Loads Limited

Annual Report 2016

Manufacturers of Exhaust Systems, Radiators & Sheet Metal Components

LISTING OF LOADS LIMITED

The Management is pleased to share memories of your company's listing on Pakistan Stock Exchange on November 1, 2016, through a traditional ceremony, by ringing of the gong by Chief Executive of Loads Limited, followed by briefing to the media and meeting with Managing Director of Pakistan Stock Exchange.


COMPANY
OPENING
LOWEST
HIGHEST
CURRENT
TRADE
VOLUME
LOADS LIMITED
PAKISTAN STOCK EXCHANGE LIMITED


Loads Limited
Initial Public Offering (IPO)
Book Building Dates:
September 06 & 07, 2016

Loads Limited

Contents

Loads Limited

Vision Statement

"Seek innovation in quality, productivity & technology to ensure sustainable growth of the group and all the stakeholders."

Mission Statement

"Satisfy customers with timely supplies of products, confirming to quality standards, at competitive prices."

Loads Limited

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

Muhammad Ziauddin
Executive Director

Syed Sheharyar Ali
Non-Executive Director

Mr. Amir Zia
Non-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. Mohammad 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 Advisor

Altaf K. Allana & Co
Advocates

Corporate Advisor

Cornelius, Lane & Mufti
Advocates & Solicitors

Share 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

Code Of Conduct

Employees

- We treat all the employees equally and fairly.
- We do not tolerate any form of harassment.
- Information and necessary facilities are provided to perform their jobs in a safe and legal manner.
- Employees must not use, bring, or transfer illegal drugs or weapons on Loads Limited's properties.
- Employees should report suspicious people and activities to Human Resources Department.
- No one should ask or expect any employee to break the law, or go against Loads Limited's policies and values.

Business Partners

- Avoid conflict of interest and identify situations where they may occur.
- Do not accept or give gifts, favors, or entertainment, if it appears to obligate the person who receives it.
- Use and supply only safe and reliable products and services.
- Respect our competitors and do not use unfair business practices to hurt the competition.
- Do not have formal or informal discussions with our competitors on prices, markets, products, production or inventory levels.
- Manufacture and produce products according to contract specifications.
- Market our products and services in an honest, fair and ethical manner.
- Do not compromise our values to make profit.

Business Resources

- Do not use inside information about Loads Limited for personal profit. Do not give such information to others.
- Do not use Loads Limited's resources for personal gain or benefit.
- Protect confidential and proprietary information.
- Do not use Loads Limited's resources to send, receive, access or save electronic information that is sexually explicit, promotes hate, violence, gambling, illegal drugs, or the illegal purchase or use of weapons.
- Do not make false or misleading entries in Loads Group's books or records.

Communities

- Follow all laws, regulations and Loads Limited's policies that apply to your work.
- Do not entice or give money or anything of value to government officials to influence their decisions.
- We measure and assess our performance, and are transparent in our environmental responsibilities.
- When Loads Limited standards are higher than what is required by local law, we meet the higher standards.

Profiles of Directors

Syed Shahid Ali – Chairman

Syed Shahid Ali has a Master's degree in Economics from University of Punjab, a Graduate Diploma in Development Economics from Oxford University and a Graduate Diploma in Management Sciences from University of Manchester. He has been Chairman of Loads Limited since 2005 and is currently CEO of Treet Group of companies. He is also Director on the Boards of various public companies including Packages Limited, IGI Insurance Limited, Ali Automobiles Limited etc. He has been actively involved in social & cultural activities and is Chairman of the Governing Boards of several hospitals and philanthropic organizations including Gulab Devi Hospital and Liaquat National Hospital.

Mr. Saulat Said – Vice Chairman

Mr. Saulat Said has a Master's degree in Science from Punjab University. Earlier he worked for over 3 decades with Packages Limited in senior management positions where he retired as General Manager of the Company. He was CEO of IGI Insurance Limited before joining Loads Limited as Director in the year 2007. Currently, he is also Board Member of Treet Group of Companies.

Mr. Munir K. Bana – Chief Executive

Munir K. Bana qualified as a Chartered Accountant in 1972 and is a fellow of the Institute of Chartered Accountants of Pakistan. He has been on the Board of Loads Limited since 1996, initially serving as Director Finance and later elected as Chief Executive of Loads Limited. Previously, he served on the Boards of multi-national companies, Parke-Davis & Boots, as Finance Director for 18 years. Nominated by the Prime Minister as Honorary Chairman of Karachi Tools, Dies & Moulds Centre, a public-private partnership, he served the institution for over 10 years. He was elected Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers ("PAAPAM") in 2012-13.He has been Board member of Treet Corporation since 2008.

Syed Sheharyar Ali – Director

After completing his BBA from Saint Louis University in 2001, Syed Shaharyar Ali started his career with Packages Limited. Currently, he holds the position of Executive Director in Packaging Solutions, a project of Treet Group. His portfolios also include member governing body Liaquat National Hospital – Karachi, President Punjab Netball Federation, Vice President Punjab Cycling Association, Director GET Motor Cycle Project, Vice President All Pakistan Music Council, Director Gulab Devi Hospital and Director Cutting Edge (Private) Limited.

Mr. Muhammad Ziauddin – Executive Director

Mr. Muhammad Ziauddin is a graduate engineer from Peshawar University and obtained diploma in Air-conditioning from Syracuse University, USA. He has long experience in the automobile and air-conditioning industries. Commencing his career with Ali Automobile Ltd, he served as Managing Director of OTS Elevator Co (USA) in Saudi Arabia for 14 years. Mr. Ziauddin has been on the Board of Loads since inception of the Company.

Mr. Jalees Ahmed Siddiqi – Independent Director

Mr. Jalees Ahmed Siddiqi is a Human Resource professional. Having an engineering degree, Mr. Jalees began his working life in USA / Canada, where he was associated with projects and production management for four years. After returning to Pakistan joined a multi-national corporation where he

Profiles of Directors

served at various positions including head of Human Resources. He has attended several international programs on Human Resources offered by leading universities i.e. University of Michigan & London Business School. He served as CEO of IGI Insurance Ltd for four years, where he was also associated with IGI Investment Bank, TCL and IBA's Selection Board. Currently, he is CEO of PICIC Insurance Limited and an independent director of Loads Limited.

Mr. Amir Zia – Director

Mr. Amir Zia is a qualified accountant from Chartered Institute of Management Accountants (CIMA-UK). He is Chief Financial Officer of Treet Group of Companies. He has vast experience and exposure in strategic planning, industry analysis, financial / economic analysis & project evaluation, treasury management, international trade and international trade finance. His expertise also lies in financial and non-financial reporting, tax management, stock/fixed income securities analysis & trading, financial restructuring (including debt/equity restructuring/balance sheet repositioning & capital restructuring); financial engineering and corporate affairs.

Mr. Shamim A .Siddiqui – Executive Director

Mr. Shamim Ahmed Siddiqui joined Loads Limited in 1984 and is currently serving as a Director and CFO. He has wide experience in costing, accounts, financial planning & taxation. He is a qualified Chartered Management Accountant & Gold Medalist from Institute of Chartered Management Accountants of Pakistan.

LOADS LIMITED
DIRECTORS' REPORT TO THE SHAREHOLDERS

The directors of your Company take pleasure in presenting the Annual Report together with your Company's Annual Audited Financial Statements for the year ended June 30, 2016.

OPERATING AND FINANCIAL RESULTS (Consolidated)

	Rs.in Millions	
	2016	**2015**
Sales	4,035	3,332
Operating Profit	419	381
Profit Before Taxation (PBT)	260	322
Profit After Taxation (PAT)	180	211
Earnings per share (EPS)–basic and diluted	2.41	2.81

BUSINESS REVIEW

Your group crossed the sales barrier of Rs. 4 billion per annum, registering an increase of Rs. 703 million (+21%), as compared to the previous year, on account of growth of new model of Toyota Corolla, Punjab taxi scheme of Suzuki and growth in heavy vehicles.

Operating profit registered a healthy growth of 10% on account of accelerated sales.

PBT, PAT and EPS were adversely affected by "mark to market" impact of notional capital gain/loss on investments. Excluding this impact, PBT and PAT for 2016 reflects a growth of 7% and 26% respectively, while EPS stands increased to Rs. 3.29 and Rs. 2.60 for the years 2016 and 2015 respectively.

AUTOMOTIVE INDUSTRY REVIEW

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

Overall cars / LCVs sales for the financial year 2015-16 increased by 20% over previous year to 216,568 units, reflecting growth of 12% and 28% in Toyota Corolla and Suzuki respectively.

(b) Heavy Commercial Vehicles

Heavy vehicles volumes increased from previous year's 4,680 units to 6,567 units, registering an overall increase of 40%. Truck sales increased by 35% whereas buses increased by 79%, due to impact of CPEC project.

Directors' Report to the Shareholders
For the year ended 30 June 2016

(c) Tractors

The tractor industry's sales decreased by 26% over previous year, registering sales of 34,618 units in 2016 (2015: 46,800 units). Declineof 25% and 26% in volumes of Al-Ghazi Tractors and Millat Tractors respectively reflects withdrawal of subsidy schemes by provincial governments.

COMPANY'S SALES PERFORMANCE

The overall sales of the group have increased by 21%. The Company's product-wise performance for the year is analyzed below:

Exhaust System

Radiator

Sheet metal components

Products	Rs. in millions		
	Actual Sales		
	2016	**2015**	+/- %
Radiators	740	707	5
Exhaust Systems	2,696	2,146	26
Sheet Metal Components	600	479	25
Total	**4,036**	**3,332**	**21**

Comments on performance of various product groups are given below:

a) Radiators

This business grew by 5%, mainly due to increase in sales of aftermarket core (+14%) and Suzuki taxi scheme.

b) Exhaust Systems

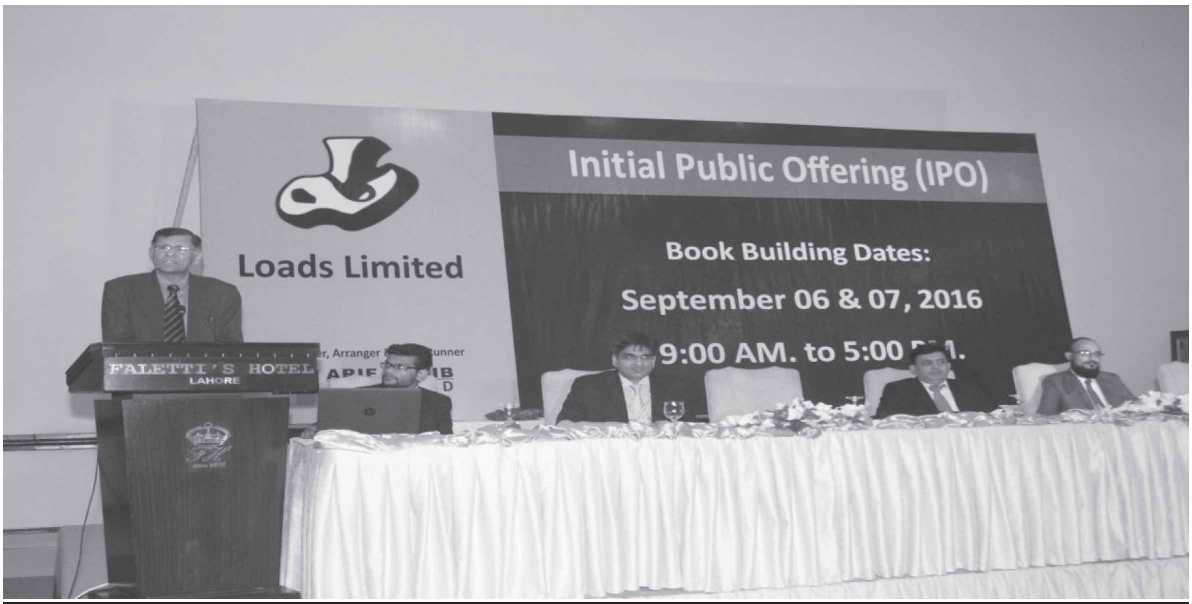
Sales have shown notable growth of 26%, mainly due to success of new model of Toyota Corolla and Suzuki taxi scheme.

c) Sheet Metal Components

This product group has registered increase of 25%, mainly due to growth of Toyota Corolla cars and new components of Honda Civic cars.

SUBSEQUENT EVENTS

Listing on Pakistan Stock Exchange



Your Company has an excellent track record, based on strong growth and profitability in recent years. To complete its expansion plans, your Company made an Initial Public Offer (IPO) of 50 Million Shares in September 2016. Book Building process and the public issue was oversubscribed by 4 times, through overwhelming response from the investors. Strike Price was determined at Rs. 34 per share, against Floor Price of Rs. 15 per share.The Management of Loads Limited thanks its valued Shareholders for their trust and confidence.

Allotment of shares have been completed to all successful shareholders, after balloting process within the stipulated time.

By the grace of Almighty Allah, Pakistan Stock Exchange (PSX) has already granted approval to your Company for listing at PSX on November 1, 2016.

We believe that listing of Loads Limited represents a significant step in the further development of the Auto Parts Industry, which will enable the Company's business to achieve its true potential in the growing environment.

Other material changes or commitments

No other material changes or commitments, which could affect the financial position of your Company, have occurred between the end of the financial year and the date of this review.

COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) GENERAL ORDER, 2009

In terms of Companies (Corporate Social Responsibility) General Order, 2009, your company contributed in the following areas during the current financial year:

(i) **Energy Conservation:** Projects to switch over to energy saving devices continue in phases.

Directors' Report to the Shareholders
For the year ended 30 June 2016

(ii) **Quality and Environmental management systems:** ISO 9001 and ISO 14001 certifications, previously obtained by the Company, continue to be renewed every year.

(iii) **Business Ethics:** Strict ethics were followed in all business dealings throughout the year.

(iv) **Contribution to Downstream Units & Industrial Park Owners' Welfare Association:** During the year, the company donated Rs 165,000 to this Association.

(v) **Contribution to National Exchequer:** The group met all its obligations towards payments of income tax, sales tax and other government levies aggregating Rs. 1,180 million.

TRANSFER PRICING

It is the company's policy to ensure that all transactions entered with related parties must be at arm's length. In exceptional circumstances, however, company may enter into transactions, other than arm's length transaction, subject to approval of Board of Directors and Audit Committee, after justifying (and duly presenting in the financial statements) its rationale and financial impact for the departure.

ATTENDANCE AT BOARD MEETINGS

The Board of Directors of your company has met five (5) times during the year 2015-16 and the attendance at each of these meetings is as follows:

S. No	Name of Director	Designation	12 Aug 15	24 Aug 15	22 Feb 16	26 Feb 16	16 May 16	Present 2015-16
1	Syed Shahid Ali Shah	Chairman	A	A	P	A	A	1/5
2	Mr. Saulat Said	Vice Chairman	P	P	P	P	P	5/5
3	Mr. Munir Karim Bana	Chief Executive	P	P	P	P	P	5/5
4	Mr. Muhammad Ziauddin	Executive Director	P	P	P	A	P	4/5
5	Syed Sheharyar Ali	Non-Executive Director	P	P	P	P	P	5/5
6	Mr. Jalees Ahmed Siddiqi	Independent Director	A	A	A	A	P	1/5
7	Mr. Amir Zia	Non-Executive Director	P	P	P	P	P	5/5
8	Mr. Shamim A. Siddiqui	Executive Director	-	-	-	-	P	1/5
9	Mr. Khurram Raza Bakhtayari	Non-Executive Director	P	P	A	A	-	2/5
	Quorum at Meetings		6/8	6/8	6/8	4/8	7/8	

Leave of absence was granted to those directors who were unable to attend a meeting.

Mr. Khurram Raza Bakhtayari resigned on April 27, 2016 and the Board of Directors filled the casual vacancy by appointing Mr. Shamim A. Siddiqui on the Board.

Directors' Report to the Shareholders
For the year ended 30 June 2016

FORMATION OF BOARD COMMITTEES

During the last Board meeting, following committees were formed in accordance with the Codeof Corporate Governance:

a) Audit Committee

Committee members are as follows:
1) Mr. Jalees Ahmed Siddiqi–Chairman
2) Mr. Saulat Said–Member
3) Mr. Amir Zia–Member
4) Syed Sheharyar Ali-Member

Terms of reference of Audit Committee

The Committee reviews the periodic financial statements and examines the adequacy of financial policies and practices to ensure that an efficient and strong system of internal control is in place. The Committee also reviews the audit reports issued by the Internal Audit Department and compliance status of audit observations.

The Audit Committee is also responsible for recommending to the Board of Directors the appointment of external auditors by the Company's shareholders and consider any questions of resignation or removal of external auditors, audit fees and provision of any services to the Company by its external auditors in addition to the audit of its financial statements.

The Terms of Reference of the Audit Committee are consistent with those stated in the Code of Corporate Governance and broadly include the following:

(i) Review of interim and annual financial statements of the Company prior to approval by the Board of Directors.
(ii) Discussions with the external auditors of major observations arising from interim and final audits, review of management letter issued by the external auditors and management's response thereto.
(iii) Review of scope and extent of internal audit ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
(iv) Ascertain adequacy and effectiveness of the internal control system, including financial and operational controls, accounting system and reporting structure.
(v) Determination of compliance with relevant statutory requirements and monitoring compliance with the best practices of corporate governance.
(vi) Institute special projects, value for money studies or other investigations on any matters specified by the Board of Directors.
(vii) Review of management letter issued by the External Auditors and management's response thereto.

b) Human Resources & Remuneration Committee

Committee members are as follows:
1) Syed Sheharyar Ali – Chairman
2) Mr. Mohammad Ziauddin – Member
3) Mr. Amir Zia – Member
4) Mr. Shamim A. Siddiqui – Member

Directors' Report to the Shareholders
For the year ended 30 June 2016

Terms of Reference of the Human Resources & Remuneration Committee:

The Committee shall be responsible for making recommendations to the Board for maintaining:

i. A sound plan of organization for the company.
ii. An effective employees' development programme.
iii. Sound compensation and benefits plans, policies and practices designed to attract and retain the caliber of personnel needed to manage the business effectively.
iv. Evaluate and recommend for approval of changes in the organization, functions and relationships affecting management positions.
v. Determine appropriate limits of authority and approval procedures for personnel matters requiring decisions at different levels of management.
vi. Review the employees' development system to ensure that it:
    a. Foresees the company's senior management requirements.
    b. Provides for early identification and development of key personnel.
    c. Brings forward specific succession plans for senior management positions.
    d. Training and development plans
vii. Compensation and Benefits:
    a. recommending human resource management policies to the board;
    b. recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;

Recommending to the Board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit and senior management reporting to CEO.

PATTERN OF SHAREHOLDING

The pattern of shareholding of your Company as on June 30, 2016, before listing, is annexed with this report.

CASH DIVIDEND

The Board of Directors of your Company has recommended Cash Dividend of Re.1 per share, i.e. 10%.

BONUS SHARES

The Board of Directors of your Company has recommended Bonus Shares in the proportion of 10 shares for every 100 shares held i.e. 10%.

EXTERNAL AUDITORS

The Directors of your company have recommended that, the present auditors, M/s KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment, may be appointed as auditors of your Company for another term.

FUTURE OUTLOOK

The new Automotive Development Policy (ADP) 2016–21 was announced on March 21, 2016. This augers well for the Auto Industry and it is expected to attract new entrants and increase industry volumes.

Directors' Report to the Shareholders
For the year ended 30 June 2016

Honda has launched its new models for Civic car (including a Turbo version), which have 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.

New entrants from China have set up plants in Pakistan, while discussions continue with players from other countries.

The above factors are expected to maintain the growth momentum in the auto parts industry.

ACKNOWLEDGEMENTS

The Board wishes to thank all the employees for their continuing support and hard work during the year. We also wish to extend our thanks to our customers for their continued patronage and look forward to a fruitful relationship with them in the years ahead.

By Order of the Board

MUNIR K. BANA
Chief Executive

Karachi: October 28, 2016

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi. 75530 Pakistan

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Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

Auditors' Report to the Members

We have audited the annexed unconsolidated balance sheet of **Loads Limited** ("the Company") as at 30 June 2016 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 unconsolidated balance sheet and unconsolidated 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 disclosed in note 4 to the 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 unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated 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 2016 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

KPMG Taseer Hadi & Co

Date: 28 October 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Malik

Loads Limited

Unconsolidated Balance Sheet
As at 30 June 2016

ASSETS	Note	30 June 2016	30 June 2015
		(Rupees)	
Non-current assets			
Property, plant and equipment	5	473,793,798	305,375,733
Intangible assets	6	747,994	1
Long term investments	7	627,070,245	619,487,835
Employee benefits - gratuity	19.2	4,849,146	6,341,922
		1,106,461,183	931,205,491
Current assets			
Stores and spares		51,209,992	32,657,297
Stock-in-trade	8	1,107,064,322	940,154,402
Trade debts - net	9	213,888,667	220,871,727
Loans and advances	10	132,963,316	75,746,283
Deposits, prepayments and other receivables	11	173,896,638	185,111,835
Taxation - net	12	143,468,552	151,034,947
Investments	13	85,565,401	150,200,557
Cash and bank balances	14	6,659,967	9,094,309
		1,914,716,855	1,764,871,357
Total assets		3,021,178,038	2,696,076,848
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs.10 each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital	16	750,000,000	750,000,000
Unrealised gain on re-measurement of available for sale investments	13.2.1	25,633,737	23,047,509
Unappropriated profit		660,191,143	562,452,030
		1,435,824,880	1,335,499,539
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease	17	18,745,411	18,254,716
Deferred tax liabilities	18	36,088,975	43,672,983
		54,834,386	61,927,699
Current liabilities			
Current maturity of liabilities against assets subject to finance lease	17	16,100,360	12,907,268
Short term borrowings	20	1,082,794,488	979,445,862
Due to related parties - net	21	291,360,885	174,316,995
Trade and other payables	22	121,889,257	114,763,744
Accrued mark-up on short term borrowings		18,373,782	17,215,741
		1,530,518,772	1,298,649,610
Total equity and liabilities		3,021,178,038	2,696,076,848
CONTINGENCIES AND COMMITMENTS	15		

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

Chief Executive

Director

Loads Limited

Unconsolidated Profit and loss Account

For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees)	
Turnover	23	**4,035,658,287**	3,259,791,651
Cost of sales	24	**(3,595,414,693)**	(2,951,895,908)
Gross profit		**440,243,594**	307,895,743
Administrative and selling expenses	25	**(128,957,782)**	(120,060,091)
		311,285,812	187,835,652
Other expenses	26	**(11,077,029)**	(15,924,228)
Other income	27	**24,108,407**	122,199,096
		13,031,378	106,274,868
Operating profit		**324,317,190**	294,110,520
Financial charges	28	**(116,772,310)**	(88,563,582)
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	13.1	**(66,069,635)**	15,944,655
Profit before taxation		**141,475,245**	221,491,593
Taxation	29	**(42,798,284)**	(72,522,911)
Profit after taxation		**98,676,961**	148,968,682
Earnings per share - basic and diluted	30	**1.32**	1.99

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

Chief Executive

Director

Loads Limited

Unconsolidated Statement of Comprehensive Income
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees)	
Profit after taxation		**98,676,961**	148,968,682
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	13.2.1	**2,586,228**	2,695,864
Items that will not be reclassified to profit and loss			
Loss on re-measurement of defined benefit liability	19.2.4	**(1,359,200)**	(4,470,438)
Related tax	18.2	**421,352**	1,385,836
		(937,848)	(3,084,602)
Total comprehensive income for the year		**100,325,341**	148,579,944

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

Chief Executive

Director

Loads Limited

Unconsolidated Cash Flow Statement

For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		141,475,245	221,491,593
Adjustments for			
Depreciation	5.1	48,196,758	45,689,112
Amortisation	6	132,235	1,523,355
Mark-up expense	28	94,769,241	77,301,563
Finance lease charges	28	2,125,614	4,915,392
Capital gain on sale of investment in associate	27	-	(32,789,436)
Provision for gratuity	19.2.3	2,345,368	378,452
Gain on disposal of property and equipment	27	(2,595,389)	(2,901,449)
Interest income from Participation Term Certificates	27	(12,032,955)	(12,395,870)
Interest on loan to employees	27	(1,018,340)	(830,993)
Dividend income	27	(8,450,004)	(6,570,718)
Unrealized loss / (gain) on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition	13.1	66,069,635	(15,944,655)
		331,017,408	279,866,346
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(18,552,695)	(11,544,840)
Stock-in-trade		(166,909,920)	(268,159,950)
Trade debts		6,983,060	(100,393,141)
Loans and advances		(57,217,033)	(55,916,857)
Deposits, prepayments and other receivables		11,215,197	(115,599,201)
		(224,481,391)	(551,613,989)
Increase / (decrease) in current liabilities			
Due to related parties - net		(67,336,919)	-
Trade and other payables		4,724,455	51,205,753
		(62,612,464)	51,205,753
Cash used in operations		43,923,553	(220,541,890)
Mark-up paid		(80,137,441)	(65,535,125)
Long term deposits		-	(1,892,980)
Gratuity paid		(2,211,792)	(695,500)
Interest received from loan to employees		1,018,340	830,993
Tax paid		(42,394,545)	(80,073,219)
Net cash used in operating activities		(79,801,885)	(367,907,721)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(198,555,604)	(36,335,607)
Purchase of intangibles		(880,228)	(147,500)
Purchase of investments		(6,430,661)	(304,774,250)
Proceeds from disposal of investment in associate		-	74,169,436
Interest received from Participation Term Certificates		12,032,955	12,395,870
Dividend received		8,450,004	6,570,718
Proceeds from disposal of property and equipment		4,412,844	10,940,154
Net cash used in investing activities		(180,970,690)	(237,181,179)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(18,318,501)	(26,382,212)
Loan from subsidiary companies - unsecured		173,308,108	105,831,892
Net cash generated from financing activities		154,989,607	79,449,680
Net decrease in cash and cash equivalents		(105,782,968)	(525,639,220)
Cash and cash equivalents at beginning of the year		(970,351,553)	(444,712,333)
Cash and cash equivalents at end of the year	32	(1,076,134,521)	(970,351,553)

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

Chief Executive

Director

Loads Limited

Unconsolidated Statement of Changes in Equity
For the year ended 30 June 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 1 July 2014	60,000,000	20,351,645	590,262,580	516,305,370	1,186,919,595
Total comprehensive income for the year ended 30 June 2015					
Profit after taxation	-	-	-	148,968,682	148,968,682
Other comprehensive income	-	2,695,864	-	(3,084,602)	(388,738)
	-	2,695,864	-	145,884,080	148,579,944
Transactions with owners					
Contributions and distributions					
Bonus shares issue at the rate of 1150% for the year ended 30 June 2015	**690,000,000**	-	(590,262,580)	(99,737,420)	-
Balance as at 30 June 2015	**750,000,000**	**23,047,509**	-	**562,452,030**	**1,335,499,539**
Total comprehensive income for the year ended 30 June 2016					
Profit after taxation	-	-	-	**98,676,961**	**98,676,961**
Other comprehensive income	-	**2,586,228**	-	**(937,848)**	**1,648,380**
	-	**2,586,228**	-	**97,739,113**	**100,325,341**
Transactions with owners					
Contributions and distributions	-	-	-	-	-
Balance as at 30 June 2016	**750,000,000**	**25,633,737**	-	**660,191,143**	**1,435,824,880**

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

Chief Executive

Director

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

1. STATUS AND NATURE OF BUSINESS

1.1 Loads Limited ("the Company") was incorporated in Pakistan on 1 January 1979 under Companies Act, 1913 (now the Companies Ordinance, 1984). With effect from 19 December 1993, the status of the Company was converted from private limited company to unlisted public limited company. In previous year, the Board of Directors in their meeting held on 20 January 2015 has decided to file an application for listing of its securities on Pakistan Stock Exchange. On 7 September 2016, the Company successfully completed their Initial Public Offer of its shares at a strike price of Rs. 34 per share. Accordingly, the Company is in the process of listing its shares in due course which will be completed in the forthcoming year. The registered office of the Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.

1.2 The principal activity of the Company is to manufacture and sale of radiators, exhaust systems and other components for automotive industry.

1.3 These are the separate financial statements of the Company. There are three wholly owned subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL) and Specialized Motorcycles (Private) Limited (SMPL) and one associate of the Company. Two subsidiaries are principally engaged in providing toll manufacturing services of radiator, exhaust system and other components for automative industry to the Company and one subsidiary (SMPL) is dormant as it has ceased its operations in the current year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated 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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, shall prevail.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared on the historical cost convention, except for investments classified as "investment at fair value through profit or loss" and "available for sale" which are stated at fair value and provision for staff gratuity which is stated at present value.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pak Rupees which is also the functional currency of the Company and has been rounded to the nearest rupees.

2.4 Use of estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Company's accounting polices, management has made the following accounting estimates and judgments which are significant to the unconsolidated financial statements and estimates with a significant risk of material adjustment in future years are discussed below:

- Property, plant and equipment (notes 3.1 and 5);
- Intangible assets (notes 3.2 and 6)
- Provision for impairment of stock-in-trade and stores and spares (notes 3.6, 3.7 and 8);
- Taxation (notes 3.14,18 and 29);
- Provision for impairment of financial and non-financial assets (note 3.5.5);
- Employees' benefits and compensated absences (notes 3.3 and 19)
- Classification and valuation of financial instruments (note 3.5)
- Contingencies (note 15)

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

- Amendments to IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – 'Consolidated Financial Statements' and IAS 28 – 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.
- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.
- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.
- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.
- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
- IAS 32 'Financial Instruments: Presentation' - is amended to clarify that IAS 12 'Income Taxes' applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations': IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures': IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 34 'Interim Financial Reporting': IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on Group's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these unconsolidated financial statements are the same as those applied in the preparation of the unconsolidated financial statements as at and for the year ended 30 June 2015, except for the changes in note 4.

Moreover, during the current year, IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interest in Other Entities" and IFRS 13 "Fair Value Measurement" became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Company's financial statements.

The effect of IFRS 13 "Fair Value Measurement" and a circular issued by Securities and Exchange Commission of Pakistan (SECP) for additional disclosures are disclosed in notes 4 and 35.1 to the financial statements. The significant accounting policies applied are set out below:

3.1 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and capital work-in-progress are stated at cost less impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure incurred is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss account as incurred.

Depreciation

Depreciation charge is based on the reducing balance method at the rate specified in note 5.1.

Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalised while no depreciation is charged for the month in which the item is disposed off.

Depreciation methods and depreciation rates are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the profit and loss account.

Assets subject to finance lease

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance lease. Assets subject to finance lease are stated at amounts equal to the fair value at the inception of lease or, if lower, the present value of the minimum lease payments. The minimum lease payments are apportioned between the finance charge and the outstanding liability. Assets acquired under finance leases are depreciated in accordance with the Company's depreciation policy for property, plant and equipment. The finance cost is charged to profit and loss account. Finance charges under the lease agreements is allocated over the periods during lease term so as to produce a constant periodic rate of financial charge on the outstanding balance of principal liability of each year.

3.2 Intangible assets

Intangible assets that are acquired by the Company and have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Cost that are directly associated with identifiable software products and have probable economic benefit beyond one year are recognised as intangible assets. Cost associated with maintaining computer software products are recognised as an expense when incurred.

Amortisation

Amortisation is calculated to charge the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives specified in note 6 and is recognised in profit and loss account.

Amortisation on additions during the financial year is charged from the month in which the asset is put to use, whereas no amortisation is charged in the month in which the asset is disposed off.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

3.3 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

The Company operates a funded gratuity schemes separately for its management and non-management staff. Both the schemes cover all the employees with a qualifying service period of ten years.

The Company's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.
The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Compensated absences

The Company recognises the liability for compensated absences in respect of employees in the period in which they are earned up to the reporting date.

Defined Contribution plan - Provident Fund

All permanent employees are covered under a recognized fund scheme. Equal monthly contributions are made by the Company and the employees to the Fund at the rate of 10% of basic salary for executive employees and 10% of basic salary plus cost of living allowance for non-executive employees.

3.4 Trade and other payables

Trade payable and other liabilities are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

3.5 Financial instruments

The Company classifies its financial assets into financial assets at fair value through profit or loss, available for sale and loans and receivables.

The Company classifies its financial liabilities into the other financial liabilities category.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

3.5.1 Financial assets and financial liabilities - recognition and derecognition

The Company initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

3.5.2 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when, and only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.5.3 Financial assets - measurement

a) Financial assets at fair value through profit or loss

A financial asset is classified as 'at fair value through profit or loss' if it is held-for-trading or is designated as such upon initial recognition. Financial assets are designated as 'at fair value through profit or loss' if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or a derivative.

Financial assets as 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in profit and loss account.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

b) Available for sale

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and accumulated in the unrealised gain on re-measurement of available for sale investments. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

c) Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

3.5.4 Financial liabilities - measurement

All financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

3.5.5 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses recognised in profit and loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit and loss.

A significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the securities are impaired. Impairment loss on investment is recognised in the profit and loss whenever the acquisition cost of investment exceeds its recoverable amount. Impairment losses recognised on equity securities in the profit and loss are not reversed subsequently in the profit and loss.

Non-financial assets

The carrying amounts of non-financial assets other than deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment loss recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.6 Stores, spares and consumables

These are stated at lower of weighted average cost and net realisable value except items in transit which are stated at invoice value plus other charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

3.7 Stock-in-trade

Stock in trade is stated at lower of cost and net realisable value. Cost is determined using weighted average cost formula and includes expenditure incurred in bringing / acquiring the inventories to their present location and condition.

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

3.8 Trade debts, loans, advances, deposits and other receivables

Trade debts, loans, advances, deposits and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Loans, advances and other receivables considered irrecoverable are written off.

3.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and deposits held with banks. Short term borrowing facilities availed by the Company, which are repayable on demand form an integral part of the Company's cash management and are included as part of cash and cash equivalents for the purpose of the unconsolidated cash flow statement.

3.10 Foreign currency translation

Transactions in foreign currencies are translated into Pak Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange ruling on the balance sheet date. Exchange differences are included in the profit and loss account currently. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

3.11 Investment in subsidiary

Investment in subsidiary company is stated at cost less provision for impairment, if any. These are classified as long term investment.

3.12 Investment in associate

Investment in associates is stated at cost less provision for impairment, if any.These are classified as long term investment.

3.13 Revenue recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

- Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer.

- Mark-up on bank deposit is recognised on time apportioned basis using effective interest rate method.

- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

- Unrealised gains / (losses) arising on revaluation of securities classified as 'at fair value through profit or loss' are included in profit and loss account in the period in which they arise.

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

3.14 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments / developments made during the year, if any.

Deferred tax

Deferred tax is recognised using balance sheet method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Company recognises deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.15 Provisions

A provision is recognized in the unconsolidated balance sheet when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure to settle the present obligation at the reporting date.

3.16 Dividend distribution and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognised in the period in which these are approved. The distribution of dividend is subject to the covenant as mentioned in note 20.

3.17 Segment accounting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

The segment information is not generated by the Company and the Chief Executive Officer reviews the Company as a single entity. Hence, segment disclosures are not included in these financial statements.

4. CHANGE IN ACCOUNTING POLICIES

- IFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 "Financial Instruments: Disclosures". As a result, the Company has included an additional disclosure in this regard in note 35.1. In accordance with the transitional provisions of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures.

  Notwithstanding the above, the change had no significant impacts on the measurements of the Company's assets and liabilities.

- On 5 September 2016, a circular (Circular No. 29 of 2016) was issued by the Securities and Exchange Commission of Pakistan (SECP) requiring listed companies to voluntarily add additional disclosures regarding Shariah Screening of Listed Companies for Islamic Equity Indexes in the financial statements. These are included in note 10, 13, 27 and 41.2 to the financial statements.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

5. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2016	30 June 2015
		(Rupees)	
Operating property, plant and equipment	5.1	404,589,505	275,171,809
Capital work-in-progress	5.2	69,204,293	30,203,924
		473,793,798	305,375,733

5.1 Operating property, plant and equipment

30 June 2016

	Cost					Rate	Accumulated depreciation					Net book
	As at 01 July 2015	Additions	Transfer from leased assets	(Disposals)	As at 30 June 2016		As at 01 July 2015	For the year	Transfer from leased assets	(Disposal)	As at 30 June 2016	value as at 30 June 2016
	(Rupees)					%	(Rupees)					
Owned												
Freehold land (note 5.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land	1,089,774	-	-	-	1,089,774	-	-	-	-	-	-	1,089,774
Building on leasehold land	40,151,231	14,079,458	-	-	54,230,689	5	21,007,944	1,221,447	-	-	22,229,391	32,001,298
Plant and machinery	324,617,125	73,473,442	23,503,337	-	421,593,904	10 - 20	196,174,448	16,845,959	8,588,701	-	221,609,108	199,984,796
Tools and equipment	170,390,699	63,446,722	-	(2,328,003)	231,509,418	10 - 35	135,335,875	14,845,442	-	(1,640,200)	148,541,117	82,968,301
Furniture, fittings and office equipment	27,577,898	6,660,613	-	-	34,238,511	10 - 30	18,576,948	3,262,681	-	-	21,839,629	12,398,882
Vehicles	17,882,759	1,895,000	-	(1,944,950)	17,832,809	20	12,206,353	1,325,213	-	(1,301,654)	12,229,912	5,602,897
Leased												
Plant and machinery	23,503,337	-	(23,503,337)	-	-	10 - 20	6,772,821	1,815,880	(8,588,701)	-	-	-
Vehicles	50,626,693	19,876,674	-	(2,800,700)	67,702,667	20	15,673,318	8,880,136	-	(2,314,344)	22,239,110	45,463,557
	680,919,516	179,431,909	-	(7,073,653)	853,277,772		405,747,707	48,196,758	-	(5,256,198)	448,688,267	404,589,505

30 June 2015

	Cost					Rate	Accumulated depreciation					Net book
	As at 01 July 2014	Additions	Transfer from leased assets	(Disposals)	As at 30 June 2015		As at 01 July 2014	For the year	Transfer from leased assets	(Disposal)	As at 30 June 2015	value as at 30 June 2015
	(Rupees)					%	(Rupees)					
Owned												
Freehold land (note 5.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land	1,089,774	-	-	-	1,089,774	-	-	-	-	-	-	1,089,774
Building on leasehold land	39,162,242	988,989	-	-	40,151,231	5	20,039,681	968,263	-	-	21,007,944	19,143,287
Plant and machinery	320,591,505	9,069,963	-	(5,044,343)	324,617,125	10 - 20	184,252,114	14,671,236	-	(2,748,902)	196,174,448	128,442,677
Tools and equipment	164,964,645	5,426,054	-	-	170,390,699	10 - 35	118,656,494	16,679,381	-	-	135,335,875	35,054,824
Furniture, fittings and office equipment	25,158,265	2,891,755	-	(472,122)	27,577,898	10 - 30	16,564,051	2,390,495	-	(377,598)	18,576,948	9,000,950
Vehicles	18,787,759	1,912,800	11,572,151	(14,389,951)	17,882,759	20	12,409,151	1,213,572	7,324,841	(8,741,211)	12,206,353	5,676,406
Leased												
Plant and machinery	23,503,337	-	-	-	23,503,337	10 - 20	4,722,392	2,050,429	-	-	6,772,821	16,730,516
Vehicles	37,958,285	24,240,559	(11,572,151)	-	50,626,693	20	15,282,423	7,715,736	(7,324,841)	-	15,673,318	34,953,375
	656,295,812	44,530,120	-	(19,906,416)	680,919,516		371,926,306	45,689,112	-	(11,867,711)	405,747,707	275,171,809

5.1.1 This represents a plot in Lahore of Rs. 25.08 million (30 June 2015: Rs. 25.08 million) held by the Company for the expansion of business in future. Currently, this plot of land is not being used.

5.1.2 There are no fully depreciated assets at the reporting date as the Company is following reducing balance method.

5.1.3 Depreciation has been allocated as follows:

	Note	30 June 2016	30 June 2015
		(Rupees)	
Cost of sales	24	**41,080,764**	39,652,858
Administrative and selling expenses	25	**7,115,994**	6,036,254
		48,196,758	45,689,112

5.1.4 Details of property and equipment disposed off

Details of operating property and equipment disposed off during the year having net book value in excess of Rs. 50,000 are as follows:

30 June 2016

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars
	(Rupees)						
Owned							
Tools and equipment							
Dies	2,328,003	1,640,200	687,803	1,153,048	465,245	Negotiation	Pak Suzuki - Karachi
Vehicle							
Toyota Altis	1,944,950	1,301,654	643,296	643,296	-	Negotiation	Saulat Said - Karachi
Leased							
Vehicles							
Honda City	804,600	739,709	64,891	621,200	556,309	Negotiation	Moin uddin - Karachi
Suzuki Pick up	380,735	301,388	79,347	380,000	300,653	Negotiation	Muhammad Anwar - Karachi
Suzuki Pick up	344,000	287,710	56,290	385,000	328,710	Negotiation	Faiz M Memon - Karachi
Suzuki Pick up	494,865	356,401	138,464	441,900	303,436	Negotiation	Muhammad Arshad - Karachi
Suzuki Pick up	429,500	339,990	89,510	411,900	322,390	Negotiation	Muhammad Amir - Karachi
Suzuki Pick up	347,000	289,146	57,854	376,500	318,646	Negotiation	Muhammad Saleem - Karachi
	2,800,700	2,314,344	486,356	2,616,500	2,130,144		
	7,073,653	5,256,198	1,817,455	4,412,844	2,595,389		

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

5.2 Capital work-in-progress

	Note	30 June 2016	30 June 2015
		(Rupees)	
Tools and equipment		66,927,662	28,088,429
Advance against capital expenditure		2,276,631	2,115,495
		69,204,293	30,203,924

5.2.1 Movement in capital work-in-progress is as follows:

	30 June 2016 (Rupees)
Balance at beginning of the year	30,203,924
Additions during the year	45,439,484
Transferred to operating property, plant and equipment	(6,439,115)
Balance at end of the year	69,204,293

6. INTANGIBLE ASSETS

30 June 2016

	Cost			Useful	Amortization			Net book
	As at 1 July 2015	Addition / (disposal)	As at 30 June 2016	life	As at 1 July 2015	For the year	As at 30 June 2016	value as at 30 June 2016
	(Rupees)			Years	(Rupees)			
Computer software and licenses	12,184,897	880,228	13,065,125	3	12,184,896	132,235	12,317,131	747,994

30 June 2015

	Cost			Useful	Amortization			Net book
	As at 1 July 2014	Addition / (disposal)	As at 30 June 2015	life	As at 1 July 2014	For the year	As at 30 June 2015	value as at 30 June 2015
	(Rupees)			Years	(Rupees)			
Computer software and licenses	12,037,397	147,500	12,184,897	3	10,661,541	1,523,355	12,184,896	1

7. LONG TERM INVESTMENTS

	Note	30 June 2016	30 June 2015
		(Rupees)	
Investments in subsidiary companies - unquoted	7.1	325,000,000	325,000,000
Less: Provision for impairment	7.1.3	(25,000,000)	(25,000,000)
Net investment in subsidiary companies		300,000,000	300,000,000
Investment in associate	7.2	327,070,245	319,487,835
		627,070,245	619,487,835

7.1 Subsidiary companies

30 June 2016	30 June 2015		Note	30 June 2016	30 June 2015
(Number of shares)		<u>Unquoted</u>		(Rupees)	
17,500,000	17,500,000	Specialized Autoparts Industries (Private) Limited (SAIL) (Chief Executive - Munir K. Bana)	7.1.1	175,000,000	175,000,000
7,500,000	7,500,000	Multiple Autoparts Industries (Private) Limited (MAIL) (Chief Executive - Munir K. Bana)	7.1.2	75,000,000	75,000,000
7,500,000	7,500,000	Specialized Motorcycles (Private) Limited (SMPL) (Chief Executive - Munir K. Bana)	7.1.3	75,000,000	75,000,000
				325,000,000	325,000,000

7.1.1 Specialized Autoparts Industries (Private) Limited (SAIL) is engaged in the manufacturing and selling of components for the automotive industry. Presently, the Company is engaged in providing toll manufacturing services to its parent company. The net assets of SAIL, as disclosed in the latest available audited financial statements for the year ended 30 June 2016, amounted to Rs. 263.419 million (30 June 2015: Rs. 215.485 million).

7.1.2 Multiple Autoparts Industries (Private) Limited (MAIL) is engaged in the manufacturing and selling of components for the automotive industry. Presently, the Company is engaged in providing toll manufacturing services to its parent company. The net assets of MAIL, as disclosed in the latest available audited financial statements for the year ended 30 June 2016, amounted to Rs. 129.727 million (30 June 2015: Rs. 103.165 million).

7.1.3 Specialized Motorcycles (Private) Limited (SMPL) was engaged in the business to acquire, deal in, purchase, import, sales, supply and export all sorts of motorcycles & auto parts, metallurgical parts, machinery and equipment parts. The Company has ceased its operations from 1 July 2015. The net assets of SMPL, as disclosed in the latest available audited financial statements for the year ended 30 June 2016, amounted to Rs. 60.959 million. (30 June 2015: Rs. 58.258 million)

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

Provision for impairment against investment in subsidiary company:

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening balance		**25,000,000**	75,000,000
Reversals during the year	7.1.3.1	**-**	(50,000,000)
Closing balance		**25,000,000**	25,000,000

7.1.3.1 In June 2015, the Company reversed provision in SMPL due to improvement in net equity, current ratio and positive operating cash flows. The key information and ratios of SMPL are as follows:

		30 June 2016	30 June 2015
Net equity	Rupees	**60,959,395**	58,258,079
Current ratio	Percentage	**38.86**	8.71
Cash flows	Rupees	**(18,342,433)**	10,381,585

7.1.4 The Company holds 100% shares in all of its subsidiaries. Break-up value per share of investment in subsidiaries based on their latest audited financial statements for the year ended 30 June 2016 are as follows :

	Note	30 June 2016	30 June 2015
Unquoted		(Rupees)	
Specialized Autoparts Industries (Private) Limited		**15.05**	12.31
Multiple Autoparts Industries (Private) Limited		**17.30**	13.76
Specialized Motorcycles (Private) Limited		**8.13**	7.77

7.2 Associate

30 June 2016	30 June 2015		Note	30 June 2016	30 June 2015
(Number of shares)		**Quoted**			
7,620,680	**7,492,475**	Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali	7.4	**327,070,245**	319,487,835

7.2.1 Market value of investment in associate is as follows:

Quoted		
Treet Corporation Limited	**376,690,212**	540,582,071

7.2.2 The above investments include 7,492,475 shares having an aggregate market value of Rs. 370.353 million, which have been pledged with financial institutions as securities against borrowing facilities.

7.3 The Company's holding in associate of 5.53% (30 June 2015: 5.56%) is considered associate by virtue of common directorship i.e. (5 directors are common out of 8 directors).

7.4 During the year 128,205 shares amounting to Rs. 7.58 million were converted and issued to the Company at the rate of Rs. 59.14 per share, as per the prospectus of participation term certificate issued by Treet Corporation Limited (refer note 13.1.2).

8. STOCK-IN-TRADE

	Note	30 June 2016	30 June 2015
		(Rupees)	
Raw material and components	8.2	**897,990,349**	782,578,700
Work-in-process		**142,503,010**	68,169,176
Finished goods	8.3	**66,570,963**	90,102,753
		1,107,064,322	940,850,629
Provision for slow-moving and obsolescence	8.1	**-**	(696,227)
		1,107,064,322	940,154,402

Notes to the Unconsolidated Financial Statements
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8.1 Provision for slow-moving and obsolescence

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening balance		696,227	696,227
Charge for the year		-	-
Written off during the year		(696,227)	-
Closing balance		-	696,227

8.2 This includes raw material in-transit and in possession of Company's subsidiaries as at 30 June 2016 of Rs. 201.658 million (30 June 2015: Rs. 144.5 million) and Rs. 116.322 million (30 June 2015: Rs. 146.7 million) respectively.

8.3 This includes finished goods in possession of Company's subsidiaries as at 30 June 2016 of Rs. 42.614 million (30 June 2015: Rs. 58.3 million).

9. TRADE DEBTS - net

	Note	30 June 2016	30 June 2015
		(Rupees)	
Unsecured			
Considered good		213,888,667	220,871,727
Considered doubtful		405,606	4,494,293
		214,294,273	225,366,020
Bad debts written off		(405,606)	(4,088,687)
Provision for doubtful debts	9.1	-	(405,606)
	9.2	213,888,667	220,871,727

9.1 Provision for doubtful debts

Opening balance		405,606	405,606
Charge for the year		-	-
Written off during the year		(405,606)	-
Closing balance		-	405,606

9.2 For ageing of trade debts, refer note 33.2.

10. LOANS AND ADVANCES

Loans to employees - considered good and unsecured	10.1	2,527,651	3,634,151
Loans to workers - considered good and unsecured	10.2	4,055,963	4,635,317
Advance salary / bonus to employees		22,847,519	19,064,473
Advance to suppliers		103,532,183	48,412,342
		132,963,316	75,746,283

10.1 This represents loans provided to executive staff having maturity of twelve months. These loans carry mark-up at the rate of 10% (30 June 2015: 10%) per annum.

10.2 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 10% (30 June 2015: 10%) per annum.

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Unclaimed input sales tax	11.1	154,695,560	114,879,602
Trade and other deposits		11,592,764	8,255,867
Receivable against sale of investment		-	30,424,559
Prepayments - provident fund		-	16,042,778
Prepayments		1,191,005	428,187
Other receivables		6,417,309	15,080,842
		173,896,638	185,111,835

11.1 This represents input sales tax not claimed due to restriction of input tax to be adjusted up to ninety percent of output tax as per section 8B of Sales Tax Act, 1990.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

12. TAXATION - net

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening refundable		**151,034,947**	112,905,071
Refunds / adjusted during the year		**(27,423,355)**	(36,391,259)
		123,611,592	76,513,812
Advance tax paid during the year		**69,817,900**	116,464,478
Provision for taxation	29	**(49,960,940)**	(41,943,343)
Closing refundable		**143,468,552**	151,034,947

13. INVESTMENTS

	Note	30 June 2016	30 June 2015
At fair value through profit or loss - at initial recognition	13.1	**42,737,971**	116,632,605
Available-for-sale	13.2	**42,827,430**	33,567,952
		85,565,401	150,200,557

13.1 At fair value through profit or loss - at initial recognition

30 June 2016	30 June 2015	Name of investee company	Note	30 June 2016 Carrying value	30 June 2016 Market value	30 June 2016 Unrealised gain / (loss)	30 June 2015 Market value
(Number of shares / certificates)		**Ordinary shares - Quoted**		(Rupees)			
1	1	Agriautos Industries Limited		**186**	**195**	**9**	186
1	1	Al-Ghazi Tractors Limited *		**489**	**425**	**(64)**	489
1	1	Atlas Battery Limited		**704**	**582**	**(122)**	704
1	1	Atlas Honda Limited		**335**	**370**	**35**	335
1	1	The General Tyre & Rubber Company of Pakistan Limited		**146**	**178**	**32**	146
1	1	Honda Atlas Cars (Pakistan) Limited		**219**	**366**	**147**	219
1	1	Thal Limited *		**285**	**280**	**(5)**	285
230	230	Baluchistan Wheels Limited		**13,375**	**18,630**	**5,255**	13,375
315	315	Ghandhara Nissan Limited		**31,151**	**49,187**	**18,036**	31,151
150	150	Hino Pak Motors Limited		**125,489**	**143,370**	**17,881**	125,489
200	200	Indus Motor Company Limited		**249,800**	**186,906**	**(62,894)**	249,800
272	272	Millat Tractors Limited		**186,542**	**156,030**	**(30,512)**	186,542
63	63	Oil & Gas Development Company Limited		**11,293**	**8,782**	**(2,511)**	11,293
127	127	Pak Suzuki Motor Company Limited		**55,361**	**48,162**	**(7,199)**	55,361
		Participation term certificate (PTC) - Quoted					
1,831,500	1,831,000	Treet Corporation Limited *	13.1.1	**108,132,231**	**42,124,508**	**(66,007,723)**	115,957,230
				108,807,606	**42,737,971**	**(66,069,635)**	116,632,605

* All shares have a nominal value of Rs. 10/- each, except for the shares of Al-Ghazi Tractors Limited and Thal Limited which have a face value of Rs. 5/- each. PTC of Treet Corporation Limited has a face value of Rs. 30/- per certificate.

13.1.1 Movement in carrying value of PTC is as follows:

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening balance		**115,957,230**	108,157,170
Purchased during the year		**32,136**	-
Principal cash redemption	13.1.2	**(274,725)**	(274,725)
Principal conversion to ordinary shares	13.1.2	**(7,582,410)**	(7,582,410)
Closing balance		**108,132,231**	100,300,035

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13.1.2 These are mandatorily convertible into ordinary shares of Treet Corporation Limited at the ratio of 2 PTCs into 1 ordinary share in a period of 7 years. Principal amount of PTC will be reduced through redemption (in cash and through share conversion). The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 for the year 2019. During the year, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively (also refer note 7.4).

13.2 Available-for-sale

The Company holds investment in ordinary shares of Rs. 10/- each, in the following listed investee companies:

30 June 2016	30 June 2015	Name of investee company	30 June 2016 Cost	30 June 2016 Market value	30 June 2016 Unrealised gain	30 June 2015 Market value
(Number of shares)			(Rupees)			
		Ordinary shares - Quoted				
235,386	182,000	Tri-Pack Films Limited	17,188,363	42,814,360	25,625,997	33,557,160
152	152	ZIL Limited	5,330	13,070	7,740	10,792
			17,193,693	42,827,430	25,633,737	33,567,952

13.2.1 Unrealized gain on re-measurement of available-for-sale investments

	30 June 2016	30 June 2015
	(Rupees)	
Market value of investments	42,827,430	33,567,952
Less : Cost of investments	17,193,693	10,520,443
	25,633,737	23,047,509
Less: Unrealized gain on re-measurement of available-for-sale investments at beginning of the year	23,047,509	20,351,645
	2,586,228	2,695,864

13.2.2 The above investments having an aggregate market value of Rs. 42.814 million have been pledged with financial institutions as securities against borrowing facilities.

14. CASH AND BANK BALANCES

	30 June 2016	30 June 2015
	(Rupees)	
Cash in hand	422,603	1,028,298
Cash at bank - current accounts	6,237,364	8,066,011
	6,659,967	9,094,309

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Initially, as per the Gas Infrastructure and Development Cess Act, 2011 (the Act), certain Companies as specified in the Act (including SSGC) shall collect and pay Gas Infrastructure and Development Cess (GID Cess). As per the second schedule of the Act, GID Cess of Rs. 13 per MMBTU was applicable to the Company. Subsequently, through Finance Bill 2012 -2013, the rate of GID Cess increased to Rs. 50 per MMBTU. On 3 August 2012, Companies in the industry filed a suit on the ground that the rate of GID Cess has been enhanced without any lawful justification and authority. The Honourable High Court of Sindh vide its ad-interim order dated 6 September 2012, restrained SSGC from charging GID Cess above Rs. 13 per MMBTU. On 31 December 2013, the Ministry of Petroleum and Natural Resources, Government of Pakistan increased the GID Cess applicable to Rs. 150 per MMBTU with immediate effect. On 22 May 2015, the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumers, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014. The Sui Southern Gas Company Limited (SSGC) has also not yet billed GID Cess amount pertaining to periods prior to the promulgation of GIDC Act, 2015. On 24 May 2015, an ad-interim stay order was obtained by Companies in the industry against the GIDC Act, 2015 from the High Court of Sindh. This stay order has restrained SSGCL from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter. A committee has been formed by the Federal Government to review the anomalies of GIDC Act, 2015.

In view of above stated facts and opinion of legal advisor, the Company is confident of a favourable outcome. However, Company has recorded a full provision of Rs. 0.83 million (30 June 2015: Rs. 0.35 million) in these unconsolidated financial statements.

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15.1.2 Guarantees provided by the banks amounted to Rs. 0.45 million (30 June 2015: Rs. 0.64 million) to Sui Southern Gas Company Limited in favour of the Company.

15.1.3 Two ex-employees / workers filed cases in the Sindh Labour Court for their reinstatement which were dismissed by the Court. The workers have filed appeals against such order in Honourable Sindh Labour Appellate Tribunal at Karachi, one of which has been dismissed. The Company in consultation with its legal advisor is confident that outcome of the above case received will be in their favour. Therefore, no provision has been recognized in the financial statements.

15.1.4 Tax related contingencies are disclosed in note 29.

15.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 332.038 million (30 June 2015: Rs. 161.201 million).

16. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30 June 2016	30 June 2015		**30 June 2016**	30 June 2015
(Number of shares)			**(Rupees)**	
3,770,000	3,770,000	Ordinary shares of Rs. 10/- each fully paid in cash	**37,700,000**	37,700,000
71,230,000	71,230,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	**712,300,000**	712,300,000
75,000,000	75,000,000		**750,000,000**	750,000,000

16.1 Syed Shahid Ali (Chairman) holds 51,917,250 number of ordinary shares (30 June 2015: 20,141,500) comprising 69.22% (30 June 2015: 26.86%), and Treet Corporation Limited (associate company) holds 15,615,750 number of ordinary shares (30 June 2015: 15,615,750) comprising 20.82% (30 June 2015: 20.82%).

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The amount of future lease payments and the period in which these become due are as follows:

	30 June 2016			**30 June 2015**		
	Minimum Lease Payments	**Finance charges**	**Principal outstanding**	Minimum Lease Payments	**Finance charges**	Principal outstanding
	(Rupees)			**(Rupees)**		
Not later than one year	**17,631,059**	**1,530,699**	**16,100,360**	15,350,348	2,443,080	12,907,268
Later than one year but not later than five years	**19,993,568**	**1,248,157**	**18,745,411**	18,529,184	274,468	18,254,716
	37,624,627	**2,778,856**	**34,845,771**	33,879,532	2,717,548	31,161,984

17.1 These represent finance leases entered into for vehicles, plant and machinery. Monthly payments of leases carry pre-determined mark-up rates include finance charge at fixed rate of 9% (30 June 2015: 9%) and variable rates ranging from 6 months KIBOR plus 2% to 5.5% per annum (30 June 2015: 6 months KIBOR plus 5% to 5.5% per annum) determined on semi-annual basis for future rentals. These leases are having maturities from September 2015 to February 2020 (30 June 2015: October 2015 to September 2018).

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18. DEFERRED TAX LIABILITIES

18.1 Deferred tax comprises of:

	30 June 2016	30 June 2015
	---------(Rupees)---------	
Taxable temporary differences arising in respect		
- Accelerated tax depreciation	45,122,840	29,986,182
- Finance lease arrangements	3,291,514	6,361,791
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	-	18,918,441
Deductible temporary differences arising in respect of:		
- Provision against slow-moving stock-in-trade	(215,830)	(215,830)
- Provision against compensated absences	(2,426,623)	(2,116,027)
- Provision for bad debts	(125,738)	(125,738)
- Remeasurement of defined benefit liability	(1,807,188)	(1,385,836)
- Provision for impairment against investment in Specialized Motorcycles (Private) Limited	(7,750,000)	(7,750,000)
	36,088,975	43,672,983

18.2 Movement:

	30 June 2016				30 June 2015			
	Balance at 1 July 2015	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2016	Balance at 1 July 2014	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2015
	---------- (Rupees) ----------							
Taxable temporary differences								
- Accelerated tax depreciation	29,986,182	15,136,658	-	45,122,840	37,722,685	(7,736,503)	-	29,986,182
- Finance lease arrangements	6,361,791	(3,070,277)	-	3,291,514	5,117,951	1,243,840	-	6,361,791
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	18,918,441	(18,918,441)	-	-	-	18,918,441	-	18,918,441
Deductible temporary differences								
- Provision against slow-moving stock-in-trade	(215,830)	-	-	(215,830)	(243,679)	27,849	-	(215,830)
- Provision against compensated absences	(2,116,027)	(310,596)	-	(2,426,623)	(1,725,737)	(390,290)	-	(2,116,027)
- Provision for bad debts	(125,738)	-	-	(125,738)	(141,962)	16,224	-	(125,738)
- Remeasurement of defined benefit liability	(1,385,836)	-	(421,352)	(1,807,188)	-	-	(1,385,836)	(1,385,836)
- Provision for impairment against investment in Specialized Motorcycles (Private) Limited	(7,750,000)	-	-	(7,750,000)	(26,250,007)	18,500,007	-	(7,750,000)
	43,672,983	(7,162,656)	(421,352)	36,088,975	14,479,251	30,579,568	(1,385,836)	43,672,983

19. EMPLOYEE BENEFITS - gratuity

The actuarial valuation for staff gratuity has been carried out as at 30 June 2016 on the basis of projected unit credit method as per the requirements of approved accounting standard - International Accounting Standard 19, "Employee Benefits". The assumptions used in actuarial valuation are as follows:

19.1 Actuarial assumptions

	30 June 2016	30 June 2015
Financial assumptions		
- Discount rate used for year end obligation	7.25%	9.75%
- Discount rate used for interest cost in profit and loss account	9.75%	13.25%
- Expected rate of increase in salary level	6.25%	8.75%
Demographic assumptions		
- Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

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19.2 Amount recognised in the balance sheet

	Note	30 June 2016 Executives	30 June 2016 Non-Executives	30 June 2016 Total	30 June 2015 Executives	30 June 2015 Non-Executives	30 June 2015 Total
		(Rupees)					
Present value of defined benefit obligations	19.2.1	24,622,414	11,763,057	36,385,471	22,286,372	11,251,358	33,537,730
Fair value of plan assets	19.2.2	(28,836,289)	(12,398,328)	(41,234,617)	(28,171,187)	(11,708,465)	(39,879,652)
Net asset at end of the year		(4,213,875)	(635,271)	(4,849,146)	(5,884,815)	(457,107)	(6,341,922)

19.2.1 Movement in present value of defined benefit obligation:

Opening balance	22,286,372	11,251,358	33,537,730	21,086,636	10,387,724	31,474,360
Current service cost	1,459,995	460,531	1,920,526	1,452,588	454,724	1,907,312
Interest cost	2,926,789	1,430,584	4,357,373	2,642,280	1,343,682	3,985,962
Benefits paid by the plan	(394,792)	(909,000)	(1,303,792)	(2,289,800)	(493,454)	(2,783,254)
Re-measurements gain on obligation	(1,655,950)	(470,416)	(2,126,366)	(605,332)	(441,318)	(1,046,650)
Closing balance	24,622,414	11,763,057	36,385,471	22,286,372	11,251,358	33,537,730

19.2.2 Movement in the fair value of plan assets:

Opening balance	28,171,187	11,708,465	39,879,652	28,034,543	15,326,129	43,360,672
Interest income	2,746,691	1,185,840	3,932,531	3,622,834	1,891,988	5,514,822
Contribution paid / (received) into / (from) the plan	394,792	1,817,000	2,211,792	905,000	(1,600,500)	(695,500)
Benefits paid by the plan	(394,792)	(909,000)	(1,303,792)	(2,289,800)	(493,454)	(2,783,254)
Re-measurements loss on plan assets	(2,081,589)	(1,403,977)	(3,485,566)	(2,101,390)	(3,415,698)	(5,517,088)
Closing balance	28,836,289	12,398,328	41,234,617	28,171,187	11,708,465	39,879,652

19.2.3 Amounts recognised in the profit and loss account

Current service cost	1,459,995	460,531	1,920,526	1,452,588	454,724	1,907,312
Interest cost	2,926,789	1,430,584	4,357,373	2,642,280	1,343,682	3,985,962
Interest income	(2,746,691)	(1,185,840)	(3,932,531)	(3,622,834)	(1,891,988)	(5,514,822)
Expense / (income) for the year	1,640,093	705,275	2,345,368	472,034	(93,582)	378,452

19.2.4 Amounts recognised in the other comprehensive income

Re-measurement gain on obligation	19.2.4.1	(1,655,950)	(470,416)	(2,126,366)	(605,332)	(441,318)	(1,046,650)
Re-measurement of fair value of plan assets	19.2.4.2	2,081,589	1,403,977	3,485,566	2,101,390	3,415,698	5,517,088
Re-measurement loss for the year		425,639	933,561	1,359,200	1,496,058	2,974,380	4,470,438

19.2.4.1 Re-measurement gain on obligation:

Gain due to change in financial assumptions	(70,124)	(39,841)	(109,965)	-	-	-
Gain due to change in experience adjustments	(1,585,826)	(430,575)	(2,016,401)	(605,332)	(441,318)	(1,046,650)
	(1,655,950)	(470,416)	(2,126,366)	(605,332)	(441,318)	(1,046,650)

19.2.4.2 Re-measurement on plan assets - Net (expense) / income of plan assets over interest income:

Actual return on plan assets	665,102	(218,137)	446,965	1,521,444	(1,523,710)	(2,266)
Interest income on plan assets	(2,746,691)	(1,185,840)	(3,932,531)	(3,622,834)	(1,891,988)	(5,514,822)
	(2,081,589)	(1,403,977)	(3,485,566)	(2,101,390)	(3,415,698)	(5,517,088)

19.2.5 Net recognized asset

	30 June 2016 Executives	30 June 2016 Non-Executives	30 June 2016 Total	30 June 2015 Executives	30 June 2015 Non-Executives	30 June 2015 Total
	(Rupees)					
Net asset at beginning of the year	(5,884,815)	(457,107)	(6,341,922)	(6,947,907)	(4,938,405)	(11,886,312)
Expense / (income) recognised in profit and loss account	1,640,093	705,275	2,345,368	472,034	(93,582)	378,452
Contribution (paid) / received (into) / from the plan	(394,792)	(1,817,000)	(2,211,792)	(905,000)	1,600,500	695,500
Re-measurement losses recognised in other comprehensive income	425,639	933,561	1,359,200	1,496,058	2,974,380	4,470,438
Net asset at end of the year	(4,213,875)	(635,271)	(4,849,146)	(5,884,815)	(457,107)	(6,341,922)

19.3 Plan assets comprise of the following:

	30 June 2016 Executives	30 June 2016 Non-Executives	30 June 2015 Executives	30 June 2015 Non-Executives
	(Rupees)			
Government bonds	28,426,814	11,748,656	28,128,584	11,149,968
Term deposit receipts	276,828	141,341	42,603	104,477
Equity shares	132,647	508,331	-	454,020
Fair value of plan assets at end of the year	28,836,289	12,398,328	28,171,187	11,708,465

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19.4 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	30 June 2016 (Rupees)		30 June 2015 (Rupees)	
	Executives	**Non-Executives**	Executives	Non-Executives
Discount rate +1%	**23,270,431**	**10,966,899**	21,082,304	10,471,435
Discount rate -1%	**26,162,271**	**12,644,306**	23,655,140	12,117,705
Salary increase +1%	**26,178,023**	**12,652,955**	23,669,595	12,126,604
Salary increase -1%	**23,232,336**	**10,944,614**	21,048,464	10,449,603

19.5 Expected charge for the year ending 30 June 2017 is Rs. 1,562,900.

19.6 Risks associated with defined benefit plans

a) Investment risks

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

b) Longevity risks

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

c) Salary increase risk

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

d) Withdrawal risk

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

19.7 Historical information

	30 June 2014	2013	2012	2011	2010
	(Rupees)				
Present value of defined benefit obligation	**31,474,360**	**27,152,096**	-	-	-
Fair value of plan assets	**(43,360,672)**	**(38,001,696)**	**(11,748,034)**	**(3,052,250)**	(232,221)
Net liability	**(11,886,312)**	**(10,849,600)**	**(11,748,034)**	**(3,052,250)**	(232,221)

19.8 Gratuity for the year recognised in the profit and loss account has been allocated as follows:	**Note**	**30 June 2016** (Rupees)	30 June 2015 (Rupees)
Cost of sales	24	1,640,093	472,034
Administrative and selling expenses	25	705,275	(93,582)
		2,345,368	378,452

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20. SHORT TERM BORROWINGS

	Note	30 June 2016	30 June 2015
		(Rupees)	
Secured			
Running finances under mark-up arrangements	20.1	**967,794,488**	823,016,962
Islamic financing	20.2	**115,000,000**	156,428,900
		1,082,794,488	979,445,862

20.1 Running finances under mark-up arrangements

	Note	30 June 2016	30 June 2015
JS Bank Limited		**249,698,059**	154,739,453
Meezan Bank		**178,203,397**	194,508,917
Bank AL Habib Limited		**226,946,535**	252,518,862
Soneri Bank		**109,250,470**	120,153,409
United Bank Limited		**56,373,008**	97,078,740
Habib Bank Limited		**15,195,747**	4,017,581
		835,667,216	823,016,962
Soneri Bank - Local Bill discount		**132,127,272**	-
United Bank Limited - Local Bill discount		**-**	-
		132,127,272	-
	20.1.1	**967,794,488**	823,016,962

20.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 31 July 2016. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

These facilities carry mark-up at the rates ranging from 1 month KIBOR plus 1.25% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum).

The aggregate available short term funded facilities amounted to Rs. 1,430 million (30 June 2015: Rs. 990 million) out of which Rs. 462.205 million (30 June 2015: 167 million) remained unavailed as at the reporting date.

Facilities available for opening letters of credit / guarantees at 30 June 2016 amounted to Rs. 1,553 million (30 June 2015: Rs. 1,200 million) out of which Rs. 1,220.46 million (30 June 2015: Rs. 1,038.8 million) remained unutilized at the year end.

20.2 This represents availed Islamic finance (Istisna) facility from Al Baraka Bank having limits of Rs. 200 million, respectively, for procurement of raw materials and manufacturing of mufflers, radiators and exhaust system. These facilities carry mark-up at 6 month KIBOR plus 1% per annum (30 June 2015: 6 month KIBOR plus 0.8 %) and is repayable within 120 days of the disbursement date.

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20.3 Unavailed facilities

The facilities for import loans under mark-up arrangements with various banks amounted to Rs. 350 million (30 June 2015: Rs. 450 million). The whole amount of Rs. 350 million (30 June 2015: Rs. 450 million) remained unutilised at the year end.

The foreign currency import loans mark-up rates decided on case to case basis (30 June 2015: 3 month LIBOR plus 3% per annum to 4 month LIBOR plus 4% per annum). The loans are repayable within 180 days of the disbursement date. The facility remained unutilised at the year end.

The local currency import loans carry mark-up at rates ranging from 3 months KIBOR plus 1% per annum (30 June 2015: 3 months KIBOR plus 1.25% to 1.5% per annum). The loans are repayable within 180 days of the disbursement date. The facility remained unutilised at the year end.

The Company also has an unutilised facility of forward cover from JS Bank Limited, amounting to Rs. 35 million to hedge forex risk on import transactions carried in USD. The tenor of facility is of 6 months and the cover limit established is of 10 times of the actual limit i.e. Rs. 350 million.

20.4 The above facilities are secured by way of first pari pasu charge over stocks, book debts, plant, machinery, land and building and also by way of pledge of shares of associated company.

21. DUE TO RELATED PARTIES - net	**Note**	**30 June 2016**	30 June 2015
		(Rupees)	
Unsecured			
Loan from subsidiaries	21.1	**279,140,000**	105,831,892
Trade payables	21.2	**5,007,886**	65,304,541
Due from related parties - considered good	21.3	**(7,133,899)**	(93,636)
Accrued mark-up on loan from subsidiary companies	21.4	**14,346,898**	3,274,198
		291,360,885	174,316,995

21.1 Loan from subsidiaries

Specialized Autoparts Industries (Private) Limited	21.1.1	**151,590,000**	49,300,000
Multiple Autoparts Industries (Private) Limited	21.1.1	**69,950,000**	20,000,000
Specialized Motorcycle (Private) Limited	21.1.1	**57,600,000**	36,531,892
		279,140,000	105,831,892

21.1.1 These are repayable on demand carrying mark up at the rate of 1 month KIBOR plus 1.75% per annum.

21.2 Trade payables

Specialized Autoparts Industries (Private) Limited	21.2.1	**234,643**	42,641,807
Multiple Autoparts Industries (Private) Limited	21.2.1	**4,773,243**	22,662,734
		5,007,885	65,304,541

21.2.1 These represent payable against toll manufacturing services provided to the Company.

21.3 Due from related parties - considered good

Specialized Autoparts Industries (Private) Limited	21.3.1	**3,441,511**	93,636
Specialized Motorcycle (Private) Limited		**3,692,388**	-
		7,133,899	93,636

21.3.1 The above balance is mark-up free, unsecured and represent amount paid by the Company to Total PARCO Limited for fuel utilized by Specialized Autoparts Industries (Private) Limited.

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21.4 Accrued mark-up on loan from subsidiary companies

	Note	30 June 2016	30 June 2015
		(Rupees)	
Specialized Autoparts Industries (Private) Limited		3,886,637	11,481
Multiple Autoparts Industries (Private) Limited		2,288,816	4,658
Specialized Motorcycle (Private) Limited		8,171,445	3,258,059
		14,346,898	3,274,198

22. TRADE AND OTHER PAYABLES

	Note	30 June 2016	30 June 2015
Creditors		40,249,328	34,203,491
Accrued liabilities	22.1	3,311,662	3,323,253
Other liabilities			
Advance from customer		10,124,959	45,803,637
Mobilization advances		32,898,628	318,974
Workers' profit participation fund	22.2	11,326,898	14,710,739
Provision for compensated absences		7,827,815	6,825,895
Workers' welfare fund	22.3	3,449,415	4,549,779
Withholding tax payable		4,275,955	37,000
Security deposit from contractors		129,000	172,000
Payable to provident fund		315,640	1,320,742
Other payables		7,979,957	3,498,234
		121,889,257	114,763,744

22.1 This includes provision of Rs. 0.83 million in respect of Gas Infrastructure Development Cess (GID Cess) charges. No payment has been made in the current and prior years, since the Company has obtained stay order against levy of GID Cess (also refer note 15).

22.2 Workers' profit participation fund

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening balance		14,710,739	10,249,543
Charge for the year	26	7,627,614	11,374,449
Interest charged during the year	28	969,630	1,127,450
		23,307,983	22,751,442
Less: Payments during the year		(11,981,085)	(8,040,703)
Closing balance		11,326,898	14,710,739

22.3 Workers' welfare fund

	Note	30 June 2016	30 June 2015
Opening balance		4,549,779	3,034,228
Charge for the year	26	3,449,415	4,549,779
Less: Payments during the year		(4,549,779)	(3,034,228)
Closing balance		3,449,415	4,549,779

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23. TURNOVER

	Note	30 June 2016	30 June 2015
		(Rupees)	
Local sales	23.1	4,727,717,815	3,836,469,570
Sales returns		(5,997,619)	(18,044,816)
		4,721,720,196	3,818,424,754
Sales tax		(686,061,909)	(558,633,103)
		4,035,658,287	3,259,791,651

23.1 This includes scrap sales amounting to Rs. 38.13 million (30 June 2015: Rs. 67.87 million)

24. COST OF SALES

	Note	30 June 2016	30 June 2015
Raw materials and components consumed	24.1	2,931,142,041	2,362,785,640
Ancillary materials consumed	24.2	33,175,052	35,770,394
Manufacturing expenses			
Salaries and wages		124,474,508	102,250,600
Other employees' benefits	24.3	50,376,682	29,521,190
Provident fund contribution		2,040,381	1,978,939
Subcontracting costs	24.4	437,205,990	371,958,120
Depreciation	5.1.3	41,080,764	39,652,858
Gas, power and water		18,363,901	17,399,199
Travelling and vehicle running cost		9,484,985	9,949,910
Insurance		4,552,996	3,010,047
Repairs and maintenance		6,157,076	6,366,703
Postage, telephone and telex		3,135,239	1,077,818
Inward freight and storage charges		649,965	1,643,628
Conveyance		1,542,873	994,491
Rent, rates and taxes		1,139,831	209,382
Printing, stationery and periodicals		583,844	479,069
General expenses		1,512,722	977,249
Security services		357,692	180,000
Transferred to capital work-in-progress		(20,759,805)	(9,187,253)
Manufacturing cost		681,899,644	578,461,950
Opening stock of work-in-process		68,169,176	114,153,747
Closing stock of work-in-process	8	(142,503,010)	(68,169,176)
		(74,333,834)	45,984,571
Cost of goods manufactured		3,571,882,903	3,023,002,555
Opening stock of finished goods		90,102,753	18,996,106
Closing stock of finished goods	8	(66,570,963)	(90,102,753)
		23,531,790	(71,106,647)
		3,595,414,693	2,951,895,908

24.1 Raw material and components consumed

	Note	30 June 2016	30 June 2015
Opening inventory		782,578,700	539,540,826
Purchases		3,046,553,690	2,605,823,514
		3,829,132,390	3,145,364,340
Closing inventory	8	(897,990,349)	(782,578,700)
		2,931,142,041	2,362,785,640

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24.2 Ancillary materials consumed

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening inventory		**32,657,297**	21,112,457
Purchases		**57,967,115**	51,561,629
		90,624,412	72,674,086
Ancillary materials capitalised		**(6,239,368)**	(4,246,395)
		84,385,044	68,427,691
Closing inventory		**(51,209,992)**	(32,657,297)
		33,175,052	35,770,394

24.3 This includes a sum of Rs. 1.64 million in respect of employee benefits - gratuity.

24.4 Subcontracting costs

Specialized Autoparts Industries (Private) Limited		**268,795,248**	232,420,961
Multiple Autoparts Industries (Private) Limited		**127,316,133**	109,518,486
Others		**41,094,609**	30,018,673
		437,205,990	371,958,120

25. ADMINISTRATIVE AND SELLING EXPENSES

Salaries and wages		**62,246,568**	53,816,509
Other employees' benefits	25.1	**21,267,789**	20,064,333
Provident fund contribution		**1,403,031**	1,268,062
Advertising and sales promotion		**5,532,580**	1,283,855
Travelling and vehicle running cost		**5,991,914**	6,858,251
Outward freight		**4,821,825**	7,279,848
Depreciation	5.1.3	**7,115,994**	6,036,254
Amortisation	6	**132,235**	1,523,355
Legal and professional charges		**6,312,399**	10,218,518
Listing expenses		**4,795,150**	-
Postage, telephone and telex		**2,273,081**	1,825,290
Conveyance		**1,305,212**	1,291,480
Auditors' remuneration	25.3	**1,318,125**	250,000
Electricity		**736,367**	711,072
Repairs and maintenance		**222,232**	223,830
Entertainment		**273,537**	244,755
Printing, stationery and periodicals		**268,917**	201,270
Insurance		**594,933**	508,756
Donation	25.2	**140,000**	-
Bad debts written off		**-**	5,869,165
General expenses		**2,205,893**	585,488
		128,957,782	120,060,091

25.1 This includes a sum of Rs. 0.705 million in respect of employee benefits - gratuity.

25.2 None of the directors and their spouses have interest in donees.

25.3 Auditors' remuneration

Audit fee		**350,000**	225,000
Fee for special audit / review for IPO		**555,000**	-
Fee from other reports		**300,000**	-
Out of pocket expenses		**113,125**	25,000
		1,318,125	250,000

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

26. OTHER EXPENSES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Workers' profit participation fund	22.2	7,627,614	11,374,449
Workers' welfare fund	22.3	3,449,415	4,549,779
		11,077,029	15,924,228

27. OTHER INCOME

	Note	30 June 2016	30 June 2015
Income from financial assets			
Interest income from Participation Term Certificates		12,032,955	12,395,870
Interest on loan to employees		1,018,340	830,993
Capital gain on sale of investment in associate		-	32,789,436
Dividend income			
- Associated company - Treet Corporation Limited		7,492,475	6,537,640
- Others	27.1	957,529	33,078
		21,501,299	52,587,017
Income from assets other than financial assets			
Reversal of provision against investment in SMPL	7.1.3	-	50,000,000
Gain on disposal of property, plant and equipment	5.1.4	2,595,389	2,901,449
Miscellaneous income		11,719	16,710,630
		2,607,108	69,612,079
		24,108,407	122,199,096

27.1 This includes dividend received from Tri Pack Films amounting to Rs. 910,000. The remaining amount being insignificant represents dividend received from Atlas Honda Limited, Indus Motor Company, Agriauto Industries Balochistan Wheels, Atlas Battery Limited, Al-Ghazi Tractors Limited, Millat Tractors Limited Oil and Gas Development Company Limited, Thal Limited, Pak Suzuki Motor Company, General Tyre and Rubber, Hino Pak Motors, Honda Atlas cars Pakistan Limited and Ghandara Nissan Limited against investment as disclosed in note 13.

28. FINANCIAL CHARGES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Mark-up on bank loans and borrowings		81,295,482	74,027,365
Mark-up on loans from subsidiary companies	21.1	11,072,700	3,274,198
Exchange loss		16,772,910	3,362,320
Finance lease charges		2,125,614	4,915,392
Mark-up on mobilization advance		2,401,059	-
Commission and other charges		2,134,915	1,837,930
Interest / penalty on late payment of provident fund		-	18,927
Interest on workers' profit participation fund	22.2	969,630	1,127,450
		116,772,310	88,563,582

29. TAXATION

	Note	30 June 2016	30 June 2015
Current		51,411,085	39,704,024
Prior	29.6	(1,450,145)	2,239,319
Deferred	18.2	(7,162,656)	30,579,568
		42,798,284	72,522,911

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

29.1 Reconciliation between tax expense and accounting profit

	30 June 2016	30 June 2015
	(Rupees)	
Profit before taxation	**141,475,245**	221,491,593
Tax at the applicable rate of 32% (2015: 33%)	**45,272,078**	73,092,226
Prior year charge	**(1,450,145)**	2,239,319
Tax effect of change in tax rates	**-**	(3,627,647)
Tax effect of permanent differences	**(1,023,649)**	819,013
	42,798,284	72,522,911

29.2 The returns of income tax have been filed up to and including tax year 2015. Except for tax year mentioned below, all other assessment years are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

29.3 The income tax return for tax year 2011 was selected for audit by the Commissioner Inland Revenue. An amended Order was issued in which short credit of tax deducted and refund adjustment was allowed, and for which rectification application was moved, which is not yet passed and therefore, the mistake is treated to have been rectified under the provision of the Ordinance. Therefore, net demand of Rs. 1.29 million is payable as against incorrect demand of Rs. 4.07 million created in the amended Order. Accordingly as a matter of prudence, provision of above amount has been made in prior year.

29.4 Tax year 2014 was selected for audit under section 177 of the Ordinance by Federal Board of Revenue (FBR). In this respect, a notice was issued by tax authorities under Rule 44 (4) of the Income Tax Rules, 2002, for filing reconciliation of expenses incurred during the year 01 July 2013 to 30 June 2014. Proceedings in this respect were finalized and order was passed creating a demand of Rs. 0.08 million which was deposited by the Company subsequent to the year end.

29.5 Tax year 2014 was selected for audit by tax authorities. Proceedings in respect have been finalized subsequent to the reporting date and an amended Order has been passed whereby tax refundable is reduced by the amount of Rs. 0.746 million.

29.6 This includes reversal on account of difference between the tax charge recognised in the year 2015 and the tax payable in the return.

30. EARNINGS PER SHARE - basic and diluted

		30 June 2016	30 June 2015
Profit after tax	Rupees	**98,676,961**	148,968,682
Weighted average number of ordinary shares outstanding during the year	Number	**75,000,000**	75,000,000
Earnings per share - basic and diluted	Rupees	**1.32**	1.99

31. 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, other than those disclosed elsewhere in these financial statements, are disclosed below:

Notes to the Unconsolidated Financial Statements
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	30 June 2016	30 June 2015
	(Rupees)	
(Due to) / due from related party - net		
- Specialized Motorcycle (Private) Limited	(62,079,057)	(39,789,951)
- Specialized Autoparts Industries (Private) Limited	(152,269,769)	(91,859,652)
- Multiple Autoparts Industries (Private) Limited	(77,012,059)	(42,667,392)
Orient Trading Company (Private) Limited	114,666	25,726
(Payable to) / receivable from provident fund	(315,640)	14,722,036
Employee benefits - gratuity	4,849,146	6,341,922
Tax receivable on bonus shares from a shareholder	-	14,614,430
Tax receivable on bonus shares from directors	-	11,500

	For the year ended	
	30 June 2016	30 June 2015
	(Rupees)	
Sub-contracting work from:		
- Specialized Autoparts Industries (Private) Limited	268,795,248	231,637,985
- Multiple Autoparts Industries (Private) Limited	127,316,133	109,518,486
Sale to Specialized Motorcycle (Private) Limited	-	186,548,321
Payments made during the year (net):		
- Specialized Autoparts Industries (Private) Limited	(311,831,282)	(278,321,492)
- Multiple Autoparts Industries (Private) Limited	(92,336,245)	(165,091,373)
- Specialized Motorcycle (Private) Limited	(22,289,106)	(141,901,880)
Payments made on behalf of:		
- Specialized Motorcycle (Private) Limited	(121,088)	(5,950,311)
Mark-up charged by subsidiary companies	11,072,700	3,274,198
Expenses pertaining to Orient Trading Company (Private) Limited - net	88,940	50,340
Employee retirement benefits:		
- Expense for the year	2,345,368	378,452
- Contribution paid / (received) during the year	2,211,792	(695,500)
Dividend and interest income from Treet Corporation Limited	19,525,430	18,933,510

The remuneration to key management personnel is given in note 36 to these financial statements.

32. CASH AND CASH EQUIVALENTS

	Note	30 June 2016	30 June 2015
		(Rupees)	
Short term borrowings	20	(1,082,794,488)	(979,445,862)
Cash and bank balances	14	6,659,967	9,094,309
		(1,076,134,521)	(970,351,553)

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

33. FINANCIAL RISK MANAGEMENT

The Company has exposure to following risks from its use of financial instrument:
- Credit risk
- Liquidity risk
- Market risk
- Operational risk

33.1 Risk management framework

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

33.2 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, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to credit risk

Credit risk of the Company arises principally from trade debts, loans and advance, deposits, bank balances and other receivables. The maximum exposure to credit risk at the reporting date was as follows:

	Note	30 June 2016	30 June 2015
		---------(Rupees)---------	
Trade debts - unsecured	9	213,888,667	220,871,727
Loans	10	6,583,614	8,269,468
Deposits and other receivables	11	18,010,073	53,761,268
Investments	13.1	42,124,508	115,957,230
Bank balances	14	6,237,364	8,066,011
		286,844,226	406,925,704

Credit rating and collaterals

Balances with banks are only held with reputable banks having sound credit ratings. The credit quality of Company bank balances can be assessed with reference of external credit ratings as follows:

Bank	Rating Agency	Short term rating	30 June 2016 (Rupees)	30 June 2016 (%)
Bank AL Habib Limited	PACRA	A1+	919	0.0%
National Bank of Pakistan	JCR-VIS	A1+	3,428,555	54.9%
Meezan Bank Limited	JCR-VIS	A1+	383,439	6.1%
Habib Bank Limited	JCR-VIS	A1+	10,000	0.2%
Habib Metropolitan Bank Limited	PACRA	A1+	1,443,333	23.1%
Muslim Commercial Bank	PACRA	A1+	107,311	1.7%
Al-Baraka Bank	JCR-VIS	A1	863,807	13.8%
			6,237,364	100%

Concentration of credit risk

Concentration 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. Concentration of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry. The Company is not significantly exposed to concentration of credit risk. All of the Company's receivables are from distributors of automotive industries.

Impairment losses and past due balances

The ageing of trade debtors at reporting date was as follows:

	30 June 2016			30 June 2015		
	Gross	Impairment	Net	Gross	Impairment	Net
	----------	----------	----------	(Rupees)	----------	----------
Less than or equal to 30 days	186,763,991	-	186,763,991	207,407,827	-	207,407,827
More than 30 days but not more than 60 days	8,158,696	-	8,158,696	4,156,972	-	4,156,972
More than 60 days	19,371,586	-	19,371,586	13,801,221	4,494,293	9,306,928
	214,294,273	-	214,294,273	225,366,020	4,494,293	220,871,727

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debts past due do not require any impairment except as provided in these unconsolidated financial statements.

33.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity analysis of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	30 June 2016					
	Carrying amount	**Contractual cash flows**	**Less than one month**	**One to three months**	**Three months to one year**	**More than one year**
	(Rupees)					
Non-derivative financial liabilities						
Short term borrowing	**1,082,794,488**	**(1,099,144,685)**	**(546,919,496)**	**(552,225,189)**	**-**	**-**
Trade and other payables	**51,669,947**	**(51,669,947)**	**(40,249,328)**	**(11,420,619)**	**-**	**-**
Due to related parties - net	**291,360,884**	**(293,221,818)**	**(293,221,818)**	**-**	**-**	**-**
Liabilities against assets subject to finance lease	**34,845,771**	**(37,624,627)**	**(1,469,255)**	**(2,938,510)**	**(13,223,294)**	**(19,993,568)**
Accrued mark-up on short term borrowings	**18,373,782**	**(18,373,782)**	**-**	**-**	**-**	**-**
	1,479,044,872	**(1,500,034,859)**	**(881,859,897)**	**(566,584,318)**	**(13,223,294)**	**(19,993,568)**

	30 June 2015					
	Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
	(Rupees)					
Non-derivative financial liabilities						
Short term borrowing	979,445,862	(979,445,862)	(489,722,931)	(489,722,931)	-	-
Trade and other payables	41,196,978	(41,196,978)	(34,203,491)	(6,993,487)	-	-
Due to related parties - net	174,316,995	(175,022,541)	(175,022,541)	-	-	-
Liabilities against assets subject to finance lease	31,161,984	(33,879,532)	(1,279,196)	(2,558,391)	(11,512,761)	(18,529,184)
Accrued mark-up on short term borrowings	17,215,741	(17,215,741)	-	-	-	-
	1,243,337,560	(1,246,760,654)	(700,228,159)	(499,274,809)	(11,512,761)	(18,529,184)

33.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk. The Company is exposed to all of the three risks which are as follows:

33.4.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

At reporting date the Company has no foreign currency risk.

33.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from bank balances in profit and loss sharing account.

At balance sheet date, details of the interest rate profile of the Company's interest bearing financial instruments were as follows:

	30 June 2016	30 June 2015
	(Rupees)	
Variable rate instruments		
Financial liabilities	**(1,388,483,763)**	(1,101,485,154)
Fixed rate instruments		
Financial assets	**48,708,122**	124,226,698
Financial liabilities	**(8,296,496)**	(14,954,584)
	40,411,626	109,272,114

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Fair value sensitivity analysis of fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at reporting date would not have impact on profit and loss account and equity of the Company.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2015.

	Profit and loss		**Equity**	
	100 bps increase	**100 bps decrease**	**100 bps increase**	**100 bps decrease**
	(Rupees)		**(Rupees)**	
As at 30 June 2016				
Cash flow sensitivity - variable rate instruments	**(13,884,838)**	**13,884,838**	**(13,884,838)**	**13,884,838**
As at 30 June 2015				
Cash flow sensitivity - variable rate instruments	**(11,014,852)**	**11,014,852**	**(11,014,852)**	**11,014,852**

33.4.3 Other price risk

Other price risk includes equity price risks which is the risk of changes in the fair value of equity securities as a result of changes in the levels of KSE 100 Index and the value of individual shares. The equity price risk exposure arises from investments in equity securities held by the Company for which prices in the future are uncertain.

As at 30 June 2016, the fair value of equity securities exposed to price risk are disclosed in note 13. The table below summarises the sensitivity of the price movements as at 30 June 2016. The analysis is based on the assumption that KSE-100 index increased by 1% (30 June 2015: 1%) and decreased by 1% (30 June 2015: 1%), with all other variables held constant and that the fair value of the Company's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index, having regard to the historical volatility of index of past three years (30 June 2015: three years).

The impact below arises from the reasonable possible change in the fair value of listed equity securities:

Effect on assets of an increase in the KSE-100 index	**30 June 2016**	30 June 2015
	(Rupees)	
Effect on investments	**855,654**	1,502,006
Effect on profit and loss account	**427,380**	1,166,326
Effect on equity	**428,274**	335,680
Effect on assets of a decrease in the KSE-100 index		
Effect on investments	**(855,654)**	(1,502,006)
Effect on profit and loss account	**(427,380)**	(1,166,326)
Effect on equity	**(428,274)**	(335,680)

Notes to the Unconsolidated Financial Statements
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The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

33.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for stakeholders.

Senior management ensures that the Company's staff have adequate training and experience and fosters effective communication related to operational risk management.

34. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio of the Company is as follows:

	30 June 2016	30 June 2015
	--------(Rupees)--------	
Debt	1,415,154,041	1,133,655,479
Total equity	1,435,824,880	1,335,499,539
Total capital	2,850,978,921	2,469,155,018
Gearing ratio	50:50	46:54

35. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

The Company classifies fair value measurements of its investments using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market date (i.e., unobservable inputs).

35.1 Accounting classifications and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount						Fair value			
	Note	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2016											
Financial assets - measured at fair value											
Equity securities		613,463	42,827,430	-	-	-	43,440,893	43,440,893	-	-	43,440,893
Participation Term Certificates		42,124,508	-	-	-	-	42,124,508	42,124,508	-	-	42,124,508
Financial assets - not measured at fair value											
Subsidiaries - unlisted shares	35.1.1	-	-	-	300,000,000	-	300,000,000				
Associate - listed shares		-	-	-	327,070,245	-	327,070,245	376,690,212	-	-	376,690,212
Trade debts	35.1.1	-	-	213,888,667	-	-	213,888,667				
Loans	35.1.1	-	-	6,583,614	-	-	6,583,614				
Deposits and other receivables	35.1.1	-	-	18,010,073	-	-	18,010,073				
Cash and bank balances	35.1.1	-	-	6,659,967	-	-	6,659,967				
		42,737,971	42,827,430	245,142,321	627,070,245	-	957,777,967				
Financial liabilities - not measured at fair value											
Short term borrowing	35.1.1		-	-	-	1,082,794,488	1,082,794,488				
Trade and other payables	35.1.1	-		-	-	51,669,947	51,669,947				
Due to related parties - net	35.1.1	-	-	-	-	291,360,884	291,360,884				
Liabilities against assets subject to finance lease	35.1.1	-	-	-	-	34,845,771	34,845,771				
Accrued mark-up on short term borrowings	35.1.1	-	-	-	-	18,373,782	18,373,782				
		-	-	-	-	1,479,044,872	1,479,044,872				

35.1.1 The Company has not disclosed fair values for these financial and financial liabilities because their carrying amounts are reasonable approximation of fair value.

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36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for the remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Company were as follows:

	Chief Executive		Directors		Executives		Total	
	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Rupees)							
Managerial remuneration	6,014,225	5,588,154	5,311,006	6,526,320	7,382,157	7,274,775	18,707,388	19,389,249
House rent and utilities	6,507,914	6,046,338	5,806,977	6,231,662	9,177,609	9,108,958	21,492,500	21,386,958
Bonus	2,554,339	1,411,953	2,119,017	1,175,925	3,440,334	3,161,156	8,113,690	5,749,034
Medical	454,168	1,838,999	546,295	4,398,523	2,326,098	3,026,772	3,326,561	9,264,294
Contribution to retirement benefits funds	601,061	558,456	30,051	-	318,912	424,109	950,024	982,565
	16,131,707	15,443,900	13,813,346	18,332,430	22,645,110	22,995,770	52,590,163	56,772,100
Number of persons	1	1	2	2	8	8	11	11

36.1 The aggregate amount paid to directors in respect of attending board and other meetings was NIL (2015: NIL).

36.2 The Chief Executive, Directors and certain executives are provided with free use of group maintained cars in accordance with their entitlements.

37. PROVIDENT FUND

The following information is based on latest unaudited financial statements of the fund:

	30 June 2016	30 June 2015
	(Un-audited)	
	(Rupees)	
Size of the Fund	72,172,128	69,555,681
Cost of investment made	45,193,059	46,609,851
Fair value / amortised cost of investments	72,935,020	72,514,660
Percentage of investments made - based on fair value / amortised cost	101.06%	104.25%

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

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Un-audited)		% of the size of the fund	
	(Rupees)			
Term Finance Certificates	72,136,298	71,715,938	100%	103%
Mutual Funds	798,722	798,722	1%	1%
	72,935,020	72,514,660	101%	104%

The above investments out of provident fund have been made in accordance with the requirement of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. The financial statements of the provident fund have not been audited since its inception.

38. PLANT CAPACITY AND PRODUCTION

The production capacity of the plant cannot be determined as it depends on the relative proportions of various types / sizes of sub-assemblies, components and parts produced for various types of vehicles.

39. STAFF STRENGTH

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Numbers) Permanent		(Numbers) Contractual	
Total number of employees	247	238	425	406
Average number of employees	243	234	416	356

40. POST BALANCE SHEET NON-ADJUSTING EVENT

Subsequent to the reporting date, the Company received Rs. 1.7 billion against the issue of 50 million Ordinary Shares (Initial Public Offer), at a strike price of Rs. 34 each and a face value of Rs. 10 each. Accordingly, the issued, subscribed and paid-up capital of the Company amounted to Rs. 1,250 million (125 million shares) as at 26 October 2016.

The directors in their meeting held on 28 October 2016, have recommended final dividend of Re. 1 per share (2015: Rs. Nil) in respect of year ended 30 June 2016 and have announced issue of bonus shares at the rate 10% (2015: 1150%). Bonus shares will not be entitled to cash dividend.

These unconsolidated financial statements for the year ended 30 June 2016 do not include the effect of the above which will be accounted in the period in which it is approved.

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2016

41. GENERAL

41.1 Reclassification of comparatives

Certain reclassifications have been made in the prior year's balance sheet for better presentation. Details are as follows:

	30 June 2015		
	As previously reported	Impact	As stated
	------------------- (Rupees) --------------		
Effects on balance sheet			
Long term deposits	4,900,867	(4,900,867)	-
Intangible assets	-	1	1
Deposits, prepayments and other receivables	186,646,527	(1,534,692)	185,111,835
Employee benefits - gratuity	-	6,341,922	6,341,922
Loan from subsidiary companies - unsecured	(105,831,892)	105,831,892	-
Due to related parties - net	-	(174,316,995)	(174,316,995)
Trade and other payables	(200,239,250)	85,475,506	(114,763,744)
Mobilisation advances	(318,974)	318,974	-
Accrued mark-up on short term borrowings	-	(17,215,741)	(17,215,741)

41.2 All Shares Islamic Index Screening

Advances, deposits and bank balances do not carry any mark-up. Bank balances are placed with conventional banks in current accounts. Other disclosures are included in notes 13 and 27.

41.3 Authorisation

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on 28 October 2016.

Chief Executive

Director

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

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Auditors' report to the members

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **Loads Limited** ("the Holding Company") and its subsidiary companies ("the Group") as at 30 June 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of **Loads Limited** and its subsidiary companies namely Specialized Autoparts Industries (Private) Limited, Multiple Autoparts Industries (Private) Limited and Specialized Motorcycles (Private) Limited. These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the consolidated financial position of Loads Limited and its subsidiary companies as at 30 June 2016 and the consolidated results of their operations for the year then ended.

We draw attention to note 1.5 to the consolidated financial statements, which states that the operations of the subsidiary company, Specialized Motorcycles (Private) Limited have ceased and transferred to the Holding Company from 1 July 2015. Accordingly, the financial statements of the subsidiary were not prepared on going concern basis. Our opinion is not qualified in respect of this matter.

KPMG Taseer Hadi & Co.

Date: 28 October 2016

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Malik

Loads Limited

Consolidated Balance Sheet
As at 30 June 2016

	Note	30 June 2016	30 June 2015
ASSETS		----------(Rupees)----------	
Non-current assets			
Property, plant and equipment	5	**622,781,000**	453,326,462
Intangible assets	6	**747,994**	1
Long term investments	7	**377,916,410**	368,544,268
Employee benefits - gratuity	19.2	**4,849,146**	6,341,922
		1,006,294,550	828,212,653
Current assets			
Stores and spares		**69,537,821**	46,727,368
Stock-in-trade	8	**1,107,064,322**	940,154,402
Trade debts - net	9	**213,888,667**	226,898,911
Loans and advances	10	**150,754,051**	87,619,418
Deposits, prepayments and other receivables	11	**179,805,015**	189,665,592
Taxation - net	12	**150,106,918**	162,352,748
Investments	13	**87,257,785**	150,200,557
Cash and bank balances	14	**18,698,352**	63,925,477
		1,977,112,931	1,867,544,473
Total assets		**2,983,407,481**	2,695,757,126
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs.10 each		**1,500,000,000**	1,500,000,000
Issued, subscribed and paid up capital	16	**750,000,000**	750,000,000
Unrealised gain on re-measurement of available for sale investments		**23,805,855**	21,219,627
Unappropriated profit		**844,556,592**	668,061,461
		1,618,362,447	1,439,281,088
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease	17	**18,745,411**	18,254,716
Deferred tax liabilities	18	**75,716,402**	84,397,796
		94,461,813	102,652,512
Current liabilities			
Current maturity of liabilities against assets subject to finance lease	17	**16,100,360**	12,907,268
Short term borrowings	20	**1,082,794,488**	979,445,862
Trade and other payables	21	**153,314,591**	144,254,655
Accrued mark-up on short term borrowings		**18,373,782**	17,215,741
		1,270,583,221	1,153,823,526
Total equity and liabilities		**2,983,407,481**	2,695,757,126
CONTINGENCIES AND COMMITMENTS	15		

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

Chief Executive	Director

Loads Limited

Consolidated Profit and Loss Account
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees)	
Turnover	22	**4,035,658,287**	3,332,572,072
Cost of sales	23	**(3,467,862,743)**	(2,838,082,094)
Gross profit		**567,795,544**	494,489,978
Administrative and selling expenses	24	**(146,052,992)**	(134,281,088)
		421,742,552	360,208,890
Other expenses	25	**(19,311,386)**	(25,415,248)
Other income	26	**17,383,213**	46,405,838
		(1,928,173)	20,990,590
Operating profit		**419,814,379**	381,199,480
Financial charges	27	**(105,927,482)**	(85,524,995)
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	13.1	**(66,123,817)**	15,944,655
Share of profit in associate - net	7.1	**12,563,481**	10,784,220
Profit before taxation		**260,326,561**	322,403,360
Taxation	28	**(79,612,308)**	(111,349,963)
Profit after taxation		**180,714,253**	211,053,397
Earnings per share - basic and diluted	29	**2.41**	2.81

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

Chief Executive

Director

Loads Limited

Consolidated Sttement of Comprehensive Income
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
		(Rupees)	
Profit for the year		**180,714,253**	211,053,397
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	13.2.1	**2,586,228**	2,695,864
Items that will not be reclassified to profit and loss			
Loss on re-measurements of defined benefit liability	19.2.4	**(1,359,200)**	(4,470,438)
Related tax	18.2	**421,352**	1,385,836
		(937,848)	(3,084,602)
Share of loss in associate's defined benefit liability recognized in other comprehensive income	7.1	**(3,281,274)**	(753,875)
Total comprehensive income for the year		**179,081,359**	209,910,784

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

Chief Executive

Director

Consolidated Cash Flow Statement
For the year ended 30 June 2016

	Note	30 June 2016	30 June 2015
CASH FLOWS FROM OPERATING ACTIVITIES		---------(Rupees)---------	
Profit before taxation		**260,326,561**	322,403,360
Adjustment for			
Depreciation	5.1	**58,498,303**	55,642,314
Amortisation	6	**132,235**	1,626,500
Dividend income	26	**(1,095,469)**	(33,078)
Mark-up expense	27	**83,696,541**	74,027,365
Finance lease charges	27	**2,125,614**	4,915,392
Provision for gratuity	19.2.3	**2,345,368**	378,452
Gain on disposal of property, plant and equipment	26	**(2,595,389)**	(2,901,449)
Capital gain on sale of investment in associate		**-**	(12,706,870)
Share of profit in associate - net of tax	7.1	**(12,563,481)**	(10,784,220)
Unrealized loss / (gain) on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition	13.1	**66,123,817**	(15,944,655)
Interest on loan to employees	26	**(1,530,887)**	(1,180,865)
Provision against impaired debts		**-**	636,657
Interest income from Participation Term Certificates	26	**(12,032,955)**	(12,395,870)
		443,430,258	403,683,033
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		**(22,810,453)**	(11,708,615)
Stock-in-trade		**(166,909,920)**	(266,221,238)
Trade debts		**13,010,244**	(108,634,216)
Loans and advances		**(63,134,633)**	(66,721,709)
Deposits, prepayments and other receivables		**9,860,577**	(118,657,197)
		(229,984,185)	(571,942,975)
Increase in current liabilities			
Trade and other payables		**6,658,877**	45,190,026
Cash generated from / (used in) operations		**220,104,950**	(123,069,916)
Mark-up paid		**(80,137,441)**	(77,930,995)
Long term deposits		**-**	(1,892,980)
Gratuity paid		**(2,211,792)**	(695,500)
Tax paid		**(75,626,520)**	(89,421,534)
Net cash generated from / (used in) operating activities		**62,129,197**	(293,010,925)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		**(209,893,622)**	(47,943,300)
Purchase of intangibles		**(880,228)**	(147,500)
Investments - net		**(8,177,227)**	(254,774,250)
Proceeds from disposal of property, plant and equipment		**4,412,844**	10,940,154
Proceeds from disposal of investment in associate		**-**	74,169,436
Interest received on loan to employees		**1,530,887**	1,180,865
Interest received from Participation Term Certificates		**12,032,955**	12,395,870
Dividend received		**1,095,469**	33,078
Dividend received from associate		**7,492,475**	18,933,510
Net cash used in investing activities		**(192,386,447)**	(185,212,137)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		**(18,318,501)**	(26,548,631)
Net cash used in financing activities		**(18,318,501)**	(26,548,631)
Net decrease in cash and cash equivalents		**(148,575,751)**	(504,771,693)
Cash and cash equivalents at beginning of the year		**(915,520,385)**	(410,748,692)
Cash and cash equivalents at end of the year	31	**(1,064,096,136)**	(915,520,385)

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

Chief Executive

Director

Loads Limited

Consolidated Statement of Changes in Equity
For the year ended 30 June 2016

	Issued, subscribed and paid up capital	Unrealised gain on re-measurement of available for sale investments	Revenue reserves: General reserve	Revenue reserves: Unappropriated profit	Total
	----------	----------	(Rupees)	----------	----------
Balance as at 01 July 2014	60,000,000	18,523,763	590,262,580	560,583,961	1,229,370,304
Total comprehensive income for the year ended 30 June 2015					
Profit for the year	-	-	-	211,053,397	211,053,397
Other comprehensive income	-	2,695,864	-	(3,838,477)	(1,142,613)
	-	2,695,864	-	207,214,920	209,910,784
Transactions with Owners					
Contributions and distributions					
Bonus shares issue at the rate of 1150% for the year ended 30 June 2015	690,000,000	-	(590,262,580)	(99,737,420)	-
Balance as at 30 June 2015	750,000,000	21,219,627	-	668,061,461	1,439,281,088
Total comprehensive income for the year ended 30 June 2016					
Profit for the year	-	-	-	**180,714,253**	**180,714,253**
Other comprehensive income	-	**2,586,228**	-	**(4,219,122)**	**(1,632,894)**
	-	**2,586,228**	-	**176,495,131**	**179,081,359**
Transactions with Owners					
Contributions and distributions	-	-	-	-	-
Balance as at 30 June 2016	**750,000,000**	**23,805,855**	**-**	**844,556,592**	**1,618,362,447**

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

Chief Executive

Director

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

1. STATUS AND NATURE OF BUSINESS

1.1 The Group consists of Loads Limited (the Parent Company), Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL) and Specialized Motorcycles (Private) Limited (SMPL).

1.2 Loads Limited ("the Parent Company") was incorporated in Pakistan on 1 January 1979 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 Board of Directors in their meeting held on 20 January 2015, has decided to file an application for listing of it's shares on Pakistan Stock Exchange. On 7 September 2016, the Parent Company successfully completed their Initial Public Offer of its securities at a strike price of Rs. 34 per share. Accordingly, the Parent Company is in the process of listing its shares in the due course which will be completed in the forthcoming year. The registered office of the Parent Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.

1.3 The principal activity of the Parent Company is to manufacture and sell radiators, exhaust systems and other components for automotive industry.

1.4 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 of radiators, exhaust system and other component for automotive industry to the Parent Company and SMPL has ceased its operations in the current year (note 1.5).

1.5 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

2.1 Statement of compliance

These consolidated 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 (IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984, shall prevail.

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost convention, except for investments classified as "investment at fair value through profit or loss" and "available for sale" which are stated at fair value and provision for staff gratuity which is stated at present value. Further as mentioned in note 1.5, the assets and liabilities of the subsidiary company, SMPL, are stated at lower of carrying amounts and fair value less cost to sell and investment in associate is accounted using the equity method of accounting.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2016

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees which is also the functional currency of the Group and has been rounded to the nearest rupees.

2.4 Use of estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In the process of applying the Group's accounting polices, management has made the following accounting estimates and judgments which are significant to the consolidated financial statements and estimates with a significant risk of material adjustment in future years are discussed below:

- Property, plant and equipment (note 3.2)
- Intangible assets (note 3.3)
- Provision for impairment of stores and spares and stock-in-trade (note 3.7 and 3.8)
- Taxation (note 3.13)
- Provision for impairment of financial and non-financial assets (note 3.6.5)
- Employees' benefits and compensated absences (note 3.4)
- Classification and valuation of financial instruments (notes 3.6)
- Contingencies (note 15)

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

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016:

- Amendments to IAS 38 'Intangible Assets' and IAS 16 'Property, Plant and Equipment' (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Group's financial statements.
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – 'Consolidated Financial Statements' and IAS 28 – 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment

entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Group's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Group's financial statements.

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Group's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Group's financial statements.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Group's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Group's financial statements.

- Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IAS 32 'Financial Instruments: Presentation' - is amended to clarify that IAS 12 'Income Taxes' applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction. The amendment removes a perceived inconsistency between IAS 32 and IAS 12.

- IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations': IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures': IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 34 'Interim Financial Reporting': IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have an impact on Group's financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these consolidated financial statements are the same as those applied in the preparation of the consolidated financial statements as at and for the year ended 30 June 2015, except for the changes in note 4. Moreover, in the current year IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interest in Other Entities" and IFRS 13 "Fair Value Measurement" became effective for financial periods beginning on or after 1 January 2015. The effects of changes in the above mentioned IFRS and a circular issued by SECP for additional disclosures are disclosed in notes 4, 7, 34.1 and 40.2 to the financial statements. The significant accounting policies applied are set out below:

3.1 Basis of consolidation

3.1.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The financial statements of the subsidiaries have been consolidated on a line-by-line basis and all intra-group balances and transactions have been eliminated.

3.1.2 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

As all subsidiaries are wholly owned by the Parent Company, therefore there is no NCI at the reporting date.

3.1.3 Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

3.1.4 Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, until the date on which significant influence ceases.

3.1.5 Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with associates are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.2 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Land and Capital work-in-progress are stated at cost less impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure

Subsequent expenditure incurred is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit and loss account as incurred.

Depreciation

Depreciation charge is based on the reducing balance method at the rates specified in note 5.1.

Depreciation on additions to property, plant and equipment is charged from the month in which an item is acquired or capitalised while no depreciation is charged for the month in which the item is disposed off.

Depreciation methods and depreciation rates are reviewed at each reporting date and adjusted if appropriate.

Gains and losses on disposal

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the profit and loss account.

Assets subject to finance lease

Leases that transfer substantially all the risks and rewards incidental to ownership of an asset are classified as finance lease. Assets subject to finance lease are stated at amounts equal to the fair value or, if lower, the present value of the minimum lease payments. The minimum lease payments are apportioned between the finance charge and the outstanding liability. Assets acquired under finance leases are depreciated in accordance with the Group's depreciation policy for property, plant and equipment. The finance cost is charged to profit and loss account. Finance charges under the lease agreements is allocated over the periods during lease term so as to produce a constant periodic rate of financial charge on the outstanding balance of principal liability of each period.

3.3 Intangible assets

Intangible assets that are acquired by the Group and have finite lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. Cost that are directly associated with identifiable software products and have probable economic benefit beyond one year are recognised as intangible assets. Cost associated with maintaining computer software products are recognised as an expense when incurred.

Amortisation

Amortisation is calculated to charge the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives (as disclosed in note 6) and is recognised in profit and loss account.

Amortisation on additions during the financial year is charged from the month in which the asset is put to use, whereas no amortisation is charged in the month in which the asset is disposed off.

Amortisation methods and useful lives are reviewed at each reporting date and adjusted if appropriate.

3.4 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

The Parent Company operates a funded gratuity schemes separately for its management and non-management staff. Both the schemes cover all the employees with a qualifying service period of ten years.

The Group's net obligation in respect of defined benefit plans is calculated separately by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Compensated absences

The Group recognises the liability for compensated absences in respect of employees in the period in which they are earned up to the reporting date.

Defined Contribution plan - Provident Fund

All permanent employees are covered under a recognized fund scheme. Equal monthly contributions are made by the Group and the employees to the Fund at the rate of 10% of basic salary for executive employees and 10% of basic salary plus cost of living allowance for non-executive employees.

3.5 Trade and other payables

Trade payable and other liabilities are recognised initially at fair value plus directly attributable cost, if any, and subsequently measured at amortised cost.

3.6 Financial instruments

The Group classifies its financial assets into financial assets at fair value through profit or loss, available for sale and loans and receivables.

The Group classifies its financial liabilities into the other financial liabilities category.

3.6.1 Financial assets and financial liabilities - recognition and derecognition

The Group initially recognises loans and receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognised on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

3.6.2 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liabilities simultaneously.

3.6.3 Financial assets - measurement

a) Financial assets at fair value through profit or loss

A financial asset is classified as 'at fair value through profit or loss' if it is held-for-trading or is designated as such upon initial recognition. Financial assets are designated as 'at fair value through profit or loss' if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Financial assets which are acquired principally for the purpose of generating profit from short term price fluctuation or are part of the portfolio in which there is recent actual pattern of short term profit taking are classified as held for trading or a derivative.

Financial assets as 'at fair value through profit or loss' are measured at fair value, and changes therein are recognised in profit and loss account.

All derivatives in a net receivable position (positive fair value), are reported as financial assets held for trading. All derivatives in a net payable position (negative fair value), are reported as financial liabilities held for trading.

b) Available for sale

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and accumulated in the unrealised gain on re-measurement of available for sale investments. When these assets are derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

c) Loans and receivables

These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest rate method.

3.6.4 Financial liabilities - measurement

All financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest rate method.

3.6.5 Impairment

Financial assets (including receivables)

Financial assets are assessed at each reporting date to determine whether there is objective evidence that they are impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired may include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy.

All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss account.

Available-for-sale financial assets

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortisation) and the current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed through profit or loss. Impairment losses recognised in profit and loss for an investment in an equity instrument classified as available-for-sale are not reversed through profit and loss.

A significant or prolonged decline in the fair value of the equity security below its cost is considered an indicator that the securities are impaired. Impairment loss on investment is recognised in the profit and loss whenever the acquisition cost of investment exceeds its recoverable amount. Impairment losses recognised on equity securities in the profit and loss are not reversed subsequently in the profit and loss.

Non-financial assets

The carrying amounts of non-financial assets other than deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the “cash-generating unit, or CGU”).

The Group's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment loss recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.7 Stores, spares and consumables

These are stated at lower of weighted average cost and net realisable value except items in transit which are stated at invoice value plus other charges incurred thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less the estimated costs necessary to be incurred to make the sale.

3.8 Stock-in-trade

Stock in trade is stated at lower of cost and net realisable value. Cost is determined using weighted average cost formula and includes expenditure incurred in bringing / acquiring the inventories to their present location and condition.

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

3.9 Trade debts, loans, advances, deposits and other receivables

Trade debts, loans, advances, deposits and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment, if any. A provision for impairment is established when there is an objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Loans, advances and other receivables considered irrecoverable are written off.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and deposits held with banks. Short term borrowing facilities availed by the Group, which are repayable on demand form an integral part of the Group's cash management and are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

3.11 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange ruling on the balance sheet date. Exchange differences are included in the profit and loss account currently. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

3.12 Revenue recognition

- Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and government levies.

- Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the customer.

- Mark-up on bank deposit is recognised on time apportioned basis using effective interest rate method.

- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.

- Unrealised gains / (losses) arising on revaluation of securities classified as 'at fair value through profit or loss' are included in profit and loss account in the period in which they arise.

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

3.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit and loss account except to the extent that it relates to item recognized directly in other comprehensive income in which case it is recognized in other comprehensive income.

Current

Provision for current taxation is based on taxable income at the enacted or substantively enacted rates of taxation after taking into account available tax credits and rebates, if any. The charge for current tax includes adjustments to charge for prior years which arises from assessments / developments made during the year, if any.

Deferred tax

Deferred tax is recognised using balance sheet method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using the enacted or substantively enacted rates of taxation.

The Group recognises deferred tax asset to the extent that it is probable that taxable profits for the foreseeable future will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.14 Provisions

A provision is recognized in the consolidated balance sheet when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognised as a provision reflects the best estimate of the expenditure to settle the present obligation at the reporting date.

3.15 Dividend distribution and appropriation to reserves

Dividend distribution to the Group's shareholders and appropriation to reserves is recognised in the period in which these are approved. The distribution of dividend is subject to the covenant as mentioned in note 20.1.1.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

3.16 Segment accounting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

The segment information is not generated by the Group and the Chief Executive Officer reviews the Group as a single entity. Hence, segment disclosures are not included in these consolidated financial statements.

4. CHANGES IN ACCOUNTING POLICIES

- IFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 "Financial Instruments: Disclosures". As a result, the an additional disclosure has been included in this regard in note 34.1. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Group's assets and liabilities.

- As a result of IFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces new control model that focus on whether the Group has power over an investee exposure or rights of variable returns from involvement with the investee and ability to use its power to affect those returns. The adoption of IFRS 10 has no effects on financial statements except for certain changes in policies disclosed in note 3.

- As a result of IFRS 12, the Group has expanded certain disclosures as disclosed in note 7.1.

- On 5 September 2016, a circular (Circular No. 29 of 2016) was issued by the Securities and Exchange Commission of Pakistan (SECP) requiring listed companies to voluntarily add additional disclosures regarding Shariah Screening of Listed Companies for Islamic Equity Indexes in the financial statements. These are included in note 10, 13, 27 and 40.2 to the financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	30 June 2016	30 June 2015
		(Rupees)	
Operating property, plant and equipment	5.1	**547,138,343**	417,921,741
Capital work-in-progress	5.2	**75,642,657**	35,404,721
		622,781,000	453,326,462

Loads Limited

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

5.1 Operating property, plant and equipment

30 June 2016

	Cost					Rate	Accumulated depreciation					Net book
	As at 01 July 2015	Additions	Transfers from leased assets	(Disposals)	As at 30 June 2016		As at 01 July 2015	For the year	Transfers from leased assets	(Disposals)	As at 30 June 2016	value as at 30 June 2016
	(Rupees)					%	(Rupees)					
Owned												
Freehold land (note 5.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land	19,703,315	-	-	-	19,703,315	-	-	-	-	-	-	19,703,315
Building on leasehold land	160,452,986	18,162,400	-	-	178,615,386	5	57,591,630	5,758,632	-	-	63,350,262	115,265,124
Plant and machinery	370,866,662	76,534,399	23,503,337	-	470,904,398	10 - 20	206,545,218	21,283,598	8,588,701	-	236,417,517	234,486,881
Tools and equipment	136,587,837	63,646,722	-	(2,328,003)	197,906,556	10 - 35	102,538,603	14,895,982	-	(1,640,200)	115,794,385	82,112,171
Furniture, fittings and office equipment	33,233,660	9,417,165	-	-	42,650,825	10 - 30	19,873,621	4,294,316	-	-	24,167,937	18,482,888
Vehicles	17,513,089	1,895,000	-	(1,944,950)	17,463,139	20	10,650,627	1,569,759	-	(1,301,654)	10,918,732	6,544,407
Leased												
Plant and machinery	23,503,337	-	(23,503,337)	-	-	10 - 20	6,772,821	1,815,880	(8,588,701)	-	-	-
Vehicles	50,626,693	19,876,674	-	(2,800,700)	67,702,667	20	15,673,318	8,880,136	-	(2,314,344)	22,239,110	45,463,557
	837,567,579	189,532,360	-	(7,073,653)	1,020,026,286		419,645,838	58,498,303	-	(5,256,198)	472,887,943	547,138,343

30 June 2015

	Cost					Rate	Accumulated depreciation					Net book
	As at 01 July 2014	Additions	Transfers from leased assets	(Disposals)	As at 30 June 2015		As at 01 July 2014	For the year	Transfers from leased assets	(Disposals)	As at 30 June 2015	value as at 30 June 2015
	(Rupees)					%	(Rupees)					
Owned												
Freehold land (note 5.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land	19,703,315	-	-	-	19,703,315	-	-	-	-	-	-	19,703,315
Building on leasehold land	159,122,786	1,330,200	-	-	160,452,986	5	51,958,601	5,633,029	-	-	57,591,630	102,861,356
Plant and machinery	357,558,270	18,352,735	-	(5,044,343)	370,866,662	10 - 20	190,524,419	18,769,701	-	(2,748,902)	206,545,218	164,321,444
Tools and equipment	131,101,783	5,486,054	-	-	136,587,837	10 - 35	85,819,241	16,719,362	-	-	102,538,603	34,049,234
Furniture, fittings and office equipment	29,176,378	4,529,404	-	(472,122)	33,233,660	10 - 30	17,015,582	3,235,637	-	(377,598)	19,873,621	13,360,039
Vehicles	17,418,089	2,912,800	11,572,151	(14,389,951)	17,513,089	20	10,548,577	1,518,420	7,324,841	(8,741,211)	10,650,627	6,862,462
Leased												
Plant and machinery	23,503,337	-	-	-	23,503,337	10 - 20	4,722,392	2,050,429		-	6,772,821	16,730,516
Vehicles	37,958,285	24,240,559	(11,572,151)	-	50,626,693	20	15,282,423	7,715,736	(7,324,841)	-	15,673,318	34,953,375
	800,622,243	56,851,752	-	(19,906,416)	837,567,579		375,871,235	55,642,314	-	(11,867,711)	419,645,838	417,921,741

5.1.1 This represents a plot of land in Lahore of Rs. 25.08 million (30 June 2015: Rs. 25.08 million) held by the Group for the expansion of business in future. Currently, this plot of land is not being used.

5.1.2 There are no fully depreciated assets at the reporting date as the Group is following reducing balance method.

5.1.3 Details of property and equipment disposed off during the year having net book value in excess of Rs. 50,000 are as follows:

30 June 2016

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars
	(Rupees)						
Owned							
Tools and equipment							
Dies	2,328,003	1,640,200	687,803	1,153,048	465,245	Negotiation	Pak Suzuki - Karachi
Vehicle							
Toyota Altis	1,944,950	1,301,654	643,296	643,296	-	Negotiation	Saulat Said - Karachi
Leased							
Vehicles							
Honda City	804,600	739,709	64,891	621,200	556,309	Negotiation	Moin uddin - Karachi
Suzuki Pick up	380,735	301,388	79,347	380,000	300,653	Negotiation	Muhammad Anwar - Karachi
Suzuki Pick up	344,000	287,710	56,290	385,000	328,710	Negotiation	Faiz M Memon - Karachi
Suzuki Pick up	494,865	356,401	138,464	441,900	303,436	Negotiation	Muhammad Arshad - Karachi
Suzuki Pick up	429,500	339,990	89,510	411,900	322,390	Negotiation	Muhammad Amir - Karachi
Suzuki Pick up	347,000	289,146	57,854	376,500	318,646	Negotiation	Muhammad Saleem - Karachi
	2,800,700	2,314,344	486,356	2,616,500	2,130,144		
	7,073,653	5,256,198	1,817,455	4,412,844	2,595,389		

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

5.1.4 Depreciation has been allocated as follows:

	Note	30 June 2016	30 June 2015
		(Rupees)	
Cost of sales	23	**50,890,174**	49,292,536
Administrative and selling expenses	24	**7,608,129**	6,349,778
		58,498,303	55,642,314

5.2 Capital work-in-progress

	Note	30 June 2016	30 June 2015
Tools and equipment		**66,927,662**	19,789,131
Advance against capital expenditure		**8,714,995**	15,615,590
	5.2.1	**75,642,657**	35,404,721

5.2.1 Movement in capital work-in-progress is as follows:

	30 June 2016 (Rupees)
Balance at beginning of the year	35,404,721
Additions during the year	46,677,051
Transferred to operating property, plant and equipment	(6,439,115)
Balance at end of the year	75,642,657

6. INTANGIBLE ASSETS

30 June 2016

	Cost			Useful	Amortization			Net book
	As at 1 July 2015	**Addition / (disposal)**	As at 30 June 2016	**life**	As at 1 July 2015	For the year	As at 30 June 2016	value as at 30 June 2016
	(Rupees)			**Years**	**(Rupees)**			
Computer software and licenses	**13,737,507**	**880,228**	**14,617,735**	**3**	**13,737,506**	**132,235**	**13,869,741**	**747,994**

30 June 2015

	Cost			Useful	Amortization			Net book
	As at 1 July 2014	**Addition / (disposal)**	As at 30 June 2015	**life**	As at 1 July 2014	**For the year**	**As at 30 June 2015**	value as at 30 June 2015
	(Rupees)			**Years**	**(Rupees)**			
Computer software and licenses	**13,590,007**	**147,500**	**13,737,507**	**3**	**12,111,006**	**1,626,500**	**13,737,506**	**1**

7. LONG TERM INVESTMENTS

Investments in equity accounted undertakings

The following associate, over which the Parent Company has significant influence due to common directorship, is accounted for using equity method of accounting as defined in IAS-28 "Investment in Associates".

30 June 2016	30 June 2015		30 June 2016	30 June 2015
(Number of shares)		Quoted	(Rupees)	
7,620,680	7,492,475	Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	377,916,410	368,544,268

The above figures are based on audited consolidated financial statements of Treet Corporation Limited for the year ended 30 June 2016.

7.1 Movement

	30 June 2016	30 June 2015
Balance at beginning of the year	**368,544,268**	164,159,539
Subscription of right shares	**-**	254,774,250
Conversion from participation term certificate into ordinary shares	**7,582,410**	7,580,340
Shares sold during the year	**-**	(61,462,566)
Share of profit for the year - net	**12,563,481**	10,784,220
Share of other comprehensive income for the year		
- re-measurement of defined benefit liability	**(3,281,274)**	(753,875)
Less: dividends received during the year	**(7,492,475)**	(6,537,640)
Balance at end of the year	**377,916,410**	368,544,268
Equity held at end of the year	**5.53%**	5.56%

7.2 Market value of investments in associated company is as follows:

	30 June 2016	30 June 2015
Quoted		
Treet Corporation Limited	**376,690,212**	540,582,071

Holding in associate as at 30 June 2016 is 5.53% (30 June 2015: 5.56%).

7.3 Summarised financial information for the year ended 30 June 2016 based on audited consolidated financial statements of associated company is as follows:

Investee company - Treet Corporation Limited	Total assets	Total liabilities	Revenues	Profit
	(Rupees in)			
30 June 2016	**12,544,366**	**3,745,672**	**7,615,231**	**214,314**
30 June 2015	10,990,970	4,010,568	6,900,175	242,213

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

8. STOCK-IN-TRADE

	Note	30 June 2016	30 June 2015
		(Rupees)	
Raw material and components	8.2	**897,990,349**	782,578,700
Work-in-process		**142,503,010**	68,169,176
Finished goods		**66,570,963**	90,102,753
		1,107,064,322	940,850,629
Provision for slow-moving and obsolescence	8.1	**-**	(696,227)
		1,107,064,322	940,154,402

8.1 Provision for slow-moving and obsolescence

	30 June 2016	30 June 2015
Opening balance	**696,227**	696,227
Charge for the year	**-**	-
Written off during the year	**(696,227)**	-
Closing balance	**-**	696,227

8.2 This includes raw material in-transit as at 30 June 2016 of Rs. 201.658 million (30 June 2015: Rs. 144.5 million).

9. TRADE DEBTS - net

	Note	30 June 2016	30 June 2015
		(Rupees)	
Unsecured			
Considered good		**213,888,667**	226,898,911
Considered doubtful		**405,606**	34,308,278
		214,294,273	261,207,189
Bad debts written off		**(405,606)**	(4,088,687)
Provision for doubtful debts	9.1	**-**	(30,219,591)
		213,888,667	226,898,911

9.1 Provision for doubtful debts

	30 June 2016	30 June 2015
Opening balance	**30,219,591**	29,582,934
Charge for the year	**-**	636,657
Written off during the year	**(30,219,591)**	-
Closing balance	**-**	30,219,591

9.2 For ageing of trade debts refer note 32.2.

10. LOANS AND ADVANCES

	Note	30 June 2016	30 June 2015
Loans to employees - considered good	10.1	**3,131,635**	3,988,036
Loans to workers - considered good	10.2	**6,125,831**	5,752,624
Advance salary / bonus to employees		**37,170,734**	29,466,416
Advance to suppliers		**104,325,851**	48,412,342
		150,754,051	87,619,418

10.1 This represents loans provided to executive staff having maturity of twelve months. These loans carry mark-up at the rate of 10% (30 June 2015: 10%) per annum.

10.2 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 10% (30 June 2015: 10%) per annum.

11. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Unclaimed input sales tax	11.1	**155,225,758**	114,879,602
Trade and other deposits		**14,622,909**	12,351,225
Receivable against sale of investment		**-**	30,424,559
Prepayments - provident fund		**-**	16,042,778
Prepayments		**3,356,025**	875,577
Other receivables		**6,600,323**	15,091,851
		179,805,015	189,665,592

11.1 This represents input sales tax not claimed due to restriction of input tax to be adjusted up to ninety percent of output tax as per section 8B of Sales Tax Act, 1990.

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12. TAXATION

	Note	30 June 2016	30 June 2015
		(Rupees)	
Advance tax		**237,979,268**	227,702,308
Provision for taxation	28	**(87,872,350)**	(65,349,560)
		150,106,918	162,352,748

13. INVESTMENTS

	Note	30 June 2016	30 June 2015
At fair value through profit or loss - at initial recognition	13.1	**44,430,355**	116,632,605
Available-for-sale	13.2	**42,827,430**	33,567,952
		87,257,785	150,200,557

13.1 At fair value through profit or loss - at initial recognition

	Note	30 June 2016	30 June 2015
Ordinary shares	13.1.1	**613,463**	675,375
Participation term certificates	13.1.2	**42,124,508**	115,957,230
Units of mutual funds	13.1.3	**1,692,384**	-
		44,430,355	116,632,605

13.1.1 Ordinary shares - quoted

30 June 2016	30 June 2015	Name of investee company	30 June 2016 Carrying value	30 June 2016 Market value	30 June 2016 Unrealised gain / (loss)	30 June 2015 Market Value
(Number of shares)			(Rupees)			
1	1	Agriautos Industries Limited	186	195	9	186
1	1	Al-Ghazi Tractors Limited *	489	425	(64)	489
1	1	Atlas Battery Limited	704	582	(122)	704
1	1	Atlas Honda Limited	335	370	35	335
1	1	The General Tyre & Rubber Company of Pakistan Limited	146	178	32	146
1	1	Honda Atlas Cars (Pakistan) Limited	219	366	147	219
1	1	Thal Limited *	285	280	(5)	285
230	230	Baluchistan Wheels Limited	13,375	18,630	5,255	13,375
315	315	Ghandhara Nissan Limited	31,151	49,187	18,036	31,151
150	150	Hino Pak Motors Limited	125,489	143,370	17,881	125,489
200	200	Indus Motor Company Limited	249,800	186,906	(62,894)	249,800
272	272	Millat Tractors Limited	186,542	156,030	(30,512)	186,542
63	63	Oil & Gas Development Company Limited	11,293	8,782	(2,511)	11,293
127	127	Pak Suzuki Motor Company Limited	55,361	48,162	(7,199)	55,361
			675,375	613,463	(61,912)	675,375

* All shares have a nominal value of Rs. 10/- each, except for the shares of Al-Ghazi Tractors Limited and Thal Limited which have a face value of Rs. 5/- each.

13.1.2 Participation term certificate (PTC) - Quoted

	Note	30 June 2016 Carrying value	30 June 2016 Market value	30 June 2016 Unrealised gain / (loss)	30 June 2015 Market Value
		(Rupees)			
Treet Corporation Limited * (note 13.1.2.2)	13.1.2.1	**108,132,231**	**42,124,508**	**(66,007,723)**	**115,957,230**

* As at 30 June 2016, the Parent Company holds 1,831,500 (30 June 2015: 1,831,000) certificates of PTCs having face value of Rs. 30 per certificate.

13.1.2.1 Movement in carrying value of PTC is as follows:

	30 June 2016	30 June 2015
	(Rupees)	
Opening balance	**115,957,230**	108,157,170
Purchased during the year	**32,136**	-
Principal cash redemption	**(274,725)**	(274,725)
Principal conversion to ordinary shares	**(7,582,410)**	(7,582,410)
Closing balance	**108,132,231**	100,300,035

13.1.2.2 These are mandatorily convertible into ordinary shares of Treet Corporation Limited at the ratio of 2 PTCs into 1 ordinary share in a period of 7 years. Principal amount of PTC will be reduced through redemption (in cash and through share conversion). The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 for the year 2019. During the year, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively.

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13.1.3 Units of mutual funds

30 June 2016 (Number of units)	30 June 2015 (Number of units)	Name of Fund	Carrying value / cost 30 June 2016 (Rupees)	Carrying value / cost 30 June 2015 (Rupees)	Market value 30 June 2016 (Rupees)	Market value 30 June 2015 (Rupees)
108,542	-	NAFA Islamic Asset Allocation Fund	1,746,566	-	1,692,384	-
			1,746,566	-	1,692,384	-
		Unrealised loss on re-measurement of investments - at fair value through profit or loss - at initial recognition	(54,182)	-	-	-
			1,692,384	-	1,692,384	-

13.2 Available-for-sale

The Parent Company holds investment in ordinary shares of Rs. 10/- each, in the following listed investee companies:

30 June 2016 (Number of shares)	30 June 2015 (Number of shares)	Name of investee company	30 June 2016 Cost (Rupees)	30 June 2016 Market value (Rupees)	30 June 2016 Unrealised gain (Rupees)	30 June 2015 Market value (Rupees)
		Ordinary shares - Quoted				
235,386	182,000	Tri-Pack Films Limited	17,188,363	42,814,360	25,625,997	33,557,160
152	152	ZIL Limited	5,330	13,070	7,740	10,792
			17,193,693	42,827,430	25,633,737	33,567,952

13.2.1 Unrealized gain on re-measurement of available-for-sale investments:

	30 June 2016 (Rupees)	30 June 2015 (Rupees)
Market value of investments	42,827,430	33,567,952
Less : Cost of investments	17,193,693	10,520,443
	25,633,737	23,047,509
Less: Unrealized gain on re-measurement of available-for-sale investments at beginning of the year	23,047,509	20,351,645
	2,586,228	2,695,864

13.2.2 The above investments having an aggregate market value of Rs. 42.814 million have been pledged with financial institutions as securities against borrowing facilities.

14. CASH AND BANK BALANCES

	Note	30 June 2016 (Rupees)	30 June 2015 (Rupees)
Cash in hand		1,321,036	1,991,325
Cash at bank - profit and loss accounts	14.1	2,434	14,415,662
Cash at bank - current accounts		17,374,882	47,518,490
		18,698,352	63,925,477

14.1 These carry mark-up at the rate ranging from 3.75% (30 June 2015: 5.5%) per annum.

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

15.1.1 Initially, as per the Gas Infrastructure and Development Cess Act, 2011 (the Act), certain Companies as specified in the Act (including SSGC) shall collect and pay Gas Infrastructure and Development Cess (GID Cess). As per the second schedule of the Act, GID Cess of Rs. 13 per MMBTU was applicable to the Company. Subsequently, through Finance Bill 2012 -2013, the rate of GID Cess increased to Rs. 50 per MMBTU. On 3 August 2012, Companies in the industry filed a suit on the ground that the rate of GID Cess has been enhanced without any lawful justification and authority. The Honourable High

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Court of Sindh vide its ad-interim order dated 6 September 2012, restrained SSGC from charging GID Cess above Rs. 13 per MMBTU. On 31 December 2013, the Ministry of Petroleum and Natural Resources, Government of Pakistan increased the GID Cess applicable to Rs. 150 per MMBTU with immediate effect. On May 22, 2015 the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU were fixed for industrial and captive power consumers, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014. The Sui Southern Gas Company Limited (SSGC) has also not yet billed GID Cess amount pertaining to periods prior to the promulgation of GIDC Act, 2015. On 24 May 2015, an ad-interim stay order was obtained by Companies in the industry against the GIDC Act, 2015 from the High Court of Sindh. This stay order has restrained SSGCL from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter. A committee has been formed by the Federal Government to review the anomalies of GIDC Act, 2015. In view of above stated facts and opinion of legal advisor, the Group is confident of a favourable outcome. However, provision of Rs. 0.74 million (30 June 2015: Rs. 0.35 million) has been recorded in these consolidated financial statements.

15.1.2 A lawsuit has been filed against a subsidiary company, SAIL (the subsidiary) by Pakistan Steel Mills (PSM) claiming possession of the leasehold land of the subsidiary on the grounds that no objection certificate was not obtained from PSM when the subsidiary purchased suit property in court auction. However, the subsidiary's lawyer is of the view that no condition about specific use was imposed upon the subsidiary when it purchased the suit property in court auction. Further, the subsidiary is manufacturing autoparts for the last eight years which is in the knowledge of PSM. Furthermore, the action of PSM is unjustifiable and also contrary to law in as much as no show cause notice was given to the subsidiary. The Honourable Court has restrained PSM from dispossessing the subsidiary from the suit property. The Group based on lawyer's advice is confident of a favourable outcome.

15.1.3 On 20 March 2015, a subsidiary company, SMPL (the subsidiary) received show cause notice under section 21(2) of the Sales Tax Act, 1990 from Federal Board of Revenue (FBR) for non-filing of sales tax returns for six consecutive months. The subsidiary replied for the aforesaid notice that it is in the process of changing sales tax status from manufacturer to distributor and has filed application for change in particulars / status several times but applications were rejected owing to delay in filing of requisite documents. Finally, the application filed on 10 March 2015 was acknowledged by FBR and forwarded for verification and subsequently no further order was received from tax authorities. The management of the Group is confident that no liability arises in respect of non-filing of sales tax return and therefore, no provision is required to be made in these consolidated financial statements.

15.1.4 Guarantees provided by the banks amounted to Rs. 0.45 million (30 June 2015: Rs. 0.64 million) to Sui Southern Gas Company Limited in favour of the Parent Company.

15.1.5 Two ex-employees / workers filed cases in the Sindh Labour Court for their reinstatement which were dismissed by the Court. The workers have filed appeals against such order in Honourable Sindh Labour Appellate Tribunal at Karachi, one of which has been dismissed. The Parent Company in consultation with its legal advisor is confident that outcome of the above case received will be in their favour. Therefore, no provision has been recognized in the financial statements.

15.1.6 On 20 October 2015, subsidiary companies, SAIL and MAIL (the subsidiaries) received a notice on "Scrutiny of Sales Tax Profile" from Sindh Revenue Board (SRB) for non-filing of Sindh Sales Tax Return from July 2015 onwards. The Company submitted its response on 29 October 2015, clarifying that after an amendment in the Federal Finance Act 2015, "toll manufacturing" activity is now included in the definition of "supplies" for chargeability of federal sales tax. Therefore, since revenue of the Company is solely from toll manufacturing activity, the Company started paying federal sales tax from July 2015 and accordingly, "Nil" Sales Tax Returns are being filed with SRB.

15.1.7 Tax related contingencies are disclosed in note 28.

15.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 332.038 million (30 June 2015: Rs. 161.201 million).

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16. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

30 June 2016	30 June 2015		30 June 2016	30 June 2015
(Number of shares)			(Rupees)	
3,770,000	3,770,000	Ordinary shares of Rs. 10/- each fully paid in cash	**37,700,000**	37,700,000
71,230,000	71,230,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**712,300,000**	712,300,000
75,000,000	75,000,000		**750,000,000**	750,000,000

16.1 Syed Shahid Ali (Chairman) holds 51,917,250 number of ordinary shares (30 June 2015: 20,141,500) comprising 69.22% (30 June 2015: 26.86%) and Treet Corporation Limited (associate company) holds 15,615,750 number of ordinary shares (30 June 2015: 15,615,750) comprising 20.82% (30 June 2015: 20.82%).

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

The amount of future lease payments and the period in which these become due are as follows:

	30 June 2016			30 June 2015		
	Minimum Lease Payments	Finance charges	Principal outstanding	Minimum Lease Payments	Finance charges	Principal outstanding
	(Rupees)			(Rupees)		
Not later than one year	17,631,059	1,530,699	16,100,360	15,350,348	2,443,080	12,907,268
Later than one year but not later than five years	19,993,568	1,248,157	18,745,411	18,529,184	274,468	18,254,716
	37,624,627	2,778,856	34,845,771	33,879,532	2,717,548	31,161,984

17.1 These represent finance leases entered into for vehicles, plant and machinery. Monthly payments of leases carry pre-determined mark-up rates include finance charge at fixed rate of 9% (30 June 2015: 9%) and variable rates ranging from 6 months KIBOR plus 2% to 5.5% per annum (30 June 2015: 6 months KIBOR plus 5% to 5.5% per annum) determined on semi-annual basis for future rentals. These leases are having maturities from September 2015 to February 2020 (30 June 2015: October 2015 to September 2018).

18. DEFERRED TAX LIABILITIES

18.1 Deferred tax comprises of:

	30 June 2016	30 June 2015
	(Rupees)	
Taxable temporary differences arising in respect of:		
- Accelerated tax depreciation	**68,064,139**	54,255,210
- Finance lease arrangements	**5,461,712**	8,531,989
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	**-**	18,918,441
- Share of profit from associated company	**6,765,930**	6,535,587
Deductible temporary differences arising in respect of:		
- Provision against slow-moving stock-in-trade	**(215,830)**	(215,830)
- Provision against compensated absences	**(2,426,623)**	(2,116,027)
- Provision for bad debts	**(125,738)**	(125,738)
- Remeasurement of defined benefit liability	**(1,807,188)**	(1,385,836)
	75,716,402	84,397,796

18.2 Movement of deferred taxation:

	30 June 2016				30 June 2015			
	Balance at 1 July 2015	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2016	Balance at 1 July 2014	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2015
	(Rupees)				(Rupees)			
Taxable temporary differences								
- Accelerated tax depreciation	54,255,210	13,808,929	-	68,064,139	66,676,495	(12,421,285)	-	54,255,210
- Finance lease arrangements	8,531,989	(3,070,277)	-	5,461,712	5,117,951	3,414,038	-	8,531,989
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	18,918,441	(18,918,441)	-	-	-	18,918,441	-	18,918,441
- Share of profit from associated company	6,535,587	230,343	-	6,765,930	-	6,535,587	-	6,535,587
Deductible temporary differences								
- Provision against slow-moving stock-in-trade	(215,830)	-	-	(215,830)	(243,679)	27,849	-	(215,830)
- Provision against compensated absences	(2,116,027)	(310,596)	-	(2,426,623)	(1,725,737)	(390,290)	-	(2,116,027)
- Provision for bad debts	(125,738)	-	-	(125,738)	(141,962)	16,224	-	(125,738)
- Remeasurement of defined benefit liability	(1,385,836)	-	(421,352)	(1,807,188)	-	-	(1,385,836)	(1,385,836)
- Carried forward tax losses	-	-	-	-	(29,899,839)	29,899,839	-	-
	84,397,796	(8,260,042)	(421,352)	75,716,402	39,783,229	46,000,403	(1,385,836)	84,397,796

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19. EMPLOYEE BENEFITS - Gratuity

The actuarial valuation for staff gratuity has been carried out as at 30 June 2016 on the basis of projected unit credit method as per the requirements of approved accounting standard - International Accounting Standard 19, "Employee Benefits". The assumptions used in actuarial valuation are as follows:

19.1 Actuarial assumptions

	30 June 2016	30 June 2015
Financial assumptions		
- Discount rate used for period end obligation	7.25%	9.75%
- Discount rate used for interest cost in profit and loss account	9.75%	13.25%
- Expected rate of increase in salary level	6.25%	8.75%
Demographic assumption		
- Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

19.2 Amount recognised in the balance sheet

	Note	30 June 2016 Executives	30 June 2016 Non-Executives	30 June 2016 Total	30 June 2015 Executives	30 June 2015 Non-Executives	30 June 2015 Total
		(Rupees)					
Present value of defined benefit obligations	19.2.1	24,622,414	11,763,057	36,385,471	22,286,372	11,251,358	33,537,730
Fair value of plan assets	19.2.2	(28,836,289)	(12,398,328)	(41,234,617)	(28,171,187)	(11,708,465)	(39,879,652)
Net asset at end of the year		(4,213,875)	(635,271)	(4,849,146)	(5,884,815)	(457,107)	(6,341,922)

19.2.1 Movement in present value of defined benefit obligation:

Opening balance	22,286,372	11,251,358	33,537,730	21,086,636	10,387,724	31,474,360
Current service cost	1,459,995	460,531	1,920,526	1,452,588	454,724	1,907,312
Interest cost	2,926,789	1,430,584	4,357,373	2,642,280	1,343,682	3,985,962
Benefits paid by the plan	(394,792)	(909,000)	(1,303,792)	(2,289,800)	(493,454)	(2,783,254)
Re-measurements gain on obligation	(1,655,950)	(470,416)	(2,126,366)	(605,332)	(441,318)	(1,046,650)
Closing balance	24,622,414	11,763,057	36,385,471	22,286,372	11,251,358	33,537,730

19.2.2 Movement in the fair value of plan assets:

Opening balance	28,171,187	11,708,465	39,879,652	28,034,543	15,326,129	43,360,672
Interest income	2,746,691	1,185,840	3,932,531	3,622,834	1,891,988	5,514,822
Contribution paid / (received) into / (from) the plan	394,792	1,817,000	2,211,792	905,000	(1,600,500)	(695,500)
Benefits paid by the plan	(394,792)	(909,000)	(1,303,792)	(2,289,800)	(493,454)	(2,783,254)
Re-measurements loss on plan assets	(2,081,589)	(1,403,977)	(3,485,566)	(2,101,390)	(3,415,698)	(5,517,088)
Closing balance	28,836,289	12,398,328	41,234,617	28,171,187	11,708,465	39,879,652

19.2.3 Amounts recognised in the profit and loss account

Current service cost	1,459,995	460,531	1,920,526	1,452,588	454,724	1,907,312
Interest cost	2,926,789	1,430,584	4,357,373	2,642,280	1,343,682	3,985,962
Interest income	(2,746,691)	(1,185,840)	(3,932,531)	(3,622,834)	(1,891,988)	(5,514,822)
Expense / (income) for the year	1,640,093	705,275	2,345,368	472,034	(93,582)	378,452

19.2.4 Amounts recognised in the other comprehensive income

Re-measurement gain on obligation	19.2.4.1	(1,655,950)	(470,416)	(2,126,366)	(605,332)	(441,318)	(1,046,650)
Re-measurement of fair value of plan assets	19.2.4.2	2,081,589	1,403,977	3,485,566	2,101,390	3,415,698	5,517,088
Re-measurement loss for the year		425,639	933,561	1,359,200	1,496,058	2,974,380	4,470,438

19.2.4.1 Re-measurements loss / (gain) on obligation:

Gain due to change in financial assumptions	(70,124)	(39,841)	(109,965)	-	-	-
Gain due to change in experience adjustments	(1,585,826)	(430,575)	(2,016,401)	(605,332)	(441,318)	(1,046,650)
	(1,655,950)	(470,416)	(2,126,366)	(605,332)	(441,318)	(1,046,650)

19.2.4.2 Re-measurement on plan assets - Net (expense) / income of plan assets over interest income:

Actual return on plan assets	665,102	(218,137)	446,965	1,521,444	(1,523,710)	(2,266)
Interest income on plan assets	(2,746,691)	(1,185,840)	(3,932,531)	(3,622,834)	(1,891,988)	(5,514,822)
	(2,081,589)	(1,403,977)	(3,485,566)	(2,101,390)	(3,415,698)	(5,517,088)

19.2.5 Net recognized asset

	30 June 2016 Executives	30 June 2016 Non-Executives	30 June 2016 Total	30 June 2015 Executives	30 June 2015 Non-Executives	30 June 2015 Total
	(Rupees)					
Net asset at beginning of the year	(5,884,815)	(457,107)	(6,341,922)	(6,947,907)	(4,938,405)	(11,886,312)
Expense / (income) recognised in profit and loss account	1,640,093	705,275	2,345,368	472,034	(93,582)	378,452
Contribution (paid) / received (into) / from the plan	(394,792)	(1,817,000)	(2,211,792)	(905,000)	1,600,500	695,500
Re-measurement losses / (gains) recognised in other comprehensive income	425,639	933,561	1,359,200	1,496,058	2,974,380	4,470,438
Net asset at end of the year	(4,213,875)	(635,271)	(4,849,146)	(5,884,815)	(457,107)	(6,341,922)

19.3 Plan assets comprise of the following:

	30 June 2016 Executives	30 June 2016 Non-Executives	30 June 2015 Executives	30 June 2015 Non-Executives
	(Rupees)			
Government bonds	28,426,814	11,748,656	28,128,584	11,149,968
Term deposit receipts	276,828	141,341	42,603	104,477
Equity shares	132,647	508,331	-	454,020
Fair value of plan assets at end of the year	28,836,289	12,398,328	28,171,187	11,708,465

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19.4 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

	30 June 2016		30 June 2015	
	Executives	Non-Executives	Executives	Non-Executives
	(Rupees)		(Rupees)	
Discount rate +1%	**23,270,431**	**10,966,899**	21,082,304	10,471,435
Discount rate -1%	**26,162,271**	**12,644,306**	23,655,140	12,117,705
Salary increase +1%	**26,178,023**	**12,652,955**	23,669,595	12,126,604
Salary increase -1%	**23,232,336**	**10,944,614**	21,048,464	10,449,603

19.5 Expected charge for the year ending 30 June 2017 is Rs. 1,562,900.

19.6 Risks associated with defined benefit plans

(a) **Investment risks:**

The risk arises when the actual performance of the investments is lower than expectation and thus creating a shortfall in the funding objectives.

(b) **Longevity risks:**

The risk arises when the actual lifetime of retirees is longer than expectation. This risk is measured at the plan level over the entire retiree population.

(c) **Salary increase risk:**

The most common type of retirement benefit is one where the benefit is linked with final salary. The risk arises when the actual increases are higher than expectation and impacts the liability accordingly.

(d) **Withdrawal risk:**

The risk of actual withdrawals varying with the actuarial assumptions can impose a risk to the benefit obligation. The movement of the liability can go either way.

19.7 Historical information

	30 June				
	2014	2013	2012	2011	2010
	---------- (Rupees) ----------				
Present value of defined benefit obligation	31,474,360	27,152,096	-	-	-
Fair value of plan assets	(43,360,672)	(38,001,696)	(11,748,034)	(3,052,250)	(232,221)
Net liability	(11,886,312)	(10,849,600)	(11,748,034)	(3,052,250)	(232,221)

	Note	30 June 2016	30 June 2015
19.8 Gratuity for the year recognised in the profit and loss account has been allocated as follows:		**(Rupees)**	
Cost of sales	23	**1,640,093**	472,034
Administrative and selling expenses	24	**705,275**	(93,582)
		2,345,368	378,452

20. SHORT TERM BORROWINGS

	Note	30 June 2016	30 June 2015
Secured			
Running finances under mark-up arrangements	20.1	**967,794,488**	823,016,962
Islamic Financing	20.2	**115,000,000**	156,428,900
		1,082,794,488	979,445,862

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20.1 Running finances under mark-up arrangements

	Note	30 June 2016	30 June 2015
		(Rupees)	
Bank Al Habib		**226,946,535**	252,518,862
Habib Bank Limited		**15,195,747**	4,017,581
JS Bank Limited		**249,698,059**	154,739,453
Meezan Bank		**178,203,397**	194,508,917
Soneri Bank		**109,250,470**	120,153,409
United Bank Limited		**56,373,008**	97,078,740
		835,667,216	823,016,962
Soneri Bank - Local Bill discounting		**132,127,272**	-
United Bank Limited - Local Bill discounting		**-**	-
		132,127,272	
	20.1.1	**967,794,488**	823,016,962

20.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Parent Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 31 July 2016. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

These facilities carry mark-up at the rates ranging from 1 month KIBOR plus 1.25% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum).

The aggregate available short term funded facilities amounted to Rs. 1,430 million (30 June 2015: Rs. 990 million) out of which Rs. 462.205 million (30 June 2015: 167 million) remained unavailed as at the reporting date.

Facilities available for opening letters of credit / guarantees at 30 June 2016 amounted to Rs. 1,553 million (30 June 2015: Rs. 1,200 million) out of which Rs. 1,220.46 million (30 June 2015: Rs. 1,038.8 million) remained unutilized at the year end.

20.2 This represents availed Islamic finance (Istisna) facility from Al Baraka Bank having limits of Rs. 200 million, respectively, for procurement of raw materials and manufacturing of mufflers, radiators and exhaust system. These facilities carry mark-up at 6 month KIBOR plus 1% per annum (30 June 2015: 6 month KIBOR plus 0.8 %) and is repayable within 120 days of the disbursement date.

20.3 Unavailed facilities

The facilities for import loans under mark-up arrangements with various banks amounted to Rs. 350 million (30 June 2015: Rs. 450 million). The whole amount of Rs. 350 million (30 June 2015: Rs. 450 million) remained unutilised at the period end.

The foreign currency import loans mark-up rates decided on case to case basis (30 June 2015: 3 month LIBOR plus 3% per annum to 4 month LIBOR plus 4% per annum). The loans are repayable within 180 days of the disbursement date. The facility remained unutilised at the period end.

The local currency import loans carry mark-up at rates ranging from 3 months KIBOR plus 1% per annum (30 June 2015: 3 months KIBOR plus 1.25% to 1.5% per annum). The loans are repayable within 180 days of the disbursement date. The facility remained unutilised at the period end.

The Parent Company also has an unutilised facility of forward cover from JS Bank Limited, amounting to Rs. 35 million to hedge forex risk on import transactions carried in USD. The tenor of facility is of 6 months and the cover limit established is of 10 times of the actual limit i.e. Rs. 350 million.

20.4 The above facilities are secured by way of first pari pasu charge over stocks, book debts, plant, machinery, land and building and also by way of pledge of shares of associated company.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

21. TRADE AND OTHER PAYABLES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Creditors		**46,851,372**	40,107,872
Accrued liabilities	21.1	**11,918,535**	9,243,399
Other liabilities			
Mobilization advances		**32,898,628**	318,974
Security deposit from contractors		**262,000**	305,000
Withholding tax payable		**4,406,343**	926,067
Workers' profit participation fund	21.2	**17,140,765**	20,876,909
Workers' welfare fund	21.3	**9,499,132**	8,244,071
Advance from customer		**10,124,959**	50,945,068
Withholding sales tax payable		**3,598**	627,572
Provision for compensated absences		**7,827,815**	6,825,895
Payable to provident fund		**4,159,715**	1,320,742
Other payables		**8,221,729**	4,513,086
		153,314,591	144,254,655

21.1 This includes provision of Rs. 0.83 million in respect of Gas Infrastructure Development Cess (GID Cess) charges. No payment has been made in the current and prior years, since stay order has been obtained against levy of GID Cess (also refer note 15).

21.2 Workers' profit participation fund

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening balance		**20,876,909**	11,071,435
Charge for the year	25	**13,506,546**	17,497,769
Interest charged during the year	27	**1,187,615**	1,208,652
		35,571,070	29,777,856
Less: payments during the year		**(18,430,305)**	(8,900,947)
Closing balance		**17,140,765**	20,876,909

21.3 Workers' welfare fund

	Note	30 June 2016	30 June 2015
		(Rupees)	
Opening balance		**8,244,071**	4,031,195
Charge for the year	25	**5,804,840**	7,917,479
Less: payments during the year		**(4,549,779)**	(3,704,603)
Closing balance		**9,499,132**	8,244,071

22. TURNOVER

	Note	30 June 2016	30 June 2015
Local sales	22.1	**4,761,220,041**	3,879,582,411
Sales returns		**(5,997,619)**	(18,044,816)
		4,755,222,422	3,861,537,595
Sales tax		**(719,564,135)**	(528,965,523)
		4,035,658,287	3,332,572,072

22.1 This includes scrap sales amounting to Rs. 38.13 million (30 June 2015: Rs. 67.87 million).

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

23. COST OF SALES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Raw materials and components consumed	23.1	**2,931,142,041**	2,362,785,640
Ancillary materials consumed	23.2	**75,510,711**	95,112,686
Manufacturing expenses			
Salaries and wages		**239,761,861**	182,883,171
Other employees' benefits	23.3	**86,636,266**	60,640,375
Provident fund contribution		**2,040,381**	1,978,939
Subcontracting costs		**47,202,194**	29,402,594
Depreciation	5.1.4	**50,890,174**	49,292,536
Gas, power and water		**45,762,064**	39,293,377
Repairs and maintenance		**18,486,531**	14,107,098
Conveyance		**16,095,228**	13,584,881
Travelling and vehicle running cost		**10,226,507**	10,156,538
Insurance		**5,718,936**	3,750,470
Postage, telephone and telex		**3,673,239**	1,660,021
Rent, rates and taxes		**1,992,655**	921,405
Inward freight and storage charges		**671,661**	1,908,488
Printing, stationery and periodicals		**914,348**	1,067,688
Security services		**357,692**	297,110
General expenses		**2,342,103**	1,609,694
Transferred to capital work-in-progress		**(20,759,805)**	(9,187,253)
Manufacturing cost		**512,012,035**	403,367,132
Opening stock of work-in-process		**68,169,176**	114,153,747
Closing stock of work-in-process	8	**(142,503,010)**	(68,169,176)
		(74,333,834)	45,984,571
Cost of goods manufactured		**3,444,330,953**	2,907,250,029
Opening stock of finished goods		**90,102,753**	20,934,818
Closing stock of finished goods	8	**(66,570,963)**	(90,102,753)
		23,531,790	(69,167,935)
		3,467,862,743	2,838,082,094

23.1 Raw material and components consumed

	Note	30 June 2016	30 June 2015
Opening inventory		**782,578,700**	539,540,826
Purchases		**3,046,553,690**	2,605,823,514
		3,829,132,390	3,145,364,340
Closing inventory	8	**(897,990,349)**	(782,578,700)
		2,931,142,041	2,362,785,640

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

23.2 Ancillary materials consumed

	30 June 2016	30 June 2015
	(Rupees)	
Opening inventory	**46,727,368**	35,018,753
Purchases	**104,560,532**	111,067,696
	151,287,900	146,086,449
Ancillary materials capitalised	**(6,239,368)**	(4,246,395)
	145,048,532	141,840,054
Closing inventory	**(69,537,821)**	(46,727,368)
	75,510,711	95,112,686

23.3 This includes a sum of Rs. 1.64 million in respect of employee benefits - gratuity.

24. ADMINISTRATIVE AND SELLING EXPENSES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Salaries and wages		**72,701,468**	61,814,458
Other employees' benefits	24.1	**24,348,943**	22,009,585
Provident fund contribution		**1,403,031**	1,268,062
Legal and professional charges		**7,586,201**	11,616,568
Depreciation	5.1.4	**7,608,129**	6,349,778
Advertising and sales promotion		**5,532,580**	1,283,855
Travelling and vehicle running cost		**6,275,414**	7,073,186
Outward freight		**4,821,825**	7,279,848
Listing expenses		**4,795,150**	-
Postage, telephone and telex		**2,273,081**	1,825,290
Auditors' remuneration	24.3	**2,334,575**	602,650
Conveyance		**1,305,212**	1,291,480
Bad debts written off		**-**	5,869,165
Provision against impaired debts		**-**	636,657
Rent, rates and taxes		**27,463**	81,051
Amortisation	6	**132,235**	1,626,500
Commission expense		**142,456**	-
Electricity		**736,367**	711,072
Repairs and maintenance		**279,632**	253,684
Entertainment		**273,537**	244,755
Printing, stationery and periodicals		**270,717**	351,867
Insurance		**594,933**	508,756
Donation	24.2	**140,000**	-
General expenses		**2,470,043**	1,582,821
		146,052,992	134,281,088

24.1 This includes a sum of Rs. 0.705 million in respect of employee benefits - gratuity.

24.2 None of the directors and their spouses have interest in donees.

24.3 Auditors' remuneration

	30 June 2016	30 June 2015
	(Rupees)	
Annual audit fee	**700,000**	525,000
Fee for special audit / review for IPO	**1,100,000**	-
Fee from other reports	**300,000**	-
Out of pocket expenses	**234,575**	77,650
	2,334,575	602,650

Notes to the Consolidated Financial Statements
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25. OTHER EXPENSES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Workers' profit participation fund	21.2	**13,506,546**	17,497,769
Workers' welfare fund	21.3	**5,804,840**	7,917,479
		19,311,386	25,415,248

26. OTHER INCOME

	Note	30 June 2016	30 June 2015
Income from financial assets			
Interest income from Participation Term Certificates		**12,032,955**	12,395,870
Capital gain on sale of investment in associate		**-**	12,706,870
Interest on loan to employees		**1,530,887**	1,180,865
Profit on bank deposit	26.1	**116,794**	477,076
Dividend income	26.2	**1,095,469**	33,078
		14,776,105	26,793,759
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment		**2,595,389**	2,901,449
Miscellaneous income		**11,719**	16,710,630
		2,607,108	19,612,079
		17,383,213	46,405,838

26.1 Profit on bank deposit is earned under mark-up arrangements with conventional bank.

26.2 This includes dividend received from Tri Pack Films amounting to Rs. 910,000. The remaining amount being insignificant represents dividend received from Atlas Honda Limited, Indus Motor Company, Agriautos Industries Balochistan Wheels, Atlas Battery Limited, Al-Ghazi Tractors Limited, Millat Tractors Limited, Oil and Gas Development Company Limited, Thal Limited, Pak Suzuki Motor Company, General Tyre and Rubber, Hino Pak Motors, Honda Atlas cars Pakistan Limited, Ghandara Nissan Limited and NAFA Islamic Asset Allocation Fund against investment as disclosed in note 13.

27. FINANCIAL CHARGES

	Note	30 June 2016	30 June 2015
		(Rupees)	
Mark-up on bank loans and borrowings		**81,295,482**	74,027,365
Exchange loss		**16,772,910**	3,362,320
Finance lease charges		**2,125,614**	4,915,392
Mark-up on mobilization advance		**2,401,059**	-
Commission and other charges		**2,144,802**	1,852,692
Interest / penalty on late payment of Provident Fund		**-**	158,574
Interest on Workers' Profit Participation Fund	21.2	**1,187,615**	1,208,652
		105,927,482	85,524,995

28. TAXATION

	Note	30 June 2016	30 June 2015
Current		**88,357,988**	60,210,999
Prior	28.10	**(485,638)**	5,138,561
Deferred	18.2	**(8,260,042)**	46,000,403
		79,612,308	111,349,963

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

28.1 Reconciliation between tax expense and accounting profit

	Note	30 June 2016	30 June 2015
		(Rupees)	
Profit before taxation		**260,326,561**	322,403,360
Tax at the applicable rate of 32% (2015: 33%)		**83,304,500**	106,393,109
Prior year (reversal) / charge		**(485,638)**	5,138,561
Tax effect of change in tax rates		**(4,227,930)**	(7,514,423)
Tax effect of share of profit from asssociate		**1,570,435**	6,535,587
Tax effect of permanent differences		-	896,551
Others		**(549,059)**	(99,422)
		79,612,308	111,349,963

28.2 The returns of income tax have been filed up to and including tax year 2015. Except for tax year mentioned below, all other assessment years are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

28.3 The income tax return for tax year 2011 of the Parent was selected for audit by the Commissioner Inland Revenue. An amended Order was issued in which short credit of tax deducted and refund adjustment was allowed, and for which rectification application was moved, which is not yet passed and therefore, the mistake is treated to have been rectified under the provision of the Ordinance. Therefore, net demand of Rs. 1.29 million is payable as against incorrect demand of Rs. 4.07 million created in the amended Order. Accordingly as a matter of prudence, provision of above amount has been made in prior year.

28.4 In respect of tax year 2011 (corresponding to financial year ended 30 June 2011), the Commissioner conducted audit of a subsidiary company, SAIL, (the subsidiary) u/s 177 of the Ordinance, which culminated in amended Order u/s 122 (1)/(5) dated 28 June 2012 for a demand of Rs. 1,344,073. The subsidiary has challenged the above amended order before the Commissioner Inland Revenue (Appeals -II) which has been adjudicated by Commissioner vide Appeal Order dated 29 January 2013 allowing relief to the subsidiary, whereby demand is fully vacated. However tax department has filed a second appeal before Appellate tribunal challenging above appeal order which is pending for hearing.

28.5 In respect of tax year 2011 (corresponding to financial year ended 30 June 2011), the Commissioner has issued an intimation letter dated 25 July 2012 to another subsidiary company, MAIL for audit u/s 177 of Income Tax Ordinance, 2001 but no audit proceeding has yet been commenced.

28.6 Tax year 2014 of the Parent Company was selected for audit under section 177 of the Ordinance by Federal Board of Revenue (FBR). In this respect, a notice was issued by tax authorities under Rule 44 (4) of the Income Tax Rules, 2002, for filing reconciliation of expenses incurred during the year 01 July 2013 to 30 June 2014. Proceedings in this respect were finalized and order was passed creating a demand of Rs. 0.083 million which was deposited by the Parent Company subsequent to the period end.

28.7 Tax year 2014 of the Parent Company was selected for audit by tax authorities. Proceedings in respect have been finalized subsequent to the reporting date and an amended Order has been passed whereby tax refundable is reduced by the amount of Rs. 0.746 million.

28.8 Further, in respect of tax year 2014, notices were also issued to the subsidiary companies by tax authorities under Rule 44 (4) of the Income Tax Rules 2002 for filing reconciliation of expenses incurred (pertaining to sections 149 and 165 of the Ordinance) during the year 01 July 2013 to 30 June 2014. Proceedings in this respect were finalized during the current period and orders were passed creating demands of Rs. 0.048 million, Rs. 0.036 million and Rs. 0.008 million from SAIL, MAIL and SMPL respectively. The amounts of demands were deposited on 14 October 2015.

28.9 In the current year, the Commissioner Inland Revenue selected the return of tax year 2014 for audit of a subsidiary (MAIL). An order was raised which created a demand of Rs. 0.265 million. The said amount was deposited and recognized in the current year.

28.10 This includes reversal of account of differences between tax charge recognised in the year 2015 and tax payable in the return.

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29. EARNINGS PER SHARE - basic and diluted

		30 June 2016	30 June 2015
Profit for the year	Rupees	**180,714,253**	211,053,397
Weighted average number of ordinary shares outstanding during the period	Number	**75,000,000**	75,000,000
Earnings per share - basic and diluted	Rupees	**2.41**	2.81

30. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of associated companies 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, other than those disclosed elsewhere in these financial statements, are disclosed below:

	30 June 2016	30 June 2015
	(Rupees)	
Orient Trading Company Private Limited	**114,666**	25,726
(Payable to) / receivable from provident fund	**(4,159,715)**	14,722,036
Employee benefits - gratuity	**4,849,146**	6,341,922
Income tax receivable on bonus shares from a shareholder	**-**	14,614,430
Income tax receivable on bonus shares from directors	**-**	11,500

	For the year ended 30 June 2016	For the year ended 30 June 2015
	(Rupees)	
Expenses pertaining to Orient Trading Company (Private) Limited - net	88,940	50,340
Employee retirement benefits:		
- Expense for the year	**2,345,368**	378,452
- Contribution paid / (received) during the year	**2,211,792**	(695,500)
Interest income from Treet Corporation	**12,032,955**	12,395,870

The remuneration to key management personnel is given in note 35 to these financial statements.

31. CASH AND CASH EQUIVALENTS

		30 June 2016	30 June 2015
		(Rupees)	
Short term borrowings	20	**(1,082,794,488)**	(979,445,862)
Cash and bank balances	14	**18,698,352**	63,925,477
		(1,064,096,136)	(915,520,385)

32. FINANCIAL RISK MANAGEMENT

The Group has exposure to following risks from its use of financial instrument:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

32.1 Risk management framework

The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's financial risk management framework. The Board is also responsible for developing and monitoring the Group's financial risk management policies. The Group has exposure to following risks from its use of financial instrument; credit risk, liquidity risk, market risk and operational risk.

32.2 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, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to credit risk

Credit risk arises principally from trade debts, loans and advance, deposits, bank balances and other receivables. The maximum exposure to credit risk at the reporting date was as follows:

	Note	30 June 2016	30 June 2015
		(Rupees)	
Trade debts - unsecured	9	**213,888,667**	226,898,911
Loans	10	**9,257,466**	9,740,660
Deposits and other receivables	11	**21,223,232**	57,867,635
Bank balances	14	**17,377,316**	61,934,152
		261,746,681	356,441,358

Credit rating and collaterals

Balances with banks are only held with reputable banks having sound credit ratings. The credit quality of bank balances can be assessed with reference of external credit ratings as follows:

Bank	Rating Agency	Short term rating	30 June 2016 (Rupees)	(%)
Bank AL Habib Limited	PACRA	A1+	**7,449,951**	42.9%
National Bank of Pakistan	JCR-VIS	A1+	**6,597,766**	38.0%
Meezan Bank Limited	JCR-VIS	A1+	**383,439**	2.2%
Habib Bank Limited	JCR-VIS	A1+	**10,000**	0.1%
Habib Metropolitan Bank Limited	PACRA	A1+	**1,443,333**	8.3%
Muslim Commercial Bank	PACRA	A1+	**107,311**	0.6%
Al-Baraka Bank	JCR-VIS	A1	**863,807**	5.0%
Soneri Bank Limited	PACRA	A-1+	**521,709**	3.0%
			17,377,316	100%

Concentration of credit risk

Concentration 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. Concentration of credit risk indicate the relative sensitivity of the group's performance to developments affecting a particular industry. The Group is not significantly exposed to concentration of credit risk. All of the Group's receivables are from distributors of automotive industries.

Impairment losses and past due balances

The ageing of trade debtors at reporting date was as follows:

	30 June 2016			30 June 2015		
	Gross	Impairment	Net	Gross	Impairment	Net
	(Rupees)					
Less than or equal to 30 days	**186,763,991**	-	**186,763,991**	213,435,011	-	213,435,011
More than 30 days but not more than 60 days	**8,158,696**	-	**19,371,586**	4,156,972	-	4,156,972
More than 60 days	**19,371,586**	**405,606**	**18,965,980**	43,615,206	**34,308,278**	9,306,928
	214,294,273	**405,606**	**213,888,667**	261,207,189	**34,308,278**	226,898,911

Based on the past experience, consideration of financial position, past track records and recoveries, the Group believes that trade debts past due do not require any impairment except as provided in these consolidated financial statements.

Loads Limited

Notes to the Consolidated Financial Statements
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32.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Maturity analysis of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	30 June 2016					
	Carrying amount	**Contractual cash flows**	**Less than one month**	**One to three months**	**Three months to one year**	**More than one year**
	---- (Rupees) ----					
Non-derivative financial liabilities						
Short term borrowing	**1,082,794,488**	**(1,099,144,685)**	**(546,919,496)**	**(552,225,189)**	-	-
Trade and other payables	**67,253,636**	**(67,253,636)**	**(46,851,372)**	**(20,402,264)**	-	-
Liabilities against assets subject to finance leas	**34,845,771**	**(37,624,627)**	**(1,469,255)**	**(2,938,510)**	**(13,223,294)**	**(19,993,568)**
Accrued mark-up on short term borrowings	**18,373,782**	**(18,373,782)**	**(18,373,782)**	-	-	-
	1,203,267,677	**(1,222,396,730)**	**(613,613,905)**	**(575,565,963)**	(13,223,294)	**(19,993,568)**

	30 June 2015					
	Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
	---- (Rupees) ----					
Non-derivative financial liabilities						
Short term borrowing	979,445,862	(979,445,862)	(489,722,931)	(489,722,931)	-	-
Trade and other payables	54,169,357	(54,169,357)	(40,107,872)	(14,061,485)	-	-
Liabilities against assets subject to finance lease	31,161,984	(33,879,532)	(1,279,196)	(2,558,391)	(11,512,761)	(18,529,184)
Accrued mark-up on short term borrowings	17,215,741	(18,219,635)	(18,219,635)	-	-	-
	1,081,992,944	**(1,085,714,386)**	**(549,329,634)**	**(506,342,807)**	**(11,512,761)**	**(18,529,184)**

32.4 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk. The Group is exposed to all of the three risks which are as follows:

Notes to the Consolidated Financial Statements
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32.4.1 Currency risk

Foreign currency risk is the risk that the value of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions into foreign currencies.

At reporting date, the Group has no foreign currency risk.

32.4.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure arises from bank balances in profit and loss sharing account.

At balance sheet date, details of the interest rate profile of the Group's interest bearing financial instruments were as follows:

	30 June 2016	30 June 2015
	(Rupees)	
Variable rate instruments		
Financial assets	**2,434**	14,415,662
Financial liabilities	**(1,109,343,763)**	(995,653,262)
	(1,109,341,329)	(981,237,600)
Fixed rate instruments		
Financial assets	**9,257,466**	9,740,660
Financial liabilities	**(8,296,496)**	(14,954,584)
	960,970	(5,213,924)

Fair value sensitivity analysis of fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, change in interest rates at reporting date would not have impact on profit and loss account and equity.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2015.

	Profit and loss		**Equity**	
	100 bps increase	**100 bps decrease**	**100 bps increase**	**100 bps decrease**
	(Rupees)		**(Rupees)**	
As at 30 June 2016				
Cash flow sensitivity - variable rate instruments	**(11,093,438)**	**11,093,438**	**(11,093,438)**	**11,093,438**
As at 30 June 2015				
Cash flow sensitivity - variable rate instruments	(9,956,533)	9,956,533	(9,956,533)	9,956,533

32.4.3 Other price risk

Other price risk includes equity price risks which is the risk of changes in the fair value of equity securities as a result of changes in the levels of KSE 100 Index and the value of individual shares. The equity price risk exposure arises from investments in equity securities held by the Group for which prices in the future are uncertain.

As at 30 June 2016, the fair value of equity securities exposed to price risk are disclosed in note 13. The table below summarises the sensitivity of the price movements as at 30 June 2016. The analysis is based on the assumption that KSE-100 index increased by 1% (30 June 2015: 1%) and decreased by 1% (30 June 2015: 1%), with all other variables held constant and that the fair value of the group's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index, having regard to the historical volatility of index of past three years (30 June 2015: three years).

The impact below arises from the reasonable possible change in the fair value of listed equity securities:

	30 June 2016	30 June 2015
	(Rupees)	
Effect on assets of an increase in the KSE-100 index		
Effect on investments	**872,578**	1,502,006
Effect on profit and loss account	**444,304**	1,166,326
Effect on equity	**428,274**	335,680
Effect on assets of a decrease in the KSE-100 index		
Effect on investments	**(872,578)**	(1,502,006)
Effect on profit and loss account	**(444,304)**	(1,166,326)
Effect on equity	**(428,274)**	(335,680)

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 1% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Group's investment portfolio and the correlation thereof to the KSE index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as of 30 June 2016 is not necessarily indicative of the effect on the Group's assets of future movements in the level of KSE 100 index.

32.5 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group’s operations either internally within the Group or externally at the Group’s service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behavior. Operational risks arise from all of the Group’s activities.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

The Group's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its objective of generating returns for stakeholders.

Senior management ensures that the Group's staff have adequate training and experience and fosters effective communication related to operational risk management.

33. CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue bonus / new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio of the Group is as follows:

	30 June 2016	30 June 2015
	--------(Rupees)	--------
Debt	**1,136,014,041**	1,027,823,587
Total equity	**1,618,362,447**	1,439,281,088
Total capital	**2,754,376,488**	2,467,104,675
Gearing ratio	**41:59**	42:58

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date.

The Group classifies fair value measurements of its investments using a hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market date (i.e., unobservable inputs).

34.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount						Fair value			
	Note	Fair value through profit or loss	Available-for-sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
30 June 2016											
Financial assets - measured at fair value											
Equity securities		2,305,847	42,827,430	-	-	-	**45,133,277**	45,133,277	-	-	45,133,277
Participation Term Certificates		42,124,508	-	-	-	-	**42,124,508**	42,124,508	-	-	42,124,508
Financial assets - not measured at fair value											
Associate - listed shares		-	-	-	**377,916,410**	-	**377,916,410**	376,690,212	-	-	376,690,212
Trade debts	34.1.1	-	-	**213,888,667**	-	-	**213,888,667**				
Loans and advances	34.1.1	-	-	**9,257,466**	-	-	**9,257,466**				
Deposits and other receivables	34.1.1	-	-	**21,223,232**	-	-	**21,223,232**				
Cash and bank balances	34.1.1	-	-	**18,698,352**	-	-	**18,698,352**				
		44,430,355	**42,827,430**	**263,067,717**	**377,916,410**	-	**728,241,912**				
Financial liabilities - not measured at fair value											
Short term borrowing	34.1.1	-	-	-	-	**1,082,794,488**	**1,082,794,488**				
Trade and other payables	34.1.1	-		-	-	**67,253,636**	**67,253,636**				
Liabilities against assets subject to finance lease	34.1.1	-	-	-	-	**34,845,771**	**34,845,771**				
Accrued mark-up on short term borrowings						**18,373,782**	**18,373,782**				
		-	-	-	-	**1,203,267,677**	**1,203,267,677**				

34.1.1 Fair values for these financial and financial liabilities have not been disclosed because their carrying amounts are reasonable approximation of fair value.

35. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The agregate amounts charged in the financial statements for the remuneration, including all benefits, to the Chief Executive, Directors and Executives of the Group were as follows:

	Chief Executive		Directors		Executives		Total	
	30 June 2016	30 June 2015	**30 June 2016**	30 June 2015	**30 June 2016**	30 June 2015	**30 June 2016**	30 June 2015
	-------------------	-------------------	-------------------	-------------------	(Rupees)	-------------------	-------------------	-------------------
Managerial remuneration	**6,014,225**	**5,588,154**	**5,311,006**	6,526,320	**7,382,157**	7,274,775	**18,707,388**	19,389,249
House rent and utilities	**6,507,914**	**6,046,338**	**5,806,977**	6,231,662	**9,177,609**	9,108,958	**21,492,500**	21,386,958
Bonus	**2,554,339**	**1,411,953**	**2,119,017**	1,175,925	**3,440,334**	3,161,156	**8,113,690**	5,749,034
Medical	**454,168**	**1,838,999**	**546,295**	4,398,523	**2,326,098**	3,026,772	**3,326,561**	9,264,294
Contribution to retirement benefits funds	**601,061**	**558,456**	**30,051**	-	**318,912**	424,109	**950,024**	982,565
	16,131,707	**15,443,900**	**13,813,346**	18,332,430	**22,645,110**	22,995,770	**52,590,163**	56,772,100
Number of persons	**1**	**1**	**2**	**2**	**8**	**8**	**11**	**11**

35.1 The aggregate amount paid to directors in respect of attending board and other meetings was NIL (2015: NIL).

35.2 The Chief Executive, Directors and certain executives are provided with free use of group maintained cars in accordance with their entitlements.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2016

36. PROVIDENT FUND

The following information is based on latest unaudited financial statements of the fund:

	30 June 2016 (Un-audited)	30 June 2015
	------(Rupees)------	
Size of the Fund	72,172,128	69,555,681
Cost of investment made	45,193,059	46,609,851
Fair value / amortised cost of investments	72,935,020	72,514,660
Percentage of investments made - based on fair value / amortised cost	101.06%	104.25%

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

	30 June 2016 (Un-audited)	30 June 2015	30 June 2016	30 June 2015
	------- (Rupees) ------		% of the size of the fund	
Term Finance Certificates	72,136,298	71,715,938	100%	103%
Mutual Funds	798,722	798,722	1%	1%
	72,935,020	72,514,660	101%	104%

The above investments out of provident fund have been made in accordance with the requirement of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose. The financial statements of the provident fund have not been audited since its inception.

37. PLANT CAPACITY AND PRODUCTION

The production capacity of the plant cannot be determined as it depends on the relative proportions of various types / sizes of sub-assemblies, components and parts produced for various types of vehicles.

38. STAFF STRENGTH

	30 June 2016	30 June 2015	30 June 2016	30 June 2015
	(Numbers) Permanent		(Numbers) Contractual	
Total number of employees	247	238	1119	1041
Average number of employees	243	234	1081	929

39. POST BALANCE SHEET NON-ADJUSTING EVENT

Subsequent to the reporting date, the Parent Company received Rs. 1.7 billion against the issue of 50 million Ordinary Shares (Initial Public Offer), at a strike price of Rs. 34 each and a face value of Rs. 10 each. Accordingly, the issued, subscribed and paid-up capital of the Parent Company amounted to Rs. 1,250 million (125 million shares) as at 26 October 2016.

The directors of the Parent Company in their meeting held on 28 October 2016, have recommended final dividend of Re. 1 per share (2015: Rs. Nil) in respect of year ended 30 June 2016 and have announced issue of bonus shares at the rate 10% (2015: 1150%). Bonus shares will not be entitled to cash dividend.

These consolidated financial statements for the year ended 30 June 2016 do not include the effect of the above which will be accounted in the period in which it is approved.

40. GENERAL

40.1 Reclassification of comparatives

Certain reclassifications have been made in the prior year's balance sheet for better presentation. Details are as follows:

	30 June 2015 As previously reported	Impact	As stated
	------------------- (Rupees) -------------------		
Effects on balance sheet			
Long term deposits	7,461,337	(7,461,337)	-
Intangible assets	-	1	1
Employee benefits - gratuity	-	6,341,922	6,341,922
Deposits, prepayments and other receivables	188,546,178	1,119,414	189,665,592
Trade and other payables	(161,151,422)	16,896,767	(144,254,655)
Mobilisation advances	(318,974)	318,974	-
Accrued mark-up on short term borrowings	-	(17,215,741)	(17,215,741)

40.2 All Shares Islamic Index Screening

Advances and deposits do not carry any mark-up. The bank balances include balances amounting to Rs. 2,434 with conventional bank under mark-up arrangements. Other disclosures are included in note 10, 13 and 27.

41. AUTHORISATION

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on 28 October 2016.

Chief Executive

Director

Loads Limited

October 28, 2016

Dear Shareholder (s),

INFORMATION UNDER SECTION 218
OF THE COMPANIES ORDINANCE, 1984

We wish to inform you that in accordance with the approval of the Board of Directors, in their meeting held on October 28, 2016, the remuneration of Executive Directors (including Chief Executive) of the Company have been determined as follows:

Name of Director	Designation	Per Month Gross Salary	Effective from
Mr. Munir Karim Bana	Chief Executive	1,300,000	November 01, 2016
Mr. Muhammad Ziauddin	Executive Director	1,000,000	November 01, 2016
Mr. Shamim Ahmed Siddiqui	Executive Director	350,000	November 01, 2016

The above remuneration shall be subject to such adjustments, bonuses , retirement funds, incentives and other entitlements as may be granted at any time and from time to time by the Board of Directors of the Company and/or in accordance with the policies and the service rules of the Company for the time being in force.

Yours sincerely,
For Loads Limited

J. E. Mehta
Company Secretary

Loads Limited

TO ALL THE SHAREHOLDERS OF THE COMPANY

DIVIDEND MANDATE FORM

Please be informed that under Section 250 of the Companies Ordinance, 1984, a shareholder may, if so desired, direct the Company to transfer dividends directly to his/her/its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No. 18, of 2013 dated June 05, 2013, we request all the registered shareholders of Loads Limited to authorize the Company, if so desired, to directly credit in their representative bank account cash dividends, if any, declared by the Company in the future.

[PLEASE NOTE THAT THIS DIVIDEND MANDATE IS OPTIONAL AND NOT COMPULSORY. IN CASE YOU DO NOT WISH THAT YOUR DIVIDEND MAY BE DIRECTLY CREDITED TO YOUR BANK ACCOUNT, THE SAME SHALL BE MAILED TO YOU THROUGH DIVIDEND WARRANTS]

Do you wish that the cash dividends declared by the company, if any, should be directly credited in your Bank Account, instead of receiving the same via dividend warrant?

Please tick "✓" one of the following boxes

No | Yes

If "YES", please provide the following information:

Transferee Detail	
Name of Shareholder	
Folio No./CDC ID	
Title of Bank Account	
Bank Account No.	
Bank's Name	
Branch Name and Address	
Cell Phone Number	
Landline Number, if any	

I hereby confirm that the above mentioned information is correct, and that I will intimate any changes in the above mentioned information to the Company and the concerned Share Registrar as and when they occur.

Signature of the Shareholder

Notice of 36th Annual General Meeting of Loads Limited

Notice is hereby given that the 36th Annual General Meeting of Loads Limited will be held on Wednesday , November 30, 2016 at 11:00 a.m. at the Auditorium of the Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

Ordinary Business

1. To confirm minutes of the 35th Annual General Meeting of the Company held on September 18, 2015.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2016, together with the Directors' and Auditors' Reports thereon.

3. To approve Final Cash Dividend of Re. 1/- per share i.e. 10% for the year ended June 30, 2016 as recommended by the Board of Directors.

4. To appoint external auditors of the company for the year ending June 30, 2017 and to fix their remuneration. The retiring auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.

Special Business

5. To approve the issue of bonus shares in the ratio of 10 shares for every 100 shares held i.e. 10%, as recommended by the board of directors and, if considered appropriate, to pass with or without modification(s), the following resolutions as ordinary resolution:

   Resolved that a sum of PKR 125,000,000/-out of the un appropriated profits of the Company be capitalized and applied towards the issue of 12,500,000 ordinary shares of Rs.10/-each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on November 22, 2016, in the proportion of ten shares for every hundred ordinary shares held and that such new shares shall rank pari passu with the existing ordinary shares.

   Further Resolved that in the event of any member becoming entitled to a fraction of a share, the Directors be and are hereby authorised to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds of the sale when realized to a recognized charitable institution as may be selected by the Directors of the Company.

   Further Resolved that the Company Secretary be and is hereby authorized to take all necessary actions on behalf of the Company for allotment and distribution of the said bonus shares as he thinks fit.

Notice of 36th Annual General Meeting

6. To obtain consent of the shareholders in terms of SRO 470(I)/2016 dated 31 May 2016, issued by Securities and Exchange Commission of Pakistan for transmission of the Annual Reports including the Annual Audited Accounts, Notice of the Annual General Meeting and other information contained therein of the Company either through CD/DVD or USB. In this regard following resolution to be considered and, if thought fit, to be passed as a Special Resolution with or without modification:

   "Resolved that the consent and approval of the members of Loads Limited be and is hereby accorded for transmission of the Annual Reports including the Annual Audited Accounts, Notice of the Annual General Meeting and other information contained therein of the Company either through CD/DVD or USB, instead of transmitting the same in hard copies, to the members for future years commencing from the year ending June 30, 2017"; and

   "Further Resolved that the Chief Executive Officer or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purpose of implementing this resolution."

7. To consider and if thought fit pass, with or without modification(s), addition(s) or deletion(s), the following Resolutions as Special Resolutions for increase in Authorized Capital from Rs. 1,500,000,000 to Rs. 2,000,000,000 and necessary alterations in Memorandum & Articles of Association of the Company:

   "Resolved that the authorized capital of the Company is Rs. 2,000,000,000 (Rupees Twenty Hundred million only) divided into 200,000,000 Ordinary Shares of Rs.10/- each with power to increase, reduce, modify, sub-divide, consolidate or reorganize the Capital of the Company for the time being and to divide the shares into several classes in accordance with the provisions of the Companies Ordinance, 1984 and the regulations of the Company.

   "Further Resolved that Clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company is accordingly deleted and replaced with the following new Clause V and Clause 4 respectively:

   New Clause of Memorandum of Association

   "V. The capital of the Company is Rs. 2,000,000,000 (Rupees Twenty Hundred million only) divided into 200,000,000 Ordinary Shares of Rs.10/-each with power to increase, reduce, modify, sub-divide, consolidate or reorganize the Capital of the Company for the time being and to divide the shares into several classes in accordance with the provisions of the Companies Ordinance, 1984 and the regulations of the Company, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association in accordance with the law."

   New Clause of Articles of Association

   "4. Shares Capital and Shares

   The share capital of the company is Rs. 2,000,000,000 (Rupees Twenty Hundred Millions only) divided into 200,000,000 ordinary shares of Rs.10/-(Rupees ten) each.

8. To consider and if thought fit, to pass the following as a special resolution, for amendments in Memorandum & Articles of Associations, as approved by the Board of Directors of the Company.

   "Resolved that approval to the Company be and is hereby accorded to alter the Memorandum and Articles of Association of the Company to bring in line with all applicable laws of listed companies."

   "Further Resolved that the Company Secretary be and is hereby authorized to do all acts, deeds and things, take any and all necessary steps to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as he deems necessary in this behalf and the matters ancillary thereto."

9. Any other business with the permission of the Chair.

By Order of the Board

November 8, 2016
Karachi

J.E. Mehta
Company Secretary

Loads Limited

Notice of 36th Annual General Meeting

NOTES:

1. The Register of Members and the Share Transfer Books of the Company shall remain closed from November 23, 2016 to November 30, 2016 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s.Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Shahra-e-Faisal, Karachi by the close of business hours on November 22, 2016 will be treated in time for incorporating the change in the Register of Members as at November 22, 2016.

2. Entitlement to attend, participate and vote at the 36th Annual General Meeting (AGM) and receive dividends/bonus shares will be according to the Register of Members as at November 22, 2016. Bonus shares approved in the AGM will not be entitled to cash dividend approved in the AGM.

3. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend, speak and vote for him/her. An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notatarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

4. An instrument of the proxy applicable for the Meeting, in which a Member can direct the proxy how he/she wishes the proxy to vote, is being provided with the notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours or can be downloaded from our website http://www.loads-group.pk.

5. Members are requested to notify change, if any, in their registered addresses to our above Share Registrar at the abovementioned address.

6. Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), CNIC numbers of the shareholders are mandatorily required to be mentioned on the dividend warrants. Shareholders are therefore requested to submit a copy of their valid CNIC (if not already provided) to Company's Share Registrar at the above mentioned address.

7. As per SECP directives, the shareholders of the Company are requested to provide bank mandate details to the Share Registrar of the Company at the abovementioned address, so that in future any entitlement, if declared, may directly be deposited in your respective bank accounts to avoid delay in payment of entitlement amount and/ or risk of loss or non-delivery of dividend warrants.

8. In terms of SRO 787(I)/2014 dated September 8, 2014, the shareholders can also opt to obtain Annual Report 2016 through email. For this purpose, we hereby give you the opportunity to send us your written request along with your valid email ID.

9. As per SECP directives issued through SRO 634 (I)/2014, the Annual Report 2016 of the Company along with Notice of Annual General Meeting is available for downloading at the Company's website http://www.loads-group.pk

10. Shareholders are hereby informed that, through Finance Act, 2016, effective from July 1,2016, the rates of deduction of income tax under section 150 of the Income Tax Ordinance, 2001 on dividend declared, have been revised by FBR as follows:

a.	Filer of Income Tax Return	12.5%
b.	Non-Filer of Income Tax Return	20%

Notice of 36th Annual General Meeting

11. 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:

    A. For Attending the Meeting:

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

    ii. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of attending the meeting.

    B. For Appointing Proxies:

    i. In the case of individuals, the account holder or sub-account holder whose securities and registration details are uploaded as per the Regulations shall submit the proxy form as per the above requirement.

    ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

    iii. Attested copies of the CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

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

    v. In the case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature shall be submitted (unless it has been provided earlier) along with the proxy

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting the Company to be held on November 30, 2016.

Agenda item no. 5: Bonus Issue

Your Directors have recommended the issue of Bonus Shares in the proportion of ten new shares for every hundred existing Ordinary Shares held at the close of business on November 22, 2016. The Directors are interested in this business to the extent of their entitlement to Bonus Shares as Members.

Agenda item no. 6: Transmission of Annual Report through CD/DVD/USB

Securities and Exchange Commission of Pakistan vide SRO 470(1)/2016 dated May 31, 2016 allowed companies to transmit their Annual Reports including the Annual Audited Accounts, Notice of the Annual General Meeting and other information contained therein, to its members either through CD/DVD or USB at their registered addresses.

In terms of the above SRO, consent of the Shareholders is required for transmission of Annual Report through CD/DVD or USB instead of transmitting the same in hard copy form. Therefore, shareholders are requested to accord their approval to comply with the requirements of the said SRO.

Loads Limited

Notice of 36th Annual General Meeting

However, shareholders will have option available with them to request for a hard copy free of cost at their registered addresses subject to submission of duly filled Request Form (available on Company's website http://www.loads-group.pk.) Those shareholders who wish to receive hard copies for all future Annual Reports shall submit their preference in writing.

Also note that in terms of SRO 787(I)/2014 dated September 8, 2014, the Company will provide Annual Report through email to all those shareholders who have given their consent in this regard. Any changes in the email address provided earlier shall be communicated to the Company through "Request Form" available on the company's website.

All shareholders are requested to send scanned duly filled and signed Request Form to the Company Secretary at co.secy@loads-group.com or the same can be submitted in hard form through courier/post to the Company's Share Registrar, M/s.Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S, Shahra-e-Faisal, Karachi.

Please note that the Annual Audited Financial Statements for the year ended 30th June 2016 is also available on the Company's website.

Agenda item no. 7: Amendments in Memorandum and Articles of Association for increase in Authorized Capital

Clause No.	Existing Memorandum of Association	Revised Memorandum of Association
Clause V	The capital of the Company is Rs. 1,500,000,000 (Rupees Fifteen Hundred million only) divided into 150,000,000 Ordinary Shares of Rs.10/-each with power to increase, reduce, modify, sub-divide, consolidate or reorganize the Capital of the Company for the time being and to divide the shares into several classes in accordance with the provisions of the Companies Ordinance, 1984 and the regulations of the Company.	The capital of the Company is Rs. 2,000,000,000 (Rupees Twenty Hundred million only) divided into 200,000,000 Ordinary Shares of Rs.10/-each with power to increase, reduce, modify, sub-divide, consolidate or reorganize the Capital of the Company for the time being and to divide the shares into several classes in accordance with the provisions of the Companies Ordinance, 1984 and the regulations of the Company, and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association in accordance with the law.
Clause No.	Existing Articles of Association	Revised Articles of Association
4	The share capital of the company is Rs. 1,500,000,000 (Rupees Fifteen Hundred Millions only) divided into 150,000,000 ordinary shares of Rs.10/-(Rupees ten) each.	The share capital of the company is Rs. 2,000,000,000 (Rupees Twenty Hundred Millions only) divided into 200,000,000 ordinary shares of Rs.10/-(Rupees ten) each.

Notice of 36th Annual General Meeting

Agenda item no. 8: Amendments in Memorandum and Articles of Association

The Board of Directors of the Company at their meeting on October 28, 2016 considered that, as the Company will be listed, the Memorandum and Articles of Association needs to be amended and brought in line with all applicable laws of listed companies.

In view of the above, the Board resolved unanimously to approve and place before the shareholders for approval by Special Resolution, the amended Memorandum and Articles of Association of the Company so as to bring the Company's objects and its business in line with the new legal/regulatory requirements The passing of the proposed Special Resolution by the shareholders to amend the Memorandum and Articles of Association would enable and authorize the Company, in a more specific manner, to carry out its business efficiently.

Please note that a comparison of previous and revised Memorandum and Articles of Association of the Company highlighting the proposed amendments, is available on the Company's website http://www.loads-group.pk.

A copy of the Memorandum and Articles of Association of the Company as of date and also indicating the proposed amendments is available for inspection at the registered office of the Company from 9.00 am to 5.00 pm on any working day.

The directors of the Company have no direct or indirect interest in the above agenda.

Pattern of Shareholding
As at 30 June 2016

No. of Shareholders	Shareholding From		Shareholding To	Total Shares Held
5	1	to	10,000	19,750
1	10,001	to	200,000	141,175
2	200,001	to	300,000	494,113
1	300,001	to	700,000	684,687
1	700,001	to	1,250,000	1,250,000
2	1,250,001	to	1,650,000	3,209,900
1	1,650,001	to	1,700,000	1,667,375
1	1,700,001	to	16,000,000	15,615,750
1	16,000,001	to	52,000,000	51,917,250
15			**Total**	**75,000,000**

Pattern of Shareholding
As at 30 June 2016

Name & Category wise details in accordance with the CCG 2012

Name of Shareholders	Status	No. of Shares	%
Syed Shahid Ali	Director	51,917,250	69.22
Mr. Saulat Said	Director	6,250	0.01
Mr. Munir K. Bana	Director	1,667,375	2.22
Mr. Muhammad Ziauddin	Director	684,687	0.91
Syed Sheharyar Ali	Director	6,250	0.01
Mr. Jalees Ahmed Siddiqi	Director	6,250	0.01
Mr. Amir Zia	Director	500	0.00
Mr. Shamim Ahmed Siddiqui	Director	500	0.00
Treet Corporation Limited	Associated Company	15,615,750	20.82
Individuals	Pakistanis	**5,095,188**	**6.79**
		75,000,000	**100%**

SHAREHOLDERS HOLDING 5% SHARES & ABOVE

S.No.	Name of Shareholder	Shares held
1	Syed Shahid Ali	51,917,250
2	Treet Corporation Limited	15,615,750

Intimation under Clause (I) of sub-regulation (XVI) of regulation 35 of Listing regulations Pakistan Stock Exchange Limited during the year.

Loads Limited

FORM OF PROXY

I/We ____

of__________________________ being a Member of Loads Limited and holder(s) of ____________ Ordinary Shares as per Share Register Folio No. ______________

For beneficial owners as per CDC List

CDC Participant I D No. __________ Sub Account No. ________

CNIC No. | | | | | |■| | | | | | | |■| | Passport No. __________

hereby appoint Mr./Mrs./Miss.____________________ of __________ or failing him/her Miss/Mrs/ Mr. ______________________________ of __________ another person on my/our proxy to attend and vote for me/us and my/our behalf at Annual General Meeting of the Company to be held on Wednesday, November 30, 2016 at 11:00 a.m and at every adjournment thereof, if any.

Pleaseaffix Rupees
Five Revenue Stamp

(Signature should agree with the specimen signature registered with the Company)

Signed this ______ day of November 2016

Signature of Shareholder_______________

Signature of Proxy_________________

1. WITNESS	2. WITNESS
Signature: ____________________	Signature: ____________________
Name: ____________________	Name: ____________________
Address: ____________________	Address: ____________________
____________________	____________________
CNIC No. or Passport No.__________	CNIC No. or Passport No.__________

1. This Proxy Form duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities in addition to the above the following requirements have to be met.

i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy forms.

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

iii. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Loads Limited
Plot # 23, Sector 19,
Korangi Industrial Area,
Karachi-74900, Pakistan.

AFFIX
CORRECT
POSTAGE
STAMPS

ڈاک ٹکٹ
یہاں چسپاں کریں

لوڈز لمیٹیڈ

پلاٹ نمبر23، سیکٹر19،
کورنگی انڈسٹریل ایریا،
کراچی 74900، پاکستان۔

Loads Limited

پراکسی کا فارم

36 ویں سالانہ جنرل میٹنگ

کمپنی سیکریٹری
لوڈز لمیٹیڈ
پلاٹ نمبر 23، سیکٹر 19،
کورنگی انڈسٹریل ایریا،
کراچی 74900، پاکستان۔

میں/ہم _______________ برائے _______________ بحیثیت رکن لوڈز لمیٹیڈ

اور حامل _______________ حصص مقرر کرتا ہوں بطور نائب محترم/محترمہ _______________

برائے _______________ یا ان کی عدم موجودگی کی صورت میں محترم/محترمہ _______________

برائے _______________، جو لوڈز لمیٹیڈ کے ممبر بھی ہے، میری غیر موجودگی کی صورت میں بطور میرے نائب کمپنی کی 36 ویں سالانہ جنرل میٹنگ میں شرکت کرنے اور حق رائے دہی استعمال کر سکتے ہیں۔ اس میٹنگ کا انعقاد بروز بدھ 30 نومبر 2016ء کو یا اس کے التواء کی صورت میں متبادل تاریخ اور جگہ پر طلب کی جا سکتی ہے۔

دستخط/مہر اور کی طرف سے بھیج دیا گیا: _______________

کی موجودگی میں:

۱۔ نام: _______________	۲۔ نام: _______________
شناختی کارڈ نمبر: _______________	شناختی کارڈ نمبر: _______________
پتہ: _______________	پتہ: _______________
_______________	_______________

فولیو نمبر/سی ڈی سی اکاؤنٹ نمبر

یہ دستخط کمپنی میں موجود نمونہ دستخط سے ملنے چاہیئے

اہم امور:

۱۔ متعلقہ اتھارٹی فارم کو مکمل کر کے اور اپنے دستخط کر کے کمپنی کے رجسٹرڈ آفس پلاٹ نمبر 23، سیکٹر 19، کورنگی انڈسٹریل ایریا، کراچی 74900، پاکستان میں میٹنگ کے وقت سے 48 گھنٹے قبل ارسال کریں۔

۲۔ صرف کمپنی کے ممبران ماسوائے کارپوریٹ ممبران کا تقرر کیا جا سکتا ہے۔

۳۔ اگر ایک سے زائد نمائندے کا انتخاب کرنا ہو تو کسی بھی ایک ممبر کے لئے دستاویز جمع کرائے جائیں۔ بصورت دیگر وہ اتھارٹی اہل نہیں ہوگی۔

برائے CDC اکاؤنٹ ہولڈر/کارپوریٹ ادارہ:

مذکورہ بالا کے علاوہ درج ذیل ضروریات درکار ہونگی:

۱۔ جاری کردہ اختیارات کا فارم جس کی تصدیق دو گواہ کرینگے جن کے نام، پتے اور شناختی کارڈ نمبر فارم پر درج کئے جائیں گے۔

۲۔ فارم کے ساتھ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپیاں جمع کرانی ہونگی۔

۳۔ اختیارات کا حامل شخص اپنا اصل شناختی کارڈ یا پاسپورٹ میٹنگ کے وقت پیش کرے گا۔

۴۔ کارپوریٹ اتھارٹی میٹنگ کے وقت بورڈ آف ڈائریکٹرز کی قرارداد کی ایک تصدیق شدہ کاپی فراہم کرے گا یا پاور آف اٹارنی جس پر اٹارنی کے دستخط موجود ہوں پیش کرنا ہوگا۔

ایجنڈا آئٹم نمبر 7: منظور شدہ سرمائے میں اضافے کے لیے میمورنڈم اور آرٹیکلز آف ایسوسی ایشن میں ترامیم۔

شق نمبر	موجودہ میمورنڈم آف ایسوسی ایشن	نظر ثانی شدہ میمورنڈم آف ایسوسی ایشن
شق V	کمپنی کا سرمایہ 1,500,000,000 (پندرہ سو ملین روپے صرف) ہے- 10/ روپے والے 1,500,000,000 آرڈنری شیئرز میں تقسیم، ہر ایک میں کمی، تبدیلی، ذیلی تقسیم، کانسالیڈیٹ یا وقتی طور پر کمپنی کے سرمائے کی تنظیم نو کے اختیار کے ساتھ اور کمپنیز آرڈیننس 1984 کی دفعات اور کمپنی کے ضابطوں کے مطابق شیئرز کی متعدد درجہ بندیوں میں تقسیم ہے۔	کمپنی کا سرمایہ 2,000,000,000 (بیس سو ملین روپے صرف) ہے، جو -/10 روپے والے 2,000,000,000 آرڈنری شیئرز میں منقسم ہے۔ ہر ایک کمی، بیشی، تبدیلی، ذیلی تقسیم، کانسالیڈیٹ، یا وقتی طور پر کمپنی کے سرمائے تنظیم نو اور شیئرز کو کمپنیز آرڈیننس، 1984 کی دفعات اور کمپنی کے ریگولیشنز کے مطابق کئی درجہ بندیوں میں تقسیم کرنے کے اختیار کے ساتھ ہے، اور ایسے ترجیحی، ملتوی شدہ، اہل، یا خصوصی حقوق، مراعات، یا شرائط یا وقتی طور پر کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق اور اس قسم کے حقوق، مراعات، یا شرائط میں اس انداز میں تبدیلی یا انھیں منسوخ کرنے ،جیسا کہ قانون کے مطابق وقتاً فوقتاً آرٹیکلز آف ایسوسی ایشن میں کہا گیا ہے۔
شق نمبر	**موجودہ آرٹیکلز آف ایسوسی ایشن**	**کمپنی کے نظر ثانی شدہ آرٹیکلز**
4	کمپنی کا شیئر کیپیٹل 1,500,000,000 روپے (پندرہ سو ملین روپے صرف) ہے جو -/10 روپے (دس روپے) فی آرڈنری شیئر والے 1,500,000,000 شیئرز میں منقسم ہے۔	کمپنی کا شیئر کیپیٹل 2,000,000,000 روپے (بیس سو ملین روپے صرف) ہے جو -/10 روپے والے 2,000,000,000 آرڈنری شیئرز میں منقسم ہے۔

ایجنڈا آئٹم نمبر 8: میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں ترامیم

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 اکتوبر، 2016 کو اپنے اجلاس میں اس امر پر غور کیا کہ چوں کہ کمپنی لسٹیڈ ہو جائے گی اس لئے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں ترمیم اور انھیں لسٹیڈ کمپنیوں کے قابل اطلاق قوانین کے مطابق بنانے کی ضرورت ہے۔

مذکورہ بالا کے پیش نظر بورڈ نے اتفاق رائے سے یہ فیصلہ کیا کہ خصوصی قرارداد، کمپنی کے ترمیم شدہ میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن کو منظور کیا جائے اور منظوری کے لیے خصوصی قرارداد کی شکل میں شیئر ہولڈرز کے سامنے رکھا جائے۔ تا کہ کمپنی کے اغراض و مقاصد اور اس کے بزنس کو نئی قانونی/ریگولیٹری ضروریات کے مطابق بنایا جا سکے۔ شیئر ہولڈرز کی طرف سے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں ترمیم کے لیے مجوزہ خصوصی قرارداد کی منظوری سے کمپنی اپنے بزنس کو موثر طریقے سے چلانے کے لیے زیادہ با صلاحیت اور با اختیار ہو جائے گی۔

براہ کرم نوٹ کیجئے کہ کمپنی کے گزشتہ اور نظر ثانی شدہ میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن کا موازنہ، جس میں مجوزہ ترامیم کو اجاگر کیا گیا ہے، کمپنی کی ویب سائیٹ http://www.loads-group.pk پر دستیاب ہے۔

کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن کی ایک تازہ کاپی، جس میں مجوزہ ترامیم کے بارے میں بتایا گیا ہے، کمپنی کے رجسٹرڈ آفس میں کام کے کسی بھی دن صبح 9:00 بجے سے شام 5:00 بجے تک معائنہ کے لیے دستیاب ہے۔

مذکورہ بالا ایجنڈے میں کمپنی کے ڈائریکٹرز کا کوئی بلا واسطہ یا بالواسطہ مفاد نہیں ہے۔

Loads Limited

ایجنڈا آئٹم نمبر 6: سالانہ رپورٹ کی بذریعہ سی ڈی/ڈی وی ڈی/یو ایس بی ترسیل

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے ایس آر او 2016/(I)470 مورخہ 31 مئی، 2016 کی رو سے کمپنیوں کو یہ اجازت دی ہے کہ وہ اپنے ممبرز کو ان کے رجسٹرڈ پتوں پر سی ڈی/ڈی وی ڈی یا یو ایس بی کے ذریعے اپنی سالانہ رپورٹس، بشمول سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کے نوٹس اور ان سے متعلق دوسری معلومات بھیج سکتے ہیں۔

مذکورہ ایس آر او کے حوالے سے سالانہ رپورٹ کی ہارڈ کاپی کے بجائے سی ڈی/ڈی وی ڈی یا یو ایس بی کے ذریعے ترسیل کے لیے شیئر ہولڈرز کی منظوری درکار ہے۔ چنانچہ شیئر ہولڈرز سے گزارش ہے کہ وہ مذکورہ ایس آر او کے تقاضوں کو پورا کرنے کے لیے اپنی منظوری دیں۔

تاہم شیئر ہولڈرز کے پاس یہ آپشن موجود ہوگا کہ وہ اپنے رجسٹرڈ پتوں پر بلا قیمت ہارڈ کاپی کی درخواست کریں بشرطیکہ وہ مناسب طریقے سے پر کیا ہوا درخواست فارم پیش کریں (جو کمپنی کی ویب سائٹ www.loads-group.pk پر دستیاب ہے۔ وہ شیئر ہولڈرز جو مستقبل میں تمام سالانہ رپورٹس کی ہارڈ کاپیاں وصول کرنے کے خواہش مند ہیں، انھیں تحریری طور پر اپنی ترجیح پیش کرنا ہوگی۔

یہ بھی نوٹ کیجئے کہ ایس آر او 2014/(I)787 مورخہ 8 ستمبر، 2014 کے حوالے سے کمپنی، ان تمام شیئر ہولڈرز کو ای میل کے ذریعے سالانہ رپورٹ کی فراہمی جاری رکھے گی جو اس ضمن میں اپنی منظوری دے چکے ہیں۔ ای میل ایڈریس میں کسی قسم کی تبدیلی جس سے پہلے آگاہ کر دیا گیا ہے ویب سائٹ پر دستیاب "درخواست فارم" کے ذریعے کمپنی کو پہنچائی جائے گی، جو کمپنی کی ویب سائیٹ پر دستیاب ہے۔

تمام شیئر ہولڈرز سے درخواست ہے کہ وہ اسکین کیا ہوا، صحیح طریقے سے بھرا ہوا اور دستخط شدہ درخواست فارم کمپنی کے سیکرٹری کو co.secy@loads-group.com پر بھیجیں، یا یہ فارم کوریئر/پوسٹ کے ذریعے ہارڈ فارم میں بھی کمپنی کو میسرز سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، S.M.C.H.S، شاہراہ فیصل، کراچی کے پتے پر بھیجا جاسکتا ہے۔

براہ کرم نوٹ کیجئے کہ 30 جون، 2016 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشوارے کمپنی کی ویب سائیٹ پر بھی دستیاب ہیں۔

10. شیئر ہولڈرز کو اطلاع دی جاتی ہے کہ یکم جولائی 2016 سے موثر فائنانس ایکٹ، 2016 کے مطابق انکم ٹیکس آرڈیننس 2001 کے سیکشن 150 کے تحت منافع منقسمہ کی ادائیگی پر انکم ٹیکس کی کٹوتی کی شرحوں پر FBR نے درج ذیل کے مطابق نظر ثانی کر دی ہے:

a.	انکم ٹیکس گوشوارے جمع کرانے والوں کے لیے	12.50 فیصد
b.	انکم ٹیکس گوشوارے جمع نہ کرانے والوں کے لیے	20.00 فیصد

11. سی ڈی سی اکاؤنٹ ہولڈرز کو درج ذیل رہنما اصولوں پر بھی عمل کرنا ہوگا جیسا کہ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر 1 بتاریخ 26 جنوری، 2000 میں طے کیا گیا ہے۔

A. اجلاس میں شرکت کے لیے:

i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر، جس کی سیکیورٹیز اور رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ ڈ ہیں، اجلاس میں شرکت کے وقت اپنا اصل سی این آئی سی یا اصل پاسپورٹ دکھا کر اپنی شناخت کی تصدیق کرے گا/ کرے گی۔

ii. کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نامزد کردہ کے نمونہ دستخط (اگر یہ اس سے قبل فراہم نہیں کیے گئے) اجلاس میں شرکت کے وقت پیش کرنا ہوں گے۔

B. برائے تقرر پراکسیز:

i. افراد کی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر، جس کی سیکیورٹیز اور رجسٹریشن کی تفصیلات ضابطوں کے مطابق اپ لوڈ ڈ ہیں، مذکورہ بالا تقاضے کے مطابق پراکسی فارم پیش کریں گے۔

ii. پراکسی فارم کی گواہی دو افراد دیں گے جن کے نام، پتے اور سی این آئی سی نمبرز فارم پر درج ہوں گے۔

iii. بینی فیشل اونرز اور پراکسی کے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ کاپیاں پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔

iv. اجلاس کے وقت پراکسی اپنا اصل سی این آئی سی یا اصل پاسپورٹ پیش کرے گا/ کرے گی۔

v. کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی بمعہ نمونہ دستخط (اگر یہ اس سے قبل فراہم نہیں کیے گئے) اجلاس میں شرکت کے وقت پراکسی فارم کے ساتھ کمپنی کو پیش کرنا ہوں گے۔

کمپنیز آرڈیننس، 1984 کے سیکشن (B)(1)160 کے تحت اسٹیٹمنٹ

یہ اسٹیٹمنٹ 30 نومبر، 2016 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس عام میں نمٹائے جانے والے اسپیشل بزنس سے متعلق مادی حقائق کی ابتدا ہے۔

ایجنڈا آئٹم نمبر 5: بونس کا اجراء

آپ کے ڈائریکٹرز نے ہر ایک سو موجودہ آرڈنری شیئرز پر، جو 22 نومبر، 2016 کو کاروبار بند ہونے تک پاس ہوں گے، دس نئے شیئرز کے تناسب سے بونس شیئرز کے اجراء کی سفارش کی ہے۔ ڈائریکٹرز ممبران کی حیثیت سے بونس شیئرز میں اپنے استحقاق کی حد تک اس بزنس میں دلچسپی رکھتے ہیں۔

نوٹس:

1. ممبران کا رجسٹر اور کمپنی کی شیئر ٹرانسفر بکس 23 نومبر، 2016 سے 30 نومبر، 2016 (دونوں دن شامل ہیں) بند رہیں گی۔ ٹرانسفر کی جو درخواستیں 22 نومبر، 2016 کو کاروباری اوقات بند ہونے تک ہمارے شیئر رجسٹرار، میسرز سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ، سی ڈی سی ہاؤس، 99-B، بلاک بی S.M.C.H.S، شاہراہ فیصل، کراچی کو صحیح حالت میں موصول ہو جائیں گی انھیں ممبران کے رجسٹر میں شامل کرنے کے لیے اسی طرح بروقت تصور کیا جائے گا جیسے کہ وہ 22 دسمبر 2016 کی ہوں۔

2. 36ویں سالانہ اجلاس عام (AGM) میں شامل ہونے، حصہ لینے، ووٹ ڈالنے اور منافع منقسمہ / بونس شیئرز کی وصولی کا استحقاق 22 نومبر، 2016 کو ممبران کے رجسٹر کے مطابق ہوگا۔ اے جی ایم میں جن بونس شیئرز کی منظوری دی جائے گی، وہ اے جی ایم میں منظور کردہ نقد منافع منقسمہ کے حقدار نہیں ہوں گے۔

3. کمپنی کا کوئی ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے، اجلاس میں شریک ہونے اظہار خیال کرنے اور اس کی جانب سے ووٹ ڈالنے کے لیے کسی دوسرے ممبر کو اپنا / اپنی پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسی مقرر کرنے کا انسٹرومنٹ اور پاور آف اٹارنی یا دوسری اتھارٹی (اگر کوئی ہو) جس کے تحت اس پر دستخط کیے گئے ہوں یا پاور آف اتھارٹی کی نوٹری یا لی تصدیق شدہ کاپی، جو لازماً کارآمد ہو اجلاس شروع ہونے کے وقت سے 48 گھنٹے قبل کمپنی کے رجسٹرڈ دفتر میں جمع کرانی ہوگی

4. اجلاس کے لیے قابل اطلاق پراکسی کا ایک انسٹرومنٹ جس میں کوئی ممبر پراکسی کو ہدایت کر سکتا ہے کہ وہ کس طرح سے ووٹ دینا چاہتا / چاہتی ہے، ممبران کو بھیجے جانے والے نوٹس کے ساتھ فراہم کیا گیا ہے۔ اس انسٹرومنٹ کی مزید کاپیاں کمپنی کے رجسٹرڈ دفتر سے معمول کے دفتری اوقات کے دوران حاصل کی جاسکتی ہیں یا ہماری ویب سائٹ www.loads-group.pk سے ڈاؤن لوڈ کی جاسکتی ہیں۔

5. ممبران سے گزارش ہے کہ اگر ان کے رجسٹرڈ پتے میں کوئی تبدیلی ہوئی ہے تو وہ اس سے ہمارے شیئر رجسٹرار کو مذکورہ بالا پتے پر مطلع کریں۔

6. سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی ہدایت کے مطابق ڈیویڈنڈ وارنٹس پر شیئر ہولڈرز کا سی این آئی سی نمبر لکھنا لازمی ضرورت ہے۔ چنانچہ شیئر ہولڈرز سے گزارش کی جاتی ہے کہ (اگر پہلے فراہم نہیں کی گئی) تو اپنے کارآمد سی این آئی سی کی کاپی مذکورہ بالا پتے پر کمپنی کے شیئر رجسٹرار کے پاس جمع کرائیں۔

7. ایس ای سی پی کی ہدایات کے مطابق کمپنی کے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ مذکورہ بالا پتے پر کمپنی کے شیئر رجسٹرار آفس کو مذکورہ بالا پتے پر بینک مینڈیٹ تفصیلات فراہم کریں تا کہ اگر مستقبل میں کسی استحقاق کو، اگر اعلان ہو تو کسی تاخیر، نقصان یا ڈیویڈنڈ وارنٹس کی نان ڈلیوری کے خطرے سے بچنے کے لیے استحقاق کی رقم براہ راست آپ کے متعلقہ بینک اکاؤنٹس میں جمع کرائی جاسکے۔

8. ایس آر او 787(I)2014 مجریہ 8 ستمبر، 2014 کی رو سے شیئر ہولڈرز سالانہ رپورٹ 2016 ای میل کے ذریعے حاصل کرنے کی صورت بھی اختیار کر سکتے ہیں۔ اس کے لیے ہم آپ کو موقع دیتے ہیں کہ آپ اپنے کارآمد ای میل آئی ڈی کے ساتھ تحریری شکل میں درخواست بھیجیں۔

9. ایس آر او 634(I)/2014 کے ذریعے جاری کی جانے والی ایس ای سی پی کی ہدایات کے مطابق کمپنی کی سالانہ رپورٹ 2016 بمعہ نوٹس برائے سالانہ اجلاس عام کمپنی کی ویب سائٹ www.loads-group.pk سے ڈاؤن لوڈ کے لیے دستیاب ہے۔

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"مزید طے کیا جاتا ہے کہ چیف ایگزیکٹو آفس یا کمپنی کے کمپنی سیکرٹری کو اختیار دیا جاتا ہے کہ وہ اس قرارداد پر عمل درآمد کے مقصد کے لیے ان تمام اقدامات، ڈیڈز، فیصلوں، ضروری کارروائیوں، قانونی تقاضوں کی تکمیل اور ضروری دستاویزات جمع کرانے کے مجاز ہیں، جن کی ضرورت ہوگی"۔

.7 کمپنی کے منظور شدہ سرمائے کو 1,500,000,000 روپے سے بڑھا کر 2,000,000,000 روپے کرنے پر غور اور اگر مناسب ہو تو کسی تبدیلی (تبدیلیوں) اضافے (اضافوں) یا حذف کیے بغیر درج ذیل قراردادوں کی خصوصی قراردادوں کی حیثیت سے منظوری اور کمپنی کے میمورنڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں ضروری ردو بدل:

"یہ طے کیا جاتا ہے کہ کمپنی کا منظور شدہ سرمایہ 2,000,000,000 (بیس سوملین روپے صرف) ہے -/10 روپے والے 2,000,000,000 آرڈنری شیئرز میں تقسیم، ہر ایک میں کمی، تبدیلی، ذیلی تقسیم، کانسالیڈیٹ یا وقتی طور پر کمپنی کے سرمائے کی تنظیم نو کے اختیار کے ساتھ اور کمپنیز آرڈیننس 1984 کی دفعات اور کمپنی کے ضابطوں کے مطابق شیئرز کی متعدد درجہ بندیوں میں تقسیم"۔

"مزید طے کیا جاتا ہے کہ میمورنڈم آف ایسوسی ایشن کی شق v اور کمپنی آرٹیکلز آف ایسوسی ایشن کی شق 4، حذف کی جاتی ہے اور انھیں بالترتیب درج ذیل شق v اور شق 4 کے ساتھ تبدیل کیا جاتا ہے:

میمورنڈم آف ایسوسی ایشن کی نئی شق:

" V. کمپنی کا منظور شدہ سرمایہ 2,000,000,000 (بیس سوملین روپے صرف) ہے -/10 روپے والے 2,000,000,000 آرڈنری شیئرز میں تقسیم، ہر ایک میں کمی، تبدیلی، ذیلی تقسیم، کانسالیڈیٹ یا وقتی طور پر کمپنی کے سرمائے کی تنظیم نو کے اختیار کے ساتھ اور کمپنیز آرڈیننس 1984 کی دفعات اور کمپنی کے ضابطوں کے مطابق شیئرز کی متعدد درجہ بندیوں میں تقسیم، اور ایسے ترجیحی، زیرالتوا، اہل یا خصوصی یا خصوصی اختیارات، مراعات یا شرائط پر عمل روکنا، جن کا تعین وقتی طور پر کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق کیا جائے گا اور اس قسم کے کسی حق، مراعات یا شرائط کو اس انداز میں تبدیل یا منسوخ کیا جائے گا، جیسا کہ قانون کے مطابق وقتی طور پر کمپنی کے آرٹیکلز آف ایسوسی ایشن میں درج ہے۔"

آرٹیکلز آف ایسوسی ایشن کی نئی شق

"4. شیئرز کیپیٹل اور شیئرز

کمپنی کا شیئر کیپیٹل 2,000,000,000 روپے (بیس سوملین روپے صرف) ہے۔ ہر ایک -/10 روپے (دس روپے) والے 2,000,000,000 آرڈنری شیئرز میں تقسیم۔

.8 میموریںڈم اینڈ آرٹیکلز آف ایسوسی ایشن میں ترامیم کے لیے جیسا کہ کمپنی کے بورڈ آف ڈائریکٹرز نے منظوری دی ہے، درج ذیل قرارداد پر غور اور اگر مناسب سمجھا جائے تو خصوصی قرارداد کی حیثیت سے اس کی منظوری۔

"یہ طے کیا جاتا ہے کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کو لسٹیڈ کمپنیوں کے قابل اطلاق قوانین کے مطابق بنانے کے لیے، اس میں تبدیلی کی اجازت دی جاتی ہے"۔

"مزید یہ طے کیا جاتا ہے کہ کمپنی سیکرٹری کو اختیار دیا جاتا ہے کہ وہ اس قرارداد پر عمل درآمد کے مقصد کے لیے ان تمام اقدامات، ڈیڈز، فیصلوں، ضروری کارروائیوں، قانونی تقاضوں کی تکمیل اور ضروری دستاویزات جمع کرانے کے مجاز ہیں، جن کی ضرورت ہوگی"۔

.9 چیئر کی اجازت سے کوئی بھی اور معاملہ۔

بحکم بورڈ

8 نومبر، 2016

کراچی

جے۔ ای۔ مہتہ

کمپنی سیکرٹری

Loads Limited

لوڈز لمیٹڈ کے 36 ویں سالانہ اجلاس عام کی اطلاع

اطلاع دی جاتی ہے کہ لوڈز لمیٹڈ کا 36 واں سالانہ اجلاس عام بدھ 30 نومبر، 2016 کو صبح 11:00 بجے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس پاکستان (ICAP)، چارٹرڈ اکاؤنٹنٹس ایونیو، کلفٹن، کراچی کے آڈیٹوریم میں ہوگا، جس میں درج ذیل معاملات نمٹائے جائیں گے۔

عمومی کارروائی

1. 18 ستمبر، 2015 کو منعقد ہونے والے کمپنی کے 35 ویں سالانہ عام اجلاس کی کارروائی کی منظوری۔
2. 30 جون، 2016 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں بمعہ ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، ان پر غور وخوض اور منظوری۔
3. 30 جون، 2016 کو ختم ہونے والے سال کے لیے -/1 روپے فی شیئر یعنی 10% حتمی نقد منافع منقسمہ کی منظوری، جیسا کہ بورڈ آف ڈائریکٹرز نے سفارش کی ہے۔
4. 30 جون، 2017 کو ختم ہونے والے سال کے لیے کمپنی کے ایکسٹرنل آڈیٹرز کا تقرر اور ان کا مشاہرہ مقرر کرنا۔ سبکدوش ہونے والے آڈیٹرز، میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کے ناطے خود کو دوبارہ تقرر کے لیے پیش کیا ہے۔

خصوصی کارروائی

5. ہر 100 شیئرز پر 10 شیئرز کے تناسب سے بونس شیئرز کے اجراء کی منظوری، جیسا کہ بورڈ آف ڈائریکٹرز نے سفارش کی ہے، اور مناسب سمجھا گیا تو کسی تبدیلی (تبدیلیوں) کے بغیر عمومی قرارداد کی حیثیت سے درج ذیل قرارداد کی منظوری:

طے کیا جاتا ہے کہ کمپنی کے غیر تخصیص شدہ منافع میں سے -/125,000,000 پاکستانی روپے کی رقم -/10 روپے والے 12,500,000 آرڈنری شیئرز کے اجراء کے لیے کیپٹلائز اور استعمال کی جائے اور یہ شیئرز ایسے ممبرز کو ہر ایک سو آرڈنری شیئرز پر دس شیئرز کے تناسب سے مکمل ادا شدہ بونس شیئرز کی حیثیت سے الاٹ کیے جائیں، جو 22 نومبر، 2016 کو کاروبار بند ہونے پر کمپنی کے کھاتوں میں رجسٹرڈ ہیں، اور یہ کہ ایسے نئے شیئرز موجودہ آرڈنری شیئرز کے مساوی اور ان کے برابر ہوں گے۔

مزید طے کیا جاتا ہے کہ ایسے حالات میں کہ اگر کوئی ممبر کسی شیئر کے کسی حصے کا حقدار بن جاتا ہے تو ڈائریکٹرز ایسے تمام حصوں کو مربوط کرنے اور اس طرح سے وجود میں آنے والے شیئرز کو اسٹاک مارکیٹ میں فروخت کرنے کے مجاز ہوں گے اور بذریعہ ہذا، انھیں یہ اختیار دیا جاتا ہے، اور اس فروخت سے جو آمدنی حاصل ہوگی، وہ کسی تسلیم شدہ خیراتی ادارے کو، جس کا فیصلہ کمپنی کے ڈائریکٹرز کریں گے، دی جائے گی۔

مزید طے کیا جاتا ہے کہ کمپنی سیکرٹری مذکورہ بونس شیئرز کی الاٹمنٹ اور تقسیم کے لیے جیسے بھی وہ مناسب سمجھیں، کمپنی کی طرف سے تمام ضروری اقدامات کرنے کے مجاز ہوں گے اور بذریعہ ہذا انھیں اس کا اختیار دیا جاتا ہے۔

6. سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کے نوٹس اور اس میں شامل کمپنی کی دیگر معلومات کی سی ڈی/ڈی وی ڈی یا یو ایس بی کے ذریعے ترسیل کے بارے میں سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ ایس آر او 2016/(I)470 کے حوالے سے منظوری حاصل کرنا اور درج ذیل قرارداد کو کسی ردوبدل کے بغیر یا اس کے ساتھ خصوصی قرارداد کی حیثیت سے منظور کرنا۔

"یہ طے کیا جاتا ہے کہ لوڈز لمیٹڈ کے ممبران کو 30 جون، 2017 کو ختم ہونے والے سال سے آئندہ شروع ہونے والے سالوں کے لیے کمپنی کی سالانہ رپورٹس بشمول سالانہ آڈٹ شدہ اکاؤنٹس، سالانہ اجلاس عام کے نوٹس اور اس میں شامل کمپنی کی دیگر معلومات کی ہارڈ کاپیوں کی بجائے سی ڈی/ڈی وی ڈی یا یو ایس بی کے ذریعے ترسیل کی اجازت اور منظوری دی جاتی ہے"؛ اور

Loads Limited

تاریخ: ______ \ _____ \ _____

کمپنی سیکرٹری،
لوڈز لمیٹڈ،
پلاٹ نمبر 23 سیکٹر 19 کورنگی انڈسٹریل ایریا،
کراچی۔

میں/ہم/مسٹر/مس/مسز/میسرز ______________________________
س این آئی سی نمبر/پاسپورٹ نمبر/این ٹی این نمبر ______________ بطور لوڈز لمیٹڈ کا شیئر ہولڈر ہونے کی حیثیت سے کمپنی کو یہ اختیار دیتا/دیتی ہوں کہ اگر کمپنی کی جانب سے مستقبل میں کوئی نقد منافع منقسمہ دیا جائے تو ڈیویڈنڈ وارنٹ جاری کرنے کے بجائے اسے براہ راست میرے بینک اکاؤنٹ میں کریڈٹ کر دیا جائے۔ مذکورہ بالا درخواست پر عمل درآمد کے لیے میری تفصیلات درج ذیل ہیں:

شیئر ہولڈر کی معلومات اور بینک کی تفصیلات	
شیئر ہولڈر کا نام	
فولیو نمبر	
CNIC نمبر/این ٹی این/پاسپورٹ نمبر (براہ مہربانی تصدیق شدہ کاپی منسلک کریں)	
بینک اکاؤنٹ کا نام (ٹائٹل)	
بینک اکاؤنٹ نمبر (مکمل)	
بینک کا نام	
بینک کی برانچ کا نام	
برانچ کوڈ	
بینک کی برانچ کا پتہ	
ٹیلی فون نمبر (لینڈ لائین)	
ٹیلی فون نمبر (موبائل)	

میں یہ اقرار کرتا/کرتی ہوں کہ مندرجہ بالا فراہم کردہ معلومات درست ہیں اور مذکورہ بالا تفصیلات میں کسی قسم کی تبدیلی کی صورت میں، جیسے ہی وہ واقع ہوں، میں کمپنی اور اس شیئر رجسٹرار کو فوری طور پر تحریری صورت میں مطلع کروں گا/کروں گی۔

ممبر کا دستخط: ______________________

نام: ______________________

Loads Limited

مستقبل کا منظر نامہ

نئی Automotive ڈیولپمنٹ پالیسی (اے ڈی پی) 21-2016 کا اعلان 21 مارچ، 2016 کو کیا گیا۔ یہ آٹو انڈسٹری کے لیے اچھا شگون ہے اور توقع ہے کہ یہ نئے لوگوں کو ترغیب دے گی اور صنعتی مقدار میں اضافہ کرے گی۔

ہنڈا نے سوک کار کے نئے ماڈلز (بشمول ایک ٹربو ورشن) لانچ کیے ہیں، جن پر کسٹمرز کی طرف سے مثبت ردعمل سامنے آیا ہے۔ انڈس موٹر کمپنی کی نئی ٹویوٹا کرولا ماڈل کار مارکیٹ میں اپنا حصہ برقرار رکھے ہوئے ہے جبکہ سوزوکی نئے ماڈل لانچ کرنے کے لیے تیار ہے۔

چین کے نئے صنعت کار، پاکستان میں پلانٹ لگا چکے ہیں جب کہ دیگر ملکوں کے پلیئرز کے ساتھ بات چیت جاری ہے۔

توقع ہے کہ مذکورہ بالا عوامل آٹو پارٹس انڈسٹری میں ترقی کا عمل برقرار رکھیں گے۔

اظہار تشکر

بورڈ، سال کے دوران مسلسل کوششوں اور انتھک محنت پر ملازمین کا شکریہ ادا کرنا چاہتا ہے۔ ہم مسلسل سرپرستی پر اپنے کسٹمرز کے بھی شکر گزار ہیں اور آنے والے برسوں میں ان کے ساتھ بامقصد تعلقات کے منتظر ہیں۔

بحکم بورڈ

منیر کے. بانا

چیف ایگزیکٹو

کراچی، 28 اکتوبر، 2016

انسانی وسائل اور مشاہرہ کمیٹی کے قواعد وضوابط

کمیٹی درج ذیل مقاصد کی خاطر سفارشات تیار کرنے کی ذمہ دار ہوگی:

i کمپنی کے لیے آرگنائزیشن کا ایک مضبوط پلان؛

ii ملازمین کی ترقی کا ایک موثر پروگرام؛

iii معاوضے اور فوائد کے بہتر منصوبے، بزنس کو موثر طریقے سے چلانے کے لیے درکار عملے کی صلاحیتوں کے لیے کشش پیدا کرنے اور ساتھ رکھنے کی خاطر پالیسیاں اور طریقے؛

iv ادارے کی ایسی ذمہ داریوں اور تعلقات میں تبدیلیوں کا جائزہ لینا اور سفارش کرنا جن کا اثر انتظامی پوزیشنوں پر پڑتا ہے؛

v اتھارٹی کی مناسب حدود کا تعین کرنا اور عملے کے ان معاملات کے طریقہ کار کی منظوری، جن کے لیے انتظامیہ کی مختلف سطحوں پر فیصلوں کی ضرورت ہوتی

vi اس امر کو یقینی بنانے کے لیے ملازمین کے ترقیاتی نظام پر نظر ثانی کہ یہ:

a کمپنی کی سینئر مینجمنٹ کی ضروریات کی پیش بینی کر سکتا ہے؛

b اہم ملازمین کی جلد شناخت اور ترقی کے قابل ہے؛

c سینئر مینجمنٹ پوزیشنوں پر فائز کرنے کے مخصوص منصوبے تیار کرتا ہے؛

d تربیتی اور ترقیاتی منصوبے۔

vii معاوضہ اور فوائد:

a بورڈ کو ہیومن ریسورس مینجمنٹ پالیسیوں کی سفارش کرنا؛

b سلیکشن، جانچ، معاوضے (بشمول ریٹائرمنٹ کے فوائد) اور سی ای او کی تبدیلی کی منصوبہ بندی کی سفارش؛

سی ایف او، کمپنی سیکرٹری، ہیڈ آف انٹرنل آڈٹ اور سی ای او کو رپورٹ کرنے والی سینئر مینجمنٹ کی سلیکشن، جانچ، معاوضے (بشمول ریٹائرمنٹ کے فوائد) کی بورڈ کو سفارش کرنا۔

شیئر ہولڈنگ کا پیٹرن

لسٹنگ سے پہلے 30 جون، 2016 کو آپ کی کمپنی کا پیٹرن آف شیئر ہولڈنگ، اس رپورٹ کے ساتھ منسلک ہے۔

نقد منافع منقسمہ

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے 1 روپیہ فی شیئر یعنی 10% نقد منافع منقسمہ کی سفارش کی ہے۔

بونس شیئرز

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے ہر ایک سو شیئرز پر 10 شیئرز کے تناسب یعنی 10% کے حساب سے بونس شیئرز کی سفارش کی ہے۔

ایکسٹرنل آڈیٹرز

آپ کی کمپنی کے ڈائریکٹرز نے سفارش کی ہے کہ موجودہ آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس، سبکدوش ہو رہے ہیں اور اہل ہونے کے ناطے خود کو دوبارہ تقرر کے لیے پیش کر رہے ہیں، اس لیے انھیں ایک اور مدت کے لیے آپ کی کمپنی کے آڈیٹرز کی حیثیت سے مقرر کر دیا جائے۔

آڈٹ کمیٹی کے قواعد وضوابط

کمیٹی وقفے وقفے سے مالیاتی حسابات پر نظر ثانی کرتی ہے اور اس امر کو یقینی بنانے کے لیے مالیاتی پالیسیوں کے موثر ہونے کا جائزہ لیتی ہے کہ انٹرنل کنٹرول کا ایک باصلاحیت اور مضبوط نظام کام کر رہا ہے۔ یہ کمیٹی انٹرنل آڈٹ ڈیپارٹمنٹ کی طرف سے جاری کردہ آڈٹ رپورٹوں اور آڈٹ آبزرویشنز کی تعمیل کی صورت حال پر بھی غور کرتی ہے۔

آڈٹ کمیٹی، کمپنی کے شیئر ہولڈرز کی طرف سے ایکسٹرنل آڈیٹرز کے تقرر کے بارے میں ڈائریکٹرز کو سفارش کرنے، ایکسٹرنل آڈیٹرز کے استعفیٰ یا سبکدوشی سے متعلق سوال پر غور، آڈٹ فیس، اور کمپنی کے مالیاتی گوشواروں کے آڈٹ کے علاوہ ایکسٹرنل آڈیٹرز کی طرف سے کسی اور سروس کی فراہمی پر غور وخوض کی ذمہ دار ہوگی۔

آڈٹ کمیٹی کے قواعد وضوابط ان قواعد وضوابط کے مطابق ہیں جن کا ذکر کوڈ آف کارپوریٹ گورننس میں کیا گیا ہے اور ان میں وسیع معنوں میں درج ذیل شامل ہیں:

(i) بورڈ آف ڈائریکٹرز کی منظوری سے قبل کمپنی کے عبوری اور سالانہ مالی گوشواروں پر نظر ثانی۔

(ii) عبوری اور حتمی آڈٹس سے سامنے آنے والی بڑی آبزرویشنز پر ایکسٹرنل آڈیٹرز کے ساتھ بات چیت، ایکسٹرنل آڈیٹرز کی طرف سے جاری کیے جانے والے مینجمنٹ لیٹر پر غور اور اس کے بارے میں انتظامیہ کا ردعمل۔

(iii) انٹرنل آڈٹ کے دائرے اور حد کا جائزہ لینا، تاکہ اس امر کو یقینی بنایا جاسکے کہ انٹرنل آڈٹ فنکشن کے پاس مناسب وسائل ہیں اور وہ کمپنی کے اندر صحیح طریقے سے کام کر رہا ہے۔

(iv) انٹرنل کنٹرول سسٹم، بشمول فائنانشل اینڈ آپریشنل کنٹرولز، اکاؤنٹنگ سسٹم اور رپورٹنگ اسٹرکچر کے کافی اور موثر ہونے کے بارے میں معلوم کرنا۔

(v) متعلقہ قانونی تقاضوں پر عمل کرنے کا تعین اور کارپوریٹ گورننس کے بہترین طور طریقوں کی تعمیل پر نظر رکھنا۔

(vi) اسپیشل پراجیکٹس شروع کرنا، ویلیو فارمنی اسٹڈیز یا بورڈ آف ڈائریکٹرز کی طرف سے بتائے جانے والے کسی بھی دوسرے معاملے کی تحقیقات۔

(vii) ایکسٹرنل آڈیٹرز کی طرف سے جاری کیے جانے والے مینجمنٹ لیٹر اور اس پر انتظامیہ کے ردعمل کا جائزہ۔

(b انسانی وسائل اور مشاہرہ کمیٹی

کمیٹی کے ارکان درج ذیل ہیں:

1) سید شہریار علی---------چیئرمین

2) جناب جناب محمد ضیاالدین----- ممبر

3) جناب عامر ضیا------ ممبر

4) جناب شمیم اے صدیقی--------- ممبر

ٹرانسفر پرائسنگ

کمپنی اس پالیسی پرعمل کرتی ہے کہ متعلقہ پارٹیوں کے ساتھ تمام لین دین کسی دباؤ یا تعلق سے دور رہ کر کیا جائے۔ تاہم استثنائی حالات میں اس سے مختلف بھی ہوسکتا ہے بشرطیکہ، بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی (مالیاتی گوشواروں میں اس کو درست طریقے سے پیش کرتے ہوئے) اس کی معقولیت اور اس انحراف کے مالیاتی اثرات کو مدنظر رکھنے کے بعد اس کی منظوری دے۔

بورڈ اجلاسوں میں حاضری

سال 16-2015 میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس ہوئے اور ان میں سے ہر اجلاس میں حاضری اس طرح رہی:

نمبر شمار	ڈائریکٹر کا نام	عہدہ	12 اگست	24 اگست	22 فروری	26 فروری	16 مئی	موجودہ 2015-16
1	سید شاہد علی	چیئرمین	A	A	P	A	A	1/5
2	جناب صولت سعید	وائس چیئرمین	P	P	P	P	P	5/5
3	جناب منیر کریم بانا	چیف ایگزیکٹو	P	P	P	P	P	5/5
4	محمد ضیاالدین	ایگزیکٹو ڈائریکٹر	P	P	P	A	P	4/5
5	سید شہریار علی	نان ایگزیکٹو ڈائریکٹر	P	P	P	P	P	5/5
6	جلیس احمد صدیقی	انڈیپنڈنٹ ڈائریکٹر	A	A	A	A	P	1/5
7	عامر ضیا	نان ایگزیکٹو ڈائریکٹر	P	P	P	P	P	5/5
8	شمیم اے صدیقی	ایگزیکٹو ڈائریکٹر	-	-	-	-	P	1/5
9	خرم رضا بختیاری	نان ایگزیکٹو ڈائریکٹر	P	P	A	A	-	2/5
	اجلاسوں کا کورم		6/8	6/8	6/8	4/8	7/8	

جو ڈائریکٹرز اجلاس میں شرکت سے قاصر تھے، انھیں رخصت دی گئی تھی۔

جناب خرم رضا بختیاری نے 27، اپریل 2016 کو استعفادے دیا تھا اور بورڈ آف ڈائریکٹرز نے جناب شمیم اے صدیقی کا تقرر کرتے ہوئے اس عارضی اسامی کو پُر کیا۔

بورڈ کمیٹیوں کی تشکیل

بورڈ کے اجلاس کے دوران کوڈ آف کارپوریٹ گورننس کے مطابق درج ذیل کمیٹیاں تشکیل دی گئیں:

a) آڈٹ کمیٹی

کمیٹی کے ارکان درج ذیل ہیں:

1) جناب جلیس احمد صدیقی------چیئرمین

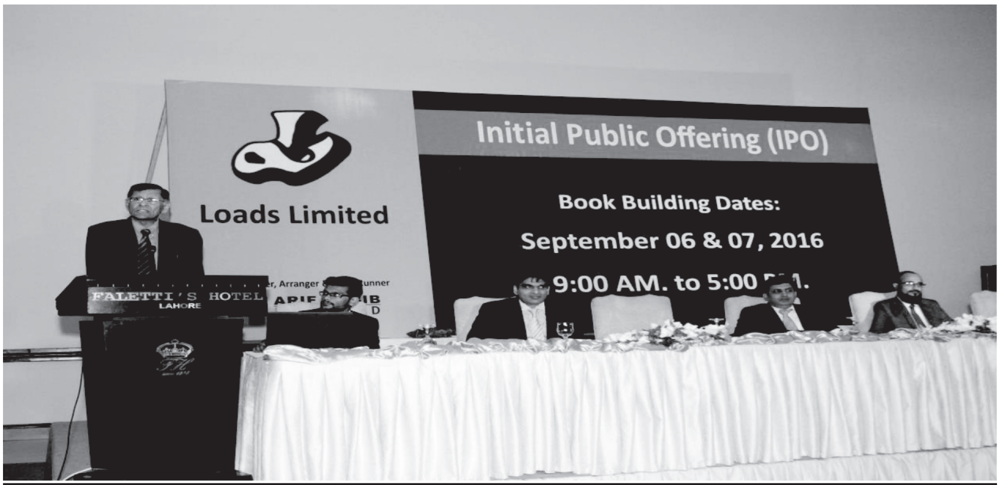
2) جناب صولت سعید------ممبر

3) جناب عامر ضیا-------ممبر

4) جناب سید شہریار علی------ ممبر

بعد میں ہونے والے ایونٹس

پاکستان اسٹاک ایکسچینج میں لسٹنگ



حالیہ برسوں میں مضبوط افزائش اور منافع کمانے کی بنیاد پر آپ کی کمپنی کا شاندار ریکارڈ ہے۔ آپ کی کمپنی نے اپنے توسیعی منصوبوں کی تکمیل کے لیے ستمبر 2016 میں 50 ملین شیئرز کی Initial Public Offer (IPO) کی۔ انویسٹرز کی طرف سے بھرپور ردعمل کی وجہ سے بک بلڈنگ پروسیس اور پبلک ایشو کی فروخت چار گنا زیادہ رہی۔ 15 روپے فی شیئر کی فلور پرائس کے مقابلے میں اسٹرائیک پرائس کا تعین 34 روپے فی شیئر پر ہوا۔ لوڈز لمیٹڈ کی انتظامیہ اس بھروسے اور اعتماد پر اپنے محترم شیئر ہولڈر کا شکریہ ادا کرتی ہے۔
مقررہ میعاد کے اندر قرعہ اندازی کے عمل کے بعد تمام کامیاب شیئر ہولڈرز کو شیئرز کی الاٹمنٹ مکمل ہوگئی ہے۔
اللہ کے فضل وکرم سے پاکستان اسٹاک ایکسچینج (PSX) کی منظوری کے بعد، یکم نومبر، 2016 کو آپ کی کمپنی کا اندراج PSX میں ہوگیا۔
ہمیں یقین ہے کہ لوڈز لمیٹڈ کی لسٹنگ آٹو پارٹس انڈسٹری کی مزید ترقی کی جانب ایک اہم قدم ہے جو کمپنی کے بزنس کو وسیع ہوتے ہوئے ماحول میں اپنی حقیقی صلاحیت حاصل کرنے کے قابل بنائے گا۔

دیگر مالی تبدیلیاں یا وعدے

مالی سال کے اختتام اور اس جائزے کی تاریخ کے درمیان دوسری کوئی ایسی مادی تبدیلیاں یا وعدے نہیں ہوئے جو آپ کی کمپنی کی مالی پوزیشن پر اثر انداز ہوسکیں۔

کمپنیز (کارپوریٹ سماجی ذمہ داری) جنرل آرڈر، 2009

کمپنیز (کارپوریٹ سماجی ذمہ داری) جنرل آرڈر، 2009 کے حوالے سے آپ کی کمپنی نے رواں مالی سال کے دوران درج ذیل شعبوں میں حصہ لیا:

(i) **بجلی کی بچت:** بجلی بچانے والے آلات کی طرف آنے کے منصوبوں پر عمل جاری ہے۔

(ii) **کوالٹی اینڈ انوائرمینٹل مینجمنٹ سسٹمز:** اس سے قبل کمپنی کی طرف سے جو آئی ایس او 9001 آئی ایس او 14001 سرٹیفکیشنز حاصل کی گئی تھیں، ان کی ہر سال تجدید ہو رہی ہے۔

(iii) **کاروباری اخلاقیات:** پورے سال کے دوران تمام کاروباری معاملات میں اخلاقیات کے سخت اصولوں پر عمل کیا گیا۔

(iv) **ڈاؤن اسٹریم یونٹس اور انڈسٹریل پارک اونرز ویلفیئر ایسوسی ایشن کو عطیہ:** کمپنی نے سال کے دوران اس ایسوسی ایشن کو 165,000 روپے کا عطیہ دیا۔

(v) **قومی خزانے میں حصہ:** گروپ نے انکم ٹیکس، سیلز ٹیکس، اور دوسری حکومتی لیویز کی ادائیگیوں کے لیے، جن کی کل مالیت 1,180 ملین روپے تھی، اپنی تمام ذمہ داریاں پوری کیں۔

کمپنی کی سیلز پرفارمنس

گروپ کی مجموعی سیلز میں 21% اضافہ ہوا۔ کمپنی کی پراڈکٹ کے لحاظ سے کارکردگی کا تجزیہ مندرجہ ذیل ہے۔

	روپے ملین میں		
مصنوعات	اصل سیلز		
	2016	2015	% +/-
ریڈی ایٹرز	740	707	5
ایگزاسٹ سسٹمز	2,696	2,146	26
اسٹیل میٹل کمپونینٹس	600	479	25
کل	4,036	3,332	21

مختلف پراڈکٹس گروپس کی پرفارمنس کے کمپونینٹس مندرجہ ذیل ہیں:

(a ریڈی ایٹرز

اس بزنس میں 5% فیصد اضافہ ہوا، اس کی بڑی وجہ آفٹر مارکیٹ کور (+14%) اور سوزوکی ٹیکسی اسکیم ہے۔

(b ایگزاسٹ سسٹمز

سیلز میں 26% کا نمایاں اضافہ ظاہر ہوا، اس کی بڑی وجہ ٹویوٹا کرولا کا نیا ماڈل اور سوزوکی ٹیکسی اسکیم ہے۔

(c شیٹ میٹلز کمپونینٹس

اس پراڈکٹ گروپ میں 25% اضافہ ہوا، اس کی بڑی وجہ ٹویوٹا کرولا کاریں اور ہونڈا سوک کاروں کے نئے کمپونینٹس ہیں۔

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لوڈز لمیٹڈ

شیئرز ہولڈرز کے لیے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز کو سالانہ رپورٹ بمعہ 30 جون 2016 کو ختم ہونے والے سال کے لیے آپ کی کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہے،

آپریٹنگ اور مالیاتی نتائج (کانسالیڈیٹڈ)

	روپے ملین میں	
	2016	2015
سیلز	4,035	3,332
آپریٹنگ پرافٹ	419	381
قبل از ٹیکس منافع (پی بی ٹی)	260	322
بعد از ٹیکس منافع (پی اے ٹی)	180	211
آمدنی فی شیئر (ای پی سی)۔ بنیادی اور ڈائی لیوٹیڈ	2.41	2.81

کاروباری جائزہ

آپ کے گروپ نے سالانہ 4 بلین روپے کی سیلز کی حد کو عبور کر لیا، پچھلے سال کے مقابلے میں 730 ملین روپے (+21%) کا اضافہ حاصل کیا، اس کی وجہ ٹویوٹا کرولا کا نیا ماڈل، سوزوکی کی جانب سے پنجاب ٹیکسی اسکیم اور بڑی گاڑیوں کی تعداد میں اضافہ ہے۔ زیادہ سیلز کی وجہ سے آپریٹنگ پرافٹ میں 10% کی صحت مند افزائش ہوئی۔ سرمایہ کاری پر نیشنل کیپیٹل فائدہ/نقصان کے "مارک ٹو مارکیٹ" اثرات سے پی بی ٹی، پی اے ٹی اور ای پی ایس، بری طرح متاثر ہوئے۔ ان اثرات کو خارج کر کے 2016 کے لیے پی بی ٹی اور پی اے ٹی بالترتیب 7% اور 26% افزائش کی عکاسی کرتے ہیں، جب کہ ای پی ایس بالترتیب 2016 اور 2015 میں بڑھ کر 3.29 روپے اور 2.60 روپے تک آ گیا۔

گاڑیوں کی صنعت کا جائزہ

(a) **پسنجر کاریں/ہلکی کمرشل گاڑیاں (LCVs)**

سال 2015-16 کے دوران کاروں/ہلکی کمرشل گاڑیوں کی فروخت میں پچھلے سال کے مقابلے میں 20% اضافہ ہوا اور ان کی تعداد 216,568 یونٹ تک جا پہنچی۔ یہ ٹویوٹا کرولا اور سوزوکی کی فروخت میں بالترتیب 12% اور 28% اضافے کو ظاہر کرتی ہے۔

(b) **ہیوی کمرشل گاڑیاں**

ہیوی گاڑیوں کی فروخت پچھلے سال کے 4,680 یونٹس سے بڑھ کر 6,567 یونٹس ہوگئی، اس طرح مجموعی لحاظ سے 40% فیصد اضافہ ہوا۔ چین پاکستان اقتصادی راہداری (CPEC) کے اثر کی وجہ سے ٹرکوں کی فروخت میں 35% جب کہ بسوں کی فروخت میں 79% اضافہ ہوا۔

(c) **ٹریکٹرز**

گزشتہ سال کے دوران ٹریکٹر انڈسٹری کی سیلز میں 26% کمی ہوئی۔ 2016 میں 34,618 یونٹس فروخت ہوئے (2015 میں یہ تعداد 46,800 یونٹ تھی) الغازی ٹریکٹرز اور ملت ٹریکٹرز کی فروخت کی مقدار میں بالترتیب 25% اور 26% کمی، صوبائی حکومتوں کی طرف سے سبسڈی اسکیموں کی واپسی کو ظاہر کرتی ہے۔

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