اس سال 10.23 روپے رہی جو گزشتہ سال کے لیے (2022: 15.62) روپے تھی۔

ڈیوڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے حتمی نقد ڈیوڈنڈ 3.5 روپے فی شیئر (35%) کی منظوری دی ہے جس کی مالیت 46.669 ملین روپے بنتی ہے۔ یہ ڈیوڈنڈ پہلے سے اعلان کردہ اور حصص داران کو ادا شدہ عبوری نقد ڈیوڈنڈ 4.50 روپے فی حصص (45%) کے علاوہ ہے۔ یوں اس سال فی حصص کل نقد ڈیوڈنڈ 8.0 روپے (80%) رہا۔ جبکہ گزشتہ سال فی حصص نقد ڈیوڈنڈ کی مد میں 10 روپے (100%) کی ادائیگی کی گئی تھی۔ جس کی مالیت 133.343 ملین روپے بنتی تھی۔

انسانی وسائل اور معاوضے کی کمیٹی:-

ہم پختہ یقین رکھتے ہیں کہ ہمارے آفیسرز اسٹاف اور ورکرز ہمارے کاروبار کی ریڑھ کی ہڈی ہیں۔ ہم سمجھتے ہیں کہ باصلاحیت مزدور اور آفیسرز کی حوصلہ افزائی نہایت ضروری ہے اسلئے ہم انہیں لوکل / انٹرنیشنل تربیت کے لئے بھیجتے رہتے ہیں تاکہ یہ اپنی پیشہ وارانہ مہارت میں اضافہ کر سکیں۔ انسانی وسائل کی پالیسی اس طرح ترتیب دی گئی ہے کہ اس بات کو یقینی بنایا جائے کہ ہم اچھے اور باصلاحیت لوگوں کو نوکریاں دیں اور ان کو مناسب مشاہرہ دیں تاکہ وہ اطمینان سے کام انجام دے سکیں۔ اس سال کمپنی کی انتظامیہ نے CBA لیبر یونین سے اگلے دو سالوں کا CBA معاہدہ بھی کیا ہے۔

بلا واسطہ اور بلا واسطہ انعام مہینہ کے بہترین ورکر کے لیے، خاص صحت پالیسی اور دوسرے فوائد موجود ہیں۔ مزدوری قانون پر پوری طرح عملدرآمد کیا جاتا ہے اور CBA / لیبر یونین سے اچھے تعلقات رکھے جاتے ہیں۔ انتظامیہ باقاعدگی سے تمام ملازمین کو بونس بھی دے رہی ہے۔ WPPF اور عید ایڈوانس بھی ورکروں کو ادا کیا جا رہا ہے اس کے علاوہ کمپنی کارکنوں کو سوشل سیکورٹی اور EOBI پنشن کی سہولت فراہم کرتی ہے۔

حفاظت، صحت اور ماحول:-

ہم صحت اور حفاظت کے شعبہ میں خطرات کا اچھی طرح سے انتظام کرتے ہیں اور اپنے طریقہ کار کو بہتر کر رہے ہیں تاکہ خطرات اور حادثات کو ممکنہ حد تک کم کیا جاسکے۔ تمام ملازمین جو پلانٹ پر کام کر رہے ہیں انہیں حفاظتی چیزیں مثلاً دستا، چشمے، Ear Plug اور اعلیٰ معیار کے حفاظتی جوتے دیئے جاتے ہیں تاکہ وہ اپنی ڈیوٹی اطمینان سے انجام دے سکیں۔ اس کے علاوہ آگ بجھانے کے آلات بھی موجود ہیں تاکہ کسی ناخوشگوار صورتحال سے نمٹا جاسکے۔ اس کام کیلئے ایک فل ٹائم آفیسر رکھا گیا ہے جو کہ مختلف اوقات میں آگ بجھانے اور حفاظتی اقدامات کی تربیت اور مشق کو انجام دیتا ہے۔

ڈائریکٹرز رپورٹ

30 جون 2023

آپ کے ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لئے سالانہ آڈٹ کردہ مالیاتی اسٹیٹمنٹ بمعہ آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔

کاروباری جائزہ :-

مجموعی طور پر ملکی سطح پر مالی سال 2023 میں گاڑیوں، لائٹ ویٹ کمرشل وہیکل، وین اور جیپ کے 123,954 یونٹس فروخت کئے گئے جو مالی سال 2022 کے 278,899 یونٹس کے مقابلے میں 56% فیصد کم رہے اسی طرح ٹرک/بس کے 3,836 یونٹس فروخت کئے گئے جبکہ گزشتہ سال 6,498 یونٹس فروخت کئے گئے تھے۔ جو پچھلے سال کے مقابلے میں 41% فیصد کم رہے۔ ٹریکٹرز کے 30,942 یونٹس فروخت کئے گئے جب کہ گزشتہ سال 58,947 یونٹس فروخت کئے گئے تھے جو پچھلے سال کی نسبت 48% فیصد کم رہے۔

مالی سال 2023 کے دوران آٹوموٹو کی فروخت میں کمی کی وجوہات یہ ہیں (i) حکومت کا CKD کٹس کی درآمد کے لیے ایل سیز پر پابندی (ii) ڈالر کے مقابلے میں پاکستانی روپے کی مسلسل گراوٹ کی وجہ سے گاڑیوں کی قیمتوں میں بے پناہ اضافہ (iii) اسٹیٹ بینک کا آٹوفنانسنگ کی شرائط کو سخت کرنا (iv) زیادہ شرح سود اور معاشی سرگرمیوں میں مندی ہونا۔

اس سال آپ کی کمپنی نے 1,675.857 ملین روپے کی فروخت کی جو گزشتہ سال کی 2,778.192 ملین روپے کی فروخت کے مقابلے میں 40% فیصد کم رہی۔ گاڑیوں کے پیہوں کی فروخت 759.675 ملین روپے رہی جو گزشتہ سال کی 1,403.692 ملین روپے کی فروخت کے مقابلے میں 46% فیصد کم رہی۔ ٹرک/بس کے پیہوں کی فروخت 153.198 ملین روپے رہی جو گزشتہ سال کی 229.197 ملین روپے کی فروخت کے مقابلے میں 33% فیصد کم رہی جبکہ ٹریکٹرز کے پیہوں کی فروخت 664.916 ملین روپے رہی جو گزشتہ سال کی 993.229 ملین روپے کی فروخت کے مقابلے میں 33% فیصد کم رہی۔ اسکرپ فروخت 95.138 ملین روپے رہی جو گزشتہ سال کی 152.037 ملین روپے کی فروخت کے مقابلے میں 37% کم رہی مالی سال 2023 میں ایکسپورٹ 2.929 ملین روپے رہی فروخت کی لاگت 1,349.922 ملین روپے رہی جو گزشتہ سال 2,166.540 ملین روپے کی تھی۔

مالیاتی نتائج:-

غیر خالص منافع 47% فیصد کمی کے ساتھ 325.935 ملین روپے رہا جو گزشتہ سال 611.652 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹیکس منافع 138.011 ملین روپے رہا جو گزشتہ سال کے بعد از ٹیکس منافع 208.238 ملین روپے کے مقابلے میں 34% فیصد کم رہا۔

غیر خالص منافع اور بعد از ٹیکس منافع میں کمی کی بنیادی وجہ تمام پیہوں کی فروخت میں کمی ہے۔ جو کہ آٹو کی طلب میں مندی کی وجہ سے ہوئی ہے آٹو اسمبلرز کے خام مال کی ایل سیز کھولنے پر پابندی کی وجہ سے کئی آٹو اسمبلرز نے اپنے پلانٹ بند کیے۔ سیز آرڈرز میں کمی کے نتیجے میں دسمبر 2022، 12 سے جنوری 2023، 06 اور اس کے بعد اپریل 2023، 07 سے اپریل 2023، 20 تک کمپنی کی پیداواری سرگرمیاں بھی عارضی طور پر بند رہیں۔



INVESTOR RELATIONS

ANNUAL GENERAL MEETING

The 43rd Annual General Meeting of the Company will be held on September 23, 2023. Eligible shareholders are encouraged to participate and vote at General Meetings.

REGISTERED OFFICE

Main RCD Highway, Hub Chowki,
Lasbella, Baluchistan.
Telephone # (0853) 363426,363428
Fax # (0853) 364025
E-mail: bwlfm@cyber.net.pk
Website: <http://www.bwheels.com>

SHARE REGISTRAR

THK Associates (Pvt) Limited
Plot # 32-C 2, Jami Commercial Street 2,
D.H.A. Phase VII, Karachi, 75500
E-mail: secretariat@thk.com.pk
UAN#+92(21) 111-000-322, Direct:+92 35310185
Fax#+92 (21) 35310188

STOCK EXCHANGE LISTING

Baluchistan Wheels Limited is listed on
Pakistan Stock Exchange Limited

STOCK CODE/SYMBOL

The stock code/symbol for trading in
shares of Baluchistan Wheels Limited is
BWHL

INVESTOR RELATIONS CONTACT

Mr. Muhammad Asad Saeed
Company Secretary
Telephone : (+9221) 35650966
Fax: (+9221) 35684003

DIVIDEND

The Board of Directors has proposed a final cash dividend of Rs. 3.50 per share (2022: Rs. 4.75/- per share) amounting to Rs. 46.669 million (2022: Rs. 63.337 million) for the year ended June 30, 2023. This is an addition to interim cash dividend of Rs. 4.50/- per share i.e 45.00%, making a total dividend of Rs. 8 per share (80%). (2022:100%)

BOOK CLOSURE DATES

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 15, 2023 to September 23, 2023 (both days inclusive).

DIVIDEND REMITTANCES

The Board of Directors of the Company in their meeting held on August 18, 2023 has recommended the cash dividend of Rs. 3.50/- per share. If the dividend is approved at the Annual General Meeting will be paid within the statutory time limit of 10 working days.

REPORTING

Period	Financial Results
1st Quarter - September 2022	October 21, 2022
2nd Quarter / Half Yearly - December 2022	February 16, 2023
3rd Quarter - March 2023	April 26, 2023
4th Quarter / Annual - June 2023	August 18, 2023

STATUTORY COMPLIANCE

During the year, the company has complied with all returns/forms and furnished all the relevant particulars as required under the repealed Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the Listing Regulations of Pakistan Stock Exchange Limited.

INVESTOR GRIEVANCES

To date none of the investors or shareholders has filed any significant complaint against any services provided by the Company to its shareholders. A standard grievance form is also made available on the company's website : www.bwheels.com

WEB PRESENCE

The Company maintains a functional website as per the directions and notifications issued by the SECP. Updated information regarding the company can be accessed at its website, www.bwheels.com. The website contains the latest financial results of the Company with the Company's profile.



STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019(CCG)

Name of Company: **BALUCHISTAN WHEELS LIMITED**

Year Ended: **JUNE 30, 2023**

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 as per the following:

- a. Male: 8
- b. Female: 1

2. The composition of Board is as follows:

Category	Names
Independent Directors	Syed Zubair Ahmed Shah Mr. Aamir Amin Mr. Muhammad Javed Mr. Irfan Ahmed Qureshi
Non-Executive Directors	Mr. AnisWahabZuberi(Chairman)
Executive Directors	Mr.RazakH.M.Bengali(CEO) Mr.Muhammad Siddique Misri Mr. Muhammad Irfan Ghani
Female/ Non-Executive Director	Mrs. Saba Nadeem

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their dates of approval or updating is maintained by the Company;



6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ Shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of the nine, seven Directors have either obtained certificate of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year, No Directors' Training Program was arranged;
10. There was no new appointment of Chief Financial Officer and Company Secretary. The Head of Internal Audit resigned during the year and the Board approved the appointment of the Head of Internal Audit on February 16, 2023.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following Committees that are required under the Code. The Committees comprise of members as given below:

a) Audit Committee

Syed Zubair Ahmed Shah	Chairman (Independent Director)
Mr. Anis Wahab Zuberi	Member (Non-executive Director)
Mr. Aamir Amin	Member (Independent Director)
Mr. Irfan Ahmed Qureshi	Member (Independent Director)
Mrs. Saba Nadeem	Member (Non-executive Director)

b) HR and Remuneration Committee

Mr. Muhammad Javeed	Member (Independent Director)
Mr. Anis Wahab Zuberi	Member (Non-executive Director)
Syed Zubair Ahmed Shah	Member (Independent Director)
Mr. Muhammad Irfan Ghani	Member (COO/ Executive Director)



13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committee were as per following:


Meetings	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2023.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2023.

15. The board has set up an effective internal audit function. The Head of Internal Audit is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review Program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.


ANIS WAHAB ZUBERI
Chairman
August 18, 2023



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BALUCHISTAN WHEELS LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Baluchistan Wheels Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

KARACHI

DATED: AUGUST 28, 2023

UDIN: CR202310067RHKfCL1n9

CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALUCHISTAN WHEELS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **BALUCHISTAN WHEELS LIMITED** (the Company), which comprise the statement of financial position as at June 30, 2023, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Contingencies</p> <p>As disclosed in note 28 to the annexed financial statements, the Company has contingent liabilities in respect of legal and tax matters, which are pending adjudication at different levels with the court and other legal forums.</p> <p>Contingencies require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure and recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of amounts involved, inherent uncertainties with respect to the outcome of matters and use of significant management judgments and estimates to assess the same including related financial impacts, we considered contingent liabilities a key audit matter.</p>	<p>We performed number of procedures to verify the nature of contingencies and their implications on the financial statements. These included, among others:</p> <ul style="list-style-type: none"> • We followed up the progress of each case and the Company’s estimate of the cost to be incurred; • We reviewed the key elements of the methodology employed by management in challenging reasonableness of the cost estimates including any impact on future case costs from changes arising in the regulatory environment; • We obtained confirmations from legal and tax advisors for current status on pending cases and any new case filed during the year; and • Checked orders by relevant authority on previous lawsuits / cases appearing in the financial statements.
2.	<p>Valuation of Stock-in-trade</p> <p>At June 30, 2023, the Company held stock-in-trade amounting to Rs. 649.130 million, constituting 27.53% of the total assets, as disclosed in note 11 to the financial statements.</p> <p>As described in note 5.5 to the financial statements, stock-in-trade is measured at lower of cost and net realizable value. The cost of work-in-process and finished goods is determined at an average manufacturing cost including a proportion of production overheads.</p>	<p>Our key audit procedures in respect of valuation of stock-in-trade included:</p> <ul style="list-style-type: none"> • Obtained an understanding of the Company’s process with respect to valuation of stock-in-trade and tested controls relevant to such process; • Tested the calculations of per unit cost of work in process and finished goods and assess the appropriateness of management’s basis for the allocation of cost and production overheads and



BALUCHISTAN WHEELS LIMITED



The Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

KARACHI

DATED: 18 AUG 2023

UDIN: AR202210067Sk7ueoEpM

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS



BALUCHISTAN WHEELS LIMITED

45

BALUCHISTAN WHEELS LIMITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 (Rupees in thousands)	2022
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment			
Operating fixed assets	6	942,811	963,138
Capital work in progress	7	3,585	-
		<u>946,396</u>	<u>963,138</u>
Long-term loans and advances	8	7,753	6,138
Long-term deposits	9	8,579	7,649
		<u>962,728</u>	<u>976,925</u>
CURRENT ASSETS			
Stores, spares and loose tools	10	36,505	39,729
Stock-in-trade	11	649,130	539,764
Trade debts	12	110,408	258,317
Loans and advances	13	38,408	41,073
Deposits and short term prepayments	14	778	1,433
Other receivables	15	13,951	792
Short-term investments	16	514,904	523,766
Sales tax refundable - net		12,049	-
Bank balances	18	18,772	66,034
		<u>1,394,905</u>	<u>1,470,908</u>
		<u>2,357,633</u>	<u>2,447,833</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
25,000,000 (2022: 25,000,000) ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital	19	133,343	133,343
Revenue reserves	20	1,343,553	1,329,352
Revaluation surplus on property plant and equipment	21	579,075	579,075
		<u>2,055,971</u>	<u>2,041,770</u>
NON-CURRENT LIABILITIES			
Lease liabilities	23	13,768	13,949
Long-term deposits	24	1,115	896
Deferred taxation	25	31,485	34,972
		<u>46,368</u>	<u>49,817</u>
CURRENT LIABILITIES			
Trade and other payables	26	187,926	183,306
Un-claimed dividend		8,184	7,087
Current portion of long-term lease liabilities	23	20,197	12,365
Current portion of long-term loan	22	-	8,790
Current portion of long-term deposits	24	89	1,053
Current portion of government grant		-	91
Current portion of GIDC payable		-	175
Sales tax payable - net		-	9,882
Taxation - net	17	37,395	130,781
Provision for warranty	27	1,502	2,716
		<u>255,294</u>	<u>356,246</u>
		<u>2,357,633</u>	<u>2,447,833</u>
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	28		

The annexed notes from 1 to 53 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



**BALUCHISTAN WHEELS LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees in thousands)	2022
Turnover - net	29	1,675,857	2,778,192
Cost of sales	30	<u>(1,349,925)</u>	<u>(2,166,540)</u>
Gross profit		325,932	611,652
Administrative expenses	31	(120,601)	(116,612)
Selling and distribution expenses	32	(57,325)	(66,798)
Other expenses	33	(41,796)	(51,406)
Other income	34	<u>101,101</u>	<u>52,514</u>
Operating profit		207,311	429,350
Finance cost	35	<u>(5,559)</u>	<u>(3,976)</u>
Profit before taxation		201,752	425,374
Taxation	36	<u>(65,346)</u>	<u>(217,136)</u>
Profit for the year		<u><u>136,406</u></u>	<u><u>208,238</u></u>
Earnings per share - basic and diluted (Rupees per share)	37	<u><u>10.23</u></u>	<u><u>15.62</u></u>

The annexed notes from 1 to 53 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CHIEF FINANCIAL OFFICER



**BALUCHISTAN WHEELS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023**

	Note	2023 (Rupees in thousands)	2022
Profit for the year		136,406	208,238
Other comprehensive income			
Items that will not be reclassified subsequently to profit and loss			
Gain on remeasurement of defined defined benefit plan liability	38.9	1,602	2,942
Deferred tax	25.1	(465)	(853)
		1,137	2,089
Revaluation surplus on property, plant and equipment	21	-	40,557
Total comprehensive income for the year		<u>137,543</u>	<u>250,884</u>

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



BALUCHISTAN WHEELS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 (Rupees in thousands)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	40	173,935	199,802
Finance cost paid		(5,361)	(4,009)
Income tax paid		(156,264)	(41,236)
Employees' benefit paid/received		(3,991)	19,294
Leave encashment paid		(698)	(2,559)
Long-term loans and advances - net		(1,615)	38
Long-term deposits		1,675	41
Net cash flows generated from operating activities		7,681	171,371
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property plant and equipment		(5,606)	(25,335)
Proceeds from disposal of operating fixed assets		3,518	1,999
Profit received on saving accounts and treasury bills		84,037	44,320
Short-term investments made during the year		(2,087,918)	(2,138,939)
Short-term investments redeemed during the year		2,095,618	2,156,840
Dividend received		1,903	1,578
Net cash flows generated from investing activities		91,552	40,462
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing		(8,790)	(21,396)
Lease rentals paid		(15,459)	(14,736)
Dividend paid on ordinary shares		(122,246)	(128,987)
Net cash used in financing activities		(146,495)	(165,119)
Net (decrease) / increase in cash and cash equivalents		(47,262)	46,714
Cash and cash equivalents at the beginning of the year		66,034	19,320
Cash and cash equivalents at the end of the year		18,772	66,034

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



**BALUCHISTAN WHEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023**

Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total reserves	Total equity	
	Revaluation surplus on property plant and equipment	General reserve	Remeasurement (loss) / gain on defined benefit plan	Unappropriated profit			
------(Rupees in thousands)-----							
Balance at July 01, 2021	133,343	538,518	160,000	(3,455)	1,092,490	1,787,553	1,920,896
Total comprehensive income for the year							
Profit for the year	-	-	-	-	208,238	208,238	208,238
Gain on remeasurement of defined benefit liability - net of tax	-	-	-	2,089	-	2,089	2,089
Revaluation surplus on property plant and equipment	-	40,557	-	-	-	40,557	40,557
	-	40,557	-	2,089	208,238	250,884	250,883
Transaction with owners							
Final dividend paid on ordinary shares @ Rs. 2 per share	-	-	-	-	(130,009)	(130,009)	(130,009)
Balance at June 30, 2022	133,343	579,075	160,000	(1,366)	1,170,719	1,908,428	2,041,770
Balance at July 01, 2022	133,343	579,075	160,000	(1,366)	1,170,719	1,908,428	2,041,770
Total comprehensive income for the year							
Profit for the year	-	-	-	-	136,406	136,406	136,406
Loss on remeasurement of defined benefit liability - net of tax	-	-	-	1,137	-	1,137	1,137
	-	-	-	1,137	136,406	137,543	137,543
Transaction with owners							
Final dividend paid on ordinary shares @ Re 4.5 per shares	-	-	-	-	(63,338)	(63,338)	(63,338)
Interim dividend for the period ended December 31, 2022 paid on ordinary shares @ Re 2 per share	-	-	-	-	(26,669)	(26,669)	(26,669)
Second interim dividend for the period ended December 31, 2022 paid on ordinary shares @ Re 2.5 per shares	-	-	-	-	(33,336)	(33,336)	(33,336)
	-	-	-	-	(123,343)	(123,343)	(123,343)
Balance at June 30, 2023	133,343	579,075	160,000	(229)	1,183,782	1,922,628	2,055,971

The annexed notes from 1 to 53 form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR


CHIEF FINANCIAL OFFICER



**BALUCHISTAN WHEELS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1 STATUS AND NATURE OF BUSINESS

- 1.1 Baluchistan Wheels Limited was incorporated in Pakistan on June 16, 1980 under Companies Act, 1913 (Now Companies Act, 2017). 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.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

The registered office of the Company is located at the 1st Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi, Pakistan. The manufacturing facility (plant) of the Company is situated at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The approved accounting and reporting standards applicable in Pakistan comprise of :

- International Financial Reporting Standards (IFRS) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost basis.



3.3 Use of estimates and judgements:

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

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

Judgments and estimates made by management that are significant to the financial statements are as follows:

- depreciation method, useful lives, residual values and fair value of property, plant and equipment (notes 5.1 and 6)
- provision of slow-moving and obsolete stores, spares and loose tools and stock-in-trade (notes 5.4, 5.5, 10 and 11)
- allowance for expected credit losses (notes 5.6 and 12)
- taxation (notes 5.7, 17 and 25)
- employee benefit obligations (notes 5.16 and 38)
- provision for warranty (notes 5.11 and 27)
- lease liabilities (notes 5.3 and 23)
- contingencies (notes 5.12 and 28)

3.4 Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pakistani Rupees ('Rupees' or 'Rs.'), which is the Company's functional and presentation currency.

4 APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

The following standards, amendments and interpretations are effective for the year ended June 30, 2023. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the financial statements other than certain additional disclosures.



**Effective date
(annual periods
beginning on or
after)**

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework January 1, 2022

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts - Cost of fulfilling a contract January 01, 2022

Certain annual improvements have also been made to a number of IFRSs.

4.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have material impact on the Company's financial statements other than certain additional disclosures.

Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements January 01, 2024

Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2024

Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of Accounting Policies January 01, 2023

Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants January 01, 2024

Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements January 01, 2024

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates January 01, 2023



**Effective date
(annual periods
beginning on or
after)**

Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes January 01, 2023

Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 First Time Adoption of International Financial Reporting Standards; and
IFRS 17 Insurance Contracts.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the presentation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless stated otherwise.

5.1 Property, plant and equipment

a) Operating fixed assets

These are stated at historical cost less accumulated depreciation and impairment losses, if any, except for freehold land which is stated at revalued amount. Historical cost includes expenditure that is directly attributable to the acquisition of the item including borrowing costs and exchange differences recognised, for the acquisition of property, plant and equipment up to the commencement of commercial production. The cost of self constructed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the asset to a working condition for its intended use.

Subsequent costs (except freehold land) are included in an asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The cost of the day to day servicing of property, plant and equipment are recognised in statement of profit or loss during the financial year in which they are incurred.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Depreciation on operating fixed assets other than land is provided on a reducing balance method, except for computers which are depreciated on straight line method. Depreciation is charged on addition from the day the asset is available for use and is continued to be depreciated until it is derecognised. Rates of depreciation, which are disclosed in note 6, are determined to allocate the cost of an asset less estimated residual value, if not insignificant, over its useful life.

Freehold land is initially recognised at cost and is subsequently measured at revalued amount, which is the fair value at the date of revaluation less accumulated impairment, if any.

The assets' residual values, depreciation method and useful lives of each part of property, plant and equipment are reviewed at the end of each year, and adjusted if impact on depreciation is significant.

Disposal of assets is recognised when significant risks and rewards incidental to the ownership have been transferred to buyers. Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the statement of profit or loss.

b) Capital work-in-progress

Capital work-in-progress (including stores held for capital expenditures) are stated at cost and consists of expenditure incurred, advances made and other costs directly attributable to operating fixed assets in the course of their construction and installation. Cost also includes applicable borrowing costs. Transfers are made to relevant operating fixed assets category as and when assets are available for use intended by the management.

5.2 Impairment of non-financial assets

The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indications exist, the assets' recoverable amounts are estimated in order to determine the extent of impairment loss, if any.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that is largely independent from other assets and group. Impairment losses are recognised as expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.



Impaired assets are reviewed for possible reversal of the impairment at each reporting date. Reversal of the impairment losses are restricted to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment losses had been recognised. A reversal of impairment loss is recognised in the statement of profit or loss.

5.3 Leases

a) Right of use assets

The right of use asset is measured at cost, as the amount equal to initially measured lease liability adjusted for lease prepayments made at or before the commencement date, initial direct cost incurred less any lease incentives received.

The right of use asset is subsequently depreciated using straight line method from the date of recognition to the earlier of the end of useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those of operating fixed assets. In addition, the right of use asset is periodically reduced by the impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Right of use asset pertaining to head office is depreciated over the lease term of 3 years using straight line method and vehicles over the useful life at the rate of 20% using reducing balance method.

b) Lease liability

The lease liability is measured upon initial recognition at the present value of the future lease payments over the lease term, discounted with the specific incremental borrowing rate. Subsequently lease liabilities are measured at amortised cost using the effective interest rate method.

It is remeasured when there is a change in future lease payments arising from a change in the rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.



5.4 Stores and spares

Stores and spares are valued at lower of weighted average cost and net realisable value (NRV). Items in transit are valued at cost comprising invoice value plus other charges incurred thereon.

The Company reviews the carrying amount of stores and spares on a periodic basis and provision is made for slow-moving and obsolete items annually, if required.

5.5 Stock-in-trade

Stock-in-trade are valued at the lower of cost and net realizable value. Cost of raw material is determined by using the moving average method.

Cost comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Stock-in-transit is valued at purchase price, freight value and other charges incurred thereon upto the reporting date.

Work-in-process and finished goods consist of the direct materials costs, fuel and power cost and an appropriate proportion of manufacturing overheads including labour cost, depreciation and maintenance etc.

Net realizable value signifies the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessary to be incurred in order to make the sale.

5.6 Trade debts and other receivables

Trade debts and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. The Company is required to recognize allowance for doubtful debts on all financial assets carried at amortised cost in accordance with Expected Credit Loss (ECL) requiring to recognize the loss irrespective whether the loss event has occurred. Bad debts are written off when considered irrecoverable.

5.7 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of profit or loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is also recognised in other comprehensive income or directly in equity respectively.



a) **Current**

Current tax is the expected tax payable on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using tax rates enacted or substantively enacted at the reporting date after taking into account tax credits and tax rebates. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the reporting period for such years.

b) **Deferred**

Deferred tax is accounted for using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available in future years to utilize deductible temporary differences, unused tax losses and tax credits.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax is calculated based on tax rates that have been enacted or substantively enacted up to the reporting date and are expected to apply to the periods when the differences reverse.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

- c) The Company takes into account decisions taken by the taxation authorities. For instance where the Company's view differs from the income tax department at the assessment stage, the disputed amounts are shown as contingent liabilities.

5.8 **Government Grant**

The Government Grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognised in the statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.



5.9 Borrowings

Borrowings are recognised initially at fair value net of transaction cost incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds received (net of transaction cost) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Finance cost are accounted for on an accrual basis and are shown as interest and markup is accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Borrowing costs on long term finances and short term borrowings which are obtained for the acquisition of qualifying assets are capitalized as part of cost of that asset. All other borrowing costs are charged to the statement of profit or loss in the period in which these are incurred. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest cost as allowed under IAS 23 "Borrowing cost".

5.10 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

5.11 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and amount of that obligation can be measured reliably. Provisions are not recognised for future operating losses. Provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

5.12 Contingencies

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.



5.13 Financial instruments

5.13.1 Financial assets

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Amortised cost

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held with in a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at FVTPL

On initial recognition, a financial asset is classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) equity investment, or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

These assets are initially measured at fair value. Transaction cost incurred is recognised in the statement of profit or loss. Net gains and losses, including any interest or dividend income, are recognised in statement of profit or loss.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortised cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.



Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the financial assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

5.13.2 Financial liabilities

5.13.3 Recognition and measurement

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value and amortised cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.13.4 Derecognition

The financial assets are de-recognised when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognised when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

5.14 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognised amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.



5.15 Foreign currency translation

Transactions in foreign currencies are converted into functional currency (i.e. 'Rupees') at the rates of exchange prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the reporting date. Exchange gains and losses are recognised in the statement of profit or loss.

5.16 Employees benefits

The Company's employees benefits comprise of provident fund, gratuity scheme, compensated absences and medical benefits for eligible employees.

5.16.1 Staff retirement benefits

a) Defined benefit plan (Gratuity Fund)

The Company operates an approved funded defined gratuity scheme for all permanent employees who have completed the minimum qualifying period of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of June 30th, 2023 using Projected Unit Credit method.

Remeasurement losses and gains are recognised directly to other comprehensive income and are not reclassified to the statement of profit or loss on subsequent periods. All the past service costs are recognised at the earlier of when the amendments or curtailments occurs and when the Company has recognised related restructuring or termination benefits.

b) Defined contribution plan (Provident Fund)

The Company operates an approved defined contributory provident fund scheme for all permanent employees who have completed the minimum qualifying period of service. Equal contributions are made by the Company and the employees to the fund at the rate of 10% of the basic salary for executives and 10% of the basic salary plus cost of living allowance for non-executives.

5.16.2 Compensated absences

Accrual for compensated absences is made to the extent of the value of accrued absences of the eligible employees cadre at the reporting date using their current salary levels as per Company's policy. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

5.16.3 Medical benefits

The Company maintains a health insurance policy for its entitled employees and their respective spouses. The Company contributes premium to the policy annually. Such premium is recognised as an expense in the statement of profit or loss in the period to which it relates.



5.17 Revenue recognition

Revenue is recognised when specific criteria have been met for each of the Company's activities as described below:

Revenue from contracts with customers

Sale of goods

Sale of goods is recognised when the Company has transferred control of the products to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Revenue comprises the fair value for the sale of goods net of sales taxes and discounts. Revenue from the sale of goods is recognised when control of the goods passes to customers and the customers can direct the use of and substantially obtain all the benefits from the goods.

Contract assets arise when the Company performs its performance obligations by transferring goods to a customer before the customer pays its consideration or before payment is due.

If a customer pays consideration before the Company transfers goods, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs its performance obligations under the contract.

Others

- Scrap sales are recognised on delivery to customers at realized amounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- Profit on savings accounts is recognised on effective interest rate method.
- Dividend income is recognised when the right to receive such payment is established.
- All other revenues are accounted when performance obligations are met.



5.18 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise bank balances.

5.19 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company by weighted average number of ordinary shares outstanding during the year.

5.20 Dividend and appropriation to reserves

Dividend is recognised as a liability in the period in which it is declared and approved by the Company's shareholders at the Annual General Meeting. Appropriations of profit are reflected in the statement of changes in equity in the period in which such appropriations are approved.

5.21 Related party transactions

Transactions with related parties are based at agreed rates at normal commercial rates on the same terms and conditions as applicable to third party transactions.

5.22 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses that relate to transactions with any of the Company's other components. The Company has only one reportable segment i.e manufacturing and marketing of automotive wheel rims for trucks, buses, tractors, cars and mini commercial vehicles.



6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Freehold land (note 6.1)	Buildings on freehold land	Plant and machinery	Electrical installations	Furniture and fixtures	Vehicles	Office equipments	Computers	Library books	Right of use assets		Total
										Vehicles	Head office premises	

(Rupees in thousands)

Year ended June 30, 2023

Net carrying value basis

Opening net book value (NBV)	581,634	40,229	286,265	7,054	1,146	12,722	2,904	375	2	30,807	-	963,138
Additions (at cost)	-	-	3,145	-	175	-	1,447	73	-	14,766	9,110	28,716
Disposals (NBV)	-	-	-	-	-	(3,414)	(100)	-	-	-	-	(3,514)
Transfer from right of use asset	-	-	-	-	-	4,361	-	-	-	(4,361)	-	-
Depreciation charge	-	(2,012)	(30,006)	(705)	(120)	(1,854)	(1,224)	(26)	-	(6,546)	(3,036)	(45,529)
Closing net book value	581,634	38,217	259,404	6,349	1,201	11,815	3,027	422	2	34,666	6,074	942,811

Gross carrying value basis

Cost	581,634	105,813	1,070,647	31,486	4,945	31,407	15,077	3,542	42	56,666	18,569	1,919,828
Accumulated depreciation	-	(67,596)	(811,243)	(25,137)	(3,744)	(19,592)	(12,050)	(3,120)	(40)	(22,000)	(12,495)	(977,017)
Net book value	581,634	38,217	259,404	6,349	1,201	11,815	3,027	422	2	34,666	6,074	942,811

Year ended June 30, 2022

Net carrying value basis

Opening net book value (NBV)	541,077	42,346	299,041	7,838	1,297	13,566	2,604	186	2	34,840	3,153	945,950
Additions (at cost) (refer note 6.2)	-	-	20,819	-	67	2,753	1,419	277	-	3,600	-	28,935
Disposals (NBV)	-	-	(552)	-	(87)	(989)	(59)	-	-	-	-	(1,687)
Revaluation (refer note 6.5 & 20)	40,557	-	-	-	-	-	-	-	-	-	-	40,557
Depreciation charge	-	(2,117)	(33,043)	(784)	(131)	(2,608)	(1,060)	(88)	-	(7,633)	(3,153)	(50,617)
Closing net book value	581,634	40,229	286,265	7,054	1,146	12,722	2,904	375	2	30,807	-	963,138

Gross carrying value basis

Cost	581,634	105,813	1,067,502	31,486	4,770	27,046	13,630	3,469	42	41,900	9,459	1,886,751
Accumulated depreciation	-	(65,584)	(781,237)	(24,432)	(3,624)	(14,324)	(10,726)	(3,094)	(40)	(11,093)	(9,459)	(923,613)
Net book value	581,634	40,229	286,265	7,054	1,146	12,722	2,904	375	2	30,807	-	963,138

Depreciation rate (% per annum)

-	5 to 10	10 to 20	10	10	20	33	33	10	20	33
---	---------	----------	----	----	----	----	----	----	----	----

6.1 This freehold land of 23.593 acre (2022: 23.593 acre) is located at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan.

Note	2023 (Rupees in thousands)	2022
------	-------------------------------	------

6.2 The depreciation charge for the year has been allocated as follows:

Cost of sales	30	36,066	40,710
Selling and distribution expenses	32	134	9,845
Administrative expenses	31	9,329	62
		<u>45,529</u>	<u>50,617</u>

6.3 The cost of fully depreciated assets as at June 30, 2023 is Rs. 75.530 million (2022: Rs. 79.317 million).



6.4 Details of the latest revaluation exercises carried out by the external valuers based on which revaluation surplus has been recorded in these financial statements are as follows:

	Name of external valuer	Revaluation date	Written down value before revaluation	Revalued amount as at revaluation	Carrying values as at June 30, 2023
			----- (Rupees in '000) -----		
Leasehold land	Fairwater Property Valuers & Surveyors (Private) Limited	June 30, 2022	2,559	581,634	581,634

These valuations fall under level 2 hierarchies which have been explained in note 6.4.2.

6.4.1 The fair market value and the forced sales value of the revalued land is Rs. 581.634 million and 465.307 million respectively.

6.4.2 The revaluation surplus on property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

6.4.2 Non financial asset fair valuation

Fair value is the price 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 valuation techniques and inputs used to develop fair value measurements are as follows:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those whose inputs for the asset or liability that are not based on observable market date (unobservable inputs).

6.5 Valuation techniques and significant unobservable inputs

Valuation techniques used in measuring the fair value of leasehold land and the significant unobservable inputs used in the valuation are as follows:



Freehold land

The fair value of freehold land was determined by obtaining market values of the properties and considering its size, nature and location, as well as the trend in the real estate and property sector. All relevant factors affecting the saleability of the asset, availability of the buyers and the assessment of its real value under prevailing economic conditions were accounted for. The fair value of the land was assessed based on information available in current real estate market and has been categorized as level 2.

The estimated fair value of land would increase / decrease in line with the selling prices for property of same nature in the immediate neighbourhood and adjoining areas.

	Note	2023 (Rupees in thousands)	2022
7 CAPITAL WORK-IN-PROGRESS			
This comprises of:			
Plant and machinery	7.1	<u>3,585</u>	<u>-</u>
7.1 Movement of carrying amount of plant and machinery			
Opening balance		-	4,100
Additions (at cost)		3,585	15,666
Transferred to operating fixed assets		-	(19,766)
Closing balance		<u>3,585</u>	<u>-</u>
8 LONG-TERM LOANS AND ADVANCES			
Loans - secured			
Employees	8.1	1,996	2,982
Executives	8.1 & 8.2	<u>4,388</u>	<u>3,068</u>
		6,384	6,050
Current maturity	13	<u>(1,747)</u>	<u>(1,760)</u>
		4,637	4,290
Advances - secured			
Employees		<u>19,242</u>	<u>21,978</u>
Executives	8.2	<u>6,085</u>	<u>6,804</u>
		25,327	28,782
Current maturity	13	<u>(22,211)</u>	<u>(26,934)</u>
		<u>3,116</u>	<u>1,848</u>
		<u>7,753</u>	<u>6,138</u>



8.1 This represents loans given to executives and employees as per employment terms. These are recoverable in equal monthly installments over a period of four years. These loans are secured against the retirement benefits of employees and does not carry any interest or mark-up.

8.2 The maximum aggregate amount due from executives and employees at the end of any month during the year was Rs. 10.474 million (2022: Rs. 7.215 million).

	Note	2023 (Rupees in thousands)	2022
9 LONG-TERM DEPOSITS			
Unsecured - considered good			
Trade deposits		3,761	4,019
Lease deposits		4,818	3,630
		<u>8,579</u>	<u>7,649</u>
10 STORES, SPARES AND LOOSE TOOLS			
Stores		8,126	7,959
Spare parts		89,007	92,444
Loose tools		2,216	1,936
		<u>99,349</u>	<u>102,339</u>
Provision for slow-moving stores and spares		(62,844)	(62,610)
		<u>36,505</u>	<u>39,729</u>
10.1 Provision for slow-moving stores and spares			
Opening balance		62,610	60,293
Provision during the year	30	234	2,317
Closing balance		<u>62,844</u>	<u>62,610</u>
11 STOCK-IN-TRADE			
Raw materials		192,742	272,866
Work-in-process		175,548	177,745
Finished goods		176,174	84,855
Scrap stock		2,674	8,316
		<u>547,138</u>	<u>543,782</u>
Stock in transit		113,668	-
		<u>660,805</u>	<u>543,782</u>
Provision for slow-moving stock-in-trade	11.1	(11,676)	(4,018)
		<u>649,130</u>	<u>539,764</u>



	Note	2023 (Rupees in thousands)	2022
11.1	Provision for slow-moving and obsolete stock-in-trade		
	Opening balance	4,018	1,966
	Provision made during the year	7,658	2,052
	Closing balance	<u>11,676</u>	<u>4,018</u>

12 TRADE DEBTS

Unsecured - considered good

Due from associated undertakings	12.1	-	1,984
Others		<u>110,408</u>	<u>256,333</u>
		<u>110,408</u>	<u>258,317</u>

12.1 This comprises of amount receivable from Gandhara Nissan Limited, a related party. However, the said relationship has been ceased from the month of May, 2022 due to no more existence of common directorship.

13 LOANS AND ADVANCES

Current maturity of long-term loans	8	1,747	1,760
Advances			
Current maturity of long-term advances	8	22,211	26,934
for expenses	13.1	1,157	490
to suppliers		<u>13,293</u>	<u>11,889</u>
		<u>36,661</u>	<u>39,313</u>
		<u>38,408</u>	<u>41,073</u>

13.1 This includes advances provided to employees to meet business expenses. These advances are interest free.

14 DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits			
Trade deposits		-	600
Lease deposits		<u>470</u>	<u>420</u>
		470	1,020
Prepayments		<u>308</u>	<u>413</u>
		<u>778</u>	<u>1,433</u>



	Note	2023 (Rupees in thousands)	2022
15 OTHER RECEIVABLES			
Markup on treasury bills		13,493	334
Accrued markup on KE Sukuks		127	-
Deposit Accounts		32	-
Insurance claim		299	-
Others		-	458
		<u>13,951</u>	<u>792</u>
16 SHORT-TERM INVESTMENTS			
At fair value through profit or loss:			
Listed equity securities	16.1 & 16.2	<u>2,609</u>	<u>3,770</u>
		2,609	3,770
At amortised cost			
Treasury bills		507,295	519,996
Sukuks		<u>5,000</u>	<u>-</u>
		<u>514,904</u>	<u>523,766</u>
16.1 Listed equity securities			

Investment in equity securities of listed companies are as follows:

Number of shares		Company name		
2023	2022		2023	2022
10,000	10,000	Honda Atlas Cars (Pakistan) Limited	923	1,947
28,125	25,000	Fauji Cement Company Limited	329	354
5,000	5,000	Nishat Mills Limited	284	370
6,250	6,250	Attock Refinery Limited	<u>1,073</u>	<u>1,099</u>
			<u>2,609</u>	<u>3,770</u>

16.2 Net unrealised loss on remeasurement of investments recognised as financial assets at fair value through profit or loss:

Market value	2,609	3,770
Carrying value	<u>(3,770)</u>	<u>(6,102)</u>
	<u>(1,161)</u>	<u>(2,332)</u>



	Note	2023 (Rupees in thousands)	2022
17 TAXATION - NET			
Advance income tax		30,300	85,930
Provision for taxation	36	<u>(67,695)</u>	<u>(216,711)</u>
		<u><u>(37,395)</u></u>	<u><u>(130,781)</u></u>
18 BANK BALANCES - (Local Currency)			
Current accounts		12,004	15,937
Saving accounts	18.1	<u>6,768</u>	<u>50,097</u>
		<u><u>18,772</u></u>	<u><u>66,034</u></u>

18.1 These carry profits at the rates ranging from 16% to 20.50% (2022: 7.75% to 13%) per annum.

19 ORDINARY SHARE CAPITAL

Number of ordinary shares of Rs. 10/- each			(Rupees in thousands)	
2023	2022		2023	2022
9,276,000	9,276,000	Fully paid in cash	92,760	92,760
<u>4,058,250</u>	<u>4,058,250</u>	Issued as fully paid bonus shares	<u>40,583</u>	<u>40,583</u>
<u><u>13,334,250</u></u>	<u><u>13,334,250</u></u>		<u><u>133,343</u></u>	<u><u>133,343</u></u>

19.1 The Company has one class of ordinary shares which carry no rights to fixed income. The holders of shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at the meeting of the Company. All shares rank equally with regard to the Company's residual assets.

20 RESERVES

Revenue reserves

General reserve	160,000	160,000
Remeasurement loss on defined benefit plan- net	(229)	(1,366)
Un-appropriated profit	1,183,782	1,170,718
	<u><u>1,343,553</u></u>	<u><u>1,329,352</u></u>



2023 **2022**
(Rupees in thousands)

21 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

This represents revaluation surplus relating to freehold land (notes 6.4 and 6.5).

Balance as the beginning of the year	579,075	538,518
Transferred to unappropriated profit in respect of incremental depreciation charged / disposals during the year, net of deferred tax	-	-
Related deferred tax liability	-	40,557
Revaluation surplus arising during the year	-	40,557
	579,075	579,075

22 LONG-TERM LOAN

Non-current maturity	-	-
Current maturity	-	8,790
	-	8,790

23 LEASE LIABILITIES

Lease liabilities	33,965	26,314
Current portion	(20,197)	(12,365)
	13,768	13,949

23.1

23.1 Movement of lease liabilities is as follows:

	2023			2022		
	Vehicles	Head office premises	Total	Vehicles	Head office premises	Total
	(Rupees in thousands)			(Rupees in thousands)		
Opening balance	22,953	-	22,953	34,315	3,135	37,450
Additions	14,000	9,110	23,110	3,600	-	3,600
Accretion of interest	6,773	2,020	8,793	2,748	3,098	5,846
	20,773	11,130	31,903	6,348	6,233	9,446
Payments	(16,032)	(4,859)	(20,891)	(17,710)	(6,233)	(23,943)
Closing balance	27,694	6,271	33,965	22,953	-	22,953
Current maturity	(17,186)	(3,011)	(20,197)	(9,004)	-	(9,004)
	10,508	3,260	13,768	13,949	-	13,949



Maturity analysis-contractual cash flow

	2023		2022	
	Minimum lease payment	Present Value	Minimum lease payment	Present Value
	------(Rs. in '000)-----			
Within one year	24,424	20,197	14,474	12,365
After one year but not more than five year	16,314	13,768	14,588	13,949
	40,738	33,965	29,062	26,314
Amount representing finance charges	(6,773)	-	(2,748)	-
Present value of minimum lease payments	33,965	33,965	26,314	26,314
Current portion	(20,197)	(20,197)	(12,365)	(12,365)
	13,768	13,768	13,949	13,949

23.2 The Company has entered into various finance lease agreements with Bank Al Habib Limited in respect of vehicles. The rate of interest used as the discounting factor ranges between 12.2% to 23% per annum (2022: 12.2% to 13.5% per annum).

23.3 The Company has entered in to an rental agreement for head office premises. The rental period is more than 3 years.

23.4 Rentals are payable in equal monthly installments whereas repairs and insurance costs are borne by the Company. These are secured against demand promissory notes and title documents of the vehicles.

23.5 The Company is bound by certain covenants which includes but are not limited to payment of certain taxes and to exercise reasonable care.

24	LONG TERM DEPOSITS	Note	2023	2022
			(Rupees in thousands)	
	Deposits from employees		1,204	1,949
	Current maturity		(89)	(1,053)
		24.1	<u>1,115</u>	<u>896</u>

24.1 Represents interest-free deposits received from employees on account of executive cars and generator scheme and are adjustable within the period of five and three years respectively against respective assets.



25 DEFERRED TAXATION	Note	2023 (Rupees in thousands)	2022
Deferred taxation	25.1	31,485	34,972
25.1 The net balance for deferred taxation is in respect of following temporary differences:			
Deferred tax liabilities			
Accelerated tax depreciation allowance		55,942	54,718
Defined benefit plan		465	853
Right-of-use assets		8,657	8,934
		<u>65,064</u>	<u>64,505</u>
Deferred tax assets			
Provisions		23,729	21,902
Lease liabilities		9,850	7,631
		<u>(33,579)</u>	<u>(29,533)</u>
		<u>31,485</u>	<u>34,972</u>

26 TRADE AND OTHER PAYABLES

Creditors		16,085	23,485
Accrued liabilities		100,800	113,028
Contract liabilities	26.1	25,720	6,735
Gratuity fund	38	2,188	-
Provident fund		314	-
Retention money		455	455
Compensated absences		5,800	6,086
Workers' Profit Participation Fund	26.2	3,120	4,845
Workers' Welfare Fund		32,636	28,030
Security deposits		388	388
Mark-up on running finance		200	2
Others		220	252
		<u>187,926</u>	<u>183,306</u>

26.1 This represents advance received from various customers. Revenue recognised during the year from amounts included in contract liabilities at the beginning of the year amounted to Rs. 2.254 million (2022: Rs. 1.335 million).

26.2 Workers' Profit Participation Fund

Opening balance		4,845	1,607
Interest on funds utilized in Company's business	35	148	28
Allocation for the year	33	12,120	22,845
		<u>17,113</u>	<u>24,480</u>
Amount paid during the year		<u>(13,993)</u>	<u>(19,635)</u>
Closing balance		3,120	4,845



	Note	2023 (Rupees in thousands)	2022
27 PROVISION FOR WARRANTY			
Opening balance		2,716	1,889
(Reversal of Provision)/Provision made during the year		<u>(1,214)</u>	<u>827</u>
Closing balance		<u><u>1,502</u></u>	<u><u>2,716</u></u>

28 CONTINGENCIES AND COMMITMENTS

28.1 Contingencies

28.1.1 On April 08, 2004, National Bank of Pakistan (NBP) has made a payment to the Privatisation Commission amounting to Rs. 91.25 million and filed a suit in the Honorable High Court of Sindh for the recovery of the same from the Company which was subsequently transferred due to administrative reasons to the Banking Court No. III at Karachi. On January 06, 2022, the Honorable Banking Court dismissed the Suit # 53 of 2017 in Company's favour, but the NBP has filed 1st Appeal # 34 of 2022 in the Honourable High Court of Sindh against this order and the appeal is pending till date. The management, based on the advice of its legal advisor, is of the opinion that the case will be decided in favour of the Company. Accordingly, no provision has been made in these financial statements.

28.1.2 On August 06, 2001, the Company filed suit before the Honorable High Court of Sindh at Karachi, against NBP for satisfaction of Charge on Asset which was created in anticipation of a prospective loan / finance to be provided by NBP to the Company. As the proposed loan / finance had not been obtained from NBP by the Company, the charge should have been redeemed by NBP. Currently, the matter is at the state of evidence of the parties. The management, based on the advice of legal advisor, is of the view that no financial implications will arise to the Company as a result of this suit and accordingly, no provision has been made in this respect in these financial statements.

28.1.3 On January 25, 2018, the Additional Commissioner Inland Revenue (ACIR) amended the assessment and issued order under section 122 (5A) of Income Tax Ordinance, (ITO) 2001, for the tax year 2015, and created arbitrary tax demand of Rs. 35.356 million. Being aggrieved with the order of the concerned ACIR, the Company filed an appeal before the Commissioner Inland Revenue Appeals - I [CIR (A)] on which the concerned CIR (A) through its order under section 129 of Income Tax Ordinance, 2001, deleted certain additions and remanded back the case to the concerned ACIR on account of certain additions. The ACIR filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on the issued which were deleted by the CIR (A) which is pending adjudication.

The management of the company, based on the advice of its tax advisor, has maintained/ retained a provision amounting of Rs. 17.678 million on prudent basis.



28.1.4 On September 27, 2018, Deputy Commissioner Inland Revenue (DCIR) amended the assessment and issued order under section 122 (5A) of the Income Tax Ordinance, 2001 for the tax year 2017, reducing tax refunds for the said tax year by Rs. 28.39 million. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeal) (CIRA), who maintained the demand of DCIR through appellate order dated January 15, 2019. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication.

The management, based on the advice of its tax advisor, has maintained/retained a provision of Rs. 28.392 million on prudent basis.

28.1.5 On March 15, 2021, the DCIR amended the assessment and issued order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2018, demanded Rs. 417.996 million against which the Company filed an appeal before CIR(A) who has passed an appellate order under section 129(1) whereby set aside / delete the whole demand except for addition in difference in stock between the Income tax return and sales tax return amounting to Rs. 72.088 million. against which the Company filed an appeal before ATIR which is pending adjudication. On November 28, 2022, the DCIR passed an order under section 122(4) to give effect under section 124 of the Income Tax Ordinance, 2001 for the tax year 2018, whereby the learned DCIR made addition in the income amounting to Rs. 19,204 million on amount of purchase due to non-deduction of tax under section 153(1)(a) of the Income Tax Ordinance, 2001 against which the company filed an appeal before CIR(A) which is pending adjudication.

The management, based on the advice of its tax advisor, has maintained a provision of Rs. 32,718 million on prudent basis.

28.1.6 On May 31, 2023, the ACIR amended the assessment and issued order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2019, and created tax demand of Rs. 6.203 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.

The management, based on the advice of its tax advisor, has not made any provision in respect of above contingency.

28.1.7 On March 13, 2023, the Privatization Commission (PC) has filed an appeal in the Honorable Supreme Court (SC) against the order of the Islamabad High Court which had dismissed the appeal of the PC on the grounds of limitation on February 09, 2023. The management of the Company has decided to defend this case and engaged a lawyer to file a caveat in the Honorable SC.



2023
2022
(Rupees in thousands)

28.2 Commitments

Outstanding letters of guarantee	4,512	4,512
Outstanding letters of credit - raw material	6,982	248,886

29 TURNOVER - NET

Local sales	29.1	1,980,185	3,257,390
Sales return		(5,195)	(5,278)
Sales tax		(302,062)	(473,920)
		(307,257)	(479,198)
		1,672,928	2,778,192
Export Sales		2,929	-
		1,675,858	2,778,192

29.1 Local sales include scrap sales of Rs. 95.138 million (2022: Rs.152.037 million).

30 COST OF SALES

Materials consumed	30.1	1,024,902	1,786,152
Salaries, wages and other benefits	30.2	136,333	190,027
Stores, spare parts and loose tools consumed		75,444	89,620
Depreciation on property, plant and equipment	6.2	29,520	37,767
Depreciation on right-of-use assets	6.2	6,546	2,943
Fuel and power		52,713	69,130
Outsourced job contractor		61,618	57,264
Staff transportation		22,324	19,391
Repairs and maintenance		8,466	4,656
Insurance		3,778	3,185
Provision for slow moving stores and spares	10.1	234	2,317
Vehicle running expenses		5,768	3,620
Provision for slow moving stock-in trade	11.1	7,658	2,052
Enteratinment		2,784	2,240
Telephone and postage		533	519
Travelling and conveyance		65	98
Computer expenses		52	57
Subscription		73	67
Others		236	164
Manufacturing cost		1,439,047	2,271,269
Work-in-Process			
Opening stock		177,745	115,778
Closing stock		(175,548)	(177,745)
		2,197	(61,967)
Cost of goods manufactured		1,441,244	2,209,302
Finished goods			
Opening stock-in-trade		84,855	42,093
Closing stock stock-in-trade		(176,174)	(84,855)
		(91,318)	(42,762)
		1,349,925	2,166,540



	Note	2023 (Rupees in thousands)	2022
30.1 Material consumed			
Opening stock-in-trade			
Raw material and components		119,216	103,134
Scrap		8,316	156
		<u>127,532</u>	<u>103,290</u>
Purchases made during the year		1,092,487	1,810,394
		<u>1,220,019</u>	<u>1,913,684</u>
Closing stock-in-trade			
Raw material and components		(192,743)	(119,216)
Scrap		(2,374)	(8,316)
		<u>(195,117)</u>	<u>(127,532)</u>
		<u>1,024,902</u>	<u>1,786,152</u>
30.2 Salaries, wages and other benefits includes Rs. 38.717 million (2022: Rs. 63.543 million) in respect of the following staff employment benefits.			
Bonus		25,801	51,860
Medical		5,073	4,428
Gratuity fund		4,050	2,466
Provident fund		3,793	3,328
Accrual for compensated absences		-	1,461
		<u>38,717</u>	<u>63,543</u>
31 ADMINISTRATIVE EXPENSES			
Salaries and other benefits	31.1	62,786	65,231
Outsourced service expenses		8,342	8,090
Vehicle running expenses		13,991	10,796
Corporate expenses		5,024	4,346
Depreciation on property, plant and equipment	6.2	6,293	5,155
Depreciation on right-of-use assets	6.2	3,036	4,690
Entertainment		4,162	3,633
Utilities		3,936	4,075
Legal and professional charges		2,810	2,225
Auditor's remuneration	31.2	1,365	1,035
Insurance		1,249	1,023
Telephone and postage		726	675
Staff transportation		881	766
Repairs and maintenance		1,489	823
General stores supplies		1,645	1,734
Printing, stationery and periodicals		390	213
Travelling and conveyance		449	334
Donation and charities		519	-
Others		1,508	1,769
		<u>120,601</u>	<u>116,612</u>



	Note	2023 (Rupees in thousands)	2022	
31.1	Salaries, wages and other benefits includes Rs. 9.771 million (2022: Rs. 21.282 million) in respect of the following staff employment benefits.			
	Bonus	4,927	13,829	
	Medical	1,250	2,611	
	Gratuity fund	1,080	658	
	Provident fund	2,514	2,097	
	Accrual for compensated absences	-	2,087	
		<u>9,771</u>	<u>21,282</u>	
31.2	Auditor's remuneration			
	Statutory audit fee	765	765	
	Half yearly review	160	160	
	Code of Corporate Governance	110	70	
	Out of pocket expenses	330	40	
		<u>1,365</u>	<u>1,035</u>	
32	SELLING AND DISTRIBUTION EXPENSES			
	Salaries and other benefits	32.1	19,635	19,220
	Outsourced service expenses		2,832	2,629
	Entertainment		1,769	1,578
	Vehicle running expenses		2,235	1,350
	Utilities		793	899
	Insurance		554	337
	Export related expenses		81	-
	Depreciation on property, plant and equipment	6.2	134	62
	Provision for warranty		-	827
	Others		351	371
	Outward freight		28,942	39,525
			<u>57,325</u>	<u>66,798</u>



	Note	2023 (Rupees in thousands)	2022
32.1	Salaries, wages and other benefits includes Rs. 3.052 million (2022: Rs. 6.672 million) in respect of the following staff employment benefits.		
		1,617	3,457
		347	2,283
		270	164
		818	739
		-	29
		<u>3,052</u>	<u>6,672</u>
33	OTHER EXPENSES		
	Workers' Profit Participation Fund	26.2	12,120
	Workers' Welfare Fund		4,605
	Unrealised loss on change in fair value of listed equity securities		1,161
	Exchange loss-net		23,910
		<u>41,796</u>	<u>51,406</u>
34	OTHER INCOME		
	Income from financial assets		
	Profit on savings accounts		7,567
	Profit on treasury bills		89,660
	Dividend income	34.1	153
	Realised gain on sale of investments		1,750
		<u>99,130</u>	<u>37,875</u>
	Income from non-financial assets		
	Gain on sale of operating fixed assets - net		5
	Liability no longer payable		607
	Sale of wastage material - net		-
	Amortization of Government grant		91
	Reversal of warranty provision		1,214
	Others		54
		<u>1,971</u>	<u>14,639</u>
		<u>101,101</u>	<u>52,514</u>



	Note	2023 (Rupees in thousands)	2022
34.1			
This amount represents dividend income from Honda Atlas Car Pakistan Limited, Attock Refinery Limited and Nishat Mills Limited.			

35 FINANCE COST

Markup on:

Running finance		227	11
Long-term loan		40	687
Workers' Profit Participation Fund	26.2	148	28
		<u>415</u>	<u>726</u>
Bank charges and commission		310	181
Finance charges on leases		4,834	3,069
		<u>5,559</u>	<u>3,976</u>

36 TAXATION

For the year

Current	36.1	67,033	138,306
Prior		662	78,405
Deferred		(2,349)	425
		<u>65,346</u>	<u>217,136</u>

36.1 The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the Company has assessed the sufficiency of the tax provisions.

37 EARNINGS PER SHARE - BASIC AND DILUTED

The earnings per share as required under IAS 33: "Earnings per share" is given below:

	2023 (Rupees in thousands)	2022
Profit for the year (Rupees in '000')	<u>136,406</u>	<u>208,238</u>
Weighted average number of ordinary shares (in thousands)	<u>13,334</u>	<u>13,334</u>
	(Rupee per share)	
Earnings per share attributable to ordinary shareholders	<u>10.23</u>	<u>15.62</u>

There is no dilutive effect on the basic earnings per share of the Company.



38 DEFINED BENEFIT PLAN

38.1 General description

This scheme provides terminal benefits for all its permanent employees who attain the minimum qualifying period at varying percentages of last drawn basic salary. The percentage depends on the number of service years with the Company. Annual charge is based on actuarial valuation carried out as at June 30, 2023 using the Projected Unit Credit Method.

The Company faces the following risks on account of gratuity:

Final salary risk - The risk that the final salary at the time of cessation of service is greater than what the Company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

Mortality risk - The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk - The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

Asset volatility - Most assets are invested in risk free investments i.e. Government Bonds / Treasury bills. However, investments in equity instruments is subject to adverse fluctuations as a result of change in the market price.

Discount rate fluctuation - The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans' bond holdings.

Investment risks - The risk of the investment underperforming and not being sufficient to meet the liabilities.

Risk of insufficiency of assets - This is managed by making regular contribution to the Fund as advised by the Actuary.



38.2 Principal actuarial assumptions

Following are a few important actuarial assumptions used in the valuation:

	2023 %age	2022 %age
Discount rate	16.25	13.25
Expected rate of increase in salary	15.25	12.25

38.3 Reconciliation of balance due to defined benefit plan

Present value of defined benefit obligation	103,043	90,140
Fair value of plan assets	<u>(100,855)</u>	<u>(90,598)</u>
Closing net asset	<u>2,188</u>	<u>(458)</u>

38.4 Movement of the liability recognised in the statement of financial position

	Note	2023 (Rupees in thousands)	2022
Opening net asset		(458)	(23,037)
Charge for the year	38.8	4,449	3,286
Remeasurement chargeable to other comprehensive income	38.9	(1,602)	(2,942)
Contribution made during the year		<u>(200)</u>	<u>22,236</u>
Closing net asset	26&15	<u>2,189</u>	<u>(458)</u>

38.5 Fair value of plan assets at year end

Treasury Bills	68,624	56,968
Mutual Funds	22,381	23,267
Equity Investments	9,557	10,227
Cash at banks	293	136
	<u>100,855</u>	<u>90,598</u>



	Note	2023 (Rupees in thousands)	2022
38.6	Movement in present value of defined benefit obligations		
	Opening present value of defined benefit obligations	90,140	87,138
	Current service cost for the year	4,523	4,478
	Interest cost for the year	11,758	8,674
	Benefits paid during the year	(2,796)	(802)
	Remeasurement gain on obligation	(582)	(9,348)
	Closing present value of defined benefit obligations	<u>103,043</u>	<u>90,140</u>
38.7	Movement in fair value of plan assets		
	Opening fair value of plan assets	90,598	110,176
	Remeasurement on plan assets	1,020	(6,406)
	Contributions during the year	200	(22,236)
	Benefits paid during the year	(2,796)	(802)
	Expected return on plan assets	11,832	9,866
	Closing fair value of plan assets	<u>100,854</u>	<u>90,598</u>
38.8	Charge for the year		
	Current service cost	4,523	4,478
	Interest cost	(74)	(1,192)
	Charge for the year	<u>4,449</u>	<u>3,286</u>
38.9	Remeasurement chargeable to other comprehensive income		
	Experience adjustments	(582)	(9,348)
		(582)	(9,348)
	Return on plan assets, excluding interest income	(1,020)	6,406
		<u>(1,602)</u>	<u>(2,942)</u>
38.10	Sensitivity analysis		

The impact of 1% change in following variables on defined benefit obligation is as follows:

	Increase in assumption (Rupees in thousands)	Decrease in assumption
Discount rate	106,465	100,022
Salary increase	106,469	99,968

38.11 The expected contribution to the fund for the year ending June 30, 2024 is estimated to be Rs. 65.263 million.



39 DEFINED CONTRIBUTION PLAN

The Company has contributory provident fund scheme for benefit of all its permanent employees. The Fund is maintained by the Trustees and all decisions regarding investments and distribution of income etc. are made by the Trustees independent of the Company.

40 CASH GENERATED FROM OPERATIONS	Note	2023 (Rupees in thousands)	2022
Profit before taxation		201,752	425,374
Adjustment for non-cash charges and other items:			
Depreciation on property, plant and equipment	6.2	35,947	39,831
Depreciation on right-of-use assets	6.2	9,582	10,786
Amortization of Government grant	34	(91)	(1,278)
Gain on sale of operating fixed assets	34	(5)	(312)
Finance cost	35	5,559	3,976
Provision for slow-moving stores and spares	10.1	234	2,317
Reversal of provision for slow-moving stock in trade	11.1	7,658	2,052
Allowance for expected credit losses		-	-
Accrual for compensated absences		412	1,400
(Reversal for provision) / provision of warranty claims and adjustment claims	27	(1,214)	827
Provision for employee defined benefit obligations		7,004	3,286
Profit on savings accounts and treasury bills	34	(98,977)	(37,810)
Unrealized loss on change in fair value of listed equity securities		1,161	2,332
Dividend income		(1,903)	(1,578)
		<u>167,120</u>	<u>451,203</u>
Working capital changes	40.1	6,815	(251,401)
		<u>173,935</u>	<u>199,802</u>

40.1 Changes in working capital

(Increase) / decrease in current assets:

Stores, spares and loose tools	2,991	(4,242)
Stock-in-trade	(117,023)	(198,145)
Trade debts	147,909	6,308
Loans and advances	2,665	(9,069)
Trade deposits and short term prepayments	655	(877)
Other receivables	(13,160)	-
Sales tax refundable	(12,049)	595
	<u>11,988</u>	<u>(205,431)</u>

Increase in current liabilities:

Trade and other payables	4,709	(55,852)
Sales tax payable	(9,882)	9,882
	<u>6,815</u>	<u>(251,401)</u>



41 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

- a) The aggregate amount charged in the financial statements for remuneration, including all benefits to Chief Executive, Directors and Executives of the Company is as follows:

	2023				2022			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in thousands)							
Managerial remuneration	7,237	14,052	10,348	31,637	6,579	12,776	6,264	25,619
House rent	3,257	6,324	4,657	14,238	2,961	5,748	2,819	11,528
Staff retirement benefits	2,640	5,233	5,034	12,907	1,206	2,342	2,050	5,598
Bonus	2,412	4,684	4,128	11,224	4,934	9,582	1,389	15,905
Medical	643	1,500	237	2,380	1,612	2,989	195	4,796
Utilities	864	1,747	1,476	4,087	650	1,313	798	2,761
Leave fare assistance	1,387	4,897	76	6,360	1,890	760	68	2,718
Total	<u>18,440</u>	<u>38,437</u>	<u>25,956</u>	<u>82,833</u>	<u>19,832</u>	<u>35,510</u>	<u>13,583</u>	<u>68,925</u>
Number of persons	<u>1</u>	<u>2</u>	<u>5</u>	<u>8</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>6</u>

- b) The chief executive, directors and certain executives are also provided with free use of the Company's maintained cars, household items and other benefits in accordance with their terms of employment.
- c) Aggregate amount charged in the financial statements against fee for attending meetings to six non-executive directors was Rs. 2.860 million (2022: Rs. 2.250 million).



42 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties of the Company comprise directors, key management personnel retirement benefit plans and company with common directorship. Transactions with related parties in the financial statements are as follows:

Nature of transaction	Nature of Relation	Basis of Relation	Note	2023	2022
				(Rupees in thousands)	
Sale of goods Gandhara Nissan Limited (42.3)	Associated company	Common Director		-	37,638
Dividend on ordinary shares Directors and others	Personnel	Key management personnel		56,846	32,272
Long term loan given Executives	Personnel	Key management personnel		4,388	2,465
Advances Executives	Personnel	Key management personnel		6,085	4,750
Sale of vehicles / equipments Executives	Personnel	Key management personnel		10,403	561

42.1 Year end balances

		2023	2022
(Rupees in thousands)			
Receivable from a related party		-	1,984
Long term loan	8.1 & 8.2	4,388	3,068
Advances	8.2	6,085	6,804
		<u>10,473</u>	<u>11,856</u>

42.2 All transactions with related parties have been carried out on commercial terms and conditions except certain executives are entitled to obtain cars at Company's car executive scheme.

42.3 The Ghandara Nissan Limited (GHNL) was a related party of the Company due to common directorship. The election of directors was held on May 25th, 2022, based on election, the said relationship has ceased to exist during the reporting period.



2023 2022
(Units in thousands)

43 CAPACITY AND PRODUCTION

Plant capacity - single shift	<u>850</u>	<u>850</u>
Actual production	<u>329</u>	<u>648</u>

43.1 During the year actual production was below the estimated capacity due to lower demand of wheel rims.

44 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2023 which are summarized below:

44.1 Risk management policies

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company is exposed to market risk (including interest rate risk, currency risk and equity price risk), credit risk and liquidity risk.

The Company's principal financial liabilities comprise loans, deposits, trade and other payables and lease liabilities. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as short-term investments, loans, trade debts, other receivables and cash and bank balances, which are directly related to its operations.

44.2 Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counter parties fail to perform as contracted. The Company manages credit risk through having exposure only to customers and parties considered credit worthy and obtaining securities where applicable. At the reporting date, the Company is exposed to credit risk on the following assets:



	2023	2022
	(Rupees in thousands)	
Loans	14,963	13,699
Trade debts	110,408	258,317
Sukuks	5,000	-
Other Receivables	332	458
Bank balances	18,772	66,034
	<u>149,475</u>	<u>338,508</u>

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings or the historical information about counter party default rates as shown below:

44.2.1 Customers with no defaults in the past one year

Trade debts	<u>110,408</u>	<u>258,317</u>
-------------	----------------	----------------

To manage exposure to credit risk in respect of trade receivables, management performs credit reviews taking into account the customer's financial position, past experience and other factors. Where considered necessary, advance payments are obtained from certain parties.

The exposure to banks is managed by dealing with variety of major banks and monitoring exposure limits on continuous basis. The ratings of banks ranges from AA to AAA.

	2023	2022
	(Rupees in thousands)	
Bank Balances		
AA	9,418	58,630
AAA	9,354	7,404
	<u>18,772</u>	<u>66,034</u>

44.2.1.1 The ratings are checked from VIS and PACRA.

Concentration of credit risk

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligation to be similarly affected by the changes in economic, political or other conditions. The Company believes that it is not exposed to major concentration of credit risk.

Impaired assets

During the year no assets have been impaired.

44.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company applies prudent risk management policies by maintaining sufficient bank balances and by keeping committed credit lines. The table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual undiscounted payments.

Note	INTEREST / MARK-UP / PROFIT BEARING			NON-INTEREST BEARING	TOTAL
	Less than one year	One to five years	Total		
(Rupees in thousands)					
June 30, 2023					
Long term financing	22	-	-	-	-
Lease liabilities	23	20,197	13,768	-	33,965
Long term deposits	24	-	-	1,204	1,204
Trade and other payables	26	-	-	155,289	155,289
Unclaimed dividend		-	-	8,184	8,184
		<u>20,197</u>	<u>13,768</u>	<u>164,678</u>	<u>198,643</u>
June 30, 2022					
Long term financing	22	8,790	-	-	8,790
Lease liabilities	23	12,365	13,949	-	26,314
Long term deposits	24	-	-	1,949	1,949
Trade and other payables	26	-	-	155,275	155,275
Unclaimed dividend		-	-	7,087	7,087
		<u>21,155</u>	<u>13,949</u>	<u>164,311</u>	<u>199,414</u>

44.4 Market risk

Market risk is the risk that fair value of future cashflows will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk.

a) Currency risk

Currency risk is the risk that the value of financial assets and financial liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company is not materially exposed to currency risk as of the reporting date.

Outstanding letters of credit - raw material	<u>6,982</u>	<u>248,886</u>
--	--------------	----------------

The following significant exchange rates have been applied.



	Average rate		Reporting date rate	
	2023	2022	2023	2022
USD to PKR	241	178.03	287.50	204.70

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on net currency exposure at reporting date.

(Rupees in thousands)

Effect on profit	698	(698)
------------------	-----	-------

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's lease liabilities. The Company mitigates its risk by maintaining excess funds in saving accounts with floating interest rates.

Sensitivity analysis

The following figures demonstrate the sensitivity to a reasonably possible change in interest rate, with all other variables held constant, of the Company's profit before tax.

	Increase / decrease in interest rate (%)	Effect on profit before tax (Rupees in thousands)
As at June 30, 2023	+2	(544)
	-2	544
As at June 30, 2022	+2	476
	-2	(476)



c) Equity price risk

The Company's listed equity investment is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through placing limits on investments in equity instruments that are reviewed and approved by the Board of Directors, on a regular basis.

At the reporting date, the exposure to equity investments at fair value listed on the PSX is Rs. 2.609 million (2022: Rs. 3.770 million). Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the PSX market index, the Company has determined that an increase / (decrease) of 10% in the fair market value could have an impact of approximately Rs. 0.261 million (2022: Rs. 0.38 million) increase / (decrease) on the Company's profit before tax.

	2023	2022
	(Rupees in thousands)	
44.5 Financial instruments by category		
Financial assets at amortised cost		
Loans and deposits	9,049	8,669
Loans and advances	31,711	34,832
Short term investment	514,904	523,766
Trade debts	110,408	258,317
Other receivables	13,951	792
Cash and bank balances	18,772	66,034
	<u>698,795</u>	<u>892,410</u>
Financial liabilities at amortised cost		
Long term financing	-	8,790
Lease liabilities	33,965	26,314
Trade and other payables	152,169	150,430
Long term deposits	1,204	1,949
Un-claimed dividend	8,184	7,087
	<u>195,523</u>	<u>194,570</u>

45 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Fair value is the price 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.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- 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 that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

	Level 1	Level 2	Level 3	Total
	(Rupees in thousands)			
Investments 'at fair value through profit or loss'				
June 30, 2023				
Listed equity securities	2,609	-	-	2,609
	2,609	-	-	2,609
June 30, 2022				
Listed equity securities	3,770	-	-	3,770
	3,770	-	-	3,770

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

There were no transfer during the year between level 1, 2 or 3 of fair value hierarchy of financial assets or financial liabilities.



46 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES

Description	Liabilities	Total
	Short term Financing	
(Rupees in thousands)		
Balance as at July 1, 2022	8,790	8,790
Addition	-	-
Repayment	(8,790)	(8,790)
	(8,790)	(8,790)
Balance as at June 30, 2023	-	-

47 CAPITAL MANAGEMENT

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net profit after taxation divided by total shareholders' equity. The Board of Directors also monitor the level of dividend to ordinary shareholders. There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital

The Company's objectives when managing capital are:

- (i) to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- (ii) to provide an adequate return to shareholders.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt.

The management at all times seeks to earn returns higher than its weighted average cost of capital, by increasing efficiencies in operations, so as to increase profitability.

The shareholders are entitled to receive all distributions including dividends and other entitlements in the form of cash, bonus and right shares, as the case maybe, as and when declared by the Company. All shares carry one vote per share without restriction.

	2023	2022
	(Rupees in thousands)	
The proportion of debt to equity at the year end was:		
Total Borrowings	-	8,790
Less: Balances with banks	12,004	15,937
Net debt	(12,004)	(7,147)
Total equity	2,055,971	2,041,770
Total capital	2,043,968	2,034,624
Gearing ratio	-0.587%	-0.351%



48 OPERATING SEGMENTS

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

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

Total sales of the Company relating to customers in Pakistan were 99.8% during the year ended 30 June 2023 (2022: 100%).

All non-current assets of the Company at the end of the current and preceding year were located in Pakistan.

49 DIVIDEND AND APPROPRIATIONS

The Board of Directors in its meeting held on August 18, 2023 proposed final cash dividend of Rs. 3.5/- per share for the year ended 30 June 2023 amounting to Rs. 46.669 million for approval of the members at the Annual General Meeting to be held on September 23, 2023. This is in addition of interim dividend of Rs. 4.50/- per share amounting to Rs. 60.004 million.

	2023	2022
	(Rupees in thousands)	
50 DISCLOSURE BY COMPANIES LISTED IN ISLAMIC INDEX		
Dividend earned from shariah complaint investment	153	65
Loss on remeasurement of investments at fair value through profit or loss	(1,161)	(2,332)
Shariah complaint bank:		
Faysal Bank	9,418	28,374

The Company has earned dividend income from the investment made in the shares of shariah complaint companies.

51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 18, 2023 by the Board of Directors of the Company.



52 NUMBER OF EMPLOYEES

The number of employees including contractual employees as at the year end was 207 (2022: 217) and average number of employees during the year was 212 (2022: 219).

53 GENERAL

53.1 Amounts have been rounded off to the nearest thousands of rupees, unless stated otherwise.

53.2 Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

A handwritten signature in black ink, appearing to be "Anjan", written over the printed title "CHIEF EXECUTIVE".

CHIEF EXECUTIVE

A handwritten signature in black ink, appearing to be "M. J. Khan", written over the printed title "DIRECTOR".

DIRECTOR

A handwritten signature in black ink, appearing to be "Y. Y. W.", written over the printed title "CHIEF FINANCIAL OFFICER".

CHIEF FINANCIAL OFFICER



PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2023

NO. OF SHAREHOLDERS	SHAREHOLDING RANGE		NO. OF SHARES	PERCENTAGE (%)	
	FROM	TO			
647	1	-	100	25,136	0.19
444	101	-	500	124,871	0.94
94	501	-	1000	72,012	0.54
94	1,001	-	5000	210,056	1.58
15	5001	-	10000	107,595	0.81
3	10001	-	15000	35,560	0.27
3	15001	-	20000	53,215	0.40
2	20001	-	25000	43,300	0.32
1	25001	-	30000	29,500	0.22
1	50001	-	55000	55,000	0.41
1	125001	-	130000	129,400	0.97
1	145001	-	150000	145,562	1.09
1	150001	-	155000	151,500	1.14
1	285001	-	290000	287,500	2.16
1	300001	-	305000	300,500	2.25
1	325001	-	330000	328,000	2.46
1	340001	-	345000	341,693	2.56
1	435001	-	440000	437,201	3.28
1	480001	-	485000	482,083	3.62
1	640001	-	645000	645,000	4.84
1	695001	-	700000	700,000	5.25
1	795001	-	800000	800,000	6.00
1	995001	-	1000000	1,000,000	7.50
1	1280001	-	1285000	1,282,825	9.62
1	1325001	-	1330000	1,328,360	9.96
1	1570001	-	1575000	1,571,971	11.79
1	2645001	-	2650000	2,646,410	19.85
1,321				13,334,250	100

Categories of Shareholders	Number of Shareholders	Number of Shares Held	Percentage(%)
SPONSORS, DIRECTORS, THEIR SPOUSES & MINOR CHILDREN	11	6,147,507	46.10
BANK, DFI & NBF1	3	329,468	2.47
INSURANCE COMPANIES	1	341,693	2.56
MODARABAS & MUTUAL FUND	4	1,483,878	11.13
FOREIGN COMPANIES	7	5,905	0.04
OTHERS	19	1,787,494	13.41
GENERAL PUBLIC			
--- LOCAL	1,113	2,886,908	21.65
--- FOREIGN	163	351,397	2.64

1,321

13,334,250

100.00



PATTERN OF SHAREHOLDING - BREAKUP AS AT JUNE 30, 2023

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN	11	6,147,507	46.10%
1 MR. RAZAK BENGALI		1,571,971	
2 MRS. GUL BANO RAZAK		482,083	
3 MR. MUHAMMAD SIDDIQUE MISRI		2,646,410	
4 MRS. MEHTAB BIBI		437,201	
5 MRS. SABA NADEEM		3,000	
6 MR. MUHAMMAD IRFAN GHANI		4,842	
7 MRS. KAUSAR IRFAN		1,000,000	
8 MR. ANIS WAHAB ZUBERI		500	
9 MR. SYED ZUBAIR AHMED SHAH		500	
10 MR. MUHAMMAD JAVED		500	
11 IRFAN AHMED QURESHI		500	
BANK, DFI & NBF	3	329,468	2.47%
1 PRUDENTIAL INVESTMENT BANK LIMITED		575	
2 NATIONAL BANK OF PAKISTAN		893	
3 NATIONAL BANK OF PAKISTAN		328,000	
INSURANCE COMPAINES	1	341,693	2.56%
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
MODARABAS & MUTUAL FUND	4	1,483,878	11.13%
1 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,328,360	
2 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND		151,500	
3 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND		4,000	
4 GENERAL MODARABA SERVICES (PVT) LTD		18	
FOREIGN COMPANIES	7	5,905	0.04%
1 ROYAL BANK OF SCOTLAND		1,638	
2 BANK OF SCOTLAND		718	
3 BANKERS TRUST COMPANY		86	
4 MORGAN STANLEY BANK LUXEMBOURG		1,322	
5 MORGAN STANLEY TRUST COMPANY		718	
6 CROSBY SECURITIES PTE LTD.		833	
7 SOMERS NOMINEES (FAR EAST) LTD.		590	
OTHERS	19	1,787,494	13.41%
1 M/S. NATIONAL MOTORS LIMITED		230	
2 NATIONAL DEV. FINANCE CORP.INVESTERS		438	
3 BOLAN CASTINGS LIMITED		287,500	
4 PRUDENTIAL SECURITIES LIMITED		718	
5 SIZA (PRIVATE) LTD		7,500	
6 LOADS LIMITED		230	
7 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		145,562	
8 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		5,108	
9 S.H. BUKHARI SECURITIES (PVT) LIMITED		86	
10 KHOJA (PIRHAI) SHIA ISNA ASHARI JAMAT		230	
11 MAPLE LEAF CAPITAL LIMITED		1	
12 MILLAT TRACTORS LIMITED		1,282,825	
13 TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD - PROVIDENT FUND		5,000	
14 HAMID ADAMJEE TRUST		1,000	
15 MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED		287	
16 MSMANIAR FINANCIALS (PVT) LTD.		345	
17 FIKREE'S (SMC-PVT) LTD.		134	
18 CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT		29,500	
19 CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT		20,800	
GENERAL PUBLIC	1,276	3,238,305	24.29%
1 GENERAL PUBLIC - LOCAL		2,886,908	
2 GENERAL PUBLIC - FOREIGN		351,397	
	1,321	13,334,250	100%
SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY	8	10,029,566	75.22%
1 MUHAMMAD SIDDIQUE MISRI		2,646,410	
2 RAZAK BENGALI		1,571,971	
3 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,328,360	
4 MILLAT TRACTORS LIMITED		1,282,825	
5 MRS. KAUSAR IRFAN		1,000,000	
6 MR. KUMAIL IRFAN GHANI		800,000	
7 MR. WAJID IRFAN GHANI		700,000	
8 MS. MAHEEN IRFAN GHANI		700,000	



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting (AGM) of the shareholders of Baluchistan Wheels Limited will be held on **Saturday, September 23, 2023 at 11:30 A.M.** at the Registered Office of the Company, Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan, to transact the following business :-

ORDINARY BUSINESS

1. To confirm the minutes of the 42nd Annual General Meeting held on October 01, 2022.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To consider and approve payment of final cash dividend of **Rs.3.50 (35%) per share** for the year ended June 30, 2023 as recommended by the Board of Directors. This is in addition to interim dividends already paid at **Rs. 4.50 (45%) per share**.
4. To appoint Statutory Auditors of the company for the year ending June 30, 2024 and fix their remuneration.

SPECIAL BUSINESS

Ordinary Resolution

5. To sought approval of members to circulate annual audited financial statements through QR enabled Code and Weblink instead of transmitting the same in the form of CD / DVD / USB in pursuance of Securities and Exchange Commission of Pakistan (SECP) S.R.O. 389(1)/2023 dated March 21, 2023.

“Resolved that as notified by the SECP via S.R.O NO. 389(1)/2023 dated March 21, 2023 transmission of annual audited financial statements to its members through QR enabled code and weblink instead of transmitting the same in the form of CD / DVD / USB, be and is hereby ratified and approved for future.”

OTHER BUSINESS

6. To transact any other business with permission of the Chairman.

BY ORDER OF THE BOARD

Muhammad Asad Saeed
Company Secretary

Karachi: September 02, 2023



NOTES:

1. **Closure of Share Transfer Books:**

Share transfer books of the Company will remain closed from **September 15, 2023 to September 23, 2023** (both days inclusive). Transfers received in order at the Shares Department of M/s THK Associates (Pvt) Limited, Plot No: 32-C, Jami Commercial Street 2, DHA, Phase-VII, Karachi, Pakistan, by the close of business on **September 14, 2023**, will be considered in time to determine the above mentioned entitlement.

2. **For Attending the Meeting:**

- i. In case of individuals, the account holders or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original CNIC, or original passport at the time of attending the meeting.
- ii. Members registered on Central Depository Company (CDC) are also requested to bring their particulars, ID number and account number in Central Depository System (CDS).

3. **Proxy:**

A member entitled to attend, speak and vote at the meeting is entitled to appoint any other member as his/her proxy to attend, speak and vote. Proxies in order to be effective must be received at the Head Office of the Company duly stamped and signed not less than 48 hours before the time of holding the meeting. A form of proxy is enclosed with the Notice of Meeting being sent to the members.

4. **Submission of CNIC/NTN(Mandatory):**

Individual members who have not yet submitted photocopy of their valid CNIC to the Company/Share Registrar, are once again requested to send their CNIC(Copy) at the earliest directly to Company's Share Registrar, M/s THK Associates (Pvt) Limited. Corporate Entities also requested to provide their NTN. Please also give Folio with the copy of CNIC/NTN detail.

5. **Payment of Cash Dividend Electronically (Mandatory):**

- a. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, every listed company is required to ensure that the cash dividends to its shareholders shall be paid through electronic mode only directly into their bank accounts designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the details of their Bank mandate specifying: (i) Title of account, (ii) Account number (iii) IBAN number (iv) Bank name and (v) Branch name, code and address to the Company Share Registrar. Those share-holders who hold shares with participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC.
- b. Please note that as per Section 243 (3) of the Companies Act, 2017, listed Companies are entitled to withhold payment of dividend, if necessary information is not provided by the shareholders.
- c. For the convenience of shareholders, e-Dividend Mandate Form is available on Company's website [http:// www.bwheels.com](http://www.bwheels.com)



6. Un-claimed/Un-paid Dividends:

The shareholders who, by any reasons, could not claim their dividends are advised to contact our Share Registrar, M/s THK Associates (Pvt) Ltd to collect /inquire about their unclaimed/unpaid dividends.

7. Deposit of Physical Shares into Central Depository:

As per Section 72 of the Companies Act, 2017, listed companies are required to replace existing physical shares issued by them into book-entry form. Further, SECP vide its letter dated March 26, 2021 has advised to comply with Section 72 of the Act and encourage shareholders to convert their shares in book-entry form as soon as possible.

8. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001 (Mandatory):

a. Pursuant to the provision of the Finance Act, 2023 effective July 01, 2023 the rate of deduction of income tax from dividend payment under section 150 of the Income Tax Ordinance, 2001 are as follows:

- (i) For Active Tax Payer: 15%
- (ii) For Non- Active Tax Payer: 30%

b. Further according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on “Active/Non-Active” status of principal shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts.

c. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Company Name	Folio / CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
			Name and	Shareholding proportion	Name and	Shareholding proportion
			CNIC No.	(No. of Shares)	CNIC No.	(No. of Shares)

d. The required information must reach our Share Registrar within 10 days of issue of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

e. The corporate shareholders, having CDC accounts, are requested to have their National Tax Number (NTN) updated with their respective participants.

9. Availability of Audited Financial Statements on Company’s Website:

a. In accordance with the provisions of Section 223 and 237 of the Companies Act 2017, the audited financial statements of the Company for the year, which ended on 30th June 2023, are available on the Company's website [http:// www.bwheels.com](http://www.bwheels.com).

b. If any shareholder, desires to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request



10. Participation through video conferencing facility:

The shareholders who are interested in attending the Meeting are requested to get themselves registered by sending their particulars at the designated e-mail address (bwlfm@cyber.net.pk) giving following details not less than 48 hours before the time of the meeting:

Name of shareholder	CNIC No.	Folio No. /CDC Account No.	Cell No.	Email Address

11. Change of Address(If Any):

Members are requested to promptly notify any change in their addresses immediately to the Company's Share Registrar.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

SPECIAL BUSINESS:

This statement is annexed to the Notice of the Annual General Meeting of the shareholders of Baluchistan Wheels Limited to be held on September 23, 2023, at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning such special business mentioned in item No. 5 of the agenda.

Agenda Item 5 – Transmission of Annual Audited Financial Statements through QR – enabled Code and Weblink

The SECP has allowed listed companies to circulate annual audited financial statements to its members through QR enabled code and weblink instead of transmitting the same in the form of CD / DVD / USB in pursuance of SECP S.R.O. 389(1)/2023 dated March 21, 2023. The Company shall circulate Annual Audited Financial Statements through email address in case it has been provided by the member to the Company, and upon demand, supply hard copies of the Annual Audited Financial Statements to the shareholders free of cost upon receipt of a duly completed Request Form, which may be obtained from the Company's website i.e <http://www.bwheels.com>.

The Directors are not interested in this business except as shareholders of the Company.

NOTE: Transport will be provided to members from the Pakistan Stock Exchange Building to attend the meeting. Departure from the Pakistan Stock Exchange Building will be at 10:00 am.



BALUCHISTAN WHEELS LIMITED

Proxy Form

I/We, _____
of _____ (Full address)
being a member (s) of Baluchistan Wheels Limited and holding of _____ Shares under Folio
No. _____ and /or CDC Participant's ID No _____ and Sub A/c
No. _____ hereby appoint Mr./Mrs./Miss _____ of
_____ (Full address). Folio
No. _____ and / or CDC Participant's ID No _____ and Sub A/c No.
_____ or failing him/her Mr. / Mrs. / Miss _____ of
_____ (Full address). Folio
No. _____ and / or CDC Participant's ID No. _____ and Sub
A/c No. _____ as my / our Proxy in my / our absence to attend and vote
for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on **September
23, 2023** at 11:30 A.M and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2023

SIGNATURE

**Please affix
Rs. 5/- Revenue
Stamp**

Signature of Member (s)

Witness: _____
Name: _____
CNIC No: _____
Address: _____

Witness: _____
Name: _____
CNIC No: _____
Address: _____

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint another member as his/her proxy to attend and vote instead of his/her. No person shall act as proxy (except for a Corporation) unless he/she is entitled to be present and vote in his/her own right.
2. The instrument appointing a proxy should be signed by the member(s) or by his/her attorney duly authorized, in writing, or if the member is a Corporation/Company either under the common seal, or under the hand of an officer or attorney so authorized.
3. This Proxy Form duly completed must be deposited at the Head Officer of the Company, 1st Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi not less than 48 hours before the time of holding the meeting.

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES

CDC Shareholder and their proxies must each attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form.

The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.

In case of Corporate Entity, the Board of Directors Resolution/Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.



BALUCHISTAN WHEELS LIMITED

CODE OF CONDUCT / STATEMENT OF ETHICS AND BUSINESS PRACTICES

The Board of Directors and the Management of the Baluchistan Wheels Limited shall endeavor to conduct the Business of the Company in the most competitive manner and follow all the Norms and Laws applicable in the country and be Judicious in the day to day affairs of the Company and adopt the following significant policies in its true spirit.

Explanation:

Significant policies for this purpose may include:

- ⦿ Risk Management.
- ⦿ Human Resource Management including preparation of a Succession Plan.
- ⦿ Procurement of Goods and Services.
- ⦿ Marketing.
- ⦿ Determination of terms of Credit and Discount to Customers.
- ⦿ Write-off of bad/ doubt full Debts, Advances and Receivables.
- ⦿ Acquisition / Disposal of Fixed Assets.
- ⦿ Investments.
- ⦿ Borrowing of Moneys and the amount in excess of which Borrowings shall be Sanctioned/ Ratified by a general meeting of Shareholders.
- ⦿ Donations, Charities, Contributions and other payments of a similar nature including Corporate Social Responsibilities.
- ⦿ Determination and Delegation of Financial Powers.
- ⦿ Transactions or Contracts with Associated Companies and Related Parties.
- ⦿ Health, Safety, and Environment.
- ⦿ Strictly avoiding questionable and improper payments or misuse of company's Funds / Assets
- ⦿ The Whistle Blower Policy



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



Gandhara Industries Ltd.



Fuso Master Motors (Pvt.) Ltd.



Hinopak Motors Ltd.



Gandhara Automobiles Ltd.





www.bwheels.com

Baluchistan Wheels Limited



Factory & Registered Office Main RCD Highway, Hub
Chowki, Lasbella Baluchistan Telephone # : (0853)-
363426, 363428 Fax # : (0853)-364025
www.bwheels.com