



BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

Moving Around The World



ANNUAL
REPORT
2017

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



Indus Motor Co. Ltd.



Pak Suzuki Motor Co. Ltd.



Disc Wheels for Agricultural Tractors



Millat Tractors Ltd.



Al-Ghazi Tractors Ltd.



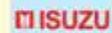
Orient Automotive Industries (Pvt.) Ltd.



Disc Wheels for Commercial Vehicles



Ghandhara Industries Ltd.



Hinopak Motors Ltd.



Ghandhara DF (Pvt.) Ltd.



Master Motors Corporation Ltd.



Fuso Master Motors (Pvt.) Ltd.



Afzal Motors (Pvt.) Ltd.



Vision & Mission



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



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Meetings in Progress

Annual General Meeting



Audit Committee Meeting



Board of Directors Meeting



Company Information

CHAIRMAN (Non-Executive Director)

Syed Haroon Rashid

INDEPENDENT DIRECTOR

Mr. Anis Wahab Zuberi

NON-EXECUTIVE DIRECTOR

Syed Zubair Ahmed Shah (Nominee - NIT)

Mr. Muhammad Javed

Mr. Irfan Ahmed Qureshi

Mrs. Saba Nadeem

CHIEF EXECUTIVE

Mr. Razak H. M. Bengali

EXECUTIVE DIRECTOR

Mr. Muhammad Siddique Misri

Mr. Muhammad Irfan Ghani

Director Marketing/ Business Development

Chief Operating Officer

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

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Muhammad Yasin Yunus Ladha

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

G.M (Maintenance)

D.G.M (Finance)

D.G.M (Supply & Services)

D.G.M (Finance)



CHIEF INTERNAL AUDITOR

Hafiz Shoaib Ahmed Chauhan

EXTERNAL AUDITORS

EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS

EY Ford Rhodes
(Chartered Accountants)

Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

BANKERS

Habib Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
Bank Al-Habib Limited
National Bank of Pakistan
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
E-mail: secretariat@thk.com.pk
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



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.

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 food 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 overhaul 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 being 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 has 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 31 years in Baluchistan Wheels Ltd in 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 34 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 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 seventeen years of experience in the field of Finance & Accounts & 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 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

	(Rs. in '000)					
	2017	2016	2015	2014	2013	2012
ASSETS						
Non Current Assets						
Property, plant & equipment	367,269	305,947	307,284	351,705	354,354	360,700
Intangible asset	-	-	-	-	110	220
Long term investments	-	-	1,739	747	755	708
Long-term loans & advances	4,275	3,719	2,998	1,993	1,818	1,740
Long-term deposits	5,063	4,140	5,740	5,740	4,636	9,082
	376,607	313,806	317,761	360,185	361,673	372,450
Current Assets						
Stores, spare parts & loose tools	55,930	46,522	44,018	44,552	45,703	45,925
Stock-in-trade	518,874	468,685	452,579	498,712	502,672	508,184
Trade debts	95,781	77,347	59,981	65,310	134,255	129,508
Loans and advances	32,592	29,276	15,043	14,848	16,673	8,568
Trade deposits and short term prepayments	1,694	2,869	2,287	3,168	3,218	2,907
Other receivables	2,894	1,962	521	5,813	-	-
Short term investments	261,671	354,064	-	83,678	20,067	-
Taxation - net	77,553	-	47,041	47,377	18,773	-
Sales tax refundable - net	8,554	-	-	1,792	-	-
Bank balances	27,530	44,051	255,013	28,905	34,713	48,331
	1,083,073	1,024,776	876,483	794,155	776,074	743,423
TOTAL ASSETS	1,459,680	1,338,582	1,194,244	1,154,340	1,137,747	1,115,873
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
Issued, Subscribed & paid-up capital	133,343	133,343	133,343	133,343	133,343	133,343
Reserves	1,107,742	1,052,030	943,870	877,854	829,035	790,466
	1,241,085	1,185,373	1,077,213	1,011,197	962,378	923,809
Non Current Liabilities						
Liabilities against assets subject to finance lease	4,958	-	2,569	5,113	1,626	5,695
Long term advances	-	-	-	10,093	-	-
Long term deposits	874	646	706	1,110	892	784
Deferred taxation	29,179	19,976	17,592	35,490	41,777	45,076
	35,011	20,622	20,867	51,806	44,295	51,555
Current Liabilities						
Trade and other payables	176,569	120,079	83,633	83,247	114,073	87,711
Current portion of						
- liabilities against assets subject to finance lease	2,948	2,576	2,523	3,828	4,039	3,291
- long term advance	-	-	-	1,442	-	-
- long term deposits	-	836	205	12	-	-
Short term borrowings	-	-	-	-	-	70
Provision for warranty	4,067	3,445	3,631	2,808	2,943	4,091
Taxation-net	-	3,364	-	-	-	42,215
Sales tax payable - net	-	2,287	6,172	-	10,019	3,131
	183,584	132,587	96,164	91,337	131,074	140,509
TOTAL EQUITY AND LIABILITIES	1,459,680	1,338,582	1,194,244	1,154,340	1,137,747	1,115,873



Six Years at a Glance

PROFIT AND LOSS ACCOUNT

	(Rs. in '000)					
	2017	2016	2015	2014	2013	2012
Turnover	1,533,650	1,471,558	1,378,332	1,148,425	1,164,513	1,507,907
Cost of Sales	(1,234,745)	(1,098,211)	(1,170,149)	(948,811)	(1,024,528)	(1,230,589)
Gross Profit	298,905	373,347	208,183	199,614	139,985	277,318
Distribution Cost	(49,401)	(37,980)	(38,511)	(38,696)	(26,302)	(20,582)
Administration Expenses	(86,344)	(82,285)	(80,752)	(71,153)	(68,429)	(67,529)
Other Operating Expenses	(14,977)	(20,758)	(12,096)	(10,433)	(5,250)	(15,057)
Finance Cost	(1,378)	(827)	(2,949)	(3,109)	(4,984)	(15,335)
	(152,100)	(141,850)	(134,308)	(123,391)	(104,965)	(118,503)
Other Income	25,404	21,505	37,339	9,014	1,568	3,990
Profit before Taxation	172,209	253,002	111,214	85,237	36,588	162,805
Taxation - net	(45,867)	(99,730)	(15,278)	(16,733)	19,271	(60,187)
Profit after Taxation	126,342	153,272	95,936	68,504	55,859	102,618
Earnings per Share (Rupees) - Basic and Diluted	9.48	11.49	7.19	5.14	4.19	7.70

SIGNIFICANT RATIOS AND STATISTICS

	2017	2016	2015	2014	2013	2012
Liquidity & Leverage Ratios:						
-Current Ratios	5.90	7.73	9.11	8.69	5.76	5.31
-Quick Ratios	2.77	3.85	3.95	2.75	1.69	1.35
-Liability as a % of Total Assets	14.98	11.44	9.80	12.40	15.61	17.17
-Interest Cover Ratio (Times)	125.97	306.93	38.71	28.42	8.34	11.81
Equity Ratios:						
-Break up Value per Share (Rs)	93.07	88.90	80.79	75.83	72.00	69.32
-Dividend as a % of Capital	40.00	50.00	30.00	22.50	15.00	15.00
-Dividend Yield Ratio/ Cost of Equity (%)	2.69	6.17	5.16	5.29	3.06	5.17
-Dividend per Share (Rs)	4.00	5.00	3.00	2.25	1.50	1.50
Profitability Ratios:						
-Gross Profit (%)	19.49	25.37	15.10	17.38	12.02	18.39
-Operating Profit(%)	11.32	17.24	8.28	7.69	4.02	12.81
-Profit before Tax(%)	11.23	17.19	8.07	7.42	3.14	10.80
-Profit after Tax (%)	8.24	10.41	6.96	5.97	4.80	6.81
-Return on Capital Employed(%)	13.88	21.34	10.32	8.43	3.81	17.61
-Earnings per Share (Rs)	9.48	11.49	7.19	5.14	4.19	7.70
-Price Earning Ratio(Times)	15.67	7.05	8.08	8.27	11.70	3.76
-Dividend Payout Ratio (%)	42.19	43.50	41.70	43.80	35.81	19.49
-Dividend Cover (Times)	2.37	2.30	2.40	2.28	2.79	5.13
-Capital Turnover (Times)	1.24	1.24	1.28	1.14	1.21	1.63
-Return on Assets (%)	8.66	11.45	8.03	5.93	4.91	9.20
Turnover/Efficiency Ratios:						
-Inventory Turnover Ratio(Times)	2.27	2.17	2.25	1.74	1.86	2.35
-Debtor Turnover Ratio(Times)	17.72	21.43	22.00	11.51	8.83	11.47
-Fixed Assets Turnover Ratio(Times)	4.18	4.81	4.49	3.26	3.29	4.18
Plant Capacity:						
-Plant Capacity Utilisation (%)	78	99	94	83	62	110
Share Performance:						
-Year end Market Price per Share	148.50	81.00	58.15	42.50	49.00	29.00
-High Price per Share during the Year	194.00	95.40	70.49	80.00	49.00	32.00
-Low Price per Share during the Year	80.00	58.00	33.30	41.00	24.62	22.52



Horizontal Analysis BALANCE SHEET

	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'	2013 Vs. 2012 (%)	2012 Rs. in '000'
ASSETS											
Non Current Assets											
Property, plant and equipment	367,269	20	305,947	(0)	307,284	(13)	351,705	(1)	354,354	(2)	360,700
Intangible asset	-	-	-	-	-	-	-	(100)	110	(50)	220
Long term investments	-	-	-	(100)	1,739	133	747	(1)	755	7	708
Long-term loans and advances	4,275	15	3,719	24	2,998	50	1,993	10	1,818	4	1,740
Long-term deposits	5,063	22	4,140	(28)	5,740	-	5,740	24	4,636	(49)	9,082
	376,607	20	313,806	(1)	317,761	(12)	360,185	(0)	361,673	(3)	372,450
Current Assets											
Stores, spare parts and loose tools	55,930	20	46,522	6	44,018	(1)	44,552	(3)	45,703	(0)	45,925
Stock-in-trade	518,874	11	468,685	4	452,579	(9)	498,712	(1)	502,672	(1)	508,184
Trade debts	95,781	24	77,347	29	59,981	(8)	65,310	(51)	134,255	4	129,508
Loans and advances	32,592	11	29,276	95	15,043	1	14,848	(11)	16,673	95	8,568
Trade deposits and short term prepayments	1,694	(41)	2,869	25	2,287	(28)	3,168	(2)	3,218	11	2,907
Other receivables	2,894	48	1,962	277	521	100	5,813	-	-	-	-
Short term investments	261,671	(26)	354,064	100	-	(100)	83,678	317	20,067	-	-
Taxation - net	77,553	100	-	(100)	47,041	(1)	47,377	152	18,773	-	-
Sales tax refundable - net	8,554	100	-	-	-	(100)	1,792	-	-	-	-
Bank balances	27,530	(38)	44,051	(83)	255,013	782	28,905	(17)	34,713	(28)	48,331
	1,083,073	6	1,024,776	17	876,483	10	794,155	2	776,074	4	743,423
TOTAL ASSETS	1,459,680	9	1,338,582	12	1,194,244	3	1,154,340	1	1,137,747	2	1,115,873

Horizontal Analysis

BALANCE SHEET

	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'	2013 Vs. 2012 (%)	2012 Rs. in '000'
EQUITY AND LIABILITIES											
Share Capital and Reserves											
Authorised Capital	250,000		250,000		250,000		250,000		250,000		250,000
Issued, Subscribed & paid-up Capital	133,343	-	133,343	-	133,343	-	133,343	-	133,343	-	133,343
Reserves	1,107,742	5	1,052,030	11	943,870	8	877,854	6	829,035	5	790,466
	1,241,085	5	1,185,373	10	1,077,213	7	1,011,197	5	962,378	4	923,809
Non Current Liabilities											
Liabilities against assets subject to finance lease	4,958	100	-	(100)	2,569	(50)	5,113	214	1,626	(71)	5,695
Long term advances	-	-	-	-	10,093	100	10,093	-	-	-	-
Long term deposits	874	35	646	(8)	706	(36)	1,110	24	892	14	784
Deferred taxation	29,179	46	19,976	14	17,592	(50)	35,490	(15)	41,777	(7)	45,076
	35,011	70	20,622	(1)	20,867	(60)	51,806	17	44,295	(14)	51,555
Current Liabilities											
Trade and other payables	176,569	47	120,079	44	83,633	0	83,247	(27)	114,073	30	87,711
Current portion of											
- liabilities against assets subject to finance leases	2,948	14	2,576	2	2,523	(34)	3,828	(5)	4,039	23	3,291
- long term advance	-	-	-	-	-	-	1,442	-	-	-	-
- long term deposits	-	(100)	836	308	205	-	12	-	-	-	-
Short term borrowings	-	-	-	-	-	-	-	-	-	(100)	70
Provision for warranty	4,067	18	3,445	(5)	3,631	29	2,808	(5)	2,943	(28)	4,091
Taxation-net	-	(100)	3,364	-	-	-	-	-	-	(100)	42,215
Sales tax payable - net	-	(100)	2,287	(63)	6,172	100	-	(100)	10,019	220	3,131
	183,584	38	132,587	38	96,164	5	91,337	(30)	131,074	(7)	140,509
TOTAL EQUITY AND LIABILITIES	1,459,680	9	1,338,582	12	1,194,244	3	1,154,340	1	1,137,747	2	1,115,873



Horizontal Analysis

PROFIT & LOSS ACCOUNT

	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'	2013 Vs. 2012 (%)	2012 Rs. in '000'
Turnover	1,533,650	4	1,471,558	7	1,378,332	20	1,148,425	(1)	1,164,513	(23)	1,507,907
Cost of Sales	(1,234,745)	12	(1,098,211)	(6)	(1,170,149)	23	(948,811)	(7)	(1,024,528)	(17)	(1,230,589)
Gross Profit	298,905	(20)	373,347	79	208,183	4	199,614	43	139,985	(50)	277,318
Distribution Cost	(49,401)	30	(37,980)	(1)	(38,511)	(0)	(38,696)	47	(26,302)	28	(20,582)
Administration Expenses	(86,344)	5	(82,285)	2	(80,752)	13	(71,153)	4	(68,429)	1	(67,529)
Other Operating Expenses	(14,977)	(28)	(20,758)	72	(12,096)	16	(10,433)	99	(5,250)	(65)	(15,057)
Finance Cost	(1,378)	67	(827)	(72)	(2,949)	(5)	(3,109)	(38)	(4,984)	(67)	(15,335)
	(152,100)	7	(141,850)	6	(134,308)	9	(123,391)	18	(104,965)	(11)	(118,503)
Other Income	25,404	18	21,505	(42)	37,339	314	9,014	475	1,568	(61)	3,990
Profit before Taxation	172,209	(32)	253,002	127	111,214	30	85,237	133	36,588	(78)	162,805
Taxation	(45,867)	(54)	(99,730)	553	(15,278)	(9)	(16,733)	(187)	19,271	(132)	(60,187)
Profit after Taxation	126,342	(18)	153,272	60	95,936	40	68,504	23	55,859	(46)	102,618
Earnings per Share-Basic and Diluted (Rupees)	9.48	(18)	11.49	60	7.19	40	5.14	23	4.19	(46)	7.70

Vertical Analysis

BALANCE SHEET

	2017	2016	2015	2014	2013	2012
	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	367,269	305,947	307,284	351,705	354,354	360,700
Intangible asset	-	-	-	-	110	220
Long term investments	-	-	1,739	747	755	708
Long-term loans & advances	4,275	3,719	2,998	1,993	1,818	1,740
Long-term deposits	5,063	4,140	5,740	5,740	4,636	9,082
	376,607	313,806	317,761	360,185	361,673	372,450
	25.2	22.9	25.7	30.5	31.1	32.3
	0.0	0.0	0.0	0.0	0.0	0.0
	0.0	0.0	0.1	0.1	0.1	0.1
	0.3	0.3	0.3	0.2	0.2	0.2
	0.3	0.3	0.5	0.5	0.4	0.8
	25.8	23.4	26.6	31.2	31.8	33.4
Current Assets						
Stores, spare parts & loose tools	55,930	46,522	44,018	44,552	45,703	45,925
Stock-in-trade	518,874	468,685	452,579	498,712	502,672	508,184
Trade debts	95,781	77,347	59,981	65,310	134,255	129,508
Loans and advances	32,592	29,276	15,043	14,848	16,673	8,568
Trade deposits and short term prepayments	1,694	2,869	2,287	3,168	3,218	2,907
Other receivables	2,894	1,962	521	5,813	-	-
Short term investments	261,671	354,064	-	83,678	20,067	-
Sales tax refundable - net	8,554	-	-	1,792	-	-
Taxation - net	77,553	-	47,041	47,377	18,773	-
Bank balances	27,530	44,051	255,013	28,905	34,713	48,331
	1,083,073	1,024,776	876,483	794,155	776,074	743,423
	74.2	76.6	73.4	68.8	68.2	66.6
TOTAL ASSETS	1,459,680	1,338,582	1,194,244	1,154,340	1,137,747	1,115,873
	100.0	100.0	100.0	100.0	100.0	100.0

BALUCHISTAN WHEELS LIMITED

Vertical Analysis

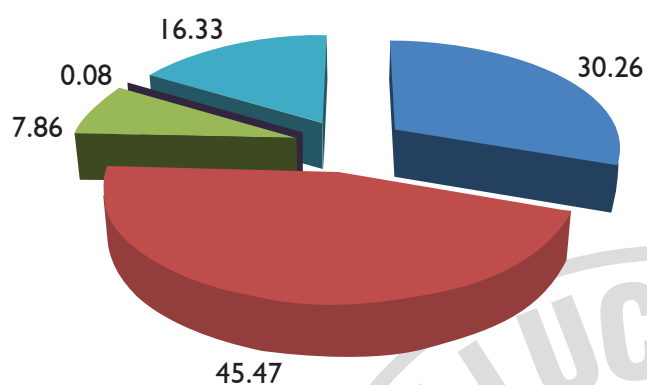
PROFIT & LOSS ACCOUNT

	2017		2016		2015		2014		2013		2012	
	Rs. in '000'	(%)	Rs. in '000'	(%)	Rs. in '000'	(%)	Rs. in '000'	(%)	Rs. in '000'	(%)	Rs. in '000'	(%)
Turnover - net	1,533,650	100	1,471,558	100	1,378,332	100	1,148,425	100	1,164,513	100	1,507,907	100
Cost of Sales	(1,234,745)	(80.51)	(1,098,211)	(74.63)	(1,170,149)	(84.90)	(948,811)	(82.62)	(1,024,528)	(87.98)	(1,230,589)	(81.61)
Gross Profit	298,905	19.49	373,347	25.37	208,183	15.10	199,614	17.38	139,985	12.02	277,318	18.39
Distribution Cost	(49,401)	(3.22)	(37,980)	(2.58)	(38,511)	(2.79)	(38,696)	(3.37)	(26,302)	(2.26)	(20,582)	(1.36)
Administration Expenses	(86,344)	(5.63)	(82,285)	(5.59)	(80,752)	(5.86)	(71,153)	(6.20)	(68,429)	(5.88)	(67,529)	(4.48)
Other Expenses	(14,977)	(0.98)	(20,758)	(1.41)	(12,096)	(0.88)	(10,433)	(0.91)	(5,250)	(0.45)	(15,057)	(1.00)
Finance Costs	(1,378)	(0.09)	(827)	(0.06)	(2,949)	(0.21)	(3,109)	(0.27)	(4,984)	(0.43)	(15,335)	(1.02)
	(152,100)	(141.850)	(134,308)	(123.391)	(104,965)	(118.503)						
Other Income	25,404	1.66	21,505	1.46	37,339	2.71	9,014	0.78	1,568	0.13	3,990	0.26
Profit before Taxation	172,209	11.23	253,002	17.19	111,214	8.07	85,237	7.42	36,588	3.14	162,805	10.80
Taxation	(45,867)	(2.99)	(99,730)	(6.78)	(15,278)	(1.11)	(16,733)	(1.46)	19,271	1.65	(60,187)	(3.99)
Profit after Taxation	126,342	8.24	153,272	10.42	95,936	6.96	68,504	5.97	55,859	4.80	102,618	6.81

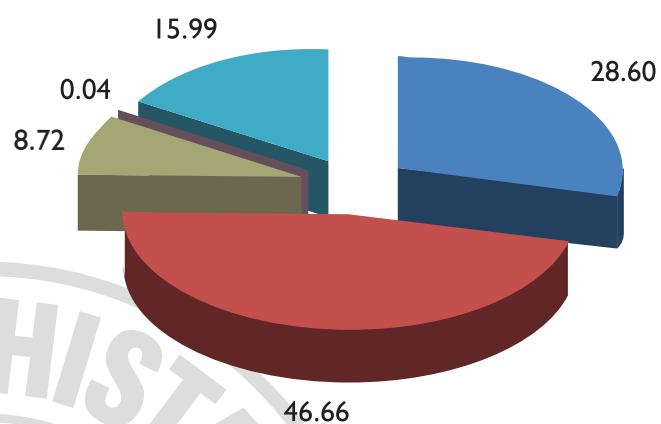
Statement Of Value Addition And Its Distribution

	2017 (Rs. in '000)	%	2016 (Rs. in '000)	%
Wealth Generated				
Total gross revenue and other income	1,818,073		1,744,558	
Brought in materials and services	1,139,393		980,100	
	678,680	100	764,458	100
Wealth distribution to stakeholders				
To Employees				
Salaries and wages including retirement benefits	205,341	30.26	218,614	28.60
To Government and Society				
Income Tax, Sales Tax, FED and WWF	308,589	45.47	356,666	46.66
To Shareholders				
Dividend	53,337	7.86	66,671	8.72
To providers of Finance				
Financial charges for borrowed funds	570	0.08	297	0.04
To Company				
Retained Profits, Dep and Amortizatin	110,843	16.33	122,210	15.99
	678,680	100	764,458	100

June 30, 2017



June 30, 2016



■ Employees
■ Government and Society
■ Shareholders
■ Employees
■ Government and Society
■ Shareholders
■ Provider of Finance
■ Company
■ Provider of Finance
■ Company



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, 2017.

BUSINESS REVIEW

Overall at the National Level the production of Passenger Cars declined by 11% with the total production of 186,936 units in 2017 as compared to 209,740 units in the year 2016. This was mainly due to the completion of Punjab Government's Apna Rozgar Self-employment Scheme, 27,795 LCV's, Vans and Jeeps were produced in 2017 as against 36,609 units in the year 2016, decreased by 24%, while 8,830 Trucks / Buses were produced in 2017 as against production of 6,736 Trucks / Buses in the year 2016, showing an improvement of 31% over the corresponding last year. Similarly, the Tractors production has also increased to 53,975 units in the year 2017 as compared to 34,914 tractors in the year 2016 which has increased by 55%.

This year, your Company had overall consolidated revenue of Rs. 1.53 billion as compared to Rs. 1.47 billion in the previous year which is 4% more than the previous year. The Car wheels sale was Rs. 856.660 million as compared to Rs. 1,046.968 million in the previous year which is 18% less than the previous year due to the reasons as explained above. The Truck/Bus wheels sale was Rs. 182.077 million as compared to Rs. 111.013 million in the previous year which is 64% higher than the previous year. The growth is mainly attributed to the increase in Truck production due to increasing demand under China Pakistan Economic Corridor (CPEC).

Similarly, the Tractor wheels sale was also increased to Rs. 462.073 million as compared to Rs. 266.238 million in the previous year which is 74% more than the previous year. This is due to the reduction in General Sales Tax (GST) rate on Tractors to 5%, subsidies on fertilizers and better crop yields this year having a positive impact on our sales too. Export sales during the year were Rs. 3.2 million as compared to Rs.10.24 million in the previous year declined by 68% mainly due to the low demand in the International market.

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 4% is mainly due to increase in sales of Truck/Bus and Tractor Wheels, which increased by 64% & 74% respectively, whereas there was a decline by 18% in Car wheels sales during the year as compared to the last year. The Cost of Sales increased by 12% to Rs. 1,234.745 million during the year under review against Rs. 1,098.211 million. The gross profit declined by 20% to Rs. 298.905 million against Rs. 373.347 million of last year. Similarly, the company earned profit after taxation Rs. 126.342 million as compared to Rs. 153.272 million in the previous year, declined by 18%. The increase in the imported steel prices and other elements of costs and low absorption of fixed factory overhead due to decline in production resulted in lower gross profit which also had an impact on the net profit for the year.

Revenue / Expenditure / Profit Before Tax



The comparative financial results for the year 2017 as against the year 2016 are as follows:

	2017 (Rs. in 000)	2016 (Rs. in 000)
Turnover-net	1,533,650	1,471,558
Gross Profit	298,905	373,347
Profit before Taxation	172,209	253,002
Profit after Taxation	126,342	153,272
Earnings per Share (Rs.)	9.48	11.49

EARNINGS PER SHARE

Based on the net profit for the current year, the earnings per share is Rs. 9.48 (2016: Rs. 11.49).

PROPOSED DIVIDEND

The Board of Directors have proposed final cash dividend of Rs. 4.00 per share (40 %) for the year ended June 30, 2017 amounting Rs. 53.337 million (2016: Rs. 5.00 per share (50%) amounting Rs. 66.67 million) at the meeting held on September 19, 2017, for approval of members at the Annual General Meeting to be held on October 28, 2017. 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.

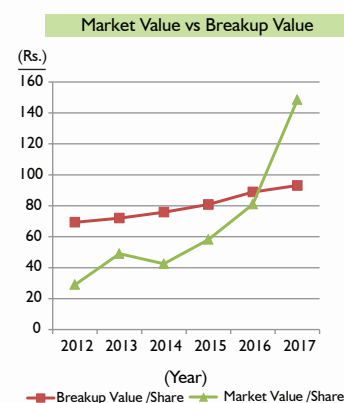
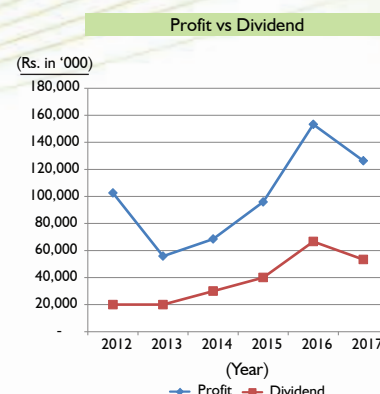
Direct and indirect rewards to the workforce like worker-of-the-month award, Hajj scheme, special health allocation and many other such benefits are in place. The Labour laws are strictly followed and the company is able to maintain cordial relationship with CBA Labour Union. The management of the company has extended the Hajj scheme to the officer's cadre also from the last year.

SAFETY, HEALTH & ENVIRONMENT

We are actively managing health and safety risks associated with our manufacturing process and are working towards improving our procedures to reduce and control the risk of accidents or injuries during work and up till now no serious accident has taken place during the production, resulting in any major injury or loss of life. All employees at plant are provided with safety appliance/equipments i.e. uniform, shoes, helmets, ear plugs and gloves 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.



COO with PSMC Officials



The company allows and shall continue allowing medical facilities and other facilities as may be necessary 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



IMC & CMW Officials

been hired on retainer-ship basis for treatment of employees. Workers medical check-up is conducted by certifying surgeon every six months. Apart from this, healthy activities of sports are encouraged, and the company has a cricket as well as football team. Every year, picnic is arranged for workers. This year, inaugural Ramzan Night Tapeball Cricket Tournament was introduced in which all the executives participated.

Protection of environment is of prime concern of the Management. As such every measure is being taken to preserve nature and to maintain clean environment at workplaces.

We comply with all applicable laws, regulations and conditions as per environmental standards. Design new facilities and conduct operations with preventive approach and industry best practices to avoid adverse impacts on the human health and the environment. We also ensure appropriate training and awareness on environmental system, procedures, best practices and share responsibility towards environmental protection among employees, contractors, suppliers and customers. Regularly, we review environmental performance and set targets to achieve continuous improvement.

The company has obtained International Certification ISO-14001 of environment to meet the International Environmental Standards.

ENERGY CONSERVATION

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

Some of the older machines like old 1000 Ton Hydraulic Press has been replaced with the new modern and efficient 1000 Ton Hydraulic Press, thus improving the production quality and reducing considerable energy bill and related spares consumption.

Compressor is one of the major contributors to wards electric power consumption. A major steps has also been taken to reduce energy consumption by redesigning the pneumatic air supply from compressors by installing 01 new 15 KW capacity compressors so that during partial requirement of air these low capacity compressors will be utilized instead of high capacity compressors. New chiller has been replaced with older version in the water cooling system for paint shop which is more efficient and latest version having equipment which consume less energy.

All these measures contribute towards considerable reduction in power consumption.

UPGRADATION OF PLANT & PROCESS

The company is producing wheels as per International Standards, and to meet the customer's product specification and quality requirements, it is necessary that plant and machinery and process are continuously upgraded and maintained in good working and operative condition so that we get a satisfactory performance and machine and equipment give a good and longer period of productive 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 undertook various capital expenditure initiatives to improve product quality by investing in Plant and Machinery.

The company has recently installed a new latest technology 1000 ton Hydraulic Press from DEES Taiwan for passenger car disc line manufacturing which will improve the productivity and quality of the car wheels product.



New 1,000 Ton Hydraulic Press

In order to meet the production requirement and to balance the assembly line a new 4-Torch Automatic CO2 Welding Machine for passenger car up to 16" size is installed.

To increase the Tool & Die and Spares making capacity a new Heavy Duty Lathe Machine is added in the already established Tool Room machine.

Truck / Bus business is growing and as such there is a need to balance the production line and replace old inefficient machineries with latest one to meet the customer quality requirement as well as productivity. Also, 02 Nos. of Single Torch CO2 Welding Machine have been added which are in operation.

Furthermore, to provide clean and dry air one more Air dryer unit was added to the existing one to improve the quality of Air, which helps in extending the life of tools and equipment.

In order to meet the cooling temperature of the ED Paint and related equipment, old chiller unit was replaced with a new and advanced chiller. Thus, saving in downtime due to break-down and repair is achieved.

In addition procurement order has been placed and L/C established for the following plant & equipments which will be installed within 1st quarter FY 2017~2018.

1. Heavy duty conveyor for Powder Coating paint shop.
2. Special purpose vertical lathe for Truck/Bus Disc machining
3. Special purpose dedicated 6-Bolt Holes CSK machine for Truck/Bus Disc
4. Procurement and Installation of new 1000 Ton Hydraulic Press
5. Refurbishment of 500 Ton Hydraulic Press

By all these measures the product quality, productivity and customers' confidence have been improved, leading to 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 satisfaction and international standards. Over the years, the R&D facilities have grown and our Design Office is now capable of computer aided designing of products, tool & dies, jigs and fixtures and FEA / Computer analysis of design for confirmation and 3D model development.

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

During the year we have successfully completed the in-house development of Tooling for New Suzuki Cultus (YLA) Wheel Size 5Jx13, New Shehzore 5.5x15 and 7.5x20 with 16mm Disc.

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

Quality Control Department is equipped with the requisite International Standard testing equipment, tool and instruments to control the process and to monitor the quality of wheels. The instruments / gauges, quality checking 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 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. \$ 17 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. 383 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

In compliance with the provisions of the listing regulations of Pakistan Stock Exchange Limited, the Board members are pleased to place the following statements on record:

- a. The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- b. Proper books of accounts have been maintained by the Company.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.



- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.
- e. The system of internal controls is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the company's ability to continue as going concern.

Key Operating and Financial Data

The Key operating and financial data for last six years is annexed with this report.

Government Taxes

Outstanding Taxes and Levies were Rs. Nil (2016: Rs. 5.651 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 17 (Un-Audited)
- Executive Provident Fund	Rs.102.072 million
- Non-Executive Provident Fund	Rs. 42.304 million
- Gratuity Fund	Rs. 67.314 million

Board of Directors

The Board of Directors is composed of nine members, which includes one independent director as per the requirement of the Code of Corporate Governance and there is also representation of a female director on the Board.

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

Board of Directors Meetings

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

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

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



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	Miss. Maheen Irfan Ghani	2
5	Mrs. Saba Nadeem	4

Human Resource & Remuneration Committee

During the year, only 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	Mrs. Gulbano Razak	1

Statement of Compliance with the Code of Corporate Governance

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 Code of Corporate Governance as contained in the Listing Regulation of the Pakistan Stock Exchange Limited. A statement to this effect is annexed with this report.

Pattern of Shareholding

The pattern of shareholding as on June 30, 2017 and its disclosure, as required by the Code of Corporate Governance is annexed with this report.

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	125,000
Mrs. Gulbano Razak	49,300

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, 2018. Their re-appointment has been recommended by the Audit Committee.

Changes in the Board, Audit Committee and HR&R Committee

During the year two casual vacancies occurred in the Board and one each in Audit Committee and HR&R Committee due to the resignation of Miss Maheen Irfan Ghani and Mrs. Gulbano Razak on May 02, 2017. These vacancies were filled by continuing directors within 90 days by appointing Mr. Irfan Ahmed Qureshi & Mr. Muhammad Javed in the Board, Audit and HR&R Committee respectively.

The Board would like to place on record its appreciation on the valuable contribution made by Ms. Maheen Irfan Ghani and Mrs. Gulbano Razak. The Board also welcomes Mr. Irfan Ahmed Qureshi & Mr. Muhammad Javed and hopes that the Company will benefit from their varied experience.

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, 2017. 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

Pakistan continues on its economic growth trajectory during the year, strengthen by the contribution of lower fuel prices coupled with stable foreign exchange parity.



The 'Automotive Development Policy' (ADP) 2016-2021 not only provides the playing field to the existing players but also provides room to new entrants. Due to these ample opportunities a lot of renowned Auto Manufacturers are interested to invest in Pakistani market in collaboration with the leading local business groups.

The Government is showing its keen interest in investing in infrastructure and Power sector due to the development of China Pakistan Economic Corridor (CPEC) and we expect that the implementation of CPEC will provide an impetus in growth in Truck/Bus sector.

The Punjab Government has recently started a three year project for development of agricultural technologies under KISAN package. The agriculture sector is expected to grow in terms of higher production of commodities, and will result in higher off take of Tractors also which will ultimately have positive effects on our revenue.

The Government of Punjab is planning to initiate Orange Cab scheme for unemployed youth in which they have planned to give 100,000 Cars. If this scheme is implemented, we expect a tremendous growth in our revenue as well.

The Company is continuously investing in projects for modernizing of Plant and Machinery in order to deliver quality products to its customers. Such initiatives includes addition to and refurbishment of our existing Press Line, installation of new Conveyor at our Paint Shop to enhance our painted production capacity and ensure delivery of quality products to our customers. In addition to the above the Company has also plan to purchase new Run-Out testing machine for Cars wheels testing to check the quality of car wheels and to satisfy the customer needs.

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 19, 2017



اپنے گاہکوں کو معیاری مصنوعات کی فراہمی کیلئے ہمارا ادارہ پلانٹ اور مشینری کو جدت پر استوار کرنے کیلئے مستقل سرمایہ کاری کر رہا ہے جس میں موجودہ پریس لائن میں جدت اور پینٹ شاپ میں نئی کنویئر کی تنصیب شامل ہے۔

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

اظہار تشکر:-

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

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

بحکم بورڈ آف ڈائریکٹرز

جناب رزاق ایچ ایم بنگالی

چیف ایگزیکٹو

کراچی، ۱۹ ستمبر ۲۰۱۷ء

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 2017ء کو ختم ہونے والے مالیاتی اسٹیٹمنٹ کے نوٹ نمبر 24.1 میں دی گئی ہے یہ کیس پہلے 2008ء میں جناب جسٹس فیصل عرب کی عدالت میں سنا گیا اور عدالتی کارروائی مکمل کرنے کے بعد اس کا فیصلہ محفوظ کر لیا گیا۔ بد قسمتی سے کسی فیصلے کا اعلان نہیں کیا گیا اور یہ معاملہ پھر سے داخل دفتر کر دیا گیا۔ پھر یہ کیس سندھ ہائی کورٹ کے محترم جناب جسٹس سلمان طالب الدین کی عدالت میں چلا لیکن 31 جولائی 2009ء کے فیصلے کے تحت کئی ججز نکال دیئے گئے جن میں جناب جسٹس سلمان طالب الدین بھی شامل تھے۔

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 صاحبہ کی عدالت میں داخل کیا گیا وہاں سے جناب جسٹس عزیز الرحمن صاحب کی عدالت میں یہ مقدمہ منتقل کیا گیا۔ اب یہ کیس محترم جناب جسٹس محمد شفیع صدیقی صاحب کی عدالت میں ہے اور بہت جلد اس کی سماعت متوقع ہے۔

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

مستقبل کے خدوخال:-

اس سال بھی ہمارے ملک نے تیل کی قیمتوں میں کمی اور مستحکم زرمبادلہ کی وجہ سے معاشی ترقی کا سفر جاری رکھا۔ حال ہی میں اعلان کردہ آٹوموٹیو ڈیولپمنٹ پالیسی برائے سال 2016-2021 آٹوموبائل انڈسٹری کی بہتری پر توجہ دیتی ہے۔ یہ پالیسی ناصرف موجودہ آٹوموٹیو یونٹس اور بیمار یونٹس بلکہ نئے آنے والے یونٹس کو بھی سہولت فراہم کرتے ہوئے تمام اسٹیک ہولڈرز میں ایک توازن پیدا کرتی ہے۔ اس پالیسی کی وجہ سے بہت سے بین الاقوامی کارساز ادارے مقامی کاروباری اداروں کے ساتھ ملکر سرمایہ کاری میں دلچسپی لے رہے ہیں۔

اس کے علاوہ سی پیک (CPEC) پر تیزی سے عملدرآمد کی وجہ سے حکومت بھی بنیادی ڈھانچوں اور پاور سیکٹر کی ترقی میں کافی دلچسپی لے رہی ہے اور ہم قوی اُمید رکھتے ہیں کہ ان اقدامات کی وجہ سے ٹرک / بس کے شعبے میں خاطر خواہ ترقی کے مواقع پیدا ہوں گے۔

حال ہی میں حکومت پنجاب نے کسان پیکیج کے نام سے زرعی ٹیکنالوجی کی ترقی کیلئے تین (۰۳) سالہ منصوبہ شروع کیا ہے۔ ان اقدامات کی وجہ سے زرعی شعبہ زیادہ پیداوار کیلئے اُمید ہے جس کے نتیجے میں ٹریکٹر کی فروخت میں اضافے کی توقع ہے جس کا مثبت اثر ہماری آمدنی پر ہوگا۔

اورنج کیب اسکیم کے نام سے حکومت پنجاب اس بات کی منصوبہ بندی کر رہی ہے کہ وہ بیروزگار نوجوانوں کے درمیان ایک لاکھ (۱۰۰,۰۰۰) گاڑیاں تقسیم کرے جسکی وجہ سے ہماری آمدنی پر زبردست اثر متوقع ہے۔

کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق کی تعمیل:-

کوڈ آف کارپوریٹ گورننس کے ضابطہ اخلاق سے کوئی مادی انحراف نہیں کیا گیا ہے اور پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے مطابق کمپنی نے کوڈ آف کارپوریٹ گورننس پر پوری طرح سے عمل درآمد کیا ہے اس سلسلے میں ایک اسٹیٹمنٹ اس رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پیرن:-

30 جون 2017ء کو ختم شدہ سال کے لیے شیئر ہولڈنگ کا پیرن اور اس کی تفصیل جو کہ کوڈ آف کارپوریٹ گورننس کے مطابق درکار ہے اس رپورٹ کے ساتھ منسلک ہے۔

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

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

125,000 شیئرز

جناب رزاق ایچ ایم بنگالی

49,300 شیئرز

محترمہ گل بانور رزاق

آڈیٹرز کا تقرر:-

کمپنی کے سبکدوش ہونے والے آڈیٹرز میسرز ای وائی فورڈ رہوڈز (EY Ford Rhodes) چارٹرڈ اکاؤنٹنٹس نے اہلیت کی بنیاد پر خود کو 30 جون 2018ء 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۔

بورڈ، آڈٹ کمیٹی اور انسانی وسائل و معاضے کی کمیٹی میں تبدیلی:-

۲۰ مئی ۲۰۱۷ء کو مس ماہین عرفان غنی اور مسز گل بانور رزاق کے استعفائی کے وجہ سے بورڈ میں دو (02)، آڈٹ کمیٹی اور انسانی وسائل و معاضے کی کمیٹی میں ایک ایک عارضی اسامی خالی ہوئیں۔ ان اسامیوں کو بورڈ نے نوے (90) دن کے اندر اندر جناب عرفان احمد قریشی اور جناب محمد جاوید کی نامزدگی سے پُر کیا۔

یہ بورڈ مس ماہین عرفان غنی اور مسز گل بانور رزاق کی گراں قدر خدمات کو سراہتا ہے اور جناب عرفان احمد قریشی اور جناب محمد جاوید کو بورڈ میں خوش آمدید کہتا ہے اور اُمید کرتا ہے کہ بورڈ کو ان کے وسیع تجربے سے فائدہ حاصل ہوگا۔

اخلاقیات اور کاروباری طریقوں کا بیان:-

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

نمبر شمار	ڈائریکٹر کا نام	شرکت کردہ اجلاس کی تعداد
1.	سید ہارون رشید	04
2.	جناب رزاق ایچ ایم بنگالی	04
3.	جناب محمد صدیق مصری	04
4.	جناب محمد عرفان غنی	04
5.	جناب انیس وہاب زبیری	04
6.	سید زبیر احمد شاہ	04
7.	محترمہ گل بانو رزاق	04
8.	محترمہ مایین عرفان غنی	02
9.	محترمہ صبا ندیم	04

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

آڈٹ کمیٹی کے اجلاس:-

کمپنی کے مالی سال کے دوران آڈٹ کمیٹی کے چار (04) 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.	محترمہ مایین عرفان غنی	02
5.	محترمہ صبا ندیم	04

آڈٹ کمیٹی کے اجلاس میں شرکت نہ کرنے والے ڈائریکٹر کو باقاعدہ چھٹی کی اجازت دی گئی۔

انسانی وسائل اور معاوضے کی کمیٹی کے جلسہ:-

کمپنی کے مالی سال کے دوران انسانی وسائل اور معاوضے کی کمیٹی کا ایک جلسہ منعقد کیا گیا۔ جلسے میں ڈائریکٹر 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.	محترمہ گل بانو رزاق	01

1. کمپنی بینجیٹ کی تیار شدہ فنانشل اسٹیٹمنٹ کے اسٹیٹ آف افیئرز، آپریشنز کے نتائج، مالی بہاؤ اور ایکٹیویٹی میں تبدیلیوں کو منصفانہ پیش کرتی ہے۔
2. اکاؤنٹس کی کتب کو مناسب طریقہ سے برقرار رکھا گیا ہے۔
3. فنانشل اسٹیٹمنٹ کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ اندازے معقول اور دانشمندانہ فیصلے کی بنیاد پر مبنی ہیں۔
4. فنانشل اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کا استعمال کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام نہایت بہترین ہے اور اس پر موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
6. کمپنی کی سرگرمیاں جاری رہنے کے حوالے سے کسی طرح کے شکوک و شبہات نہیں پائے جاتے۔

کلیدی آپریٹنگ اور مالیاتی اعداد و شمار۔

گزشتہ چھ سال کی کلیدی آپریٹنگ اور مالیاتی اعداد و شمار فنانشل اسٹیٹمنٹس اس رپورٹ کے ساتھ منسلک ہے۔

گورنمنٹ محصولات۔

گورنمنٹ کے بقایا جات محصولات کی مد میں کچھ نہیں ہیں (2016: 5.651 ملین روپے)۔

ریٹائرمنٹ بینیفٹ فنڈز کی سرمایہ کاری:-

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

جون ۲۰۱۶ء

غیر آڈٹ شدہ

ایگزیکٹو پروویڈنٹ فنڈ - 102.072 ملین روپے

نان ایگزیکٹو پروویڈنٹ فنڈ - 42.304 ملین روپے

گریجویٹ فنڈ - 67.314 ملین روپے

بورڈ آف ڈائریکٹرز:-

بورڈ آف ڈائریکٹرز نو (09) ممبران پر مشتمل ہے جس میں کوڈ آف کارپوریٹ گورننس کی ضروریات کے مطابق ایک آزاد ڈائریکٹر بھی شامل ہے۔ جبکہ بورڈ میں ایک خاتون ڈائریکٹر کی نمائندگی بھی ہے۔ بورڈ اہم انتظامی معاملات کی فیصلہ سازی کے لیے ذمہ دار ہے۔ اس میں اہم کاروباری امور پر عمل دار آمد اور قانون کی جانب سے مقرر کردہ معاملات بھی شامل ہیں۔ یہ فیصلہ سازی طے کردہ معیار، خطرات کا اندازہ اور ان معاملات کو مد نظر رکھتے ہوئے کی جاتی ہے۔ بورڈ ضابطہ اخلاق کی دیکھ بھال اور نگرانی کے لیے بھی ذمہ دار ہے۔

بورڈ آف ڈائریکٹرز کے اجلاس:-

کمپنی کے مالی سال کے دوران بورڈ آف ڈائریکٹرز کے چار (04) اجلاس منعقد کیے گئے۔ ان اجلاس میں ڈائریکٹرز کی حاضری درج ذیل رہی۔



کمپنی میں صاف ستھرے ماحول کی فراہمی کیلئے ایک مزید Air Dryer یونٹ لگایا گیا ہے جس سے پلانٹ اور مشینری کی کارکردگی میں اضافہ ہوگا۔ اس کے علاوہ مندرجہ ذیل مشینوں کی خریداری کیلئے اقدامات کئے گئے ہیں:

(۱) پاؤڈر کوٹنگ پیٹ شاپ کیلئے ہیوی ڈیوٹی کنویئرز۔

(۲) ٹرک بس ڈسک کی مشین کیلئے مخصوص ورٹیکل لیٹھ مشین۔

(۳) ٹرک بس ڈسک کیلئے مخصوص CSK 6-Bolt Holes مشین۔

(۴) ایک عدد 1000 ٹن ہائیڈرولک پریس

(۵) 500 ٹن ہائیڈرولک پریس کی ریفربشمنٹ

ان تمام اقدامات سے خریدار کا اطمینان بڑھا ہے اور ساتھ ہی scrap اور rework کی شرح بھی کم ہوئی ہیں۔

ریسرچ اینڈ ڈیولپمنٹ اور کوالٹی کنٹرول:-

ریسرچ اینڈ ڈیولپمنٹ محکمہ مسلسل عالمی معیار کے مطابق گا کہوں 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 ڈائز، جگڑ اور فلکسز، 3D ماڈل اور FEA تجزیہ کی صلاحیتوں پر مشتمل ہے۔

ریسرچ اینڈ ڈیولپمنٹ محکمہ کے پاس ایک مکمل ٹول اور ڈائی بنانے کی صلاحیت ہے جو کہ روایتی اور CNC مشینوں پر مشتمل ہے جس کے ذریعے ہم مصنوعات کی تیاری کیلئے ٹول ڈائز، فلکسز، گچز اور ٹولنگ کے پرزے اپنے طور پر بنا سکتے ہیں اور اس کے ساتھ ساتھ مشینوں کے پرزہ جات کی مرمت بھی کر سکتے ہیں۔

ہمارے ریسرچ اینڈ ڈیولپمنٹ محکمہ میں بہترین تعلیم یافتہ اور تجربہ کار ٹیم ہے جو کہ مختلف مصنوعات کی ٹولنگ کی مرمت اور بحالی کا کام کرتی ہے۔ یہ ٹیم نئی مشینوں، پرزہ جات اور ٹولنگ وغیرہ کے اضافے میں فیصلہ کرنے کے ساتھ ساتھ مسلسل پروسس کو بہتر بنانے اور ڈائز ٹائم کو کم کرنے میں کوشاں ہے۔ رواں سال کے دوران، ہم نے نئی سوزوکی کلئس (YLA) وہیل سائز 5Jx13، نئی شہرور 5.5x15 اور 16mm کے 7.5x20 ڈسک کے ٹولز کامیابی کے ساتھ بنائے ہیں۔

پہلے ایک اہم حفاظتی حصہ ہونے کی وجہ سے بہت کڑی نگرانی میں معیار کو برقرار رکھتے ہوئے بنایا جاتا ہے اور خام مال کی خریداری سے لیکر گا کہ 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۔

ملکی معیشت میں کمپنی کا حصہ:-

آپ کی کمپنی ایک درآمدی تبادلی یونٹ ہونے کی وجہ سے غیر ملکی زرمبادلہ کی بچت میں حصہ لے رہی ہے اور یہ آٹو انڈسٹری کی ایک بڑی اہم وینڈنگ انڈسٹری ہے۔ زیر بحث مالی سال کے دوران آپ کی کمپنی نے OEM's کو پہیوں کی فراہمی سے تقریباً 17 ملین امریکی ڈالر کی بچت کی ہے۔ اس کے ساتھ سرکاری خزانے میں بطور انکم ٹیکس، سیلز ٹیکس اور دیگر بالواسطہ ٹیکسوں کی مدد میں تقریباً 383 ملین روپے سرکاری خزانے میں جمع کرائے ہیں۔ اس کے علاوہ، ہماری کمپنی حب اور اس سے ملحقہ دیگر علاقوں کے مقامی لوگوں کو ملازمت کے مواقع بھی فراہم کر رہی ہے۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:-

پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشنز کی دفعات کی تعمیل میں بورڈ آف ڈائریکٹرز نہایت مسرت کے ساتھ مندرجہ ذیل بیانات کی تصدیق کرتے ہیں۔

فی الحال اب تک پیداوار کے دوران ایسا کوئی خطرناک حادثہ نہیں ہوا جسمیں کسی کو کوئی بڑی چوٹ لگی ہو یا کسی کی جان گئی ہو۔ تمام ملازمین جو پلانٹ پر کام کر رہے ہیں انہیں حفاظتی چیزیں مثلاً دستانے، چشمے، Ear Plug اور اعلیٰ معیار کے حفاظتی جوتے دیئے جاتے ہیں تاکہ وہ اپنی ڈیوٹی اطمینان سے انجام دے سکیں۔ اس کے علاوہ آگ بجھانے کے آلات بھی موجود ہیں تاکہ کسی ناخوشگوار صورتحال سے نمٹا جاسکے اور حفاظتی اقدامات کی بہتری کیلئے ایک فل ٹائم سیفٹی آفیسر بھی تعینات کیا گیا ہے۔

کمپنی کی کوشش ہے کہ طبی امور اور حفاظتی چیزوں میں ملازمین کا خیال رکھا جائے اسکے لئے ایک ڈسپنسری بمعہ 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 حاصل کی گئی ہیں۔ ملازمین کا ہر چھ مہینے کے بعد طبی معائنہ کیا جاتا ہے جو کہ ایک سرجن کرتا ہے۔ تقریبی بنیاد پر کرکٹ اور فٹبال کے میچ کا انعقاد بھی کیا جاتا ہے اور سالانہ پکنک کا انتظام بھی کیا جاتا ہے۔ اس سال رمضان نائٹ کرکٹ ٹورنامنٹ کا بھی انعقاد کیا گیا۔

ماحول کی حفاظت کا خاص خیال رکھا جاتا ہے اور ہر ممکن تدابیر کی جاتی ہیں تاکہ کام کی جگہ کا ماحول صاف ستھرا رہے۔

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

توانائی کی بچت:-

توانائی کی بچت کے لئے مناسب اقدامات کئے گئے، جہاں تک ممکن ہو سکی، گیس اور فیول کی کھپت کو کم کیا گیا اور اس کے لیے ایک جامع منصوبہ بندی کی گئی ہے جس کے ذریعے اس بات پر عمل یقینی بنایا گیا ہے کہ Peak Hours کے دوران پلانٹ کے ضروری حصوں کو ہی چلایا جائے۔ کچھ اہم مشینیں جیسا کہ پرانے 1,000 ٹن ہائیڈروک پریس کو نئے 1,000 ٹن ہائیڈروک پریس سے تبدیل کیا گیا ہے جس سے مشین کی صلاحیت میں اضافہ اور بجلی کی بچت کے ساتھ ساتھ متعلقہ پرزہ جات میں بھی بچت ہوگی۔ پینٹ شاپ کے واٹر کولنگ سسٹم کی صلاحیت کو مزید بڑھانے کیلئے پرانے Chiller System کو نئے سے تبدیل کیا گیا ہے جس سے بجلی کی بچت ہوگی۔

پلانٹ اور مشینری کا اپ گریڈیشن:-

جیسا کہ آپ جانتے ہیں ہماری کمپنی عالمی معیار کے پیسے بنا رہی ہے اور گاؤں کی ضروریات کو پورا کر رہی ہے چنانچہ اسکے لئے یہ نہایت ضروری ہے کہ پلانٹ اور مشینری مسلسل اپ گریڈ ہو اور اچھی حالت میں رہیں تاکہ ہم اطمینان بخش طریقے سے کام کر سکیں اور مشین اور آلات بھی زیادہ عرصے تک کام کر سکیں۔ بیرون ملک سے ماہرین کو وقتاً فوقتاً بلا یا جاتا رہتا ہے اور مشینوں کو اپ گریڈ کرنے کے لئے ان سے مناسب ٹیکنیکل مشورے لیتے رہتے ہیں۔

کمپنی نے اپنی پراڈکٹس کی بہتری کیلئے پلانٹ اور مشینری کے شعبے میں سرمایہ کاری کی ہے۔ حال ہی میں کمپنی نے کارڈسک بنانے کیلئے 1,000 ٹن ہائیڈروک پریس DEES تائیوان سے درآمد کیا ہے جو پلانٹ کی کارکردگی اور معیار کو بڑھادے گا۔ اس کے ساتھ ساتھ ایک نئی 04-Torch آٹو میٹک CO2 ویلڈنگ مشین بھی نصب کی گئی ہے تاکہ اسمبلی لائن میں کام کی رفتار سست نہ ہو۔ ایک نئی ہیوی ڈیوٹی لینتھ مشین کا اضافہ کیا گیا ہے تاکہ ٹول اینڈ ڈائی اور اسپر ز بنانے کے عمل کو بڑھایا جاسکے۔ ٹرک / بس کی بڑھتی ہوئی پیداوار کے پیش نظر پرائیویٹ غیر موٹر مشینوں کی جگہ دو (02) نئی سنگل ٹورچ CO2 ویلڈنگ مشینوں کا اضافہ کیا گیا ہے تاکہ کٹمر کی بہترین کوالٹی کی مانگ کو برقرار رکھا جاسکے۔

تقابلی جائزہ:-

سال کا اختتام	سال کا اختتام	
2016	2017	
		(روپے ہزاروں میں)
1,471,558	1,533,650	مال کی فروخت (کاروبار)
373,347	298,905	غیر خالص منافع
253,002	172,209	قبل از ٹیکس منافع
153,272	126,342	بعد از ٹیکس منافع
11.49	9.48	فی شیئر آمدنی (روپے میں)

فی شیئر آمدنی:-

فی شیئر آمدنی جو کہ گزشتہ سال 11.49 روپے تھی وہ اس سال کے لیے 9.48 روپے رہی۔

تجویز کردہ ڈیویڈنڈ:-

بورڈ آف ڈائریکٹرز نے 30 جون 2017 کو ختم ہونے والے مالی سال کے لئے کیش ڈیویڈنڈ 4 روپے فی شیئر (40%) کی منظوری دی ہے جس کی مالیت 5.337 کروڑ روپے بنتی ہے جبکہ گزشتہ سال فی شیئر کیش ڈیویڈنڈ 5 روپے (50%) کی ادائیگی کی گئی تھی جس کی مالی 6.667 کروڑ روپے تھی۔ یہ ڈیویڈنڈ ممبران کی اجازت سے مشروط ہو گا جو کہ 28 اکتوبر 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 آفیسرز اسٹاف اور مزدور ہمارے کاروبار کی ریڑھ کی ہڈی ہیں۔ ہم سمجھتے ہیں کہ باصلاحیت مزدور اور آفیسرز کی حوصلہ افزائی نہایت ضروری ہے اسلئے ہم انہیں لوکل / انٹرنیشنل تربیت کے لئے بھیجتے رہتے ہیں تاکہ یہ اپنی پیشہ وارانہ مہارت میں اضافہ کر سکیں۔

انسانی وسائل کی پالیسی اس طرح ترتیب دی گئی ہے کہ اس بات کو یقینی بنایا جائے کہ ہم اچھے اور باصلاحیت لوگوں کو نوکریاں دیں اور ان کو مناسب مشاہرہ دیں تاکہ وہ اطمینان سے کام انجام دے سکیں۔

بلا واسطہ اور بلا واسطہ انعام مہینہ کے بہترین مزدور کے لیے، جج اسکیم، خاص صحت پالیسی اور دوسرے فوائد موجود ہیں۔ مزدوری قانون پر پوری طرح عملدرآمد کیا جاتا ہے اور CBA / union سے اچھے تعلقات رکھے جاتے ہیں۔ کمپنی کی انتظامیہ نے پچھلے سال سے جج اسکیم کو مزدوروں سے بڑھا کر آفیسرز 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 ممکنہ حد تک کم کیا جاسکے۔

ڈائریکٹرز رپورٹ 30 جون 2017

آپ کے ڈائریکٹرز 30 جون 2017 کو ختم ہونے والے مالیاتی سال کے آڈٹ کردہ مالیاتی اسٹیٹمنٹ بمعہ آڈیٹرز رپورٹ بخوشی پیش کرتے ہیں۔

کاروباری جائزہ :-

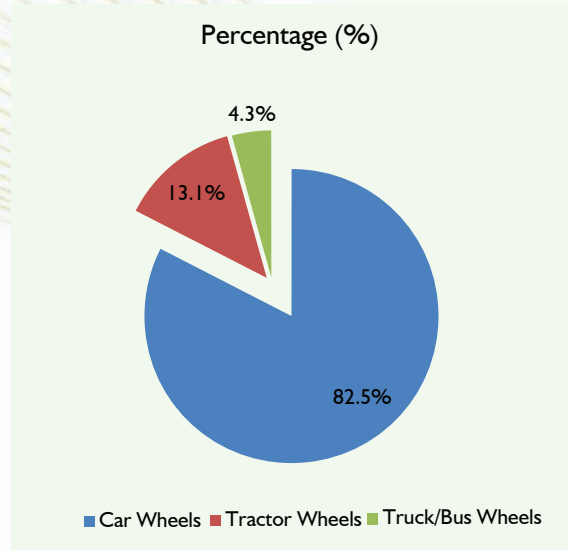
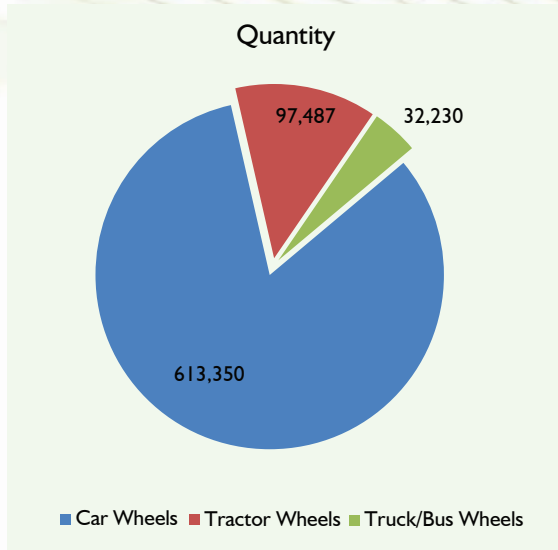
مجموعی طور پر ملکی سطح پر اس سال گاڑیوں کے 186,936 یونٹس تیار کئے گئے جو گزشتہ سال کے 209,740 یونٹس کے مقابلے میں 11% فیصد کم رہے۔ اسکی بنیادی وجہ پنجاب حکومت کی اپنا روزگار اسکیم کی تکمیل تھی۔ جبکہ اس سال لائٹ ویٹ کمرشل وہیکل، وین اور جیپ کے 27,795 یونٹس تیار کئے گئے جو گزشتہ سال کے 36,609 یونٹس کے مقابلے میں 24% فیصد کم رہے۔ جبکہ ٹرک / بس کے 8,830 یونٹس تیار کئے گئے جبکہ گزشتہ سال 6,736 یونٹس تیار کئے گئے تھے۔ اس طرح 31% فیصد زیادہ شرح رہی۔ ٹریکٹر کے 53,975 یونٹس تیار کئے گئے جب کہ گزشتہ سال 34,914 یونٹس تیار کئے گئے تھے جو کہ پچھلے سال کی نسبت 55% فیصد زیادہ رہے۔

اس سال آپ کی کمپنی نے مجموعی طور پر 1.53 ملین روپے کی فروخت کی جو گزشتہ سال کی 1.47 ملین روپے کی فروخت کے مقابلے میں 4% فیصد زیادہ رہی۔ گاڑیوں کے پہیوں کی فروخت 856.660 ملین روپے رہی جو گزشتہ سال کی 1,046.968 ملین روپے کی فروخت کے مقابلے میں 18% فیصد کم رہی۔ ٹرک / بس کے پہیوں کی فروخت 182.077 ملین روپے رہی جو گزشتہ سال کی 111.013 ملین روپے کی فروخت کے مقابلے میں 64% فیصد زیادہ رہی جسکی بنیادی وجہ CPEC میں ٹرک کی بڑھتی ہوئی طلب کی وجہ سے پیداوار میں اضافہ ہے۔ ٹریکٹر کے پہیوں کی فروخت 462.073 ملین روپے رہی جو گزشتہ سال کی 266.238 ملین روپے کی فروخت کے مقابلے میں 74% فیصد زیادہ رہے۔ پہیوں کی برآمدی فروخت 3.2 ملین روپے رہی جو کہ گزشتہ سال کی 10.24 ملین روپے کی برآمدی فروخت کے مقابلے میں 68% فیصد کم رہی۔

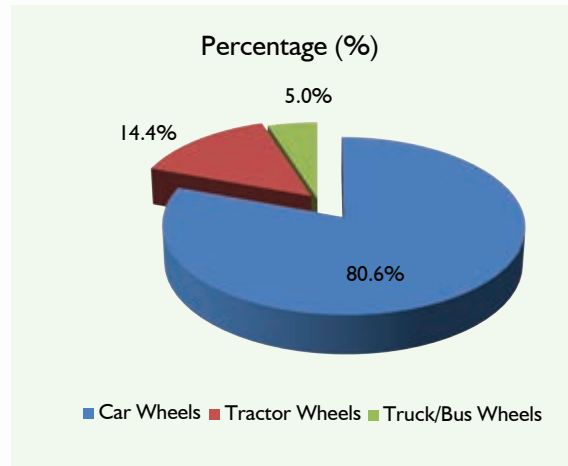
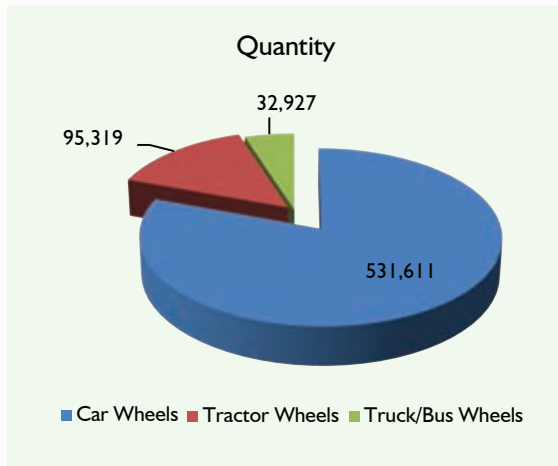
مالیاتی نتائج:-

اللہ تعالیٰ کی مہربانی سے اس سال آپ کی کمپنی نے اپنی تاریخ کا ریکارڈ کاروبار کیا جو کہ پچھلے تمام سالوں کے کاروبار سے زیادہ ہے۔ کاروبار میں پچھلے سال کے مقابلے میں 4% فیصد زیادہ اضافہ رہا، جسکی بنیادی وجہ ٹرک / بس اور ٹریکٹر کے پہیوں کی فروخت میں بالترتیب 64% فیصد اور 74% فیصد اضافہ ہے جبکہ کار کے پہیوں کی فروخت میں 18% فیصد کمی واقع ہوئی ہے۔ فروخت کی لاگت 12% فیصد اضافے کے ساتھ 1,234.745 ملین روپے رہی جو گزشتہ سال 1,098.211 ملین روپے کی تھی۔ غیر خالص منافع 20% فیصد کمی کے ساتھ 298.905 ملین رہا جو گزشتہ سال 373.347 ملین روپے تھا۔ اسی طرح کمپنی کا بعد از ٹیکس منافع 126.342 ملین روپے رہا جو گزشتہ سال کے بعد از ٹیکس منافع 153.272 ملین روپے کے مقابلے میں 18% فیصد کم ہے۔ درآمد شدہ اسٹیل کی قیمتوں میں اضافہ، تیل کی بین الاقوامی قیمتوں میں اضافہ اور دیگر عوامل اور پیداوار میں کمی کی وجہ سے غیر خالص منافع کم رہا جس کا اثر بعد از ٹیکس منافع پر بھی پڑا۔

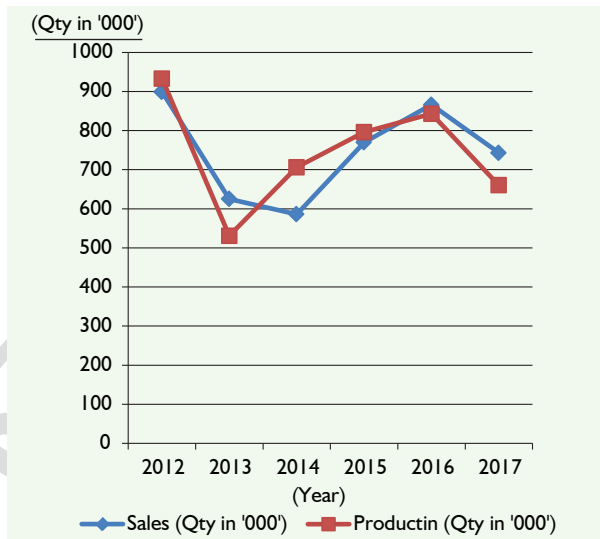
Sales Break-up-2017



Production Break-up-2017



Sales vs Production (Quantity)



Investor Relations

ANNUAL GENERAL MEETING

The 37th Annual General Meeting of the Company will be held on Saturday, October 28, 2017 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

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>

AUDITORS

EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

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. 4/- per share (2016: Rs. 5/- per share) amounting to Rs. 53.337 million (2016: Rs. 66.671 million) for the year ended June 30, 2017.

BOOK CLOSURE DATES

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 21, 2017 to October 28, 2017 (both days inclusive).

DIVIDEND REMITTANCES

The Board of Directors of the Company in their meeting held on September 19, 2017 has recommended the cash dividend of Rs. 4/- per share. If the dividend is approved at the Annual General Meeting will be paid within the statutory time limit of 30 days.

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

TAX CONSULTANTS

EY Ford Rhodes
(Chartered Accountants)

Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)



Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 5.19.24 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the Code of Corporate Governance in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Sr. No.	Category	Names
1	Independent Director	Mr. Anis Wahab Zuberi
2	Executive Directors	Mr. Razak H.M.Bengali
3		Mr. Muhammad Siddique Misri
4		Mr. Muhammad Irfan Ghani
5	Non-Executive Directors	Syed Haroon Rashid
6		Syed Zubair Ahmed Shah
7		Mr. Muhammad Javed
8		Mr. Irfan Ahmed Qureshi
9		Mrs. Saba Nadeem

The independent director meets the criteria of independence under clause 5.19.1.(b) of the Code of Corporate Governance.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurred during the period on the Board on May 02, 2017 due to the resignation of Mrs. Gulbano Razak and Miss Maheen Irfan Ghani which were filled up by the Directors within 90 days by appointing Mr. Muhammad Javed and Mr. Irfan Ahmed Qureshi in their places respectively.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. In accordance with the criteria specified in clause 5.19.7 of the rule book of PSX, 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.
10. During the year, there was no change in the position of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit.
11. The directors' report for the year ended June 30, 2017 has been prepared in compliance with the requirements of the Code of Corporate Governance and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the Code of Corporate Governance.
15. The board has formed an Audit Committee. It comprises of 5 Members, of whom all are non-executive directors and the chairman of the committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the Code of Corporate Governance. The Board has already approved the terms of reference of the committee & advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of 4 Members, of whom 3 are non-executive directors and the chairman of the committee is a non-executive director.
18. The board has set up an effective internal audit department which comprises of suitably qualified and experienced staff who are conversant with the policies and procedures of the company and are involved in the internal audit function on a full time basis.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), 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.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Razak H.M. Bengali
Chief Executive

Karachi, September 19, 2017



Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Baluchistan Wheels Limited** (the Company) for the year ended **30 June 2017**, to comply with the requirements of Rule Book of Pakistan Stock Exchange Limited Chapter 5, Clause 5.19.24(b) of the Code of Corporate Governance, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As part of our audit of 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 Code requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 any procedures to determine 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 best practices contained in the Code as applicable to the Company for the year ended 30 June 2017.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner's Name: Arif Nazeer

Date: September 19, 2017

Place: Karachi



Auditors' Report to the Members

We have audited the annexed balance sheet of **Baluchistan Wheels Limited** (the Company) as at 30 June 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the repealed Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of account have been kept by the Company as required by the repealed Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in note 3 to the accompanying financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the repealed Companies Ordinance, 1984, 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 2017, and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion 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.

EY Ford Rhodes

Chartered Accountants

Audit Engagement Partner's Name: Arif Nazeer

Date: September 19, 2017

Place: Karachi



Balance Sheet

AS AT 30 JUNE 2017

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment
Long-term loans and advances
Long-term deposits

Note 30 June 2017 30 June 2016
(Rs. in '000)

6 367,269 305,947
7 4,275 3,719
8 5,063 4,140
376,607 313,806

CURRENT ASSETS

Stores, spare parts and loose tools
Stock-in-trade
Trade debts
Loans and advances
Trade deposits and short-term prepayments
Other receivables
Short-term investments
Taxation - net
Sales tax refundable - net
Bank balances

9 55,930 46,522
10 518,874 468,685
11 95,781 77,347
12 32,592 29,276
13 1,694 2,869
14 2,894 1,962
15 261,671 354,064
77,553 -
8,554 -
16 27,530 44,051
1,083,073 1,024,776

1,459,680 1,338,582

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised capital
25,000,000 (2016: 25,000,000) ordinary
shares of Rs.10/- each

250,000 250,000

Issued, subscribed and paid-up capital
Reserves

17 133,343 133,343
18 1,107,742 1,052,030
1,241,085 1,185,373

NON-CURRENT LIABILITIES

Liabilities against assets subject to finance leases
Long-term deposits
Deferred taxation

19 4,958 -
20 874 646
21 29,179 19,976
35,011 20,622

CURRENT LIABILITIES

Trade and other payables
Current portion of liabilities against assets subject to finance leases
Current portion of long-term deposits
Provision for warranty
Taxation - net
Sales tax payable - net

22 176,569 120,079
19 2,948 2,576
20 - 836
23 4,067 3,445
- 3,364
- 2,287
183,584 132,587

CONTINGENCIES AND COMMITMENTS

24 1,459,680 1,338,582

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

Razak H.M. Bengali
Chief Executive

Muhammad Yasin Yunus Ladha
Chief Financial Officer

Muhammad Siddique Misri
Director



Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 ----- (Rs. in '000) -----	30 June 2016 -----
Turnover	25	1,533,650	1,471,558
Cost of sales	26	(1,234,745)	(1,098,211)
Gross profit		298,905	373,347
Distribution cost	27	(49,401)	(37,980)
Administrative expenses	28	(86,344)	(82,285)
Other operating expenses	29	(14,977)	(20,758)
Finance cost	30	(1,378)	(827)
		(152,100)	(141,850)
Other income	31	25,404	21,505
Profit before taxation		172,209	253,002
Taxation - net	32	(45,867)	(99,730)
Profit after taxation		126,342	153,272
		----- (Rupees) -----	
Earnings per share - Basic and diluted	33	9.48	11.49

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

Razak H.M. Bengali
Chief Executive

Muhammad Yasin Yunus Ladha
Chief Financial Officer

Muhammad Siddique Misri
Director



Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2017

	30 June 2017	30 June 2016
	----- (Rs. in '000) -----	
Net profit for the year	126,342	153,272
Other comprehensive income		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Unrealised loss on remeasurement of available-for-sale investments	-	(678)
Transferred to profit and loss on redemption	-	(917)
Net other comprehensive income transferred to profit and loss	-	(1,595)
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods		
Remeasurement loss on gratuity fund	(3,958)	(3,514)
	(3,958)	(5,109)
Total comprehensive income for the year	122,384	148,163

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

Razak H.M. Bengali
Chief Executive

Muhammad Yasin Yunus Ladha
Chief Financial Officer

Muhammad Siddique Misri
Director



Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2017

		30 June 2017	30 June 2016
Note		(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
	34	154,586	247,394
Cash generated from operations		(7,809)	(2,178)
Employees' benefits paid		(117,581)	(46,938)
Income tax paid - net		-	1,739
Long-term investment		(556)	(721)
Long-term loans and advances - net		(1,531)	2,171
Long-term deposits - net			
Net cash generated from operating activities		27,109	201,467
CASH FLOWS FROM INVESTING ACTIVITIES			
		(102,319)	(32,749)
Fixed capital expenditure		3,445	2,765
Proceeds from disposal of property, plant and equipment		17,527	10,175
Profit received on deposit accounts		99,368	(349,698)
Short-term investments redeemed / (made) during the year		412	102
Dividend received			
Net cash generated / (used in) from investing activities		18,433	(369,405)
CASH FLOWS FROM FINANCING ACTIVITIES			
		5,330	(2,516)
Liabilities against asset subject to finance leases - net		(1,366)	(828)
Finance costs paid		(66,027)	(39,680)
Dividend paid			
Net cash used in financing activities		(62,063)	(43,024)
Net decrease in cash and cash equivalents		(16,521)	(210,962)
Cash and cash equivalents at the beginning of the year		44,051	255,013
Cash and cash equivalents at the end of the year	16	27,530	44,051

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

Razak H.M. Bengali
Chief Executive

Muhammad Yasin Yunus Ladha
Chief Financial Officer

Muhammad Siddique Misri
Director



FOR THE YEAR ENDED 30 JUNE 2017

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

Muhammad Siddique Misri
Director

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE, 2017

1. THE COMPANY AND ITS OPERATIONS

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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act, 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 17 of 2017 dated July 20, 2017 communicated its decision that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, the Company's financial statements for the year ended June 30, 2017 have been prepared considering the requirements of the repealed Companies Ordinance, 1984 and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFASs) issued by Institute of Chartered Accountants of Pakistan (ICAP), as are notified under the repealed Companies Ordinance, 1984, provisions of and directives issued under the repealed Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the repealed Companies Ordinance, 1984 shall prevail..

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain investments which are carried at fair value and present value of defined benefit obligations as reduced by fair value of planned assets.

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

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

New Standards, 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:

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)



Annual Improvements

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
IFRS 7	Financial Instruments: Disclosures - Servicing contracts
IFRS 7	Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
IAS 19	Employee Benefits - Discount rate: regional market issue
IAS 34	Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any material effect on the financial statements.

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

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

Standards	Effective date (annual periods beginning on or after)
IFRS 2 Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	01 January 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IAS 7 Statement of Cash Flows - Disclosure Initiative - (Amendment)	01 January 2017
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	01 January 2017
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	01 January 2018
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.

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

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.

Standards	IASB Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2018
IFRS 16 - Leases	01 January 2019
IFRS 17 - Insurance Contracts	01 January 2021

The Company expects that the adoption of the above amendments and interpretation of the standards will not affect the Company's financial statements in the period of initial application.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATED 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 5.1)
- 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 and 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 and loss account.

Maintenance and normal repairs are charged to profit and 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 balance sheet 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 balance sheet 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 and 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 balance sheet at fair value. Net gains and losses arising on changes in fair values of these financial assets are taken to the profit and loss account.

Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held-to-maturity. These are initially measured at fair value plus transaction costs and are subsequently stated at amortised cost using the effective interest method less impairment, if any. These are classified as current and non-current assets in accordance with the criteria set out by IFRSs.

Gains and losses are recognised in profit and loss account, when the investments are derecognised or impaired, as well as through the amortisation process.

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 and 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 and 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 and 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 in full using the balance sheet liability method on all temporary differences arising at the balance sheet date, between the tax bases of the assets and the liabilities and their carrying amounts.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which these can be utilised.



Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release - 27 of the Institute of Chartered Accountants of Pakistan.

5.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet 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 and 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 2017 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 balance sheet date using their current salary levels as per Company's policy.

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 balance sheet date and adjusted to reflect the current best estimates.

5.13 Warranty Obligations

The management estimates at each balance sheet 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 and 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 and loss account on straight line basis over the lease term.

5.16 Foreign currency translations

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 balance sheet date. Any resulting gain or loss arising from changes in exchange rates is taken to profit and 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 are off-set and the net amount is reported in the balance sheet 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 and 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.

6. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
Operating fixed assets	6.1	367,139	302,423
Capital work-in-progress	6.5	130	3,524
		<u>367,269</u>	<u>305,947</u>



6.1 Operating fixed assets

	C O S T					ACCUMULATED DEPRECIATION				BOOK VALUE
	As at 01 July 2016	Additions / *Transfer	(Disposals)	As at 30 June 2017	Rate	As at 01 July 2016	Charge for the year	On (Disposals) / *Transfer	As at 30 June 2017	As at 30 June 2017
	----- (Rs. in 000) -----					%	----- (Rs. 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

	C O S T					ACCUMULATED DEPRECIATION				BOOK VALUE
	As at 01 July 2015	Additions / *Transfer	(Disposals) / *** (Write-off)	As at 30 June 2016	Rate	As at 01 July 2015	Charge for the year	On (Disposals) / *** (Write-off)	As at 30 June 2016	As at 30 June 2016
	----- (Rs. in 000) -----				%	----- (Rs. in 000) -----				
Owned										
Freehold land	2,559	-	-	2,559	-	-	-	-	-	2,559
Building on freehold land	99,674	1,107 **4,202	-	104,983	5 & 10	48,419	2,673	-	51,092	53,891
Plant and machinery	825,417	17,998	(2,116) *** (12,005)	829,294	10 & 20	603,557	25,932	(1,491) *** (12,005)	615,993	213,301
Electrical installations	29,266	-	-	29,266	10	21,444	784	-	22,228	7,038
Furniture and fittings	5,981	-	-	5,981	10	3,468	252	-	3,720	2,261
Vehicles	24,346	8,215	(3,973)	28,588	20	11,915	3,585	(2,684)	12,816	15,772
Office equipment	12,983	930	(616)	13,297	33	10,690	863	(568)	10,985	2,312
Computers	4,700	297	(86)	4,911	33	4,033	341	(47)	4,327	584
Library books	42	-	-	42	10	39	-	-	39	3
	1,004,968	32,749	(6,791) *** (12,005)	1,018,921		703,565	34,430	(4,790) *** (12,005)	721,200	297,721
Leased										
Vehicles	8,000	-	-	8,000	20	2,119	1,179	-	3,298	4,702
2016	1,012,968	32,749	(6,791) *** (12,005)	1,026,921		705,684	35,609	(4,790) *** (12,005)	724,498	302,423

* represents transfer from leased assets to owned assets.

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

	Note	30 June 2017	30 June 2016
		(Rs. in '000)	(Rs. in '000)

6.2 Reconciliation of book value is as follows:

Book value at the beginning of the year	302,423	307,284
Additions during the year	105,713	32,749
Depreciation for the year	(37,838)	(35,609)
Disposals during the year	(3,159)	(2,001)
Book value as at the end of year	367,139	302,423

6.3 Allocation of depreciation charge is as follows:

Cost of sales	26	32,265	31,316
Distribution costs	27	295	52
Administrative expenses	28	5,278	4,241
		37,838	35,609

6.4 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)							
Vehicles							
Toyota Land Cruiser	6,500	4,493	2,007	2,007	-	Company Policy	Muhammad Siddique Misri - Director
Suzuki Alto	732	492	240	240	-	Company Policy	Waqar Abdul Razzak - Employee
Suzuki Bolan	653	439	214	214	-	Company Policy	Atif Iqbal - Employee
Suzuki Alto	732	492	240	240	-	Company Policy	Muhammad Atique Siddiqui - Employee
Suzuki Alto	732	492	240	240	-	Company Policy	Rashid Anwer Baig - Employee
Suzuki Bolan	620	426	194	480	286	Tender	Muhammad Asif
Assets having book value less than Rs. 50,000	47	23	24	24	-	Company Policy	Shoaib Majid Dar Ex. - Employee
2017	10,016	6,857	3,159	3,445	286		
2016	6,791	4,790	2,001	2,765	764		

	30 June 2017	30 June 2016
	(Rs. in '000)	(Rs. in '000)

6.5 Capital work-in-progress - Plant and machinery and Building

Balance at the beginning of the year	3,524	-
Additions during the year	55,010	7,726
Transferred to owned assets	(58,404)	(4,202)
Balance at the end of the year	130	3,524



		30 June 2017	30 June 2016
7.	LONG-TERM LOANS AND ADVANCES - considered good	Note	(Rs. in '000)
	Loans		
	Employees		1,815
	Executives	7.1 & 7.2	2,025
			745
			2,770
	Current portion	12	(828)
			1,942
	Advances		
	Employees		12,185
	Executives	7.2	13,163
			2,183
			15,346
	Current portion	12	(13,569)
			1,777
			4,275
			3,719

7.1 Represent interest-free loans given to Executives 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. 5.643 million (2016: Rs. 2.928 million).

		30 June 2017	30 June 2016
8.	LONG-TERM DEPOSITS	Note	(Rs. in '000)
	Trade deposits		4,063
	Lease deposits		1,140
		8.1	-
			4,140

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

		30 June 2017	30 June 2016
9.	STORES, SPARE PARTS AND LOOSE TOOLS	Note	(Rs. in '000)
	Stores		6,160
	Spare parts		3,735
	Loose tools		88,641
			2,378
			1,962
			94,338
	Provision for slow moving:		
	Stores		(51)
	Spare parts		(169)
	Loose tools		(47,184)
		9.1	(352)
			(47,210)
			(47,816)
			55,930
			46,522

	Note	30 June 2017	30 June 2016
		(Rs. in '000)	
9.1 Movement in provision is as follows:			
Opening balance		47,816	47,687
(Reversal) / Provision made during the year	26	(606)	129
Closing balance		47,210	47,816
10. STOCK-IN-TRADE			
Raw material and components		168,872	136,884
Work-in-process		222,337	144,751
Finished goods		91,969	152,582
Scrap stock		56,647	42,547
		539,825	476,764
Stock-in-transit		4,121	20,672
		543,946	497,436
Provision for slow moving stock	10.1	(25,072)	(28,751)
		518,874	468,685
10.1 Movement in provision is as follows:			
Opening balance		28,751	55,447
Provision made during the year	26	5,960	9,501
		34,711	64,948
Reversal during the year	26	(9,639)	(36,197)
Closing balance		25,072	28,751
11. TRADE DEBTS			
Unsecured			
Considered good		95,781	77,347
Considered doubtful		353	934
Provision for doubtful debts	11.1	(353)	(934)
		-	-
		95,781	77,347
11.1 Movement in provision is as follows:			
Opening balance		934	800
Provision during the year	28	300	566
		1,234	1,366
Written-off during the year		(58)	(255)
Reversal during the year	31	(823)	(177)
Closing balance		353	934
12. LOANS AND ADVANCES - considered good			
Loans - secured			
Current portion of long-term loans	7	1,170	828
Advances			
Current portion of long-term advances - secured	7	14,198	13,569
For expenses - unsecured		522	1,083
To suppliers - unsecured		16,702	13,796
		31,422	28,448
		32,592	29,276



		30 June 2017	30 June 2016
Note		(Rs. in '000)	
13. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	13.1	717	1,207
Prepayments		977	862
Leased deposits		-	800
		<u>1,694</u>	<u>2,869</u>

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

		30 June 2017	30 June 2016
Note		(Rs. in '000)	
14. OTHER RECEIVABLES			
Worker's Profit Participation Fund	22.3	742	-
Accrued profit on treasury bills		2,152	1,962
		<u>2,894</u>	<u>1,962</u>
15. SHORT-TERM INVESTMENTS			
Held for trading			
Listed shares	15.1	3,732	51,279
Mutual fund	15.2	-	53,187
		<u>3,732</u>	<u>104,466</u>
Held to maturity			
Treasury bills	15.3	257,939	249,598
		<u>261,671</u>	<u>354,064</u>

15.1 Listed shares

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

30 June 2017 (Number of shares)	30 June 2016	Face value of Rs.	Company's Name		
-	35,000	10	Honda Atlas Cars (Pakistan) Ltd.	-	12,568
-	150,000	10	Pak Int. Bulk Terminal Ltd.	-	4,810
-	55,000	10	Engro Foods Ltd.	-	8,983
-	500,000	3.5	K- Electric Ltd.	-	4,030
-	12,000	10	Engro Corporation Ltd.	-	3,996
25,000	50,000	10	Fauji Cement Company Ltd.	1,026	1,790
-	40,000	10	Mughal Iron & Steel Industries Ltd.	-	2,688
-	50,000	10	Fauji Fertilizer Bin Qasim Ltd.	-	2,651
-	25,000	10	Fauji Fertilizer Company Ltd.	-	2,868
-	40,000	10	Engro Fertilizers Ltd.	-	2,579
5,000	40,000	10	Nishat Mills Limited	793	4,316
5,000	-	10	Attock Refinery Ltd	1,913	-
				<u>3,732</u>	<u>51,279</u>

15.2 Faysal Saving Growth Fund units nil (2016: 523,085.85 units).

15.3 These carry interest rate ranging between from 5.93% to 5.99% (2016: 5.91% to 6.21%) per annum, having maturity from July 2017 to September 2017.

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

		30 June 2017	30 June 2016
	Note	----- (Rs. in '000) -----	----- (Rs. in '000) -----
Market value of securities		3,732	104,466
Carrying value of securities		(4,533)	(104,116)
		<u>(801)</u>	<u>350</u>
16. BANK BALANCES			
Current accounts		13,762	25,533
Deposit accounts	16.1	13,768	18,518
		<u>27,530</u>	<u>44,051</u>

16.1 This carries profit rate ranging between 5.20% to 7.00% (2016: 5.2% to 7.25%) per annum.

17. SHARE CAPITAL

30 June 2017 (Number of shares)	30 June 2016		30 June 2017 (Rs. in '000)	30 June 2016 (Rs. in '000)
9,276,000	9,276,000	Ordinary shares of Rs. 10/- each	92,760	92,760
4,058,250	4,058,250	issued as:	40,583	40,583
<u>13,334,250</u>	<u>13,334,250</u>	fully paid in cash	<u>133,343</u>	<u>133,343</u>
		fully paid bonus shares		

18. RESERVES

Revenue		
General	160,000	160,000
Unappropriated profit	953,592	893,922
	<u>1,113,592</u>	<u>1,053,922</u>
Remeasurement loss on defined benefit plan	(5,850)	(1,892)
	<u>1,107,742</u>	<u>1,052,030</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. 8.571 million (2016: Rs. 2.632 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 of six months' KIBOR plus 150 bps per annum (2016: six months' KIBOR plus 200 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 million (2016: Rs.0.8 million) as disclosed in note 8 and 13 to the financial statements. The summary of the finance lease liability is as follows:

	2017		2016	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	----- (Rs. in '000) -----			
Within one year	3,365	2,948	2,632	2,576
After one year but not more than five year	5,206	4,958	-	-
Total minimum lease payments	8,571	7,906	2,632	2,576
Amount representing finance charges	(665)	-	(56)	-
Present value of minimum lease payments	7,906	7,906	2,576	2,576
Current portion	(2,948)	(2,948)	(2,576)	(2,576)
	<u>4,958</u>	<u>4,958</u>	<u>-</u>	<u>-</u>

20. LONG-TERM DEPOSITS

	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
Deposit from employees	20.1	874	1,482
Current maturity		-	(836)
		<u>874</u>	<u>646</u>

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

21. DEFERRED TAXATION

	30 June 2017	30 June 2016
	----- (Rs. in '000) -----	
Taxable temporary differences arising due to:		
Accelerated tax depreciation	53,930	50,891
Liabilities against assets subject to finance lease	145	659
	<u>54,075</u>	<u>51,550</u>
Deductible temporary differences arising due to:		
Provisions	(24,896)	(31,574)
	<u>29,179</u>	<u>19,976</u>

		30 June 2017	30 June 2016
		(Rs. in '000)	
Note			
22. TRADE AND OTHER PAYABLES			
	Creditors	50,198	26,534
	Accrued liabilities	84,481	58,013
	Advance from customers	4,767	1,653
22.1	Gratuity fund	7,617	6,728
22.2	Provident fund	262	2
	Unclaimed dividend	4,835	4,190
	Retention money	455	455
	Security deposits	448	448
	Compensated absences	6,285	5,611
	Workers' welfare fund	15,857	12,154
22.3	Workers' profit participation fund	-	3,602
	Others	1,364	689
		176,569	120,079
22.1 Gratuity fund			
		7,617	6,728
Amount recognised in the balance sheet			
	Present value of defined benefit obligations	74,931	65,786
	Fair value of plan assets	(67,314)	(59,058)
	Net liability recognised in the balance sheet	7,617	6,728
Charge for the year			
	Current service cost	3,052	2,535
	Net interest cost	607	679
		3,659	3,214
Movement in net liability			
	Opening balance	6,728	1,901
	Net charge for the year	3,659	3,214
	Re-measurement to be recognised in other comprehensive income	3,958	3,514
	Paid to from fund during the year	(6,728)	(1,901)
	Closing balance	7,617	6,728
Movement in present value of defined benefit obligations			
	Opening balance	65,786	57,735
	Current service cost	3,052	2,535
	Interest cost	5,025	6,123
	Benefits paid during the year	(2,671)	(671)
	Actuarial loss	3,739	64
	Closing balance	74,931	65,786
Movement in the fair value of plan assets			
	Opening balance	59,058	55,834
	Expected return	4,419	5,444
	Contributions	6,728	1,901
	Benefits paid during the year	(2,671)	(671)
	Actuarial loss	(220)	(3,450)
	Closing balance	67,314	59,058



Principal actuarial assumptions used are as follows:

	2017	2016
	----- (Percentage) -----	
Expected rate of increase in salary level	10.0	10.00
Rate of return on plan assets	7.75	7.25
Valuation discount rate	7.75	7.25

Composition of plan assets are as follows:

	2017	2016
	----- (Rs. in '000) -----	
Term Finance Certificates	2,334	6,493
Treasury Bills	22,326	13,962
Mutual Funds	18,565	20,064
Equity Investments	18,122	-
Amount in banks	5,967	18,539
	<u>67,314</u>	<u>59,058</u>

Expected contribution to the fund for the year ending 30 June 2018 is Rs. 4.082 million.

	30 June 2017 (Un-audited)	30 June 2016 (Audited)
	----- (Rs. in '000) -----	

22.2 Provident fund

Size of the fund	<u>163,297</u>	<u>150,244</u>
Cost of investments made	<u>147,280</u>	<u>99,700</u>
Fair value of investments	<u>144,375</u>	<u>111,000</u>
Percentage of investments made	<u>88.41%</u>	<u>73.88%</u>

22.2.1 Break-up of investments of provident fund

	30 June 2017 (Un-audited)		30 June 2016 (Audited)	
	Investments	Investment as size of the Fund	Investments	Investment as size of the Fund
	(Rs. in '000)	%	(Rs. in '000)	%
Pakistan Investment Bonds	14,500	10.04	30,900	27.84
Treasury Bills	57,891	40.10	20,940	18.86
Mutual Funds	22,955	15.90	47,282	42.60
Equity Shares	42,326	29.31	-	-
TFCs	2,796	1.94	8,378	7.55
National Savings	3,907	2.71	3,500	3.15
	<u>144,375</u>		<u>111,000</u>	

22.2.2 Investments out of provident fund have been made in accordance with the provisions of the section 227 of the repealed Companies Ordinance, 1984 and the rules formulated for this purpose.

Contributions are made 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 2017	30 June 2016
		----- (Rs. in '000) -----	
22.3 Workers' profit participation fund			
Opening balance		3,602	(521)
Allocation for the year		9,258	13,602
		<u>12,860</u>	<u>13,081</u>
Payment made during the year		(13,602)	(9,479)
		<u>(742)</u>	<u>3,602</u>
23. PROVISION FOR WARRANTY			
Opening balance		3,445	3,631
Provision / (reversal) made during the year	27	1,103	(67)
Adjustment during the year against claims		(481)	(119)
Closing balance		<u>4,067</u>	<u>3,445</u>

24. CONTINGENCIES AND COMMITMENTS

24.1 Contingencies

24.1.1 In the year 2004, the National Bank of Pakistan has made the 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 In the year 2001 the Company has filed a suit before the High Court of Sindh at Karachi, against NBP for redemption 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 In the year 2016, the Income Tax department issued show cause notice under section 161/205 of Income Tax Ordinance, 2001, regarding the monitoring of withholding tax for the Tax year 2014 which is still not yet finalised. The management, in consultation with tax advisors, had replied to such show cause notice and on prudent basis had made a provision amounting to Rs. 18.8 million in prior year taxation of the previous year against the probable demand of Rs. 37.6 million for such show cause notice. However, the case is still pending and the management is hopeful that the ultimate outcome of the matter will be in the Company's favour.

	30 June 2017	30 June 2016
	----- (Rs. in '000) -----	
24.2 Commitments		
Outstanding letter of guarantees	3,622	3,622
Outstanding letters of credit	362,054	94,526
Capital commitments	30,304	56,881

Commitment for rentals payable under Ijarah contract in respect of vehicle is as follows:

	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
Within one year		-	1,395
One year to five years		-	-
		-	1,395

25. TURNOVER - net

Local sales	25.1	1,782,661	1,730,877
Sales return		(8,561)	(2,773)
Sales tax		(259,019)	(251,495)
Sales discount		15,292	(15,292)
		(252,288)	(269,560)
Export sales		3,277	10,241
		1,533,650	1,471,558

25.1 Local sales include scrap sales of Rs. 29.563 (2016: Rs. 37.098) million.

26. COST OF SALES

Raw material and packaging consumed

Opening stock			
Raw material		136,884	128,439
Scrap		42,548	44,963
		179,432	173,402
Purchases		933,012	778,045
Closing stock			
Raw material		(168,873)	(136,884)
Scrap		(56,647)	(42,548)
		(225,520)	(179,432)
		886,924	772,015

	Note	30 June 2017	30 June 2016
		(Rs. in '000)	
Manufacturing overheads			
Salaries, wages and benefits	26.1	140,978	151,296
Stores, spare parts and loose tools consumed		78,671	64,769
Fuel and power		49,068	54,701
Depreciation	6.3	32,265	31,316
Outsourced job contractor		35,916	19,559
Staff transportation		12,755	11,968
Repairs and maintenance		6,945	6,100
Travelling and conveyance		1,009	514
Vehicle running expenses		1,993	2,163
Insurance		3,788	3,053
Communication		725	752
Entertainment		1,765	1,467
Printing and stationery		169	208
Subscription		225	242
(Reversal) / provision for slow moving stores, spares and loose tools	9.1	(606)	129
Slow moving stock-in-trade			
- provision made during the year	10.1	5,960	9,501
- reversal during the year	10.1	(9,639)	(36,197)
Ijarah rentals		1,162	2,789
Computer expenses		65	125
Others		1,580	1,403
		364,794	325,858
Manufacturing cost		1,251,718	1,097,873
Work-in-process			
Opening		144,751	110,706
Closing		(222,337)	(144,751)
		(77,586)	(34,045)
Cost of goods manufactured		1,174,132	1,063,828
Finished goods			
Opening		152,582	186,965
Closing		(91,969)	(152,582)
		60,613	34,383
Cost of sales		1,234,745	1,098,211
26.1 Included herein are the following employees' benefits:			
Defined benefit plan - gratuity		2,744	2,410
Defined contribution plan - provident fund		2,963	2,624
Medical		4,455	3,922
Accrual for compensated absences		1,490	1,541
Bonus		12,166	31,592
		23,818	42,089

	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
27. DISTRIBUTION COST			
Salaries and benefits	27.1	12,976	12,293
Carriage and forwarding		27,148	19,801
Provision / (reversal) of warranty claims	23	1,103	(67)
Selling expense - exports		132	450
Depreciation	6.3	295	52
Outsourced service expenses		2,231	2,081
Insurance		549	235
Advertisement		599	110
Vehicle running expenses		1,664	976
Utilities		396	512
Travelling and conveyance		481	198
Staff transportation		79	75
Communication		107	137
Entertainment		1,520	1,017
Computer expenses		7	29
Others		114	81
		<u>49,401</u>	<u>37,980</u>

27.1 Included herein are the following employees' benefits:

Defined benefit plan - gratuity	183	161
Defined contribution plan - provident fund	603	503
Medical	456	237
Accrual for compensated absences	56	53
Bonus	812	2,106
	<u>2,110</u>	<u>3,060</u>

28. ADMINISTRATIVE EXPENSES

Salaries and benefits	28.1	41,940	41,423
Depreciation	6.3	5,278	4,241
Outsourced service expenses		7,774	6,983
Utilities		3,011	4,207
Vehicle running expenses		5,605	5,659
Communication		738	774
Rent, rates and taxes		3,201	2,273
Entertainment		4,852	4,255
General stores supplies		1,427	2,181
Corporate expenses		3,871	3,318
Travelling and conveyance		294	404
Auditors' remuneration	28.2	1,015	959
Legal and professional charges		1,963	1,173
Repairs and maintenance		1,647	396
Insurance		1,151	920
Staff transportation		563	689
Subscription		133	177
Printing and stationery		375	272
Advertisement		29	167
Provision for doubtful debts	11.1	300	566
Computer expenses		525	900
Others		652	348
		<u>86,344</u>	<u>82,285</u>

	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
28.1 Included herein are the following employees' benefits:			
Defined benefit plan - gratuity		732	643
Defined contribution plan - provident fund		1,541	1,300
Medical		1,497	904
Accrual for compensated absences		209	198
Bonus		3,356	8,426
		<u>7,335</u>	<u>11,471</u>
28.2 Auditors' remuneration			
Audit fee		650	600
Fees for limited scope review and employees' funds		200	195
Out of pocket expenses		165	164
		<u>1,015</u>	<u>959</u>
29. OTHER EXPENSES			
Workers' Profits Participation Fund	22.3	9,258	13,602
Workers' Welfare Fund		3,703	5,441
Exchange loss - net		2,016	1,715
		<u>14,977</u>	<u>20,758</u>
30. FINANCE COST			
Mark-up / interest on:			
Finance lease		484	292
Short term borrowings		86	5
Interest on WPPF		189	-
		<u>759</u>	<u>297</u>
Bank charges and excise duty		619	530
		<u>1,378</u>	<u>827</u>
31. OTHER INCOME			
Income from financial assets		2,501	8,095
Profit on deposit accounts		15,216	4,042
Profit on treasury bills		6,174	7,575
Realised gain on redemption of investments		(801)	350
Unrealised (loss) / gain on revaluation of investments		412	102
Dividend income		<u>23,502</u>	<u>20,164</u>
Income from non-financial assets		286	764
Gain on sale of property, plant and equipment		823	177
Reversal of doubtful debts	11.1	45	-
Liability no longer payable - net		427	400
Disposal of waste		321	-
Insurance Claim		<u>1,902</u>	<u>1,341</u>
		<u>25,404</u>	<u>21,505</u>



	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
32. TAXATION			
Current		36,109	73,306
Prior		555	24,040
Deferred		9,203	2,384
	32.1	45,867	99,730

32.1 Relationship between accounting profit and Taxation

Accounting profit for the year before taxation	172,209	253,002
Tax at applicable rate of 31% (2016: 32%)	53,385	80,961
Tax effects:		
- expenses that are not allowable in determining taxable income	1,484	(2,604)
- prior year	555	24,040
- income subject to reduced rates	1,352	2,312
- change in tax rates	(973)	(1,289)
- credit for investment in plant and machinery	(9,936)	(3,690)
	45,867	99,730
Effective tax rate %	26.63	39.42

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 2017	30 June 2016
Profit for the year after taxation (Rs. in '000)	126,342	153,272
Weighted average number of ordinary shares outstanding during the year of Rs. 10/-each (in '000)	13,334	13,334
Basic earnings per share (Rupees)	9.48	11.49

	Note	30 June 2017	30 June 2016
		----- (Rs. in '000) -----	
34. CASH GENERATED FROM OPERATIONS			
Profit before taxation		172,209	253,002
Adjustments for:			
Depreciation	6.3	37,838	35,609
Gain on sale of property, plant and equipment	31	(286)	(764)
Finance costs	30	1,378	827
(Reversal) / provision for slow moving stores, spare parts and loose tools	9.1	(606)	129
Reversal for slow moving stock-in-trade - net	10.1	(3,679)	(26,696)
(Reversal) / provision for doubtful debts - net		(523)	389
Provision for compensated absences		1,755	728
Provision / (reversal) for warranty claims	23	1,103	(52)
Provision for employees' benefits	22.1	3,659	3,214
Profit on deposit accounts		(17,717)	(12,137)
Gain on redemption and revaluation of mutual fund units / listed shares		(5,373)	(7,925)
Dividend income	31	(412)	(102)
		17,137	(6,780)
		189,346	246,222
Working capital changes	34.1	(34,760)	1,172
		154,586	247,394
34.1 Working capital changes			
Increase in current assets			
Stores, spare parts and loose tools		(8,802)	(2,633)
Stock-in-trade		(46,510)	10,590
Trade debts		(17,853)	(17,500)
Loans and advances		(3,316)	(14,233)
Trade deposits & short term prepayments and other receivables		(1,719)	(2,023)
Sales tax refundable		(10,841)	(3,885)
		(89,041)	(29,684)
Increase in current liabilities			
Trade and other payables		54,281	30,856
		(34,760)	1,172



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	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rs. in '000)							
Remuneration	5,454	4,554	10,526	8,726	9,109	6,387	25,089	19,667
Housing	2,454	2,049	4,736	3,926	4,099	2,874	11,289	8,849
Retirement benefits	2,346	1,597	4,772	3,214	3,365	1,872	10,483	6,683
Bonus	1,898	1,338	3,636	2,548	2,833	1,296	8,367	5,182
Medical expenses	787	237	872	501	238	105	1,897	843
Utilities	615	412	1,098	988	688	677	2,401	2,077
Leave fare assistance	-	1,000	1,998	1,839	58	84	2,056	2,923
	13,554	11,187	27,638	21,742	20,390	13,295	61,582	46,224
Number	1	1	2	2	11	9	14	12

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 to six non-executive directors was Rs. 1,960,000/- (2016: Rs. 1,300,000/-).

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 2017 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 balance sheet 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 2017	+2	(117)
	-2	117
30 June 2016	+2	(319)
	-2	319

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 balance sheet date, the Company is exposed to credit risk on the following assets:

	Carrying Values	
	30 June 2017	30 June 2016
	----- (Rs. in '000) -----	
Loans	3,877	2,770
Trade deposits	5,780	6,147
Trade debts	95,781	77,347
Short term investment	3,732	104,466
Bank balances	27,530	44,051
	136,700	234,781



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 2017	30 June 2016
	----- (Rs. in '000) -----	
36.2.1 The ageing analysis of unimpaired trade debts at 30 June is as follows:		
Neither past due nor impaired	76,107	67,831
Past due but not impaired:		
Within 90 days	19,286	8,455
Within 90 to 180 days	269	208
Over 180 days	119	853
	<u>95,781</u>	<u>77,347</u>
36.2.2 Bank balances		
Ratings		
A1 +	<u>27,530</u>	<u>44,051</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 balance sheet date, the Company has a unavailed facility of Rs. 335 million 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. 530.6 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 2017					
Long-term deposits	-	-	-	874	874
Liabilities against asset subject to finance leases	-	491	2,457	4,958	7,906
Trade and other payables	155,945	-	-	-	155,945
	<u>155,945</u>	<u>491</u>	<u>2,457</u>	<u>5,832</u>	<u>164,725</u>
30 June 2016					
Long-term deposits	-	-	836	646	1,482
Liabilities against asset subject to finance leases	-	430	2,146	-	2,576
Trade and other payables	102,670	-	-	-	102,670
	<u>102,670</u>	<u>430</u>	<u>2,982</u>	<u>646</u>	<u>106,728</u>

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 balance sheet 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:

<u>Relationship</u>	<u>Nature of transactions</u>	30 June 2017 ----- (Rs. in '000) -----	30 June 2016 ----- (Rs. in '000) -----
Key management personnel	Sale of vehicles / equipment	2,965	1,439

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 balance sheet 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, 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
Mutual Funds	-	-	-	-
	3,732	-	-	3,732

June 30, 2016				
	Level 1	Level 2	Level 3	Total
	(Rs. in '000)			
Investments designated 'at fair value through profit or loss'				
Listed Shares	51,279	-	-	51,279
Mutual Funds	53,187	-	-	53,187
	104,466	-	-	104,466

39. PLANT CAPACITY AND ACTUAL PRODUCTION

	Note	30 June 2017	30 June 2016
		(Units in '000)	
Plant capacity - single shift (estimated)	39.1	850	850
Actual production		660	843

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

40. NUMBER OF EMPLOYEES

Number of persons employed as at year end were 295 (2016: 297) and the average number of persons employed during the year were 294 (2016: 301).

41. DIVIDEND AND APPROPRIATIONS

The Board of Directors in its meeting held on September 19, 2017 proposed final cash dividend of Rs. 4/- per share for the year ended June 30, 2017 amounting to Rs. 53.337 million for approval of the members at the Annual General Meeting to be held on October 28, 2017.

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 September 19, 2017 by the Board of Directors of the Company.

Razak H.M. Bengali
Chief Executive

Muhammad Yasin Yunus Ladha
Chief Financial Officer

Muhammad Siddique Misri
Director



Pattern of Shareholding

AS AT JUNE 30, 2017

NO. OF SHAREHOLDERS	SHARE HOLDING RANGE	NO. OF SHARES
	FROM TO	
663	1 - 100	27,511
453	101 - 500	125,756
106	501 - 1000	82,329
103	1,001 - 5000	217,967
18	5001 - 10000	145,363
5	10001 - 15000	59,662
2	15001 - 20000	38,500
2	25001 - 30000	58,000
2	30001 - 35000	63,015
1	50001 - 55000	55,000
1	70001 - 75000	75,000
1	75001 - 80000	78,300
2	85001 - 90000	175,400
1	145001 - 150000	145,562
2	225001 - 230000	454,500
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	440001 - 445000	441,483
1	620001 - 625000	624,249
1	645001 - 650000	646,478
1	1245001 - 1250000	1,249,050
1	1280001 - 1285000	1,282,825
1	1330001 - 1335000	1,333,360
1	1530001 - 1535000	1,532,971
1	2645001 - 2650000	2,646,410
1,375		13,334,250

CATEGORIES OF SHAREHOLDERS	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE (%)
SPONSORS, DIRECTORS, THEIR SPOUSES & MINOR CHILDREN	11	6,956,093	52.17
BANK, DFI & NBF	4	1,662,828	12.47
INSURANCE COMPANIES	1	341,693	2.56
MODARABAS & MUTUAL FUND	8	502,218	3.77
FOREIGN COMPANIES	7	5,905	0.04
OTHERS	20	1,755,071	13.16
GENERAL PUBLIC			
--- LOCAL	1,168	2,062,758	15.47
--- FOREIGN	156	47,684	0.36
	1,375	13,334,250	100.00



Pattern of Shareholding - Breakup

AS AT JUNE 30, 2017

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN	11	6,956,093	52.17%
1 MR. RAZAK BENGALI		1,532,971	
2 MRS. GUL BANO		441,483	
3 MR. MUHAMMAD SIDDIQUE MISRI		2,646,410	
4 MRS. MEHTAB BIBI		437,201	
5 MRS. SABA NADEEM		500	
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 MR. IRFAN AHMED QURESHI		500	
BANK, DFI & NBFI	4	1,662,828	12.47%
1 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,333,360	
2 PRUDENTIAL INVESTMENT BANK LIMITED		575	
3 NATIONAL BANK OF PAKISTAN		893	
4 NATIONAL BANK OF PAKISTAN		328,000	
INSURANCE COMPAINES	1	341,693	2.56%
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
MODARABAS & MUTUAL FUND	8	502,218	3.77%
1 GENERAL MODARABA SERVICES (PVT) LTD		18	
2 CDC - TRUSTEE NAFA STOCK FUND		87,000	
3 CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND		227,000	
4 CDC- TRUSTEE NAFA ASSET ALLOCATION FUND		7,500	
5 CDC - TRUSTEE NAFA ISLAMIC STOCK FUND		10,000	
6 CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT		88,400	
7 CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT		78,300	
8 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND		4,000	
FOREIGN COMPANIES	7	5,905	0.04%
1 ROYAL BANK OF SCOTLAND		1,638	
2 BANK OF SCOTLAND		718	
3 BANKERS TRUST COMPANY		86	
4 MORGAN STANLEY BANK LUXEMBOURG		1,322	
5 MORGAN STANLEY TRUST COMPANY		718	
6 CROSBY SECURITIES PTE LTD.		833	
7 SOMERS NOMINEES (FAR EAST) LTD.		590	



CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
OTHERS	20	1,755,071	13.16%
1 M/S. NATIONAL MOTORS LIMITED		230	
2 NATIONAL DEV. FINANCE CORP.INVESTERS		438	
3 BOLAN CASTINGS LIMITED		287,500	
4 UHF CONSULTING (PRIVATE) LTD		1,200	
5 PRUDENTIAL SECURITIES LIMITED		718	
6 AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.		40	
7 SIZA (PRIVATE) LTD		9,800	
8 LOADS LIMITED		230	
9 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		145,562	
10 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		5,108	
11 S.H. BUKHARI SECURITIES (PVT) LIMITED		86	
12 MAPLE LEAF CAPITAL LIMITED		1	
13 MILLAT TRACTORS LIMITED		1,282,825	
14 TRUSTEES OF PAKISTAN MOBILE COMMUNICATION LTD - PROVIDENT FUND		5,000	
15 MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED		287	
16 MSMANJAR FINANCIALS (PVT) LTD.		345	
17 SEVEN STAR SECURITIES (PVT) LTD		12,000	
18 FIKREE'S (SMC-PVT) LTD.		801	
19 INTERMARKET SECURITIES LTD - MF		400	
20 MRA SECURITIES LTD - MF		2,500	
GENERAL PUBLIC	1,324	2,110,442	15.83%
1 GENERAL PUBLIC - LOCAL		2,062,758	
2 GENERAL PUBLIC - FOREIGN		47,684	
	1,375	13,334,250	100%
SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY	6	8,044,616	60.33%
1 MR. MUHAMMAD SIDDIQUE MISRI		2,646,410	
2 MR. RAZAK BENGALI		1,532,971	
3 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,333,360	
4 MILLAT TRACTORS LIMITED		1,282,825	
5 MUHAMMAD IRFAN GHANI		1,249,050	

Notice of the Meeting

NOTICE IS HEREBY GIVEN that the 37th Annual General Meeting of the Company will be held on Saturday, October 28, 2017 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 Annual General Meeting held on October 29, 2016.
2. To receive, consider and approve the audited financial statements of the Company for the year ended June 30, 2017 together with the Directors' and Auditors' Reports thereon.
3. To approve a final cash dividend at the rate of 40% (Rs.4.00 per share), as recommended by the Board of Directors for the year ended June 30, 2017.
4. To appoint auditors for the year ending on June 30, 2018 and fix their remuneration. The present auditors M/s. EY Ford Rhodes Chartered Accountants, retire and being eligible have offered themselves for re-appointment.

SPECIAL BUSINESS

5. To consider and pass the following, with or without modification, as Special Resolutions to amend the Articles of Association of the Company to provide video conferencing facility to the members for attending general meetings of the Company and to circulate annual audited financial statements of the Company through CD/DVD/USB as directed/ notified by SECP subject to requisite approvals and specified conditions/requirements:

"RESOLVED THAT subject to necessary approvals, Articles of Association of the Company be and are hereby amended as follows:

a) To add new article 8.03A under the heading "General Meetings"

8.03A: "The Company may provide video conference facility to its members for attending the general meetings at places other than the town where general meeting is convened subject to fulfillment of such conditions, consent and meeting the requirements relating to number of members and time limit as notified by SECP vide circular no.10 of 2014 dated 21 May 2014 and any other conditions/guidelines notified by SECP from time to time."

b) To add new article 13.07A under the heading "Books and Accounts"

13.07A: The Company may, with prior consent of the member(s), circulate notices of general meetings and annual balance sheet and profit and loss account, auditors' report and directors' report (annual audited accounts) to its member(s) through email. Further, the Company may, with consent of the members obtained in general meeting in accordance with the provisions of SECP's SRO No.470(I)/2016 dated 31 May, 2016 and subject to compliance with the conditions specified therein, and any other conditions / instructions as notified by SECP from time to time in this respect, circulate the annual balance sheet and profit and loss accounts, auditors' report and directors' report (annual audited accounts) to its members through CD/DVD/USB at their registered addresses. However, if a member prefers to receive hard copies for all the future annual audited accounts then such preference of the member shall be given to the Company in writing and thereafter the Company shall provide hard copies of all the future annual audited accounts to such member.



RESOLVED FURTHER THAT the Company Secretary, be and is hereby authorized to take such other steps, execute such other documents and make necessary corporate and other actions & statutory filings as may be necessary / expedient for the purpose of giving effect to the above resolutions and all other matters incidental or ancillary thereto.

A statement under section 134(3) of the Companies Act 2017, relating to the aforesaid special business to be transacted at the AGM, is annexed.

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

BY ORDER OF THE BOARD

Muhammad Yasin Yunus Ladha
Company Secretary
Karachi: September 19, 2017

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 21, 2017 to October 28, 2017 (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 20, 2017 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.
- iv. The proxy shall produce his / her original CNIC or passport at the time of the meeting.
- v. In case of corporate entities, the Board of Director's resolution / power of attorney with specimen signature of the person nominated to present and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) alongwith the proxy form to the Company.

3. Withholding Tax on Dividend

The Government of Pakistan through Finance Act 2017, effective July 01, 2017 has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on amount of dividend paid to shareholders. These tax rates are as under



- | | |
|-----------------------------------------|--------|
| 1. For filers of income tax returns | 15.00% |
| 2. For non filers of income tax returns | 20.00% |

To enable the company to make tax deduction on the amount of cash dividend @ 15 % 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.

4. 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 CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (No. of Shares)

The required information must reach the Company's Share Registrar by October 20, 2017, otherwise each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

5. 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 (Compulsory)

In pursuance 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 bank account provided by the shareholders.

However, Securities & Exchange Commission of Pakistan through its Circular No. 18 of 2017 dated August 1, 2017, has allowed extension in time till October 31, 2017. Please note that with effect from November 1, 2017 all dividend payments shall be paid only through electronic mode.

Therefore, all shareholders are requested to provide to the Company's Share Registrar, particulars relating to name, folio number, bank account number, title of account and complete mailing address of the bank. CDC account holders should submit their request directly to their participants/investor account services of the CDC.

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

7. Consent For Electronic Transmission of Audited Financial Statements & Notices (Optional)

The SECP through its Notification S.R.O 787(I)/2014 dated 8th September 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company's website www.bwheels.com

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

The audited financial statements of the Company for the year ended June 30, 2017 have been made available on the Company's website www.bwheels.com in addition to annual and quarterly financial statements for the prior year.

9. 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.

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

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

This statement is annexed to the Notice of the Thirty Seventh (37th) Annual General Meeting of Baluchistan Wheels Limited to be held on Saturday, October 28, 2017 at which special business is to be transacted. The purpose of this statement is to set forth the material facts concerning special business.

- a) **Video Conference Facility:** Pursuant to SECP's Circular No.10 of 2014 dated 21 May 2014, if the members holding in aggregate 10% or more shareholding residing at geographical location, intend to participate in the meeting through video conference, shall inform the Company at least 10 days prior to the date of general meeting. The Company will arrange video conference facility in that city subject to availability of such facility in that area. Standard Request Form for Video Conference Facility is available at Company's website: <http://www.bwheels.com>
- b) **Transmission of Annual Audited Financial Statements through CD/DVD/USB:** The SECP has allowed companies through SRO-470(1)/2016 dated 31 May 2016 to circulate the annual audited financial statements to its members through CD/DVD/USB at their registered addresses. Printed copy of the financial statements shall be provided to such member(s) who opt for having hard copy on the Standard Request Form available on the Company's website: <http://www.bwheels.com>

In order to comply with the requirements and to give effect to SECP's aforesaid Regulations/directives, approval is being sought to amend the Articles of Association of the Company accordingly.

The Directors of the Company have no interest in the said special business.



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.

REQUEST / CONSENT FORM FOR ELECTRONIC TRANSMISSION OF AUDITED FINANCIAL STATEMENTS AND NOTICE OF GENERAL MEETINGS THROUGH E-MAIL

Dear Shareholder(s)

The Securities & Exchange Commission of Pakistan (SECP) through its Notification (SRO 787(I) 2014) dated 8 September 2014 has permitted companies to circulate their annual balance sheet and profit and loss account, auditor's report and directors' report etc. (Annual Report) to shareholders along with notice of Annual General Meeting (AGM) through e-mail.

Shareholders of the Company who wish to receive company's (Annual Report) along with notice of (AGM) via - email, are requested to provide this letter duly filled and signed to us or our Share Registrar M/s. THK Associates (Pvt.) Limited, First Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400.

Electronic Communication Consent Form

Pursuant to the directions given by the Securities & Exchange Commission of Pakistan (SECP) through its Notification (SRO 787(I) 2014) dated 8 September 2014, I/We, Mr./Ms/M/s. _____

S/o, D/o, W/o, _____ hereby give consent to receive the Audited Financial Statements along with notice of Annual General Meeting (Annual Report) of Baluchistan Wheels Limited through email on my/our email address provided as herein. I hereby confirm my details as follows:

Shareholder's Details	
Name of the Shareholder(s)	
Folio No. / CDC Participants ID A/C No.	
CNIC No. *	
Passport No. (in case of foreign shareholder) **	
Phone Number	
Valid E-mail address	

It is stated that the above-mentioned information is true and correct and that I/We will intimate the changes in the abovementioned information to the Company and its Share Registrar as soon as these occur. I/we hereby further authorize Company to update my/our particulars mentioned above in the member register of the Company alongwith email address mentioned.

Signature of the member/shareholder _____

Date: _____

Notes:

- * Please attach attested photocopy of the valid CNIC
 - ** Please attach attested photocopy of the valid Passport.
- This Request Form is optional and not compulsory.



Dear Shareholder(s)

MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

In pursuance of Section 242 of the recently promulgated 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)	
Mandatory	PK
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



Proxy Form

I/We _____

of _____ (Full address)

being a member (s) of Baluchistan Wheels Limited and holding _____ Ordinary Shares

as per Share Register Folio No. _____

or CDC Participant I.D. 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 28, 2017** and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2017

Signature of Member(s)

Please affix
Rs. 5/- Revenue
Stamp

Witness: _____

Witness: _____

Name: _____

Name: _____

CNIC No: _____

CNIC No: _____

Address: _____

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 authorised.
3. This Proxy Form duly completed must be deposited at the Head Office 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 Shareholders and their proxies must each attach an attested photo copy of their Computerized National Identity Card or Passport with this proxy form.

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

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



BALUCHISTAN WHEELS LIMITED

www.jamapunji.pk



سرمایہ کاری سمجھداری کے ساتھ



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- Jamapunji application for mobile device
- Online Quizzes

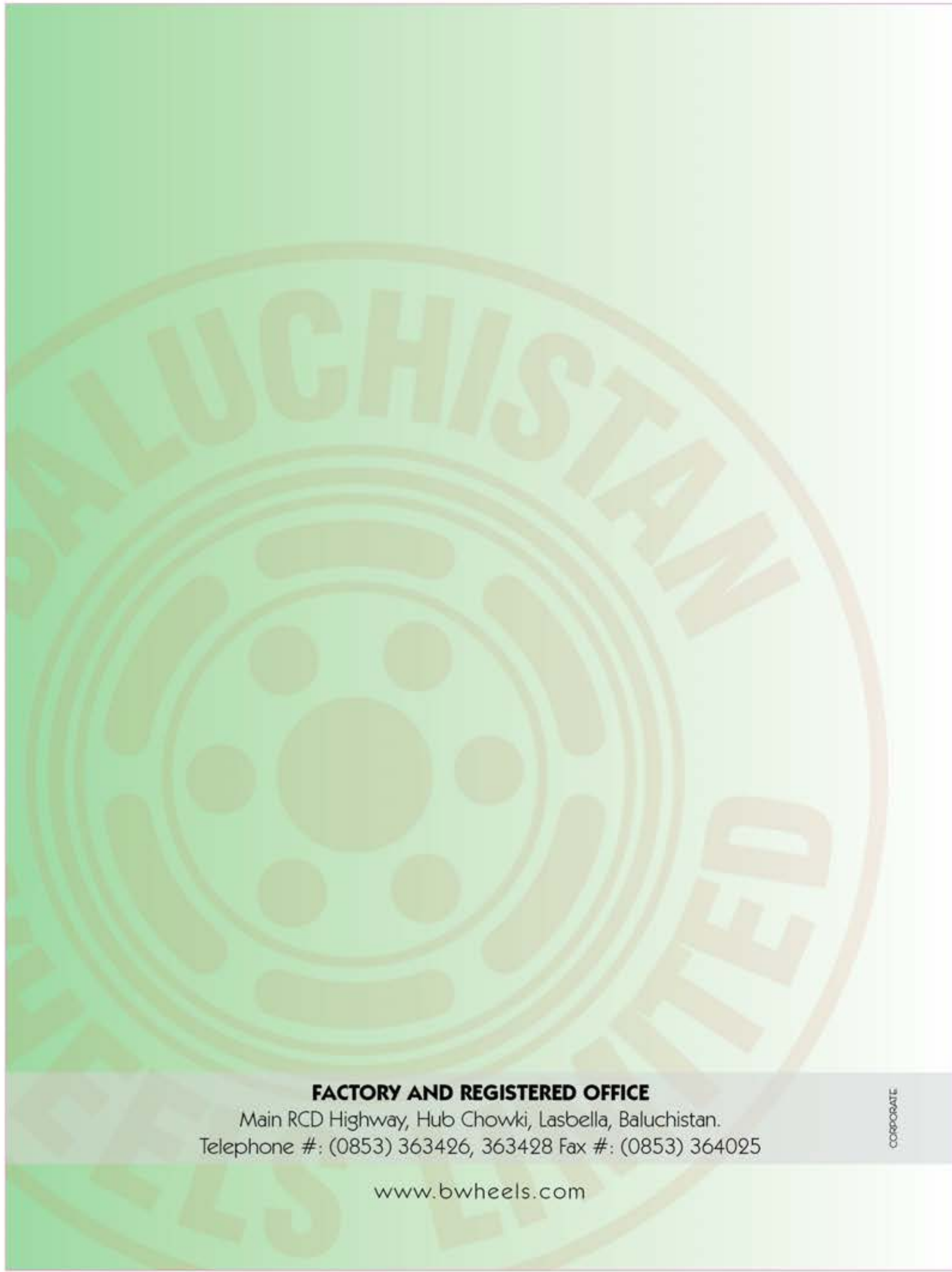


Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

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



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