## 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.
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.
COMPANY INFORMATION

CHAIRMAN (Non-Executive Director)
Syed Haroon Rashid

CHIEF EXECUTIVE
Mr. Razak H.M. Bengali

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

EXECUTIVE DIRECTORS
Mr. Muhammad Siddique Miri
Mr. Muhammad Irfan Ghani
Director Marketing/ Business Development
Chief Operating Officer

NON-EXECUTIVE DIRECTORS
Mr. Aamir Amin
Mrs. Saba Nadeem
(Nominee - NIT)

CHIEF FINANCIAL OFFICER
Mr. Muhammad Yasin Yunus Ladhna

COMPANY SECRETARY
Mr. Muhammad Asad Saeed

AUDIT COMMITTEE
Mr. Anis Wahab Zuberi
Mr. Aamir Amin
Mr. Irfan Ahmed Qureshi
Mrs. Saba Nadeem
Independent, Non-Executive Director
Non-Executive Director (Nominee - NIT)
Independent, Non-Executive Director
Non-Executive Director
Chairman
Member
Member
Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE
Mr. Muhammad Javed
Syed Haroon Rashid
Mr. Anis Wahab Zuberi
Mr. Muhammad Irfan Ghani
Independent, Non-Executive Director
Non-Executive Director
Independent, Non-Executive Director
Chief Operating Officer
Chairman
Member
Member
Member

MANAGEMENT COMMITTEE
Mr. Razak H.M. Bengali
Mr. Muhammad Siddique Miri
Mr. Muhammad Irfan Ghani
Mr. Muhammad Yasin Yunus Ladhna
Mr. Sajid Nadri
Lt. Col. (R) Mebboob Ahmed
Mr. Muhammad Asad Saeed
Mr. Kumal Irfan Ghani
Mr. Fareed Abdul Razzak
Chief Executive
Director Marketing/ Business Development
Chief Operating Officer
S.G.M (Finance) / Chief Financial Officer
S.G.M (Technical)
G.M (Maintenance)
D.G.M (Finance) / Company Secretary
D.G.M (Supply & Services)
D.G.M (Finance)
Chairman
Member
Member
Member

CHIEF INTERNAL AUDITOR
Hafiz Shoaib Ahmed Chauhan

EXTERNAL AUDITORS
EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR
Mohsin Tayebally & Company
(Advocates)

TAX CONSULTANTS
Bekker Tilly Memon Idrees Qamar
(Chartered Accountants)
EY Ford Rhodes
(Chartered Accountants)

BANKERS
Habib Bank Limited
Bank Al-Habib Limited
Faysal Bank Limited
National Bank of Pakistan
Bank Alfalah Limited
Industrial and Commercial Bank of China

SHARE REGISTRAR
THK Associates (Pvt) Limited
1st Floor, 40-C, Block-G, E.C.H.S.
Karachi - 75400.
UAN#: 02 (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: bwf@cyber.net.pk
Website: http://www.bwheels.com
Telephone # 35689269, 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 ZaraiTaraqiati Bank Ltd. as part of a senior management team formed for the restructuring of the Bank where he served as Head, Restructuring (Project Loans) as well as Head, Project Implementation Unit of the Asian Development Bank. He played a major role in restructuring of corporate loan departments of the organization and worked to successfully revitalize them. He is also a training consultant with the National Institute of Banking and Finance, Islamabad (State Bank of Pakistan).

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

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

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

After coming back from Germany, he remained associated with his family business for about 30 years. At present, he is the Chief Executive of Baluchistan Wheels Limited (an engineering unit producing automotive steel wheel rims), which position he has been holding since July, 1990.

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

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

He holds the membership of the following social bodies:

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

Also, he has participated in various international seminars, and has widely traveled around the globe. Besides English and Urdu, he is well-versed in German language.
Mr. Muhammad Siddique Misri  
Director Marketing / Business Development (Executive Director)

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

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

In the year 1996, he took over the association of his friends the management of Baluchistan Wheels Limited, and since then he is involved in managing and running the company with dedication and hard-work. He is a man of wisdom and possesses business acumen.

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

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

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

Mr. Anis Wahab Zuberi  
Independent Director

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

He is a Certified Director and had completed Director’s Training Programme from the Institute of Chartered Accountants of Pakistan.
Mr. Aamir Amin
Non-Executive Director (Nominee NIT)

Mr. Aamir Amin is at present Head of Finance of National Investment Trust Limited. Mr. Amin is a Chartered Accountant by profession from Institute of Chartered Accountants of Pakistan (ICAP) with training from Ernst & Young – Pakistan. He is also a Certified Information Systems Auditor (CISA). He has work experience of over 18 years, substantially in financial services industry and also represents NIT as Nominee Director on various Boards.

Mr. Irfan Ahmed Qureshi
Independent Director

Mr. Irfan Ahmed Qureshi has over 30 years of versatile experience in the fields of Investment-Banking, Feasibility Studies of projects and its implementation by raising equity & debt, Leasing, Finance and Corporate affairs and Manufacturing. He had been associated with Baluchistan Wheels Ltd (BWL) for over 15 years in various capacities as company secretary, Head of Finance & Director on the Board. He retired from the Baluchistan Wheels Limited in 2015 and is very well versed with the Auto Vending and Assembly Industry. He is a Commerce Graduate and an MBA besides he is also a member of Institute of Chartered Secretaries and Managers.

Mr. Muhammad Javed
Independent Director

Mr. Muhammad Javed is a Mechanical Engineer and life time member of Pakistan Engineering Council. He had foreign training in Japan and visits to China, Taiwan, Malaysia, Netherlands, Turkey and India for technical agreement, selection / testing and development of plant machinery and equipment.

He has over 40 years’ experience of managing engineering and automobile wheel industry. He retired from the Baluchistan Wheels Limited in 2015 after serving 31 years at various positions, Head of Technical Division and Director on Board and executed projects of Plant Expansion & Modernization.

Mrs. Saba Nadeem
Non-Executive Director

Mrs. Saba Nadeem belongs to a business family. She has done A'Levels. Also, she has done Diploma in Interior Designing from the Indus Valley School of Arts, and remained involved in activities like Fabric Painting and Glass Painting. She has been a teacher in a grammar school in Clifton, Karachi.

She is a Certified Director and had completed Director Education Certification Programme from the Institute of Cost & Management Accountants of Pakistan (ICMAP).

She has developed a special interest in being involved in business and commerce and, therefore, she has chosen to be on the Board of Directors of Baluchistan Wheels Limited.
Mr. Muhammad Yasin Yunus Ladha  
Chief Financial Officer / Sr. General Manager (Finance)  

Mr. Muhammad Yasin Ladha is an associate of the Institute of Chartered Accountants of Pakistan (ICAP) & a fellow of the Institute of Cost & Management Accountants of Pakistan (ICMAP). Besides this he is also a fellow member of Chartered Secretaries, Certified Internal Control Auditor (USA) and CPA (UK).  

He has over thirty years of experience in the field of Finance & Accounts, Taxation & Corporate Affairs. He has worked in various multinational / public listed companies. He is associated with the Company since 1996. Presently, he is Chief Financial Officer / Sr. General Manager (Finance).

Mr. Sajid Nadri  
Sr. General Manager (Technical)  

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

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

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

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

Versatile experience in serving with reputed organization including National Logistic Cell (NLC), Pakistan Ordinance Factories (POF), Pakistan Ranger and Central/Base workshops. He joined BWL in 2014 and currently working as General Manager (Maintenance.).
Mr. Muhammad Asad Saeed
Company Secretary / Deputy General Manager (Finance)

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

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

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


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 Razzaq
Deputy General Manager (Finance)

Mr. Fareed Abdul Razzaq has done his EMBA from Karachi, he is also MBA (Finance) & MCS. He is associated with the company since year 2000 and currently working as Deputy General Manager Finance.

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

Chief Internal Auditor

Hafiz Shoaib Ahmed Chauhan
Chief Internal Auditor

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

Currently he is working as Chief Internal Auditor. He is associated with the Company since 2014. He has over nine years of experience in the field of Audit, Finance, Taxation and Corporate Affairs.
### SIX YEAR AT A GLANCE
STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>449,581</td>
<td>494,907</td>
<td>367,269</td>
<td>305,947</td>
<td>307,284</td>
<td>351,700</td>
</tr>
<tr>
<td>Intangible asset</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long term investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term loans &amp; advances</td>
<td>3,415</td>
<td>3,855</td>
<td>4,275</td>
<td>3,719</td>
<td>2,998</td>
<td>1,993</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>4,667</td>
<td>5,777</td>
<td>5,063</td>
<td>4,140</td>
<td>5,740</td>
<td>5,740</td>
</tr>
<tr>
<td></td>
<td>457,663</td>
<td>504,500</td>
<td>376,607</td>
<td>313,806</td>
<td>317,761</td>
<td>360,185</td>
</tr>
<tr>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spare parts &amp; loose tools</td>
<td>50,840</td>
<td>54,455</td>
<td>59,930</td>
<td>46,022</td>
<td>44,018</td>
<td>44,352</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>525,165</td>
<td>532,188</td>
<td>518,374</td>
<td>488,685</td>
<td>452,579</td>
<td>488,712</td>
</tr>
<tr>
<td>Trade debts</td>
<td>144,187</td>
<td>165,572</td>
<td>95,781</td>
<td>77,347</td>
<td>59,681</td>
<td>65,310</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>15,014</td>
<td>24,805</td>
<td>32,502</td>
<td>20,276</td>
<td>15,043</td>
<td>14,849</td>
</tr>
<tr>
<td>Trade deposits and short term prepayments</td>
<td>2,347</td>
<td>2,040</td>
<td>1,694</td>
<td>2,860</td>
<td>2,287</td>
<td>3,168</td>
</tr>
<tr>
<td>Other receivables</td>
<td>431</td>
<td>628</td>
<td>2,904</td>
<td>1,062</td>
<td>521</td>
<td>5,813</td>
</tr>
<tr>
<td>Short term investments</td>
<td>102,827</td>
<td>5,516</td>
<td>281,671</td>
<td>354,064</td>
<td>-</td>
<td>63,873</td>
</tr>
<tr>
<td>Sales tax refundable - net</td>
<td>-</td>
<td>-</td>
<td>8,554</td>
<td>-</td>
<td>-</td>
<td>1,792</td>
</tr>
<tr>
<td>Taxation - net</td>
<td>129,362</td>
<td>141,608</td>
<td>77,253</td>
<td>-</td>
<td>47,041</td>
<td>-</td>
</tr>
<tr>
<td>Bank balances</td>
<td>44,994</td>
<td>31,116</td>
<td>27,530</td>
<td>44,051</td>
<td>255,013</td>
<td>28,005</td>
</tr>
<tr>
<td></td>
<td>1,015,947</td>
<td>958,237</td>
<td>1,083,073</td>
<td>1,024,776</td>
<td>876,483</td>
<td>704,155</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,473,550</td>
<td>1,462,836</td>
<td>1,459,680</td>
<td>1,338,582</td>
<td>1,194,244</td>
<td>1,154,340</td>
</tr>
</tbody>
</table>

### EQUITY AND LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital and Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised Capital</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Share Capital</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
</tr>
<tr>
<td>Reserves</td>
<td>1,154,676</td>
<td>1,135,647</td>
<td>1,107,742</td>
<td>1,052,030</td>
<td>943,870</td>
<td>877,854</td>
</tr>
<tr>
<td></td>
<td>1,288,019</td>
<td>1,269,990</td>
<td>1,241,085</td>
<td>1,185,373</td>
<td>1,077,213</td>
<td>1,011,197</td>
</tr>
<tr>
<td><strong>Non Current Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease</td>
<td>989</td>
<td>5,306</td>
<td>4,908</td>
<td>-</td>
<td>2,569</td>
<td>5,113</td>
</tr>
<tr>
<td>Long term advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,010</td>
<td>1,710</td>
<td>874</td>
<td>646</td>
<td>706</td>
<td>1,110</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>38,250</td>
<td>34,058</td>
<td>29,170</td>
<td>19,976</td>
<td>17,552</td>
<td>25,492</td>
</tr>
<tr>
<td></td>
<td>41,249</td>
<td>41,074</td>
<td>35,011</td>
<td>20,622</td>
<td>20,667</td>
<td>51,306</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>125,289</td>
<td>133,499</td>
<td>171,734</td>
<td>115,889</td>
<td>79,766</td>
<td>79,624</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>6,846</td>
<td>5,281</td>
<td>4,835</td>
<td>4,190</td>
<td>3,867</td>
<td>3,623</td>
</tr>
<tr>
<td>Current portion of</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- liabilities against assets subject to finance lease</td>
<td>3,747</td>
<td>5,257</td>
<td>2,948</td>
<td>2,576</td>
<td>2,523</td>
<td>3,923</td>
</tr>
<tr>
<td>- long term advance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- long term deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>836</td>
<td>205</td>
<td>12</td>
</tr>
<tr>
<td>Provision for warranty</td>
<td>1,354</td>
<td>5,033</td>
<td>4,067</td>
<td>3,445</td>
<td>3,631</td>
<td>2,808</td>
</tr>
<tr>
<td>Taxation-net</td>
<td>7,046</td>
<td>2,602</td>
<td>-</td>
<td>2,287</td>
<td>6,172</td>
<td>-</td>
</tr>
<tr>
<td>Sales tax payable - net</td>
<td>144,232</td>
<td>131,872</td>
<td>183,594</td>
<td>132,087</td>
<td>96,194</td>
<td>91,337</td>
</tr>
<tr>
<td></td>
<td>1,473,550</td>
<td>1,462,836</td>
<td>1,459,680</td>
<td>1,338,582</td>
<td>1,194,244</td>
<td>1,154,340</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>1,473,550</td>
<td>1,462,836</td>
<td>1,459,680</td>
<td>1,338,582</td>
<td>1,194,244</td>
<td>1,154,340</td>
</tr>
</tbody>
</table>
## BALUCHISTAN WHEELS LIMITED
Manufacturers of Automotive Wheels in Pakistan

### SIX YEAR AT A GLANCE

#### STATEMENT OF PROFIT OR LOSS

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover - net</td>
<td>1,387,358</td>
<td>1,882,040</td>
<td>1,533,665</td>
<td>1,471,558</td>
<td>1,378,332</td>
<td>1,148,425</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(1,341,776)</td>
<td>(1,012,076)</td>
<td>(1,234,745)</td>
<td>(1,098,211)</td>
<td>(1,170,149)</td>
<td>(1,248,811)</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>245,582</td>
<td>269,964</td>
<td>298,920</td>
<td>333,347</td>
<td>208,183</td>
<td>199,614</td>
</tr>
<tr>
<td>Distribution Costs</td>
<td>(44,945)</td>
<td>(60,116)</td>
<td>(48,251)</td>
<td>(37,980)</td>
<td>(30,511)</td>
<td>(28,696)</td>
</tr>
<tr>
<td>Administration</td>
<td>(92,676)</td>
<td>(92,075)</td>
<td>(66,344)</td>
<td>(82,285)</td>
<td>(80,752)</td>
<td>(71,153)</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>(12,541)</td>
<td>(8,284)</td>
<td>(14,977)</td>
<td>(20,758)</td>
<td>(12,066)</td>
<td>(10,433)</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>(6,791)</td>
<td>(1,927)</td>
<td>(1,379)</td>
<td>(827)</td>
<td>(2,490)</td>
<td>(3,109)</td>
</tr>
<tr>
<td>Other Income</td>
<td>5,129</td>
<td>180</td>
<td>20,405</td>
<td>21,503</td>
<td>37,390</td>
<td>9,014</td>
</tr>
<tr>
<td><strong>Profit before Taxation</strong></td>
<td>93,955</td>
<td>107,742</td>
<td>172,209</td>
<td>253,002</td>
<td>111,214</td>
<td>85,237</td>
</tr>
<tr>
<td>Taxation</td>
<td>(22,443)</td>
<td>(19,953)</td>
<td>(45,387)</td>
<td>(99,730)</td>
<td>(15,278)</td>
<td>(16,733)</td>
</tr>
<tr>
<td><strong>Profit after Taxation</strong></td>
<td>71,512</td>
<td>87,789</td>
<td>126,822</td>
<td>153,272</td>
<td>95,936</td>
<td>68,494</td>
</tr>
<tr>
<td>Earnings per Share (Rupees) - Basic and Diluted</td>
<td>5.36</td>
<td>6.58</td>
<td>9.48</td>
<td>11.49</td>
<td>7.19</td>
<td>5.14</td>
</tr>
</tbody>
</table>

### SIGNIFICANT RATIOS AND STATISTICS

<table>
<thead>
<tr>
<th>Liquidity &amp; Leverage Ratios:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
</tr>
<tr>
<td>Quick Ratio</td>
</tr>
<tr>
<td>Liabilities as % of Total Assets</td>
</tr>
<tr>
<td>Interest Cover Ratio (Times)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Equity Ratios:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Break up Value per Share (Rs)</td>
</tr>
<tr>
<td>Dividend as % of Capital</td>
</tr>
<tr>
<td>Dividend Yield Ratio/ Cost of Equity (%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profitability Ratios:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Profit (%)</td>
</tr>
<tr>
<td>Operating Profit (%)</td>
</tr>
<tr>
<td>Profit before Tax (%)</td>
</tr>
<tr>
<td>Profit after Tax (%)</td>
</tr>
<tr>
<td>Return on Capital Employed (%)</td>
</tr>
<tr>
<td>Earnings per Share (Rs)</td>
</tr>
<tr>
<td>Price Earning Ratio (Times)</td>
</tr>
<tr>
<td>Dividend Payout Ratio (%)</td>
</tr>
<tr>
<td>Dividend Cover (Times)</td>
</tr>
<tr>
<td>Capital Turnover (Times)</td>
</tr>
<tr>
<td>Return on Assets (%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Turnover/Efficiency Ratios:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory Turnover Ratio(Times)</td>
</tr>
<tr>
<td>Debt Turnover Ratio(Times)</td>
</tr>
<tr>
<td>Fixed Assets Turnover Ratio(Times)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plant Capacity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plant Capacity Utilization (%)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share Performance:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year end Market Price per Share</td>
</tr>
<tr>
<td>High Price per Share during the Year</td>
</tr>
<tr>
<td>Low Price per Share during the Year</td>
</tr>
</tbody>
</table>
## Balance Sheet Analysis

### ASSETS

#### Non Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Rs. in '000 (%)</th>
<th>2018 Rs. in '000 (%)</th>
<th>2017 Rs. in '000 (%)</th>
<th>2016 Rs. in '000 (%)</th>
<th>2015 Rs. in '000 (%)</th>
<th>2014 Rs. in '000 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant &amp; equipment</td>
<td>449,581 (6)</td>
<td>494,967 (35)</td>
<td>367,269 (20)</td>
<td>305,947 (0)</td>
<td>307,284 (13)</td>
<td>351,705 (13)</td>
</tr>
<tr>
<td>Long term investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>- (100)</td>
<td>1,739 (133)</td>
</tr>
<tr>
<td>Long-term loans &amp; advances</td>
<td>3,415 (11)</td>
<td>3,855 (10)</td>
<td>4,275 (15)</td>
<td>3,719 (24)</td>
<td>2,998 (50)</td>
<td>1,093 (50)</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>4,607 (20)</td>
<td>5,777 (14)</td>
<td>5,063 (22)</td>
<td>4,410 (28)</td>
<td>5,740 (22)</td>
<td>5,740 (22)</td>
</tr>
<tr>
<td><strong>Total Non Current Assets</strong></td>
<td>457,603 (6)</td>
<td>504,590 (34)</td>
<td>376,607 (20)</td>
<td>313,806 (1)</td>
<td>317,761 (12)</td>
<td>360,185 (12)</td>
</tr>
</tbody>
</table>

#### Current Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2019 Rs. in '000 (%)</th>
<th>2018 Rs. in '000 (%)</th>
<th>2017 Rs. in '000 (%)</th>
<th>2016 Rs. in '000 (%)</th>
<th>2015 Rs. in '000 (%)</th>
<th>2014 Rs. in '000 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores, spare parts &amp; loose tools</td>
<td>50,840 (7)</td>
<td>54,455 (3)</td>
<td>55,930 (20)</td>
<td>46,522 (6)</td>
<td>44,018 (1)</td>
<td>44,552 (1)</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>323,105 (1)</td>
<td>332,186 (3)</td>
<td>318,874 (11)</td>
<td>468,665 (4)</td>
<td>452,379 (9)</td>
<td>498,712 (9)</td>
</tr>
<tr>
<td>Trade debts</td>
<td>144,187 (13)</td>
<td>165,372 (7)</td>
<td>95,781 (24)</td>
<td>77,347 (29)</td>
<td>59,981 (8)</td>
<td>65,310 (8)</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>13,914 (36)</td>
<td>24,805 (24)</td>
<td>32,592 (11)</td>
<td>29,276 (95)</td>
<td>10,043 (1)</td>
<td>14,848 (1)</td>
</tr>
<tr>
<td>Trade deposits and short term prepayments</td>
<td>2,347 (15)</td>
<td>2,049 (21)</td>
<td>1,694 (41)</td>
<td>2,869 (25)</td>
<td>2,287 (28)</td>
<td>3,168 (28)</td>
</tr>
<tr>
<td>Other receivables</td>
<td>431 (54)</td>
<td>928 (68)</td>
<td>2,894 (48)</td>
<td>1,962 (277)</td>
<td>521 (91)</td>
<td>5,613 (91)</td>
</tr>
<tr>
<td>Short term investments</td>
<td>102,827 (1,764)</td>
<td>5,516 (98)</td>
<td>261,671 (26)</td>
<td>354,064 (100)</td>
<td>- (100)</td>
<td>83,678 (100)</td>
</tr>
<tr>
<td>Taxation - net</td>
<td>129,302 (9)</td>
<td>141,608 (83)</td>
<td>77,553 (100)</td>
<td>- (100)</td>
<td>47,041 (1)</td>
<td>47,377 (1)</td>
</tr>
<tr>
<td>Sales tax refundable - net</td>
<td>-</td>
<td>-</td>
<td>8,554 (100)</td>
<td>-</td>
<td>-</td>
<td>1,792 (100)</td>
</tr>
<tr>
<td>Bank balances</td>
<td>44,994 (45)</td>
<td>31,116 (13)</td>
<td>27,530 (38)</td>
<td>44,051 (83)</td>
<td>255,013 (782)</td>
<td>28,905 (782)</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>1,015,947 (6)</td>
<td>958,237 (12)</td>
<td>1,083,073 (0)</td>
<td>1,024,776 (17)</td>
<td>879,483 (10)</td>
<td>794,155 (10)</td>
</tr>
</tbody>
</table>

**Total Assets** 1,473,550 (0.73) 1,462,836 (0) 1,459,680 (9) 1,338,582 (12) 1,194,244 (3) 1,154,340 (3)
## HORIZONTAL ANALYSIS
### STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th>Year</th>
<th>Rs. in '000</th>
<th>2010 (%)</th>
<th>2015 (%)</th>
<th>2018 (%)</th>
<th>2017 (%)</th>
<th>2016 (%)</th>
<th>2015 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital and Reserves</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized Capital</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Share Capital</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
<td>133,343</td>
</tr>
<tr>
<td>Reserves</td>
<td>1,154,676</td>
<td>1,135,647</td>
<td>1,107,742</td>
<td>1,052,030</td>
<td>943,870</td>
<td>877,854</td>
<td>877,854</td>
</tr>
<tr>
<td>Non Current Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease</td>
<td>989</td>
<td>(31)</td>
<td>5,306</td>
<td>4,958</td>
<td>100</td>
<td>(100)</td>
<td>2,569</td>
</tr>
<tr>
<td>Long term advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(100)</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,010</td>
<td>18</td>
<td>1,710</td>
<td>874</td>
<td>35</td>
<td>(8)</td>
<td>706</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>38,259</td>
<td>9</td>
<td>34,958</td>
<td>29,179</td>
<td>46</td>
<td>19,976</td>
<td>14</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>41,240</td>
<td>(2)</td>
<td>41,974</td>
<td>35,911</td>
<td>20,622</td>
<td>(1)</td>
<td>20,867</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>125,289</td>
<td>(6)</td>
<td>133,499</td>
<td>171,734</td>
<td>115,889</td>
<td>79,766</td>
<td>0</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>6,046</td>
<td>30</td>
<td>5,281</td>
<td>4,336</td>
<td>15</td>
<td>4,190</td>
<td>8</td>
</tr>
<tr>
<td>Short term borrowings</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Current portion of Current liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Liabilities against assets subject to finance leases</td>
<td>3,747</td>
<td>(29)</td>
<td>5,257</td>
<td>2,948</td>
<td>14</td>
<td>2,576</td>
<td>2</td>
</tr>
<tr>
<td>Long term advances</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>806</td>
<td>308</td>
<td>206</td>
</tr>
<tr>
<td>Provision for warranty</td>
<td>1,354</td>
<td>(73)</td>
<td>5,033</td>
<td>4,967</td>
<td>18</td>
<td>3,445</td>
<td>(5)</td>
</tr>
<tr>
<td>Taxation-net</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,364</td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td>Sales tax payable - net</td>
<td>7,046</td>
<td>100</td>
<td>2,892</td>
<td>(100)</td>
<td>2,267</td>
<td>(62)</td>
<td>(100)</td>
</tr>
<tr>
<td>TOTAL EQUITY AND LIABILITIES</td>
<td>1,473,850</td>
<td>0.73</td>
<td>1,462,839</td>
<td>1,459,689</td>
<td>1,338,582</td>
<td>1,194,244</td>
<td>3</td>
</tr>
</tbody>
</table>
# Horizontal Analysis

## Statement of Profit or Loss

<table>
<thead>
<tr>
<th></th>
<th>2019 Rs. in '000</th>
<th>2019 Vs. 2018 (%)</th>
<th>2018 Rs. in '000</th>
<th>2018 Vs. 2017 (%)</th>
<th>2017 Rs. in '000</th>
<th>2017 Vs. 2016 (%)</th>
<th>2016 Rs. in '000</th>
<th>2016 Vs. 2015 (%)</th>
<th>2015 Rs. in '000</th>
<th>2015 Vs. 2014 (%)</th>
<th>2014 Rs. in '000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Turnover - net</strong></td>
<td>1,587,558</td>
<td>(16)</td>
<td>1,882,640</td>
<td>23</td>
<td>1,533,850</td>
<td>4</td>
<td>1,471,558</td>
<td>7</td>
<td>1,378,332</td>
<td>20</td>
<td>1,146,425</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>(1,341,776)</td>
<td>(17)</td>
<td>(1,612,676)</td>
<td>31</td>
<td>(1,234,745)</td>
<td>12</td>
<td>(1,098,211)</td>
<td>6</td>
<td>(1,170,149)</td>
<td>23</td>
<td>(1,048,811)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>245,782</td>
<td>(9)</td>
<td>269,964</td>
<td>(10)</td>
<td>288,805</td>
<td>(20)</td>
<td>373,347</td>
<td>79</td>
<td>208,183</td>
<td>4</td>
<td>196,614</td>
</tr>
<tr>
<td><strong>Distribution Costs</strong></td>
<td>(44,345)</td>
<td>(25)</td>
<td>(60,116)</td>
<td>22</td>
<td>(49,401)</td>
<td>30</td>
<td>(37,980)</td>
<td>(1)</td>
<td>(38,511)</td>
<td>(0)</td>
<td>(38,696)</td>
</tr>
<tr>
<td><strong>Administration Expenses</strong></td>
<td>(62,676)</td>
<td>1</td>
<td>(92,075)</td>
<td>7</td>
<td>(86,344)</td>
<td>5</td>
<td>(82,285)</td>
<td>2</td>
<td>(80,752)</td>
<td>13</td>
<td>(71,153)</td>
</tr>
<tr>
<td><strong>Other Operating Expenses</strong></td>
<td>(12,541)</td>
<td>51</td>
<td>(8,284)</td>
<td>(45)</td>
<td>(14,977)</td>
<td>(26)</td>
<td>(20,758)</td>
<td>72</td>
<td>(12,096)</td>
<td>16</td>
<td>(10,433)</td>
</tr>
<tr>
<td><strong>Finance Costs</strong></td>
<td>(6,761)</td>
<td>252</td>
<td>(1,927)</td>
<td>40</td>
<td>(1,378)</td>
<td>67</td>
<td>(827)</td>
<td>(72)</td>
<td>(2,940)</td>
<td>(5)</td>
<td>(3,100)</td>
</tr>
<tr>
<td><strong>(156,953)</strong></td>
<td>(3)</td>
<td>(152,402)</td>
<td>7</td>
<td>(152,190)</td>
<td>7</td>
<td>(141,850)</td>
<td>6</td>
<td>(134,308)</td>
<td>9</td>
<td>(123,391)</td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>5,126</td>
<td>2,748</td>
<td>180</td>
<td>(99)</td>
<td>25,404</td>
<td>18</td>
<td>21,505</td>
<td>(42)</td>
<td>37,339</td>
<td>314</td>
<td>9,014</td>
</tr>
<tr>
<td><strong>Profit before Taxation</strong></td>
<td>93,955</td>
<td>(13)</td>
<td>167,742</td>
<td>(37)</td>
<td>172,209</td>
<td>(32)</td>
<td>253,002</td>
<td>127</td>
<td>111,214</td>
<td>30</td>
<td>85,237</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(22,443)</td>
<td>12</td>
<td>(19,955)</td>
<td>(56)</td>
<td>(45,867)</td>
<td>(54)</td>
<td>(99,730)</td>
<td>553</td>
<td>(15,278)</td>
<td>(9)</td>
<td>(16,733)</td>
</tr>
<tr>
<td><strong>Profit after Taxation</strong></td>
<td>71,512</td>
<td>(19)</td>
<td>87,789</td>
<td>(31)</td>
<td>126,342</td>
<td>(18)</td>
<td>153,272</td>
<td>60</td>
<td>95,938</td>
<td>40</td>
<td>66,504</td>
</tr>
<tr>
<td><strong>Earnings per Share- Basic and Diluted (Rupees)</strong></td>
<td>5.36</td>
<td>(19)</td>
<td>6.58</td>
<td>(31)</td>
<td>9.48</td>
<td>(16)</td>
<td>11.49</td>
<td>60</td>
<td>7.12</td>
<td>40</td>
<td>5.14</td>
</tr>
</tbody>
</table>
### VERTICAL ANALYSIS

#### STATEMENT OF FINANCIAL POSITION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. in '000 %</td>
<td>Rs. in '000 %</td>
<td>Rs. in '000 %</td>
<td>Rs. in '000 %</td>
<td>Rs. in '000 %</td>
<td>Rs. in '000 %</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non Current Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>449,581</td>
<td>30.5</td>
<td>404,967</td>
<td>33.8</td>
<td>367,260</td>
<td>25.2</td>
</tr>
<tr>
<td>Long term investments</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Long-term loans &amp; advances</td>
<td>3,415</td>
<td>0.2</td>
<td>3,855</td>
<td>0.3</td>
<td>4,275</td>
<td>0.3</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>4,607</td>
<td>0.3</td>
<td>5,777</td>
<td>0.4</td>
<td>5,063</td>
<td>0.3</td>
</tr>
<tr>
<td></td>
<td>457,603</td>
<td>31.1</td>
<td>504,599</td>
<td>34.5</td>
<td>376,667</td>
<td>25.8</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spare parts &amp; loose tools</td>
<td>50,846</td>
<td>3.5</td>
<td>54,455</td>
<td>3.7</td>
<td>55,930</td>
<td>3.8</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>525,105</td>
<td>35.6</td>
<td>532,188</td>
<td>36.4</td>
<td>518,874</td>
<td>35.5</td>
</tr>
<tr>
<td>Trade debts</td>
<td>144,187</td>
<td>9.8</td>
<td>165,572</td>
<td>11.3</td>
<td>95,781</td>
<td>6.6</td>
</tr>
<tr>
<td>Loans and advances</td>
<td>15,914</td>
<td>1.1</td>
<td>24,805</td>
<td>1.7</td>
<td>32,592</td>
<td>2.2</td>
</tr>
<tr>
<td>Trade deposits and short term prepayments</td>
<td>2,347</td>
<td>0.2</td>
<td>2,049</td>
<td>0.1</td>
<td>1,694</td>
<td>0.1</td>
</tr>
<tr>
<td>Other receivables</td>
<td>432</td>
<td>0.0</td>
<td>928</td>
<td>0.1</td>
<td>2,894</td>
<td>0.2</td>
</tr>
<tr>
<td>Short term investments</td>
<td>102,627</td>
<td>7.0</td>
<td>5,518</td>
<td>0.4</td>
<td>261,671</td>
<td>17.9</td>
</tr>
<tr>
<td>Taxation - net</td>
<td>129,302</td>
<td>8.8</td>
<td>141,005</td>
<td>9.7</td>
<td>77,553</td>
<td>5.3</td>
</tr>
<tr>
<td>Sales tax refundable - net</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>8,554</td>
<td>0.6</td>
</tr>
<tr>
<td>Bank balances</td>
<td>44,094</td>
<td>3.1</td>
<td>31,116</td>
<td>2.1</td>
<td>27,530</td>
<td>1.9</td>
</tr>
<tr>
<td></td>
<td>1,015,947</td>
<td>68.9</td>
<td>958,237</td>
<td>65.5</td>
<td>1,093,073</td>
<td>74.2</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>1,473,550</td>
<td>100.0</td>
<td>1,462,936</td>
<td>100.0</td>
<td>1,459,680</td>
<td>100.0</td>
</tr>
</tbody>
</table>
# Vertical Analysis Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. in '000</td>
<td>%</td>
<td>Rs. in '000</td>
<td>%</td>
<td>Rs. in '000</td>
<td>%</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share Capital</td>
<td>133,343</td>
<td>9.0</td>
<td>133,343</td>
<td>9.1</td>
<td>133,343</td>
<td>10.0</td>
</tr>
<tr>
<td>Reserves</td>
<td>1,154,676</td>
<td>78.4</td>
<td>1,135,647</td>
<td>77.6</td>
<td>1,107,742</td>
<td>75.9</td>
</tr>
<tr>
<td><strong>Non Current Liabilities</strong></td>
<td>1,288,019</td>
<td>87.4</td>
<td>1,268,996</td>
<td>86.7</td>
<td>1,241,085</td>
<td>85.0</td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease</td>
<td>989</td>
<td>0.1</td>
<td>5,306</td>
<td>0.4</td>
<td>4,958</td>
<td>0.3</td>
</tr>
<tr>
<td>Long term advances</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>2,010</td>
<td>0.1</td>
<td>1,719</td>
<td>0.1</td>
<td>874</td>
<td>0.1</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>38,250</td>
<td>2.6</td>
<td>34,928</td>
<td>2.4</td>
<td>29,179</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Current Liabilities</strong></td>
<td>41,249</td>
<td>2.8</td>
<td>41,974</td>
<td>2.9</td>
<td>35,011</td>
<td>2.4</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>125,289</td>
<td>8.5</td>
<td>133,490</td>
<td>9.1</td>
<td>171,734</td>
<td>11.8</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>6,046</td>
<td>0.5</td>
<td>5,281</td>
<td>0.4</td>
<td>4,035</td>
<td>0.3</td>
</tr>
<tr>
<td>Short term borrowings</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Current portion of liabilities against assets subject to finance lease</td>
<td>3,747</td>
<td>0.3</td>
<td>5,257</td>
<td>0.4</td>
<td>2,048</td>
<td>0.2</td>
</tr>
<tr>
<td>- long term advance</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>- long term deposits</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Provision for warranty</td>
<td>1,354</td>
<td>0.1</td>
<td>5,033</td>
<td>0.3</td>
<td>4,067</td>
<td>0.3</td>
</tr>
<tr>
<td>Taxation-net</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td>Sales tax payable - net</td>
<td>7,046</td>
<td>0.5</td>
<td>2,802</td>
<td>0.2</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>1,473,559</td>
<td>100.0</td>
<td>1,462,636</td>
<td>100.0</td>
<td>1,459,060</td>
<td>100.0</td>
</tr>
</tbody>
</table>
### VERTICAL ANALYSIS

**STATEMENT OF PROFIT OR LOSS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rs. in '000</td>
<td>%</td>
<td>Rs. in '000</td>
<td>%</td>
<td>Rs. in '000</td>
<td>%</td>
</tr>
<tr>
<td><strong>Turnover - net</strong></td>
<td>1,587,558</td>
<td>100</td>
<td>1,882,040</td>
<td>100</td>
<td>1,533,050</td>
<td>100</td>
</tr>
<tr>
<td><strong>Cost of Sales</strong></td>
<td>(1,341,776)</td>
<td>(84.52)</td>
<td>(1,612,676)</td>
<td>(85.56)</td>
<td>(1,234,745)</td>
<td>(80.51)</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>245,782</td>
<td>15.48</td>
<td>269,364</td>
<td>14.43</td>
<td>296,905</td>
<td>19.49</td>
</tr>
<tr>
<td><strong>Distribution Cost</strong></td>
<td>(44,045)</td>
<td>(2.82)</td>
<td>(60,116)</td>
<td>(3.19)</td>
<td>(40,461)</td>
<td>(2.22)</td>
</tr>
<tr>
<td><strong>Administration Expenses</strong></td>
<td>(92,676)</td>
<td>(5.84)</td>
<td>(92,075)</td>
<td>(4.89)</td>
<td>(86,344)</td>
<td>(5.63)</td>
</tr>
<tr>
<td><strong>Other Operating Expenses</strong></td>
<td>(12,541)</td>
<td>(0.76)</td>
<td>(8,264)</td>
<td>(0.44)</td>
<td>(14,077)</td>
<td>(0.98)</td>
</tr>
<tr>
<td><strong>Finance Costs</strong></td>
<td>(6,791)</td>
<td>(0.43)</td>
<td>(1,927)</td>
<td>(0.10)</td>
<td>(1,378)</td>
<td>(0.09)</td>
</tr>
<tr>
<td></td>
<td>(156,953)</td>
<td></td>
<td>(152,462)</td>
<td></td>
<td>(152,160)</td>
<td></td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td>5,126</td>
<td>0.32</td>
<td>180</td>
<td>0.01</td>
<td>25,404</td>
<td>0.66</td>
</tr>
<tr>
<td><strong>Profit before Taxation</strong></td>
<td>93,855</td>
<td>5.92</td>
<td>107,742</td>
<td>5.72</td>
<td>172,209</td>
<td>11.23</td>
</tr>
<tr>
<td><strong>Taxation</strong></td>
<td>(22,443)</td>
<td>(1.41)</td>
<td>(19,953)</td>
<td>(1.06)</td>
<td>(45,867)</td>
<td>(2.99)</td>
</tr>
<tr>
<td><strong>Profit after Taxation</strong></td>
<td>71,412</td>
<td>4.50</td>
<td>87,789</td>
<td>4.66</td>
<td>126,342</td>
<td>8.24</td>
</tr>
</tbody>
</table>
## STATEMENT OF VALUE ADDITION & ITS DISTRIBUTION

<table>
<thead>
<tr>
<th>Statement of Value Addition and its Distribution</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000')</td>
<td>%</td>
</tr>
<tr>
<td><strong>Wealth Generated</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total gross revenue and other income</td>
<td>1,862,283</td>
<td></td>
</tr>
<tr>
<td>Brought in materials and services</td>
<td>1,208,392</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>653,891</td>
<td>100</td>
</tr>
<tr>
<td><strong>Wealth distribution to stakeholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries and wages including retirement benefits</td>
<td>231,790</td>
<td>35.45</td>
</tr>
<tr>
<td>To Government and Society</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income Tax, Sales Tax, FED and WWF</td>
<td>293,746</td>
<td>44.92</td>
</tr>
<tr>
<td>To Shareholders</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividend</td>
<td>26,669</td>
<td>4.08</td>
</tr>
<tr>
<td>To providers of Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial charges for borrowed funds</td>
<td>6,520</td>
<td>1.00</td>
</tr>
<tr>
<td>To Company</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Profits, Dep and Amortization</td>
<td>95,166</td>
<td>14.55</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>653,891</td>
<td>100</td>
</tr>
</tbody>
</table>

### Wealth distribution to stakeholders 2019

- To Employees: 18.63
- To Government and Society: 35.45
- To Shareholders: 44.92
- To Provider of Finance: 4.08
- To Company: 1.00

### Wealth distribution to stakeholders 2018

- To Employees: 13.48
- To Government and Society: 49.23
- To Shareholders: 31.30
- To Provider of Finance: 4.08
- To Company: 0.22
REVIEW REPORT BY THE CHAIRMAN

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

The Board of Directors (the Board) of Baluchistan Wheels Limited (BWL) has performed their duties diligently in upholding the best interest of shareholders’ of the Company and has managed the affairs of the Company in an effective and efficient manner. The Board has exercised its powers and has performed its duties as stated in the Companies Act, 2017 (previously Companies Ordinance 1984), the Listed Companies Corporate Governance Regulations 2017 (the Code) and the Rule Book of the Pakistan Stock Exchange (the Rule Book) where the Company is listed.

The Board during the year ended 30 June 2019 played an effective role in managing the affairs of the Company and achieving its objectives in the following manner;

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees have adequate skill, experience and knowledge to manage the affairs of the Company;

- The Board has formed an Audit Committee and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;

- The Board has developed and put in place the rigorous mechanism for an annual evaluation of its own performance and that of its committees and individual directors. The findings of the annual evaluation are assessed and re-evaluated by the Board periodically;

- The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the five directors of the Company have certification under Directors Training Program (DTP) and two directors of the Company have the exemption from the requirements of the DTP;

- The Board has ensured that the meetings of the Board and that of its Committees were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
The Board has developed a code of conduct setting forth the professional standards and corporate values adhered through the Company and has developed significant policies for smooth functioning;

All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process;

All the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;

The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;

The Board has prepared and approved the director's report and has ensured that the directors’ report is published with the quarterly and annual financial statement of the Company and the content of the directors’ report are in accordance with the requirement of applicable laws and regulations;

The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer/Company Secretary, and Head of Internal Audit;

The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings; and

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

The evaluation of the Board's performance is assessed based on those key areas where the Board requires clarity in order to provide high level oversight, including the strategic process; key business drivers and performing milestones, the global economic environment and competitive context in which the Company operates; the risk faced by the company’s business; Board dynamics; capability and information flows.
Based on the aforementioned, it can reasonably be stated that the Board of BWL has played a key role in ensuring that the Company objectives are not only achieved, but also exceeded expectations through a joint effort with the management team and guidance and oversight by the Board and its members.

SYED HAROON RASHID
Chairman
September 19, 2019
DIRECTORS’ REPORT

The Directors are pleased to present their Report together with the Audited Financial Statements and Auditors’ Report thereon for the year ended June 30, 2019.

BUSINESS REVIEW

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

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

FINANCIAL RESULTS

The decrease in turnover of 16% is due to the decline in sales of Truck / Bus and Tractor wheel which declined by 45% & 35% respectively, whereas there was a marginal increase of 7% in car wheels sales during the year as compared to the last year. The Cost of Sales was Rs.1.34 billion during the year under review as against Rs. 1.61 billion last year. The gross profit decreased by 9% to Rs. 245.782 million against Rs. 269.964 million last year. Similarly, the company earned profit after taxation of Rs. 71.512 million as compared to Rs. 87.789 million in the previous year, declined by 18.5%. The devaluation of Pak Rupee resulted in increase in imported material cost and amid slowdown in obtaining fresh orders from the OEM’s adversely affected our gross profit which ultimately impacted our net profit for the year ended 30 June, 2019.
The comparative financial results for the year 2019 as against the year 2018 are as follows:

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

**Earnings Per Share**

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

**Proposed Dividend**

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

**Human Resource & Welfare Schemes**

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

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

We are actively managing health and safety risks associated with our manufacturing process and are working towards improving our procedures to reduce and control the risk of accidents or injuries during work & up till now no serious accident has taken place during the production, resulting in any major injury or loss of life. All employees at plant are provided safety appliance/equipments i.e. uniform, shoes, helmets, ear plugs and gloves, goggles etc. during performance of their duties. Fire fighting system has been installed to cope with any mishap and full time safety officer is employed for this job. In house Fire Fighting and safety training and exercises are carried out regularly.

The company allows and shall continue the medical facilities and other facilities as may be adequate from time to time for up keep of health of its employees. A dispensary with qualified dispenser has been established in the factory for all types of treatment/emergency. Services of qualified MBBS doctors have been hired on retainer ship basis for treatment/emergency of employees. Workers medical check-up is conducted by certifying surgeon every six months. Apart from this, healthy activities of sports are encouraged, and we have a cricket as well as a football team. Every year a picnic is arranged for workers.

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

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

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

ENERGY CONSERVATION

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

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

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

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

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

All these measures contribute towards considerable reduction in power consumption.

UPGRADATION OF PLANT & PROCESS

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

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

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

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

**RESEARCH & DEVELOPMENT & QUALITY CONTROL**

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

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

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

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

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

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

One of the tests for fatigue life of wheel namely RADIAL FATIGUE TEST is essential to establish the design requirement confirmation and performance. In this regard the Current Installed RADIAL TEST machine was upgraded to cater for the higher test values and now BWL is fully capable of carrying out the test of Large size TRUCK/BUS section based and Tube less wheels.
Similarly, the wheel being the outer part requires high standard of quality for paint life. In this regard, previously the paint performance tests were carried out from outsource /Outside the country. Now BWL has installed its own SALT SPRAY test machine to conduct this test.

Quality Control Department is equipped with the requisite international standard testing equipment, tool and instruments to control the process and to monitor the quality of wheels. The instruments / gauges, quality checking equipment are regularly up-graded and calibrated to ensure its precision and accuracy, so that products are produced as per customer quality requirement and this is also supplemented by the experienced and trained manpower.

**COMPANY’S CONTRIBUTION TO THE ECONOMY OF THE COUNTRY**

Your company being an import substitution unit is contributing to the economy by saving foreign exchange and is very important vendering industry for the auto assemblers. During the year under review, your company saved approx. $10 million foreign exchange reserves on account of supply of wheels to the OEM’s and contributed to national exchequer by paying income tax, sales tax and other indirect taxes to the tune of Rs. 276 million (approx.). Besides, it is also providing employment opportunities to the local people residing in Hub and other adjoining areas.

**CORPORATE AND FINANCIAL REPORTING FRAMEWORK**

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

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

a. The financial statements prepared by the management of the Company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.

b. Proper books of accounts of the Company have been maintained.

c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
a. International Financial Reporting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements.

b. The system of internal controls is sound in design and has been effectively implemented and monitored.

c. There are no significant doubts upon the company’s ability to continue as going concern.

Key Operating and Financial Data

The Key operating and financial data for last six years is given in this report.

Government Taxes

Outstanding Taxes were Rs. 7.046 million as disclosed in the Financial Statements.

Investment of Employees Retirement Funds

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

<table>
<thead>
<tr>
<th>Fund</th>
<th>Rs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive Provident Fund</td>
<td>89.552</td>
</tr>
<tr>
<td>Non-Executive Provident Fund</td>
<td>37.375</td>
</tr>
<tr>
<td>Gratuity Fund</td>
<td>62.412</td>
</tr>
</tbody>
</table>

| June 19 ( un-audited) |

Election of Directors

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

Composition of the Board

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

<table>
<thead>
<tr>
<th>Total number of Directors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Number of Directors : 9 including</td>
</tr>
<tr>
<td>(a) Male : 8</td>
</tr>
<tr>
<td>(b) Female : 1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Composition :</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Independent Directors : 3</td>
</tr>
<tr>
<td>(b) Non-executive Directors : 3</td>
</tr>
<tr>
<td>(c) Executive Directors : 3</td>
</tr>
</tbody>
</table>

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

**Board of Directors Meetings**

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

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

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:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Director</th>
<th>No. of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mr. Anis Wahab Zuberi</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Syed Zubair Ahmed Shah</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>Syed Haroon Rashid</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Irfan Ahmed Qureshi</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Mrs. Saba Nadeem</td>
<td>4</td>
</tr>
</tbody>
</table>

Human Resource & Remuneration Committee

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

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Name of Director</th>
<th>No. of Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Syed Zubair Ahmed Shah</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Mr. Muhammad Irfan Ghani</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Anis Wahab Zuberi</td>
<td>1</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Muhammad Javed</td>
<td>1</td>
</tr>
</tbody>
</table>

Directors’ Remuneration

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

Directors’ Training

Company stands complied with the requirement of having half of the Directors on the board Directors Training Program (DTP) certified as prescribed under the sub clause 1(a) of regulation No. 20 of the Regulations. Currently five directors of the Company have certification under Directors Training Program and two directors of the Company have the exemption from the requirements of the Directors’ Training Program. The remaining directors shall obtain certification under the DTP in due course of time.
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

There has been no material departure from the best practices of the Code of Corporate Governance and the company has fully complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017. A statement to this effect is annexed with this report.

Pattern of Shareholding

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

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

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

Trading in Shares of the Company by Directors and Executives

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

<table>
<thead>
<tr>
<th>No of Shares Purchased</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Mrs. Gulbano Razak</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Appointment of Auditors

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

STATEMENT OF ETHICS AND BUSINESS PRACTICES

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

NBP suit for recovery against the Company (BWL) and Privatization Commission (PC) for payment amounting to Rs. 91.25 million it has paid to PC, which the Company does not acknowledge as briefly explained at Note No. 23.1 in the financial statements for the year ended June 30, 2019. The case was first heard by Mr. Justice Faisal Arab during 2008 and the matter was concluded and was reserved the announcement of judgment. Unfortunately, no judgment was announced and the matter was sent to the office for fixing the same.

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

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

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

FUTURE OUTLOOK

Demand for Auto Industry declined during the year 2018-19 on account of devaluation of Pak Rupees against the US Dollar as well as persistent rise in interest rates. Pakistan’s economy is passing through difficult situation which witnessed sharpest increase in policy rates / discount rates in recent time by the State Bank of Pakistan (SBP). Average inflation for the year 2019-20 is expected to remain in the range of 11% to 12% due to higher fiscal deficit and Pak Rupee depreciation.
Tax measures announced in the Federal Budget 2019-20 have severely hit the auto industry. Additional custom duty on imported material, imposition of federal excise duty, high interest rates coupled with massive depreciation of Pak Rupee adversely affected the cost of vehicles and it forced the OEM’s to enhance the prices of their vehicles. Consequently, higher prices of vehicles will likely affect sales volume of auto industry as price hikes will weaken the purchasing / buying power of customers.

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

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

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

**ACKNOWLEDGEMENT**

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

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

For and on Behalf of the Board

Razak H.M. Bengali  
Chief Executive  
Karachi: September 19, 2019

Muhammad Siddique Misri  
Director
مختصر أعمال:
نادي سال 2019-2018: كنار ماركيز داودك / سليمان روسيك / رشيد أبنتس ابراز عاماً في الدرجة الأولى. في مملكة الافضلية، حرر نادي سال مساره نحو لمدة 11 سنة. في العام الأخير، بلغ النادي البترول 12% من النزاعات في الملعب المطلة على ملعب كرة القدم، وأوقف النادي في دوري الدوري، الوليمة.

وفقًا لبيانات 2020-2019: النادي كنار ماركيز داودك / سليمان روسيك / رشيد أبنتس. تصدن النادي سليمان روسيك / رشيد أبنتس في فئة الملعب المطلة على ملعب كرة القدم، وأوقف النادي في دوري الدوري، الوليمة.

النادي كنار ماركيز داودك / سليمان روسيك / رشيد أبنتس، يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

لم يكن النادي يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

نادي سال، يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

نادي سال، يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

نادي سال، يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

نادي سال، يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

نادي سال، يصدن النادي في سلسلة عمليات في تخصصات النادي، وهو يمثل النادي في دوري الدوري، الوليمة.

نادي سال، يصدن النادي في سلسلة عمليات في تخص
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

ءاور 2019 كی 802 827 828 كی 829 كی 830 كی 831 كی 832 كی 833 كی 834 كی 835 كی 836 كی 837 كی 838 كی 839 كی 840 كی 841 كی 842 كی 843 كی 844 كی 845 كی 846 كی 847 كی 848 كی 849 كی 850 كی 851 كی 852 كی 853 كی 854 كی 855 كی 856 كی 857 كی 858 كی 859 كی 860 كی 861 كی 862 كی 863 كی 864 كی 865 كی 866 كی 867 كی 868 كی 869 كی 870 كی 871 كی 872 كی 873 كی 874 كی 875 كی 876 كی 877 كی 878 كی 879 كی 880 كی 881 كی 882 كی 883 كی 884 كی 885 كی 886 كی 887 كی 888 كی 889 كی 890 كی 891 كی 892 كی 893 كی 894 كی 895 كی 896 كی 897 كی 898 كی 899 كی 900 كی 901 كی 902 كی 903 كی 904 كی 905 كی 906 كی 907 كی 908 كی 909 كی 910 كی 911 كی 912 كی 913 كی 914 كی 915 كی 916 كی 917 كی 918 كی 919 كی 920 كی 921 كی 922 كی 923 كی 924 كی 925 كی 926 كی 927 كی 928 كی 929 كی 930 كی 931 كی 932 كی 933 كی 934 كی 935 كی 936 كی 937 كی 938 كی 939 كی 940 كی 941 كی 942 كی 943 كی 944 كی 945 كی 946 كی 947 كی 948 كی 949 كی 950 كی 951 كی 952 كی 953 كی 954 كی 955 كی 956 كی 957 كی 958 كی 959 كی 960 كی 961 كی 962 كی 963 كی 964 كی 965 كی 966 كی 967 كی 968 كی 969 كی 970 كی 971 كی 972 كی 973 كی 974 كی 975 كی 976 كی 977 كی 978 كی 979 كی 980 كی 981 كی 982 كی 983 كی 984 كی 985 كی 986 كی 987 كی 988 كی 989 كی 990 كی 991 كی 992 كی 993 كی 994 كی 995 كی 996 كی 997 كی 998 كی 999 كی

Baluchistan Wheels Limited

Manufacturers of Automotive Wheels in Pakistan
<table>
<thead>
<tr>
<th>شمارہ</th>
<th>شرح</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>جنوب غربی</td>
</tr>
<tr>
<td>04</td>
<td>جنوبی ترکمنستان</td>
</tr>
<tr>
<td>04</td>
<td>جنوبی چین</td>
</tr>
<tr>
<td>05</td>
<td>جنوبی افریقا</td>
</tr>
<tr>
<td>01</td>
<td>جنوبی آسیا</td>
</tr>
<tr>
<td>05</td>
<td>جنوبی آسیا</td>
</tr>
<tr>
<td>05</td>
<td>جنوبی آسیا</td>
</tr>
<tr>
<td>05</td>
<td>جنوبی آسیا</td>
</tr>
<tr>
<td>05</td>
<td>جنوبی آسیا</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>شمارہ</th>
<th>شرح</th>
</tr>
</thead>
<tbody>
<tr>
<td>04</td>
<td>جنوبی چین</td>
</tr>
<tr>
<td>04</td>
<td>جنوبی چین</td>
</tr>
<tr>
<td>04</td>
<td>جنوبی چین</td>
</tr>
<tr>
<td>04</td>
<td>جنوبی چین</td>
</tr>
<tr>
<td>04</td>
<td>جنوبی چین</td>
</tr>
</tbody>
</table>

(2019-05-26 نوول)
راتیفیک مشخصات محور تراکر:

<table>
<thead>
<tr>
<th>جماعت</th>
<th>میزان (یو آئی)</th>
<th>میزان نوین</th>
<th>میزان نوین اضافی</th>
<th>میزان نوین روپی</th>
<th>میزان نوین روپی</th>
</tr>
</thead>
<tbody>
<tr>
<td>اکتیو</td>
<td>89.552</td>
<td>37.375</td>
<td>62.412</td>
<td></td>
<td></td>
</tr>
<tr>
<td>دیاکتیو</td>
<td>49.932</td>
<td>30.843</td>
<td>49.426</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

وازن کرک: 25 کیلوگرم

166 مدل باکن در سال 2017 تولید شدند.

بودوکی کرک:

کمترین وزن کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدت حاصلی کرک، به شدتح
کاپی میں میٹر کے لیے کاشت ہے: 

اے پی ٹی کی کابینےء کے میٹر کے لیے کامیابی کا کاپی میں میٹر کے لیے کاشت ہے، جو اپنے انداز میں ایک بڑی کہانی کا حصہ ہے۔ اس کاپی کے لیے ایک بہت خوبصورت میٹر کا کاپی موجود ہے۔ اس میں 10 لہنیا کا پورا کثیر صرف لیٹی اور ایک چیمپیون کے ساتھ کیے جانے والے کاپی میں میٹر کا کاپی موجود ہے۔

کاپی بھی ہوئی ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کامیاب ہوئی ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کمیبھی بھی نہ ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کامیاب ہوئی ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کمیبھی نہ ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کامیاب ہوئی ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کمیبھی نہ ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کامیاب ہوئی ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔

کمیبھی نہ ہے اور دوسرے فلٹوں کے باب کے لیے بھی۔
پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:

پاکستان اور دری Fast Traxx Systems کا پارچہ ہے:
()}
<table>
<thead>
<tr>
<th>معاہدہ</th>
<th>مالکیت</th>
<th>فم</th>
<th>تخلیقی</th>
<th>تحلیلی</th>
</tr>
</thead>
<tbody>
<tr>
<td>مالکیت سال 2018</td>
<td>1,882,640</td>
<td>269,964</td>
<td>107,742</td>
<td>87,789</td>
</tr>
<tr>
<td>مالکیت سال 2019</td>
<td>1,587,558</td>
<td>245,782</td>
<td>93,955</td>
<td>71,512</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>(روپے برابر میں)</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.58</td>
<td>5.36</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>فم</th>
<th>تخلیقی</th>
<th>تحلیلی</th>
<th>تحلیلی</th>
<th>تخلیقی</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.58</td>
<td>5.36</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>مالکیت سال 2018</th>
<th>مالکیت سال 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,882,640</td>
<td>1,587,558</td>
</tr>
<tr>
<td>269,964</td>
<td>245,782</td>
</tr>
<tr>
<td>107,742</td>
<td>93,955</td>
</tr>
<tr>
<td>87,789</td>
<td>71,512</td>
</tr>
</tbody>
</table>

| 6.58 | 5.36 | | | |
داونز کمند رپورٹ
30 جون 2019

آپ کے قوم کی نظر میں 2019 کا سال وہ سال کا سال ہے جو سال کے بہترین اہمیت کا حامل ہے ۔

کاہندری جیٹاکیا

محوری ترقی قومی ہے جو 2019 میں مملکت کو فتح کے سوار کرنا ہے۔ سال 2018 کے بھی بعد سے فرح ہے، اور 2019 میں بھی ہم کو کار کا کام بہتر ہے۔

مزید ترقی کے لئے ہمارے ہم مریضوں کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے۔

تفریح کے لئے بھی ہم کو پیش کیا جا رہا ہے۔ ہم کو کئی اہم نیافتوں جاں غیر امیدوں کی مدد کے ساتھ کام کرنا ہے।
INVESTOR RELATIONS

ANNUAL GENERAL MEETING

The 38th Annual General Meeting of the Company will be held on Saturday, October 26, 2019 at 11:00 am at the Company’s Registered Office, Main RCD Highway, Hub Chowki, District Lasbela, Baluchistan. Eligible shareholders are encouraged to participate and vote at General Meetings.

REGISTERED OFFICE
Main RCD Highway, Hub Chowki, Lasbela, Baluchistan.
Telephone # (0853) 363426, 363428
Fax # (0853) 364025
E-mail: bwfin@cyber.net.pk
Website: http://www.bwheels.com

SHARE REGISTRAR
THK Associates (Pvt) Limited
1st Floor, 40-C, Block-5
P.E.C.H.S., Karachi-75400
E-mail: secretariat@thk.com.pk
UAN#+92 (21) 111-000-322, Direct:+92 (21) 34168270
Fax#+92 (21) 34168271

AUDITORS
EY Ford Rhodes
(Chartered Accountants)

LEGAL ADVISOR
Mohsin Tayebaly & Company
(Advocates)

TAX CONSULTANTS
EY Ford Rhodes
(Chartered Accountants)
Baker Tilly Mehmood
Idrees Qamar
(Chartered Accountants)

STOCK EXCHANGE LISTING
Baluchistan Wheels Limited is listed on Pakistan Stock Exchange Limited

STOCK CODE/Symbol
The stock code/symbol for trading in shares of Baluchistan Wheels Limited is BWHL
INVESTOR RELATIONS CONTACT
Mr. Muhammad Asad Saeed
Company Secretary
Telephone : (+9221) 35650966
Fax: (+9221) 35684003

DIVIDEND
The Board of Directors has proposed a final cash dividend of Rs. 2/- per share (2018: Rs. 3/- per share) amounting to Rs. 26.669 million (2018: Rs. 40.003 million) for the year ended June 30, 2018.

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

DIVIDEND REMITTANCES
The Board of Directors of the Company in their meeting held on September 19, 2019 has recommended the cash dividend of Rs. 2/- per share. If the dividend is approved at the Annual General Meeting will be paid within the statutory time limit of 15 working days.

REPORTING

<table>
<thead>
<tr>
<th>Period</th>
<th>Financial Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Quarter - September 2018</td>
<td>October 26, 2018</td>
</tr>
<tr>
<td>2nd Quarter/Half Yearly - December 2018</td>
<td>February 15, 2019</td>
</tr>
<tr>
<td>3rd Quarter - March 2019</td>
<td>April 18, 2019</td>
</tr>
<tr>
<td>4th Quarter/Annual - June 2019</td>
<td>September 19, 2019</td>
</tr>
</tbody>
</table>

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

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

WEB PRESENCE
The Company maintains a functional website as per the directions and notifications issued by the SECP. Updated information regarding the company can be accessed at its website, www.bwheels.com. The website contains the latest financial results of the Company with the Company’s profile.
The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 as per the following:
   a. Male: 8
   b. Female: 1

2. The composition of board is as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Names</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Directors</td>
<td>Mr. Anis Wahab Zuberi</td>
</tr>
<tr>
<td></td>
<td>Mr. Muhammad Javed</td>
</tr>
<tr>
<td></td>
<td>Mr. Irfan Ahmed Qureshi</td>
</tr>
<tr>
<td>Other-Non-Executive Directors</td>
<td>Syed Haroon Rashid</td>
</tr>
<tr>
<td></td>
<td>Mr. Aamir Amin</td>
</tr>
<tr>
<td></td>
<td>Mrs. Saba Nadeem</td>
</tr>
<tr>
<td>Executive Directors</td>
<td>Mr. Razak H.M. Bengali</td>
</tr>
<tr>
<td></td>
<td>Mr. Muhammad Siddique Misri</td>
</tr>
<tr>
<td></td>
<td>Mr. Muhammad Irfan Ghani</td>
</tr>
</tbody>
</table>

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.

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

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. All the meetings of the board were presided over by the Chairman. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

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

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

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

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

a) **Audit Committee**

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Anis Wahab Zuberi</td>
<td>Chairman</td>
</tr>
<tr>
<td>Mr. Aamir Amin</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Irfan Ahmed Qureshi</td>
<td>Member</td>
</tr>
<tr>
<td>Mrs. Saba Nadeem</td>
<td>Member</td>
</tr>
</tbody>
</table>

b) **HR and Remuneration Committee**

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr. Muhammad Javed</td>
<td>Chairman</td>
</tr>
<tr>
<td>Syed Haroon Rashid</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Anis Wahab Zuberi</td>
<td>Member</td>
</tr>
<tr>
<td>Mr. Muhammad Irfan Ghani</td>
<td>Member</td>
</tr>
</tbody>
</table>

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

14. The frequency of meetings of the committee were as per following:
<table>
<thead>
<tr>
<th>Meetings</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Committee</td>
<td>Four quarterly meetings were held during the financial year ended June 30, 2019.</td>
</tr>
<tr>
<td>HR and Remuneration Committee</td>
<td>One meeting was held during the financial year ended June 30, 2019</td>
</tr>
</tbody>
</table>

15. The board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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

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

SYED HAROON RASHID
Chairman
INDEPENDENT AUDITORS’ REVIEW REPORT

To the members of Baluchistan Wheels Limited (the Company)


We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Baluchistan Wheels Limited for the year ended 30 June 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company’s compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company’s personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors’ statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company’s corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company’s process for identification of related parties and that whether the related party transactions were undertaken at arm’s length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company’s compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2019.

EY Ford Rhodes
Chartered Accountants

Place: Karachi

Date: 25 September 2019
INDEPENDENT AUDITOR'S REPORT

To the members of Baluchistan Wheels Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Baluchistan Wheels Limited (the Company), which comprise the statement of financial position as at 30 June 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of cash flows for the year then ended, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of the profit, comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
Following is the Key audit matter:

<table>
<thead>
<tr>
<th>Key audit matters</th>
<th>How our audit addressed the Key audit matters</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Existence and Valuation of Stock in trade</strong></td>
<td>Our audit procedures included, amongst others, reviewing the management's procedures for evaluating the NRV of stock-in-trade, observing physical stock counts to ascertain the condition and existence of stock-in-trade, performing testing on a sample of items to assess the NRV / valuation of the stock-in-trade held and evaluating the adequacy of write down of stock-in-trade to NRV as at the year end. Further, we evaluated the appropriateness of the basis of identification of the obsolete stock-in-trade and the accuracy of provision for slow moving stock-in-trade assessed by the management, on a test basis. We tested the accuracy of the ageing analysis of stock-in-trade, on a sample basis and cost of goods with underlying invoices and expenses incurred in accordance with stock-in-trade valuation method. We also tested the calculations of per unit cost of finished goods and assessed the appropriateness of management's basis for the allocation of cost and production overheads. We further tested the NRV of stock-in-trade by performing a review of sales close to and subsequent to the year-end and comparing with the cost for a sample of products. We further assessed the adequacy of financial statement disclosures in accordance with the applicable financial reporting framework.</td>
</tr>
</tbody>
</table>

Information Other than the Financial Statements and Auditor’s Report Thereon

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

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

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

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

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

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

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company’s business; and

d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

EY Feroz Khan
Chartered Accountants

Place: Karachi
Date: 25 September 2019
### BALUCHISTAN WHEELS LIMITED
#### Statement of Financial Position
#### As at 30 June 2019

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Note</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>5</td>
<td>449,681</td>
<td>494,967</td>
</tr>
<tr>
<td>Long-term loans and advances – considered good</td>
<td>6</td>
<td>3,415</td>
<td>3,855</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>7</td>
<td>4,607</td>
<td>5,777</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores, spare parts and loose tools</td>
<td>8</td>
<td>50,840</td>
<td>54,455</td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>9</td>
<td>525,105</td>
<td>532,188</td>
</tr>
<tr>
<td>Trade debts - unsecured</td>
<td>10</td>
<td>144,187</td>
<td>165,572</td>
</tr>
<tr>
<td>Loans and advances – considered good</td>
<td>11</td>
<td>15,914</td>
<td>24,805</td>
</tr>
<tr>
<td>Trade deposits and short-term prepayments</td>
<td>12</td>
<td>2,347</td>
<td>2,049</td>
</tr>
<tr>
<td>Other receivables</td>
<td>13</td>
<td>431</td>
<td>928</td>
</tr>
<tr>
<td>Short-term investments</td>
<td>14</td>
<td>102,827</td>
<td>5,516</td>
</tr>
<tr>
<td>Taxation – net</td>
<td>15</td>
<td>129,302</td>
<td>141,608</td>
</tr>
<tr>
<td>Bank balances</td>
<td>16</td>
<td>44,994</td>
<td>31,116</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SHARE CAPITAL AND RESERVES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised capital 26,000,000 (2018: 26,000,000) ordinary shares of Rs.10/- each</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued, subscribed and paid-up capital</td>
<td>16</td>
<td>133,343</td>
<td>133,343</td>
</tr>
<tr>
<td>Reserves</td>
<td>17</td>
<td>1,154,976</td>
<td>1,135,647</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities against assets subject to finance leases</td>
<td>18</td>
<td>989</td>
<td>5,306</td>
</tr>
<tr>
<td>Long-term deposits</td>
<td>19</td>
<td>2,010</td>
<td>2,010</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>20</td>
<td>38,250</td>
<td>34,958</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>21</td>
<td>125,289</td>
<td>133,499</td>
</tr>
<tr>
<td>Unclaimed dividend</td>
<td>6,646</td>
<td>5,281</td>
<td></td>
</tr>
<tr>
<td>Current portion of liabilities against assets subject to finance leases</td>
<td>18</td>
<td>3,747</td>
<td>5,257</td>
</tr>
<tr>
<td>Provision for warranty</td>
<td>22</td>
<td>1,254</td>
<td>5,033</td>
</tr>
<tr>
<td>Sales tax payable-net</td>
<td>23</td>
<td>7,046</td>
<td>2,802</td>
</tr>
<tr>
<td><strong>CONTINGENCIES AND COMMITMENTS</strong></td>
<td>23</td>
<td>144,282</td>
<td>161,872</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,473,550</td>
<td>1,462,836</td>
</tr>
</tbody>
</table>

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

---

Chief Executive

Director

Chief Financial Officer
### BALUCHISTAN WHEELS LIMITED
#### STATEMENT OF PROFIT OR LOSS
##### FOR THE YEAR ENDED 30 JUNE 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover – net</td>
<td>24 1,587,558</td>
<td>25 1,882,640</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>25 (1,341,776)</td>
<td>25 (1,512,676)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Distribution costs</td>
<td>26 (44,945)</td>
<td>26 (60,116)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>27 (92,676)</td>
<td>27 (92,075)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>28 (12,541)</td>
<td>28 (8,284)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>29 (6,791)</td>
<td>29 (1,927)</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other income</td>
<td>30 5,126</td>
<td>30 180</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxation – net</td>
<td>31 (22,443)</td>
<td>31 (19,953)</td>
</tr>
<tr>
<td><strong>Profit after taxation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Earnings per share – Basic and diluted</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

Chief Executive

Director

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

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

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

Chief Executive

Director

Chief Financial Officer
## BALUCHISTAN WHEELS LIMITED
### STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>181,315</td>
<td>57,950</td>
</tr>
<tr>
<td>Employees' benefits paid</td>
<td>(11,699)</td>
<td>(8,921)</td>
</tr>
<tr>
<td>Income tax paid - net</td>
<td>(6,845)</td>
<td>(78,230)</td>
</tr>
<tr>
<td>Long-term loans and advances</td>
<td>440</td>
<td>420</td>
</tr>
<tr>
<td>Long-term deposits - net</td>
<td>1,470</td>
<td>122</td>
</tr>
<tr>
<td><strong>Net cash generated from / (used in) operating activities</strong></td>
<td>164,481</td>
<td>(28,659)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed capital expenditure</td>
<td>(7,980)</td>
<td>(174,618)</td>
</tr>
<tr>
<td>Proceeds from disposal of property, plant and equipment</td>
<td>6,133</td>
<td>1,850</td>
</tr>
<tr>
<td>Profit received on deposit accounts / treasury bills</td>
<td>1,546</td>
<td>5,516</td>
</tr>
<tr>
<td>Short-term investments made during the year</td>
<td>(163,217)</td>
<td>(264,526)</td>
</tr>
<tr>
<td>Short-term investments redeemed during the year</td>
<td>63,461</td>
<td>515,812</td>
</tr>
<tr>
<td>Dividend received</td>
<td>260</td>
<td>372</td>
</tr>
<tr>
<td><strong>Net cash (used in) / generated from investing activities</strong></td>
<td>(99,797)</td>
<td>84,406</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities against asset subject to finance leases - net</td>
<td>(5,827)</td>
<td>2,657</td>
</tr>
<tr>
<td>Finance costs paid</td>
<td>(6,641)</td>
<td>(1,927)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(38,438)</td>
<td>(52,681)</td>
</tr>
<tr>
<td><strong>Net cash used in financing activities</strong></td>
<td>(50,806)</td>
<td>(52,161)</td>
</tr>
<tr>
<td><strong>Net increase in cash and cash equivalents</strong></td>
<td>13,878</td>
<td>3,586</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>31,116</td>
<td>27,530</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at the end of the year</strong></td>
<td>44,994</td>
<td>31,116</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 41 form an integral part of these financial statements.
## BALUCHISTAN WHEELS LIMITED
**Manufacturers of Automotive Wheels in Pakistan**

### STATEMENT OF CHANGES IN EQUITY
**FOR THE YEAR ENDED 30 JUNE 2019**

<table>
<thead>
<tr>
<th></th>
<th>Issued, subscribed and paid-up Capital</th>
<th>Re-measurement loss on defined benefit plan</th>
<th>General reserve</th>
<th>Unappropriated Profit</th>
<th>Total reserves</th>
<th>Total Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 30 June 2017</strong></td>
<td>133,343</td>
<td>(6,860)</td>
<td>160,000</td>
<td>953,692</td>
<td>1,107,742</td>
<td>1,241,085</td>
</tr>
<tr>
<td>Final dividend for the year ended 30 June 2017 @ Rs.4 per share</td>
<td>-</td>
<td>-</td>
<td>(53,337)</td>
<td>(53,337)</td>
<td>(53,337)</td>
<td>(53,337)</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>-</td>
<td>-</td>
<td>87,789</td>
<td>87,789</td>
<td>87,789</td>
<td>87,789</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>-</td>
<td>(6,547)</td>
<td>-</td>
<td>(6,547)</td>
<td>(6,547)</td>
<td>(6,547)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>(6,547)</td>
<td>-</td>
<td>87,789</td>
<td>81,242</td>
<td>81,242</td>
</tr>
<tr>
<td><strong>Balance as at 30 June 2016</strong></td>
<td>133,343</td>
<td>(12,397)</td>
<td>160,000</td>
<td>988,044</td>
<td>1,135,647</td>
<td>1,268,990</td>
</tr>
<tr>
<td>Final dividend for the year ended 30 June 2016 @ Rs.3 per share</td>
<td>-</td>
<td>-</td>
<td>(40,003)</td>
<td>(40,003)</td>
<td>(40,003)</td>
<td>(40,003)</td>
</tr>
<tr>
<td>Net profit for the year</td>
<td>-</td>
<td>(12,480)</td>
<td>-</td>
<td>71,612</td>
<td>71,612</td>
<td>71,612</td>
</tr>
<tr>
<td>Other comprehensive loss</td>
<td>-</td>
<td>-</td>
<td>(12,480)</td>
<td>-</td>
<td>(12,480)</td>
<td>(12,480)</td>
</tr>
<tr>
<td>Total comprehensive income</td>
<td>-</td>
<td>(12,480)</td>
<td>-</td>
<td>71,612</td>
<td>59,032</td>
<td>59,032</td>
</tr>
<tr>
<td><strong>Balance as at 30 June 2019</strong></td>
<td>133,343</td>
<td>(24,877)</td>
<td>160,000</td>
<td>1,019,563</td>
<td>1,154,676</td>
<td>1,288,019</td>
</tr>
</tbody>
</table>

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

---

*Chief Executive*

*Director*

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

1. THE COMPANY AND ITS OPERATIONS

1.1 Baluchistan Wheels Limited (the Company) was incorporated in Pakistan on 16 June 1980. The Company is engaged in manufacturing and marketing of automotive wheel rims for trucks, buses, tractors, cars and mini commercial vehicles. The Company is listed on the Pakistan Stock Exchange Limited. The registered office and factory of the Company is situated at Main RCD Highway, Hub Chowki, Lasbella, Baluchistan, Pakistan.

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

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

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

2.2 Basis of Measurement

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

3. STANDARDS, INTERPRETATIONS AND AMENDMENTS APPLICABLE TO FINANCIAL STATEMENTS

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

New standards, amendments, improvements and interpretations

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

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

Improvements to IFRSs Issued by IASB in December 2016

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

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

[Signature]
IFRS 15  Revenue from Contracts with Customers

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

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

IFRS 9  Financial Instruments

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

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

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

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

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

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

In addition to the above standards, amendments and improvements to various IFRS have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 01 January 2019 respectively. The Company expects that such improvements to the standards will not have any material impact on the Company’s financial statements in the period of initial application.
The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after 1 January 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

<table>
<thead>
<tr>
<th>Standard</th>
<th>Description</th>
<th>Effective Date (annual periods beginning on or after)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IFRS 1</td>
<td>First time adoption of IFRSs</td>
<td>01 January 2004</td>
</tr>
<tr>
<td>IFRS 14</td>
<td>Regulatory Deferral Accounts</td>
<td>01 January 2016</td>
</tr>
<tr>
<td>IFRS 17</td>
<td>Insurance Contracts</td>
<td>01 January 2021</td>
</tr>
</tbody>
</table>

3.1 Significant accounting judgements, estimates and assumptions

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

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

Judgments and estimates made by management that may have a significant risk of material adjustments to the financial statements in subsequent years are as follows:

- residual values and useful lives of property, plant and equipment (note 4.1 and 5.1)
- provision for slow moving and obsolete stores, spares and loose tools and stock-in-trade (notes 4.3 and 4.4)
- provision for expected credit loss on trade debts (note 4.7.3)
- taxation (note 4.8)
- Provision for compensated leaves (note 4.11)
- provision for warranty (note 4.13)
- contingencies (note 23)

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

(i) Owned

Operating fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for the freehold land which is stated at cost.
Depreciation is charged to statement of profit or loss applying the reducing balance method, except for computers which are depreciated on straight line method, at the rates stated in note 5.1. In respect of additions and disposals of assets, depreciation is charged from the day from which an asset is available for use and continues depreciating it until it is depreciaised. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss on disposal of property, plant and equipment (being difference of carrying value and sale proceeds) is included in statement of profit or loss.

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

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

**Capital work-in-progress**

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

(ii) **Leased**

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

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

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

4.2 **Loans and advances**

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

4.3 **Stores, spare parts and loose tools**

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

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

4.4 **Stock-in-trade**

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

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

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

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

Scrap stocks are valued at NRV.

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

4.5 **Trade debts**

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

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

4.7. Financial assets

4.7.1 Initial recognition and measurement

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

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or Fair Value through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Based on the business model of the Company, the financial assets of the Company are measured and classified under IFRS 9.

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

4.7.2 Subsequent measurement

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

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

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

4.7.3 Impairment of financial assets

IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with an ‘expected credit loss’ (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset’s original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

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

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

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

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

4.10 Trade and other payables

These are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

4.11 Staff benefits

Defined benefit plan

The Company operates an approved funded defined gratuity scheme for all permanent employees who have completed the minimum qualifying period of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of 30 June 2019 using Projected Unit Credit method. Re-measurement losses and gains are recognised directly to other comprehensive income and are not reclassified to statement of profit or loss in subsequent periods.

Defined contribution plan

The Company operates an approved defined contributory provident fund scheme for all permanent employees who have completed the minimum qualifying period of service. Equal contributions are made by the Company and the employees to the fund at the rate of 10% of the basic salary for executives and 10% of the basic salary plus cost of living allowance for non-executives.

Compensated absences

Accrual for compensated absences is made to the extent of the value of accrued absences of the employees at the reporting date using their current salary levels as per Company’s policy. No actuarial valuation of compensated absences is carried out as the management considers that the financial impact is not material.

4.12 Provisions

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

4.13 Warranty Obligations

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

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

4.14 Revenue recognition

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

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

4.15 Foreign currency transactions

Transactions in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those appearing on the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Rupees at the rates of exchange approximating those prevailing at the reporting date. Any resulting gain or loss arising from changes in exchange rates
4.16 Dividend and appropriations to reserves

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

4.17 Functional and presentation currency

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

5 PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work-in-progress

5.1 Operating fixed assets

<table>
<thead>
<tr>
<th>COST</th>
<th>Rate</th>
<th>ACCUMULATED DEPRECIATION</th>
<th>NET BOOK VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>As at 30 June 2019</td>
<td>As at 30 June 2019</td>
</tr>
<tr>
<td></td>
<td>As at 01 July 2017</td>
<td>Additions / *Transfer (Disposals)</td>
<td>As at 30 June 2018</td>
</tr>
<tr>
<td>Owned</td>
<td>Freehold land</td>
<td>2,569</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Building on freehold land</td>
<td>105,813</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Plant and machinery</td>
<td>1,012,391</td>
<td>2,243</td>
</tr>
<tr>
<td></td>
<td>Electrical installations</td>
<td>29,266</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Furniture and fittings</td>
<td>5,061</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Vehicles</td>
<td>30,998</td>
<td>3,063</td>
</tr>
<tr>
<td></td>
<td>Office equipment</td>
<td>15,687</td>
<td>2,340</td>
</tr>
<tr>
<td></td>
<td>Computers</td>
<td>5,885</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Library books</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,121,618</strong></td>
<td><strong>67,051</strong></td>
</tr>
</tbody>
</table>

| leased | Vehicles | 17,231 | (1,054) | 16,177 | 4,433 | 2,464 | (237) | 6,600 |
| 2019 | **Total** | **1,122,049** | **67,051** | **1,189,100** | **288,977** | **53,323** | **335,290** |

<table>
<thead>
<tr>
<th>COST</th>
<th>Rate</th>
<th>ACCUMULATED DEPRECIATION</th>
<th>NET BOOK VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>As at 30 June 2018</td>
<td>As at 30 June 2018</td>
</tr>
<tr>
<td></td>
<td>As at 01 July 2017</td>
<td>Additions / *Transfer (Disposals)</td>
<td>As at 30 June 2018</td>
</tr>
<tr>
<td>Owned</td>
<td>Freehold land</td>
<td>2,569</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Building on freehold land</td>
<td>105,813</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Plant and machinery</td>
<td>1,012,391</td>
<td>11,207</td>
</tr>
<tr>
<td></td>
<td>Electrical installations</td>
<td>29,266</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Furniture and fittings</td>
<td>5,061</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Vehicles</td>
<td>31,814</td>
<td>739</td>
</tr>
<tr>
<td></td>
<td>Office equipment</td>
<td>14,311</td>
<td>4,146</td>
</tr>
<tr>
<td></td>
<td>Computers</td>
<td>5,260</td>
<td>316</td>
</tr>
<tr>
<td></td>
<td>Library books</td>
<td>42</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>1,122,049</strong></td>
<td><strong>106,466</strong></td>
</tr>
</tbody>
</table>

| leased | Vehicles | 10,095 | 7,201 | 17,301 | 1,584 | 2,849 | 4,433 |
| 2018 | **Total** | **1,122,649** | **113,667** | **1,236,316** | **755,473** | **46,671** | **802,144** |

* Represents transfer from leased assets to owned assets.
** Represents transfer from capital work-in-progress to owned assets.
5.2 Allocation of depreciation charge is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales</td>
<td>45,257</td>
<td>39,817</td>
</tr>
<tr>
<td>Distribution costs</td>
<td>241</td>
<td>255</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>4,825</td>
<td>5,899</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>50,323</td>
<td>45,671</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Description</th>
<th>Location</th>
<th>Total Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land and building on Main RCD Highway, Hub Chowki, Lasbella, freehold land</td>
<td>Baluchistan, Pakistan</td>
<td>23.96 acres</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>(Rs. in '000)</td>
<td>(Rs. in '000)</td>
</tr>
</tbody>
</table>

5.4 Capital work-in-progress – Plant and machinery

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>59,081</td>
<td>130</td>
</tr>
<tr>
<td>Additions during the year</td>
<td>404</td>
<td>60,093</td>
</tr>
<tr>
<td>Transferred to operating fixed assets</td>
<td>(59,485)</td>
<td>(142)</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>-</td>
<td>59,081</td>
</tr>
</tbody>
</table>

6 LONG-TERM LOANS AND ADVANCES – considered good

<table>
<thead>
<tr>
<th>Loans - secured</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>2,220</td>
<td>2,735</td>
</tr>
<tr>
<td>Executives</td>
<td>1,881</td>
<td>1,399</td>
</tr>
<tr>
<td>Current portion</td>
<td>4,101</td>
<td>4,134</td>
</tr>
<tr>
<td></td>
<td>(1,293)</td>
<td>(1,337)</td>
</tr>
<tr>
<td></td>
<td>2,808</td>
<td>2,797</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advances - secured</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>5,384</td>
<td>13,022</td>
</tr>
<tr>
<td>Executives</td>
<td>1,001</td>
<td>1,441</td>
</tr>
<tr>
<td>Current portion</td>
<td>6,475</td>
<td>14,463</td>
</tr>
<tr>
<td></td>
<td>(5,868)</td>
<td>(13,405)</td>
</tr>
<tr>
<td></td>
<td>607</td>
<td>1,058</td>
</tr>
<tr>
<td></td>
<td>3,415</td>
<td>3,855</td>
</tr>
</tbody>
</table>

6.1 Represent interest-free loans given to executives and employees as per employment terms. These are recoverable in equal monthly installments over a period of four years. These loans are secured against the retirement benefits of employees.

6.2 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 2,972 million (2018: Rs. 2,840 million).

7 LONG-TERM DEPOSITS

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade deposits</td>
<td>3,998</td>
<td>4,063</td>
</tr>
<tr>
<td>Lease deposits</td>
<td>609</td>
<td>1,714</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>4,607</td>
<td>5,777</td>
</tr>
</tbody>
</table>

7.1 Represents unsecured, considered good and non-interest bearing with various parties.
8. **STORES, SPARE PARTS AND LOOSE TOOLS**

<table>
<thead>
<tr>
<th></th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores</td>
<td>4,104</td>
<td>4,498</td>
</tr>
<tr>
<td>Spare parts</td>
<td>99,332</td>
<td>98,908</td>
</tr>
<tr>
<td>Loose tools</td>
<td>1,965</td>
<td>2,169</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>105,401</strong></td>
<td><strong>105,595</strong></td>
</tr>
<tr>
<td>Provision for slow moving:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stores</td>
<td>(273)</td>
<td>(267)</td>
</tr>
<tr>
<td>Spare parts</td>
<td>(53,634)</td>
<td>(50,224)</td>
</tr>
<tr>
<td>Loose tools</td>
<td>(64)</td>
<td>(648)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(54,561)</strong></td>
<td><strong>(51,140)</strong></td>
</tr>
<tr>
<td><strong>Costs</strong></td>
<td><strong>50,840</strong></td>
<td><strong>54,455</strong></td>
</tr>
</tbody>
</table>

8.1 **Movement in provision for slow moving is as follows:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>51,140</td>
<td>47,210</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>3,421</td>
<td>3,930</td>
</tr>
<tr>
<td>Closing balance</td>
<td>54,561</td>
<td>51,140</td>
</tr>
</tbody>
</table>

9. **STOCK-IN-TRADE**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw material and components</td>
<td>233,078</td>
<td>211,283</td>
</tr>
<tr>
<td>Work-in-process</td>
<td>169,843</td>
<td>143,066</td>
</tr>
<tr>
<td>Finished goods</td>
<td>140,299</td>
<td>97,671</td>
</tr>
<tr>
<td>Scrap stock</td>
<td>449</td>
<td>63,627</td>
</tr>
<tr>
<td>Stock-in-transit</td>
<td>543,688</td>
<td>515,547</td>
</tr>
<tr>
<td>Stock-in-transit</td>
<td>36,391</td>
<td></td>
</tr>
<tr>
<td>Provision for slow moving stock</td>
<td>(18,663)</td>
<td>(19,750)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>525,105</strong></td>
<td><strong>532,188</strong></td>
</tr>
</tbody>
</table>

9.1 **Movement in provision for slow moving is as follows:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>19,750</td>
<td>26,072</td>
</tr>
<tr>
<td>Provision made during the year</td>
<td>424</td>
<td></td>
</tr>
<tr>
<td>Reversal during the year</td>
<td>19,750</td>
<td>25,496</td>
</tr>
<tr>
<td>Closing balance</td>
<td>18,563</td>
<td>19,750</td>
</tr>
</tbody>
</table>

10. **TRADE DEBTS - unsecured**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Considered good</td>
<td>144,187</td>
<td>165,572</td>
</tr>
<tr>
<td>Considered doubtful</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provision for expected credit loss</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10.1.1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10.1 **Movement in provision for expected credit loss is as follows:**

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>81</td>
<td>353</td>
</tr>
<tr>
<td>Provision during the year</td>
<td>112</td>
<td>81</td>
</tr>
<tr>
<td>Reversal during the year</td>
<td>193</td>
<td>434</td>
</tr>
<tr>
<td>Written-off during the year</td>
<td>30</td>
<td>(31)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>112</td>
<td>81</td>
</tr>
</tbody>
</table>
11 LOANS AND ADVANCES – considered good

Loans – secured
Current portion of long-term loans 6 1,293 1,337

Advances
Current portion of long-term advances – secured 6 5,868 13,465
For expenses – unsecured 397 400
To suppliers – unsecured 8,356 9,663
14,621 23,468

15,914 24,895

12 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Trade deposits 12.1 505 1,557
Prepayments 842 492
Lease deposits 1,600 
2,347 2,049

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

13 OTHER RECEIVABLES

Worker’s profit participation fund 
Accrued profit on treasury bills 309 -
Dividend receivable 122 193
431 928

14 SHORT-TERM INVESTMENTS

Fair Value through profit or loss
Listed shares 14.1 2,826 5,518

At amortized cost
Treasury bills 14.2 100,001 -
102,827 5,518

14.1 Listed shares

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

<table>
<thead>
<tr>
<th>Company’s Name</th>
<th>Face value of Rs.</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Honda Atlas Cars (Pakistan) Limited</td>
<td>1,483</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Fauji Cement Company Limited</td>
<td>393</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Nishat Mills Limited</td>
<td>467</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Attock Refinery Limited</td>
<td>483</td>
<td>6,250</td>
<td>6,250</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2,826</td>
<td>5,518</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value of securities</td>
<td>2,826</td>
</tr>
<tr>
<td>Carrying value of securities</td>
<td>(4,844)</td>
</tr>
</tbody>
</table>
15 BANK BALANCES

Current accounts  
Deposit accounts  

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

16 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

<table>
<thead>
<tr>
<th>(Number of shares)</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary shares of Rs. 10/- each issued as:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9,276,000</td>
<td>9,276,000</td>
<td>fully paid in cash</td>
</tr>
<tr>
<td>4,058,250</td>
<td>4,058,250</td>
<td>fully paid bonus shares</td>
</tr>
<tr>
<td>13,334,250</td>
<td>13,334,250</td>
<td></td>
</tr>
</tbody>
</table>

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

17 RESERVES

Revenue General Unappropriated profit  

18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Lease payment</td>
<td>Present Value</td>
<td>Minimum Lease Payment</td>
</tr>
<tr>
<td>(Rs. in '000)</td>
<td>(Rs. in '000)</td>
<td>(Rs. in '000)</td>
</tr>
<tr>
<td>Within one year</td>
<td>3,978</td>
<td>3,747</td>
</tr>
<tr>
<td>After one year but not more than five years</td>
<td>1,005</td>
<td>988</td>
</tr>
<tr>
<td>Total minimum lease payments</td>
<td>4,983</td>
<td>4,736</td>
</tr>
<tr>
<td>Amount representing finance charges</td>
<td>(247)</td>
<td>(717)</td>
</tr>
<tr>
<td>Present value of minimum lease Payments</td>
<td>4,736</td>
<td>4,736</td>
</tr>
<tr>
<td>Current portion</td>
<td>(3,747)</td>
<td>(5,257)</td>
</tr>
<tr>
<td></td>
<td>988</td>
<td>988</td>
</tr>
</tbody>
</table>
## BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

### 19 LONG-TERM DEPOSITS

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit from employees</td>
<td>2,010</td>
<td>1,710</td>
</tr>
</tbody>
</table>

19.1 Represent interest-free deposits received from employees on account of executive cars and generator scheme. The amount is adjustable within the period of five and three years respectively against respective assets.

### 20 DEFERRED TAXATION

<table>
<thead>
<tr>
<th>Taxable temporary differences arising due to:</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accelerated tax depreciation</td>
<td>60,492</td>
<td>58,334</td>
</tr>
<tr>
<td>Liabilities against assets subject to finance lease</td>
<td>1,372</td>
<td>640</td>
</tr>
<tr>
<td>Total deductible temporary differences arising due to:</td>
<td>61,864</td>
<td>58,974</td>
</tr>
</tbody>
</table>

### 21 TRADE AND OTHER PAYABLES

| Creditors | 32,024 | 49,236 |
| Accrued liabilities | 48,727 | 42,735 |
| Advance from customers – unsecured | 1,744 | 4,048 |
| Gratuity fund | 17,510 | 10,629 |
| Provident fund | 21.1 | 3 |
| Retention money | 455 | 455 |
| Compensated absences | 6,836 | 8,805 |
| Workers' profit participation fund | 21.3 | - |
| Workers' welfare fund | 15,951 | 17,667 |
| Security deposit | 448 | 448 |
| Mark-up on short-term finance | 250 | - |
| Others | 305 | 873 |
| Total trade and other payables | 125,289 | 133,499 |

### 21.1 Gratuity fund

<table>
<thead>
<tr>
<th>21.1.1 Amount recognised in the statement of financial position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present value of defined benefit obligation</td>
</tr>
<tr>
<td>Fair value of plan asset</td>
</tr>
<tr>
<td>Net liability recognised in the statement of financial position</td>
</tr>
</tbody>
</table>

### 21.1.2 Charge for the year

| Current service cost | 4,552 | 3,264 |
| Net interest cost | 478 | 618 |
| Total charge for the year | 5,030 | 4,082 |

### 21.1.3 Movement in net liability

| Opening balance | 10,629 | 7,617 |
| Net charge for the year | 5,030 | 4,082 |
| Re-measurement loss | 12,480 | 6,647 |
| Paid to fund during the year | (10,029) | (7,617) |
| Closing balance | 17,510 | 10,629 |
### BALUCHISTAN WHEELS LIMITED

Manufacturers of Automotive Wheels in Pakistan

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>21.1.4 Movement in present value of defined benefit obligations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>79,400</td>
<td>74,931</td>
</tr>
<tr>
<td>Current service cost</td>
<td>4,552</td>
<td>3,264</td>
</tr>
<tr>
<td>Interest cost</td>
<td>7,040</td>
<td>6,193</td>
</tr>
<tr>
<td>Benefits paid during the year</td>
<td>(2,356)</td>
<td>(324)</td>
</tr>
<tr>
<td>Re-measurement loss / (gain)</td>
<td>1,627</td>
<td>(4,664)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>90,263</td>
<td>79,400</td>
</tr>
<tr>
<td><strong>21.1.5 Movement in the fair value of plan assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>68,774</td>
<td>67,314</td>
</tr>
<tr>
<td>Expected return</td>
<td>6,661</td>
<td>5,375</td>
</tr>
<tr>
<td>Contributions</td>
<td>10,629</td>
<td>7,617</td>
</tr>
<tr>
<td>Benefits paid during the year</td>
<td>(2,356)</td>
<td>(324)</td>
</tr>
<tr>
<td>Re-measurement loss</td>
<td>(10,852)</td>
<td>(11,211)</td>
</tr>
<tr>
<td>Closing balance</td>
<td>72,753</td>
<td>68,771</td>
</tr>
<tr>
<td><strong>21.1.6 Principal actuarial assumptions used are as follows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td>Expected rate of increase in salary level</td>
<td>15.25</td>
<td>10</td>
</tr>
<tr>
<td>Rate of return on plan assets</td>
<td>14.25</td>
<td>9</td>
</tr>
<tr>
<td>Valuation discount rate</td>
<td>14.25</td>
<td>9</td>
</tr>
<tr>
<td><strong>21.1.7 Composition of plan assets are as follows:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2019 (Rs. in '000)</td>
<td>2018 (Rs. in '000)</td>
</tr>
<tr>
<td>Treasury Bills</td>
<td>34,826</td>
<td>40,226</td>
</tr>
<tr>
<td>Mutual Funds</td>
<td>20,469</td>
<td>16,315</td>
</tr>
<tr>
<td>Equity Investments</td>
<td>7,803</td>
<td>12,158</td>
</tr>
<tr>
<td>Amount in banks</td>
<td>9,655</td>
<td>72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>72,753</td>
<td>68,771</td>
</tr>
</tbody>
</table>

Expected contribution to the fund for the year ending 30 June 2020 is Rs. 7.03 million.

### 21.2 Investments out of provident fund

Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified there under:

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

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>21.3 Workers’ profit participation fund</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginning of the year</td>
<td>(735)</td>
<td>(742)</td>
</tr>
<tr>
<td>Allocation for the year</td>
<td>5,036</td>
<td>5,766</td>
</tr>
<tr>
<td>Payment made during the year - net</td>
<td>4,300</td>
<td>5,024</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>(3,265)</td>
<td>(5,759)</td>
</tr>
<tr>
<td><strong>22 PROVISION FOR WARRANTY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>1,035</td>
<td>735</td>
</tr>
<tr>
<td>(Reversal) / Provision made during the year</td>
<td>5,033</td>
<td>4,007</td>
</tr>
<tr>
<td>Adjustment during the year against claims</td>
<td>(3,011)</td>
<td>1,127</td>
</tr>
<tr>
<td>Closing balance</td>
<td>1,354</td>
<td>5,033</td>
</tr>
</tbody>
</table>
23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 On 6 April 2004, National Bank of Pakistan (NBP) has made a payment to the Privatisation Commission amounting to Rs. 91.25 million and filed a suit in the Honorable High Court of Sindh for the recovery of the same from the Company which was subsequently transferred due to administrative reasons to the Banking Court No. III at Karachi and now pending adjudication. The management, based on the advice of its legal advisor, is of the view that the matter is at the final stage of arguments and the Company has a good defence in the matter. Accordingly, no provision has been made in these financial statements in respect of the above matter.

23.1.2 On 6 August 2001, the Company has filed a suit before the High Court of Sindh at Karachi, against NBP for satisfaction of Charge On Asset which was created in anticipation of a prospective loan / finance to be provided by NBP to the Company. As the proposed loan / finance has not been obtained from NBP by the Company, the charge should have been redeemed by NBP. Currently, the matter is at the state of evidence of the parties. The management, based on the advice of legal advisor, is of the view that no financial implications will arise to the Company as result of this suit and accordingly, no provision has been made in this respect in these financial statements.

23.1.3 Some former non-executive employees have filed cases against the Company on various matters before the court of law which are pending sub judice. In the opinion of legal advisor, there is no financial exposure to the Company and hence, no provision has been made in this respect in these financial statements.

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

23.1.4 On January 25, 2018, the Additional Commissioner Inland Revenue (ACIR) has amended the assessment and issued order under section 122 (5A) of the Income Tax Ordinance, (ITO) 2001, for tax year 2015, and created arbitrary tax demand of Rs. 36.556 million. Being aggrieved with the order of the concerned ACIR, the Company has filed an appeal before the Commissioner Inland Revenue Appeals – I (CIR (A) on which the concerned CIR (A) through its order under section 129 of the Income Tax Ordinance, 2001, has deleted certain additions and has remanded back the case to the concerned ACIR on account of certain additions. The ACIR has filed an appeal on the issues which were deleted by the CIR(A) before Appellate Tribunal Inland Revenue (ATIR) and are pending adjudication.

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

23.1.5 On 27 September 2016, Deputy Commissioner Inland Revenue (DClR) has amended the assessment and issued order under section 122 (5A) of the ITO for the tax year 2017, reducing tax refunds for the said tax year by Rs. 28.39 million. Being aggrieved, the Company filed an appeal before ACIR, who maintained the demand of DCIR through appellate order dated 15 January 2019. The Company filed appeal before ATIR which is pending adjudication.

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

<table>
<thead>
<tr>
<th></th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td>(Rs. in '000)</td>
</tr>
<tr>
<td>Outstanding letter of guarantees</td>
<td>5,212</td>
<td>4,512</td>
</tr>
<tr>
<td>Outstanding letters of credit</td>
<td>76,137</td>
<td>167,536</td>
</tr>
</tbody>
</table>
BALUCHISTAN WHEELS LIMITED
Manufacturers of Automotive Wheels in Pakistan

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local sales</td>
<td>1,855,475</td>
<td>2,199,205</td>
</tr>
<tr>
<td>Sales return</td>
<td>(5,159)</td>
<td>(4,288)</td>
</tr>
<tr>
<td>Sales tax</td>
<td>(269,599)</td>
<td>(318,543)</td>
</tr>
<tr>
<td>Export sales</td>
<td>6,841</td>
<td>7,266</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,587,558</td>
<td>1,882,940</td>
</tr>
</tbody>
</table>

24.1 Local sales include scrap sales of Rs. 62,631 (2018: Rs. 38,096) million.

25 COST OF SALES

<table>
<thead>
<tr>
<th>Raw material and packaging consumed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening stock</td>
</tr>
<tr>
<td>Raw material</td>
</tr>
<tr>
<td>9 211,283</td>
</tr>
<tr>
<td>Scrap</td>
</tr>
<tr>
<td>9 63,527</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>9 274,810</td>
</tr>
<tr>
<td>Purchases</td>
</tr>
<tr>
<td>986,622</td>
</tr>
<tr>
<td>Closing stock</td>
</tr>
<tr>
<td>Raw material</td>
</tr>
<tr>
<td>9 (233,079)</td>
</tr>
<tr>
<td>Scrap</td>
</tr>
<tr>
<td>9 (449)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>9 (233,527)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>9 1,027,905</td>
</tr>
<tr>
<td>Manufacturing overheads</td>
</tr>
<tr>
<td>Salaries, wages and benefits</td>
</tr>
<tr>
<td>25.1 164,599</td>
</tr>
<tr>
<td>Stores, spare parts and loose tools consumed</td>
</tr>
<tr>
<td>6.2 63,315</td>
</tr>
<tr>
<td>Depreciation</td>
</tr>
<tr>
<td>45,267</td>
</tr>
<tr>
<td>Fuel and power</td>
</tr>
<tr>
<td>44,070</td>
</tr>
<tr>
<td>Outsourced job contractor</td>
</tr>
<tr>
<td>32,783</td>
</tr>
<tr>
<td>Staff transportation</td>
</tr>
<tr>
<td>15,708</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
</tr>
<tr>
<td>4,680</td>
</tr>
<tr>
<td>Insurance</td>
</tr>
<tr>
<td>3,778</td>
</tr>
<tr>
<td>Provision for slow moving stores, spare parts and loose tools</td>
</tr>
<tr>
<td>3,421</td>
</tr>
<tr>
<td>Vehicle running expenses</td>
</tr>
<tr>
<td>2,945</td>
</tr>
<tr>
<td>Entertainment</td>
</tr>
<tr>
<td>2,051</td>
</tr>
<tr>
<td>Communication</td>
</tr>
<tr>
<td>651</td>
</tr>
<tr>
<td>Printing and stationery</td>
</tr>
<tr>
<td>547</td>
</tr>
<tr>
<td>Travelling and conveyance</td>
</tr>
<tr>
<td>193</td>
</tr>
<tr>
<td>Computer expenses</td>
</tr>
<tr>
<td>104</td>
</tr>
<tr>
<td>Subscription</td>
</tr>
<tr>
<td>48</td>
</tr>
<tr>
<td>Slow moving stock-in-trade provision made during the year</td>
</tr>
<tr>
<td>9.1 (1,187)</td>
</tr>
<tr>
<td>reversal during the year</td>
</tr>
<tr>
<td>9.1 (5,746)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>312</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>383,275</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td>1,411,180</td>
</tr>
</tbody>
</table>

Cost of sales

<table>
<thead>
<tr>
<th>30 June 2019 (Rs. in '000)</th>
<th>30 June 2018 (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening process</td>
<td></td>
</tr>
<tr>
<td>9 143,066</td>
<td></td>
</tr>
<tr>
<td>(165,843)</td>
<td></td>
</tr>
<tr>
<td>(26,777)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>1,384,403</td>
<td></td>
</tr>
<tr>
<td>Finished goods</td>
<td></td>
</tr>
<tr>
<td>Opening</td>
<td></td>
</tr>
<tr>
<td>9 97,671</td>
<td></td>
</tr>
<tr>
<td>(140,288)</td>
<td></td>
</tr>
<tr>
<td>(42,627)</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>1,341,778</td>
<td></td>
</tr>
</tbody>
</table>
25.1 Included herein are the following employees' benefits:

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonus</td>
<td>12,324</td>
<td>10,898</td>
</tr>
<tr>
<td>Medical</td>
<td>5,003</td>
<td>4,584</td>
</tr>
<tr>
<td>Defined benefit plan – gratuity</td>
<td>3,773</td>
<td>3,062</td>
</tr>
<tr>
<td>Defined contribution plan – provident fund</td>
<td>3,496</td>
<td>3,157</td>
</tr>
<tr>
<td>Accrual for compensated absences</td>
<td>1,192</td>
<td>1,596</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>25,788</strong></td>
<td><strong>23,286</strong></td>
</tr>
</tbody>
</table>

26 DISTRIBUTION COSTS

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carriage and forwarding</td>
<td>26,700</td>
<td>39,208</td>
</tr>
<tr>
<td>Salaries and benefits</td>
<td>13,774</td>
<td>12,700</td>
</tr>
<tr>
<td>Outsourced service expenses</td>
<td>2,452</td>
<td>2,299</td>
</tr>
<tr>
<td>Entertainment</td>
<td>1,768</td>
<td>1,491</td>
</tr>
<tr>
<td>Vehicle running expenses</td>
<td>1,359</td>
<td>996</td>
</tr>
<tr>
<td>Utilities</td>
<td>524</td>
<td>504</td>
</tr>
<tr>
<td>Insurance</td>
<td>510</td>
<td>554</td>
</tr>
<tr>
<td>Selling expense – exports</td>
<td>313</td>
<td>267</td>
</tr>
<tr>
<td>Depreciation</td>
<td>241</td>
<td>265</td>
</tr>
<tr>
<td>Communication</td>
<td>118</td>
<td>97</td>
</tr>
<tr>
<td>Staff transportation</td>
<td>9</td>
<td>117</td>
</tr>
<tr>
<td>Advertisement</td>
<td>40</td>
<td>107</td>
</tr>
<tr>
<td>Travelling and conveyance</td>
<td></td>
<td>234</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>12</td>
<td>41</td>
</tr>
<tr>
<td>(Reversal) / provision of warranty</td>
<td>(3,011)</td>
<td>1,127</td>
</tr>
<tr>
<td>Others</td>
<td>134</td>
<td>119</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44,945</strong></td>
<td><strong>60,116</strong></td>
</tr>
</tbody>
</table>

25.1 Included herein are the following employees' benefits:

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bonus</td>
<td>822</td>
<td>727</td>
</tr>
<tr>
<td>Defined contribution plan – provident fund</td>
<td>726</td>
<td>653</td>
</tr>
<tr>
<td>Medical</td>
<td>281</td>
<td>517</td>
</tr>
<tr>
<td>Defined benefit plan – gratuity</td>
<td>251</td>
<td>204</td>
</tr>
<tr>
<td>Accrual for compensated absences</td>
<td>19</td>
<td>49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,099</strong></td>
<td><strong>2,150</strong></td>
</tr>
</tbody>
</table>

27 ADMINISTRATIVE EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries and benefits</td>
<td>48,382</td>
<td>45,258</td>
</tr>
<tr>
<td>Outsourced service expenses</td>
<td>8,537</td>
<td>8,328</td>
</tr>
<tr>
<td>Vehicle running expenses</td>
<td>6,690</td>
<td>7,118</td>
</tr>
<tr>
<td>Corporate expenses</td>
<td>5,611</td>
<td>5,210</td>
</tr>
<tr>
<td>Depreciation</td>
<td>4,825</td>
<td>5,589</td>
</tr>
<tr>
<td>Entertainment</td>
<td>3,570</td>
<td>5,128</td>
</tr>
<tr>
<td>Rent, rates and taxes</td>
<td>2,955</td>
<td>2,709</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,787</td>
<td>3,003</td>
</tr>
<tr>
<td>Legal and professional charges</td>
<td>2,080</td>
<td>2,122</td>
</tr>
<tr>
<td>Auditor's remuneration</td>
<td>1,286</td>
<td>1,168</td>
</tr>
<tr>
<td>Doubtful advances written-off</td>
<td>1,163</td>
<td>1,063</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,053</td>
<td>1,287</td>
</tr>
<tr>
<td>Communication</td>
<td>759</td>
<td>972</td>
</tr>
<tr>
<td>Staff transportation</td>
<td>681</td>
<td>704</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>419</td>
<td>878</td>
</tr>
<tr>
<td>General stores supplies</td>
<td>594</td>
<td>739</td>
</tr>
<tr>
<td>Computer expenses</td>
<td>398</td>
<td>600</td>
</tr>
<tr>
<td>Travelling and conveyance</td>
<td>338</td>
<td>165</td>
</tr>
<tr>
<td>Subscription</td>
<td>228</td>
<td>141</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>202</td>
<td>354</td>
</tr>
<tr>
<td>Advertisement</td>
<td>135</td>
<td>28</td>
</tr>
<tr>
<td>Provision for expected credit loss</td>
<td>112</td>
<td>81</td>
</tr>
<tr>
<td>Others</td>
<td>341</td>
<td>467</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>677</strong></td>
<td><strong>675</strong></td>
</tr>
</tbody>
</table>
### BALUCHISTAN WHEELS LIMITED

#### 30 June 2019 vs 30 June 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>(Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>27.1 Included herein are the following employees' benefits:</td>
<td></td>
</tr>
<tr>
<td>Bonus</td>
<td>3,286</td>
</tr>
<tr>
<td>Defined contribution plan - provident fund</td>
<td>1,884</td>
</tr>
<tr>
<td>Medical</td>
<td>1,850</td>
</tr>
<tr>
<td>Defined benefit plan - gratuity</td>
<td>1,006</td>
</tr>
<tr>
<td>Accrual for compensated absences</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,926</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>27.2 Auditor's remuneration</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Statutory audit fee</td>
<td>715</td>
</tr>
<tr>
<td>Fees for limited scope review</td>
<td>150</td>
</tr>
<tr>
<td>Code of Corporate Governance</td>
<td>65</td>
</tr>
<tr>
<td>Other certifications</td>
<td>135</td>
</tr>
<tr>
<td>Out of pocket expenses</td>
<td>221</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,266</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>28 OTHER EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers' profits participation fund</td>
<td>5,035</td>
</tr>
<tr>
<td>Workers' welfare fund</td>
<td>1,704</td>
</tr>
<tr>
<td>Exchange loss - net</td>
<td>5,802</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>12,541</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>29 FINANCE COSTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Markup on running finance</td>
<td>5,912</td>
</tr>
<tr>
<td>Finance lease obligations</td>
<td>606</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,520</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>30 OTHER INCOME</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Income from financial assets</td>
<td></td>
</tr>
<tr>
<td>Profit on deposit accounts</td>
<td>1,417</td>
</tr>
<tr>
<td>Profit on treasury bills</td>
<td>438</td>
</tr>
<tr>
<td>Dividend income</td>
<td>189</td>
</tr>
<tr>
<td>Realised loss on redemption of investments</td>
<td>(327)</td>
</tr>
<tr>
<td>Unrealised loss on revaluation of investments</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>(2,118)</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income from non-financial assets</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liability no longer payable</td>
<td>4,298</td>
</tr>
<tr>
<td>Gain on sale of property, plant and equipment</td>
<td>3,080</td>
</tr>
<tr>
<td>Reversal of provision for expected credit loss</td>
<td>81</td>
</tr>
<tr>
<td>Disposal of waste / others</td>
<td>(2,254)</td>
</tr>
<tr>
<td>Others</td>
<td>312</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,827</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,126</strong></td>
</tr>
</tbody>
</table>
### BALUCHISTAN WHEELS LIMITED

#### 31 TAXATION

<table>
<thead>
<tr>
<th>Note</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td>20,808</td>
<td>16,109</td>
</tr>
<tr>
<td>Prior</td>
<td>(1,657)</td>
<td>(1,934)</td>
</tr>
<tr>
<td>Deferred</td>
<td>3,292</td>
<td>5,778</td>
</tr>
<tr>
<td>31.1</td>
<td>22,443</td>
<td>19,953</td>
</tr>
</tbody>
</table>

#### 31.1 Relationship between accounting profit before tax and Taxation

<table>
<thead>
<tr>
<th>Description</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting profit for the year before taxation</td>
<td>93,955</td>
<td>107,742</td>
</tr>
<tr>
<td>Tax at applicable rate of 29% (2018: 30%)</td>
<td>27,247</td>
<td>32,323</td>
</tr>
<tr>
<td>Tax effects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- expenses that are not allowable in determining taxable income</td>
<td>882</td>
<td>1,312</td>
</tr>
<tr>
<td>(1,657)</td>
<td>(1,834)</td>
<td></td>
</tr>
<tr>
<td>- prior year</td>
<td>523</td>
<td>84</td>
</tr>
<tr>
<td>- income subject to reduced rates</td>
<td>-</td>
<td>(1,205)</td>
</tr>
<tr>
<td>- change in tax rates</td>
<td>(3,606)</td>
<td>(10,627)</td>
</tr>
<tr>
<td>- credit for investment in plant and machinery</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective tax rate %</td>
<td>23.89</td>
<td>18.52</td>
</tr>
</tbody>
</table>

#### 32 EARNINGS PER SHARE BASIC AND DILUTED

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

- **Profit for the year after taxation (Rs. in '000)**
  - **30 June 2019**: 71,512
  - **30 June 2018**: 87,789

- **Number of shares**
  - **30 June 2019**: 13,334
  - **30 June 2018**: 13,334

- **Basic earnings per share (Rupees)**
  - **30 June 2019**: 5.36
  - **30 June 2018**: 0.58

#### 33 CASH GENERATED FROM OPERATIONS

Profit before taxation: 93,955

<table>
<thead>
<tr>
<th>Adjustments for:</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>50,323</td>
<td>45,671</td>
</tr>
<tr>
<td>Gain on sale of property, plant and equipment</td>
<td>(3,090)</td>
<td>(601)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>6,791</td>
<td>1,927</td>
</tr>
<tr>
<td>Provision for slow moving stores, spare parts and loose tools</td>
<td>3,421</td>
<td>3,930</td>
</tr>
<tr>
<td>Reversal for slow moving stock-in-trade - net</td>
<td>(1,187)</td>
<td>(5,322)</td>
</tr>
<tr>
<td>Provision / (reversal) for expected credit loss - net</td>
<td>31</td>
<td>(241)</td>
</tr>
<tr>
<td>Provision for compensated absences</td>
<td>1,301</td>
<td>1,824</td>
</tr>
<tr>
<td>(Reversal) / provision for warranty claims</td>
<td>(3,879)</td>
<td>1,127</td>
</tr>
<tr>
<td>Provision for employees' benefits</td>
<td>5,030</td>
<td>4,082</td>
</tr>
<tr>
<td>Profit on deposit accounts / treasury bills</td>
<td>(1,855)</td>
<td>(3,567)</td>
</tr>
<tr>
<td>Loss on revaluation and redemption of listed shares</td>
<td>2,445</td>
<td>4,869</td>
</tr>
<tr>
<td>Dividend income</td>
<td>(189)</td>
<td>(372)</td>
</tr>
<tr>
<td>Working capital changes</td>
<td>59,342</td>
<td>53,357</td>
</tr>
<tr>
<td></td>
<td><strong>153,297</strong></td>
<td><strong>161,079</strong></td>
</tr>
<tr>
<td></td>
<td><strong>28,018</strong></td>
<td><strong>103,129</strong></td>
</tr>
<tr>
<td></td>
<td><strong>181,315</strong></td>
<td><strong>67,960</strong></td>
</tr>
</tbody>
</table>
33.1 Working capital changes

Decrease / (increase) in current assets
Stores, spare parts and loose tools 194 (2,455)
Stock-in-trade 8,270 (7,992)
Trade debts — unsecured 21,354 (69,519)
Loans and advances — considered good 8,691 7,787
Trade deposits, short term prepayments and other receivables 437 (541)
Sales tax refundable 4,244 11,356

43,390 (61,364)

Decrease in current liabilities
Trade and other payables (15,372) (41,765)
28,018 (103,129)

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

<table>
<thead>
<tr>
<th>CHIEF EXECUTIVE</th>
<th>DIRECTORS</th>
<th>EXECUTIVES</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>6,679</td>
<td>5,904</td>
<td>12,776</td>
</tr>
<tr>
<td>Housing</td>
<td>2,961</td>
<td>2,837</td>
<td>5,748</td>
</tr>
<tr>
<td>Retirement benefits</td>
<td>2,328</td>
<td>1,793</td>
<td>4,639</td>
</tr>
<tr>
<td>Bonus</td>
<td>1,963</td>
<td>2,273</td>
<td>3,808</td>
</tr>
<tr>
<td>Medical expenses</td>
<td>729</td>
<td>416</td>
<td>1,333</td>
</tr>
<tr>
<td>Utilities</td>
<td>512</td>
<td>397</td>
<td>1,031</td>
</tr>
<tr>
<td>Leave fare Assistance</td>
<td>-</td>
<td>1,000</td>
<td>675</td>
</tr>
</tbody>
</table>

15,077 14,440 30,120 26,791 14,699 8,562 69,796 49,793

Number 1 1 2 2 2 2 7 5

34.2 In addition, the Chief Executive, directors and certain executives are also provided with free use of the Company’s maintained cars, household items and other benefits in accordance with their terms of employment.

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

35 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Taken as a whole, the Company is exposed to market risk (including equity price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Company's principal financial liabilities comprise trade and other payables and liabilities against assets subject to finance lease. The main purpose of these financial liabilities is to raise finance for the Company's operations. The Company has various financial assets such as short-term investments, loans, trade debts and cash and bank balances, which are directly related to its operations.

The Board of Directors has overall responsibility for the establishment and oversight of Company’s risk management framework. The Board is also responsible for developing and monitoring the Company’s risk management policies. The Company’s overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. No changes were made in the objectives, policies or processes and assumptions during the year ended 30 June 2019 which are summarized below:
35.1 Market risk

Market risk is the risk that fair value of future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity risk.

(i) Equity price risk

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

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in a foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company is not materially exposed to foreign currency risk.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's liabilities against assets subject to finance lease. The Company mitigates its risk by maintaining excess funds in savings accounts with floating interest rates.

Sensitivity analysis

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

<table>
<thead>
<tr>
<th>Increase / decrease in interest rate (%)</th>
<th>Effect on profit (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 2019</td>
<td></td>
</tr>
<tr>
<td>+2</td>
<td>489</td>
</tr>
<tr>
<td>-2</td>
<td>(489)</td>
</tr>
<tr>
<td>30 June 2018</td>
<td></td>
</tr>
<tr>
<td>+2</td>
<td>198</td>
</tr>
<tr>
<td>-2</td>
<td>(198)</td>
</tr>
</tbody>
</table>

35.2 Credit risk

Credit risk represents the financial loss that would be recognised at the reporting date if counter parties failed to perform as contracted. The Company manages credit risk through having exposure only to customers and parties considered credit worthy and obtaining securities where applicable. As of the reporting date, the Company is exposed to credit risk on the following assets:

<table>
<thead>
<tr>
<th>Carrying values</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
<th>Note (Rs. in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loans</td>
<td>6</td>
<td>4,101</td>
<td>4,134</td>
</tr>
<tr>
<td>Deposits and other receivables</td>
<td>6,112</td>
<td>6,112</td>
<td>7,334</td>
</tr>
<tr>
<td>Trade debts - unsecured</td>
<td>14</td>
<td>144,187</td>
<td>165,572</td>
</tr>
<tr>
<td>Short term investment</td>
<td>14</td>
<td>102,827</td>
<td>5,516</td>
</tr>
<tr>
<td>Bank balances</td>
<td>15</td>
<td>44,994</td>
<td>31,116</td>
</tr>
<tr>
<td></td>
<td>302,221</td>
<td>213,672</td>
<td></td>
</tr>
</tbody>
</table>
BALUCHISTAN WHEELS LIMITED
Manufacturers of Automotive Wheels in Pakistan

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:

<table>
<thead>
<tr>
<th></th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td>(Rs. in '000)</td>
</tr>
<tr>
<td>Neither past due nor impaired</td>
<td>85,826</td>
<td>142,698</td>
</tr>
<tr>
<td>Past due but not impaired:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Within 90 days</td>
<td>54,223</td>
<td>22,548</td>
</tr>
<tr>
<td>Within 90 to 180 days</td>
<td>4,138</td>
<td>326</td>
</tr>
<tr>
<td>Over 180 days</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>144,187</td>
<td>165,572</td>
</tr>
</tbody>
</table>

35.2.1 The ageing analysis of unimpaired trade debts at 30 June is as follows:

35.2.2 Bank balances

Ratings
A1+

44,994
31,116

35.3 Liquidity risk

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

The Company applies prudent risk management policies by maintaining sufficient bank balances and by keeping committed credit lines. At the reporting date, the Company has unavailed facility of Rs. 336 million for a running finance facility which carries interest rate ranging between 0.75% and 1% percent plus 3 months average KIBOR and is secured against the stock and book debts of the Company for Rs. 463.6 million. The table below summarises the maturity profile of the Company's financial liabilities at the following reporting dates:

<table>
<thead>
<tr>
<th></th>
<th>On demand</th>
<th>Less than 3 Months</th>
<th>3 to 12 months</th>
<th>1 to 5 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 June 2019</td>
<td>2,010</td>
<td>4,736</td>
<td>2,999</td>
<td>88,955</td>
<td></td>
</tr>
<tr>
<td>Long-term deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities against asset subject to finance leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>82,209</td>
<td>625</td>
<td>3,122</td>
<td>82,209</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>On demand</th>
<th>Less than 3 Months</th>
<th>3 to 12 months</th>
<th>1 to 5 Years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rs. in '000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30 June 2018</td>
<td>1,710</td>
<td>4,381</td>
<td>5,030</td>
<td>10,663</td>
<td></td>
</tr>
<tr>
<td>Long-term deposits</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liabilities against asset subject to finance leases</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>93,747</td>
<td>876</td>
<td>4,381</td>
<td>93,747</td>
<td></td>
</tr>
</tbody>
</table>

35.4 Capital risk management

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

The Company manages its capital structure and makes adjustments 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 minimize risk. However as of reporting date the Company is mainly financed through equity.
36 TRANSACTIONS WITH RELATED PARTIES

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

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Nature of transactions</th>
<th>30 June 2019</th>
<th>30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key management personnel</td>
<td>Sale of vehicles / equipment</td>
<td>-</td>
<td>476</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>Dividend paid to directors and others</td>
<td>22,680</td>
<td>27,977</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>Loan given during the year</td>
<td>1,881</td>
<td>1,399</td>
</tr>
<tr>
<td>Key management personnel</td>
<td>Advances paid during the year</td>
<td>1,091</td>
<td>1,441</td>
</tr>
</tbody>
</table>

37 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

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

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

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

<table>
<thead>
<tr>
<th>Investments designated 'at fair value through profit or loss'</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Listed Shares</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>2,626</td>
<td>-</td>
<td>-</td>
<td>2,626</td>
</tr>
<tr>
<td>2018</td>
<td>5,516</td>
<td>-</td>
<td>-</td>
<td>5,516</td>
</tr>
</tbody>
</table>

38 PLANT CAPACITY AND ACTUAL PRODUCTION

**Plant capacity – single shift (estimated)**

| 38.1 | 850   | 850 |

**Actual production**

|                      | 662   | 812 |

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

39 NUMBER OF EMPLOYEES

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

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>At year end</td>
<td>272</td>
<td>290</td>
</tr>
<tr>
<td>Average employees</td>
<td>260</td>
<td>293</td>
</tr>
</tbody>
</table>
DIVIDEND AND APPROPRIATIONS

The Board of Directors in its meeting held on September 19, 2019 proposed final cash dividend of Rs. 2.25/- per share for the year ended June 30, 2019 amounting to Rs. 26.16 million for approval of the members at the Annual General Meeting to be held on October 24, 2019.

GENERAL

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

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

41.3 These financial statements have been authorised for issue on September 19, 2019 by the Board of Directors of the Company.

[Signatures]

Chief Executive
Director
Chief Financial Officer
# PATTERN OF SHAREHOLDING

## AS AT JUNE 30, 2019

### SHAREHOLDING RANGE

<table>
<thead>
<tr>
<th>NO. OF SHAREHOLDERS</th>
<th>FROM</th>
<th>TO</th>
<th>NO. OF SHARES</th>
</tr>
</thead>
<tbody>
<tr>
<td>647</td>
<td>1</td>
<td>100</td>
<td>27,541</td>
</tr>
<tr>
<td>472</td>
<td>101</td>
<td>500</td>
<td>130,898</td>
</tr>
<tr>
<td>113</td>
<td>501</td>
<td>1000</td>
<td>86,238</td>
</tr>
<tr>
<td>90</td>
<td>1,001</td>
<td>5000</td>
<td>181,736</td>
</tr>
<tr>
<td>16</td>
<td>5001</td>
<td>10000</td>
<td>126,713</td>
</tr>
<tr>
<td>3</td>
<td>10001</td>
<td>15000</td>
<td>32,262</td>
</tr>
<tr>
<td>1</td>
<td>15001</td>
<td>20000</td>
<td>18,500</td>
</tr>
<tr>
<td>1</td>
<td>30001</td>
<td>35000</td>
<td>33,715</td>
</tr>
<tr>
<td>1</td>
<td>35001</td>
<td>40000</td>
<td>37,000</td>
</tr>
<tr>
<td>1</td>
<td>50001</td>
<td>55000</td>
<td>55,000</td>
</tr>
<tr>
<td>1</td>
<td>80001</td>
<td>85000</td>
<td>82,800</td>
</tr>
<tr>
<td>2</td>
<td>85001</td>
<td>90000</td>
<td>175,500</td>
</tr>
<tr>
<td>1</td>
<td>110001</td>
<td>115000</td>
<td>110,400</td>
</tr>
<tr>
<td>1</td>
<td>145001</td>
<td>150000</td>
<td>145,562</td>
</tr>
<tr>
<td>1</td>
<td>230001</td>
<td>235000</td>
<td>234,500</td>
</tr>
<tr>
<td>1</td>
<td>245001</td>
<td>250000</td>
<td>248,900</td>
</tr>
<tr>
<td>1</td>
<td>285001</td>
<td>290000</td>
<td>297,500</td>
</tr>
<tr>
<td>1</td>
<td>325001</td>
<td>330000</td>
<td>328,000</td>
</tr>
<tr>
<td>1</td>
<td>340001</td>
<td>345000</td>
<td>341,603</td>
</tr>
<tr>
<td>1</td>
<td>380001</td>
<td>385000</td>
<td>381,165</td>
</tr>
<tr>
<td>1</td>
<td>435001</td>
<td>440000</td>
<td>437,201</td>
</tr>
<tr>
<td>1</td>
<td>480001</td>
<td>485000</td>
<td>482,083</td>
</tr>
<tr>
<td>1</td>
<td>620001</td>
<td>625000</td>
<td>624,240</td>
</tr>
<tr>
<td>1</td>
<td>645001</td>
<td>650000</td>
<td>646,478</td>
</tr>
<tr>
<td>1</td>
<td>1245001</td>
<td>1250000</td>
<td>1,249,050</td>
</tr>
<tr>
<td>1</td>
<td>1280001</td>
<td>1285000</td>
<td>1,282,825</td>
</tr>
<tr>
<td>1</td>
<td>1325001</td>
<td>1330000</td>
<td>1,328,360</td>
</tr>
<tr>
<td>1</td>
<td>1570001</td>
<td>1575000</td>
<td>1,571,971</td>
</tr>
<tr>
<td>1</td>
<td>2645001</td>
<td>2650000</td>
<td>2,646,410</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,365</strong></td>
<td><strong>13,334,250</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

### Categories of Shareholders

<table>
<thead>
<tr>
<th>Categories of Shareholders</th>
<th>Number of Shareholders</th>
<th>Number of Shares Held</th>
<th>Percentage(%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPONSORS, DIRECTORS, THEIR SPOUSES &amp; MINOR CHILDREN</td>
<td>11</td>
<td>7,038,103</td>
<td>52.78</td>
</tr>
<tr>
<td>BANK, DFI &amp; NBFI</td>
<td>4</td>
<td>1,657,828</td>
<td>12.43</td>
</tr>
<tr>
<td>INSURANCE COMPANIES</td>
<td>1</td>
<td>341,603</td>
<td>2.56</td>
</tr>
<tr>
<td>MODARABAS &amp; MUTUAL FUND</td>
<td>6</td>
<td>343,018</td>
<td>2.57</td>
</tr>
<tr>
<td>FOREIGN COMPANIES</td>
<td>7</td>
<td>5,065</td>
<td>0.04</td>
</tr>
<tr>
<td>OTHERS</td>
<td>20</td>
<td>1,920,171</td>
<td>14.40</td>
</tr>
<tr>
<td>GENERAL PUBLIC</td>
<td>1,158</td>
<td>1,973,325</td>
<td>14.80</td>
</tr>
<tr>
<td>--- LOCAL</td>
<td>158</td>
<td>54,117</td>
<td>0.41</td>
</tr>
<tr>
<td>--- FOREIGN</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,365</strong></td>
<td><strong>13,334,250</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>
# PATTERN OF SHAREHOLDING - BREAKUP

**AS AT JUNE 30, 2019**

<table>
<thead>
<tr>
<th>CATEGORIES OF SHAREHOLDERS</th>
<th>NO. OF SHAREHOLDERS</th>
<th>SHARES HELD PERCENTAGE (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DIRECTORS, AND THEIR SPOUSES AND MINOR-CHILDREN</strong></td>
<td>11</td>
<td>52.78%</td>
</tr>
<tr>
<td>1 MR. RAZAK BENGALI</td>
<td>1,571,971</td>
<td></td>
</tr>
<tr>
<td>2 MRS. GUL BANO RAZAK</td>
<td>482,063</td>
<td></td>
</tr>
<tr>
<td>3 MR. MUHAMMAD SIDIQUE MISRI</td>
<td>2,646,410</td>
<td></td>
</tr>
<tr>
<td>4 MRS. MEHTAB BIBI</td>
<td>437,201</td>
<td></td>
</tr>
<tr>
<td>5 MRS. SABA NADEEM</td>
<td>3,000</td>
<td></td>
</tr>
<tr>
<td>6 MR. MUHAMMAD IRFAN GHANI</td>
<td>1,249,050</td>
<td></td>
</tr>
<tr>
<td>7 MRS. KAUSAR IRFAN</td>
<td>646,478</td>
<td></td>
</tr>
<tr>
<td>8 MR. ANIS WAHAB ZUBERI</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>9 MR. SYED HAROON RASHID</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>10 MR. MUHAMMAD JAVED</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td>11 IRFAN AHMED QUreshi</td>
<td>500</td>
<td></td>
</tr>
<tr>
<td><strong>BANKS, DFIs &amp; NFIs</strong></td>
<td>4</td>
<td>12.43%</td>
</tr>
<tr>
<td>1 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST</td>
<td>1,328,360</td>
<td></td>
</tr>
<tr>
<td>2 PRUDENTIAL INVESTMENT BANK LIMITED</td>
<td>575</td>
<td></td>
</tr>
<tr>
<td>3 NATIONAL BANK OF PAKISTAN</td>
<td>863</td>
<td></td>
</tr>
<tr>
<td>4 NATIONAL BANK OF PAKISTAN</td>
<td>328,000</td>
<td></td>
</tr>
<tr>
<td><strong>INSURANCE COMPANIES</strong></td>
<td>1</td>
<td>2.56%</td>
</tr>
<tr>
<td>1 STATE LIFE INSURANCE CORP. OF PAKISTAN</td>
<td>341,063</td>
<td></td>
</tr>
<tr>
<td><strong>MODARABAS &amp; MUTUAL FUND</strong></td>
<td>6</td>
<td>2.57%</td>
</tr>
<tr>
<td>1 CDC - TRUSTEE NAFISA STOCK FUND</td>
<td>87,000</td>
<td></td>
</tr>
<tr>
<td>2 CDC - TRUSTEE NAFISA ISLAMIC SARMA AYA FUND</td>
<td>234,500</td>
<td></td>
</tr>
<tr>
<td>3 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND</td>
<td>4,000</td>
<td></td>
</tr>
<tr>
<td>4 CDC - TRUSTEE NAFISA ASSET ALLOCATION FUND</td>
<td>7,500</td>
<td></td>
</tr>
<tr>
<td>5 CDC - TRUSTEE NAFISA ISLAMIC STOCK FUND</td>
<td>10,000</td>
<td></td>
</tr>
<tr>
<td>6 GENERAL MODARABA SERVICES (PVT) LTD</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td><strong>FOREIGN COMPANIES</strong></td>
<td>7</td>
<td>0.04%</td>
</tr>
<tr>
<td>1 ROYAL BANK OF SCOTLAND</td>
<td>1,638</td>
<td></td>
</tr>
<tr>
<td>2 BANK OF SCOTLAND</td>
<td>718</td>
<td></td>
</tr>
<tr>
<td>3 BANKERS TRUST COMPANY</td>
<td>60</td>
<td></td>
</tr>
<tr>
<td>4 MORGAN STANLEY BANK LUXEMBOURG</td>
<td>1,322</td>
<td></td>
</tr>
<tr>
<td>5 MORGAN STANLEY TRUST COMPANY</td>
<td>718</td>
<td></td>
</tr>
<tr>
<td>6 CROSBY SECURITIES PTE LTD</td>
<td>633</td>
<td></td>
</tr>
<tr>
<td>7 SOMERS NOMINEES (FAR EAST) LTD</td>
<td>560</td>
<td></td>
</tr>
</tbody>
</table>
### Categories of Shareholders

<table>
<thead>
<tr>
<th>Category</th>
<th>Shareholders</th>
<th>Shares</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Others</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 M/S. National Motors Limited</td>
<td>230</td>
<td>230</td>
<td>14.40%</td>
</tr>
</tbody>
</table>
| 2 National Dev. Finance Corp. Investors | 438 | 438 |  |%
| 3 Bolan Castings Limited | 2,677,500 | 2,677,500 |  |%
| 4 Prudential Securities Limited | 718 | 718 |  |%
| 5 Aziz Fida Hussain & Company (Pvt.) Ltd. | 40 | 40 |  |%
| 6 Siza (Private) Ltd. | 8,000 | 8,000 |  |%
| 7 Loads Limited | 230 | 230 |  |%
| 8 Trustee National Bank of Pakistan Employees Pension Fund | 145,562 | 145,562 |  |%
| 9 Trustee National Bank of Pakistan Emp. Benevolent Fund Trust | 5,108 | 5,108 |  |%
| 10 S.H. Bakhari Securities (Pvt.) Limited | 86 | 86 |  |%
| 11 U.H.F. Consulting (Private) Limited | 200 | 200 |  |%
| 12 Maple Leaf Capital Limited | 1 | 1 |  |%
| 13 Millat Tractors Limited | 1,282,825 | 1,282,825 |  |%
| 14 Trustees of Pakistan Mobile Communication Ltd - Provident Fund | 5,000 | 5,000 |  |%
| 15 Muhammad Ahmed Nadeem Securities (SMC-PVT) Limited | 287 | 287 |  |%
| 16 Msmaniar Financials (PVT) Ltd. | 345 | 345 |  |%
| 17 Seven Star Securities (PVT) Ltd | 11,500 | 11,500 |  |%
| 18 Fikrees (SMC-PVT) Ltd. | 801 | 801 |  |%
| 19 CDC - Trustee Nafa Pension Fund Equity Sub-Fund Account | 88,500 | 88,500 |  |%
| 20 CDC - Trustee Nafa Islamic Pension Fund Equity Account | 82,800 | 82,800 |  |%
| **General Public** | | | |
| 1 General Public - Local | 1,973,325 | 1,973,325 |  |%
| 2 General Public - Foreign | 34,117 | 34,117 |  |%
| **Total** | 1,365 | 13,334,250 | 100% |

### Shareholders Holding Five Percent or More

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Muhammad Siddique Misri</td>
<td>2,646,410</td>
</tr>
<tr>
<td>2 Razak Bengali</td>
<td>1,571,971</td>
</tr>
<tr>
<td>3 CDC - Trustee National Investment (Unit) Trust</td>
<td>1,328,360</td>
</tr>
<tr>
<td>4 Millat Tractors Limited</td>
<td>1,282,825</td>
</tr>
<tr>
<td>5 Muhammad Irfan Ghani</td>
<td>1,249,050</td>
</tr>
</tbody>
</table>

### Voting Interest in the Company

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Muhammad Siddique Misri</td>
<td>2,646,410</td>
</tr>
<tr>
<td>2 Razak Bengali</td>
<td>1,571,971</td>
</tr>
<tr>
<td>3 CDC - Trustee National Investment (Unit) Trust</td>
<td>1,328,360</td>
</tr>
<tr>
<td>4 Millat Tractors Limited</td>
<td>1,282,825</td>
</tr>
<tr>
<td>5 Muhammad Irfan Ghani</td>
<td>1,249,050</td>
</tr>
</tbody>
</table>
NOTICE OF ANNUAL GENERAL MEETING

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

ORDINARY BUSINESS

1. To confirm the minutes of the Extra Ordinary General Meeting held on May 25, 2019.

2. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors’ and Auditors’ Reports for the year ended June 30, 2019.

3. To consider and approve payment of final cash dividend of Rs.2 ( 20 %) per share for the year ended June 30, 2019 as recommended by the Board of Directors.

4. To appoint statutory auditors of the company for the year ending June 30, 2020 and fix their remuneration.

OTHER BUSINESS

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

BY ORDER OF THE BOARD

Muhammad Asad Saeed
Company Secretary
Karachi: September 19, 2019
NOTES:

1. **Closure of Share Transfer Books**

Share transfer books of the Company will remain closed and no transfer of shares will be accepted for registration from October 19, 2019 to October 26, 2019 (both days inclusive). Transfer received in order at the Shares Department of M’s THR Associates (Pvt) Limited, 1st Floor, 4G-C, Block-6, P.E.C.H.S. Karachi-75530, Pakistan, **at the close of business on October 18, 2019** will be treated in time for the purpose of payment of final cash dividend, if approved by the shareholders.

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

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

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

**A. For Attending the Meeting:**

i. In case of individuals, the account holders or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original CNIC, or original passport at the time of attending the meeting.

ii. Members registered on Central Depository Company (CDC) are also requested to bring their particulars, ID number and account number in Central Depository System (CDS).

iii. In case of corporate entities, the Board of Director’s resolution / power of attorney with specimen signature of the nominee 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) along with the proxy form to the Company.

3. CNIC/NTN on Electronic Dividend (Mandatory)

a. As per SRO. 831(1)/2012 dated 5th July 2012, and other relevant rules, the electronic Dividend should also bear the CNIC Number of the registered shareholder or the authorized person, except in case of minor(s) and corporate shareholder(s).

b. As per Regulation no 4 & 6 of SRO 1145 (1)/2017 dated 6th November 2017, the Company shall be constrained to withhold the payment of Dividend to the shareholders, in case of non-availability of identification number (CNIC or National Tax Number) of the shareholder or authorized person.

c. Accordingly, the shareholders, who have not yet submitted copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Share Registrar, M/s THK Associates (Pvt) Limited.

4. Payment of Cash Dividend Electronically (Mandatory)

a. In accordance with SECP Circular No. 18 of 2017 dated 1st August 2017 and the instructions related to distribution of dividend indicated in Companies (Distribution of Dividends) Regulation, 2017 and section 242 of the Companies Act, 2017, every listed company is required to ensure that with effect from 1st November 2017 the cash dividends shall be paid through electronic mode only. Therefore, shareholders are requested to provide the details of their Bank mandate specifying: (i) Title of account, (ii) Account number (iii) IBAN number (iv) Bank name and (v) Branch name, code and address to the Company Share Registrar. Those share- holders who hold shares with...
participants / Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant / CDC.

b. Please note that as per Section 243 (3) of the Companies Act, 2017, listed Companies are entitled to withhold payment of dividend, if necessary information is not provided by the shareholders.

c. For the convenience of shareholders, e-Dividend Mandate Form is available on Company’s website http://www.bwheels.com

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

a. Pursuant to the provision of the Finance Act, 2019 effective July 01, 2019 the rate of deduction of income tax from dividend payment under section 150 of the income tax ordinance, 2001 have been received as follows:

   (i) For Active Tax Payer: 15%
   (ii) For Non-Active Tax Payer: 30%

b. Shareholders whose names are not appearing in the Active Tax-payers List [ATL] are advised to immediately make necessary arrangement to make them active. Otherwise, tax on their cash dividend will be deducted as per rules.

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

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

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Folio / CDS Account #</th>
<th>Total Shares</th>
<th>Principal Shareholder</th>
<th>Joint Shareholder</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Name and CNIC No.</td>
<td>Name and CNIC No.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(No. of Shares)</td>
<td>(No. of Shares)</td>
</tr>
</tbody>
</table>

   e. The required information must reach our Share Registrar within 10 days of issue of this notice; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).
f. The corporate shareholders, having CDC accounts, are requested to have their National Tax Number (NTN) updated with their respective participants.

6. Availability of Audited Financial Statements on Company’s Website:

a. In accordance with the provisions of Section 223 and 237 of the Companies Act 2017, the audited financial statements of the Company for the year, which ended on 30th June 2019, are available on the Company’s website http://www.bwheels.com

b. In accordance with SRO 470(1)/2016 dated 31st May 2016, SECP has allowed the Companies to circulate the annual audited accounts to its members through CD / DVD / USB instead of transmitting the hard copies at their registered addresses. However, if any shareholder, in addition, desires to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.

c. For convenience of shareholders, a “Standard Request Form” for provision of Annual Audited Financial Accounts is available on the Company’s website http://www.bwheels.com

7. Video Conference

a. In accordance with the provisions of Section 132 and 134 of the Companies Act, 2017, on the demand, received at least seven days before the date of meeting, of members residing in a city, who hold at least 10% or more share-holding, video-link facility will be provided to such members enabling them to participate in the Annual General Meeting. They will be entertained subject to availability of such facility in that city.

b. Subject to the fulfilment of the above conditions, members shall be informed of the venue, 2 days before the date of the General Meeting along with complete information necessary to access the facility.

c. For convenience of shareholders, a “Consent Form” for provision of Video link facility is available on the Company’s website.
8. **E-Voting**

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

9. **Change of Address:**

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

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

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

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

I/We, ________________________________________ of ____________________________ (Full address) being a member(s) of Baluchistan Wheels Limited and holding of ____________________________ Shares under Folio No. ___________ and/or CDC Participant’s ID No. ___________ and Sub A/c No. ___________ hereby appoint Mr./Mrs./Miss. ________________________________________ of ____________________________ (Full address). Folio No. ___________ and/or CDC Participant’s ID No. ___________ and Sub A/c No. ___________ or failing him/her Mr./Mrs./Miss. ________________________________________ of ____________________________ (Full address). Folio No. ___________ and/or CDC Participant’s ID No. ___________ and Sub A/c No. ___________ as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 26th day of October 2019 at 11:00 am at Registered Office and at any adjournment thereof.

As witness my/our hand this ____________________________ day of ____________________________ 2019

Signature of Member(s)

Witness: ___________________________________________ Name: ___________________________________________
CNIC No.: ___________________________________________ Address: ___________________________________________

1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint another member as his/her proxy to attend and vote instead of his/her. No person shall act as proxy (except for a Corporation) unless he/she is entitled to be present and vote in his/her own right.

2. The instrument appointing a proxy should be signed by the member(s) or by his/her attorney duly authorized, in writing, or if the member is a Corporation/Company either under the common seal, or under the hand of an officer or attorney so authorized.

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

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

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

周年 از بروز تغییرات و تغییرات در سازمان (آرگان) پاکی قاسم و اجرای برنامه گزارش‌های اخیر مربوط به شرکت (شرکت کننده تام) نیز بررسی و بررسی سازمان (آرگان) پاکی قاسم بررسی شد.

خواسته کنندگان می‌توانند از این نگاه با شرکت (شرکت کننده تام) در تماس باشند.

ملاحظه: هر یک از این پیامد‌ها به دلیل تغییراتی که در سازمان (آرگان) پاکی قاسم به وجود آمده‌اند، باعث اختلافاتی در بدنه کاری شرکت (شرکت کننده تام) می‌شود.

پانچم اوت 2019، ساعت 11:00 بی‌سیما رصد نمایشگاه سالانه با سازمان (آرگان) پاکی قاسم و در زمینه کارهای سازمانی مربوط به خدمات بیمه مشتریان به‌طور مستقیم نگاه‌سازی شد.

پیام‌های مربوط به CNIC

لطفاً CNIC را مشاهده کنید.

فهرست:
1. کلیه جملات و عناوین مربوط به CNIC (پاکی قاسم) را به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
2. کلیه خدمات ارائه شده توسط CNIC (پاکی قاسم) به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
3. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
4. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
5. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
6. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.

پیام‌های مربوط به CNIC

لطفاً CNIC را مشاهده کنید.

فهرست:
1. کلیه جملات و عناوین مربوط به CNIC (پاکی قاسم) را به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
2. کلیه خدمات ارائه شده توسط CNIC (پاکی قاسم) به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
3. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
4. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
5. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
6. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.

پیام‌های مربوط به CNIC

لطفاً CNIC را مشاهده کنید.

فهرست:
1. کلیه جملات و عناوین مربوط به CNIC (پاکی قاسم) را به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
2. کلیه خدمات ارائه شده توسط CNIC (پاکی قاسم) به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
3. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
4. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
5. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
6. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.

پیام‌های مربوط به CNIC

لطفاً CNIC را مشاهده کنید.

فهرست:
1. کلیه جملات و عناوین مربوط به CNIC (پاکی قاسم) را به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
2. کلیه خدمات ارائه شده توسط CNIC (پاکی قاسم) به صورت مناسب و دقیق به شرکت کننده تام (آرگان) ارائه دهید.
3. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
4. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
5. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
6. CNIC (پاکی قاسم) به شرکت کننده تام (آرگان) ارائه دهید.
Dear Shareholder(s)

MANDATORY PAYMENT OF DIVIDEND THROUGH ELECTRONIC MODE

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

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

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

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

   *(Mandatory to provide)*

   **i) Shareholder’s Detail**

   Name of Company

   Name of shareholder

   Folio No. /CDC Participants ID A/c No.

   CNIC No.*

   Passport No. (in case of foreign shareholder)**

   Land Line Phone Number

   Cell Number

   **ii) Shareholder’s Bank Detail**

   Title of Bank Account

   International Bank Account Number (IBAN)

   Mandatory

   Bank’s Name

   Branch Name And Address

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

   *(Signature of shareholder)*

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

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

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

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

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

Thanking you,

Mr. Muhammad Asad Gaeed
(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
Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk

Key features:
- Licensed Entities Verification
- Scam meter*
- Jamapunji games*
- Tax credit calculator*
- Company Verification
- Insurance & Investment Checklist
- FAQ’s Answered
- Stock trading simulator (based on live feed from KSE)
- Knowledge center
- Risk profiler*
- Financial calculator
- Subscription to Alerts (event notifications, corporate and regulatory actions)
- Jamapunji application for mobile device
- Online Quizzes

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