



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

ANNUAL REPORT

BALUCHISTAN WHEELS LIMITED

Car Wheels

Truck / Bus  
Wheels

Commercial  
Vehicles  
Wheels

2019

Agricultural Tractor  
Wheels

Pick-Up / Vans  
Jeep Wheels

Moving Around The World

## ANNUAL REPORT 2019

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



# BALUCHISTAN WHEELS LIMITED

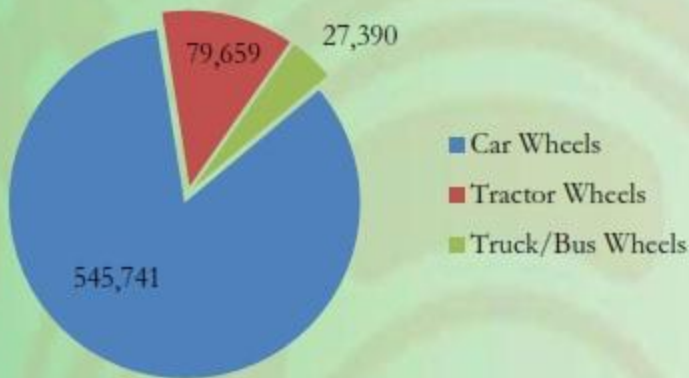
Manufacturers of Automotive Wheels in Pakistan

● Vision Mission	03
● Company Information	04
● Board of Directors	05
● Management Team	08
● Six Years at a Glance	10
● Horizontal & Vertical Analysis	12
● Statement of Value Addition & Its Distribution	18
● Review Report by the Chairman	19
● Directors' Report to the Shareholders (English)	22
● Directors' Report to the Shareholders (Urdu)	43
● Investor Relations	44
● Statement of Compliance with the Best Practices of Code of Corporate Governance	46
● Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	49
● Auditor's Report to the Members	50
● Statement of Financial Position	54
● Statement of Profit or Loss	55
● Statement of Comprehensive Income	56
● Statement of Cash Flows	57
● Statement of Changes in Equity	58
● Notes to the Financial Statements	59
● Pattern & Breakup of Shareholding	82
● Notice of the Meeting	91
● Code of Conduct / Statement of Ethics and Business Practices	
● Proxy Form	

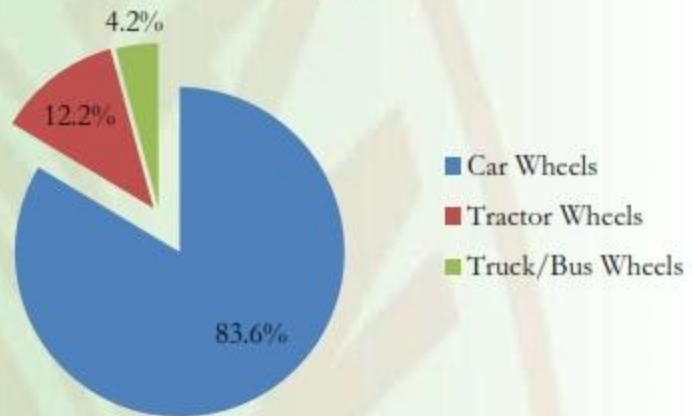


## GHAPHICAL REPRESENTATION

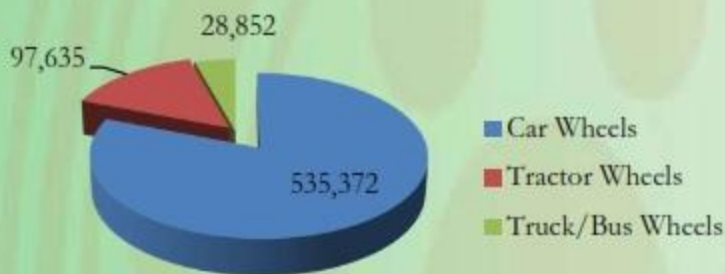
### Sales in Qty 2019



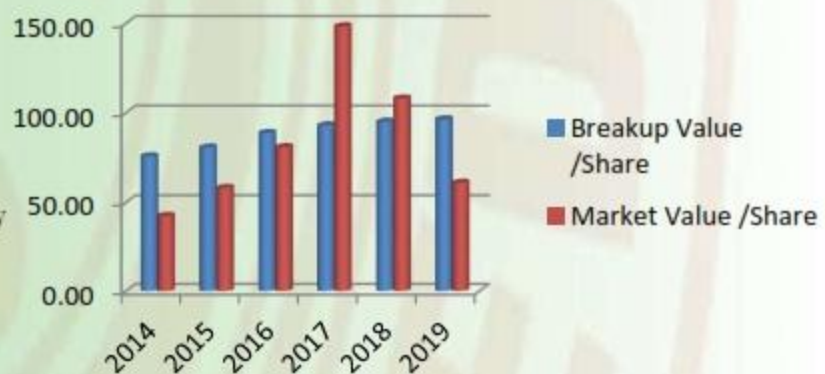
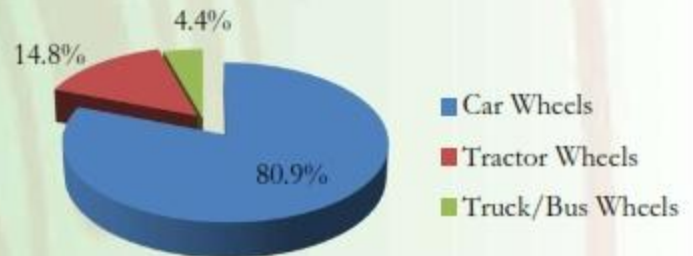
### Sales in % 2019



### Production in Qty



### Production in %





# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

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



Indus Motor Co. Ltd.



Pak Suzuki Motor Co. Ltd.



## Disc Wheels for Agricultural Tractors



Millat Tractors Ltd.



Al-Ghazi Tractors Ltd.



Orient Automotive Industries (Pvt.) Ltd.



## Disc Wheels for Commercial Vehicles



Ghandhara Industries Ltd.



Hinopak Motors Ltd.



Ghandhara DF (Pvt.) Ltd.



Master Motors Corporation Ltd.



Fuso Master Motors (Pvt.) Ltd.



Afzal Motors (Pvt.) Ltd.





## 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

Manufacturers of Automotive Wheels in Pakistan

## COMPANY INFORMATION

### CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

### CHIEF EXECUTIVE

Mr. Razak H.M. Bengali

### INDEPENDENT DIRECTORS

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

### EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri  
Mr. Muhammad Irfan Ghani

Director Marketing/ Business Development  
Chief Operating Officer

### NON-EXECUTIVE DIRECTORS

Mr. Aamir Amin  
Mrs. Saba Nadeem

(Nominee - NIT)

### CHIEF FINANCIAL OFFICER

Mr. Muhammad Yasin Yunus Ladha

### COMPANY SECRETARY

Mr. Muhammad Asad Saeed

### AUDIT COMMITTEE

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

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

Chairman  
Member  
Member  
Member

### HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

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

Chairman  
Member  
Member  
Member

### MANAGEMENT COMMITTEE

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

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

### 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  
Bank Alfalah Limited  
Industrial and Commercial Bank of China

### 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](mailto:bwlfm@cyber.net.pk)

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

Telephone # 35689259, 35683474, 35687502

Fax # 35684003

### FACTORY AND REGISTERED OFFICE

Main RCD Highway, Hub Chowki,  
Lasbella, Baluchistan.  
Telephone # (0853) 363426, 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.



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



**Mr. Muhammad Siddique Misri**

**Director Marketing / Business Development (Executive Director)**

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

He came back to Pakistan and set up a food processing industry with the name of Zaiqa Food Industries in the year 1995. The unit is engaged in processing of spices and other foods items and in exports of the same to the gulf countries, the Middle East, the UK, the USA and the Canada.

In the year 1998, he took over with the association of his friends the management of Baluchistan Wheels Limited, and since then he is involved in managing and running the company with dedication and hard-work. He is a man of wisdom and possesses business acumen.

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



**Mr. Muhammad Irfan Ghani**

**Chief Operating Officer (Executive Director)**

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



**Mr. Anis Wahab Zuberi**

**Independent Director**

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

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



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



**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.



**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.



**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.



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

8



**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 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 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 Chief Financial Officer / Sr.General Manager (Finance).



**Mr. Sajid Nadri**  
**Sr. General Manager (Technical)**

Mr. Sajid Nadri is associated with the Company since 1997. He is a Mechanical Engineer and has done scores of Technical and Management courses and is associated with the Automobile Industry since last 35 years. He has gained extensive experience in manufacturing engineering and has the specialization and core experience of Sheet Metal Tools, Dies, Jigs and Fixtures, manufacturing and general engineering.

He has obtained Training from Italy, Holland, Japan, and Korea and vastly traveled abroad to China, Singapore, Thailand, India, Australia etc and inland and gained rich experience.



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

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

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



**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)**

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 , he is also MBA (Finance ) & 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.

## 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 nine years of experience in the field of Audit, Finance, Taxation and Corporate Affairs.



## SIX YEAR AT A GLANCE

### STATEMENT OF FINANCIAL POSITION

Rupees in '000'

	2019	2018	2017	2016	2015	2014
<b>ASSETS</b>						
<b>Non Current Assets</b>						
Property, plant & equipment	449,581	494,967	367,269	305,947	307,284	351,705
Intangible asset	-	-	-	-	-	-
Long term investments	-	-	-	-	1,739	747
Long-term loans & advances	3,415	3,855	4,275	3,719	2,998	1,993
Long-term deposits	4,607	5,777	5,063	4,140	5,740	5,740
	<b>457,603</b>	<b>504,599</b>	<b>376,607</b>	<b>313,806</b>	<b>317,761</b>	<b>360,185</b>
<b>Current Assets</b>						
Stores, spare parts & loose tools	50,840	54,455	55,930	46,522	44,018	44,552
Stock-in-trade	525,105	532,188	518,874	468,685	452,579	498,712
Trade debts	144,187	165,572	95,781	77,347	59,981	65,310
Loans and advances	15,914	24,805	32,592	29,276	15,043	14,848
Trade deposits and short term prepayments	2,347	2,049	1,694	2,869	2,287	3,168
Other receivables	431	928	2,894	1,962	521	5,813
Short term investments	102,827	5,516	261,671	354,064	-	83,678
Sales tax refundable - net	-	-	8,554	-	-	1,792
Taxation - net	129,302	141,608	77,553	-	47,041	47,377
Bank balances	44,994	31,116	27,530	44,051	255,013	28,905
	<b>1,015,947</b>	<b>958,237</b>	<b>1,083,073</b>	<b>1,024,776</b>	<b>876,483</b>	<b>794,155</b>
<b>TOTAL ASSETS</b>	<b>1,473,550</b>	<b>1,462,836</b>	<b>1,459,680</b>	<b>1,338,582</b>	<b>1,194,244</b>	<b>1,154,340</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Share Capital and Reserves</b>						
Authorised Capital						
25,000,000 Ord. shares of Rs. 10/- each	250,000	250,000	250,000	250,000	250,000	250,000
Share Capital	133,343	133,343	133,343	133,343	133,343	133,343
Reserves	1,154,676	1,135,647	1,107,742	1,052,030	943,870	877,854
	<b>1,288,019</b>	<b>1,268,990</b>	<b>1,241,085</b>	<b>1,185,373</b>	<b>1,077,213</b>	<b>1,011,197</b>
<b>Non Current Liabilities</b>						
Liabilities against assets subject to finance lease	989	5,306	4,958	-	2,569	5,113
Long term advances	-	-	-	-	-	10,093
Long term deposits	2,010	1,710	874	646	706	1,110
Deferred taxation	38,250	34,958	29,179	19,976	17,592	35,490
	<b>41,249</b>	<b>41,974</b>	<b>35,011</b>	<b>20,622</b>	<b>20,867</b>	<b>51,806</b>
<b>Current Liabilities</b>						
Trade and other payables	125,289	133,499	171,734	115,889	79,766	79,624
Unclaimed dividend	6,846	5,281	4,835	4,190	3,867	3,623
Current portion of						
- liabilities against assets subject to finance lease	3,747	5,257	2,948	2,576	2,523	3,828
- long term advance	-	-	-	-	-	1,442
- long term deposits	-	-	-	836	205	12
Provision for warranty	1,354	5,033	4,067	3,445	3,631	2,808
Taxation-net	-	-	-	3,364	-	-
Sales tax payable - net	7,046	2,802	-	2,287	6,172	-
	<b>144,282</b>	<b>151,872</b>	<b>183,584</b>	<b>132,587</b>	<b>96,164</b>	<b>91,337</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,473,550</b>	<b>1,462,836</b>	<b>1,459,680</b>	<b>1,338,582</b>	<b>1,194,244</b>	<b>1,154,340</b>



## SIX YEAR AT A GLANCE

### STATEMENT OF PROFIT OR LOSS

Rupees in '000'						
	2019	2018	2017	2016	2015	2014
Turnover - net	1,587,558	1,882,640	1,533,650	1,471,558	1,378,332	1,148,425
Cost of Sales	(1,341,776)	(1,612,676)	(1,234,745)	(1,098,211)	(1,170,149)	(948,811)
Gross Profit	245,782	269,964	298,905	373,347	208,183	199,614
Distribution Costs	(44,945)	(60,116)	(49,401)	(37,980)	(38,511)	(38,696)
Administration Expenses	(92,676)	(92,075)	(86,344)	(82,285)	(80,752)	(71,153)
Other Expenses	(12,541)	(8,284)	(14,977)	(20,758)	(12,096)	(10,433)
Finance Costs	(6,791)	(1,927)	(1,378)	(827)	(2,949)	(3,109)
	(156,953)	(162,402)	(152,100)	(141,850)	(134,308)	(123,391)
Other Income	5,126	180	25,404	21,505	37,339	9,014
Profit before Taxation	93,955	107,742	172,209	253,002	111,214	85,237
Taxation	(22,443)	(19,953)	(45,867)	(99,730)	(15,278)	(16,733)
Profit after Taxation	71,512	87,789	126,342	153,272	95,936	68,504
Earnings per Share (Rupees) - Basic and Diluted	5.36	6.58	9.48	11.49	7.19	5.14

#### SIGNIFICANT RATIOS AND STATISTICS

	2019	2018	2017	2016	2015	2014
<b>Liquidity &amp; Leverage Ratios:</b>						
-Current Ratios	7.04	6.31	5.90	7.73	9.11	8.69
-Quick Ratios	3.05	2.45	2.77	3.85	3.95	2.75
-Liability as a % of Total Assets	12.59	13.25	14.98	11.44	9.80	12.40
-Interest Cover Ratio (Times)	14.84	56.91	125.97	306.93	38.71	28.42
<b>Equity Ratios:</b>						
-Break up Value per Share (Rs)	96.59	95.18	93.07	88.90	80.79	75.83
-Dividend as a % of Capital	20.00	30.00	40.00	50.00	30.00	22.50
-Dividend Yield Ratio/ Cost of Equity (%)	3.27	2.77	2.69	6.17	5.16	5.29
-Dividend per Share (Rs)	2.00	3.00	4.00	5.00	3.00	2.25
<b>Profitability Ratios:</b>						
-Gross Profit (%)	15.48	14.34	19.49	25.37	15.10	17.38
-Operating Profit( %)	6.34	5.83	11.32	17.24	8.28	7.69
-Profit before Tax(%)	5.92	5.72	11.23	17.19	8.07	7.42
-Profit after Tax (%)	4.50	4.66	8.24	10.41	6.96	5.97
-Return on Capital Employed( %)	7.29	8.49	13.88	21.34	10.32	8.43
-Earnings per Share (Rs)	5.36	6.58	9.48	11.49	7.19	5.14
-Price Earning Ratio(Times)	11.41	16.45	15.67	7.05	8.08	8.27
-Dividend Payout Ratio (%)	37.31	45.56	42.19	43.50	41.70	43.80
-Dividend Cover (Times)	2.68	2.19	2.40	2.30	2.40	2.28
-Capital Turnover (Times)	1.23	1.48	1.24	1.24	1.28	1.14
-Return on Assets (%)	4.85	6.00	8.66	11.45	8.03	5.93
<b>Turnover/Efficiency Ratios:</b>						
-Inventory Turnover Ratio(Times)	2.31	2.78	2.27	2.17	2.25	1.74
-Debtor Turnover Ratio(Times)	10.25	14.41	17.72	21.43	22.00	11.51
-Fixed Assets Turnover Ratio(Times)	3.53	3.80	4.18	4.81	4.49	3.26
<b>Plant Capacity:</b>						
-Plant Capacity Utilisation (%)	79	96	78	99	94	83
<b>Share Performance:</b>						
-Year end Market Price per Share	61.15	108.21	148.50	81.00	58.15	42.50
-High Price per Share during the Year	111.90	160.94	194.00	95.40	70.49	80.00
-Low Price per Share during the Year	61.15	96.00	80.00	58.00	33.30	41.00



## HORIZONTAL ANALYSIS

### STATEMENT OF FINANCIAL POSITION

	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 (%)	2014 Rs. in '000'
<b>ASSETS</b>											
<b>Non Current Assets</b>											
Property, plant & equipment	449,581	(9)	494,967	35	367,269	20	305,947	(0)	307,284	(13)	351,705
Long term investments	-	-	-	-	-	-	-	(100)	1,739	133	747
Long-term loans & advances	3,415	(11)	3,855	(10)	4,275	15	3,719	24	2,998	50	1,993
Long-term deposits	4,607	(20)	5,777	14	5,063	22	4,140	(28)	5,740	-	5,740
	457,603	(9)	504,599	34	376,607	20	313,806	(1)	317,761	(12)	360,185
<b>Current Assets</b>											
Stores, spare parts & loose tools	50,840	(7)	54,455	(3)	55,930	20	46,522	6	44,018	(1)	44,552
Stock-in-trade	525,105	(1)	532,188	3	518,874	11	468,685	4	452,579	(9)	498,712
Trade debts	144,187	(13)	165,572	73	95,781	24	77,347	29	59,981	(8)	65,310
Loans and advances	15,914	(36)	24,805	(24)	32,592	11	29,276	95	15,043	1	14,848
Trade deposits and short term prepayments	2,347	15	2,049	21	1,694	(41)	2,869	25	2,287	(28)	3,168
Other receivables	431	(54)	928	(68)	2,894	48	1,962	277	521	(91)	5,813
Short term investments	102,827	1,764	5,516	(98)	261,671	(26)	354,064	100	-	(100)	83,678
Taxation - net	129,302	(9)	141,608	83	77,553	100	-	(100)	47,041	(1)	47,377
Sales tax refundable - net	-	-	-	(100)	8,554	100	-	-	-	(100)	1,792
Bank balances	44,994	45	31,116	13	27,530	(38)	44,051	(83)	255,013	782	28,905
	1,015,947	6	958,237	(12)	1,083,073	6	1,024,776	17	876,483	10	794,155
<b>TOTAL ASSETS</b>	<b>1,473,550</b>	0.73	<b>1,462,836</b>	0	<b>1,459,680</b>	9	<b>1,338,582</b>	12	<b>1,194,244</b>	3	<b>1,154,340</b>



## HORIZONTAL ANALYSIS STATEMENT OF FINANCIAL POSITION

	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 (%)	2014 Rs. in '000'
<b>EQUITY AND LIABILITIES</b>											
<b>Share Capital and Reserves</b>											
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>
Share Capital	133,343	-	133,343	-	133,343	-	133,343	-	133,343	-	133,343
Reserves	<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>877,854</u>
	<b>1,288,019</b>	<b>1</b>	<b>1,268,990</b>	<b>2</b>	<b>1,241,085</b>	<b>5</b>	<b>1,185,373</b>	<b>10</b>	<b>1,077,213</b>	<b>7</b>	<b>1,011,197</b>
<b>Non Current Liabilities</b>											
Liabilities against assets subject to finance lease	989	(81)	5,306	7	4,958	100	-	(100)	2,569	(50)	5,113
Long term advances	-	-	-	-	-	-	-	-	-	(100)	10,093
Long term deposits	2,010	18	1,710	96	874	35	646	(8)	706	(36)	1,110
Deferred taxation	38,250	9	34,958	20	29,179	46	19,976	14	17,592	(50)	35,490
	<b>41,249</b>	<b>(2)</b>	<b>41,974</b>	<b>20</b>	<b>35,011</b>	<b>70</b>	<b>20,622</b>	<b>(1)</b>	<b>20,867</b>	<b>(60)</b>	<b>51,806</b>
<b>Current Liabilities</b>											
Trade and other payables	125,289	(6)	133,499	(22)	171,734	48	115,889	45	79,766	0	79,624
Unclaimed dividend	6,846	30	5,281	9	4,835	15	4,190	8	3,867	7	3,623
Short term borrowings Current portion of	-	-	-	-	-	-	-	-	-	-	-
- liabilities against assets subject to finance leases	3,747	(29)	5,257	78	2,948	14	2,576	2	2,523	(34)	3,828
- long term advance	-	100	-	-	-	-	-	-	-	(100)	1,442
- long term deposits	-	-	-	-	-	(100)	836	308	205	(100)	12
Provision for warranty	1,354	(73)	5,033	24	4,067	18	3,445	(5)	3,631	29	2,808
Taxation-net	-	-	-	-	-	(100)	3,364	100	-	-	-
Sales tax payable - net	7,046	100	2,802	100	-	(100)	2,287	(63)	6,172	100	-
	<b>144,282</b>	<b>(5)</b>	<b>151,872</b>	<b>(17)</b>	<b>183,584</b>	<b>38</b>	<b>132,587</b>	<b>38</b>	<b>96,164</b>	<b>5</b>	<b>91,337</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>1,473,550</b></u>	<b>0.73</b>	<u><b>1,462,836</b></u>	<b>0</b>	<u><b>1,459,680</b></u>	<b>9</b>	<u><b>1,338,582</b></u>	<b>12</b>	<u><b>1,194,244</b></u>	<b>3</b>	<u><b>1,154,340</b></u>



## HORIZONTAL ANALYSIS

### STATEMENT OF PROFIT OR LOSS

	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 (%)	2014 Rs. in '000'
Turnover - net	1,587,558	(16)	1,882,640	23	1,533,650	4	1,471,558	7	1,378,332	20	1,148,425
Cost of Sales	<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	<u>(948,811)</u>
Gross Profit	245,782	(9)	269,964	(10)	298,905	(20)	373,347	79	208,183	4	199,614
Distribution Costs	<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)	<u>(38,696)</u>
Administration Expenses	<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	<u>(71,153)</u>
Other Operating Expenses	<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	<u>(10,433)</u>
Finance Costs	<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>(3,109)</u>
	<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	<u>(123,391)</u>
Other Income	5,126	2,748	180	(99)	25,404	18	21,505	(42)	37,339	314	9,014
Profit before Taxation	93,955	(13)	107,742	(37)	172,209	(32)	253,002	127	111,214	30	85,237
Taxation	<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)	<u>(16,733)</u>
Profit after Taxation	<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	<u>68,504</u>
Earnings per Share- Basic and Diluted (Rupees)	5.36	(19)	6.58	(31)	9.48	(18)	11.49	60	7.19	40	5.14



## VERTICAL ANALYSIS STATEMENT OF FINANCIAL POSITION

	2019		2018		2017		2016		2015		2014	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
<b>ASSETS</b>												
<b>Non Current Assets</b>												
Property, plant & equipment	449,581	30.5	494,967	33.8	367,269	25.2	305,947	22.9	307,284	25.7	351,705	30.5
Long term investments	-	0.0	-	0.0	-	0.0	-	0.0	1,739	0.1	747	0.1
Long-term loans & advances	3,415	0.2	3,855	0.3	4,275	0.3	3,719	0.3	2,998	0.3	1,993	0.2
Long-term deposits	4,607	0.3	5,777	0.4	5,063	0.3	4,140	0.3	5,740	0.5	5,740	0.5
	<b>457,603</b>	<b>31.1</b>	<b>504,599</b>	<b>34.5</b>	<b>376,607</b>	<b>25.8</b>	<b>313,806</b>	<b>23.4</b>	<b>317,761</b>	<b>26.6</b>	<b>360,185</b>	<b>31.2</b>
<b>Current Assets</b>												
Stores, spare parts & loose tools	50,840	3.5	54,455	3.7	55,930	3.8	46,522	3.5	44,018	3.7	44,552	3.9
Stock-in-trade	525,105	35.6	532,188	36.4	518,874	35.5	468,685	35.0	452,579	37.9	498,712	43.2
Trade debts	144,187	9.8	165,572	11.3	95,781	6.6	77,347	5.8	59,981	5.0	65,310	5.7
Loans and advances	15,914	1.1	24,805	1.7	32,592	2.2	29,276	2.2	15,043	1.3	14,848	1.3
Trade deposits and short term prepayments	2,347	0.2	2,049	0.1	1,694	0.1	2,869	0.2	2,287	0.2	3,168	0.3
Other receivables	431	0.0	928	0.1	2,894	0.2	1,962	0.1	521	0.0	5,813	0.5
Short term investments	102,827	7.0	5,516	0.4	261,671	17.9	354,064	26.5	-	0.0	83,678	7.2
Taxation - net	129,302	8.8	141,608	9.7	77,553	5.3	-	0.0	47,041	3.9	47,377	4.1
Sales tax refundable - net	-	0.0	-	0.0	8,554	0.6	-	0.0	-	0.0	1,792	0.2
Bank balances	44,994	3.1	31,116	2.1	27,530	1.9	44,051	3.3	255,013	21.4	28,905	2.5
	<b>1,015,947</b>	<b>68.9</b>	<b>958,237</b>	<b>65.5</b>	<b>1,083,073</b>	<b>74.2</b>	<b>1,024,776</b>	<b>76.6</b>	<b>876,483</b>	<b>73.4</b>	<b>794,155</b>	<b>68.8</b>
<b>TOTAL ASSETS</b>	<b>1,473,550</b>	<b>100.0</b>	<b>1,462,836</b>	<b>100.0</b>	<b>1,459,680</b>	<b>100.0</b>	<b>1,338,582</b>	<b>100.0</b>	<b>1,194,244</b>	<b>100.0</b>	<b>1,154,340</b>	<b>100.0</b>



## VERTICAL ANALYSIS

### STATEMENT OF FINANCIAL POSITION

	2019		2018		2017		2016		2015		2014	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
<b>EQUITY AND LIABILITIES</b>												
<b>Share Capital and Reserves</b>												
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>	
Share Capital	133,343	9.0	133,343	9.1	133,343	9.1	133,343	10.0	133,343	11.2	133,343	11.6
Reserves	1,154,676	78.4	1,135,647	77.6	1,107,742	75.9	1,052,030	78.6	943,870	79.0	877,854	76.0
	<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>	<u>1,011,197</u>	<u>87.6</u>
<b>Non Current Liabilities</b>												
Liabilities against assets subject to finance lease	989	0.1	5,306	0.4	4,958	0.3	-	0.0	2,569	0.2	5,113	0.4
Long term advances	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	10,093	0.9
Long term deposits	2,010	0.1	1,710	0.1	874	0.1	646	0.0	706	0.1	1,110	0.1
Deferred taxation	38,250	2.6	34,958	2.4	29,179	2.0	19,976	1.5	17,592	1.5	35,490	3.1
	<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>	<u>51,806</u>	<u>4.5</u>
<b>Current Liabilities</b>												
Trade and other payables	125,289	8.5	133,499	9.1	171,734	11.8	115,889	8.7	79,766	6.7	79,624	6.9
Unclaimed dividend	6,846	0.5	5,281	0.4	4,835	0.3	4,190	0.3	3,867	0.3	3,623	
Short term borrowings Current portion of	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
- liabilities against assets subject to finance lease	3,747	0.3	5,257	0.4	2,948	0.2	2,576	0.2	2,523	0.2	3,828	0.3
- long term advance	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	1,442	0.1
- long term deposits	-	0.0	-	0.0	-	0.0	836	0.1	205	0.0	12	0.0
Provision for warranty	1,354	0.1	5,033	0.3	4,067	0.3	3,445	0.3	3,631	0.3	2,808	0.2
Taxation-net	-	0.0	-	0.0	-	0.0	3,364	0.3	-	0.0	-	0.0
Sales tax payable - net	7,046	0.5	2,802	0.2	-	0.0	2,287	0.2	6,172	0.5	-	0.0
	<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>	<u>91,337</u>	<u>7.9</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<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>	<u>1,154,340</u>	<u>100.0</u>



## VERTICAL ANALYSIS STATEMENT OF PROFIT OR LOSS

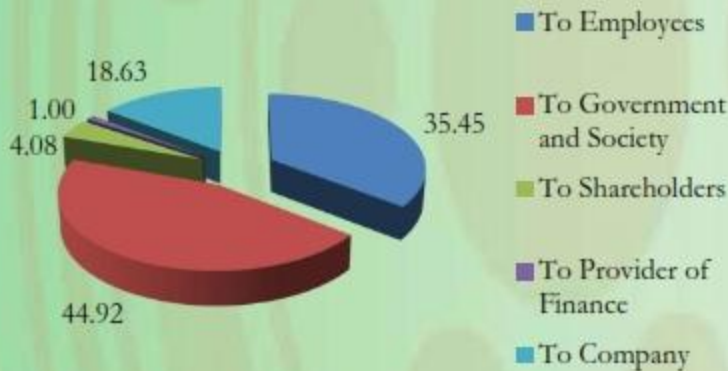
	2019		2018		2017		2016		2015		2014	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
Turnover - net	1,587,558	100	1,882,640	100	1,533,650	100	1,471,558	100	1,378,332	100	1,148,425	100
Cost of Sales	(1,341,776)	(84.52)	(1,612,676)	(85.66)	(1,234,745)	(80.51)	(1,098,211)	(74.63)	(1,170,149)	(84.90)	(948,811)	(82.62)
<b>Gross Profit</b>	<b>245,782</b>	<b>15.48</b>	<b>269,964</b>	<b>14.34</b>	<b>298,905</b>	<b>19.49</b>	<b>373,347</b>	<b>25.37</b>	<b>208,183</b>	<b>15.10</b>	<b>199,614</b>	<b>17.38</b>
Distribution Cost	(44,945)	(2.83)	(60,116)	(3.19)	(49,401)	(3.22)	(37,980)	(2.58)	(38,511)	(2.79)	(38,696)	(3.37)
Administration Expenses	(92,676)	(5.84)	(92,075)	(4.89)	(86,344)	(5.63)	(82,285)	(5.59)	(80,752)	(5.86)	(71,153)	(6.20)
Other Operating Expenses	(12,541)	(0.79)	(8,284)	(0.44)	(14,977)	(0.98)	(20,758)	(1.41)	(12,096)	(0.88)	(10,433)	(0.91)
Finance Costs	(6,791)	(0.43)	(1,927)	(0.10)	(1,378)	(0.09)	(827)	(0.06)	(2,949)	(0.21)	(3,109)	(0.27)
	<u>(156,953)</u>		<u>(162,402)</u>		<u>(152,100)</u>		<u>(141,850)</u>		<u>(134,308)</u>		<u>(123,391)</u>	
Other Income	5,126	0.32	180	0.01	25,404	1.66	21,505	1.46	37,339	2.71	9,014	0.78
<b>Profit before Taxation</b>	<b>93,955</b>	<b>5.92</b>	<b>107,742</b>	<b>5.72</b>	<b>172,209</b>	<b>11.23</b>	<b>253,002</b>	<b>17.19</b>	<b>111,214</b>	<b>8.07</b>	<b>85,237</b>	<b>7.42</b>
Taxation	(22,443)	(1.41)	(19,953)	(1.06)	(45,867)	(2.99)	(99,730)	(6.78)	(15,278)	(1.11)	(16,733)	(1.46)
<b>Profit after Taxation</b>	<b>71,512</b>	<b>4.50</b>	<b>87,789</b>	<b>4.66</b>	<b>126,342</b>	<b>8.24</b>	<b>153,272</b>	<b>10.42</b>	<b>95,936</b>	<b>6.96</b>	<b>68,504</b>	<b>5.97</b>



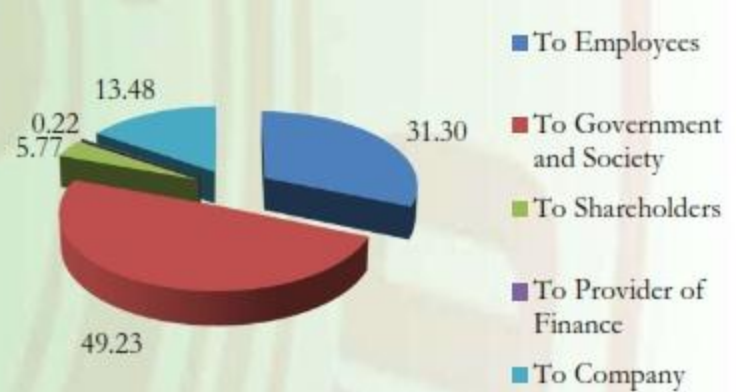
# STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

Statement of Value Addition and its Distribution		2019	%	2018	%
		(Rupees in '000')		(Rupees in '000')	
<b>Wealth Generated</b>					
Total gross revenue and other income		1,862,283		2,202,363	
Brought in materials and services		1,208,392		1,509,042	
		<u>653,891</u>	100	<u>693,321</u>	100
<b>Wealth distribution to stakeholders</b>					
<b>To Employees</b>					
Salaries and wages including retirement benefits		231,790	35.45	216,997	31.30
<b>To Government and Society</b>					
Income Tax, Sales Tax, FED and WWF		293,746	44.92	341,306	49.23
<b>To Shareholders</b>					
Dividend		26,669	4.08	40,003	5.77
<b>To providers of Finance</b>					
Financial charges for borrowed funds		6,520	1.00	1,558	0.22
<b>To Company</b>					
Retained Profits, Dep and Amortizatin		95,166	14.55	93,457	13.48
		<u>653,891</u>	100	<u>693,321</u>	100

Wealth distribution to stakeholders  
2019



Wealth distribution to stakeholders  
2018





## REVIEW REPORT BY THE CHAIRMAN

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

The Board of Directors (the Board) of Baluchistan Wheels Limited (BWL) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 (previously Companies Ordinance 1984), the Listed Companies Corporate Governance Regulations 2017 (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 2019 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 and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees have adequate skill, experience and knowledge to manage the affairs of the Company;
- The Board has formed an Audit Committee and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;
- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;
- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the five directors of the Company have certification under Directors Training Program (DTP) and two directors of the Company have the exemption from the requirements of the DTP;
- 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;



- ③ 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;
- ③ All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- ③ All the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- ③ 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;
- ③ 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;
- ③ 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;
- ③ 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
- ③ 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.
- ③ The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the Company's business; Board dynamics; capability and information flows.



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

**SYED HAROON RASHID**

Chairman

September 19, 2019



## 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, 2019.

### BUSINESS REVIEW

Overall at the National Level the Sales of Passenger Cars decreased by 4.22% with the total production of 207,630 units in 2019 as compared to 216,786 units in the year 2018. 33,016 LCV's, Vans and Jeeps were sold in 2019 as against 42,006 units in the year 2018, decreased by 21.4%. Auto sales have been decreasing mainly due to meteoric rise in prices & multiple price shocks on account of rupee depreciation, high interest rates and soaring petroleum price. 6,763 Trucks / Buses were sold in 2019 as against sales of 10,093 Trucks / Buses in the year 2018, showing a decline of 33% over last year mainly due to the slowdown of China-Pakistan Economic Corridor (CPEC). Similarly, the Tractors sales have also been declined to 50,405 units in the year 2019 as compared to 70,887 tractors in the year 2018 which has decreased by 28.9% mainly due to the low production/yield of cotton crop during the year 2018-19 which is because of lesser area coming under cultivation for the crop.

During the year 2018-2019 the company had overall consolidated revenue of Rs 1.58 billion as compared to Rs.1.88 billion which is 16% less than the previous year. The car wheels sale was Rs. 887.40 million as compared to Rs. 825.57 million in the previous year which is 7% more than the previous year. The Truck / Bus wheels sale was Rs. 154.08 million as compared to Rs. 279.65 million in the previous year which is 45% less than the last year. Similarly, the Tractor wheels sale was also decreased to Rs. 476.59 million as compared to Rs. 732.05 million in the previous year which is 35% less than the previous year. Export sales during the year was Rs. 6.84 million as compared to Rs. 7.26 million in the previous year declined by 6%.

### FINANCIAL RESULTS

The decrease in turnover of 16% is due to the decline in sales of Truck / Bus and Tractor wheel which declined by 45% & 35% respectively, whereas there was a marginal increase of 7% in car wheels sales during the year as compared to the last year. The Cost of Sales was Rs.1.34 billion during the year under review as against Rs. 1.61 billion last year. The gross profit decreased by 9% to Rs. 245.782 million against Rs. 269.964 million last year. Similarly, the company earned profit after taxation of Rs. 71.512 million as compared to Rs. 87.789 million in the previous year, declined by 18.5%. The devaluation of Pak Rupee resulted in increase in imported material cost and amid slowdown in obtaining fresh orders from the OEM's adversely affected our gross profit which ultimately impacted our net profit for the year ended 30 June, 2019.



The comparative financial results for the year 2019 as against the year 2018 are as follows:

	2019	2018
	(Rs. in '000)	
Turnover-net	1,587,558	1,882,640
Gross Profit	245,782	269,964
Profit before Taxation	93,955	107,742
Profit after Taxation	71,512	87,789
Earnings per Share (Rs.)	5.36	6.58

## EARNINGS PER SHARE

---

Based on the net profit for the current year, the earnings per share is **Rs. 5.36** (2018: Rs. 6.58)

## PROPOSED DIVIDEND

---

The Board of Directors have proposed final cash dividend of Rs. 2.00 per share (**20%**) for the year ended June 30, 2019 amounting to Rs. 26.669 million (2018: Rs. 3.00 per share 30 % amounting Rs. 40.003 million) at the meeting held on September 19, 2019, for approval of members at the Annual General Meeting to be held on October 26, 2019. The financial statements, however, do not reflect these appropriations in compliance with the applicable Laws.

## HUMAN RESOURCE & WELFARE SCHEMES

---

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

Direct and indirect rewards to the workforce like worker-of-the-month award, Hajj Scheme for both officers and workers, special health allocation and many other such benefits are in place. The Labour laws are strictly followed and the company is able to maintain cordial relationship with CBA Labour Union. The management is also regularly paying bonus to all the employees. WPPF as well as Eid advance are also being paid to the workers. The Company also gives workers social security and EOBI pension benefit / facilities.



## SAFETY, HEALTH & ENVIRONMENT

---

We are actively managing health and safety risks associated with our manufacturing process and are working towards improving our procedures to reduce and control the risk of accidents or injuries during work & up till now no serious accident has taken place during the production, resulting in any major injury or loss of life. All employees at plant are provided safety appliance/equipments i.e. uniform, shoes, helmets, ear plugs and gloves, goggles etc. during performance of their duties. Fire fighting system has been installed to cope with any mishap and 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 every six months. Apart from this, healthy activities of sports are encouraged, and we have a cricket as well as a football team. Every year a picnic is 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 and regulations and maintain conditions as per 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 two years back, the electrical system was old and its complete electrical panels were redesigned with automation and circuitry to improve its 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 to help reduce consumption of spares and to minimize 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 and self generate alternate electricity by installing solar energy system. In this regard, 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 reduction in the burden on the national grid.

Energy monitoring system has been introduced with installation of Electricity meters at the area's and equipment 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 maintained in good working and operative condition, so that we get a satisfactory performance and machine and equipment give a good and longer period of workable life.

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

The requirement of Tractor wheels remains consistent and, most of the machines used for tractor wheel production are now outdated and have completed their service life. Counter sinking operation on bolt hole on tractor disc is very important and precision operation requiring high level of accuracy, the 02 number of old multi spindle machines are planned to be replaced with new latest technology machine



which will help us in reducing the down time and improve efficiency and accuracy in the product, thus reducing customer complaint.

By all these measures, the product quality, productivity and customers confidence and satisfaction have improved which have also caused a significant reduction in scrap and rework ratios.

## RESEARCH & DEVELOPMENT & QUALITY CONTROL

---

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

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

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

Wheel being a critical and safety part requiring very stringent dimensional control is being manufactured with standard quality control procedures and quality is being assured right from the material procurement 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 and 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 of carrying out the test of Large size TRUCK/BUS section based and Tube less wheels.



Similarly, the wheel being the outer part requires high standard of quality for paint life. In this regard, previously the paint performance tests 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 equipment, tool and instruments to control the process and to monitor the quality of wheels. The instruments / gauges, quality checking equipment are regularly up-graded and calibrated to ensure its precision and accuracy, so that products are produced 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. \$ 10 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. 276 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 of their responsibilities and monitor the Company's operations and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information.

As part of Compliance of the Listed Companies (Code of Corporate Governance) Regulations, 2017 ("CCG"), the Directors are pleased to state as follows:

- 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 of the Company 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.



- a. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- b. The system of internal controls is sound in design and has been effectively implemented and monitored.
- c. 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. 7.046 million as disclosed in the Financial Statements.

#### *Investment of Employees Retirement Funds*

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

	<b>June 19 ( un-audited)</b>
- Executive Provident Fund	Rs. 89.552 million
- Non-Executive Provident Fund	Rs. 37.375 million
- Gratuity Fund	Rs. 62.412 million

#### *Election of Directors*

The new Board of Directors was constituted as a result of election of directors held on May 25, 2019 and accordingly its committees were reconstituted. The new Board comprises Nine (9) directors which include three (3) independent directors, three (3) non-executive directors and three (3) executive directors. The independent directors had been chosen from the data bank maintained by the Pakistan Institute of Corporate Governance (PICG) in terms of Section 166 (1) of the Companies Act, 2017. Furthermore, the independent directors met the justification and selection criteria, as per the requirement of Section 166 (3) of the Companies Act, 2017, and they have been elected in the same manner as other directors in terms of section 159 of the Companies Act, 2017.

#### *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 :

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

Sr. No.	Name of Director	No. of Meetings Attended
1	Syed Haroon Rashid	5
2	Mr. Razak H.M. Bengali	5
3	Mr. Muhammad Siddique Misri	5
4	Mr. Muhammad Irfan Ghani	4
5	Mr. Anis Wahab Zuberi	5
6	Syed Zubair Ahmed Shah	4
7	Mr. Muhammad Javed	5
8	Mr. Irfan Ahmed Qureshi	5
9	Mrs. Saba Nadeem	5
10	Mr. Aamir Amin (elected w.e.f. 25/05/2019)	1

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	4
2	Syed Zubair Ahmed Shah	4
3	Syed Haroon Rashid	4
4	Mr. Irfan Ahmed Qureshi	4
5	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	Syed Zubair Ahmed Shah	1
2	Mr. Muhammad Irfan Ghani	1
3	Mr. Anis Wahab Zuberi	1
4	Mr. Muhammad Javed	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.

### *Directors' Training*

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. 20 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, 2017*

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, 2017. A statement to this effect is annexed with this report.

### *Pattern of Shareholding*

The total number of Company's shareholders as at June 30, 2019 was 1,365 as against 1,357 on June 30, 2018. The pattern of shareholding as at June 30, 2019 and its disclosure is included in this annual report.

The highest and lowest market prices of the Company's shares during 2018-2019 were as follows:

Highest	August 15, 2018	PKR 109.90
Lowest	June 27, 2019	PKR 61.15

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

Purchase of shares by Directors, Executives, their Spouses and Minor Children is given below:

#### **No of Shares Purchased**

Mrs. Gulbano Razak	5,000
--------------------	-------

### *Appointment of Auditors*

The present auditors **M/s. EY Ford Rhodes, Chartered Accountants**, retire and being eligible offer themselves for re-appointment for the financial year ending June 30, 2020. Their re-appointment has been recommended by the Audit Committee.

## **STATEMENT OF ETHICS AND BUSINESS PRACTICES**

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



## NBP AND RELATED MATTERS

---

NBP suit for recovery against the Company (BWL) and Privatization Commission (PC) for payment amounting to Rs. 91.25 million it has paid to PC, which the Company does not acknowledge as briefly explained at Note No. 23.1 in the financial statements for the year ended June 30, 2019. 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

---

Demand for Auto Industry declined during the year 2018-19 on account of devaluation of Pak Rupees against the US Dollar as well as persistent rise in interest rates. Pakistan's economy is passing through difficult situation which witnessed sharpest increase in policy rates / discount rates in recent time by the State Bank of Pakistan (SBP). Average inflation for the year 2019-20 is expected to remain in the range of 11% to 12% due to higher fiscal deficit and Pak Rupee depreciation.



Tax measures announced in the Federal Budget 2019-20 have severely hit the auto industry. Additional custom duty on imported material, imposition of federal excise duty, high interest rates coupled with massive depreciation of Pak Rupee adversely affected the cost of vehicles and it forced the OEM's to enhance the prices of their vehicles. Consequently, higher prices of vehicles will likely affect sales volume of auto industry as price hikes will weaker the purchasing / buying power of customers.

However, as a consequence of Automotive Development policy 2016-2021, several new players have heavily invested in creating manufacturing / assembly facilities in anticipation of future growth in Auto Sector. These assemblers introduced their new models of Car and LCV's and your company has successfully developed wheels for their models as per the International Quality Standards and this will put / bring positive impact on our future revenue.

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

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

---

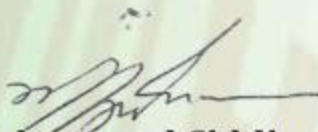
We take this opportunity to thank our customers and all the stakeholders who reposed their trust and confidence in the company and acknowledge the efforts of the entire BWL team including our staff and workers and look forward to their continued support.

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

**Karachi: September 19, 2019**

  
**Muhammad Siddique Misri**  
Director



(۱۰)

مستقبل کے خدو خال:-

مالی سال 2018-2019 کے دوران امریکی ڈالر کے مقابلے میں روپے کی قدر میں مسلسل کمی اور شرح سود میں مسلسل اضافے کی وجہ سے آٹو انڈسٹری کی طلب میں کمی واقع ہوئی ہے۔ اسٹیٹ بینک آف پاکستان کی جانب سے مسلسل شرح سود میں اضافہ کی وجہ سے پاکستانی معیشت مشکل حالات سے گزر رہی ہے۔ مالیاتی خسارے اور روپے کی قدر میں کمی کی وجہ سے افراط زر کی شرح 11 فیصد سے 12 فیصد رہنے کی توقع ہے۔ تاہم، کرنٹ اکاؤنٹ خسارہ میں کمی کی وجہ سے بیرونی دباؤ میں کمی واقع ہوگی۔

وفاقی بجٹ 2019-2020 میں اعلان کردہ ٹیکس اقدامات نے آٹو صنعت کو شدید متاثر کیا ہے۔ درآمدی خام مال پر اضافی کسٹم ڈیوٹی، فیڈرل ایکسائز ڈیوٹی کا نفاذ، زیادہ شرح سود اور روپے کی قدر میں کمی کی وجہ سے گاڑیوں کی لاگت میں اضافہ ہوا ہے جسکی وجہ سے OEM's اپنی گاڑیوں کی قیمتوں میں اضافہ کرنے پر مجبور ہیں۔ پچھتا گاڑیوں کی فروخت میں کمی متوقع ہے۔

اس کے علاوہ، آٹو انڈسٹری ڈیولپمنٹ پالیسی برائے 2016-2021 کے نتیجے میں، آٹو سیکٹرز میں بہت سے نئے سرمایہ داروں نے مینوفیکچر/اسمبلی کی سہولیات کو بڑھانے میں ہماری سرمایہ کاری کی ہے اور یہ مینوفیکچررز نے ماڈلز کی کار اور ایل سی وی (LCV's) متعارف کر رہے ہیں اور آپ کی کمپنی نے بین الاقوامی معیار کے عین مطابق ان نئے ماڈلز کے پیوں کو کامیابی سے تیار کیا ہے اور یہ ہماری مستقبل کی آمدنی پر مثبت اثر ڈالے گا۔

ملک کے معاشی اقتصادی حالات آٹو انڈسٹری کے لئے چیلنج ہیں۔ روپے کی قدر میں کمی، خام مال کی قیمتوں اور شرح سود میں اضافہ، اضافی ٹیکس اور ڈیوٹی کا نفاذ آٹو صنعت کے لیے بڑے چیلنج ہیں۔

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)۔

جناب محمد صدیق مصری  
ڈائریکٹر

بحکم بورڈ آف ڈائریکٹرز  
جناب رزاق ایچ ایم بنگالی  
چیف ایگزیکٹو  
کراچی، ۱۹ ستمبر ۲۰۱۹



(۹)

2018-2019 کے دوران کمپنی کے حصص کی زیادہ سے زیادہ ورکم سے کم کاروباری قیمتیں مندرجہ ذیل ہیں:

15 اگست 2018 زیادہ سے زیادہ PKR 109.90

27 جون 2019 کم سے کم PKR 61.15

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

ڈائریکٹرز، ایگزیکٹوز، ان کی اہلیہ ان کے شوہر اور نابالغ بچوں کی جانب سے مندرجہ ذیل حصص خریدے گئے۔

مستردہ گل با نوزاق 5,000

**آڈیٹرز کا تقرر:-**

کمپنی کے سبکدوش ہونے والے آڈیٹرز میسرز ای وائی فور ڈی رھوڈز (EY Ford Rhodes) چارٹرڈ اکاؤنٹنٹ نے اہلیت کی بنیاد پر خود کو 30 جون 2020 کو ختم ہونے والے مالی سال کے لئے دوبارہ تقرری کے لئے پیش کیا ہے اور آڈٹ کمیٹی نے بھی اس کی سفارش کی ہے۔

**اخلاقیات اور کاروباری طریقوں کا بیان:-**

بورڈ کا قاعدگی کے ساتھ کمپنی کی حکمت عملی 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 مقرر رکھنے کے لیے مصروف عمل ہے۔ ایک معروف پیپہ بنانے والی کمپنی کے طور پر اعلیٰ اخلاقی معیار کا روپار 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 2019 کو ختم ہونے والے مالیاتی اسٹیٹمنٹ کے نوٹ نمبر 23.1 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 گیا لیکن 31 جولائی 2009ء کے فیصلے کے تحت کئی ججز نکال دیئے گئے جن میں جناب جسٹس سلمان طالب الدین بھی شامل تھے۔ 2010ء 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 مستردہ جسٹس اشرف جہاں صاحب کی عدالت میں داخل کیا گیا وہاں سے جناب جسٹس عزیز الرحمن صاحب کی عدالت میں یہ مقدمہ منتقل کیا گیا۔ اسکے بعد یہ کیس محترم جناب جسٹس محمد شفیع صدیقی صاحب کی عدالت میں منتقل کیا گیا۔

بلوچستان و سیلو لیٹڈ اور نیشنل بینک آف پاکستان کے وکلاء کی جانب سے اس کیس کو نتیجہ خیز بنانے کی کوششیں جاری ہیں۔

اب یہ کیس بینکنگ کورٹ نمبر ۳ میں ہے اور بہت جلد اس کی سماعت متوقع ہے۔ کمپنی کی انتظامیہ اور وکلاء پر امید ہیں کہ اس مقدمے کا نتیجہ ہمارے حق میں آئے گا۔



(۸)

**انسانی وسائل اور معاوضے کی کمیٹی کا جلسہ:-**

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

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

**ڈائریکٹرز کا معاوضہ:-**

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

**ڈائریکٹروں کی تربیت :-**

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

**لسٹڈ کمپنیز کے ضابطہ اخلاق کی تعمیل - 2017 (کوڈ آف کارپوریٹ گورننس) :-**

کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق سے کوئی مادی انحراف نہیں کیا گیا ہے اور کمپنی نے لسٹنگ ریگولیشنز - 2017 (کوڈ آف کارپوریٹ گورننس) کے مطابق پوری طرح سے عمل درآمد کیا ہے اس سلسلے میں ایک اسٹیٹمنٹ اس رپورٹ کے ساتھ منسلک ہے۔

**شیر ہولڈنگ کا پیٹرن :-**

30 جون 2019 کو کمپنی کے حصص داروں کی کل تعداد 1,365 تھی جو کہ 30 جون 2018 کو 1,375 تھی۔ 30 جون 2019 کو شرم شدہ مالی سال کے لیے حصص داروں کا پیٹرن اور اس کی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کے مطابق درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔



(۷)

## بورڈ آف ڈائریکٹرز کے اجلاس :-

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

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1.	سید بارون رشید	05
2.	جناب رزاق ایچ ایم بیگانی	05
3.	جناب محمد صدیق مسری	05
4.	جناب محمد عرفان غنی	04
5.	جناب انیس وہاب زبیری	05
6.	سید زبیر احمد شاہ	04
7.	جناب محمد جاوید	05
8.	جناب عرفان احمد قریشی	05
9.	محترمہ صبا منیم	05
10.	جناب عامر امین (25-05-2019 کو منتخب ہوئے)	01

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

## آڈٹ کمیٹی کے اجلاس :-

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

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



(۶)

**ریٹائرمنٹ بینیفٹ فنڈ کی سرمایہ کاری:-**

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

جون ۲۰۱۹ (غیر آڈٹ شدہ)

ایگزیکٹیو پراویڈنٹ فنڈ -	89.552 ملین روپے
نان ایگزیکٹیو پراویڈنٹ فنڈ -	37.375 ملین روپے
گریجویٹ فنڈ -	62.412 ملین روپے

**ڈائریکٹرز کا انتخاب:-**

25 مئی ۲۰۱۹ء کو ہونے والے ڈائریکٹرز کے انتخابات کے نتیجے میں نئے بورڈ آف ڈائریکٹرز اور ان کی کمیٹیوں کی تشکیل نو کی گئی۔ نیا بورڈ نو (9) ڈائریکٹرز پر مشتمل ہے جس میں تین (3) آزاد ڈائریکٹرز، تین (3) نان ایگزیکٹیو ڈائریکٹرز اور تین (3) ایگزیکٹیو ڈائریکٹرز شامل ہیں۔ آزاد ڈائریکٹرز کا انتخاب کمپنیز ایکٹ 2017 کے سیکشن 166(1) کو مد نظر رکھتے ہوئے پاکستان اسٹیٹیوٹ آف کارپوریٹ گورننس (پی آئی سی جی) کے زیر انتظام ڈیٹا بینک سے کیا گیا۔ مزید برآں، آزاد ڈائریکٹرز کمپنیز ایکٹ 2017 کے سیکشن 166(1) کے جواز اور انتخابات کے معیار پر پورے اترتے ہیں اور وہ بھی دوسرے ڈائریکٹرز کی طرح سیکشن 159 کے تحت ہی منتخب ہوئے ہیں۔

**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 نمانندگی 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:

- 03 - (الف) آزاد ڈائریکٹر
- 03 - (ب) نان ایگزیکٹیو ڈائریکٹر
- 03 - (ج) ایگزیکٹیو ڈائریکٹر

بورڈ ہم 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 و 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۔



(۵)

## ملکی معیشت میں کمپنی کا حصہ :-

آپ کی کمپنی ایک درآمدی متبادل یونٹ ہونے کی وجہ سے غیر ملکی زرمبادلہ کی بچت میں حصہ لے رہی ہے اور یہ آنوائڈ سٹری کی ایک بڑی اہم وینڈنگ انڈسٹری ہے۔ زبر بحث مانی سال کے دوران آپ کی کمپنی نے OEM's کو پھیوں کی فراہمی سے تقریباً 10 ملین امریکی ڈالر کی بچت کی ہے۔ اس کے ساتھ سرکاری خزانے میں بطور رقم ٹیکس، ٹیلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور دیگر بلاواسطہ ٹیکسوں کی مد میں تقریباً 276 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 مانی وغیر مانی معاملات سے متعلق تمام معلومات کو مکمل درستگی، جامعیت اور شفافیت کے ساتھ مرتب اور پیش کیا جائے۔

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

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

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

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

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

۵۔ اندرونی کنٹرول کا نظام مضبوط بنایا دوں 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 سٹیٹمنٹس / سالانہ رپورٹ میں موجود ہیں۔

## گورننس محصولات۔

گورننس کے بتایا جات محصولات کی مد میں 7.046 ملین روپے ہیں۔ جس کی تفصیل فنانشل سٹیٹمنٹس میں موجود ہے۔



(۴)

بجلی کی لاگت روز بروز بڑھتی جا رہی ہے، تو انہی کی لاگت کو کم کرنے اور ماحول دوست بنانے کیلئے ایک مطالعہ کیا جا رہا ہے جس کے تحت شخصی تو انہی کا نظام کا کرتا بل بجلی پیدا کی جائے گی۔ اس سلسلے میں قابل اعتماد اور معروف کمپنوں سے رابطہ کیا جا رہا ہے اور کوئیشن حاصل کیے گئے ہیں یہ سب اقدامات بجلی کی کھپت میں کمی کی طرف کافی معاون ثابت ہوئے ہوں گی۔

### 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 آلات بھی زیادہ عرصے تک کام کر سکیں۔

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

ٹریکٹر کے پیسے کی ضرورت مستقل طور پر رہتی ہے اور ٹریکٹر پیسے کی استعمال ہونے والی زیادہ تر مشینیں پرانی ہو چکی ہیں۔ ٹریکٹر ڈسک پر کاؤنٹر سٹاک کے عمل کو اعلیٰ سطح کی درستگی کی ضرورت ہوتی ہے۔ جس کے لیے دو عدد وپرانی ملٹی اسپنڈل مشینوں کو جدید ٹریکٹر مشینوں سے تبدیل کرنے کا منصوبہ بنایا گیا ہے

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

### ریسرچ اینڈ ڈیولپمنٹ اور کوالٹی کنٹرول:-

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

ریسرچ اینڈ ڈیولپمنٹ محکمہ کے پاس ایک مکمل ٹول اور ڈائی بنانے کی صلاحیت ہے جو کہ روایتی اور CNC مشینوں پر مشتمل ہے جس کے ذریعے ہم مصنوعات کی تیاری کیلئے ٹول ڈائمنڈ، فلکچر، گچ اور ٹولنگ کے پوز سٹاپے طور پر بنا سکتے ہیں۔

ہمارے ریسرچ اینڈ ڈیولپمنٹ محکمہ میں بہترین تعلیم یافتہ اور تجربہ کار میم ہے جو کہ مختلف مصنوعات کی ٹولنگ کی مرمت اور بحالی کا کام کرتی ہے۔ یہ میم نئی مشینوں، پرزہ جات اور ٹولنگ وغیرہ کے اضافے میں فیصلہ کرنے کے ساتھ ساتھ مسلسل پروسیس کو بہتر بنانے اور ڈائمنڈ ٹولنگ کو کم کرنے میں کوشاں ہے۔ رواں سال کے دوران ہم نے نئی ٹولنگ کا رکا "5.5x15" سائز کا پیریا اور FAW مسافر کار اور وین / پک اپ کا 5Bx13 سائز کا پیریا کامیابی کے ساتھ بنایا ہے۔

پیریا ایک ہم حلقہ حصہ ہونے کی وجہ سے بہت کڑی نگرانی میں معیار کو برقرار رکھتے ہوئے بنایا جاتا ہے اور خام مال کی خریداری سے لیکر گا بک کو پیریا کی فراہمی تک معیار کی یقین دہانی کرائی جاتی ہے۔ کوالٹی کنٹرول محکمہ عالمی معیار کے ٹولنگ اور جانچ کے آلات پر مشتمل ہے جو کہ پیریا 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 گا بک کی ضروریات کے مطابق ہوں اور یہ تجربہ کار اور تربیت یافتہ افرادی قوت سے بھی منسلک ہے۔



(۲)

## 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، جوتے، کان کی حفاظت کے آلات اور اعلیٰ معیار کے حفاظتی جوتے دیئے جاتے ہیں تاکہ وہ اپنی ذہنی 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 عمل نام 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 کٹریں اور اور حفاظتی چیزوں میں ملازمین کا خیال رکھا جائے اسکے لئے ایک ڈپنٹری بمعدہ ڈاکٹر کے فیکٹری میں موجود ہے تاکہ کسی ممکنہ حادثات کی 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 چیک اپ 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 سبز اور ہر اہمراہ رکھنے کیلئے پوری فیکٹری کے گرد پودے اور درخت لگائے گئے ہیں۔ ہم تشویش کے مادہ کا استعمال کی عمل حوصلہ شکنی کرتے ہیں اور اس بات کو یقینی بناتے ہیں کہ تیار کردہ اور خریدی ہوئی تمام مصنوعات خطرناک مواد سے پاک ہو۔

ہم تمام قانونی معاملات کا باقاعدگی سے خیال رکھتے ہیں اور ہماری پوری کوشش ہوتی ہے کہ ماحول دوست انتظامات اور انڈسٹری کے اچھے طریقے کو اپنایا جائے تاکہ انسانی صحت پر اسکا 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۔

## بجلی کی بچت :-

بجلی کی بچت کے لئے مناسب اقدامات کئے گئے، جہاں تک ممکن ہو سکیں، جیسے 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 ہائڈرو لوک پریس کو نئے، جدید اور بہتر کارکردگی والے ہزار ٹن ہائڈرو لوک پریس سے تبدیل کیا گیا ہے جس سے بجلی کے بل اور پریس سے متعلقہ اسپیر پارٹس کی کھپت میں نمایاں کمی واقع ہوئی۔

پینٹ شاپ نمبر ۲ جو کے پوڈ کوٹنگ کے لیے استعمال ہوتی ہے اس میں دو سال پہلے ہیوی Conveyor لگائی گئی ہے۔ اس کے پرانے بجلی کے نظام کو بہتر بنانے کے لیے نئے الیکٹریک جیال لگائے گئے ہیں تاکہ الیکٹریک کی کھپت کم ہو۔

لائٹ ڈیوٹی نمبر 1# 1984 میں لگائی گئی تھی۔ اس کے پرانے الیکٹریک پینل کو بدل تبدیل کر کے نئے نی ایل سی الیکٹریک پینل لگائی گئے ہیں تاکہ بجلی کی کھپت اور اسٹور اسپیر کے استعمال میں کمی واقع ہوگی۔ پرانے 110 کلو واٹ کپریٹر کو ایک نئے (ہیٹری فریکوئنسی ڈرائیو-VHD) 110 کلو واٹ کپریٹر سے تبدیل کیا گیا ہے جس سے مشین کی صلاحیت میں اضافہ ہوا۔



(۲)

## تفیلی جائزہ:-

درج ذیل میں مالیاتی نتائج 2019 اور 2018 کا تفیلی جائزہ پیش کیا جا رہا ہے:

مالیاتی سال 2018	مالیاتی سال 2019	
	(روپے ہزاروں میں)	
1,882,640	1,587,558	مال کی فروخت
269,964	245,782	غیر خالص منافع
107,742	93,955	قبل از ٹیکس منافع
87,789	71,512	بعد از ٹیکس منافع
6.58	5.36	فی شیئر آمدنی (روپے میں)

## فی شیئر آمدنی:-

فی شیئر آمدنی جو کہ گزشتہ سال 6.58 روپے تھی وہ اس سال کے لیے 5.36 روپے رہی۔

## تجویز کردہ ڈیویڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2019 کو ختم ہونے والے مالی سال کے لئے نیشنل ڈیویڈنڈ 2 روپے فی شیئر (20%) کی منظوری دی ہے جس کی مالیت 26.669 کروڑ روپے بنتی ہے جبکہ گزشتہ سال فی شیئر نیشنل ڈیویڈنڈ 3 روپے (30% فیصد) کی ادائیگی کی گئی تھی جس کی مالیت 4.0003 کروڑ روپے تھی۔ یہ ڈیویڈنڈ ممبران کی اجازت سے شروع ہوگا جو کہ 26 اکتوبر 2019 کو منعقد کی جانے والی سالانہ جنرل میٹنگ میں پیش کیا جائیگا تاہم مالیاتی اسٹیٹمنٹ میں ڈیویڈنڈ کی ممکنہ ادائیگی منہا نہیں ہے جو کہ قانون کے تحت ہے۔

## انسانی وسائل اور معاوضے کی کمیٹی:-

ہم پختہ یقین رکھتے ہیں کہ ہمارے آفیسرز اسٹاف اور ورکرز ہمارے کاروبار کی 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۔

بلڈ اسٹار اور بلو اسٹار انعام مہینہ کے بہترین ورکر کے لیے، جج اسکیم برائے آفیسرز اور ورکرز، خاص صحت پالیسی اور دوسرے فوائد موجود ہیں۔ مزدوری قانون پر پوری طرح عملدرآمد کیا جاتا ہے اور CBA / لیبر یونین سے اچھے تعلقات رکھے جاتے ہیں۔

انتظامیہ باقاعدگی سے تھاپ ملازمین کو بونس بھی دے رہی ہے۔ WPPF اور عید ایڈوانس بھی ورکروں کو ادا کیا جا رہا ہے اس کے علاوہ کمپنی ملازمین کو سوشل سیکورٹی اور EOBI پنشن سھولت بھی فراہم کرتی ہے۔



(i)

## ڈائریکٹرز رپورٹ

30 جون 2019

آپ کے ڈائریکٹرز 30 جون 2019 کو شتم ہونے والے سال کے لئے سالانہ آڈٹ کروہا لیا قیاسی ائٹمنٹ بعد آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔

### کاروباری جائزہ :-

مجموعی طور پر ملکی سطح پر سال 2019 میں گاڑیوں کے 207,630 یونٹس فروخت کئے گئے جو سال 2018 کے 216,786 یونٹس کے مقابلے میں %4.22 فیصد کم رہے۔ جبکہ اس سال لائٹ ویٹ کمرشل ویکل، وین اور جیپ کے 33,016 یونٹس فروخت کئے گئے جو گزشتہ سال کے 42,006 یونٹس کے مقابلے میں %21.4 فیصد کم رہے۔ گاڑیوں کی فروخت میں کمی کی بنیادی وجہ اسکی قیمتوں میں ہوشربہ اضافہ روپے کی قدر میں کمی، زیادہ شرح سود اور پھول کی قیمت میں اضافہ ہے۔ ٹرک ایس کے 6,763 یونٹس فروخت کئے گئے جبکہ گزشتہ سال 10,093 یونٹس فروخت کئے گئے تھے۔ جو کہ %33 فیصد کم رہے اسکی وجہ چین پاکستان اقتصادی راہداری کے تحت سڑکوں کی تعمیر میں سست روی ہے۔ اسی طرح ٹریکٹر کے 50,405 یونٹس فروخت کئے گئے جب گزشتہ سال 70,887 یونٹس فروخت کئے گئے تھے جو پچھلے سال کی نسبت %28.9 فیصد کم رہے جس کی بنیادی وجہ سال 2018-19 میں روٹی کی پیداوار میں کمی ہے جسکی وجہ فصل کاشت کرنے کے لیے کم رقبے کا استعمال ہے۔

اس سال آپ کی کمپنی نے 1.58 بلین روپے کی فروخت کی جو گزشتہ سال کی 1.88 بلین روپے کی فروخت کے مقابلے میں %16 فیصد کم رہی۔ گاڑیوں کے پیوں کی فروخت 887.40 ملین روپے رہی جو گزشتہ سال کی 825.57 ملین روپے کی فروخت کے مقابلے میں %7 فیصد زیادہ رہی۔ ٹرک ایس کے پیوں کی فروخت 154.08 ملین روپے رہی جو گزشتہ سال کی 279.65 ملین روپے کی فروخت کے مقابلے میں %45 فیصد کم رہی جبکہ ٹریکٹر کے پیوں کی فروخت 476.59 ملین روپے رہی جو گزشتہ سال کی 732.05 ملین روپے کی فروخت کے مقابلے میں %35 فیصد کم رہی۔ پیوں کی برآمد (Export) 6.84 ملین روپے رہی جو گزشتہ سال کی 7.26 ملین روپے کی برآمدی فروخت کے مقابلے میں %6 فیصد کم رہی۔

### مالیاتی نتائج :-

کاروبار میں پچھلے سال کے مقابلے میں %16 کمی کی وجہ ٹرک ایس اور ٹریکٹر کے پیوں کی فروخت میں بالترتیب %45 فیصد اور %35 فیصد کمی ہے البتہ کار کے پیوں کی فروخت میں %7 فیصد معمولی اضافہ واقع ہوا ہے فروخت کی لاگت 1.34 بلین روپے رہی جو گزشتہ سال 1.61 بلین روپے کی تھی۔ غیر خالص منافع %9 فیصد کمی کے ساتھ 245.782 ملین روپے رہا جو گزشتہ سال 269.964 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹیکس منافع 71.512 ملین روپے رہا جو گزشتہ سال کے بعد از ٹیکس منافع 87.789 ملین روپے کے مقابلے میں %18.5 فیصد کم ہے۔ روپے کی قدر میں کمی کے نتیجے میں درآمد شدہ اسٹیل کی قیمتوں میں اضافہ ہوا اور OEM's سے پیوں کے آرڈر میں سست روی نے مجموعی منافع پر منفی اثر ڈالا اور نتیجے میں ہمارے اس سال کے خالص منافع پر بھی اسکا منفی اثر پڑا ہے۔



## INVESTOR RELATIONS

### ANNUAL GENERAL MEETING

The 38th Annual General Meeting of the Company will be held on Saturday, October 26, 2019 at 11:00 am at the Company's Registered Office, Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.

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](mailto: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](mailto:secretariat@thk.com.pk)

UAN#+92(21) 111-000-322, Direct:+92 (21) 34168270

Fax#+92 (21) 34168271

#### AUDITORS

EY Ford Rhodes  
(Chartered Accountants)

#### TAX CONSULTANTS

EY Ford Rhodes  
(Chartered Accountants)

#### LEGAL ADVISOR

Mohsin Tayebaly & Company  
(Advocates)

Baker Tilly Mehmood  
Idrees Qamar  
(Chartered Accountants)

#### 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



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

45

## 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. 2/- per share (2018: Rs. 3/- per share) amounting to Rs. 26.669 million (2018: Rs. 40.003 million) for the year ended June 30, 2018.

## BOOK CLOSURE DATES

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 19, 2019 to October 26, 2019 (both days inclusive).

## DIVIDEND REMITTANCES

The Board of Directors of the Company in their meeting held on September 19, 2019 has recommended the cash dividend of Rs. 2/- 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 2018	October 26, 2018
2nd Quarter/Half Yearly - December 2018	February 15, 2019
3rd Quarter - March 2019	April 18, 2019
4th Quarter/Annual - June 2019	September 19, 2019

## STATUTORY COMPLIANCE

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

## INVESTOR GRIEVANCES

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

## WEB PRESENCE

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



## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

BALUCHISTAN WHEELS LIMITED  
YEAR ENDING JUNE 30, 2019

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
Other-Non-Executive Directors	Syed Haroon Rashid Mr. Aamir Amin Mrs. Saba Nadeem
Executive Directors	Mr. Razak H.M. Bengali Mr. Muhammad Siddique Misri Mr. Muhammad Irfan Ghani

3. The directors have confirmed that none of them is serving as a director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.



6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. All the meetings of the board were presided over by the Chairman. 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 of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board remain fully compliant with provision with regard to Directors' training program. Out of total of 9 directors, 5 directors have completed their trainings earlier and two directors are exempt from training program as mentioned in regulation No. 20, sub regulation 2 of the Regulation.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirement of the regulation.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

**a) Audit Committee**

Mr. Anis Wahab Zuberi	<b>Chairman</b>
Mr. Aamir Amin	<b>Member</b>
Mr. Irfan Ahmed Qureshi	<b>Member</b>
Mrs. Saba Nadeem	<b>Member</b>

**b) HR and Remuneration Committee**

Mr. Muhammad Javed	<b>Chairman</b>
Syed Haroon Rashid	<b>Member</b>
Mr. Anis Wahab Zuberi	<b>Member</b>
Mr. Muhammad Irfan Ghani	<b>Member</b>

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee 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, 2019.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2019

15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

18. We confirm that all other requirements of the Regulations have been complied with.

**SYED HAROON RASHID**  
Chairman



Building a better  
working world

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 AUDITORS' 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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Baluchistan Wheels Limited for the year ended 30 June 2019 in accordance with the requirements of regulation 40 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2019.

*EY Ford Rhodes*

Chartered Accountants

Place: Karachi

Date: 25 September 2019



Building a better  
working world

EY Forthglades  
Chartered accountants  
Progressive Plaza, Beatment 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 2019**, 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 2019 and of the profit, 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.



Building a better working world

Following is the Key audit matter:

Key audit matters	How our audit addressed the Key audit matters
<p><b>1. Existence and Valuation of Stock in trade</b></p> <p>As disclosed in note 9 to the accompanying financial statements, the stock in trade balance constitutes 36% of total assets of the Company. The cost of Work in Process (WIP) and finished goods is determined at average manufacturing cost including a proportion of production overheads.</p> <p>We focused on stock in trade as it is a significant portion of Company's total assets and it requires management judgment in determining an appropriate costing basis and assessing its valuation.</p>	<p>Our audit procedures included, amongst others, reviewing the management's procedures for evaluating the NRV of stock-in-trade, observing physical stock counts to ascertain the condition and existence of stock-in-trade, performing testing on a sample of items to assess the NRV / valuation of the stock-in-trade held and evaluating the adequacy of write down of stock-in-trade to NRV as at the year end.</p> <p>Further, we evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade and the accuracy of provision for slow moving stock-in-trade assessed by the management, on a test basis.</p> <p>We tested the accuracy of the ageing analysis of stock-in-trade, on a sample basis and cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method.</p> <p>We also 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.</p> <p>We further tested the NRV of stock-in-trade by performing a review of sales close to and subsequent to the year-end and comparing with the cost for a sample of products.</p> <p>We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework.</p>

**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.

*EM*



Building a better  
working world

## 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.

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

*ETW*



Building a better  
working world

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

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

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

#### Report on Other Legal and Regulatory Requirements

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

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

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

*EY Feroz Khan*

**Chartered Accountants**

**Place:** Karachi

**Date:** 25 September 2019



# BALUCHISTAN WHEELS LIMITED

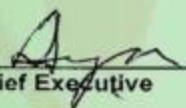
Manufacturers of Automotive Wheels in Pakistan

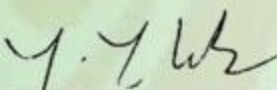
54

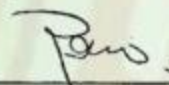
## BALUCHISTAN WHEELS LIMITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

<u>ASSETS</u>	Note	30 June 2019	30 June 2018
		----- (Rs. in '000) -----	
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	449,581	494,967
Long-term loans and advances – considered good	6	3,415	3,855
Long-term deposits	7	4,607	5,777
		<u>457,603</u>	<u>504,599</u>
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools	8	50,840	54,455
Stock-in-trade	9	525,105	532,188
Trade debts - unsecured	10	144,187	165,572
Loans and advances – considered good	11	15,914	24,805
Trade deposits and short-term prepayments	12	2,347	2,049
Other receivables	13	431	928
Short-term investments	14	102,827	5,516
Taxation – net		129,302	141,608
Bank balances	15	44,994	31,116
		<u>1,015,947</u>	<u>958,237</u>
		<u>1,473,550</u>	<u>1,462,836</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
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	16	133,343	133,343
Reserves	17	1,154,676	1,135,647
		<u>1,288,019</u>	<u>1,268,990</u>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities against assets subject to finance leases	18	989	5,306
Long-term deposits	19	2,010	1,710
Deferred taxation	20	38,250	34,958
		<u>41,249</u>	<u>41,974</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	125,289	133,499
Unclaimed dividend		6,846	5,281
Current portion of liabilities against assets subject to finance leases	18	3,747	5,257
Provision for warranty	22	1,354	5,033
Sales tax payable-net		7,046	2,802
		<u>144,282</u>	<u>151,872</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	23		
		<u>1,473,550</u>	<u>1,462,836</u>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
Chief Executive

  
Chief Financial Officer

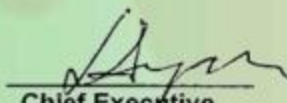
  
Director

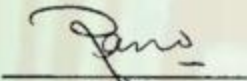


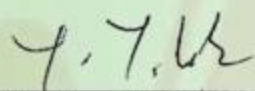
BALUCHISTAN WHEELS LIMITED  
STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 ----- (Rs. in '000) -----	30 June 2018 -----
Turnover – net	24	1,587,558	1,882,640
Cost of sales	25	(1,341,776)	(1,612,676)
<b>Gross profit</b>		<b>245,782</b>	<b>269,964</b>
Distribution costs	26	(44,945)	(60,116)
Administrative expenses	27	(92,676)	(92,075)
Other expenses	28	(12,541)	(8,284)
Finance costs	29	(6,791)	(1,927)
		(156,953)	(162,402)
Other income	30	5,126	180
<b>Profit before taxation</b>		<b>93,955</b>	<b>107,742</b>
Taxation – net	31	(22,443)	(19,953)
<b>Profit after taxation</b>		<b>71,512</b>	<b>87,789</b>
		----- (Rupees) -----	
<b>Earnings per share – Basic and diluted</b>	32	<b>5.36</b>	<b>6.58</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
Chief Executive

  
Director

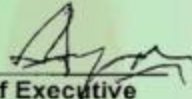
  
Chief Financial Officer




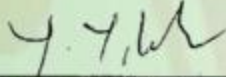
BALUCHISTAN WHEELS LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019

	30 June 2019	30 June 2018
	----- (Rs. in '000) -----	
Net profit for the year	71,512	87,789
Other comprehensive income		
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods		
Re-measurement loss on defined benefit plan	(12,480)	(6,547)
<b>Total comprehensive income for the year</b>	<b>59,032</b>	<b>81,242</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
Chief Executive

  
Director


  
Chief Financial Officer

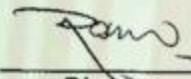


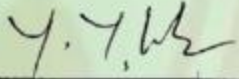
BALUCHISTAN WHEELS LIMITED  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019

	Note	30 June 2019	30 June 2018
		----- (Rs. in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	33	181,315	57,950
Employees' benefits paid		(11,899)	(8,921)
Income tax paid- net		(6,845)	(78,230)
Long-term loans and advances		440	420
Long-term deposits - net		1,470	122
<b>Net cash generated from / (used in) operating activities</b>		<b>164,481</b>	<b>(28,659)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(7,980)	(174,618)
Proceeds from disposal of property, plant and equipment		6,133	1,850
Profit received on deposit accounts / treasury bills		1,546	5,516
Short-term investments made during the year		(163,217)	(264,526)
Short-term investments redeemed during the year		63,461	515,812
Dividend received		260	372
<b>Net cash (used in) / generated from investing activities</b>		<b>(99,797)</b>	<b>84,406</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Liabilities against asset subject to finance leases - net		(5,827)	2,657
Finance costs paid		(6,541)	(1,927)
Dividend paid		(38,438)	(52,891)
<b>Net cash used in financing activities</b>		<b>(50,806)</b>	<b>(52,161)</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,878</b>	<b>3,586</b>
Cash and cash equivalents at the beginning of the year		31,116	27,530
<b>Cash and cash equivalents at the end of the year</b>	15	<b>44,994</b>	<b>31,116</b>

The annexed notes 1 to 41 form an integral part of these financial statements.

  
Chief Executive

  
Director


  
Chief Financial Officer




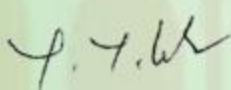
**BALUCHISTAN WHEELS LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019**

	Issued, subscribed and paid-up Capital	Re-measurement loss on defined benefit plan	REVENUE RESERVES			Total Equity
			General reserve	Unappropriated Profit	Total reserves	
	Rs. in '000					
Balance as at 30 June 2017	133,343	(5,850)	160,000	953,592	1,107,742	1,241,085
Final dividend for the year ended 30 June 2017 @ Rs.4 per share	-	-	-	(53,337)	(53,337)	(53,337)
Net profit for the year	-	-	-	87,789	87,789	87,789
Other comprehensive loss	-	(6,547)	-	-	(6,547)	(6,547)
Total comprehensive income	-	(6,547)	-	87,789	81,242	81,242
Balance as at 30 June 2018	133,343	(12,397)	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	1,288,019

The annexed notes 1 to 41 form an integral part of these financial statements. *etw*

  
Chief Executive

  
Director

  
Chief Financial Officer



**BALUCHISTAN WHEELS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2019**

**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 registered office and factory of the Company is situated at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan.

1.2 Geographical location and address of business units / plant and its purposes are as follows:

<b>Location and Address</b>	<b>Purpose</b>
Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan	Manufacturing facility
1 <sup>st</sup> Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi Pakistan	Head Office

**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 for financial reporting. 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 present value of defined benefit obligations as reduced by fair value of planned assets.

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

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below:

**New standards, amendments, improvements and interpretations**

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

IFRS 2	Share-based Payments: Classification and Measurement of Share Based Payments Transactions (Amendments)
IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers
IAS 40	Investment Property: Transfers of Investment Property (Amendments)
IFRIC 22	Foreign Currency Transactions and Advance Consideration

**Improvements to IFRSs Issued by IASB in December 2016**

IAS 28 — Investment in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss in an investment-by-investment choice.

The adoption of the above standards, amendments and improvements to IFRSs did not have any effect on these financial statements, except for IFRS 9 and IFRS 15 as explained below:

*EW*



## BALUCHISTAN WHEELS LIMITED

### IFRS 15 Revenue from Contracts with Customers

The Company has applied IFRS 15 using modified retrospective modified approach with initial application date of 1 July 2018 as notified by the Securities and Exchange Commission of Pakistan (SECP). The first-time application of IFRS 15 has not had any significant effects with regard to the amount of revenue recognised and when it is recognised. Hence, no cumulative adjustment amounts have been recognised to adjust the opening retained earnings as at 1 July 2018. Accordingly, the information presented for previous years has not been restated, as previously reported, under IAS 18 and related interpretations.

The management of the Company has assessed and concluded that the Company is in compliance with the requirements of IFRS 15. The new accounting policy in respect of revenue recognition is stated in note 4.14 to these financial statements.

### IFRS 9 Financial Instruments

The Company has applied IFRS 9 using modified retrospective modified approach with initial application date of 1 July 2018 as notified by the SECP. IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

The management of the Company has assessed and concluded that the Company is in compliance with the requirements of IFRS 9. The new accounting policy in respect of financial instruments and impairment of financial assets is stated in note 4.7 to these financial statements respectively.

### Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

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

Standard or interpretation	Effective date (annual periods beginning on or after)
IFRS – 3 Definition of a Business (Amendments)	01 January 2020
IFRS – 3 Business Combinations: Previously held interests in a joint operation	01 January 2019
IFRS – 9 Prepayment Features with Negative Compensation (Amendments)	01 January 2019
IFRS-10 Consolidated Financial Statements and Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not Yet Finalized
IFRS – 11 Joint Arrangements: Previously held interests in a joint operation	01 January 2019
IFRS – 16 Leases	01 January 2019
IAS-1/ IAS 8 Definition of Material (Amendments)	01 January 2020
IAS – 12 Income Taxes: Income tax consequences of payments on financial instruments classified as equity	01 January 2019
IAS – 19 Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS – 23 Borrowing Costs - Borrowing costs eligible for capitalization	01 January 2019
IAS – 28 Long-term Interests in Associates and Joint Ventures (Amendments)	01 January 2019
IFRIC – 23 Uncertainty over Income Tax Treatments	01 January 2019

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards, amendments and improvements to various IFRS have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any material impact on the Company's financial statements in the period of initial application.

*EM*



## 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 1 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, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan. The management of the Company expects that below new standards will not have any material impact on the Company's financial statements in the period of initial application.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	01 January 2004
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 17 – Insurance Contracts	01 January 2021

### 3.1 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 may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- residual values and useful lives 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 4.3 and 4.4)
- provision for expected credit loss on trade debts (note 4.7.3)
- taxation (note 4.8)
- Provision for compensated leaves (note 4.11)
- provision for warranty (note 4.13)
- contingencies (note 23)

## 4. SIGNIFICANT ACCOUNTING POLICIES

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

### 4.1 Property, plant and equipment

#### (i) Owned

##### 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.

*mll*



## BALUCHISTAN WHEELS LIMITED

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. In respect of additions and disposals of assets, depreciation is charged from the day from which an asset is available for use and continues depreciating it until it is derecognised. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property, plant and equipment (being difference of carrying value and sale proceeds) is included in statement of profit or loss.

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

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, at each reporting date.

### Capital work-in-progress

These are stated at cost less accumulated impairment, 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.

### (ii) Leased

Assets held under finance leases are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the lease less financial charges allocated to future periods are recorded as liability.

The financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability.

Depreciation is charged to statement of profit or loss on the same basis as for the Company's owned assets.

### 4.2 Loans and advances

These are stated at cost, which is the fair value of the consideration given, less provision for impairment.

### 4.3 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 paid thereon to the reporting date.

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

### 4.4 Stock-in-trade

Raw material and components are valued at lower of weighted average cost and Net Realisable Value (NRV).

Work in process is valued at lower of average manufacturing cost and NRV.

Finished goods are valued at lower of average manufacturing cost and NRV.

Stock in transit is valued at cost comprising invoice value plus other charges incurred thereon.

Scrap stocks are valued at NRV.

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

### 4.5 Trade debts

Trade debts are recognised and carried at original invoice amount which is the fair value of the consideration given, less provision for expected credit loss (ECL). Provision for ECL has been discussed in note 4.7.3. Bad debts are written-off and charged to statement of profit or loss.

*ETW*



## BALUCHISTAN WHEELS LIMITED

### 4.6. 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.

### 4.7. Financial assets

#### 4.7.1 Initial recognition and measurement

The financial assets of the Company mainly include trade debts, deposits, other receivable and bank balances.

Under IFRS 9, 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 under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9.

Trade debts and other financial assets previously classified as 'loans and receivables' are now classified as 'amortised cost'. These assets are measured at amortised cost using the effective interest rate method less an allowance for expected credit losses, if any.

#### 4.7.2 Subsequent measurement

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

Financial assets at amortised cost - These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any.

Interest income, foreign exchange gains and losses and impairment are recognised in statement of profit or loss. Any gain or loss on derecognition is recognised in statement of profit or loss.

#### 4.7.3 Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment 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. 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.

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 reporting date, 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.

*Signature*



## BALUCHISTAN WHEELS LIMITED

### 4.9 Cash and cash equivalents

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

### 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 Staff benefits

#### 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 2019 using Projected Unit Credit method. Re-measurement losses and gains are recognised directly to other comprehensive income and are not reclassified to statement of profit or loss in subsequent periods.

#### 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 employees 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.

### 4.12 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.

### 4.13 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 trend and future expectation of such claims. Any change in the estimates in future might affect the profit or loss account of that year.

### 4.14 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 have been transferred to a customer either over time or at a point in time, when the performance obligations are met.
- Profit on bank 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.

### 4.15 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 translated into Rupees at the rates of exchange approximating those prevailing at the reporting date. Any resulting gain or loss arising from changes in exchange rates



## BALUCHISTAN WHEELS LIMITED

### 4.16 Dividend and appropriations to reserves

These are recognised in the financial statements in the period in which these are approved.

### 4.17 Functional and presentation currency

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

	Note	30 June 2019	30 June 2018
----- (Rs. in '000) -----			
<b>5 PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	<b>449,581</b>	435,886
Capital work-in-progress	5.4	-	59,081
		<b>449,581</b>	<b>494,967</b>

### 5.1 Operating fixed assets

	COST			Rate	ACCUMULATED DEPRECIATION			NET BOOK VALUE		
	As at 01 July 2018	Additions / *Transfer (Rupees in '000)	As at 30 June 2019 (Disposals)		As at 01 July 2018	Charge for the year	(On Disposals) / *Transfer (Rupees in '000)	As at 30 June 2019	As at 30 June 2019	
<b>Owened</b>				%						
Freehold land	2,559	-	-	2,559	-	-	-	-	2,559	
Building on freehold land	105,813	-	-	105,813	5 & 10	56,414	2,471	-	58,885	46,928
Plant and machinery	1,012,391	2,243 **59,485	(27,564)	1,046,555	10 & 20	666,455	40,146	(26,753)	679,848	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)	29,656	20	15,585	2,924	(2,541) *237	16,205	13,461
Office equipment	15,687	2,240	(1,247)	16,680	33	13,007	1,293	(1,116)	13,184	3,496
Computers	5,585	30	(60)	5,555	33	5,088	258	(60)	5,286	269
Library books	42	-	-	42	10	40	-	-	40	2
	<b>1,207,422</b>	<b>67,061</b> *1,054	<b>(33,970)</b>	<b>1,241,567</b>		<b>784,304</b>	<b>47,839</b>	<b>(30,464)</b> *237	<b>801,463</b>	<b>440,114</b>
<b>Leased</b>										
Vehicles	17,201	*(1,054)	-	16,147	20	4,433	2,484	*(237)	6,680	9,467
<b>2019</b>	<b>1,224,623</b>	<b>67,061</b>	<b>(33,970)</b>	<b>1,257,714</b>		<b>788,737</b>	<b>50,323</b>	<b>(30,927)</b>	<b>808,133</b>	<b>449,581</b>

	COST			Rate	ACCUMULATED DEPRECIATION			NET BOOK VALUE		
	As at 01 July 2017	Additions / *Transfer (Rupees in '000)	As at 30 June 2018 (Disposals)		As at 01 July 2017	Charge for the year	(On Disposals) / *Transfer (Rupees in '000)	As at 30 June 2018	As at 30 June 2018	
<b>Owened</b>				%						
Freehold land	2,559	-	-	2,559	-	-	-	-	2,559	
Building on freehold land	105,813	-	-	105,813	5 & 10	53,813	2,801	-	56,414	49,399
Plant and machinery	917,333	106,123 **142	(11,207)	1,012,391	10 & 20	642,758	34,344	(10,647)	666,455	345,936
Electrical installations	29,266	-	-	29,266	10	22,932	633	-	23,565	5,701
Furniture and fittings	5,981	-	-	5,981	10	3,946	204	-	4,150	1,831
Vehicles	31,814	739	(2,455)	30,098	20	13,728	3,623	(1,766)	15,585	14,513
Office equipment	14,541	1,146	-	15,687	33	11,948	1,059	-	13,007	2,680
Computers	5,269	316	-	5,585	33	4,731	357	-	5,088	497
Library books	42	-	-	42	10	39	1	-	40	2
	<b>1,112,618</b>	<b>106,466</b>	<b>(13,662)</b>	<b>1,207,422</b>		<b>753,895</b>	<b>42,822</b>	<b>(12,413)</b>	<b>784,304</b>	<b>423,118</b>
<b>Leased</b>										
Vehicles	10,000	7,201	-	17,201	20	1,584	2,849	-	4,433	12,768
<b>2018</b>	<b>1,122,618</b>	<b>115,667</b>	<b>(13,662)</b>	<b>1,224,623</b>		<b>755,479</b>	<b>45,671</b>	<b>(12,413)</b>	<b>788,737</b>	<b>435,886</b>

\* Represents transfer from leased assets to owned assets.

\*\* Represents transfer from capital work-in progress to owned assets.



**BALUCHISTAN WHEELS LIMITED**

**5.2 Allocation of depreciation charge is as follows:**

Cost of sales	25	45,257	39,817
Distribution costs	26	241	255
Administrative expenses	27	4,825	5,599
		<u>50,323</u>	<u>45,671</u>

**5.3 Particulars of immovable assets of the Company are as follows:**

<u>Description</u>	<u>Location</u>	<u>Total Area</u>
Freehold land and building on freehold land	Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan	23.96 acres

	Note	30 June 2019 ----- (Rs. in '000) -----	30 June 2018 -----
<b>5.4 Capital work-in-progress – Plant and machinery</b>			
Balance at the beginning of the year		59,081	130
Additions during the year		404	59,093
Transferred to operating fixed assets		(59,485)	(142)
Balance at the end of the year		<u>-</u>	<u>59,081</u>

**6 LONG-TERM LOANS AND ADVANCES – considered good**

**Loans - secured**

Employees	6.1	2,220	2,735
Executives	6.1 & 6.2	1,881	1,399
		<u>4,101</u>	<u>4,134</u>
Current portion	11	(1,293)	(1,337)
		<u>2,808</u>	<u>2,797</u>

**Advances - secured**

Employees		5,384	13,022
Executives	6.2	1,091	1,441
		<u>6,475</u>	<u>14,463</u>
Current portion	11	(5,868)	(13,405)
		<u>607</u>	<u>1,058</u>
		<u>3,415</u>	<u>3,855</u>

6.1 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.

6.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 2.972 million (2018: Rs. 2.840 million).

	Note	30 June 2019 ----- (Rs. in '000) -----	30 June 2018 -----
<b>7 LONG-TERM DEPOSITS</b>			
Trade deposits		3,998	4,063
Lease deposits		609	1,714
	7.1	<u>4,607</u>	<u>5,777</u>

7.1 Represents unsecured, considered good and non-interest bearing with various parties.

*ELM*



## BALUCHISTAN WHEELS LIMITED

	Note	30 June 2019	30 June 2018
		(Rs. in '000)	
<b>8 STORES, SPARE PARTS AND LOOSE TOOLS</b>			
Stores		4,104	4,498
Spare parts		99,332	98,908
Loose tools		1,965	2,189
		<u>105,401</u>	<u>105,595</u>
Provision for slow moving:			
Stores		(273)	(267)
Spare parts		(53,634)	(50,224)
Loose tools		(654)	(649)
	8.1	<u>(54,561)</u>	<u>(51,140)</u>
		<u>50,840</u>	<u>54,455</u>
<b>8.1 Movement in provision for slow moving is as follows:</b>			
Opening balance		51,140	47,210
Provision made during the year	25	3,421	3,930
Closing balance		<u>54,561</u>	<u>51,140</u>
<b>9 STOCK-IN-TRADE</b>			
Raw material and components		233,078	211,283
Work-in-process		169,843	143,066
Finished goods		140,298	97,671
Scrap stock		449	63,527
		<u>543,668</u>	<u>515,547</u>
Stock-in-transit		-	36,391
		<u>543,668</u>	<u>551,938</u>
Provision for slow moving stock	9.1	<u>(18,563)</u>	<u>(19,750)</u>
		<u>525,105</u>	<u>532,188</u>
<b>9.1 Movement in provision for slow moving is as follows:</b>			
Opening balance		19,750	25,072
Provision made during the year	25	-	424
		<u>19,750</u>	<u>25,496</u>
Reversal during the year	25	(1,187)	(5,746)
Closing balance		<u>18,563</u>	<u>19,750</u>
<b>10 TRADE DEBTS - unsecured</b>			
Considered good		144,187	165,572
Considered doubtful		112	81
Provision for expected credit loss	10.1	<u>(112)</u>	<u>(81)</u>
		<u>144,187</u>	<u>165,572</u>
<b>10.1 Movement in provision for expected credit loss is as follows:</b>			
Opening balance		81	353
Provision during the year	27	112	81
		<u>193</u>	<u>434</u>
Written-off during the year		-	(31)
Reversal during the year	30	(81)	(322)
Closing balance		<u>112</u>	<u>81</u>



**BALUCHISTAN WHEELS LIMITED**

		30 June 2019	30 June 2018
	Note	----- (Rs. in '000) -----	
<b>11 LOANS AND ADVANCES – considered good</b>			
<b>Loans – secured</b>			
Current portion of long-term loans	6	1,293	1,337
<b>Advances</b>			
Current portion of long-term advances – secured	6	5,868	13,405
For expenses – unsecured		397	400
To suppliers – unsecured		8,356	9,663
		<u>14,621</u>	<u>23,468</u>
		<u>15,914</u>	<u>24,805</u>
<b>12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS</b>			
Trade deposits	12.1	505	1,557
Prepayments		842	492
Lease deposits		1,000	-
		<u>2,347</u>	<u>2,049</u>

12.1 Represents deposits paid to various parties. These are unsecured, considered good and non-interest bearing.

		30 June 2019	30 June 2018
	Note	----- (Rs. in '000) -----	
<b>13 OTHER RECEIVABLES</b>			
Worker's profit participation fund		-	735
Accrued profit on treasury bills		309	-
Dividend receivable		122	193
		<u>431</u>	<u>928</u>
<b>14 SHORT-TERM INVESTMENTS</b>			
<b>Fair Value through profit or loss</b>			
Listed shares	14.1	2,826	5,516
<b>At amortized cost</b>			
Treasury bills	14.2	100,001	-
		<u>102,827</u>	<u>5,516</u>

**14.1 Listed shares**

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

30 June 2019	30 June 2018	Face value of Rs.	Company's Name		
Number of shares					
10,000	10,000	10	Honda Atlas Cars (Pakistan) Limited	1,483	3,164
25,000	25,000	10	Fauji Cement Company Limited	393	571
5,000	5,000	10	Nishat Mills Limited	467	705
6,250	5,000	10	Attock Refinery Limited	483	1,076
				<u>2,826</u>	<u>5,516</u>

14.2 These carry interest rate ranging from 12.7% to 12.74% (2018: 5.93% to 5.99%) per annum.

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

		30 June 2019	30 June 2018
	Note	----- (Rs. in '000) -----	
Market value of securities		2,826	5,516
Carrying value of securities		<u>(4,944)</u>	<u>(10,385)</u>



BALUCHISTAN WHEELS LIMITED

	Note	30 June 2019	30 June 2018
		----- (Rs. in '000) -----	
<b>15 BANK BALANCES</b>			
Current accounts		15,804	10,643
Deposit accounts	15.1	29,190	20,473
		<u>44,994</u>	<u>31,116</u>

15.1 This carries profit rate ranging from 10.5% to 11% (2018: 5.35% to 5.9%) per annum.

**16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

30 June 2019	30 June 2018		30 June 2019	30 June 2018
(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	fully paid bonus shares	40,583	40,583
<u>13,334,250</u>	<u>13,334,250</u>		<u>133,343</u>	<u>133,343</u>

16.1 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 2019	30 June 2018
		----- (Rs. in '000) -----
<b>17 RESERVES</b>		
<b>Revenue</b>		
General	160,000	160,000
Unappropriated profit	1,019,553	988,044
	<u>1,179,553</u>	<u>1,148,044</u>
<b>Other component of equity</b>		
Re-measurement loss on defined benefit plan	(24,877)	(12,397)
	<u>1,154,676</u>	<u>1,135,647</u>

**18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES**

Represent finance leases entered into with commercial banks for vehicles. Total lease rentals due under lease agreements aggregate to Rs. 4.983 million (2018: Rs. 11.280 million) and are payable in monthly installments latest by 2020. Taxes, repairs, replacement and insurance costs are to be borne by the Company. In case of termination of agreement, the Company has to pay the entire rent for the unexpired period. Financing rate ranging from six months' KIBOR plus 100 bps to 150 bps per annum (2018: 150 bps per annum) has been used as discounting factor. Purchase options can be exercised by the Company at the end of lease term, by paying 10 percent of the leased amount. These liabilities are partly secured by security deposit amounting to Rs. 1.609 million (2018: Rs. 1.714 million) as disclosed in note 7 and 12 to the financial statements. The summary of the finance lease liability is as follows:

	2019		2018	
	Minimum Lease payment	Present Value	Minimum Lease Payment	Present Value
----- (Rs. in '000) -----				
Within one year	3,978	3,747	5,770	5,257
After one year but not more than five year	1,005	989	5,510	5,306
Total minimum lease payments	4,983	4,736	11,280	10,563
Amount representing finance charges	(247)	-	(717)	-
Present value of minimum lease Payments	4,736	4,736	10,563	10,563
Current portion	(3,747)	(3,747)	(5,257)	(5,257)
	<u>989</u>	<u>989</u>	<u>5,306</u>	<u>5,306</u>

*BAW*



BALUCHISTAN WHEELS LIMITED

	Note	30 June 2019	30 June 2018	
(Rs. in '000)				
<b>19 LONG-TERM DEPOSITS</b>				
Deposit from employees	19.1	<u>2,010</u>	<u>1,710</u>	
19.1	Represent interest-free deposits received from employees on account of executive cars and generator scheme. The amount is adjustable within the period of five and three years respectively against respective assets.			
	Note	30 June 2019	30 June 2018	
(Rs. in '000)				
<b>20 DEFERRED TAXATION</b>				
<b>Taxable temporary differences arising due to:</b>				
Accelerated tax depreciation		60,492	58,334	
Liabilities against assets subject to finance lease		<u>1,372</u>	<u>640</u>	
		<u>61,864</u>	<u>58,974</u>	
<b>Deductible temporary differences arising due to:</b>				
Provisions		<u>(23,614)</u>	<u>(24,016)</u>	
		<u>38,250</u>	<u>34,958</u>	
<b>21 TRADE AND OTHER PAYABLES</b>				
Creditors		32,024	49,236	
Accrued liabilities		48,727	42,735	
Advance from customers – unsecured		1,744	4,648	
Gratuity fund	21.1	17,510	10,629	
Provident fund	21.2	4	3	
Retention money		455	455	
Compensated absences		6,836	6,805	
Workers' profit participation fund	21.3	1,035	-	
Workers' welfare fund		15,951	17,667	
Security deposit		448	448	
Mark-up on short-term finance		250	-	
Others		<u>305</u>	<u>873</u>	
		<u>125,289</u>	<u>133,499</u>	
21.1	<b>Gratuity fund</b>	<u>17,510</u>	<u>7,617</u>	
21.1.1	<b>Amount recognised in the statement of financial position</b>			
	Present value of defined benefit obligation	21.1.4	90,263	79,400
	Fair value of plan asset	21.1.5	<u>(72,753)</u>	<u>(68,771)</u>
	Net liability recognised in the statement of financial position		<u>17,510</u>	<u>10,629</u>
21.1.2	<b>Charge for the year</b>			
	Current service cost		4,552	3,264
	Net interest cost		<u>478</u>	<u>818</u>
			<u>5,030</u>	<u>4,082</u>
21.1.3	<b>Movement in net liability</b>			
	Opening balance		10,629	7,617
	Net charge for the year		5,030	4,082
	Re-measurement loss		12,480	6,547
	Paid to fund during the year		<u>(10,629)</u>	<u>(7,617)</u>
	Closing balance		<u>17,510</u>	<u>10,629</u>

*BM*



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

## BALUCHISTAN WHEELS LIMITED

	Note	30 June 2019 ----- (Rs. in '000) -----	30 June 2018 -----
<b>21.1.4 Movement in present value of defined benefit obligations</b>			
Opening balance		79,400	74,931
Current service cost		4,552	3,264
Interest cost		7,040	6,193
Benefits paid during the year		(2,356)	(324)
Re-measurement loss / (gain)		1,627	(4,664)
Closing balance		<u>90,263</u>	<u>79,400</u>
<b>21.1.5 Movement in the fair value of plan assets</b>			
Opening balance		68,771	67,314
Expected return		8,561	5,375
Contributions		10,629	7,617
Benefits paid during the year		(2,356)	(324)
Re-measurement loss		(10,852)	(11,211)
Closing balance		<u>72,753</u>	<u>68,771</u>
<b>21.1.6 Principal actuarial assumptions used are as follows:</b>			
		<u>2019</u>	<u>2018</u>
		----- (Percentage) -----	-----
Expected rate of increase in salary level		15.25	10
Rate of return on plan assets		14.25	9
Valuation discount rate		14.25	9
<b>21.1.7 Composition of plan assets are as follows:</b>			
		<u>2019</u>	<u>2018</u>
		----- (Rs. in '000) -----	-----
Treasury Bills		34,826	40,226
Mutual Funds		20,469	16,315
Equity Investments		7,803	12,158
Amount in banks		9,655	72
		<u>72,753</u>	<u>68,771</u>
Expected contribution to the fund for the year ending 30 June 2020 is Rs. 7.03 million.			
<b>21.2</b>	Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under:		
Contributions are made by both the Company and the members @ 10% of the basic salary for executive and 10% of the basic salary plus cost of living allowance for non-executive.			
<b>21.3</b>	<b>Workers' profit participation fund</b>	Note	
Balance at the beginning of the year			(742)
Allocation for the year	28	<u>5,035</u>	<u>5,766</u>
		4,300	5,024
Payment made during the year - net		<u>(3,265)</u>	<u>(5,759)</u>
Balance at the end of the year		<u>1,035</u>	<u>(735)</u>
<b>22</b>	<b>PROVISION FOR WARRANTY</b>		
Opening balance		5,033	4,067
(Reversal) / Provision made during the year	26	(3,011)	1,127
Adjustment during the year against claims		(668)	(161)
Closing balance		<u>1,354</u>	<u>5,033</u>



## BALUCHISTAN WHEELS LIMITED

**23 CONTINGENCIES AND COMMITMENTS****23.1 Contingencies**

- 23.1.1** On 8 April 2004, National Bank of Pakistan (NBP) has made a payment to the Privatisation Commission amounting to Rs.91.25 million and filed a suit in the Honorable High Court of Sindh for the recovery of the same from the Company which was subsequently transferred due to administrative reasons to the Banking Court No. III at Karachi 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.
- 23.1.2** On 6 August 2001, the Company has filed a suit before the 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 has 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.
- 23.1.3** Some former non-executive employees have filed cases against the Company on various matters before the court of law which are pending subjudice. In the opinion of legal advisor, there is no financial exposure to the Company and hence, no provision has been made in this respect in these financial statements.

In addition, the Company has also filed petition against some ex-workers in Baluchistan High Court, Quetta on their illegal strike and unfair practice at factory premises.

- 23.1.4** On January 25, 2018, the Additional Commissioner Inland Revenue (ACIR) has 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 has 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, has deleted certain additions and has remanded back the case to the concerned ACIR on account of certain additions. The ACIR has filed an appeal on the issues which were deleted by the CIR(A) before Appellate Tribunal Inland Revenue (ATIR) and are pending adjudication.

The management does not consider necessary to maintain provision of Rs. 17.6 million against the demand of the tax year 2015, which was made in the prior year, as the matter will be reassessed as fresh by the relevant assessing authority. Accordingly, provision for the Tax Year 2015 of Rs. 17.6 million has been reversed in these financial statements.

- 23.1.5** On 27 September 2018, Deputy Commissioner Inland Revenue (DCIR) has 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 ACIR, 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 tax advisor, is of the view that outcome of the appeal cannot be ascertained at this stage consequently any future potential liability. However, the management, on prudent basis, has made provision of Rs. 14.2 million in respect of above contingency in these financial statements.

**23.2 Commitments**

Outstanding letter of guarantees

Outstanding letters of credit

30 June 2019	30 June 2018
----- (Rs. in '000) -----	
5,212	4,512
78,137	167,536

*E-10*



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

73

## BALUCHISTAN WHEELS LIMITED

		30 June 2019	30 June 2018
	Note	(Rs. in '000)	
<b>24 TURNOVER – net</b>			
Local sales	24.1	1,855,475	2,199,205
Sales return		(5,159)	(4,288)
Sales tax		(269,599)	(319,543)
		(274,758)	(323,831)
Export sales		6,841	7,266
		<u>1,587,558</u>	<u>1,882,640</u>
<b>24.1</b>	Local sales include scrap sales of Rs. 62.631 (2018: Rs. 38.096) million.		
		30 June 2019	30 June 2018
	Note	(Rs. in '000)	
<b>25 COST OF SALES</b>			
<b>Raw material and packaging consumed</b>			
<b>Opening stock</b>			
Raw material	9	211,283	168,873
Scrap	9	63,527	56,647
		<u>274,810</u>	<u>225,520</u>
Purchases		986,622	1,179,107
<b>Closing stock</b>			
Raw material	9	(233,078)	(211,283)
Scrap	9	(449)	(63,527)
		<u>(233,527)</u>	<u>(274,810)</u>
		<u>1,027,905</u>	<u>1,129,817</u>
<b>Manufacturing overheads</b>			
Salaries, wages and benefits	25.1	164,599	153,273
Stores, spare parts and loose tools consumed		63,315	86,188
Depreciation	5.2	45,257	39,817
Fuel and power		44,070	50,391
Outsourced job contractor		32,783	44,394
Staff transportation		15,708	13,673
Repairs and maintenance		4,680	7,239
Insurance		3,778	4,281
Provision for slow moving stores, spare parts and loose tools	8.1	3,421	3,930
Vehicle running expenses		2,945	2,658
Entertainment		2,051	1,798
Communication		651	779
Printing and stationery		547	504
Travelling and conveyance		193	3,886
Computer expenses		104	116
Subscription		48	39
Slow moving stock-in-trade			
provision made during the year	9.1	-	424
reversal during the year	9.1	(1,187)	(5,746)
Others		312	1,646
		<u>383,275</u>	<u>409,290</u>
<b>Manufacturing cost</b>		<u>1,411,180</u>	<u>1,539,107</u>
<b>Work-in-process</b>			
Opening	9	143,066	222,337
Closing	9	(169,843)	(143,066)
		<u>(26,777)</u>	<u>79,271</u>
<b>Cost of goods manufactured</b>		<u>1,384,403</u>	<u>1,618,378</u>
<b>Finished goods</b>			
Opening	9	97,671	91,969
Closing	9	(140,298)	(97,671)
		<u>(42,627)</u>	<u>(5,702)</u>
<b>Cost of sales</b>		<u>1,341,776</u>	<u>1,612,676</u>



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

74

## BALUCHISTAN WHEELS LIMITED

	Note	30 June 2019	30 June 2018
		(Rs. in '000)	
<b>25.1 Included herein are the following employees' benefits:</b>			
Bonus		12,324	10,898
Medical		5,003	4,584
Defined benefit plan – gratuity		3,773	3,062
Defined contribution plan – provident fund		3,496	3,157
Accrual for compensated absences		1,192	1,585
		<u>25,788</u>	<u>23,286</u>
<b>26 DISTRIBUTION COSTS</b>			
Carriage and forwarding		26,700	39,208
Salaries and benefits	26.1	13,774	12,700
Outsourced service expenses		2,432	2,299
Entertainment		1,708	1,491
Vehicle running expenses		1,359	996
Utilities		524	504
Insurance		510	554
Selling expense – exports		313	267
Depreciation	5.2	241	255
Communication		118	97
Staff transportation		91	117
Advertisement		40	107
Travelling and conveyance		-	234
Computer expenses		12	41
(Reversal) / provision of warranty	22	(3,011)	1,127
Others		134	119
		<u>44,945</u>	<u>60,116</u>
<b>26.1 Included herein are the following employees' benefits:</b>			
Bonus		822	727
Defined contribution plan – provident fund		726	653
Medical		281	517
Defined benefit plan – gratuity		251	204
Accrual for compensated absences		19	49
		<u>2,099</u>	<u>2,150</u>
<b>27 ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	27.1	48,382	45,258
Outsourced service expenses		8,537	8,328
Vehicle running expenses		6,690	7,118
Corporate expenses		5,151	5,216
Depreciation	5.2	4,825	5,599
Entertainment		3,570	5,128
Rent, rates and taxes		2,955	2,709
Utilities		2,787	3,003
Legal and professional charges		2,080	2,122
Auditor's remuneration	27.2	1,286	1,188
Doubtful advances written-off		1,153	-
Insurance		1,053	1,287
Communication		759	972
Staff transportation		681	704
Repairs and maintenance		419	878
General stores supplies		594	739
Computer expenses		398	600
Travelling and conveyance		338	155
Subscription		228	141
Printing and stationery		202	354
Advertisement		135	28
Provision for expected credit loss	10.1	112	81
Others		341	467
		<u>92,676</u>	<u>92,075</u>



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

## BALUCHISTAN WHEELS LIMITED

	30 June 2019	30 June 2018
Note	----- (Rs. in '000) -----	
<b>27.1 Included herein are the following employees' benefits:</b>		
Bonus	3,286	2,906
Defined contribution plan – provident fund	1,894	1,661
Medical	1,650	1,318
Defined benefit plan – gratuity	1,006	816
Accrual for compensated absences	90	190
	<u>7,926</u>	<u>6,891</u>
<b>27.2 Auditor's remuneration</b>		
Statutory audit fee	715	715
Fees for limited scope review	150	150
Code of Corporate Governance	65	55
Other certifications	135	70
Out of pocket expenses	221	198
	<u>1,286</u>	<u>1,188</u>
<b>28 OTHER EXPENSES</b>		
Workers' profits participation fund	5,035	5,766
Workers' welfare fund	1,704	1,810
Exchange loss – net	5,802	708
	<u>12,541</u>	<u>8,284</u>
<b>29 FINANCE COSTS</b>		
<b>Mark-up / interest on:</b>		
Markup on running finance	5,912	842
Finance lease obligations	608	716
	<u>6,520</u>	<u>1,558</u>
Bank charges and excise duty	271	369
	<u>6,791</u>	<u>1,927</u>
<b>30 OTHER INCOME</b>		
<b>Income from financial assets</b>		
Profit on deposit accounts	1,417	1,977
Profit on treasury bills	438	1,580
Dividend income	189	372
Realised loss on redemption of investments	(327)	-
Unrealised loss on revaluation of investments	14.3 (2,118)	(4,869)
	<u>(401)</u>	<u>(940)</u>
<b>Income from non-financial assets</b>		
Liability no longer payable	4,298	9
Gain on sale of property, plant and equipment	3,090	601
Reversal of provision for expected credit loss	10.1 81	322
Disposal of waste / others	(2,254)	168
Others	312	20
	<u>5,527</u>	<u>1,120</u>
	<u>5,126</u>	<u>180</u>

*BM*



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

## BALUCHISTAN WHEELS LIMITED

	Note	30 June 2019 ----- (Rs. in '000) -----	30 June 2018 -----
<b>31 TAXATION</b>			
Current		20,808	16,109
Prior		(1,657)	(1,934)
Deferred		3,292	5,778
	31.1	<u>22,443</u>	<u>19,953</u>
<b>31.1 Relationship between accounting profit before tax and Taxation</b>			
Accounting profit for the year before taxation		<u>93,955</u>	<u>107,742</u>
Tax at applicable rate of 29% (2018: 30%)		27,247	32,323
Tax effects:			
- expenses that are not allowable in determining taxable income		882	1,312
- prior year		(1,657)	(1,934)
- income subject to reduced rates		(523)	84
- change in tax rates		-	(1,205)
- credit for investment in plant and machinery		(3,506)	(10,627)
		<u>22,443</u>	<u>19,953</u>
Effective tax rate %		<u>23.89</u>	<u>18.52</u>
<b>32 EARNINGS PER SHARE BASIC AND DILUTED</b>			
There is no dilutive effect on the basic earnings per share of the Company, which is based on:			
Profit for the year after taxation (Rs. in '000)		<u>71,512</u>	<u>87,789</u>
		<b>Number of shares</b>	
Weighted average number of ordinary shares outstanding during the year of Rs. 10/- each (in '000)		<u>13,334</u>	<u>13,334</u>
Basic earnings per share (Rupees)		<u>5.36</u>	<u>6.58</u>
<b>33 CASH GENERATED FROM OPERATIONS</b>			
Profit before taxation		93,955	107,742
<b>Adjustments for:</b>			
Depreciation	5.2	50,323	45,671
Gain on sale of property, plant and equipment	30	(3,090)	(601)
Finance costs	29	6,791	1,927
Provision for slow moving stores, spare parts and loose tools	8.1	3,421	3,930
Reversal for slow moving stock-in-trade – net	9.1	(1,187)	(5,322)
Provision / (reversal) for expected credit loss – net	10.1	31	(241)
Provision for compensated absences		1,301	1,824
(Reversal) / provision for warranty claims	22	(3,679)	1,127
Provision for employees' benefits	21.1	5,030	4,082
Profit on deposit accounts / treasury bills	30	(1,855)	(3,557)
Loss on revaluation and redemption of listed shares	30	2,445	4,869
Dividend income	30	(189)	(372)
		<u>59,342</u>	<u>53,337</u>
Working capital changes	33.1	<u>153,297</u>	<u>161,079</u>
		<u>28,018</u>	<u>(103,129)</u>
		<u>181,315</u>	<u>57,950</u>

*BWL*



## BALUCHISTAN WHEELS LIMITED

30 June 2019      30 June 2018  
 ----- (Rs. in '000) -----

### 33.1 Working capital changes

#### Decrease / (increase) in current assets

Stores, spare parts and loose tools	194	(2,455)
Stock-in-trade	8,270	(7,992)
Trade debts – unsecured	21,354	(69,519)
Loans and advances – considered good	8,891	7,787
Trade deposits, short term prepayments and other receivables	437	(541)
Sales tax refundable	4,244	11,356
	<u>43,390</u>	<u>(61,364)</u>

#### Decrease in current liabilities

Trade and other payables	(15,372)	(41,765)
	<u>28,018</u>	<u>(103,129)</u>

### 34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
	----- (Rs. in '000) -----							
Remuneration	6,579	5,904	12,776	11,426	6,494	3,637	25,849	20,967
Housing	2,961	2,657	5,748	5,142	2,922	1,636	11,631	9,435
Retirement benefits	2,328	1,793	4,699	3,590	2,423	1,382	9,450	6,765
Bonus	1,968	2,273	3,808	4,386	1,841	1,337	7,617	7,996
Medical expenses	729	416	1,383	1,218	204	120	2,316	1,754
Utilities	512	397	1,031	1,029	634	396	2,177	1,822
Leave fare Assistance	-	1,000	675	-	81	54	756	1,054
	<u>15,077</u>	<u>14,440</u>	<u>30,120</u>	<u>26,791</u>	<u>14,599</u>	<u>8,562</u>	<u>59,796</u>	<u>49,793</u>
Number	1	1	2	2	4	2	7	5

34.2 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.

34.3 Aggregate amount charged in the financial statements for fee for attending meetings to six non-executive directors was Rs. 2.95 million (2018: Rs. 2.70 million).

### 35 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 trade and other payables and liabilities against assets subject to finance lease. 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 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 2019 which are summarized below:

*Signature*



## BALUCHISTAN WHEELS LIMITED

### 35.1 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: currency risk, interest rate risk and other price risk such as equity risk.

#### (i) Equity price risk

Equity risk is the risk of loss arising from movements in prices of equity investments. As of the reporting date, the Company is not materially exposed to such risk.

#### (ii) 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 a 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.

#### (iii) 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 liabilities against assets subject to finance lease. The Company mitigates its risk by maintaining excess funds in saving accounts with floating interest rates.

#### Sensitivity analysis

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

	Increase / decrease in interest rate (%)	Effect on profit (Rs. in '000)
30 June 2019	+2	489
	-2	(489)
30 June 2018	+2	198
	-2	(198)

### 35.2 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:

	Carrying values		
	30 June 2019	30 June 2018	
Note	(Rs. in '000)		
Loans	6	4,101	4,134
Deposits and other receivables		6,112	7,334
Trade debts - unsecured	10	144,187	165,572
Short term investment	14	102,827	5,516
Bank balances	15	44,994	31,116
		<u>302,221</u>	<u>213,672</u>



## 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 2019	30 June 2018
	----- (Rs. in '000) -----	
<b>35.2.1 The ageing analysis of unimpaired trade debts at 30 June is as follows:</b>		
Neither past due nor impaired	85,826	142,698
Past due but not impaired:		
Within 90 days	54,223	22,548
Within 90 to 180 days	4,138	326
Over 180 days	-	-
	<u>144,187</u>	<u>165,572</u>
<b>35.2.2 Bank balances</b>		
Ratings		
A1+	<u>44,994</u>	<u>31,116</u>
<b>35.3 Liquidity risk</b>		

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 facility of Rs. 335 million for a running finance facility which carries interest rate ranging between 0.75% and 1% percent plus 3 months average KIBOR and is 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:

	On demand	Less than 3 Months	3 to 12 months	1 to 5 Years	Total
	----- (Rs. in '000) -----				
<b>30 June 2019</b>					
Long-term deposits	-	-	-	2,010	2,010
Liabilities against asset subject to finance leases	-	625	3,122	989	4,736
Trade and other payables	82,209	-	-	-	82,209
	<u>82,209</u>	<u>625</u>	<u>3,122</u>	<u>2,999</u>	<u>88,955</u>
	On demand	Less than 3 Months	3 to 12 months	1 to 5 Years	Total
	----- (Rs. in '000) -----				
<b>30 June 2018</b>					
Long-term deposits	-	-	-	1,710	1,710
Liabilities against asset subject to finance leases	-	876	4,381	5,306	10,563
Trade and other payables	93,747	-	-	-	93,747
	<u>93,747</u>	<u>876</u>	<u>4,381</u>	<u>7,016</u>	<u>106,020</u>

### 35.4 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 shareholder 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 dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company finances its investment portfolio through equity and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk. However as of reporting date the Company is mainly financed through equity.



**BALUCHISTAN WHEELS LIMITED**

**36 TRANSACTIONS WITH RELATED PARTIES**

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

Relationship	Nature of transactions	30 June 2019	30 June 2018
		----- (Rs in '000) -----	
Key management personnel	Sale of vehicles / equipment	-	476
Key management personnel	Dividend paid to directors and others	22,680	27,977
Key management personnel	Loan given during the year	1,881	1,399
Key management personnel	Advances paid during the year	1,091	1,441

**37 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-----				
<b>Investments designated 'at fair value through profit or loss'</b>				
Listed Shares				
2019	2,826	-	-	2,826
2018	5,516	-	-	5,516

**38 PLANT CAPACITY AND ACTUAL PRODUCTION**

	Note	30 June 2019	30 June 2018
----- (Units in '000) -----			
Plant capacity – single shift (estimated)	38.1	850	850
Actual production		662	812

38.1 During the year actual production was below the estimated capacity due to lower demand of wheels of all the segments (i.e. car / truck and bus / tractor wheels).

**39 NUMBER OF EMPLOYEES**

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

	2019	2018
----- Numbers -----		
At year end	272	290
Average employees during the year	280	293

*Handwritten signature*



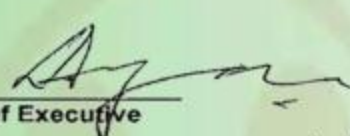
## BALUCHISTAN WHEELS LIMITED

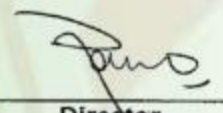
### 40 DIVIDEND AND APPROPRIATIONS

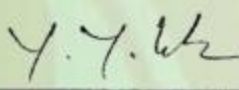
The Board of Directors in its meeting held on September 13, 2019 proposed final cash dividend of Rs. 22 /- per share for the year ended June 30, 2019 amounting to Rs. 26.69 million for approval of the members at the Annual General Meeting to be held on October 24, 2019.

### 41 GENERAL

- 41.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.
- 41.2 Certain prior year figures have been reclassified for better presentation. However, there are no material reclassifications to report.
- 41.3 These financial statements have been authorised for issue on September 19, 2019 by the Board of Directors of the Company.

  
Chief Executive

  
Director

  
Chief Financial Officer



## PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2019

NO. OF SHAREHOLDERS	SHAREHOLDING RANGE		NO. OF SHARES
	FROM	TO	
647	1	-	27,541
472	101	-	130,898
113	501	-	86,238
90	1,001	-	181,736
16	5001	-	126,713
3	10001	-	32,262
1	15001	-	18,500
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	230001	-	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	480001	-	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
1,365			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	343,018	2.57
FOREIGN COMPANIES	7	5,905	0.04
OTHERS	20	1,920,171	14.40
<b>GENERAL PUBLIC</b>			
-- LOCAL	1,158	1,973,325	14.80
-- FOREIGN	158	54,117	0.41
	1,365	13,334,250	100.00



## PATTERN OF SHAREHOLDING - BREAKUP

AS AT JUNE 30, 2019

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
<b><u>DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN</u></b>	<b>11</b>	<b>7,038,193</b>	<b>52.78%</b>
1 MR. RAZAK BENGALI		1,571,971	
2 MRS. GUL BANO RAZAK		482,083	
3 MR. MUHAMMAD SIDDIQUE MISRI		2,646,410	
4 MRS. MEHTAB BIBI		437,201	
5 MRS. SABA NADEEM		3,000	
6 MR. MUHAMMAD IRFAN GHANI		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	
<b><u>BANK, DFI &amp; NBF</u></b>	<b>4</b>	<b>1,657,828</b>	<b>12.43%</b>
1 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,328,360	
2 PRUDENTIAL INVESTMENT BANK LIMITED		575	
3 NATIONAL BANK OF PAKISTAN		893	
4 NATIONAL BANK OF PAKISTAN		328,000	
<b><u>INSURANCE COMPAINES</u></b>	<b>1</b>	<b>341,693</b>	<b>2.56%</b>
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
<b><u>MODARABAS &amp; MUTUAL FUND</u></b>	<b>6</b>	<b>343,018</b>	<b>2.57%</b>
1 CDC - TRUSTEE NAFA STOCK FUND		87,000	
2 CDC - TRUSTEE NAFA ISLAMIC SARMAYA IZAFI FUND		234,500	
3 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND		4,000	
4 CDC- TRUSTEE NAFA ASSET ALLOCATION FUND		7,500	
5 CDC - TRUSTEE NAFA ISLAMIC STOCK FUND		10,000	
6 GENERAL MODARABA SERVICES (PVT) LTD		18	
<b><u>FOREIGN COMPANIES</u></b>	<b>7</b>	<b>5,905</b>	<b>0.04%</b>
1 ROYAL BANK OF SCOTLAND		1,638	
2 BANK OF SCOTLAND		718	
3 BANKERS TRUST COMPANY		86	
4 MORGAN STANLEY BANK LUXEMBOURG		1,322	
5 MORGAN STANLEY TRUST COMPANY		718	
6 CROSBY SECURITIES PTE LTD.		833	
7 SOMERS NOMINEES (FAR EAST) LTD.		590	



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

84

## CATEGORIES OF SHAREHOLDERS

<b><u>OTHERS</u></b>	<b>20</b>	<b>1,920,171</b>	<b>14.40%</b>
1 M/S. NATIONAL MOTORS LIMITED		230	
2 NATIONAL DEV. FINANCE CORP.INVESTERS		438	
3 BOLAN CASTINGS LIMITED		287,500	
4 PRUDENTIAL SECURITIES LIMITED		718	
5 AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.		40	
6 SIZA (PRIVATE) LTD		8,000	
7 LOADS LIMITED		230	
8 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		145,562	
9 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		5,108	
10 S.H. BUKHARI SECURITIES (PVT) LIMITED		86	
11 UHF CONSULTING (PRIVATE) LIMITED		200	
12 MAPLE LEAF CAPITAL LIMITED		1	
13 MILLAT TRACTORS LIMITED		1,282,825	
14 TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD - PROVIDENT FUND		5,000	
15 MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED		287	
16 MSMANIAR FINANCIALS (PVT) LTD.		345	
17 SEVEN STAR SECURITIES (PVT) LTD		11,500	
18 FIKREE'S (SMC-PVT) LTD.		801	
19 CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT		88,500	
20 CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT		82,800	
<b><u>GENERAL PUBLIC</u></b>	<b>1,316</b>	<b>2,027,442</b>	<b>15.20%</b>
1 GENERAL PUBLIC - LOCAL		1,973,325	
2 GENERAL PUBLIC - FOREIGN		54,117	
	<b>1,365</b>	<b>13,334,250</b>	<b>100%</b>
<b><u>SHAREHOLDERS HOLDING FIVE PERCENT OR MORE</u></b>	<b>6</b>	<b>8,078,616</b>	<b>60.59%</b>
<b><u>VOTING INTEREST IN THE COMPANY</u></b>			
1 MUHAMMAD SIDDIQUE MISRI		2,646,410	
2 RAZAK BENGALI		1,571,971	
3 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,328,360	
4 MILLAT TRACTORS LIMITED		1,282,825	
5 MUHAMMAD IRFAN GHANI		1,249,050	



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

85



## Baluchistan Wheels Limited

N.T.N : 0709848-7

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 39th Annual General Meeting of Baluchistan Wheels Limited will be held on Saturday, October 26, 2019 at 11:00 am at Company's Registered Office, Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan to transact the following business:-

#### ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on May 25, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' Reports for the year ended June 30, 2019.
3. To consider and approve payment of final cash dividend of Rs.2 ( 20 %) per share for the year ended June 30, 2019 as recommended by the Board of Directors.
4. To appoint statutory auditors of the company for the year ending June 30, 2020 and fix their remuneration.

#### OTHER BUSINESS

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

#### BY ORDER OF THE BOARD

Muhammad Asad Saeed  
Company Secretary  
Karachi: September 19, 2019



First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi -75530 (Pakistan)  
Phone (Off) : (021) 35683474, 35687502, 35689259, Fax : 92-21-35684003  
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.  
Phones : (0033)-363426, (0033)-363428, Fax : (0033)-364026  
E-mail : bwfln@cyber.net.pk or bwfho@cyber.net.pk Internet : <http://www.bwheels.com>





## Baluchistan Wheels Limited

N.T.N : 0709848-7

### NOTES:

#### 1. Closure of Share Transfer Books

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from **October 19, 2019 to October 26, 2019** (both days inclusive). Transfer received in order at the Shares Department of M/s THK Associates (Pvt) Limited, 1<sup>st</sup> Floor, 40-C, Block-6, P.E.C.H.S. Karachi-75530, Pakistan, **at the close of business on October 18, 2019** will be treated in time for the purpose of payment of final cash dividend, if approved by the shareholders.

#### 2. Participation in the Annual General Meeting:

A member entitled to attend and vote at the meeting is entitled to appoint any other member as his / her proxy to attend and vote. Proxies in order to be effective must be received at the Head Office of the Company, duly stamped and signed not less than **48 hours** before the time of holding the meeting. A member cannot appoint more than one proxy

CDC Account Holders will further have to follow the under mentioned 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.





## Baluchistan Wheels Limited

N.T.N : 0709848-7

- 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.
3. 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. As per Regulation no 4 & 6 of SRO 1145 (1)/2017 dated 6th November 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.
4. Payment of Cash Dividend Electronically (Mandatory)
- a. In accordance with SECP Circular No. 18 of 2017 dated 1st August 2017 and the instructions related to distribution of dividend indicated in Companies (Distribution of Dividends) Regulation, 2017 and section 242 of the Companies Act, 2017, every listed company is required to ensure that with effect from 1st November 2017 the cash dividends shall be paid through electronic mode only. 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





## Baluchistan Wheels Limited

N.T.N : 0709848-7

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

- a. Pursuant to the provision of the Finance Act, 2019 effective July 01, 2019 the rate of deduction of income tax from dividend payment under section 150 of the income tax ordinance, 2001 have been received as follows:
  - (i) For Active Tax Payer: 15%
  - (ii) For Non- Active Tax Payer: 30%
- b. Shareholders whose names are not appearing in the Active Tax-payers List [ATL] are advised to immediately make necessary arrangement to make them active. Otherwise, tax on their cash dividend will be deducted as per rules
- c. 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.
- d. 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)

- e. 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).





## Baluchistan Wheels Limited

N.T.N : 0709848-7

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

### 6. 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 2019, are available on the Company's website [http:// www.bwheels.com](http://www.bwheels.com)
- b. In accordance with SRO 470(1)/2016 dated 31<sup>st</sup> May 2016, SECP has allowed the Companies to circulate the annual audited accounts to its members through CD / DVD / USB instead of transmitting the hard copies at their registered addresses. However, if any shareholder, in addition, 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)

### 7. Video Conference

- a. In accordance with the provisions of Section 132 and 134 of the Companies Act, 2017, on the demand, received at least seven days before the date of meeting, of members residing in a city, who hold at least 10% or more share- holding, video-link facility will be provided to such members enabling them to participate in the Annual General Meeting. They will be entertained subject to availability of such facility in that city
- b. Subject to the fulfilment of the above conditions, members shall be informed of the venue, 2 days before the date of the General Meeting along with complete information necessary to access the facility.
- c. For convenience of shareholders, a "Consent Form" for provision of Video link facility is available on the Company's website.





# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

90



## Baluchistan Wheels Limited

N.T.N : 0709848-7

### 8. E-Voting

Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations 2018.

### 9. Change of Address:

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

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

(Members are requested to bring their Original CNIC / Original Passport at the time of attending the meeting).

\*Proxy Form is enclosed



First Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi -75530 (Pakistan)  
Phone (Off) : (021) 35683474, 35687502, 35689259, Fax : 92-21-35684003  
Factory : Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan.  
Phones : (0853)-363426, (0853)-363426, Fax : (0853)-364025  
E-mail : [bwffn@cyber.net.pk](mailto:bwffn@cyber.net.pk) or [bwfho@cyber.net.pk](mailto:bwfho@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 policies in its true spirit.

## **Explanation:**

Significant policies for this purpose may include:

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



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

## 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 26<sup>th</sup> day of October  
 2019 at 11:00 am at Registered Office and at any adjournment thereof.

As witness my/our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_

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

Signature of Member (s)

Witness: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 CNIC No: \_\_\_\_\_  
 Address: \_\_\_\_\_

Witness: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 CNIC No: \_\_\_\_\_  
 Address: \_\_\_\_\_

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

### FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES

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

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

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





# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

Dear Shareholder(s)

## **MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE**

In pursuance of Section 242 of the Companies Act, 2017, it is now mandatory for all listed companies to pay dividend only by way of electronic mode, directly into the bank accounts of entitled shareholders.

Keeping in view the same, all cash dividend, if declared by the Company in future will be directly transferred in bank account. In order to enable us to follow the directives of the regulators in regard to payment of dividend only through electronic mode, you are requested to please provide/update your bank account details in below mentioned format.

1. I hereby authorize **Baluchistan Wheels Limited** to directly credit cash dividend declared by it, if any, in the below mentioned bank account.

### **Bank Account Details of Transfer for Cash Dividend**

\*(Mandatory to provide)

<i>i) Shareholder's Detail</i>	
Name of Company	
Name of shareholder	
Folio No. /CDC Participants ID A/c No.	
CNIC No*	
Passport No, (in case of foreign shareholder)**	
Land Line Phone Number	
Cell Number	

<i>ii) Shareholder's Bank Detail</i>	
Title of Bank Account	
International Bank Account Number (IBAN)	PK
<b>Mandatory</b>	
Bank's Name	
Branch Name And Address	

2. It is stated that the above-mentioned information is correct, that I will intimate the changes in the above mentioned information to the above addresses as soon as these occur.

\_\_\_\_\_  
(Signature of shareholder)

**KINDLY NOTE: COMPANY MAY WITHHOLD THE PAYMENT OF DIVIDEND OF A MEMBER WHERE THE MEMBER HAS NOT PROVIDED THE COMPLETE INFORMATION OR DOCUMENTS AS SPECIFIED.**

The shareholders who hold shares in Central Depository Company are requested to submit the above mentioned dividend mandate form after duly filled in to their participants/investor account services of the central depository company limited.

The shareholder who hold shares in physical form are requested to submit the above-mentioned dividend mandate form after duly filled in to Company's registrar office, as mentioned below:

M/s THK Associates (Pvt.) Limited  
1<sup>st</sup> Floor, 40-C, Block 6,  
P.E.C.H.S, Karachi-75400

For any query, you may please contact on Tel # 021-111-000-322 or email at [sfc@thk.com.pk](mailto:sfc@thk.com.pk)

Thanking you.

**Mr. Muhammad Asad Saeed**  
(Company Secretary)

Note: This is a computer generated letter and does not require signature.

\*Please attach attested photocopy of CNIC

\*\*Please attach attested photocopy of the Passport



# BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

[www.jamapunji.pk](http://www.jamapunji.pk)



سرمایہ کاری سمجھداری کے ساتھ



## Be aware, Be alert, Be safe

Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

### Key features:

- 🔍 Licensed Entities Verification
- 🚫 Scam meter\*
- 🎮 Jamapunji games\*
- 📊 Tax-credit calculator\*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- 🗨️ FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler\*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes

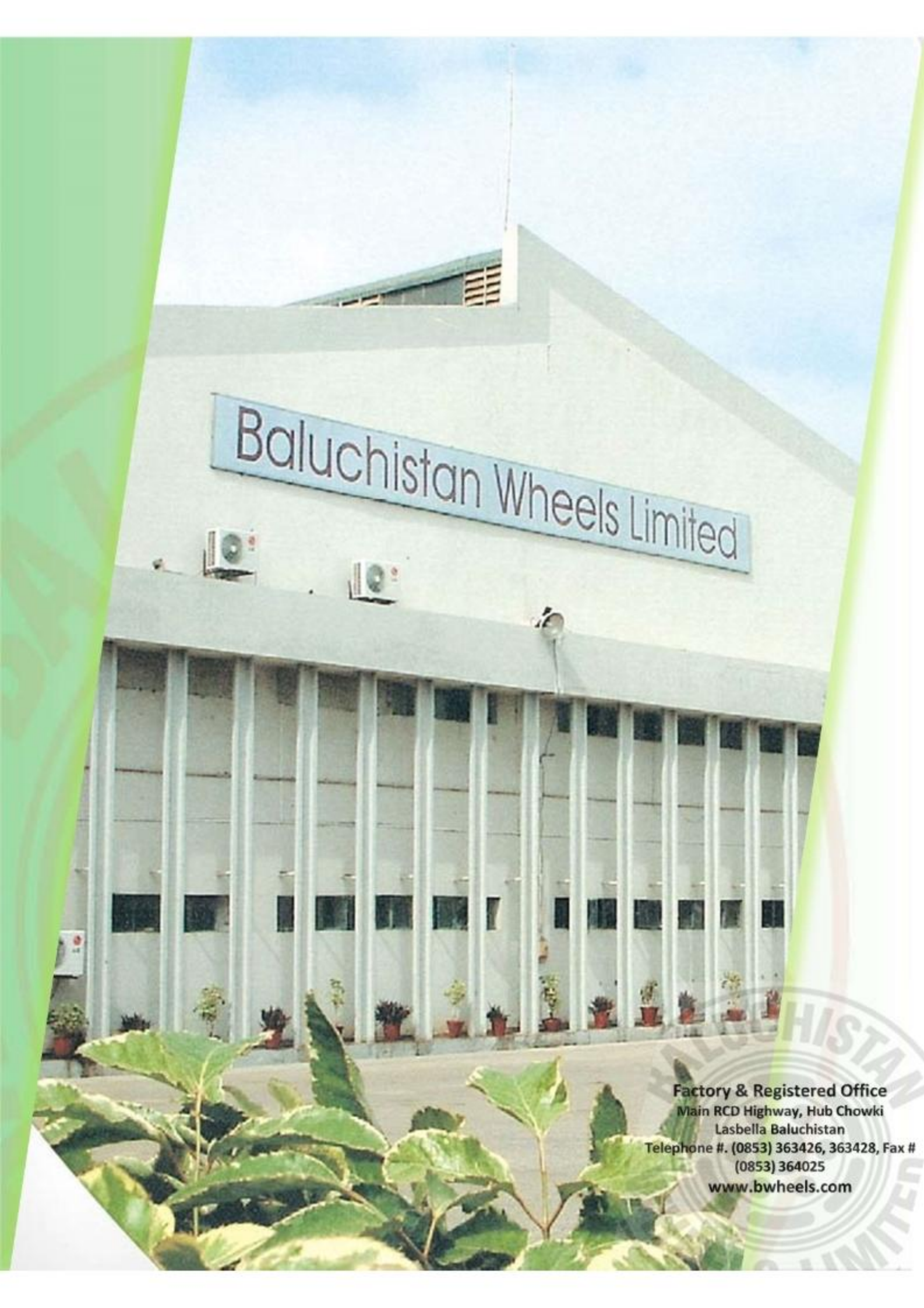


Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

[jamapunji.pk](http://jamapunji.pk)

[@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

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



# Baluchistan Wheels Limited

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