



Loads Limited

Manufacturers of Exhaust Systems, Radiators &
Sheet Metal Components

2016

**First Quarter
Report**



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Company Information

Board of Directors

Syed Shahid Ali
Chairman

Mr. Saulat Said
Vice Chairman

Mr. Munir Karim Bana
Chief Executive

Mr. Jalees Ahmed Siddiqi
Independent Director

Syed Sheharyar Ali
Non-Executive Director

Mr. Amir Zia
Non-Executive Director

Muhammad Ziauddin
Executive Director

Mr. Shamim A. Siddiqui
Executive Director

Audit Committee

Mr. Jalees Ahmed Siddiqi
Chairman

Mr. Saulat Said
Member

Mr. Amir Zia
Member

Syed Sheharyar Ali
Member

Human Resources & Remuneration Committee

Syed Sheharyar Ali
Chairman

Mr. Muhammad Ziauddin
Member

Mr. Amir Zia
Member

Mr. Shamim A. Siddiqui
Member

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. J. E. Mehta

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Bankers

Al Baraka Bank (Pakistan) Limited
Bank Al Habib Limited
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
Soneri Bank Limited
United Bank Limited

Legal Advisors

Cornelius, Lane & Mufti
Advocates & Solicitors

SHARES REGISTRAR

Central Depository Company of Pakistan Limited
CDC House, 99- B, Block-B, S.M.C.H.S
Main Shahra-e-Faisal
Karachi

Tel: Customer Support Services
(Toll Free) 0800 - CDCPL (23275)
Fax: (92-21) 34326053
E-mail: info@cdcpak.com

Registered Office

Plot No. 23, Sector 19
Korangi Industrial Area, Karachi

Website

www.loads-group.pk



LOADS LIMITED DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors are pleased to present their report together with the consolidated accounts of Loads Limited and its subsidiaries for the first quarter ended September 30, 2016.

FINANCIAL HIGHLIGHTS (Consolidated)

	Rs in millions	
	1 st quarter September 30, 2016	1 st quarter September 30, 2015
Sales	1,041	989
Operating Profit	89	86
Profit before Taxation (PBT)	78	65
Profit after Taxation (PAT)	63	49
Earnings per share (EPS)	0.84	0.65

BUSINESS REVIEW

Your group recorded first quarter sales over Rs.1 billion, registering an increase of Rs.52 million (+5%), as compared to the previous period, mainly on account of launch of new models of HondaCivic.

PBT, PAT & EPS registered a healthy growth of 20%, 28% & 29% respectively, on account of accelerated sales, "mark to market" impact of notional gain on investments held for trading and lower effective tax rate (reflecting tax rebate on listing and tax credit on capital expenditure).

AUTOMOTIVE INDUSTRY

(a) Passenger Cars / Light Commercial Vehicles (LCVs)

Overall car sales for the first quarter decreased over previous year's quarter by 13%, reflecting decline of 25% in Suzuki, due to the discontinuation of Punjab tax scheme.

(b) Heavy Commercial Vehicles

Heavy vehicles volumes increased from previous period's 1,231 units to 1,993 units, registering an overall increase of 62%. Truck sales increased by 60% whereas buses grew by 72%, due to impact of ongoing CPEC project.



(c) Tractors

The tractor industry's sales increased by 4% over previous period, registering sales of 7,004 units in 2016 (2015: 6,745 units).

COMPANY'S SALES PERFORMANCE

The overall sales of the group increased by 5%. The Company's product-wise performance for the first quarter ended September 30, 2016 as compared with the corresponding period is analyzed below:

Products	Rs. in millions		
	Sales		
	First quarter September 2016	First quarter September 2015	+/- %
Exhaust Systems	737	645	14%
Radiators	151	201	-25%
Sheet Metal Components	153	142	8%
Total	1,041	989	5%

Comments on performance of various product groups are given below:

(a) Exhaust Systems

The sales of exhaust systems have shown notable growth of 14% mainly due to launch of new models of Honda Civic (including a Turbo version).

(b) Radiators

This business decreased by 25%, due to discontinuation of Suzuki's Punjab Taxi scheme

(c) Sheet Metal Components

This group of over 100 products registered a growth of 8%, mainly due to addition of new components of Honda

PROSPECTS

After the announcement of new Automotive Development Policy 2016–21 on March 21, 2016, new entrants from China are planning to set up plants in Pakistan, while discussions continue with players from other countries.



The launch of Honda's new models for Civic car has received positive response from its customers. Indus Motor Company's new Toyota Corolla model car is maintaining its share in the market, while Suzuki is geared to launch new models.

ACKNOWLEDGEMENTS

The company has generated Rs 1,700 million against its Initial Public Offer (IPO) at a price of Rs. 34 per share (including premium of Rs. 24 per share). The last date for acceptance and subscription of IPO was 29th September 2016. Shares have been duly allotted to successful applicants after balloting. By the grace of Almighty Allah, Pakistan Stock Exchange (PSX) has granted approval to your company for listing on PSX on November 1, 2016. We welcome our new shareholders and thank them for their trust and confidence.

The Board wishes to thank all the employees and our customers for their continued support

By order of the Board

MUNIR K. BANA
Chief Executive

Karachi: October 28, 2016



Condensed Interim Unconsolidated Balance Sheet

As at 30th September 2016

	Note	30 September 2016 (Un-audited)	30 June 2016 (Audited)
.....(Rupees).....			
ASSETS			
Non-current assets			
Property, plant and equipment	5	489,323,372	473,793,798
Intangible assets		673,194	747,994
Long term investments		627,070,245	627,070,245
Employee benefits - gratuity		4,849,146	4,849,146
		<u>1,121,915,957</u>	<u>1,106,461,183</u>
Current assets			
Stores and spares		27,278,748	51,209,992
Stock-in-trade		1,083,795,349	1,107,064,322
Trade debts		370,924,034	213,888,667
Loans and advances		139,886,991	132,963,316
Deposits, prepayments and other receivables		226,575,434	173,896,638
Taxation		150,209,582	143,468,552
Investments		122,444,573	85,565,401
Cash and bank balances		1,707,834,920	6,659,967
		<u>3,828,949,631</u>	<u>1,914,716,855</u>
Total assets		<u>4,950,865,588</u>	<u>3,021,178,038</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs.10/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital		750,000,000	750,000,000
Unrealised gain on re-measurement of available for sale investments		49,771,661	25,633,737
Advance against issue of shares		1,677,244,910	-
Unappropriated profit		701,573,481	660,191,143
		<u>3,178,590,052</u>	<u>1,435,824,880</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		18,745,411	18,745,411
Deferred tax liabilities		35,172,614	36,088,975
		<u>53,918,025</u>	<u>54,834,386</u>
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		16,318,186	16,100,360
Short term borrowings		1,222,984,647	1,082,794,488
Due to related parties		325,822,956	291,360,885
Trade and other payables		136,861,768	121,889,257
Accrued mark-up on short term borrowings		16,369,954	18,373,782
		<u>1,718,357,511</u>	<u>1,530,518,772</u>
Total equity and liabilities		<u>4,950,865,588</u>	<u>3,021,178,038</u>

CONTINGENCIES AND COMMITMENTS

6

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

KARACHI:

October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the period ended 30th September 2016

	Note	For the three months period ended	
		30 September 2016	30 September 2015
		------(Rupees)-----	
Revenue		1,041,287,437	988,697,654
Cost of sales	7	(937,571,754)	(896,596,159)
Gross profit		103,715,683	92,101,495
Administrative and selling expenses		(32,504,028)	(28,404,909)
Operating profit		71,211,655	63,696,586
Other expenses		(4,220,028)	(3,999,266)
Other income		12,896,347	7,018,241
		8,676,319	3,018,975
Financial charges		(29,723,996)	(29,346,742)
Profit before taxation		50,163,978	37,368,819
Taxation		(8,781,640)	(17,002,593)
Profit after taxation		41,382,338	20,366,226
Earnings per share - basic and diluted		0.55	0.27

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Unconsolidated Statement of Comprehensive Income
(Un-audited)
For the period ended 30th September 2016

	<u>For the three months period ended</u>	
	<u>30 September</u>	<u>30 September</u>
	<u>2016</u>	<u>2015</u>
	------(Rupees)-----	
Profit after taxation	41,382,338	20,366,226
Other comprehensive income:		
Items that are or may be reclassified subsequently to profit and loss		
Unrealised gain on revaluation of available-for-sale investments	24,137,924	2,586,228
Items that will not be reclassified to profit and loss		
Re-measurement of defined benefit liability	-	-
Related tax	-	-
	-	-
Total comprehensive income for the period	65,520,262	22,952,454

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the period ended 30th September 2016

	For the three months period ended	
	30 September 2016	30 September 2015
	------(Rupees)-----	
Profit before taxation	50,163,978	37,368,819
Adjustment for		
Depreciation	18,475,214	12,041,827
Amortisation	74,799	-
Mark-up expense	22,197,266	18,928,124
Finance lease charges	333,431	301,384
Unrealized loss on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognit	(12,454,200)	(6,683,084)
	78,790,488	61,957,070
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	23,931,244	(17,517,398)
Stock-in-trade	23,268,973	(66,488,944)
Trade debts	(157,035,367)	(73,950,740)
Loans and advances	(6,923,675)	9,479,730
Deposits, prepayments and other receivables	(42,980,504)	81,379,975
	(159,739,329)	(67,097,377)
Increase / (decrease) in current liabilities		
Due to related parties - net	18,411,839	73,095,379
Trade and other payables	14,972,511	(39,261,007)
	33,384,350	33,834,372
Cash used in operations	(47,564,491)	28,694,065
Mark-up paid	(18,389,921)	(23,367,475)
Long term deposits	-	(2,895,897)
Tax paid	(15,735,311)	(39,471,595)
Net cash used in operating activities	(81,689,723)	(37,040,902)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(30,530,788)	(16,363,962)
Net cash used in investing activities	(30,530,788)	(16,363,962)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(3,589,605)	(4,086,926)
Advance against issue of shares - net	1,677,244,910	-
Loan from subsidiary companies - unsecured	(450,000)	22,968,108
Net cash generated from / (used in) financing activities	1,673,205,305	18,881,182
Net increase/ (decrease) in cash and cash equivalents	1,560,984,794	(34,523,682)
Cash and cash equivalents at beginning of the period	(1,076,134,521)	(970,351,553)
Cash and cash equivalents at end of the period	484,850,273	(1,004,875,235)

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Unconsolidated Statement of Changes in Equity
(Un-audited)
 For the period ended 30th September 2016

	Issued, subscribed and paid up	Unrealised gain on re-measurement of available for sale	Revenue reserves		Total
			General reserve	Unappropriated profit	
----- (Rupees) -----					
Balance as at 01 July 2015	750,000,000	23,047,509	-	562,452,030	1,335,499,539
Total comprehensive income for the period ended 30 September 2015					
Profit after taxation	-	-	-	20,366,226	20,366,226
Other comprehensive income					
Unrealised gain on re-measurement of available-for-sale investments	-	2,586,228	-	-	2,586,228
Re-measurement of defined benefit liability - net	-	-	-	-	-
	-	2,586,228	-	20,366,226	22,952,454
Balance as at 30 September 2015	<u>750,000,000</u>	<u>25,633,737</u>	<u>-</u>	<u>582,818,256</u>	<u>1,358,451,993</u>
Balance as at 01 July 2016	750,000,000	25,633,737	-	660,191,143	1,435,824,880
Total comprehensive income for the period ended 30 September 2016					
Profit after taxation	-	-	-	41,382,338	41,382,338
Other comprehensive income					
Unrealised loss on revaluation of available-for-sale investments	-	24,137,924	-	-	24,137,924
Re-measurement of defined benefit liability - net	-	-	-	-	-
	-	24,137,924	-	41,382,338	65,520,262
Transactions with owners					
	-	-	-	-	-
Balance as at 30 September 2016	<u>750,000,000</u>	<u>49,771,661</u>	<u>-</u>	<u>701,573,481</u>	<u>1,501,345,142</u>

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
 Chief Executive

Muhammad Ziauddin
 Director



Notes to the Condensed Interim Unconsolidated Financial Information
(Un-audited)
For the period ended 30th September 2016

1. STATUS AND NATURE OF BUSINESS

1.1 Loads Limited ("the Company") was incorporated in Pakistan on 1 January 1979 as a private limited company. On December 1993, the status of the Company was converted from private limited company to unlisted public limited company. The registered office of the Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi. The Company is in the process of listing on Pakistan Stock Exchange Limited. This condensed interim financial information has been prepared for the three months period ended 30 September 2016.

2. BASIS OF PREPARATION

The condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984 has been followed. This condensed interim information is unaudited and is being submitted to shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with annual financial statements as at and for the year ended 30 June 2016.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements as at and for the year ended 30 June 2016.

4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2016. The provision for taxation for the period has been made on an estimated basis.

5. PROPERTY, PLANT AND EQUIPMENT

Note	30 September 2016	30 June 2016
(Rupees)	
Operating property, plant and equipment	431,169,361	404,589,505
Capital work-in-progress	58,154,011	69,204,293
	<u>489,323,372</u>	<u>473,793,798</u>

5.1 The following acquisitions and disposals have been made during 3 months ended September 30, 2016:

	Acquisition Cost	Disposals Book Value
Plant and machinery	15,616,061	-
Tools and equipment	25,486,192	-
Furniture, fittings and office equipment	478,829	-
Leased Vehicles	3,474,000	-
	<u>45,055,082</u>	<u>-</u>



6. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the contingent liabilities and commitments since the last audited published financial statements.

7. COST OF SALES

	30 September 2016	30 September 2015
Raw materials and components consumed	743,123,370	691,238,303
Ancillary materials consumed	7,421,068	17,892,468
Salaries, wages and other employee benefits	48,673,860	43,999,382
Subcontracting costs	99,144,948	90,925,694
Depreciation	16,820,408	10,350,629
Gas, power and water	5,597,821	5,472,123
Others	6,178,110	8,537,528
Manufacturing cost	<u>926,959,585</u>	<u>868,416,127</u>
Opening stock of work-in-process	<u>142,503,010</u>	<u>68,169,176</u>
Closing stock of work-in-process	<u>(90,883,378)</u>	<u>(40,244,613)</u>
	<u>51,619,632</u>	<u>27,924,563</u>
Opening stock of finished goods	<u>66,570,963</u>	<u>90,102,753</u>
Closing stock of finished goods	<u>(107,578,426)</u>	<u>(89,847,284)</u>
	<u>(41,007,463)</u>	<u>255,469</u>
	<u>937,571,754</u>	<u>896,596,159</u>

8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, associated company and other companies with common directorship and significant influence, employees retirement benefit funds and key management personnel. Transactions with related parties are at terms determined in accordance with the agreed rates.

Transactions and balances with related parties are disclosed below:

	30 September 2016	30 June 2016
(Due to) / Due from related party - net (Rupees)	
- Specialized Motorcycle (Private) Limited	<u>(63,298,392)</u>	<u>(62,079,057)</u>
- Specialized Autoparts Industries (Private) Limited	<u>179,055,859</u>	<u>155,711,280</u>
- Multiple Autoparts Industries (Private) Limited	<u>83,468,705</u>	<u>77,012,059</u>
Orient Trading Company (Pvt.) Ltd	<u>10,600</u>	<u>114,666</u>
Receivable from provident fund	<u>-</u>	<u>(315,640)</u>
Employee benefits - gratuity	<u>-</u>	<u>4,849,146</u>



	For the three months period ended	
	30 September 2016	30 September 2015
	(Rupees)	
Sub-contracting work from:		
- Specialized Autoparts Industries (Private) Limited	<u>69,165,695</u>	<u>57,405,700</u>
- Multiple Autoparts Industries (Private) Limited	<u>25,817,794</u>	<u>22,388,084</u>
Payments made during the period (net):		
- Specialized Autoparts Industries (Private) Limited	<u>82,302,820</u>	<u>57,505,782</u>
- Multiple Autoparts Industries (Private) Limited	<u>27,142,418</u>	<u>25,201,585</u>
Mark-up charged by subsidiary companies	<u>5,827,312</u>	<u>2,764,283</u>

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.

9. DATE OF AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board Of Directors on 28th October 2016.

10. GENERAL

10.1 The Board of Directors in their meeting held on 28 October 2016 has proposed the following cash and stock dividends:

- The board has proposed a final cash dividend of Re. 1 per share (2015: Rs. NIL) for the year ended 30 June 2016 amounting to Rs. 125 million (2015: Rs. NIL) for the approval of the members at the annual general meeting to be held on 30 November 2016.
- The board has also proposed bonus shares in the proportion of 10 shares for every 100 shares held i.e. 10% (2015: 1150%) for the year ended 30 June 2016 amounting to Rs. 125 million (2015: Rs. 690 million) for the approval of the members at the annual general meeting to be held on 30 November 2016. Bonus shares will not be entitled to above cash dividend.

These condensed interim financial statements do not reflect the proposed cash and stock dividends.

10.2 Subsequent to the year end 2016, the company has generated Rs 1,700 million against IPO of the Company at a price of Rs. 34 per share (including premium of Rs. 24 per share). The last date for acceptance and subscription of IPO was 29th September 2016. The shares have been duly allotted subsequently.

10.3 The amounts have been rounded off to nearest rupee.

KARACHI:

October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Consolidated Balance Sheet

As at 30th September 2016

	Note	30 September 2016 (Un-audited)	30 June 2016 (Audited)
------(Rupees)-----			
ASSETS			
Non-current assets			
Property, plant and equipment	5	641,454,384	622,781,000
Intangible assets		673,194	747,994
Long term investments		383,549,323	377,916,410
Employee benefits		<u>4,849,146</u>	<u>4,849,146</u>
		<u>1,030,526,047</u>	<u>1,006,294,550</u>
Current assets			
Stores and spares		44,699,695	69,537,821
Stock-in-trade		1,083,795,349	1,107,064,322
Trade debts - net		370,924,034	213,888,667
Loans and advances		156,408,636	150,754,051
Deposits, prepayments and other receivables		229,111,669	179,805,015
Taxation - net		160,565,870	150,106,918
Investments		124,199,428	87,257,785
Cash and bank balances		<u>1,712,053,892</u>	<u>18,698,352</u>
		<u>3,881,758,573</u>	<u>1,977,112,931</u>
Total assets		<u><u>4,912,284,620</u></u>	<u><u>2,983,407,481</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs.10/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital		750,000,000	750,000,000
Advance against issue of shares		1,677,244,910	
Unrealised gain on re-measurement of available for sale investments		47,943,779	23,805,855
Unappropriated profit		<u>907,616,627</u>	<u>844,556,592</u>
		<u>3,382,805,316</u>	<u>1,618,362,447</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		18,745,411	18,745,411
Deferred tax liabilities		<u>75,278,019</u>	<u>75,716,402</u>
		94,023,430	94,461,813
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		16,318,186	16,100,360
Short term borrowings		1,222,984,647	1,082,794,488
Trade and other payables		179,783,087	153,314,591
Accrued mark-up on short term borrowings		<u>16,369,954</u>	<u>18,373,782</u>
		<u>1,435,455,874</u>	<u>1,270,583,221</u>
Total equity and liabilities		<u><u>4,912,284,620</u></u>	<u><u>2,983,407,481</u></u>

CONTINGENCIES AND COMMITMENTS

6

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.

KARACHI:

October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the period ended 30th September 2016

Note	For the three months period ended	
	30 September 2016	30 September 2015
------(Rupees)-----		
Revenue	1,041,287,437	988,697,654
Cost of sales	7 (915,003,521)	(867,867,611)
Gross profit	126,283,916	120,830,043
Administrative and selling expenses	(37,171,299)	(34,546,824)
Operating profit	89,112,617	86,283,219
Other expenses	(5,603,898)	(5,596,420)
Other income	13,061,614	7,126,018
	7,457,716	1,529,598
Financial charges	(23,897,284)	(26,605,650)
Share of profit in associate - net	5,632,913	4,647,326
Profit before taxation	78,305,962	65,854,493
Taxation	(15,245,927)	(17,285,606)
Profit for the period	63,060,035	48,568,887
Earnings per share - basic and diluted	0.84	0.65

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Consolidated Statement of Comprehensive Income
(Un-audited)

For the period ended 30th September 2016

	<u>For the three months period ended</u>	
	<u>30 September</u> <u>2016</u>	<u>30 September</u> <u>2015</u>
	<u>------(Rupees)-----</u>	
Profit for the period	63,060,035	48,568,887
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss		
Unrealised gain on re-measurement of available-for-sale investments	24,137,924	1,835,653
Items that will not be reclassified to profit and loss		
Re-measurements of defined benefit liability	-	-
Related tax	-	-
Share of loss in associate's defined benefit liability recognized in other comprehensive income	-	-
Total comprehensive income for the period	<u><u>87,197,959</u></u>	<u><u>50,404,540</u></u>

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the period ended 30th September 2016

	30 September 2016	30 September 2015
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	78,305,962	65,854,493
Adjustment for		
Depreciation	21,028,459	14,343,985
Amortisation	74,799	-
Mark-up expense	24,219,075	16,056,064
Finance lease charges	333,431	301,384
Share of profit in associate - net of tax	(5,632,913)	(4,647,326)
Unrealized gain on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognit	<u>(12,749,537)</u>	<u>(6,683,084)</u>
	105,579,276	85,225,516
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	24,838,126	(15,355,059)
Stock-in-trade	23,268,973	(79,488,944)
Trade debts	(157,035,367)	(65,775,076)
Loans and advances	(5,654,585)	9,450,810
Deposits, prepayments and other receivables	<u>(49,306,654)</u>	<u>61,347,473</u>
	(163,889,507)	(89,820,796)
Increase / (decrease) in current liabilities		
Trade and other payables	24,667,701	21,805,496
	<u>(33,642,530)</u>	<u>17,210,216</u>
Cash generated from / (used in) operations	(33,642,530)	17,210,216
Mark-up paid	(24,422,108)	(23,259,698)
Long term deposits	-	(2,895,897)
Tax paid	<u>(25,439,542)</u>	<u>(42,397,018)</u>
Net cash used in operating activities	<u>(83,504,180)</u>	<u>(51,342,397)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	<u>(36,985,744)</u>	<u>(25,017,514)</u>
Net cash (used in) / generated from investing activities	<u>(36,985,744)</u>	<u>(25,017,514)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance against issue of shares - net	1,677,244,910	-
Payment of finance lease liabilities	(3,589,605)	(4,086,926)
Net cash used in financing activities	<u>1,673,655,305</u>	<u>(4,086,926)</u>
Net increase/ (decrease) in cash and cash equivalents	1,553,165,381	(80,446,837)
Cash and cash equivalents at beginning of the period	<u>(1,064,096,136)</u>	<u>(915,520,385)</u>
Cash and cash equivalents at end of the period	<u><u>489,069,245</u></u>	<u><u>(995,967,222)</u></u>

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)

For the period ended 30th September 2016

	Issued, subscribed and paid up capital	Unrealised gain on re-measurement of available for sale investments	Revenue reserves		Total
			General reserve	Unappropriated profit	
----- (Rupees) -----					
Balance as at 01 July 2015	750,000,000	21,219,627	-	668,061,461	1,439,281,088
Total comprehensive income for the period ended 30 September 2015					
Profit for the period	-	-	-	48,568,887	48,568,887
Other comprehensive income					
Unrealised gain on re-measurement of available for sale investments	-	1,835,653	-	-	1,835,653
Re-measurement of defined benefit liability - net	-	-	-	-	-
Share of profit / (loss) in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-	-
	-	1,835,653	-	48,568,887	50,404,540
Transactions with Owners					
Balance as at 30 September 2015	<u>750,000,000</u>	<u>23,055,280</u>	<u>-</u>	<u>716,630,348</u>	<u>1,489,685,628</u>
Balance as at 01 July 2016	750,000,000	23,805,855	-	844,556,592	1,618,362,447
Total comprehensive income for the period ended 30 September 2016					
Profit for the period	-	-	-	63,060,035	63,060,035
Other comprehensive income					
Unrealised gain on re-measurement of available for sale investments	-	24,137,924	-	-	24,137,924
Re-measurement of defined benefit liability - net	-	-	-	-	-
Share of profit / (loss) in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-	-
	-	24,137,924	-	63,060,035	87,197,959
Transactions with Owners	-	-	-	-	-
Balance as at 30 September 2016	<u>750,000,000</u>	<u>47,943,779</u>	<u>-</u>	<u>907,616,627</u>	<u>1,705,560,406</u>

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.

KARACHI:
October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Notes to the Condensed Interim Consolidated Financial Information (Un-audited)

For the period ended 30th September 2016

1. STATUS AND NATURE OF BUSINESS

The Group comprises:

Holding Company
Loads Limited

Subsidiary Companies / Undertakings
Specialized Autoparts Industries (Private) Limited (SAIL)
Multiple Autoparts Industries (Private) Limited (MAIL)
Specialized Motorcycles (Private) Limited (SMPL)

- 1.1** Loads Limited ("the Parent Company") was incorporated in Pakistan on 1 January 1979 as a private limited company under the Companies Act, 1913 (now Companies Ordinance, 1984). With effect from 19 December 1993, the status of the Parent Company was converted from private limited company to unlisted public limited company. The registered office of the Parent Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi. The principal activity of the Parent Company is to manufacture and sell radiators, exhaust systems and other components for automotive industry.
- 1.2** SAIL, MAIL and SMPL are wholly owned subsidiaries of Loads Limited and were incorporated on 2 June 2004, 14 May 2004 and 28 September 2004 respectively. SAIL and MAIL are principally engaged in providing toll manufacturing services to the Parent Company and SMPL has ceased its operations on 1 July 2015.
- 1.3** The operations of the subsidiary company, SMPL have ceased from 1 July 2015. Accordingly, the financial statements of SMPL were not prepared on going concern basis. Therefore, all assets and liabilities of SMPL have been classified as current and assets are measured at lower of their carrying amounts and fair value less cost to sell.

2. BASIS OF PREPARATION

The condensed interim consolidated financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984 has been followed. This condensed interim consolidated information is unaudited and is being submitted to shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with annual financial statements as at and for the year ended 30 June 2016.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements as at and for the year ended 30 June 2016.

4. ESTIMATES

The preparation of condensed Interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2016.



5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2016	30 June 2016
	------(Rupees)-----	
Operating property, plant and equipment	583,593,011	547,138,343
Capital work-in-progress	57,861,373	75,642,657
	<u>641,454,384</u>	<u>622,781,000</u>

5.1 The following acquisitions and disposals have been made during 3 months ended September 30, 2016:

	Acquisition Cost	Disposals Book Value
Improvements in buildings	4,466,455	-
Plant and machinery	16,879,390	-
Tools and equipment	25,486,192	-
Furniture, fittings and office equipment	1,069,429	-
Leased		
Vehicles	3,474,000	-
	<u>51,375,466</u>	<u>-</u>

6. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the contingent liabilities and commitments since the last audited published financial statements.

7. COST OF SALES

	30 September 2016	30 September 2015
Raw materials and components consumed	743,123,370	691,238,303
Ancillary materials consumed	21,138,336	19,623,506
Salaries, wages and other employee benefits	91,895,260	84,153,775
Subcontracting costs	5,562,787	6,756,666
Depreciation	19,182,208	12,635,972
Gas, power and water	11,082,216	14,043,991
Others	12,407,175	11,235,366
Manufacturing cost	<u>904,391,352</u>	<u>839,687,579</u>
Opening stock of work-in-process	<u>142,503,010</u>	<u>68,169,176</u>
Closing stock of work-in-process	<u>(90,883,378)</u>	<u>(40,244,613)</u>
	<u>51,619,632</u>	<u>27,924,563</u>
Opening stock of finished goods	<u>66,570,963</u>	<u>90,102,753</u>
Closing stock of finished goods	<u>(107,578,426)</u>	<u>(89,847,284)</u>
	<u>(41,007,463)</u>	<u>255,469</u>
	<u>915,003,521</u>	<u>867,867,611</u>

8. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies and other companies with common directorship, employees retirement benefit funds and key management personnel. Transactions with related parties are at terms determined in accordance with the agreed rates. Transactions and balances with related parties, other than those disclosed elsewhere in these financial statements, are disclosed below:

	30 September 2016	30 June 2016
	------(Rupees)-----	
Orient Trading Company (Pvt.) Ltd	10,600	114,666
Receivable from / (payable to) provident fund	-	(315,640)
Employee benefits - gratuity	4,849,146	4,849,146

The Company enters into transactions with related parties on an arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods.



9. DATE OF AUTHORIZATION

This un-audited condensed interim consolidated financial information was authorized for issue by the Board Of Directors on 28th October 2016.

10. GENERAL

10.1 The Board of Directors in their meeting held on 28 October 2016 has proposed the following cash and stock dividends:

- (a) The board has proposed a final cash dividend of Re. 1 per share (2015: Rs. NIL) for the year ended 30 June 2016 amounting to Rs. 125 million (2015: Rs. NIL) for the approval of the members at the annual general meeting to be held on 30 November 2016.
- (b) The board has also proposed bonus shares in the proportion of 10 shares for every 100 shares held i.e. 10% (2015: 1150%) for the year ended 30 June 2016 amounting to Rs. 125 million (2015: Rs. 690 million) for the approval of the members at the annual general meeting to be held on 30 November 2016. Bonus shares will not be entitled to above cash dividend.

These condensed interim financial statements do not reflect the proposed cash and stock dividends.

10.2 Subsequent to the year end 2016, the company has generated Rs 1,700 million against IPO of the Company at a price of Rs. 34 per share (including premium of Rs. 24 per share). The last date for acceptance and subscription of IPO was 29th September 2016. The shares have been duly allotted subsequently.

10.3 The amounts have been rounded off to nearest rupee.

KARACHI:

October 28, 2016

Munir Karim Bana
Chief Executive

Muhammad Ziauddin
Director



Loads Limited

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