



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



## ANNUAL REPORT 2021



# BALUCHISTAN WHEELS LIMITED

## VISION & MISSION



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

## CONTENTS

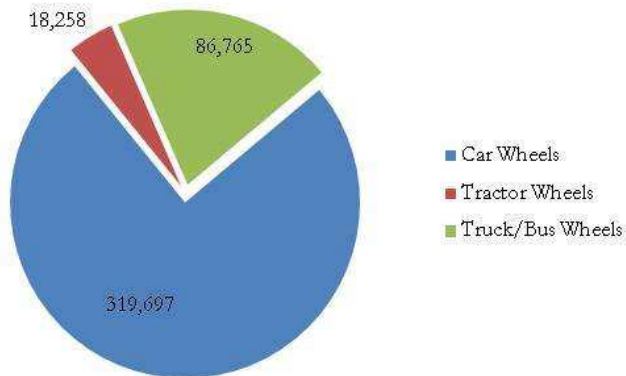
● Company Information	03
● Board of Directors	04
● Management Team	07
● Six Years at a Glance	09
● Horizontal & Vertical Analysis	11
● Statement of Value Addition & Its Distribution	15
● Review Report by the Chairman	16
● Directors' Report to the Shareholders (English)	18
● Directors' Report to the Shareholders (Urdu)	29
● Investor Relations	38
● Statement of Compliance with the Best Practices of Code of Corporate Governance	39
● Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	42
● Auditor's Report to the Members	43
● Statement of Financial Position	48
● Statement of Profit or Loss	49
● Statement of Comprehensive Income	50
● Statement of Cash Flows	51
● Statement of Changes in Equity	52
● Notes to the Financial Statements	53
● Pattern & Breakup of Shareholding	97
● Notice of the Meeting	99
● Code of Conduct / Statement of Ethics and Business Practices	103
● Proxy Form	104



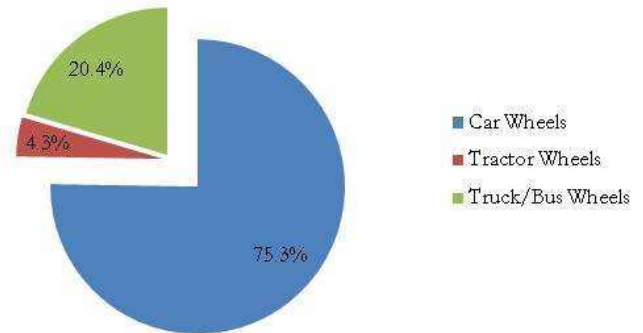
# BALUCHISTAN WHEELS LIMITED

## GRAPHICAL REPRESENTATION

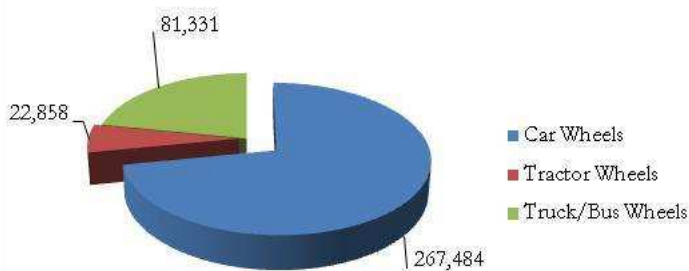
Sales in Qty  
2021



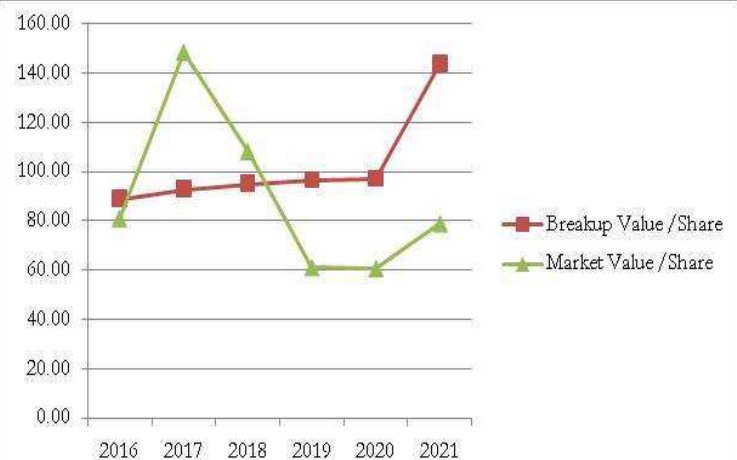
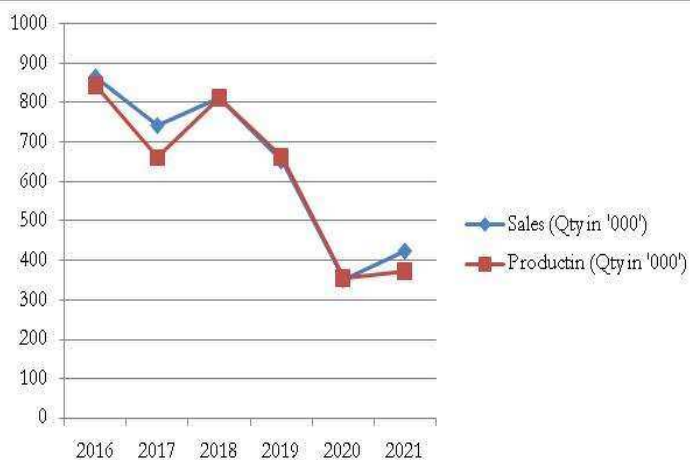
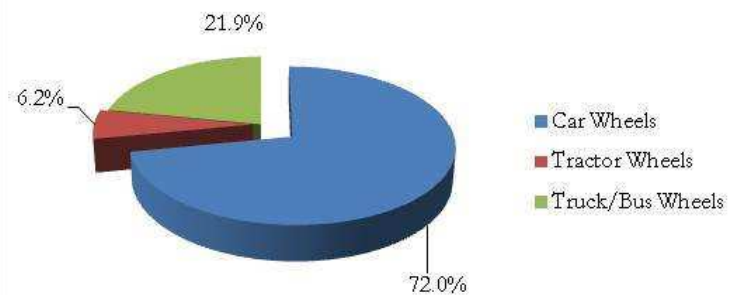
Sales in %  
2021



Production in Qty  
2021



Production in %  
2021







# BALUCHISTAN WHEELS LIMITED

## COMPANY INFORMATION

### CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

### CHIEF EXECUTIVE

Mr. Razak H.M. Bengali

### INDEPENDENT DIRECTORS

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

### EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri  
Mr. Muhammad Irfan Ghani

Director Marketing/ Business Development  
Chief Operating Officer

### NON-EXECUTIVE DIRECTORS

Mr. Aamir Amin  
Mrs. Saba Nadeem

(Nominee - NIT)

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Yasin Yunus Ladha

### COMPANY SECRETARY

Mr. Muhammad Asad Saeed

### AUDIT COMMITTEE

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

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

Chairman  
Member  
Member  
Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Javed  
Syed Haroon Rashid  
Mr. Anis Wahab Zuberi  
Mr. Muhammad Irfan Ghani

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

Chairman  
Member  
Member  
Member

### MANAGEMENT COMMITTEE

Mr. Razak H.M. Bengali  
Mr. Muhammad Siddique Misri  
Mr. Muhammad Irfan Ghani  
Mr. Muhammad Yasin Yunus Ladha  
Lt. Col. (R) Mehboob Ahmed  
Mr. Muhammad Asad Saeed  
Mr. Kumail Irfan Ghani  
Mr. Fareed Abdul Razzak  
Syed Pervez Akhtar

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

### CHIEF INTERNAL AUDITOR

Hafiz Shoaib Ahmed Chauhan

### 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-C2, Jami Commercial Street 2,  
DHA Phase VII Karachi 75500-  
UAN#+92(21) 35310185  
Direct:+92 (21) 35310188  
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, 363428  
Fax # (0853) 364025



# BALUCHISTAN WHEELS LIMITED

## PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS



**Syed Haroon Rashid**  
**Chairman (Non-Executive Director)**

Syed Haroon Rashid has over twenty years of experience in corporate finance and strategic management having worked in various financial as well as non-financial institutions. He started his career with the Experts Advisory Cell, a successor to the Board of Industrial Management, established to assist the Ministry of Production in the management & control, corporate planning and performance evaluation of public sector industrial enterprises in sectors ranging from fertilizer, automobiles, heavy engineering, chemicals, petroleum, cement to steel.

Subsequently, he served as Advisor with the Investment Corporation of Pakistan which was the first closed-end mutual fund established in Pakistan in the early 1960's. Later, he joined the Zarai Taraqati Bank Ltd. as part of a senior management team formed for the restructuring of the Bank where he served as Head, Restructuring (Project Loans) as well as Head, Project Implementation Unit of the Asian Development Bank. He played a major role in restructuring of corporate loan departments of the organization and worked to successfully revitalize them. He is also a training consultant with the National Institute of Banking and Finance, Islamabad (State Bank of Pakistan).

Syed Haroon Rashid has also served as NIT's (National Investment Trust) Director on Boards of various public listed companies. He is also a Certified Director of the IFC (World Bank Group) sponsored by Pakistan Institute of Corporate Governance (PICG)



**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



**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.

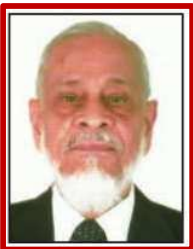
He has been the member of Managing Committee of the Federation of Pakistan Chambers of Commerce & Industry. He has also served as the Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM) and played an active role for the growth of Vending Industry as well as for the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



**Mr. Anis Wahab Zuberi**

**Independent Director**

Mr. Anis Wahab Zuberi is an Independent 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.





# BALUCHISTAN WHEELS LIMITED



**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. 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. Aamir Amin**  
**Non-Executive Director (Nominee NIT)**

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 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).



**Lt Col (R) Mehboob Ahmed**  
General Manager (Technical)

Lt Col (R) Mehboob Ahmed is Mechanical Engineer (UET), and also hold PGD in Production Engineering (NUST). He has served in the army from 1983-2011 and performed various assignments related to Technical Evaluation of Vehicles & Equipment for repair, maintenance, Inspections & supervision of workshop for production / quality.

Versatile experience in serving with reputed organization including National Logistic Cell (NLC), Pakistan Ordnance Factories (POF), Pakistan Ranger and Central/Base workshops. He joined BWL in 2014 and currently working as General Manager (Technical).



**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 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.



# BALUCHISTAN WHEELS LIMITED



**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.



**Mr. Fareed Abdul Razzak**  
**Deputy General Manager (Finance)**

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 Deputy General Manager Finance.

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



**Syed Pervez Akhtar**  
**Deputy 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.

## Chief Internal Auditor



**Hafiz Shoaib Ahmed Chauhan**  
**Chief Internal Auditor**

Hafiz Shoaib Ahmed Chauhan is an associate of Institute of Chartered Accountants of Pakistan (ICAP). Besides, he is also an Associate of Pakistan Institute of Public Finance Accountants and also a Certified Internal Controls Auditor.

Currently he is working as Chief Internal Auditor. He is associated with the Company since 2014. He has over ten years of experience in the field of Audit, Finance, Taxation and Corporate Affairs.





# BALUCHISTAN WHEELS LIMITED

## SIX YEARS AT A GLANCE

### STATEMENT OF FINANCIAL POSITION

	Rupees in '000'					
	2021	2020	2019	2018	2017	2016
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property, plant & equipment	950,050	414,291	449,581	494,967	367,269	305,947
Long-term loans & advances	6,176	3,826	3,415	3,855	4,275	3,719
Long-term deposits	7,709	4,418	4,607	5,777	5,063	4,140
	<b>963,935</b>	<b>422,535</b>	<b>457,603</b>	<b>504,599</b>	<b>376,607</b>	<b>313,806</b>
<b>Current Assets</b>						
Stores, spare parts & loose tools	37,804	39,345	50,840	54,455	55,930	46,522
Stock-in-trade	343,671	413,575	525,105	532,188	518,874	468,685
Trade debts	264,625	108,542	144,187	165,572	95,781	77,347
Loans and advances	32,004	16,331	15,914	24,805	32,592	29,276
Trade deposits and short term prepayments	556	1,709	2,347	2,049	1,694	2,869
Other receivables	29,986	7,010	431	928	2,894	1,962
Short term investments	550,573	333,906	102,827	5,516	261,671	354,064
Sales tax refundable - net	595	1,826	-	-	8,554	-
Taxation - net	32,690	103,518	129,302	141,608	77,553	-
Bank balances	19,320	60,362	44,994	31,116	27,530	44,051
	<b>1,311,824</b>	<b>1,086,124</b>	<b>1,015,947</b>	<b>958,237</b>	<b>1,083,073</b>	<b>1,024,776</b>
<b>TOTAL ASSETS</b>	<b>2,275,759</b>	<b>1,508,659</b>	<b>1,473,550</b>	<b>1,462,836</b>	<b>1,459,680</b>	<b>1,338,582</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Share Capital and Reserves</b>						
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	538,518	-	-	-	-	-
Reserves	1,249,035	1,161,311	1,154,676	1,135,647	1,107,742	1,052,030
	<b>1,920,896</b>	<b>1,294,654</b>	<b>1,288,019</b>	<b>1,268,990</b>	<b>1,241,085</b>	<b>1,185,373</b>
<b>Non Current Liabilities</b>						
Liabilities against assets subject to finance lease	23,477	6,330	989	5,306	4,958	-
Long term loan	10,418	30,849	-	-	-	-
Long term deposits	1,405	982	2,010	1,710	874	646
Long term Government grant	91	1,923	-	-	-	-
GIDC Payable	1,311	-	-	-	-	-
Deferred taxation	33,694	33,292	38,250	34,958	29,179	19,976
	<b>70,396</b>	<b>73,376</b>	<b>41,249</b>	<b>41,974</b>	<b>35,011</b>	<b>20,622</b>
<b>Current Liabilities</b>						
Trade and other payables	240,350	116,995	122,709	133,499	171,734	115,889
Unclaimed dividend	6,065	5,913	6,846	5,281	4,835	4,190
Current portion of						
- liabilities against assets subject to finance lease	13,973	5,302	3,747	5,257	2,948	2,576
- long term loan	19,768	8,711	-	-	-	-
- long term advance	-	-	2,580	-	-	-
- long term deposits	563	1,457	-	-	-	836
- long term government grant	1,278	1,438	-	-	-	-
GIDC Payable	581	-	-	-	-	-
Provision for warranty	1,889	813	1,354	5,033	4,067	3,445
Taxation-net	-	-	-	-	-	3,364
Sales tax payable - net	-	-	7,046	2,802	-	2,287
	<b>284,467</b>	<b>140,629</b>	<b>144,282</b>	<b>151,872</b>	<b>183,584</b>	<b>132,587</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,275,759</b>	<b>1,508,659</b>	<b>1,473,550</b>	<b>1,462,836</b>	<b>1,459,680</b>	<b>1,338,582</b>



# BALUCHISTAN WHEELS LIMITED

## SIX YEARS AT A GLANCE

### STATEMENT OF PROFIT OR LOSS

Rupees in '000'

	2021	2020	2019	2018	2017	2016
Turnover - net	1,574,822	912,820	1,587,558	1,882,640	1,533,650	1,471,558
Cost of Sales	(1,331,759)	(795,406)	(1,341,776)	(1,612,676)	(1,234,745)	(1,098,211)
Gorss Profit	243,063	117,414	245,782	269,964	298,905	373,347
Distribution Costs	(51,477)	(35,424)	(44,945)	(60,116)	(49,401)	(37,980)
Administration Expenses	(91,246)	(82,148)	(92,595)	(92,075)	(86,344)	(82,285)
Other Expenses	(10,496)	(1,784)	(12,541)	(8,284)	(14,977)	(20,758)
Finance Costs	(4,216)	(2,353)	(6,791)	(1,927)	(1,378)	(827)
	(157,435)	(121,709)	(156,872)	(162,402)	(152,100)	(141,850)
Other Income	55,940	27,990	5,045	180	25,404	21,505
Profit before Taxation	141,568	23,695	93,955	107,742	172,209	253,002
Taxation	(40,882)	(4,775)	(22,443)	(19,953)	(45,867)	(99,730)
Profit after Taxation	100,686	18,920	71,512	87,789	126,342	153,272
Earnings per Share (Rupees) - Basic and Diluted	7.55	1.42	5.36	6.58	9.48	11.49

#### SIGNIFICANT RATIOS AND STATISTICS

	2021	2020	2019	2018	2017	2016
<b>Liquidity &amp; Leverage Ratios:</b>						
-Current Ratios	4.59	7.72	7.04	6.31	5.90	7.73
-Quick Ratios	3.26	4.50	3.05	2.45	2.77	3.85
-Liability as a % of Total Assets	15.59	14.19	12.59	13.25	14.98	11.44
-Interest Cover Ratio (Times)	34.58	11.07	14.84	56.91	125.97	306.93
<b>Equity Ratios:</b>						
-Break up Value per Share (Rs)	144.06	97.09	96.59	95.18	93.07	88.90
-Dividend as a % of Capital	45.00	15.00	20.00	30.00	40.00	50.00
-Dividend Yield Ratio/ Cost of Equity (%)	5.70	2.47	3.27	2.77	2.69	6.17
-Dividend per Share (Rs)	4.50	1.50	2.00	3.00	4.00	5.00
<b>Profitability Ratios:</b>						
-Gross Profit (%)	15.43	12.86	15.48	14.34	19.49	25.37
-Operating Profit( %)	9.92	3.05	6.34	5.83	11.32	17.24
-Profit before Tax(%)	8.99	2.60	5.92	5.72	11.23	17.19
-Profit after Tax (%)	6.39	2.07	4.50	4.66	8.24	10.41
-Return on Capital Employed( %)	7.37	1.83	7.29	8.49	13.88	21.34
-Earnings per Share (Rs)	7.55	1.42	5.36	6.58	9.48	11.49
-Price Earing Ratio(Times)	10.46	42.80	11.41	16.45	15.67	7.05
-Dividend Payout Ratio (%)	59.59	105.71	37.31	45.56	42.19	43.50
-Dividend Cover (Times)	1.68	0.95	2.68	2.19	2.40	2.30
-Capital Turnover (Times)	0.82	0.71	1.23	1.48	1.24	1.24
-Return on Assets (%)	4.42	1.25	4.85	6.00	8.66	11.45
<b>Turnover/Efficiency Ratios:</b>						
-Inventory Turnover Ratio(Times)	3.19	1.55	2.31	2.78	2.27	2.17
-Debtor Turnover Ratio(Times)	8.44	7.22	10.25	14.41	17.72	21.43
-Fixed Assets Turnover Ratio(Times)	1.66	2.28	3.53	3.80	4.18	4.81
<b>Plant Capacity:</b>						
-Plant Capacity Utilisation (%)	44	42	79	96	78	99
<b>Share Performance:</b>						
-Year end Market Price per Share	78.99	60.73	61.15	108.21	148.50	81.00
-High Price per Share during the Year	92.44	71.89	111.90	160.94	194.00	95.40
-Low Price per Share during the Year	55.20	40.27	61.15	96.00	80.00	58.00





# BALUCHISTAN WHEELS LIMITED

## HORIZONTAL ANALYSIS

### STATEMENT OF FINANCIAL POSITION

	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 (%)	2017 Rs. in '000'	2017 Vs. 2016 (%)	2016 Rs. in '000'	2016 Vs. 2015 (%)
<b>ASSETS</b>												
<b>Non Current Assets</b>												
Property plant & equipment	950,050	129	414,291	(8)	449,581	(9)	494,967	35	367,269	20	305,947	(0)
Long-term loans & advances	6,176	61	3,826	12	3,415	(11)	3,855	(10)	4,275	15	3,719	24
Long-term deposits	7,709	74	4,418	(4)	4,607	(20)	5,777	14	5,063	22	4,140	(28)
	963,935	128	422,535	(8)	457,603	(9)	504,599	34	376,607	20	313,806	(1)
<b>Current Assets</b>												
Stores, spare parts & loose tools	37,804	(4)	39,345	(23)	50,840	(7)	54,455	(3)	55,930	20	46,522	6
Stock-in-trade	343,671	(17)	413,575	(21)	525,105	(1)	532,188	3	518,874	11	468,685	4
Trade debts	264,625	144	108,542	(25)	144,187	(13)	165,572	73	95,781	24	77,347	29
Loans and advances	32,004	96	16,331	3	15,914	(36)	24,805	(24)	32,592	11	29,276	95
Trade deposits and short term prepayments	556	(67)	1,709	(27)	2,347	15	2,049	21	1,694	(41)	2,869	25
Other receivables	29,986	328	7,010	1,526	431	(54)	928	(68)	2,894	48	1,962	277
Short term investments	550,573	65	333,906	225	102,827	1,764	5,516	(98)	261,671	(26)	354,064	100
Taxation - net	32,690	(68)	103,518	(20)	129,302	(9)	141,608	83	77,553	100	-	(100)
Sales tax refundable - net	595	(67)	1,826	100	-	-	-	(100)	8,554	100	-	-
Bank balances	19,320	(68)	60,362	34	44,994	45	31,116	13	27,530	(38)	44,051	(83)
	1,311,824	21	1,086,124	7	1,015,947	6	958,237	(12)	1,083,073	6	1,024,776	17
<b>TOTAL ASSETS</b>	<b>2,275,759</b>	<b>51</b>	<b>1,508,659</b>	<b>2</b>	<b>1,473,550</b>	<b>1</b>	<b>1,462,836</b>	<b>0</b>	<b>1,459,680</b>	<b>9</b>	<b>1,338,582</b>	<b>12</b>
<b>EQUITY AND LIABILITIES</b>												
<b>Share Capital and Reserves</b>												
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	538,518	100										
Reserves	1,249,035	8	1,161,311	1	1,154,676	2	1,135,647	3	1,107,742	5	1,052,030	11
	1,920,896	48	1,294,654	1	1,288,019	1	1,268,990	2	1,241,085	5	1,185,373	10
<b>Non Current Liabilities</b>												
Liabilities against assets subject to finance lease	23,477	271	6,330	540	989	(81)	5,306	7	4,958	100	-	(100)
Long term loan	10,418	(66)	30,849									
Long term deposits	1,405	43	982	(51)	2,010	18	1,710	96	874	35	646	(8)
Long term Govt Grant	91	(95)	1,923									
GIDC Payable	1,311	100	-		-		-		-		-	
Deferred taxation	33,694	1	33,293	(13)	38,250	9	34,958	20	29,179	46	19,976	14
	70,396	(4)	73,377	78	41,249	(2)	41,974	20	35,011	70	20,622	(1)
<b>Current Liabilities</b>												
Trade and other payables	240,350	105	116,995	(7)	125,289	(6)	133,499	(22)	171,734	48	115,889	45
Unclaimed dividend	6,065	3	5,913	(14)	6,846	30	5,281	9	4,835	15	4,190	8
Current portion of : - liabilities against assets subject to finance leases	13,973	164	5,302	41	3,747	(29)	5,257	78	2,948	14	2,576	2
- long term loan	19,768	127	8,711	100								
- long term deposits	563	(61)	1,457	100	-	-	-	-	-	(100)	836	308
- long term Government Grant	1,278	(11)	1,438	100								
- GIDC Payable	581	100										
Provision for warranty	1,889	132	813	(40)	1,354	(73)	5,033	24	4,067	18	3,445	(5)
Taxation-net	-		-		-	-	-	-	-	(100)	3,364	100
Sales tax payable - net	-		-	(100)	7,046	100	2,802	100	-	(100)	2,287	(63)
	284,467	102	140,629	(3)	144,282	(5)	151,872	(17)	183,584	38	132,587	38
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,275,759</b>	<b>51</b>	<b>1,508,659</b>	<b>2</b>	<b>1,473,550</b>	<b>1</b>	<b>1,462,836</b>	<b>0</b>	<b>1,459,680</b>	<b>9</b>	<b>1,338,582</b>	<b>12</b>



# BALUCHISTAN WHEELS LIMITED

## HORIZONTAL ANALYSIS

### STATEMENT OF PROFIT OR LOSS

	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 (%)	2017 Rs. in '000'	2017 Vs. 2016 (%)	2016 Rs. in '000'	2016 Vs. 2015 (%)
Turnover - net	1,574,822	73	912,820	(43)	1,587,558	(16)	1,882,640	23	1,533,650	4	1,471,558	7
Cost of Sales	<u>(1,331,759)</u>	67	<u>(795,406)</u>	(41)	<u>(1,341,776)</u>	(17)	<u>(1,612,676)</u>	31	<u>(1,234,745)</u>	12	<u>(1,098,211)</u>	(6)
<b>Gorss Profit</b>	<b>243,063</b>	<b>107</b>	<b>117,414</b>	<b>(52)</b>	<b>245,782</b>	<b>(9)</b>	<b>269,964</b>	<b>(10)</b>	<b>298,905</b>	<b>(20)</b>	<b>373,347</b>	<b>79</b>
Distribution Costs	<u>(51,477)</u>	45	<u>(35,424)</u>	(21)	<u>(44,945)</u>	(25)	<u>(60,116)</u>	22	<u>(49,401)</u>	30	<u>(37,980)</u>	(1)
Administration Expenses	<u>(91,246)</u>	11	<u>(82,148)</u>	(11)	<u>(92,676)</u>	1	<u>(92,075)</u>	7	<u>(86,344)</u>	5	<u>(82,285)</u>	2
Other Operating Expenses	<u>(10,496)</u>	488	<u>(1,784)</u>	(86)	<u>(12,541)</u>	51	<u>(8,284)</u>	(45)	<u>(14,977)</u>	(28)	<u>(20,758)</u>	72
Finance Costs	<u>(4,216)</u>	79	<u>(2,353)</u>	(65)	<u>(6,791)</u>	252	<u>(1,927)</u>	40	<u>(1,378)</u>	67	<u>(827)</u>	(72)
	<b>(157,435)</b>	<b>29</b>	<b>(121,709)</b>	<b>(22)</b>	<b>(156,953)</b>	<b>(3)</b>	<b>(162,402)</b>	<b>7</b>	<b>(152,100)</b>	<b>7</b>	<b>(141,850)</b>	<b>6</b>
Other Income	<u>55,940</u>	100	<u>27,990</u>	446	<u>5,126</u>	2,748	<u>180</u>	(99)	<u>25,404</u>	18	<u>21,505</u>	(42)
<b>Profit before Taxation</b>	<b>141,568</b>	<b>497</b>	<b>23,695</b>	<b>(75)</b>	<b>93,955</b>	<b>(13)</b>	<b>107,742</b>	<b>(37)</b>	<b>172,209</b>	<b>(32)</b>	<b>253,002</b>	<b>127</b>
Taxation	<u>(40,882)</u>	756	<u>(4,775)</u>	(79)	<u>(22,443)</u>	12	<u>(19,953)</u>	(56)	<u>(45,867)</u>	(54)	<u>(99,730)</u>	553
<b>Profit after Taxation</b>	<b><u>100,686</u></b>	<b>432</b>	<b><u>18,920</u></b>	<b>(74)</b>	<b><u>71,512</u></b>	<b>(19)</b>	<b><u>87,789</u></b>	<b>(31)</b>	<b><u>126,342</u></b>	<b>(18)</b>	<b><u>153,272</u></b>	<b>60</b>
<b>Earnings per Share- Basic and Diluted (Rupees)</b>	<b><u>7.55</u></b>	<b>432</b>	<b><u>1.42</u></b>	<b>(74)</b>	<b><u>5.36</u></b>	<b>(19)</b>	<b><u>6.58</u></b>	<b>(31)</b>	<b><u>9.48</u></b>	<b>(18)</b>	<b><u>11.49</u></b>	<b>60</b>





# BALUCHISTAN WHEELS LIMITED

## VERTICAL ANALYSIS

### STATEMENT OF FINANCIAL POSITION

	2021		2020		2019		2018		2017		2016	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
<b>ASSETS</b>												
<b>Non Current Assets</b>												
Property plant & equipment	950,050	41.7	414,291	27.5	449,581	30.5	494,967	33.8	367,269	25.2	305,947	22.9
Long-term loans & advances	6,176	0.3	3,826	0.3	3,415	0.2	3,855	0.3	4,275	0.3	3,719	0.3
Long-term deposits	7,709	0.3	4,418	0.3	4,607	0.3	5,777	0.4	5,063	0.3	4,140	0.3
	963,935	42.4	422,535	28.7	457,603	31.1	504,599	34.5	376,607	25.8	313,806	23.4
<b>Current Assets</b>												
Stores, spare parts & loose tools	37,804	1.7	39,345	2.6	50,840	3.5	54,455	3.7	55,930	3.8	46,522	3.5
Stock-in-trade	343,671	15.1	413,575	27.4	525,105	35.6	532,188	36.4	518,874	35.5	468,685	35.0
Trade debts	264,625	11.6	108,542	7.2	144,187	9.8	165,572	11.3	95,781	6.6	77,347	5.8
Loans and advances	32,004	1.4	16,330	1.1	15,914	1.1	24,805	1.7	32,592	2.2	29,276	2.2
Trade deposits and short term prepayments	556	0.0	1,709	0.1	2,347	0.2	2,049	0.1	1,694	0.1	2,869	0.2
Other receivables	29,986	1.3	7,010	0.5	431	0.0	928	0.1	2,894	0.2	1,962	0.1
Short term investments	550,573	24.2	333,906	22.1	102,827	7.0	5,516	0.4	261,671	17.9	354,064	26.5
Taxation - net	32,690	1.4	103,518	6.9	129,302	8.8	141,608	9.7	77,553	5.3	-	0.0
Sales tax refundable - net	595	0.0	1,827	0.1	-	0.0	-	0.0	8,554	0.6	-	0.0
Bank balances	19,320	0.8	60,362	4.0	44,994	3.1	31,116	2.1	27,530	1.9	44,051	3.3
	1,311,824	57.6	1,086,124	72.0	1,015,947	68.9	958,237	65.5	1,083,073	74.2	1,024,776	76.6
<b>TOTAL ASSETS</b>	<b>2,275,759</b>	<b>100</b>	<b>1,508,659</b>	<b>100</b>	<b>1,473,550</b>	<b>100</b>	<b>1,462,836</b>	<b>100</b>	<b>1,459,680</b>	<b>100</b>	<b>1,338,582</b>	<b>100</b>
<b>EQUITY AND LIABILITIES</b>												
<b>Share Capital and Reserves</b>												
<b>Authorised Capital</b>												
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	5.9	133,343	8.8	133,343	9.0	133,343	9.1	133,343	9.1	133,343	10.0
Revaluation Surplus on land	538,518	23.7	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Reserves	1,249,035	54.9	1,161,311	77.0	1,154,676	78.4	1,135,647	77.6	1,107,742	75.9	1,052,030	78.6
	1,920,896	84.4	1,294,654	85.8	1,288,019	87.4	1,268,990	86.7	1,241,085	85.0	1,185,373	88.6
<b>Non Current Liabilities</b>												
Liabilities against assets subject to finance lease	23,477	1.0	6,330	0.4	989	0.1	5,306	0.4	4,958	0.3	-	0.0
Long term advances	10,418	0.5	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Long term deposits	1,405	0.1	982	0.1	2,010	0.1	1,710	0.1	874	0.1	646	0.0
Long term Govt Grant	91	0.0	1,923	0.1	-	0.0	-	0.0	-	0.0	-	0.0
GIDC Payable	1,311	0.1	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Deferred taxation	33,694	1.5	33,293	2.2	38,250	2.6	34,958	2.4	29,179	2.0	19,976	1.5
	70,396	3.1	73,377	4.9	41,249	2.8	41,974	2.9	35,011	2.4	20,622	1.5
<b>Current Liabilities</b>												
Trade and other payables	240,350	10.6	116,995	7.8	125,289	8.5	133,499	9.1	171,734	11.8	115,889	8.7
Unclaimed dividend	6,065	0.3	5,913	0.4	6,846	0.5	5,281	0.4	4,835	0.3	4,190	0.3
Current portion of :												
- liabilities against assets subject to finance lease	13,973	0.6	5,302	0.4	3,747	0.3	5,257	0.4	2,948	0.2	2,576	0.2
- long term loan	19,768	0.9	8,711	0.6	-	0.0	-	0.0	-	0.0	-	0.0
- long term deposits	563	0.0	1,457	0.1	-	0.0	-	0.0	-	0.0	836	0.1
- long term Govt Grant	1,278	0.1	1,438	0.1	-	0.0	-	0.0	-	0.0	-	0.0
- GIDC Payable	581	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Provision for warranty	1,889	0.1	813	0.1	1,354	0.1	5,033	0.3	4,067	0.3	3,445	0.3
Taxation-net	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	3,364	0.3
Sales tax payable - net	-	0.0	-	0.0	7,046	0.5	2,802	0.2	-	0.0	2,287	0.2
	284,467	12.5	140,629	9.3	144,282	9.8	151,872	10.4	183,584	12.6	132,587	9.9
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,275,759</b>	<b>100</b>	<b>1,508,659</b>	<b>100</b>	<b>1,473,550</b>	<b>100</b>	<b>1,462,836</b>	<b>100</b>	<b>1,459,680</b>	<b>100</b>	<b>1,338,582</b>	<b>100</b>



# BALUCHISTAN WHEELS LIMITED

## VERTICAL ANALYSIS STATEMENT OF PROFIT OR LOSS

	2021		2020		2019		2018		2017		2016	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
Turnover - net	1,574,822	100	912,820	100	1,587,558	100	1,882,640	100	1,533,650	100	1,471,558	100
Cost of Sales	(1,331,759)	(84.57)	(795,406)	(87.14)	(1,341,776)	(84.52)	(1,612,676)	(85.66)	(1,234,745)	(80.51)	(1,098,211)	(74.63)
<b>Gorss Profit</b>	<b>243,063</b>	<b>15.43</b>	<b>117,414</b>	<b>12.86</b>	<b>245,782</b>	<b>15.48</b>	<b>269,964</b>	<b>14.34</b>	<b>298,905</b>	<b>19.49</b>	<b>373,347</b>	<b>25.37</b>
Distribution Cost	(51,477)	(3.27)	(35,424)	(3.88)	(44,945)	(2.83)	(60,116)	(3.19)	(49,401)	(3.22)	(37,980)	(2.58)
Administration Expenses	(91,246)	(5.79)	(82,148)	(9.00)	(92,676)	(5.84)	(92,075)	(4.89)	(86,344)	(5.63)	(82,285)	(5.59)
Other Operating Expenses	(10,496)	(0.67)	(1,784)	(0.20)	(12,541)	(0.79)	(8,284)	(0.44)	(14,977)	(0.98)	(20,758)	(1.41)
Finance Costs	(4,216)	(0.27)	(2,353)	(0.26)	(6,791)	(0.43)	(1,927)	(0.10)	(1,378)	(0.09)	(827)	(0.06)
	(157,435)		(121,709)		(156,953)		(162,402)		(152,100)		(141,850)	
Other Income	55,940	3.55	27,990	3.07	5,126	0.32	180	0.01	25,404	1.66	21,505	1.46
<b>Profit before Taxation</b>	<b>141,568</b>	<b>8.99</b>	<b>23,695</b>	<b>2.60</b>	<b>93,955</b>	<b>5.92</b>	<b>107,742</b>	<b>5.72</b>	<b>172,209</b>	<b>11.23</b>	<b>253,002</b>	<b>17.19</b>
Taxation	(40,882)	(2.60)	(4,775)	(0.52)	(22,443)	(1.41)	(19,953)	(1.06)	(45,867)	(2.99)	(99,730)	(6.78)
<b>Profit after Taxation</b>	<b>100,686</b>	<b>6.39</b>	<b>18,920</b>	<b>2.07</b>	<b>71,512</b>	<b>4.50</b>	<b>87,789</b>	<b>4.66</b>	<b>126,342</b>	<b>8.24</b>	<b>153,272</b>	<b>10.42</b>



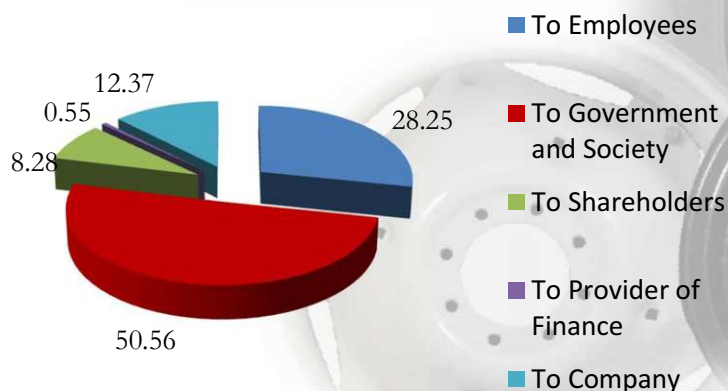


# BALUCHISTAN WHEELS LIMITED

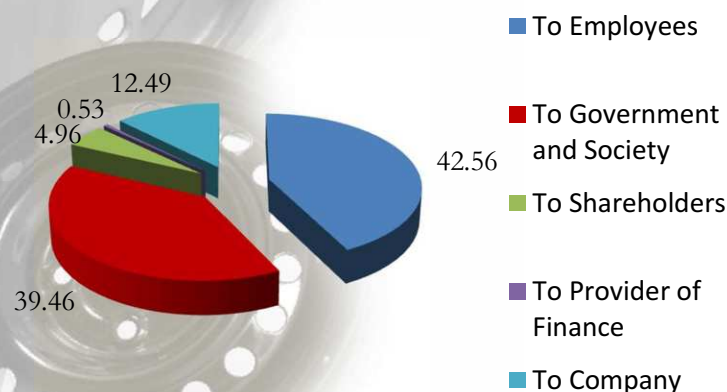
## STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

	2021		2020	
	(Rupees in '000')	%	(Rupees in '000')	%
<b>Wealth Generated</b>				
Total gross revenue and other income	1,953,316		1,094,716	
Brought in materials and services	1,228,719		691,342	
	<b>724,597</b>	100	<b>403,374</b>	100
<b>Wealth distribution to stakeholders</b>				
<b>To Employees</b>				
Salaries and wages including retirement benefits	204,694	28.25	171,682	42.56
<b>To Government and Society</b>				
Income Tax, Sales Tax, FED and WWF	366,325	50.56	159,191	39.46
<b>To Shareholders</b>				
Dividend	60,004	8.28	20,001	4.96
<b>To providers of Finance</b>				
Financial charges for borrowed funds	3,960	0.55	2,133	0.53
<b>To Company</b>				
Retained Profits, Dep and Amortization	89,614	12.37	50,367	12.49
	<b>724,597</b>	100.00	<b>403,374</b>	100.00

**Wealth distribution to stakeholders 2021**



**Wealth distribution to stakeholders 2020**





# BALUCHISTAN WHEELS LIMITED

## **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 2021 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;



# BALUCHISTAN WHEELS LIMITED

- 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 statement 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.

**SYED HAROON RASHID**

**Chairman**

**August 27, 2021**



# BALUCHISTAN WHEELS LIMITED

## 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, 2021.

### BUSINESS REVIEW

---

Overall at the National Level the production of Passenger Cars increased by 57% with the total production of 151,182 units in 2021 as compared to 96,455 units in the year 2020. 30,215 LCV's, Vans and Jeeps were produced in 2021 as against 15,507 units in the year 2020, increased by 95%. 4,347 Trucks / Buses were produced in 2021 as against production of 3,647 Trucks / Buses in the year 2020, showing increase of 19% over the corresponding last year. Similarly, the Tractors production has also increased to 50,920 units in the year 2021 as compared to 32,727 tractors in the year 2020 increased by 56%.

The entire Auto Sector gave an improved performance during the Financial Year (FY) 2021 and is now on the path of recovery as the demand for Autos increases owing to low interest rates and pickup in economic activity. The Car assemblers had enjoyed a big sales recovery of 57% in FY 2021 owing to cheaper Auto financing by the banks due to low interest rates. The FY 2021 also closed on positive note for Tractor markets. The increase in Tractor sales for a positive agriculture indicator amid huge drop in Cotton Output.

During the year 2020-2021 the company had overall consolidated revenue of Rs.1,574.82 million as compared to Rs. 912.82 million which is 73% higher than the previous year. The car wheels sale was Rs. 667.69 million as compared to Rs. 539.05 million in the previous year increased by 24%. The Truck / Bus wheels sale was Rs. 171.34 million as compared to Rs. 73.68 million in the previous year increased by 133%. Similarly, the Tractor wheels sale was also increased to Rs. 644.43 million as compared to Rs. 264.07 million in the previous year increased by 144%.

### FINANCIAL RESULTS

---

The increase in turnover of 73% is due to the increase in sales of all segments i.e. Cars, Truck / Bus and Tractor wheel which increased by 24%, 133% & 144% respectively. The Cost of Sales was Rs. 1,331.75 million during the year under review as against Rs.795.40 million. The gross profit increased by 107% to Rs. 243.06 million against Rs. 117.41 million of last year. Similarly, the company earned profit after taxation of Rs. 100.68 million as compared to Rs. 18.92 million in the previous year, increased by 432%.

Low interest rates, improvement in macro economic conditions, higher foreign remittances, Roshan Digital Account (RDA) inflows and revival of economic activity have improved the purchasing power of consumers and which have played a major role in attracting the new vehicle buyers and which consequently increased our sales as well as gross profit margins and ultimately enhanced the net profit for the year.





# BALUCHISTAN WHEELS LIMITED

The comparative financial results for the year 2021 as against the year 2020 are as follows:

	2021	2020
	(Rs. in '000)	
<b>Turnover-net</b>	<b>1,574,822</b>	<b>912,820</b>
<b>Gross Profit</b>	<b>243,063</b>	<b>117,414</b>
<b>Profit before Taxation</b>	<b>141,568</b>	<b>23,695</b>
<b>Profit after Taxation</b>	<b>100,686</b>	<b>18,920</b>
<b>Earnings per Share (Rs.)</b>	<b>7.55</b>	<b>1.42</b>

## EARNINGS PER SHARE

Based on the net profit for the current year, the earnings per share is **Rs. 7.55** (2020: Rs. 1.42)

## PROPOSED DIVIDEND

The Board of Directors have proposed final cash dividend of Rs. 4.50 per share (45%) for the year ended June 30, 2021 amounting Rs.60.004 million (2020: Rs.1.5 per share 15 % amounting Rs.20.003 million) at the meeting held on August 27, 2021, for approval of members at the Annual General Meeting to be held on September 30, 2021. The financial statements, however, do not reflect these appropriations in compliance with the applicable Laws.

## 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, Hajj Scheme for both officers and workers, 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 relationship 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.

## 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 & up till now no serious accident has taken place during the production, resulting in any major injury or loss of life. All employees at plant are provided safety appliance/equipments i.e. uniform, shoes, helmets, ear plugs and gloves, goggles etc. during performance of their duties. Fire fighting system has been installed to cope with any mishap and



# BALUCHISTAN WHEELS LIMITED

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 the 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 certifying surgeon in every six months. Apart from this, healthy activities of sports are encouraged, and we have a cricket as well as football team. Every year picnic arranged for workers. To promote healthy activities Night Cricket tournament was introduced and all the executives participated.

Protection of environment is of prime concern, 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& material procured and products manufactured are free from hazardous material.

We comply with all applicable laws, regulations and conditions granted in environmental standards. 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 plant are operated in electricity peak hours.

### **CO2 Cryogenic liquid containers**

Old conventional CO2 liquid tank is replaced with new Cryogenic liquid container which does not require any chiller system to maintain the temperature and pressure of the liquid CO2 gas. The old CO2 container require Chiller system round the clock to maintain the pressure and temperature of the stored gas thus consume heavy amount of electricity and maintenance cost of the chiller system and monitoring round the clock.

Cryogenic liquid containers are double-walled vacuum vessels with multilayer insulation in the annular space. They are designed for the reliable and economic storage of liquefied gases at



# BALUCHISTAN WHEELS LIMITED

cryogenic temperatures, typically colder than  $-130^{\circ}\text{F}$  ( $-90^{\circ}\text{C}$ ). There are two primary advantages of a liquid container. The first is that it contains a large volume of gas at a relatively low pressure compared to a compressed gas cylinder. The second is that it provides a source of cryogenic liquids which can be easily handled.

## **3000 KVA Transformer**

Replacement of old 2500 KVA transformer with latest model of 3000 KVA transformer The main advantage over old transformer is that the production stoppages time is zero now, because the old transformer was tripped two or three times during production due to weak insulations and overheating and this is big saving in terms of production loss.

## **Equipment / System Earthing**

The main advantages of earthing in the electrical system are current and voltage balancing, electrical shock prevention, reducing electrical noise, etc. The main necessity of earthing in electrical equipment is to protect human or animal from electrical shock. BWL has upgraded the earthing system to provide safety to the man, machine and improve the quality of powder coating paint.

Energy monitoring system has been introduced with installation of Electricity meters at the area's and equipments which consumes heavy power so that consumption could be monitored and controlled. All these measures contribute towards considerable reduction in power consumption.

## **UPGRADATION OF PLANT & PROCESS**

The company is producing wheels as per International Standards, and to meet the customer's product specification and quality requirements it is necessary that plant and machinery and process are continuously upgraded and maintain in good working and operative condition so that we get a satisfactory performance and machine and equipments 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.

## **Multi Spindle Drill Machine**

The requirement of Tractor wheels remains consistent and, most of the machine used for tractor wheel production are now outdated and has completed its service life. Counter sinking operation on bolt hole on tractor disc is very important and precision operation requiring high level of accuracy, the 02 number of old multi spindle machine are planned to be replaced with new latest technology machine which will help us in reducing the down time and improve efficiency and accuracy in the product thus reducing customer complaint. In this regard one multi spindle machine is procured / installed and under production of tractor wheels disc.





# BALUCHISTAN WHEELS LIMITED

## **Heavy Duty Trimmer and Roll Coin Machine**

To further refine tractor wheels manufacturing process and reduce rework and improve quality of the product a set of Heavy Duty Trimmer and Roll Coin Machine is procured and will be operational at the end of this month. The addition of these machines not only enhance the production rate but also complete eliminate the rework at butt welding joint in tractor production. By all these measures the product quality, productivity and customers confidence and satisfaction is improved and have a significant reduction in scrap and rework ratios.

## **RESEARCH & DEVELOPMENT & QUALITY CONTROL**

The Research and Development (R&D) Department is constantly engage 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 added 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 Machineries 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, machineries and tooling etc.

Wheel being a critical and safety part requiring very stringent dimensional control are 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 equipments, tool and instruments to control the process and to monitor the quality of wheels. The instruments / gauges, quality checking equipments 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. \$ 9.6 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. 340 million (approx.). Besides, it is also providing employment opportunities to the local people residing in Hub and other adjoining areas.





# BALUCHISTAN WHEELS LIMITED

## 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 to 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 upon 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. Nil 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:

	<b>June 21( un-audited)</b>
- Executive Provident Fund	Rs. 107.259 million
- Non-Executive Provident Fund	Rs. 42.480 million
- Gratuity Fund	Rs. 83.224 million



# BALUCHISTAN WHEELS LIMITED

## *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:	
<b>Total Number of Directors : 9 including</b>	
<b>(a) Male</b>	<b>: 8</b>
<b>(b) Female</b>	<b>: 1</b>

Composition of the Board:	
<b>(a) Independent Directors:</b>	<b>3</b>
<b>(b) Non-executive Directors:</b>	<b>3</b>
<b>(c) Executive Directors:</b>	<b>3</b>

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, four 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	Syed Haroon Rashid	4
2	Mr. Razak H.M. Bengali	4
3	Mr. Muhammad Siddique Misri	4
4	Mr. Muhammad Irfan Ghani	4
5	Mr. Anis Wahab Zuberi	4
6	Mr. Aamir Amin	4
7	Mr. Muhammad Javed	4
8	Mr. Irfan Ahmed Qureshi	4
9	Mrs. Saba Nadeem	4



# BALUCHISTAN WHEELS LIMITED

## ***Audit Committee Meetings***

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

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Meetings Attended</b>
<b>1</b>	Mr. Anis Wahab Zuberi	<b>4</b>
<b>2</b>	Mr. Irfan Ahmed Qureshi	<b>4</b>
<b>3</b>	Mr. Aamir Amin	<b>4</b>
<b>4</b>	Mrs. Saba Nadeem	<b>4</b>

## ***Human Resource & Remuneration Committee***

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

<b>Sr. No.</b>	<b>Name of Director</b>	<b>No. of Meetings Attended</b>
<b>1</b>	Mr. Muhammad Javed	<b>1</b>
<b>2</b>	Mr. Muhammad Irfan Ghani	<b>1</b>
<b>3</b>	Mr. Anis Wahab Zuberi	<b>1</b>
<b>4</b>	Syed Haroon Rashid	<b>1</b>

## ***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.

## ***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(ii) 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.



# BALUCHISTAN WHEELS LIMITED

## ***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, 2021 was 1,321 as against 1,372 on June 30, 2020. The pattern of shareholding as at June 30, 2021 and its disclosure is included in this annual report.

The highest and lowest market prices of the Company's shares during 2019-2020 were as follows:

Highest	November 27, 2020	PKR 92.44
Lowest	April 21, 2021	PKR 55.20

### **Trading in Shares of the Company by Directors and Executives**

During the year one of the Executive Director (Mr. Muhaamd Irfan Ghani) has gifted 1,244,208 shares to his spouse and children.

The threshold set by the Fourth schedule of the Companies Act, 2017, for disclosure of the term "executive", in annual report, constitutes employee whose annual basic salary exceeds Rs. 1.2 million in a year.

### **Appointment of Auditors**

The present Auditors **M/s. BDO & Company, 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, 2022. 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.





# BALUCHISTAN WHEELS LIMITED

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 in these financial statements. The case was first heard by Mr. Justice Faisal Arab during 2008 and the matter was concluded and was reserved the announcement of judgment. Unfortunately, no judgment was announced and the matter was sent to the office for fixing the same.

The case was then heard by Honorable Justice of Sindh High Court Mr. Justice Salman Talibuddin and various hearings were held and the order was expected but has been sent for final arguments again because of July 31, 2009 decision of the Honorable Supreme Court of Pakistan where by several Judges were removed and the Honorable Judge who had heard this matter was also removed.

Thereafter, the matter was again fixed before Mr. Justice Faisal Arab. The case was reheard and was argued during 2010. During various hearings the parties concluded their arguments and Mr. Justice Faisal Arab reserved the matter for announcement of judgment. Again no judgment was announced and the matter was sent to the office for fixing the same for rehearing.

The matter was then fixed before Honorable Justice Mrs. Ashraf Jahan and then transferred in the Court of Honorable Justice Mr. Justice Aziz ur Rehman who was transferred to the divisional bench. Then this case was transferred in the Court of Honorable Justice Muhammad Shafi Siddiqui. The case was subsequently transferred for administrative reasons to and is now under adjudication before the Banking Court No.III at Karachi. The efforts were made by both the lawyers of BWL & NBP for concluding the matter. The latest development is that the matter is at the stage of final arguments. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in Company's favour.

## FUTURE OUTLOOK

---

The last fiscal year (FY 2021) turned out to be a massive recovery period for the Auto sector amid the ongoing COVID-19 pandemic restrictions. The Auto Sales went up on the back of low interest rates, reduced taxes and introduction of new models/variants.

The world is currently dealing with the Fourth wave of COVID-19 pandemic which has created uncertainty and is expected to have a lasting effect on the Global economy in the current year also.

In the Finance Bill 2021, the Government has announced tax cut by reducing Federal Excise Duty and Sales Tax on Cars which will increase the demand in the Automobile sector and provides some relief to the middle class customers to make small cars financially affordable for them.



# BALUCHISTAN WHEELS LIMITED

The Government has also introduced measures to increase the production of vehicles to approximately 300,000 vehicles in the FY 2022 and focuses on the Localization.

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

## ACKNOWLEDGEMENT

---

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

May Allah bless us and help us to achieve success for your company and for the benefit of all stakeholders, 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

A handwritten signature in blue ink, appearing to read "Muhammad Siddiqui Misri".

**Muhammad Siddiqui Misri**  
Director

**Karachi: August 27, 2021**





# BALUCHISTAN WHEELS LIMITED

2010 میں یہ معاملہ جناب جسٹس فیصل عرب کی عدالت میں دوبارہ سنا گیا اور کئی سماعتوں کے بعد اس کا فیصلہ محفوظ کر لیا گیا۔ لیکن کسی فیصلے کا اعلان کیے بغیر یہ کیس دوبارہ داخل دفتر کر دیا گیا۔ اس کے بعد مقدمہ محترمہ جسٹس اشرف جہاں صاحبہ کی عدالت میں داخل کیا گیا وہاں سے جناب جسٹس عزیز الرحمن صاحب کی عدالت میں یہ مقدمہ منتقل کیا گیا۔ اب یہ کیس محترم جناب جسٹس محمد شفیع صدیقی صاحب کی عدالت میں ہے اور بہت جلد اس کی سماعت متوقع ہے۔

اس کے بعد یہ کیس انتظامی وجوہات کی بناء پر بینکنگ کورٹ نمبر III کراچی میں منتقل کر دیا گیا اور یہی پر یہ کیس زیر سماعت ہے۔ بلوچستان و ہیلز لمیٹڈ اور نیشنل بینک آف پاکستان کے وکلاء کی جانب سے اس کیس کو نتیجہ خیز بنانے کی کوششیں کی جا رہی ہیں تازہ ترین پیش رفت یہ ہے کہ معاملہ حتمی دلائل کے مرحلے پر ہے۔

آپ کی کمپنی کی انتظامیہ اور وکلاء پر امید ہیں کہ اس مقدمے کا نتیجہ ہمارے حق میں آئے گا۔

## مستقبل کے خدو خال:-

گذشتہ مالی سال (مالی سال 2021) جاری COVID-19 وبائی پابندیوں کے درمیان آٹو سیکٹر کے لیے بڑے پیمانے پر بحالی کا دور ثابت ہوا۔

دنیا اس وقت کوویڈ 19 وبائی مرض کی چوتھی لہر سے نمٹ رہی ہے جس نے غیر یقینی صورتحال پیدا کی ہے اور توقع ہے کہ اس کا عالمی معیشت پر موجودہ سال میں بھی دیرپا اثر پڑے گا۔

آٹو سیکٹر شرح سود، ٹیکسوں میں کمی اور نئے ماڈلز/مختلف حالتوں کے تعارف کی وجہ سے آگے بڑھا۔

فنانس بل 2021 میں، حکومت نے کاروں پر فیڈرل ایکسائز ڈیوٹی اور سیلز ٹیکس کو کم کر کے ٹیکس میں کمی کا اعلان کیا ہے جس سے آٹو موبائل سیکٹر میں مانگ بڑھ جائے گی اور متوسط طبقے کے صارفین کو چھوٹی کاریں مالی طور پر سستی بنانے میں کچھ ریلیف فراہم کرے گی۔

حکومت نے مالی سال 2022 میں گاڑیوں کی پیداوار کو تقریباً 300,000 گاڑیوں تک بڑھانے کے اقدامات بھی متعارف کرائے ہیں اور لوکلائزیشن پر توجہ مرکوز کی ہے۔

انتظامیہ آگے کے چیلنجز سے آگاہ ہے اور مسلسل حکمت عملی تیار کر رہی ہے اور مستقبل کے چیلنجز سے نمٹنے اور کاروباری نمو کو برقرار رکھنے کے لیے اقدامات کر رہی ہے۔

## 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 و ہیلز 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 راج کپور سنگھ  
چیف ایگزیکٹو

کراچی، 27 اگست 2021



# BALUCHISTAN WHEELS LIMITED

(۸)

## شیئر ہولڈنگ کا پٹرین:-

30 جون 2021 کو کمپنی کے حصص داروں کی کل تعداد 1,321 تھی جو کہ 30 جون 2020 کو 1,372 تھی۔ 30 جون 2021 کو ختم شدہ مالی سال کے لیے حصص داروں کا پٹرین اور اس کی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کے مطابق درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔

2020-2021 کے دوران کمپنی کے حصص کی زیادہ سے زیادہ اور کم سے کم کاروباری قیمتیں مندرجہ ذیل ہیں:

27 نومبر 2020	زیادہ سے زیادہ	PKR 92.44
21 اپریل 2021	کم سے کم	PKR 55.20

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

30 جون، 2021 کو ختم ہونے والے سال کے دوران ایک ایگزیکٹو ڈائریکٹر (جناب محمد عرفان غنی) نے 1,244,208 حصص اپنی شریک حیات اور بچوں کو تحفے میں دیے۔

کینیڈا ایکٹ، 2017 کے چوتھے شیڈول کے ذریعے قائم کردہ حد، جو ایک سالانہ رپورٹ میں "ایگزیکٹو" کی اصطلاح کے انکشاف کے لئے مقرر کیا گیا ہے، ایک ایسا ملازم تفصیل دیتا ہے جس کی سالانہ بنیادی تنخواہ 1.2 ملین سے زیادہ ہے۔

## آڈیٹرز کا تقرر:-

کمپنی کے سبکدوش ہونے والے آڈیٹرز میسرز اے ڈی او ابراہیم اینڈ کمپنی (BDO Ibrahim & Company) چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو 30 جون 2022 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 کاروباری اصولوں کے مطابق کیے جاتے ہیں۔ تمام ڈائریکٹرز اور کمپنی کے ملازمین اس کو تسلیم کرتے ہیں۔

## فیصل پینک آف پاکستان اور متعلقہ معاملات:-

فیصل پینک 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 میں دی گئی ہے یہ کیس پہلے 2008ء میں جناب جسٹس فیصل عرب کی عدالت میں سنا گیا اور عدالتی کارروائی مکمل کرنے کے بعد اس کا فیصلہ محفوظ کر لیا گیا۔ بد قسمتی سے کسی فیصلے کا اعلان نہیں کیا گیا اور یہ معاملہ پھر سے داخل دفتر کر دیا گیا۔

پھر یہ کیس سندھ ہائی کورٹ کے محترم جناب جسٹس سلمان طالب الدین کی عدالت میں چلا لیکن 31 جولائی 2009ء کے فیصلے کے تحت کئی ججز کال دیئے گئے جن میں جناب جسٹس سلمان طالب الدین بھی شامل تھے۔





# BALUCHISTAN WHEELS LIMITED

(۷)

## آؤٹ کمٹی کے اجلاس:-

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

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1.	جناب انیس وہاب زبیری	04
2.	جناب عرفان احمد قریشی	04
3.	جناب عامر امین	04
4.	محترمہ صباہ ندیم	04

## 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 فغی	01
3.	جناب انیس وہاب زبیری	01
4.	سید ہارون رشید	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 تخصیص:-

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

## ڈائریکٹروں کی تربیت:-

کمپنی ڈائریکٹرز ٹینگ پروگرام سرٹیفیکیشن کی ذیلی شق 1(a) کے قوانین کے مطابق عمل کر رہی ہے۔ ایک 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 ٹینگ پروگرام میں شرکت کریں گے۔

## لنڈیکمیز 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 لنڈیکمیز ریگولیشنز-2019 (کوڈ آف کارپوریٹ گورننس) کے مطابق پوری طرح سے عمل درآمد کیا ہے اس سلسلے میں ایک اسٹینڈنٹ اس رپورٹ کے ساتھ منسلک ہے۔



# BALUCHISTAN WHEELS LIMITED

(۶)

۲۰۲۱ جون (غیر آڈٹ شدہ)

ایگزیکٹو پراویڈنٹ فنڈ - 107.259 ملین روپے  
ٹان ایگزیکٹو پراویڈنٹ فنڈ - 42.480 ملین روپے  
گریجویٹ فنڈ - 83.224 ملین روپے

**بورڈ کی تشکیل:-**

کمپنی اپنے بورڈ میں کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق آزاد، غیر انتظامی ڈائریکٹرز اور مردوں کے ساتھ ساتھ عورتوں کی بورڈ میں شمولیت کی نمائندگی کی 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 ڈائریکٹر شامل ہیں۔

بورڈ کی ساخت:

(الف) آزاد ڈائریکٹر - 03

(ب) ٹان ایگزیکٹو ڈائریکٹر - 03

(ج) ایگزیکٹو ڈائریکٹر - 03

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.	سید ہارون رشید	04
2.	جناب رزاق ایچ ایم بنگالی	04
3.	جناب محمد صدیق مصری	04
4.	جناب محمد عرفان غنی	04
5.	جناب انیس وہاب زبیری	04
6.	جناب عامر امین	04
7.	جناب محمد جاوید	04
8.	جناب عرفان احمد قریشی	04
9.	محترمہ صبا ندیم	04



# BALUCHISTAN WHEELS LIMITED

(۵)

## 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 پہیوں کی فراہمی سے تقریباً 9.6 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 مد میں تقریباً 340 ملین روپے سرکاری خزانے میں جمع کرائے ہیں۔ اس کے علاوہ، ہماری کمپنی حسب 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 مینجمنٹ 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 و غیر مالی معاملات سے متعلق تمام معلومات کو مکمل درستی، 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 ردِ عمل ہے جس کی مسلسل نگرانی بھی کی جاتی ہے۔

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

## 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 بتایا جات محصولات کی مد میں صفر روپے ہے۔ جس کی تفصیل فنانشل اسٹیٹمنٹس میں موجود ہے۔

## ریٹائرمنٹ بینیفٹ فنڈ کی سرمایہ کاری :-

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



# BALUCHISTAN WHEELS LIMITED

(۴)

بیرون ملک سے ماہرین کو وقتاً فوقتاً بلایا جاتا رہتا ہے اور مشینوں کو اپ گریڈ کرنے کے لئے ان سے ہم مناسب ٹیکنیکل مشورے لیتے رہتے ہیں۔

## ملٹی اسپنڈل ڈرل مشین:

ٹریکٹر کے پہیوں کی ضرورت مستقل رہتی ہے اور ٹریکٹر کے پہیوں کی پیداوار کیلئے استعمال ہونے والی مشینیں اب پرانی ہو چکی ہیں اور اپنی سروس لائف مکمل کر چکی ہیں۔ ٹریکٹر ڈسک پر بولٹ ہول پر کاؤنٹر سنگ آپریشن بہت اہم اور درنگی کا آپریشن ہے جس میں اعلیٰ درجے کی درنگی درکار ہوتی ہے۔ 02 پرانی ملٹی اسپنڈل مشینوں کو نئی جدید مشینوں سے تبدیل کرنے کا منصوبہ بنایا گیا ہے جو ہمیں پیداواری ڈاؤن ٹائم کو کم کرنے اور پیداوار کی بہتر بنانے میں مدد دے گا۔ مصنوعات میں کارکردگی اور درنگی سے کسٹمر کی شکایات بھی کم ہو جائیں گی۔ اس سلسلے میں ایک ملٹی اسپنڈل مشین خریدی انصاف کی گئی ہے جو کہ ٹریکٹر ڈسک کی پیداوار کے تحت ہے۔

## بیوی ڈیوٹی ٹرم اور رول کوئن مشین:

ٹریکٹر کے پہیوں کی تیاری کے عمل کو مزید بہتر بنانے اور ریورک کو کم کرنے اور مصنوعات کے معیار کو بہتر بنانے کیلئے بیوی ڈیوٹی ٹرم اور رول کوئن مشین کا ایک سیٹ خریدا گیا ہے اور اس ماہ کے آخر میں آپریشنل ہو جائے گا۔ ان مشینوں کے اضافے سے نہ صرف پیداواری شرح میں اضافہ ہوگا بلکہ ٹریکٹر کی پیداوار میں ہٹ ویلڈنگ جوائنٹ پر ریورک کو مکمل طور پر ختم کیا جائے گا۔ اس تمام اقدامات سے پروڈکٹ کا معیار، پیداواری صلاحیت اور صارفین کا اعتماد اور اطمینان بہتر ہوتا ہے اور اسکرپ اور ریورک کے تناسب میں نمایاں کمی ہوتی ہے۔

ان تمام اقدامات سے مصنوعات کے معیار، پیداواری صلاحیت، اور صارفین کے اعتماد کو بہتر بنایا گیا ہے اور اس کے ساتھ ساتھ اسکرپ اور ریورک کی شرح میں کمی واقع ہوئی ہے۔

## 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 ڈائز، ہیکر اور فلچر زاہر FEA تجزیہ کی صلاحیتوں پر مشتمل ہے۔

ریسرچ اینڈ ڈویلپمنٹ محکمہ کے پاس ایک مکمل ٹول اور ڈائی بنانے کی صلاحیت ہے جو کہ روایتی اور CNC مشینوں پر مشتمل ہے جس کے ذریعے ہم مصنوعات کی تیاری کیلئے ٹول ڈائز، فلچر، ہیکر اور ٹولنگ کے پڑے اپنے طور پر بنا سکتے ہیں۔

ہمارے ریسرچ اینڈ ڈویلپمنٹ محکمہ 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 میں فیصلہ کرنے کے ساتھ ساتھ مسلسل پروسس کو بہتر بنانے اور ڈاؤن ٹائم کو کم کرنے میں کوشاں ہے۔

پہرے 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 پہرے 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 پہرے کے معیار کو جانچنے کے کام آتا ہے اور ان آلات کی درنگی کے لیے وقتاً فوقتاً کیلیبریشن کی جاتی ہے، تاکہ مصنوعات کی پیداوار گاہک کی ضروریات کے مطابق ہوں اور یہ تجربہ کار اور تربیت یافتہ افرادی قوت سے بھی منسلک ہے۔





# BALUCHISTAN WHEELS LIMITED

(۳)

ماحول کی حفاظت کا خاص خیال رکھا جاتا ہے اور ہر ممکن تدابیر کی جاتیں ہیں تاکہ کام کی جگہ کا ماحول صاف ستھرا رہے۔ ماحول کو سرسبز اور ہر اہم کارکن کے کیلئے پوری فیکٹری کے گرد پودے اور درخت لگائے گئے ہیں۔ ہم کثرت کے 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 اس کے 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 کہ کنفی کے ISO-14001 سرٹیفیکٹ حاصل کیا ہے تاکہ کمپنی کے معیار کو عالمی ماحولیاتی معیار کے مطابق کیا جاسکے۔

## بجلی کی بچت:-

بجلی کی بچت کے لئے مناسب اقدامات کئے گئے، جہاں تک ممکن ہو بجلی، 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۔

## CO2 کریوچیک مائع کنٹینر:

پرانے روایتی CO2 مائع ٹینک کو نئے کریوچیک مائع کنٹینر سے تبدیل کر دیا گیا ہے جس سے مائع CO2 گیس کے درجہ حرارت اور دباؤ کو برقرار رکھنے کے لئے کسی چلر سسٹم کی ضرورت نہیں ہے۔ پرانے CO2 کنٹینر کو چوبیس گھنٹے چلر سسٹم درکار تھا تاکہ ذخیرہ شدہ گیس کا دباؤ اور درجہ حرارت برقرار رہے اور اس سے بھاری مقدار میں بجلی استعمال ہو رہی تھی اور چلر سسٹم کو دیکھ بھال کی لاگت اور چوبیس گھنٹے نگرانی ہوتی تھی۔

کریوچیک مائع کنٹینر ڈبل دیوار والا دیکوم برتن ہے جس میں مٹی لیٹنر Isolation ہوتی ہے جو کہ مائع گیسوں کے درجہ حرارت کو قابل اعتماد حد تک  $-130^{\circ}\text{F}$  ( $-90^{\circ}\text{C}$ ) سے زیادہ ٹھنڈا رکھتا ہے۔ مائع کنٹینر کے دوائے ہیں۔ پہلا یہ کہ اس میں کپریسڈ گیس سلنڈر کے مقابلے میں سہجاً کم پریشر پر گیس کی بڑی مقدار ہوتی ہے۔ دوسرا یہ ہے کہ یہ کریوچیک مائع کا ایک ذریعہ فراہم کرتا ہے جسے آسانی سے سنبھالا جاسکتا ہے۔

## 3000 کے وی اے ٹرانسفورمر:

پرانے KVA2500 ٹرانسفارمر کو KVA3000 ٹرانسفارمر کے جدید ترین ماڈل کے ساتھ تبدیل کیا گیا۔ پرانے ٹرانسفارمر مرکز در موصیلت اور زیادہ گرمی کی وجہ سے بار بار ٹپ ہوتا تھا جس سے پیداوار متاثر ہوتی تھی، نئے ٹرانسفارمر سے پیداوار اور کٹے کاقت صفر ہو گیا ہے جس سے بڑی بچت ہوئی ہے۔

## سسٹم ایکو پیمینٹ اور تھنگ

برقی نظام میں اور تھنگ کے اہم فوائد کرنٹ اور ولٹیج بیلنڈنگ، الیکٹریکل شک کی روک تھام، برقی شور کی کم کرنا ہیں۔ BWL نے انسانوں اور مشینوں کی حفاظت اور پاؤڈر کو ٹنگ پینٹ کے معیار کو بہتر بنانے کے لیے اور تھنگ سسٹم کو اپ گریڈ کیا ہے۔

توانائی کی نگرانی کے نظام کو متعارف کرایا گیا ہے جس میں ایسے میٹر نصب کیے گئے ہیں جن کی مدد سے بجلی کی تنصیبات کی نگرانی اور کنٹرول ممکن ہو سکا ہے جہاں بجلی کی کھپت زیادہ ہوتی ہے۔ یہ تمام اقدامات بجلی کی کھپت میں خاطر خواہ کمی لانے میں معاون ہیں۔

## پلانٹ اور مشینری کا اپ گریڈیشن:-

ہماری کمپنی عالمی معیار کے پیسے بنا رہی ہے اور گاؤں کی ضروریات کو پورا کر رہی ہے چنانچہ اسکے لئے یہ نہایت ضروری ہے کہ پلانٹ اور مشینری مسلسل اپ گریڈ ہو اور اچھی حالت میں رہیں تاکہ ہم اطمینان بخش طریقے سے کام کر سکیں اور مشین اور آلات بھی زیادہ عرصے تک کام کر سکیں۔



# BALUCHISTAN WHEELS LIMITED

(۲)

تھیلی جائزہ:-

درج ذیل چارٹ میں مالیاتی نتائج 2021 اور 2020 کا تھیلی جائزہ پیش کیا جا رہا ہے:

مالیاتی سال 2021	مالیاتی سال 2020	
(روپے ہزاروں میں)		
1,574,822	912,820	مال کی فروخت
243,063	117,414	غیر خالص منافع
141,568	23,695	قبل از ٹیکس منافع
100,686	18,920	بعد از ٹیکس منافع
7.55	1.42	فی شیئر آمدنی (روپے میں)

فی شیئر آمدنی:-

فی شیئر آمدنی جو کہ گزشتہ سال 1.42 روپے تھی وہ اس سال کے لیے 7.55 روپے رہی۔

مجموعہ کردہ ڈیوڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2021 کو ختم ہونے والے مالی سال کے لئے کیش ڈیوڈنڈ 4.5 روپے فی شیئر (45%) اپنی میٹنگ جو کہ 27 اگست 2021 کو منعقد ہوئی میں منظوری دی ہے جس کی مالیت 60,004 ملین روپے بنتی ہے جبکہ گزشتہ سال فی شیئر کیش ڈیوڈنڈ کی مد میں 1.5 روپے (15% فیصد) کی ادائیگی کی گئی تھی جس کی مالیت 20,003 ملین روپے تھی۔ یہ ڈیوڈنڈ ممبران کی اجازت سے مشروط ہوگا جو کہ 30 ستمبر 2021 کو مستحق کی جانے والی سالانہ جنرل میٹنگ میں پیش کیا جائیگا تاہم مالیاتی اسٹینڈنٹ میں ڈیوڈنڈ کی ممکنہ ادائیگی منہا نہیں ہے جو کہ قانون کے تحت ہے۔

انسانی وسائل اور معاوضے کی کمیٹی:-

ہم پختہ یقین رکھتے ہیں کہ ہمارے آفیسرز اسٹاف اور ورکرز ہمارے کاروبار کی بڑھتی ہوئی ضرورتیں سمجھتے 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۔

بلا واسطہ اور بلا واسطہ انعام مہینہ کے بہترین ورکر کے لیے، جج اسکیم برائے آفیسرز اور ورکرز، 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 تھاپ 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 دستاں، جوتے، 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۔

کمپنی کی کوشش ہے کہ طبی امور اور حفاظتی چیزوں میں ملازمین کا خیال رکھا جائے اسکے لئے ایک ڈپنٹری بمبہ 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 مند سرگرمیوں 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۔

# BALUCHISTAN WHEELS LIMITED



(i)

ڈائریکٹرز رپورٹ

30 جون 2021

آپ کے ڈائریکٹرز 30 جون 2021 کو ختم ہونے والے سال کے لئے سالانہ آڈٹ کردہ مالیاتی اسٹیٹمنٹ بعد آڈٹرز رپورٹ بخوشی پیش کرتے ہیں۔

**کاروباری جائزہ :-**

مجموعی طور پر ملکی سطح پر سال 2021 میں گاڑیوں کے 151,182 پونش تیار کئے گئے جو سال 2020 کے 96,455 پونش کے مقابلے میں 57% فیصد زیادہ رہے۔ جبکہ اس سال لائٹ ویٹ کمرشل ویکل، بوین اور جیپ کے 30,215 پونش تیار کئے گئے جو گزشتہ سال کے 15,507 پونش کے مقابلے میں 95% فیصد زیادہ رہے۔ ٹرک ایلز کے 4,347 پونش تیار کئے گئے جبکہ گزشتہ سال 3,647 پونش تیار کئے گئے تھے۔ جو پچھلے سال کے مقابلے میں 19% فیصد زیادہ رہے۔ اسی طرح ٹریکٹر کے 50,920 پونش تیار کئے گئے جب کہ گزشتہ سال 32,727 پونش تیار کئے گئے تھے جو پچھلے سال کی نسبت 56% فیصد زیادہ رہے۔

پورے آئوٹیکٹر نے مالی سال 2021 کے دوران بہتر کارکردگی دکھائی اور اب بحالی کی راہ پر گامزن ہے کیونکہ کم شرح سود اور معاشی سرگرمیوں میں اضافے کی وجہ سے آئوٹیکٹر کی مانگ میں اضافہ ہوا ہے۔ کار اسمبلر نے مالی سال 2021 میں 57% فیصد کی فروخت کا لطف اٹھایا جسکی وجہ ٹیکوں کی طرف سے کم شرح سود اور سستی آئوٹیکٹرنگ ہے۔ مالی سال 2021 ٹریکٹر منڈیوں کے لیے مثبت شرح پر بند ہوا۔ کپاس کی پیداوار میں زبردست کمی کے باوجود ٹریکٹر کی فروخت میں اضافہ زراعت کے شعبے میں مثبت اشارے فراہم کرتا ہے۔

اس سال آپ کی کمپنی نے 1,574.82 ملین روپے کی فروخت کی جو گزشتہ سال کی 912.82 ملین روپے کی فروخت کے مقابلے میں 73% فیصد زیادہ رہی۔ گاڑیوں کے پیہوں کی فروخت 667.69 ملین روپے رہی جو گزشتہ سال کی 539.05 ملین روپے کی فروخت کے مقابلے میں 24% فیصد زیادہ رہی۔ ٹرک ایلز کے پیہوں کی فروخت 171.34 ملین روپے رہی جو گزشتہ سال کی 73.68 ملین روپے کی فروخت کے مقابلے میں 133% فیصد زیادہ رہی جبکہ ٹریکٹر کے پیہوں کی فروخت 644.43 ملین روپے رہی جو گزشتہ سال کی 264.07 ملین روپے کی فروخت کے مقابلے میں 144% فیصد زیادہ رہی۔

**مالیاتی نتائج:-**

کاروبار میں پچھلے سال کے مقابلے میں 73% اضافے کی وجہ کار، ٹرک ایلز اور ٹریکٹر کے پیہوں کی فروخت میں بالترتیب 24%، 133% اور 144% فیصد زیادہ ہے۔ فروخت کی لاگت 1,331.75 ملین روپے رہی جو گزشتہ سال 795.40 ملین روپے کی تھی۔ غیر خالص منافع 107% فیصد اضافے کے ساتھ 243.06 ملین روپے رہا جو گزشتہ سال 117.41 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹیکس منافع 100.68 ملین روپے رہا جو گزشتہ سال کے بعد از ٹیکس منافع 18.92 ملین روپے کے مقابلے میں 432% فیصد زیادہ ہے۔

کم شرح سود، میکرو اکنامک حالات میں بہتری، غیر ملکی ترسیلات زر، روشن ڈیجیٹل اکاؤنٹ کی آمد اور معاشی سرگرمیوں کی بحالی نے صارفین کی قوت خرید کو بہتر بنایا ہے جنہوں نے نئی گاڑیوں کے خریداروں کو راغب کرنے میں اہم کردار ادا کیا ہے جس کے نتیجے میں ہماری فروخت، مجموعی منافع اور بالآخر سال کے خالص منافع میں بھی اضافہ ہوا۔





# BALUCHISTAN WHEELS LIMITED

## INVESTOR RELATIONS

### ANNUAL GENERAL MEETING

The 41st Annual General Meeting of the Company will be held on through video confernece.

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@thkcom.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. 4.5 /- per share (2020: Rs. 1.5/- per share) amounting to Rs. 60.004 million (2020: Rs. 20.001 million) for the year ended June 30, 2021.

### BOOK CLOSURE DATES

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from September 23,2021 toSeptember 30, 2021 (both days

### DIVIDEND REMITTANCES

The Board of Directors of the Company in their meeting held on August 27, 2021 has recommended the cash dividend of Rs. 4.5 /- per share. If the dividend is approved at the Annual General Meeting will be paid within the statutory time limit of 15 working days.

### REPORTING

Period	Financial Results
1st Quarter - September 2020	October 22, 2020
2nd Quarter/Half Yearly - December 2020	February 11, 2021
3rd Quarter - March 2021	April 13, 2021
4th Quarter/Annual - June 2021	August 27, 2021

### 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](http://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](http://www.bwheels.com) . The website contains the latest financial results of the Company with the Company's profile.



# BALUCHISTAN WHEELS LIMITED

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

**Name of Company: BALUCHISTAN WHEELS LIMITED**

**Year Ended: JUNE 30, 2021**

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
<b>Independent Directors</b>	Mr. Anis Wahab Zuberi Mr. Muhammad Javed Mr. Irfan Ahmed Qureshi
<b>Non-Executive Directors</b>	Syed Haroon Rashid Mr. Aamir Amin
<b>Executive Directors</b>	Mr. Razak H.M.Bengali Mr. Muhammad Siddique Misri Mr. Muhammad Irfan Ghani
<b>Female/Non-Executive Director</b>	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 in maintained by the Company;



# BALUCHISTAN WHEELS LIMITED

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 have 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. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

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**

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

**Chairman (Independent Director)**  
**Member**  
**Member**  
**Member**

**b) HR and Remuneration Committee**

Mr. Muhammad Javed  
Mr. Muhammad Irfan Ghani  
Mr. Anis Wahab Zuberi  
Syed Haroon Rashid

**Chairman (Independent Director)**  
**Member**  
**Member**  
**Member**





# BALUCHISTAN WHEELS LIMITED

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
<b>Audit Committee</b>	Four quarterly meetings were held during the financial year ended June 30, 2021.
<b>HR and Remuneration Committee</b>	One meeting was held during the financial year ended June 30, 2021

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 other requirements of the Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

**SYED HAROON RASHID**

**Chairman**

**August 27, 2021**



# BALUCHISTAN WHEELS LIMITED



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, 2021 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, 2021.

KARACHI

DATED: AUGUST 23, 2021

CHARTERED ACCOUNTANTS  
Engagement Partner: Zulfikar Ali Causer



# BALUCHISTAN WHEELS LIMITED



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, 2021, and the statement of profit or loss, 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, 2021 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.	Contingencies	
	As disclosed in note 28 to the annexed financial statements. The Company has contingent liabilities in respect of payment and tax matters, which are pending adjudication at different levels with the court and other legal forums.	We undertook number of procedures to verify the nature of contingencies and their implications on the financial statements. This included, among others:





# BALUCHISTAN WHEELS LIMITED



S. No	Key audit matters	How the matter was addressed in our audit
	<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>	<ul style="list-style-type: none"> <li>• We followed up the progress of each case and the Company's estimate of the cost to be incurred;</li> <li>• 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;</li> <li>• We obtained confirmations from legal advisors for current status on pending previous cases and any new case filed during the year; and</li> <li>• Checked orders by relevant authority on previous lawsuits / cases appearing in the financial statements.</li> </ul>
2.	<p><b>Valuation of Stock-in-trade</b></p> <p>At 30 June 2021, the Company held stock-in-trade amounting to Rs. 344 million, constituting 15% 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 average manufacturing cost including a proportion of production heads. There is an element of judgement involved in determining an appropriate costing basis and assessing the amount of provision for slow moving and obsolete stock-in-trade.</p> <p>Given the level of judgements and estimates involved, we have identified valuation of stock-in-trade as a key audit matter.</p>	<p>Our key audit procedures in respect of valuation of stock-in-trade includes:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the Company's process with respect to valuation of stock-in-trade and tested controls relevant to such process.</li> <li>• Tested the calculations of per unit cost of finished goods and assess the appropriateness of management's basis for the allocation of cost and production overheads and compared it with prior period to assess reasonableness.</li> <li>• Evaluated the appropriateness of the basis for identification of slow moving and obsolete stock-in-trade and the accuracy of provision for slow moving and obsolete stock-in-trade assessed by the management, on test basis. We tested the accuracy of ageing analysis of stock-in-trade, on a sample basis; and</li> <li>• Tested the net realizable value and valuation methods in accordance with applicable financial reporting standards.</li> </ul>





# BALUCHISTAN WHEELS LIMITED



S. No	Key audit matters	How the matter was addressed in our audit
3.	<b>Revaluation of Land</b>  During the year, the Company revalued its land resulting in recognition of revaluation surplus amounting to Rs. 538.518 million. Such revaluation was carried out by an independent valuer who took into account various factors.  Due to significant managements' judgments and estimations relating to revaluation of land, we considered this area as a key audit matter.	Our audit procedures included the following: <ul style="list-style-type: none"> <li>We enquired about the qualification of the managements' independent valuer and reviewed the revaluation report to understand the basis and methodology used for such valuation.</li> <li>We also assessed the adequacy of the related disclosures in the financial statements in accordance with applicable financial reporting standards relating to change in accounting policy.</li> </ul>

## Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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.



# BALUCHISTAN WHEELS LIMITED



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.



# BALUCHISTAN WHEELS LIMITED



## Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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.

## Other matter

The financial statements of the Company for the year ended June 30, 2020 were audited by another firm of chartered accountants, who through their report dated September 28, 2020, expressed an unmodified opinion thereon.

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

KARACHI

DATED: 27 AUG 2021

BDO EBRAHIM & CO.  
CHARTERED ACCOUNTANTS



# BALUCHISTAN WHEELS LIMITED

## BALUCHISTAN WHEELS LIMITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2021

	Note	2021 (Rupees in thousands)	2020
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment			
Operating fixed assets	6	945,950	414,291
Capital work in progress	7	4,100	-
		<u>950,050</u>	<u>414,291</u>
Long-term loans and advances	8	6,176	3,826
Long-term deposits	9	7,709	4,418
		<u>963,935</u>	<u>422,535</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	10	37,804	39,345
Stock-in-trade	11	343,671	413,575
Trade debts	12	264,625	108,542
Loans and advances	13	32,004	16,331
Deposits and short term prepayments	14	556	1,709
Other receivables	15	29,986	7,010
Short-term investments	16	550,573	333,906
Sales tax refundable - net		595	1,826
Taxation - net		32,690	103,518
Bank balances	17	19,320	60,362
		<u>1,311,824</u>	<u>1,086,124</u>
<b>TOTAL ASSETS</b>		<u><b>2,275,759</b></u>	<u><b>1,508,659</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
25,000,000 (2020: 25,000,000) ordinary shares of Rs. 10 each		250,000	250,000
Issued, subscribed and paid-up capital	18	133,343	133,343
Revaluation surplus on land	19	538,518	-
Revenue reserves	19	1,249,035	1,161,311
		<u>1,920,896</u>	<u>1,294,654</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term loan	20	10,418	30,849
Lease liabilities	21	23,477	6,330
Long-term deposits	22	1,405	982
Deferred taxation	23	33,694	33,293
Government grant	24	91	1,923
GIDC payable	25	1,311	-
		<u>70,396</u>	<u>73,376</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	26	240,350	116,995
Un-claimed dividend		6,065	5,913
Current portion of long-term lease liabilities	21	13,973	5,302
Current portion of long-term loan	20	19,768	8,711
Current portion of long-term deposits		563	1,457
Current portion of government grant	24	1,278	1,438
Current portion of GIDC payable		581	-
Provision for warranty	27	1,889	813
		<u>284,467</u>	<u>140,629</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,275,759</b></u>	<u><b>1,508,659</b></u>
<b>CONTINGENCIES AND COMMITMENTS</b>	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

## BALUCHISTAN WHEELS LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 (Rupees in thousands)	2020
Turnover - net	29	1,574,822	912,820
Cost of sales	30	(1,331,759)	(795,406)
Gross profit		243,063	117,414
Administrative expenses	31	(91,246)	(82,148)
Selling and distribution expenses	32	(51,477)	(35,424)
Other expenses	33	(10,496)	(1,784)
Other income	34	55,940	27,990
Operating profit		145,784	26,048
Finance cost	35	(4,216)	(2,353)
Net profit before taxation		141,568	23,695
Taxation	36	(40,882)	(4,775)
Net profit for the year		100,686	18,920
Earnings per share - basic and diluted (Rupees per share)	37	7.55	1.42

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER





# BALUCHISTAN WHEELS LIMITED

**BALUCHISTAN WHEELS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021**

	Note	2021 (Rupees in thousands)	2020
Net profit for the year		100,686	18,920
Other comprehensive income			
Items that will not be reclassified subsequently to profit and			
Gain on remeasurement of defined benefit plan liability	38.9	9,913	14,384
Deferred tax		(2,875)	-
		7,038	14,384
Revaluation surplus on property, plant and equipment	6	538,518	-
Total comprehensive income for the year		646,242	33,304

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**





# BALUCHISTAN WHEELS LIMITED

## BALUCHISTAN WHEELS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 (Rupees in thousands)	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	40	148,874	211,903
Finance cost paid		(2,638)	(692)
Income tax - net		27,472	16,051
Employees' benefit paid		(20,199)	(6,882)
Long-term loans and advances - net		(2,350)	(411)
Long-term deposits		(3,762)	618
Net cash generated from operating activities		147,397	220,587
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(9,804)	(4,041)
Proceeds from sale of operating fixed assets		39,340	1,546
Profit received on saving accounts and treasury bills		35,259	20,744
Short-term investments made during the year		(1,724,462)	(754,524)
Short-term investments redeemed during the year		1,507,794	523,926
Dividend received		356	161
Net cash used in investing activities		(151,517)	(212,188)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term financing		(9,374)	42,786
Lease rentals paid		(7,700)	(8,215)
Dividend paid on ordinary shares		(19,848)	(27,602)
Net cash (used in) / generated from financing activities		(36,922)	6,969
Net (decrease) / increase in cash and cash equivalents		(41,042)	15,368
Cash and cash equivalents at the beginning of the year		60,362	44,994
Cash and cash equivalents at the end of the year		19,320	60,362

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

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER



# BALUCHISTAN WHEELS LIMITED

**BALUCHISTAN WHEELS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2021**

Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves			Total reserves	Total equity
	Revaluation surplus on land	General reserve	Remeasurement (loss) / gain on defined benefit plan	Unappropri- ate profit		
----- (Rupees in thousands) -----						

<b>Balance at July 01, 2019</b>	133,343	-	160,000	(24,877)	1,019,553	1,154,676	1,288,019
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	-	18,920	18,920	18,920
Gain on remeasurement of defined benefit liability - net of	-	-	-	14,384	-	14,384	14,384
	-	-	-	14,384	18,920	33,304	33,304
<b>Transaction with owners</b>							
Final dividend paid on ordinary shares @ Rs. 2 per share	-	-	-	-	(26,669)	(26,669)	(26,669)
<b>Balance at June 30, 2020</b>	133,343	-	160,000	(10,493)	1,011,804	1,161,311	1,294,654
<b>Balance at July 01, 2020</b>	133,343	-	160,000	(10,493)	1,011,804	1,161,311	1,294,654
<b>Total comprehensive income for the year</b>							
Net profit for the year	-	-	-	-	100,686	100,686	100,686
Gain on remeasurement of defined benefit liability - net of	-	-	-	7,038	-	7,038	7,038
Revaluation surplus on fixed assets - net of tax	-	538,518	-	-	-	538,518	538,518
	-	538,518	-	7,038	100,686	646,242	646,242
<b>Transaction with owners</b>							
Final dividend paid on ordinary shares @ Re 1.5 per shares	-	-	-	-	(20,000)	(20,000)	(20,000)
<b>Balance at June 30, 2021</b>	133,343	538,518	160,000	(3,455)	1,092,490	1,787,553	1,920,896

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

  
**CHIEF EXECUTIVE**

  
**DIRECTOR**

  
**CHIEF FINANCIAL OFFICER**







# BALUCHISTAN WHEELS LIMITED

## BALUCHISTAN WHEELS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

### 1 STATUS AND NATURE OF BUSINESS

Baluchistan Wheels Limited was incorporated in Pakistan on 16 June 1980. The Company is engaged in manufacturing and marketing of automotive wheel rims for trucks, buses, tractors, cars and mini commercial vehicles. The Company is listed on the Pakistan Stock Exchange Limited.

### 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 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 convention, except for certain items as disclosed in the relevant accounting policies in note 5 to the financial

These financial statements have been prepared following accrual basis of accounting except for cash flows information.



# BALUCHISTAN WHEELS LIMITED

## 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 recognized 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 5.14 and 12)
- taxation (notes 5.7 and 23)
- employee benefit obligations (notes 5.17 and 38)
- provision for warranty (notes 5.12 and 27)
- lease liabilities (notes 5.3 and 21)
- contingencies (notes 5.13 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 Pak 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, 2021

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the financial statements other than certain additional disclosures.



# BALUCHISTAN WHEELS LIMITED

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

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.

Amendments to IFRS 3 'Business Combinations' - Definition of a business January 01, 2020

Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement' and IFRS 7 'Financial Instruments: Disclosures' - Interest rate benchmark reform January 01, 2020

Amendments to IFRS 16 'Leases' - Covid - 19 related rent concessions June 01, 2020

Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of material January 01, 2020

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 significant impact on the Company's financial statements other than certain additional disclosures.

Interest Rate Benchmark Reform - Phase 2  
(Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) January 01, 2021

Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework January 01, 2022

Amendments to IFRS 16 'Leases' - Extended practical relief regarding Covid - 19 related rent concessions April 01, 2021

Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current January 01, 2023



# BALUCHISTAN WHEELS LIMITED

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

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

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

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

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

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 cost. Historical cost includes expenditure that is directly attributable to the acquisition of the item including borrowing costs and exchange differences recognized, 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.





# BALUCHISTAN WHEELS LIMITED

Subsequent costs (except freehold land) are included in an asset's carrying amount or recognized 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 recognized in 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 derecognized. 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,

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 recognized when significant risks and rewards incidental to the ownership have been transferred to buyers. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognized in the 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.



# BALUCHISTAN WHEELS LIMITED

An impairment loss is recognized 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 recognized as expense in 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 recognized, 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 recognized. A reversal of impairment loss is recognized in the 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 amortized cost using the effective interest rate method.

Subsequently lease liabilities are measured at amortized 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.



# BALUCHISTAN WHEELS LIMITED

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 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 recognized 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 amortized 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 recognized in profit and loss account, except to the extent that it relates to items recognized in other comprehensive income or directly in equity, in which case it is also recognized in other comprehensive income or directly in equity respectively.



# BALUCHISTAN WHEELS LIMITED

## 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 recognized for all taxable temporary differences and deferred tax assets are recognized 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

- 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 recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.





# BALUCHISTAN WHEELS LIMITED

## 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 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 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 recognized 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.



# BALUCHISTAN WHEELS LIMITED

## 5.13 Financial instruments

### 5.13.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through statement of profit or loss, fair value through other comprehensive income and amortized 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. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

#### Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of 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.

#### Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized 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 amortized 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 amortized cost are deducted from the gross carrying amount of the 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

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



# BALUCHISTAN WHEELS LIMITED

## 5.13.3 Recognition and measurement

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, amortized cost or 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-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized 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 recognized 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 (Rs.) 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 recognized in the 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 30 June 2021 using Projected Unit Credit method.



# BALUCHISTAN WHEELS LIMITED

Remeasurement losses and gains are recognised directly to other comprehensive income and are not reclassified to the 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 profit or loss in the period to which it relates.

## 5.17 Revenue recognition

Revenue is recognized 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 recognized 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 recognized 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.





# BALUCHISTAN WHEELS LIMITED

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 recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

## Others

- Scrap sales are recognized 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 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.



# BALUCHISTAN WHEELS LIMITED

## 6 OPERATING FIXED ASSETS

The following is the statement of operating fixed assets:

Description	Freehol 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	
	(Rupees in thousands)											

### Year ended June 30, 2021

#### Net carrying value basis

Opening net book value (NBV)	2,559	44,575	330,436	4,617	1,441	13,814	3,041	220	2	7,280	6,306	414,291
Additions (at cost) (refer note 6.3)	-	-	3,631	4,225	-	40,896	1,069	74	-	33,939	-	83,834
Disposals (NBV) (refer note 6.5)	-	-	-	(446)	-	(38,294)	(177)	-	-	(2,845)	-	(41,762)
Revaluation (refer note 6.2)	538,518	-	-	-	-	-	-	-	-	-	-	538,518
Depreciation charge	-	(2,229)	(35,026)	(558)	(144)	(2,850)	(1,329)	(108)	-	(3,534)	(3,153)	(48,931)
Closing net book value	541,077	42,346	299,041	7,838	1,297	13,566	2,604	186	2	34,840	3,153	945,950

#### Gross carrying value basis

Cost	541,077	105,813	1,052,959	31,486	5,470	27,495	17,199	5,852	42	38,300	9,459	1,835,152
Accumulated depreciation / impairment	-	(63,467)	(753,918)	(23,648)	(4,173)	(13,929)	(14,595)	(5,666)	(40)	(3,460)	(6,306)	(889,202)
Net book value	541,077	42,346	299,041	7,838	1,297	13,566	2,604	186	2	34,840	3,153	945,950

### Year ended June 30, 2020

#### Net carrying value basis

Opening net book value (NBV)	2,559	46,928	366,707	5,131	1,571	13,451	3,496	269	2	-	-	440,114
Additions (at cost) (refer note 6.3)	-	-	2,773	-	29	10,000	855	223	-	20,508	9,459	43,847
Disposals (NBV) (refer note 6.5)	-	-	-	-	-	(1,487)	(55)	-	-	(10,000)	-	(11,542)
Depreciation charge	-	(2,353)	(39,044)	(514)	(159)	(8,150)	(1,255)	(272)	-	(3,228)	(3,153)	(58,128)
Closing net book value	2,559	44,575	330,436	4,617	1,441	13,814	3,041	220	2	7,280	6,306	414,291

#### Gross carrying value basis

Cost	2,559	105,813	1,049,328	29,266	5,470	35,106	17,085	5,778	42	10,508	9,459	1,270,414
Accumulated depreciation / impairment	-	(61,238)	(718,892)	(24,649)	(4,029)	(21,292)	(14,044)	(5,558)	(40)	(3,228)	(3,153)	(856,123)
Net book value	2,559	44,575	330,436	4,617	1,441	13,814	3,041	220	2	7,280	6,306	414,291

Depreciation rate (% per annum)	-	5 to 10	10 to 20	10	10	20	33	33	10	20	5 to 10	
---------------------------------	---	---------	----------	----	----	----	----	----	----	----	---------	--

6.1 This freehold land of 23.593 acre (2020: 23.593 acre) is located at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan.

6.2 The Company engaged an independent third-party valuer, Fairwater Property Valuers & Surveyors (Private) Limited, to perform a valuation of the land as of June 30, 2021. The fair market value and the forced sales value of the revalued land is Rs. 541.077 million and Rs. 432.862 million respectively at the reporting date.

6.3 The addition of Rs. 40.896 million in owned vehicles includes transfer from leased assets to owned assets at a cost amounting to Rs. 6.147 million (2020: Rs. 10 million).





# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
6.4 The depreciation charge for the year has been allocated as follows:			
Cost of sales	30	40,424	43,640
Administrative expenses	31	8,216	2,901
Distribution expenses	32	291	4,907
		<u>48,931</u>	<u>51,448</u>

6.5 The disposals during the year includes:

Description	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers
	(Rupees in thousands)						
Vehicle							
Audi E-Tron 50 Quattro	14,000	146	13,854	14,000	146	Sale and Lease Back	Bank Al Habib Ltd.
Honda Civic I-Vtec	1,727	1,170	557	557	-	Maturity of Executive Car Scheme	Muhammad Yaseen Yunus Ladha
Honda BRV	2,719	36	2,683	2,719	36	Sale and Lease Back	Bank Al Habib Ltd.
Audi E-Tron 50 Quattro	14,000	268	13,732	14,000	268	Sale and Lease Back	Bank Al Habib Ltd.
Audi Q7 Jeep Bf-4464	8,000	6,422	1,578	1,573	(5)	Maturity of Executive Car Scheme	Mr. Razak H.M. Bengali
Total - 2021	<u>40,446</u>	<u>8,042</u>	<u>32,404</u>	<u>32,849</u>	<u>445</u>		
Total - 2020	<u>5,000</u>	<u>3,458</u>	<u>1,542</u>	<u>1,546</u>	<u>4</u>		

6.5.1 The vehicles were transferred to employees at maturity of the Company car scheme.





# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>7 CAPITAL WORK-IN-PROGRESS</b>			
This comprises of:			
Plant and machinery	7.1	<u>4,100</u>	<u>-</u>
<b>7.1 Movement of carrying amount of plant and machinery</b>			
Opening balance as at July 01		-	-
Additions (at cost)		4,100	2,773
Transferred to operating fixed assets		-	(2,773)
Closing balance as at June 30		<u>4,100</u>	<u>-</u>
<b>8 LONG-TERM LOANS AND ADVANCES</b>			
Loans - secured			
Employees	8.1	2,706	2,104
Executives	8.1 & 8.2	<u>2,305</u>	<u>1,832</u>
		5,011	3,936
Current maturity	13	<u>(1,381)</u>	<u>(1,228)</u>
		3,630	2,708
Advances - secured			
Employees		<u>7,799</u>	<u>1,992</u>
Executives	8.2	<u>5,772</u>	<u>900</u>
		13,571	2,892
Current maturity	13	<u>(11,025)</u>	<u>(1,774)</u>
		2,546	1,118
		<u>6,176</u>	<u>3,826</u>
<b>8.1</b>	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.		
<b>8.2</b>	The maximum aggregate amount due from executives and employees at the end of any month during the year was Rs. 8.077 million (2020: Rs. 2.732 million)		
<b>9 LONG-TERM DEPOSITS</b>			
(Unsecured - considered good)			
Trade deposits		4,019	3,998
Lease deposits		<u>3,690</u>	<u>420</u>
		<u>7,709</u>	<u>4,418</u>
<b>9.1</b>	These are in the normal course of business and does not carry any interest or markup.		





# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>10 STORES, SPARES AND LOOSE TOOLS</b>			
Stores		4,398	4,315
Spares parts		91,797	91,846
Loose tools		1,902	1,465
		<u>98,097</u>	<u>97,626</u>
Provision for slow moving and obsolete stores and spares	10.1	<u>(60,293)</u>	<u>(58,281)</u>
		<u>37,804</u>	<u>39,345</u>
<b>10.1 Provision for slow moving stores and spares</b>			
Balance at the beginning of the year		58,281	54,561
Provision recognized during the year	30	<u>2,012</u>	<u>3,720</u>
Balance at the end of the year		<u>60,293</u>	<u>58,281</u>
<b>11 STOCK-IN-TRADE</b>			
Raw materials components		187,610	151,671
Work-in-process		115,778	135,686
Finished goods		42,093	138,748
Scrap stock		156	1,610
		<u>345,637</u>	<u>427,715</u>
Provision for slow moving and obsolete stock-in-trade	11.1	<u>(1,966)</u>	<u>(14,140)</u>
		<u>343,671</u>	<u>413,575</u>
<b>11.1 Provision for slow moving and obsolete stock-in-trade</b>			
Balance at the beginning of the year		14,140	18,563
Reversal of provision made during the year	30	<u>(12,174)</u>	<u>(4,423)</u>
Balance at the end of the year		<u>1,966</u>	<u>14,140</u>
<b>12 TRADE DEBTS - unsecured</b>			
Considered good		264,625	108,542
Considered doubtful		-	517
Allowance for expected credit losses	12.1	-	(517)
		-	-
	12.2	<u>264,625</u>	<u>108,542</u>
<b>12.1 Movement in allowance for expected credit losses is as follows:</b>			
Balance at the beginning of the year		517	112
Charged during the year		-	405
Reversed during the year	31	<u>(517)</u>	<u>-</u>
Balance at the end of the year		<u>-</u>	<u>517</u>



# BALUCHISTAN WHEELS LIMITED

12.2 These are in the normal course of business and interest free.

This includes an amount of Rs. 2.682 million (2020: Rs. 4.603 million) receivable from Gandhara Nissan Limited, a related party.

	Note	2021 (Rupees in thousands)	2020
<b>13 LOANS AND ADVANCES</b>			
Loans - secured			
Current maturity of long-term loans	8	1,381	1,228
Advances			
Current maturity of long-term advances - secured	8	11,025	1,774
for expenses - unsecured	13.1	411	1,149
to suppliers - unsecured	13.2	19,187	12,180
		30,623	15,103
		32,004	16,331

13.1 This includes advances provided to employees to meet business expenses and are settled as and when the expenses are incurred. These advances do not carry any interest or mark-up.

13.2 This represents advances to suppliers in the normal course of business and does not carry any interest or mark-up.

## 14 DEPOSITS AND SHORT TERM PREPAYMENTS

Deposits-unsecured (considered good)		115	255
Trade deposits		-	609
Lease deposits		115	864
	14.1	442	845
Prepayments		556	1,709

14.1 This represents short term deposits in the normal course of business and does not carry any interest or mark-up.

## 15 OTHER RECEIVABLES

Workers' profit participation fund		-	226
Accrued profit on treasury bills		6,948	6,784
Gratuity fund		23,038	-
	15.1 & 38.3	29,986	7,010

15.1 These are in the normal course of business and interest free.



# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>16 SHORT-TERM INVESTMENTS</b>			
<b>At fair value through profit or loss:</b>			
Listed equity securities	16.1 & 16.4	6,102	3,307
Mutual funds	16.2	20,279	-
<b>At amortised cost</b>			
Treasury bills	16.3	524,193	330,599
		<u>550,573</u>	<u>333,906</u>

## 16.1 Listed equity securities

Short-term investment in equity securities of listed companies are as follows:

Number of shares		Company name		
2021	2020			
10,000	10,000	Honda Atlas Cars (Pakistan) Limited	3,458	1,937
25,000	25,000	Fauji Cement Company Limited	575	422
5,000	5,000	Nishat Mills Limited	466	390
6,250	6,250	Attock Refinery Limited	1,603	558
<u>46,250</u>	<u>46,250</u>		<u>6,102</u>	<u>3,307</u>

## 16.2 Mutual funds

Number of units		Name of Fund		
2021	2020			
<u>2091651</u>	<u>-</u>	NIT Money Market Fund	<u>20,279</u>	<u>-</u>
Balance as at July 1			-	-
Additions during the year			20,008	-
Balance as at June 30			20,008	-
Market Value as at June 30			20,279	-
Unrealized gain / (loss)			271	-

16.3 These carry profits at rate ranging from 6.85% to 14.06% per annum (2020: 7.5% to 14.1%) per annum.

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

Market value	6,102	3,307
Carrying value	(3,307)	(2,826)
	<u>2,795</u>	<u>481</u>



# BALUCHISTAN WHEELS LIMITED

		2021 (Rupees in thousands)	2020
<b>17 BANK BALANCES</b>	<b>Note</b>		
Current accounts		17,767	17,916
Saving accounts	17.1	1,553	42,446
		<u>19,320</u>	<u>60,362</u>

17.1 These carry profits at the rates ranging from 6.25% to 7.25% (2020: 7.25% to 7.98%) per annum.

## 18 ORDINARY SHARE CAPITAL

Number of ordinary shares of Rs. 10/- each				
2021	2020			
9,276,000	9,276,000	Fully paid in cash	92,760	92,760
4,058,250	4,058,250	Issued as fully paid bonus shares	40,583	40,583
<u>13,334,250</u>	<u>13,334,250</u>		<u>133,343</u>	<u>133,343</u>

18.1 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.

## 19 RESERVES

### Revenue reserves

General reserve	160,000	160,000
Remeasurement loss on defined benefit plan	(3,455)	(10,493)
Un-appropriated profit	1,092,490	1,011,804
	<u>1,249,035</u>	<u>1,161,311</u>

### Capital reserves

Revaluation surplus on land	19.2	538,518	-
		<u>1,787,553</u>	<u>1,161,311</u>

19.1 Movement of reserves have been reflected in the statement of changes in equity.

19.2 The revaluation surplus on land in capital reserve, and is not available for distribution to the shareholder, in accordance with section 241 of Companies Act, 2017.

## 20 LONG-TERM LOAN

Non-current maturity	20.1	10,418	30,849
Current maturity		19,768	8,711
		<u>30,186</u>	<u>39,560</u>

20.1 This represents a long term loan obtained from a conventional bank under the Refinance Scheme for Payment of Wages and Salaries by State Bank of Pakistan.

It carries flat mark-up at the rate of 3% per annum. The SBP allowed spread under this scheme up to 3% per annum. However, the effective interest rate is calculated at 8.51% and the loan has been recognised at present value.





# BALUCHISTAN WHEELS LIMITED

The loan is repayable in 8 equal quarterly installments commencing from January 2021 discounted at the effective rate of interest. The differential mark-up has been recognised as Government grant (as mentioned in note 24) which will be amortised as interest income over the period of facility.

The loan is secured against first pari-passu hypothecation charge over current assets.

Interest paid during the year amounting to Rs. 0.924 million

	2021	2020
	(Rupees in thousands)	
<b>21 LEASE LIABILITIES</b>		
Lease liabilities	37,450	11,632
Current portion	(13,973)	(5,302)
<b>21.1</b>	<b>23,477</b>	<b>6,330</b>

## 21.1 Movement of lease liabilities is as follows:

	2021			2020		
	Vehicles	Head office premises	Total	Vehicles	Head office premises	Total
	(Rupees in thousands)			(Rupees in thousands)		
Balance at the beginning of the year	4,919	6,713	11,632	4,736	-	4,736
Impact of initial application of IFRS-16	-	-	-	-	9,459	9,459
Additions	32,700	-	32,700	4,200	-	4,200
Accretion of interest	4,161	263	4,424	357	1,095	1,452
	36,861	263	37,124	4,557	10,554	15,111
Payments	(7,465)	(3,841)	(11,306)	(4,374)	(3,841)	(8,215)
Balance at the end of the year	34,315	3,135	37,450	4,919	6,713	11,632
Current maturity	(10,838)	(3,135)	(13,973)	(2,167)	(3,135)	(5,302)
	23,477	-	23,477	2,752	3,578	6,330

## Maturity analysis-contractual cash flow

	2021		2020	
	Minimum lease payment	Present Value	Minimum lease payment	Present Value
	(Rs. in '000)			
Within one year	16,473	13,973	6,298	5,302
After one year but not more than five year	25,137	23,477	6,919	6,330
	41,610	37,450	13,217	11,632
Amount representing finance charges	(4,160)	-	(1,585)	-
Present value of minimum lease payments	37,450	37,450	11,632	11,632
Current portion	(13,973)	(13,973)	(5,302)	(5,302)
	23,477	23,477	6,330	6,330

21.2 The Company has entered into various finance lease agreements with a financial institution in respect of vehicles. The rate of interest used as the discounting factor ranges between 8.6% to 8.9% per annum (2020: 12% to 15.08% per annum).

21.3 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.



# BALUCHISTAN WHEELS LIMITED

21.4 The Company also has lease contract for the head office premises which has a lease term of 3 years. This lease contract includes extension and termination options subject to the mutual consent of the Company and the lessor.

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

	Note	2021 (Rupees in thousands)	2020
<b>22 LONG TERM DEPOSITS</b>			
Deposits from employees		1,968	2,439
Current maturity		(563)	(1,457)
		<u>1,405</u>	<u>982</u>

22.1 Represent 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.

## 23 DEFERRED TAXATION

Deferred taxation	23.1	<u>33,694</u>	<u>33,293</u>
23.1 The net balance for deferred taxation is in respect of following temporary differences:			

### Deferred tax liabilities

Accelerated tax depreciation allowance	51,762	57,357
Defined benefit plan	2,875	-
Right-of-use assets	<u>11,018</u>	<u>3,940</u>
	65,655	61,297

### Deferred tax assets

Provisions	21,100	23,395
Lease liabilities	10,861	3,373
Carry forward of minimum tax	-	1,236
	<u>(31,961)</u>	<u>(28,004)</u>
	<u>33,694</u>	<u>33,293</u>

## 24 GOVERNMENT GRANT

At the beginning of the year	3,361	-
Recognised during the year	-	3,546
Released during the year	<u>(1,992)</u>	<u>(185)</u>
	<u>(1,992)</u>	<u>3,361</u>
At the end of the year	1,369	3,361
Current maturity	<u>(1,278)</u>	<u>(1,438)</u>
	<u>91</u>	<u>1,923</u>



# BALUCHISTAN WHEELS LIMITED

- 24.1 As aforementioned in note 20.1, the purpose of the government grant is to facilitate the Company in making timely payments of salaries and wages to their employees in light of the COVID-19 pandemic. The grant is conditional upon the fact that the Company would not terminate any employee, due/owing to cash flow limitations, for a period of six months from the date of receipt of the first tranche.

	Note	2021 (Rupees in thousands)	2020
<b>25 GIDC PAYABLE</b>			
GIDC payable		1,892	-
Less: Current portion shown under current liability		(581)	-
		<u>1,311</u>	<u>-</u>

During 2020, based on appeal filed by the Government, the Supreme Court of Pakistan in its judgement dismissed all the petition filed against the aforesaid matter and decided in favor of Federal Government. Accordingly, as per the direction given in the said judgement, Company would be required to pay the amount of levy payable upto July 2020 in twenty four equal monthly installment commencing from August, 2020. The component of late payment surcharge is no more payable as per the aforesaid judgment.

## 26 TRADE AND OTHER PAYABLES

Creditors		145,221	32,875
Accrued liabilities		57,519	32,318
Contract liabilities	26.1	7,777	26,287
Gratuity fund		-	3,410
Provident fund		-	371
Retention money		455	455
Compensated absences		7,245	3,560
Workers' profit participation fund	26.2	1,607	-
Workers' Welfare Fund		19,350	16,461
Security deposits		388	398
Mark-up on running finance		35	139
Others		752	721
		<u>240,350</u>	<u>116,995</u>

- 26.1 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. 1.260 million (2020: Rs. 0.466 million).

### 26.2 Workers' Profit Participation Fund

Balance at the beginning of the year		(226)	1,035
Interest on funds utilized in Company's business	35	-	54
Allocation for the year	33	7,611	1,274
		<u>7,385</u>	<u>2,363</u>
Amount paid during the year		(5,778)	(2,589)
Balance at the end of the year		<u>1,607</u>	<u>(226)</u>



# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>27 PROVISION FOR WARRANTY</b>			
Balance at the beginning of the year		813	1,354
Charge / (reversal) of provision		1,213	(531)
Adjustment against claims		(137)	(10)
Balance at the end of the year		<u>1,889</u>	<u>813</u>

## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

28.1.1 On April 08, 2004, National Bank of Pakistan (NBP) 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 recovery of the same from the Company which was subsequently transferred due to administrative reasons to the Banking Court No. III at Karachi and now pending adjudication. The management, based on the advice of its legal advisor, is of the view that the matter is at the final stage of arguments and the Company has a good defence in the matter. Accordingly, no provision has been made in these financial statements in respect of the above matter.

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, based on the advice of its tax advisor, does not consider necessary any provision against the demand for the tax year 2015, as the matter will be reassessed as fresh by the relevant assessing authority.





# BALUCHISTAN WHEELS LIMITED

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.

The management, based on the advice of its tax advisor, is of the view that outcome of the appeal cannot be ascertained at this stage and consequently any future potential liability. However, the management, on prudent basis, has retained provision of Rs. 14.2 million in respect of the above contingency.

28.1.5 On March 15, 2021, 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 had filed an appeal before CIRA 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. The tax impact of which will be Rs. 14.86 million against which the Company has decided to file an appeal before ATIR.

The management, based on the advice of its tax advisor, is of the view that outcome cannot be ascertained at this stage and consequently any future potential liability. Therefore, the Company has not made any provision in this regard.

## 28.2 Commitments

	2021 (Rupees in thousands)	2020
Outstanding letters of guarantee	4,512	5,212
Outstanding letters of credit - raw material	428,777	82,245
Outstanding letters of credit - machinery	12,667	-

## 29 TURNOVER - NET

Local sales	29.1	1,902,044	1,062,586
Sales return		(4,668)	(3,348)
Sales tax		(322,554)	(153,906)
		(327,222)	(157,254)
Export sales		-	7,488
		1,574,822	912,820

29.1 Local sales include scrap sales of Rs. 91.341 million (2020: Rs.28.512 million).



# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>30 COST OF SALES</b>			
Materials consumed	30.1	873,871	476,907
Salaries, wages and other benefits	30.2	133,574	111,478
Stores, spare parts and loose tools consumed		63,000	43,428
Depreciation on property, plant and equipment	6.4	38,436	43,228
Depreciation on right-of-use assets	6.4	1,988	412
Fuel and power		47,644	36,614
Outsourced job contractor		35,649	15,870
Staff transportation		16,440	13,804
Repairs, maintenance and stores consumption		6,413	9,173
Insurance		2,763	3,296
Provision for slow moving stores and spares	10.1	2,012	3,720
Vehicle running expenses		2,753	2,895
Reversal of provision for stock-in-trade	11.1	(12,174)	(4,423)
Entertainment		1,791	2,173
Telephone and postage		588	618
Travelling and conveyance		191	40
Computer expenses		77	91
Subscription		61	51
Others		119	324
Manufacturing cost		1,215,196	759,699
Work-in-process			
Opening stock		135,686	169,843
Closing stock		(115,778)	(135,686)
		19,908	34,157
Cost of goods manufactured		1,235,104	793,856
Finished goods			
Opening stock		138,748	140,298
Closing stock		(42,093)	(138,748)
		96,655	1,550
		1,331,759	795,406
<b>30.1 Raw material and components consumed</b>			
Stock as at the beginning of the year			
Raw material and components		151,671	233,078
Scrap		1,610	449
		153,281	233,527
Purchases during the year		823,880	396,661
		977,161	630,188
Stock as at the end of the year			
Raw material and components		(103,134)	(151,671)
Scrap		(156)	(1,610)
		(103,290)	(153,281)
		873,871	476,907



# BALUCHISTAN WHEELS LIMITED

30.2 Salaries, wages and other benefits includes Rs. 26.776 million (2020: Rs. 21.413 million) in respect of the following staff employment benefits.

	Note	2021 (Rupees in thousands)	2020
Bonus		13,486	7,279
Medical		3,567	4,054
Gratuity fund		3,172	5,272
Provident fund		3,270	3,528
Accrual for compensated absences		3,281	1,280
		<u>26,776</u>	<u>21,413</u>

## 31 ADMINISTRATIVE EXPENSES

Salaries and other benefits	31.1	49,026	44,398
Outsourced service expenses		7,895	8,194
Vehicle running expenses		6,737	5,339
Corporate expenses		3,877	3,302
Depreciation on property, plant and equipment	6.4	3,526	2,901
Depreciation on right-of-use assets	6.4	4,690	4,690
Entertainment		3,351	2,538
Utilities		3,181	2,679
Legal and professional charges		1,593	1,462
Auditor's remuneration	31.2	1,263	1,386
Insurance		967	1,193
Telephone and postage		668	572
Staff transportation		627	609
Repairs and maintenance		760	243
General stores supplies		1,959	746
Printing, stationery and periodicals		275	368
Allowance for expected credit losses	12.1	(517)	405
Others		1,368	1,123
		<u>91,246</u>	<u>82,148</u>

31.1 Salaries, wages and other benefits includes Rs. 7.649 million (2020: Rs. 5.159 million) in respect of the following staff employment benefits.

Bonus		3,596	1,141
Medical		889	1,174
Gratuity fund		308	1,536
Provident fund		1,981	1,900
Accrual for compensated absences		875	(592)
		<u>7,649</u>	<u>5,159</u>



# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>31.2 Auditor's remuneration</b>			
Statutory audit fee		765	765
Half yearly review		160	160
Code of Corporate Governance		70	70
Other certifications		110	163
Out of pocket expenses		158	228
		<u>1,263</u>	<u>1,386</u>
<b>32 SELLING AND DISTRIBUTION EXPENSES</b>			
<b>Selling expenses</b>			
Salaries and other benefits	32.1	14,486	14,532
Outsourced service expenses		2,506	2,455
Entertainment		1,574	1,543
Vehicle running expenses		885	1,442
Utilities		784	464
Insurance		293	283
Export related expenses		132	486
Depreciation on property, plant and equipment	6.4	291	217
Provision / (reversal) of provision for warranty		1,213	(531)
Others		253	434
		<u>22,417</u>	<u>21,325</u>
<b>Distribution expenses</b>			
Outward freight		29,060	14,099
		<u>51,477</u>	<u>35,424</u>
<b>32.1 Salaries, wages and other benefits includes Rs. 2.248 million (2020: Rs. 1.527 million) in respect of the following staff employment benefits.</b>			
Bonus		899	285
Medical		213	293
Gratuity fund		183	358
Provident fund		734	727
Accrual for compensated absences		219	(136)
		<u>2,248</u>	<u>1,527</u>
<b>33 OTHER EXPENSES</b>			
Workers' Profit Participation Fund	26.2	7,607	1,274
Workers' Welfare Fund		2,889	510
		<u>10,496</u>	<u>1,784</u>





# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>34 OTHER INCOME</b>			
Income from financial assets			
Profit on savings accounts		3,216	3,107
Profit on treasury bills		32,207	24,112
Dividend income	34.1	30	39
Unrealised gain on change in fair value of listed equity securities		2,795	481
		<u>38,248</u>	<u>27,739</u>
Income from non-financial assets			
Gain on sale of operating fixed assets - net		3,735	4
Net exchange gain		773	731
Sale of wastage material		10,865	(674)
Government grant released	24	1,992	185
Others		327	5
		<u>17,692</u>	<u>251</u>
		<u>55,940</u>	<u>27,990</u>
34.1 This amount represents dividend income from Honda Atlas Car Pakistan Limited and Nishat Mills Limited.			
<b>35 FINANCE COST</b>			
Markup on running finance		45	195
Markup on long-term loan		2,487	432
Workers' Profit Participation Fund	26.2	-	54
		<u>2,532</u>	<u>681</u>
Bank charges and commission		258	220
Finance charges on leases		1,426	1,452
		<u>4,216</u>	<u>2,353</u>
<b>36 TAXATION</b>			
For the year			
Current	36.1	(43,356)	(13,661)
Prior		-	3,928
Deferred		2,474	4,958
		<u>(40,882)</u>	<u>(4,775)</u>

36.1 The provision of current tax charge for the year represents normal tax of Rs. 43.356 million at the rate of 29% of the taxable income for the year.



# BALUCHISTAN WHEELS LIMITED

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 and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

36.2 Numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:

	2021 %age	2020 %age
Applicable tax rate	29.00	29.00
Effect of Super Tax	-	2.20
Others	0.01	(2.56)
	0.01	(0.36)
Average effective tax rate	29.01	28.64

## 37 EARNINGS PER SHARE - BASIC AND DILUTED

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

	2021 (Rupees in thousands)	2020 (Rupees in thousands)
Profit for the year	100,686	18,920
Weighted average number of ordinary shares (in thousands)	13,334	13,334
Earnings per share attributable to ordinary shareholders (Rupees)	7.55	1.42

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

## 38 DEFINED BENEFIT PLAN

### 38.1 General description

The scheme provides for 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, 2021 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.



# BALUCHISTAN WHEELS LIMITED

**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:

	2021 %age	2020 %age
Discount rate	10.00	8.50
Expected rate of increase in salary	-	-

## 38.3 Reconciliation of balance due to defined benefit plan

Present value of defined benefit obligation	87,138	83,059
Fair value of plan assets	(110,176)	(79,649)
Closing net (asset) / liability	(23,038)	3,410

## 38.4 Movement of the liability recognized in the statement of financial position

	Note	2021 (Rupees in thousands)	2020
Opening net liability		3,412	17,510
Charge for the year	38.8	3,665	7,168
Remeasurement chargeable to other comprehensive income	38.9	(9,913)	(14,384)
Contribution made during the year		(20,201)	(6,882)
Closing net (asset) / liability	26	(23,037)	3,412



# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
<b>38.5 Fair value of plan assets at year end</b>			
Treasury Bills		45,451	41,445
Mutual Funds		25,494	20,859
Equity Investments		12,441	8,847
Cash at banks		26,790	10,320
		<u>110,176</u>	<u>81,471</u>
Benefits payable		-	(1,822)
		<u>110,176</u>	<u>79,649</u>
<b>38.6 Movement in present value of defined benefit obligations</b>			
Opening present value of defined benefit obligations		83,060	90,263
Current service cost for the year		4,233	5,292
Interest cost for the year		6,958	12,243
Benefits due but not paid during the year		-	(1,822)
Benefits paid during the year		(2,405)	(6,882)
Remeasurement gain on obligation		(4,708)	(16,034)
Closing present value of defined benefit obligations		<u>87,138</u>	<u>83,060</u>
<b>38.7 Movement in fair value of plan assets</b>			
Opening fair value of plan assets		79,649	72,753
Remeasurement on plan assets		5,205	(1,649)
Contributions during the year		20,201	6,882
Benefits paid during the year		(2,405)	(6,882)
Benefits due but not paid during the year		-	(1,822)
Expected return on plan assets		7,526	10,367
Closing fair value of plan assets		<u>110,176</u>	<u>79,649</u>
<b>38.8 Charge for the year</b>			
Current service cost		4,233	5,292
Interest cost		(568)	1,876
Charge for the year		<u>3,665</u>	<u>7,168</u>
<b>38.9 Remeasurement chargeable to other comprehensive income</b>			
Actuarial gains from changes in financial assumptions		-	(2,875)
Experience adjustments		(4,708)	(13,158)
		<u>(4,708)</u>	<u>(16,033)</u>
Return on plan assets, excluding interest income		(5,205)	1,649
		<u>(9,913)</u>	<u>(14,384)</u>





# BALUCHISTAN WHEELS LIMITED

## 38.10 Sensitivity analysis

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

	<b>Increase in assumption (Rupees in thousands)</b>	<b>Decrease in assumption</b>
Discount rate	67,222	73,370
Salary increase	73,338	67,198

38.11 The expected contribution to the fund for the year ending June 30, 2022 is estimated to be Rs. 39.512 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.

39.1 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

39.2 Contributions are made by both the Company and the members @ 10% of the basic salary for executive and 10% of the basic salary plus cost of living allowance for non-executive.

	<b>Note</b>	<b>2021 (Rupees in thousands)</b>	<b>2020</b>
--	-------------	---------------------------------------	-------------

## 40 CASH GENERATED FROM OPERATIONS

Profit before taxation		141,568	23,695
Adjustment for non-cash charges and other items:			
Depreciation on property, plant and equipment	6.4	42,244	46,346
Depreciation on right-of-use assets	6.4	6,687	5,102
Government grant released	34	(1,992)	(185)
Gain on sale of operating fixed assets	34	(3,735)	(4)
Finance cost	35	4,216	2,353
Provision for slow moving and obsolete stores and spares	10.1	2,012	3,720
Reversal of provision for slow moving and obsolete stock in trade	11.1	(12,174)	(4,423)
Allowance for expected credit losses	12.1	(517)	405
Accrual for compensated absences		4,375	552



# BALUCHISTAN WHEELS LIMITED

	Note	2021 (Rupees in thousands)	2020
Reversal for provision / (provision) of warranty claims and adjustment claims	27	1,076	(541)
Provision for employee defined benefit obligation	38.8	3,665	7,166
Profit on savings accounts and treasury bills	34	(35,423)	(27,219)
Unrealized gain on change in fair value of listed equity securities		(2,795)	(481)
Dividend income		(357)	(39)
		<u>148,850</u>	<u>56,447</u>
Working capital changes	40.1	24	155,456
		<u>148,874</u>	<u>211,903</u>

## 40.1 Changes in working capital

### (Increase) / decrease in current assets:

Stores, spares and loose tools	(471)	7,775
Stock-in-trade	82,078	115,953
Trade debts	(155,567)	35,240
Loans and advances	(15,672)	(417)
Trade deposits and short term prepayments	1,153	638
Other receivables	(23,038)	(226)
Tax refund due from Government	1,231	(8,872)
	<u>(110,286)</u>	<u>150,091</u>

### Increase in current liabilities:

Trade and other payables	110,310	5,365
	<u>24</u>	<u>155,456</u>





# BALUCHISTAN WHEELS LIMITED

## 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:

	2021				2020			
	Chief Executive	Director	Executives	Total	Chief Executive	Director	Executives	Total
	(Rupees in thousands)							
Managerial remuneration	6,579	12,776	5,556	24,911	6,579	12,776	4,848	24,203
House rent	2,961	5,748	2,500	11,209	2,961	5,748	2,181	10,890
Staff retirement benefits	1,206	2,342	2,139	5,687	1,208	2,346	932	4,486
Bonus	548	1,064	402	2,014	1,645	3,194	1,212	6,051
Medical	398	665	115	1,178	547	709	144	1,400
Utilities	393	1,280	740	2,413	459	1,161	600	2,220
Leave fare assistance	265	54	48	367	-	1,473	18	1,491
Total	12,350	23,929	11,500	47,779	13,399	27,407	9,935	50,741
Number of persons	1	2	3	6	1	2	3	6

- 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. 2.010 million (2020: Rs. 1.67 million).





# BALUCHISTAN WHEELS LIMITED

## 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	2021	2020
				(Rupees in thousands)	
<b>Sale of goods</b>					
Gandhara Nissan Limited	Associated company	Common Director		23,716	5,776
<b>Dividend on ordinary shares</b>					
Directors and others	Personnel	Key management personnel		10,966	14,077
<b>Long term loan given</b>					
Executives	Personnel	Key management personnel		2,305	1,832
<b>Advances</b>					
Executives	Personnel	Key management personnel		5,772	900
<b>Sale of vehicles / equipments</b>					
Executives	Personnel	Key management personnel		3,893	1,538

### 42.1 Year end balances

	2021	2020
	(Rupees in thousands)	
Receivable from a related party	2,683	4,603
Long term loan	2,305	1,832
Advances	5,772	900
	<u>10,760</u>	<u>7,335</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.







# BALUCHISTAN WHEELS LIMITED

2021                      2020  
(Units in thousands)

## 43 CAPACITY AND PRODUCTION

Plant capacity - single shift (estimated)	850	850
Actual production	372	354

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

### 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 equity price risk, currency risk and interest rate 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.

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 2021 which are summarized below:

### 44.2 Credit risk

Credit risk represents the financial loss that would be recognized 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. As of the reporting date, the Company is exposed to credit risk on the following assets:



# BALUCHISTAN WHEELS LIMITED

	2021	2020
	(Rupees in thousands)	
Loans and deposits	12,720	8,469
Trade debts	264,625	108,542
Short-term investments in mutual funds	20,279	-
Bank balances	19,320	60,362
	<u>316,944</u>	<u>177,373</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:

### 45.2.1 Customers with no defaults in the past one year

Trade debts	<u>264,625</u>	<u>108,542</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 A1+ to AAA.

	2021	2020
	(Rupees in thousands)	
<b>Bank Balances</b>		
A1+	9,505	53,658
A1	-	108
AAA	9,815	6,596
	<u>19,320</u>	<u>60,362</u>

## 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.



# BALUCHISTAN WHEELS LIMITED

## 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.

INTEREST / MARK-UP / PROFIT BEARING			NON-INTEREST BEARING	TOTAL
Less than one year	One to five years	Total		

(Rupees in thousands)

### June 30, 2021

Long-term financing	19,768	10,418	30,186	-	30,186
Lease liabilities	13,973	23,477	37,450	-	37,450
Long-term deposits	-	-	-	1,968	1,968
Trade and other payables	-	-	-	220,999	220,999
Unclaimed dividend	-	-	-	6,065	6,065
	33,741	33,895	67,636	229,032	296,668

### June 30, 2020

Long-term financing	12,000	32,776	44,776	-	44,776
Lease liabilities	6,298	6,919	13,217	-	13,217
Long-term deposits	-	-	-	2,439	2,439
Trade and other payables	-	-	-	100,534	100,534
Unclaimed dividend	-	-	-	5,913	5,913
	18,298	39,695	57,993	108,886	166,879

## 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 risk.

### a) Foreign currency risk

Foreign 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 foreign currency risk as of the reporting date.

### 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.



# BALUCHISTAN WHEELS LIMITED

## 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.

	<b>Increase / decrease in interest rate  (%)</b>	<b>Effect on profit before tax  (Rupees in thousands)</b>
As at June 30, 2021	+2	(718)
	-2	718
As at June 30, 2020	+2	616
	-2	(616)

### 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.

As at the reporting date, the exposure to equity investments at fair value listed on the PSX is Rs. 6.102 million (2020: Rs. 3.31 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. 0.61 million (2020: Rs. 0.33 million) increase / (decrease) on the Company's profit before tax.

## 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:





# BALUCHISTAN WHEELS LIMITED

- 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)			
<b>Investments 'at fair value through profit or loss'</b>				
June 30, 2021				
Listed equity securities	6,102	-	-	6,102
Mutual funds	20,279	-	-	20,279
	26,381	-	-	26,381
June 30, 2020				
Listed equity securities	3,307	-	-	3,307
Mutual funds	-	-	-	-
	3,307	-	-	3,307

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

The carrying amounts of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

## 46 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 requirements.

The Company's objectives when managing capital are:

- 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
- 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.



# BALUCHISTAN WHEELS LIMITED

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.

	2021	2020
	(Rupees in thousands)	
The proportion of debt to equity at the year end was:		
Total Borrowings	30,186	39,560
Less: Balances with banks	17,767	17,916
Net debt	12,419	21,644
Total equity	1,920,896	1,294,654
Total capital	1,933,315	1,316,298
Gearing ratio	0.01	0.02

## 47 CHANGE IN ACCOUNTING POLICY

As per International Accounting Standards (IAS) 16 "Property, Plant and Equipment", a company shall choose either the cost model or revaluation model as its accounting policy and shall apply that policy to entire class of property, plant and equipment. Under cost model, after initial recognition as an asset, an item of property, plant and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment loss.

During the year, the Company has changed its accounting policy and has chosen revaluation model for land which was previously carried at cost model. Under revaluation model, after recognition as an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

As per International Accounting Standard (IAS) 8 "Accounting Policies, Change in Accounting Estimates and Errors", the initial application of a policy to revalue assets in accordance with IAS 16 Property, Plant and Equipment is a change in accounting policy and is not accounted for retrospectively. Consequently, this change in accounting policy has been accounted for prospectively in accordance with the requirements of IAS 8. Had there been no change in accounting policy, the impacts would have been as follows:

	2021
	(Rupees in thousands)
	Increase / (decrease)
<b>Impact on statement of financial position</b>	
Property, plant and equipment	(538,518)
Revaluation surplus on land	(538,518)



# BALUCHISTAN WHEELS LIMITED

## 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 100% during the year ended 30 June 2021 (2020: 99.5%).

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

Sales to three major customers of the Company are around 33%, 28% and 13% of the Company's total sales during the year ended 30 June 2021.

## 49 DIVIDEND AND APPROPRIATIONS

The Board of Directors in its meeting held on August 27, 2021 proposed final cash dividend of Rs. 4.5 /- per share for the year ended 30 June 2021 amounting to Rs. 60.004 million for approval of the members at the Annual General Meeting to be held on September 30, 2021.

## 50 IMPACT OF COVID-19

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

## 51 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on August 27, 2021 by the Board of Directors of the Company.



# BALUCHISTAN WHEELS LIMITED

## 52 NUMBER OF EMPLOYEES

The number of employees including contractual employees as at the year end was 216 (2020: 234) and average number of employees during the year was 220 (2020: 249).

## 53 GENERAL

53.1 Amounts have been rounded off to the nearest thousands of rupees.

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.

  
CHIEF EXECUTIVE

  
DIRECTOR

  
CHIEF FINANCIAL OFFICER





# BALUCHISTAN WHEELS LIMITED

## PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2021

NO. OF SHAREHOLDERS	SHAREHOLDING RANGE		NO. OF SHARES	PERCENTAGE (%)
	FROM	TO		
633	1	-	100	26,036
456	101	-	500	130,139
98	501	-	1000	75,042
93	1001	-	5000	193,486
13	5001	-	10000	94,265
4	10001	-	15000	42,762
2	15001	-	20000	36,500
1	25001	-	30000	28,500
1	30001	-	35000	33,715
1	50001	-	55000	55,000
1	80001	-	85000	82,800
2	85001	-	90000	175,500
1	125001	-	130000	129,400
1	145001	-	150000	145,562
1	230001	-	235000	234,500
1	285001	-	290000	287,500
1	325001	-	330000	328,000
1	340001	-	345000	341,693
1	435001	-	440000	437,201
1	480001	-	485000	482,083
1	640001	-	645000	645,000
1	695001	-	700000	700,000
1	795001	-	800000	800,000
1	995001	-	1000000	1,000,000
1	1280001	-	1285000	1,282,825
1	1325001	-	1330000	1,328,360
1	1570001	-	1575000	1,571,971
1	2645001	-	2650000	2,646,410
1,321			13,334,250	100

Categories of Shareholders	Number of Shareholders	Number of Shares Held	Percentage(%)
SPONSORS, DIRECTORS, THEIR SPOUSES & MI	11	6,147,507	46.10
BANK, DFI & NBFI	3	329,468	2.47
INSURANCE COMPANIES	1	341,693	2.56
MODARABAS & MUTUAL FUND	7	1,671,878	12.54
FOREIGN COMPANIES	7	5,905	0.04
OTHERS	21	1,952,034	14.64
<b>GENERAL PUBLIC</b>			
--- LOCAL	1,112	2,845,545	21.34
--- FOREIGN	159	40,220	0.30
	1,321	13,334,250	100.00





# BALUCHISTAN WHEELS LIMITED

## PATTERN OF SHAREHOLDING - BREAKUP

AS AT JUNE 30, 2021

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
<b><u>DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN</u></b>	<b>11</b>	<b>6,147,507</b>	<b>46.10</b>
1 RAZAK BENGALI		1,571,971	
2 MUHAMMAD IRFAN GHANI		4,842	
3 GUL BANO RAZAK		482,083	
4 KAUSAR IRFAN		1,000,000	
5 MUHAMMAD SIDDIQUE MISRI		2,646,410	
6 MEHTAB BIBI		437,201	
7 SABA NADEEM		3,000	
8 MUHAMMAD JAVED		500	
9 SYED HAROON RASHID		500	
10 IRFAN AHMED QURESHI		500	
11 ANIS WAHAB ZUBERI		500	
<b><u>BANK, DFI &amp; NBF</u></b>	<b>3</b>	<b>329,468</b>	<b>2.47</b>
1 PRUDENTIAL INVESTMENT BANK LIMITED		575	
2 NATIONAL BANK OF PAKISTAN		893	
3 NATIONAL BANK OF PAKISTAN		328,000	
<b><u>INSURANCE COMPAINES</u></b>	<b>1</b>	<b>341,693</b>	<b>2.56</b>
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
<b><u>MODARABAS &amp; MUTUAL FUND</u></b>	<b>7</b>	<b>1,671,878</b>	<b>12.54</b>
1 CDC - TRUSTEE NBP STOCK FUND		87,000	
2 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFAT FUND		234,500	
3 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND		4,000	
4 CDC - TRUSTEE NBP SARMAYA IZAFAT FUND		7,500	
5 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,328,360	
6 CDC - TRUSTEE NBP ISLAMIC STOCK FUND		10,500	
7 GENERAL MODARABA SERVICES (PVT) LTD		18	
<b><u>FOREIGN COMPANIES</u></b>	<b>7</b>	<b>5,905</b>	<b>0.04</b>
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	
<b><u>OTHERS</u></b>	<b>21</b>	<b>1,952,034</b>	<b>14.64</b>
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 AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.		40	
6 PREMIER FASHIONS (PVT) LTD		28,500	
7 SIZA (PRIVATE) LIMITED		18,000	
8 LOADS LIMITED		230	
9 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		145,562	
10 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		5,108	
11 KHOJA (PIRHA) SHIA ISNA ASHARI JAMAT		230	
12 S.H. BUKHARI SECURITIES (PVT) LIMITED		86	
13 MAPLE LEAF CAPITAL LIMITED		1	
14 MILLAT TRACTORS LIMITED		1,282,825	
15 TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD-PROVIDENT FUND		5,000	
16 MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED		287	
17 MSMANIR FINANCIALS (PVT) LTD.		345	
18 FIKREES (PRIVATE) LIMITED		134	
19 CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT		88,500	
20 CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT		82,800	
21 MRA SECURITIES LIMITED - MF		5,500	
<b><u>GENERAL PUBLIC</u></b>	<b>1,271</b>	<b>2,885,765</b>	<b>21.64</b>
1 GENERAL PUBLIC - LOCAL		2,845,545	
2 GENERAL PUBLIC - FOREIGN		40,220	
	<b>1,321</b>	<b>13,334,250</b>	<b>100.00</b>
<b><u>SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY</u></b>	<b>7</b>	<b>9,329,566</b>	<b>69.97%</b>
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 KAUSAR IRFAN		1,000,000	
6 KUMAIL IRFAN GHANI		800,000	
7 MAHEEN IRFAN GHANI		700,000	



# BALUCHISTAN WHEELS LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 41st Annual General Meeting (AGM) of the shareholders of Baluchistan Wheels Limited will be held on **Thursday, September 30, 2021 at 12:00 noon** at Karachi through Video Link (Zoom Application) to transact the following business:


### ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on October 22, 2020.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company together with the Chairman's Review, Directors' and Auditors' Reports for the year ended June 30, 2021.
3. To consider and approve payment of final cash dividend of Rs. 4.5 per share (45%) for the year ended June 30, 2021 as recommended by the Board of Directors.
4. To appoint Statutory Auditors of the company for the year ending June 30, 2022 and fix their remuneration.

### OTHER BUSINESS

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

**BY ORDER OF THE BOARD**

  
**Muhammad Asad Saeed**  
 Company Secretary

Karachi: September 09, 2021

### NOTES:

#### **1. Participation in the Annual General Meeting (AGM) Proceedings via video conferencing facility and appoint Proxies:**

Due to current Covid-19 pandemic situation and to protect the well-being of the shareholders, the AGM proceedings will be held via video conferencing facility only.

The shareholders intending to participate in the meeting are hereby requested to email to get themselves registered by sending their particulars at the designated email address: [bwlfm@cyber.net.pk](mailto:bwlfm@cyber.net.pk) giving the following information at the earliest:

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



# BALUCHISTAN WHEELS LIMITED

Video link and log-in credentials will be shared with only those members whose emails, containing the required particulars are received not less than 48 hours before the date of the meeting.

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

## **2. Closure of Share Transfer Books:**

Share transfer books of the Company will remain closed from **September 23, 2021 to September 30, 2021** (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 22, 2021**, will be considered in time to determine the above mentioned entitlement.

## **3. Guidelines to the General Meeting for CDC Account Holders:**

CDC Account Holders will further have to follow the guidelines as laid down by Securities & Exchange Commission of Pakistan (SECP):

### **A. 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).
- iii. In case of corporate entities, the Board of Director's resolution / Power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of attending the meeting.

### **B. For Appointing Proxies:**

- i. In case of individuals, the account holders or sub-account holders and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or passport at the time of the meeting.
- v. In case of corporate entities, the Board of Director's resolution / power of attorney with specimen signature of the person nominated to present and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) alongwith the proxy form to the Company.





# BALUCHISTAN WHEELS LIMITED

## **4. Submission of CNIC/NTN for payment of Final Cash Dividend 2020 – 21:**

- a. As per **SRO. 831(1)/2012 dated 5th July 2012**, and other relevant rules, the electronic Dividend should also bear the CNIC Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).
- b. In refer to comply with the SECP's directions and in term of Section 243(2) (a) of the Companies Act 2017, the Company shall be constrained to withhold the payment of Dividend to the shareholders, in case of non-availability of identification number [CNIC or National Tax Number] of the shareholder or authorized person.
- c. Accordingly, the shareholders, who have not yet submitted copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Share Registrar, M/s THK Associates (Pvt) Limited.

## **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, every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission within a period not exceeding four years from the commencement of the Act i.e. May 30, 2017. 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.

In the light of the above, shareholders holding physical share certificates are requested to deposit their shares in Central Depository by opening CDC sub-accounts with any of the brokers or Investor Accounts maintained directly with CDC to convert their physical shares into scrip less form. This will facilitate the shareholders to streamline their information in member's register, enabling the company to effectively communicate with the shareholders and timely disburse any entitlements. Further, shares held shall remain secure and maintaining shares in scrip less form allows for swift sale/purchase.



# BALUCHISTAN WHEELS LIMITED

## 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, 2021 effective July 01, 2021 the rate of deduction of income tax from dividend payment under section 150 of the Income Tax Ordinance, 2001 have been revised 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 CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (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 2021, are available on the Company's website [http:// www.bwheels.com](http://www.bwheels.com) , at least 21 days before the date of AGM.
- 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.
- c. For convenience of shareholders, a **"Standard Request Form"** for provision of Annual Audited Financial Accounts is available on the Company's website [http:// www.bwheels.com](http://www.bwheels.com)

## 10. Change of Address(If Any):

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

\*Proxy Form is enclosed





# 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

## 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  
 30, 2021** at 12 Noon via Video Conference and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2021

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, 1<sup>st</sup> 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

## مختارنامہ (پراکسی فارم)

میں / ہم ..... جو کہ ..... سے متعلق ہیں بلوچستان وہیلولیمیٹڈ کے رکن (اراکین) ہیں، اور ..... عمومی حصص رکھتے ہیں، بذریعہ (ممبر کا نام) ..... جو کہ (شہر کا نام) ..... سے متعلق ہیں اور ان کا فلیو نمبر اسی ڈی سی اکاؤنٹ نمبر ..... ہے یا ان کے (حضرت) ان کے (خاتون) ناکام رہنے کی صورت میں (ممبر کا نام) ..... (شہر کا نام) ..... اور ان کا فلیو نمبر اسی ڈی سی اکاؤنٹ نمبر ..... ہے جو کہ بلوچستان وہیلولیمیٹڈ کے رکن / اراکین ہے / ہیں، 30 ستمبر 2021ء کو منعقد ہونے والے بلوچستان وہیلولیمیٹڈ کے سالانہ اجلاس عام میں ووٹنگ کے لئے میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (مختار) ہیں۔ بطور گواہی میرے / ہمارے دستخط / امهر مورخہ ..... برائے ماہ و سال ..... ثبت ہیں۔

پانچ روپے والا ریونیو اسٹیپ لگانے

گواہان کے دستخط

..... دستخط

..... دستخط

..... نام:

..... نام:

..... CNIC / پاسپورٹ نمبر:

..... CNIC / پاسپورٹ نمبر:

..... پتہ:

..... پتہ:

ممبر (ز) کا کے دستخط

(دستخط کمپنی کے پاس رجسٹر کردہ دستخط جیسا ہونا چاہیے)

نوٹ:

- (۱) کوئی بھی شخص / خاتون اس وقت مختار (پراکسی) کے طور پر کام کرے گا جب وہ خود کمپنی کا ایک رکن ہوگا، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتا ہے جو کمپنی کا رکن نہ ہو۔
- (۲) کارپوریٹ ادارے کی صورت میں کمپنی کو مختارنامہ (پراکسی) کے ساتھ بورڈ آف ڈائریکٹرز کا ریگولیشن / پاور آف اٹارنی بمعہ دستخطوں کے نمونے جمع کرنا ہوں گے (اگر پہلے فراہم نہ کئے گئے ہوں)
- (۳) پراکسی فارم پر دو گواہان کے دستخط ضروری ہیں، بمعہ نام، پتہ اور شناختی کارڈ نمبر۔
- (۴) حصص یافتگان اور مختار (پراکسی) کے شناختی کارڈ یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
- (۵) اجلاس کے وقت مختار (پراکسی) اپنا اصل شناختی کارڈ یا پاسپورٹ پیش کرے گا۔
- (۶) مختارنامہ (پراکسی فارم) کمپنی کے ہیڈ آفس میں اجلاس کے مقرر وقت سے کم از کم 48 گھنٹہ قبل مکمل طور پر پُر اور دستخط کئے ہوئے موصول ہو جانا چاہیے۔



# BALUCHISTAN WHEELS LIMITED

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



Pak Suzuki Motor Co. Ltd.



Indus Motor Co. Ltd.



Lucky Motors Co. Ltd.



## Disc Wheels for Agricultural Tractors



Al-Ghazi Tractors Ltd.



Millat Tractors Ltd.



Orient Automotive Industries (Pvt.) Ltd.



## Disc Wheels for Commercial Vehicles



Hinopak Motors Ltd.



Fuso Master Motors (Pvt.) Ltd.



Ghandhara DF (Pvt.) Ltd.



Ghandhara Industries Ltd.



Master Motors Corporation Ltd.



Afzal Motors (Pvt.) Ltd.







# BALUCHISTAN WHEELS LIMITED



Factory & Registered Office  
Main RCD Highway, Hub Chowki,  
Lasbella Baluchistan  
Telephone # : (0853)-363426, 363428  
Fax # : (0853)-364025  
[WWW.BWHEELS.COM](http://WWW.BWHEELS.COM)