



Loads Limited



Manufacturers of Exhaust Systems, Radiators &  
Sheet Metal Components

# Contents

Company Information	02
Directors’ Report to the Shareholders	03
Condensed Interim Consolidated Balance Sheet	08
Condensed Interim Consolidated Profit and Loss Account (Un-audited)	09
Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)	10
Condensed Interim Consolidated Cash Flow Statement (Un-audited)	11
Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)	12
Notes to the Condensed Interim Consolidated Financial Information (Un-audited)	13
Auditors’ Report to member on Review of Interim Financial Information	16
Condensed Interim Unconsolidated Balance Sheet	17
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)	18
Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)	19
Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)	20
Condensed Interim Unconsolidated Statement of Changes in Equity (Un-audited)	21
Notes to the Condensed Interim Unconsolidated Financial Information (Un-audited)	22



## Company Information

### **Board of Directors**

Syed Shahid Ali	– *Chairman
Mr. Saulat Said	– *Vice Chairman
Mr. Munir K. Bana	– Director & Chief Executive
Mr. Najam I. Chaudhri	– Independent Director
Syed Sheharyar Ali	– Non-Executive Director
Mr. Amir Zia	– Non-Executive Director
Mr. M. Ziauddin	– Executive Director
Mr. Shamim A. Siddiqui	– Executive Director
Ms. Lubna Pervez	– Independent Director

\* Chairman and Vice Chairman are Non-Executive Directors

### **Audit Committee**

Mr. Najam I. Chaudhri	– Chairman
Mr. Saulat Said	– Member
Syed Sheharyar Ali	– Member
Mr. Amir Zia	– Member

### **Human Resources & Remuneration Committee**

Ms. Lubna Pervez	– Chairperson
Syed Sheharyar Ali	– Member
Mr. Saulat Said	– Member
Mr. Munir K. Bana	– Member
Mr. Amir Zia	– Member
Mr. Shamim A. Siddiqui	– Member

### **Chief Financial Officer**

Mr. Shamim A. Siddiqui

### **Company Secretary**

Mr. Babar Saleem

### **Head Of Internal Audit**

Mr. Khawaja M. Akber

### **Auditors**

KPMG Taseer Hadi & Co., Chartered Accountants

### **Legal Advisors**

Altaf K. Allana & Co., Advocates

### **Corporate Advisors**

Cornelius, Lane & Mufti, Advocates & Solicitors

### **Symbol**

Loads

### **Tax Consultants**

Akbar G. Merchant Co., Chartered Accountants

### **Exchange**

Pakistan Stock Exchange

### **Bankers**

Al Baraka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Al Habib Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan Limited  
Soneri Bank Limited  
United Bank Limited

### **Subsidiaries**

– Specialized Autoparts Industries (Private) Limited  
– Multiple Autoparts Industries (Private) Limited  
– Specialized Motorcycles (Private) Limited  
– Hi-Tech Alloy Wheels (Private) Limited  
{formerly known as Hi-Tech Autoparts (Private) Limited}

### **Registered Office**

Plot No. 23, Sector 19  
Korangi Industrial Area, Karachi  
Tel: +92-21-35065001-5  
+92-302-8674683-9  
Fax: +92-21-35057453-54  
E-mail: inquiry@loads-group.pk

### **Shares Registrar**

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

Tel: Customer Support Services: 0800-23275  
Fax: +92-21-34326053  
E-mail: info@cdcpak.com

### **Registration with Authorities**

Company Registration Number	0006620
National Tax Number	0944311-8
Sales Tax Number	0205870801264

### **Website**

[www.loads-group.pk](http://www.loads-group.pk)



## LOADS LIMITED DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report together with the consolidated un-audited accounts of Loads Limited and its subsidiaries for the half year ended December 31, 2017.

### **FINANCIAL HIGHLIGHTS** (Consolidated)

	Rs in millions	
	Half year December 31, 2017	Half year December 31, 2016
Sales	2,190	2,118
Gross Profit	270	251
Operating Profit	200	180
Profit before Taxation	171	170
Profit after Taxation	132	129
Earnings per share (EPS) - basic & diluted	0.88	1.12

### **BUSINESS REVIEW**

Your group recorded sales of Rs.2.2 billion in the half year, registering an increase of 3.4% over the previous period, mainly on account of growth of Honda, Suzuki and Millat Tractors (partly offset by completion of Suzuki taxi scheme).

GP grew by 8% but PBT and PAT grew marginally because of lower other income and notional “loss in market value” relating to investments.

EPS has registered a decline due to increase in weighted average of shares.

### **AUTOMOTIVE INDUSTRY**

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

Overall car & LCV sales for the half year ended December 31, 2017 increased by 27%, due to healthy growth in sales of Suzuki (32%) and Honda (50%).

#### **(b) Heavy Commercial Vehicles**

Heavy vehicles increased from previous half year's 3,881 units to 4,562 units (18%).

#### **(c) Tractors**

The tractor industry's sales increased by 54% over previous period, registering healthy sales of 32,310 units (2016: 20,933 units).

**SALES PERFORMANCE**

The overall sales of the group for the half year increased by 3.4%, over previous period. A product-wise analysis is given below:

Products	Rs in millions		
	Sales		
	Half year December 31, 2017	Half year December 31, 2016	+/- %
Exhaust Systems	1,444	1,504	- 4%
Radiators	364	302	+ 21%
Sheet Metal Components	382	312	+ 22%
<b>Total</b>	<b>2,190</b>	<b>2,118</b>	<b>+ 3.4%</b>

Comments on performance of various product groups are given below:

**(a) Exhaust Systems**

Sales have shown a decline of 4%, mainly due to change in sales mix on localization of imported catalytic converters during the current period.

**(b) Radiators**

This business has registered an increase of 21% as compared to previous half year, mainly on account of healthy growth of Suzuki.

**(c) Sheet Metal Components**

The group has registered a growth of 22.4%, as compared to previous half year, mainly due to new components localized by Honda and increase in sales volume of Suzuki.

**PROSPECTS**

The China Pakistan Economic Corridor (CPEC) will serve as a driver for increased economic activity and greatly benefit the industrial sector, including the auto industry. The auto industry is, therefore, looking forward to continuing growth in the years ahead.

The Company has announced that M/s. Hi-Tech Alloy Wheels (Private) Limited [a subsidiary company], has signed an agreement with an Australian company for purchase of their state-of-the-art Alloy Wheels manufacturing plant. Procurement will be completed within six months and the said project will be installed in Bin Qasim Industrial Park, Karachi.

**ELECTION OF DIRECTORS**

The shareholders in their extraordinary general meeting held on December 11, 2017, elected nine directors for another three years term.



## **ACKNOWLEDGEMENTS**

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

By order of the Board

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**MUNIR K. BANA**  
**Chief Executive**

Karachi: February 28, 2018



## سیلز پر فارمنس

اس ششماہی کے دوران گروپ کی مجموعی سیلز میں کچھلی مدت کے مقابلے میں 3.4 فیصد اضافہ ہوا۔ پراڈکٹ کے لحاظ سے تجزیہ مندرجہ ذیل ہے:

روپے ملین میں  
سیلز

پراڈکٹس	ششماہی 31 دسمبر، 2017	ششماہی 31 دسمبر، 2016	+/- %
ایگزاسٹ سسٹمز	1,444	1,504	-4%
ریڈی ایٹرز	364	302	+21%
شیٹ میل کمپونینٹس	382	312	+22%
کل	2,190	2,118	+3.4%

مختلف پراڈکٹ گروپس کی پر فارمنس کے بارے میں تبصرے درج ذیل ہیں:

## (a) ایگزاسٹ سسٹمز

سیلز میں 4 فیصد کمی آئی، اس کی بڑی وجہ سال کے دوران درآمد شدہ catalytic converters کی لوکلائزیشن پر سیلز کمس ہے۔

## (b) ریڈی ایٹرز

اس کاروبار میں کچھلی سہ ماہی کے مقابلے میں 21 فیصد اضافہ ہوا، اس کی اہم وجہ سوزوکی کی صحت مند افزائش ہے۔

## (c) شیٹ میل کمپونینٹس

گروپ نے گزشتہ ششماہی کے مقابلے میں 22.4 فیصد افزائش ریکارڈ کی ہے، اس کی بڑی وجہ ہنڈا کی طرف سے مقامی طور پر تیار کردہ کمپونینٹس کا استعمال اور سوزوکی کی سیلز کی مقدار میں اضافہ ہے۔

## امکانات

چین پاکستان اقتصادی راہداری (سی پیک) اضافی اقتصادی سرگرمی کے لیے قوت متحرک کی حیثیت سے کام کرے گی اور اس سے آٹو انڈسٹری سمیت صنعتی شعبہ کو زبردست فائدہ ہوگا۔ لہذا آٹو انڈسٹری، آنے والے برسوں میں مسلسل افزائش کے بارے میں پرامید ہے۔

کمپنی اعلان کر چکی ہے کہ میسرز، ہائی ٹیک ایلوئے وہیل (پرائیویٹ) لمیٹڈ (ایک ملحقہ کمپنی) نے ایک آسٹریلوی کمپنی سے ان کا اپنی مثال آپ Alloy وہیل مینوفیکچرنگ پلانٹ کی خریداری کا معاہدہ کیا ہے۔ پروکیورمنٹ چھ ماہ کے اندر مکمل ہو جائے گی اور مذکورہ پراجیکٹ، بن قاسم انڈسٹریل پارک، کراچی میں نصب کیا جائے گا۔

## ڈائریکٹرز کا انتخاب

شیئرز ہولڈرز نے، 11 دسمبر، 2017 کو منعقد ہونے والے اپنے غیر معمولی اجلاس عام میں، مزید تین سال کی مدت کے لیے 9 ڈائریکٹرز کا انتخاب کیا۔

## انہماق

بورڈ، تمام ملازمین اور کسٹمرز کا ان کی مسلسل اعانت کا شکریہ ادا کرتا ہے۔

بحکم بورڈ

منیر کے بانا

چیف ایگزیکٹو



## لوڈز لمیٹڈ ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

ڈائریکٹر صاحبان کو لوڈز لمیٹڈ اور اس کی سبسڈریز کے 31 دسمبر، 2017 کو ختم ہونے والی ششماہی کے مربوط غیر آڈٹ شدہ حسابات کے ساتھ اپنی رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

مالیاتی اہم نکات (مربوط)

روپے بلین میں

ششماہی 31 دسمبر، 2016	ششماہی 31 دسمبر، 2017	
2,118	2,190	سیلز
251	270	مجموعی منافع
180	200	آپریٹنگ پرافٹ
170	171	قبل از ٹیکس منافع
129	132	بعد از ٹیکس منافع
1.12	0.88	آمدنی فی شیئر (ای پی ایس) basic & diluted

کاروباری جائزہ

آپ کے گروپ نے اس ششماہی میں 2.2 بلین روپے کی سیلز ریکارڈ کیں، جو اس سے پچھلی مدت کے مقابلے میں 3.4 فیصد اضافہ ظاہر کرتی ہیں، اس کی بڑی وجہ ہنڈا، سوزوکی اور ملت ٹریکٹرز (جزوی طور پر سوزوکی ٹیکسی اسکیم کی تکمیل سے توازن کے باعث) کی فروخت میں اضافہ ہے۔ جی پی میں 8 فیصد اضافہ ہوا مگر پی بی ٹی اور پی اے ٹی میں، دیگر آمدنی کی کمی اور سرمایہ کاری سے متعلق نوٹشل "loss in market value" کی وجہ سے برائے نام اضافہ ہوا۔ شیئرز کی weighted average میں اضافہ کی وجہ سے ای پی ایس میں کمی آئی۔

آئٹیمائزڈ سٹری

(a) پینجر کاریں، الیکٹرک گاڑیاں

31 دسمبر، 2017 کو ختم ہونے والی ششماہی میں کاروں اور ایل سی وی کی مجموعی سیلز 27 فیصد بڑھ گئی۔ اس کی وجہ سوزوکی کی سیلز میں (32 فیصد) اور ہنڈا کی سیلز میں (50 فیصد) کا صحت مند اضافہ ہے۔

(b) ہماری کمرشل گاڑیاں

ہماری گاڑیوں کی تعداد، جو گزشتہ ششماہی میں 3,881 یونٹس تھی، بڑھ کر 4,562 یونٹس ہو گئی (18 فیصد)۔

(c) ٹریکٹرز

گزشتہ سال کی اسی مدت کے مقابلہ میں ٹریکٹر انڈسٹری کی سیلز میں 54 فیصد اضافہ ہوا، اس عرصہ میں 32,310 یونٹس کی صحت مند سیلز ہوئی، (2016 میں یہ تعداد 20,933 یونٹس تھی)۔





Loads Limited

**Condensed Interim Consolidated Balance Sheet**

As at 31 December 2017

	<i>Note</i>	<b>31 December 2017 (Un-audited)</b>	<b>30 June 2017 (Audited)</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	887,831,166	782,307,297
Intangible assets		1,867,654	2,088,635
Long term investments		505,804,274	639,025,429
Long term loan and receivable		11,693,995	27,386,282
		<b>1,407,197,089</b>	<b>1,450,807,643</b>
<b>Current assets</b>			
Stores and spares		38,475,243	54,094,440
Stock-in-trade		1,386,660,392	1,181,967,494
Trade debts		153,598,887	223,972,326
Loans and advances		113,000,048	92,413,727
Deposits, prepayments and other receivables		225,929,520	191,474,809
Current maturity of long term receivables		37,481,192	33,547,375
Taxation		141,331,954	175,784,003
Investments		524,803,876	107,436,273
Cash and bank balances		421,409,216	343,121,346
		<b>3,042,690,328</b>	<b>2,403,811,793</b>
<b>Total assets</b>		<b>4,449,887,417</b>	<b>3,854,619,436</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
200,000,000 (30 June 2017: 200,000,000) ordinary shares of Rs.10/- each		<b>2,000,000,000</b>	<b>2,000,000,000</b>
Issued, subscribed and paid up capital		1,512,500,000	1,375,000,000
Share premium		1,095,352,578	1,095,352,578
Unrealised gain on re-measurement of available for sale investments		13,939,083	33,726,169
Unappropriated profit		755,856,565	898,499,945
		<b>3,377,648,226</b>	<b>3,402,578,692</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities against assets subject to finance lease		6,629,291	8,935,018
Deferred tax liabilities		85,589,140	85,589,139
Employee benefits - gratuity		573,112	287,395
		<b>92,791,543</b>	<b>94,811,552</b>
<b>Current liabilities</b>			
Current maturity of liabilities against assets subject to finance lease		9,886,087	13,258,088
Short term borrowings		576,438,503	28,395,236
Trade and other payables		387,389,627	313,567,792
Unclaimed Dividend		4,578,447	1,420,509
Accrued mark-up on short term borrowings		1,154,984	587,567
		<b>979,447,648</b>	<b>357,229,192</b>
<b>Total equity and liabilities</b>		<b>4,449,887,417</b>	<b>3,854,619,436</b>

**CONTINGENCIES AND COMMITMENTS**

6

The annexed notes 1 to 9 form an integral part of the condensed interim Consolidated financial information.

  
 Chief Financial Officer

  
 Chief Executive

  
 Director



Loads Limited

## Condensed Interim Consolidated Profit and Loss Account (Un-audited)

For the six months period ended 31 December 2017

		For the six months period ended		For the three months period ended	
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees) -----					
Revenue		2,190,126,926	2,118,581,691	1,031,822,984	1,077,294,254
Cost of sales	7	(1,920,012,272)	(1,867,978,254)	(911,759,621)	(958,486,448)
<b>Gross profit</b>		<b>270,114,654</b>	250,603,437	<b>120,063,363</b>	118,807,806
Administrative and selling expenses		(90,639,740)	(78,346,618)	(44,848,665)	(41,175,319)
		179,474,914	172,256,819	75,214,698	77,632,487
Other expenses		(11,521,451)	(10,978,385)	(5,290,540)	(5,374,487)
Other income		32,208,592	19,366,805	16,216,264	17,983,417
		20,687,141	8,388,420	10,925,724	12,608,930
<b>Operating profit</b>		<b>200,162,055</b>	180,645,239	<b>86,140,422</b>	90,241,417
Financial charges		(22,383,901)	(34,221,411)	(14,700,990)	(10,324,127)
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss		(7,843,176)	12,066,213	(7,843,176)	387,987
Share of profit in associates-net		1,096,213	11,247,826	548,107	5,614,913
<b>Profit before taxation</b>		<b>171,031,191</b>	169,737,867	<b>64,144,363</b>	85,920,190
Taxation		(38,674,571)	(41,050,652)	(15,839,685)	(25,804,725)
<b>Profit after taxation</b>		<b>132,356,620</b>	128,687,215	<b>48,304,678</b>	60,115,465
			(Restated)		(Restated)
<b>Earnings per share - basic and diluted</b>		<b>0.88</b>	1.12	<b>0.32</b>	0.52

The annexed notes 1 to 9 form an integral part of the condensed interim Consolidated financial information.

Chief Financial Officer

Chief Executive

Director

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

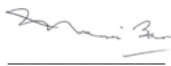
For the six months period ended 31 December 2017

Note	For the six months period ended		For the three months period ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	------(Rupees)-----		------(Rupees)-----	
Profit after taxation	132,356,620	128,687,215	48,304,678	60,115,465
<b>Other comprehensive income:</b>				
<i>Items that are or may be reclassified subsequently to profit and loss</i>				
Unrealised gain/(loss) on revaluation of available-for-sale investments	(19,787,086)	26,305,297	(1,737,119)	2,167,373
<i>Items that will not be reclassified to profit and loss</i>				
Re-measurement of defined benefit liability	-	-	-	-
Related tax	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>112,569,534</b>	<b>154,992,512</b>	<b>46,567,559</b>	<b>62,282,838</b>

The annexed notes 1 to 9 form an integral part of the condensed interim Consolidated financial information.



\_\_\_\_\_  
Chief Financial Officer



\_\_\_\_\_  
Chief Executive



\_\_\_\_\_  
Director



Loads Limited

## Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the six months period ended 31 December 2017

	For the six months period ended	
	31 December 2017	31 December 2016
Note	(Rupees)	
Profit before taxation	171,031,191	169,737,867
<b>Adjustment for</b>		
Depreciation	47,543,658	45,901,089
Amortisation	220,981	146,706
Mark-up expense	4,647,346	31,634,180
Loss on disposal PIB's	5,994,099	-
Gain on disposal of property, plant and equipment	(900,433)	(348,821)
Provision for gratuity	1,231,375	781,450
Finance lease charges	599,742	989,472
Mark-up Income	(25,482,764)	(17,661,789)
Dividend income	(26,000)	(29,556)
Share of profit in associates - net	(1,096,213)	(11,247,826)
Unrealized loss on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition	7,843,176	(12,066,213)
	<b>211,606,158</b>	<b>207,836,559</b>
<b>Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares	15,619,197	15,626,697
Stock-in-trade	(204,692,898)	(109,606,168)
Trade debts	70,373,439	(153,498,194)
Loans and advances	(20,586,321)	18,701,350
Deposits, prepayments and other receivables	(22,696,241)	(45,433,744)
	(161,982,824)	(274,210,059)
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	76,696,620	47,115,071
<b>Cash used in operations</b>	<b>126,319,954</b>	<b>(19,258,429)</b>
Mark-up paid	(3,334,714)	(42,143,979)
Tax paid	(7,842,521)	(46,916,309)
<b>Net cash used in operating activities</b>	<b>114,197,061</b>	<b>(108,318,717)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(155,043,658)	(91,373,174)
Sales of investments-PIB's	136,024,320	-
Dividend received	26,000	29,556
Dividend Rec from Associate	-	7,620,680
Mark-up received	25,482,764	13,004,392
Proceeds from disposal of property and equipment	2,876,564	396,900
Investment-net	(452,698,916)	86,378
<b>Net cash used in investing activities</b>	<b>(443,332,926)</b>	<b>(70,235,268)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(6,277,470)	(9,665,995)
Proceeds from issue of ordinary shares	-	1,700,000,000
Preliminary Expenses	-	(104,647,422)
Dividend Paid	(134,342,062)	-
<b>Net cash generated from / (used in) financing activities</b>	<b>(140,619,532)</b>	<b>1,585,686,583</b>
<b>Net (decrease)/Invested in cash and cash equivalents</b>	<b>(469,755,397)</b>	<b>1,407,132,598</b>
Cash and cash equivalents at beginning of the period	314,726,110	(1,064,096,136)
<b>Cash and cash equivalents at end of the period</b>	<b>(155,029,287)</b>	<b>343,036,462</b>

The annexed notes 1 to 9 form an integral part of the condensed interim Consolidated financial information.

Chief Financial Officer

Chief Executive

Director

**Condensed Interim Consolidated Statement of Changes in Equity (Un-audited)***For the six months period ended 31 December 2017*

	Issued, subscribed and paid up	Share premium	Unrealised gain on re- measurement of	Unappropriated profit	Total
Note			(Rupees)		
Balance as at 01 July 2016	750,000,000	-	23,805,855	844,556,592	1,618,362,447
Transactions with owners directly recognised in equity	-	-	-	-	-
Dividend paid	-	-	-	-	-
<b>Total comprehensive income for the period ended 31 December 2016</b>					
Profit after taxation	-	-	-	128,687,215	128,687,215
<b>Other comprehensive income</b>					
Unrealised gain on re-measurement of available-for-sale investments	-		26,305,297	-	26,305,297
	-	-	26,305,297	128,687,215	154,992,512
<b>Transactions with owners</b>					
Issue of 50,000,000 ordinary shares at the rate of Rs. 34 per share	500,000,000	1,200,000,000	-	-	1,700,000,000
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2016	-	-	-	(125,000,000)	(125,000,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	125,000,000	-	-	(125,000,000)	-
	625,000,000	1,200,000,000	-	(250,000,000)	1,575,000,000
Preliminary expenses written off during the period	-	(104,647,422)	-	-	(104,647,422)
Balance as at 31 December 2016	<u>1,375,000,000</u>	<u>1,095,352,578</u>	<u>50,111,152</u>	<u>723,243,807</u>	<u>3,243,707,537</u>
Balance as at 01 July 2017	1,375,000,000	1,095,352,578	33,726,169	898,499,945	3,402,578,692
<b>Total comprehensive income for the period ended 31 December 2017</b>					
Profit after taxation	-	-	-	132,356,620	132,356,620
<b>Other comprehensive income</b>					
Unrealised loss on revaluation of available-for-sale investments	-	-	(19,787,086)	-	(19,787,086)
	-	-	(19,787,086)	132,356,620	112,569,534
<b>Transactions with owners</b>					
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2017	-	-	-	(137,500,000)	(137,500,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	137,500,000	-	-	(137,500,000)	-
	137,500,000	-	-	(275,000,000)	(137,500,000)
<b>Balance as at 31 December 2017</b>	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>13,939,083</u>	<u>755,856,565</u>	<u>3,377,648,226</u>

The annexed notes 1 to 9 form an integral part of the condensed interim Consolidated financial information.


  
 Chief Financial Officer


  
 Chief Executive


  
 Director

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

For the six months period ended 31 December 2017

### 1. STATUS AND NATURE OF BUSINESS

- 1.1** Loads Limited ("the Parent Company") was incorporated in Pakistan on 1 January 1979 as a private limited company. On 19 December 1993, the Parent Company was converted to unlisted public limited company and subsequently on 1 November 2016, the shares of the Parent Company were listed on Pakistan Stock Exchange Limited. The registered office of the Parent Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.
- 1.2** The principal activity of the Parent Company is to manufacture and sale radiators, exhaust systems and other components for automotive industry.
- 1.3** There are four wholly owned subsidiaries and one associate (Treet Corporation Limited). The details are as follows:

Name of the Company	Incorporation date	Principle line of business
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts.
Hi-Tech Autoparts (Private) Limited (Hi-Tech) (note 1.4)	13 January 2017	Manufacture modern autoparts, dies, moulds, and fabrication of different products. Hi-Tech has yet to commence its operations

- 1.4** The Board of Directors of the subsidiary in their meeting held on 26 December 2017 resolved to change the name from Hi-Tech Autoparts (Private ) Limited to Hi-Tech Alloy Wheels (Private ) Limited.
- 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

The condensed interim consolidated financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Ordinance, 1984 has been followed. This condensed interim consolidated information is unaudited and is being submitted to shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with annual financial statements as at and for the year ended 30 June 2017.

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements as at and for the year ended 30 June 2017.

### 4. ESTIMATES

The preparation of condensed Interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2017.

## 5. PROPERTY, PLANT AND EQUIPMENT

	<i>Note</i>	<b>31 December 2017</b>	<b>30 June 2017</b>
		<b>(Rupees)</b>	
Operating property, plant and equipment			
Capital work-in-progress		<b>852,053,961</b>	672,497,844
		<b>35,777,205</b>	109,809,453
		<b>887,831,166</b>	782,307,297

## 6. CONTINGENCIES AND COMMITMENTS

### 6.1 Contingencies

There is no change in the status of contingencies as disclosed under note 15 of the annual Consolidated financial statements of the Company for the year ended 30 June 2017.

### 6.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 414.04 million (30 June 2017: Rs. 443.902 million).

7. COST OF SALES	<b>For the six months period ended</b>		<b>For the three months period ended</b>	
	<b>31 December 2017</b>	<b>31 December 2016</b>	<b>31 December 2017</b>	<b>31 December 2016</b>
	<b>(Rupees)</b>			
Raw materials and components consumed	<b>1,588,554,440</b>	1,539,258,642	<b>792,991,027</b>	796,135,272
Ancillary materials consumed	<b>52,534,479</b>	42,950,321	<b>25,678,591</b>	21,811,985
Salaries, wages and other employee benefits	<b>198,501,594</b>	187,710,267	<b>93,044,669</b>	95,815,007
Subcontracting costs	<b>56,171,285</b>	25,951,874	<b>28,128,722</b>	20,389,087
Depreciation	<b>43,674,288</b>	39,659,922	<b>23,296,674</b>	20,477,714
Gas, power and water	<b>23,691,371</b>	26,387,195	<b>12,816,782</b>	15,304,979
Others	<b>49,340,025</b>	40,785,945	<b>28,925,045</b>	28,378,770
Transferred to capital work-in-progress	<b>(5,131,550)</b>	(8,134,597)	<b>(3,566,355)</b>	(2,622,882)
Manufacturing cost	<b>2,007,335,932</b>	1,894,569,569	<b>1,001,315,155</b>	995,689,932
Opening stock of work-in-process	<b>140,014,359</b>	142,503,010	<b>125,347,126</b>	90,883,378
Closing stock of work-in-process	<b>(176,721,607)</b>	(121,181,390)	<b>(176,721,607)</b>	(121,181,390)
	<b>(36,707,248)</b>	21,321,620	<b>(51,374,481)</b>	(30,298,012)
Opening stock of finished goods	<b>110,143,067</b>	66,570,963	<b>122,578,426</b>	107,578,426
Closing stock of finished goods	<b>(160,759,479)</b>	(114,483,898)	<b>(160,759,479)</b>	(114,483,898)
	<b>(50,616,412)</b>	(47,912,935)	<b>(38,181,053)</b>	(6,905,472)
	<b>1,920,012,272</b>	1,867,978,254	<b>911,759,621</b>	958,486,448

## 8. TRANSACTIONS WITH RELATED PARTIES

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

Transactions and balances with related parties are disclosed below:

	31 December 2017	30 June 2017
	(Rupees)	
<b>Investment in Treet Corporation</b>		
Ordinary shares: 7,877,090 shares (30 June 2017: 7,748,885 shares)	<u>342,235,065</u>	<u>334,652,655</u>
Participation Term Certificates (PTCs): 1,831,500 PTCs (30 June 2017: 1,831,500 PTCs)	<u>32,014,620</u>	<u>47,527,425</u>
<b>Treet Corporation Limited</b>		
Dividend income	<u>-</u>	<u>7,620,680</u>
Interest income from PTCs	<u>12,655,665</u>	<u>12,454,200</u>

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

## 9. GENERAL

- 9.1 No significant re-arrangements or re-classification have been made in this condensed interim consolidated financial information.
- 9.2 All figures, except for 30 June 2017, appearing in this condensed interim consolidated financial information are unaudited.
- 9.3 This un-audited condensed interim consolidated financial information was authorized for issue by the Board of Directors on February 28 ,2018.



Chief Financial Officer



Chief Executive



Director





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

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## **Auditors' Report to Members on Review of Condensed Interim Financial Information**

### *Introduction*

We have reviewed the accompanying condensed interim unconsolidated balance sheet of **Loads Limited** ("the Company") as at 31 December 2017 and the related condensed interim unconsolidated profit and loss account, condensed interim unconsolidated statement of comprehensive income, condensed interim unconsolidated cash flow statement, condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended (here-in-after-referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### *Other Matters*

The figures of the condensed interim unconsolidated profit and loss account and condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2017 have not been reviewed and we do not express a conclusion on them.

**Date: 28 February 2018**

**Karachi**

**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**  
**Amyr Malik**

KPMG Taseer Hadi & Co., a Partnership firm registered in Pakistan and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.



Loads Limited

## Condensed Interim Unconsolidated Balance Sheet

As at 31 December 2017

		31 December 2017 (Un-audited)	30 June 2017 (Audited)
	Note		
(Rupees)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	561,948,641	543,670,690
Intangible assets		1,867,654	2,088,635
Long term investments	5.1	998,453,433	1,077,885,976
Long term loan and receivable		11,693,995	27,386,282
		<u>1,573,963,723</u>	<u>1,651,031,583</u>
<b>Current assets</b>			
Stores and spares		38,475,243	38,631,402
Stock-in-trade	6	1,370,985,072	1,181,967,494
Trade debts - net	7	153,598,887	223,972,326
Loans and advances	8	598,441,930	84,750,940
Deposits, prepayments and other receivables		221,560,292	186,635,679
Current maturity of long term receivables		37,481,192	33,547,375
Taxation - net		126,584,688	162,615,180
Short term investments	5.2	65,934,345	101,421,742
Cash and bank balances	16	73,978,488	215,971,176
		<u>2,687,040,137</u>	<u>2,229,513,314</u>
<b>Total assets</b>		<u><b>4,261,003,860</b></u>	<u><b>3,880,544,897</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
200,000,000 (30 June 2017: 200,000,000) ordinary shares of Rs. 10 each		<u>2,000,000,000</u>	<u>2,000,000,000</u>
Issued, subscribed and paid-up capital		1,512,500,000	1,375,000,000
Share premium		1,095,352,578	1,095,352,578
Unrealised gain on re-measurement of available-for-sale investments		15,766,965	35,554,051
Unappropriated profit		<u>445,699,648</u>	<u>637,288,686</u>
		<u>3,069,319,191</u>	<u>3,143,195,315</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Liabilities against assets subject to finance lease		6,629,291	8,935,018
Deferred tax liabilities	13	44,277,457	44,277,457
Employee benefits - gratuity		573,112	287,395
		<u>51,479,860</u>	<u>53,499,870</u>
<b>Current liabilities</b>			
Current maturity of liabilities against assets subject to finance lease		9,886,087	13,258,088
Short term borrowings	9	576,438,503	28,395,236
Due to related parties - net	15	198,484,199	379,190,363
Trade and other payables	10	349,662,589	260,997,949
Unclaimed dividend		4,578,447	1,420,509
Accrued mark-up on short term borrowings		1,154,984	587,567
		<u>1,140,204,809</u>	<u>683,849,712</u>
<b>Total equity and liabilities</b>		<u><b>4,261,003,860</b></u>	<u><b>3,880,544,897</b></u>

### CONTINGENCIES AND COMMITMENTS

11

The annexed notes 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

Loads Limited | 17

## Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)

For the six months period ended 31 December 2017

		For the six months period ended		For the three months period ended	
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
----- (Rupees) -----					
Turnover		2,190,126,926	2,118,581,691	1,031,822,984	1,077,294,254
Cost of sales	12	(1,989,345,851)	(1,929,869,564)	(948,484,792)	(992,297,810)
<b>Gross profit</b>		<b>200,781,075</b>	188,712,127	<b>83,338,192</b>	84,996,444
Administrative and selling expenses		(74,479,662)	(69,110,901)	(34,042,846)	(36,606,873)
		<b>126,301,413</b>	119,601,226	<b>49,295,346</b>	48,389,571
Other expenses		(8,966,639)	(7,258,916)	(3,531,216)	(3,038,888)
Other income		28,832,556	26,788,524	14,902,879	25,570,403
		<b>19,865,917</b>	19,529,608	<b>11,371,663</b>	22,531,515
<b>Operating profit</b>		<b>146,167,330</b>	139,130,834	<b>60,667,009</b>	70,921,086
Finance cost		(33,226,207)	(45,653,005)	(19,939,368)	(15,929,009)
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	5.2.1	(7,843,176)	12,066,213	(7,843,176)	387,987
<b>Profit before taxation</b>		<b>105,097,947</b>	105,544,042	<b>32,884,465</b>	55,380,064
Taxation	13	(21,686,985)	(22,142,098)	(8,943,066)	(13,360,458)
<b>Profit after taxation</b>		<b>83,410,962</b>	83,401,944	<b>23,941,399</b>	42,019,606
(Restated)					
<b>Earnings per share</b>					
<b>- basic and diluted</b>	14	<b>0.55</b>	0.73	<b>0.16</b>	0.37

The annexed notes 1 to 18 form an integral part of this condensed interim unconsolidated financial information.



Chief Financial Officer



Chief Executive



Director



Loads Limited

## Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the six months period ended 31 December 2017

	<u>For the six months period ended</u>		<u>For the three months period ended</u>	
Note	<b>31 December</b>	31 December	<b>31 December</b>	31 December
	<b>2017</b>	2016	<b>2017</b>	2016
	<b>(Rupees)</b>			
Profit after taxation	<b>83,410,962</b>	83,401,944	<b>23,941,399</b>	42,019,606
<b>Other comprehensive income:</b>				
<i>Items that are or may be reclassified subsequently to profit and loss</i>				
Unrealised (loss) / gain on re-measurement of available-for-sale investments	5.2.2.1 <b>(19,787,086)</b>	26,305,297	<b>(1,737,119)</b>	2,167,373
<b>Total comprehensive income for the period</b>	<b><u>63,623,876</u></b>	<u>109,707,241</u>	<b><u>22,204,280</u></b>	<u>44,186,979</u>

The annexed notes 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director



Loads Limited

## Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the six months period ended 31 December 2017

	Note	31 December 2017	31 December 2016
CASH FLOWS FROM OPERATING ACTIVITIES			
		(Rupees)	
Profit before taxation		105,097,947	105,544,042
<i>Adjustments for</i>			
Depreciation		41,340,639	38,968,863
Amortisation		220,981	146,706
Mark-up expense		4,647,346	44,181,494
Gain on disposal of property, plant and equipment		(900,433)	(348,821)
Provision for gratuity		1,231,375	781,450
Finance lease charges		599,742	989,472
Mark-up income		(25,776,118)	(17,661,789)
Dividend income		(26,000)	(7,650,246)
Unrealized loss / (gain) on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition		7,843,176	(12,066,213)
		134,278,655	152,884,958
Working capital changes			
Decrease / (increase) in current assets			
Stores and spares		156,159	14,754,016
Stock-in-trade		(189,017,578)	(109,606,168)
Trade debts - net		70,373,439	(153,498,194)
Loans and advances		(13,690,990)	17,116,711
Deposits, prepayments and other receivables		(23,166,143)	(48,102,849)
		(155,345,113)	(279,336,484)
Increase in current liabilities			
Due to related parties - net		19,927,836	22,278,391
Trade and other payables		88,664,640	36,358,579
		108,592,476	58,636,970
Cash used in operations		87,526,018	(67,814,556)
Mark-up paid		(4,079,929)	(42,461,782)
Gratuity paid		(945,658)	-
Tax refunded / (paid) - net		14,343,507	(26,085,338)
Net cash used in operating activities		96,843,938	(136,361,676)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(61,594,721)	(71,332,487)
Advance against issue of shares in subsidiary		(500,000,000)	-
Dividend received		26,000	7,650,246
Mark-up received		25,776,118	13,004,392
Proceeds from disposal of property, plant and equipment		2,876,564	396,900
Proceeds from sale of investments - net		87,289,678	274,359
Net cash generated from / (used in) investing activities		(445,626,361)	(50,006,590)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(6,277,470)	(9,665,995)
Proceeds from issue of ordinary shares		-	1,700,000,000
Preliminary expenses		-	(104,647,422)
Dividend paid		(134,342,062)	-
Repayment of loan from subsidiaries - unsecured		(200,634,000)	(750,000)
Net cash (used in) / generated from financing activities		(341,253,532)	1,584,936,583
Net (decrease) / increase in cash and cash equivalents during the period		(690,035,955)	1,398,568,317
Cash and cash equivalents at beginning of the period		187,575,940	(1,076,134,521)
Cash and cash equivalents at end of the period	16	(502,460,015)	322,433,796

16

The annexed notes 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

20 | Loads Limited

Chief Executive

Director



Loads Limited

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

For the six months period ended 31 December 2017

Note	Issued, subscribed and paid up capital	Share premium	Unrealised gain / (loss) on re- measurement of available-for-sale (Rupees)	Unappropriated profit	Total
Balance as at 1 July 2016	750,000,000	-	25,633,737	660,191,143	1,435,824,880

### Total comprehensive income for the six months period ended 31 December 2016

Profit after taxation	-	-	-	83,401,944	83,401,944
Other comprehensive income	-	-	26,305,297	-	26,305,297
	-	-	26,305,297	83,401,944	109,707,241

### Transactions with owners of the Company

#### Contributions and distributions

Issue of 50,000,000 ordinary shares at the rate of Rs. 34 per share	500,000,000	1,200,000,000	-	-	1,700,000,000
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2016	-	-	-	(125,000,000)	(125,000,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	125,000,000	-	-	(125,000,000)	-
	625,000,000	1,200,000,000	-	(250,000,000)	1,575,000,000

Preliminary expenses written off during the period	-	(104,647,422)	-	-	(104,647,422)
Balance as at 31 December 2016	1,375,000,000	1,095,352,578	51,939,034	493,593,087	3,015,884,699

Balance as at 1 July 2017	1,375,000,000	1,095,352,578	35,554,051	637,288,686	3,143,195,315
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### Total comprehensive income for the six months period ended 31 December 2017

Profit after taxation	-	-	-	83,410,962	83,410,962
Other comprehensive income	-	-	(19,787,086)	-	(19,787,086)
	-	-	(19,787,086)	83,410,962	63,623,876

### Transactions with owners of the Company

#### Contributions and distributions

Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2017	18.3	-	-	(137,500,000)	(137,500,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	18.4	137,500,000	-	(137,500,000)	-
		137,500,000	-	(275,000,000)	(137,500,000)

Balance as at 31 December 2017	1,512,500,000	1,095,352,578	15,766,965	445,699,648	3,069,319,191
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The annexed notes 1 to 18 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director



Loads Limited

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

For the six months period ended 31 December 2017

### 1. STATUS AND NATURE OF BUSINESS

- 1.1** Loads Limited ("the Company") was incorporated in Pakistan on 1 January 1979 as a private limited company. On 19 December 1993, the Company was converted to unlisted public limited company and subsequently on 1 November 2016, the shares of the Company were listed on Pakistan Stock Exchange Limited. 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 radiators, exhaust systems and other components for automotive industry.
- 1.3** There are four wholly owned subsidiaries and one associate (Treet Corporation Limited). The details are as follows:

Name of the Company	Incorporation date	Principle line of business
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Autoparts (Private) Limited (Hi-Tech) (note 1.4)	13 January 2017	Manufacture modern autoparts, dies, moulds, and fabrication of different products.

As at 31 December 2017, the financial position of the subsidiaries are as follows:

	31 December 2017 (Un-audited)		
	Assets	Liabilities	Equity
	------(Rupees)-----		
Specialized Autoparts Industries (Private) Limited	379,333,551	45,722,237	333,611,314
Hi-Tech Autoparts (Private) Limited	949,281,565	703,464,497	245,817,068
Multiple Autoparts Industries (Private) Limited	195,277,188	22,301,018	172,976,170
Specialized Motorcycles (Private) Limited	70,466,059	1,458,493	69,007,566

As at 30 September 2017, the assets, liabilities and equity of Treet Corporation Limited amounted to Rs. 16,363 million, Rs. 9,331 million and Rs. 7,033 million respectively (un-audited).

- 1.4** The Board of Directors of the subsidiary in their meeting held on 26 December 2017 resolved to change the name from Hi-Tech Autoparts (Private ) Limited to Hi-Tech Alloy Wheels (Private ) Limited.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

- 2.1.1** This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2017 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under repealed Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the repealed Companies Ordinance, 1984 have been followed.

This condensed interim unconsolidated financial information does not include information required for full annual financial statements and therefore should be read in conjunction with the audited unconsolidated financial statements for the year ended 30 June 2017.

- 2.1.2** The Companies Act, 2017 was enacted on 30 May 2017 and is applicable with immediate effect. The Securities and Exchange Commission of Pakistan vide circular no 23 of 2017 dated 4 October 2017 has decided that all the companies whose financial year, including quarterly and other interim period, closes on or before 31 December 2017, shall prepare their financial statements, including interim financial statements, in accordance with the provisions of the repealed Companies Ordinance, 1984. The new requirements of the Companies Act, 2017 shall be applicable to the companies having their financial year closure after 31 December 2017.



## **2.2 Basis of measurement**

This condensed interim unconsolidated financial information has been prepared on the historical cost convention, except for certain investments which are stated at fair value and provision for staff gratuity which is stated at present value.

## **2.3 Functional and presentation currency**

The condensed interim unconsolidated financial information is presented in Pak Rupee which is also the functional currency of the Company and rounded off to the nearest rupee.

## **2.4 Accounting Estimates, Judgments and Financial Risk Management**

The preparation of the condensed interim unconsolidated financial information 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 reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing the condensed interim unconsolidated financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the unconsolidated financial statements as at and for the year ended 30 June 2017. The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements as at and for the year ended 30 June 2017.

## **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 January 2018:

- Classification and Measurement of Share-based Payment Transactions - amendments to IFRS 2 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 recognized for new and outstanding awards.
- Transfers of Investment Property (Amendments to IAS 40 'Investment Property' -effective for annual periods beginning on or after 1 January 2018) clarifies that an entity shall transfer a property to, or from, investment property when, and only when there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.
- Annual Improvements to IFRSs 2014-2016 Cycle [Amendments to IAS 28 'Investments in Associates and Joint Ventures'] (effective for annual periods beginning on or after 1 January 2018) clarifies that a venture capital organization and other similar entities may elect to measure investments in associates and joint ventures at fair value through profit or loss, for each associate or joint venture separately at the time of initial recognition of investment. Furthermore, similar election is available to non-investment entity that has an interest in an associate or joint venture that is an investment entity, when applying the equity method, to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture.
- IFRIC 22 'Foreign Currency Transactions and Advance Consideration' (effective for annual periods beginning on or after 1 January 2018) clarifies which date should be used for translation when a foreign currency transaction involves payment or receipt in advance of the item it relates to. The related item is translated using the exchange rate on the date the advance foreign currency is received or paid and the prepayment or deferred income is recognized. The date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) would remain the date on which receipt of payment from advance consideration was recognized. If there are multiple payments or receipts in advance, the entity shall determine a date of the transaction for each payment or receipt of advance consideration.
- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax.





- IFRS 15 'Revenue from contracts with customers' (effective for annual periods beginning on or after 1 July 2018). IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 'Revenue', IAS 11 'Construction Contracts' and IFRIC 13 'Customer Loyalty Programmes'. The Company is currently in the process of analyzing the potential impact of changes required in revenue recognition policies on adoption of the standard.
- IFRS 9 'Financial Instruments' and amendment – Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 1 July 2018 and 1 January 2019 respectively). IFRS 9 replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. The Company is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.
- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied.

The above amendments are not likely to have an effect on the Company's condensed interim unconsolidated financial information.

Annual Improvements to IFRS Standards 2015–2017 Cycle - the improvements address amendments to following approved accounting standards:

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.
- IAS 12 *Income Taxes* - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.
- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

The above amendments are effective from annual period beginning on or after 1 January 2019 and are not likely to have an impact on Company's condensed interim unconsolidated financial information.

As disclosed in note 2.1.2, the new requirements of the Companies Act, 2017, shall be applicable to the financial statements issued on or after 31 December 2017. Accordingly certain additional requirements / disclosures in Fourth Schedule are applicable to the financial statements of the Company. Significant disclosures / requirements, which are relevant to the Company includes but not limited to: name of associated companies or related parties or undertakings along with the basis of relationship describing common directorship and / or percentage of shareholding with whom the company has entered into transactions or had agreements and / or arrangements in place during the financial year; summary of significant transactions and events that have affected the financial position and performance during the year; discount of issue of shares shall be shown separately as a deduction from share capital in the statement of financial positions and statement of changes in equity; additional disclosure in respect of contingencies, name of the Court, the date case was instituted, principal parties and factual basis of proceedings; detailed disclosure regarding foreign shareholders and associated companies incorporated outside Pakistan; disclosure of the properties acquired and not held in name or in possession; change in the definition of 'executive' for the disclosure requirements regarding remuneration of executives and directors; disclosure of property, plant and equipment sold during the year; disclosure of the loans and advances provided to directors and associates; additional disclosure in respect of security deposit payable; disclosure of royalties paid by the company and items such as, long term deposits and prepayment, unpaid dividend and unclaimed dividend shall be disclosed as a separate line items on the face of the financial statements.



The above amendments are not likely to have an impact on the Company's condensed interim unconsolidated financial information except for additional disclosures and reclassifications mentioned above.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim unconsolidated financial information are same as those applied in preparation of the unconsolidated financial statements of the Company for the year ended 30 June 2017.

### 4. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2017	30 June 2017
		(Rupees)	
Operating property, plant and equipment	4.1	529,024,228	512,393,898
Capital work-in-progress		32,924,413	31,276,792
		<u>561,948,641</u>	<u>543,670,690</u>

4.1 The following acquisitions and disposals have been made during six months period ended 31 December 2017.

For the six months period ended			
31 December 2017		31 December 2016	
Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
----- (Rupees) -----			
Building on leasehold land	3,391,471	-	798,240
Plant and machinery	30,914,153	-	37,664,768
Tools and equipment	9,927,272	-	49,966,211
Furniture, fittings and office equipment	2,641,944	-	553,859
Vehicles	13,589,260	2,493,135	5,253,920
	<u>60,464,100</u>	<u>2,493,135</u>	<u>94,236,998</u>
			<u>48,079</u>

### 5. INVESTMENT

#### 5.1 Long term investments

Long term investments		31 December 2017	30 June 2017
	<i>Note</i>		
		<b>(Rupees)</b>	
<b>At cost</b>			
<i>Investments in subsidiary companies - unlisted</i>			
Hi-Tech Autoparts (Private) Limited		250,000,000	250,000,000
Specialized Autoparts Industries (Private) Limited		175,000,000	175,000,000
Multiple Autoparts Industries (Private) Limited		75,000,000	75,000,000
Specialized Motorcycles (Private) Limited (SMPL)		75,000,000	75,000,000
	5.1.1	575,000,000	575,000,000
Less: Provision for impairment against SMPL		(25,000,000)	(25,000,000)
Net investment in subsidiary companies		550,000,000	550,000,000
Investment in associate	5.1.2	342,235,065	334,652,655
<b>At amortized cost</b>			
Pakistan investment bond - held to maturity	5.1.3	106,218,368	193,233,321
		998,453,433	1,077,885,976

5.1.1 This represents investment in wholly owned subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL), Specialized Motorcycles (Private) Limited (SMPL) and Hi-Tech Autoparts (Private) Limited (HAPL). The financial position of the subsidiaries as at 31 December 2017 is disclosed in note 1.3 to this condensed interim unconsolidated financial information.

5.1.2 This represents 8,613,233 shares (30 June 2017: 7,748,885 shares) of Treet Corporation Limited having market value of Rs. 319.120 million (30 June 2017: 440.757 million). As at 15 February 2018, the market value of these shares amounted to Rs. 361.24 million. Out of the above, 8,344,644 shares (30 June 2017: 7,620,680 ) have been kept in a broker's CDC sub account. The financial position of the associate as at 30 September 2017 is disclosed in note 1.3 to this condensed interim unconsolidated financial information.

**5.1.3** This carries an effective interest rate of 6.34% per annum (30 June 2017: 6.34% to 7.58% per annum) having five years tenor and is due to mature in December 2021. It has a face value and market value amounting to Rs. 100 million (30 June 2017: Rs. 180 million) and Rs. 100.473 million (30 June 2017: Rs. 181.999 million), respectively.

<b>5.2</b>	<b>Short term investments</b>	<i>Note</i>	<b>31 December 2017</b>	<b>30 June 2017</b>
			<b>(Rupees)</b>	
	At fair value through profit or loss - at initial recognition	5.2.1	<b>32,973,687</b>	48,673,998
	Available-for-sale	5.2.2	<b>32,960,658</b>	52,747,744
			<b>65,934,345</b>	<b>101,421,742</b>

**5.2.1 At fair value through profit or loss - at initial recognition**

<b>31 December 2017</b>	<b>30 June 2017</b>	<b>Name of investee company</b>	<b>31 December 2017</b>			<b>30 June 2017</b>
			<b>Carrying value</b>	<b>Market value</b>	<b>Unrealised gain / (loss)</b>	<b>Market value</b>
<b>(Number of shares / certificates)</b>		<b>Ordinary shares - Quoted</b>	<b>----- (Rupees) -----</b>			
<b>1</b>	<b>1</b>	Agriautos Industries Limited*	<b>431</b>	<b>318</b>	<b>(113)</b>	<b>431</b>
<b>1</b>	<b>1</b>	Al-Ghazi Tractors Limited *	<b>644</b>	<b>615</b>	<b>(29)</b>	<b>644</b>
<b>1</b>	<b>1</b>	Atlas Battery Limited	<b>900</b>	<b>484</b>	<b>(416)</b>	<b>900</b>
<b>1</b>	<b>1</b>	Atlas Honda Limited	<b>604</b>	<b>566</b>	<b>(38)</b>	<b>604</b>
<b>1</b>	<b>1</b>	The General Tyre & Rubber Company of Pakistan Limited	<b>304</b>	<b>188</b>	<b>(116)</b>	<b>304</b>
<b>1</b>	<b>1</b>	Honda Atlas Cars (Pakistan) Limited	<b>868</b>	<b>512</b>	<b>(356)</b>	<b>868</b>
<b>1</b>	<b>1</b>	Thal Limited *	<b>606</b>	<b>409</b>	<b>(197)</b>	<b>606</b>
<b>230</b>	<b>230</b>	Baluchistan Wheels Limited	<b>34,270</b>	<b>25,358</b>	<b>(8,912)</b>	<b>34,270</b>
<b>315</b>	<b>315</b>	Gandhara Nissan Limited	<b>70,875</b>	<b>48,677</b>	<b>(22,198)</b>	<b>70,875</b>
<b>150</b>	<b>150</b>	Hinopak Motors Limited	<b>196,500</b>	<b>153,750</b>	<b>(42,750)</b>	<b>196,500</b>
<b>200</b>	<b>200</b>	Indus Motor Company Limited	<b>358,800</b>	<b>336,034</b>	<b>(22,766)</b>	<b>358,800</b>
<b>272</b>	<b>272</b>	Millat Tractors Limited	<b>373,848</b>	<b>318,683</b>	<b>(55,165)</b>	<b>373,848</b>
<b>63</b>	<b>63</b>	Oil & Gas Development Company Limited	<b>8,863</b>	<b>10,256</b>	<b>1,393</b>	<b>8,863</b>
<b>127</b>	<b>127</b>	Pak Suzuki Motor Company Limited	<b>99,060</b>	<b>63,217</b>	<b>(35,843)</b>	<b>99,060</b>
<b><u>Participation term certificate (PTC) - Quoted</u></b>						
<b>1,831,500</b>	<b>1,831,500</b>	Treet Corporation Limited *(note 5.2.1.1)	<b>39,670,290</b>	<b>32,014,620</b>	<b>(7,655,670)</b>	<b>47,527,425</b>
			<b>40,816,863</b>	<b>32,973,687</b>	<b>(7,843,176)</b>	<b>48,673,998</b>

\* All shares have a nominal value of Rs. 10 each, except for the shares of Al-Ghazi Tractors Limited, Agriautos Industries 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.

**5.2.1.1** These are mandatorily convertible into ordinary shares of Treet Corporation Limited in 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 Re. 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 per share for the year 2019. During the period, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively.

**5.2.2 Available-for-sale**

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

<b>31 December 2017</b>	<b>30 June 2017</b>	<b>Name of investee company</b>	<b>31 December 2017</b>			<b>30 June 2017</b>
			<b>Cost</b>	<b>Market value</b>	<b>Unrealised gain</b>	<b>Market value</b>
<b>(Number of shares)</b>			<b>----- (Rupees) -----</b>			
		<b>Ordinary Shares - Quoted</b>				
<b>235,386</b>	<b>235,386</b>	Tri-Pack Films Limited	<b>17,188,363</b>	<b>32,946,978</b>	<b>15,758,615</b>	<b>52,726,464</b>
<b>152</b>	<b>152</b>	ZIL Limited	<b>5,330</b>	<b>13,680</b>	<b>8,350</b>	<b>21,280</b>
			<b>17,193,693</b>	<b>32,960,658</b>	<b>15,766,965</b>	<b>52,747,744</b>

### 5.2.2.1 Unrealized (loss) / gain on re-measurement of available-for-sale investments

	31 December 2017	30 June 2017
	(Rupees)	
Market value of investments	32,960,658	52,747,744
Less: Cost of investments	17,193,693	17,193,693
	15,766,965	35,554,051
Less: Unrealized (loss) / gain on re-measurement of available-for-sale investments at beginning of the year	35,554,051	25,633,737
	(19,787,086)	9,920,314

5.2.2.2 The above investments include 182,000 shares (30 June 2017: 182,000 shares) of Tri-Pack Films Limited having an aggregate market value of Rs. 25.475 million (30 June 2017: Rs. 40.768 million) have been pledged with financial institutions as securities against borrowing facilities.

## 6. STOCK-IN-TRADE

Note

	31 December 2017	30 June 2017
	(Rupees)	
Raw material and components	1,035,127,391	933,433,474
Work-in-process	176,721,608	140,014,359
Finished goods	160,759,479	110,143,067
	1,372,608,478	1,183,590,900
Provision for slow-moving and obsolescence	(1,623,406)	(1,623,406)
	1,370,985,072	1,181,967,494

6.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 206.70 million (30 June 2017: Rs. 216.58 million) and Rs. 532.40 million (30 June 2017: Rs. 328 million) respectively.

6.2 This includes finished goods in possession of Company's subsidiaries amounting to Rs. 38.30 million (30 June 2017: Rs. 36.12 million).

## 7. TRADE DEBTS - net (unsecured)

As at 31 December 2017, about 94% (30 June 2017: 74%) of trade debts was represented by few customers, out of which significant portion has been recovered subsequent to the period end.

## 8. LOANS AND ADVANCES

This includes advance amounting to Rs. 500 million paid to Hi-Tech Autoparts (Private) Limited (HAPL). On 21 December 2017, the Board of Directors of the Company resolved to subscribe 61 million share of Rs. 10 each in HAPL.

## 9. SHORT TERM BORROWINGS - secured

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, 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 May 2018. 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 0.95% to 6 month KIBOR plus 0.85% per annum (30 June 2017: 1 month KIBOR plus 0.5% to 6 month KIBOR plus 0.85% per annum). The aggregate available short term funded facilities amounted to Rs. 1,520 million (30 June 2017: Rs. 1,970 million) out of which Rs. 943.561 million (30 June 2017: 1,941.605 million) remained unavailed as at the reporting date. Facilities available for opening letters of credit / guarantees at 31 December 2017 amounted to Rs. 2,257.951 million (30 June 2017: Rs. 2,205.451 million) out of which Rs. 1,843.91 million (30 June 2017: Rs. 1,761.098 million) remained unutilized at the period end.

The Islamic finance (Istisna) facility from Al Baraka Bank (Pakistan) Limited and Meezan Bank Limited having limits of Rs. 350 million (30 June 2017: Rs. 400 million), for procurement of raw materials and manufacturing of mufflers, radiators and exhaust system. The whole amount of Rs. 350 million (30 June 2017: Rs. 400 million) remained unutilised at the period end. These facilities carry mark-up at relevant KIBOR plus 1% per annum (30 June 2017: 6 month KIBOR plus 1.25% per annum) and is repayable maximum within 180 days of the disbursement date. The facilities for import loans under mark-up arrangements with United Bank Limited amounted to Rs. 150 million (30 June 2017: Rs. 150 million). The whole amount of Rs. 150 million (30 June 2017: Rs. 150 million) remained unutilised at the period end. The foreign and local currency import loans' mark-up rates are decided on case to case basis (30 June 2017: case to case basis). The loans are repayable within 180 days of the disbursement date. The facility remained unutilised at the period end. The Company also has an unutilised facility of forward cover from JS Bank Limited and Meezan Bank Limited, amounting to Rs. 66 million (30 June 2017: Rs. 66 million) to hedge forex risk on import transactions carried in USD. The tenor of facility is of maximum 12 months and the cover limit for JS Bank Limited is established is of 10 times of the actual limit i.e. Rs. 350 million. The above facilities are secured by way of first pari passu charge over stocks, book debts, plant, machinery, land and building and also by way of pledge of shares of associated company.

## 10. TRADE AND OTHER PAYABLES

Note

	31 December 2017	30 June 2017
	(Rupees)	
Creditors	240,981,215	161,125,254
Accrued liabilities	18,665,564	19,877,619
<b>Other liabilities</b>		
Advance from customer	19,315,589	13,188,422
Mobilization advances	17,563,368	22,862,201
Workers' profit participation fund	26,948,457	19,659,057
Provision for compensated absences	10,678,222	10,678,222
Workers' welfare fund	8,812,057	6,250,160
Withholding tax payable	1,322,483	1,612,681
Security deposit from contractors	129,000	129,000
Other payables	5,246,634	5,615,333
	349,662,589	260,997,949



Loads Limited

## 10.1 Workers' profit participation fund

	31 December 2017	30 June 2017
	(Rupees)	
Opening balance	19,659,057	11,326,898
Charge for the period	6,404,742	15,625,400
Interest charged during the period	884,658	691,679
	<u>26,948,457</u>	<u>27,643,977</u>
Less: Payments during the period	-	(7,984,920)
Closing balance	<u>26,948,457</u>	<u>19,659,057</u>

## 10.2 Workers' welfare fund

Opening balance	6,250,160	3,449,415
Charge for the period	2,561,897	6,250,160
Less: Payments during the period	-	(3,449,415)
Closing balance	<u>8,812,057</u>	<u>6,250,160</u>

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

There is no change in the status of contingencies as disclosed under note 15 of the annual unconsolidated financial statements of the Company for the year ended 30 June 2017. The Company has issued undated cheques to Total Parco Pakistan Limited amounting to Rs. 3.8 million as security deposit.

### 11.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 414.04 million (30 June 2017: Rs. 443.902 million).

## 12. COST OF SALES

		For the six months period ended		For the three months period ended	
	Note	31 December 2017	31 December 2016	31 December 2017	31 December 2016
		------(Rupees)-----			
Raw materials and components consumed		1,588,554,440	1,525,454,037	794,556,222	782,330,667
Ancillary materials consumed		20,542,970	29,165,543	10,869,870	21,744,475
<b>Manufacturing expenses</b>					
Salaries, wages and other employee benefits		101,987,306	101,656,256	48,138,344	52,982,396
Toll manufacturing		294,860,175	236,140,509	145,353,852	131,483,846
Depreciation		37,971,887	35,652,467	20,352,528	18,832,059
Gas, power and water		9,945,173	12,558,070	4,937,581	6,960,249
Others		27,939,111	23,968,594	14,250,570	17,790,484
Transferred to capital work-in-progress		(5,131,550)	(8,134,597)	(3,566,355)	(2,622,882)
Manufacturing cost		467,572,102	401,841,299	229,466,520	225,426,152
Opening stock of work-in-process	6	140,014,359	142,503,010	148,098,868	90,883,378
Closing stock of work-in-process	6	(176,721,608)	(121,181,390)	(176,721,608)	(121,181,390)
		(36,707,249)	21,321,620	(28,622,740)	(30,298,012)
Opening stock of finished goods	6	110,143,067	66,570,963	102,974,399	107,578,426
Closing stock of finished goods	6	(160,759,479)	(114,483,898)	(160,759,479)	(114,483,898)
		(50,616,412)	(47,912,935)	(57,785,080)	(6,905,472)
		<u>1,989,345,851</u>	<u>1,929,869,564</u>	<u>948,484,792</u>	<u>992,297,810</u>

## 13. TAXATION

Income tax is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year. It also includes tax credit amounting to Rs. 7 million and Rs. 4 million in respect of second year of listing (section 65C of the Income Tax Ordinance, 2001) and purchase of plant and machinery (section 65B of the Income Tax Ordinance, 2001), respectively. Amounts accrued for income tax expense in one interim period may be adjusted in a subsequent interim period of that financial year, if the estimate of the income tax rate changes.

## 14. EARNINGS PER SHARE - basic and diluted

		For the six months period ended	
		31 December 2017	31 December 2016 (Restated)
Profit after taxation	Rupees	<u>83,410,962</u>	<u>83,401,944</u>
Weighted average number of ordinary shares outstanding during the period	Numbers	<u>151,250,000</u>	<u>114,752,718</u>
Earnings per share - basic and diluted	Rupees	<u>0.55</u>	<u>0.73</u>



Loads Limited

**15. 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 rates determined in accordance with the agreed terms. Transactions and balances with related parties, other than those disclosed elsewhere in this condensed interim unconsolidated financial information, are disclosed below:

	31 December 2017	30 June 2017
	(Rupees)	
<b>Balance as at</b>		
<b>Investment in Treet Corporation Limited</b>		
Ordinary shares: 8,613,233 shares (30 June 2017: 7,748,885 shares)	342,235,065	334,652,655
Participation Term Certificates (PTCs): 1,831,500 PTCs (30 June 2017: 1,831,500 PTCs)	32,014,620	47,527,425
<b>Advance against issue of shares</b>		
Hi-Tech Autoparts (Private) Limited (note 8.1)	500,000,000	-
<b>(Due to) / due from related party - net</b>		
- Specialized Motorcycles (Private) Limited	(70,052,033)	(65,279,917)
- Specialized Autoparts Industries (Private) Limited	(61,654,209)	(214,522,602)
- Multiple Autoparts Industries (Private) Limited	(70,097,422)	(102,705,779)
- Hi-Tech Autoparts (Private) Limited	3,319,465	3,317,935
	(198,484,199)	(379,190,363)
<b>Receivable from provident fund</b>	9,968,706	5,524,464
<b>Employee benefits - gratuity</b>	(573,112)	(287,395)
	<b>For the six months period ended</b>	
	31 December 2017	31 December 2016
	(Rupees)	
<b>Transactions for the period</b>		
<b>Toll manufacturing from:</b>		
- Specialized Autoparts Industries (Private) Limited	159,827,378	154,547,327
- Multiple Autoparts Industries (Private) Limited	81,709,319	56,748,653
<b>Payments made during the period (net):</b>		
- Specialized Autoparts Industries (Private) Limited	(343,882,474)	(167,888,286)
- Multiple Autoparts Industries (Private) Limited	(131,099,434)	(56,698,283)
- Specialized Motorcycles (Private) Limited	-	(750,000)
- Hi-Tech Autoparts (Private) Limited	(500,000,000)	-
<b>Mark-up charged by subsidiary companies</b>	10,868,444	11,135,600
<b>Treet Corporation Limited</b>		
Dividend income	-	7,620,680
Interest income from PTCs	12,655,665	12,454,200
<b>Key management personnel</b>		
- Compensation		
Salaries and benefits	38,746,008	28,402,076
Post retirement benefits	719,965	522,513
<b>Employee retirement benefits</b>		
- Expense for the period	1,231,375	781,450
- Contribution paid during the period	945,658	-

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

**16. CASH AND CASH EQUIVALENTS**

	31 December 2017	31 December 2016
	(Rupees)	
Cash and bank balances	73,978,488	597,944,213
Short term borrowings	(576,438,503)	(275,510,417)
	(502,460,015)	322,433,796



## 17. 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 data (i.e., unobservable inputs).

### 17.1 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 and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Note	Carrying amount					Fair value			
	Non-current assets Other receivables	Other investments	Trade and other receivables	Other investments	Cash and cash equivalents	Total	Level 1	Level 2	Level 3
<b>31 December 2017</b>									
<b>Financial assets - measured at fair value</b>									
Equity securities	5	-	-	33,919,725	-	33,919,725	33,919,725	-	-
Participation Term Certificates	5.2.1	-	-	32,014,620	-	32,014,620	32,014,620	-	-
<b>Financial assets - not measured at fair value</b>									
Subsidiaries - unlisted shares	17.1.1	-	550,000,000	-	-	550,000,000	-	-	-
Associate - listed shares	5.1	-	342,235,065	-	-	342,235,065	319,120,283	-	-
Debt securities	5.1	-	106,218,368	-	-	106,218,368	-	100,472,863	-
Trade debts	17.1.1	-	-	153,598,887	-	153,598,887	-	-	100,472,863
Loans	17.1.1	11,693,995	-	9,404,143	-	21,098,138	-	-	-
Deposits and other receivables	17.1.1	-	-	51,697,220	-	51,697,220	-	-	-
Cash and bank balances	17.1.1	-	-	-	73,978,488	73,978,488	-	-	-
		11,693,995	998,453,433	214,700,250	65,934,345	1,364,760,511	-	-	-

30 June 2017

#### Financial assets - measured at fair value

Equity securities	5	-	-	53,894,317	-	53,894,317	53,894,317	-	-
Participation Term Certificates	5.2.1	-	-	47,527,425	-	47,527,425	47,527,425	-	-

#### Financial assets - not measured at fair value

Subsidiaries - unlisted shares	17.1.1	-	550,000,000	-	-	550,000,000	-	-	-
Associate - listed shares	5.1	-	334,652,655	-	-	334,652,655	440,756,579	-	-
Debt securities	5.1	-	193,233,321	-	-	193,233,321	-	181,999,181	-
Trade debts	17.1.1	-	-	223,972,326	-	223,972,326	-	-	181,999,181
Loans	17.1.1	27,386,282	-	8,492,491	-	35,878,773	-	-	-
Deposits and other receivables	17.1.1	-	-	47,600,487	-	47,600,487	-	-	-
Cash and bank balances	17.1.1	-	-	-	215,971,176	215,971,176	-	-	-
		27,386,282	1,077,885,976	280,065,304	101,421,742	1,702,730,480	-	-	-

Note	Carrying amount				Fair value			
	Non-current liabilities Other payables	Trade and other payables	Loans and borrowings	Total	Level 1	Level 2	Level 3	Total
<b>31 December 2017</b>								
<b>Financial liabilities - not measured at fair value</b>								
Short term borrowing	17.1.1	-	-	576,438,503	576,438,503	-	-	-
Trade and other payables	17.1.1	-	275,700,635	-	275,700,635	-	-	-
Unclaimed dividend	17.1.1	-	4,578,447	-	-	-	-	-
Due to related parties - net	17.1.1	-	121,828,199	76,656,000	198,484,199	-	-	-
Liabilities against assets subject to finance lease	17.1.1	6,629,291	9,886,087	-	16,515,378	-	-	-
Accrued mark-up on short term borrowings	17.1.1	-	1,154,984	-	1,154,984	-	-	-
		6,629,291	413,148,352	653,094,503	1,068,293,699	-	-	-

#### Financial liabilities - not measured at fair value

Short term borrowing	17.1.1	-	-	28,395,236	28,395,236	-	-	-
Trade and other payables	17.1.1	-	197,425,428	-	197,425,428	-	-	-
Unclaimed dividend	17.1.1	-	1,420,509	-	-	-	-	-
Due to related parties - net	17.1.1	-	101,350,363	277,840,000	379,190,363	-	-	-
Liabilities against assets subject to finance lease	17.1.1	8,935,018	13,258,088	-	22,193,106	-	-	-
Accrued mark-up on short term borrowings	17.1.1	-	587,567	-	587,567	-	-	-
		8,935,018	314,041,955	306,235,236	627,791,700	-	-	-

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

## 18. GENERAL

### 18.1 Reclassification of comparatives

The Company reclassified unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss, included in "Other income" to "Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss". This has also been made in the prior period's condensed interim unconsolidated profit and loss account for better presentation and disclosure. Details are as follows:

	31 December 2016 (Un-audited)		
	As previously reported	Impact	As stated
	----- (Rupees) -----		
<b>Effects on profit and loss account</b>			
Other income	38,854,737	(12,066,213)	26,788,524
Unrealised (loss) / gain on re-measurement of investments at fair value through profit or loss	-	12,066,213	12,066,213

There are no effects in the condensed interim unconsolidated balance sheet and condensed interim unconsolidated cash flow statement for the aforementioned reclassification.


### 18.2 Segment reporting

The financial information has been prepared on the basis of a single reportable segment. Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at 31 December 2017 are located in Pakistan. Sales to three major customers of the Company aggregates to 94.89% during the six months period ended 31 December 2017 (31 December 2016: 88.94%).


- 18.3** The shareholders' in the annual general meeting held on 26 October 2017, approved final dividend of at the rate of 10% (i.e. Re. 1 per share) in respect of year ended 30 June 2017.
- 18.4** The directors in their meeting held on 25 September 2017, announced issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held).
- 18.5** This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on February 28, 2018.



\_\_\_\_\_  
Chief Financial Officer



\_\_\_\_\_  
Chief Executive



\_\_\_\_\_  
Director





## Loads Limited

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