



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

ANNUAL REPORT

2018



Moving Around The World



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.





BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

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.



Contents

❖ Company Information	03
❖ Board of Directors	06
❖ Management Team	09
❖ Six Years at a Glance	11
❖ Horizontal & Vertical Analysis	13
❖ Statement of Value Addition & Its Distribution	19
❖ Review Report by the Chairman	20
❖ Directors' Report to the Shareholders (English)	23
❖ Directors' Report to the Shareholders (Urdu)	48
❖ Investor Relations	49
❖ Statement of Compliance with the Best Practices of Code of Corporate Governance	51
❖ Review Report to the Members on Statement of Compliance with the Code of Corporate Governance	55
❖ Auditor's Report to the Members	57
❖ Statement of Financial Position	62
❖ Statement of Profit or Loss	63
❖ Statement of Comprehensive Income	64
❖ Statement of Cash Flows	65
❖ Statement of Changes in Equity	66
❖ Notes to the Financial Statements	67
❖ Pattern & Breakup of Shareholding	92
❖ Notice of the Meeting	95
❖ Code of Conduct / Statement of Ethics and Business Practices	100
❖ Proxy Form	



Company Information

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

CHIEF EXECUTIVE

Mr. Razak H.M. Bengali

INDEPENDENT DIRECTOR

Mr. Anis Wahab Zuberi

EXECUTIVE DIRECTORS

Mr. Muhammad Siddique Misri
Mr. Muhammad Irfan Ghani

Director Marketing/ Business Development(Executive Director)
Chief Operating Officer(Executive Director)

NON-EXECUTIVE DIRECTORS

Syed Zubair Ahmed Shah
Mr. Irfan Ahmed Qureshi
Mr. Muhammad Javed
Mrs. Saba Nadeem

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

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Muhammad Yasin Yunus Ladha

AUDIT COMMITTEE

Mr. Anis Wahab Zuberi
Syed Zubair Ahmed Shah
Syed Haroon Rashid
Mr. Irfan Ahmed Qureshi
Mrs. Saba Nadeem

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

Chairman
Member
Member
Member
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Syed Zubair Ahmed Shah
Mr. Muhammad Irfan Ghani
Mr. Anis Wahab Zuberi
Mr. Muhammad Javed

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

Chairman
Member
Member
Member

MANAGEMENT COMMITTEE

Mr. Razak H.M. Bengali
Mr. Muhammad Siddique Misri
Mr. Muhammad Irfan Ghani
Mr. Sajid Nadri
Mr. Muhammad Yasin Yunus Ladha
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 (Technical)
S.G.M (Finance) / Company Secretary
GM (Maintenance)
D.G.M (Finance)
D.G.M (Supply & Services)
D.G.M (Finance)



Company Information

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: bwlfin@cyber.net.pk

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

Telephone # 35689259, 35683474, 35687502

Fax # 35684003

FACTORY AND REGISTERED OFFICE

Main RCD Highway, Hub Chowki,

Lasbella, Baluchistan.

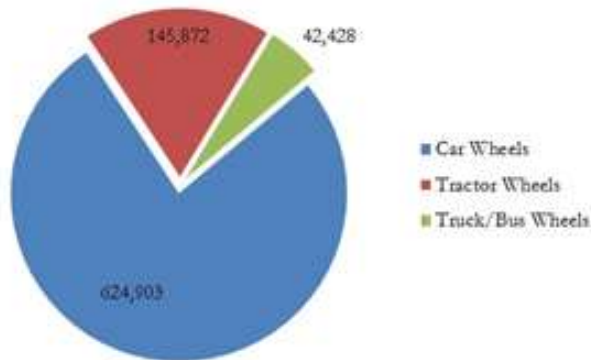
Telephone # (0853) 363426, 363428

Fax # (0853) 364025

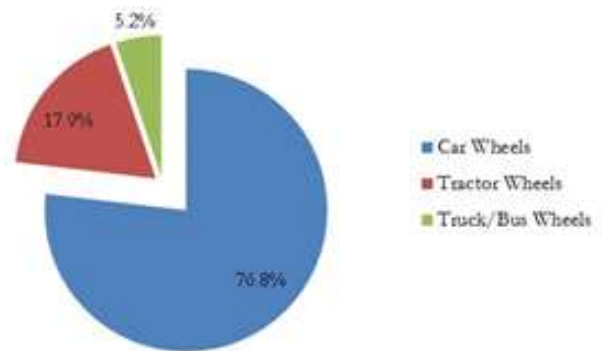


Graphical Representation

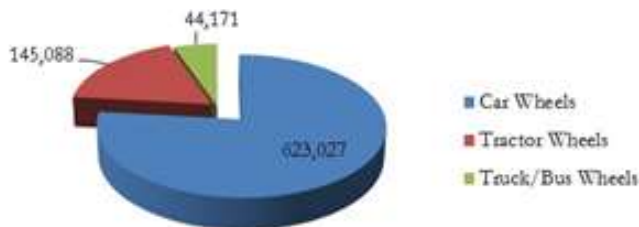
Sales in Qty



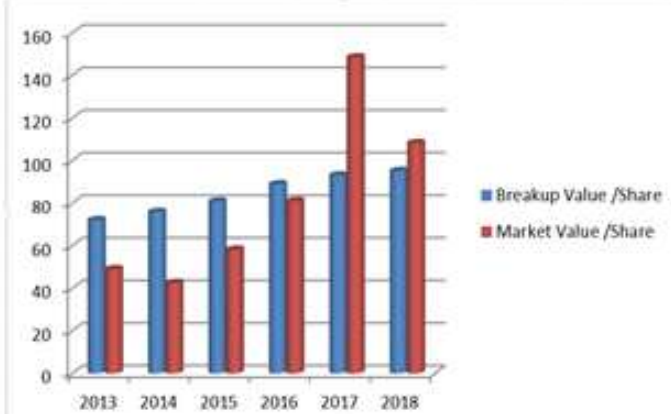
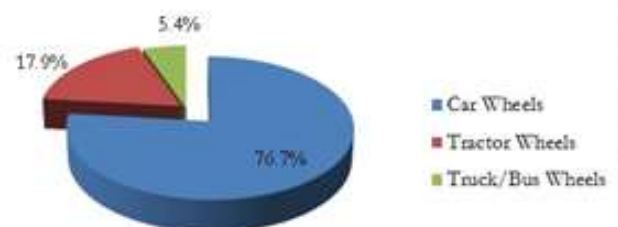
Sales in %



Production in Qty



Production in %





Profile of the Members of the Board of Directors



Syed Haroon Rashid
Chairman (Non-Executive Director)

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

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

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



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

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

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

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

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

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

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



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 in the year 1996 and took the responsibility of planning and production when the plant & machinery was old and they needed major over haul so as to improve the quality, and he is instrumental in the balancing modernization and expansion of various facilities at BWL, wherein the Company was able to replace, its old Butt Welding Machines, added new Light Duty Rim Line, latest version of Electro Deposit Paint Shop and subsequently its Monorail Conveyor.

Currently he is working on the modernization of Truck / Bus Line, whereby as the first step new Spinning Machine was added and the study on the Truck / Bus Rim project is also been carried out, through induction of various models of Truck / Bus tubeless wheels.



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.



Syed Zubair Ahmad Shah
Non-Executive Director (Nominee - NIT)

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



Mr. Irfan Ahmed Qureshi
Non-Executive 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
Non-Executive 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, CED Paint Shop, Local Development of Run out Machines (2Nos), Wheel Fatigue Testing Machines (2Nos), Air Leakage Testing Machines (3Nos) and Certification of BWL Quality Management System for ISO 9000 and Environment System for ISO 14000.



Mrs. Saba Nadeem
Non-Executive Director

Mrs. Saba Nadeem belongs to a business family. She has done A'Levels. Also, she has done Diploma in Interior Designing from the Indus Valley School of Arts, and remained involved in activities like Fabric Painting and Glass Painting. She has been a teacher in a grammar school in Clifton, Karachi. She is a Certified Director and had completed Director Education Certification Programme from the Institute of Cost & Management Accountants of Pakistan (ICMAP).

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



Management Team



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



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



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



Mr. Muhammad Yasin Yunus Ladha
CFO / Company Secretary / 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 CFO/ Company Secretary / 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
Deputy General Manager (Finance)

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

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



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 completed his Executive MBA from KSB. He is also MBA in Finance & MCS. He is associated with the company since year 2000 and currently working as Deputy General Manager Finance.

He has over eighteen years of experience in the field of Finance & Accounts 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 YEARS AT A GLANCE

Balance Sheet

Rupees in '000'

ASSETS

Non Current Assets

	2018	2017	2016	2015	2014	2013
Property, plant & equipment	494,967	367,269	305,947	307,284	351,705	354,354
Intangible asset	-	-	-	-	-	110
Long term investments	-	-	-	1,739	747	755
Long-term loans & advances	3,855	4,275	3,719	2,998	1,993	1,818
Long-term deposits	5,777	5,063	4,140	5,740	5,740	4,636
	504,599	376,607	313,806	317,761	360,185	361,673

Current Assets

Stores, spare parts & loose tools	54,455	55,930	46,522	44,018	44,552	45,703
Stock-in-trade	532,188	518,874	468,685	452,579	498,712	502,672
Trade debts	165,572	95,781	77,347	59,981	65,310	134,255
Loans and advances	24,805	32,592	29,276	15,043	14,848	16,673
Trade deposits and short term prepayments	2,049	1,694	2,869	2,287	3,168	3,218
Other receivables	928	2,894	1,962	521	5,813	-
Short term investments	5,516	261,671	354,064	-	83,678	20,067
Sales tax refundable - net	-	8,554	-	-	1,792	-
Taxation - net	141,608	77,553	-	47,041	47,377	18,773
Bank balances	31,116	27,530	44,051	255,013	28,905	34,713
	958,237	1,083,073	1,024,776	876,483	794,155	776,074
TOTAL ASSETS	1,462,836	1,459,680	1,338,582	1,194,244	1,154,340	1,137,747

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorised Capital						
25,000,000 Ord. shares of Rs. 10/- each	250,000	250,000	250,000	250,000	250,000	250,000
Share Capital	133,343	133,343	133,343	133,343	133,343	133,343
Reserves	1,135,647	1,107,742	1,052,030	943,870	877,854	829,035
	1,268,990	1,241,085	1,185,373	1,077,213	1,011,197	962,378

Non Current Liabilities

Liabilities against assets subject to finance lease	5,306	4,958	-	2,569	5,113	1,626
Long term advances	-	-	-	-	10,093	-
Long term deposits	1,710	874	646	706	1,110	892
Deferred taxation	34,958	29,179	19,976	17,592	35,490	41,777
	41,974	35,011	20,622	20,867	51,806	44,295

Current Liabilities

Trade and other payables	133,499	171,734	115,889	79,766	79,624	110,726
Unclaimed dividend	5,281	4,835	4,190	3,867	3,623	3,374
Current portion of						
- liabilities against assets subject to finance lease	5,257	2,948	2,576	2,523	3,828	4,039
- long term advance	-	-	-	-	1,442	-
- long term deposits	-	-	836	205	12	-
Provision for warranty	5,033	4,067	3,445	3,631	2,808	2,943
Taxation-net	-	-	3,364	-	-	-
Sales tax payable - net	2,802	-	2,287	6,172	-	10,019
	151,872	183,584	132,587	96,164	91,337	131,101

TOTAL EQUITY AND LIABILITIES

1,462,836	1,459,680	1,338,582	1,194,244	1,154,340	1,137,774
------------------	------------------	------------------	------------------	------------------	------------------



SIX YEARS AT A GLANCE

Profit & Loss

	Rupees in '000'					
	2018	2017	2016	2015	2014	2013
Turnover - net	1,882,640	1,533,650	1,471,558	1,378,332	1,148,425	1,164,513
Cost of Sales	(1,612,676)	(1,234,745)	(1,098,211)	(1,170,149)	(948,811)	(1,024,528)
Gorss Profit	269,964	298,905	373,347	208,183	199,614	139,985
Distribution Costs	(60,116)	(49,401)	(37,980)	(38,511)	(38,696)	(26,302)
Administration Expenses	(92,075)	(86,344)	(82,285)	(80,752)	(71,153)	(68,429)
Other Expenses	(8,284)	(14,977)	(20,758)	(12,096)	(10,433)	(5,250)
Finance Costs	(1,927)	(1,378)	(827)	(2,949)	(3,109)	(4,984)
	(162,402)	(152,100)	(141,850)	(134,308)	(123,391)	(104,965)
Other Income	180	25,404	21,505	37,339	9,014	1,568
Profit before Taxation	107,742	172,209	253,002	111,214	85,237	36,588
Taxation	(19,953)	(45,867)	(99,730)	(15,278)	(16,733)	19,271
Profit after Taxation	87,789	126,342	153,272	95,936	68,504	55,859
Earnings per Share (Rupees) - Basic and Diluted	6.58	9.48	11.49	7.19	5.14	4.19

SIGNIFICANT RATIOS AND STATISTICS

	2018	2017	2016	2015	2014	2013
Liquidity & Leverage Ratios:						
-Current Ratios	6.31	5.90	7.73	9.11	8.69	5.76
-Quick Ratios	2.45	2.77	3.85	3.95	2.75	1.69
-Liability as a % of Total Assets	13.25	14.98	11.44	9.80	12.40	15.61
-Interest Cover Ratio (Times)	56.91	125.97	306.93	38.71	28.42	8.34

Equity Ratios:						
-Break up Value per Share (Rs)	95.18	93.07	88.90	80.79	75.83	72.00
-Dividend as a % of Capital	30.00	40.00	50.00	30.00	22.50	15.00
-Dividend Yield Ratio/ Cost of Equity (%)	2.77	2.69	6.17	5.16	5.29	3.06
-Dividend per Share (Rs)	3.00	4.00	5.00	3.00	2.25	1.50

Profitability Ratios:						
-Gross Profit (%)	14.34	19.49	25.37	15.10	17.38	12.02
-Operating Profit(%)	5.83	11.32	17.24	8.28	7.69	4.02
-Profit before Tax(%)	5.72	11.23	17.19	8.07	7.42	3.14
-Profit after Tax (%)	4.66	8.24	10.41	6.96	5.97	4.80
-Return on Capital Employed(%)	8.49	13.88	21.34	10.32	8.43	3.81
-Earnings per Share (Rs)	6.58	9.48	11.49	7.19	5.14	4.19
-Price Earing Ratio(Times)	16.45	15.67	7.05	8.08	8.27	11.70
-Dividend Payout Ratio (%)	45.59	42.19	43.50	41.70	43.80	35.81
-Dividend Cover (Times)	2.20	2.40	2.30	2.40	2.28	2.79
-Capital Turnover (Times)	1.48	1.24	1.24	1.28	1.14	1.21
-Return on Assets (%)	6.00	8.66	11.45	8.03	5.93	4.91

Turnover/Efficiency Ratios:						
-Inventory Turnover Ratio(Times)	2.78	2.27	2.17	2.25	1.74	1.86
-Debtor Turnover Ratio(Times)	14.41	17.72	21.43	22.00	11.51	8.83
-Fixed Assets Turnover Ratio(Times)	3.80	4.18	4.81	4.49	3.26	3.29

Plant Capacity:						
-Plant Capacity Utilisation (%)	96	78	99	94	83	62

Share Performance:						
-Year end Market Price per Share	108.21	148.50	81.00	58.15	42.50	49.00
-High Price per Share during the Year	160.94	194.00	95.40	70.49	80.00	49.00
-Low Price per Share during the Year	96.00	80.00	58.00	33.30	41.00	24.62



Horizontal Analysis Balance Sheet

	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'	2014 Vs. 2013 (%)	2013 Rs. in '000'
ASSETS											
Non Current Assets											
Property, plant & equipment	494,967	35	367,269	20	305,947	(0)	307,284	(13)	351,705	(1)	354,354
Intangible asset	-	-	-	-	-	-	-	-	-	(100)	110
Long term investments	-	-	-	-	-	(100)	1,739	133	747	(1)	755
Long-term loans & advances	3,855	(10)	4,275	15	3,719	24	2,998	50	1,993	10	1,818
Long-term deposits	5,777	14	5,063	22	4,140	(28)	5,740	-	5,740	24	4,636
	504,599	34	376,607	20	313,806	(1)	317,761	(12)	360,185	(0)	361,673
Current Assets											
Stores, spare parts & loose tools	54,455	(3)	55,930	20	46,522	6	44,018	(1)	44,552	(3)	45,703
Stock-in-trade	532,188	3	518,874	11	468,685	4	452,579	(9)	498,712	(1)	502,672
Trade debts	165,572	73	95,781	24	77,347	29	59,981	(8)	65,310	(51)	134,255
Loans and advances	24,805	(24)	32,592	11	29,276	95	15,043	1	14,848	(11)	16,673
Trade deposits and short term prepayments	2,049	21	1,694	(41)	2,869	25	2,287	(28)	3,168	(2)	3,218
Other receivables	928	(68)	2,894	48	1,962	277	521	100	5,813	-	-
Short term investments	5,516	(98)	261,671	(26)	354,064	100	-	(100)	83,678	317	20,067
Taxation - net	141,608	83	77,553	100	-	(100)	47,041	(1)	47,377	152	18,773
Sales tax refundable - net	-	(100)	8,554	100	-	-	-	(100)	1,792	-	-
Bank balances	31,116	13	27,530	(38)	44,051	(83)	255,013	782	28,905	(17)	34,713
	958,237	(12)	1,083,073	6	1,024,776	17	876,483	10	794,155	2	776,074
TOTAL ASSETS	1,462,836	0.22	1,459,680	9	1,338,582	12	1,194,244	3	1,154,340	1	1,137,747



Horizontal Analysis Balance Sheet

	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'	2014 Vs. 2013 (%)	2013 Rs. in '000'
EQUITY AND LIABILITIES											
Share Capital and Reserves											
Authorised Capital 25,000,000 Ord. shares of Rs. 10/- each	250,000		250,000		250,000		250,000		250,000		250,000
Share Capital	133,343	-	133,343	-	133,343	-	133,343	-	133,343	-	133,343
Reserves	1,135,647	3	1,107,742	5	1,052,030	11	943,870	8	877,854	6	829,035
	1,268,990	2	1,241,085	5	1,185,373	10	1,077,213	7	1,011,197	5	962,378
Non Current Liabilities											
Liabilities against assets subject to finance lease	5,306	7	4,958	100	-	(100)	2,569	(50)	5,113	214	1,626
Long term advances	-	-	-	-	-	-	-	100	10,093	-	-
Long term deposits	1,710	96	874	35	646	(8)	706	(36)	1,110	24	892
Deferred taxation	34,958	20	29,179	46	19,976	14	17,592	(50)	35,490	(15)	41,777
	41,974	20	35,011	70	20,622	(1)	20,867	(60)	51,806	17	44,295
Current Liabilities											
Trade and other payables	133,499	(22)	171,734	48	115,889	45	79,766	0	79,624	(28)	110,726
Unclaimed dividend	5,281	9	4,835	15	4,190	8	3,867	7	3,623	8	3,346
Current portion of - liabilities against assets subject to finance leases	5,257	78	2,948	14	2,576	2	2,523	(34)	3,828	(5)	4,039
- long term advance	-	-	-	-	-	-	-	-	1,442	-	-
- long term deposits	-	-	-	(100)	836	308	205	-	12	-	-
Provision for warranty	5,033	24	4,067	18	3,445	(5)	3,631	29	2,808	(5)	2,943
Taxation-net	-	-	-	(100)	3,364	-	-	-	-	-	-
Sales tax payable - net	2,802	100	-	(100)	2,287	(63)	6,172	100	-	(100)	10,019
	151,872	(17)	183,584	38	132,587	38	96,164	5	91,337	(30)	131,073
TOTAL EQUITY AND LIABILITIES	1,462,836	0.22	1,459,680	9	1,338,582	12	1,194,244	3	1,154,340	1	1,137,746



Horizontal Analysis Profit & Loss Account

	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'	2014 Vs. 2013 (%)	2013 Rs. in '000'
Turnover - net	1,882,640	23	1,533,650	4	1,471,558	7	1,378,332	20	1,148,425	(1)	1,164,513
Cost of Sales	(1,612,676)	31	(1,234,745)	12	(1,098,211)	(6)	(1,170,149)	23	(948,811)	(7)	(1,024,528)
Gorss Profit	269,964	(10)	298,905	(20)	373,347	79	208,183	4	199,614	43	139,985
Distribution Costs	(60,116)	22	(49,401)	30	(37,980)	(1)	(38,511)	(0)	(38,696)	47	(26,302)
Administration Expenses	(92,075)	7	(86,344)	5	(82,285)	2	(80,752)	13	(71,153)	4	(68,429)
Other Operating Expenses	(8,284)	(45)	(14,977)	(28)	(20,758)	72	(12,096)	16	(10,433)	99	(5,250)
Finance Costs	(1,927)	40	(1,378)	67	(827)	(72)	(2,949)	(5)	(3,109)	(38)	(4,984)
	(162,402)	7	(152,100)	7	(141,850)	6	(134,308)	9	(123,391)	18	(104,965)
Other Income	180	(99)	25,404	18	21,505	(42)	37,339	314	9,014	475	1,568
Profit before Taxation	107,742	(37)	172,209	(32)	253,002	127	111,214	30	85,237	133	36,588
Taxation	(19,953)	(56)	(45,867)	(54)	(99,730)	553	(15,278)	(9)	(16,733)	(187)	19,271
Profit after Taxation	87,789	(31)	126,342	(18)	153,272	60	95,936	40	68,504	23	55,859
Earnings per Share-Basic and Diluted (Rupees)	6.58	(31)	9.48	(18)	11.49	60	7.19	40	5.14	23	4.19



Vertical Analysis Balance Sheet

	2018		2017		2016		2015		2014		2013	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
ASSETS												
Non Current Assets												
Property, plant & equipment	494,967	33.8	367,269	25.2	305,947	22.9	307,284	25.7	351,705	30.5	354,354	31.1
Intangible asset	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0	110	0.0
Long term investments	-	0.0	-	0.0	-	0.0	1,739	0.1	747	0.1	755	0.1
Long-term loans & advances	3,855	0.3	4,275	0.3	3,719	0.3	2,998	0.3	1,993	0.2	1,818	0.2
Long-term deposits	5,777	0.4	5,063	0.3	4,140	0.3	5,740	0.5	5,740	0.5	4,636	0.4
	504,599	34.5	376,607	25.8	313,806	23.4	317,761	26.6	360,185	31.2	361,673	31.8
Current Assets												
Stores, spare parts & loose tools	54,455	3.7	55,930	3.8	46,522	3.5	44,018	3.7	44,552	3.9	45,703	4.0
Stock-in-trade	532,188	36.4	518,874	35.5	468,685	35.0	452,579	37.9	498,712	43.2	502,672	44.2
Trade debts	165,572	11.3	95,781	6.6	77,347	5.8	59,981	5.0	65,310	5.7	134,255	11.8
Loans and advances	24,805	1.7	32,592	2.2	29,276	2.2	15,043	1.3	14,848	1.3	16,673	1.5
Trade deposits and short term prepayments	2,049	0.1	1,694	0.1	2,869	0.2	2,287	0.2	3,168	0.3	3,218	0.3
Other receivables	928	0.1	2,894	0.2	1,962	0.1	521	0.0	5,813	0.5	-	0.0
Short term investments	5,516	0.4	261,671	17.9	354,064	26.5	-	0.0	83,678	7.2	20,067	1.8
Taxation - net	141,608	9.7	77,553	5.3	-	0.0	47,041	3.9	47,377	4.1	18,773	1.7
Sales tax refundable - net	-	0.0	8,554	0.6	-	0.0	-	0.0	1,792	0.2	-	0.0
Bank balances	31,116	2.1	27,530	1.9	44,051	3.3	255,013	21.4	28,905	2.5	34,713	3.1
	958,237	65.5	1,083,073	74.2	1,024,776	76.6	876,483	73.4	794,155	68.8	776,074	68.2
TOTAL ASSETS	1,462,836	100.0	1,459,680	100.0	1,338,582	100.0	1,194,244	100.0	1,154,340	100.0	1,137,747	100.0



Vertical Analysis Balance Sheet

2018		2017		2016		2015		2014		2013	
Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%

EQUITY AND LIABILITIES

Share Capital and Reserves

Authorised Capital
25,000,000 Ord. shares of
Rs. 10/- each

	250,000		250,000		250,000		250,000		250,000		250,000	
Share Capital	133,343	9.1	133,343	9.1	133,343	10.0	133,343	11.2	133,343	11.6	133,343	11.7
Reserves	1,135,647	77.6	1,107,742	75.9	1,052,030	78.6	943,870	79.0	877,854	76.0	829,035	72.9
	1,268,990	86.7	1,241,085	85.0	1,185,373	88.6	1,077,213	90.2	1,011,197	87.6	962,378	84.6
Non Current Liabilities												
Liabilities against assets subject to finance lease	5,306	0.4	4,958	0.3	-	0.0	2,569	0.2	5,113	0.4	1,626	0.1
Long term advances	-	0.0	-	0.0	-	0.0	-	0.0	10,093	0.9	-	0.0
Long term deposits	1,710	0.1	874	0.1	646	0.0	706	0.1	1,110	0.1	892	0.1
Deferred taxation	34,958	2.4	29,179	2.0	19,976	1.5	17,592	1.5	35,490	3.1	41,777	3.7
	41,974	2.9	35,011	2.4	20,622	1.5	20,867	1.7	51,806	4.5	44,295	3.9
Current Liabilities												
Trade and other payables	133,499	9.1	171,734	11.8	115,889	8.7	79,766	6.7	79,624	6.9	114,073	10.0
Unclaimed dividend	5,281	0.4	4,835	0.3	4,190	0.3	3,867	0.3	3,623	0.3		
Current portion of:												
- liabilities against assets subject to finance lease	5,257	0.4	2,948	0.2	2,576	0.2	2,523	0.2	3,828	0.3	4,039	0.4
- long term advance	-	0.0	-	0.0	-	0.0	-	0.0	1,442	0.1	-	0.0
- long term deposits	-	0.0	-	0.0	836	0.1	205	0.0	12	0.0	-	0.0
Provision for warranty	5,033	0.3	4,067	0.3	3,445	0.3	3,631	0.3	2,808	0.2	2,943	0.3
Taxation-net	-	0.0	-	0.0	3,364	0.3	-	0.0	-	0.0	-	0.0
Sales tax payable - net	2,802	0.2	-	0.0	2,287	0.2	6,172	0.5	-	0.0	10,019	0.9
	151,872	10.4	183,584	12.6	132,587	9.9	96,164	8.1	91,337	7.9	131,074	11.5
TOTAL EQUITY AND LIABILITIES	1,462,836	100.0	1,459,680	100.0	1,338,582	100.0	1,194,244	100.0	1,154,340	100.0	1,137,747	100.0



Vertical Analysis Profit & Loss Account

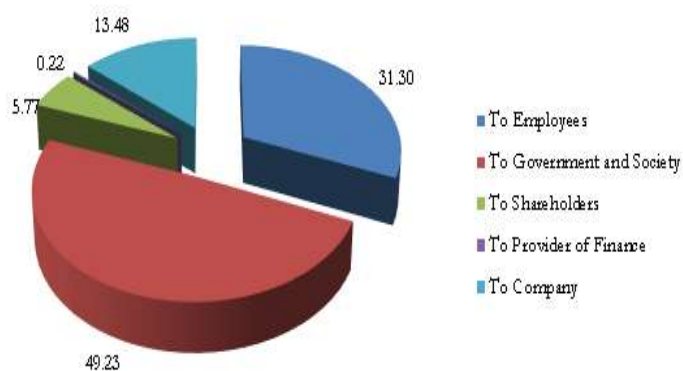
	2018		2017		2016		2015		2014		2013	
	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%	Rs. in '000'	%
Turnover - net	1,882,640	100	1,533,650	100	1,471,558	100	1,378,332	100	1,148,425	100	1,164,513	100
Cost of Sales	(1,612,676)	(85.66)	(1,234,745)	(80.51)	(1,098,211)	(74.63)	(1,170,149)	(84.90)	(948,811)	(82.62)	(1,024,528)	(87.98)
Gross Profit	269,964	14.34	298,905	19.49	373,347	25.37	208,183	15.10	199,614	17.38	139,985	12.02
Distribution Cost	(60,116)	(3.19)	(49,401)	(3.22)	(37,980)	(2.58)	(38,511)	(2.79)	(38,696)	(3.37)	(26,302)	(2.26)
Administration Expenses	(92,075)	(4.89)	(86,344)	(5.63)	(82,285)	(5.59)	(80,752)	(5.86)	(71,153)	(6.20)	(68,429)	(5.88)
Other Operating Expenses	(8,284)	(0.44)	(14,977)	(0.98)	(20,758)	(1.41)	(12,096)	(0.88)	(10,433)	(0.91)	(5,250)	(0.45)
Finance Costs	(1,927)	(0.10)	(1,378)	(0.09)	(827)	(0.06)	(2,949)	(0.21)	(3,109)	(0.27)	(4,984)	(0.43)
	(162,402)		(152,100)		(141,850)		(134,308)		(123,391)		(104,965)	
Other Income	180	0.01	25,404	1.66	21,505	1.46	37,339	2.71	9,014	0.78	1,568	0.13
Profit before Taxation	107,742	5.72	172,209	11.23	253,002	17.19	111,214	8.07	85,237	7.42	36,588	3.14
Taxation	(19,953)	(1.06)	(45,867)	(2.99)	(99,730)	(6.78)	(15,278)	(1.11)	(16,733)	(1.46)	19,271	1.65
Profit after Taxation	87,789	4.66	126,342	8.24	153,272	10.42	95,936	6.96	68,504	5.97	55,859	4.80



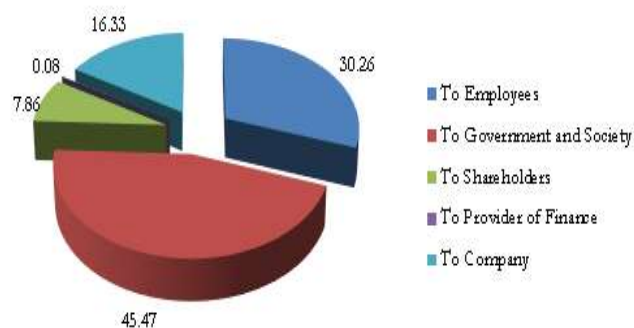
Statement of Value Addition & Its Distribution

Wealth Generated and Its Distribution	2018 (Rupees in '000')	%	2017 (Rupees in '000')	%
Wealth Generated				
Total gross revenue and other income	2,202,363		1,818,073	
Brought in materials and services	<u>1,509,042</u>		<u>1,139,393</u>	
	693,321	100	678,680	100
Wealth distribution to stakeholders				
To Employees				
Salaries and wages including retirement benefits	216,997	31.30	205,341	30.26
To Government and Society				
Income Tax, Sales Tax, FED and WWF	341,306	49.23	308,589	45.47
To Shareholders				
Dividend	40,003	5.77	53,337	7.86
To providers of Finance				
Financial charges for borrowed funds	1,558	0.22	570	0.08
To Company				
Retained Profits, Dep and Amortization	<u>93,457</u>	13.48	<u>110,843</u>	16.33
	693,321	100	678,680	100

Wealth distribution to stakeholders 2018



Wealth distribution to stakeholders 2017





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 2018 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 four directors of the Company have certification under Directors Training Program and three directors of the Company have the exemption from the requirements of the Directors' Training Program;



- ❖ The Board has ensured that the meetings of the Board and that of its Committees were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings(including committees) are appropriately recorded and maintained;
- ❖ The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;
- ❖ All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;
- ❖ All the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- ❖ The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- ❖ The Board has prepared and approved the director's report and has ensured that the directors' report is published with the quarterly and annual financial statement of the Company and the content of the directors' report are in accordance with the requirement of applicable laws and regulations;
- ❖ The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer/Company Secretary, and Head of Internal Audit;
- ❖ The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and



- ❖ The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.

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

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

SYED HAROON RASHID
Chairman
September 29, 2018



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, 2018.

BUSINESS REVIEW

Overall at the National Level the production of Passenger Cars increased by 16% with the total production of 217,774 units in 2018 as compared to 186,936 units in the year 2017. "Auto sales have been increasing mainly due to a low-interest rate environment and the advent of ride-sharing apps, along with the introduction of new models like Civic, BRV, Fortuner and the Cultus which have all performed well. But major growth in numbers comes from below 1000cc cars, mainly the Cultus for the price-conscious buyer and ride sharing captains, 42,419 LCV's, Vans and Jeeps were produced in 2018 as against 27,795 units in the year 2017, increased by 53%, while 10,129 Trucks / Buses were produced in 2018 as against production of 8,830 Trucks / Buses in the year 2017, showing an improvement of 15% over the corresponding last year due to the massive road infrastructure development under the China-Pakistan Economic Corridor (CPEC) . Similarly, the Tractors production has also increased to 71,894 units in the year 2018 as compared to 53,975 tractors in the year 2017 which has increased by 33%. The reasons behind rising sales are the revival of the crop sector in the last three years. Rice and sugar cane and cotton have particularly helped the tractor industry. This helped the use of tractors substantially.

By the Grace of Allah, this year, your Company achieved the ever highest revenue with total of Rs. 1.88 billion as compared to Rs. 1.53 billion in the previous year which is 23% more than the previous year. The Car wheels sale was Rs. 825.57 million as compared to Rs. 856.66 million in the previous year which is 4% less than the previous year. The Truck/Bus wheels sale was Rs. 279.65 million as compared to Rs. 182.07 million in the previous year which is 54% higher than the previous year. Similarly, the Tractor wheels sale was also increased to Rs. 732.05 million as compared to Rs. 462.07 million in the previous year which is 58% more than the previous year. Export sales during the year were Rs. 7.26 million as compared to Rs. 3.27 million in the previous year improved by 122%.



FINANCIAL RESULTS

By the grace of ALMIGHTY ALLAH, this year, your Company made the highest-ever turnover surpassing the previous years' performance.

The increase in turnover of 23% is mainly due to increase in sales of Truck/Bus and Tractor Wheels, which increased by 54% & 58% respectively, whereas there was a marginal decline of 4% in Car wheels sales during the year as compared to the last year. The Cost of Sales increased by 31% to Rs.1.61 billion during the year under review against Rs. 1.23 billion. The gross profit declined by 10% to Rs. 269.964 million against Rs. 298.905 million of last year. Similarly, the company earned profit after taxation Rs. 87.789 million as compared to Rs. 126.342 million in the previous year, declined by 31%. The increase in imported steel and fuel prices in international market, increase in other elements of cost as well as devaluation of Pak Rupee vs US Dollar by more than 13% in short span of time resulted in lower gross profit which ultimately impacted the net profit for the year.

The comparative financial results for the year 2018 as against the year 2017 are as follows:

	2018	2017
	(Rs. in '000)	
Turnover-net	1,882,640	1,533,650
Gross Profit	269,964	298,905
Profit before Taxation	107,742	172,209
Profit after Taxation	87,789	126,342
Earnings per Share (Rs.)	6.58	9.48

EARNINGS PER SHARE

Based on the net profit for the current year, the earnings per share is **Rs. 6.58** (2017: Rs. 9.48).

PROPOSED DIVIDEND

The Board of Directors have proposed final cash dividend of Rs. 3.00 per share (30 %) for the year ended June 30, 2018 amounting to Rs. 40.003 million (2017: Rs. 4.00 per share 40 % amounting to Rs. 53.337 million) at the meeting held on September 29, 2018, for approval of members at the Annual General Meeting to be held on October 27, 2018. 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.

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



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

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

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

ENERGY CONSERVATION

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

Some of the older machines like old 1000 Ton Hydraulic Press have been replaced with the new modern and efficient 1000 Ton Hydraulic Press thus improving the performance and reducing the considerable energy bill and related spares consumptions.



Compressor is one of the major contributors to wards electric power consumption. A major step has also been taken to reduce energy consumption by redesigning the pneumatic air supply system and control on the Air leakages.

An old 110 KW compressors is replaced by installing 01 new 110 KW VFD thus getting better efficiency and consumes less power.

Energy monitoring system has been introduced with installation of Electricity meters at the area's and equipments which consumes heavy power so that consumption could be monitored and controlled.

All these measures contribute towards considerable reduction in power consumption.

UPGRADATION OF PLANT & PROCESS

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

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

The company has recently installed one more new latest technology 1000 ton Hydraulic Press from Dees Taiwan and one old 500 Ton Henry Berry Hydraulic Press is refurbished with latest technology designed hydraulic system and power efficient PLC based electric controls operating system thereby increasing the production capacity of car disc and front tractor disc.



Truck / Bus business is growing and it is needed to balance the production line and replace old inefficient machine with latest machine and introduce automatic 01 Nos. special purpose Vertical Lathe is added to enhance the production of Truck Disc machining capacity and 01 number special purpose dedicated 06 hole drill open out and counter sinking machine is added in the plant, which is the replacement of the manual operation, thereby increasing the daily production and improve in quality of truck/bus wheels.

In previous year powder coating paint shop was established at paint shop #2 to cater the requirement of powder paint for Tractors wheels and Truck/Bus wheels. This paint shop # 2 was operated with the old designed closed loop conveyor and was requiring high amount of maintenance, in order to continuously run the plant without downtime, there was a need to have a good quality and latest heavy duty conveyor system. Complete new heavy duty conveyor system was installed thus increasing the production and quality of wheels.

On Rear Tractor wheel line the old machines are giving heavy downtime and quality issues, to cater this a complete set of Circling and Butt Welding machine of latest technology and power efficient is installed, by doing so the scrape rate has reduced form average of 12~15% percent to less than 5%.

Further Electric Arc welding process has been switched to CO2 welding process thus improving the quality of weld

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



RESEARCH & DEVELOPMENT & QUALITY CONTROL

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

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

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

During the year we have successfully completed the in-house development of Tooling for New Toyota Car model 5.5 x 15" and for FAW passenger car and Van/ Pickup Wheel Size 5Bx13.

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

Quality Control Department is equipped with the requisite international standard testing equipments, tool and instruments to control the process and to monitor the quality of wheels. The instruments / gauges, quality checking equipments are regularly up graded and calibrated to ensure its precision and accuracy so that products are 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. \$ 16 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. 398 million (approx.). Besides, it is also providing employment opportunities to the local people residing in Hub and other adjoining areas.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

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

- ❖ 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.
- ❖ Proper books of accounts of the Company have been maintained.
- ❖ Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
- ❖ International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.



- ❖ The system of internal controls is sound in design and has been effectively implemented and monitored.
- ❖ 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. 2.802 million as disclosed in the Financial Statements.

Investment of Employees Retirement Funds

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

	June 18 (un-audited)
- Executive Provident Fund	Rs.103.172 million
- Non-Executive Provident Fund	Rs. 42.100 million
- Gratuity Fund	Rs. 68.771 million

Composition of the Board

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



The current composition of the Board is as follows:

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

Composition :		
(a)	Independent Directors	: 1
(a)	Non-executive Directors	: 5
(a)	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	5
5	Mr. Anis Wahab Zuberi	5
6	Syed Zubair Ahmed Shah	5
7	Mr. Muhammad Javed	4
8	Mr. Irfan Ahmed Qureshi	5
9	Mrs. Saba Nadeem	5

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 Meeting

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.

Board Evaluation

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



Directors' Training

Company stands complied with the requirement of half of the Directors on the board having Directors Training Program Certification as prescribed under the sub clause 1(a) of regulation no. 20 of the Regulations. Currently four directors of the Company have certification under Directors Training Program and three 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, 2018 was 1,357 as against 1,375 on June 30, 2017. The pattern of shareholding as at June 30, 2018 and its disclosure is included in this annual report.

The highest and lowest market prices of the Company's shares during 2017-2018 were as follows:

Highest	August 10, 2017	PKR 160.94
Lowest	November 06, 2017	PKR 96.00



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

Mr. Razak H. M. Bengali	39,000
Mrs. Gulbano Razak	35,600

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, 2019. 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. 24.1 in the financial statements for the year ended June 30, 2018. 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 and will be reheard again soon. The efforts were made by both the lawyers of BWL & NBP for concluding the matter, and the latest development is that the case is reheard by the Honorable Judge. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in Company's favour.

FUTURE OUTLOOK

After a robust performance in fiscal year 2016-2017 the economy maintained its growth. The Automobile industry performed well during the Financial Year 2017-2018. Availability of cheap financing sources, government initiatives and development of infrastructure facilities has been the main source of demand.

Due to substantial devaluation of Pak Rupee against the US Dollar and also increase in discount rate by the State Bank of Pakistan, the costs of inputs to be increased manifolds and affect supply chain. However, due to the high demand of automobile, particularly in the Tractors and Trucks / Buses, your company will hopefully manage its profitability.



Your Company is committed to invest in various projects for modernizing, balancing and replacement of Plant and Machinery in order to deliver quality products to its customers. Different measures have also been taken to eliminate bottlenecks and enhance productivity.

With the implementation of the Auto Policy 2016-2021 a lot of Companies and large Business Groups are interested in investing our Country and some of them have already ground break their plants, due to which we expect boom in the demand of the automobiles sector and consequently growth in our revenue.

The auto sector is expected to attract further investment from new players as a result of the strong demand, however, the true growth and benefits of technology transfer, job creation and local value addition can only be fully realized by including incentives in the policy for Auto Parts manufacturers, which have not been considered in the new Auto Policy.

The positive macroeconomics indicators and better security situation in the country shows promising prospectus for future, this economic recovery has been supported in particular by ongoing recovery in agricultural sector, economic growth has also been aided by increase in credit disbursements, improved energy availability and capacity expansions. Water crisis has now worsened in the country which is likely to affect crop yield and farmers economic health as well. Resultantly, going forward we may encounter challenging situations.

Further, due to considerable and frequent increase in metal prices locally as well as imported, unpredictability of foreign currency reserves and trade balance, rupee devaluation, the gross margins will remain under extra ordinary pressure. State Bank of Pakistan (SBP) raised the policy rate by 175 basis points to 7.5% (discount rate at 8.0%) during the calendar year 2018. It is the sharpest increase in interest rates in recent past. Provisional growth rate for financial year 2017-18 clocked in at 5.8%. However, SBP sees slower growth rate of 5.5% in FY19. Average inflation for FY19 is expected to remain between 6% and 7% due to higher fiscal deficit, food inflation, higher oil prices and Pak Rupee depreciation.



The management is aware to 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 29, 2018

(14)

کرنے کے لئے مصروفِ عمل ہے۔ پیر اور کوہِ ہمانے اور مشکلات اور مسائل کو کم کرنے کے لیے مختلف اقدامات بھی کئے گئے ہیں۔

آٹوموبائل 2016-2021 پر عملدرآمد کی وجہ سے بہت سی کمپنیز اور بڑے بزنس گروپس ہمارے ملک میں سرمایہ کاری کرنے میں دلچسپی ظاہر کر رہے ہیں اور کچھ بزنس گروپس نے تو اپنے پلانٹ لگانا بھی شروع کر دیے ہیں جسکی وجہ سے مستقبل میں آٹوموبائل میکینکری ڈیپارٹمنٹ میں اضافہ ہوگا اور اسی وجہ سے ہماری آمدنی میں بھی اضافہ ہوگا۔

آٹومیکٹر میں بڑھتی ہوئی طلب کی وجہ سے سنہ ۱۹۷۱ء میں مزید سرمایہ کاری کو فروغ ملے گا البتہ یہ تب ہی ممکن ہوگا جب نئی آٹومائیسز میں ٹیکنالوجی کی منتقلی کی حقیقی ترقی کے فوائد، نئی نوکریوں کی تخلیق اور مقامی قیمت میں اضافے جیسے اقدامات کو شامل کیا جائے گا۔

ثابت معاشی اشارے اور ملک میں بہتر سیکورٹی کی صورتحال مستقبل کے لیے روشن اسکائٹ ظاہر کرتے ہیں، اس معاشی بحالی کو خاص طور پر زرعی شعبے میں جاری بحالی، اقتصادی ترقی کو کریڈٹ کے اثرا جات، توانائی کی بہتر سہولیات اور صلاحیت کی توسیع میں اضافہ کے ذریعے سے تعاون حاصل رہا ہے۔ جبکہ پانی کے بڑھتے ہوئے بحران کی وجہ سے فصلوں کی پیداوار اور کسانوں کی اقتصادی صورتحال بھی متاثر ہو سکتی ہے۔

اس کے علاوہ، اسٹیل اور دیگر دھاتوں کی قیمتوں میں کافی اور بار بار اضافے، دھات کی مقامی طور پر پیداوار اور ساتھ ساتھ درآمد شدہ دھات، غیر متوقع طور پر غیر ملکی کرنسی کے ذخائر اور تجارتی توازن، روپے کی تخفیف اور مجموعی مارجن اضافی دباؤ کے تحت رہیں گے۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) نے کیلنڈر سال 2018 کے دوران پالیسی کی شرح سو کو 175 کی بنیاد پر 7.5 فیصد (8.0 فیصد پر ڈسکاؤنٹ کی شرح سود) سے بڑھایا۔ حالی ماضی قریب میں یہ سود کی شرح میں سب سے زیادہ تیزی ہے۔ مالی سال 2018-2017 کے لیے مثالی ترقی کی شرح 5.82 فیصد میں ہے، تاہم ایس بی پی نے مالی سال 2019 میں 5.5 شرح میں کمی دیکھی ہے۔ مالی مالیتی خسارہ، خوراک کی افادیت، تیل کی مہنتی قیمتوں اور روپے کی قیمتوں میں کمی کی وجہ سے مالی سال 2019 کے لیے اوسط افراط زر کی شرح 6% فیصد اور 7% فیصد کے درمیان رہے گی۔

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

انظروا لشكر:

ہم اس موقع پر اپنے تمام صارفین اور اسٹیک ہولڈرز کا شکریہ ادا کرتے ہیں جنہوں نے ہم پر اعتماد اور بھروسے کا اظہار کیا۔ ہم اپنے عملے اور کارکنان سمیت تمام بلوچستان و سیالکوٹ 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)۔

بحکم پورڈ آف ڈائریکٹرز

جناب رزاق ایچ ایم بنگالی

چیف ایگزیکٹو

کراچی، ۲۹ ستمبر ۲۰۱۸ء

(۹)

آڈیٹرز کا تقرر:-

کمپنی کے سبکدوش ہونے والے آڈیٹرز میسرز ای وائی فورڈ رھوڈز (EY Ford Rhodes) چارٹرڈ اکاؤنٹنٹ نے اہلیت کی بنیاد پر خود کو 30 جون 2019 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 ہائے قاعدگی کے ساتھ کمپنی کی اسٹریٹجک سمت کا جائزہ لیتا ہے، سالانہ منصوبہ بندی کرتا ہے اور کاروباری اہداف مقرر کرتا ہے اور کمپنی کے مجموعی مقاصد کی روشنی میں ان اہداف کا جائزہ لیتا ہے۔ بورڈ کارپوریٹ گورننس کے اعلیٰ ترین معیار کو برقرار رکھنے کے لیے مصروف عمل ہے۔ ایک معروف پہیہ بنانے والی کمپنی کے طور پر اعلیٰ اخلاقی معیار کا روبرارکی 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 2018 کو ختم ہونے والے مالیاتی اسٹیٹمنٹ کے نوٹ نمبر 24.1 میں دی گئی ہے یہ کیس پہلے 2008ء میں جناب جسٹس فیصل عرب کی عدالت میں سنا گیا اور عدالتی کارروائی مکمل کرنے کے بعد اس کا فیصلہ محفوظ کر لیا گیا۔ بد قسمتی سے کسی فیصلے کا اعلان نہیں کیا گیا اور یہ معاملہ پھر سے داخل دفتر کر دیا گیا۔ پھر یہ کیس سندھ ہائی کورٹ کے محترم جناب جسٹس سلمان طالب الدین کی عدالت میں چلا لیکن 31 جولائی 2009ء کے فیصلے کے تحت کئی تجر نکال دیے 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 محترمہ 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۔ اب یہ کیس محترم جناب جسٹس محمد شفیع صدیقی صاحب کی عدالت میں ہے اور بہت جلد اس کی سماعت متوقع ہے۔ بلوچستان وکیل لیڈز اور نیشنل بینک آف پاکستان کے وکلاء کی جانب سے اس کیس کو نتیجہ خیز بنانے کی کوششیں کی جارہی ہیں اور نتیجہ یہ کیس پھر سے محترم عدالت میں سنا گیا۔ آپ کی کمپنی کی انتظامیہ اور وکلاء پر امید ہیں کہ اس مقدمے کا نتیجہ ہمارے حق میں آئے گا۔

مستقبل کے خدوخال:-

مالی سال 2016-2017 میں بہترین کارکردگی کے بعد معیشت نے اپنی ترقی کو برقرار رکھا۔ آٹوموبائل انڈسٹری نے مالی سال 2017-2018 میں اچھی کارکردگی کا مظاہرہ کیا۔ اسکی بنیادی وجہ سستی ذرائع فنانسنگ، حکومتی اقدامات اور بنیادی انفراسٹرکچر کی ڈویلپمنٹ ہے۔

امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور اسٹیٹ بینک آف پاکستان کی جانب سے سود کی شرح میں اضافہ کی وجہ سے کاروبار کی لاگت میں اضافہ ہو سکتا ہے جسکی وجہ سے ٹھکانہ فراہمی کا انتظام متاثر ہو سکتا ہے۔ البتہ آٹوموبائل کی بڑھتی ہوئی طلب خاص طور پر ٹرک/بس اور ریکسٹرکی ڈیمانڈ میں اضافہ ہوگا۔ اس وجہ سے امید ہے کہ آپ کی کمپنی بھی اپنے منافع کو برقرار رکھ سکے گی۔

آپ کی کمپنی اپنے گاہکوں کو معیاری مصنوعات فراہم کرنے کے لیے پلانٹ اور مشینری کو جدید راستے پر استوار کرنے، توازن اور تہذیبی کے لیے مختلف منصوبوں میں سرمایہ کاری



(A)

ڈائریکٹرز کا معاوضہ:-

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

بورڈ کی تنقید:-

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

ڈائریکٹروں کی تربیت :-

کمپنی ڈائریکٹرز ٹینک پروگرام سرٹیفیکیشن کی ذیلی شق 1 (a) کے قوانین کے مطابق عمل کر رہی ہے۔ ایک چار ڈائریکٹرز یہ سرٹیفیکٹ حاصل کر چکے ہیں اور اس کے علاوہ تین ڈائریکٹرز اس پروگرام سے مستثنیٰ ہیں۔ باقی ماندہ ڈائریکٹرز آگے والے سالوں میں ڈائریکٹرز ٹینک پروگرام میں شرکت کریں گے۔

گورنمنٹ 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 بیڑن:-

30 جون 2018 کو کمپنی کے حصص داروں کی کل تعداد 1,357 تھی جو کہ 30 جون 2017 کو 1,375 تھی۔ 30 جون 2018 کو ختم شدہ مالی سال کے لیے حصص داروں کا بیڑن اور اس کی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کے مطابق درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔

2017-2018 کے دوران کمپنی کے حصص کی زیادہ سے زیادہ اور کم سے کم کاروباری قیمتیں مندرجہ ذیل ہیں:

10 اگست 2017	زیادہ سے زیادہ	PKR 160.94
06 نومبر 2017	کم سے کم	PKR 96.00

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۔

جناب رزاق ایچ ایم بگالی	39,000
مختار مدگل بانو رزاق	35,600



(4)

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

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

آؤٹ کمیٹی کے اجلاس:-

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

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

انسانی وسائل اور معاوضے کی کمیٹی کا جلسہ:-

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

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



(۲)

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار۔

گزشتہ چھ سال کی کلیدی آپریٹنگ اور مالیاتی اعداد و شمار تفصیل مندرجہ ذیل سالانہ رپورٹ میں موجود ہیں۔

گورنمنٹ محصولات۔

گورنمنٹ کے ہتھیا جات محصولات کی مدتیں 2.802 ملین روپے ہے۔ جس کی تفصیل تفصیل مندرجہ ذیل سالانہ رپورٹ میں موجود ہے۔

ریٹائرمنٹ بینیفٹ فنڈ کی سرمایہ کاری۔

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

۲۰۱۸ جون (غیر آڈٹ شدہ)

ایگزیکٹیو پروویڈنٹ فنڈ۔ 103.172 ملین روپے

مان ایگزیکٹیو پروویڈنٹ فنڈ۔ 42.100 ملین روپے

گریجویٹ فنڈ۔ 68.771 ملین روپے

بورڈ کی تشکیل:-

کمپنی اپنے بورڈ میں کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق آزاد، غیر انتظامی ڈائریکٹرز اور مردوں کے ساتھ ساتھ عورتوں کی بورڈ میں شمولیت کی نمائندگی کی حوصلہ افزائی کرتی ہے۔

بورڈ کی موجودہ ساخت مندرجہ ذیل ہے:

ڈائریکٹرز کی کل تعداد:

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

بورڈ کی ساخت:

(الف) آزاد ڈائریکٹر - 01

(ب) مان ایگزیکٹیو ڈائریکٹر - 05

(ج) ایگزیکٹیو ڈائریکٹر - 03

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

بورڈ آف ڈائریکٹرز کے اجلاس:-

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

(۵)

ہمارے ریسرچ اینڈ ڈیولپمنٹ محکمے میں بہترین تعلیم یافتہ اور تجربہ کار ٹیم ہے جو کہ مختلف مصنوعات کی ٹولنگ کی مرمت اور بحالی کا کام کرتی ہے۔ یہ نئی مشینوں، پرزہ جات اور ٹولنگ وغیرہ کے اضافے میں فیصلہ کرنے کے ساتھ ساتھ مسلسل پروسس کو بہتر بنانے اور ڈاؤن ٹائم کو کم کرنے میں کوشاں ہے۔ رواں سال کے دوران، ہم نے نئی ٹویوٹا کار کا 5.5x15 سائز کا پہیہ اور FAW مسافر کار اور وین / کپ اپ 13x5B سائز کا پہیہ کامیابی کے ساتھ بنایا ہے۔

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

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

ملکی معیشت میں کمپنی کا حصہ :-

آپ کی کمپنی ایک درآمدی متبادل یونٹ ہونے کی وجہ سے غیر ملکی زرمبادلہ کی بچت میں حصہ لے رہی ہے اور یہ آٹو انڈسٹری کی ایک بڑی اہم ویبنڈنگ انڈسٹری ہے۔ زیر بحث مالی سال کے دوران آپ کی کمپنی نے OEM's کو پہیوں کی فراہمی سے تقریباً 16 ملین امریکی ڈالر کی بچت کی ہے۔ اس کے ساتھ سرکاری خزانے میں بطور انکم ٹیکس، بلز ٹیکس، فیڈرل ایکسائز ڈیوٹی اور دیگر بالواسطہ ٹیکسوں کی مدد میں تقریباً 398 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 مینجمنٹ کے اصولوں پر عمل کرنے پر یقین رکھتے ہیں اور اس کے لیے شفافیت اور افشائے حقائق پر زور دیتا ہے۔ بورڈ اور انتظامیہ اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور اس امر کے لیے کوشاں ہیں کہ کمپنی کی سرگرمیوں اور کارکردگی کو اس طرح سے فروغ دیں کہ مالی وغیرہ مالی معاملات سے متعلق تمام معلومات کو مکمل درستگی، جامعیت اور شفافیت کے ساتھ مرتب اور پیش کیا جائے۔

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

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

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

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

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

۵۔ اندرونی کنٹرول کا نظام مضبوط بنایا دیا ہے اور موثر طریقے سے روئے 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۔

(۴)

پلانٹ اور مشینری کا اپ گریڈیشن:-

جیسا کہ آپ جانتے ہیں ہماری کمپنی عالمی معیار کے پیسے بنارہی ہے اور گاڑیوں کی ضروریات کو پورا کر رہی ہے چنانچہ اس کے لئے بین الاقوامی ضروری ہے کہ پلانٹ اور مشینری مسلسل اپ گریڈ ہو اور اچھی حالت میں رہیں تاکہ ہم اطمینان بخش طریقے سے کام کر سکیں اور مشین اور آلات بھی زیادہ عرصے تک کام کر سکیں۔

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

کمپنی نے حال ہی میں ایک اور نیا اور جدید ہزار ٹن ہائڈروولک پریس (Dees-Taiwan) سے لیکر نصب کیا ہے اور ایک پرانے پانچ سو ٹن (Henry Berry) ہائڈروولک پریس کو نئے اور جدید ڈیزائن کے ہائڈروولک سسٹم اور پاور موٹر (PLC) پی ایل سی کی بنیاد پر الیکٹرک کنٹرول آپریٹنگ سسٹم پر بحال کیا ہے اس طرح (Car Disc) کار ڈسک اور (Front Tractor Disc) فرنٹ ٹریکٹر ڈسک کی پیداواری صلاحیت میں اضافہ ہوا ہے۔

ٹرک/بس کا رو بار بڑھ رہا ہے اور اس کی پیداواری لائن کو متوازن کرنے اور پرانی غیر موثر مشینری کو جدید ترین مشینری سے تبدیل کرنے کی ضرورت ہوتی ہے، اس کے لئے (01) ایک خاص مقصد کی ورٹیکل لیٹھ مشین شامل کی گئی ہے جسکی وجہ سے ٹرک کی ڈسک کی مشینی صلاحیت میں اضافہ ہوا ہے۔ اس کے علاوہ (01) ایک خصوصی صلاحیت والی (08) سوراخ ڈرل مشین کو وقف کیا گیا ہے اور Counter Sinking Machine کو پلانٹ میں شامل کیا گیا ہے، اس طرح روزانہ پیداوار میں اضافہ اور ٹرک/بس کے پیپوں کی کوالٹی مین بہتری آئی ہے۔

ایک جدید اور طاقتور ٹیکنالوجی سے حامل سرکٹنگ اور ہٹ ویلڈنگ مشین کا مکمل سیٹ لگایا گیا ہے جسکی وجہ سے ریفر ٹریکٹر لائن پر جو اضافی وقت اور معیار کے مسائل تھے وہ حل ہو گئے اور اس کے ساتھ ساتھ اسکرپ کی شرح اوسطاً 12 تا 15 فیصد سے کم ہو کر 5 فیصد رہ گئی ہے۔

مزید الیکٹرک آرک ویلڈنگ کے عمل کو CO2 ویلڈنگ کے عمل سے تبدیل کر دیا گیا ہے تاکہ ویلڈنگ کے معیار کو بہتر بنایا جائے۔

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

ریسرچ اینڈ ڈیولپمنٹ اور کوالٹی کنٹرول:-

ریسرچ اینڈ ڈیولپمنٹ محکمہ مسلسل عالمی معیار کے مطابق گاڑیوں 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 ڈائریز، جگہ اور گہرائی اور FEA تجزیاتی صلاحیتوں پر مشتمل ہے۔

ریسرچ اینڈ ڈیولپمنٹ محکمے کے پاس ایک مکمل ٹول اور ڈائری بنانے کی صلاحیت ہے جو کہ روایتی اور CNC مشینوں پر مشتمل ہے جس کے ذریعے ہم مصنوعات کی تیاری کیلئے ٹول ڈائریز، گہرائی، گہرائی اور ٹولنگ کے پرنسپل طور پر بنا سکتے ہیں۔



(۲)

تمام ملازمین جو پلانٹ پر کام کر رہے ہیں انہیں حفاظتی چیزیں مثلاً رستائن، چشمے، Ear Plug 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 فُل ٹائم آفیسر رکھا گیا ہے جو کے مختلف اوقات میں آگ بجھانے اور حفاظتی اقدامات کی تربیت اور مشق کو انجام دیتا ہے۔

کپنی کی کوشش ہے کہ طبی امور اور حفاظتی چیزوں میں ملازمین کا خیال رکھا جائے اس کے لئے ایک ڈپنٹری بمبر ڈاکٹر کے فیکٹری میں موجود ہے تاکہ کسی ممکنہ حادثاتی صورتحال کا سامنا کیا جاسکے۔ اس کے علاوہ تجربہ کار ڈاکٹروں کی خدمات Retainership کی بنیاد پر بھی حاصل کی گئی ہیں۔ ملازمین کا ہر چھ مہینے کے بعد طبی معائنہ کیا جاتا ہے جو کہ ایک ماہر سرجن کرتا ہے۔ اس کے علاوہ کھیلوں کی صحت مندرسرگرمیوں کی بھی حوصلہ افزائی کی جاتی ہے، کپنی کی اپنی کرکٹ اور فٹ بال کی بھی ٹیمیں موجود ہیں، تفریحی بنیاد پر ایک مائٹ کرکٹ میچ کا بھی انعقاد کیا گیا جس میں تمام عملے نے حصہ لیا۔ سالانہ پکنک کا انتظام بھی کیا جاتا ہے۔

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

ہم تمام قانونی معاملات کا باقاعدگی سے خیال رکھتے ہیں اور ہماری پوری کوشش ہوتی ہے کہ ماحول دوست اقدامات اور ایڈسٹری کے اچھے طریقے کو اپنایا جائے تاکہ انسانی صحت پر اسکا بھی 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 نیا دواں پر جائزہ لیا جاتا ہے کپنی نے ISO-14001 سرٹیفیکٹ حاصل کیا ہے تاکہ کپنی کے معیار کو عالمی ماحولاتی معیار کے مطابق کیا جاسکے۔

بجلی کی بچت:-

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

کمپریسر بجلی کی کھپت میں اہم کردار ادا کرتا ہے، اس کے لئے ہم نے مسٹم کوری ڈیزائن کیا اور ایسے اقدامات کیے جن سے نیوٹیک ایئر سیلانی سسٹم پر بہتر کنٹرول اور ایئر لکس میں کمی واقع ہوئی۔ پرانے 110 کلو واٹ کمپریسر کو ایک نئے (متغیر فریکوئنسی ڈرائیو - VFD) 110 کلو واٹ کمپریسر سے تبدیل کیا گیا ہے جس سے مشین کی صلاحیت میں اضافہ اور بجلی کے استعمال میں کمی ہوئی۔ توانائی کی نگرانی کے نظام کو متعارف کرایا گیا ہے جس میں ایسے میٹر نصب کیے گئے ہیں جن کی مدد سے بجلی کی تنصیبات کی نگرانی اور کنٹرول ممکن ہو سکا ہے جہاں بجلی کی کھپت زیادہ ہوتی ہے۔

یہ سب اقدامات بجلی کی کھپت میں کمی کی طرف کافی معاون ثابت ہوئے ہیں۔



(۲)

تھالی جائزہ:-

درج ذیل میں مالیاتی نتائج 2018 اور 2017 کا تھالی جائزہ پیش کیا جا رہا ہے:

مالیاتی سال 2017	مالیاتی سال 2018	
	(روپے ہزاروں میں)	
1,533,650	1,882,640	مال کی فروخت
298,905	269,964	غیر خالص منافع
172,209	107,742	قبل از ٹیکس منافع
126,342	87,789	بعد از ٹیکس منافع
9.48	6.58	فی شیئر آمدنی (روپے میں)

فی شیئر آمدنی:-

فی شیئر آمدنی جو کہ گزشتہ سال 9.48 روپے تھی وہ اس سال کے لیے 6.58 روپے رہی۔

تجویز کردہ ڈیویڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2018 کو ختم ہونے والے مالی سال کے لئے کیش ڈیویڈنڈ 3 روپے فی شیئر (30% فیصد) کی منظوری دی ہے جس کی مالیت 4.0003 کروڑ روپے بنتی ہے جبکہ گزشتہ سال فی شیئر کیش ڈیویڈنڈ 4 روپے (40% فیصد) کی ادائیگی کی گئی تھی جس کی مالیت 5.3337 کروڑ روپے تھی۔ یہ ڈیویڈنڈ ممبران کی اجازت سے شروع ہوگا جو کہ 27 اکتوبر 2018 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 یقینی طور پر یہ سمجھتے ہیں کہ ہمارے ایگزیکٹو اسٹاف اور ورکرز ہمارے کاروبار کی ریڑھ کی ہڈی ہیں۔ ہم سمجھتے ہیں کہ باصلاحیت مزدور اور ایگزیکٹو 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۔

بلڈا اور بلڈا سلاطین انعام مہینہ کے بہترین ورکر کے لیے، جج اسکیم، خاص صحت پالیسی اور دوسرے فوائد موجود ہیں۔ مزدوری قانون پر پوری طرح عملدرآمد کیا جاتا ہے اور CBA / لیبر یونین سے اچھے تعلقات برقرار رکھے جاتے ہیں۔ کمیٹی کی انتظامیہ نے جج اسکیم کو مزدوروں سے بڑھا کر ایگزیکٹو کے لیے بھی کر دیا ہے۔

حفاظت، صحت اور ماحول:-

ہم صحت اور حفاظت کے شعبہ میں خطرات کا اچھی طرح سے انتظام کرتے ہیں اور اپنے طریقہ کار کو بہتر کر رہے ہیں تاکہ خطرات اور حادثات کو کمزور کر دیا جاسکے۔ فی الحال

(i)

ڈائریکٹرز رپورٹ

30 جون 2018

آپ کے ڈائریکٹرز 30 جون 2018 کو ختم ہونے والے سال کے لئے سالانہ آڈٹ کردہ مالیاتی اسٹیٹمنٹ بعد آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔

کاروباری جائزہ :-

مجموعی طور پر ملکی سطح پر سال 2018 میں گاڑیوں کے 217,774 پونے تیار کئے گئے جو سال 2017 کے 186,936 پونے کے مقابلے میں 16% فیصد زیادہ رہے۔ اسکی وجہ مالیاتی اداروں کی کم سودی شرح پر قرضے کی سولت اور جدید موبائل آپلیکیشن پر مبنی سواری کا استعمال اور نئی قسم کی گاڑیاں مثلاً سوک، بی آروی، فوریوز اور کھلس کا متعارف ہونا ہے لیکن بنیادی اضافہ 1000cc سے کم انجن کی طاقت والی گاڑیاں جیسے کھلس نے کم تو سنوٹر پر والے لوگوں اور جدید موبائل آپ کے ذریعے سواری مہیا کرنے والوں کو اپنی طرف متوجہ کیا۔ جبکہ اس سال لائٹ ویٹ کمرشل ویکل، وین اور جیپ کے 42,419 پونے تیار کئے گئے جو گزشتہ سال کے 27,795 پونے کے مقابلے میں 53% فیصد زیادہ رہے۔ جبکہ ٹرک/بس کے 10,129 پونے تیار کئے گئے جبکہ گزشتہ سال 8,830 پونے تیار کئے گئے تھے۔ اس طرح 15% فیصد زیادہ شرح ری جیکٹی وجہ چین پاکستان اقتصادی راہداری کے تحت مرکز کو تعمیر ہے۔ ٹریکٹر کے 71,894 پونے تیار کئے گئے جب گزشتہ سال 53,975 پونے تیار کئے گئے تھے جو پچھلے سال کی نسبت 33% فیصد زیادہ رہے۔ فروخت میں اضافے کی وجہ پچھلے تین سالوں میں زراعت کے شعبے کی بحالی ہے۔ چاول، گنا اور کپاس کی فصل اگانے میں ٹریکٹر کا زیادہ استعمال اس کی صنعت کی ترقی میں کافی مددگار ثابت ہوا ہے۔

اللہ تعالیٰ کی مہربانی سے اس سال آپ کی کمپنی نے 1.88 ملین روپے کی تاریخی فروخت کی جو گزشتہ سال کی 1.53 ملین روپے کی فروخت کے مقابلے میں 23% فیصد زیادہ رہی۔ گاڑیوں کے پیہوں کی فروخت 825.57 ملین روپے رہی جو گزشتہ سال کی 856.66 ملین روپے کی فروخت کے مقابلے میں 4% فیصد کم رہی۔ ٹرک/بس کے پیہوں کی فروخت 279.65 ملین روپے رہی جو گزشتہ سال کی 182.07 ملین روپے کی فروخت کے مقابلے میں 54% فیصد زیادہ رہی جبکہ ٹریکٹر کے پیہوں کی فروخت 732.05 ملین روپے رہی جو گزشتہ سال کی 462.07 ملین روپے کی فروخت کے مقابلے میں 58% فیصد زیادہ رہے۔ پیہوں کی برآمد (Export) 7.26 ملین روپے رہی جو گزشتہ سال کی 3.27 ملین روپے کی برآمدی فروخت کے مقابلے میں 122% فیصد زیادہ رہی۔

مالیاتی نتائج:-

اللہ تعالیٰ کی مہربانی سے اس سال آپ کی کمپنی نے اپنی تاریخ کارپیکارڈ کاروبار کیا جو کہ پچھلے تمام سالوں کے کاروبار سے زیادہ ہے۔ کاروبار میں پچھلے سال کے مقابلے میں 23% فیصد اضافہ رہا، جسکی بنیادی وجہ ٹرک/بس اور ٹریکٹر کے پیہوں کی فروخت میں بااثر تیپ 54% فیصد اور 58% فیصد اضافہ ہے جبکہ کار کے پیہوں کی فروخت میں 4% فیصد کمی معمولی کی واقع ہوئی ہے۔ فروخت کی لاگت 31% فیصد اضافے کے ساتھ 1.61 ملین روپے رہی جو گزشتہ سال 1.23 ملین روپے کی تھی۔ غیر خالص منافع 10% فیصد کمی کے ساتھ 269.964 ملین روپے رہا جو گزشتہ سال 298.905 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹیکس منافع 87.789 ملین روپے رہا جو گزشتہ سال کے بعد از ٹیکس منافع 126.342 ملین روپے کے مقابلے میں 31% فیصد کم ہے۔ درآمد شدہ اسٹیل کی قیمتوں میں اضافہ، تیل کی بین الاقوامی قیمتوں میں اضافہ، لاگت کے دیگر عوامل کی قیمتوں میں اضافہ اور مختصر عرصے کے وقفے میں ڈالر کے مقابلے میں روپے کے قدر میں 13% گراوٹ کی وجہ سے غیر خالص منافع کم رہا جس کا براہ راست اثر اس سال کے بعد از ٹیکس منافع پر بھی پڑا۔



Investor Relations

ANNUAL GENERAL MEETING

The 38th Annual General Meeting of the Company will be held on Saturday, October 27, 2018 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
Website:<http://www.bwheels.com>

SHARE REGISTRAR

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

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**



INVESTOR RELATIONS CONTACT

Mr. Muhammad Asad Saeed

DGM Finance

Telephone : (+9221) 35650966

Fax: (+9221) 35684003

DIVIDEND

The Board of Directors has proposed a final cash dividend of Rs. 3/- per share (2017: Rs. 4/- per share) amounting to Rs. 40.003 million (2017: Rs. 53.337 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 20, 2018 to October 27, 2018 (both days inclusive).

DIVIDEND REMITTANCES

The Board of Directors of the Company in their meeting held on September 29, 2018 has recommended the cash dividend of Rs. 3/- 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 2017	October 27, 2017
2nd Quarter/Half Yearly - December 2017	February 8, 2018
3rd Quarter - March 2018	April 20, 2018
4th Quarter/Annual - June 2018	October 1, 2018

STATUTORY COMPLIANCE

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

INVESTOR GRIEVANCES

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

WEB PRESENCE

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



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

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 Director	Mr. Anis Wahab Zuberi
Other Non-Executive Directors	Syed Haroon Rashid
	Syed Zubair Ahmed Shah
	Mr. Muhammad Javed
	Mr. Irfan Ahmed Qureshi
	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. Company stands complied with the requirement of having half of the Directors on their board under Directors Training Program certified as prescribed under the Regulation. Currently four directors of the Company have certification under Directors Training Program and three directors of the Company are exempted from the requirements of the Directors' Training Program. The remaining directors shall obtain certification under the DTP in due course of time.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, however, the CFO and Company Secretary of the Company is the same person. The Company is in the process of appointing separate person as Company Secretary.

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	Chairman
Syed Zubair Ahmed Shah	Member
Syed Haroon Rashid	Member
Mr. Irfan Ahmed Qureshi	Member
Mrs. Saba Nadeem	Member

b) HR and Remuneration Committee

Syed Zubair Ahmed Shah	Chairman
Mr. Muhammad Irfan Ghani	Member
Mr. Anis Wahab Zuberi	Member
Mr. Muhammad Javed	Member

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, 2018.
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2018



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

September 29, 2018



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 2018 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 2018.

ey



Building a better
working world

-:2:-

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

S.No	Reference	Description
1.	10	Chief Financial Officer and Company Secretary are the same person.

Et Ford Rhodes
Chartered Accountants

Place: Karachi

Date: 03 October 2018



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' 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 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows 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 2018 and of the profit, comprehensive income, the changes in equity and its cash flows 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 *Auditors' 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.

EW

Building a better
working world

Following are the Key audit matters:

Key audit matters	How our audit addressed the Key audit matters
1. Existence and Valuation of Stock in trade	
<p>As disclosed in note 10 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>We performed a range of audit procedures with respect to inventory items including, amongst others physical observation of inventory counts, testing valuation methods and their appropriateness in accordance with the applicable accounting standards. We also tested the calculations of per unit cost of finished goods and WIP and assessed the appropriateness of management's basis for the allocation of cost and production overheads.</p> <p>We also assessed the adequacy of the disclosures made in respect of the accounting policies and the details of inventory balances held by the Company at the year end.</p>
2. Capital Expenditure	
<p>As disclosed in note 6.1 to the accompanying financial statements, the Company has incurred significant amount of capital expenditure during the year.</p> <p>We focused on capital expenditure incurred during the year as this represents a significant transaction for the year and involves certain judgmental areas, such as management's estimates about the useful life of assets, capitalization of elements of eligible components of cost as per the applicable financial reporting standards, therefore, we have identified this as a key audit matter.</p>	<p>Our key audit procedures in this area included, amongst others, obtaining an understanding of the Company's process with respect to capital expenditure and testing controls relevant to such process.</p> <p>We performed substantive audit procedures through inspection of related documents supporting various components of the capitalized costs.</p> <p>We also considered whether the items of cost capitalized meet the recognition criteria of an asset in accordance with the applicable financial reporting standards.</p> <p>We reviewed management's estimates about the useful life of assets so capitalized and consequent depreciation rates used by the Company.</p> <p>We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework.</p> <p><i>Signature</i></p>

Building a better
working world

Key audit matters	How our audit addressed the Key audit matters
3. New Companies Act, 2017 (the Act) and its impact on the financial statements	
<p>The Companies Act, 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 30 June 2018.</p> <p>The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.</p> <p>In case of the Company, a summary of key additional disclosures and changes to the existing disclosures have been stated in note 3.1 to the accompanying financial statements.</p> <p>The aforementioned changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.</p>	<p>We assessed the procedures applied by the management for identification of the changes required in the financial statements due the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the Internal consistency of such disclosures with other elements of the financial statements.</p>

Information Other than the Financial Statements and Auditors' 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 auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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



Building a better
working world

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

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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

ETP

Building a better
working world

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 auditors' 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 changes in equity and the statement of cash flows 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 auditors' report is Tariq Feroz Khan.

Chartered Accountants**Place:** Karachi**Date:** 03 October 2018



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 62

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

ASSETS	Note	30 June 2018 ----- (Rs. in '000) -----	30 June 2017
NON-CURRENT ASSETS			
Property, plant and equipment	6	494,967	367,269
Long-term loans and advances	7	3,855	4,275
Long-term deposits	8	5,777	5,063
		<u>504,599</u>	<u>376,607</u>
CURRENT ASSETS			
Stores, spare parts and loose tools	9	54,455	55,930
Stock-in-trade	10	532,188	518,874
Trade debts	11	165,572	95,781
Loans and advances	12	24,805	32,592
Trade deposits and short-term prepayments	13	2,049	1,694
Other receivables	14	928	2,894
Short-term investments	15	5,516	261,671
Taxation – net		141,608	77,553
Sales tax refundable-net		-	8,554
Bank balances	16	31,116	27,530
		<u>958,237</u>	<u>1,083,073</u>
		<u>1,462,836</u>	<u>1,459,680</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 25,000,000 (2017: 25,000,000) ordinary shares of Rs.10/- each		<u>250,000</u>	<u>250,000</u>
Issued, subscribed and paid-up capital	17	133,343	133,343
Reserves	18	1,135,647	1,107,742
		<u>1,268,990</u>	<u>1,241,085</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance leases	19	5,306	4,958
Long-term deposits	20	1,710	874
Deferred taxation	21	34,958	29,179
		<u>41,974</u>	<u>35,011</u>
CURRENT LIABILITIES			
Trade and other payables	22	133,499	171,734
Unclaimed dividend		5,281	4,835
Current portion of liabilities against assets subject to finance leases	19	5,257	2,948
Provision for warranty	23	5,033	4,067
Sales tax payable-net		2,802	-
		<u>151,872</u>	<u>183,584</u>
CONTINGENCIES AND COMMITMENTS	24		
		<u>1,462,836</u>	<u>1,459,680</u>

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 63

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2018

	Note	30 June 2018 ----- (Rs. in '000) -----	30 June 2017
Turnover – net	25	1,882,640	1,533,650
Cost of sales	26	(1,612,676)	(1,234,745)
Gross profit		269,964	298,905
Distribution costs	27	(60,116)	(49,401)
Administrative expenses	28	(92,075)	(86,344)
Other expenses	29	(8,284)	(14,977)
Finance costs	30	(1,927)	(1,378)
		(162,402)	(152,100)
Other income	31	180	25,404
Profit before taxation		107,742	172,209
Taxation – net	32	(19,953)	(45,867)
Profit after taxation		87,789	126,342
		----- (Rupees) -----	
Earnings per share – Basic and diluted	33	6.58	9.48

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 64

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	30 June 2018 ----- (Rs. in '000) -----	30 June 2017 -----
Net profit for the year	87,789	126,342
Other comprehensive income		
<i>Other comprehensive loss not to be reclassified to profit or loss in subsequent periods</i>		
Remeasurement loss on gratuity fund	(6,547)	(3,958)
Total comprehensive income for the year	81,242	122,384

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	30 June 2018	30 June 2017
		----- (Rs. in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	34	57,950	154,586
Employees' benefits paid		(8,921)	(7,809)
Income tax paid- net		(78,230)	(117,581)
Long-term loans and advances – net		420	(556)
Long-term deposits – net		122	(1,531)
Net cash (used in)/generated from operating activities		(28,659)	27,109
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(174,618)	(102,319)
Proceeds from disposal of property, plant and equipment		1,850	3,445
Profit received on deposit accounts		5,516	17,527
Short-term investments redeemed during the year		251,286	99,368
Dividend received		372	412
Net cash generated from investing activities		84,406	18,433
CASH FLOWS FROM FINANCING ACTIVITIES			
Liabilities against asset subject to finance leases – net		2,657	5,330
Finance costs paid		(1,927)	(1,366)
Dividend paid		(52,891)	(66,027)
Net cash used in financing activities		(52,161)	(62,063)
Net increase / (decrease) in cash and cash equivalents		3,586	(16,521)
Cash and cash equivalents at the beginning of the year		27,530	44,051
Cash and cash equivalents at the end of the year	16	31,116	27,530

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

		REVENUE RESERVES				
	Issued, subscribed and paid-up Capital	General reserve	Remeasurement loss on gratuity fund	Unappropriated Profit	Total reserves	Total Equity
		Rs. in '000				
Balance as at 30 June 2016	133,343	160,000	(1,092)	893,922	1,052,030	1,165,373
Final dividend for the year ended 30 June 2016 @ Rs.5 per share	-	-	-	(66,672)	(66,672)	(66,672)
Net profit for the year	-	-	-	126,342	126,342	126,342
Other comprehensive loss	-	-	(3,956)	-	(3,956)	(3,956)
Total comprehensive income	-	-	(3,956)	126,342	122,386	122,386
Balance as at 30 June 2017	133,343	160,000	(5,850)	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	160,000	(12,397)	988,044	1,135,647	1,268,990

The annexed notes 1 to 42 form an integral part of these financial statements.

Chief Executive

Director

Chief Financial Officer



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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:

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

2. SIGNIFICANT TRANSACTIONS AND EVENTS THAT AFFECTED THE COMPANY'S FINANCIAL POSITION AND PERFORMANCE

Following is the summary of significant transactions and events that have affected the financial position and performance of the Company:

- Purchase of a hydraulic press for the production plant— note 6.1; and
- Declared and paid dividend for the year ended 30 June 2017.

3. BASIS OF PREPARATION

3.1 Statement of Compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan 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.

The Act has also brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in respect of nomenclature of these financial statements. Further, the disclosure requirements contained in the fourth schedule of the Act have been revised, resulting in elimination of duplicative disclosure with the IFRS disclosure requirements and incorporation of additional amended disclosures including, but not limited to, significant transactions and events (refer note 2), particulars of immovable assets of the Company (refer note 6.4), management assessment of sufficiency of tax provision in the financial statements (refer note 32.2), change in threshold for identification of executives (refer note 35) etc.

3.2 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.

4. 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, Interpretations and Amendments

The Company has adopted the following accounting standards and the amendments and interpretations of IFRSs which became effective for the current year:

IAS 7	Statement of Cash Flows - Disclosure Initiative - (Amendment)
IAS 12	Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)



The adoption of the above amendments to accounting standards did not have any effect on the financial statements.

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 2 Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	01 January 2018
IFRS 9 Financial Instruments	01 July 2018
IFRS 9 Prepayment Features with Negative Compensation – (Amendments)	01 January 2019
IFRS 15 Revenue from Contracts with Customers	01 July 2018
IFRS 16 Leases	01 January 2019
IAS 19 Plan Amendment, Curtailment or Settlement (Amendments)	01 January 2019
IAS 28 Long-term Interests in Associates and Joint Ventures – (Amendments)	01 January 2019
IAS 40 Investment Property - Transfers of Investment Property (Amendments)	01 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	01 January 2018
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 except for IFRS 15 "Revenue from Contracts with Customers". The Company is yet to assess the full impact of the said standard.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016 and December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2018 and 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.

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.

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	01 January 2016
IFRS 17 – Insurance Contracts	01 January 2021



4.1 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 6.1)
- provision for slow moving and obsolete stores, spares and loose tools and stock-in-trade (notes 5.3 and 5.4)
- provision for doubtful trade debts (note 5.5)
- taxation (note 5.8)
- provision for warranty (note 5.13)
- contingencies (note 24.1)

5. 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.

5.1 Property, plant and equipment

(i) Owned

Operating 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 less accumulated impairment if any.

Depreciation is charged to profit or loss account applying the reducing balance method, except for computers which are depreciated on straight line method, at the rates stated in note 6. 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 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 profit or loss account.

Maintenance and normal repairs are charged to profit or loss account 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 financial year end.

Capital work-in-progress

These are stated at cost less impairment, if any, and represent expenditures connected with specific assets incurred during the construction / erection period. 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 income on the same basis as for the Company's owned assets.

5.2 Loans and advances

These are recognised at cost, which is the fair value of the consideration given. However, an assessment is made at each reporting date to determine whether there is an indication that assets may be impaired. If such indication exists, the estimated recoverable amount of that asset is determined and any impairment loss is recognised for the difference between the recoverable amount.

5.3 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.

5.4 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.

5.5 Trade debts

Trade debts are recognised and carried at original invoice amount which is the fair value of the consideration given, less provision for doubtful debts. When the recovery of the amount is considered uncertain by the management, a provision is made for the same. Bad debts are written-off to profit or loss account as identified.

5.6 Investments

The management determines the appropriate classification of the investments in accordance with the requirements of International Accounting Standard (IAS) 39 "Financial Instruments: Recognition and Measurement" at the time of purchase and re-evaluates this classification on a regular basis. These are categorised as follows:

Held for trading

Investments that are acquired principally for the purpose of generating profit from short-term fluctuations in prices are classified as 'investments at fair value through profit or loss' category. These are carried on the statement of financial position at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit or loss account.



Held to maturity

Investments with fixed maturity, where management has both the intent and ability to hold to maturity, are classified as held-to-maturity. Such investments are initially recognised at cost and subsequently remeasured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. Any gain or loss arising on derecognition / impairment in value of such investments is taken to profit or loss account.

5.7 Impairment

Financial assets

A financial asset is assessed at each reporting date for impairments to determine whether there is any objective evidence which indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

All impairment losses are recognised in the profit or loss account. An impairment loss is reversed if the reversal can be related objectively to an event accruing after the impairment loss was recognised. For financial asset carried at cost, the impairment loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at current market rate of return for similar financial assets. For financial asset carried at amortised cost, the amount of impairment loss recognised is the difference between carrying amount and present value of estimated cash flows, discounted at effective interest rate.

Non-financial assets

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

An impairment loss is reversed if there is a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Reversal of an impairment loss is recognised immediately in profit or loss account in the period of occurrence.

5.8 Taxation

Current

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

Deferred

Deferred tax is provided using the liability method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets / liabilities are recognised for all deductible / temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible / taxable temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.



5.9 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.

5.10 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.

5.11 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 2018 using Projected Unit Credit method. Remeasurement losses and gains are recognised directly to other comprehensive income and are not reclassified to 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.

5.12 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.

5.13 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 Company accounts for its warranty obligations on accrual basis.

A provision is recognised for expected warranty claims on products sold at the rate of 0.5 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.



5.14 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, excluding discounts, rebates, and sales tax or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent. The Company has concluded that it is acting as a principal in all its revenue arrangements. The following are the specific recognition criteria that must be met before revenue is recognised:

Sales are recognised upon passage of title to the customers, which generally coincides with physical delivery, i.e. when significant risks and rewards of ownership are transferred to the customer.

Scrap sales are recognised on physical delivery to customers.

Dividend income is recognised when right to receive the dividend is established.

Profit on deposit accounts is recognised on an accrual basis.

5.15 Ijarah rentals

Leases under Shariah compliant Ijarah contracts, where a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as Ijarah. Rentals under these arrangements are charged to profit or loss account on straight line basis over the lease term.

5.16 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 statement of financial position date. Any resulting gain or loss arising from changes in exchange rates is taken to statement of profit or loss account.

5.17 Dividend and appropriations to reserves

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

5.18 Offsetting of financial assets or liabilities

A financial asset and a financial liability is off-set and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Corresponding income and expenditure, if any, are also netted off and reported on a net basis in the profit or loss account.

5.19 Functional and presentation currency

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

		30 June 2018	30 June 2017
	Note	----- (Rs. in '000) -----	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	435,886	367,139
Capital work-in-progress	6.6	59,081	130
		<u>494,967</u>	<u>367,269</u>



6.1 Operating fixed assets

Operating fixed assets										
	COST				Rate	ACCUMULATED DEPRECIATION				BOOK VALUE
	As at 01 July 2017	Additions / *Transfer	(Disposals)	As at 30 June 2018		As at 01 July 2017	Charge for the year	(On Disposals) / *Transfer	As at 30 June 2018	As at 30 June 2018
	(Rupees in '000)					(Rupees in '000)				
Owned										
Freehold land	2,559	-	-	2,559	-	-	-	-	-	2,559
Building on freehold land	105,813	-	-	105,813	5 & 10	53,813	2,601	-	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
	1,112,618	108,466	(13,662)	1,207,422		753,895	42,822	(12,413)	784,304	423,118
Leased										
Vehicles	10,000	7,201	-	17,201	20	1,584	2,849	-	4,433	12,768
2018	1,122,618	115,667	(13,662)	1,224,623		755,479	45,671	(12,413)	788,737	435,886

	COST				Rate	ACCUMULATED DEPRECIATION				BOOK VALUE
	As at 01 July 2016	Additions / *Transfer	(Disposals)	As at 30 June 2017		As at 01 July 2016	Charge for the year	(On Disposals) / *Transfer	As at 30 June 2017	As at 30 June 2017
	(Rupees in '000)					(Rupees in '000)				
Owned										
Freehold land	2,559	-	-	2,559	-	-	-	-	-	2,559
Building on freehold land	104,983	830	-	105,813	5 & 10	51,092	2,721	-	53,813	52,000
Plant and machinery	829,294	29,635 **58,404	-	917,333	10 & 20	615,993	26,765	-	642,758	274,575
Electrical installations	29,266	-	-	29,266	10	22,228	704	-	22,932	6,334
Furniture and fittings	5,981	-	-	5,981	10	3,720	226	-	3,946	2,035
Vehicles	28,588	5,195 *8000	(9,969)	31,814	20	12,816	3,895	(6,834) *3,851	13,728	18,086
Office equipment	13,297	1,291	(47)	14,541	33	10,985	986	(23)	11,948	2,593
Computers	4,911	358	-	5,269	33	4,327	404	-	4,731	538
Library books	42	-	-	42	10	39	-	-	39	3
	1,018,921	95,713 *8000	(10,016)	1,112,618		721,200	35,701	(6,857) *3,851	753,895	358,723
Leased										
Vehicles	8,000	10,000 *(8,000)	-	10,000	20	3,298	2,137	*(3,851)	1,584	8,416
2017	1,026,921	105,713	(10,016)	1,122,618		724,498	37,838	(6,857)	755,479	367,139

* represents transfer from leased assets to owned assets.

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



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 75

	Note	30 June 2018 ----- (Rs. in '000) -----	30 June 2017 -----
6.2 Reconciliation of book value is as follows:			
Book value at the beginning of the year		367,139	302,423
Additions during the year		115,667	105,713
Depreciation for the year		(45,671)	(37,838)
Disposals during the year		(1,249)	(3,159)
Book value as at the end of year		<u>435,886</u>	<u>367,139</u>

6.3 Allocation of depreciation charge is as follows:

Cost of sales	26	39,817	32,265
Distribution costs	27	255	295
Administrative expenses	28	5,599	5,278
		<u>45,671</u>	<u>37,838</u>

6.4 Particulars of immovable assets of the Company are as follows:

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

6.5 The following operating fixed assets were disposed off during the year:

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of Buyer
	(Rs. In '000)						
Plant & machinery							
Paint Shop	11,207	10,647	560	913	353	Tender	Noorani Traders
Vehicles							
Assets having book value less than Rs. 500,000 each	2,455	1,766	689	937	248	Tenders/ Company policy	Employees and others
2018	13,662	12,413	1,249	1,850	601		
2017	10,016	6,857	3,159	3,445	266		

	30 June 2018 ----- (Rs. in '000) -----	30 June 2017 -----
6.6 Capital work-in-progress – Plant and machinery		
Balance at the beginning of the year	130	3,524
Additions during the year	59,093	55,010
Transferred to owned assets	(142)	(58,404)
Balance at the end of the year	<u>59,081</u>	<u>130</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 76

		30 June 2018	30 June 2017
	Note	----- (Rs. in '000) -----	----- (Rs. in '000) -----
7. LONG-TERM LOANS AND ADVANCES – considered good			
Loans			
Employees	7.1	2,735	2,498
Executives	7.1 & 7.2	1,399	1,379
		<u>4,134</u>	<u>3,877</u>
Current portion	12	(1,337)	(1,170)
		<u>2,797</u>	<u>2,707</u>
Advances			
Employees		13,022	13,747
Executives	7.2	1,441	2,019
		<u>14,463</u>	<u>15,766</u>
Current portion	12	(13,405)	(14,198)
		<u>1,058</u>	<u>1,568</u>
		<u>3,855</u>	<u>4,275</u>

7.1 Represent interest-free loans given to executives and employees against their salaries. These are recoverable in equal monthly installments over a period of four years. These loans are secured against the retirement benefits of employees.

7.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 2.840 million (2017: Rs. 3.398 million).

		30 June 2018	30 June 2017
	Note	----- (Rs. in '000) -----	----- (Rs. in '000) -----
8. LONG-TERM DEPOSITS			
Trade deposits		4,063	4,063
Lease deposits		1,714	1,000
	8.1	<u>5,777</u>	<u>5,063</u>

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

		30 June 2018	30 June 2017
	Note	----- (Rs. in '000) -----	----- (Rs. in '000) -----
9. STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		4,498	6,160
Spare parts		98,908	94,602
Loose tools		2,189	2,378
		<u>105,595</u>	<u>103,140</u>
Provision for slow moving:			
Stores		(267)	(51)
Spare parts		(50,224)	(46,807)
Loose tools		(649)	(352)
	9.1	<u>(51,140)</u>	<u>(47,210)</u>
		<u>54,455</u>	<u>55,930</u>

9.1 Movement in provision is as follows:

Opening balance		47,210	47,816
Provision /(Reversal) made during the year	26	3,930	(606)
Closing balance		<u>51,140</u>	<u>47,210</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 77

		30 June 2018	30 June 2017
	Note	(Rs. in '000)	
10. STOCK-IN-TRADE			
Raw material and components		211,283	168,872
Work-in-process		143,066	222,337
Finished goods		97,671	91,969
Scrap stock		63,527	56,647
		<u>515,547</u>	<u>539,825</u>
Stock-in-transit		36,391	4,121
		<u>551,938</u>	<u>543,946</u>
Provision for slow moving stock	10.1	(19,750)	(25,072)
		<u>532,188</u>	<u>518,874</u>
10.1 Movement in provision is as follows:			
Opening balance		25,072	28,751
Provision made during the year	26	424	5,960
		<u>25,496</u>	<u>34,711</u>
Reversal during the year	26	(5,746)	(9,639)
Closing balance		<u>19,750</u>	<u>25,072</u>
11. TRADE DEBTS			
Unsecured			
Considered good		165,572	95,781
Considered doubtful		81	353
Provision for doubtful debts	11.1	(81)	(353)
		<u>-</u>	<u>-</u>
		<u>165,572</u>	<u>95,781</u>
11.1 Movement in provision is as follows:			
Opening balance		353	934
Provision during the year	28	81	300
		<u>434</u>	<u>1,234</u>
Written-off during the year		(31)	(58)
Reversal during the year	31	(322)	(823)
Closing balance		<u>81</u>	<u>353</u>
12. LOANS AND ADVANCES – considered good			
Loans – secured			
Current portion of long-term loans	7	1,337	1,170
Advances			
Current portion of long-term advances			
– secured	7	13,405	14,198
For expenses – unsecured		400	522
To suppliers – unsecured		9,663	16,702
		<u>23,468</u>	<u>31,422</u>
		<u>24,805</u>	<u>32,592</u>
13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	13.1	1,557	717
Prepayments		492	977
		<u>2,049</u>	<u>1,694</u>

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



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 78

		30 June 2018	30 June 2017
	Note	(Rs. in '000)	
14. OTHER RECEIVABLES			
Worker's Profit Participation Fund		735	742
Accrued profit on treasury bills		-	2,152
Dividend receivable		193	-
		<u>928</u>	<u>2,894</u>

15. SHORT-TERM INVESTMENTS

Held for trading			
Listed shares	15.1	5,516	3,732
Held to maturity			
Treasury bills	15.2	-	257,939
		<u>5,516</u>	<u>261,671</u>

15.1 Listed shares

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

30 June 2018	30 June 2017	Face value of	Company's Name		
Number of shares		Rs.			
10,000	-	10	Honda Atlas Cars (Pakistan) Ltd.	3,164	-
25,000	25,000	10	Fauji Cement Company Ltd.	571	1,026
5,000	5,000	10	Nishat Mills Limited	705	793
5,000	5,000	10	Attock Refinery Ltd.	1,076	1,913
				<u>5,516</u>	<u>3,732</u>

15.2 These carry interest rate ranging from 5.93% to 5.99% (2017: 5.93% to 5.99%) per annum.

15.3 Net unrealised appreciation / depreciation on re-measurement of investments classified as financial assets 'at fair value through profit or loss':

		30 June 2018	30 June 2017
	Note	(Rs. in '000)	
Market value of securities		5,516	3,732
Carrying value of securities		(10,385)	(4,533)
		<u>(4,869)</u>	<u>(801)</u>

16. BANK BALANCES

Current accounts		10,643	13,762
Deposit accounts	16.1	20,473	13,768
		<u>31,116</u>	<u>27,530</u>

16.1 This carries profit rate ranging from 5.35% to 5.90% (2017: 5.20% to 7.00%) per annum.

17. SHARE CAPITAL

30 June 2018	30 June 2017		30 June 2018	30 June 2017
(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>

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



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 79

30 June 30 June
2018 2017
----- (Rs. in '000) -----

18. RESERVES

Revenue		
General	160,000	160,000
Unappropriated profit	988,044	953,592
	<u>1,148,044</u>	<u>1,113,592</u>
Remeasurement loss on defined benefit plan	(12,397)	(5,850)
	<u>1,135,647</u>	<u>1,107,742</u>

19. 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. 11.280 million (2017: Rs. 8.571 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 (2017: 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.1.714 million (2017: Rs.1 million) as disclosed in note 8 to the financial statements. The summary of the finance lease liability is as follows:

	2018		2017	
	Minimum Lease payment	Present Value	Minimum Lease Payment	Present Value
	----- (Rs. in '000) -----			
Within one year	5,770	5,257	3,365	2,948
After one year but not more than five year	5,510	5,306	5,206	4,958
Total minimum lease payments	11,280	10,563	8,571	7,906
Amount representing finance charges	(717)	-	(665)	-
Present value of minimum lease				
Payments	10,563	10,563	7,906	7,906
Current portion	(5,257)	(5,257)	(2,948)	(2,948)
	<u>5,306</u>	<u>5,306</u>	<u>4,958</u>	<u>4,958</u>

30 June 30 June
2018 2017
----- (Rs. in '000) -----

20. LONG-TERM DEPOSITS

Deposit from employees	20.1	<u>1,710</u>	<u>874</u>
------------------------	------	--------------	------------

20.1 Represent interest-free deposits received from employees on account of executive cars and generator scheme. The amount will be adjustable within the period of five and three years respectively against book value of the vehicles.

30 June 30 June
2018 2017
----- (Rs. in '000) -----

21. DEFERRED TAXATION

Taxable temporary differences arising due to:

Accelerated tax depreciation	58,334	53,930
Liabilities against assets subject to finance lease	640	145
	<u>58,974</u>	<u>54,075</u>

Deductible temporary differences arising due to:

Provisions	(24,016)	(24,896)
	<u>34,958</u>	<u>29,179</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 80

		30 June 2018	30 June 2017
	Note	----- (Rs. in '000) -----	
22. TRADE AND OTHER PAYABLES			
Creditors		49,236	50,198
Accrued liabilities		42,735	84,481
Advance from customers – unsecured		4,648	4,767
Gratuity fund	22.1	10,629	7,617
Provident fund	22.2	3	262
Retention money		455	455
Compensated absences		6,805	6,285
Workers' welfare fund		17,667	15,857
Others		1,321	1,812
		<u>133,499</u>	<u>171,734</u>
22.1 Gratuity fund		<u>10,629</u>	<u>7,617</u>
Amount recognised in the statement of financial position			
Present value of defined benefit obligations		79,400	74,931
Fair value of plan assets		(68,771)	(67,314)
Net liability recognised in the statement of financial position		<u>10,629</u>	<u>7,617</u>
Charge for the year			
Current service cost		3,264	3,052
Net interest cost		818	607
		<u>4,082</u>	<u>3,659</u>
Movement in net liability			
Opening balance		7,617	6,728
Net charge for the year		4,082	3,659
Re-measurement to be recognised in other comprehensive Income		6,547	3,958
Paid to fund during the year		(7,617)	(6,728)
Closing balance		<u>10,629</u>	<u>7,617</u>
Movement in present value of defined benefit obligations			
Opening balance		74,931	65,786
Current service cost		3,264	3,052
Interest cost		6,193	5,025
Benefits paid during the year		(324)	(2,671)
Actuarial (gain) / loss		(4,664)	3,739
Closing balance		<u>79,400</u>	<u>74,931</u>
Movement in the fair value of plan assets			
Opening balance		67,314	59,058
Expected return		5,375	4,419
Contributions		7,617	6,728
Benefits paid during the year		(324)	(2,671)
Actuarial loss		(11,211)	(220)
Closing balance		<u>68,771</u>	<u>67,314</u>
Principal actuarial assumptions used are as follows:			
		2018	2017
		----- (Percentage) -----	
Expected rate of increase in salary level		10.0	10.0
Rate of return on plan assets		9.00	7.75
Valuation discount rate		9.00	7.75



Composition of plan assets are as follows:

	2018	2017
	----- (Rs. in '000) -----	
Term Finance Certificates	-	2,334
Treasury Bills	40,226	22,326
Mutual Funds	16,315	18,565
Equity Investments	12,158	18,122
Amount in banks	72	5,967
	<u>68,771</u>	<u>67,314</u>

Expected contribution to the fund for the year ending 30 June 2019 is Rs. 4.001 million.

	30 June 2018 (Un-audited)	30 June 2017 (Un-audited)
	----- (Rs. in '000) -----	
22.2 Provident fund		
Size of the fund	<u>159,623</u>	<u>163,297</u>
Cost of investments made	<u>158,690</u>	<u>147,280</u>
Fair value of investments	<u>145,272</u>	<u>144,375</u>
Percentage of investments made	<u>91.01%</u>	<u>88.41%</u>

22.2.1 Break-up of investments of provident fund

	30 June 2018 (Un-audited)		30 June 2017 (Un-audited)	
	Investments	% of Investments	Investments	% of Investments
	(Rs. in '000)	%	(Rs. in '000)	%
Pakistan Investment Bonds	14,500	9.98	14,500	10.04
Treasury Bills	89,684	61.73	57,891	40.10
Mutual Funds	8,290	5.71	22,955	15.90
Equity Shares	28,660	19.73	42,326	29.31
TFCs	-		2,796	1.94
National Savings	4,138	2.85	3,907	2.71
	<u>145,272</u>		<u>144,375</u>	

22.2.2 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.

	Note	30 June 2018	30 June 2017
		----- (Rs. in '000) -----	
23. PROVISION FOR WARRANTY			
Opening balance		4,067	3,445
Provision made during the year	27	1,127	1,103
Adjustment during the year against claims		(161)	(481)
Closing balance		<u>5,033</u>	<u>4,067</u>



24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 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 against the Company. The management, based on the advice of its legal counsel is hopeful that the ultimate outcome will be in favor of the Company. Accordingly, no provision is considered necessary in these financial statements in respect of the above matter.

24.1.2 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 given by the Company 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. In the opinion of legal counsel, no financial implications to the Company will arise as a result of this suit and accordingly, no provision has been made in this respect in these financial statements.

24.1.3 Some former non-executive employees have filed cases against the Company on various matters before the law court (NIRC, Karachi) which are pending subjudice. In the opinion of external legal counsel, there is no financial exposure to the Company and on the basis of this opinion, no provision has been made in this respect in these financial statements.

24.1.4 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, 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 set aside proceedings is still pending for finalization. Later on, in June 2018, the Commissioner Inland Revenue (CIR) also filed an appeal in the Appellate Tribunal against the order of the concerned CIR(A) against which no hearing fixed so far. As the outcome of the set aside proceedings can not be ascertained at this stage, therefore the management of the Company, after consultation with the tax advisor, has made a provision on prudent basis amounting to Rs. 17.6 million.

	Note	30 June 2018 ----- (Rs. in '000) -----	30 June 2017 -----
24.2 Commitments			
Outstanding letter of guarantees		4,512	3,622
Outstanding letters of credit		167,536	362,054
Capital commitments		-	30,304
25. TURNOVER – net			
Local sales	25.1	2,199,205	1,782,661
Sales return		(4,288)	(8,561)
Sales tax		(319,543)	(259,019)
Sales discount		-	15,292
		(323,831)	(252,288)
Export sales		7,266	3,277
		1,882,640	1,533,650

25.1 Local sales include scrap sales of Rs. 38.096 (2017: Rs. 29.563) million.



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 83

		30 June 2018	30 June 2017
	Note	----- (Rs. in '000) -----	
26. COST OF SALES			
Raw material and packaging consumed			
Opening stock			
Raw material		168,873	136,884
Scrap		56,647	42,548
		<u>225,520</u>	<u>179,432</u>
Purchases		1,179,107	933,012
Closing stock			
Raw material		(211,283)	(168,873)
Scrap		(63,527)	(56,647)
		<u>(274,810)</u>	<u>(225,520)</u>
		<u>1,129,817</u>	<u>886,924</u>
Manufacturing overheads			
Salaries, wages and benefits	26.1	153,273	140,978
Stores, spare parts and loose tools consumed		86,188	78,671
Fuel and power		50,391	49,068
Depreciation	6.3	39,817	32,265
Outsourced job contractor		44,394	35,916
Staff transportation		13,673	12,755
Repairs and maintenance		7,239	6,945
Travelling and conveyance		3,886	1,009
Vehicle running expenses		2,658	1,993
Insurance		4,281	3,788
Communication		779	725
Entertainment		1,798	1,765
Printing and stationery		504	169
Subscription		39	225
Provision / (reversal) for slow moving stores,			
Spare parts and loose tools	9.1	3,930	(606)
Slow moving stock-in-trade			
- provision made during the year	10.1	424	5,960
- reversal during the year	10.1	(5,746)	(9,639)
Ijarah rentals		-	1,162
Computer expenses		116	65
Others		1,646	1,580
		<u>409,290</u>	<u>364,794</u>
Manufacturing cost		<u>1,539,107</u>	<u>1,251,718</u>
Work-in-process			
Opening		222,337	144,751
Closing		(143,066)	(222,337)
		<u>79,271</u>	<u>(77,586)</u>
Cost of goods manufactured		<u>1,618,378</u>	<u>1,174,132</u>
Finished goods			
Opening		91,969	152,582
Closing		(97,671)	(91,969)
		<u>(5,702)</u>	<u>60,613</u>
Cost of sales		<u>1,612,676</u>	<u>1,234,745</u>
26.1 Included herein are the following employees' benefits:			
Defined benefit plan – gratuity		3,062	2,744
Defined contribution plan – provident fund		3,157	2,963
Medical		4,584	4,455
Accrual for compensated absences		1585	1,490
Bonus		10,898	12,166
		<u>23,286</u>	<u>23,818</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 84

	Note	30 June 2018 ----- (Rs. in '000) -----	30 June 2017
27. DISTRIBUTION COSTS			
Salaries and benefits	27.1	12,700	12,976
Carriage and forwarding		39,208	27,148
Provision of warranty	23	1,127	1,103
Selling expense – exports		267	132
Depreciation	6.3	255	295
Outsourced service expenses		2,299	2,231
Insurance		554	549
Advertisement		107	599
Vehicle running expenses		996	1,664
Utilities		504	396
Travelling and conveyance		234	481
Staff transportation		117	79
Communication		97	107
Entertainment		1,491	1,520
Computer expenses		41	7
Others		119	114
		<u>60,116</u>	<u>49,401</u>
27.1 Included herein are the following employees' benefits:			
Defined benefit plan – gratuity		204	183
Defined contribution plan – provident fund		653	603
Medical		517	456
Accrual for compensated absences		49	56
Bonus		727	812
		<u>2,150</u>	<u>2,110</u>
28. ADMINISTRATIVE EXPENSES			
Salaries and benefits	28.1	45,258	41,940
Depreciation	6.3	5,599	5,278
Outsourced service expenses		8,328	7,774
Utilities		3,003	3,011
Vehicle running expenses		7,118	5,605
Communication		972	738
Rent, rates and taxes		2,709	3,201
Entertainment		5,128	4,852
General stores supplies		739	1,427
Corporate expenses		5,216	3,871
Travelling and conveyance		155	294
Auditors' remuneration	28.2	1,188	1,015
Legal and professional charges		2,122	1,963
Repairs and maintenance		878	1,647
Insurance		1,287	1,151
Staff transportation		704	563
Subscription		141	133
Printing and stationery		354	375
Advertisement		28	29
Provision for doubtful debts	11.1	81	300
Computer expenses		600	525
Others		467	652
		<u>92,075</u>	<u>86,344</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 85

	30 June 2018	30 June 2017
Note	(Rs. in '000)	
28.1 Included herein are the following employees' benefits:		
Defined benefit plan – gratuity	816	732
Defined contribution plan – provident fund	1,661	1,541
Medical	1,318	1,497
Accrual for compensated absences	190	209
Bonus	2,906	3,356
	<u>6,891</u>	<u>7,335</u>
28.2 Auditors' remuneration		
Audit fee	715	650
Fees for limited scope review	150	120
Code of Corporate Governance	55	55
Other certifications	70	70
Out of pocket expenses	198	120
	<u>1,188</u>	<u>1,015</u>
29. OTHER EXPENSES		
Workers' Profits Participation Fund	5,766	9,258
Workers' Welfare Fund	1,810	3,703
Exchange loss – net	708	2,016
	<u>8,284</u>	<u>14,977</u>
30. FINANCE COSTS		
Mark-up / interest on:		
Finance lease	716	484
Markup on running finance	842	86
Interest on WPPF	-	189
	<u>1,558</u>	<u>759</u>
Bank charges and excise duty	369	619
	<u>1,927</u>	<u>1,378</u>
31. OTHER INCOME		
Income from financial assets		
Profit on deposit accounts	1,977	2,501
Profit on treasury bills	1,580	15,216
Realised gain on redemption of investments	-	6,174
Unrealised loss on revaluation of investments	15.3 (4,869)	(801)
Dividend income	372	412
	<u>(940)</u>	<u>23,502</u>
Income from non-financial assets		
Gain on sale of property, plant and equipment	601	286
Reversal of doubtful debts	11.1 322	823
Liability no longer payable - net	9	45
Disposal of waste	168	427
Others	20	321
	<u>1,120</u>	<u>1,902</u>
	<u>180</u>	<u>25,404</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 86

	Note	30 June 2018 ----- (Rs. in '000) -----	30 June 2017 -----
32. TAXATION			
Current		16,109	36,109
Prior		(1,934)	555
Deferred		5,778	9,203
	32.1	<u>19,953</u>	<u>45,867</u>
32.1 Relationship between accounting profit and Taxation			
Accounting profit for the year before taxation		<u>107,742</u>	<u>172,209</u>
Tax at applicable rate of 30% (2017: 31%)		32,323	53,385
Tax effects:			
- expenses that are not allowable in determining taxable income		1,312	1,484
- prior year		(1,934)	555
- income subject to reduced rates		84	1,352
- change in tax rates		(1,205)	(973)
- credit for investment in plant and machinery		(10,627)	(9,936)
		<u>19,953</u>	<u>45,867</u>
Effective tax rate %		<u>18.52</u>	<u>26.63</u>

32.2 Management has provided sufficient tax provision in financial statements in accordance with the Income Tax Ordinance, 2001. Following is the comparison of tax provision as per accounts vis a vis tax assessment for the last three years :

	Note	Tax provision as per Accounts ----- (Rs. in '000) -----	Tax Assessment -----
For the year 30 June 2017		36,109	35,327
For the year 30 June 2016		73,306	73,862
For the year 30 June 2015	24.1.4	49,475	49,542

33. EARNINGS PER SHARE BASIC AND DILUTED

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

	30 June 2018	30 June 2017
Profit for the year after taxation (Rs. in '000)	<u>87,789</u>	<u>126,342</u>
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>6.58</u>	<u>9.48</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 87

	Note	30 June 2018	30 June 2017
		(Rs. in '000)	
34. CASH GENERATED FROM OPERATIONS			
Profit before taxation		107,742	172,209
Adjustments for:			
Depreciation	6.3	45,671	37,838
Gain on sale of property, plant and equipment	31	(601)	(286)
Finance costs	30	1,927	1,378
Provision / (reversal) for slow moving stores, spare parts and loose tools	9.1	3,930	(606)
Reversal for slow moving stock-in-trade – net	10.1	(5,322)	(3,679)
(Reversal) for doubtful debts – net		(241)	(523)
Provision for compensated absences		1,824	1,755
Provision for warranty claims	23	1,127	1,103
Provision for employees' benefits	22.1	4,082	3,659
Profit on deposit accounts		(3,557)	(17,717)
Loss / (gain) on revaluation and redemption of mutual fund units / listed shares		4,869	(5,373)
Dividend income	31	(372)	(412)
		53,337	17,137
Working capital changes	34.1	161,079	189,346
		(103,129)	(34,760)
		57,950	154,586

34.1 Working capital changes

Increase in current assets

Stores, spare parts and loose tools	(2,455)	(8,802)
Stock-in-trade	(7,992)	(46,510)
Trade debts	(69,519)	(17,853)
Loans and advances	7,787	(3,316)
Trade deposits & short term prepayments and other receivables	(541)	(1,719)
Sales tax payable / refundable	11,356	(10,841)
	(61,364)	(89,041)

(Decrease) / increase in current liabilities

Trade and other payables	(41,765)	54,281
	(103,129)	(34,760)

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2018	2017	2018	2017	2018	2017	2018	2017
	(Rs. in '000)							
Remuneration	5,904	5,454	11,426	10,526	3,637	3,209	20,967	19,189
Housing	2,657	2,454	5,142	4,736	1,636	1,444	9,435	8,634
Retirement benefits	1,793	2,346	3,590	4,772	1,382	1,946	6,765	9,064
Bonus	2,273	1,898	4,386	3,636	1,337	903	7,996	6,437
Medical expenses	416	787	1,218	872	120	200	1,754	1,859
Utilities	397	615	1,029	1,098	396	424	1,822	2,137
Leave fare assistance	1,000	-	-	1,998	54	18	1,054	2,016
	14,440	13,554	26,791	27,638	8,562	8,144	49,793	49,336
Number	1	1	2	2	2	2	5	5

35.2 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.



35.3 Aggregate amount charged in the financial statements for fee for attending meetings to six non-executive directors was Rs. 2.70 million (2017: Rs. 1.96 million for six non-executive directors).

36. 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 2018 which are summarized below:

36.1 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 2018	+2	(198)
	-2	198
30 June 2017	+2	(117)
	-2	117



36.2 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 2018	30 June 2017
	----- (Rs. in '000) -----	
Loans	4,134	3,877
Trade deposits	7,334	5,780
Trade debts	165,572	95,781
Short term investment	5,516	3,732
Bank balances	31,116	27,530
	<u>213,672</u>	<u>136,700</u>

Credit quality of financial assets

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

	30 June 2018	30 June 2017
	----- (Rs. in '000) -----	
36.2.1 The ageing analysis of unimpaired trade debts at 30 June is as follows:		
Neither past due nor impaired	142,698	76,107
Past due but not impaired:		
Within 90 days	22,548	19,286
Within 90 to 180 days	326	269
Over 180 days	-	119
	<u>165,572</u>	<u>95,781</u>
36.2.2 Bank balances		
Ratings		
A1+	<u>31,116</u>	<u>27,530</u>

36.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company applies prudent risk management policies by maintaining sufficient bank balances and by keeping committed credit lines. At the reporting date, the Company has unavailed facility of Rs. 335million for a running finance facility which carries interest rate ranging between 1% and 1.25%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) -----				
30 June 2018					
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	<u>93,747</u>	-	-	-	<u>93,747</u>
	<u>93,747</u>	<u>876</u>	<u>4,381</u>	<u>7,016</u>	<u>106,020</u>



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 90

30 June 2017	June 30, 2017				Total
	On demand	Less than 3 months	3 to 12 months	1 to 5 Years	
	(Rs. in '000)				
Long-term deposits	-	-	-	874	874
Liabilities against asset subject to finance leases	-	491	2,457	4,958	7,906
Trade and other payables	136,946	-	-	-	136,946
	136,946	491	2,457	5,832	145,726

36.4 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.

37. 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 2018	30 June 2017
		(Rs in '000)	
Key management personnel	Sale of vehicles / equipment	476	2,965
Key management personnel	Dividend paid to directors and others	27,977	35,810

38. 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).

	June 30, 2018			Total
	Level 1	Level 2	Level 3	
	Rs. in '000			
Investments designated 'at fair value through profit or loss'				
Listed Shares	5,516	-	-	5,516
	5,516	-	-	5,516



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 91

June 30, 2017				
	Level 1	Level 2	Level 3	Total
	Rs. in '000			
Investments designated 'at fair value through profit or loss'				
Listed Shares	3,732	-	-	3,732
	3,732	-	-	3,732

	Note	30 June 2018	30 June 2017
		(Units in '000)	
39. PLANT CAPACITY AND ACTUAL PRODUCTION			
Plant capacity – single shift (estimated)	39.1	850	850
Actual production		812	660

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

40. NUMBER OF EMPLOYEES

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

	2018	2017
	Numbers	
At year end	290	286
Average employees during the year	293	284
Factory employees at year end	263	253
Average factory employees during the year	266	250

41. DIVIDEND AND APPROPRIATIONS

41.1 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), the Company is obligated to pay tax at a prescribed rate on its accounting profit before tax, if it derives profit for a tax year but does not distribute prescribed level of such profits within six months of the end of the tax year, through cash.

41.2 The Board of Directors in its meeting held on **29 September, 2018** proposed final cash dividend of Rs. **3/-** per share for the year ended June 30, 2018 amounting to Rs. **40.003** million for approval of the members at the Annual General Meeting to be held on **27 October, 2018**.

42. GENERAL

42.1 Figures have been rounded off to the nearest thousand Rupees, unless otherwise stated.

42.2 Certain prior year figures have been reclassified for better presentation. However, there are no material reclassifications to report.

42.3 These financial statements have been authorised for issue on **29 September, 2018** by the Board of Directors of the Company.

Chief Executive

Director

Chief Financial Officer



**Pattern of Shareholding
as at JUNE 30, 2018**

NO. OF SHAREHOLDERS	SHAREHOLDING RANGE		NO. OF SHARES
	FROM	TO	
653	1	100	27,668
468	101	500	130,176
104	501	1000	79,489
88	1,001	5000	185,530
16	5001	10000	120,913
3	10001	15000	32,312
1	15001	20000	18,500
1	20001	25000	21,800
1	30001	35000	33,715
1	35001	40000	37,000
1	50001	55000	55,000
1	80001	85000	82,800
2	85001	90000	175,500
1	110001	115000	110,400
1	145001	150000	145,562
1	225001	230000	227,000
1	245001	250000	248,900
1	285001	290000	287,500
1	325001	330000	328,000
1	340001	345000	341,693
1	380001	385000	381,165
1	435001	440000	437,201
1	475001	480000	477,083
1	620001	625000	624,249
1	645001	650000	646,478
1	1245001	1250000	1,249,050
1	1280001	1285000	1,282,825
1	1325001	1330000	1,328,360
1	1570001	1575000	1,571,971
1	2645001	2650000	2,646,410
1,357			13,334,250

Categories of Shareholders	Number of Shareholders	Number of Shares Held	Percentage(%)
SPONSORS, DIRECTORS, THEIR SPOUSES & MINOR CHILDREN	11	7,033,193	52.75
BANK, DFI & NBF	4	1,657,828	12.43
INSURANCE COMPANIES	1	341,693	2.56
MODARABAS & MUTUAL FUND	6	335,518	2.52
FOREIGN COMPANIES	7	5,905	0.04
OTHERS	19	1,919,971	14.40
GENERAL PUBLIC			
--- LOCAL	1,150	1,984,810	14.89
--- FOREIGN	159	55,332	0.41
	1,357	13,334,250	100.00



Pattern of Shareholding - Breakup as at JUNE 30, 2018

CATEGORIES OF SHAREHOLDERS

	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
<u>DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN</u>	11	7,033,193	52.75%
1 MR. RAZAK BENGALI		1,571,971	
2 MRS. GUL BANO		477,083	
3 MR. MUHAMMAD SIDDIQUE MISRI		2,646,410	
4 MRS. MEHTAB BIBI		437,201	
5 MRS. SABA NADEEM		3,000	
6 MR. MUHAMMAD IRFAN GHANI		1,249,050	
7 MRS. KAUSAR IRFAN		646,478	
8 MR. ANIS WAHAB ZUBERI		500	
9 MR. SYED HAROON RASHID		500	
10 MR. MUHAMMAD JAVED		500	
11 IRFAN AHMED QURESHI		500	
<u>BANK, DFI & NBF</u>	4	1,657,828	12.43%
1 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	
<u>INSURANCE COMPAINES</u>	1	341,693	2.56%
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
<u>MODARABAS & MUTUAL FUND</u>	6	335,518	2.52%
1 CDC - TRUSTEE NAFA STOCK FUND		87,000	
2 CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND		227,000	
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	
<u>FOREIGN COMPANIES</u>	7	5,905	0.04%
1 ROYAL BANK OF SCOTLAND		1,638	
2 BANK OF SCOTLAND		718	
3 BANKERS TRUST COMPANY		86	
4 MORGAN STANLEY BANK LUXEMBOURG		1,322	
5 MORGAN STANLEY TRUST COMPANY		718	
6 CROSBY SECURITIES PTE LTD.		833	
7 SOMERS NOMINEES (FAR EAST) LTD.		590	



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

P # 94

CATEGORIES OF SHAREHOLDERS

NO. OF
SHARE
HOLDERS

SHARES
HELD

PERCENTAGE
(%)

OTHERS

19

1,919,971

14.40%

- 1 M/S. NATIONAL MOTORS LIMITED
- 2 NATIONAL DEV. FINANCE CORP. INVESTERS
- 3 BOLAN CASTINGS LIMITED
- 4 PRUDENTIAL SECURITIES LIMITED
- 5 AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.
- 6 SIZA (PRIVATE) LTD
- 7 LOADS LIMITED
- 8 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND
- 9 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST
- 10 S.H. BUKHARI SECURITIES (PVT) LIMITED
- 11 MAPLE LEAF CAPITAL LIMITED
- 12 MILLAT TRACTORS LIMITED
- 13 TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD - PROVIDENT FUND
- 14 MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED
- 15 MSMANIAR FINANCIALS (PVT) LTD.
- 16 SEVEN STAR SECURITIES (PVT) LTD
- 17 FIKREE'S (SMC-PVT) LTD.
- 18 CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT
- 19 CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT

230
438
287,500
718
40
8,000
230
145,562
5,108
86
1
1,282,825
5,000
287
345
11,500
801
88,500
82,800

GENERAL PUBLIC

1,309

2,040,142

15.30%

- 1 GENERAL PUBLIC - LOCAL
- 2 GENERAL PUBLIC - FOREIGN

1,984,810
55,332

1,357

13,334,250

100%

SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY

6

8,078,616

60.59%

- 1 MUHAMMAD SIDDIQUE MISRI
- 2 RAZAK BENGALI
- 3 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST
- 4 MILLAT TRACTORS LIMITED
- 5 MUHAMMAD IRFAN GHANI

2,646,410
1,571,971
1,328,360
1,282,825
1,249,050



NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 38th Annual General Meeting of the Company will be held on Saturday, October 27, 2018 at 11:00 am at the 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 37th Annual General Meeting held on October 28, 2017.
2. To receive and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' and Auditor's Reports thereon.
3. To approve a final cash dividend of Rs. 3/- (30 %) per share for the year ended June 30, 2018 as recommended by the Board of Directors.
4. To appoint auditors for the year ending on June 30, 2019 and fix their remuneration. The present auditors M/s. EY Ford Rhodes Chartered Accountants retire and being eligible have offered themselves for re-appointment.
5. To consider any other business with the permission of the Chairman.

BY ORDER OF THE BOARD

Muhammad Yasin Yunus Ladha

Company Secretary

Karachi: September 29, 2018



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 20, 2018 to October 27, 2018 (both days inclusive). Transfer received in order at the Shares Department of M/s THK Associates (Pvt) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S. Karachi-75530, Pakistan, at the close of business on October 19, 2018 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 the meeting.

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

A. For Attending the Meeting:

- i. In case of individuals, the account holders or sub-account holder and / or the persons whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing their original Computerised National Identity Card (CNIC), or original passport at the time of attending the meeting.
- ii. In case of corporate entities, the Board of Director's resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of attending the meeting.

B. For Appointing Proxies:

- i. In case of individuals, the account holders or sub-account holders and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the above requirements.
- ii. The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

The proxy shall produce his / her original CNIC or passport at the time of the meeting.



- i. corporate entity, shall be submitted (unless it has been provided earlier) alongwith the proxy form to the Company.

1. Deduction of Withholding Tax on Dividend

Currently section 150 of the Income Tax Ordinance, 2001 prescribed following rates for deduction of withholding tax on amount of dividend paid by the Companies:

- | | |
|--|--------|
| 1. Rate of tax deduction for filer of income tax returns | 15.00% |
| 2. Rate of tax deduction for non-filer of income tax returns | 20.00% |

To enable the company to make tax deduction on the amount of cash dividend @ 15.00 % instead of 20.00%, all the shareholders whose names are not included in the Active Taxpayers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are added in ATL before the start of book closure.

2. Withholding Tax on Dividend in Case of Joint Account Holder

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

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

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

The required information must reach the Company’s Share Registrar by October 19, 2018, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

3. Submission of Copies of CNIC (Mandatory)

In order to comply with the directives of SECP, dividend warrant shall mandatorily bear the CNIC numbers of shareholders. Therefore, shareholders who have not yet submitted attested copy of their valid CNICs are once again requested to immediately submit the same with their folio numbers to the Company’s Share Registrar, M/s THK Associates (Pvt) Limited.



6. Payment of Cash Dividend Electronically (Mandatory)

Under the provisions of section 242 of the Companies Act, 2017, every listed company is required to pay dividend, if any, to their shareholders only through electronic mode, i.e. by transferring the same directly into the designated bank account provided by the shareholders.

Therefore, through this notice, all shareholders are requested to update their bank account details in the Central Depository System through respective participants. In case of physical shares, provide bank account details to our Share Registrar, M/s THK Associates (Pvt.) Limited.

(Standard Form regarding the mandatory payment of Dividend through electronic mode is also annexed to these financial statements and earlier has been despatched to all shareholders on their respective addresses and also available at our website www.bwheels.com)

In the absence of bank account details or in case of incomplete details, the Company will be constrained to withhold the payment of cash dividend of those shareholders who have not provided the same.

7. 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.

8. Video Conference

In accordance with Section 132(2) of the Companies Act, 2017 if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

To avail this facility please fill the following form and submit to the registered address of the Company.

REQUEST FOR VIDEO CONFERENCE FACILITY

I/We/M/s. _____ of _____
being Member (s) of Baluchistan Wheels Limited, holder of _____
ordinary share(s) as per Folio No. _____ and /or CDC Participant ID & Sub-
Account No. _____, hereby opt for video conference facility at
_____ city.

Signature of Member (s)
(Please affix Company
stamp in case of
Corporate entity)



9. Unclaimed/Unpaid Shares & Dividends

In accordance with the provisions of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it is due and payable, the Company shall give ninety days notices to the shareholders to file claim, if no claim is made before the Company by the shareholders, the Company shall proceed to deposit the unclaimed or unpaid Shares/Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three (3) years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

10. Availability of Audited Financial Statements on Company's Website:

The audited financial statements of the Company for the year ended June 30, 2018 have been made available on the Company's website www.bwheels.com in addition to annual and quarterly financial statements for the prior year.

11. Change in Address:

Members are requested to promptly notify any change of address 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).



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/ doubtful 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 _____ Ordinary Shares
as per Folio No. _____ or CDC
Participant's ID No. _____ and Sub A/c No. _____ hereby
appoint Mr./Mrs./Miss _____ Folio No. _____ of
_____ (Full address) failing
Mr./Mrs./Miss _____ Folio No. _____ of
_____ (Full address)

another member of the Company to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **October 27, 2018** and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2018



Please affix
Rs. 5/- Revenue
Stamp

Signature of Member (s)

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

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

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

FOR CDC ACCOUNT HOLDERS / CORPORATE ENTITIES

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

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

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



- (i) نئی نامہ (پراکسی) فارم پر دو افراد جن کے نام اور CNIC نمبر جمعہ پتے کے فارم پر موجود ہوں بطور گواہ ضروری ہیں۔
- (ii) حصص یافتگان کو وقتیہ (پراکسی) کے CNIC یا سپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
- (iii) اجلاس کے وقت نئی (پراکسی) اپنا اصل CNIC یا سپورٹ پیش کرے گا۔
- (iv) کارپوریٹ ادارے کی صورت میں کچھ کو وقتیہ نامہ (پراکسی) کے ساتھ بورڈ آف ڈائریکٹرز کا ریگولیشن اپاء آف انارنی بمعدہ تنظیموں کے مٹونے جمع کرنا ہوں گے (اگر پہلے فراہم نہ کئے گئے ہوں)۔



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) Shareholder's Detail	
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	
ii) Shareholder's Bank Detail	
Title of Bank Account	
International Bank Account Number (IBAN)	PK
Mandatory	
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
1st 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

Thanking you.

Muhammad Yasin Yunus Ladha

(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



سرمایہ کاری سمجھداری کے ساتھ



Be aware, Be alert, Be safe

Learn about investing at
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

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

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



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan



FACTORY AND REGISTERED OFFICE

Main RCD Highway, Hub Chowki, Lasbella, Baluchistan.
Telephone #: (0853) 363426, 363428 Fax #: (0853) 364025

www.bwheels.com