

LOADS LIMITED

Manufacturers of Exhaust Systems, Radiators &
Sheet Metal Components

HALF YEARLY REPORT

December 31, 2016



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Company Information

Board of Directors

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

Audit Committee

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

Human Resources & Remuneration Committee

Syed Sheharyar Ali	– Chairman
Mr. M. Ziauddin	– Member
Mr. Amir Zia	– Member
Mr. Shamim A. Siddiqui	– Member

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. Jamshed E. Mehta

Head Of Internal Audit

Mr. Khawaja Akber

Auditors

KPMG Taseer Hadi & Co.,
Chartered Accountants

Legal Advisors

Altaf K. Allana & Co.
Advocates

Corporate Advisors

Cornelius, Lane & Mufti
Advocates & Solicitors

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

Shares Registrar

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

Tel: Customer Support Services
(Toll Free) 080023275
Fax: (92-21) 34326053
E-mail: info@cdcpak.com

Registered Office

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

Website

www.loads-group.pk



LOADS LIMITED DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors are pleased to present their report together with the consolidated audited accounts of the Loads Limited and its subsidiaries for the half year ended December 31, 2016.

FINANCIAL HIGHLIGHTS (Consolidated)

	Rs in millions	
	Half year December 31, 2016	Half year December 31, 2015
Sales	2,118	2,003
Operating Profit	193	170
Profit before Taxation (PBT)	170	122
Profit after Taxation (PAT)	129	91
Earnings per share (EPS)	1.23	1.10

BUSINESS REVIEW

Your group recorded sales of over Rs.2 billion in the half year, registering an increase of 5.7% over the previous period, mainly on account of launch of new models of Honda Civic and increase in sales of Heavy Vehicles & Tractors (partly offset by the completion of Suzuki taxi scheme).

PBT, PAT & EPS registered a healthy growth of 39%, 41% & 12% respectively, on account of accelerated sales, "mark to market" impact of notional gain on investments held for trading and lower financial charges (on account of healthy response to Initial Public Offer of September 2016).

AUTOMOTIVE INDUSTRY

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

Overall car & LCV sales for the half year ended December 31, 2016 decreased from 111,720 units to 97,533 units (-13%) due to completion of Suzuki's one-time Punjab tax scheme in February 2016.

(b) Heavy Commercial Vehicles

Heavy vehicles volumes increased from previous half year's 2,645 units to 3,881 units, registering an overall increase of 47%. Trucks and buses sales increased by 51% and 28% respectively.

(c) Tractors

The tractor industry's sales increased by 69% over previous period, registering healthy sales of 20,933 units (2015: 12,375 units). The sales of our customer, Millat Tractors, increased by 65%.



SALES PERFORMANCE

The overall sales of the group for the half year increased by 5.7%, over previous period. A product-wise analysis is given below:

Products	Rs in millions		
	Sales		
	Half year December 31, 2016	Half year December 31, 2015	+/- %
Exhaust Systems	1,504	1,348	11.5
Radiators	302	371	-18.6
Sheet Metal Components	312	284	9.8
Total	2,118	2,003	

Comments on performance of various product groups are given below:

(a) Exhaust Systems

Sales have shown notable growth of 11.5% mainly due to launch of new models of Honda Civic and growth in heavy vehicles.

(b) Radiators

This business decreased by 18.6% as compared to previous half year, mainly due to discontinuation of Suzuki taxi scheme in February 2016.

(c) Sheet Metal Components

This group has registered a growth of 9.8%, as compared to previous half year, mainly due to new components localized by Honda.

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 new Automotive Development Policy has attracted new entrants, like Renault, Hyundai & KIA, who have joined hands with local partners to set up assembly plants in the country.

The auto industry is therefore looking forward to a healthy growth in the years ahead.

APPOINTMENT OF DIRECTOR

Mr. Jalees A. Siddiqui resigned as Director on November 17, 2016 and this casual vacancy was filled by appointment of Mr. Najam I. Chaudhri as Director. The Board of Directors appreciated the contributions of the outgoing director and welcomed Mr. Najam I. Chaudhri on the Board.

ACKNOWLEDGEMENTS

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

By order of the Board

MUNIR K. BANA
Chief Executive

Karachi: February 24, 2017



Loads Limited

Condensed Interim Consolidated Balance Sheet

As at 31st December 2016

ASSETS	Note	31 December 2016 (Un-audited)	30 June 2016 (Audited)
		(Rupees)	
Non-current assets			
Property, plant and equipment		673,458,926	622,781,000
Intangible assets		601,288	747,994
Long term investments		389,125,966	377,916,410
Employee benefits - gratuity		4,067,696	4,849,146
		<u>1,067,253,876</u>	<u>1,006,294,550</u>
Current assets			
Stores and spares		53,911,124	69,537,821
Stock-in-trade		1,216,670,490	1,107,064,322
Trade debts - net		367,386,861	213,888,667
Loans and advances		132,052,701	150,754,051
Deposits, prepayments and other receivables		225,238,759	179,805,015
Interest / mark-up accrued		4,657,397	-
Taxation - net		155,972,575	150,106,918
Short term investments		117,960,507	87,257,785
Cash and bank balances		618,546,879	18,698,352
		<u>2,892,397,293</u>	<u>1,977,112,931</u>
Total assets		<u><u>3,959,651,169</u></u>	<u><u>2,983,407,481</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
200,000,000 (30 June 2016: 150,000,000) ordinary shares of Rs. 10 each		<u>2,000,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital		1,375,000,000	750,000,000
Share premium		1,095,352,578	-
Unrealised gain on re-measurement of available-for-sale investments		50,111,152	23,805,855
Unappropriated profit		723,243,807	844,556,592
		<u>3,243,707,537</u>	<u>1,618,362,447</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		19,137,343	18,745,411
Deferred tax liabilities		75,716,402	75,716,402
		94,853,745	94,461,813
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		12,285,825	16,100,360
Short term borrowings		275,510,417	1,082,794,488
Trade and other payables		200,429,662	153,314,591
Unclaimed dividend		125,000,000	-
Accrued mark-up on short term borrowings		7,863,983	18,373,782
		<u>621,089,887</u>	<u>1,270,583,221</u>
Total equity and liabilities		<u><u>3,959,651,169</u></u>	<u><u>2,983,407,481</u></u>


CONTINGENCIES AND COMMITMENTS

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The annexed notes 1 to 7 form an integral part of this condensed interim Consolidated financial information.

Karachi:
February 24, 2017


Chief Executive


Director



Loads Limited

Condensed Interim Consolidated Profit & Loss Account (Un-audited)

For the six months period ended 31st December 2016

	Note	For the six months period ended		For the three months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
----- (Rupees) -----					
Turnover		2,118,581,691	2,003,211,384	1,077,294,254	1,014,513,730
Cost of sales	5	(1,867,978,254)	(1,722,512,759)	(952,974,733)	(854,645,148)
Gross profit		250,603,437	280,698,625	124,319,521	159,868,582
Administrative and selling expenses		(78,346,618)	(68,921,101)	(41,175,319)	(34,374,277)
		172,256,819	211,777,524	83,144,202	125,494,305
Other expenses		(10,978,385)	(54,988,523)	(5,374,487)	(49,392,103)
Other income		31,433,018	12,843,077	18,371,404	5,717,059
Operating profit		192,711,452	169,632,078	96,141,119	81,819,261
Finance cost		(34,221,411)	(54,060,301)	(10,324,127)	(27,454,651)
Share of profit in associates - net		11,247,826	6,563,013	5,614,913	1,915,687
Profit before taxation		169,737,867	122,134,790	91,431,905	56,280,297
Taxation		(41,050,652)	(31,198,819)	(25,804,725)	(13,913,213)
Profit after taxation		128,687,215	90,935,971	65,627,180	42,367,084
Earnings per share - basic and diluted		1.23	(Restated) 1.10	0.75	(Restated) 0.48

The annexed notes 1 to 7 form an integral part of this condensed interim Consolidated financial information.

Karachi:
February 24, 2017

Chief Executive

Director



Loads Limited


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

For the six months period ended 31st December 2016

	<u>For the six months period ended</u>		<u>For the three months period ended</u>	
	<u>31 December</u> 2016	<u>31 December</u> 2015	<u>31 December</u> 2016	<u>31 December</u> 2015
Profit after taxation	128,687,215	90,935,971	65,627,180	42,367,084
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	26,305,297	11,339,664	2,167,373	8,753,436
Items that will not be reclassified to profit and loss				
Loss on re-measurement of defined benefit liability	-	(2,270,065)	-	(2,270,065)
Related tax	-	703,720	-	703,720
	-	(1,566,345)	-	(1,566,345)
Total comprehensive income for the period	<u>154,992,512</u>	<u>100,709,290</u>	<u>67,794,553</u>	<u>49,554,175</u>

The annexed notes 1 to 7 form an integral part of this condensed interim Consolidated financial information.

Karachi:
February 24, 2017



Chief Executive



Director



Loads Limited

Condensed Interim Consolidated Cash Flow Statement (Un-audited)

For the six months period ended 31st December 2016

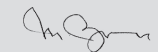
	31 December 2016	31 December 2015
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	169,737,867	122,134,790
Adjustments for		
Depreciation	45,901,089	26,539,390
Amortisation	146,706	-
Mark-up expense	31,634,180	41,800,711
Finance lease charges	989,472	1,078,595
Mark-up income	(17,661,789)	
Dividend income	(29,556)	(32,036)
Gain on disposal of item of property, plant and equipment	(348,821)	-
Provision for gratuity	781,450	621,602
Share of profit in associates - net	(11,247,826)	(6,563,013)
Unrealized (gain) / loss on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition	(12,066,213)	43,477,545
	207,836,559	229,057,584
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	15,626,697	(12,078,383)
Stock-in-trade	(109,606,168)	(245,756,786)
Trade debts - net	(153,498,194)	16,577,237
Loans and advances	18,701,350	(44,946,808)
Deposits, prepayments and other receivables	(45,433,744)	389,690
	(274,210,059)	(285,815,050)
Increase / (decrease) in current liabilities		
Trade and other payables	47,115,071	66,224,281
	(19,258,429)	9,466,815
Cash used in operations	(19,258,429)	9,466,815
Mark-up paid	(42,143,979)	(39,596,287)
Gratuity paid	-	(1,210,000)
Tax paid	(46,916,309)	(61,518,416)
Net cash used in operating activities	(108,318,717)	(92,857,888)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(91,373,174)	(65,712,196)
Mark-up received	13,004,392	-
Dividend received	29,556	32,036
Dividend Rec from Associate	7,620,680	7,492,475
Proceeds from disposal of item of property, plant and equipment	396,900	-
Redemption of investments - net	86,378	(1,387,411)
Net cash used in investing activities	(70,235,268)	(59,575,096)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(9,665,995)	(6,332,064)
Preliminary expenses	(104,647,422)	-
Proceeds from issue of ordinary shares	1,700,000,000	-
Net cash generated from financing activities	1,585,686,583	(6,332,064)
Net increase / (decrease) in cash and cash equivalents during the period	1,407,132,598	(158,765,048)
Cash and cash equivalents at beginning of the period	(1,064,096,136)	(915,520,385)
Cash and cash equivalents at end of the period	343,036,462	(1,074,285,433)

The annexed notes 1 to 7 form an integral part of this condensed interim Consolidated financial information.

Karachi:
February 24, 2017



Chief Executive



Director



Loads Limited

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

For the six months period ended 31st December 2016

Note	Issued, subscribed and paid up capital	Share premium	Unrealised gain on re-measurement of available for sale investments	Unappropriated profit	Total
----- (Rupees) -----					
Balance as at 1 July 2015	750,000,000	-	23,047,509	562,452,030	1,335,499,539
Total comprehensive income for the six months period ended 31 December 2015					
Profit after taxation	-	-	-	90,935,971	90,935,971
Other comprehensive income	-	-	11,339,664	(1,566,345)	9,773,319
	-	-	11,339,664	89,369,626	100,709,290
Transactions with owners of the Company					
Contributions and distributions	-	-	-	-	-
Balance as at 31 December 2015	750,000,000	-	34,387,173	651,821,656	1,436,208,829
Balance as at 1 July 2016	750,000,000	-	23,805,855	844,556,592	1,618,362,447
Total comprehensive income for the period ended 31 December 2016					
Profit after taxation	-	-	-	128,687,215	128,687,215
Other comprehensive income	-	-	26,305,297	-	26,305,297
	-	-	26,305,297	128,687,215	154,992,512
Transactions with owners of the Company					
Contributions and distributions					
Issue of 50,000,000 ordinary shares at the rate of Rs. 34 per share	7.1 500,000,000	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	7.2 -	-	-	(125,000,000)	(125,000,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	7.3 125,000,000	-	-	(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	50,111,152	723,243,807	3,243,707,537

The annexed notes 1 to 7 form an integral part of this condensed interim Consolidated financial information.

Karachi:
February 24, 2017

Chief Executive

Director



Loads Limited

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

For the six months period ended 31st December 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 as a private limited company under the Companies Act, 1913 (now Companies Ordinance, 1984). With effect from 19 December 1993, the status of the Parent Company was converted from private limited company to unlisted public limited company. The registered office of the Parent Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi. The principal activity of the Parent Company is to manufacture and sell radiators, exhaust systems and other components for automotive industry.
- 1.3 SAIL, MAIL and SMPL are wholly owned subsidiaries of Loads Limited and were incorporated on 2 June 2004, 14 May 2004 and 28 September 2004 respectively. SAIL and MAIL are principally engaged in providing toll manufacturing services to the Parent Company and SMPL has ceased its operations on 1 July 2015. Subsequent to the period end, the Company established another wholly owned subsidiary, namely Hi-Tech Autoparts (Private) Limited.
- 1.4 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

This condensed interim Consolidated financial information of the Company for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under Companies Ordinance 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim Consolidated financial information does not include information required for full annual financial statements and therefore should be read in conjunction with the audited Consolidated financial statements for the year ended 30 June 2016.

2.2 Basis of measurement

This condensed interim Consolidated financial information has 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

The condensed interim Consolidated 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 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 Consolidated 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 Consolidated financial statements as at and for the year ended 30 June 2016. The Company's financial risk management objectives and policies are consistent with those disclosed in the Consolidated financial statements as at and for the year ended 30 June 2016.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim Consolidated financial information are same as those applied in preparation of the Consolidated financial statements of the Company for the year ended 30 June 2016.



4. CONTINGENCIES AND COMMITMENTS

4.1 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 2016.

4.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 294.592 million (30 June 2016: Rs. 332.038 million).

5. COST OF SALES

	For the six months period ended		For the three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	------(Rupees)-----			
Raw materials and components consumed	1,539,258,642	1,545,682,441	796,135,272	854,444,138
Ancillary materials consumed	42,950,321	45,701,567	21,811,985	26,078,061
Salaries, wages and other employee benefits	187,710,267	146,886,593	95,815,007	62,732,818
Subcontracting costs	25,951,874	29,471,707	131,483,846	118,724,779
Depreciation	39,659,922	23,235,665	20,477,714	10,599,693
Gas, power and water	26,387,195	25,809,542	15,304,979	11,765,551
Others	40,785,945	29,303,671	28,378,770	18,068,305
Transferred to capital work-in-progress	(8,134,597)	(12,573,801)	(2,622,882)	(6,286,900)
Manufacturing cost	1,894,569,569	1,833,517,385	1,106,784,691	1,096,126,445
Opening stock of work-in-process	142,503,010	68,169,176	90,883,378	40,244,613
Closing stock of work-in-process	(121,181,390)	(162,254,085)	(121,181,390)	(162,254,085)
	21,321,620	(94,084,909)	(30,298,012)	(122,009,472)
Opening stock of finished goods	66,570,963	90,102,753	107,578,426	89,847,284
Closing stock of finished goods	(114,483,898)	(107,022,470)	(114,483,898)	(107,022,470)
	(47,912,935)	(16,919,717)	(6,905,472)	(17,175,186)
	1,867,978,254	1,722,512,759	1,069,581,207	956,941,787

6. TRANSACTIONS WITH RELATED PARTIES

Major transactions and balances with related parties, other than those disclosed elsewhere in this condensed interim consolidated financial information, are disclosed below:

	31 December 2016	30 June 2016
Balance as at	(Rupees)	
Investment in Treet Corporation		
Ordinary shares: 7,748,885 shares (30 June 2016: 7,620,680 shares)	334,652,655	327,070,245
Participation Term Certificates (PTCs): 1,831,500 PTCs (30 June 2016: 1,831,500 PTCs)	45,879,075	42,124,508


	For the six months period ended	
	31 December 2016	31 December 2015
	(Rupees)	
Transactions for the period		
Treet Corporation Limited		
Dividend income	7,620,680	7,492,475
Interest income from PTCs	12,454,200	12,032,955


7. GENERAL

7.1 No significant re-arrangements or re-classification have been made in this condensed interim consolidated financial information.

7.2 All figures, except for 30 June 2016, appearing in this condensed interim consolidated financial information are unaudited.

Karachi:
February 24, 2017


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 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 2016 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 profit and loss account and condensed interim statement of comprehensive income for the quarter ended 31 December 2016 have not been reviewed and we do not express a conclusion on them.

Date: 24 February 2017

Karachi


KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Aryn Malik



Loads Limited

Condensed Interim Unconsolidated Balance Sheet


As at 31st December 2016

	Note	31 December 2016 (Un-audited)	30 June 2016 (Audited)
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	4	511,363,263	473,793,798
Intangible assets		601,288	747,994
Long term investments	5.1	634,652,655	627,070,245
Employee benefits - gratuity		4,067,696	4,849,146
		<u>1,150,684,902</u>	<u>1,106,461,183</u>
Current assets			
Stores and spares		36,455,976	51,209,992
Stock-in-trade	6	1,216,670,490	1,107,064,322
Trade debts - net	7	367,386,861	213,888,667
Loans and advances		115,846,605	132,963,316
Deposits, prepayments and other receivables		221,999,487	173,896,638
Interest / mark-up accrued		4,657,397	-
Taxation - net		147,411,792	143,468,552
Short term investments	5.2	116,080,142	85,565,401
Cash and bank balances	15	597,944,213	6,659,967
		<u>2,824,452,963</u>	<u>1,914,716,855</u>
Total assets		<u>3,975,137,865</u>	<u>3,021,178,038</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
200,000,000 (30 June 2016: 150,000,000) ordinary shares of Rs. 10 each		<u>2,000,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital		1,375,000,000	750,000,000
Share premium		1,095,352,578	-
Unrealised gain on re-measurement of available-for-sale investments		51,939,034	25,633,737
Unappropriated profit		493,593,087	660,191,143
		<u>3,015,884,699</u>	<u>1,435,824,880</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		19,137,343	18,745,411
Deferred tax liabilities	12	36,088,975	36,088,975
		55,226,318	54,834,386
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		12,285,825	16,100,360
Short term borrowings	9	275,510,417	1,082,794,488
Due to related parties - net		324,008,737	291,360,885
Trade and other payables		159,357,886	121,889,257
Unclaimed dividend		125,000,000	-
Accrued mark-up on short term borrowings		7,863,983	18,373,782
		<u>904,026,848</u>	<u>1,530,518,772</u>
Total equity and liabilities		<u>3,975,137,865</u>	<u>3,021,178,038</u>
CONTINGENCIES AND COMMITMENTS	10		

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

Karachi:
February 24, 2017


Chief Executive


Director



Loads Limited

Condensed Interim Unconsolidated Profit & Loss Account (Un-audited)

For the six months period ended 31st December 2016

	Note	For the six months period ended		For the three months period ended	
		31 December 2016	31 December 2015	31 December 2016	31 December 2015
------(Rupees)-----					
Turnover		2,118,581,691	2,003,211,384	1,077,294,254	1,014,513,730
Cost of sales	11	(1,929,869,564)	(1,786,772,913)	(992,297,810)	(890,176,754)
Gross profit		188,712,127	216,438,471	84,996,444	124,336,976
Administrative and selling expenses		(69,110,901)	(59,876,047)	(56,606,873)	(51,471,138)
		119,601,226	156,562,424	48,389,571	92,865,838
Other expenses		(7,258,916)	(50,723,062)	(3,038,888)	(46,723,796)
Other income		38,854,737	20,102,743	25,958,390	13,084,502
		31,595,821	(30,620,319)	22,919,502	(33,639,294)
Operating profit		151,197,047	125,942,105	71,309,073	59,226,544
Finance cost		(45,653,005)	(60,648,500)	(15,929,009)	(31,301,758)
Profit before taxation		105,544,042	65,293,605	55,380,064	27,924,786
Taxation	12	(22,142,098)	(21,418,709)	(13,360,458)	(4,416,116)
Profit after taxation		83,401,944	43,874,896	42,019,606	23,508,670
Earnings per share - basic and diluted	13	0.80	0.53	0.51	0.28
			(Restated)		(Restated)

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

Karachi:
February 24, 2017

Chief Executive

Director



Loads Limited

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

For the six months period ended 31st December 2016

	For the six months period ended		For the three months period ended	
	31 December 2016	31 December 2015	31 December 2016	31 December 2015
	------(Rupees)-----			
Profit after taxation	83,401,944	43,874,896	42,019,606	23,508,670
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	26,305,297	11,339,664	2,167,373	8,753,436
Items that will not be reclassified to profit and loss				
Loss on re-measurement of defined benefit liability	-	(2,270,065)	-	(2,270,065)
Related tax	-	703,720	-	703,720
	-	(1,566,345)	-	(1,566,345)
Total comprehensive income for the period	109,707,241	53,648,215	44,186,979	30,695,761

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

Karachi:
February 24, 2017

Chief Executive

Director



Loads Limited

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the six months period ended 31st December 2016


	Note	31 December 2016	31 December 2015
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		105,544,042	65,293,605
Adjustments for			
Depreciation		38,968,863	21,508,571
Amortisation		146,706	-
Mark-up expense		44,181,494	48,394,122
Finance lease charges		989,472	1,078,595
Mark-up income		(17,661,789)	(12,534,065)
Dividend income		(7,650,246)	(7,524,511)
Gain on disposal of item of property, plant and equipment		(348,821)	-
Provision for gratuity		781,450	621,602
Unrealized (gain) / loss on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition		(12,066,213)	43,412,385
		152,884,958	160,250,304
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		14,754,016	(9,779,204)
Stock-in-trade		(109,606,168)	(245,756,786)
Trade debts - net		(153,498,194)	10,550,053
Loans and advances		17,116,711	(40,405,689)
Deposits, prepayments and other receivables		(48,102,849)	232,933
		(279,336,484)	(285,158,693)
Increase / (decrease) in current liabilities			
Due to related parties - net		22,278,391	(41,176,241)
Trade and other payables		36,358,579	58,634,252
		58,636,970	17,458,011
Cash used in operations		(67,814,556)	(107,450,378)
Mark-up paid		(42,461,782)	(39,596,287)
Gratuity paid		-	(1,210,000)
Tax paid		(26,085,338)	(46,139,304)
Net cash used in operating activities		(136,361,676)	(194,395,969)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(71,332,487)	(62,614,017)
Mark-up received		13,004,392	12,534,065
Dividend received		7,650,246	7,524,511
Proceeds from disposal of item of property, plant and equipment		396,900	-
Redemption of investments - net		274,359	242,589
Net cash used in investing activities		(50,006,590)	(42,312,852)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(9,665,995)	(6,332,064)
Preliminary expenses		(104,647,422)	-
Proceeds from issue of ordinary shares		1,700,000,000	-
(Repayment) / acquisition of loan from subsidiaries - unsecured		(750,000)	128,408,108
Net cash generated from financing activities		1,584,936,583	122,076,044
Net increase / (decrease) in cash and cash equivalents during the period		1,398,568,317	(114,632,777)
Cash and cash equivalents at beginning of the period		(1,076,134,521)	(970,351,553)
Cash and cash equivalents at end of the period	15	322,433,796	(1,084,984,330)

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

Karachi:
February 24, 2017



Chief Executive



Director



Loads Limited

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

For the six months period ended 31st December 2016

Note	Issued, subscribed and paid up capital	Share premium	Unrealised gain on re-measurement of available for sale investments	Unappropriated profit	Total
----- (Rupees) -----					
Balance as at 1 July 2015	750,000,000	-	23,047,509	562,452,030	1,335,499,539
Total comprehensive income for the six months period ended 31 December 2015					
Profit after taxation	-	-	-	43,874,896	43,874,896
Other comprehensive income	-	-	11,339,664	(1,566,345)	9,773,319
	-	-	11,339,664	42,308,551	53,648,215
Transactions with owners of the Company					
Contributions and distributions	-	-	-	-	-
Balance as at 31 December 2015	750,000,000	-	34,387,173	604,760,581	1,389,147,754
Balance as at 1 July 2016	750,000,000	-	25,633,737	660,191,143	1,435,824,880
Total comprehensive income for the 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	18.1	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	18.2	-	-	(125,000,000)	(125,000,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	18.3	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	8	-	(104,647,422)	-	(104,647,422)
Balance as at 31 December 2016		1,375,000,000	1,095,352,578	493,593,087	3,015,884,695

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

Karachi:
February 24, 2017

Chief Executive

Director



Loads Limited

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

For the six months period ended 31st December 2016

1. STATUS AND NATURE OF BUSINESS

- 1.1 Loads Limited ("the Company") was incorporated in Pakistan on 1 January 1979 as a private limited company. On 19 December 1993, the status of the Company was converted from private limited company to unlisted public limited company. On 1 November 2016, the shares of the Company were listed on Pakistan Stock Exchange Limited (formerly Karachi 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 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 to the Company and one subsidiary (SMPL) has ceased its operations from 1 July 2015. As at 31 December 2016, the financial position of the subsidiaries are as follows:

	31 December 2016		
	(Un-audited)		
	Assets	Liabilities	Equity
	------(Rupees)-----		
Specialized Autoparts Industries (Private) Limited	<u>339,885,046</u>	<u>45,064,074</u>	<u>294,820,972</u>
Multiple Autoparts Industries (Private) Limited	<u>157,951,322</u>	<u>19,503,863</u>	<u>138,447,459</u>
Specialized Motorcycle (Private) Limited	<u>64,511,570</u>	<u>2,215,810</u>	<u>62,295,760</u>

Subsequent to the period end, the Company established another wholly owned subsidiary, namely Hi-Tech Autoparts (Private) Limited (for details refer note 17).

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2016 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under Companies Ordinance 1984. In case where requirements differ, the provisions of or directives issued under the 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 2016.

2.2 Basis of measurement

This condensed interim unconsolidated financial information has 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

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 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 2016. 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 2016.

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 2016.



4. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2016	30 June 2016
		(Rupees)	
Operating property, plant and equipment	4.1	459,809,561	404,589,505
Capital work-in-progress	4.2	51,553,702	69,204,293
		<u>511,363,263</u>	<u>473,793,798</u>

4.1 The following acquisitions and disposal have been made during the six months period ended 31 December 2016:

	For the six months period ended			
	31 December 2016		31 December 2015	
	Acquisitions at Cost	Disposal at Book value	Acquisitions at Cost	Disposal at Book value
	----- (Rupees) -----			
Owned				
Improvements in buildings	798,240	-	1,589,394	-
Plant and machinery	37,664,768	-	28,247,144	-
Tools and equipment	49,966,211	-	7,272,955	-
Furniture, fittings and office equipment	553,859	-	2,444,587	-
Vehicles	-	48,079	1,895,000	-
Leased				
Vehicles	5,253,920	-	8,827,192	-
	<u>94,236,998</u>	<u>48,079</u>	<u>50,276,272</u>	<u>-</u>

4.2 This includes cost of construction work being carried out at the premises of a subsidiary (Specialized Autoparts Industries (Private) Limited).

5. INVESTMENT

5.1 Long term investments

	Note	31 December 2016	30 June 2016
		(Rupees)	
Investments in subsidiary companies - unquoted	5.1.1	325,000,000	325,000,000
Less: Provision for impairment		(25,000,000)	(25,000,000)
Net investment in subsidiary companies		<u>300,000,000</u>	<u>300,000,000</u>
Investment in associate	5.1.2	334,652,655	327,070,245
		<u>634,652,655</u>	<u>627,070,245</u>

5.1.1 This represents investment in wholly owned subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL) and Specialized Motorcycles (Private) Limited (SMPL). The financial position of the subsidiaries as at 31 December 2016 is disclosed in note 1.3 to this condensed interim unconsolidated financial information.

5.1.2 This represents 7,748,885 shares (30 June 2016: 7,620,680 shares) of Treet Corporation Limited having market value of Rs. 506.622 million (30 June 2016: 376.69 million). Out of the above, 7,620,680 shares (30 June 2016: Nil) have been kept in a broker's sub account.

5.2 Short term investments

	Note	31 December 2016	30 June 2016
		(Rupees)	
At fair value through profit or loss - at initial recognition	5.2.1	46,947,415	42,737,971
Available-for-sale	5.2.2	69,132,727	42,827,430
		<u>116,080,142</u>	<u>85,565,401</u>

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

31 December 2016	30 June 2016	Name of investee company Ordinary shares - Quoted	31 December 2016			30 June 2016
			Carrying value	Market value	Unrealised gain	Market value
			----- (Rupees) -----			
1	1	Agriaautos Industries Limited	195	358	163	195
1	1	Al-Ghazi Tractors Limited *	425	571	146	425
1	1	Atlas Battery Limited	582	835	253	582
1	1	Atlas Honda Limited	370	584	214	370
1	1	The General Tyre & Rubber Company of Pakistan Limited	178	279	101	178
1	1	Honda Atlas Cars (Pakistan) Limited	366	669	303	366
1	1	Thal Limited *	280	509	229	280
230	230	Baluchistan Wheels Limited	18,630	29,939	11,309	18,630
315	315	Ghandhara Nissan Limited	49,187	105,437	56,250	49,187
150	150	Hino Pak Motors Limited	143,370	271,970	128,600	143,370
200	200	Indus Motor Company Limited	186,906	322,876	135,970	186,906
272	272	Millat Tractors Limited	156,030	246,068	90,038	156,030



63	63	Oil & Gas Development Company Limited	8,782	10,417	1,635	8,782
127	127	Pak Suzuki Motor Company Limited	48,162	77,828	29,666	48,162

Participation term certificate

(PTC) - Quoted

1,831,500	1,831,500	Treet Corporation Limited* (note 5.2.1.1)	<u>34,267,739</u>	<u>45,879,075</u>	<u>11,611,336</u>	<u>42,124,508</u>
			<u>34,881,202</u>	<u>46,947,415</u>	<u>12,066,213</u>	<u>42,737,971</u>

*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.

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 Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is Rs. 0.07 share per PTC per annum from year 2013 to year 2018 and Rs. 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:

31 December 2016 (Number of shares)	30 June 2016	Name of investee company	31 December 2016			30 June 2016
			Cost	Market value	Unrealised gain	Market value
		Ordinary shares - Quoted	------(Rupees)-----			
235,386	235,386	Tri-Pack Films Limited	17,188,363	69,118,745	51,930,382	42,814,360
152	152	ZIL Limited	5,330	13,982	8,652	13,070
			<u>17,193,693</u>	<u>69,132,727</u>	<u>51,939,034</u>	<u>42,827,430</u>

6. STOCK-IN-TRADE

	Note	31 December 2016	30 June 2016
		(Rupees)	
Raw material and components	6.1	981,005,202	897,990,349
Work-in-process		121,181,390	142,503,010
Finished goods	6.2	114,483,898	66,570,963
		<u>1,216,670,490</u>	<u>1,107,064,322</u>

6.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 201.384 million (30 June 2016: Rs. 201.658 million) and Rs. 182.546 million (30 June 2016: Rs. 116.322 million) respectively.

6.2 This includes finished goods in possession of Company's subsidiaries amounting to Rs. 25.23 million (30 June 2016: Rs. 42.614 million).

7. TRADE DEBTS - net (unsecured)

As at 31 December 2016, about 85% (30 June 2016: 75%) of trade debts was represented by few customers, out of which significant portion has been recovered subsequent to the period end.

8. PRELIMINARY EXPENSES

This represents expenses incurred for the purpose of listing, written off from share premium account in accordance with the section 83(2a) of the Companies Ordinance, 1984. Breakup of preliminary expenses are as follows:

	For the six months period ended	
	31 December 2016	31 December 2015
	(Rupees)	
Advisory and arrangement fee for IPO	65,829,951	-
Brokerage commission	16,635,710	-
Underwriting commission	7,381,250	-
Advertisement and printing expense	9,266,369	-
Regulatory charges	2,098,986	-
Bank commission	2,886,115	-
Other expenses	549,041	-
	<u>104,647,422</u>	<u>-</u>



9. SHORT TERM BORROWINGS

Note	31 December	30 June
	2016	2016
	(Rupees)	
Secured		
Running finances under mark-up arrangements	275,510,417	967,794,488
Islamic Financing	-	115,000,000
9.1	<u>275,510,417</u>	<u>1,082,794,488</u>

9.1 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, 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 October 2017. The banks have imposed a condition that prior 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 2016: 1 month KIBOR plus 1.25% to 6 month KIBOR plus 0.85% per annum). The aggregate available short term facilities amounted to Rs. 1,030 million (30 June 2016: Rs. 1,030 million) out of which Rs. 754.489 million (30 June 2016: 462.205 million) remained unavailed at the reporting date.

Facilities available for opening letters of credit / guarantees at 31 December 2016 amounted to Rs. 1,802.95 million (30 June 2016: Rs. 1,553 million) out of which Rs. 1,507.9 million (30 June 2016: Rs. 1,220.46 million) remained unutilized at the year end. The Company also have Islamic finance (Istisna / Running Musharaka) facility available from various banks having limit of Rs. 400 million 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 2016: 6 month KIBOR plus 1%) and is repayable within 120 to 365 days of the disbursement date. Furthermore, the facilities for import loans under mark-up arrangements with various banks amounted to Rs. 150 million (30 June 2016: Rs. 350 million). The whole amount of Rs. 150 million (30 June 2016: Rs. 350 million) remained unutilised at the period end. The Company also has an unavailed facility of forward cover from a bank, amounting to Rs. 35 million to hedge forex risk on import transactions carried in USD.

10. CONTINGENCIES AND COMMITMENTS

10.1 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 2016.

10.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 294.592 million (30 June 2016: Rs. 332.038 million).

11. COST OF SALES

	For the six months period ended		For the three months period ended	
	31 December	31 December	31 December	31 December
	2016	2015	2016	2015
	------(Rupees)-----			
Raw materials and components consumed	1,525,454,037	1,545,682,441	782,330,667	854,444,138
Ancillary materials consumed	29,165,543	23,998,756	21,744,475	6,106,288
Salaries, wages and other employee benefits	101,656,256	84,332,220	52,982,396	40,332,838
Subcontracting costs	236,140,509	215,937,374	131,483,846	118,724,779
Depreciation	35,652,467	18,408,244	18,832,059	8,057,615
Gas, power and water	12,558,070	9,957,423	6,960,249	4,485,300
Others	23,968,594	12,034,882	17,790,484	3,497,354
Transferred to capital work-in-progress	(8,134,597)	(12,573,801)	(2,622,882)	(6,286,900)
Manufacturing cost	<u>1,956,460,879</u>	<u>1,897,777,539</u>	<u>1,029,501,294</u>	<u>1,029,361,412</u>
Opening stock of work-in-process	142,503,010	68,169,176	90,883,378	40,244,613
Closing stock of work-in-process	(121,181,390)	(162,254,085)	(121,181,390)	(162,254,085)
	<u>21,321,620</u>	<u>(94,084,909)</u>	<u>(30,298,012)</u>	<u>(122,009,472)</u>
Opening stock of finished goods	66,570,963	90,102,753	107,578,426	89,847,284
Closing stock of finished goods	(114,483,898)	(107,022,470)	(114,483,898)	(107,022,470)
	<u>(47,912,935)</u>	<u>(16,919,717)</u>	<u>(6,905,472)</u>	<u>(17,175,186)</u>
	<u>1,929,869,564</u>	<u>1,786,772,913</u>	<u>992,297,810</u>	<u>890,176,754</u>

12. TAXATION

Tax charge is calculated on turnover and FTR basis, due to tax credits available under section 65A (3% tax credit on account of sales to registered persons) and 65C (20% tax credit on account of enlistment of the Company on Pakistan Stock Exchange). Therefore, no deferred tax charge / reversal is recognised.



13. EARNINGS PER SHARE - basic and diluted

	For the six months period ended	
	31 December 2016	31 December 2015 (Restated)
Profit after taxation	Rupees 83,401,944	43,874,896
Weighted average number of ordinary shares outstanding during the period	Numbers 104,320,653	82,500,000
Earnings per share - basic and diluted	Rupees 0.80	0.53

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

	31 December 2016	30 June 2016
Balance as at	(Rupees)	
Due to related parties - net		
Specialized Motorcycle (Private) Limited	(63,705,363)	(62,079,057)
Specialized Autoparts Industries (Private) Limited	(169,595,292)	(152,269,769)
Multiple Autoparts Industries (Private) Limited	(90,708,082)	(77,012,059)
Investment in Treet Corporation		
Ordinary shares: 7,748,885 shares (30 June 2016: 7,620,680 shares)	334,652,655	327,070,245
Participation Term Certificates (PTCs): 1,831,500 PTCs (30 June 2016: 1,831,500 PTCs)	45,879,075	42,124,508
Orient Trading Company (Private) Limited	125,266	114,666
Receivable from / (payable to) provident fund	8,593,531	(315,640)
Employee benefits - gratuity	4,067,696	4,849,146
	For the six months period ended	
	31 December 2016	31 December 2015
Transactions for the period	(Rupees)	
Sub-contracting work from:		
- Specialized Autoparts Industries (Private) Limited	154,547,327	139,078,055
- Multiple Autoparts Industries (Private) Limited	56,748,653	59,961,413
Payments made during the period (net):		
- Specialized Autoparts Industries (Private) Limited	(167,888,286)	(127,006,487)
- Multiple Autoparts Industries (Private) Limited	(56,698,283)	(85,643,453)
- Specialized Motorcycle (Private) Limited	(750,000)	(21,131,956)
Payments made on behalf of:		
- Specialized Motorcycle (Private) Limited	-	121,088
Mark-up charged by subsidiary companies	11,135,600	6,593,411
Expenses pertaining to Orient Trading Company (Private) Limited	10,600	5,175
Employee retirement benefits:		
- Expense for the period	781,450	621,602
- Contribution paid during the period	-	1,210,000
Treet Corporation Limited		
Dividend income	7,620,680	7,492,475
Interest income from PTCs	12,454,200	12,032,955



15. CASH AND CASH EQUIVALENTS

		For the six months period ended	
		31 December	31 December
		2016	2015
		(Rupees)	
Cash and bank balances	15.1	597,944,213	2,736,992
Short term borrowings		(275,510,417)	(1,087,721,322)
		<u>322,433,796</u>	<u>(1,084,984,330)</u>

15.1 This includes term deposit receipts amounting to Rs. 465 million (31 December 2015: Nil) having maturity of less than three months carrying mark-up ranging from 5.55% to 6.00% per annum.

16. 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).

16.1 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.

		31 December 2016					Fair value			
Note	Fair value through profit or loss	Carrying amount				Total	Level 1	Level 2	Level 3	Total
		Available for sale	Loans and receivables	Other financial assets	Other financial liabilities					
----- Rupees -----										
Financial assets - measured at fair value										
Equity securities	1,068,340	69,132,727	-	-	-	70,201,067	70,201,067	-	-	70,201,067
Participation Term Certificates	45,879,075	-	-	-	-	45,879,075	45,879,075	-	-	45,879,075
Financial assets - not measured at fair value										
Subsidiaries - unlisted shares	16.1.1	-	-	300,000,000	-	300,000,000	-	-	-	300,000,000
Associate - listed shares	-	-	-	334,652,655	-	334,652,655	506,622,101	-	-	506,622,101
Trade debts - net	16.1.1	-	367,386,861	-	-	367,386,861	-	-	-	367,386,861
Loans	16.1.1	-	9,761,940	-	-	9,761,940	-	-	-	9,761,940
Deposits and other receivab	16.1.1	-	14,782,970	-	-	14,782,970	-	-	-	14,782,970
Interest / mark-up accrued	16.1.1	-	4,657,397	-	-	4,657,397	-	-	-	4,657,397
Cash and bank balances	16.1.1	-	597,944,213	-	-	597,944,213	-	-	-	597,944,213
		<u>46,947,415</u>	<u>69,132,727</u>	<u>994,533,381</u>	<u>634,652,655</u>	<u>-</u>	<u>1,745,266,178</u>			
Financial liabilities - not measured at fair value										
Short term borrowing	16.1.1	-	-	-	275,510,417	275,510,417	-	-	-	275,510,417
Trade and other payables	16.1.1	-	-	-	96,319,273	96,319,273	-	-	-	96,319,273
Due to related parties - net	16.1.1	-	-	-	324,008,737	324,008,737	-	-	-	324,008,737
Liabilities against assets subject to finance lease	16.1.1	-	-	-	31,423,168	31,423,168	-	-	-	31,423,168
Unclaimed dividend	16.1.1	-	-	-	125,000,000	125,000,000	-	-	-	125,000,000
Accrued mark-up on short term borrowings	16.1.1	-	-	-	7,863,983	7,863,983	-	-	-	7,863,983
		<u>-</u>	<u>-</u>	<u>-</u>	<u>860,125,578</u>	<u>860,125,578</u>				
----- Rupees -----										
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	16.1.1	-	-	300,000,000	-	300,000,000	-	-	-	300,000,000
Associate - listed shares	-	-	-	327,070,245	-	327,070,245	376,690,212	-	-	376,690,212
Trade debts - net	16.1.1	-	213,888,667	-	-	213,888,667	-	-	-	213,888,667
Loans	16.1.1	-	6,583,614	-	-	6,583,614	-	-	-	6,583,614
Deposits and other receivab	16.1.1	-	18,010,073	-	-	18,010,073	-	-	-	18,010,073
Interest / mark-up accrued	16.1.1	-	-	-	-	-	-	-	-	-
Cash and bank balances	16.1.1	-	6,659,967	-	-	6,659,967	-	-	-	6,659,967
		<u>42,737,971</u>	<u>42,827,430</u>	<u>245,142,321</u>	<u>627,070,245</u>	<u>-</u>	<u>957,777,967</u>			



30 June 2016										
Note	Fair value through profit or loss	Available for sale	Loans and receivables	Carrying amount			Fair value			Total
				Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	
Rupees										
Financial liabilities - not measured at fair value										
Short term borrowing	16.1.1	-	-	-	-	1,082,794,488	1,082,794,488			
Trade and other payables	16.1.1	-	-	-	-	51,669,947	51,669,947			
Due to related parties - net	16.1.1	-	-	-	-	291,360,885	291,360,885			
Liabilities against assets subject to finance lease	16.1.1	-	-	-	-	34,845,771	34,845,771			
Unclaimed dividend	16.1.1	-	-	-	-	-	-			
Accrued mark-up on short term borrowings	16.1.1	-	-	-	-	18,373,782	18,373,782			
		-	-	-	-	1,479,044,873	1,479,044,873			

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

17. POST BALANCE SHEET NON-ADJUSTING EVENT

Subsequent to the period end, the Company established a wholly owned subsidiary namely "Hi-Tech Autoparts (Private) Limited ("the subsidiary")". The objective of the subsidiary is to manufacture modern autoparts, metallurgical parts, machinery and equipment parts, dies, moulds, fabrication of different products made of iron, steel and other metals and other allied engineering works.

18. GENERAL

- 18.1 During the current period, 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.
- 18.2 The shareholders' in the annual general meeting held on 30 November 2016, approved final dividend of Re. 1 per share (2015: Nil) in respect of year ended 30 June 2016.
- 18.3 The directors in their meeting held on 28 October 2016, announced issue of bonus shares at the rate 10% (2015: Nil).
- 18.4 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on February 24, 2017.

Karachi:

February 24, 2017

Chief Executive

Director



Loads Limited

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