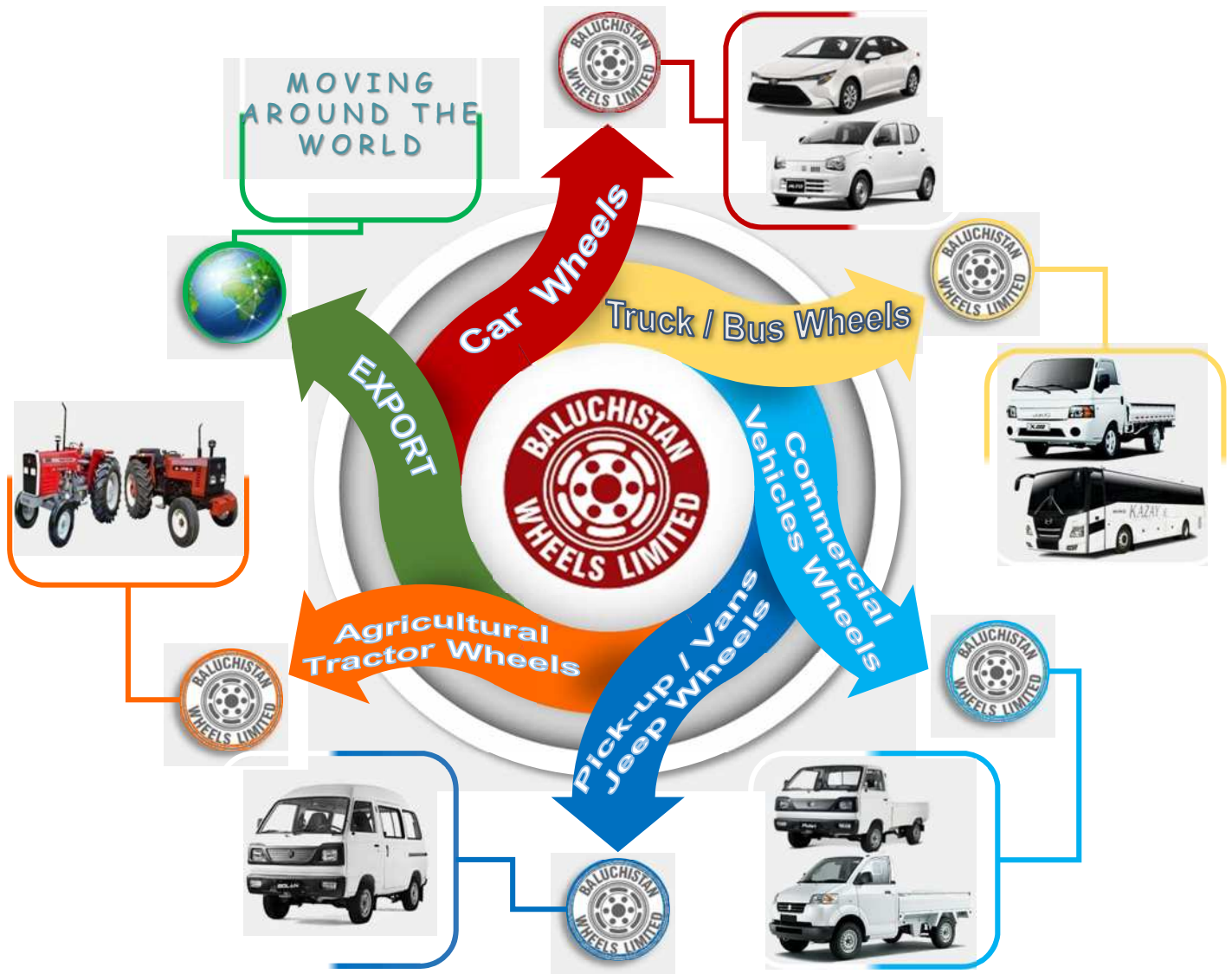




BALUCHISTAN WHEELS LIMITED





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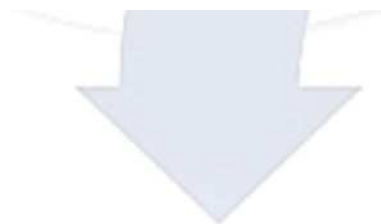
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VISION & MISSION



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.

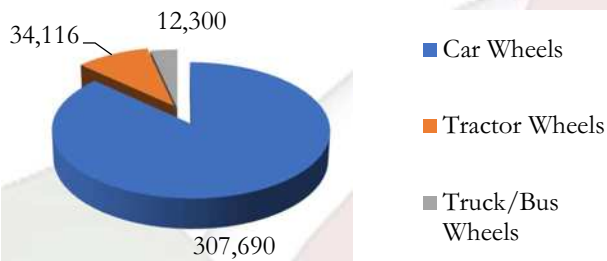




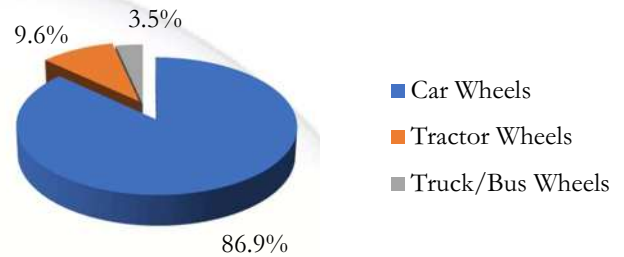
BALUCHISTAN WHEELS LIMITED

GRAPHICAL REPRESENTATION JULY 2019 – JUNE 2020

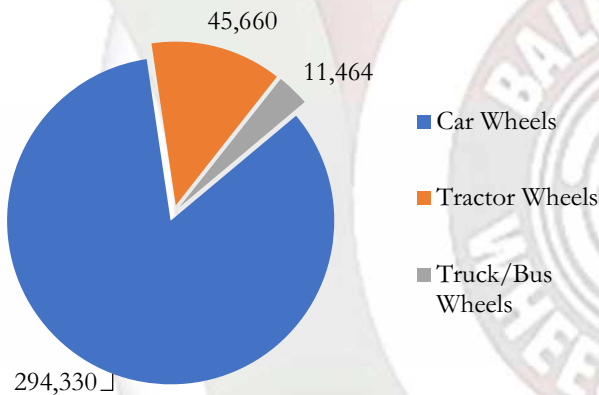
Production (Qty)



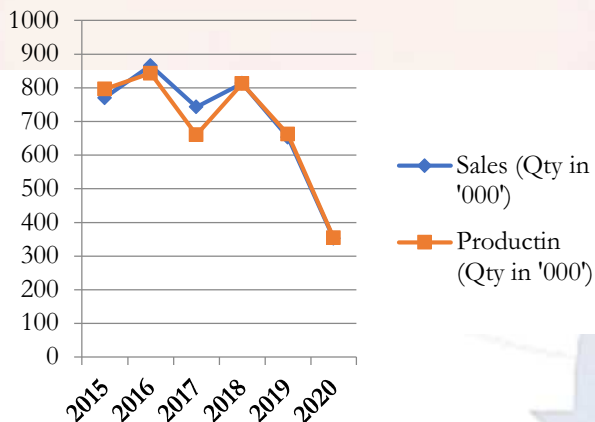
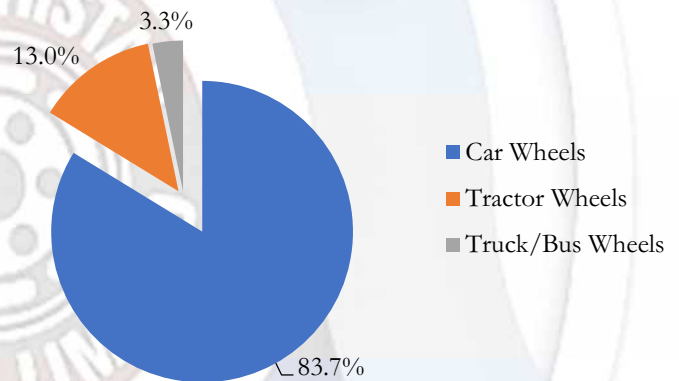
Production (%)



Sales (Qty)



Sales (%)





COMPANY INFORMATION

CHAIRMAN (Non-Executive Director)
Syed Haroon Rashid

CHIEF EXECUTIVE (Executive Director)
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 RESOURCES 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)
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
EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR
Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS
Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

EY Ford Rhodes
(Chartered Accountants)

BANKERS
Habib Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
National Bank of Pakistan

SHARE REGISTRAR
THK Associates (Pvt) Limited
1st Floor, 40-C, Block-6,P.E.C.H.S
Karachi - 75400.
UAN#+92(21) 111-000-322
Direct:+92 (21) 34168270
Fax#+92 (21) 34168271

HEAD OFFICE
1st Floor, State Life Building # 3
Dr.Ziauddin Ahmed Road, Karachi.
E-mail: bwlfm@cyber.net.pk
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

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 ZaraiTaraqjati 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.



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.



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 18 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 Programme 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.

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. Mehboob Ahmed (R)
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 Ordinance 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 Company Secretary / Deputy General Manager (Finance).

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



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

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

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



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 is a Deputy General Manager (HR/IR). He 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.



SIX YEARS AT A GLANCE STATEMENT OF FINANCIAL POSITION

	Rupees in '000'					
	2020	2019	2018	2017	2016	2015
ASSETS						
Non Current Assets						
Property, plant & equipment	400,705	449,581	494,967	367,269	305,947	307,284
Right of use Assets	13,586	-	-	-	-	-
Long term investments	-	-	-	-	-	1,739
Long-term loans & advances	3,826	3,415	3,855	4,275	3,719	2,998
Long-term deposits	4,418	4,607	5,777	5,063	4,140	5,740
	<u>422,535</u>	<u>457,603</u>	<u>504,599</u>	<u>376,607</u>	<u>313,806</u>	<u>317,761</u>
Current Assets						
Stores, spare parts & loose tools	39,345	50,840	54,455	55,930	46,522	44,018
Stock-in-trade	413,575	525,105	532,188	518,874	468,685	452,579
Trade debts	108,542	144,187	165,572	95,781	77,347	59,981
Loans and advances	16,331	15,914	24,805	32,592	29,276	15,043
Deposits and short term prepayments	1,709	2,347	2,049	1,694	2,869	2,287
Other receivables	7,010	431	928	2,894	1,962	521
Short term investments	333,906	102,827	5,516	261,671	354,064	-
Sales tax refundable - net	1,826	-	-	8,554	-	-
Taxation - net	103,518	129,302	141,608	77,553	-	47,041
Bank balances	60,362	44,994	31,116	27,530	44,051	255,013
	<u>1,086,124</u>	<u>1,015,947</u>	<u>958,237</u>	<u>1,083,073</u>	<u>1,024,776</u>	<u>876,483</u>
TOTAL ASSETS	<u>1,508,659</u>	<u>1,473,550</u>	<u>1,462,836</u>	<u>1,459,680</u>	<u>1,338,582</u>	<u>1,194,244</u>
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Authorised Capital						
25,000,000 Ord. shares of Rs. 10/- each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Issued, subscribed and paid-up capital	133,343	133,343	133,343	133,343	133,343	133,343
Reserves	1,161,311	1,154,676	1,135,647	1,107,742	1,052,030	943,870
	<u>1,294,654</u>	<u>1,288,019</u>	<u>1,268,990</u>	<u>1,241,085</u>	<u>1,185,373</u>	<u>1,077,213</u>
Non Current Liabilities						
Leased liabilities	6,330	989	5,306	4,958	-	2,569
Long term loan	30,849	-	-	-	-	-
Long term deposits	982	2,010	1,710	874	646	706
Government grant	1,923	-	-	-	-	-
Deferred taxation	33,293	38,250	34,958	29,179	19,976	17,592
	<u>73,376</u>	<u>41,249</u>	<u>41,974</u>	<u>35,011</u>	<u>20,622</u>	<u>20,867</u>
Current Liabilities						
Trade and other payables	116,995	125,289	133,499	171,734	115,889	79,766
Unclaimed dividend	5,913	6,846	5,281	4,835	4,190	3,867
Current maturity of lease liabilities	5,302	3,747	5,257	2,948	2,576	2,523
Current maturity of long term loan	8,711	-	-	-	-	-
Current maturity of long term deposits	1,457	-	-	-	836	205
Current maturity of government grant	1,438	-	-	-	-	-
Provision for warranty	813	1,354	5,033	4,067	3,445	3,631
Taxation-net	-	-	-	-	3,364	-
Sales tax payable - net	-	7,046	2,802	-	2,287	6,172
	<u>140,629</u>	<u>144,282</u>	<u>151,872</u>	<u>183,584</u>	<u>132,587</u>	<u>96,164</u>
TOTAL EQUITY AND LIABILITIES	<u>1,508,659</u>	<u>1,473,550</u>	<u>1,462,836</u>	<u>1,459,680</u>	<u>1,338,582</u>	<u>1,194,244</u>



SIX YEARS AT A GLANCE STATEMENT OF PROFIT OR LOSS

	Rupees in '000'					
	2020	2019	2018	2017	2016	2015
Turnover - net	912,820	1,587,558	1,882,640	1,533,650	1,471,558	1,378,332
Cost of Sales	(795,406)	(1,341,776)	(1,612,676)	(1,234,745)	(1,098,211)	(1,170,149)
Gross Profit	117,414	245,782	269,964	298,905	373,347	208,183
Distribution Costs	(35,424)	(44,945)	(60,116)	(49,401)	(37,980)	(38,511)
Administration Expenses	(82,148)	(92,595)	(92,075)	(86,344)	(82,285)	(80,752)
Other Expenses	(1,784)	(12,541)	(8,284)	(14,977)	(20,758)	(12,096)
Finance Costs	(2,353)	(6,791)	(1,927)	(1,378)	(827)	(2,949)
	(121,709)	(156,872)	(162,402)	(152,100)	(141,850)	(134,308)
Other Income	27,990	5,045	180	25,404	21,505	37,339
Profit before Taxation	23,695	93,955	107,742	172,209	253,002	111,214
Taxation	(4,775)	(22,443)	(19,953)	(45,867)	(99,730)	(15,278)
Profit after Taxation	18,920	71,512	87,789	126,342	153,272	95,936
Earnings per Share (Rupees) - Basic and Diluted	1.42	5.36	6.58	9.48	11.49	7.19

SIGNIFICANT RATIOS AND STATISTICS

Liquidity & Leverage Ratios:

-Current Ratios	7.72	7.04	6.31	5.90	7.73	9.11
-Quick Ratios	4.50	3.05	2.45	2.77	3.85	3.95
-Liability as a % of Total Assets	14.19	12.59	13.25	14.98	11.44	9.80
-Interest Cover Ratio (Times)	11.07	14.84	56.91	125.97	306.93	38.71

Equity Ratios:

-Break up Value per Share (Rs)	97.09	96.59	95.18	93.07	88.90	80.79
-Dividend as a % of Capital	15.00	20.00	30.00	40.00	50.00	30.00
-Dividend Yield Ratio/ Cost of Equity (%)	2.47	3.27	2.77	2.69	6.17	5.16
-Dividend per Share (Rs)	1.50	2.00	3.00	4.00	5.00	3.00

Profitability Ratios:

-Gross Profit (%)	12.86	15.48	14.34	19.49	25.37	15.10
-Operating Profit (%)	3.05	6.34	5.83	11.32	17.24	8.28
-Profit before Tax (%)	2.60	5.92	5.72	11.23	17.19	8.07
-Profit after Tax (%)	2.07	4.50	4.66	8.24	10.41	6.96
-Return on Capital Employed (%)	1.83	7.29	8.49	13.88	21.34	10.32
-Earnings per Share (Rs)	1.42	5.36	6.58	9.48	11.49	7.19
-Price Earning Ratio(Times)	42.80	11.41	16.45	15.67	7.05	8.08
-Dividend Payout Ratio (%)	105.71	37.31	45.56	42.19	43.50	41.70
-Dividend Cover (Times)	0.95	2.68	2.19	2.40	2.30	2.40
-Capital Turnover (Times)	0.71	1.23	1.48	1.24	1.24	1.28
-Return on Assets (%)	1.25	4.85	6.00	8.66	11.45	8.03

Turnover/Efficiency Ratios:

-Inventory Turnover Ratio(Times)	1.55	2.31	2.78	2.27	2.17	2.25
-Debtor Turnover Ratio(Times)	7.22	10.25	14.41	17.72	21.43	22.00
-Fixed Assets Turnover Ratio(Times)	2.28	3.53	3.80	4.18	4.81	4.49

Plant Capacity:

-Plant Capacity Utilisation (%)	42	79	96	78	99	94
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Share Performance:

-Year end Market Price per Share	60.73	61.15	108.21	148.50	81.00	58.15
-High Price per Share during the Year	71.89	111.90	160.94	194.00	95.40	70.49
-Low Price per Share during the Year	40.27	61.15	96.00	80.00	58.00	33.30



HORIZONTAL ANALYSIS STATEMENT OF FINANCIAL POSITION

	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 (%)	2015 Rs. in '000'	2015 Vs. 2014 (%)
ASSETS												
Non Current Assets												
Property, plant & equipment	400,705	(11)	449,581	(9)	494,967	35	367,269	20	305,947	(0)	307,284	(13)
Right of use assets	13,586	100	-	-	-	-	-	-	-	(100)	1,739	133
Long term investments	-	-	-	-	-	-	-	-	-	-	-	-
Long-term loans & advances	3,826	12	3,415	(11)	3,855	(10)	4,275	15	3,719	24	2,998	50
Long-term deposits	4,418	(4)	4,607	(20)	5,777	14	5,063	22	4,140	(28)	5,740	0
	<u>422,535</u>	(8)	<u>457,603</u>	(9)	<u>504,599</u>	34	<u>376,607</u>	20	<u>313,806</u>	(1)	<u>317,761</u>	(12)
Current Assets												
Stores, spare parts & loose tools	39,345	(23)	50,840	(7)	54,455	(3)	55,930	20	46,522	6	44,018	(1)
Stock-in-trade	413,575	(21)	525,105	(1)	532,188	3	518,874	11	468,685	4	452,579	(9)
Trade debts	108,542	(25)	144,187	(13)	165,572	73	95,781	24	77,347	29	59,981	(8)
Loans and advances	16,331	3	15,914	(36)	24,805	(24)	32,592	11	29,276	95	15,043	1
Deposits and short term prepayments	1,709	(27)	2,347	15	2,049	21	1,694	(41)	2,869	25	2,287	(28)
Other receivables	7,010	1,526	431	(54)	928	(68)	2,894	48	1,962	277	521	(91)
Short term investments	333,906	225	102,827	1,764	5,516	(98)	261,671	(26)	354,064	100	0	(100)
Taxation - net	103,518	(20)	129,302	(9)	141,608	83	77,553	100	0	(100)	47,041	(1)
Sales tax refundable - net	1,826	100	0	0	0	(100)	8,554	100	0	0	0	(100)
Bank balances	60,362	34	44,994	45	31,116	13	27,530	(38)	44,051	(83)	255,013	782
	<u>1,086,124</u>	7	<u>1,015,947</u>	6	<u>958,237</u>	(12)	<u>1,083,073</u>	6	<u>1,024,776</u>	17	<u>876,483</u>	10
TOTAL ASSETS	<u>1,508,659</u>	2	<u>1,473,550</u>	1	<u>1,462,836</u>	0	<u>1,459,680</u>	9	<u>1,338,582</u>	12	<u>1,194,244</u>	3
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Authorised Capital												
25,000,000 Ord. shares of Rs. 10/- each	<u>250,000</u>		<u>250,000</u>		<u>250,000</u>		<u>250,000</u>		<u>250,000</u>		<u>250,000</u>	
Issued, subscribed and paid-up capital	133,343	0	133,343	0	133,343	0	133,343	0	133,343	0	133,343	0
Reserves	<u>1,161,311</u>	1	<u>1,154,676</u>	2	<u>1,135,647</u>	3	<u>1,107,742</u>	5	<u>1,052,030</u>	11	<u>943,870</u>	8
	<u>1,294,654</u>	1	<u>1,288,019</u>	1	<u>1,268,990</u>	2	<u>1,241,085</u>	5	<u>1,185,373</u>	10	<u>1,077,213</u>	7
Non Current Liabilities												
Lease liabilities	6,330	540	989	(81)	5,306	7	4,958	100	0	(100)	2,569	(50)
Long term loan	30,849	100	-	0	-	0	-	0	-	0	-	0
Long term deposits	982	(51)	2,010	18	1,710	96	874	35	646	(8)	706	(36)
Govt Grant	1,923	100	-	0	-	0	-	0	-	0	-	0
Deferred taxation	33,293	(13)	38,250	9	34,958	20	29,179	46	19,976	14	17,592	(50)
	<u>73,376</u>	78	<u>41,249</u>	(2)	<u>41,974</u>	20	<u>35,011</u>	70	<u>20,622</u>	(1)	<u>20,867</u>	(60)
Current Liabilities												
Trade and other payables	116,995	(7)	125,289	(6)	133,499	(22)	171,734	48	115,889	45	79,766	0
Unclaimed dividend	5,913	(14)	6,846	30	5,281	9	4,835	15	4,190	8	3,867	7
Current maturity of lease liabilities	5,302	41	3,747	(29)	5,257	78	2,948	14	2,576	2	2,523	(34)
Current maturity of long term loan	8,711	100	-	0	-	0	-	0	-	0	-	0
Current maturity of long term deposits	1,457	100	-	0	-	0	-	(100)	836	308	205	(100)
Current maturity of Government Grant	1,438	100	-	0	-	0	-	0	-	0	-	0
Provision for warranty	813	(40)	1,354	(73)	5,033	24	4,067	18	3,445	(5)	3,631	29
Taxation-net	0	0	0	0	0	0	0	(100)	3,364	100	0	0
Sales tax payable - net	0	(100)	7,046	100	2,802	100	0	(100)	2,287	(63)	6,172	100
	<u>140,629</u>	(3)	<u>144,282</u>	(5)	<u>151,872</u>	(17)	<u>183,584</u>	38	<u>132,587</u>	38	<u>96,164</u>	7
TOTAL EQUITY AND LIABILITIES	<u>1,508,659</u>	2	<u>1,473,550</u>	1	<u>1,462,836</u>	0	<u>1,459,680</u>	9	<u>1,338,582</u>	12	<u>1,194,244</u>	4



HORIZONTAL ANALYSIS STATEMENT OF PROFIT OR LOSS

	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 (%)	2015 Rs. in '000'	2015 Vs. 2014 (%)
Turnover - net	912,820	(43)	1,587,558	(16)	1,882,640	23	1,533,650	4	1,471,558	7	1,378,332	20
Cost of Sales	<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)	<u>(1,170,149)</u>	23
Gorss Profit	117,414	(52)	245,782	(9)	269,964	(10)	298,905	(20)	373,347	79	208,183	4
Distribution Costs	<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)	<u>(38,511)</u>	(0)
Administration Expenses	<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	<u>(80,752)</u>	13
Other Operating Expenses	<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	<u>(12,096)</u>	16
Finance Costs	<u>(2,353)</u>	(65)	<u>(6,791)</u>	252	<u>(1,927)</u>	40	<u>(1,378)</u>	67	<u>(827)</u>	(72)	<u>(2,949)</u>	(5)
	<u>(121,709)</u>	(22)	<u>(156,953)</u>	(3)	<u>(162,402)</u>	7	<u>(152,100)</u>	7	<u>(141,850)</u>	6	<u>(134,308)</u>	9
Other Income	<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)	<u>37,339</u>	314
Profit before Taxation	23,695	(75)	93,955	(13)	107,742	(37)	172,209	(32)	253,002	127	111,214	30
Taxation	<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	<u>(15,278)</u>	(9)
Profit after Taxation	<u>18,920</u>	(74)	<u>71,512</u>	(19)	<u>87,789</u>	(31)	<u>126,342</u>	(18)	<u>153,272</u>	60	<u>95,936</u>	40
Earnings per Share- Basic and Diluted (Rupees)	1.42	(74)	5.36	(19)	6.58	(31)	9.48	(18)	11.49	60	7.19	40



VERTICAL ANALYSIS STATEMENT OF FINANCIAL POSITION

	2020		2019		2018		2017		2016		2015	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
ASSETS												
Non Current Assets												
Property, plant & equipment	400,705	26.6	449,581	30.5	494,967	33.8	367,269	25.2	305,947	22.9	307,284	25.7
Long term investments	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	1,739	0.1
Right of use assets	13,586	0.9										
Long-term loans & advances	3,826	0.3	3,415	0.2	3,855	0.3	4,275	0.3	3,719	0.3	2,998	0.3
Long-term deposits	4,418	0.3	4,607	0.3	5,777	0.4	5,063	0.3	4,140	0.3	5,740	0.5
	<u>422,535</u>	<u>28.7</u>	<u>457,603</u>	<u>31.1</u>	<u>504,599</u>	<u>34.5</u>	<u>376,607</u>	<u>25.8</u>	<u>313,806</u>	<u>23.4</u>	<u>317,761</u>	<u>26.6</u>
Current Assets												
Stores, spare parts & loose tools	39,345	2.6	50,840	3.5	54,455	3.7	55,930	3.8	46,522	3.5	44,018	3.7
Stock-in-trade	413,575	27.4	525,105	35.6	532,188	36.4	518,874	35.5	468,685	35.0	452,579	37.9
Trade debts	108,542	7.2	144,187	9.8	165,572	11.3	95,781	6.6	77,347	5.8	59,981	5.0
Loans and advances	16,330	1.1	15,914	1.1	24,805	1.7	32,592	2.2	29,276	2.2	15,043	1.3
Deposits and short term prepayments	1,709	0.1	2,347	0.2	2,049	0.1	1,694	0.1	2,869	0.2	2,287	0.2
Other receivables	7,010	0.5	431	0.0	928	0.1	2,894	0.2	1,962	0.1	521	0.0
Short term investments	333,906	22.1	102,827	7.0	5,516	0.4	261,671	17.9	354,064	26.5	-	0.0
Taxation - net	103,518	6.9	129,302	8.8	141,608	9.7	77,553	5.3	-	0.0	47,041	3.9
Sales tax refundable - net	1,827	0.1	-	0.0	-	0.0	8,554	0.6	-	0.0	-	0.0
Bank balances	60,362	4.0	44,994	3.1	31,116	2.1	27,530	1.9	44,051	3.3	255,013	21.4
	<u>1,086,124</u>	<u>72.0</u>	<u>1,015,947</u>	<u>68.9</u>	<u>958,237</u>	<u>65.5</u>	<u>1,083,073</u>	<u>74.2</u>	<u>1,024,776</u>	<u>76.6</u>	<u>876,483</u>	<u>73.4</u>
TOTAL ASSETS	<u>1,508,659</u>	<u>100.0</u>	<u>1,473,550</u>	<u>100.0</u>	<u>1,462,836</u>	<u>100.0</u>	<u>1,459,680</u>	<u>100.0</u>	<u>1,338,582</u>	<u>100.0</u>	<u>1,194,244</u>	<u>100.0</u>
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Authorised Capital												
25,000,000 Ord. shares of Rs. 10/- each	<u>250,000</u>		<u>250,000</u>		<u>250,000</u>		<u>250,000</u>		<u>250,000</u>		<u>250,000</u>	
Issued, subscribed and paid-up capital	133,343	8.8	133,343	9.0	133,343	9.1	133,343	9.1	133,343	10.0	133,343	11.2
Reserves	<u>1,161,311</u>	<u>77.0</u>	<u>1,154,676</u>	<u>78.4</u>	<u>1,135,647</u>	<u>77.6</u>	<u>1,107,742</u>	<u>75.9</u>	<u>1,052,030</u>	<u>78.6</u>	<u>943,870</u>	<u>79.0</u>
	<u>1,294,654</u>	<u>85.8</u>	<u>1,288,019</u>	<u>87.4</u>	<u>1,268,990</u>	<u>86.7</u>	<u>1,241,085</u>	<u>85.0</u>	<u>1,185,373</u>	<u>88.6</u>	<u>1,077,213</u>	<u>90.2</u>
Non Current Liabilities												
Lease liabilities	6,330	0.4	989	0.1	5,306	0.4	4,958	0.3	-	0.0	2,569	0.2
Long term loan	30,849	2.0										
Long term deposits	982	0.1	2,010	0.1	1,710	0.1	874	0.1	646	0.0	706	0.1
Govt Grant	1,923	0.1										
Deferred taxation	<u>33,293</u>	<u>2.2</u>	<u>38,250</u>	<u>2.6</u>	<u>34,958</u>	<u>2.4</u>	<u>29,179</u>	<u>2.0</u>	<u>19,976</u>	<u>1.5</u>	<u>17,592</u>	<u>1.5</u>
	<u>73,376</u>	<u>4.9</u>	<u>41,249</u>	<u>2.8</u>	<u>41,974</u>	<u>2.9</u>	<u>35,011</u>	<u>2.4</u>	<u>20,622</u>	<u>1.5</u>	<u>20,867</u>	<u>1.7</u>
Current Liabilities												
Trade and other payables	116,995	7.8	125,289	8.5	133,499	9.1	171,734	11.8	115,889	8.7	79,766	6.7
Unclaimed dividend	5,913	0.4	6,846	0.5	5,281	0.4	4,835	0.3	4,190	0.3	3,867	0.3
Current maturity of lease liabilities	5,302	0.4	3,747	0.3	5,257	0.4	2,948	0.2	2,576	0.2	2,523	0.2
Current maturity of long term loan	8,711	0.6										
Current maturity of long term deposits	1,457	0.1	-	0.0	-	0.0	-	0.0	836	0.1	205	0.0
Current maturity of Government Grant	1,438	0.1										
Provision for warranty	813	0.1	1,354	0.1	5,033	0.3	4,067	0.3	3,445	0.3	3,631	0.3
Taxation-net	-	-	-	0.0	-	0.0	-	0.0	3,364	0.3	-	0.0
Sales tax payable - net	-	-	7,046	0.5	2,802	0.2	-	0.0	2,287	0.2	6,172	0.5
	<u>140,629</u>	<u>9.3</u>	<u>144,282</u>	<u>9.8</u>	<u>151,872</u>	<u>10.4</u>	<u>183,584</u>	<u>12.6</u>	<u>132,587</u>	<u>9.9</u>	<u>96,164</u>	<u>8.1</u>
TOTAL EQUITY AND LIABILITIES	<u>1,508,659</u>	<u>100.0</u>	<u>1,473,550</u>	<u>100.0</u>	<u>1,462,836</u>	<u>100.0</u>	<u>1,459,680</u>	<u>100.0</u>	<u>1,338,582</u>	<u>100.0</u>	<u>1,194,244</u>	<u>100.0</u>



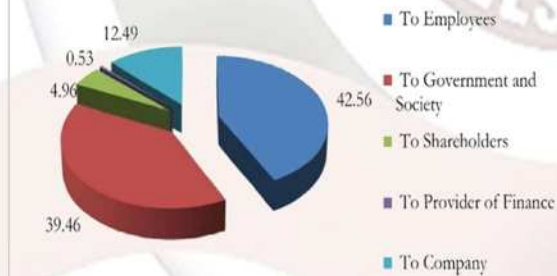
VERTICAL ANALYSIS STATEMENT OF PROFIT OR LOSS

	2020		2019		2018		2017		2016		2015	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
Turnover - net	912,820	100	1,587,558	100	1,882,640	100	1,533,650	100	1,471,558	100	1,378,332	100
Cost of Sales	<u>(795,406)</u>	(50.10)	<u>(1,341,776)</u>	(84.52)	<u>(1,612,676)</u>	(85.66)	<u>(1,234,745)</u>	(80.51)	<u>(1,098,211)</u>	(74.63)	<u>(1,170,149)</u>	(84.90)
Gross Profit	117,414	7.40	245,782	15.48	269,964	14.34	298,905	19.49	373,347	25.37	208,183	15.10
Distribution Cost	<u>(35,424)</u>	(2.23)	<u>(44,945)</u>	(2.83)	<u>(60,116)</u>	(3.19)	<u>(49,401)</u>	(3.22)	<u>(37,980)</u>	(2.58)	<u>(38,511)</u>	(2.79)
Administration Expenses	<u>(82,148)</u>	(5.17)	<u>(92,676)</u>	(5.84)	<u>(92,075)</u>	(4.89)	<u>(86,344)</u>	(5.63)	<u>(82,285)</u>	(5.59)	<u>(80,752)</u>	(5.86)
Other Operating Expenses	<u>(1,784)</u>	(0.11)	<u>(12,541)</u>	(0.79)	<u>(8,284)</u>	(0.44)	<u>(14,977)</u>	(0.98)	<u>(20,758)</u>	(1.41)	<u>(12,096)</u>	(0.88)
Finance Costs	<u>(2,353)</u>	(0.15)	<u>(6,791)</u>	(0.43)	<u>(1,927)</u>	(0.10)	<u>(1,378)</u>	(0.09)	<u>(827)</u>	(0.06)	<u>(2,949)</u>	(0.21)
	<u>(121,709)</u>		<u>(156,953)</u>		<u>(162,402)</u>		<u>(152,100)</u>		<u>(141,850)</u>		<u>(134,308)</u>	
Other Income	<u>27,990</u>	1.76	<u>5,126</u>	0.32	<u>180</u>	0.01	<u>25,404</u>	1.66	<u>21,505</u>	1.46	<u>37,339</u>	2.71
Profit before Taxation	23,695	1.49	93,955	5.92	107,742	5.72	172,209	11.23	253,002	17.19	111,214	8.07
Taxation	<u>(4,775)</u>	(0.30)	<u>(22,443)</u>	(1.41)	<u>(19,953)</u>	(1.06)	<u>(45,867)</u>	(2.99)	<u>(99,730)</u>	(6.78)	<u>(15,278)</u>	(1.11)
Profit after Taxation	<u>18,920</u>	1.19	<u>71,512</u>	4.50	<u>87,789</u>	4.66	<u>126,342</u>	8.24	<u>153,272</u>	10.42	<u>95,936</u>	6.96

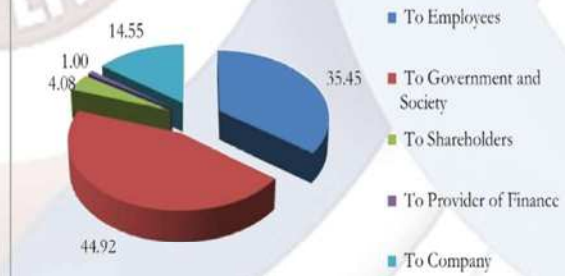
STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

Statement of Value Addition and its Distribution	2020		2019	
	(Rupees in '000')	%	(Rupees in '000')	%
Wealth Generated				
Total gross revenue and other income	1,094,716		1,862,283	
Brought in materials and services	691,342		1,208,392	
	<u>403,374</u>	100	<u>653,891</u>	100
Wealth distribution to stakeholders				
To Employees				
Salaries and wages including retirement benefits	171,682	42.56	231,790	35.45
To Government and Society				
Income Tax, Sales Tax, FED and WWF	159,191	39.46	293,746	44.92
To Shareholders				
Dividend	20,001	4.96	26,669	4.08
To providers of Finance				
Financial charges for borrowed funds	2,133	0.53	6,520	1.00
To Company				
Retained Profits, Dep and Amortization	50,367	12.49	95,167	14.55
	<u>403,374</u>	100.00	<u>653,891</u>	100

Wealth distribution to stakeholders 2020



Wealth distribution to stakeholders 2019





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, 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 2020 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;
- All the Directors including independent Directors, fully participate and contribute to the decision making process of the Board
- 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 set the overall strategy and direction for the management to manage the company;
- The Board has an evaluation process to assess its own performance and that of its committees and individual directors as well as governance areas. The findings of the annual evaluation are assessed and re-evaluated by the Board annually;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner;
- 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;



Head Office : First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,
P. O. Box No. 15511, Karachi -75530 (Pakistan)
Phone (Off) : (021) 35683474 35687502 35689259, Fax : 92-21-35684003
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.
Phones : (Factory) : (0853)-363426 (0853)-363428, Fax : (0853)-364025
Email : bwheels@cyber.net.pk
Internet : <http://www.bwheels.com>





The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;

- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- All the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- The Board has prepared and approved the director's report and has ensured that the directors' report is published with the quarterly and annual financial 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

SYED HAROON RASHID
Chairman

September 14, 2020



Head Office : First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,
P. O. Box No. 15511, Karachi-75530 (Pakistan)
Phone (Off) : (021) 35683474-35687502-35689259, Fax : 92-21-35684003
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.
Phones : (Factory) : (0853)-363426- (0853)-363428, Fax : (0853)-364025
Email : bwheels@cybernet.pk
Internet : <http://www.bwheels.com>





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, 2020.

BUSINESS REVIEW

Overall at the National Level the sales of Passenger Cars decreased by 54% with the total sales of 96,455 units in 2020 as compared to 207,630 units in the year 2019. 15,507 LCV's, Vans and Jeeps were sold in 2020 as against 33,016 units in the year 2019, decreased by 53%. 3,647 units. Trucks / Buses were sold in 2020 as against sale of 6,763 Trucks / Buses in the year 2019, showing decline of 46% over the corresponding last year. Similarly, the Tractors sales has also declined to 32,727 units in the year 2020 as compared to 50,405 tractors in the year 2019 decreased by 35%.

COVID-19 has proved disastrous for the Auto Sector from April onwards when Sales, especially of Car Sales, were already down by 50%. Production of heavy vehicles remained suspended during April and May. The Auto Sector ended the year on a dismal note as production and sales of various vehicle suffered declines. The economic uncertainty, persistent devaluation of PAK Rupee against US Dollar and increased input cost ultimately affected the purchasing power of general public which restricted buyers towards purchasing of new vehicles.

Specific factors for decline of Car sales was due to higher interest rates of 13.25% till mid-March and increase in Federal Excise Duty, for Truck/Bus negative economic growth, and restrictions on Non-Filers and for Tractor Industry mainly due to locust attack and water shortage affecting harvesting season in Sindh and Punjab resulting lesser yield of crops.

During the year 2019-2020 the company had overall consolidated revenue of Rs. 912.82 million as compared to Rs. 1,587.55 million which is 43% less than the previous year. The car wheels sale was Rs. 539.05 million as compared to Rs. 887.40 million in the previous year declined by 39%. The Truck / Bus wheels sale was Rs. 73.68 million as compared to Rs. 154.08 million in the previous year reduced by 52%. Similarly, the Tractor wheels sale was to Rs. 264.07 million as compared to Rs. 476.59 million in the previous year decreased by 45%.

Export sales during the year was Rs. 7.48 million as compared to Rs. 6.84 million in the previous year improved by 9%.

FINANCIAL RESULTS

The decrease in turnover of 43% is due to the decline in sales of wheels of all segments i.e. Cars, Truck, Buses and Tractors which declined by 39%, 52% & 45% respectively. The Cost of Sales was Rs.795.406 million during the year under review as against Rs. 1,341.776 million of last year. The gross profit decreased by 52% to Rs. 117.414 million against Rs. 245.782 million of last year. Similarly, the company earned profit after taxation of Rs. 18.92 million as compared to Rs. 71.51 million in the previous year, declined by 74%.

The devaluation of Pak Rupee against US \$ resulted in increase in imported material cost and amid slowdown in obtaining fresh orders from the OEM's due to reduced demand adversely



affected our sales as well as gross profit margins and ultimately impacted the net profit for the year.

The comparative financial results for the year 2020 as against the year 2019 are as follows:

	2020	2019
	(Rs. in '000)	
Turnover-net	912,820	1,587,558
Gross Profit	117,414	245,782
Profit before Taxation	23,695	93,955
Profit after Taxation	18,920	71,512
Earnings per Share (Rs.)	1.42	5.36

EARNINGS PER SHARE

Based on the net profit for the current year, the earnings per share is **Rs. 1.42** (2019: Rs. 5.36)

PROPOSED DIVIDEND

The Board of Directors have proposed final cash dividend of Rs. **1.50** per share (15 %) for the year ended June 30, 2020 amounting Rs. **20.001** million (2019: Rs. 2.00 per share 20% amounting Rs. 26.667 million) at the meeting held on September 14, 2020, for approval of members at the Annual General Meeting to be held on October 22, 2020. 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



appliances/equipments i.e. uniforms, 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 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.

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.

In powder coating Paint shop # 02 new heavy duty conveyors were installed three years back, the electrical system was old and its complete electrical panels were redesigned with automation and circuitry to improve it functionality and reduce power consumption.

Light Duty RIM line #1 was installed in 1984 and was having an old design and inefficient electric control panels. New Electric panels were designed and replaced with PLC based automation and control system to efficiently operate the plant and machinery and also will help in reduction on consumption of spare and downtime caused due to non availability of old design parts which have now become obsolete.



The electricity cost is increasing day by day, in order to reduce the energy cost and also to support the environment a study is being conducted to introduce & self generate alternate electricity by installing SOLAR energy system. In this regards reliable and well-known companies are contacted and quotations are obtained, which are under evaluation and if found feasible the system may be installed. This will help in cost cut as well as reduce the burden on the national grid.

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.

We are continuously studying for updating the machines and also making efforts for reducing scrap and rework ratios. By all these measures the product quality, productivity and customers confidence and satisfaction is improved.

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.

During the year BWL have successfully completed the in-house development of Tooling for new upcoming models such as Kia Picanto, Regal, and JAC etc. for passenger car and Van / Pickup.



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.

During the year in order to meet the customer requirements for run out testing and low point marking by PAINT MARK. For wheel balancing Existing Run out gauging machine was modified and third machine was refurbished and installed to meet the quality requirement.

One of the tests for fatigue life of wheel namely RADIAL FATIGUE TEST is essential to establish the design requirement confirmation and performance. In this regard the Current Installed RADIAL TEST machine was upgraded to cater for the higher test values and now BWL is fully capable to carry out the test of Large size TRUCK/BUS section based and Tube less wheels.

Similarly the wheel being the outer part and require high standard of quality for paint life. In this regard previously the paint performance test were carried out from outsource /Outside the country. Now BWL has installed its own SALT SPRAY test machine to conduct this test.

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. \$ 5.6 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. 158 million (approx.). Besides, it is also providing employment opportunities to the local people residing in Hub and other adjoining areas.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Board of Directors and the Company remain committed to the principles of good corporate management practice with emphasis on transparency and disclosures. The Board and management are cognizant 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.
- 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:

	June 20 (un-audited)
- Executive Provident Fund	Rs. 89.320 million
- Non-Executive Provident Fund	Rs. 39.915 million
- Gratuity Fund	Rs. 83.371 million

Composition of the Board

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

The current composition of the Board is as follows:

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



Composition of the Board:

- (a) Independent Directors: 3**
- (b) Non-executive Directors: 3**
- (c) Executive Directors : 3**

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

Board of Directors Meetings

During the year, 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	3
6	Mr. Aamir Amin	4
7	Mr. Muhammad Javed	4
8	Mr. Irfan Ahmed Qureshi	4
9	Mrs. Saba Nadeem	4

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

Audit Committee Meetings

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

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

***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:

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

Directors' Remuneration

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

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 having half of the Directors on the board Directors Training Program (DTP) certified as prescribed under the sub clause 1(a) of regulation no. 19 of the Regulations. Currently five directors of the Company have certification under Directors Training Program and two directors of the Company have the exemption from the requirements of the Directors' Training Program. The remaining directors shall obtain certification under the DTP in due course of time.

Statement of Compliance with 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, 2020 was 1,351 as against 1,365 on June 30, 2019. The pattern of shareholding as at June 30, 2020 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	December 27, 2019	PKR 71.49
Lowest	September 12, 2019	PKR 40.27

Trading in Shares of the Company by Directors and Executives

During the year ended June 30, 2020, the directors, executives and their spouses and minor children have not traded in the shares of the Company. 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. EY Ford Rhodes, Chartered Accountants** have completed the annual audit for the year ended June 30, 2020, and have issued an unqualified audit report. The auditors are retiring at the conclusion of the 40th Annual General Meeting of the Company.

The management intends to change the existing Auditors and the Board Audit Committee and the Board of Directors recommends that **M/s. BDO Ibrahim & Co., Chartered Accountants** be appointed as statutory Auditors of the Company for the year ending June 31, 2021, at a fee mutually agreed but not less than the current fee.

STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

NBP AND RELATED MATTERS

NBP suit for recovery against the Company (BWL) and Privatization Commission (PC) for payment amounting to Rs. 91.25 million it has paid to PC, which the Company does not acknowledge as briefly explained at Note No. 24.1 in the financial statements for the year ended June 30, 2020. 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

Massive declines witnessed in sales of Auto Sector in the financial year July 2019-June 2020 on account of multiple upward price revisions due to PKR currency depreciation. Further COVID-19 outbreak and the economic slowdown hit the Auto Sector hard.

Low volumetric demand and the price hikes affected the purchasing /buying power of consumers.

COVID-19 pandemic wreaking havoc on the global and domestic economy which affected the overall supply chain in the country

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

However, the cut in the discount rate from the relatively high 13.25% to 8% is expected to reduce financing cost and hopefully trigger consumer financing and increase in sales of Auto Sector.

We expect sluggish demand will pick up following lifting of lockdown restrictions and growth momentum of Auto Sector will also kickup in the next two years.

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




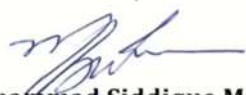
ACKNOWLEDGEMENT

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

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

For and on Behalf of the Board


Razak H.M. Bengali
Chief Executive


Muhammad Siddique Misri
Director

Karachi: September 14, 2020



(ii)

تاہم شرح سود میں 13.25% سے 8% کمی کی وجہ سے کنزیومر فنانسنگ میں اضافہ ہوگا جو کہ آٹو سیکٹور کی فروخت میں اضافے کی امید بنے گی۔


لاک ڈاؤن کی پابندیاں ختم ہونے سے ہم امید کرتے ہیں کہ آٹو سیکٹور کی ڈیمانڈ بڑھے گی، ہم امید کرتے ہیں کہ مستقبل میں آٹو سیکٹور کی ترقی کی رفتار بڑھے گی۔


آپ کی مینجمنٹ مستقبل میں غیر متوقع حالات سے نمٹنے کیلئے مستقل بنیادوں پر حکمت عملی تیار کر رہی ہے تاکہ ترقی کا سفر جاری رہے۔

اظہار تشکر:-

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

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


محمد صدیق مصری
ڈائریکٹر


بورڈ آف ڈائریکٹرز کی جانب سے
جناب رزاق ایچ ایم بنگالی
چیف ایگزیکٹو

کراچی: ستمبر 2020، 14

(۱۰)

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 پھیپہ بنانے والی کمپنی کے طور پر اعلیٰ اخلاقی معیار کاروبار کی کامیابی کے لیے اہم ہے۔ تمام اسٹیک ہولڈرز کے ساتھ احترام، خوش اخلاقی اور قابلیت کے ساتھ سلوک کیا جاتا ہے اور تمام فیصلے اور کارروائیاں کاروباری اصولوں کے مطابق کیے جاتے ہیں۔ تمام ڈائریکٹرز اور کمپنی کے ملازمین اس کو تسلیم کرتے ہیں۔

نیشنل بینک آف پاکستان اور متعلقہ معاملات :-

نیشنل بینک آف پاکستان نے کمپنی اور پرائیویٹائزیشن کمیشن کے خلاف 91.25 ملین روپے کا مقدمہ دائر کیا تھا جو کہ کمپنی تسلیم نہیں کرتی اور جس کی مختصر وضاحت کمپنی کے 30 جون 2020ء کو ختم ہونے والے مالیاتی اسٹیٹمنٹ کے نوٹ نمبر 24.1 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 نکال دیئے گئے جن میں جناب جسٹس سلمان طالب الدین بھی شامل تھے۔

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۔ پھر یہ کیس محترم جناب جسٹس محمد شفیع صدیقی صاحب کی عدالت میں منتقل ہوا۔ بعد ازاں یہ کیس انتظامی وجوہات کی بناء پر بینکنگ کورٹ نمبر ۳ میں منتقل کیا گیا جہاں یہ کیس زیر سماعت ہے اور امید ہے کہ جلد اس کیس کا فیصلہ ہو جائے گا۔

بلوچستان وھیولر لمیٹڈ اور نیشنل بینک آف پاکستان کے وکلاء کی جانب سے اس کیس کو نتیجہ خیز بنانے کی کوششیں کی جا رہی ہیں اور نتیجتاً یہ کیس پھر سے محترم عدالت میں سنا گیا۔ آپ کی کمپنی کی انتظامیہ اور وکلاء پر امید ہیں کہ اس مقدمے کا نتیجہ ہمارے حق میں آئے گا۔

مستقبل کے خدو خال :-

مالی سال جولائی 2019ء تا جون 2020ء میں آٹو میکٹر کی فروخت میں نمایاں کمی واقع ہوئی جس کی بنیادی وجہ پاکستانی روپے کی قدر میں کمی کی وجہ سے متعدد بار قیمتوں میں اضافہ، معاشی شرح نموس کی اور COVID-19 ہے۔ طلب میں کمی اور قیمت میں اضافے نے صارفین کی قوت خرید کو متاثر کیا۔

COVID-19 نے عالمی اور ملکی معیشت کو ناقابل تلافی نقصان پہنچایا جس نے ملک میں سپلائی کا مجموعی نظام متاثر کیا۔

ملک کے میکرو معاشی اعشاریے آٹو صنعت کیلئے چیلنج ہیں۔ پاک روپیہ کی قدر میں کمی، خام مال کی بڑھتی قیمتوں اور اضافی ٹیکسوں اور ڈیپوٹیز آٹو صنعت کیلئے بڑے چیلنج ہیں۔

(۹)

ڈائریکٹروں کی تربیت :-

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

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

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

شیئر ہولڈنگ کا پیرین :-

30 جون 2020 کو کمپنی کے حصص داروں کی کل تعداد 1,351 تھی جو کہ 30 جون 2019 کو 1,365 تھی۔ 30 جون 2020 کو ختم شدہ مالی سال کے لیے حصص داروں کا پیرین اور اس کی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کے مطابق درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔

2019-2020 کے دوران کمپنی کے حصص کی زیادہ سے زیادہ اور کم سے کم کاروباری قیمتیں مندرجہ ذیل ہیں:

27 دسمبر 2019	زیادہ سے زیادہ	PKR 71.49
12 ستمبر 2019	کم سے کم	PKR 40.27

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

30 جون، 2020 کو ختم ہونے والے سال کے دوران ڈائریکٹرز، ایگزیکٹوز، اور ان کی اہلیہ / ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہیں کی۔ کمپنیز ایکٹ، 2017 کے چوتھے شیڈول کے ذریعے قائم کردہ حد، جو سالانہ رپورٹ میں "ایگزیکٹوز" کی اصطلاح کے لئے مقرر کیا گیا ہے، ایسے ملازم جن کی سالانہ بنیادی تنخواہ 1.2 ملین سے زیادہ ہو۔

آڈیٹرز کا تقرر :-

موجودہ آڈیٹرز میسرز ای وائی فورڈ روڈز (EY Ford Rhodes) چارٹرڈ اکاؤنٹنٹس نے 30 جون 2020 کو ختم ہونے والے سال کا سالانہ آڈٹ مکمل کر لیا ہے، اور ایک Unqualified آڈٹ رپورٹ جاری کی ہے۔ کمپنی کے موجودہ آڈیٹرز چالیسویں سالانہ اجلاس کے اختتام پر سبکدوش ہو جائیں گے۔

کمپنی کی انتظامیہ موجودہ آڈیٹرز کو تبدیل کرنے کا ارادہ رکھتی ہے اور بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے میسرز بی ڈی او ابراہیم اینڈ کمپنی (M/s BDO Ibrahim & Co.) چارٹرڈ اکاؤنٹنٹس کو آئندہ مالی سال 2021 کے لئے کمپنی کے آڈیٹرز کے طور پر تقرری کی سفارش کی ہے، ان کی فیس باہمی اتفاق رائے سے طے کی جائے گی جو کہ موجودہ فیس سے کم نہیں ہوگی۔

(۸)

03	جناب انیس وہاب زبیری	.5
04	جناب عامر امین	.6
04	جناب محمد جاوید	.7
04	جناب عرفان احمد قریشی	.8
04	محترمہ صبا ندیم	.9

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

آڈٹ کمیٹی کے اجلاس:-

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

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

انسانی وسائل اور معاوضے کی کمیٹی کا جلسہ:-

کمیٹی 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۔

شہرت کردہ جلسے کی تعداد	ڈائریکٹر کا نام	نمبر شمار
01	جناب محمد جاوید	.1
01	جناب محمد عرفان غنی	.2
01	جناب انیس وہاب زبیری	.3
01	جناب ہارون رشید	.4

ڈائریکٹرز کا معاوضہ:-

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

بورڈ کی تشخیص:-

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

(4)

۲۰۲۰ جون (غیر آڈٹ شدہ)

ایگزیکٹو پراویڈنٹ فنڈ۔	89.320 ملین روپے
نان ایگزیکٹو پراویڈنٹ فنڈ۔	39.915 ملین روپے
گرپچہ بنی فنڈ۔	83.371 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) نان 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 چار 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

(۶)

ملکی معیشت میں کمپنی کا حصہ:-

آپ کی کمپنی ایک درآمدی متبادل یونٹ ہونے کی وجہ سے غیر ملکی زر مبادلہ 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 پیموں کی فراہمی سے تقریباً 5.6 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 158 ملین روپے سرکاری خزانے میں جمع کرائے ہیں۔ اس کے علاوہ، ہماری کمپنی جب اور اس سے ملحقہ دیگر علاقوں کے مقامی لوگوں کو ملازمت کے مواقع بھی فراہم کر رہی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:-

کمپنی اور بورڈ آف ڈائریکٹرز بہترین کارپوریٹ گورننس کے اصولوں پر عمل کرنے پر یقین رکھتے ہیں اور اس کے لیے شفافیت اور افشائے حقائق پر زور دیتا ہے۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور اس امر کے لیے کوشاں ہیں کہ کمپنی کی سرگرمیوں اور کارکردگی کو اس طرح سے فروغ دیں کہ مالی و غیر مالی معاملات سے متعلق تمام معلومات کو مکمل درستگی، جامعیت اور شفافیت کے ساتھ مرتب اور پیش کیا جائے۔

پاکستان اسٹاک ایکسچینج کے قواعد و ضوابط کے مطابق ڈائریکٹرز درج ذیل مخصوص نکات پیش کرتے ہیں۔

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

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

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

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

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

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

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار۔

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

گورنمنٹ محصولات۔

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

ریٹائرمنٹ بینیفٹ فنڈز کی سرمایہ کاری:-

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

(۵)

ریسرچ اینڈ ڈویلپمنٹ اور کوالٹی کنٹرول:-

ریسرچ اینڈ ڈویلپمنٹ محکمہ مسلسل عالمی معیار کے مطابق گاہوں کے لئے موجودہ اور نئی مصنوعات کی اطمینان بخش تیاری میں کوشاں ہے۔ گزشتہ کئی سالوں میں ریسرچ اینڈ ڈویلپمنٹ میں سہولیات بڑھتی جارہی ہیں اور اب یہ CAD مصنوعات، ٹول اور ڈائز، جگڑ اور فلچر ز اور FEA تجزیہ کی صلاحیتوں پر مشتمل ہے۔

ریسرچ اینڈ ڈویلپمنٹ محکمہ کے پاس ایک مکمل ٹول اور ڈائز بنانے کی صلاحیت ہے جو کہ روایتی اور CNC مشینوں پر مشتمل ہے جس کے ذریعے ہم مصنوعات کی تیاری کیلئے ٹول ڈائز، فلچر، گجڑ اور ٹولنگ کے پرزے 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 پروس کو بہتر بنانے اور ڈائز ٹائم کو کم کرنے میں کوشاں ہے۔

رواں سال کے دوران BWL نے مسافر کار اور وین / پک اپ کیلئے نئے آنے والے ماڈلز جیسے کہ REGAL، KIA PICANTO اور JAC وغیرہ کے پیسے بنانے کی ٹولنگ کو کامیابی کے ساتھ مکمل کیا۔

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

پینٹ مارک کے ذریعہ رن آؤٹ ٹیسٹنگ اور لو پوائنٹ مارک کے لئے کسٹمر کی ضروریات کو پورا کرنے کے لئے رواں سال کے دوران پیسے توازن کے لئے موجودہ رن آؤٹ گچنگ مشین میں ترمیم کی گئی اور تیسری مشین کے معیار کی ضرورت کو پورا کرنے کے لئے دوبارہ تجدید اور انسٹال کیا گیا۔

ڈیزائن کی ضرورت کی تصدیق اور کارکردگی کو قائم کرنے کے لئے پیسے کی تھکاوٹ کی زندگی یعنی ریڈیل فیٹیگ ٹیسٹ میں سے ایک ٹیسٹ ضروری ہے۔ اس سلسلے میں موجودہ انسٹال شدہ مشین کو اعلیٰ درجہ کی اقدار کو پورا کرنے کے لئے اپ گریڈ کی گیا ہے اور اب BWL بڑے سائز کے ڈرک / بس سیکشن پریٹی اور ٹیوب لیس پیسے کی جانچ کرنے کے لئے پوری طرح قابل ہے۔

اسی طرح پہلے بیرونی حصہ ہے اور پینٹ کی زندگی کیلئے اعلیٰ معیار درکار ہے۔ اس سلسلے میں پہلے ملک سے باہر آؤٹ سورس سے پینٹ پرفارمنس ٹیسٹ لیا جاتا تھا۔ اب BWL نے اس ٹیسٹ کے انعقاد کے لئے اپنی سالٹ اسپرے ٹیسٹ مشین نصب کی ہے۔

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

(۴)

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۔ پرانے ہزار ٹن ہائڈروولک پریس کو نئے، جدید اور بہتر کارکردگی والے ہزار ٹن ہائڈروولک پریس سے تبدیل کیا گیا ہے جس سے بجلی کے بل اور پریس سے متعلقہ اسپیر پارٹس کی کھپت میں نمایاں کمی واقع ہوئی۔

پاؤڈر کوڈنگ پینٹ شاپ # 2 میں نئے ہیوی ڈیوٹی کنویئرز کو تین سال قبل انسٹال کیا گیا تھا، بجلی کا نظام پرانا تھا اور اس کی فعالیت کو بہتر بنانے اور بجلی کی کھپت کو کم کرنے کیلئے اس کے مکمل الیکٹریکل پینل کو آڈیشن اور سرکٹری کے ساتھ دوبارہ ڈیزائن کیا گیا تھا۔

لائٹ ڈیوٹی ریم لائن # 1 سال 1984 میں انسٹال کیا گیا تھا اور اس میں پرانا ڈیزائن اور بجلی کے غیر موثر بینل موجود تھے۔ پلاٹ اور مشینری کو موثر انداز میں چلانے کے لئے نئے الیکٹریکل پینل کو پی ایل سی بیڈ آڈیشن اینڈ کنٹرول سسٹم کے ساتھ ڈیزائن کو تبدیل کیا گیا تھا جسکی وجہ سے پرانے ڈیزائن کے پرزوں کی عدم دستیابی کی وجہ سے ہونے والے اسپیر کی کھپت میں کمی کرنے میں مدد ملے گی جو اب متروک ہو چکے ہیں۔

بجلی کی لاگت روز بروز بڑھتی جا رہی ہے، تو انائی کی لاگت کو کم کرنے اور ماحول دوست بنانے کیلئے ایک مطالعہ کیا جا رہا ہے جس کے تحت شمسی توانائی کا نظام لگا کر متبادل بجلی پیدا کی جائے گی۔ اس سلسلے میں قابل اعتماد اور معروف کمپنی سے رابطہ کیا جا رہا ہے اور کوٹیشن حاصل کیے گئے ہیں یہ سب اقدامات بجلی کی کھپت میں کمی کی طرف کافی معاون ثابت ہوئے ہیں۔

توانائی کی نگرانی کے نظام کو متعارف کرایا گیا ہے جس میں ایسے میٹرنسٹب 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 گا بکوں 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۔

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

ہم مشینوں کو اپ گریڈ کرنے کے لئے مستقل بنیادوں پر اقدامات لیتے رہتے ہیں اور اس کے ساتھ ساتھ اسکرپ اور ریورک کی شرح کو بھی کم کرنے کے لئے کوشش کرتے رہتے ہیں۔ ان تمام اقدامات سے مصنوعات کے معیار، پیداوار کی صلاحیت، اور صارفین کے اعتماد کو بہتر بنایا گیا ہے۔

(۳)

انسانی وسائل اور معاوضے کی کمیٹی:-

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

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 تمام ملازمین کو بولس بھی دے رہی ہے۔ WPPF اور عید ایڈوانس بھی ورکر کو ادا کیا جا رہا ہے اس کے علاوہ کمیٹی کارکنوں کو سوشل سیکورٹی اور EOBI پنشن کی سہولت فراہم کرتی ہے۔

حفاظت، صحت اور ماحول:-

ہم صحت اور حفاظت کے شعبہ میں خطرات کا اچھی طرح سے انتظام کرتے ہیں اور اپنے طریقہ کار کو بہتر کر رہے ہیں تاکہ خطرات اور حادثات کو ممکنہ حد تک کم کیا جاسکے۔ تمام ملازمین جو پلانٹ پر کام کر رہے ہیں انہیں حفاظتی چیزیں مثلاً دستا، چشمے، Ear Plug اور اعلیٰ معیار کے حفاظتی جوتے دیئے جاتے ہیں تاکہ وہ اپنی ذیوبی 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 فُل ٹائم آفیسر رکھا گیا ہے جو کے 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 ڈسپنری بمعدہ ڈاکٹر 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 مندرگر میوں کی بھی حوصلہ افزائی کی جاتی ہے، کمپنی کی اپنی کرکٹ اور فٹ بال کی بھی ٹیمیں موجود ہیں۔ سالانہ پکنک کا انتظام بھی کیا جاتا ہے۔

ماحول کی حفاظت کا خاص خیال رکھا جاتا ہے اور ہر ممکن تدابیر کی جاتیں ہیں تاکہ کام کی جگہ کا ماحول صاف ستھرا رہے۔ ماحول کو سرسبز اور ہر ابھرا رکھنے کیلئے پوری فیکٹری کے گرد پودے اور درخت لگائے گئے ہیں۔ ہم نشوونما 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 انٹرنری کے اچھے طریقے کو اپنایا جائے تاکہ انسانی صحت پر اسکے اچھے اثرات مرتب ہوں۔ اس کے ساتھ ساتھ تربیت کا بھی انتظام موجود ہے تاکہ ملازمین میں ماحول دوست شعور پیدا ہو۔ ان تمام چیزوں کا مستقل بنیادوں پر جائزہ لیا جاتا ہے کمپنی نے ISO-14001 سرٹیفیکٹ حاصل کیا ہے تاکہ کمپنی کے معیار کو عالمی ماحولیاتی معیار کے مطابق کیا جاسکے۔

(۲)

مالیاتی نتائج:-

کاروبار میں پچھلے سال کے مقابلے میں 43% کمی کی وجہ کار، ٹرک / بس اور ٹریکٹر کے پیہوں کی فروخت میں بالترتیب 39%، 52% اور 45% فیصد کمی ہے۔ فروخت کی لاگت 795.406 ملین روپے رہی جو گزشتہ سال 1,341.776 ملین روپے کی تھی۔ غیر خالص منافع 52% فیصد کمی کے ساتھ 117.414 ملین روپے رہا جو گزشتہ سال 245.782 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹیکس منافع 18.92 ملین روپے رہا جو گزشتہ سال کے بعد از ٹیکس منافع 71.51 ملین روپے کے مقابلے میں 74% فیصد کم ہے۔ امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی کے نتیجے میں درآمد شدہ اسٹیل کی قیمتوں میں اضافہ ہوا اور OEM's کی طرف سے پیہوں کے آرڈر میں سستی نے ہماری فروخت پر منفی اثر ڈالا اور نتیجتاً ہمارے اس سال کے خالص منافع پر بھی اسکا گہرا اثر پڑا ہے۔

تقابلی جائزہ:-

درج ذیل چارٹ میں مالیاتی نتائج 2019 اور 2020 کا تقابلی جائزہ پیش کیا جا رہا ہے:

مالیاتی سال 2019	مالیاتی سال 2020	
(روپے ہزاروں میں)		
1,587,558	912,820	مال کی فروخت
245,782	117,414	غیر خالص منافع
93,955	23,695	قبل از ٹیکس منافع
71,512	18,920	بعد از ٹیکس منافع
5.36	1.42	فی شیئر آمدنی (روپے میں)

فی شیئر آمدنی:-

فی شیئر آمدنی جو کہ گزشتہ سال 5.36 روپے تھی وہ اس سال کے لیے 1.42 روپے رہی۔

تجویز کردہ ڈیویڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2020 کو ختم ہونے والے مالی سال کے لئے کیش ڈیویڈنڈ 1.50 روپے فی شیئر (15%) اپنی مینٹنگ جو کہ 14 ستمبر 2020 کو مستعد ہوئی میں منظوری دی ہے جس کی مالیت 20.001 ملین روپے بنتی ہے جبکہ گزشتہ سال فی شیئر کیش ڈیویڈنڈ کی مد میں 2 روپے (20% فیصد) کی ادائیگی کی گئی تھی جس کی مالیت 26.667 ملین روپے تھی۔ یہ ڈیویڈنڈ ممبران کی اجازت سے مشروط ہوگا جو کہ 22 اکتوبر 2020 کو مستعد کی جانے والی سالانہ جنرل مینٹنگ میں پیش کیا جائیگا تاہم مالیاتی اسٹیٹمنٹ میں ڈیویڈنڈ کی ممکنہ ادائیگی منہا نہیں ہے جو کہ قانون کے تحت ہے۔

(i)

ڈائریکٹرز رپورٹ

30 جون 2020

آپ کے ڈائریکٹرز 30 جون 2020 کو ختم ہونے والے سال کے لئے سالانہ آڈٹ کردہ مالیاتی اسٹیٹمنٹ بمعہ آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔

کاروباری جائزہ :-

مجموعی طور پر ملکی سطح پر سال 2020 میں گاڑیوں کے 96,455 یونٹس فروخت کئے گئے جو سال 2019 کے 207,630 یونٹس کے مقابلے میں %54 فیصد کم رہے۔ جبکہ اس سال لائٹ ویٹ کمرشل ویکل، وین اور جیپ کے 15,507 یونٹس فروخت کئے گئے جو گزشتہ سال کے 33,016 یونٹس کے مقابلے میں %53 فیصد کم رہے۔ ٹرک/بس کے 3,647 یونٹس فروخت کئے گئے جبکہ گزشتہ سال 6,763 یونٹس فروخت کئے گئے تھے۔ جو پچھلے سال کے مقابلے میں %46 فیصد کم رہے۔ اسی طرح ٹریکٹر کے 32,727 یونٹس فروخت کئے گئے جب کہ گزشتہ سال 50,405 یونٹس فروخت کئے گئے تھے جو پچھلے سال کی نسبت %35 فیصد کم رہے۔

کرونا وبا آؤٹبیکٹر کے لئے اپریل کے بعد سے مضرت ثابت ہوا، خاص طور پر کاروں کی فروخت کے لئے جس میں پہلے سے ہی %50 فیصد کمی واقع ہو چکی تھی۔ اپریل اور مئی میں بھاری گاڑیوں کی پیداوار بھی معطل رہی۔ آؤٹبیکٹر کا سالانہ اختتام مایوس کن ہوا کیونکہ مختلف گاڑیوں کی پیداوار اور فروخت میں کمی کا سامنا کرنا پڑا۔

غیر یقینی معاشی صورتحال، امریکی ڈالر کے مقابلے میں پاکستانی روپیہ میں مسلسل گراؤ اور پیداواری لاگت میں اضافے نے بالآخر عام لوگوں کی قوت خرید کو متاثر کیا جس نے خریداروں کو نئی گاڑیاں خریدنے میں محدود کر دیا۔

کار کی فروخت میں کمی کے مخصوص عوامل میں مارچ کے وسط تک %13.25 کی اونچی شرح سود، اور فیڈرل ایکسٹرنڈیوٹی میں زیادتی ہے۔ منفی معاشی نمو اور نان فائلر زپر پابندیوں نے ٹرک/بس کی فروخت کو متاثر کیا جبکہ ٹریکٹر انڈسٹری میں کمی کی بنیادی وجہ ٹیڈل کے حملے کی وجہ سے سندھ اور پنجاب میں فصلوں کی کٹائی کے موسم کا متاثر ہونا ہے جس کے نتیجے میں فصلوں کی پیداوار کم رہی۔

اس سال آپ کی کمپنی نے 912.82 ملین روپے کی فروخت کی جو گزشتہ سال کی 1,587.55 ملین روپے کی فروخت کے مقابلے میں %43 فیصد کم رہی۔ گاڑیوں کے پیہوں کی فروخت 539.05 ملین روپے رہی جو گزشتہ سال کی 887.40 ملین روپے کی فروخت کے مقابلے میں %39 فیصد کم رہی۔ ٹرک/بس کے پیہوں کی فروخت 73.68 ملین روپے رہی جو گزشتہ سال کی 154.08 ملین روپے کی فروخت کے مقابلے میں %52 فیصد کم رہی جبکہ ٹریکٹر کے پیہوں کی فروخت 264.07 ملین روپے رہی جو گزشتہ سال کی 476.59 ملین روپے کی فروخت کے مقابلے میں %45 فیصد کم رہی۔ پیہوں کی برآمد (Export) 7.48 ملین روپے رہی جو کہ گزشتہ سال کی 6.84 ملین روپے کی برآمدی فروخت کے مقابلے میں %9 فیصد زیادہ رہی۔



INVESTOR RELATION

ANNUAL GENERAL MEETING

The 40th Annual General Meeting of the Company will be held on **October 22, 2020** at 12:00 Noon through video conferenece. 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
1st Floor, 40-C, Block-6
P.E.C.H.S., Karachi-75400
E-mail: secretariat@thk.com.pk
UAN#+92(21) 111-000-322, Direct:+92 (21) 34168270
Fax#+92 (21) 34168271

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.1.50/- per share (2019: Rs. 2/- per share) amounting to Rs.20.001 million (2019: Rs. 26.667 million) for the year ended June 30, 2020.

BOOK CLOSURE DATES

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 15, 2020 to October 22, 2020 (both days inclusive).

DIVIDEND REMITTANCES

The Board of Directors of the Company in their meeting held on September 14, 2020 has recommended the cash dividend of Rs. 1.50/- 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 2019	October 28, 2019
2nd Quarter/Half Yearly - December 2019	January 30, 2020
3rd Quarter - March 2020	April 17, 2020
4th Quarter/Annual - June 2020	September 14, 2020

STATUTORY COMPLIANCE

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

INVESTOR GRIEVANCES

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

WEB PRESENCE

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



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

BALUCHISTAN WHEELS LIMITED YEAR ENDED JUNE 30, 2020

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

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

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

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Anis Wahab Zuberi Mr. Muhammad Javed Mr. Irfan Ahmed Qureshi
Non-Executive Directors	Syed Haroon Rashid Mr. Aamir Amin
Executive Directors	Mr. Razak H.M.Bengali Mr. Muhammad Siddique Misri Mr. Muhammad Irfan Ghani
Female/Non-Executive Director	Mrs. Saba Nadeem

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

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

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



Head Office : First Floor, State Life Building No 3, Dr. Ziauddin Ahmed Road,
P. O. Box No. 15511, Karachi -75530 (Pakistan)
Phone (Off) : (021) 35683474, 35687502, 35689259, Fax : 92-21-35684003
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.
Phones : (Factory) : (0853)-363426, (0853)-363428, Fax : (0853)-364025
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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. The Company stands complied with the requirement of having half of the Directors on the Board Directors Training Program (DTP) certified as prescribed under these Regulations. Five directors have certification under DTP and two directors met criteria of exemption as allowed under the Listed Companies (Code of Corporate Governance Regulations, 2019). The remaining Directors would be attending the Directors' Training Program within the time limit as allowed under these regulations.

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 (Independent Director)
Member
Member

b) HR and Remuneration Committee

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

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



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

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

Meetings	Frequency
Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2020.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2020

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

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

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

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


SYED HAROON RASHID
Chairman


RAZAK H.M. BENGALI
Chief Executive

September 14, 2020



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Internet : <http://www.bwheels.com>





EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Baluchistan Wheels Limited (the Company)

Review Report 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 30 June 2020 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 30 June 2020.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 28 September 2020



EY Ford Rhodes
Chartered Accountants
Progressive Plaza, Beaumont Road
P.O. Box 15541, Karachi 75530
Pakistan

UAN: +9221 111 11 39 37 (EYFR)
Tel: +9221 3565 0007-11
Fax: +9221 3568 1965
ey.khi@pk.ey.com
ey.com/pk

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 30 June 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows for the year then ended, the statement of changes in equity, 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, the 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 30 June 2020 and of the profit, 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.

EY



Following are the key audit matters:

Key audit matters	How our audit addressed the Key audit matters
<p>1. Valuation of Stock-in-trade</p> <p>At 30 June 2020, the Company held stock-in-trade amounting to Rs. 414 million, constituting 27% of the total assets, as disclosed in note 10 to the financial statements.</p> <p>As described in note 4.5 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 overheads. 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 included:</p> <ul style="list-style-type: none"> - Obtained an understanding of the Company's process with respect to valuation of stock-in-trade and tested controls relevant to such process; - Tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads; - 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 a test basis. We tested the accuracy of the ageing analysis of stock-in-trade, on a sample basis; and - Tested the net realizable value and valuation methods in accordance with applicable financial reporting standards;
<p>2. Assessing Potential Impairment of Plant and Equipment</p> <p>At 30 June 2020, the carrying value of Company's property, plant and equipment amounted to Rs. 401 million, constituting in total approximately 27% of the total assets, as disclosed in note 5 to the financial statements.</p> <p>As described in note 4.3 to the financial statements, the carrying values of these assets are reviewed annually by management for potential indicators of impairment. The management identified the slowdown of economic activity as a result of the Corona Virus outbreak and the overall slowdown in automobile sector during the year as the relevant indicators of potential impairment in the carrying values of plant and equipment in accordance with the requirements of the applicable accounting standards.</p> <p>The impairment tests involved determination of recoverable amounts of assets which is supported by estimating fair value less costs to disposal and value-in-use calculations. The value-in-use of assets that have impairment</p>	<p>Our audit procedures to assess the potential impairment for property, plant and equipment, amongst others, included the following:</p> <ul style="list-style-type: none"> - Considered and assessed the indicators requiring impairment assessment in respect of plant and equipment; - Assessed the appropriateness of the methodology used by the management for carrying out the impairment test in accordance with the requirements of the applicable accounting standards; - Involved auditor's external expert to review the management's assessment of the fair value less costs to disposal of the assets and to ensure reasonableness of the assumptions used therein; - Reviewed the key inputs and assumptions used to prepare the future cash flow forecasts including the commercial assumptions used for the purpose; and

EY



Key audit matters	How our audit addressed the Key audit matters
<p>indicators is estimated by discounting future cash flow forecasts which involved making of significant estimates and judgements relating to subsequent selling prices, inflation rates and discount rates.</p> <p>We identified the potential impairment of plant and equipment as a key audit matter because the assessment can involve a significant degree of management judgement in determining the key assumptions.</p>	<ul style="list-style-type: none"> - Performed sensitivity analyses for the discount rates applied and the assumptions for revenue levels adopted and considering the information used to derive the assumptions and whether there were any indicators of management bias in their selection.

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

EM



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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

Elm



- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

EY Ford Rhodes

Chartered Accountants

Place: Karachi

Date: 28 September 2020




**BALUCHISTAN WHEELS LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020**

ASSETS	Note	30 June 2020 ----- (Rs. in '000) -----	30 June 2019 -----
NON-CURRENT ASSETS			
Property, plant and equipment	5	400,705	449,581
Right-of-use assets	6	13,586	-
Long-term loans and advances	7	3,826	3,415
Long-term deposits	8	4,418	4,607
		<u>422,535</u>	<u>457,603</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	9	39,345	50,840
Stock-in-trade	10	413,575	525,105
Trade debts	11	108,542	144,187
Loans and advances	12	16,331	15,914
Deposits and short-term prepayments	13	1,709	2,347
Other receivables	14	7,010	431
Short-term investments	15	333,906	102,827
Sales tax refundable – net		1,826	-
Taxation – net		103,518	129,302
Bank balances	16	60,362	44,994
		<u>1,086,124</u>	<u>1,015,947</u>
		<u>1,508,659</u>	<u>1,473,550</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 25,000,000 (2018: 25,000,000) ordinary shares of Rs.10/- each		<u>250,000</u>	<u>250,000</u>
Issued, subscribed and paid-up capital	17	133,343	133,343
Reserves	18	1,161,311	1,154,676
		<u>1,294,654</u>	<u>1,288,019</u>
NON-CURRENT LIABILITIES			
Lease liabilities	19	6,330	989
Long-term loan	20	30,849	-
Long-term deposits	21	982	2,010
Government grant	22	1,923	-
Deferred taxation	23	33,293	38,250
		<u>73,376</u>	<u>41,249</u>
CURRENT LIABILITIES			
Trade and other payables	24	116,995	125,289
Unclaimed dividend		5,913	6,846
Current maturity of lease liabilities	19	5,302	3,747
Current maturity of long-term loan	20	8,711	-
Current maturity of long-term deposits	21	1,457	-
Current maturity of government grant	22	1,438	-
Provision for warranty	25	813	1,354
Sales tax payable-net		-	7,046
		<u>140,629</u>	<u>144,282</u>
CONTINGENCIES AND COMMITMENTS			
	26	<u>1,508,659</u>	<u>1,473,550</u>

The annexed notes 1 to 46 form an integral part of these financial statements.


Chief Executive


Chief Financial Officer


Director



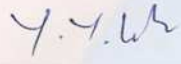
BALUCHISTAN WHEELS LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 ----- (Rs. in '000) -----	30 June 2019 -----
Turnover – net	27	912,820	1,587,558
Cost of sales	28	(795,406)	(1,341,776)
Gross profit		117,414	245,782
Distribution costs	29	(35,424)	(44,945)
Administrative expenses	30	(82,148)	(92,595)
Other expenses	31	(1,784)	(12,541)
Finance costs	32	(2,353)	(6,791)
		(121,709)	(156,872)
Other income	33	27,990	5,045
Profit before taxation		23,695	93,955
Taxation			
Current		(13,661)	(20,808)
Prior		3,928	1,657
Deferred		4,958	(3,292)
	34	(4,775)	(22,443)
Profit after taxation		18,920	71,512
		----- (Rupees) -----	
Earnings per share – basic and diluted	35	1.42	5.36

The annexed notes 1 to 46 form an integral part of these financial statements. *ELW*


Chief Executive


Director


Chief Financial Officer



**BALUCHISTAN WHEELS LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020**

	30 June 2020	30 June 2019
	----- (Rs. in '000) -----	
Net profit for the year	18,920	71,512
Other comprehensive income		
Items that may not be reclassified to the statement of profit or loss in subsequent periods		
Re-measurement gain / (loss) on defined benefit plan	14,384	(12,480)
Total comprehensive income for the year	<u>33,304</u>	<u>59,032</u>

The annexed notes 1 to 46 form an integral part of these financial statements. *glw*


Chief Executive


Director


Chief Financial Officer





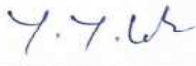
BALUCHISTAN WHEELS LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	30 June 2020 ----- (Rs. in '000) -----	30 June 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	36	211,903	181,315
Employees' defined benefit obligations paid		(6,882)	(11,899)
Income tax paid – net		16,051	(6,845)
Long-term loans and advances - net		(411)	440
Long-term deposits – net		618	1,470
Finance costs paid		(692)	(5,933)
Net cash generated from operating activities		220,587	158,548
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,880)	(7,980)
Additions to right-of-use assets		(161)	-
Proceeds from disposals of operating fixed assets		1,546	6,133
Profit received on savings accounts and treasury bills		20,744	1,546
Short-term investments made during the year		(754,524)	(163,217)
Short-term investments redeemed during the year		523,926	63,461
Dividend received		161	260
Net cash used in investing activities		(212,188)	(99,797)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(8,215)	(6,435)
Loan received		42,786	-
Dividend paid		(27,602)	(38,438)
Net cash generated from / (used in) financing activities		6,969	(44,873)
Net increase in cash and cash equivalents		15,368	13,878
Cash and cash equivalents at the beginning of the year		44,994	31,116
Cash and cash equivalents at the end of the year	16	60,362	44,994

The annexed notes 1 to 46 form an integral part of these financial statements. *E102*


Chief Executive


Director


Chief Financial Officer




**BALUCHISTAN WHEELS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020**

	Issued, subscribed and paid-up capital	Remeasurement (loss) / gain on defined benefit plan	RESERVES		Total reserves	Total equity
			Revenue reserves			
			General reserves	Unappropriated profit		
	Rs. In '000					
Balance as at 30 June 2018	133,343	(12,387)	160,000	988,044	1,135,647	1,268,990
Final dividend for the year ended 30 June 2018 @ Rs. 3 per share	-	-	-	(40,003)	(40,003)	(40,003)
Net profit for the year	-	-	-	71,512	71,512	71,512
Other comprehensive loss	-	(12,480)	-	-	(12,480)	(12,480)
Total comprehensive income	-	(12,480)	-	71,512	59,032	59,032
Balance as at 30 June 2019	133,343	(24,877)	160,000	1,019,553	1,154,676	1,288,079
Final dividend for the year ended 30 June 2019 @ Rs. 3 per share	-	-	-	(26,669)	(26,669)	(26,669)
Net profit for the year	-	-	-	18,920	18,920	18,920
Other comprehensive income	-	14,384	-	-	14,384	14,384
Total comprehensive income	-	14,384	-	18,920	33,304	33,304
Balance as at 30 June 2020	133,343	(10,493)	160,000	1,011,804	1,161,351	1,294,554

The annexed notes 1 to 46 form an integral part of these financial statements.


Chief Executive


Director


Chief Financial Officer



BALUCHISTAN WHEELS LIMITED NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Baluchistan Wheels Limited (the Company) 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. The geographical location and addresses of Company's business units / immovable assets are as under:

Business Unit	Address
Head Office	1 st Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi Sindh.
Manufacturing facility	Main RCD Highway, Hub Chowki, Lasbella, Baluchistan (Land measuring area – 23.96 acres)

1.2 Impact of COVID-19 on the financial statements

During the year, the World Health Organization declared COVID-19 outbreak a global pandemic. Accordingly, on March 20, 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the spread of Covid-19. Complying with the lock down restrictions, the Company temporarily suspended its operations in order to safeguard the well-being of everyone including those within the supply chain network. Consequently, Covid-19 being one of the factors contributed towards the overall decrease in revenue by 42.5% and corresponding variable costs and overheads of the Company.

However, with the resuming of operations since May 2020 and consequent lifting of lockdown restrictions, the situation has now improved on the back of the actions taken by the Government. Government scheme for financing salaries payment has been availed as per the requirement in respect of which proper disclosures have been made. In addition to this, the management has assessed the accounting implications arising out of COVID-19 outbreak on these financial statements, including but not limited to the following areas:

- The impairment of plant and equipment under IAS 36, "Impairment of non-financial assets"
- The net realizable value of stock-in-trade under IAS 2, "Inventories"

Based on the assessment, there is no significant accounting implication arising out of the effects of COVID-19 outbreak in these financial statements except for matters relating to revenue and corresponding costs stated above. The Company's management is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity position and believe that its current policies for managing working capital, liquidity and market risk are adequate in response to the current situation.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards as applicable in Pakistan comprise of International Financial Reporting Standards (IFRS), issued by International Accounting Standard Board (IASB) as notified under Companies Act, 2017 (the Act) and, provisions of and directives issued under the Act. Where the provisions of and directives issued under the Act differ from the IFRS standards, the provisions of and directives issued under the Act have been followed.

2.2 Basis of Measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value and defined benefit obligations that have been measured at present value as reduced by planned assets measured at fair value and lease liabilities that are measured at present value of future minimum lease payments as disclosed in relevant notes.

Signature



BALUCHISTAN WHEELS LIMITED

3. STANDARDS, AMENDMENTS, INTERPRETATIONS AND IMPROVEMENTS APPLICABLE TO FINANCIAL STATEMENTS

3.1. New standards, amendments, interpretations and improvements effective during the year

The Company has adopted the following standards, amendments and improvements to International Financial Reporting Standards (IFRSs) which became effective for the current year:

Standards, Amendments or Interpretations

- IFRS 9 Prepayment Features with Negative Compensation (Amendments)
- IFRS 14 Regulatory Deferral Accounts
- IFRS 16 Leases
- IFRS 16 COVID-19 Related Rent Concessions (Amendments)
- IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)
- IAS 28 Long-term Interests in Associates and Joint Ventures (Amendments)
- IFRIC 23 Uncertainty over income tax treatments

Improvements to Accounting Standards Issued by the IASB in December (2015-2017 cycle)

- IFRS 3 Business Combinations - Previously held Interests in a joint operation
- IFRS 11 Joint Arrangements - Previously held Interests in a joint operation
- IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity
- IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and interpretations to the accounting standards did not have any material effect on the Company's financial statements except for IFRS 16. The impact of adoption of IFRS 16 is described below:

3.1.1 IFRS 16 Leases

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

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

The new accounting policy in respect of leases is disclosed in note 4.2, 4.11 and 4.12 to these financial statements. The impact of adoption of IFRS 16 on recognition and classification as at 01 July 2019 on the statement of financial position is summarised below:

Assets	Vehicles ----- (Rs. In '000) -----	Head office premises
Operating fixed assets - leased	(9,467)	-
Right-of-use assets	9,467	9,459
	-	9,459
Liabilities		
Liabilities against assets subject to finance leases	(989)	-
Current portion of liabilities against assets subject to finance leases	(3,747)	-
Lease liabilities	989	9,459
Current maturity of lease liabilities	3,747	-
	-	9,459

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BALUCHISTAN WHEELS LIMITED

In respect of vehicles, as before the adoption of IFRS 16, the leases were classified as finance lease applying IAS 17. The carrying amount of right-of-use assets and lease liabilities were recognised at an amount equal to the carrying amount of operating fixed assets - leased and liabilities against assets subject to finance lease respectively, immediately before 01 July 2019 measured applying IAS 17. Therefore, upon first time application of IFRS 16, there is no material impact with respect to recognition and measurement of leased assets (now right-of-use assets) and liabilities against assets subject to finance leases (now lease liabilities).

In respect of the head office premises, the right-of-use asset was recognised based on the amount equal to the lease liability. Lease liability was recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The Company did not have any sub-lease as at 01 July 2019.

The impact of adoption of IFRS 16 on the statement of profit or loss for the year ended 30 June 2020 is summarised below:

	-- (Rs. in '000) --
Decrease in rent expenses	3,841
Increase in depreciation expense	(3,153)
Increase in finance costs	(1,095)
Decrease in deferred tax expense	805
	<u>398</u>

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

	-- (Rs. in '000) --
Operating lease commitments as at 30 June 2019	11,524
Impact of discounting	(2,065)
Lease liability at 01 July 2019	<u>9,459</u>
Incremental borrowing rate as at 01 July 2019	<u>14.13%</u>

3.2. Standards, amendments and improvements to the approved accounting standards that are not yet effective

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standards or Amendments	Effective date (annual periods beginning on or after)
IFRS – 3 Definition of Business (Amendments)	01 January 2020
IFRS – 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IFRS – 9/ IAS-39 Interest Rate Benchmark Reform (Amendments) / IFRS- 7	01 January 2020
IFRS-10/ IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised
IAS 1 / IAS 8 Definition of Material (Amendments)	01 January 2020
IAS – 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS – 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS – 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

IFRS – 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS – 41 Agriculture – Taxation in fair value measurements	01 January 2022

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BALUCHISTAN WHEELS LIMITED

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 01 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards or Amendments	Effective date (annual periods beginning on or after)
IFRS – 1 First time adoption of IFRSs	01 January 2004
IFRS – 17 Insurance Contracts	01 January 2023

3.3 Significant accounting judgements, estimates and assumptions

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

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

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

- depreciation method, useful lives and residual values of property, plant and equipment (note 4.1 and 5.1)
- provision for slow moving and obsolete stores, spares and loose tools and stock-in-trade (notes 4.4, 4.5, 9.1 and 10.1)
- allowance for expected credit losses (note 4.14.3 and 11.1)
- taxation (note 4.7, 23 and 34)
- employee benefit obligations (note 4.15 and 24.2)
- provision for warranty (note 4.17 and 25)
- lease liabilities (notes 4.11 and 19)
- contingencies (note 26)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property, plant and equipment

4.1.1 Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for the freehold land which is stated at cost.

Depreciation is charged to statement of profit or loss applying the reducing balance method, except for computers which are depreciated on straight line method, at the rates stated in note 5.1. Depreciation is charged from the day from which an asset is available for use and is continued to be depreciated until it is derecognised. An item of operating fixed assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of operating fixed assets (being difference of carrying value and sale proceeds) is recognised in the statement of profit or loss.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements are capitalised, if recognition criteria is met and the assets so replaced, if any, are retired.

ETW



BALUCHISTAN WHEELS LIMITED

4.1.2 Capital work-in-progress

These are stated at cost less accumulated impairment losses, if any, and represent expenditures connected with specific assets incurred during the construction / erection period, including advances to suppliers and contractors. These are transferred to specific assets as and when assets are available for use.

4.2 Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the lower of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of an asset.

Right-of-use assets are depreciated as follows:

- Head office premises – over the lease term of 3 years using straight line method
- Vehicles – over the useful life at the rate of 20% using reducing balance method

4.3 Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are assessed at date of reporting to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated to determine the extent of impairment loss, if any. An impairment loss is recognised, as an expense in the statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to disposal and value in use. Value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and the risk specific to the assets.

4.4 Stores, spare parts and loose tools

These are valued at lower of weighted average cost and Net Realisable Value (NRV) except items in transit which are stated at invoice value plus other charges incurred thereon upto the reporting date.

Provision is made annually in the financial statements for slow moving and obsolete items, if required.

4.5 Stock-in-trade

Stock-in-trade, except goods-in-transit, is stated at the lower of NRV and cost determined as follows:

- | | | |
|------------------------------------|---|---|
| Raw and packing material | - | Purchase cost and other direct expenses on weighted average basis |
| Finished goods and work-in-process | - | Cost of direct material, labour and proportion of manufacturing overheads |

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

NRV signifies the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Provision, if required is made in the financial statements for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

4.6 Trade debts, loans, advances, deposits and other receivables

Trade debts, loans, advances, deposits and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Provision is made on the basis of lifetime Expected Credit Losses (ECLs) that result from all possible default events over the expected life of the trade debts, loans, advances, deposits and other receivables. Bad debts are written off when considered irrecoverable.



BALUCHISTAN WHEELS LIMITED

4.7 Taxation

Current

Provision for current taxation is based on the taxable income at the current rate of taxation after taking in to account tax credits and rebates available, if any, in accordance with the provision of Income Tax Ordinance, 2001.

Deferred

Deferred tax is recognised using the balance sheet liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (tax laws) that have been enacted or substantially enacted by the statement of financial position date

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise bank balances.

4.9 Government grant

Government grant is recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed out.

4.10 Trade and other payables

These 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.

4.11 Lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease, i.e. if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

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

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BALUCHISTAN WHEELS LIMITED

4.12 Short-term leases and leases of low-value assets

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

4.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

4.14.1 Financial assets

a) Initial recognition and measurement

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL).

The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in Other Comprehensive Income (OCI). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

b) Subsequent measurement

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Any gain or loss on derecognition is recognised in the statement of profit or loss.

Financial assets at FVTPL - These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit or loss.

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BALUCHISTAN WHEELS LIMITED

Debt investments at FVOCI - These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit or loss.

Equity investments at FVOCI - These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses including on account of derecognition are recognised in OCI and are never reclassified to the statement of profit or loss.

4.14.2 Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

4.14.3 Impairment of financial assets

The impairment under Expected Credit Loss (ECL) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

At each date of statement of financial position, the Company assesses whether financial assets are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the respective asset.

The Company uses the standard's simplified approach and calculates ECL based on life time ECL on its financial assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the financial assets and the economic environment.

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4.14.4 Offsetting of financial assets and financial liabilities

All financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set off the recognised amounts and intends either to settle these on net basis or to realise the assets and settle the liabilities simultaneously.

4.15 Employee benefit obligations

Defined benefit plan

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 2020 using Projected Unit Credit method. Re-measurement losses and gains are recognised directly to other comprehensive income and are not reclassified to the statement of profit or loss in subsequent periods. All the past service costs are recognised at the earlier of when the amendments or curtailment occurs and when the Company has recognised related restructuring or terminations benefits.

Defined contribution plan

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.

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.

4.16 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimates.

4.17 Warranty Obligations

The management estimates at each reporting date a liability that could arise as a result of the Company's obligation to repair and replace products under warranty. The warranty provided by the Company to the customer is assurance warranty.

A provision is recognised for expected warranty claims on products sold at the rate of 0.2 percent of last six months' turnover based on past experience. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about past trends and future expectations of such claims. Any change in the estimates in future might affect the profit or loss for that year.

4.18 Revenue recognition

Revenue is recognised at the point in time when control of the asset is transferred to the customer. Revenue is measured at fair value of the consideration received or receivable and is recognised on the following basis:

- Revenue from sale of goods is recognised when or as control of goods is transferred to a customer at a point in time, when the performance obligations are met, which generally coincides with the delivery of goods to the customer.
- Profit on savings accounts is recognised on effective interest rate method.
- Dividend income is recognised when the right to receive such payment is established
- Other revenues are accounted when performance obligations are met.

Moreover, the considerations received before satisfying the performance obligations are recognised as contract liabilities.

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4.19 Functional and presentation currency

These financial statements are prepared in Pakistani Rupees, which is the Company's functional and presentation currency.

4.20 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those appearing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into Pakistani Rupees at the rates of exchange approximating those prevailing at the reporting date. Any resulting gain or loss arising from changes in exchange rates is recognised in the statement of profit or loss.

4.21 Dividend and appropriations to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the statement of financial position date is considered as a non-adjusting event and is recognised in the financial statements in the period in which such transfers are made.

4.22 Operating segments

For management purposes, the activities of the Company are organized into one operating segment i.e., manufacturing and marketing of automotive wheel rims for trucks, buses, tractors, cars and mini commercial vehicles. The Company operates in the said reportable operating segment based on the nature of the products, risks and returns, organizational and management structure, and internal financial reporting systems. Accordingly, the figures reported in the financial statements are related to the Company's only reportable segment.

	Nota	30 June 2020	30 June 2019
----- (Rs. in '000) -----			
5 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	400,705	449,581
Capital work-in-progress	5.2	-	-
		<u>400,705</u>	<u>449,581</u>

5.1 Operating fixed assets

	COST			DEP. RATE	ACCUMULATED DEPRECIATION			NET BOOK VALUE	
	As at 01 July 2019	Impact of initial application of IFRS 16 (note 3.1.1)	Additions / transfers / *transfers from CWIP (Disposals)		As at 30 June 2020	As at 01 July 2019	Charge (Disposals) / *transfers	As at 30 June 2020	As at 30 June 2020
	(Rs. in '000)			%	(Rs. in '000)				
Owned									
Freehold land	2,559	-	-	2,559	-	-	-	-	2,559
Building on freehold land	105,813	-	-	105,813	6 & 10	68,885	2,353	61,238	44,575
Plant and machinery	1,046,555	-	**2,773	1,049,328	10 & 20	629,848	39,044	718,892	330,436
Electrical installations	29,266	-	-	29,266	10	24,135	514	24,649	4,617
Furniture and fittings	6,441	-	29	6,470	10	3,870	159	4,029	1,441
Vehicles	29,656	-	(4,550)	35,106	20	16,205	2,749	(3,063)	13,814
			**10,000					**5,401	
Office equipment	16,680	-	855	17,085	33	13,184	1,255	(396)	3,041
Computers	5,555	-	223	5,778	33	5,286	272	-	220
Library books	42	-	-	42	10	40	-	-	2
	<u>1,241,567</u>	-	<u>1,107</u>	<u>1,250,447</u>		<u>801,453</u>	<u>46,346</u>	<u>(3,458)</u>	<u>400,705</u>
			**10,000					**5,401	
			**2,773						
Leased									
Vehicles	16,147	(16,147)	-	-	20	6,680	(6,680)	-	-
	<u>1,257,714</u>	<u>(16,147)</u>	<u>1,107</u>	<u>1,250,447</u>		<u>808,133</u>	<u>46,346</u>	<u>(3,458)</u>	<u>400,705</u>
			**10,000					**5,401	
			**2,773						
2020									

* Represents transfers from right-of-use assets to operating fixed assets.

Extra



BALUCHISTAN WHEELS LIMITED

	COST			DEP. RATE	ACCUMULATED DEPRECIATION			NET BOOK VALUE		
	As at 01 July 2018	Additions / *transfers/ **transfers from CWPP (Rs. in '000)	(Disposals)		As at 30 June 2019	As at 01 July 2018	Charge	(Disposals) / *transfers	As at 30 June 2019	As at 30 June 2019
Owned										
Freehold land	2,559	-	-	2,559	-	-	-	-	2,559	
Building on freehold land	105,813	-	-	105,813	5.810	50,414	2,471	-	58,885	46,928
Plant and machinery	1,012,391	2,243 **59,485	(27,584)	1,048,555	10.820	666,455	40,146	(26,753)	679,348	366,707
Electrical installations	29,266	-	-	29,266	10	23,565	570	-	24,135	5,131
Furniture and fittings	5,981	-	(540)	5,441	10	4,150	177	(457)	3,870	1,571
Vehicles	30,098	3,063 *1,054	(4,559)	29,555	20	15,585	2,924	(2,541) *237	16,205	13,451
Office equipment	15,637	2,240	(1,247)	16,680	33	13,007	1,293	(1,116)	13,184	3,496
Computers	5,585	30	(80)	5,555	33	5,068	258	(80)	5,288	289
Library books	42	-	-	42	10	40	-	-	40	2
	<u>1,207,422</u>	<u>7,576</u> <u>*1,054</u> <u>**59,485</u>	<u>(33,970)</u>	<u>1,241,587</u>		<u>744,804</u>	<u>47,839</u>	<u>(30,827)</u> <u>*237</u>	<u>601,153</u>	<u>440,114</u>
Leased										
Vehicles	17,201	*1,054	-	16,147	20	4,433	2,484	(237)	6,880	9,467
	<u>1,224,623</u>	<u>7,576</u> <u>**59,485</u>	<u>(33,970)</u>	<u>1,257,714</u>		<u>738,737</u>	<u>50,323</u>	<u>(30,927)</u>	<u>608,133</u>	<u>449,581</u>

* Represents transfers from leased assets to owned assets.

Note	30 June 2020	30 June 2019
	(Rs. in '000)	

5.1.1 Allocation of depreciation charge is as follows:

Cost of sales	28	43,228	45,257
Distribution costs	29	217	241
Administrative expenses	30	2,901	4,825
		<u>46,346</u>	<u>50,323</u>

5.1.2 Disposal of operating fixed assets:

Description	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyers (5.1.3)
(Rupees in '000)						
Motor Vehicles						
Honda City Reg. No. BEP-353	1,662	688	688	-	Employee car scheme	Mr. Sajid Nadri
Suzuki Swift Reg No. BBY 875	1,450	413	413	-	Employee car scheme	Mr. Muhammad Asad Saeed
Suzuki Swift Reg No. BBS-430	1,418	386	386	-	Employee car scheme	Mr. Mehboob Ahmed
	<u>4,550</u>	<u>1,487</u>	<u>1,487</u>	-	Scrap sale	Mr. Nazeer
Office equipment	450	55	59	4	Employee scheme	Mr. Sajid Nadri
					Employee scheme	Mr. Yaseen Ladha
2020	<u>5,000</u>	<u>1,542</u>	<u>1,546</u>	<u>4</u>		
2019	<u>33,970</u>	<u>3,043</u>	<u>6,133</u>	<u>3,090</u>		

5.1.3. The buyers did not have any relationship with the directors of the Company

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BALUCHISTAN WHEELS LIMITED

	30 June 2020	30 June 2019
	----- (Rs. in '000) -----	
5.2 Capital work-in-progress – plant and machinery		
Balance as at the beginning of the year	-	59,081
Additions	2,773	404
Transferred to operating fixed assets	(2,773)	(59,485)
Balance as at the end of the year	<u>-</u>	<u>-</u>

6. RIGHT-OF-USE ASSETS

	COST				DEP. RATE	ACCUMULATED DEPRECIATION				NET BOOK VALUE	
	As at 01 July 2019	Impact of initial application of IFRS 16 (note 3.1.1)	Additions / *transfers (Rupees in '000)	As at 30 June 2020		As at 01 July 2019	Impact of initial application of IFRS 16 (note 3.1.1)	Charge (Disposals)	As at 30 June 2020	As at 30 June 2020	
Vehicles	-	18,147	4,361 *(10,000)	10,508	20	-	6,680	1,949 *(5,401)	3,228	7,280	
Head office premises	-	8,459	4,361	8,458	33	-	-	3,153	3,153	6,306	
2020	-	25,606	*(10,000)	19,967		-	6,680	5,102 *(5,401)	6,381	13,588	

* Represents transfer from right-of-use assets to operating fixed assets.

	30 June 2020	30 June 2019
Note	----- (Rs. in '000) -----	
6.1 Allocation of depreciation charge is as follows:		
Cost of sales	28	412
Administrative expenses	30	-
	<u>5,102</u>	<u>-</u>

7. LONG-TERM LOANS AND ADVANCES – considered good

Loans – secured

Employees	7.1	2,104	2,220
Executives	7.1 & 7.2	1,832	1,881
		<u>3,936</u>	4,101
Current maturity	12	(1,228)	(1,293)
		<u>2,708</u>	2,808

Advances – secured

Employees		1,992	5,384
Executives	7.2	900	1,091
		<u>2,892</u>	6,475
Current maturity	12	(1,774)	(5,868)
		<u>1,118</u>	607
		<u>3,826</u>	3,415

7.1 Represent interest-free 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.

7.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 2.732 million (2019: Rs. 2.972 million).

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		30 June 2020	30 June 2019
	Note	(Rs. in '000)	
8 LONG-TERM DEPOSITS – unsecured, considered good			
Trade deposits		3,998	3,998
Lease deposits		420	609
	8.1	4,418	4,607
8.1 These are non-interest bearing held with various parties.			
9 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		4,315	4,104
Spare parts		91,846	99,332
Loose tools		1,465	1,965
		97,626	105,401
Provision for slow moving and obsolete:			
Stores		(273)	(273)
Spare parts		(57,354)	(53,634)
Loose tools		(654)	(654)
	9.1	(58,281)	(54,561)
		39,345	50,840
9.1 Movement in provision for slow moving and obsolete stores, spare parts and loose tools is as follows:			
		30 June 2020	30 June 2019
	Note	(Rs. in '000)	
Balance as at the beginning of the year		54,561	51,140
Provision	28	3,720	3,421
Balance as at the end of the year		58,281	54,561
10 STOCK-IN-TRADE			
Raw material and components		151,671	233,078
Work-in-process		135,686	169,843
Finished goods		138,748	140,298
Scrap stock		1,610	449
		427,715	543,668
Provision for slow moving and obsolete stock-in-trade	10.1	(14,140)	(18,563)
		413,575	525,105
10.1 Movement in provision for slow moving and obsolete stock-in-trade is as follows:			
Balance as at the beginning of the year		18,563	19,750
Reversal of provision	28	(4,423)	(1,187)
Balance as at the end of the year		14,140	18,563
11 TRADE DEBTS - unsecured			
Considered good		108,542	144,187
Considered doubtful		517	112
Allowance for expected credit losses	11.1	(517)	(112)
		108,542	144,187
11.1 Movement in allowance for expected credit losses is as follows:			
Balance as at the beginning of the year		112	81
Charge	30	405	31
Balance as at the end of the year		517	112

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		30 June 2020	30 June 2019
	Note	(Rs. in '000)	
12 LOANS AND ADVANCES – considered good			
Loans – secured			
Current maturity of long-term loans	7	1,228	1,293
Advances			
Current maturity of long-term advances – secured	7	1,774	5,868
For expenses – unsecured		1,149	397
To suppliers – unsecured		12,180	8,356
		<u>15,103</u>	<u>14,621</u>
		<u>16,331</u>	<u>15,914</u>
13 DEPOSITS AND SHORT-TERM PREPAYMENTS			
Deposits – unsecured, considered good			
Trade deposits		255	505
Lease deposits		609	1,000
	13.1	<u>864</u>	<u>1,505</u>
Prepayments		845	842
		<u>1,709</u>	<u>2,347</u>
13.1 These are non-interest bearing held with various parties.			
14 OTHER RECEIVABLES			
Workers' profit participation fund	24.4	226	-
Accrued profit on treasury bills		6,784	309
Dividend receivable		-	122
		<u>7,010</u>	<u>431</u>
15 SHORT-TERM INVESTMENTS			
Fair value through profit or loss			
Listed equity securities	15.1	3,307	2,826
At amortised cost			
Treasury bills	15.2	330,599	100,001
		<u>333,906</u>	<u>102,827</u>

15.1 Listed equity securities

Fully paid-up ordinary shares of listed companies are as follows:

30 June 2020	30 June 2019	Face value of	Company's Name	30 June 2020	30 June 2019
---(Number of shares)---		Rs.		----- (Rs. in '000) -----	
10,000	10,000	10	Honda Atlas Cars (Pakistan) Limited	1,937	1,483
25,000	25,000	10	Fauji Cement Company Limited	422	393
5,000	5,000	10	Nishat Mills Limited	390	467
6,250	5,000	10	Attock Refinery Limited	558	483
<u>46,250</u>	<u>45,000</u>			<u>3,307</u>	<u>2,826</u>

15.2 These carry profit at rates ranging from 7.5% to 14.1% (2019: 12.7% to 12.74%) per annum and have a maturity latest December 2020.

15.3 Net unrealised diminution on re-measurement of investments recognised as financial assets at fair value through profit or loss:

		30 June 2020	30 June 2019
	Note	(Rs. in '000)	
Market value		3,307	2,826
Carrying value		(2,826)	(4,944)
	33	<u>481</u>	<u>(2,118)</u>

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	Note	30 June 2020	30 June 2019
----- (Rs. in '000) -----			
16 BANK BALANCES			
Current accounts		17,916	15,804
Savings accounts	16.1	42,446	29,190
		<u>60,362</u>	<u>44,994</u>

16.1 These carry profit at rates ranging from 7.25% to 7.98% (2019: 10.6% to 11%) per annum.

17 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

30 June 2020	30 June 2019		30 June 2020	30 June 2019
--- (Number of shares) ---			----- (Rs. in '000) -----	
		Ordinary shares of Rs. 10/- each issued as:		
9,276,000	9,276,000	fully paid in cash	92,760	92,760
4,058,250	4,058,250	bonus shares	40,583	40,583
<u>13,334,250</u>	<u>13,334,250</u>		<u>133,343</u>	<u>133,343</u>

17.1 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 may be, as and when declared by the Company. All shares carry one vote per share without restriction.

	30 June 2020	30 June 2019
----- (Rs. in '000) -----		
18 RESERVES		
Re-measurement loss on defined benefit plan	(10,493)	(24,877)
Revenue		
General	160,000	160,000
Unappropriated profit	1,011,804	1,019,553
	<u>1,171,804</u>	<u>1,179,553</u>
	<u>1,161,311</u>	<u>1,154,676</u>

19 LEASE LIABILITIES

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 12% and 15.08% (2019: 7.8% and 12%) per annum. 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.

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

	Note	30 June 2020	30 June 2019
----- (Rs. in '000) -----			
Lease liabilities		11,632	4,736
Current maturity of lease liabilities		(5,302)	(3,747)
	19.1	<u>6,330</u>	<u>989</u>

19.1 Movement of lease liabilities is as follows:

	30 June 2020			30 June 2019		
	Vehicles	Head office premises	Total	Vehicles	Head office premises	Total
----- (Rs. in '000) -----						
Balance as at the beginning of the year	4,736	-	4,736	10,583	-	10,583
Impact of initial application of IFRS 16 (note 3.1.1)	-	9,459	9,459	-	-	-
Additions	4,200	-	4,200	-	-	-
Accretion of interest	357	1,095	1,452	608	-	608
Payments	(4,374)	(3,841)	(8,215)	(6,435)	-	(6,435)
Balance as at the end of the year	4,919	6,713	11,632	4,736	-	4,736
	<u>(2,167)</u>	<u>(3,135)</u>	<u>(5,302)</u>	<u>(3,747)</u>	-	<u>(3,747)</u>
Current maturity	2,752	3,578	6,330	989	-	989



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- 19.2 The amount of future minimum lease payments, together with the present value of the minimum lease payments, and the periods during which they fall due are as follows:

	30 June 2020		30 June 2019	
	Lease payments	Present value	Lease payments	Present value
	(Rs. in '000)			
Within one year	6,298	5,302	3,978	3,747
After one year but not more than five years	6,919	6,330	1,005	989
	13,217	11,632	4,983	4,736
Finance charges allocated to future periods	(1,585)	-	(247)	-
Present value of lease payments	11,632	11,632	4,736	4,736
Current maturity	(5,302)	(5,302)	(3,747)	(3,747)
	6,330	6,330	989	989

20. LONG-TERM LOAN

	Note	30 June 2020	30 June 2019
		(Rs. in '000)	
Current maturity		8,711	-
Non-current maturity		30,849	-
	20.1	39,560	-

- 20.1 Represents a long-term financing 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 is up to 3% per annum. However, the effective interest rate is calculated at 8.51% and the loan has been recognised at the present value. 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 22) which will be amortised as interest income over the period of facility. The financing is secured against first pari-passu hypothecation charge over current assets.

21. LONG-TERM DEPOSITS

	Note	30 June 2020	30 June 2019
		(Rs. in '000)	
Deposits from employees	21.1	2,439	2,010
Current maturity		(1,457)	-
		982	2,010

- 21.1 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.

22. GOVERNMENT GRANT

	Note	30 June 2020	30 June 2019
		(Rs. in '000)	
As at the beginning of the year		-	-
Recognised		3,546	-
Released	33	(185)	-
As at the end of the year		3,361	-
Current maturity		(1,438)	-
Long-term maturity		1,923	-

- 22.1 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.

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BALUCHISTAN WHEELS LIMITED

	30 June 2020	30 June 2019
Note	----- (Rs. in '000) -----	
23 DEFERRED TAXATION		
Taxable temporary differences arising due to:		
Accelerated tax depreciation	57,357	60,492
Right-of-use assets	3,940	2,745
	<u>61,297</u>	<u>63,237</u>
Deductible temporary differences arising due to:		
Provisions	(23,395)	(23,614)
Lease liabilities	(3,373)	(1,373)
Carry forward of minimum tax	(1,236)	-
	<u>(28,004)</u>	<u>(24,987)</u>
	<u>33,293</u>	<u>38,250</u>
24 TRADE AND OTHER PAYABLES		
Creditors	32,875	32,024
Accrued liabilities	32,318	48,727
Contract liabilities	24.1 26,287	1,744
Gratuity fund	24.2 3,410	17,510
Provident fund	24.3 371	4
Retention money	455	455
Compensated absences	3,560	6,836
Workers' profit participation fund	24.4 -	1,035
Workers' welfare fund	16,461	15,951
Security deposits	398	448
Mark-up on running finance	139	250
Others	721	305
	<u>116,995</u>	<u>125,289</u>

24.1 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. 0.466 million (2019: Rs. 3.369 million).

24.2 Gratuity fund

24.2.1 The disclosures made in notes 24.2.2 to 24.2.11 of these financial statements are based on the information included in the actuarial valuation reports as of 30 June 2020.

	30 June 2020	30 June 2019
Note	----- (Rs. in '000) -----	
24.2.2 Amounts recognised in the statement of financial position		
Present value of defined benefit obligations	24.2.6 83,059	90,263
Fair value of plan assets	24.2.7 (79,649)	(72,753)
Net liability recognised in the statement of financial position	<u>3,410</u>	<u>17,510</u>
24.2.3 Amounts recognised in the statement of profit or loss		
Current service cost	5,292	4,552
Net interest cost	1,874	478
	<u>7,166</u>	<u>5,030</u>
24.2.4 Amounts recognised in other comprehensive income		
Actuarial gains from changes in financial assumptions	(2,875)	(163)
Experience adjustments	(13,158)	1,791
	<u>(16,033)</u>	<u>1,628</u>
Return on plan assets, excluding interest income	1,649	10,852
	<u>(14,384)</u>	<u>12,480</u>

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BALUCHISTAN WHEELS LIMITED

	30 June 2020	30 June 2019		
Note	----- (Rs. in '000) -----			
24.2.5 Movement in net liability				
Balance as at the beginning of the year	17,510	10,629		
Net charge	7,166	5,030		
Re-measurement (gain) / loss	(14,384)	12,480		
Contributions	(6,882)	(10,629)		
Balance as at the end of the year	<u>3,410</u>	<u>17,510</u>		
24.2.6 Movement In present value of defined benefit obligations				
Balance as at the beginning of the year	90,263	79,400		
Current service cost	5,292	4,562		
Interest cost	12,243	7,040		
Benefits paid	(6,882)	(2,356)		
Benefits payable	(1,822)	-		
Re-measurement (gain) / loss	(16,034)	1,627		
Balance as at the end of the year	<u>83,060</u>	<u>90,263</u>		
24.2.7 Movement in the fair value of plan assets				
Balance as at the beginning of the year	72,753	68,771		
Expected return	10,367	6,561		
Contributions	6,882	10,629		
Benefits paid	(6,882)	(2,356)		
Benefits payable	(1,822)	-		
Return on plan assets, excluding interest income	(1,649)	(10,852)		
Balance as at the end of the year	<u>79,649</u>	<u>72,753</u>		
24.2.8 Principal actuarial assumptions used are as follows:	30 June 2020	30 June 2019		
	----- (Percentage) -----			
Expected rate of increase in salary level	-	15.25		
Valuation discount rate	8.50	14.25		
24.2.9 Composition of plan assets are as follows:	30 June 2020	30 June 2019		
	----- (Rs. in '000) -----			
Treasury Bills	41,445	34,826		
Mutual Funds	20,859	20,469		
Equity investments	8,847	7,803		
Bank balances	10,320	9,655		
	<u>81,471</u>	<u>72,753</u>		
Benefits payable	(1,822)	-		
	<u>79,649</u>	<u>72,753</u>		
24.2.10 Expected contribution to the fund for the year ending 30 June 2021 is Rs. 54.5 million.				
24.2.11 Sensitivity analysis	30 June 2020			
	Discount rate		Salary increase	
	+100 bps	-100 bps	+100bps	-100 bps
	----- (Rs. in '000) -----			
Present value of obligations	<u>80,870</u>	<u>(86,675)</u>	<u>86,594</u>	<u>(80,895)</u>
24.3 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017.				

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BALUCHISTAN WHEELS LIMITED

	Note	30 June 2020 (Rs. in '000)	30 June 2019
24.4 Workers' profit participation fund			
Balance as at the beginning of the year		1,035	(735)
Interest thereon	32	54	-
		<u>1,089</u>	<u>(735)</u>
Payments made		(2,589)	(3,265)
		<u>(1,500)</u>	<u>(4,000)</u>
Charge	31	1,274	5,035
Balance as at the end of the year		<u>(226)</u>	<u>1,035</u>
25. Provision for warranty			
Balance as at the beginning of the year		1,354	5,033
Reversal of provision	29	(531)	(3,011)
Adjustment against claims		(10)	(668)
Balance as at the end of the year		<u>813</u>	<u>1,354</u>

26 CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

26.1.1 On 8 April 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.

26.1.2 On 6 August 2001, the Company has filed a 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.

26.1.3 On 25 January 2018, the Additional Commissioner Inland Revenue (ACIR) amended the assessment and issued order under section 122 (5A) of the Income Tax Ordinance, (ITO) 2001, for 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 the 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 issues 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 to maintain a provision against the demand for the tax year 2015, as the matter will be reassessed as fresh by the relevant assessing authority.

26.1.4 On 27 September 2018, Deputy Commissioner Inland Revenue (DCIR) amended the assessment and issued order under section 122 (5A) of the ITO 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 CIR (A), who maintained the demand of DCIR through appellate order dated 15 January 2019. The Company filed appeal before ATIR which is pending adjudication.

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 above contingency.

		30 June 2020 (Rs. in '000)	30 June 2019
26.2 Commitments			
Outstanding letter of guarantee		<u>5,212</u>	<u>5,212</u>
Outstanding letter of credit		<u>82,245</u>	<u>78,137</u>

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BALUCHISTAN WHEELS LIMITED

	Note	30 June 2020 (Rs. in '000)	30 June 2019
27. TURNOVER – net			
Local sales	27.1	1,062,586	1,855,475
Sales return		(3,348)	(5,159)
Sales tax		(153,906)	(269,599)
		(157,254)	(274,758)
Export sales		7,488	6,841
		<u>912,820</u>	<u>1,587,558</u>

27.1 Local sales include scrap sales of Rs. 28.512 million (2019: Rs. 62.631 million).

	Note	30 June 2020 (Rs. in '000)	30 June 2019
28 COST OF SALES			
Raw material and components consumed			
Stock as at the beginning of the year			
Raw material and components		233,078	211,283
Scrap		449	63,527
		<u>233,527</u>	<u>274,810</u>
Purchases		396,661	986,622
Stock as at the end of the year			
Raw material and components	10	(151,671)	(233,078)
Scrap	10	(1,610)	(449)
		<u>(153,281)</u>	<u>(233,527)</u>
		476,907	1,027,905
Manufacturing overheads			
Salaries, wages and benefits	28.1	111,478	164,599
Stores, spare parts and loose tools consumed		43,428	63,315
Depreciation on operating fixed assets	5.1.1	43,228	45,257
Depreciation on right-of-use assets	6.1	412	-
Fuel and power		36,614	44,070
Outsourced job contractor		15,870	32,783
Staff transportation		13,804	15,708
Repairs and maintenance		9,173	4,680
Insurance		3,296	3,778
Provision for slow moving and obsolete stores, spare parts and loose tools	9.1	3,720	3,421
Vehicle running expenses		2,895	2,945
Entertainment		2,107	2,051
Communication		618	651
Printing and stationery		66	547
Travelling and conveyance		40	193
Computer expenses		91	104
Subscription		51	48
Reversal of provision for slow moving and obsolete stock-in-trade	10.1	(4,423)	(1,187)
Others		324	312
		<u>282,792</u>	<u>383,275</u>
Manufacturing cost		<u>759,699</u>	<u>1,411,180</u>
Work-in-process			
As at the beginning of the year		169,843	143,066
As at the end of the year	10	(135,686)	(169,843)
		<u>34,157</u>	<u>(26,777)</u>
Cost of goods manufactured		<u>793,856</u>	<u>1,384,403</u>
Finished goods			
As at the beginning of the year		140,298	97,671
As at the end of the year	10	(138,748)	(140,298)
		<u>1,550</u>	<u>(42,627)</u>
		<u>795,406</u>	<u>1,341,776</u>

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BALUCHISTAN WHEELS LIMITED

	Note	30 June 2020	30 June 2019
		----- (Rs. in '000) -----	
28.1	Included herein are the following employees' benefits:		
	Bonus	7,279	12,324
	Medical	4,054	5,003
	Defined benefit plan – gratuity	5,272	3,773
	Defined contribution plan – provident fund	3,528	3,496
	Accrual for compensated absences	1,280	1,192
		<u>21,413</u>	<u>25,788</u>
29	DISTRIBUTION COSTS		
	Carriage and forwarding	14,099	26,700
	Salaries and benefits	29.1 14,532	13,774
	Outsourced service expenses	2,455	2,432
	Entertainment	1,543	1,708
	Vehicle running expenses	1,442	1,359
	Utilities	464	524
	Insurance	283	510
	Selling expense – exports	486	313
	Depreciation on operating fixed assets	5.1.1 217	241
	Communication	96	118
	Staff transportation	64	91
	Advertisement	73	40
	Travelling and conveyance	5	-
	Computer expenses	14	12
	Reversal of provision for warranty	25 (531)	(3,011)
	Others	182	134
		<u>35,424</u>	<u>44,945</u>
29.1	Included herein are the following employees' benefits:		
	Bonus	285	822
	Medical	293	281
	Defined benefit plan – gratuity	358	251
	Defined contribution plan – provident fund	727	726
	Accrual for compensated absences	(136)	19
		<u>1,527</u>	<u>2,099</u>
30	ADMINISTRATIVE EXPENSES		
	Salaries and benefits	30.1 44,398	48,382
	Outsourced service expenses	8,194	8,537
	Vehicle running expenses	5,339	6,690
	Corporate expenses	3,302	5,151
	Depreciation on operating fixed assets	5.1.1 2,901	4,825
	Depreciation on right-of-use assets	6.1 4,690	-
	Entertainment	2,538	3,570
	Rent, rates and taxes	-	2,955
	Utilities	2,679	2,787
	Legal and professional charges	1,482	2,080
	Auditor's remuneration	30.2 1,386	1,286
	Doubtful advances written-off	-	1,153
	Insurance	1,193	1,053
	Communication	572	759
	Staff transportation	609	681
	Repairs and maintenance	243	419
	General stores supplies	746	594
	Computer expenses	433	398
	Travelling and conveyance	169	338
	Subscription	98	228
	Printing and stationery	368	202
	Advertisement	-	135
	Allowance for expected credit losses	11.1 405	31
	Others	423	341
		<u>82,148</u>	<u>92,595</u>

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BALUCHISTAN WHEELS LIMITED

	Note	30 June 2020 (Rs. in '000)	30 June 2019
30.1 Included herein are the following employees' benefits:			
Bonus		1,141	3,286
Medical		1,174	1,650
Defined benefit plan – gratuity		1,536	1,006
Defined contribution plan – provident fund		1,900	1,894
Accrual for compensated absences		(592)	90
		<u>5,159</u>	<u>7,926</u>
30.2 Auditor's remuneration			
Statutory audit fee		765	715
Half yearly review		160	150
Code of Corporate Governance		70	65
Other certifications		163	135
Out of pocket expenses		228	221
		<u>1,386</u>	<u>1,286</u>
31 OTHER EXPENSES			
Workers' profits participation fund	24.4	1,274	5,035
Workers' welfare fund		510	1,704
Exchange loss – net		-	5,802
		<u>1,784</u>	<u>12,541</u>
32 FINANCE COSTS			
Mark-up on running finance		195	5,912
Mark-up on long-term loan		432	-
Interest on lease liabilities	19.1	1,452	608
Interest on WPPF	24.4	54	-
		<u>2,133</u>	<u>6,520</u>
Bank charges and excise duty		220	271
		<u>2,353</u>	<u>6,791</u>
33 OTHER INCOME			
Income from financial assets			
Profit on savings accounts		3,107	1,417
Profit on treasury bills		24,112	438
Dividend income		39	189
Realised loss on redemption of investments at FVTPL		-	(327)
Unrealised gain / (loss) on revaluation of investments at FVTPL	15.3	481	(2,118)
		<u>27,739</u>	<u>(401)</u>
Income from non-financial assets			
Liability no longer payable written back		-	4,298
Gain on sale of operating fixed assets	5.1.2	4	3,090
Exchange gain - net		731	-
Disposal of waste / others		(674)	(2,254)
Government grant released	22	185	-
Others		5	312
		<u>251</u>	<u>5,446</u>
		<u>27,990</u>	<u>5,045</u>

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34 TAXATION

Provision for tax in these financial statements is calculated on the basis of Minimum Tax under section 113 of the Income Tax Ordinance, 2001, therefore, no reconciliation has been presented for this year.

35 EARNINGS PER SHARE BASIC AND DILUTED

There is no dilutive effect on the basic earnings per share of the Company, which is based on:

	30 June 2020	30 June 2019
Profit for the year after taxation (Rs. in '000)	<u>18,920</u>	<u>71,512</u>
Weighted average number of ordinary shares outstanding during the year of Rs. 10/- each (Nos. in '000)	<u>13,334</u>	<u>13,334</u>
Basic and diluted earnings per share (Rs.)	<u>1.42</u>	<u>5.36</u>

	30 June 2020	30 June 2019
Note	----- (Rs. in '000) -----	

36 CASH GENERATED FROM OPERATIONS

Profit before taxation		23,695	93,955
Adjustments for:			
Depreciation on operating fixed assets	5.1.1	46,346	50,323
Depreciation on right-of-use assets	6.1	5,102	-
Government grant released	33	(185)	-
Gain on sale of operating fixed assets	33	(4)	(3,090)
Finance costs	32	2,353	6,791
Provision for slow moving and obsolete stores, spare parts and loose tools	9.1	3,720	3,421
Reversal of provision for slow moving and obsolete stock-in-trade	10.1	(4,423)	(1,187)
Allowance for expected credit losses	11.1	405	31
Accrual for compensated absences		552	1,301
Reversal of provision for warranty claims and adjustment against claims	25	(541)	(3,679)
Provision for employee defined benefit obligations	24.2.3	7,166	5,030
Profit on savings accounts and treasury bills	33	(27,219)	(1,855)
(Gain) / loss on revaluation and redemption of listed equity securities	33	(481)	2,445
Dividend income	33	(39)	(189)
		<u>32,752</u>	<u>59,342</u>
Working capital changes	36.1	56,447	153,297
		<u>155,456</u>	<u>28,018</u>
		<u>211,903</u>	<u>181,315</u>



BALUCHISTAN WHEELS LIMITED

	30 June 2020	30 June 2019
	----- (Rs. in '000) -----	
36.1 Working capital changes		
Decrease / (increase) in current assets		
Stores, spare parts and loose tools	7,775	194
Stock-in-trade	115,953	8,270
Trade debts	35,240	21,354
Loans and advances	(417)	8,891
Deposits and short-term prepayments	638	(298)
Other receivables	(226)	735
Sales tax refundable - net	(8,872)	4,244
	<u>150,091</u>	<u>43,390</u>
Increase / (decrease) in current liabilities		
Trade and other payables	5,365	(15,372)
	<u>155,456</u>	<u>28,018</u>

37 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

37.1 Aggregate amounts charged in the financial statements are as follows:

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019	30 June 2020	30 June 2019
	----- (Rs. in '000) -----							
Remuneration	5,579	6,579	12,776	12,776	4,848	6,494	24,203	25,849
Housing	2,961	2,961	5,748	5,748	2,181	2,922	10,890	11,631
Retirement benefits	1,208	2,328	2,346	4,899	932	2,423	4,485	9,450
Bonus	1,645	1,968	3,194	3,808	1,212	1,841	6,051	7,617
Medical expenses	547	729	709	1,383	144	204	1,400	2,316
Utilities	459	512	1,161	1,031	600	634	2,220	2,177
Leave fare assistance	-	-	1,473	675	18	81	1,491	758
	<u>13,399</u>	<u>15,077</u>	<u>27,407</u>	<u>30,120</u>	<u>9,935</u>	<u>14,599</u>	<u>50,741</u>	<u>59,796</u>
Number	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>6</u>	<u>7</u>

37.2 In addition, 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.

37.3 Aggregate amount charged in the financial statements against fee for attending meetings to six non-executive directors was Rs. 1.67 million (2019: Rs. 2.95 million).

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND 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 2020 which are summarized below:

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BALUCHISTAN WHEELS LIMITED

38.1 Market risk

Market risk is the risk that fair value of future cash flows 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.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a 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.

(ii) 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 savings accounts with floating interest rates.

Sensitivity analysis

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

	Increase / decrease in interest rate (%)	Effect on profit before tax -- (Rs. in '000) --
2020	+2	616
	-2	(616)
2019	+2	489
	-2	(489)

(iii) 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. 3.31 million (2019: Rs. 2.83 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 PKR 0.33 million (2019: 0.28 million) increase / (decrease) on the Company's profit before tax.

38.2 Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counter parties failed 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:

	Note	Carrying values	
		30 June 2020	30 June 2019
(Rs. in '000)			
Loans	7	3,936	4,101
Deposits		5,282	6,112
Trade debts	11	108,542	144,187
Short-term investment in treasury bills	15	330,599	100,001
Bank balances	16	60,362	44,994
		<u>508,721</u>	<u>299,395</u>

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BALUCHISTAN WHEELS LIMITED

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:

	30 June 2020	30 June 2019
	----- (Rs. in '000) -----	
38.2.1 Customers with no defaults in the past one year		
Trade debts	<u>108,542</u>	<u>144,187</u>

38.2.2 Set out below is the information about the credit risk exposure on the Company's trade debts:

	30 June 2020						Total
	Days past due						
	Current	1-90 Days	91-180 Days	181-270 Days	270-360 Days	>360 Days	
Expected credit loss rate	0.05%	0.05%	1.72%	4.81%	10.50%	100%	
----- (Rs. in '000) -----							
Estimated total gross carrying amount at default	59,863,353	27,926,062	17,545,849	3,623,256	-	-	109,059
Expected credit loss	31,864	14,864	303,442	-	-	-	51
Amounts past due but not impaired	59,631,489	27,911,197	17,342,407	3,456,145	-	-	108,542

	30 June 2019						Total
	Days past due						
	Current	1-90 Days	91-180 Days	181-270 Days	270-360 Days	>360 Days	
Expected credit loss rate	0.02%	0.02%	1.96%	1.96%	5.28%	100%	
----- (Rs. in '000) -----							
Estimated total gross carrying amount at default	84,029,931	56,019,954	4,198,066	-	51,346	84,029,931	144,299
Expected credit loss	16,327	10,854	82,074	-	2,713	16,327	112
Amounts past due but not impaired	84,013,604	56,009,069	4,116,992	-	48,632	-	144,187

38.2.3 The credit quality of balances with banks can be assessed with reference to external credit ratings as follows:

	30 June 2020	30 June 2019
	----- (Rs. in '000) -----	
Bank balances		
A1+	<u>53,658</u>	<u>44,994</u>
A1	<u>108</u>	<u>-</u>
AAA	<u>6,596</u>	<u>-</u>
	<u>60,362</u>	<u>44,994</u>

38.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet 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. At the reporting date, the Company has unavailed facilities of Rs. 335 million for running finance which carry interest rates ranging between 3 months average KIBOR plus 0.5% and 0.75% and are secured against the stock and book debts of the Company for Rs. 463.6 million. The table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual undiscounted payments.

	30 June 2020				30 June 2019					
	INTEREST / MARK-UP / PROFIT BEARING			NON-INTEREST BEARING	TOTAL	INTEREST / MARK-UP / PROFIT BEARING			NON-INTEREST BEARING	TOTAL
	Less than one year	One to five years	Total			Less than one year	One to five years	Total		
----- (Rs. in '000) -----										
Long-term loan	12,000	32,776	44,776	-	44,776	-	-	-	-	-
Lease liabilities	6,298	6,919	13,217	-	13,217	3,978	1,005	4,983	-	4,983
Long-term deposits	1,457	982	2,439	2,439	2,439	-	2,010	2,010	2,010	2,010
Trade and other payables	-	-	-	100,534	100,534	-	-	-	109,338	109,338
Unclaimed dividend	-	-	-	5,913	5,913	-	-	-	6,846	6,846
	<u>19,755</u>	<u>40,677</u>	<u>60,432</u>	<u>108,885</u>	<u>166,879</u>	<u>3,978</u>	<u>3,015</u>	<u>6,993</u>	<u>116,154</u>	<u>123,177</u>

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BALUCHISTAN WHEELS LIMITED

38.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholders value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, less cash and cash equivalents.

The gearing ratios as at 30 June 2020 and 30 June 2019 are as follows:

	30 June 2020	30 June 2019
	----- (Rs. in '000) -----	
Long-term financing	39,560	-
Cash and cash equivalents	(60,362)	(44,994)
Net debt	(20,802)	(44,994)
Share capital	133,343	133,343
Capital reserve	(10,493)	(24,877)
Reserves	1,171,804	1,179,553
Total capital	1,294,654	1,288,019
Capital and net debt	1,273,852	1,243,025
Gearing ratio	(1.63%)	(3.62%)

39. Changes in liabilities to cash flows arising from financing activities:

	30 June 2020		
	Unclaimed dividend	Lease liabilities	Long-term loan
	----- (Rs. in '000) -----		
Balance as at beginning of the year	6,846	4,736	-
Changes from financing cash flows			
Received during the year	-	-	42,786
Dividend paid during the year	(27,602)	-	-
Lease rentals paid	-	(8,215)	-
	(27,602)	(8,215)	42,786
Other changes			
Dividend declared for the year ended June 30 2019	26,669	-	-
Impact of initial application of IFRS 18 (note 3.1.1)	-	9,459	-
Finance cost during the year	-	1,452	432
Finance cost paid during the year	-	-	(112)
Additions during the year	-	4,200	-
Recognised as government grant	-	-	(3,546)
	26,669	15,111	(3,226)
Balance as at end of the year	5,913	11,632	39,560
	30 June 2019		
	Unclaimed dividend	Lease liabilities	Long-term loan
	----- (Rs. in '000) -----		
Balance as at beginning of the year	5,281	10,583	-
Changes from financing cash flows			
Dividend paid during the year	(38,438)	-	-
Lease rentals paid	-	(6,435)	-
	(38,438)	(6,435)	-
Other changes			
Dividend declared for the year ended June 30 2018	40,003	-	-
Finance cost during the year	-	608	-
	40,003	608	-
Balance as at end of the year	6,846	4,736	-

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BALUCHISTAN WHEELS LIMITED

40 TRANSACTIONS WITH RELATED PARTIES

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

Relationship	Nature of transactions	30 June	30 June
		2020	2019
		----- (Rs. in '000) -----	
Common directorship	Sales to Gandhara Nissan Limited	5,776	1,989
Key management personnel	Sale of vehicles / equipment	1,538	-
Key management personnel	Dividend paid to directors and others	14,077	22,680
Key management personnel	Loans given during the year	1,832	1,881
Key management personnel	Advances paid during the year	900	1,091

41 FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value hierarchy

The following table shows financial instruments recognised at fair value as of the reporting date, analysed between those whose fair value is based on:

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

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

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

	Level 1	Level 2	Level 3	Total
	----- (Rs. in '000) -----			
Investments designated 'at fair value through profit or loss'				
Listed equity securities				
30 June 2020	3,307	-	-	3,307
30 June 2019	2,826	-	-	2,826

42 NUMBER OF EMPLOYEES

The number of employees including contractual employees of the Company are as follows:

	30 June	30 June
	2020	2019
		----- Numbers -----
At year end	234	272
Average during the year	249	280

43 PLANT CAPACITY AND ACTUAL PRODUCTION

	30 June	30 June
	2020	2019
		----- (Units in '000) -----
Plant capacity – single shift (estimated)	850	850
Actual production	354	662

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



BALUCHISTAN WHEELS LIMITED

44. OPERATING SEGMENTS

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

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

Total sales of the Company relating to customers in Pakistan were 99.2% during the year ended 30 June 2020 (2019: 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 36%, 23% and 23% of the Company's total sales during the year ended 30 June 2020.

45. DIVIDEND AND APPROPRIATIONS

The Board of Directors in its meeting held on September 14th 2020 proposed final cash dividend of Rs. 1.50/- per share for the year ended 30 June 2020 amounting to Rs. 20.00 million for approval of the members at the Annual General Meeting to be held on October 22 2020.

46. GENERAL

- a. Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.
- b. Certain prior year figures have been reclassified for better presentation. However, there are no material reclassifications to report.
- c. These financial statements have been authorised for issue on September 14th 2020 by the Board of Directors of the Company.


Chief Executive


Director

Y. Y. Lal
Chief Financial Officer



PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2020

NO. OF SHAREHOLDERS	SHAREHOLDING RANGE		NO. OF SHARES
	FROM	TO	
648	1	-	27,310
466	101	-	131,382
105	501	-	80,396
91	1,001	-	189,225
12	5001	-	92,313
4	10001	-	42,762
1	15001	-	18,500
1	20001	-	22,000
1	30001	-	33,715
1	35001	-	37,000
1	50001	-	55,000
1	80001	-	82,800
2	85001	-	175,500
1	110001	-	110,400
1	145001	-	145,562
1	225001	-	234,500
1	245001	-	248,900
1	285001	-	287,500
1	325001	-	328,000
1	340001	-	341,693
1	380001	-	381,165
1	435001	-	437,201
1	475001	-	482,083
1	620001	-	624,249
1	645001	-	646,478
1	1245001	-	1,249,050
1	1280001	-	1,282,825
1	1325001	-	1,328,360
1	1570001	-	1,571,971
1	2645001	-	2,646,410
1,351			13,334,250

Categories of Shareholders	Number of Shareholders	Number of Shares Held	Percentage(%)
SPONSORS, DIRECTORS, THEIR SPOUSES & MINOR CHILDREN	11	7,038,193	52.78%
BANK, DFI & NBF	4	1,657,828	12.43%
INSURANCE COMPANIES	1	341,693	2.56%
MODARABAS & MUTUAL FUND	6	343,518	2.58%
FOREIGN COMPANIES	7	5,905	0.04%
OTHERS	21	1,911,401	14.33%
GENERAL PUBLIC			
--- LOCAL	1,147	2,000,059	15.00%
--- FOREIGN	154	35,653	0.27%
	1,351	13,334,250	100.00%



PATTERN OF SHAREHOLDING - BREAKUP

AS AT JUNE 30, 2020

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
<u>DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN</u>	11	7,038,193	52.78%
1 MR. RAZAK BENGALI		1,571,971	
2 MRS. GUL BANO		482,083	
3 MR. MUHAMMAD SIDDIQUE MISRI		2,646,410	
4 MRS. MEHTAB BIBI		437,201	
5 MRS. SABA NADEEM		3,000	
6 MR. MUHAMMAD IRFAN GHANI		1,249,050	
7 MRS. KAUSAR IRFAN		646,478	
8 MR. ANIS WAHAB ZUBERI		500	
9 MR. SYED HAROON RASHID		500	
10 MR. MUHAMMAD JAVED		500	
11 IRFAN AHMED QURESHI		500	
<u>BANK, DFI & NBF</u>	4	1,657,828	12.43%
1 PRUDENTIAL INVESTMENT BANK LIMITED		575	
2 NATIONAL BANK OF PAKISTAN		893	
3 NATIONAL BANK OF PAKISTAN		328,000	
4 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,328,360	
<u>INSURANCE COMPAINES</u>	1	341,693	2.56%
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
<u>MODARABAS & MUTUAL FUND</u>	6	343,518	2.58%
1 CDC - TRUSTEE NBP STOCK FUND		87,000	
2 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFI FUND		234,500	
3 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND		4,000	
4 CDC - TRUSTEE NBP SARMAYA IZAFI FUND		7,500	
5 CDC - TRUSTEE NBP ISLAMIC STOCK FUND		10,500	
6 GENERAL MODARABA SERVICES (PVT) LTD		18	
<u>FOREIGN COMPANIES</u>	7	5,905	0.04%
1 ROYAL BANK OF SCOTLAND		1,638	
2 BANK OF SCOTLAND		718	
3 BANKERS TRUST COMPANY		86	
4 MORGAN STANLEY BANK LUXEMBOURG		1,322	
5 MORGAN STANLEY TRUST COMPANY		718	
6 CROSBY SECURITIES PTE LTD.		833	
7 SOMERS NOMINEES (FAR EAST) LTD.		590	
<u>OTHERS</u>	21	1,911,401	14.33%
1 M/S. NATIONAL MOTORS LIMITED		230	
2 NATIONAL DEV. FINANCE CORP. INVESTERS		438	
3 BOLAN CASTINGS LIMITED		287,500	
4 KHOJA (PIRHAI) SHIA ISNA ASHARI JAMAT		230	
5 PRUDENTIAL SECURITIES LIMITED		718	
6 AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.		40	
7 SIZA (PRIVATE) LIMITED		10,000	
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	



PATTERN OF SHAREHOLDING - BREAKUP

AS AT JUNE 30, 2020

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
11 S.H. BUKHARI SECURITIES (PVT) LIMITED		86	
12 UHF CONSULTING (PRIVATE) LIMITED		200	
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 MSMANIAR FINANCIALS (PVT) LTD.		345	
18 FIKREES (PRIVATE) LIMITED		801	
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		500	
GENERAL PUBLIC	1,301	2,035,712	15.27%
1 GENERAL PUBLIC - LOCAL		2,000,059	
2 GENERAL PUBLIC - FOREIGN		35,653	
	1,351	13,334,250	100.00%
SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY	5	8,078,616	60.59%
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 MUHAMMAD IRFAN GHANI		1,249,050	



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 40th Annual General Meeting (AGM) of the shareholders of Baluchistan Wheels Limited will be held on Thursday, October 22, 2020 at 12:00 NOON at Karachi to transact the following business. Due to the need of required social distancing to avoid the spread of COVID-19 pandemic, shareholders are requested to attend the meeting through video conferencing facility arranged by the Company as per the instructions given in the notes section.

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on October 26, 2019.
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, 2020.
3. To consider and approve payment of final cash dividend of Rs. 1.5 per share (15%) for the year ended June 30, 2020 as recommended by the Board of Directors.
4. To appoint Statutory Auditors of the company for the year ending June 30, 2021 and fix their remuneration.

The present auditors, M/s. EY Ford Rhodes, Chartered Accountants, are retiring at the conclusion of the 40th AGM of the Company. The Board Audit Committee and the Board of Directors on recommendation of the management of the Company recommended that M/s. BDO Ebrahim & Co., Chartered Accountants (a member firm of International BDO Network), be appointed as statutory auditors of the Company for the year ending June 30, 2021 at a fee to be mutually agreed and reimbursements of out of pocket expenses at actual.

OTHER BUSINESS

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

Muhammad Asad Saeed
BY ORDER OF THE BOARD
Muhammad Asad Saeed
Company Secretary

Karachi: September 30, 2020

NOTES:

1. Participation in the AGM proceeding via video conferencing facility and appoint proxies:

Due to current COVID-19 situation, the AGM proceedings shall be held via video conferencing facility only.

Shareholders interested to participate in the meeting are requested to email to get themselves registered by sending their particulars at the designated e-mail address (bwlfm@cyber.net.pk) giving following particulars:

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



Head Office : First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,
P. O. Box No. 15511 Karachi-75530 (Pakistan)
Phone (Off) : (021) 35683474 35687502 35689259, Fax : 92-21-35684003
Factory : Main RCD Highway Hub Chowki District Lasbella, Baluchistan
Phones : (Factory) : (0853) 363426 (0853) 363428, Fax : (0853) 364025
Email : bwheels@cyber.net.pk
Internet : <http://www.bwheels.com>





Video link and login credentials will be shared with only those members whose emails, containing the required particulars, are received not less than 48 hours before the time 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 **October 15, 2020 to October 22, 2020** (both days inclusive). Transfers received in order at M/s THK Associates (Pvt) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S. Karachi-75530, Pakistan, **by the close of business on October 14, 2020** will be considered in time to determine the above mentioned entitlement and to attend and vote at the meeting.

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.



Head Office : First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,
P. O. Box No. 14511, Karachi-75530 (Pakistan)
Phone (Off) : (021) 35683474, 35687502, 35689259, Fax : 92-21-35684003
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.
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Email : bwheels@cyber.net.pk
Internet : <http://www.bwheels.com>





4. CNIC/NTN on Electronic Dividend (Mandatory)

- 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. As per 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. Unclaimed/Unpaid Dividend

Shareholders, who by any reason, could not claim their dividend are advised to contact our Share Registrar M/s. THK Associates (pvt.) Ltd. to collect/enquire about their unclaimed/unpaid dividends.

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

- a. Currently, the deduction of withholding income tax on the amount of dividend paid by the Companies under section 150 of the Income Tax Ordinance, 2001 are as under:
 - (i) For Active Tax Payer: 15%
 - (ii) For Non- Active Tax Payer: 30%



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Email : bwheels@cyber.net.pk
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- 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.

8. 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 2020, are available on the Company’s website [http:// www.bwheels.com](http://www.bwheels.com)
- b. If any shareholder, desires to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.
- 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)

9. 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



Head Office : First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,
P. O. Box No. 15511 Karachi -75530 (Pakistan)
Phone (Off) : (021) 35683474, 35687502, 35689259, Fax : 92-21-35684003
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.
Phones : (Factory) : (0853)-363426, (0853)-363428, Fax : (0853)-364025
Email : bwheels@cyber.net.pk
Internet : <http://www.bwheels.com>





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 polices 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



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 **October 22,
2020** at 12 Noon via Video Conference and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2020

Signature of Member (s)

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

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

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

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

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES

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

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

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



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Millat Tractors Ltd.



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*Mobile apps are also available for download for android and ios devices.



BALUCHISTAN WHEELS LIMITED



Factory & Registered Office

Main RCD Highway, Hub Chowki,
Lesbella Baluchistan

Telephone # : (0853)-363426, 363428

Fax # : (0853)-364025