

ANNUAL REPORT 2014

VISION & MISSION

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

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BOARD OF DIRECTORS MEETING IN PROGRESS



CORPORATE INFORMATION

BOARD OF DIRECTORS

Syed Haroon Rashid	Chairman (Non-Executive Director)
Mr.Razak H.M.Bengali	Chief Executive(Executive Director)
Mr.Muhammad Siddique Misri	Director Marketing/ Business Development(Executive Director)
Mr. Muhammad Irfan Ghani	Chief Operating Officer(Executive Director)
Syed Zubair Ahmed Shah	Non-Executive Director (Nominee - NIT)
Mr. Anis Wahab Zuberi	Independent Director, Non-Executive Director
Mrs. Gulbano Razak	Non-Executive Director
Miss Maheen Irfan Ghani	Non-Executive Director
Mrs. Saba Nadeem	Non-Executive Director

COMPANY SECRETARY

Mr. Irfan Ahmed Qureshi

BOARD AUDIT COMMITTEE

Mr. Anis Wahab Zuberi	(Independent Director, Non-Executive Director)	Chairman
Syed Zubair Ahmed Shah	(Non-Executive Director)	Member
Miss Maheen Irfan Ghani	(Non-Executive Director)	Member
Mr.Muhammad Asad Saeed	(Head of Internal Audit)	Secretary

BOARD HUMAN RESOURCE AND REMUNERATION COMMITTEE

Syed Zubair Ahmad Shah	(Non-Executive Director)	Chairman
Mr. Muhammad Irfan Ghani	(Chief Operating Officer, Executive Director)	Member
Syed Haroon Rashid	(Chairman, Non-Executive Director)	Member
Mrs. Gulbano Razak	(Non-Executive Director)	Member
Mr. Muhammad Yasin Ladha	(G.M. Finance)	Secretary

MANAGEMENT COMMITTEE

Mr.Razak H.M.Bengali	Chief Executive
Mr.Muhammad Siddique Misri	Director Marketing/ Business Development
Mr.Muhammad Irfan Ghani	Chief Operating Officer
Mr.Muhammad Javed	S.G.M (Technical)
Mr.Irfan Ahmed Qureshi	S.G.M (Finance) / Company Secretary
Mr.Shaikh Muhammad Iqbal	G.M (Sales)
Mr.Sajid Nadri	G.M (Research & Development)
Mr.Muhammad Yasin Ladha	G.M (Finance)
Mr.Nisar Ahmed	G.M (Supply & Services)
Mr.Rafiq ul Hassan	D.G.M (Human Resources)

CORPORATE INFORMATION

BANKERS

Habib Bank Limited
Faysal Bank Limited
Bank Alfalah Limited
National Bank of Pakistan

LEGAL ADVISOR

Mohsin Tayebaly & Company
(Advocates)

AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)

TAX CONSULTANTS

Ernst & Young Ford Rhodes Sidat Hyder
(Chartered Accountants)
Baker Tilly Mehmood Idrees Qamar
(Chartered Accountants)

SHARE REGISTRAR

Shares & Corporate Services (Pvt) Ltd
Mehersons Estate, Block-E
Talpur Road, Karachi-74000
Telephone # 32429632-35, 32401634
Fax # 32420015

HEAD OFFICE

1st Floor, State Life Building # 3
Dr. Ziauddin Ahmed Road, Karachi
E-mail: bwlfm@cyber.net.pk
Website: <http://www.bwheels.com>
Telephone # 35689259, 35683474, 35687502
Fax # 35684003

FACTORY AND REGISTERED OFFICE

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

NOTICE OF THE MEETING

Notice Is Hereby Given that the 34th Annual General Meeting of the Company will be held at the Company's Registered Office, Main RCD Highway, Hub Chowki, District Lasbella, Baluchistan, on Saturday, October 25, 2014 at 11:00 am. to transact the following business :-

- 1. To confirm the minutes of the 33rd Annual General Meeting, held on October 26, 2013.*
- 2. To receive, consider and adopt the Audited Accounts for the year ended June 30, 2014 together with the Directors' and Auditors' reports thereon.*
- 3. To approve the payment of Cash Dividend. The Board of Directors has recommended payment of cash dividend @22.5 % i.e.Rs 2.25 per share of Rs.10/- each for the year ended June 30, 2014.*
- 4. To appoint Auditors for the year 2014-2015 and to fix their remuneration. The present Auditors M/s.Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Board of Directors has recommended appointment of M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants as Auditors for the year 2014-2015.*
- 5. To consider any other Business with the permission of the Chair.*

BY ORDER OF THE BOARD

Irfan Ahmed Qureshi
Company Secretary

Karachi: September 18, 2014

NOTES:

1. The Share Transfer Books of the Company will remain closed from October 18, 2014 to October 25, 2014 (both days inclusive).
2. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote for him/her. A proxy must be a member of the Company.
3. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or notarially certified copy of such power of attorney, in order to be valid must be deposited at the Head Office of the Company not less than 48 hours before the time of the meeting.
4. Shareholders are advised to immediately notify of any change in their addresses to our Share Registrar: **Shares & Corporate Services (Pvt) Ltd, Mehersons Estate, Block-E, Talpur Road, Karachi-74000. Telephone # 32429632-35, 32401634, Fax # 32420015**
5. CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.
6. As per S.R.O. 831(1) 2012, dated July 05, 2012 the DIVIDEND WARRANT (s) should bear the CNIC number of the Registered shareholder(s), so please let us have a copy of your CNIC on Most Urgent basis, (if not already provided) failing which your dividend warrant(s), if any, will be withheld till the compliance of the above referred notification.
7. The SECP has initiated e-dividend mechanism (Payment of Cash Dividend Electronically) through its Letter No. 8(4) SM/CDC/2008 dated April 05, 2013. Circular No. 18 of 2012, dated June 05, 2012 issued by SECP regarding Dividend Mandate, (optional and not compulsory) is also attached with Annual Accounts-2014.
8. **DEDUCTION OF INCOME TAX FROM DIVIDEND U/S 150 OF THE INCOME TAX ORDINANCE, 2001**
Pursuant to the Finance Act 2014, effective July 01, 2014 the rates of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:
 - a) Rate of tax deduction for filer of income tax return 10%
 - b) Rate of tax deduction for non-filers of income tax return 15%

Shareholders who hold shares in physical form are therefore requested to send their valid CNIC and NTN certificate to the Company.

Shareholders who hold shares in scrip-less form on Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) are requested to send their valid CNIC and NTN certificate to their CDC Participants / CDC Investor Account Services.

Where the required documents are not submitted the Company will be constrained to treat the non-complying shareholders as a non-filer thereby attracting a higher rate withholding tax.

In case of individuals, the account holder 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 Identity by showing his Computerised National Identity Card (CNIC) or Original Passport at the time of attending the meeting.

The shareholders registered on CDS are also requested to bring their participants ID numbers and account number in CDS.

In case of corporate entity, the Board of Directors resolution / power of attorney with Specimen Signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form. The proxy shall produce his original CNIC or Original passport at the time of meeting.

Transport will be provided to the members only from the Karachi Stock Exchange Building to attend the meeting. Departure from Stock Exchange Building will be at 09:45 am.

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



LEADERSHIP TEAM



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



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



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



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 in non-financial organizations. He started his career with the Experts Advisory Cell, a successor to the Board of Industrial Management, established to assist the Ministry of Production in the management & control, corporate planning and performance evaluation of public sector industrial enterprises in sectors ranging from fertilizer, automobiles, heavy engineering, chemicals, petroleum, cement to steel.

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

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

Mr. Razak H. M. Bengali

Managing Director / CEO (Executive Director)

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

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

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

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

He holds the membership of the following social bodies:

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

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



PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS

Mr. Muhammad Siddique Misri

Director Marketing / Business Development (Executive Director)



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

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

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

He has been the member of Managing Committee of the Federation of Pakistan Chambers of Commerce & Industry. He has also been the member of Managing Committee of Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM). Still he is representing the company in PAAPAM.

Mr. Muhammad Irfan Ghani

Chief Operating Officer (Executive Director)



Mr. Mohammad Irfan Ghani joined Baluchistan Wheels Ltd in the year 1996 and took the responsibility of planning and production when the plant & machinery was old and they needed major over haul so as to improve the quality, and he is instrumental in the balancing modernization and expansion of various facilities at BWL, wherein the Company was able to replace, its old Butt Welding Machines, added new Light Duty Rim Line, latest version of Electro Deposit Paint Shop and subsequently its Monorail Conveyor. Currently he is working on the modernization of Truck / Bus Line, whereby as the first step new Spinning Machine was added and the study on the Truck / Bus Rim project is also been carried out.

Mr. Anis Wahab Zuberi

Independent, Non-Executive Director



Mr. Anis Wahab Zuberi is an Independent, Non-Executive Director and the Chairman of the Audit Committee and 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 had been associated with National Investment Trust 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.

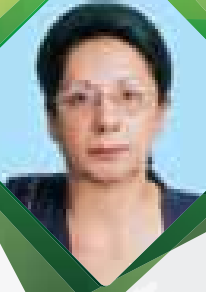
Syed Zubair Ahmad Shah

Non-Executive Director (Nominee - NIT)



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

PROFILE OF THE MEMBERS OF THE BOARD OF DIRECTORS



Mrs. Gulbano Razak
Non-Executive Director

Mrs. Gulbano Razak is a Graduate from Karachi University. She has graduated in the year 1968. She belongs to an educated and business family and is involved in social activities. She is a Rotary Anne of Rotary Club of Karachi Continental. She had been running a business as woman entrepreneur of small and medium enterprises, and, therefore, she was designing and marketing fashion products through her own boutique.

Miss Maheen Irfan Ghani
Non-Executive Director

Miss Maheen Irfan Ghani is a graduate of Kingston University, London where she completed her BSc in Sociology. She was an Editorial Assistant at Newline from November 2011 to November 2012. She is currently working for Marie Stopes Society advocating for policy change in reproductive healthcare.



Mrs. Saba Nadeem
Non-Executive Director

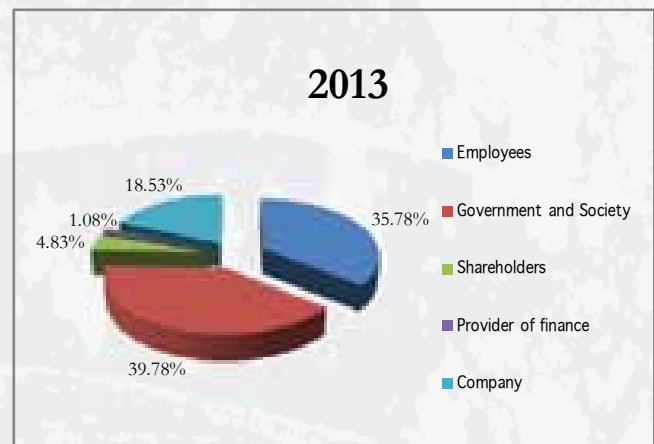
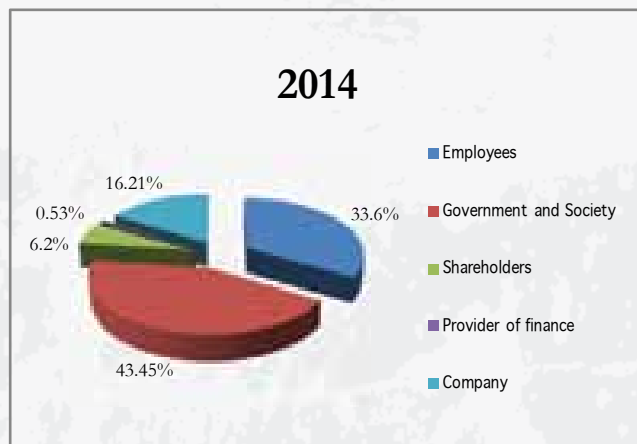
Mrs. Saba Nadeem belongs to a business family. She has done A'Levels. Also, she has done Diploma in Interior Designing from the Indus Valley School of Arts, and remained involved in activities like Fabric Painting and Glass Painting. She has been a teacher in a grammar school in Clifton, Karachi.

She 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.



Statement of Value Addition and its Distribution

	2014		2013	
	(Rupees in '000')	%	(Rupees in '000')	%
Value Addition:				
Total gross revenue and other income	1,348,943		1,349,176	
Brought in materials and services	865,391		934,894	
	483,552	100	414,282	100
Distribution To:				
Employees				
Salaries and wages including retirement benefits	162,490	33.60	148,224	35.78
Government and Society				
Income Tax, Sales Tax, FED and WWF	210,104	43.45	164,820	39.78
Shareholders				
Dividend	30,001	6.20	20,001	4.83
Providers of Finance				
Financial charges for borrowed funds	2,567	0.53	4,487	1.08
Company				
Retained Profits, Depreciation and Amortization	78,390	16.21	76,750	18.53
	483,552	100	414,282	100



DIRECTORS' REPORT

Your Directors are pleased to present Annual Accounts for the year ended June 30, 2014.

OPERATIONAL PERFORMANCE

This year your Company had overall consolidated revenue of Rs.1.14 billion as compared to Rs.1.16 billion in the previous year which is 1.7% less than the previous year. The Car wheels sale was Rs.683 million as compared to Rs.649 million in the previous year. The Truck / Bus wheels sale was Rs.107 million as compared to Rs.68 million in the previous year. The Tractor wheels sale was declined to Rs.301 million as compared to Rs.391 million in the previous year. Similarly, the exports were Rs.26 million as compared to Rs.31 million in the previous year. Overall at the National Level the Passenger Cars production was 116,281 units in 2014 as compared to 120,332 units in the year 2013, declined by 3.36% only, whereas 18,694 LCV's, Vans and Jeeps were produced in 2014 as against 14,517 units in the year 2013 an improvement of 29%, while 3,232 Trucks / Buses were produced in 2014 as against production of 2,445 Trucks / Buses in the year 2013, showing an improvement of 32% over the corresponding past year. The Tractors production has gone to 34,521 units in the year 2014 as compared to 50,859 tractors in the year 2013 which has declined 32%.

The effect of inconsistent import policy of previous Government are still there where the Govt. allowed import of used cars upto five years old with depreciation at the rate of two percent, although thereafter, the Govt. shifted to the policy of three years and before this it has resulted in the huge import of used cars which are still being absorbed in the market.

Similarly, the imposition of 17% sales tax on tractor had also resulted sharp decline of the tractor sales and thereafter the Govt. reduced the sales tax from 17% to 10% effective from July 1, 2014.

FINANCIAL PERFORMANCE

The gross profit was Rs.200 million as compared to Rs.140 million of the previous year. The profit after taxation was Rs.69 million as compared to Rs.56 million of the previous year. Improvement of gross profit was due to the improvement in the selling price of the products and reversal of certain provisions of slow moving stock in trade due to sales / consumption and overall cost control even due to the inflationary pressure.

The comparative financial results for the year 2014 as against the year 2013 are as follows:



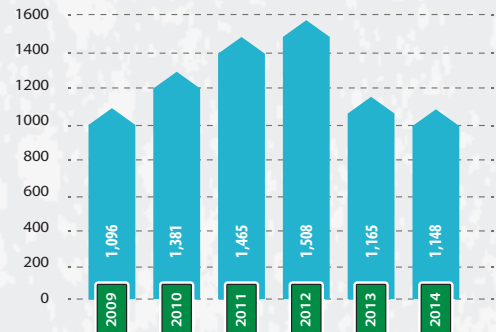
DIRECTORS' REPORT

	2014 (Rs. in thousand)	2013
Sales	1,148,425	1,164,513
Gross Profit	199,614	139,985
Profit before Tax	85,237	36,588
Profit after Tax	68,504	55,859
Earning per Share (Rs.)	5.14	4.19

Productin (Qty in '000')



Sales (Rupees in Million)



PROPOSED DIVIDEND

The Board of Directors have proposed a final cash dividend of Rs. 2.25 per share for the year ended June 30, 2014 amounting Rs.30.001million (2013: Rs.1.50 per share amounting Rs.20.001 million) at the meeting held on September 18, 2014, for approval of members at the Annual General Meeting to be held on October 25, 2014. The financial statements, however, do not reflect these appropriations in compliance with the revised Fourth Schedule to the Companies Ordinance, 1984.

HUMAN RESOURCE

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, frequently sent for training at home and abroad to update their professional and technical skills. The Labour laws are strictly followed.

business. who are

COMMUNITY INVESTMENT & WELFARE SCHEMES

Direct and indirect rewards to the workforce like Worker-of-the-Month Award, Haj Scheme, Special Health Allocation and many other such benefits are in place. The labour laws are strictly followed and the company is able to maintain cordial relationship with CBA.

SAFETY, HEALTH & ENVIRONMENT

We are actively managing health and safety risks associated with our manufacturing processes 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.

Apart from this, healthy activities of sports are encouraged, and we have a cricket as well as a football team. Every measure is being taken to preserve nature and to maintain clean environment at workplaces.



DIRECTORS' REPORT

ENERGY CONSERVATION

As explained from time to time in earlier reports also all possible steps are being taken to conserve energy, wherever possible in the areas of electricity, gas and heating systems.

UPGRADATION OF PLANT & PROCESS

The discs produced on the new spinning machine are showing good results, and its product is accepted and appreciated by the Truck/Bus assemblers.

Besides, efforts are being made to manufacture Rim also, based on Section Based Material so as to manufacture Section Based Rim in Pakistan initially at a low capital expenditure.

RESEARCH & DEVELOPMENT & QUALITY CONTROL

Wheel being a critical part of a vehicle is to be manufactured under strict quality controls for which we have a quality control department which strictly observes the quality from ordering of material to its usage / consumption and each & every step is monitored and controlled online as well as at the testing lab where testing equipments have been installed.

The company is deeply concentrating on areas of Research & Development (R&D). The purpose of R&D is to reduce the process losses, develop new tools indigenously and maintain the existing tools in order to meet the customer's requirements

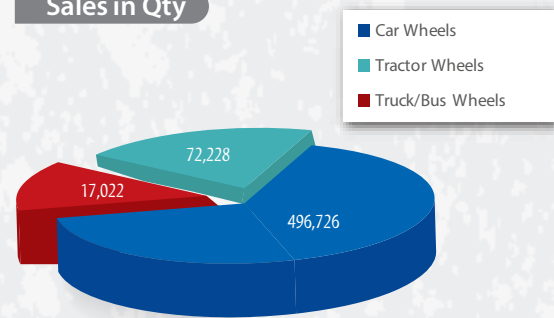
COMPANY'S CONTRIBUTION TO THE ECONOMY OF THE COUNTRY

Your company being an import substitution unit is contributing to the economy by saving foreign exchange and is very important vending industry for the auto assemblers. During the year under review, your company contributed to national exchequer by paying income tax, sales tax, federal excise duty and other indirect taxes to the tune of Rs.244 million. Besides, it is also providing employment opportunities to the local people residing in Hub and other adjoining areas.

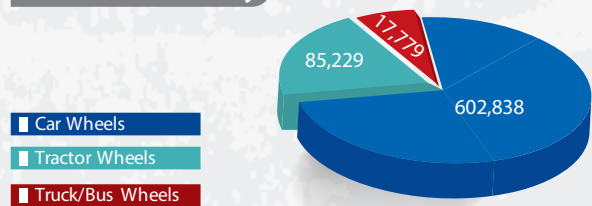
STATEMENT OF CORPORATE AND FINANCIAL REPORTING FRAMEWORK

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

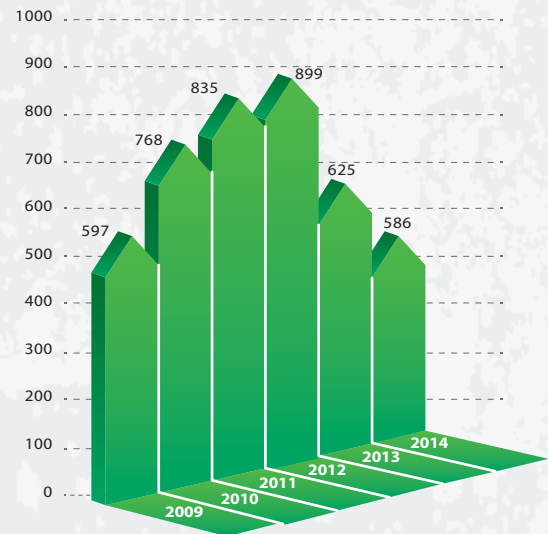
Sales in Qty



Production in Qty



Sales (Qty in '000')



DIRECTORS' REPORT

- d. International Accounting Standards, as applicable in Pakistan, have been followed in the preparation of financial statements and any departures there from has been adequately disclosed and explained.
- e. The system of internal control is sound in design and is effectively implemented and monitored. The process of review will continue and any weaknesses in controls will be removed.
- f. There are no significant doubts upon the company's ability to continue as going concern.
- g. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h. Key operating and financial data for last six years in summarized form is annexed.
- i. Outstanding Taxes and Levies:
Please refer to Note No. 34 to the annexed audited accounts.
- j. The following is the value of investments based on respective audited accounts:

Executive Provident Fund	Rs.70 million
Non-Executive Provident Fund	Rs.26 million
Gratuity Fund	Rs.48 million

Based on audited accounts as at June 30, 2013.

- k. During the year, 04 meetings of the Board of Directors were held. Attendance by each Director is as follows:

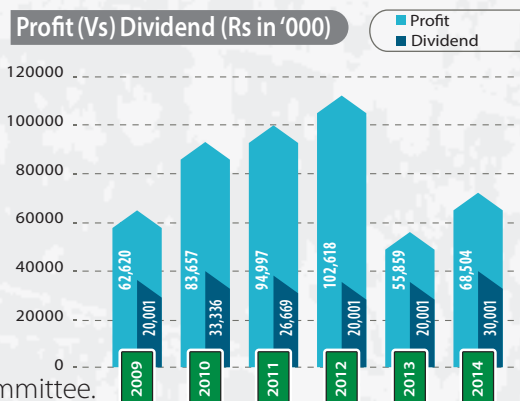
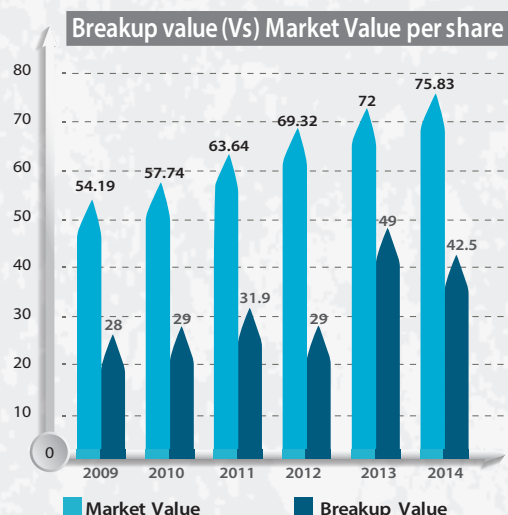
Name of Director	No. of Meetings Attended
Syed Haroon Rashid	04
Mr. Razak H.M. Bengali	04
Mr. Muhammad Siddique Misri	03
Mr. Muhammad Irfan Ghani	04
Mr. Anis Wahab Zuberi	04
Syed Zubair Ahmed Shah	04
Mrs. Gulbano Razak	04
Miss. Maheen Irfan Ghani	04
Mrs. Saba Nadeem	03

Similarly, 04 meetings of the Audit Committee were held. Attendance by each Director is as follows:

Name of Director	No. of Meetings Attended
Mr. Anis Wahab Zuberi (Chairman)	04
Syed Zubair Ahemd Shah (Member)	04
Miss Maheen Irfan Ghani (Member)	04

There was no meeting of Board Human Resource and Remuneration Committee.

- l. Mr. Muhammad Irfan Ghani has successfully completed Director Education Certification programme conducted by the Institute of Chartered Accountants of Pakistan (ICAP), besides this Mr. Syed Haroon Rashid is also certified Director. Mr. Razak H.M. Bengali & Mr. Muhammad Siddique Misri fulfills the criteria of 14 years of education and 15 years of experience on the Board of a Listed Company.



DIRECTORS' REPORT

- m. The pattern of shareholding is annexed.
- n. Purchase of shares by CEO, Directors, Company Secretary, CFO, their spouses and minor children is given below:

No.of Shares Purchased

Mrs. Kausar Irfan (W/o. Mr. Muhammad Irfan Ghani)	4,000
Mr. Kumail Irfan Ghani (S/o. Mr. Muhammed Irfan Ghani)	3,500

ANNUAL EVALUATION OF BOARDS OWN PERFORMANCE

In terms of clause V (E) of Code of Corporate Governance, 2012 the Boards own performance was evaluated and a questioner covering the various laws rules & regulations and adhering of the best business practices was circulated to the Board Members and on the basis of their reply a Tabulation of Evaluation sheet was done and discussed by the Board and it was decided to keep on improving the system etc.

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 high standards of good corporate governance. As a leading wheel manufacturer, reputation for high ethical standards is central to business success. Treatment of stakeholders with respect, courtesy and competence, ensuring clear consciousness 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.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance set out by the Karachi Stock Exchange in its Listing Rules, relevant for the year ended June 30, 2014 have been complied with. A statement to this effect is annexed with the report.

FUTURE OUTLOOK

The Government of Pakistan is working hard to improve the economy and it is expected that GDP will accelerate, besides improvement in the agriculture and industrial sector growth and bring in the idle capacity to the productivity. The biggest challenge to all this is fiscal deficit, energy crises, law and order situation. The Govt. has been successful in controlling the Rupee depreciation and the Pak Rupees is in vicinity of Rs.99-Rs.102 as compared to Rs.106-Rs.108 to a US Dollar. The above situation will remain in control if we improve our exports by way of improving productivity in agriculture and industry and invest heavily in energy sector.



DIRECTORS' REPORT

Our sales is directly linked with the auto sales and any improvement / decline in auto sales have a direct impact on our sales.

The auto sector is also directly related to the better economic outlook, if the economy works well and there is political stability the car sales is also expected to improve. Local assemblers are introducing new car models.

In the tractor sector the reduction in sales tax to 10% effective from July 1, 2014 did not have any sizeable impact in the demand for Tractors and the recent floods will further deteriorate the demand. Any improvement in the farmers earning, allocation of agriculture credit may improve the demand for the tractors. The Truck/ Bus segment is also improving steadily and if the Govt. encourages the local Truck/Bus industry this sector may turn around.

Your Management endeavors to come up with good results even under tough circumstances.

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. 26.1 in the financial statements for the year ended June 30, 2014, has been heard by the High Court of Sindh and the orders were 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 and as such this matter had been finally argued and reheard & now reserved for Judgment, but the latest development is that the Honorable Judge who heard the case has also been transferred, and now the matter will be argued & heard again. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in Company's favour.



DIRECTORS' REPORT

AUDITORS

The Audit Committee has recommended to appoint M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, for re-appointment at the time of Annual General Meeting (AGM). The present Auditors, M/s. Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants, retire and offer themselves for re-appointment subject to their eligibility under the law at the time of appointment at the AGM.

BASIC EARNINGS PER SHARE

Based on the net profit for the current year, the earnings per share was Rs. 5.14 (2013: Rs.4.19).

ACKNOWLEDGEMENT

The Board would like to record its appreciation for the valuable services rendered by Management, Officers and Workers of the Company enabling the Company to achieve its objectives.

We also acknowledge the support and cooperation received from the Government, business partners, bankers, and all the other stakeholders.

For and on Behalf of the Board

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director

Karachi: September 18, 2014



BOARD AUDIT COMMITTEE



Pattern of Shareholding

"FORM 34" AS AT JUNE 30, 2014

NO. OF SHAREHOLDERS	FROM	RANGE	TO	NO. OF SHARES
643	1	-	100	27,674
483	101	-	500	130,543
102	501	-	1,000	74,794
84	1,001	-	5,000	161,478
6	5,001	-	10,000	42,163
3	10,001	-	15,000	36,062
2	15,001	-	20,000	35,250
2	21,001	-	25,000	48,325
1	35,001	-	39,000	37,375
1	41,001	-	45,000	43,000
1	110,001	-	115,000	113,500
1	120,001	-	125,000	120,000
1	135,001	-	140,000	136,192
2	145,001	-	150,000	290,577
1	185,001	-	190,000	188,500
1	235,001	-	240,000	239,071
1	285,001	-	290,000	287,500
1	340,001	-	345,000	341,693
1	360,001	-	365,000	363,683
1	380,001	-	385,000	381,165
1	435,001	-	440,000	437,201
1	560,001	-	565,000	565,000
1	570,001	-	575,000	571,900
1	600,001	-	605,000	603,249
1	630,001	-	635,000	638,978
1	810,001	-	815,000	811,357
1	1,245,001	-	1,250,000	1,249,000
1	1,280,001	-	1,285,000	1,282,825
1	1,465,001	-	1,470,000	1,467,160
1	2,605,001	-	2,610,000	2,609,035
1,348				13,334,250

SHAREHOLDERS CATEGORY	NUMBER OF SHAREHOLDERS	NUMBER OF SHARES HELD	PERCENTAGE (%)
FINANCIAL INSTITUTIONS	7	816,753	6.13
INDIVIDUALS	1,313	8,697,437	65.23
OTHERS	3	150,900	1.13
JOINT STOCK COMPANIES	17	1,721,450	12.91
MUTUAL FUND	2	1,603,352	12.02
INSURANCE COMPANIES	1	341,693	2.56
INVESTMENT COMPANIES	5	2,665	0.02
	1,348	13,334,250	100



Pattern of Shareholding - Breakup

AS AT JUNE 30, 2014

CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE (%)
FINANCIAL INSTITUTIONS	7	816,753	6.13%
1 HABIB BANK AG ZURICH, DEIRA DUBAI		250	
2 NATIONAL BANK OF PAKISTAN		893	
3 NATIONAL BANK OF PAKISTAN		811,357	
4 ROYAL BANK OF SCOTLAND		1,638	
5 BANK OF SCOTLAND		718	
6 MORGAN STANLEY BANK LUXEMBOURG		1,322	
7 PRUDENTIAL INVESTMENT BANK LIMITED		575	
INDIVIDUALS	1,303	2,777,804	20.83%
DIRECTORS, CEO & THEIR SPOUSE AND MINOR-CHILDREN	10	5,919,633	44.39%
1 MR. RAZAK BENGALI		239,071	
2 MRS. GUL BANO		363,683	
3 MR. MUHAMMAD SIDDIQUE MISRI		2,609,035	
4 MRS. MEHTAB BIBI		437,201	
5 MRS. SABA NADEEM		500	
6 MR. MUHAMMAD IRFAN GHANI		1,249,000	
7 MRS. KAUSAR IRFAN		638,978	
8 MISS. MAHEEN IRFAN GHANI		381,165	
9 MR. ANIS WAHAB ZUBERI		500	
10 MR. SYED HAROON RASHID		500	
OTHERS	3	150,900	1.13%
1 LOADS LIMITED		230	
2 TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND		145,562	
3 TRUSTEE NATIONAL BANK OF PAKISTAN EMP BENEVOLENT FUND TRUST		5,108	
JOINT STOCK COMPANIES	17	1,721,450	12.91%
1 TREET CORPORATION LIMITED		113,500	
2 TREET CORPORATION LIMITED		25,000	
3 TREET CORPORATION LIMITED.		6,500	
4 MILLAT TRACTORS LIMITED		1,282,825	
5 PRUDENTIAL SECURITIES LIMITED		718	
6 AZIZ FIDAHUSEIN & COMPANY (PVT) LTD.		40	
7 VALIKA ART FABRICS LTD		427	
8 S.H. BUKHARI SECURITIES (PVT) LIMITED		86	
9 DARSON SECURITIES (PVT) LIMITED		2,700	
10 MSMANIAR FINANCIALS (PVT) LTD.		345	
11 INVEST CAPITAL MARKETS LIMITED		287	
12 FIKREE'S (SMC-PVT) LTD.		800	
13 NATIONAL MOTORS LIMITED		230	
14 GENERAL MODARABA SERVICES (PVT) LTD		18	
15 AWJ SECURITIES (PRIVATE) LIMITED.		187	
16 MUHAMMAD AHMED NADEEM SECURITIES (SMC-PVT) LIMITED		287	
17 BOLAN CASTINGS LIMITED		287,500	



CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	SHARES HELD	PERCENTAGE %
MUTUAL FUND	2	1,603,352	12.02%
1 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,467,160	
2 CDC - TRUSTEE JS PENSION SAVINGS FUND - EQUITY ACCOUNT		136,192	
INSURANCE COMPANIES	1	341,693	2.56%
1 STATE LIFE INSURANCE CORP. OF PAKISTAN		341,693	
INVESTMENT COMPANIES	5	2,665	0.02%
1 BANKERS TRUST COMPANY		86	
2 MORGAN STANLEY TRUST COMPANY		718	
3 CROSBY SECURITIES PTE LTD.		833	
4 SOMERS NOMINEES (FAR EAST) LTD.		590	
5 NATIONAL DEV. FINANCE CORP. INVESTERS		438	
	1,348	13,334,250	100%
SHAREHOLDERS HOLDING FIVE PERCENT OR MORE VOTING INTEREST IN THE COMPANY	5	7,419,377	-
1 MR. MUHAMMAD SIDDIQUE MISRI		2,609,035	
2 MR. MUHAMMAD IRFAN GHANI		1,249,000	
3 M/S MILLAT TRACTORS LIMITED		1,282,825	
4 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST		1,467,160	
5 M/S NATIONAL BANK OF PAKISTAN		811,357	



Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in the listing regulation No.35 of the Karachi Stock Exchange Ltd for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of the Corporate Governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and representation of minority interests on its Board of Directors (BOD). At present the BOD includes five non Executive Directors, and one independent Director.

Name of Director	Category of Director		
	Independent	Non-Executive	Executive
	1	5	3
Syed Haroon Rashid		✓	
Mr. Razak H.M. Bengali			✓
Mr. Muhammad Siddique Misri			✓
Mr. Muhammad Irfan Ghani			✓
Mr. Anis Wahab Zuberi	✓		
Syed Zubair Ahmed Shah		✓	
Mrs. Gulbano Razak		✓	
Miss Maheen Irfan Ghani		✓	
Mrs. Saba Nadeem		✓	

2. The Directors have confirmed that none of them is serving as a director in more than seven listed companies including this Company.
3. All the resident Directors of the Company are registered as tax payers and none of them has defaulted in payment of any loan to a banking company, a Development Finance Institution (DFI) or Non Banking Finance Institution (NBFI) or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred during the year.
5. The Company has prepared a Code of Conduct "Statement of Ethics and Business Practices" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the BOD have been duly exercised and decisions on material transactions, and significant matters are documented by a resolution passed by the BOD, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other Executive & Non Executive Directors, CFO / Company Secretary, have been taken by the BOD.
8. The meetings of the BOD were presided over by the Chairman and, in his absence, by a director elected by the BOD for this purpose and the BOD met at least once in every quarter. Written notices of the Board meetings, along with agenda were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board had arranged an orientation course for its Directors to further apprise them of their duties and responsibilities. One director has completed Directors Training Program during the period & now we have two Directors who have completed the Directors Training Program besides Mr. Razak H.M. Bengali & Mr. Muhammad Siddique Misri who meets the criteria of exemption under clause (xi) of CCG and are accordingly exempted from Directors Training Program.



10. No new appointment of CFO/Company Secretary and Head of Internal Audit has been made during the year.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by the CEO and CFO before the approval of the BOD.
13. The Directors, CEO and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The BOD has formed an Audit Committee. It comprises three members, of whom all are Non-Executive Directors and the Chairman of the committee is an independent Director, who meets the criteria of independence under the Code.
16. The meetings of the Audit Committee were held at least once in every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference to the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource & Remuneration Committee. It comprises of four members, of whom three are Non Executive Directors and the Chairman of the Committee is a Non-Executive Director.
18. The Board has setup an effective Internal Audit function, Head of Internal Audit is suitably qualified and experienced and is conversant with the polices and procedures of the Company and he is involved in the internal audit function on a full time basis.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by (ICAP).
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material / Price sensitive information has been disseminated among all market participants at once through stock exchange.
23. We confirm all other material principles contained in the Code have been complied with as stated above, except that presently the position of the CFO and Company Secretary is held by the same person. The decision in respect of the position of CFO and Company Secretary has been taken by BOD keeping in view the size of the Company.

On behalf of the Board of Directors

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director

Karachi. September 18, 2014



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

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended **30 June 2014**, prepared by the Board of Directors of **Baluchistan Wheels Limited** (the Company) to comply with the requirements of Listing Regulation No. 35 (Chapter XI) of Karachi Stock Exchange where the Company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2014.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Karachi: September 18, 2014



Auditors' Report to the Members

We have audited the annexed balance sheet of Baluchistan Wheels Limited (the Company) as at 30 June 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the changes as stated in notes 2.4 and 2.5 to the accompanying financial statements with which we concur;
 - ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2014, and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants
Audit Engagement Partner's Name: Omar Mustafa Ansari

Date: September 18, 2014
Place: Karachi



Balance Sheet

AS AT 30 JUNE 2014

ASSETS	Note	30 June 2014	30 June 2013 (Restated)	30 June 2012 (Restated)
		----- (Rs. in '000) -----		
NON-CURRENT ASSETS				
Fixed assets				
Property, plant and equipment	3	351,705	354,354	360,700
Intangible asset	4	-	110	220
		351,705	354,464	360,920
Long-term investments	5	747	755	708
Long-term loans and advances	6	1,993	1,818	1,740
Long-term deposits	7	5,740	4,636	9,082
		360,185	361,673	372,450
CURRENT ASSETS				
Stores, spare parts and loose tools	8	44,552	45,703	45,925
Stock-in-trade	9	498,712	502,672	508,184
Trade debts	10	65,310	134,255	129,508
Loans and advances	11	15,267	16,673	8,568
Trade deposits and short-term prepayments	12	2,749	3,218	2,907
Other receivable	13	5,813	-	-
Short-term investments	14	83,678	20,067	-
Sales tax refundable - net		1,792	-	-
Tax refundable due from the government - net		47,377	18,773	-
Bank balances	15	28,905	34,713	48,331
		794,155	776,074	743,423
TOTAL ASSETS		1,154,340	1,137,747	1,115,873
EQUITY AND LIABILITIES				
SHARE CAPITAL AND RESERVES				
Share capital	16	133,343	133,343	133,343
Reserves	17	877,854	829,035	790,466
		1,011,197	962,378	923,809
NON-CURRENT LIABILITIES				
Liabilities against assets subject to finance leases	18	5,113	1,626	5,695
Long-term advance	19	10,093	-	-
Long-term deposits	20	1,110	892	784
Deferred taxation	21	35,490	41,777	45,076
		51,806	44,295	51,555
CURRENT LIABILITIES				
Trade and other payables	22	83,227	112,949	87,562
Accrued mark-up	23	20	1,124	149
Short-term borrowings	24	-	-	70
Sales tax payable - net		-	10,019	3,131
Current portion of liabilities against assets subject to finance leases	18	3,828	4,039	3,291
Current portion of long-term advance	19	1,442	-	-
Current portion of long-term deposit	20	12	-	-
Provision for warranty	25	2,808	2,943	4,091
Provision for taxation - net		-	-	42,215
		91,337	131,074	140,509
CONTINGENCIES AND COMMITMENTS	26			
TOTAL EQUITY AND LIABILITIES		1,154,340	1,137,747	1,115,873

The annexed notes 1 to 45 form an integral part of these financial statements.

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



Profit and Loss Account

FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 June 2014	30 June 2013
		(Rs. in '000)	
Turnover - net	27	1,148,425	1,164,513
Cost of sales	28	(948,811)	(1,024,528)
Gross profit		199,614	139,985
Distribution costs	29	(38,696)	(26,302)
Administrative expenses	30	(71,153)	(68,429)
Other operating expenses	31	(10,433)	(5,250)
Other income	32	9,014	1,568
		(111,268)	(98,413)
Operating profit		88,346	41,572
Finance costs	33	(3,109)	(4,984)
Profit before taxation		85,237	36,588
Taxation	34	(16,733)	19,271
Profit after taxation		68,504	55,859
		----- (Rupees) -----	
Earnings per share - Basic and diluted	35	5.14	4.19

The annexed notes I to 45 form an integral part of these financial statements.

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014	30 June 2013 (Restated)
Note	----- (Rs. in '000) -----	
Net profit for the year	68,504	55,859
Other comprehensive income / (loss)		
Other comprehensive income to be reclassified to profit or loss in subsequent periods		
Unrealised (loss) /gain due to changes in fair value of available-for-sale investment arising during the year	5.1 (8)	47
Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Re-measurement gain in defined benefit plan	484	4,037
Income tax effect	(160)	(1,373)
	324	2,664
Total comprehensive income for the year	68,820	58,570

The annexed notes 1 to 45 form an integral part of these financial statements.

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



Cash Flow Statement

FOR THE YEAR ENDED 30 JUNE 2014

	30 June 2014	30 June 2013
Note	----- (Rs. in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	37 158,851	118,413
Employees' benefits paid	(4,902)	(5,983)
Long-term loans and advances - net	(175)	(78)
Long-term deposits - net	(887)	4,555
Net cash generated from operating activities	152,887	116,907
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(45,980)	(36,829)
Proceeds from disposal of fixed assets	9,429	3,045
Profit received on deposit accounts	627	314
Gain on redemption of mutual funds	1,090	199
Dividend received	-	38
Short-term investments made during the year	(62,000)	(20,000)
Net cash used in investing activities	(96,834)	(53,233)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance received from a customer	11,535	-
Repayment of short-term borrowings - net	-	(70)
Liabilities against asset subject to finance leases - net	3,276	(3,321)
Income tax paid	(52,734)	(50,086)
Finance costs paid	(4,213)	(4,009)
Dividend paid	(19,725)	(19,806)
Net cash used in financing activities	(61,861)	(77,292)
Net decrease in cash and cash equivalents	(5,808)	(13,618)
Cash and cash equivalents at the beginning of the year	34,713	48,331
Cash and cash equivalents at the end of the year	28,905	34,713

The annexed notes 1 to 45 form an integral part of these financial statements.

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2014

Issued, subscribed and paid-up capital	RESERVES					Total reserves	Total
	General reserve	Unrealised gain/(loss) on revaluation of available-for-sale-investments	Remeasurement gain in defined benefit plan	Unappropriated profit			

----- (Rs. in '000) -----

Balance as at 30 June 2012 - as previously reported	133,343	160,000	564	-	630,357	790,921	924,264
Effect of retrospective application of change in accounting policy referred in note 2.5 - net of tax	-	-	-	(455)	-	(455)	(455)
Balance as at 30 June 2012 - as restated	133,343	160,000	564	(455)	630,357	790,466	923,809
Final dividend for the year ended 30 June 2012 @ Rs. 1.5 per share	-	-	-	-	(20,001)	(20,001)	(20,001)
Net profit for the year	-	-	-	-	55,859	55,859	55,859
Other comprehensive income Unrealized gain on available-for-sale investment	-	-	47	-	-	47	47
Total comprehensive income - as previously reported	-	-	47	-	55,859	55,906	55,906
Effect of retrospective application of change in accounting policy referred in note 2.5 - net of tax	-	-	-	2,664	-	2,664	2,664
Total comprehensive income - as restated	-	-	47	2,664	55,859	58,570	58,570
Balance as at 30 June 2013 - as restated	133,343	160,000	611	2,209	666,215	829,035	962,378
Balance as at 30 June 2013 - as previously reported	133,343	160,000	611	-	666,215	826,826	960,169
Effect of retrospective application of change in accounting policy referred in note 2.5 - net of tax	-	-	-	2,209	-	2,209	2,209
Balance as at 30 June 2013 - as restated	133,343	160,000	611	2,209	666,215	829,035	962,378
Final dividend for the year ended 30 June 2013 @ Rs. 1.5 per share	-	-	-	-	(20,001)	(20,001)	(20,001)
Net profit for the year	-	-	-	-	68,504	68,504	68,504
Other comprehensive income Effect of remeasurement gain - net of tax Unrealized loss on available-for-sale investment	-	-	-	324	-	324	324
	-	-	(8)	-	-	(8)	(8)
Total comprehensive income	-	-	(8)	324	68,504	68,820	68,820
Balance as at 30 June 2014	133,343	160,000	603	2,533	714,718	877,854	1,011,197

The annexed notes 1 to 45 form an integral part of these financial statements.

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2014

1. THE COMPANY AND ITS OPERATIONS

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and other standards as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of preparation

These financial statements have been prepared under the historical cost convention, except for certain investment in securities which are carried at fair value as stated in note 2.10 below.

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

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

Standard or Interpretation	Effective date (accounting periods beginning on or after)
IFRS 10 - Consolidated Financial Statements	01 January 2015
IFRS 11 - Joint Arrangements	01 January 2015
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2015
IFRS 13 - Fair Value Measurement	01 January 2015
IAS 16 & 38 - Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 19 - Employee Contributions	01 July 2014
IAS 32 - Offsetting Financial Assets and Financial liabilities (Amendment)	01 January 2014
IAS 36 - Recoverable Amount for Non-Financial Assets (Amendment)	01 January 2014
IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting (Amendment)	01 January 2014

The Company is currently evaluating the impact of the above standards and interpretation on the Company's financial statements in the period of initial application.

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



Standard	IASB Effective date (accounting periods Beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2017

2.4 Standards, amendments and interpretations adopted during the year

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, revised and amended standards and interpretations

The Company has adopted the following amendments to IFRSs which became effective for the current year:

- IAS 19 - Employee Benefits (Revised)
- IFRS 7 - Financial Instruments: Disclosures (Amendment) - Amendments enhancing disclosures about off-setting of financial assets and financial liabilities)
- IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine

Improvements to the accounting standards issued by the IASB

- IAS 1 - Presentation of Financial Statements - Clarification of the requirements for comparative information
- IAS 16 - Property, Plant and Equipment - Clarification of Servicing Equipment
- IAS 32 - Financial Instruments: Presentation - Tax Effect of Distribution to Holders of Equity Instruments
- IAS 34 - Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions and improvements to accounting standards and interpretations did not have any material effect on these financial statements except for IAS 19 (Revised) which has resulted in change in accounting policy as described in note 2.5 to the financial statements.

2.5 Change in accounting policy

Accounting for Employee Benefits - IAS 19

IAS 19, 'Employee Benefits' was revised in June 2011. The effective date of this amendment is from annual period beginning on after 01 January 2013 and accordingly it become applicable to the Company in the current financial year.

The revised standard requires:

- (i) past service cost to be recognized immediately in the profit or loss;
- (ii) replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year; and
- (iii) introduces a new term 'remeasurements' which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost.



The revised standard eliminates the corridor approach and requires to recognize all remeasurement gains or losses / actuarial gains or losses in the Other Comprehensive Income (OCI) immediately as they occur.

In accordance with the transitional provisions as set out in IAS 19 (Revised), the Company has applied the revised standard retrospectively and, consequently earliest periods presented in the balance sheet, statement of comprehensive income and the statement of changes in equity have been restated. The impact of retrospective application of IAS 19 (Revised) is as follows:

Impact of adoption of IAS 19 (Revised)	Note	30 June 2013	30 June 2012
----- (Rs. in '000) -----			
Effect on Balance Sheet			
(Decrease) / increase in trade and other payables		(4,037)	455
Increase / (decrease) in reserves		2,664	(455)
Increase in deferred taxation		1,373	-
Impact on profit and loss account			
Increase in net profit for the year		-	-
Impact on statement of comprehensive income			
Increase / (decrease) in actuarial gain for the period		2,664	(455)

There is no impact of this change in accounting policy on the cash flow statement and on 'earnings per share' in these financial statements.

2.6 Amendment to IAS I Presentation of Financial Statements

The primary change resulting from this amendment is that the Company has grouped items presented in 'other comprehensive income' on the basis whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

Had there been no change in the aforementioned accounting policy, there would not have been bifurcation of items appearing in the 'other comprehensive income'.

2.7 Property, plant and equipment

Owned

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 profit and loss account applying the reducing balance method, except for computers which are depreciated on straight line method, at the rates stated in note 3. Maintenance, normal repairs, registration charges, taxes and other ancillary immaterial charges are charged to profit and loss account as and when incurred. Major renewals and improvements are capitalised. Assets' residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each financial year end.

An item of property, plant and equipment derecognized upon disposal or when no future economic benefits are expected from its use or disposal then gain or loss on disposal of property, plant and equipment is included in profit and loss account.



Capital work-in-progress

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

Assets subject to finance lease

The Company accounts for operating assets acquired under finance leases by recording the assets and the related liability at the amounts which are determined on the basis of the discounted value of minimum lease payments. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged to income applying the same basis as for owned assets.

Income on sale and lease back arrangement is deferred and amortized over the lease term.

2.8 Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method reflecting the pattern in which the economic benefits of the asset are consumed by the Company.

2.9 Impairment

The Company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The recoverable amount of property, plant and equipment is the higher of net selling price and value in use.

2.10 Investments

The management of the Company determines the appropriate classification of its investments at the time of purchases and these are initially recognized at fair value, plus, in case of investment at fair value through profit or loss, directly attributable transaction cost.

Investments at fair value through profit or loss

Investments at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

Held-to-maturity

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

Available-for-sale

Investments that are not held for trading but may be sold in response to the need for liquidity or change in market rates are classified as available-for-sale. Investments in quoted equity securities are initially recorded at cost and subsequently remeasured at fair value. The resulting gain or loss is recognised directly as a component of equity until the investment is sold, or otherwise disposed off, or until the investment is determined to be impaired, at which time, the cumulative gain or loss previously reported in equity is taken to profit and loss account.



2.11 Stores, spare parts and loose tools

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

Provision / write off, if required, is made in the accounts for slow moving, obsolete and unusable items to bring their carrying value down to NRV.

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

2.12 Stock-in-trade

Raw materials and components except for those in transit are valued at lower of weighted average cost and Net Realisable Value (NRV).

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

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

Average manufacturing cost comprises the cost of direct materials and labour and a proportion of manufacturing overheads based on normal capacity.

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 cost of completion and costs necessarily to be incurred to make the sale. Provision is made for obsolete inventory based on management's judgment to bring the carrying value down to expected NRV.

2.13 Trade debts

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

2.14 Loans and advances

These are stated at cost, which is the fair value of consideration given, less provision for any doubtful receivables. In case of long-term loans and advances, the fair value effect at initial measurement is ignored, if the same is considered immaterial.

2.15 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.

2.16 Provisions

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

2.17 Provision for warranty

The management estimates at each balance sheet date a liability that could arise as a result of the Company's obligation to repair and replace products under warranty.



2.18 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes party to the contractual provisions of the instrument and are derecognised in case of assets, when the contractual rights under the instrument are realised, expired or surrendered and in case of liability, when the obligation is discharged, cancelled or expired.

Any gain / loss on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account.

2.19 Offsetting of financial assets or liabilities

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

2.20 Foreign currency translations

Transactions in foreign currencies are translated into Pak Rupees (presentation currency) at the rates of exchange approximating those appearing on the dates of transactions. Monetary Assets and liabilities denominated in foreign currencies are translated into Rupees at the rates of exchange approximating those prevailing at the balance sheet date. Any resulting gain or loss arising from changes in exchange rates is taken to profit and loss account.

2.21 Functional and presentation currency

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

2.22 Staff benefits

Defined benefit plan

The Company operates an approved and funded defined gratuity scheme for all permanent employees who have completed the minimum qualifying period of service for entitlement of gratuity. The contributions to the scheme are made in accordance with the independent actuarial valuation. The latest actuarial valuation was carried out as of 30 June 2014 using Projected Unit Credit method.

As more fully explained in note 2.5, effective from 01 July 2013, the Company has changed its accounting policy due to amendments in IAS 19 (Revised) "Employee benefits", whereby actuarial gains and losses are now being recognised directly to equity through statement of other comprehensive income as they occur. Previously actuarial gains / losses exceeding 10 percent of the higher of the present value of the defined benefit obligation and fair value of plan assets at the beginning of the year, were amortised over the average future service of the employees. The description and the impacts of the change in accounting policy have been detailed in note 2.5.

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.

Compensated absences

Accrual for compensated absences is made to the extent of the value of accrued absences of the employees at the balance sheet date using their current salary levels as per Company's policy.

2.23 Ijarah rentals

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



2.24 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation on income. The charge for current tax is calculated using prevailing tax rates. The charge for current tax also includes adjustments for prior years or otherwise considered necessary for such years. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime.

Deferred

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. In this regard, the effects on deferred taxation of the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirement of Accounting Technical Release 27 of the Institute of Chartered Accountants of Pakistan, if considered material.

2.25 Revenue recognition

Sales are recognised upon passage of title to the customers, which generally coincides with physical delivery.

Scrap sales are recognised on physical delivery to customer.

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

Profit on deposit accounts is recognised on an accrual basis.

2.26 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise current and deposit accounts.

2.27 Dividend and appropriations to reserves

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

2.28 Significant accounting judgments and estimates

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:



Determining the residual values, useful lives and impairment of property, plant and equipment and intangible

The Company reviews the appropriateness of the rate of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets is made for possible impairment on an annual basis. In making these estimates, the Company uses the technical resources available with the Company. Any change in the estimates in the future might affect the carrying amount of respective item of property, plant and equipment, with corresponding effect on the depreciation charge and impairment.

Staff / employees benefit

The cost of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rate, expected rate of return on assets and future salary increases. Due to long term nature of these plans, such estimates are subject to significant uncertainty and may effect the future financial statements.

Provision for warranty

A provision is recognised for expected warranty claims on products sold at the rate of 0.5 percent of last six months' turnover based on past experience. Assumptions used to calculate the provision for warranties are based on current sales levels and current information available about past trend and future expectation of such claims. Any change in the estimates in future might effect the profit and loss account of that year.

Provision for slow moving inventories

The Company maintained provision for slow moving stock-in-trade and stores, spares and loose tools in respect of written down of inventories to their expected Net Realizable Value (NRV). The Company reviews the NRV of stock-in-trade and stores, spares and loose tools at each year end to assess any diminution in the carrying value keeping in view the aging analysis. Any change in the estimate in future might affect the profit and loss account of that year.

3. PROPERTY, PLANT AND EQUIPMENT

	C O S T			Rate	ACCUMULATED DEPRECIATION			BOOK VALUE	
	As at 1 July 2013	Additions / (Disposals) / *Transfers / **(Write-off)	As at 30 June 2014		As at 1 July 2013	Charge for the year	On *Transfers / (Disposals) / **(Write-off)	As at 30 June 2014	As at 30 June 2014
	--- (Rupees in thousand) ---			%	----- (Rupees in thousand) -----				
Owned									
Land - freehold	2,559	-	2,559	-	-	-	-	-	2,559
Building on freehold land	94,939	721	95,660	5 & 10	43,215	2,608	-	45,823	49,837
Plant and machinery	849,038	25,964 **(12,767)	862,235	10 & 20	581,154	30,458	*(12,767)	598,845	263,390
Electrical installations	29,266	-	29,266	10	19,609	966	-	20,575	8,691
Furniture and fittings	4,860	199 **(407)	4,652	10	3,474	191	*(407)	3,258	1,394
Office equipment	11,862	449 (32) **(356)	11,923	33	10,232	640	(30) **(356)	10,486	1,437
Computers	6,563	196 (63) **(2,536)	4,160	33	6,080	254	(38) **(2,536)	3,760	400
Vehicles	20,744	10,451 (13,215) *6,500	24,480	20	9,555	2,510	*3,184 (4,390)	10,859	13,621
Library books	42	-	42	10	38	1	-	39	3
	1,019,873	37,980 (13,310) *6,500 **(16,066)	1,034,977		673,357	37,628	*3,184 (4,458) **(16,066)	693,645	341,332
Leased									
Vehicles	11,461	8,000 *(6,500)	12,961	20	3,623	2,149	*(3,184)	2,588	10,373
2014	1,031,334	45,980 (13,310) ** (16,066)	1,047,938		676,980	39,777	(4,458) ** (16,066)	696,233	351,705



	C O S T			Rate %	ACCUMULATED DEPRECIATION			BOOK VALUE	
	As at 1 July 2012	Additions / (Disposals) / *Transfers	As at 30 June 2013		As at 1 July 2012	Charge for the year (On Disposals)	As at 30 June 2013	As at 30 June 2013	
	--- (Rupees in thousand) ---				----- (Rupees in thousand) -----				
Owned									
Land - freehold	2,559	-	2,559		-	-	-	-	2,559
Building on freehold land	93,606	1,133 *200	94,939	5 & 10	40,548	2,667	-	43,215	51,724
Plant and machinery	818,525	30,513	849,038	10 & 20	549,759	31,395	-	581,154	267,884
Electrical installations	28,844	422	29,266	10	18,557	1,052	-	19,609	9,657
Furniture and fittings	4,860	-	4,860	10	3,320	154	-	3,474	1,386
Office equipment	11,380	580 (98)	11,862	33	9,554	763	(85)	10,232	1,630
Computers	6,355	314 (106)	6,563	33	5,941	237	(98)	6,080	483
Vehicles	23,097	3,867 (6,220)	20,744	20	10,848	2,555	(3,848)	9,555	11,189
Library books	42	-	42	10	38	-	-	38	4
	989,268	36,829 (6,424) *200	1,019,873		638,565	38,823	(4,031)	673,357	346,516
Leased									
Vehicles	11,461	-	11,461	20	1,664	1,959	-	3,623	7,838
2013	1,000,729	36,829 (6,424) *200	1,031,334		640,229	40,782	(4,031)	676,980	354,354

30 June 2014 **30 June 2013**
Note ----- (Rs. in '000) -----

3.1 Reconciliation of book value is as follows:

Book value at the beginning of the year	354,354	360,500
Additions during the year	45,980	36,829
Transfer from capital-work-in-progress	-	200
Depreciation for the year	(39,777)	(40,782)
Disposals during the year at NBV	(8,852)	(2,393)
Book value as at the end of year	351,705	354,354

3.2 Allocation of depreciation is as follows:

Cost of sales - Manufacturing overheads	28	35,664	36,439
Distribution cost	29	32	35
Administrative expenses	30	4,081	4,308
		39,777	40,782

3.3 Particulars of operating fixed assets having written down value (WDV) exceeding Rs. 50,000/- disposed of during the year are as follows:



Particulars	Cost	Accumulated Depreciation	Book value	Sale proceeds	Gain/ (loss)	Mode of disposal	Particulars of Purchaser
	----- (Rs. in '000) -----						
Vehicles							
Santro Suzuki Liana	559	398	161	450	289	Tender	Farhan Maqsood, Karachi
Mercedes Benz	856	663	193	193	-	Company Policy	Arshad Ali Siddiqui - Ex-Deputy General Manager A&P
Land Cruiser	3,800	3,044	756	756	-	Company Policy	Razak HM Bengali - Employee / Executive Director
Others	8,000	285	7,715	8,000	285	Sale and lease back on Ijarah	Meezan Bank Limited
2014	<u>13,310</u>	<u>4,458</u>	<u>8,852</u>	<u>9,429</u>	<u>577</u>		
2013	<u>6,424</u>	<u>4,031</u>	<u>2,393</u>	<u>3,045</u>	<u>652</u>		

4. INTANGIBLE ASSET

	COST			ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE	Amortization rate %
	As at 1 July 2013	Addition	As at 30 June 2014	As at 1 July 2013	For the year	As at 30 June 2014	As at 30 June 2014	
Software	----- (Rs. in '000) -----							
2014	<u>550</u>	<u>-</u>	<u>550</u>	<u>440</u>	<u>110</u>	<u>550</u>	<u>-</u>	<u>20%</u>

	COST			ACCUMULATED AMORTIZATION			WRITTEN DOWN VALUE	Amortization rate %
	As at 1 July 2012	Addition	As at 30 June 2013	As at 1 July 2012	For the year	As at 30 June 2013	As at 30 June 2013	
Software	----- (Rs. in '000) -----							
2013	<u>550</u>	<u>-</u>	<u>550</u>	<u>330</u>	<u>110</u>	<u>440</u>	<u>110</u>	<u>20%</u>

5. LONG-TERM INVESTMENTS

Available-for-sale - at fair value

Quoted securities

Note ----- (Rs. in '000) -----

	30 June 2014	30 June 2013
5.1	<u>747</u>	<u>755</u>

5.1 Represents 20,763 (2013: 18,876) ordinary shares of Rs. 10/- each of Bolan Castings Limited. Equity held 0.018% (2013: 0.018%). The movement in available-for-sale investment is as follows:

Balance at the beginning of the year	755	708
(Loss) / gain on fair value adjustment	(8)	47
Balance at the end of the year	<u>747</u>	<u>755</u>



6. LONG-TERM LOANS AND ADVANCES

Secured, considered good

	Note	30 June 2014	30 June 2013
Loans to employees	6.1	1,172	1,477
Loans to executives	6.2	891	487
		2,063	1,964
Receivable within one year	11	(767)	(655)
		1,296	1,309
Advances to employees		2,648	2,120
Receivable within one year	11	(1,951)	(1,611)
		697	509
		1,993	1,818

- 6.1** Represents interest-free loans to employees for purchase of motorcars, motorcycles, home appliances, house building and for staff welfare in accordance with the Company's policy. These loans are recoverable in four years in equal monthly installments. These loans are secured against the retirement benefits of employees.
- 6.2** Represents interest-free advances given to executives against their salaries. These are recoverable in equal monthly installments. These advances are secured against the retirement benefits of employees. The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.891 (2013: Rs. 0.487) million.
- 6.3** The maximum aggregate amount due from executives at the end of any month during the year was Rs. 1.691 (2013: Rs. 0.959) million.

7. LONG-TERM DEPOSITS

	Note	30 June 2014	30 June 2013
Trade deposits	7.1	4,140	4,140
Lease deposits		1,600	496
		5,740	4,636

- 7.1** Represents security deposits which are given to suppliers of goods and / or services as a security against future payments. These are refunded / adjusted against supplies or services at the end.

8. STORES, SPARE PARTS AND LOOSE TOOLS

	Note	30 June 2014	30 June 2013
Stores		4,945	4,592
Spare parts		82,786	82,443
Loose tools		2,107	1,979
		89,838	89,014
Provision for slow moving:			
Stores		(114)	(243)
Spare parts		(44,341)	(42,218)
Loose tools		(831)	(850)
	8.1	(45,286)	(43,311)
		44,552	45,703



	Note	30 June 2014	30 June 2013
----- (Rs. in '000) -----			
8.1 Movement in provision is as follows:			
Balance at the beginning of the year		43,311	45,877
Charge / (reversal) during the year	28	1,975	(2,566)
Balance at the end of the year		45,286	43,311
9. STOCK-IN-TRADE			
Raw material and components		136,436	312,701
Finished goods		183,746	62,483
Work-in-process		139,847	113,895
Scrap stock		44,500	46,066
		504,529	535,145
Stock-in-transit		22,511	-
		527,040	535,145
Provision for slow moving stock / NRV adjustment	9.1	(28,328)	(32,473)
		498,712	502,672
9.1 Movement in provision is as follows:			
Balance at the beginning of the year		32,473	17,209
Charge during the year	28	10,162	17,200
Reversal during the year	28	(14,307)	(1,936)
Balance at the end of the year		28,328	32,473
10. TRADE DEBTS			
Unsecured			
Considered good		65,310	134,255
Considered doubtful		303	1,420
Provision for doubtful debts	10.1	(303)	(1,420)
		-	-
		65,310	134,255
10.1 Reconciliation of provision for impairment of trade debts is as follows:			
Balance at the beginning of the year		1,420	1,362
Provision made during the year	30	302	58
Reversal during the year	30	(1,419)	-
Balance at the end of the year		303	1,420
11. LOANS AND ADVANCES			
Loans - secured, considered good			
Current portion of long-term loans	6	767	655
Advances			
Considered good - unsecured			
For expenses - unsecured		353	1,212
To suppliers - unsecured		11,777	12,776
Letters of credit fee and margin - unsecured		419	419
		12,549	14,407
Current portion of long-term advances - secured	6	1,951	1,611
		15,267	16,673



		30 June 2014	30 June 2013
	Note	----- (Rs. in '000) -----	
12. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS			
Trade deposits	12.1	1,676	2,250
Prepayments		1,073	968
		<u>2,749</u>	<u>3,218</u>
12.1 Include Rs. 0.496 (2013: Rs. 0.650) million in respect of ease deposits.			
13. OTHER RECEIVABLE			
Receivable from employee's gratuity fund	13.1	5,402	-
Receivable from worker's profit participation fund	13.2	411	-
		<u>5,813</u>	<u>-</u>
13.1 Receivable from employees' gratuity fund			

The latest actuarial valuation was carried out as at 30 June 2014 using the Projected Unit Credit Method. Following is a summary of valuation:

		30 June 2014	30 June 2013
	Note	----- (Rs. in '000) -----	
13.1.1 Reconciliation of obligations as at year end			
Present value of defined benefit obligation	13.1.4	52,660	54,053
Fair value of plan assets	13.1.5	(58,062)	(52,957)
Net (receivable) / liability at end of the year		<u>(5,402)</u>	<u>1,096</u>
13.1.2 Movement in net (receivable) / liability			
Net liability at beginning of the year		1,096	5,332
Charge for the year	13.1.3	(1,336)	4,678
Net actuarial gain		(484)	(4,037)
Contributions		(4,678)	(4,877)
Net (receivable) / liability at end of the year		<u>(5,402)</u>	<u>1,096</u>
13.1.3 Charge for the year			
Current service cost		3,406	3,613
Interest cost - net		(38)	1,065
Reversal of past service cost on plan amendment		(4,704)	-
Charge for the year		<u>(1,336)</u>	<u>4,678</u>
13.1.4 Movement in defined benefit obligation			
Present value of defined benefit obligation at beginning of the year		54,053	48,152
Current service cost		3,406	3,613
Interest cost		5,369	6,565
Reversal of past service cost on plan amendment		(4,704)	-
Benefits paid during the year		(3,927)	(2,515)
Remeasurements on obligation		(1,537)	(1,762)
Present value of defined benefit obligation at end of the year		<u>52,660</u>	<u>54,053</u>



30 June 2014 30 June 2013

----- (Rs. in '000) -----

13.1.5 Movement in fair value of plan assets

Fair value of plan assets at beginning of the year	52,957	42,820
Expected return on plan assets	5,407	5,500
Contributions made by the Company	4,678	4,877
Benefits paid during the year	(3,927)	(2,515)
Remeasurements: Difference between actual return and expected on assets	(1,053)	2,275
Fair value of plan assets at end of the year	<u>58,062</u>	<u>52,957</u>

13.1.6 The principal assumptions used in the actuarial valuations carried out as of 30 June 2014 using the 'Projected Unit Credit' method are as follows:

	Gratuity Fund	
	2014	2013
	%	%
Rate of salary increase (per annum)	12.0	12.0
Rate of return (per annum)	13.5	12.0
Discount rate (per annum)	13.5	12.0
Expected mortality rate	EFU 61-66	EFU 61-66
	mortality table	mortality table
Expected withdrawal rate	Age dependent	Age dependent

Unaudited 30 June 2014 30 June 2013

----- (Rs. in '000) -----

13.1.7 Actual return on plan assets

5,807 6,130

13.1.8 Plan assets comprise the following:

	Unaudited 2014		2013	
	Rs. in '000	%age	Rs. in '000	%age
Equity (mutual funds)	32,327	55.68	12,642	23.87
Debt	23,893	41.15	38,399	72.51
Others	1,842	3.17	1,916	3.62
	<u>58,062</u>		<u>52,957</u>	

13.1.9 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy.

13.1.10 Expected contribution to the fund for the year ending 30 June 2015 is Rs. 0.99 million.



13.1.II Comparison for five years:

	2014	2013	2012	2011	2010
	----- (Rupees in '000) -----				
Present value of defined benefit obligation	52,660	54,053	48,152	42,832	40,682
Fair value of plan assets (Surplus) / deficit	(58,062)	(52,957)	(42,820)	(37,490)	(31,482)
	<u>(5,402)</u>	<u>1,096</u>	<u>5,332</u>	<u>5,342</u>	<u>9,200</u>
Experience adjustments					
Gain / (loss) on plan liabilities	1,537	1,762	194	558	356
	<u>1,537</u>	<u>1,762</u>	<u>194</u>	<u>558</u>	<u>356</u>
Gain / (loss) on plan assets	(1,053)	2,274	(516)	3,947	(4,399)
	<u>(1,053)</u>	<u>2,274</u>	<u>(516)</u>	<u>3,947</u>	<u>(4,399)</u>

30 June 2014 **30 June 2013**
 Note ----- (Rs. in '000) -----

13.2 Workers' Profits Participation Fund

Balance at the beginning of the year		1,976	1,763
Interest on funds utilised in the Company's Business	33	6	55
Allocation for the year	31	4,589	1,976
		<u>6,571</u>	<u>3,794</u>
Payments made during the year		(6,982)	(1,818)
Balance at the end of the year		<u>(411)</u>	<u>1,976</u>

14. SHORT-TERM INVESTMENTS - Held-for-trading

Faysal Savings Growth Fund (AA credit rating)	14.1	49,044	20,067
HBL Money Market Fund (AA credit rating)	14.2	16,459	-
NAFA Money Market Fund (AA credit rating)	14.3	18,175	-
		<u>83,678</u>	<u>20,067</u>

14.1 Represents investment of 483,383.22 units (2013: 196,001.57 units).

14.2 Represents investment of 164,063.28 units (2013: Nil).

14.3 Represents investment of 1,815,127.53 units (2013: Nil).

30 June 2014 **30 June 2013**
 Note ----- (Rs. in '000) -----

15. BANK BALANCES

Current accounts		12,476	23,877
Saving accounts	15.1	16,429	10,836
		<u>28,905</u>	<u>34,713</u>

15.1 These carry profit at the rate of approx. 7.5% (2013: approx. 8%) per annum on daily product basis.



16. SHARE CAPITAL

30 June 2014 (Number of shares)	30 June 2013		30 June 2014 (Rs. in '000)	30 June 2013 (Rs. in '000)
25,000,000	25,000,000	Authorised capital		
		Ordinary shares of Rs. 10/- each	250,000	250,000
		Issued, subscribed and paid-up capital		
		Fully paid ordinary shares of Rs. 10/- each		
9,276,000	9,276,000	Issued for cash	92,760	92,760
4,058,250	4,058,250	Issued as fully paid bonus shares	40,583	40,583
13,334,250	13,334,250		133,343	133,343

17. RESERVES

Revenue			
General		160,000	160,000
Unappropriated profit		714,718	666,215
		874,718	826,215
Unrealised gain on revaluation of available-for-sale investment		603	611
Remeasurement gain in defined benefit plan		2,533	2,209
		877,854	829,035

18. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

Represents finance leases entered into with two commercial banks for vehicles. Total lease rentals due under lease agreements aggregate to Rs. 10.143 (2013: Rs. 11.461) million and are payable in monthly installments latest by 2017. 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 rates are six months' KIBOR plus 200 bps and six months' KIBOR plus 250 bps (2013: six months' KIBOR plus 250 bps) per annum have been used as discounting factor. Purchase options can be exercised by the Company at the end of lease terms, by paying 10 percent of the leased amount. The movement in the finance leases liability is as follows:

	2014		2013	
	Minimum lease payments	Present value	Minimum lease payments	Present value
	----- (Rs. in '000) -----			
Within one year	4,554	3,828	4,380	4,039
After one year but not more than five year	5,589	5,113	1,677	1,626
Total minimum lease payments	10,143	8,941	6,057	5,665
Amount representing finance charges	(1,202)	-	(392)	-
Present value of minimum lease payments	8,941	8,941	5,665	5,665
Current portion	(3,828)	(3,828)	(4,039)	(4,039)
	5,113	5,113	1,626	1,626



19. LONG-TERM ADVANCE

Advance from a customer
Adjustable within one year

Note	30 June 2014	30 June 2013
	----- (Rs. in '000) -----	
19.1	11,535	-
	(1,442)	-
	<u>10,093</u>	<u>-</u>

19.1 Represents an advance received from a customer on account of purchasing of a tooling machine. The advance is expected to be adjusted against invoices from April 2015 onwards through 24 equal monthly installments. The advance carries a markup at the rate of 12% per annum.

20. LONG-TERM DEPOSITS

Deposit from employees
Adjustable within one year

Note	30 June 2014	30 June 2013
	----- (Rs. in '000) -----	
20.1	1,122	892
	(12)	-
	<u>1,110</u>	<u>892</u>

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

21. DEFERRED TAXATION

Deferred tax liability

Note	30 June 2014	30 June 2013 (Restated)
	----- (Rs. in '000) -----	

21.1 Deferred tax liability comprises of:

Deferred tax liabilities on taxable temporary differences:

- accelerated tax depreciation on owned assets	60,691	69,176
- liabilities against assets subject to finance lease	472	739
- actuarial gains on defined benefit plan	1,533	1,373
	<u>62,696</u>	<u>71,288</u>

Deferred tax assets on deductible temporary differences:

- provision for slow moving stores, spare parts and loose tools	(14,944)	(14,726)
- provision for slow moving stock	(9,347)	(11,041)
- provision for doubtful debts	(100)	(483)
- other deductible temporary differences	(2,815)	(3,261)
	<u>(27,206)</u>	<u>(29,511)</u>
	<u>35,490</u>	<u>41,777</u>



	Note	30 June 2014	30 June 2013 (Restated)
----- (Rs. in '000) -----			
22. TRADE AND OTHER PAYABLES			
Creditors		28,660	59,827
Other payables		8,852	9,802
Accrued liabilities		26,108	22,131
Advance from customers		2,740	1,143
Retention money		494	455
Security deposits		448	648
Compensated absences		5,721	6,648
Payable to Gratuity Fund		-	1,096
Payable to Provident Fund	22.1	-	235
Workers' Profits Participation Fund	13.2	-	1,976
Workers' Welfare Fund		6,179	5,271
Unclaimed dividend		3,623	3,347
Others		402	370
		83,227	112,949

	Un-audited 30 June 2014	30 June 2013
----- (Rs. in '000) -----		
22.1 Provident fund		
Size of the fund	135,000	116,896
Cost of investments made	104,955	93,860
Fair value of investments	112,618	96,266
Percentage of investments made	83.42%	82.35%

22.1.1 Break-up of Investments of provident fund

Break-up of investments in terms of amount and percentage of the size of the provident fund are as follows:

	30 June 2014		30 June 2013	
	Investments (Rs. in '000)	Investment as size of the fund %	Investments (Rs. in '000)	Investment as size of the fund %
Pakistan Investment Bonds	20,900	15.48	4,500	3.85
Treasury Bill	34,216	25.35	23,509	20.11
Certificates of Investment	-	-	15,500	13.26
Mutual Funds	20,900	15.48	16,143	13.82
TFCs	36,602	27.11	36,614	31.32
	112,618		96,266	

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

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



30 June 2014 30 June 2013
----- (Rs. in '000) -----

23. ACCRUED MARK-UP

Accrued mark-up on short-term running finances

	20	1,124
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24. SHORT-TERM BORROWINGS

These facilities are obtained from three commercial banks under mark-up arrangement and are secured by way of hypothecation charge banking pari passu over Company's stock and debts amounting to Rs. 235 (2013: Rs. 235) million of which Rs. 235 (2013: Rs. 235) million remained unutilized as of the balance sheet date. The rates of mark-up on these finances are three months' KIBOR plus 125 basis points and three months' KIBOR plus 110 basis points.

30 June 2014 30 June 2013
----- (Rs. in '000) -----

25. PROVISION FOR WARRANTY

Balance at the beginning of the year
Provision / (reversal) made during the year
Adjustment during the year against claims
Balance at the end of the year

29

	2,943	4,091
	804	(1,028)
	(939)	(120)
	2,808	2,943

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

Indemnity bonds issued to Sui Southern Gas Company Limited amounted to Rs. 2.721 (2013: Rs. 2.721) million.

The Privatization Commission (PC) has filed a suit against Abdul Qadir Tawwakal, Saleem I. Kapoorwala, National Bank of Pakistan (NBP) and has made the Company also a party for the recovery of Rs. 207 million against sale of shares of the Company. The sale price was guaranteed by NBP. The Company has not acknowledged the said claim since it did not issue any counter guarantees and is not a party to the agreement between Abdul Qadir Tawwakal, Saleem. I. Kapoorwala and PC for the sale of shares and neither the Company requested NBP to issue any guarantee in this regard. During the year ended June 30, 2004, NBP has made the payment to PC amounting to Rs. 91.25 million and filed a suit for the recovery against the Company. The management and its legal counsel are hopeful that the ultimate outcome of the matter will be in the Company's favor. Accordingly, no provision is considered necessary in these financial statements in respect of the above matter.



	30 June 2014	30 June 2013
	----- (Rs. in '000) -----	
26.2 Commitments		
Capital commitments - plant and machinery	-	939
Letters of credit issued by commercial banks	68,606	93,267

Operating lease / Ijarah commitments

The Company has entered into commercial leases on certain motor vehicles. These leases have an average life of three years, with no renewal option included in the contracts.

The amount of future Ijarah rentals for Ijarah financing payable and the period in which these payments will become due are as follows:

	30 June 2014	30 June 2013
Note	----- (Rs. in '000) -----	
Within one year	2,852	-
One year to five years	4,040	-
	6,892	-

27. TURNOVER - Net

Local sales	27.1	1,317,995	1,323,055
Sales return		(4,306)	(6,498)
Sales tax		(191,504)	(183,095)
		(195,810)	(189,593)
Export sales		26,240	31,051
		1,148,425	1,164,513

27.1 Includes scrap sales of Rs. 31.143 (2013: Rs. 25.425) million. It also includes price differential claim on prior year's sale amounting to Rs. 7.373 million (2013: Nil).



28. COST OF SALES	Note	30 June 2014	30 June 2013
		----- (Rs. in '000) -----	
Raw material and components consumed			
Opening stock			
Raw material		312,701	185,941
Scrap		46,066	33,148
		<u>358,767</u>	<u>219,089</u>
Purchases		606,134	764,226
Closing stock			
Raw material		(136,436)	(312,701)
Scrap		(44,500)	(46,066)
		<u>(180,936)</u>	<u>(358,767)</u>
		783,965	624,548
Manufacturing overheads			
Salaries, wages and benefits	28.1	116,617	112,602
Stores, spare parts and loose tools consumed		65,163	58,171
Fuel and power		49,353	31,747
Depreciation	3.2	35,664	36,439
Outsourced job contractor		17,074	16,098
Staff transportation		13,270	11,978
Repairs and maintenance		3,559	2,702
Travelling and conveyance		969	124
Vehicle running expenses		4,218	2,181
Insurance		3,081	3,481
Communication		786	754
Entertainment		1,199	1,710
Printing and stationery		296	48
Subscription		254	233
Rent, rates and taxes		71	104
Provision / (reversal) for slow moving stores, spares and loose tools	8.1	1,975	(2,566)
(Reversal) / provision of slow moving stock-in-trade - net	9.1	(4,145)	15,264
Ijarah rentals		1,664	-
Computer expense		139	108
Foreign specialist expense		92	273
Others		762	1,127
		<u>312,061</u>	<u>292,578</u>
Manufacturing cost		1,096,026	917,126
Work-in-process			
Opening		113,895	127,211
Closing		(139,847)	(113,895)
		<u>(25,952)</u>	<u>13,316</u>
Cost of goods manufactured		1,070,074	930,442
Finished goods			
Opening		62,483	156,569
Closing		(183,746)	(62,483)
		<u>(121,263)</u>	<u>94,086</u>
		948,811	1,024,528



	Note	30 June 2014	30 June 2013
----- (Rs. in '000) -----			
28.1 Included herein are the following employees' benefits:			
Defined benefit plan - gratuity		2,526	3,508
Defined contribution plan - provident fund		2,188	2,413
Medical		3,944	3,768
Accrual for compensated absences		1,100	1,366
Bonus		9,804	5,656
		19,562	16,711
29. DISTRIBUTION COSTS			
Salaries and benefits	29.1	10,343	3,017
Carriage and forwarding		19,693	21,432
Provision / (reversal) of warranty claims - net	25	804	(1,028)
Selling expense - exports		894	944
Depreciation	3.2	32	35
Outside services		2,117	-
Insurance		156	158
Advertisement		199	121
Vehicle running expenses		2,033	475
Utilities		602	370
Travelling and conveyance		197	36
Staff transportation		122	91
Communication		208	96
Entertainment		1,056	75
Computer expenses		22	37
Others		218	443
		38,696	26,302
29.1 Included herein are the following employees' benefits:			
Defined benefit plan - gratuity		168	234
Defined contribution plan - provident fund		438	55
Medical		354	83
Accrual for compensated absences		8	47
Bonus		654	377
		1,622	796
30. ADMINISTRATIVE EXPENSES			
Salaries and benefits	30.1	30,941	30,629
Depreciation	3.2	4,081	4,308
Amortization of intangible assets		110	110
Outsourced service expenses		6,885	7,033
Utilities		5,128	3,497
Vehicle running expenses		8,316	6,924
Communication		1,336	1,149
Rent, rates and taxes		2,416	1,891
Entertainment		3,447	3,019
General stores supplies		2,075	1,987
Corporate expenses		1,779	1,970
Travelling and conveyance		60	458
Auditors' remuneration	30.2	1,031	1,085
Legal and professional charges		481	412
Repairs and maintenance		549	325
Insurance		632	1,056
Staff transportation		1,440	1,277
Subscription		197	144
Printing and stationery		267	221
Advertisement		122	81
(Reversal) / provision for doubtful debts - net	10.1	(1,117)	58
Computer expense		760	608
Donations	30.3	9	46
Others		208	141
		71,153	68,429



	Note	30 June 2014	30 June 2013
(Rs. in '000)			
30.1 Included herein are the following employees' benefits:			
Defined benefit plan - gratuity		674	936
Defined contribution plan - provident fund		1,250	1,146
Medical		1,240	1,082
(Reversal) / accrual for compensated absences		(573)	241
Bonus		2,614	1,508
		<u>5,205</u>	<u>4,913</u>
30.2 Auditors' remuneration			
Audit fee		525	525
Fees for limited scope review and employees' funds		218	255
Tax and other advisory services		125	243
Out of pocket expenses		163	62
		<u>1,031</u>	<u>1,085</u>
30.3 No director or their spouse had any interest in any donee to which the donation was made.			
31. OTHER OPERATING EXPENSES			
Workers' Profits Participation Fund	13.2	4,589	1,976
Workers' Welfare Fund		1,858	950
Exchange losses - net		3,986	2,324
		<u>10,433</u>	<u>5,250</u>
32. OTHER INCOME			
Gain on sale of fixed assets		577	652
Reversal of past service cost		4,704	-
Profit on deposit accounts		627	314
Income from mutual funds		2,768	266
Dividend income		-	38
Others		338	298
		<u>9,014</u>	<u>1,568</u>
33. FINANCE COSTS			
Mark-up on secured:			
Short-term financing		923	3,600
Interest on mobilization advance	19.1	1,024	-
		<u>1,947</u>	<u>3,600</u>
Finance lease charges		614	832
Interest on Workers' Profits Participation Fund	13.2	6	55
Bank charges and excise duty		542	497
		<u>3,109</u>	<u>4,984</u>
34. TAXATION			
Current		27,853	13,110
Prior	34.1	(4,672)	(27,709)
Deferred	34.1	(6,448)	(4,672)
		<u>16,733</u>	<u>(19,271)</u>



34.1 Relationship between tax expense and accounting profit	30 June 2014	30 June 2013
	----- (Rs. in '000) -----	
Profit before taxation	85,237	36,588
Tax at the rate of 34% (2013: 35%) on above	28,981	12,806
Tax effects of:		
Prior year tax provision reversed - no longer considered payable	(4,672)	(27,709)
Tax credits	(3,268)	(3,501)
Permanent differences	2,677	(674)
Prior year tax assessment finalized during the year on deferred tax	(5,124)	-
Lower tax rate on exports under final tax regime	65	(193)
Lower tax rate on certain income than current tax rate	(897)	-
Charging deferred tax on different rate than current tax rate	(1,029)	-
Tax expense for the year	16,733	(19,271)

35. BASIC AND DILUTED EARNINGS PER SHARE

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

	30 June 2014	30 June 2013
Note	----- (Rs. in '000) -----	
Profit for the year after taxation (Rs. in '000)	68,504	55,859
Weighted average number of ordinary shares of Rs. 10/- each (in '000)	13,334	13,334
Basic earnings per share (Rupees)	5.14	4.19

36. UNAVAILABLE CREDIT FACILITIES

The facility for opening letters of credit and letters of guarantees amounted to Rs. 390 (2013: Rs. 390) million and Rs. 10 (2013: Rs. 10) million respectively, of which Rs. 321.394 (2013: Rs. 295.793) million and Rs. 7.279 (2013: Rs. 7.279) million respectively, remained unutilized as of the balance sheet date.

37. CASH GENERATED FROM OPERATIONS	Note	30 June 2014	30 June 2013
		----- (Rs. in '000) -----	
Profit before taxation		85,237	36,588
Adjustments for:			
Depreciation		39,777	40,782
Amortisation		110	110
Gain on sale of fixed assets	32	(577)	(652)
Finance costs	33	3,109	4,984
Provision / (reversal) for slow moving stores, spare parts and loose tools	28	1,975	(2,566)
(Reversal) / provision for slow moving stock-in-trade - net	28	(4,145)	15,264
(Reversal) / provision for doubtful debts - net	30	(1,117)	58
(Reversal) / provision for compensated absences		(703)	1,654
Provision / (reversal) for warranty claims	25	804	(1,028)
(Reversal) / provision for employees' benefits		(1,336)	4,678
Profit on deposit accounts	32	(627)	(314)
Dividend income		-	(38)
Gain on redemption of mutual fund units	32	(2,768)	(266)
		34,502	62,666
		119,739	99,254
Working capital changes	37.1	39,112	19,159
		158,851	118,413



	30 June 2014	30 June 2013
	----- (Rs. in '000) -----	
37.1 Working capital changes		
(Increase) / decrease in current assets		
Stores, spare parts and loose tools	(825)	2,788
Stock-in-trade	8,105	(9,752)
Trade debts	70,062	(4,805)
Loans and advances	1,407	(7,874)
Trade deposits, short-term prepayments and other receivable	58	(311)
Sales tax refundable - net	(1,792)	-
	77,015	(19,954)
(Decrease) / increase in current liabilities		
Trade and other payables	(27,884)	32,225
Sales tax payable - net	(10,019)	6,888
	(37,903)	39,113
	39,112	19,159

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES		TOTAL	
	2014	2013	2014	2013	2014	2013	2014	2013
	----- (Rs. in '000) -----							
Remuneration	4,014	3,294	7,646	6,204	4,535	4,420	16,195	13,918
Housing	1,806	1,482	3,440	2,792	2,041	1,989	7,287	6,263
Retirement benefits	6,966	604	5,865	5,346	2,491	503	15,322	6,453
Bonus	549	799	1,034	1,508	634	1,037	2,217	3,344
Medical expenses	378	(13)	435	437	487	372	1,300	796
Utilities	309	335	755	751	799	784	1,863	1,870
Leave fare assistance	215	463	255	1,177	66	30	536	1,670
	14,237	6,964	19,430	18,215	11,053	9,135	44,720	34,314
Number	1	1	2	2	6	6	9	9

38.2 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.

38.3 Aggregate amount charged in the financial statements for fee to directors was Rs. 700,000/- (2013: Rs. 400,000/-).

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks particularly including credit risk, liquidity risk and market risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:



39.1 Equity Price Risk

The Company's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was Rs. 747 thousand. A decrease of 10% on the fair value of investment could have a negative impact of approximately Rs. 75 thousand on the other comprehensive income. An increase of 10% in the value of the listed securities will positively impact the same.

39.2 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company is mainly exposed to credit risk mainly on long-term deposits, trade debts, deposits, advances and bank balances. The Company seeks to minimise the credit risk exposure through having exposure only to customers and parties considered credit worthy and obtaining securities where applicable.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	Carrying Values	
	30 June 2014	30 June 2013
	----- (Rs. in '000) -----	
Long-term loans and advances - secured	1,993	1,818
Long-term deposits	5,740	4,636
Trade debts - unsecured	65,310	134,255
Loans and advances - secured	15,267	16,673
Trade deposits	1,676	2,250
Other receivable	5,813	-
Sales tax refundable - net	1,792	-
Bank balances	28,905	34,713
	126,496	194,345

Quality of financial assets

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



30 June 2014 30 June 2013
----- (Rs. in '000) -----

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

Neither past due nor impaired	46,439	109,917
Past due but not impaired:		
Within 90 days	16,390	24,114
Within 90 to 180 days	56	50
Over 180 days	2,425	174
	65,310	134,255

39.2.2 Bank balances

Ratings		
A1+	28,905	34,713

39.3 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 cash and bank balances and by keeping committed credit lines. The table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Total
----- (Rupees in thousand) -----					
30 June 2014					
Long-term advances	-	-	1,442	10,093	11,535
Long-term deposits	-	-	12	1,110	1,122
Liabilities against asset subject to finance leases	-	957	2,871	5,113	8,941
Trade and other payables	77,048	-	-	-	77,048
Accrued mark-up	-	20	-	-	20
	77,048	977	4,325	16,316	98,666
30 June 2013					
Long-term deposits	-	-	-	892	892
Liabilities against asset subject to finance lease	-	1,030	3,009	1,626	5,665
Trade and other payables	105,248	-	-	-	105,248
Accrued mark-up	-	1,124	-	-	1,124
	105,248	2,154	3,009	2,518	112,929



39.4 Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in a foreign exchange rates. It arises mainly where receivables and payables exist due to transactions in foreign currency. The Company's exposure to foreign currency risk is as follows:

	30 June 2014	30 June 2013
(USD in '000).....	
Trade debts	-	13.52

The following significant exchange rates have been applied at the reporting dates:

Exchange rate	98.75	98.60
---------------	-------	-------

The foreign currency exposure is partly covered as the majority of the Company's billing is determined in dollars which is converted into rupees at the exchange rate prevailing at the transaction date. The Company has assessed that hedging its foreign currency borrowings will be more expensive than assuming the risk itself.

Sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Company's profit before tax and the Company's equity.

	Change in US dollar rate (%)	Effect on profit or (loss) (Rs. in '000)
30 June 2014	+2	-
	-2	-
30 June 2013	+2	27
	-2	(27)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations, liabilities against assets subject to finance lease and short-term borrowings with floating interest rates.

	Increase / decrease in interest rate	Effect on profit / (loss) before tax (Rs. in '000)
30 June 2014	+2%	(179)
	-2%	179
30 June 2013	+2%	(113)
	-2%	113



39.5 Fair value of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair value.

39.6 Capital risk management

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

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

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and investments. Capital signifies equity as shown in the balance sheet plus net debt.

The gearing ratios as at 30 June 2014 and 2013 were as follows:

	30 June 2014	30 June 2013 (Restated)
	----- (Rs. in '000) -----	
Trade and other payables	83,227	112,949
Accrued mark-up	20	1,124
Total debt	83,247	114,073
Bank balances	(28,905)	(34,713)
Net debts	54,342	79,360
Equity	1,011,197	962,378
Equity and net debts	1,065,539	1,041,738
Gearing ratio	5.10%	7.62%

The Company finances its investment portfolio through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

40. TRANSACTIONS WITH RELATED PARTIES

Related parties of the Company comprise holding company, associates, directors, key management personnel and retirement benefit plans. Amounts due from / to executives and remuneration of the Chief Executive, Directors and Executives are disclosed in respective notes to these financial statements. Other transactions with other related parties are as follows:

<u>Relationship</u>	<u>Nature of transactions</u>	30 June 2014	30 June 2013
		----- (Rs. in '000) -----	
Key management personnel	Sale of vehicles / equipment	951	875
Staff retirement benefit plans	Provident fund contribution during the year	4,146	3,787
	Contribution paid to gratuity fund	4,678	4,877



	Note	30 June 2014	30 June 2013
41. PLANT CAPACITY AND ACTUAL PRODUCTION			
Plant capacity - single shift (estimated)	41.1	850	850
Actual production		706	531

41.1 During the year actual production was below the capacity due the shortage of demand in the market.

42. NUMBER OF EMPLOYEES

Average number of employees of the Company during the current year was 295 (2013: 298).

43. DIVIDEND AND APPROPRIATIONS

The Board of Directors has proposed a final dividend of Rs. 2.25 per share for the year ended 30 June 2014, amounting to Rs.30.001 million at its meeting held on September 18, 2014 for approval of the members at the Annual General Meeting to be held on October 25, 2014.

44. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on September 18, 2014.

45. GENERAL

45.1 There are no reclassification made in respect of prior year's figures in the current year's financial statements.

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

Razak H.M. Bengali
Chief Executive

Muhammad Siddique Misri
Director



Six Years at a Glance

BALANCE SHEET

(Rupees in '000)

	2009	2010	2011	2012 Restated	2013 Restated	2014
ASSETS						
Non Current Assets						
Property, plant & equipment	410,982	399,774	394,140	360,700	354,354	351,705
Intangible asset	-	440	330	220	110	-
Long term investment	315	611	925	708	755	747
Long-term loans & advances	2,005	1,826	1,939	1,740	1,818	1,993
Long-term deposits	3,573	2,679	10,838	9,082	4,636	5,740
	<u>416,875</u>	<u>405,330</u>	<u>408,172</u>	<u>372,450</u>	<u>361,673</u>	<u>360,185</u>
Current Assets						
Stores, spare parts & loose tools	64,293	53,539	51,702	45,925	45,703	44,552
Stock-in-trade	325,773	403,513	440,673	508,184	502,672	498,712
Trade debts	92,550	120,664	133,364	129,508	134,255	65,310
Loans and advances	20,084	13,544	26,722	8,568	16,673	15,267
Trade deposits and short term prepayments	512	1,976	1,355	2,907	3,218	2,749
Other receivables	-	-	5,733	-	-	5,813
Short-term Investments	-	-	-	-	20,067	83,678
Sales tax Refundable - net	-	-	-	-	-	1,792
Tax refundable due from the government - net	3,435	-	-	-	18,773	47,377
Bank balances	30,510	12,377	41,391	48,331	34,713	28,905
	<u>537,157</u>	<u>605,613</u>	<u>700,940</u>	<u>743,423</u>	<u>776,074</u>	<u>794,155</u>
TOTAL ASSETS	<u>954,032</u>	<u>1,010,943</u>	<u>1,109,112</u>	<u>1,115,873</u>	<u>1,137,747</u>	<u>1,154,340</u>
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Authorised Capital 25,000,000 Ord. shares of Rs. 10/- each	250,000	250,000	250,000	250,000	250,000	250,000
Issued, subscribed and paid up Capital	133,343	133,343	133,343	133,343	133,343	133,343
Reserves	589,262	636,546	715,189	790,466	829,035	877,854
	<u>722,605</u>	<u>769,889</u>	<u>848,532</u>	<u>923,809</u>	<u>962,378</u>	<u>1,011,197</u>
Non Current Liabilities						
Long term financing	27,701	19,786	-	-	-	-
Liabilities against assets subject to finance lease	-	-	4,501	5,695	1,626	5,113
Long term advances	-	-	-	-	-	10,093
Long term deposits	327	154	335	784	892	1,110
Deferred taxation	59,411	56,874	50,596	45,076	41,777	35,490
	<u>87,439</u>	<u>76,814</u>	<u>55,432</u>	<u>51,555</u>	<u>44,295</u>	<u>51,806</u>
Current Liabilities						
Trade and other payables	123,828	110,993	89,535	87,562	112,949	83,227
Accrued mark-up	1898	695	918	149	1124	20
Murabaha finance	-	9,930	6,773	-	-	-
Short term borrowings	-	-	67,473	70	-	-
Sales tax payable - net	-	-	-	3,131	10,019	-
Current portion of						
- long term financing	7,916	7,915	-	-	-	-
- liabilities against assets subject to finance lease	-	-	1,668	3,291	4,039	3,828
- long term advance	-	-	-	-	-	1,442
- long term deposits	218	369	117	-	-	12
Provision for warranty	10,128	13,760	14,676	4,091	2,943	2,808
Taxation-net	-	20,578	23,988	42,215	-	-
	<u>143,988</u>	<u>164,240</u>	<u>205,148</u>	<u>140,509</u>	<u>131,074</u>	<u>91,337</u>
TOTAL EQUITY AND LIABILITIES	<u>954,032</u>	<u>1,010,943</u>	<u>1,109,112</u>	<u>1,115,873</u>	<u>1,137,747</u>	<u>1,154,340</u>



Six Years at a Glance

PROFIT AND LOSS ACCOUNT

	----- (Rupees in '000) -----					
	2009	2010	2011	2012	2013	2014
Sales - net	1,095,824	1,380,901	1,465,209	1,507,907	1,164,513	1,148,425
Cost of Sales	963,741	1,113,091	1,206,963	1,230,589	1,024,528	948,811
Gross Profit	132,083	267,810	258,246	277,318	139,985	199,614
Distribution Cost	24,054	35,715	34,568	20,582	26,302	38,696
Administration Expenses	55,986	61,892	65,447	67,529	68,429	71,153
Other Operating Expenses	4,483	12,404	11,669	15,057	4,984	10,433
Finance Cost	18,455	12,219	10,100	15,335	5,250	3,109
	102,978	122,230	121,784	118,503	104,965	123,391
Operating Profit	29,105	145,580	136,462	158,815	35,020	76,223
Other Operating Income	23,902	2,775	2,094	3,990	1,568	9,014
Profit before Taxation	53,007	148,355	138,556	162,805	36,588	85,237
Taxation	(16,387)	(64,698)	(43,559)	(60,187)	19,271	(16,733)
Profit after Taxation	36,620	83,657	94,997	102,618	55,859	68,504
Basic Earnings per Share (Rupees)	2.75	6.27	7.12	7.70	4.19	5.14

SIGNIFICANT RATIOS AND STATISTICS

	2009	2010	2011	2012	2013	2014
Liquidity & Leverage Ratios:						
- Current Ratios	3.73	3.69	3.42	5.31	5.76	8.69
- Quick Ratios	1.02	0.90	1.02	1.35	1.69	2.75
- Liability as a % of Total Assets	24.26	23.84	23.49	17.17	15.61	12.40
- Interest Cover Ratio (Times)	3.87	13.14	14.72	11.81	8.34	28.42
Equity Ratios:						
- Break up Value per Share (Rs)	54.19	57.74	63.64	69.32	72.00	75.83
- Dividend as a % of Capital	15.00	25.00	20.00	15.00	15.00	22.50
- Dividend Yield Ratio/ Cost of Equity (%)	5.36	8.62	6.27	5.17	3.06	5.29
- Dividend per Share (Rs)	1.50	2.50	2.00	1.50	1.50	2.25
Profitability Ratios:						
- Gross Profit (%)	12.05	19.39	17.63	18.39	12.02	17.38
- Operating Profit(%)	6.93	12.53	10.94	12.81	4.02	7.69
- Profit before Tax(%)	4.83	10.74	9.45	10.80	3.14	7.42
- Profit after Tax (%)	3.34	6.06	6.48	6.81	4.80	5.97
- Return on Capital Employed(%)	7.33	19.27	16.33	17.61	3.81	8.43
- Earnings per Share (Rs)	2.75	6.27	7.12	7.70	4.19	5.14
- Price Earing Ratio(Times)	10.20	4.63	4.48	3.76	11.70	8.27
- Dividend Payout Ratio (%)	54.62	39.85	28.07	19.49	35.81	43.80
- Dividend Cover (Times)	1.83	2.51	3.56	5.13	2.79	2.28
- Capital Turnover (Times)	1.52	1.79	1.73	1.63	1.21	1.14
- Return on Assets (%)	3.84	8.28	8.57	9.20	4.91	5.93
Turnover/Efficiency Ratios:						
- Inventory Turnover Ratio(Times)	2.64	2.63	2.54	2.35	1.86	1.74
- Debtor Turnover Ratio(Times)	11.46	12.95	11.54	11.47	8.83	11.51
- Fixed Assets Turnover Ratio(Times)	2.67	3.45	3.72	4.18	3.29	3.26
Plant Capacity:						
Plant Capacity Utilisation (%)	71	98	98	110	62	83
Share Performance:						
-Year end Market Price per Share	28.00	29.00	31.90	29.00	49.00	42.50
-High Price per Share during the Year	59.00	40.95	41.00	32.00	49.00	80.00
-Low Price per Share during the Year	24.71	23.50	26.70	22.52	24.62	41.00



Code of Conduct

"Statement of Ethics and Business Practices"

The Board of Directors and the Management of the Baluchistan Wheels Limited shall endeavor to conduct the Business of the Company in the most competitive manner and follow all the Norms and Laws applicable in the country and be Judicious in the day to day affairs of the Company and adopt the following significant policies in its true spirit.

Explanation:

Significant policies for this purpose may include:

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



To:

Name of Member: _____

Address: _____

Dear Shareholder(s)

Subject: **DIVIDEND MANDATE FORM**

This is to inform you that under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, direct the Company to pay dividend through his/her/its bank account.

In pursuance of the directive given by the Securities and Exchange Commission of Pakistan vide Circular number **18 of 2012** dated **June 05, 2012** hereby give an opportunity to authorize the Company to directly credit shareholders bank account cash dividend, if any, declared by the Company in future. We request registered shareholders of BALUCHISTAN WHEELS LIMITED, to hereby authorize the Company in the future.

(PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY, IN CASE YOU DO NOT WISH YOUR DIVIDEND TO BE CREDITED INTO YOUR BANK ACCOUNT THEN THE SAME SHALL BE PAID TO YOU THROUGH THE DIVIDEND WARRANTS.)

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please " ✓ " any of the following boxes:

YES

NO

If yes then please provide the following information:

Transferee Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell Number of Transferee	
Landline Number of Transferee, if any	

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the company and the concerned share registrar as soon as these occur.

In case of shareholders having CDC Investors/Sub-Accounts, the duly filled Forms should be submitted to CDC Customers service or the respective Participants.

Signature of the member/shareholder

Date: _____



Proxy Form

I/We _____

of _____ (Full address)

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

as per Share Register Folio No. _____

or CDC Participant I.D. No. _____ and Sub A/c. No. _____

hereby appoint Mr./Mrs./Miss _____ Folio No. _____

of _____ (Full address)

failing Mr./Mrs./Miss _____ Folio No. _____

of _____ (Full address)

another member of the Company to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on **October 25, 2014** and at any adjournment thereof.

As witness my/our hand this _____ day of _____ 2014

Signature of Member(s)

Please affix
Rs. 5/- Revenue
Stamp

Witness: _____

Name: _____

CNIC No: _____

Address: _____

Witness: _____

Name: _____

CNIC No: _____

Address: _____

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

FOR CDC ACCOUNT HOLDERS/CORPORATE ENTITIES

CDC Shareholders and their proxies must each attach an attested photo copy of their National Identity Card or Passport with this proxy form.

The Proxy Form shall be witnessed by two persons whose names, addresses and NIC 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.

