

ADVICE FOR GENERAL PUBLIC

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT PARA 5.17** BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS ARE PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

PLEASE NOTE THAT AS PER REGULATION 4(X) OF THE BOOK BUILDING REGULATIONS, 2015, A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN FIVE DAYS OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE OFFER PRICE, NAMES OF THE UNDERWRITERS OF THE RETAIL PORTION OF THE ISSUE, UNDERWRITING COMMISSION, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES PROVISIONALLY ALLOCATED TO THEM AND SUCH OTHER INFORMATION AS MAY BE REQUIRED BY THE COMMISSION.

ADVICE FOR ELIGIBLE INVESTORS

UNDER REGULATION 10(i)(v) OF THE BOOK BUILDING REGULATIONS, A SINGLE ELIGIBLE INVESTOR CANNOT SUBMIT MORE THAN ONE BIDDING APPLICATION, EXCEPT IN THE CASE OF REVISION OF BID. IF AN INVESTOR SUBMITS MORE THAN ONE BIDDING APPLICATION THEN ALL SUCH APPLICATIONS SHALL BE SUBJECT TO REJECTION.

SUBMISSIONS OF CONSOLIDATED BIDS ARE PROHIBITED UNDER REGULATION 10 OF THE BOOK BUILDING REGULATIONS 2015. VIOLATION OF WHICH MAY ATTRACT PENALTY UP TO PKR 10 MILLION UNDER REGULATION 27 THEREOF. A BID APPLICATION WHICH IS BENEFICIALLY OWNED (FULLY OR PARTIALLY) BY PERSONS OTHER THAN THE ONE NAMED THEREIN SHALL BE DEEMED TO BE A CONSOLIDATED BID.



LOADS LIMITED PROSPECTUS

THIS ISSUE CONSISTS OF 50,000,000 ORDINARY SHARES (40.00% OF THE POST ISSUED PAID UP CAPITAL OF LOADS LIMITED) OF FACE VALUE OF PKR 10.00 EACH

BOOK BUILDING PORTION OF THE ISSUE COMPRISES OF 35,625,000 ORDINARY SHARES (71.25% OF THE TOTAL ISSUE) AT A FLOOR PRICE OF PKR 15.00 (INCLUDING PREMIUM OF PKR 5.00 PER SHARE)

GENERAL PUBLIC PORTION OF THE ISSUE COMPRISES OF 14,375,000 ORDINARY SHARES (28.75% OF THE TOTAL ISSUE) AT THE ISSUE PRICE (INCLUSIVE OF 2,500,000 ORDINARY SHARES ALLOCATED ON PREFERENTIAL BASIS TO THE EMPLOYEES OF LOADS LIMITED)

REGISTRATION DATES: FROM 9:00AM TO 5:00PM FROM SEPTEMBER 01, 2016 TO SEPTEMBER 06, 2016
AND FROM 9:00AM TO 3:00PM ON SEPTEMBER 07, 2016

BIDDING PERIOD DATES: FROM SEPTEMBER 06, 2016 TO SEPTEMBER 07, 2016 (BOTH DAYS INCLUSIVE)
FROM 9:00AM TO 5:00PM

DATE OF PUBLIC SUBSCRIPTION: FROM SEPTEMBER 28, 2016 TO SEPTEMBER 29, 2016
(BOTH DAYS INCLUSIVE) DURING BANKING HOURS

LEAD MANAGER, ARRANGER & BOOK RUNNER



BANKERS TO THE ISSUE

Askari Bank Limited	Bank Alfalah Limited**	Habib Bank Limited	MCB Bank Limited	Summit Bank Limited*
Bank Al Habib Limited	Faysal Bank Limited	Habib Metropolitan Bank	Soneri Bank Limited	United Bank Limited*

*In order to facilitate investors, United Bank Limited ("UBL") & Summit Bank Limited ("SMBL") are offering electronic submission of application (e-IPO) to their account holders. UBL account holders can use UBL Net Banking to submit their application via link <http://www.ubldirect.com/corporate/ebank>. SMBL account holders can use SMBL Net Banking to submit their application via link <https://ib.summitbank.com.pk>. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at midnight on September 29, 2016.

** Bank Alfalah Limited is also Banker to the Issue for the Book Building portion

BOOK BUILDING PORTION UNDERWRITTEN BY:



For investor education please visit www.jamapunji.pk
Jama Punji is an investor education initiative of the Securities & Exchange Commission of Pakistan

Date of Publication of this Prospectus: August 31, 2016

Prospectus and Subscription Form can be downloaded from the following websites
i.e. <http://loads-group.pk> & <http://www.arifhabibltd.com>

For further queries you may contact:

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Arif Habib Limited - Mr. Rafique Bhundi; Phone: +92-21-3246-0741; E-mail: rafique.bhundi@arifhabibltd.com



Note: This Supplement shall be published within 5 working days of the close of Bidding Period in at least all those newspapers in which the Prospectus of Loads Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to Regulation 4(x) of the Book Building Regulations, 2015 and in continuation of the Prospectus of Loads Limited earlier published on August 31, 2016.

Loads Limited

- FLOOR PRICE
- STRIKE PRICE
- ISSUE PRICE

Underwriters to the Retail Portion of the Issue

S. No.	Names of Underwriters	Number of Shares Underwritten	Amount (PKR)
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(i)

(ii)

(iii)

Total

Interest of Underwriters, in the Issue and the Issuer other than their role as Underwriters: The Underwriter is deemed to be interested to the extent of underwriting and take-up commission payable to it by the issuer for the amount underwritten. The Underwriter has no other interest in any property or profits of the Company

Underwriting Commission (in %age):

Take up Commission (in %age), if any:

Category-wise Breakup of Successful Bidders

S. No.	Category	Number of Shares Provisionally Allocated
1	Institutional Investors: Commercial Banks DFIs Investment Banks Mutual Funds Employees' Provident / Pension Funds Modarabas Leasing Companies Insurance Companies	
2	Individual Investors	
3	TREC Holders	
4	Foreign Investors: Institutional Individuals	
5	Others	



GLOSSARY OF Abbreviations and Terms

ACT	Securities Act, 2015
AHL	Arif Habib Limited
APMs	Auto Parts Manufacturers
BR	Book Runner
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CDA	Central Depository Act, 1997
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDC Regulations	Central Depository Company of Pakistan Limited Regulations
CDS	Central Depository System
CNC	Computer Numerical Control
CNIC	Computerized National Identity Card
COI	Certificate of Incorporation
Collection Bank	Bank Alfalah Limited
Commission / SECP	Securities and Exchange Commission of Pakistan
CPEC	China Pakistan Economic Corridor
CRO	Company Registration Office
CUIN	Computerized Unique Identification Number
CVT	Capital Value Tax
EPS	Earnings Per Share
FBR	Federal Board of Revenue
FED	Federal Excise Duty
FPI	Foreign Portfolio Investment
GDP	Gross Domestic Product
GoP	Government of Pakistan
IAS	International Accounting Standards
IPO	Initial Public Offering
Issuer / Company	Loads Limited
ITO	Income Tax Ordinance, 2001
LC	Letter of Credit
LM	Lead Manager
MAIL	Multiple Autoparts Industries (Private) Limited
Mn	Million
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificate
OEMs	Original Equipment Manufacturers
Ordinance	Companies Ordinance, 1984
PAAPAM	Pakistan Association of Automotive Parts & Accessories Manufacturers



PAMA	Pakistan Automobile Manufacturers Association
PKR or Rs.	Pakistan Rupee(s)
PSMCL	Pakistan Steel Mills Corporation Limited
PSX / Exchange	Pakistan Stock Exchange Limited
ROA	Return on Assets
ROE	Return on Equity
SAIL	Specialized Autoparts Industries (Private) Limited
SAP	Systems, Applications and Products
SCRA	Special Convertible Rupee Account
SMPL	Specialized Motorcycles (Private) Limited
SST	Sindh Sales Tax
TCL	Treet Corporation Limited
TREC	Trading Right Entitlement Certificate
UIN	Unique Identification Number
WHT	Withholding Tax



DEFINITIONS

Application Money

In case of bidding for shares out of the Book Building Portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Strike Price and the number of shares to be allotted

AND

In case of application for subscription of shares out of the Retail Portion, the amount of money paid along with application for subscription of shares which is equivalent to the product of the Issue Price per share and the number of shares applied for

Banker to the Book Building

means any bank with whom an account is opened and maintained by the issuer and offeror for keeping the bid amount

Bank Alfalah Limited is appointed as Banker to Book Building

Bid

An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of Loads Limited at or above the Floor Price, including all revision thereto. **An Eligible Investor shall not make a bid with price variation of more than 20% of the prevailing Indicative Strike Price. Please refer to para 2.17 for details**

Bid Price

The price at which bid is made for a specified number of shares

Bidder

The Eligible Investor who make Bids for shares in the Book Building process

Bid Amount

the amount equal to the product of the number of shares Bid for and the Bid price

Bid Collection Center

Designated offices of the Book Runner, the Sub-Book Runner, specified branches of any of the Scheduled Bank and offices of any other institutions specified by the Commission where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in paragraph 2.4(xiv) of this Prospectus.

Bid Revision

The Eligible Investors can revise their bids upward and downward but not below the Floor Price. The bids can be revised with a price variation of not more than 20% from the prevailing Indicative Strike Price in compliance with Regulation 10(i)(iii) of the Book Building Regulations, 2015



Bidding Form	The form prepared by the Issuer for the purpose of making bids in accordance with the format specified by the Commission and in line with the Regulation 20(1)(ix) of the Regulations
Bidding Period	<p>The period during which bids for subscription of shares are received.</p> <p>The Bidding period shall be of two days from September 06, 2016 to September 07, 2016 (daily from 9:00 am to 5:00 pm)</p>
Book Building	A process undertaken to elicit demand for shares offered for sale through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels
Book Building Account	An account opened by the Issuer with the Collection Bank(s). The Bidder will pay the Margin Money / Bid Amount through demand draft, pay order or online transfer in favor of this account as per the instructions given in paragraph 2.10 of this Prospectus and the balance of the Application Money, if any, shall be paid through this account after successful allocation of shares under Book Building
Book Building Portion	The part of the total Issue allocated for subscription through Book Building
Book Runner	A person registered under Book Building Regulation, 2015 Arif Habib Limited has been appointed as Book Runner for this issue
Commission	Securities and Exchange Commission of Pakistan
Company / Issuer	Loads Limited
Company Legal Advisor	Cornelius, Lane & Mufti
Designated Institution	<p>Includes securities Exchange, central depository or clearing house approved by the Commission to provide system for conduction Book Building.</p> <p>Pakistan Stock Exchange Limited is the Designated Institution for this Issue</p>
Dutch Auction Method	The method through which the Strike Price is determined by arranging all the bids in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of



shares offered under the Book Building Portion is subscribed

e-IPO Facility

e-IPO facility is the facility through which investors can make application for subscription of shares of the Company through the internet. In order to facilitate the investors, the Issuer has arranged provision of this facility through United Bank Limited and Summit Bank Limited who are among the Bankers to the Issue.

UBL's account holders can use UBL net-banking to submit their applications online via link:

<http://www.ubldirect.com/corporate/ebank>

SMBL account holders can use SMBL Net Banking to submit their application via link:

<https://ib.summitbank.com.pk>

Account holders of UBL & SMBL can submit their applications through the above-mentioned link 24 hours a day during the subscription period which will close at 12:00 midnight on September 29, 2016

Eligible Investors

An Individual and Institutional Investor whose Bid Amount is not less than the Minimum Bid Size of PKR 1,000,000 (Rupees One Million only)

Floor Price

The minimum price per share set by the Issuer or the Offeror. For this Issue Floor Price is PKR 15.00 per share.

General Public

All individual and Institutional Investors including both Pakistani (residents and non-residents) and foreign investors

Institutional Investors

Institutional Investors means any of the following entities:

(i) A Banking company as defined in the Banking Companies Ordinance, 1962

(ii) A Financial Institution as referred to in Section 3A of the Banking Companies Ordinance, 1962

(iii) An Investment Finance Company as defined in the Non-Banking Companies (Establishment and Regulation) Rules, 2003

(iv) A Company as referred to in Section 503 of the Ordinance



	(v) A registered broker
	(vi) A Fund established under the Collective Investment Scheme under the Non-Banking Companies (Establishment and Regulation) Rules, 2003
	(vii) A Trust established by a deed under the provisions of the Trust Act, 1882
Issue	<p>means offer of shares for sale by an issuer; Initial Public Offer of 50,000,000 Ordinary Shares representing 40.00% of the total post IPO paid-up capital of the Company having a face value of PKR 10.00 each</p> <p>Book Building Portion of the Issue comprises of 35,625,000 Ordinary Shares (71.25% of the Total Issue) at a Floor Price of PKR 15.00 per share (including premium of PKR 5.00 per share)</p> <p>General Public Portion of the Issue comprises of 14,375,000 Ordinary Shares (28.75% of the Total Issue) at the Issue Price inclusive of 2,500,000 Ordinary Shares allocated on preferential basis to the employees of Loads Limited</p>
Issue Price	The price at which ordinary shares of the Company are offered to the General Public. The Issue Price will be the strike price
Key Employees	Chief Executive Officer, Directors, Chief Financial Officer and Chief Operating Officer by whatever name called.
Lead Manager & Arranger	Arif Habib Limited
Limit Bid	the bid at a Limit Price
Limit Price	The maximum price a prospective Bidder is willing to pay for a share under the Book Building
Margin Money	The partial or total amount, as the case may be, paid by a Bidder at the time of registering an eligible investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by the Individual Investors and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by the Institutional Investors
Minimum Bid Size	The Bid amount equal to One Million Rupees (PKR 1,000,000)



Ordinary Shares	Ordinary Shares of Loads Limited having face value of PKR 10.00 each
Preferential Allocation	Allocation of 2,500,000 shares allotted on preferential basis to employees of the Issuer as per Regulation 5.4.3 of the PSX Rule Book regarding the Listing of Companies and Securities Regulations
Prospectus	The Prospectus of the issuer for offer of its 50 million ordinary shares to the public (including both the eligible investors and retail investors) containing all the information and disclosures as required under the Securities Act, 2015, and the Book Building Regulations, 2015.
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process. The registration period shall commence three days before the start of the Bidding Period from September 01, 2016 to September 07, 2016 from 9:00 am to 5:00 pm and shall remain open till 3:00 pm on the last day of the Bidding Period
Regulations	The Book Building Regulations, 2015
Related Employees	Such employees of the Issuer, the Offeror, the Consultant to the Issue/Lead Manager, Book Runner and the Sub-Book Runner, if any who are directly involved in the Issue or the Offer for Sale.
Securities Act	The Securities Act, 2015 (III of 2015)
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000)
Strike Price	The price per ordinary share of the issuer determined / discovered on the basis of Book Building process in the manner provided in the Book Building Regulations, 2015 at which the shares are issued to the successful bidders. The Strike Price will be disseminated after conclusion of Book Building through widely circulated national newspapers and also posted on the websites of the Securities Exchange, Lead Manager, Book Runner and the Issuer
Supplement to the Prospectus	The Supplement to the Prospectus published within five (5) working days of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier



published and disseminated through the Securities Exchange where shares are to be listed

System

An online electronic system provided and operated by the Designated Institution for conducting Book Building

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.



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PART 1

1 APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 APPROVAL OF THE SECURITIES & EXCHANGE COMMISSION OF PAKISTAN

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) of the Securities Act and Clause 4 (viii) of the Book Building Regulations, 2015 has been obtained by Loads Limited ("**Loads**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No. SMD/C/W/SA-88/03/2016 dated August 26, 2016.

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE BIDDING / SUBSCRIBING.

THE COMMISSION NEITHER TAKES RESPONSIBILITY FOR CORRECTNESS OF THE CONTENTS OF THIS PROSPECTUS NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER

1.2 CLEARANCE OF THE PROSPECTUS BY THE PSX

The Prospectus of the Company has been cleared by the Pakistan Stock Exchange Limited ("**PSX**") in accordance with the requirements of Listing of Companies and Securities Regulation.

DISCLAIMER:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS CLEARANCES SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.



IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS WHATSOEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND / OR MISTAKES, FOR DECISIONS AND /OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.

ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.3 LISTING AT PAKISTAN STOCK EXCHANGE LIMITED

Application has been made to the PSX for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 72 of the Ordinance. However, and, if any such money is not repaid within eight (08) days after the company becomes liable to repay it, the Directors of the company shall be jointly and severally liable to repay that money from the expiration of the eight day together with surcharge at the rate of one and a half per cent (1.50%) for every month or part thereof from the expiration of the eight day and, in addition, to a fine not exceeding five thousand rupees and in the case of a continuing offence to a further fine of one hundred rupees for every day after the said eight day on which the default continues in accordance with the provisions of Section 72(2) of the Ordinance.



1.4 CERTIFICATE BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER

We being the Chief Executive Officer and Chief Financial Officer of the Issuer accept absolute responsibility for the disclosures made in this Prospectus. We hereby certify that the Prospectus contains all necessary information with regard to the Issuer and the Issue and constitutes full, true and plain disclosures of all material facts relating to the shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intentions expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and behalf of **Loads Limited**:

-Sd-

Munir K. Bana
Chief Executive Officer

-Sd-

Shamim Ahmed Siddiqui
Chief Financial Officer



PART 2

2 BOOK BUILDING PROCEDURE

2.1 BRIEF ISSUE STRUCTURE

The Present Issue

The Issue comprises of 50,000,000 Ordinary shares of face value of PKR 10.00 each which constitutes 40.00% of the post-IPO paid up capital of the Company.

The Issue is being made through the Book Building process at a Floor Price of PKR 15.00 per share (including a premium of PKR 5.00 per share), whereby 71.25% of the total issue size i.e. 35,625,000 Ordinary shares will be issued through the Book Building process to Eligible Investors. The balance 28.75% of the total Issue size i.e. 14,375,000 Ordinary Shares (inclusive of 2,500,000 Ordinary Shares to be allocated on preferential basis to the employees of Loads Limited) will be issued to the general public through retail offer at the Strike Price determined through the Book Building process.

Within 5 working days from the close of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus of the Company is published. The Supplement will contain information related to the Strike Price, the Issue Price, names of the Underwriters for the General Public Portion, Underwriting Commission, Take-up Commission and category wise break-up of the successful bidders. Format of the Supplement is given on page 2 of this Prospectus.

2.2 BOOK BUILDING PROCEDURE

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum price a Bidder can bid at. An order book of bids from bidders is maintained by the Book Runner, which is then used to determine the Strike Price through the **“Dutch Auction Methodology”**.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares offered through the Book Building process are subscribed.

A bid by a Bidder can be a **“Limit Bid”**, or a **“Step Bid”**, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 2 million shares at PKR 17.00 per share, then total Application Money would amount to PKR 34 million. The Bid Amount will be PKR 34 million. Since the Bidder has placed a Limit Bid of PKR 17.00 per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 17.00 per share.



- **Step Bid:** A series of Limit Bids at increasing prices. The aggregate amount of Step Bid shall not be less than PKR 1,000,000 and the amount of any individual step shall also not be less than PKR 1,000,000.

Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. The Bidders may, for instance, make a bid for 0.5 million shares at PKR 16.00 per share, 1 million shares at PKR 17.00 per share and 1.5 million shares at PKR 18.00 per share then in essence the investor has placed one Step Bid comprising of three Limit Bids at increasing prices. The bid amount will be PKR 52 million. In case of Individual Investor, the Margin Money will be 100% i.e. PKR 52 million whereas in case of Institutional Investor the Margin Money shall be 25% of the bid amount i.e. PKR 13 million.

AN ELIGIBLE INVESTOR SHALL NOT MAKE A BID WITH A PRICE VARIATION OF MORE THAN 20% OF THE PREVAILING INDICATIVE STRIKE PRICE.

AN ELIGIBLE INVESTOR SHALL NOT MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY, HOWEVER, A BID CAN BE REVISED TILL 5.00 PM ON THE LAST OF BIDDING PERIOD. DOWNWARD REVISION OF BID PRICE SHALL NOT BE ALLOWED AFTER 4:00 P.M. ON THE LAST DAY OF THE BIDDING. FOR FURTHER DETAILS, PLEASE SEE PARAGRAPH 2.11 (iii) (f).

AN ELIGIBLE INVESTOR SHALL NOT PLACE CONSOLIDATED BIDS. A BID APPLICATION WHICH IS FULLY OR PARTIALLY BENEFICIALLY OWNED BY PERSONS OTHER THAN THE ONES NAMED THEREIN IS TO BE CONSIDERED AS A CONSOLIDATED BID.

RELATED EMPLOYEES OF THE ISSUER AND THE BOOK RUNNER CANNOT PARTICIPATE IN THE BIDDING PROCESS

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The successful institutional Bidders shall, within three (3) working days of the closing of the Bidding Period, deposit the balance amount as consideration against allotment of shares. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner under clause 21(12) of the Regulations.**

As per regulation 21(14) of the Regulations, the successful bidders shall be issued shares in the form of book-entry securities to be credited in their CDS accounts. All the eligible investors shall, therefore, provide their CDC account numbers in the bid application.

The Bidders may fill-in the part of the Bidding Form under the heading, “Dividend Mandate” to enable the Company to directly credit their cash dividend, if any, in their respective Bank Accounts.



2.3 BOOK RUNNER

Arif Habib Limited (“**AHL**”) has been appointed by the Issuer as the Book Runner to this Issue. AHL is registered with the Commission as Book Runner, in accordance with the Book Building Regulations, 2015.

2.4 ROLE AND FUNCTIONS OF THE BOOK RUNNER

The Book Runner to the Issue shall:

- i. ensure that necessary infrastructure and electronic system is available to accept bids and to undertake the whole Book Building in a fair, efficient and transparent manner;
- ii. ensure that it is financially capable for honoring its commitments arising out of defaults by their client investors, if any;
- iii. collect Margin Money and subscription money from the Bidders in the manner as mentioned in the Regulations;
- iv. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed through an agreement in writing;
- v. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
- vi. ensure that the bidders can access the System and can revise their bids electronically using the user ID and the password;
- vii. ensure that it has established not less than two Bid Collection Centers in the city where the securities exchange on which the issuer is to be listed, is located, and in all major cities of the country at least in the Federal Capital and all the provincial capitals;
- viii. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building Portion;
- ix. maintain record of all the bids received;
- x. ensure that it has obtained list and Unique Identification Numbers of the associated companies and associated undertakings of the Issuer;
- xi. ensure that names and Unique Identification Numbers of the associated companies and associated undertakings of the Issuer are entered and capped at five per cent (5%) into the system before commencement of the Bidding Period;
- xii. ensure that no bid in aggregate exceeding five per cent (5%) is made by the associated companies and associated undertakings of the Issuer;
- xiii. ensure that it has obtained names and Unique Identification Numbers of the Related Employees of the Issuer, the Book Runner and that names and Unique Identification



Numbers of all such employees are entered into the system and blocked for participation in the bidding

- xiv. Book Runner has established bid collection centers at the following addresses (direct & fax numbers in all centres):

Karachi

Contact Officer: **Rafique Bhundi**
Direct No.: 021 3246 0741
Mobile No.: 0331 260 4039
PABX No.: 021 111 245 111
Fax No.: 021 3242 9653
Email: rafique.bhundi@arifhabibltd.com
Postal Address: Arif Habib Center, 23 MT Khan Road, Karachi

Contact Officer: **Ammad Tahir**
Direct No.: 021 3677 0144
Mobile No.: 0345 317 1151
PABX No.: 111 511 611 Ext 253
Fax No.: 021 3242 9653
Email: ammad.tahir@arifhabibltd.com
Postal Address: Naya Nazimabad, Manghopir Road, Karachi

Lahore

Contact Officer: **Tahir Abbas**
Mobile No.: 0333 213 7736
Fax No.: 021 3242 9653
Email: tahir.abbas@arifhabibltd.com
Postal Address: Room # 220, Arif Habib Ltd, Lahore Stock Exchange, Lahore

Islamabad

Contact Officer: **Azhar Hayyat Qureshi**
Mobile No.: 0331 525 3798
Direct: 051 289 4076
Fax No.: 021 3242 9653
Email: azhar.hayat@bankalfalah.com
Postal Address: Bank Alfalah Limited, ISE Tower, Ground Floor, Blue Area, Islamabad

Quetta

Contact Officer: **Sagheer Ahmed**
Mobile No.: 0333 781 8701
Direct: 081 282 8210
Fax No.: 021 3242 9653
Email: saghir.ahmed@bankalfalah.com
Postal Address: Bank Alfalah Limited, M.A. Jinnah Road, Quetta

**Peshawar**

Contact Officer: **Murad Ali**
 Mobile No.: 0345 900 5757
 Direct: 091 528 7051
 Fax No.: 021 3242 9653
 Email: murad.ali@bankalfalah.com
 Postal Address: Bank Alfalah Limited, 6/B Islamia Road, Peshawar Cantt

- xv. Ensure that all the Bids received by the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

2.5 INTEREST OF BOOK RUNNER, LEAD MANAGER & ARRANGER IN THE ISSUE AND THE ISSUER OTHER THAN ITS ROLE AS A BOOK RUNNER, LEAD MANAGER & ARRANGER

The Book Runner, Lead Manager & Arranger is deemed to be interested to the extent of fees payable to it by the Issuer for the services of Book Runner, Lead Manager & Arranger to the Issue. The Book Runner, Lead Manager & Arranger has no other interest in any property or profits of the Company.

2.6 OPENING AND CLOSING OF REGISTRATION PERIOD

The Registration period shall be for **Five (5)** working days i.e. September 01, 2016 to September 06, 2016 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on September 07, 2016.

REGISTRATION PERIOD	
September 01, 2016	9:00AM TO 5:00PM
September 02, 2016	9:00AM TO 5:00PM
September 05, 2016	9:00AM TO 5:00PM
September 06, 2016	9:00AM TO 5:00PM
September 07, 2016	9:00AM TO 3:00PM

2.7 OPENING AND CLOSING OF THE BIDDING PERIOD

The Bidding Period shall be for **Two (2) working days** i.e. September 06, 2016 and September 07, 2016. The bidding will commence at 09:00 am and shall close at 05:00 pm on both days.

BIDDING PROCESS STARTS ON	SEPTEMBER 06, 2016 (9:00 AM TO 5:00 PM)
BIDDING PROCESS ENDS ON	SEPTEMBER 07, 2016 (9:00 AM TO 5:00 PM)

2.8 ELIGIBILITY TO PARTICIPATE IN BIDDING



Eligible Investors who can place their bids in the Book Building process includes local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000 (Rupees One Million only).

2.9 INFORMATION FOR BIDDERS

- The Prospectus for issue of shares has been duly cleared by PSX and approved by SECP.
- The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of Loads Limited and AHL and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Book Runner and the Company i.e. <http://www.arifhabibltd.com> and <http://www.loads-group.pk>.
- Eligible investors who are interested in subscribing to the Ordinary Shares should approach the Book Runner at the addresses provided in paragraph 2.4 for registration for submitting their Bids.
- **THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN PARAGRAPH 2.4. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER PARA 2.10.**
- **THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN PARAGRAPH 2.4 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.**
- **REGISTERED INVETORS CAN PLACE, REVISE OR WITHDRAW THEIR BIDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY THE DESIGNATED INSTITUTION**
- **EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.**
- **ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF BANK ALFALAH LIMITED CAN USE THE ONLINE TRANSFER FACILITY (PAY ORDER OR DEMAND DRAFT MAY BE DEPOSITED AT ANY BRANCH OF BANK ALFALAH LIMITED AND EVIDENCE TO BE SUBMITTED TO THE BOOK RUNNER) TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT BANK ALFALAH LIMITED.**

2.10 REGISTRATION FORM AND PROCEDURE FOR REGISTRATION

- a) Standardized Registration Form has been prescribed by the Issuer. Registration Form shall be submitted at the Bid Collection Centers in person on addresses given in paragraph 2.4 on the standard Registration Form duly filled in. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.



- b) Upon completion and submission of the Registration Form, the bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with the PSX and the SECP, without prior or subsequent notice of such changes to the bidders.
- c) **The registration procedure under the Book Building process is outlined below:**
- i. The Registration period shall be for Five (5) working days i.e. September 01, 2016 to September 06, 2016 from 9:00 AM to 5:00 PM and from 9:00 AM to 3:00 PM on September 07, 2016.
 - ii. The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with first copy for the Book Runner, and the second copy for the Bidder.
 - iii. The Registration Form shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in **paragraph 2.4** on the standard Registration Form duly filled in and signed in duplicate.
 - iv. Upon registration of the bidders in the System, the Designated Institution shall assign and communicate User ID and password to the bidders via email on the email address provided by them in the Registration Form.
 - v. The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the bidder or its associates.
 - vi. Bid amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order and online transfer. In case of Online Transfer, the bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer's designated bank account. Please note that cash must not be deposited either directly or through online transfer in the Issuer's designated bank account.
 - vii. The pay order shall be made in favor of **"IPO of Loads Limited – BB Account"**. For online transfer the payment shall be made into **A/C 0005-1004911254** being maintained in Bank Alfalah Limited - Main Corporate Branch, Karachi with the Account Title **"IPO of Loads Limited – BB Account"**. **Please note that online transfer facility shall only be allowed to Bank Alfalah Limited customers.**
 - viii. **Please note that third party instruments will not be accepted for Margin Money.**

In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made "Payable at any Branch". Intra city payment instruments that are not made "Payable at any Branch" will not be accepted.
 - ix. The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.



- x. The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- xi. The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- xii. The Bidders can use the User ID and password to directly place, revise or withdraw their bids online.
- xiii. The successful bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.

2.11 PROCEDURE FOR BIDDING

- i. Standardized Bidding Form has been prescribed by the Issuer in accordance with the format and content specified by the Commission.
- ii. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and password received by them over email upon registration with the Book Runner.
- iii. **The bidding procedure under the Book Building process is outlined below:**
 - a. Bids can be placed at “Limit Price” or “Step Bid”. An Eligible Investor shall not place a bid provided that the minimum size of a limit bid shall not be less than PKR 1,000,000/- (One Million Rupees) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (One Million Rupees).
 - b. In addition to the procedure provided in Regulation 13(2) of the Book Building Regulations, 2015, the investors may place their bids through any of the Bid Collection Centers.
 - c. The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer’s designated bank account.
 - d. On receipt of bid application in accordance with clause (c), the Book Runner shall enter Bid into the System and issue to the bidder an electronic receipt bearing name of the book runner, name of the bidding center, date and time.
 - e. **The bidding shall commence from 09:00 a.m. and close at 05:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.**
 - f. **The registered investors shall have the right;**



- **to withdraw their bids till 04:00 p.m. on last day of the bidding period either manually through the Bid Collection Centers or electronically through direct access to the system. No withdrawal shall be allowed after 4:00 p.m. on last day of the bidding period; and**
- **to revise their bids any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period. No downward revision shall be allowed after 4:00 p.m. on last day of the bidding period as per Regulation No. 20(3)(2)(iv),.**
- g. The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the individual investors and not less than twenty five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- h. Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third party payment instruments shall not be accepted.
- i. The Book Runner may on its own discretion accept bid without Margin Money provided Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- j. The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runner shall not be challengeable by the bidder or its associates.
- k. The Designated Institution shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares offered. The order book should also show the revised bids and the bids withdrawn. The order book shall be accessible through websites of the Designated Institution, Book Runner, securities exchanges, clearing house and the central depository.
- l. At the close of the Bidding Period, Strike Price shall be determined on the basis of Dutch Auction Method.
- m. Once the Strike Price is determined all those bidders whose bids are found successful shall become entitled for allotment of shares.
- n. The bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price and the differential shall be refunded.
- o. In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price strictly on time priority basis as per regulation 7(2) of the Regulations. The procedure for allotment of shares to successful bidders is mentioned in sections 2.21 and 2.22 of the Prospectus.
- p. The bidders who have made bids below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded within five (5) working days of the close of the bidding period.



- q. Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. The successful institutional bidders shall, within three (3) working days of the closing of the bidding period, deposit the balance amount as consideration against allotment of shares. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner under regulation 21(12) of the Regulations.**
- r. Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful bidders, however, shares to such bidders shall be credited at the time of credit and dispatch of shares out of the retail portion.
- s. The successful bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the Registration Form.
- t. The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the bidding period
- u. The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - i. credit or dispatch of all shares allocated under the retail portion of the issue; and
 - ii. issuance of NOC by the Stock Exchanges
- v. In case the Bids received are sufficient to allot the total number of shares offered for sale under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.
- w. **In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price strictly on time priority basis.**

2.12 RESTRICTIONS

(i) Restriction on Related Employees

Related employees are not allowed to participate in the bidding for shares. Related employees include the employees of the Issuer and the Book Runner who are directly involved in the Issue. (List of related employees may be seen at para 2.27).

(ii) Restriction on Eligible Investors

An Eligible Investor shall not make:



- a. bid below the Floor Price;
- b. a bid for more than 10% of the shares allocated under the Book Building Portion;
- c. a bid with price variation of more than 20% of the prevailing Indicative Strike Price, subject to the provision of clause (a) above;
- d. a consolidated bid; and / or
- e. more than one bid neither severally nor jointly.

Bids from associated companies and associated undertakings of the Issuer, shall not be accepted for shares in excess of five percent (5%), in aggregate, of the Book Building Portion.

To check this threshold, the Issuer shall provide to the Book Runner and the Book Runner shall obtain from the Issuer, list of associated companies and associated undertakings of the Issuer before commencement of the Bidding Period along with their respective Unique Identification Numbers, to be entered and capped at five percent (5%) cumulatively in the Book Building system before commencement of the Bidding Period. The Book Runner shall make sure that the said list has been provided to the Designated Institution for entry and capping in the Book Building system and to the employees deployed at the Bid Collection Centers for collection and entry of bids thereof in the system.

2.13 BANK ACCOUNT FOR BOOK BUILDING AND PUBLIC PORTION

The Issuer has opened two separate bank accounts for collection of applications' money, one each for the Book Building Portion and the General Public Portion of the Issue.

The Bidders shall draw demand draft or pay order in favor of **"IPO of Loads Limited – BB Account"**. **For online transfer facility (pay order or demand draft may be deposited at any branch of Bank Alfalah Limited and evidence to be submitted to the book runner), the payment shall be made into Account Number 0005-1004911254** which has been opened at Bank Alfalah Limited (**"Collection Bank"**). The Collection Bank shall keep and maintain the bid money in the said account. Once the Strike Price is determined and list of successful bidders/allottees is finalized, the Lead Manager, after obtaining NOC from PSX, may request in writing to the collection bank for transfer of the money of successful and accepted applications to the Issuers' account(s). **Please note that third party payment instruments will not be accepted.**

2.14 PAYMENT INTO THE BOOK BUILDING ACCOUNT

The Bidders shall draw a demand draft, pay order favoring **"IPO of Loads Limited – BB Account"** or Online Transfer of the bid money into the respective IPO account of the Issuer Account Number **0005-1004911254** and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into Account **0005-1004911254** being maintained at Bank Alfalah Limited - Main Corporate Branch, Karachi with the Account Title **IPO of Loads Limited – BB Account**. Please note that online transfer facility shall only be allowed for Bank Alfalah Limited customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S



DEISGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF “IPO OF LOADS LIMITED – BB ACCOUNT” IN A MANNER ACCEPTABLE TO THE BOOK RUNNER.

Since the investors can bid for shares through Limit Bid or a Step Bid therefore payment procedure is explained below for all these methods:

a) PAYMENT FOR LIMIT BID

If investors are placing their bids through Limit Bid then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 4 million shares at a price of PKR 17.00 per share, then the total Application Money would amount to PKR 68 million. In such a case, (i) Individual Investor shall deposit PKR 68 million in the Book Building account as the bid amount which is 100% of PKR 68 million; and (ii) Institutional Investor shall deposit at least PKR 17 million in the Book Building account as the Margin Money which is 25% of PKR 68 million.

b) PAYMENT FOR STEP BID

If an investor is placing a Step Bid which is a series of Limit bid at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 0.50 million shares at PKR 16.00 per share, 1.00 million shares at PKR 17.00 per share and 1.50 million shares at PKR 18.00 per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 52 million, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 52 million in the Book Building Account as bid amount which is 100% of PKR 52 million and (ii) Institutional Investors shall deposit at least PKR 13 million in the Book Building Account as Margin Money which is 25% of PKR 52 million.

2.15 PAYMENT BY FOREIGN INVESTORS

Foreign investors may subscribe using their Special Convertible Rupee Accounts (“**SCRA**”), as set out under Chapter 20 of the State Bank of Pakistan’s Foreign Exchange Manual 2002. Under section 7(i) of Chapter 20, Companies issuing shares out of the new public offers on repatriable basis as permitted under sub para (B)(I) of paragraph 6 may open foreign currency collection accounts with Banks abroad or in Pakistan for receiving the subscription in foreign currency. This may also allow refunds from these accounts to unsuccessful applicants.

Foreign investors do not require any regulatory approvals to invest in the shares being offered by the Company. Payment in respect of investment in the shares of the Company has to be made in foreign currency through an inward remittance or through surplus balances in SCRA. Local currency cash account(s) opened for the purpose of Foreign Portfolio Investment (FPI) is classified as SCRA. There are no restrictions on repatriation on sale (disinvestment) and dividend proceeds. Underlying client names / beneficial owners are required to be disclosed at depository level.



Key Documents required for individual(s) are:

1. Account opening request
2. Passport / ID

General documentation required for opening of SCRA account by Corporate Bidders is:

1. Account opening request
2. Board Resolution & Signatories list
3. Passport / ID of Board of Directors
4. Passport / ID of all authorized signatories
5. Certificate of Incorporation (COI) or equivalent documents like Trade Registry Certificate, Business Registration Certificate, Certificate of Commencement of Business
6. Memorandum & Articles of Association
7. Withholding tax registration certificate / Certificate of country of domicile of client
8. Latest Annual Report
9. List of Board of Directors
10. List of Shareholders (greater than 10% holdings) and key officers

It is however pertinent to note that the procedure and requirements of each institution differs, hence it is advised to request the procedure from each relative institution.

Payments made by foreign investors shall be supported by proof of receipt of foreign currency through normal banking channels. Such a proof shall be submitted along with the application by the foreign investors.

2.16 REVISION OF BIDS BY THE BIDDER

The registered investors may revise their Bids any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 20% of the prevailing indicative strike price. NO DOWNWARD REVISION SHALL BE ALLOWED AFTER 4:00 P.M. ON LAST DAY OF THE BIDDING PERIOD.

2.17 TWENTY PERCENT (20%) PRICE BAND MECHANISM

An investor will not be allowed to place or revise a bid with a price variation of more than twenty percent (20%) of the prevailing Indicative Strike Price subject to floor price i.e Bid Price must not be below the Floor Price. Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 20% range will also change with the Indicative Strike Price.

For Example, if the floor price is PKR 15.0 per share and Indicative Strike Price at any given point in time during the bidding period is PKR 15.0 per share, registered bidders may place or revise their bids from PKR15.0 per share to PKR 18.0 per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 15.0 per share to PKR 17.0 per share, the registered bidders may place or revise their bids from PKR 15.0 per share to PKR 20.40 per share.



Please note that the 20% range on the lower side cannot go below the floor price. The price range of 20% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the websites of the Designated Institution, Book Runner, Securities Exchanges, Clearing house and the Central depository.

2.18 REJECTION OF BIDS BY THE BOOK RUNNER

In terms of regulation 21(5) of Chapter V of the Book Building Regulations, 2015, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

2.19 WITHDRAWAL OF BIDS BY THE BIDDER

The registered investors shall have the right to withdraw their bids till 04:00 p.m. on last day of the Bidding Period either manually through the Bid Collection Centers or electronically through direct access to the system. **NO WITHDRAWAL SHALL BE ALLOWED AFTER 4:00 P.M. ON LAST DAY OF THE BIDDING PERIOD.**

2.20 WITHDRAWAL OF ISSUE BY THE ISSUER

- a) According to Regulation 5(6) of the Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the offer shall be cancelled and the same shall be immediately intimated to the Commission, the securities exchange and the Designated Institution and the Margin Money shall be refunded to the bidders immediately but not later than two (2) working days of the closing of the Bidding Period.
- b) **The Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).**

2.21 MECHANISM FOR DETERMINATION OF STRIKE PRICE

- a) At the close of the bidding period, Strike Price shall be determined on the basis of **Dutch Auction Method** by the System. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total number of shares offered is subscribed.
- b) The Order book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
- c) Once the Strike Price is determined all those Bidders whose bids have been found successful shall become entitled for allotment of shares. The Bidders, who have made bids at prices above the Strike Price, will be issued shares at the Strike Price and the differential, if any, will be refunded. The Bidders, who have made bids below the Strike Price, shall not qualify for allotment of shares and their Margin Money shall be refunded.
- d) In case the bids received are sufficient to allot the total number of shares being issued under the Book Building Portion, the allotment shall be made on the basis of highest bid priority that is the bid made at the highest price shall be considered first for allotment of shares.



- e) In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price strictly on time priority basis.

The mechanism for determination of the Strike Price can be understood by the following illustration:

- **Number of shares being Offered through the Book Building:** 35,625,000 Ordinary Shares
- **Floor Price:** PKR 15.00 per share
- **Bidding Period:** From September 06, 2016 to September 07, 2016
- **Bidding Time:** 9:00am - 5:00pm
- **Bid Withdrawal Time:** 9:00 am – 5:00 pm on all days and till 4:00 pm on last day
- **Bidding Revision Time:** 9:00am - 5:00pm on all days*
- ***Downward Revision Time:** 9:00 am – 5:00 pm on all days and till 4:00 pm on last day

Bidder	Price (PKR /Share)	Quantity (Shares)	Cumulative Number of Shares	Category of Order
Institution A	23.00	2,300,000	2,300,000	Limit Price
Institution B	22.50	1,500,000	3,800,000	Limit Price →
Institution C	22.50	3,625,000	5,925,000	Limit Price
HNWI A	22.00	3,200,000	9,125,000	Step Bid
Institution D	21.50	2,700,000	11,825,000	Limit Price
Institution E	21.00	3,500,000	15,325,000	Limit Price
HNWI B	20.50	3,000,000	18,325,000	Limit Price
HNWI A	20.00	2,200,000	20,525,000	Step Bid
Institution G	19.50	3,400,000	23,925,000	Limit Bid
HNWI C	19.00	2,300,000	26,225,000	Limit Price
Institution F	18.50	3,000,000	29,225,000	Step Bid
Institution G	18.00	3,000,000	32,225,000	Limit Price →
HNWI D	17.50	1,900,000	34,125,000	Step Bid
HNWI E	17.00	3,500,000	37,625,000	Limit Price
Institution F	16.50	2,000,000	39,625,000	Step Bid →
HNWI D	16.00	3,000,000	42,625,000	Step Bid
HNWI F	15.50	3,000,000	45,625,000	Limit Price

Bid Withdrawn

Strike Price determined through Dutch Auction Method

Bid has been revised and placed at PKR 19.50/share

Total Shares Subscribed

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 16.50 per share to sell the required quantity of 50,000,000 ordinary shares.

At PKR 23.00 per share, investors are willing to buy 2,300,000 shares. Since 33,325,000 shares are still available, therefore the price will be set lower.



At PKR 22.50 per share, investors are willing to buy 3,625,000 shares. Since 29,700,000 shares are still available, therefore the price will be set lower.

At PKR 22.00 per share, investors are willing to buy 3,200,000 shares. Since 26,500,000 shares are still available, therefore the price will be set lower.

At PKR 21.50 per share, investors are willing to buy 2,700,000 shares. Since 23,800,000 shares are still available, therefore the price will be set lower.

At PKR 21.00 per share, investors are willing to buy 3,500,000 shares. Since 20,300,000 shares are still available, therefore the price will be set lower.

At PKR 20.50 per share, investors are willing to buy 3,000,000 shares. Since 17,300,000 shares are still available, therefore the price will be set lower.

At PKR 20.00 per share, investors are willing to buy 2,200,000 shares. Since 15,100,000 shares are still available, therefore the price will be set lower.

At PKR 19.50 per share, investors are willing to buy 3,400,000 shares. Since 11,700,000 shares are still available, therefore the price will be set lower.

At PKR 19.00 per share, investors are willing to buy 2,300,000 shares. Since 9,400,000 shares are still available, therefore the price will be set lower.

At PKR 18.50 per share, investors are willing to buy 3,000,000 shares. Since 6,400,000 shares are still available, therefore the price will be set lower.

At PKR 17.50 per share, investors are willing to buy 1,900,000 shares. Since 4,500,000 shares are still available, therefore the price will be set lower.

At PKR 17.00 per share, investors are willing to buy 3,500,000 shares. Since 1,000,000 shares are still available, therefore the price will be set lower.

At PKR 16.50 per share, investors are willing to buy 2,000,000 shares. Since after bidding for 2,000,000 shares at PKR 16.50 per share, no shares will be available therefore the Strike Price will be set at PKR 16.50 per share for the entire lot of 35,625,000 shares.

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 16.50 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

Investors who have bid below PKR 16.50 per share do not qualify for allotment and their money would be refunded.

After allotment in the aforementioned manner, 1 million shares are still available for allotment. These shares will be allotted to Bidders who have placed bid(s) at 16.50 per share, however for the purpose of allotment of these 1 million shares **preference will be given to the Bidder who has placed the bid earlier.**



2.22 BASIS OF ALLOTMENT OF SHARES

Once the Strike Price is determined all those bidders whose bids have been found successful shall become entitled for allotment of shares. For allocation of shares priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be issued shares at the Strike Price and the differential, if any, will be refunded. The bidders, who have made bids below the Strike Price, shall not qualify for allotment of shares and their Margin Money shall be refunded.

For the purpose of allotment of shares, the bid(s) made at the price determined / discovered as Strike Price through the Book Building process shall be ranked equally and preference will be given to the bidder who has made the bid earlier.

In case bids received at the Strike Price exceeds the number of shares allocated under the Book Building, then preference will be given to the bidders who have made the bid earlier.

Final allotment of shares out of the Book Building portion shall be made after receipt of full subscription money from the successful bidders; however, shares to such bidders shall be credited at the time of credit and dispatch of shares out of the retail portion of the issue to successful applicants as per regulation 21(13) of the Regulations.

2.23 REFUND OF MARGIN MONEY

Investors that place Bids lower than the Strike Price shall not be eligible for allotment of shares. Margin Money of the unsuccessful Bidders shall be refunded within five (5) working days of the close of the bidding period as required under Regulation 21(11) of the Regulations.

The bidders, who have made bids at prices above the Strike Price, will be issued shares at the Strike Price and the differential will be refunded, where required.

2.24 UNDERWRITING

After determination of the Strike Price the Book Runner shall within two (2) working days of the closing of the bidding period enter into an Underwriting Agreement with the Issuer indicating the number of shares that the Book Runner would underwrite at the Strike Price and the Underwriting Commission / Fee to be charged.

2.25 PUBLICATION OF SUPPLEMENT TO THE PROSPECTUS

In accordance with the Regulation 4 (x) of the Regulations within five (5) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through securities exchange where shares are to be listed.

Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price, names of the Underwriters for the Retail Portion of the Issue, Underwriting Commission, and Category-wise breakup of the successful bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.



Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Supplement to the Prospectus but not earlier than seven (7) days of such publication.

2.26 INTEREST OF THE LEAD MANAGER, ARRANGER AND BOOK RUNNER

The Lead Manager, Arranger and Book Runner has no interest in the Issue and Issuer other than its role as a Lead Manager, Arranger and Book Runner to the Issue.

2.27 ASSOCIATED UNDERTAKINGS AND COMPANIES

(i) Associated Companies

S. No.	Name	CUIN	NTN
1	Ali Automobiles Limited	NA*	NA*
2	Cutting Edge (Private) Limited	0052555	NA*
3	First Treet Manufacturing Modaraba (FTMM)	NA**	2551646-9
4	Global Arts Limited	0063259	3025337-3
5	Global Econo Trade (Private) Limited	0048641	2189285-7
6	IGI Insurance Limited	0000631	0710710-2
7	Multiple Autoparts Industries (Private) Limited	0047468	2257670-3
8	Orient Trading Co. (Private) Limited	0020894	0891338-2
9	Packages Limited	0000792	0711438-9
10	Specialized Autoparts Industries (Private) Limited	0047617	2151776-2
11	Specialized Motorcycles (Private) Limited	0048556	2257669-0
12	Treet Assets (Private) Limited	0065740	NA*
13	Treet Corporation Limited	0005616	1416035- 8
14	Treet Power Limited	0063491	3208574-5
15	Online Hotel Agents (Private) Limited	0084751	4294811-8
16	PICIC Insurance Limited	0047326	2187509-0

*These companies have a dormant status

**FTMM is managed by Treet Holdings Limited (formerly known as Global Econo Trade Limited) therefore does not have a CUIN.

Note: As required under Regulation 5(8) of the Regulations, the Associated Companies and Associated Undertakings of the Issuer shall not in aggregate make bids for shares in excess of 5% of the Book Building Portion.

(ii) Related Employees

S. No.	Name	Designation	CNIC
Board of Directors of Loads Limited			
1	Mr. Syed Shahid Ali	Chairman	35202-4892267-5
2	Mr. Saulat Said	Vice Chairman	35202-2452642-9
3	Mr. Munir K. Bana	Chief Executive Officer	42301-0995600-5
4	Mr. Muhammad Ziauddin	Executive Director	42301-0862517-5



5	Mr. Syed Sheharyar Ali	Non-Executive Director	35200-1484648-3
6	Mr. Jalees Ahmed Siddiqi	Non-Executive Director	42301-6144977-7
7	Mr. Amir Zia	Non-Executive Director	35202-3036295-7
8	Mr. Shamim Ahmed Siddiqui	Sr. GM Finance	42000-1654233-5
Related Employees of the Issuer			
1	Mr. Jamshed E. Mehta	Company Secretary	42301-8101587-1
2	Mr. Babar Saleem	Deputy GM – Corporate Affairs	42101-3611798-9
3	Mr. Mobin Akhter	Deputy GM – Finance	42401-1713798-7
4	Mr. Syed Zia Uddin Ahmed	Deputy Manager – Corporate Affairs	42201-2191963-5
5	Mr. Syed Maz Hashmi	Deputy Manager – Finance	42101-6321820-9
Related Employees of the Book Runner			
1	Mr. Shahid Ali Habib	Chief Executive Officer	42301-0870728-7
2	Mr. Kashif Shah	Managing Director, Investment Banking	42301-2295321-7
3	Mr. Nasim Beg	Advisor to Investment Banking	42301-5558488-3
4	Mr. Muhammad Rafique Bhundi	Senior Vice President, Investment Banking	42201-2497903-1
5	Mr. Ahmed Rajani	Vice President, Investment Banking	42201-4832681-5
6	Mr. Syed Saquib Ali	Vice President, Investment Banking	42201-4292146-1
7	Mr. Ammad Tahir	Associate, Investment Banking	56302-9084284-5
8	Mr. Abdul Qadir	Associate, Investment Banking	42301-2989158-1
9	Mr. Tahir Abbas	Asst. Vice President, Research	42201-9867974-9
10	Mr. Shahbaz Ashraf	Head of Research	42201-3317016-7
11	Mr. Sarwar Khan	Head of Compliance	54400-1389625-3
12	Mr. Sardar Khan	Library Assistant, Research	42501-2640314-3
13	Mr. Saeed Ahmed	Officer, Investment Banking	42201-2425208-1

Note: As required under Regulation 11 of the Regulations, Related Employees of the Issuer and the Book Runner shall not participate in the bidding for shares.



2.28 STATEMENT BY ISSUER

August 26, 2015

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of the Company, I confirm that all material information as required under the Companies Ordinance, 1984, the Securities Act, 2015, the Book Building Regulations, 2015 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and on behalf of **Loads Limited**:

-Sd-

Munir K. Bana
Chief Executive Officer

-Sd-

Jamshed E. Mehta
Company Secretary



2.29 STATEMENT BY LEAD MANAGER

April 07, 2016

The General Manager

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as Lead Manager & Arranger to this Initial Public Offering of Loads Limited through the Book Building process, we confirm that all material information as required under the Companies Ordinance, 1984, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Book Building Regulations, 2015 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed to the best of our knowledge and belief.

For and on behalf of **Arif Habib Limited:**

-sd-

Shahid Ali Habib
Chief Executive Officer



2.30 STATEMENT BY THE BOOK RUNNER

April 07, 2016

The Managing Director

Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Being mandated as Book Runner to this Initial Public Offering of Loads Limited through the Book Building process, we confirm that all material information as required under the Companies Ordinance, 1984, the Securities Act, 2015, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited and the Book Building Regulations, 2015 has been disclosed in this Prospectus and that whatever is stated in Prospectus and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed to the best of our knowledge and belief.

For and on behalf of **Arif Habib Limited:**

-sd-

Shahid Ali Habib
Chief Executive Officer



PART 3

3 SHARE CAPITAL AND RELATED MATTERS

3.1 SHARE CAPITAL

Number of Shares		Face Value (PKR)	Premium (PKR)	Total (PKR)
AUTHORIZED CAPITAL				
150,000,000	Ordinary Shares of PKR 10.00 each	1,500,000,000	-	1,500,000,000
150,000,000	Total	1,500,000,000	-	1,500,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY				
3,770,150	Issued for Cash : Ordinary Shares of PKR 10.00 each	37,701,500	-	37,701,500
71,229,850	Issued for Bonus : Ordinary Shares of PKR 10.00 each	712,298,500	-	712,298,500
75,000,000	Total	750,000,000	-	750,000,000
Number of Shares		Face Value (PKR)	Premium (PKR)	Total (PKR)
THE EXISTING ISSUED, SUBSCRIBED AND PAID-UP CAPITAL OF THE COMPANY IS HELD AS FOLLOWS:				
<u>Shares held by Sponsors</u>				
15,615,750	Treet Corporation Limited	156,157,500	-	156,157,500
15,615,750		156,157,500		156,157,500
<u>Shares held by Sponsors/Directors</u>				
51,917,250	Syed Shahid Ali	519,172,500	-	519,172,500
1,667,375	Munir Karim Bana	16,673,750	-	16,673,750
684,687	Muhammad Ziauddin	6,846,870	-	6,846,870
6,250	Syed Sheharyar Ali	62,500	-	62,500
6,250	Saulat Said	62,500	-	62,500
6,250	Jalees Ahmed Siddiqi	62,500	-	62,500
500	Amir Zia	5,000	-	5,000
500	Shamim Ahmed Siddiqui	5,000	-	5,000
54,289,062		542,890,620		542,890,620
<u>Other Shareholders</u>				
1,604,950	Uzma Ziauddin	16,049,500	-	16,049,500
1,604,950	Abidah Ziauddin	16,049,500	-	16,049,500
1,250,000	Nabat Munir Bana	12,500,000	-	12,500,000
247,063	Niloufer Qasim Mehdi	2,470,630	-	2,470,630
247,050	Namwar Javaid Hassan	2,470,500	-	2,470,500
141,175	Khadija Wajid Ali	1,411,750	-	1,411,750
5,095,188		50,951,880		50,951,880
75,000,000	Total	750,000,000	-	750,000,000

Present Issue

Number of Shares		Face Value (PKR)	Premium (PKR)	Total (PKR)
35,625,000	Allocation to Institutions / Individual Investors through Book Building process at a Strike Price	356,250,000	[X]	[X]
11,875,000	General Public Portion	118,750,000	[X]	[X]
2,500,000	Preferential Allocation to the Employees of Loads Limited*	25,000,000		
50,000,000	Total Present Issue	500,000,000	[X]	[X]
125,000,000	Grand Total (Post IPO Paid-up Capital)	1,250,000,000	[X]	[X]

*Employees of the Company have been given preferential allocation of shares as per Regulation 5.4.3 of the Listing of Companies and Securities Regulations of PSX Rule Book. Employees will subscribe their portion during General Public Portion subscription



period. If the preferential allocation portion is under subscribed, the unsubscribed shares will be allotted to the General Public Portion.

Notes:

- I. As per Rule 3 (iv) of the Companies (Issue of Capital) Rules, 1996, the Sponsors of the issuing company shall retain their entire shareholding in the company for a period of not less than 12 months from the last date for the public subscription.
- II. As per Rule 3 (v) of the Companies (Issue of Capital) Rules, 1996, the sponsors shall retain at least 25% of the capital of the Company for a period of 3 financial years from the date of public subscription.
- III. As per rule 3(vi) of the Companies (Issue of Capital) Rules, 1996, subject to clause 3(iv) and 3(v), the sponsor of the issuing may sell their shareholding through block-sale and shall report the sale of shares, on same day, to the stock exchange on which the shares are listed.
- IV. As per rule 3(vii) of the Companies (Issue of Capital) Rules, 1996, the shares held by sponsors shall be deposited in a CDS account with the Central Depository Company of Pakistan Limited, in blocked form.
- V. As per Clause (b) of the Regulation 5.4.5 of the Listing of Companies and Securities Regulations of PSX, allocation of shares to employees of the Company on preferential basis shall not be saleable for a period of six months from the date of public subscription. The Issuer shall make sure through its Shares Registrar i.e. Central Depository Company of Pakistan Limited, that the shares subscribed by employees out of the said preferential allocation are not transferred during the said time period of six months.
- VI. In case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the offer shall be cancelled and the same shall be immediately intimated to the Commission, PSX and the Designated Institution and the Margin Money shall be refunded to the respective bidders immediately but not later than two (2) working days of the closing of the Bidding Period as per regulation 5(6) of the Book Building Regulations, 2015.
- VII. Quarterly progress reports related to the implementation of the expansion plan of the Issuer shall be submitted to PSX and SECP till its completion.

3.2 OPENING AND CLOSING OF THE SUBSCRIPTION LIST

The subscription list will open at the commencement of banking hours on September 28, 2016 and will close on September 29, 2016 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on September 29, 2016.**

In order to facilitate the investors, the Issuer has arranged provision of e-IPO facility through United Bank Limited (“UBL”) & Summit Bank Limited (“SMBL”) that is among the Bankers to the Issue. The accountholders of UBL can use UBL net-banking to submit their applications online via link <http://www.ubldirect.com/corporate/ebank>. SMBL account holders can use SMBL Net Banking to submit their application via link <https://ib.summitbank.com.pk>.

3.3 INVESTOR ELIGIBILITY FOR PUBLIC ISSUE

Eligible investors include:

- a) Pakistani citizens resident in or outside Pakistan or persons holding two nationalities including Pakistani Nationality;



- b) Foreign nationals whether living in or outside Pakistan;
- c) Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their respective constitutive documents and existing regulations, as the case may be);
- d) Mutual Funds, Provident / Pension / Gratuity Funds / Trusts (subject to the terms of their respective Trust Deeds and existing regulations); and
- e) Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

3.4 FACILITIES AVAILABLE TO NON-RESIDENT PAKISTANI AND FOREIGN INVESTORS

Non-resident Pakistani investors and foreign investors may subscribe for the shares being issued through this Prospectus by using their SCRA. For details please see Chapter 20 of the Foreign Exchange Manual of the State Bank of Pakistan. Under Section 7(i) of Chapter 20 of the said Manual, Companies issuing shares out of new public Issues on repatriable basis, as permitted under sub para (B) (I) of paragraph 6, may open foreign currency collection accounts with banks abroad or in Pakistan for receiving the subscription in foreign currency. They may also allow refunds from these accounts to unsuccessful applicants.

Foreign investors do not require any regulatory approvals to invest in the shares being issued through this Prospectus. Payment in respect of investment in the shares of the Company has to be made in foreign currency through an inward remittance or through surplus balances in SCRA. Local currency cash account(s) opened for the purpose of Foreign Portfolio Investment (FPI) is classified as SCRA. There is no restriction on repatriation of sale proceeds and dividend payouts on shares. Underlying client names/beneficial owners are required to be disclosed at depository level.

- A. Key Documents required for individual(s):
 - (i) Account opening request; and
 - (ii) Passport / ID.
- B. General documentations required for opening of SCRA account by institutional investors are:
 - (i) Account opening request;
 - (ii) Board Resolution & Signatories list;
 - (iii) Passport / ID of Board of Directors;
 - (iv) Passport/ID of all authorized signatories;
 - (v) Certificate of Incorporation (COI) or equivalent document (like Trade Registry Certificate, Business Registration Certificate, and Certificate of Commencement of Business);
 - (vi) Memorandum & Articles of Association;
 - (vii) Withholding tax registration certificate / Certificate of country of domicile of client;
 - (viii) Latest Annual Report;
 - (ix) List of Board of Directors; and
 - (x) List of Shareholders (greater than 10% holdings) and key officers.

It is however pertinent to note that the procedure and requirements of each financial institution with respect to opening of SCRA differs, hence it is advised to make a prior request for the procedure from concerned financial institution.

Payments made by foreign investors must be supported by proof of receipt of foreign currency through normal banking channels. Such proof must be submitted along with the Application by the foreign investors.



3.5 MINIMUM AMOUNT OF APPLICATION AND BASIS FOR ALLOTMENT OF SHARES OUT OF THE GENERAL PUBLIC PORTION OF THE ISSUE

The basis and conditions of allotment to the general public shall be as follows:

- (a) Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
- (b) The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
- (c) Application for shares below the total value of Issue Price x 500 shares-in case of shares in physical form and Issue Price x 500 shares in case of shares in the book entry form shall not be entertained.
- (d) SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS ARE PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
- (e) If the shares issued to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
- (f) If the shares applied for by the general public are in excess of the shares being issued to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - (i) If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.
 - (ii) If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - (iii) If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - (iv) If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - (v) After the allotment in the above mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.



- If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
- (g) If the Issue is over-subscribed in terms of *amount only*, then allotment of shares shall be made in the following manner:
- (i) First preference will be given to the applicants who applied for 500 shares;
 - (ii) Next preference will be given to the applicants who applied for 1,000 shares;
 - (iii) Next preference will be given to the applicants who applied for 1,500 shares;
 - (iv) Next preference will be given to the applicants who applied for 2,000 shares; and then
 - (v) After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
- (h) Allotment of shares will be subject to scrutiny of applications for subscription of shares.
- (i) Applications, which do not meet the above requirements, or applications which are incomplete, will be rejected.
- (j) The employees of the Company have been given preferential allocation of 2,500,000 shares at the Strike Price. Employees will subscribe their portion during subscription period. If the preferential allocation portion is under subscribed, the unsubscribed shares will be allocated to the General Public Portion.

3.6 REFUND OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

The Company shall take a decision within ten (10) days of the closure of subscription list as to which applications have been accepted or are successful and refund the money in cases of unaccepted or unsuccessful applications within ten (10) days of the date of such decision, as required under Section 71 of the Ordinance.

As per sub-section (2) of Section 71 of the Ordinance, if refund as required under Sub-section (1) of Section 71 of the Ordinance is not made within the time specified therein, the Issuer shall be liable to repay the money with surcharge at the rate of 1.5%, for every month or part thereof from the expiration of the 15th day and in addition to a fine not exceeding PKR 5,000/- and in case of continuing offense to a further fine not exceeding PKR 100/- per day after the 15th day of which the default continues. Provided that the Issuer shall not be liable if it proves that the default in making the refund was not on its own account and was not due to any misconduct or negligence on its part.

3.7 ISSUE AND DISPATCH OF SHARE CERTIFICATES

The Company will dispatch share certificates to successful applicants through their Bankers to the Issue or by crediting the respective Central Depository System ("CDS") accounts of the successful applicants within thirty (30) days of the close of public subscription as per Listing of Companies and Securities Regulations of the PSX.

Shares will be issued either in scrip-less form in the CDS of CDCPL or in the shape of physical scrip on the basis of option exercised by the successful applicants. Shares in the physical scrip shall be dispatched to the Bankers to the Issue within thirty (30) days from the date of close of subscription



list, whereas scrip less shares shall be directly credited through book- entry in the respective accounts maintained with CDCPL.

The applicants who opt for receipt of shares in scrip-less form in CDS should fill in the relevant columns of the Application Form. In order to exercise the scrip-less option, the applicant(s) should have CDS account at the time of subscription.

If the Company defaults in complying with the above requirements, it shall pay the PSX a penalty of PKR 5,000 per day for every day during which the default continues. The PSX may also notify the fact of such default and the name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

The name of the Company will also be notified to the member of the PSX and placed on the web site of the PSX.

3.8 TRANSFER OF SHARES

(a) PHYSICAL SCRIPS

Under the provisions of Section 77 of the Ordinance, the Directors of the Company shall not refuse to transfer any fully paid share unless the transfer deed is, for any reason, defective or invalid or is not accompanied by the relevant share certificate. Provided that the Company shall within thirty (30) days from the date on which the instrument of transfer was lodged with it, notify the defect or invalidity to the transferee who shall, after the removal of such defect or invalidity, be entitled to re-lodge the transfer deed with the Company.

(b) TRANSFER UNDER BOOK-ENTRY SYSTEM

The shares maintained in the CDS in the book-entry form shall be transferred in accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations.

3.9 SHARES ISSUED IN PRECEDING YEARS

S. No	No. of Shares Issued	Subscription Price	Total Value (PKR)	Consideration	Date of Issue
1	150	10	1,500	Cash	1-Jan-79
2	121,500	10	1,215,000	Cash	22-Oct-80
3	244,323	10	2,443,230	Cash	3-Oct-83
4	74,177	10	741,770	Cash	29-Dec-84
5	100,000	10	1,000,000	Cash	22-May-86
6	230,000	10	2,300,000	Cash	10-Jul-88
7	577,500	10	5,775,000	Bonus	17-Jun-91
8	1,347,350	10	13,473,500	Bonus	29-Jun-94
9	305,000	10	3,050,000	Bonus	15-Jun-95
10	1,000,000	10	10,000,000	Cash	20-Oct-96
11	2,000,000	10	20,000,000	Cash	5-Jun-98
12	69,000,000	10	690,000,000	Bonus	31-Mar-15
	75,000,000	10	750,000,000		

Note: On 31st March 2015, the company issued 69 million bonus shares

Other than the above mentioned shares, there has been no other issuance of shares since the incorporation of Loads Limited.



3.10 PRINCIPAL PURPOSE OF THE ISSUE

Loads Limited intends to issue 50,000,000 shares at a floor price of PKR 15.00 per share to raise the funds through IPO for Expansion and Modernization of its production facilities, in order to meet the expected increase in demand for auto parts produced by the company and to achieve higher level of automation in their existing production facilities and to list the company at PSX.

UTILIZATION OF PROCEEDS

The issue will generate PKR 750 million at the Floor Price. A financial summary of the utilization of the funds is given below:

Particulars	Estimated Cost (PKR Millions)	% of Total Estimated Cost
Expansion & Modernization	550	73.33%
Working Capital	200	26.67%
Total	750	100.00%

The breakup of funds utilization above is based on subscription at the Floor Price of PKR 15 per share. Any excess funds received above the Floor Price will be utilized towards repayment of short term borrowings. At 31st March 2016, the company has a short term borrowing of PKR 1.199 billion.

For details on utilization of IPO proceeds, please refer to Para 5.13.

3.11 INTEREST OF SHAREHOLDERS

None of the holders of the issued shares of the Company have any special or other interest in the property or profits of the Company other than as holders of the Ordinary shares in the capital of the Company.

3.12 DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, Board's recommendation and shareholders' approval.

The rights in respect of capital and dividends attached to each share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the terms of the provisions of the Ordinance.

The Directors may from time to time declare interim dividends as appear to the Directors to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.



No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Ordinance.

Dividend History

Loads Limited	FY 11	FY 12	FY 13	FY 14	FY 15
Dividend	10%	-	-	-	-
Bonus	-	-	-	-	1150%

Note: There is no restriction on Loads Limited by any regulatory authority, stakeholder etc. on the distribution of profits.

Soneri Bank Limited while approving various funded and non-funded facilities vide their letter no. CAD/CIBG/031/16 dated 29-Apr-2016 imposed following covenant:

“While declaring any cash dividend/profit distribution there should be no bank dues in arrear or prior NOC should be in place (where applicable)”

However, this condition has been replaced by their letter dated June 23, 2016 with the following:

“In case bank dues falls in arrears, the bank has the right to cancel your facility.”

3.13 ELIGIBILITY FOR DIVIDEND

The shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

3.14 DEDUCTION OF ZAKAT

Income Distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

3.15 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001:

Tax Rate FY 2017					
Holding Period of Securities					
Category	Tax Year	Less than twelve months	Twelve months or more but less than twenty four months	Twenty four months or more but acquired on or after 1 st July, 2012	Before 1 st July, 2012
Filer	2017	15.00%	12.50%	7.50%	0%
Non - Filer	2017	18.00%	16.00%	11.00%	0%



3.16 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 specified in Part 1 Division III of the First Schedule of the said Ordinance or any time to time amendments therein. In terms of the provision of Section 8 of the said Ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of individuals only. The following are the rates:

- (a) For filers of Income Tax Returns: 12.50%
- (b) For non-filers of Income Tax Return: 20.0%

3.17 TAX ON BONUS SHARES

As per section 236M of the Income Tax Ordinance 2001, tax at the rate of 5.00% of the value of “bonus shares” determined on the basis of the day end ex-price be collected by the Company issuing the “bonus shares”, which will be the final tax liability on such income of the shareholder.

3.18 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

3.19 DEFERRED TAXATION

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

As per the Consolidated Financial Accounts for the nine months ended March 31, 2016, the Company had a deferred tax liability of PKR 67,223,634.

3.20 SALES TAX

Company’s imports of raw materials are subject to 17% sales tax, which is fully adjustable against output tax. Company’s output tax of 17% is applicable on sales of auto parts to automobile assemblers.

3.21 SALES TAX ON SALE / PURCHASE OF SHARES

Under the constitution of Pakistan and Articles 49 of the 7th NFC Award the Government of Sindh has promulgated the Sindh Sales Tax on Service Act, 2011 (Sindh Act No. XII of 2011) (the Act) which has taken effect from July 2011. The Sindh Revenue Board Constituted under the Act (Sindh Act No. XI of 2010) administers and regulates the levy and collection of the Sindh Sales Tax (“SST”) on the taxable services provided or rendered in Sindh.



The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange under section 41(1) of the Sindh Sales Tax Rules, 2011, dated 30th June 2011, the Second Schedule of the Act levies a sales tax on Brokerage at the rate of 13%. The sales tax is withheld as per the requirements of Sindh Sales Tax Special Procedure (Withholding) Rules, 2011.

3.22 CAPITAL VALUE TAX (CVT) ON PURCHASE OF SHARES

Pursuant to amendments made in the Finance Act, 1989 through Finance (Amendments) Ordinance, 2012 promulgated on April 24, 2012, 0.01% Capital Value Tax will be applicable on the purchase value of shares.

3.23 TAX CREDIT FOR INVESTMENT IN IPO

Under Section 62 of the Income tax Ordinance, 2001, a resident person other than a Company, shall be entitled to a tax credit for a tax year in respect of the cost of acquiring in the year, new shares offered to the public by a public company listed on a stock exchange in Pakistan, provided the resident person is the original allottee of the shares or the shares are acquired from the Privatization Commission of Pakistan.

As per section 62(3)(b) of the Income Tax Ordinance, 2001, the time limit for holding shares has been designated as 24 months to avail tax credit.

3.24 TAX CREDIT FOR ENLISTMENT

Under Section 65C of the Income tax Ordinance, 2001, tax credit of 20% of the tax payable by the Issuer shall be allowed for the tax year in which a Company is listed on a Stock Exchange in Pakistan.

3.25 JUSTIFICATION FOR PREMIUM

Rationale for the justification of premium is set out below:

3.25.1 Group Profile

Loads Limited is part of a conglomerate of blue chip listed companies engaged in diverse industrial and business activities. The group's strategy includes generating synergies by sharing resources within the business units. Associated and Group companies includes following companies:

S. No	Name of Company	Business Type
1	Treet Corporation Limited	Razor Blades
2	Packages Limited	Packaging materials
3	IGI Insurance Limited	Insurance



Cross Shareholding of Associated Companies

Cross Shareholding of Associated Companies	Loads Limited	First Treet Manufacturing Modaraba	Global Arts Limited	Multiple Autoparts Industries (Private) Limited	Specialized Autoparts Industries (Private) Limited	Specialized Motor Cycle (Private) Limited	Treet Corporation Limited	Treet Holdings Limited	Treet Power Limited
Loads Limited	-	-	-	7,499,992 (99.99%)	17,499,992 (99.99%)	7,499,992 (99.99%)	2,806,990 (5.19%)	-	-
Global Arts Limited	-	-	-	-	-	-	-	10,003,000 (14.07%)	-
Treet Corporation Limited	15,615,750 (20.82%)	175,745,700 (89.85%)	140,244,021 (93.28%)	-	-	-	-	61,101,740 (85.93%)	-
Treet Holdings Limited	-	19,590,562 (10.02%)	10,100,640 (6.72%)	-	-	-	-	-	1,000,000 (100%)

Directors and their Directorship in Other Companies

S. No	Name of Directors	Designation in Loads Limited	Directorship in Other Companies	Shareholding till May 31, 2016	%age
1	Syed Shahid Ali 35202-4892267-5	Chairman	Ali Automobiles Limited First Treet Manufacturing Modaraba Global Arts Limited IGI Insurance Limited Multiple Autoparts Industries (Private) Limited Packages Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycle (Private) Limited Treet Assets (Private) Limited Treet Corporation Limited Treet Holdings Limited [Formerly Global Econo Trade (Pvt) Limited] Treet Power Limited	- - 50 58,346 1 2,000 1 1 1 38,241,817 13 1	0 0.001 0.001 0.001 0 27.75 0 0
2	Mr. Saulat Said 35202-2452642-9	Vice Chairman	First Treet Manufacturing Modaraba Global Arts Limited Multiple Autoparts Industries (Private) Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycles (Private) Limited Treet Corporation Limited Treet Holdings Limited [Formerly Global Econo Trade (Pvt) Limited]	- 50 1 1 1 4,200 1	0 0.001 0.001 0.001 0 0
3	Mr. Munir Karim Bana	Chief Executive	First Treet Manufacturing Modaraba		



S. No	Name of Directors	Designation in Loads Limited	Directorship in Other Companies	Shareholding till May 31, 2016	%age
	42301-0995600-5		Global Arts Limited Multiple Autoparts Industries (Private) Limited Orient Trading Co. (Private) Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycles (Private) Limited Treet Corporation Limited Treet Holdings Limited [Formerly Global Econo Trade (Pvt) Limited] Treet Power Limited	 1 4,000 1 1 120,410 50 1	 0.001 25 0.001 0.001 0.009 0 0
4	Syed Sheharyar Ali 35200-1484648-3	Director	Ali Automobiles Limited Cutting Edge (Private) Limited First Treet Manufacturing Modaraba Global Arts Limited Multiple Autoparts Industries (Private) Limited Online Hotel Agents (Private) Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycle (Private) Limited Treet Corporation Limited Treet Holdings Limited (Formerly Global Econo Trade Limited)	 1 221,447 50 1 55 1 1 10,743,787 7	 50 0.11 0 0.001 55 0.001 0.001 7.8 0
5	Mr. Muhammad Ziauddin 42301-0862517-5	Director	Multiple Autoparts Industries (Private) Limited Orient Trading Co. (Private) Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycle (Private) Limited	 1 4,000 1 1	 0.001 25 0.001 0.001
6	Mr. Shamim A. Siddiqui 42000-1654233-5	Director	Multiple Autoparts Industries (Private) Limited Orient Trading Co. (Private) Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycle (Private) Limited	 1 4,000 1 1	 0.001 25 0.001 0.001
7	Mr. Jalees Ahmed Siddiqi 42301-6144977-7	Director	Multiple Autoparts Industries (Private) Limited PICIC Insurance Limited Specialized Autoparts Industries (Private) Limited Specialized Motorcycle (Private) Limited	 1 1 1	 0.001 0.001 0.001
8	Mr. Amir Zia	Director	Multiple Autoparts Industries (Private) Limited	1	0.001



S. No	Name of Directors	Designation in Loads Limited	Directorship in Other Companies	Shareholding till May 31, 2016	%age
	35202-3036295-7		Specialized Autoparts Industries (Private) Limited	1	0.001
			Specialized Motorcycle (Private) Limited	1	0.001

3.25.2 Strong Sponsor Profile

Treet Corporation Limited (“TCL”), one of the main sponsors of Loads Limited, is the holding company of one of the oldest and most renowned business groups in Pakistan. The history of the group dates back to pre-independence days. Currently, the group is engaged in diverse industrialized operations of Packaging and razor manufacturing sectors as well as the financial sectors.

3.25.3 Experienced and Dedicated Management

Loads Limited was incorporated in 1979 and since then the Company over the last 36 years has brought together a team of technically skilled and well versed individuals. The top management of Loads Limited comprises of some of the most experienced individuals in the industry. The Company lays a strong emphasis on recruiting and retaining the best professionals.

3.25.4 Historical Performance

Loads Limited has a track record of strong profitability and has achieved major milestones as enumerated in section 5.5 of this Prospectus.

Over the last four years, the Company has achieved strong revenue CAGR of 17.2%. Net profit during the aforementioned period increased at a CAGR of 8.3%.

PKR mn	FY12	FY13	FY14	FY15	CAGR
Sales	2,071	2,462	2,352	3,333	17.2%
Net Income	166	103	135	211	8.3%

Furthermore, the proceeds of the IPO will be utilized for further expansion of the Company’s capacity, which will accelerate growth and value addition.

3.25.5 Peer Group Analysis

Companies	Year End	EPS (A)	BVPS (B)	Price (C)	P/E (C/A)	P/BV (C/B)
Thal Limited	June-15	24.97	142.53	288.14	11.54	2.02
Agriauto Industries Limited	June-15	17.40	112.50	193.80	11.14	1.72
Loads Limited	June-15	2.69	20.54	15.00	5.58	0.73

*Last 90 days average price is used (starting from May 11, 2016 to August 10, 2016) – Source: PSX

**9-Months Annualized Earnings

The floor price of PKR 15 per share translates into a CY16 P/E ratio of 5.58x, an attractive discount of 51% to the average P/E of 11.34x of above listed comparable companies. On the basis of Loads



Limited's P/B of 0.73x, the discount is 61% compared to the average P/B 1.87x of above listed comparable companies. The relative valuation is summarized in the table below:

Summary of Multiples	P/E	P/BV
Average	11.34	1.87
Loads Limited	5.58	0.73
Discount	51%	61%

3.25.6 Reputable Clientele

The main clientele of the Company includes multi-national assemblers of Passenger Cars, Commercial Vehicles, Trucks, Buses, Tractors and Motorcycles. Some of the major clients of Loads Limited are as follows:

Name of Client	Brands	Products supplied -Loads Limited
Pak Suzuki Motor Company Limited	Suzuki	Radiator, Muffler & Sheet Metal Component
Hinopak Motors Limited	Hino	Radiator, Muffler & Sheet Metal Component
Indus Motor Company Limited	Toyota	Muffler & Sheet Metal Component
Honda Atlas Cars (Pakistan) Limited	Honda	Muffler & Sheet Metal Component
Master Motors Corporation Limited	Various	Radiator & Muffler
Fuso Master Motors (Private) Limited	Mitsubishi	Radiator & Muffler
Millat Tractors Limited	Massey Ferguson	Radiator
Thal Limited	Various	Heater Core
Yamaha Motor Pakistan (Private) Limited	Yamaha	Sheet Metal Component

3.25.7 High Quality Product Offering

Loads is recognized for the reliability and quality of its products. It is the leading manufacturer of exhaust systems (including mufflers/silencers & pipes) for locally assembled vehicles i.e. Toyota, Honda, Suzuki, Hino and other vehicles. The Company also manufactures brass & copper radiators according to customers' designs and specifications.

In addition, the Company provides a wide variety of customized sheet metal components of all shapes and sizes, such as fuel tank protectors, insulators, floor reinforcers, roof components, suspension arms, door plating's, bike stands etc.

3.25.8 International Standard Infrastructure

Over the years Loads has ensured quality through technical collaboration with leading Japanese firm, Futaba Industrial Company. Loads Limited customers (Honda Atlas Cars & Suzuki Pakistan) have arranged technical collaboration agreement with Sankei Giken Kogyo, Yutaka Giken, and Hamamatsu Pipe for training of Loads Limited technical team and import of latest technologies and



state-of-the-art machines for manufacture of radiators and exhaust systems. In addition to this, Loads Limited has in-house die designing & manufacturing facility with state-of-the-art Computer Numerical Control (“CNC”) automatic die manufacturing machines.

Currently, the production facility of Loads Limited includes:

1. CNC Automatic Die Manufacturing/Machining Centers;
2. Dies Manufacturing & Maintenance Machines;
3. Muffler Manufacturing and Assembly Lines;
4. CNC Automatic Muffler Pipe Bending & Forming equipment;
5. Muffler Welding Assembly Lines;
6. Automatic Line for Glass Wool Wrapping & Insertion in Muffler;
7. Radiator Fins Manufacturing Lines;
8. Radiator Tubes Manufacturing Lines;
9. Radiator Core Assembly Equipment;
10. Quality control equipment, including Welding Penetration Testing Laboratory & Inspection Measurement Faro Arm.

3.25.9 Excellence in Quality Control

The Company has acquired ISO-9001 and ISO-14001 certifications, to enhance and maintain highest levels of quality standards. In order to maintain international quality standards and to bring about continuous improvements in manufacturing lines with changing demands, a team of highly qualified professionals provides a sound technological base. The professional team works alongside 900 employees to regulate the quality, which has earned the trust and goodwill of its customers.

Loads Limited’s products are evaluated, tested and approved by customers’ principal in Japan on periodic basis. The Company is recognized for its reliability, quality and timely deliveries and has regularly received Quality Excellence Awards from customers like Toyota, Honda, Suzuki, Hino, etc.

3.25.10 Growth Incentive

The China-Pakistan Economic Corridor (“CPEC”) is expected to take Pakistan’s economy to new heights and it is likely to boost business and industrial activities across the length and breadth of the country. This may have significant impact on the auto sector especially the heavy commercial vehicles sector which is recovering recently from long years of stagnation.

Furthermore various schemes such as Apna Rozgar and Tractor Schemes have been introduced by Government of Pakistan to provide light commercial vehicles, small cars & tractors at subsidized rates. These schemes are aimed towards increasing welfare of the country and providing improved livelihood to the underprivileged segment of population. These schemes have had a positive impact on the sales of Automobile industry.

Loads Limited is already supplying automobile parts to multi-national assemblers of passenger cars, light commercial vehicles, heavy commercial vehicles and tractors. The Company is ideally placed to take advantage of expected growth in these sectors.



PART 4**4 UNDERWRITING, COMMISSIONS, BROKERAGE AND OTHER EXPENSES**

4.1 UNDERWRITING**Book Building Portion**

Arif Habib Limited has been mandated as the Book Runner to the Issue. The Book Runner will underwrite the Book Building Portion of the Issue which comprises 71.25% of 50,000,000 Ordinary Shares as required under Regulation 20(2) (viii) of the Regulations with limitations (in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any) to Regulation 20(2)(ii) of the Regulations at the Strike Price determined through the Book Building process.

In the opinion of the Directors, the resources of the Underwriters are sufficient to discharge their underwriting commitments / obligations.

General Public Portion

The General Public Portion of the Issue of 14,375,000 Ordinary Shares (inclusive of Preferential Allocation of 2,500,000 Ordinary Shares to the Employees of Loads Limited) will be fully underwritten as required under Rule 4(iii) read with section 3(iii) of the Companies (Issue of Capital) Rules, 1996, and within five (5) working days from the close of the Bidding Period, the names of the Underwriters will be published in the Supplement to the Prospectus in at least all those newspapers in which the Prospectus was earlier published and also disseminated through the securities exchange as required under Rule 4 (x) of the Book Building Regulations, 2015.

4.2 UNDERWRITING COMMISSION**Book Building Portion**

The Book Runner will be paid underwriting commission at the rate of **0.50%** of the Book Building Portion of the Issue. In addition to the Underwriting commission, the Book Runner will be paid a Take-up commission at the rate of **0.50%** of the amount of shares taken up.

General Public Portion

The Underwriters will be paid an underwriting commission at the rate of **1.50%** of the amount underwritten by them. In addition, a take-up commission at the rate of **1.50%** shall be paid to the underwriters on the value of the shares to be taken up by virtue of their respective underwriting commitments / obligations.

4.3 BUY BACK / REPURCHASE AGREEMENT

THE UNDERWRITERS HAVE NOT ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE COMPANY OR ANY OTHER PERSON IN RESPECT OF THIS INITIAL PUBLIC OFFERING.

ALSO, NEITHER THE COMPANY NOR ANY OF ITS ASSOCIATES HAVE ENTERED INTO ANY BUY BACK / RE-PURCHASE AGREEMENT WITH THE UNDERWRITERS OR THEIR ASSOCIATES. THE COMPANY



AND ITS ASSOCIATES SHALL NOT BUY BACK / RE-PURCHASE SHARES FROM THE UNDERWRITERS AND THEIR ASSOCIATES.

4.4 COMMISSION TO THE BANKERS TO THE ISSUE

Commission at the rate of **0.50%** of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the general public offering, plus out-of-pocket expenses, if any.

4.5 BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of Pakistan Stock Exchange Limited at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Underwriters by virtue of their underwriting commitments.

4.6 ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed **PKR 46,903,376/-**. The break-up of these preliminary expenses is given below:

Expenses to the Issue	Rate	Amount (PKR)
Underwriting Commission - Book Building	0.50%	2,671,875
Underwriting Commission - General Public	1.50%	3,234,375
Take-up Commission - Book Building*	0.50%	2,671,875
Take-up Commission - General Public*	1.50%	3,234,375
Commission to Bankers to the Offer Including Out of Pocket Expense	0.50%	1,578,125
TREC Holders of the Stock Exchange (Public offering including Book Building Portion)	1.00%	7,500,000
Book Runners Fee	0.75%	4,007,813
Lead Management & Arrangement Fee	1.65%	12,375,000
Printing, Publication of Prospectus / Application Forms		4,000,000
PSX Listing Fee & Charges:		
- Initial Listing Fee		1,250,000
- Annual Listing Fee		368,125
- Service Charges		50,000
Software Charges for Book Building		500,000
CDC Annual Fees for Eligible Security		200,000
CDC Fresh Issue Fee	0.16%	1,200,000
SECP Application & Processing Fees		200,000
Legal & Professional Charges		500,000
Balloters & Share Registrar Fees etc.		200,000
Miscellaneous Costs		1,000,000
SECP Supervisory Fee		161,813
Total		46,903,376

* These amounts represent the maximum possible costs under these heads.



PART 5**5 OVERVIEW, HISTORY AND PROSPECTS**

5.1 COMPANY HISTORY

Loads Limited (“**Loads**” or the “**Company**”) was established on January 1, 1979 as a private limited company with the objective of manufacturing of exhaust systems, radiators, and sheet metal components for the automotive industry. The Company was converted to public limited company in January 12, 1994. Over the years, the Company has grown into one of the largest Auto Parts Manufacturers (“APMs”) in the country and is recognized for the reliability and quality of its products.

The Company has three wholly owned subsidiaries namely Specialized Autoparts Industries (Private) Limited (“**SAIL**”), Multiple Autoparts Industries (Private) Limited (“**MAIL**”) and Specialized Motorcycles (Private) Limited (“**SMPL**”).

Loads Limited manufactures exhaust systems, radiators, and sheet metal components. The primary customers of Loads Limited belong to the automotive sector, mainly multi-national assemblers of passenger cars, light commercial vehicles, heavy commercial vehicles (trucks & buses), tractors and motor cycles. The key clientele of the Company includes world’s most reputable assemblers i.e. Toyota, Honda, Suzuki, Hino, Nissan, Isuzu, Massey-Ferguson, Mitsubishi, Yamaha, etc.

Over the years Loads has ensured quality through technical collaboration with leading Japanese firm, Futaba Industrial Company. Loads Limited customers (Honda Atlas Cars & Suzuki Pakistan) have arranged technical collaboration agreement with Sankei Giken Kogyo, Yutaka Giken, and Hamamatsu Pipe for training of Loads Limited technical team and import of latest technologies and state-of-the-art machines for manufacture of radiators and exhaust systems. In addition to this, Loads Limited has in-house die designing & manufacturing facility with state-of-the-art Computer Numerical Control (“**CNC**”) automatic die manufacturing machines.

The Company has acquired ISO-9001 and ISO-14001 certifications to enhance and maintain highest levels of quality standards. In order to maintain international quality standards and to bring about continuous improvements in line with changing demands, a team of highly qualified professionals provides a sound technological base. The Company has an employee base of over 650 employees to regulate production and quality, which has earned the trust and goodwill of customers.

Loads Limited’s products are evaluated, tested and approved by customers’ principals in Japan on periodic basis. The Company is recognized for its reliability, quality and timely deliveries and has regularly received Quality Excellence Awards from customers like Toyota, Honda, Suzuki, Hino, etc. in Pakistan.

The Company’s head office and manufacturing facility is located at Korangi Industrial Area, Karachi. The remaining manufacturing facilities are housed in two wholly owned subsidiaries, situated in Bin Qasim, Karachi. The total covered area of the three plants exceeds 10 acres.

The Company has installed an integrated SAP system at all the plants for ensuring online control of supply, production, sales, inventories and financial reporting. The Japanese philosophies of 5s and Kaizen have been implemented to ensure efficiency, good housekeeping and better productivity.



The Company has cordial relations with all the stakeholders. All senior personnel undergo training and development as required from time to time.

5.2 GROUP OVERVIEW

Loads Limited is a member of a conglomerate of blue chip listed companies engaged in diverse industrial and business activities. The group comprises of the following companies:

S. No	Name of Company	Business
1	Treet Corporation Limited	Razor Blades
2	Packages Limited	Packaging materials
3	IGI Insurance Limited	Insurance

5.3 SUBSIDIARIES

The Company has following three wholly owned subsidiaries:

5.3.1 Specialized Autoparts Industries (Private) Limited (“SAIL”)

SAIL is a wholly owned subsidiary of Loads Limited and also manufactures auto parts. The principal object of SAIL is to manufacture & supply components to parent Company Loads Limited for assembly of auto parts. SAIL manufactures exhaust systems, silencers, mufflers and sheet metal components.

Loads Limited has signed a Toll Manufacturing Agreement dated July 01, 2015 with SAIL for manufacturing of specified products according to customers’ specifications of Loads Limited. The Toll Manufacturing Agreement is subject to renewal after every five (5) years.

The toll prices of the products manufactured by SAIL are calculated on the basis of size, technical complexity and labor involved in their production and agreed by mutual consent in line with market prices. Raw materials for all the products are supplied by Loads Limited. SAIL manufactures exclusively for Loads Limited.

SAIL was incorporated on June 02, 2004 as a private limited company under the Companies Ordinance, 1984. The registered office of SAIL is located at the parent company’s office in Korangi Industrial Area and the production facility is at Port Qasim. SAIL currently has an employee base of over 450 employees.

5.3.2 Multiple Autoparts Industries (Private) Limited (“MAIL”)

MAIL is a wholly owned subsidiary of Loads Limited. The principal object of MAIL is to manufacture & supply auto parts components for parent Company i.e. Loads Limited. MAIL manufactures radiators and sheet metal components.

Loads Limited has signed a Toll Manufacturing Agreement with MAIL dated July 01, 2015 for manufacturing of specified products according to customers’ specifications of Loads Limited. The Toll Manufacturing Agreement is subject to renewal after every five (5) years.

The toll prices of the products manufactured by MAIL are calculated on the basis of size, technical complexity and labor involved in their production and agreed by mutual consent in line with market prices. Raw materials for all the products are supplied by Loads Limited. MAIL manufactures exclusively for Loads Limited.



MAIL was incorporated on May 14, 2004 as a private limited company under the Companies Ordinance, 1984. The registered office of MAIL is located at the parent company's office in Korangi Industrial Area and the production facility is at Port Qasim. MAIL currently has an employee base of over 200 employees.

5.3.3 Specialized Motorcycles (Private) Limited ("SMPL")

The principal object of SMPL is to acquire, purchase, import, sell and supply all types of motorcycles, auto parts, metallurgical parts, machinery and equipment parts.

SMPL was incorporated on September 28, 2004 as a private limited company under the Companies Ordinance, 1984. The registered office of SMPL is located at the parent company's office in Korangi Industrial Area.

SMPL has ceased its operations from July 1, 2015, as it is more cost effective for Loads Limited to market its own products.

5.4 FINANCIAL PERFORMANCE OF GROUP COMPANIES, ASSOCIATED COMPANIES AND SUBSIDIARIES

Packages Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	844	864	884
Equity (PKR mn)	43,159	50,985	49,092
Surplus on Revaluation (PKR mn)	-	-	-
Profit After Tax (PKR mn)	1,821	2,539	3,396
Break-up value per share (PKR)	511.36	590.10	555.34
Earnings per share (PKR)	20.62	28.40	37.48
Rate of Profit/Dividends Paid	80%D	90%D	150%D
Current Ratio	1.63	1.65	1.42
Long-term Debt to Equity	13:87	9:91	12:88
Return on Equity	4.22%	4.98%	6.92%
Return on Assets	3.28%	4.09%	5.36%
No of Issued Shares (mn)	84.37	86.37	88.37
Average Market Price (PKR)	149	298	575

Note: No overdue appears in the latest CIB report of Packages Limited dated April 12, 2016

IGI Insurance Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	1,115	1,227	1,227
Equity (PKR mn)	10,928	11,579	12,261
Profit After Tax (PKR mn)	1,235	1,427	1,975
Break-up value per share (PKR)	97.98	94.38	99.93
Earnings per share (PKR)	10.07	11.64	16.10
Rate of Profit/Dividends Paid	25%D-10%SD	30%D	60%D
Current Ratio	0.75	0.88	0.82
Long-term Debt to Equity	06:94	05:95	-
Return on Equity	11.30%	12.32%	16.11%



Return on Assets	5.98%	5.50%	6.98%
No. of Issued Shares (mn)	111.53	122.68	122.68
Average Market Price (PKR)	88	156	223

Note: No overdue appears in the latest CIB report of IGI Insurance Limited dated April 12, 2016

Treet Corporation Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	418	510	540
Equity (PKR mn)*	2,835	4,253	6,980
Surplus on Revaluation (PKR mn)	740	1,356	1,330
Profit After Tax (PKR mn)	215	235	242
Break-up value per share (PKR)	67.79	83.35	129.38
Earnings per share (PKR)	4.92	4.90	5.25
Rate of Profit/Dividends Paid	20%D	20%D	10%D
Current Ratio	1.78	1.98	2.18
Long-term Debt to Equity	4:96	21:79	13:87
Return on Equity	7.58%	5.52%	3.47%
Return on Assets	3.78%	3.24%	2.20%
No. of issued Shares (mn)	41.8	51.02	53.95
Average Market Price (PKR)	36	81	77

Note: No overdue appears in the latest CIB report of Treet Corporation Limited dated April 12, 2016

*Equity includes surplus on revaluation of Property, plant and equipment

Cutting Edge (Private) Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	0.00002	0.00002	0.00002
Equity (PKR mn)	0.331	0.02	0.03
Profit After Tax (PKR mn)	0.037	0.09	0.01
Break-up value per share (PKR)	165,263	9,650	15,308
Earnings/Loss per share	0.02	44,387.00	5,658.00
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	2.04	2.57	2.45
Long-term Debt to Equity	-	-	-
Return on Equity	11.34%	459.97%	36.96%
Return on Assets	5.78%	12.95%	1.55%

Note: No overdue appears in the latest CIB report of Cutting Edge (Private) Limited dated April 12, 2016



First Treet Manufacturing Modaraba	FY13	FY14	FY15
Paid-up Capital (PKR mn)	1,304	1,304	1,304
Equity (PKR mn)	1,519	1,601	1,692
Profit After Tax (PKR mn)	129	86	136
Break-up value per share (PKR)	11.65	12.28	12.98
Earnings per share (PKR)	0.99	0.66	1.05
Rate of Profit/Dividends Paid	6.7%D	3.45%D	6.2%D
Current Ratio	9.37	9.59	7.10
Long-term Debt to Equity	-	-	10:90
Return on Equity	8.46%	5.37%	8.06%
Return on Assets	7.82%	4.97%	6.64%

Note: No overdue appears in the latest CIB report of First Treet Manufacturing Modaraba dated April 12, 2016

Global Arts Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	1.00	1.00	739
Equity (PKR mn)	2.04	2.05	743
Profit After Tax (PKR mn)	0.00	0.01	2.87
Break-up value per share (PKR)	20.38	20.49	10.05
Earnings per share (PKR)	0.02	0.11	0.07
Rate of Profit/Dividends Paid	-	3.45%D	6.2%D
Current Ratio	13.28	12.64	0.28
Long-term Debt to Equity	-	-	-
Return on Equity	0.10%	0.54%	0.39%
Return on Assets	0.09%	0.49%	0.34%

Note: No overdue appears in the latest CIB report of Global Arts Limited dated April 12, 2016

Treet Power Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	10	10	10
Equity (PKR mn)	14	16	15
Profit/(Loss)After Tax (PKR mn)	4	2	(1)
Break-up value per share (PKR)	14.42	15.96	15.30
Earnings/(Loss)per share (PKR)	3.67	1.53	(0.66)
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	164.91	77.35	59.17
Long-term Debt to Equity	-	-	-
Return on Equity	25.44%	9.61%	-4.29%
Return on Assets	25.28%	9.48%	-4.22%

Note: No overdue appears in the latest CIB report of Treet Power Limited dated April 12, 2016



Online Hotels Agents (Private) Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	Company incorporated in 2014	0.10	0.10
Equity (PKR mn)		(0.05)	0.28
Profit/(Loss)After Tax (PKR mn)		(0.05)	0.33
Break-up value per share (PKR)		(4.76)	27.94
Earnings/(Loss) per share		(539.16)	3,270.06
Rate of Profit/Dividends Paid		-	-
Current Ratio		0.03	1.08
Long-term Debt to Equity		-	7:93
Return on Equity		102%	117%
Return on Assets		-4860%	8%

Note: No overdue appears in the latest CIB report of Online Hotels Agents (Private) Limited dated April 12, 2016

Orient Trading Co. (Private) Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	0.02	0.02	0.02
Equity (PKR mn)	(0.09)	(0.11)	(0.12)
(Loss) After Tax (PKR mn)	(0.02)	(0.01)	(0.02)
Break-up value per share (PKR)	(46.00)	(52.79)	(62.12)
Loss per share	(0.00)	(6.68)	(9.33)
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	0.12	0.11	-
Long-term Debt to Equity	-	-	-
Return on Equity	-16.70%	-12.64%	-15.01%
Return on Assets	-123.36%	-106.94%	0.00%

Note: No overdue appears in the latest CIB report of Orient Trading Co. (Private) Limited dated April 12, 2016

PICIC Insurance Limited	FY13	FY14	FY15*
Paid-up Capital (PKR mn)	350	350	350
Equity (PKR mn)	229	100	70
Profit After Tax (PKR mn)	9	(131)	(35)
Break-up value per share (PKR)	6.53	2.84	1.99
Earnings per share (PKR)	0.27	(3.74)	(0.99)
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	5.37	1.10	2.44
Long-term Debt to Equity	73:27	90:10	89:11
Return on Equity	4.12%	-131.54%	-50%
Return on Assets	1.02%	-13.75%	-5.7%



Note: No overdue appears in the latest CIB report of PICIC Insurance Limited dated April 12, 2016

Treet Holdings Limited (Formerly Global Econo Trade (Pvt.) Ltd.)	FY13	FY14	FY15
Paid-up Capital (PKR mn)	50	50	450
Equity (PKR mn)	123	63	463
Profit/(Loss)After Tax (PKR mn)	(27)	(32)	(0)
Break-up value per share (PKR)	24.52	12.61	10.29
Earnings/(Loss)per share (PKR)	(5.43)	(6.48)	(0.01)
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	0.76	0.68	5.77
Long-term Debt to Equity	0.2:99.98	0.2:99.98	0.03:99.97
Return on Equity	-22.13%	-51.40%	-0.10%
Return on Assets	-7.02%	-7.90%	-0.09%

Note: No overdue appears in the latest CIB report of Treet Holdings Limited dated April 12, 2016

Ali Automobiles Limited	FY15	FY14	FY13
Paid-up Capital (PKR mn)	Company is Dormant		
Equity (PKR mn)			
Profit After Tax (PKR mn)			
Break-up value per share (PKR)			
Earnings/Loss per share			
Rate of Profit/Dividends Paid			
Current Ratio			
Long-term Debt to Equity			
Return on Equity			
Return on Assets			

Note: No overdue appears in the latest CIB report of Ali Automobiles Limited dated April 12, 2016

Treet Assets (Private) Limited	FY15	FY14	FY13
Paid-up Capital (PKR mn)	Company is Dormant		
Equity (PKR mn)			
Profit After Tax (PKR mn)			
Break-up value per share (PKR)			
Earnings/Loss per share			
Rate of Profit/Dividends Paid			
Current Ratio			
Long-term Debt to Equity			
Return on Equity			
Return on Assets			



Note: No overdue appears in the latest CIB report of Treet Assets (Private) Limited dated April 12, 2016

Specialized Autoparts Industries (Private) Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	175	175	175
Equity (PKR mn)	160	165	215
Profit/(Loss) After Tax (PKR mn)	(2)	4	51
Break-up value per share (PKR)	9.16	9.41	12.31
Earnings/(Loss)per share (PKR)	(0.09)	0.24	2.91
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	6.31	7.87	9.55
Long-term Debt to Equity	-	-	-
Return on Equity	-1.03%	2.60%	23.60%
Return on Assets	-0.98%	2.47%	20.56%

Note: No overdue appears in the latest CIB report of Specialized Autoparts Industries (Private) Limited dated April 12, 2016

Multiple Autoparts Industries (Private) Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	75	75	75
Equity (PKR mn)	71	75	103
Profit After Tax (PKR mn)	1	4	28
Break-up value per share (PKR)	9.48	9.96	13.76
Earnings per share (PKR)	0.12	0.49	3.79
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	8.29	5.21	9.33
Long-term Debt to Equity	-	-	-
Return on Equity	1.27%	4.87%	27.59%
Return on Assets	1.23%	4.41%	23.76%

Note: No overdue appears in the latest CIB report of Multiple Autoparts Industries (Private) Limited dated April 12, 2016

Specialized Motorcycles (Private) Limited	FY13	FY14	FY15
Paid-up Capital (PKR mn)	75	75	75
Equity (PKR mn)	8	22	58
Profit After Tax (PKR mn)	22	14	36
Break-up value per share (PKR)	1.02	2.91	7.77
Earnings per share (PKR)	2.95	1.89	4.85
Rate of Profit/Dividends Paid	-	-	-
Current Ratio	1.43	4.21	8.71



Long-term Debt to Equity	-	-	-
Return on Equity	287.70%	64.83%	62.49%
Return on Assets	86.76%	49.45%	55.31%

Note: No overdue appears in the latest CIB report of Specialized Motorcycles (Private) Limited dated April 12, 2016

5.5 KEY MILESTONES

Years	Events
1979	Loads Limited was incorporated as a private company
1985	The Company commenced commercial production of radiators and mufflers for Pak Suzuki Motor Company
1987	The Company started manufacturing of radiators for buses, trucks and tractors of Hino, Nissan, Isuzu and Millat Tractors
1989	Loads expanded into a new market by commencing export of radiators to Land Rover in United Kingdom
1993	Status of the Company was changed to public unlisted company
1994	The Company commenced production of exhaust systems for Toyota Corolla cars
1997	The Company commenced production of radiators for Toyota Corolla cars
1999	The Company acquired ISO -9001 certification
2001	Loads Limited commenced export of radiators for Ford Pickups to USA and of exhaust systems to UAE
	The Company commenced manufacturing exhaust systems for Honda cars in Pakistan
2004	Loads Limited expanded its business and acquired 5 Acre and 3½ Acre plots at Port Qasim, Karachi for its subsidiary Companies
2005	SAIL and MAIL were incorporated and constructions of factories were completed
2008	CNC Pipe Bending Machine was imported from Italy for automation of exhaust pipe production line
2013	The Company imported Faro Prime Machine for its testing laboratory for optimal quality assurance
2014	The Company achieved ISO-14001 certification (Environmental Management System)



5.6 PLANT & EQUIPMENT

The list of major existing plant and equipment of the Company are as follows:

1. CNC Automatic Die Machining Centers
2. Dies Manufacturing & Maintenance Machines
3. Muffler Manufacturing and Assembly Lines
4. CNC Automatic Muffler Pipe Bending & Forming equipment
5. Muffler Welding Assembly Lines
6. Automatic Line for Glass Wool Wrapping & Insertion in Muffler
7. Radiator Fins Manufacturing Lines
8. Radiator Tubes Manufacturing Lines
9. Radiator Core Assembly Equipment
10. Quality control equipment, including Welding Penetration Testing Laboratory & Inspection Measurement Faro Arm

5.7 PRODUCTS OFFERED

5.7.1 Exhaust Systems

Loads Limited is the leading manufacturer of exhaust systems (including mufflers/silencers & pipes), which is assembled for locally produced vehicles i.e. Toyota, Honda, Suzuki, Hino and other vehicles. The exhaust system is manufactured by processing and assembling stainless steel or aluminized steel, pipe and catalytic converter.



5.7.2 Radiators

The Company manufactures brass & copper radiators according to customers' designs and specifications. These heat exchangers are used for cooling internal combustion engines. Loads Limited produces radiators with or without oil coolers for passenger cars as well as heavy trucks and buses. Straight type fin radiators are also manufactured for tractors, generators and heavy vehicles.



Radiator Core

The Company sells radiator core separately in the spare parts market. This is the inner Core of the Cooling Radiator, and is composed of copper fins and brass tubes, held together by 2 side plates and



2 header plates. If the cooling radiator's fins are damaged or the tubes are leaking, radiator cores serve as a replacement between the top & bottom water tanks of the radiator.

Heater Core

Loads Limited manufactures smaller version of complete cooling radiator which includes both top & bottom water tanks (but excludes a cap). The function of these heater cores is to circulate hot water discharged from the cooling radiator to provide heating to the cabin. These heater cores are sold only to the assemblers.

5.7.3 Sheet Metal Components

Loads produces a wide variety of sheet metal components of all shapes and sizes such as fuel tank protectors, insulators, floor reinforcers, roof components, suspension arms, door platings, bike stands etc. The Company supplies over 130 sheet metal components to assemblers of passenger cars, heavy vehicles and motorcycles. Sheet Metal Parts are manufactured according to customers' designs and specifications. Imported prime raw materials like stainless steel sheets, aluminum sheets, mild steel sheets and aluminized coated sheets are used, with thicknesses ranging from 0.4mm to 4mm.

All the dies, tooling and checking fixtures for all types of Sheet Metal Parts are developed in-house on Computerized CNC Machining Centers under the supervision of highly skilled die designers and technicians.



5.8 MARKET SHARE OF THE PRODUCTS OFFERED

The Segment-wise market share of Loads Limited along with its competitors is as follows:

5.8.1 Exhaust Systems / Mufflers

EXHAUST SYSTEMS / MUFFLERS (Cars)					
	Name of Company	Estimated Market Share %			
		800cc	1000cc	1300cc & >1300cc	Total
	Loads Limited	92	76	100	95
	Competitors (Unlisted companies)	8	24	-	5
		100	100	100	100

Source: Loads Limited Research



5.8.2 Radiators

RADIATORS (Cars)					
	Name of Company	Estimated Market Share %			
		800cc	1000cc	1300cc & >1300cc	Total
	Loads Limited	60	100	-	40
	Competitors :				
	-Listed company (Thal Ltd)			100	50
	-Unlisted companies	40	-		10
		100	100	100	100

Source: Loads Limited Research

RADIATORS (Tractors)		
	Name of Company	Estimated Market Share %
	Loads Limited	9
	Competitors (Unlisted companies)	91
		100

Source: Loads Limited Research

5.8.3 Sheet Metal Components

SHEET METAL COMPONENTS (Cars)		
	Name of Company	Estimated Market Share %
	Loads Limited	20
	Competitors (Unlisted companies/SMEs)	80
		100

Source: Loads Limited Research

5.8.4 Radiator Cores

E. RADIATOR CORES (SUPPLIED TO SPARE PARTS MARKET ONLY)		
	Name of Company	Estimated Market Share %
	Loads Limited	35
	Competitors (Unlisted companies/SMEs)	65
		100

Source: Loads Limited Research



5.9 SEGREGATION OF RAW MATERIAL USED

Products	FY15				6MFY16			
	Raw Materials Imported (Rs)	% of Cost	Raw Materials Local (Rs)	% of Cost	Raw Materials Imported (Rs)	% of Cost	Raw Materials Local (Rs)	% of Cost
Exhaust Systems*	1,361,018,746	64%	33,702,899	39%	967,251,225	71%	19,061,639	47%
Radiators**	470,188,605	22%	32,467,361	37%	267,731,713	20%	15,122,791	37%
Sheet Metal Components***	299,270,735	14%	20,725,388	24%	129,085,364	9%	6,502,162	16%
Total	2,130,478,087	100%	86,895,649	100%	1,364,068,302	100%	40,686,592	100%

*Raw material of Exhaust System includes Cold Rolled Steel, Aluminum Steel, Stainless Steel, Converter and Muffler Assembly

** Raw Material of Radiators includes Copper Foil, Brass Foil, Brass Strip, Solder Ingot and Chemicals

***Raw Material of Sheet Metal Component includes Stainless Steel sheet, Galvanized sheet, Aluminum and Cold Rolled sheet

5.10 HISTORICAL PRICE TREND OF IMPORTED RAW MATERIAL USED

USD Per Ton	1-Jan-14	27-Jan-15	24-Sep-15	21-May-16
COPPER	7,200	5,500	5,000	4,200
LEAD	2,300	2,100	1,800	1,700
ALUMINIUM	2,100	1,900	1,600	1,600
ZINC	2,400	2,400	1,800	1,900
TIN	23,000	20,000	16,000	17,000
STEEL	450	500	200	100

Source: London Metal Exchange

5.11 SALES BREAKDOWN

Product	FY15		6MFY16	
	Net Sales	%	Net Sales	%
Exhaust Systems	2,128,561,340	64%	1,352,974,838	68%
Radiators	727,563,693	22%	365,133,196	18%
Sheet Metal Components	476,447,039	14%	285,103,351	14%
Total	3,332,572,072	100%	2,003,211,385	100%

5.12 MAJOR CLIENTS

Some of the major clients of Loads Limited are as follows:

Name of Client	Brand	Products supplied by Loads Limited
Pak Suzuki Motor Company Limited	Suzuki	Radiator, Muffler & Sheet Metal Component
Hinopak Motors Limited	Hino	Radiator, Muffler & Sheet Metal Component
Indus Motor Company Limited	Toyota	Muffler & Sheet Metal Component
Honda Atlas Cars (Pakistan) Limited	Honda	Muffler & Sheet Metal Component
Master Motors Corporation Limited	Various	Radiator & Muffler



Fuso Master Motors (Private) Limited	Mitsubishi	Radiator & Muffler
Millat Tractors Limited	Massey Ferguson	Radiator
Thal Limited	Various	Heater Core
Yamaha Motor Pakistan (Private) Limited	Yamaha	Sheet Metal Component

5.13 DETAILS OF PROJECT / PROCEEDS UTILIZATION

The Company plans to utilize proceeds from the IPO for expansion & modernization of its production facilities and working capital requirements.

5.13.1 Expansion & Modernization

Expansion

In the wake of expected increased demand, the Company intends to invest in plant expansion with the aim of enhancing its existing capacities. This expansion of existing lines and addition of new equipment is necessary to meet the current and expected future demand for autoparts being supplied by the Company to major multinational automotive assemblers in Pakistan. The automotive industry is expected to take a quantum leap in the next 10 years, in line with the growth of the country's economy, which is poised to take off in the light of various infrastructural projects, including China Pakistan Economic Corridor ("CPEC"), and improved business environment.

Modernization

The Company plans to modernize its existing production facilities by introducing robotics, laser technologies and other automation equipment.

The combination of modern laser welding equipment and robotics will ensure accuracy, improved quality and elimination of human errors.

Summary of Expansion & Modernization Cost & Utilization of Funds

Given below is a summary of expansion and modernization cost and utilization of funds:

EXPANSION & MODERNIZATION COST		
Description	Estimated Cost (PKR)	Cost Incurred to Date (PKR) – as of June 30, 2016
Plant & Machinery		
- Imported	369,266,055	72,818,790*
- Local	119,500,000	
Import / Custom duty	18,463,302	
Clearing Expenses	14,770,643	
Building / Civil Works	18,000,000	
Utilities (Power)	10,000,000	
Sub-total	550,000,000	72,818,790
Working Capital	200,000,000	
Total	750,000,000	



UTILIZATION OF FUNDS (FINANCIAL PLAN)	
Source of Funds	Amount (PKR)
IPO Proceeds	750,000,000
For Expansion and Modernization	550,000,000
For Working Capital	200,000,000

*In order to finance the cost incurred to date for expansion and modernization, the Company has utilized existing running finance facilities of PKR 72.82 million, which shall be repaid out of IPO proceeds.

Breakdown of Capital Expenditure

Based on the above, Load Limited envisages capital expenditure amounting to PKR 550 million. Breakdown of expansion and modernization costs to be incurred are as follows:

Expansion Projects	Units	Total Estimated Cost (PKR mn)	Technology Type	Status	Capex in FY16/FY17 (PKR mn)	Capex in FY18 (PKR mn)	Quarterly Arrival
Upto 300-Ton Pneumatic Presses	Various	26.0	Imported	4 presses arrived	12.0	14.0	3QFY17 & 1QFY18
Dies Jigs & Fixtures	Various	140.0	Imported / Local		70.0	70.0	3QFY17 & 1QFY18
Spares for Parco Tube Machine	1 Unit	1.0	Imported		1.0	-	2QFY17
Hydraulic Partition Inserting Machine	1 Unit	0.4	Local		0.4	-	3QFY17
Core Leak Testing Fixtures	Various	1.0	Local		1.0	-	4QFY17
Pads for Core Leak Testing Fixtures	Various	0.5	Local		0.5	-	2QFY17
Testing and Washing Tanks	Various	1.0	Local		1.0	-	3QFY17
Tank Soldering/ Brazing Fixtures	Various	0.5	Local		0.5	-	4QFY17
Tanks For Testing & Washing	Various	1.0	Local		1.0	-	2QFY17
Core/ Radiators Handling Trolleys	Various	0.6	Local		0.6	-	4QFY17
3-Ton Fork Lifter	3 Units	6.0	Local		2.0	4.0	2QFY17 & 1QFY18
Shearing Machines	2 Units	4.0	Local		2.0	2.0	4QFY17 & 1QFY18
Co2 Welding Machines	6 Units	2.5	Local		1.6	0.9	1QFY17 & 1QFY18
80 Kva Welding Machines	2 Units	2.0	Local		1.0	1.0	3QFY17 & 1QFY18
Lathe Machines	2 Units	1.0	Local		0.5	0.5	2QFY17 & 1QFY18
Radial Drill Machine	1 Unit	0.5	Local		-	0.5	1QFY18
IT Related Enhancements	Various	10.0	Local		6.0	4.0	2QFY17 & 1QFY18
Core Baking Oven	1 Unit	2.5	Local		2.5	-	2QFY17
Pipe Bending Dies, Jigs & Fixtures	Various	4.0	Local		2.0	2.0	1QFY17 & 1QFY18
Die Spring for Maintenance Work	Various	2.1	Local		1.1	1.0	3QFY17 & 1QFY18



Construction of factory Hangers	N/A	18.0	Local		18.0	-	3QFY17
Total		224.6			124.7	99.9	
Modernization Projects	Units	Total Estimated Cost (PKR mn)	Technology Type	Status	Capex in FY16/FY17 (PKR mn)	Capex in FY18 (PKR mn)	Quarterly Arrival
Robotic Arms for welding with fixtures	4 Sets	32.0	Imported	1robot arrived	24.0	8.0	3QFY17 & 1QFY18
Muffler Seam Lock Machine	1 Unit	11.0	Imported		11.0	-	4QFY17
Laser Welding Machine	2 Units	24.0	Imported	1lazer welding arrived	24.0	-	3QFY17
Roving Machine	1 Unit	15.0	Imported	Arrived	15.0	-	-
350-Ton Hydraulic Presses	1 Units	8.0	Imported		-	8.0	1QFY18
500-Ton Hydraulic Press	1 Unit	7.5	Imported		-	7.5	1QFY18
CNC Machining Center (Double Column)	3 Units	48.0	Imported		28.0	20.0	3QFY17 & 1QFY18
800-Ton Mechanical Presses	2 Unit	40.0	Imported		40.0	-	3QFY17
350-Ton Mechanical Presses	2 Units	20.0	Imported		20.0	-	3QFY17
Fin Forming Machine	1 Unit	5.0	Imported		5.0	-	2QFY17
Flat Fin Forming Machine	1 Unit	4.0	Imported		4.0	-	4QFY17
Tube Forming Machine	1 Unit	6.0	Imported		6.0	-	3QFY17
Air Compressors	3 Units	15.0	Imported		10.0	5.0	3QFY17 & 1QFY18
Toolings for CNC Pipe Bending Machines	Various	1.5	Local		1.5	-	2QFY17
Mig/ Mag Welding Machines	Various	3.3	Local		3.3	-	2QFY17
Tig Welding Machines	3 Units	1.5	Local		0.5	1.0	3QFY17 & 1QFY18
Welding Fixtures	Various	1.5	Local		1.0	0.5	4QFY17 & 1QFY18
Toolings for Spot Welding Section	Various	1.0	Local		1.0	-	2QFY17
Booth for Radiators Varnishing	1 Unit	2.0	Local		-	2.0	1QFY18
Material Handling Equipments	Various	3.7	Local		-	3.7	1QFY18
Heavy Vehicles for Distribution Network	Various	9.5	Local		4.0	5.5	2QFY17 & 1QFY18
Misc Tooling	Various	1.5	Local		-	1.5	1QFY18
Tooling for Spot Welding Section	Various	1.0	Local		0.5	0.5	2QFY17 & 1QFY18
Returnable Racks for Distribution Network	Various	3.2	Local		2.0	1.2	1QFY17 & 1QFY18
Overhead Crane for handling Dies	1 Unit	5.0	Local		5.0	-	2QFY18
Ventilation / Exhaust Systems	Various	8.2	Local		4.2	4.0	1QFY17 & 1QFY18
Toolings / Dies For CNC Pipe Bending Section	Various	2.0	Local		2.0	-	2QFY17



Core Baking Oven for Radiators	1 Unit	5.0	Local		-	5.0	1QFY18
Generators	3 Units	30.0	Local		10.0	20.0	1QFY17 & 1QFY18
Enhancement of Power Capacity	N/A	10.0	-		6.0	4.0	1QFY17 & 1QFY18
Total		325.4			228.0	97.4	
-		550.0			352.7	197.3	

Details of Civil Work

Loads has entered into agreement on February 18, 2016 for construction of 2 Press Foundations, one Crane Foundation and a Yamaha Shed with M/s. Nadeem Brothers ("the Contractor"). The project management and detailed supervision of the work will be carried out by Architects, Kamil Associates or their representative.

All the works will be executed strictly in accordance with the drawings and specifications, use of best available materials and the quality of work will be in accordance with standard engineering practices mentioned in the Tender Documents.

The Contractor has commenced the construction whereby the Presses Foundation and Crane Foundation work has been completed and expected time frame for completion of Yamaha Shed will be 2nd Quarter FY17.

Production Capacities

a) Following are the existing and post expansion yearly capacities of Loads Limited:

Product	Units	Existing Capacity	Increased Capacity by the end of June 2017	Increased Capacity by the end of June 2018	Total Increase from Existing Capacity
Exhaust Systems/Silencers/Mufflers	Assemblies	150,000	200,000	275,000	83%
Radiators	Assemblies	100,000	105,000	120,000	20%
Radiator Cores	Assemblies	80,000	103,750	175,000	119%
Heater Cores	Assemblies	50,000	55,000	55,000	10%
Sheet Metal Components	Units	3,100,000	5,000,000	6,500,000	109%

b) Existing Capacity Utilization

Capacity Utilization	FY13	FY14	FY15
Exhaust System	87%	76%	98%
Radiators	83%	79%	83%
Radiator Cores	64%	60%	86%
Heater Cores	97%	89%	91%
Sheet Metal Components	65%	60%	90%

Details of Letter of Credit ("LC") Facilities



Out of the total capital expenditure amounting to PKR 550 million, the imported component of plant and machinery amounts to PKR 488.77 million. In order to expedite the implementation, the Company has already initiated the process of establishing LC facilities.

The following is the status of LC facilities that have already been established by the Company:

Name of Machine	Beneficiary	Country	Amount	Estimated Amount in PKR*
Roving Machine	Honda Trading Corporation	Japan	JPY 12,500,000	11,942,500
Laser Welding Machine	United Winner Company Limited	China	USD 144,500	15,100,250
Welding Robot	OTC Daiken Asia Company	Thailand	USD 39,000	4,075,500
Stamping Dies & Fixtures	JTS Corporation	South Korea	USD 200,000	20,900,000
Mechanical Presses	Astoca (M) SDN BHD	Malaysia	USD 150,000	15,675,000
Compressors	Gardner Denver FZE	Dubai, UAE	Euro 43,400	5,125,540
				72,818,790

*Converted at the exchange rates of JPY 1.00 = PKR 0.9554, Euro 1.00 = PKR 118.10 and USD 1.00 = PKR 104.50 as on April 22, 2016.

The Company has opened approximately 15% of the total LC facilities which are to be established for imported components of the capital expenditure.

Project Implementation

Out of the total plant & machinery valuing PKR 488.77 million required for expansion and modernization, plant & machinery valuing PKR 72.82 million has already been imported and received at the site of the Company. This makes up 15% of the total imported plant & machinery required for expansion and modernization. The Company has financed the purchase of this plant & machinery from existing running finance facilities from following Banks:

1. Habib Bank Limited: PKR 11,942,500
2. Al-Baraka Bank (Pakistan) Limited: PKR 20,900,000
3. JS Bank Limited: PKR 39,976,290

The remaining imported and local plant & machinery valuing PKR 415.95 million is expected to reach the site in different phases until the 1st quarter of FY18 as presented above in the section "Breakdown of Capital Expenditure". The Company intends to finance the purchase of the remaining plant & machinery and the related customs/duties, clearing expenses, building / civil work and utilities out of the proceeds of the IPO.

The total required plant & machinery shall arrive at the site of the Company by 1st quarter of FY18 and the entire process of expansion and modernization shall come into operational state by 2nd quarter of FY18.



Implementation Schedule

Description	Status
Land	Existing
Civil Work	
Press Foundation	Completed
Crane Foundation	Completed
Yamaha Shed	2QFY17
Plant and Machinery	1QFY18
Commercial Operation	2QFY18

5.13.2 Working Capital

Out of the proceeds of the IPO, PKR 200 million has been earmarked towards fulfillment of working capital requirement of the Company.

5.14 SECTOR OVERVIEW

The automobile industry is one of the major industries of the world. It contributes to the development of a vibrant engineering sector with strong connectivity to hi-tech products such as steel, plastics, rubber, electrical, electronics and other technologies. Auto Parts Manufacturers (APMs) contributes immensely towards the automobile industry as they invest heavily in various technologies to produce hi-tech auto parts for the OEMs.

The Pakistan Automobile Industry, including APMs, employs over 3 million skilled persons (both direct & indirect employment)¹. Based on average family size of 5 persons, the auto industry provides livelihood to over 15 million persons which is almost 8% of the population of the country.

Pakistan is one of the leading countries in the world in terms of demand and manufacturing of Passenger Cars and ranks 34 in terms of production volumes amongst elite group of 40 Automobile producing countries in the world². The auto parts industry has shown both resilience & fortitude during the past decade, by achieving higher localization, technology transfers, generation of employment and import substitution, thereby saving valuable foreign exchange of our country. As dollar saved is a dollar earned, the auto parts industry is rendering the same service as the export sector, and therefore the government has allowed this industry the support of cascading structure of duties and taxes through its Auto Policy to ensure its continued growth.

Currently, there are about 375 Tier-1 Auto parts manufacturers (APMs) and 1,600 Tier-2 suppliers, who comply with global standards to produce localized auto parts that are being used in assembly of multi-national vehicles in the country¹. Cars, heavy vehicles, tractors and motor cycles assembled in Pakistan use almost 55% to 70% of the auto parts that are manufactured by the local APMs². The quality of locally manufactured auto parts is certified by international standards and approved as per specifications prescribed by the global car assemblers.

¹ Pakistan Association of Automotive Parts & Accessories Manufacturers - Comparison of Pakistan & Indian Automobile Industry Rejoinder (2015, January 12). Retrieved November 2, 2015, from:

http://paapam.com/wp-content/uploads/150111_PAAPAM_Rejoinder_to_SBP_FINAL.pdf

² Pakistan Association of Automotive Parts & Accessories Manufacturers – Competition Impact Assessment Report on Automobile Industry of Pakistan Rejoinder (2015, January 1). Retrieved November 2, 2015, from:

http://paapam.com/wp-content/uploads/PAAPAM_Rejoinder_to_CCoP_Report_on_Automobile_Sector_Jan_2015.pdf



5.15 COMPETITORS AND MARKET SHARE

Exhaust Systems / Mufflers

EXHAUST SYSTEMS / MUFFLERS (Cars)					
	Name of Company	Estimated Market Share %			
		800cc	1000cc	1300cc & >1300cc	Total
	Loads Limited	92	76	100	95
	Competitors (Unlisted companies)	8	24	-	5
		100	100	100	100

Source: Loads Limited Research

Radiators

RADIATORS (Cars)					
	Name of Company	Estimated Market Share %			
		800cc	1000cc	1300cc & >1300cc	Total
	Loads Limited	60	100	-	40
	Competitors :				
	-Listed company (Thal Ltd)			100	50
	-Unlisted companies	40	-		10
		100	100	100	100

Source: Loads Limited Research

RADIATORS (Tractors)		
	Name of Company	Estimated Market Share %
	Loads Limited	9
	Competitors (Unlisted companies)	91
		100

Source: Loads Limited Research

Sheet Metal Component

SHEET METAL COMPONENTS (Cars)		
	Name of Company	Estimated Market Share %
	Loads Limited	20
	Competitors (Unlisted companies/SMEs)	80
		100

Source: Loads Limited Research



Radiator Core

E. RADIATOR CORES (SUPPLIED TO SPARE PARTS MARKET ONLY)		
	Name of Company	Estimated Market Share %
	Loads Limited	35
	Competitors (Unlisted companies/SMEs)	65
		100

Source: Loads Limited Research

5.16 FUTURE PROSPECTS

In the backdrop of softening commodity prices, monetary easing and implementation of robust structural reforms, the economy is likely to post strong growth in the medium to long term. Planned projects that are part of the USD 46 billion China Pakistan Economic Corridor (“CPEC”) are expected to position the country as an international transit hub, boosting business and industrial activity. This is expected to generate accelerated demand for automotive which are an integral part for any underlying infrastructural development. Furthermore, increased income level through augmented business activities is likely to usher in more demand for passenger and commercial vehicles.

Furthermore, various schemes such as Apna Rozgar and Tractor Schemes have been introduced by Government of Pakistan to provide light commercial vehicles, small cars & tractors at subsidized rates. These schemes aim toward increasing welfare of the country and providing improved livelihood to the underprivileged segment of population. These schemes have had a positive impact on the sales of Automobile industry.

The new Auto Policy is also on verge of approval. It is believed that this policy will create the right environment for attracting new entrants as well as encourage launch of new variants by the existing players of the auto industry. Further, it will promote higher level of localization of hi-tech auto parts.

External propellants for increase in sales of automobile also include monetary easing by the government in the midst of low inflation driven primarily through low fuel prices. This has significantly improved the purchasing power of consumers. In addition to this, latest SBP reported numbers highlight consumer auto financing at levels last seen in the 2008-10 (peak cycle for financing)¹.

Positive impact of the above mentioned factors is already reflecting on the automobile sales figure as according to the recently released figures by Pakistan Automotive Manufacturers Association (“PAMA”), auto sales in the first 9 months of FY16 showed a substantial increase of 30% compared to the same period in FY15².

¹ State Bank of Pakistan - Credit / Loan Classified by Borrowers (March 21, 2016). Retrieved April 16, 2016, from: <http://www.sbp.org.pk/ecodata/CreditLoans.pdf>

² Pakistan Automotive Manufacturers Association - Monthly Production & Sales of Vehicles (March 31, 2016). Retrieved April 16, 2016, from: <http://www.pama.org.pk/statistical-information/sales-production/monthly-sales-production>

¹ Pakistan Automotive Manufacturers Association - Monthly Production & Sales of Vehicles (March 31, 2016). Retrieved April 16, 2016, from: <http://www.pama.org.pk/statistical-information/sales-production/monthly-sales-production>



The management of Loads Limited is optimistic that the Auto Industry sector will grow both horizontally and vertically in the following areas:

- Expansion of existing capacities to meet the challenges ahead
- Introduction of modern technologies to meet the demands of mass production
- Localization of hi-tech auto parts which will become feasible after increase in volumes of the auto industry

5.17 RISK FACTORS

5.17.1 Business Risk

Decrease in demand for Company's products may have an adverse impact on its profitability due to lower sales volume resulting from lower than anticipated growth in auto industry.

5.17.2 Risk of Physical Damage

There is a risk of physical damage to Property, Plant and Equipment due to earth quake, fire, riots.

5.17.3 Foreign Exchange Risk

Adverse foreign exchange movement i.e. PKR depreciation will inflate the price of imports thus affecting the profitability of the Company.

5.17.4 Raw Material Supply / Price Risk

Adverse price movement or non-availability of raw material may deter smooth production.

5.17.5 Power Supply Risk

The Company may not be able to operate at optimal capacity due to unavailability of electricity.

5.17.6 Operational Risk

The Company may not have sufficient expertise to operate the project resulting from breakdown in internal procedures, people and system.

5.17.7 Competitor Risk

Competition from business competitors may create a hostile environment for the Company and result in business loss. New players might enter the market and can potentially squeeze margins and affect company revenues.

5.17.8 Risk of Technological Obsolescence

The technology employed is or may become obsolete in the near future leaving the Company unable to deliver the required level of expertise and support for consistent growth

5.17.9 Capital Market Risk

Price of shares will depend on the stock market behavior and performance of the Company. Hence, price may rise or fall and result in increase or decrease in the value of shares.



5.17.10 Concentration Risk

Risk of loss of revenue from single major customer on which the company is dependent for more than half of its revenues.

5.17.11 Diversification Risk

Risk of being dependent on one particular buyer or market.

5.17.12 Regulatory Risk

This is the risk that the unfavorable regulatory policies may be imposed.

5.17.13 Under-subscription Risk

There is a risk that the Public Issue may get under-subscribed on account of lack of investors' interest.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.



PART 6

6 FINANCIAL INFORMATION

6.1 AUDITORS REPORT UNDER CLAUSE 28 OF SECTION 2 OF PART I OF THE SECOND SCHEDULE TO THE COMPANIES ORDINANCE, 1984 FOR THE PURPOSE OF INCLUSION IN THE PROSPECTUS OF LOADS LIMITED

6.1.1 AUDITORS REPORT ON STANDALONE BASIS



KPMG Taseer Haddi & Co.
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The Board of Directors
Loads Limited
Plot No. 23, Sector 19
Korangi Industrial Area
Karachi-74900

Our ref KA-ZS-993
Contact Ameen Malik

26 February 2016

Dear Sirs,

Loads Limited ("the Company")

Auditors' Report under Clause 28 of section 2 of part I of the Second Schedule to the Companies Ordinance, 1984 for the purpose of inclusion in the Prospectus for Initial Public offering (IPO) of ordinary shares by the Company

We have summarised from the audited unconsolidated financial statements of the Company for the six months period ended 31 December 2015 and for the five years ended 30 June 2011 to 30 June 2015 and in accordance with Clause 28 of Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984 a summary of the assets, liabilities and shareholders' equity and the profit and loss accounts of the Company together with other relevant information as are given in the following paragraphs for inclusion in the Prospectus being issued for Initial Public offering (IPO) of ordinary shares of the Company.

The unconsolidated financial statements for the six months period ended 31 December 2015 and for the years ended 30 June 2011 to 30 June 2015 were audited by us and unqualified reports were issued. No financial statements of the Company have been audited or reviewed by us subsequent to the audit of the unconsolidated financial statements for the six months period ended 31 December 2015.

KPMG

KPMG Taseer Haddi & 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.



KPMG Taseer Hadi & Co.

Loads Limited
Auditors' Report under Clause 28 of section 2 of part I of the Second Schedule to the
Companies Ordinance, 1984, for the purpose of inclusion in the Prospectus for
Initial Public offering (IPO) of ordinary shares by the Company
28 February 2014

I. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2015	30 June 2015
		(Rupees)	
Operating property, plant and equipment	1.2	303,939,510	275,171,509
Capital work-in-progress	1.2	51,368,861	30,203,924
		<u>355,308,371</u>	<u>305,375,433</u>

1.1 Operating property, plant and equipment

	31 December 2015					Rate	31 December 2015					Net book value as at 31 December 2015	
	Cost				%		Accumulated depreciation						
	As at 01 July 2015	Additions	Transfers	(Disposals)			As at 31 December 2015	As at 01 July 2015	For the period	Transfers	(Disposals)		As at 31 December 2015
Freehold land (note 1.1.1)	33,800,000	-	-	-	33,800,000	-	-	-	-	-	-	33,800,000	
Leasehold land	1,889,774	-	-	-	1,889,774	-	-	-	-	-	-	1,889,774	
Building on leasehold land	48,153,231	1,889,288	-	-	49,042,519	5	33,800,000	490,221	-	-	34,290,221	14,752,298	
Plant and machinery	324,613,125	18,243,144	-	-	342,856,269	10 + 20	196,174,448	7,349,565	-	-	203,524,013	149,332,256	
Tools and equipment	170,848,889	7,272,855	-	-	178,121,744	10 + 35	115,335,875	6,812,788	-	-	122,148,663	55,973,081	
Furniture, fittings and office equip. assets	27,573,898	2,444,587	-	-	29,018,485	10 + 30	18,576,948	1,206,677	-	-	19,783,625	9,236,863	
Vehicles	17,882,759	1,835,386	-	-	19,718,145	20	12,206,583	698,639	-	-	12,905,222	6,812,767	
Leased													
Plant and machinery	33,583,357	-	-	-	33,583,357	10 + 20	6,771,831	912,081	-	-	7,683,912	15,899,445	
Vehicles	50,424,893	8,827,182	-	-	59,252,075	20	15,673,318	3,971,270	-	-	19,644,588	39,607,487	
	<u>685,929,516</u>	<u>28,236,273</u>	<u>-</u>	<u>-</u>	<u>714,165,789</u>		<u>485,747,187</u>	<u>21,408,571</u>	<u>-</u>	<u>-</u>	<u>427,256,178</u>	<u>382,859,618</u>	
	30 June 2015												
	Cost					Rate	Accumulated depreciation					Net book value as at 30 June 2015	
	As at 01 July 2014	Additions	Transfers	(Disposals)	As at 30 June 2015		As at 01 July 2014	For the year	Transfers	(Disposals)	As at 30 June 2015		
													(Rupees)
Freehold land (note 1.1.1)	33,800,000	-	-	-	33,800,000	-	-	-	-	-	-	33,800,000	
Leasehold land	1,889,774	-	-	-	1,889,774	-	-	-	-	-	-	1,889,774	
Building on leasehold land	38,162,342	988,889	-	-	40,151,231	5	30,039,881	958,263	-	-	31,000,144	9,151,087	
Plant and machinery	320,591,585	5,260,963	-	(5,044,343)	324,607,123	10 + 20	184,232,114	14,671,236	-	(2,748,902)	196,530,453	128,076,670	
Tools and equipment	164,904,643	2,426,854	-	-	170,331,497	10 + 35	118,655,404	16,879,381	-	-	135,534,785	30,096,712	
Furniture, fittings and office equipment	25,138,261	2,881,755	-	(472,022)	27,547,994	10 + 30	16,344,013	2,390,499	-	(177,598)	18,556,914	9,990,350	
Vehicles	18,787,759	3,812,800	(1,972,191)	(14,181,851)	19,446,517	20	12,490,131	1,212,272	7,324,841	(8,781,211)	12,205,553	5,676,406	
Leased													
Plant and machinery	33,583,357	-	-	-	33,583,357	10 + 20	4,722,192	2,095,479	-	-	6,727,671	16,861,686	
Vehicles	17,882,759	24,240,579	(11,212,111)	-	50,911,227	20	15,282,423	7,713,736	(7,324,841)	-	15,671,288	34,586,315	
	<u>656,795,812</u>	<u>30,526,128</u>	<u>(11,904,111)</u>	<u>(14,181,851)</u>	<u>660,316,978</u>		<u>371,026,136</u>	<u>45,688,132</u>	<u>(11,649,713)</u>	<u>405,074,555</u>	<u>255,677,660</u>		

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

1.1.2 There are no fully depreciated assets at the reporting date.

1.1.3 No disposals were made by the Company during the period.

1.1.4 Depreciation has been allocated as follows:

	31 December 2015	31 December 2014 (Un-audited)
	(Rupees)	
Cost of sales	18,488,244	19,360,456
Administrative and selling expenses	3,180,327	2,765,646
	<u>21,668,571</u>	<u>22,126,102</u>
1.2 Capital work-in-progress		
Tools and equipment	49,875,343	28,088,423
Advance against capital expenditure	1,493,518	2,115,495
	<u>51,368,861</u>	<u>30,203,924</u>



KPMG Taseer Hadi & Co.

Loads Limited

Auditors' Report under Clause 28 of section 2 of part I of the Second Schedule to the Companies Ordinance, 1984, for the purpose of inclusion in the Prospectus for Initial Public offering (IPO) of ordinary shares by the Company
26 February 2016

In accordance with Clause 28 of Section 2 of part I of the Second Schedule to the Companies Ordinance, 1984, we report that:

A. Summary of Assets, Liabilities and Shareholders' Equity as at 31 December 2015 and 30 June 2015

The Summary of assets, liabilities and shareholder's equity of the Company as at 31 December 2015 and 30 June 2015 were as follows:

	Note	31 December 2015	30 June 2015
ASSETS			
Non-current assets			
(Rupees)			
Property, plant and equipment	1	355,308,371	305,375,733
Intangible assets	2	1	1
Long term investments	3	627,070,245	619,487,835
Employee benefits - gratuity	15.2	4,660,255	6,341,922
		<u>987,038,872</u>	<u>931,205,491</u>
Current assets			
Stores and spares		42,436,501	32,657,297
Stock-in-trade	4	1,185,911,188	940,154,402
Trade debts	5	210,321,674	220,871,727
Loans and advances	6	116,151,973	75,746,283
Deposits, prepayments and other receivables	7	184,878,902	185,111,835
Taxation	8	165,413,894	151,034,947
Investments	9	110,302,837	150,200,557
Cash and bank balances	10	2,736,992	9,094,309
		<u>2,018,153,960</u>	<u>1,764,871,357</u>
Total assets		<u>3,005,192,832</u>	<u>2,696,076,848</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs.10/- each			
		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital	12	750,000,000	750,000,000
Unrealised gain on re-measurement of available for sale investments	9.2.1	34,387,173	23,047,509
Unappropriated profit		<u>604,760,581</u>	<u>562,452,030</u>
		<u>1,389,147,754</u>	<u>1,335,499,539</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease	13	15,601,967	18,254,716
Deferred tax liabilities	14	32,627,615	43,672,983
		<u>48,229,582</u>	<u>61,927,699</u>
Current liabilities			
Current maturity of liabilities against assets subject to finance lease	13	19,133,740	12,907,268
Short term borrowings	16	1,087,721,322	979,445,862
Due to related parties	17	268,142,273	174,316,995
Trade and other payables	18	174,598,526	114,763,744
Accrued mark-up on short term borrowings		<u>18,219,635</u>	<u>17,215,741</u>
		<u>1,567,815,496</u>	<u>1,298,649,610</u>
Total equity and liabilities		<u>3,005,192,832</u>	<u>2,696,076,848</u>
CONTINGENCIES AND COMMITMENTS			

11

KPMGTH



KPMG Taseer Hadi & Co.

Loads Limited

Auditors' Report under Clause 23 of section 2 of part I of the Second Schedule to the Companies Ordinance, 1984, for the purpose of inclusion in the Prospectus for Initial Public offering (IPO) of ordinary shares by the Company
26 February 2016

2. INTANGIBLE ASSETS

	31 December 2015						
	Cost		Useful life	Amortization			Net book value as at 31 December 2015
	As at 1 July 2015	Addition / (disposal) December 2015		As at 1 July 2015	For the period	As at 31 December 2015	
	(Rupees)		Years	(Rupees)			
Computer software and licenses	12,184,897	-	3	12,184,896	-	12,184,896	1

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

3. LONG TERM INVESTMENTS

	Note	31 December 2015	30 June 2015
		(Rupees)	
Investments in subsidiary companies - unquoted	3.1	325,000,000	325,000,000
Less: Provision for impairment	3.1.3	(25,000,000)	(25,000,000)
Net investment in subsidiary companies		300,000,000	300,000,000
Investment in associate	3.2	327,070,245	319,487,835
		627,070,245	619,487,835

3.1 Subsidiary companies

31 December 2015	30 June 2015		31 December 2015	30 June 2015
Number of share:			(Rupees)	
		<u>Unquoted</u>		
17,500,000	17,500,000	Specialized Autoparts Industries (Private) Limited (SAIL) (Chief Executive - Munir K. Bana)	175,000,000	175,000,000
7,500,000	7,500,000	Multiple Autoparts Industries (Private) Limited (MAIL) (Chief Executive - Munir K. Bana)	75,000,000	75,000,000
7,500,000	7,500,000	Specialized Motorcycles (Private) Limited (SMPL) (Chief Executive - Munir K. Bana)	75,000,000	75,000,000
			325,000,000	325,000,000

3.1.1 Specialized Autoparts Industries (Private) Limited (SAIL) is engaged in the manufacturing and selling of components for the automotive industry. Presently, the Company is engaged in providing toll manufacturing services to its parent company. The net assets of SAIL, as disclosed in the latest available audited financial statements for the period ended 31 December 2015, amounted to Rs. 241.96 million.

3.1.2 Multiple Autoparts Industries (Private) Limited (MAIL) is engaged in the manufacturing and selling of components for the automotive industry. Presently, the Company is engaged in providing toll manufacturing services to its parent company. The net assets of MAIL, as disclosed in the latest available audited financial statements for the period ended 31 December 2015, amounted to Rs. 114.84 million.

3.1.3 Specialized Motorcycles (Private) Limited (SMPL) is engaged in the business to acquire, deal in, purchase, import, sales, supply and export all sorts of motorcycles & auto parts, metallurgical parts, machinery and equipment parts. The Company has ceased its operations from 1 July 2015. The net assets of SMPL, as disclosed in the latest available audited financial statements for the period ended 31 December 2015, amounted to Rs. 59.82 million.

Wahid



KPMG Taseer Hadl & Co.

Loads Limited

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Provision for impairment against investment in subsidiary company:

Note	31 December 2015	30 June 2015
	(Rupees)	
Opening Balance	25,000,000	75,000,000
Reversals during the period	-	(50,000,000)
Closing balance	25,000,000	25,000,000

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

	31 December 2015	30 June 2015
Net equity	Rupees 59,822,784	58,258,079
Current ratio	Percentage 28.52	8.71
Cash flows	Rupees (18,435,421)	46,913,477

3.1.4 The Company holds 100% shares in all of its subsidiaries. Break-up value per share of investment in subsidiaries based on their latest audited financial statements for the period ended 31 December 2015 are as follows:

Note	31 December 2015	30 June 2015
	(Rupees)	
Unquoted		
Specialized Autoparts Industries (Private) Limited	13.87	12.31
Multiple Autoparts Industries (Private) Limited	15.32	13.76
Specialized Motorcycles (Private) Limited	7.98	7.77

3.2 Associate

31 December 2015	30 June 2015		
(Number of shares)		Quoted	
		Treet Corporation Limited	
		(Chief Executive Officer - Syed	
		Shahid Ali)	
7,620,680	7,492,475	3.4	327,070,245 319,487,835

3.2.1 Market value of investment in associate is as follows:

Quoted	
Treet Corporation Limited	479,798,013 540,582,071

3.2.2 The above investments include 7,492,475 shares having an aggregate market value of Rs. 471.726 million, which have been pledged with financial institutions as securities against borrowing facilities.

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

3.4 During the period 128,205 shares amounting to Rs. 7.58 million were converted and issued to the Company at the rate of Rs. 59.14 per share, as per the prospectus of participation term certificate issued by Treet Corporation (refer note 9.1.2).

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4. STOCK-IN-TRADE

	Note	31 December 2015	30 June 2015
		(Rupees)	
Raw material and components	4.1	917,330,860	782,578,700
Work-in-process		162,254,085	68,169,176
Finished goods	4.2	107,022,470	90,102,753
		<u>1,186,607,415</u>	<u>940,850,629</u>
Provision for slow-moving and obsolescence		<u>(696,227)</u>	<u>(696,227)</u>
		<u>1,185,911,188</u>	<u>940,154,402</u>

4.1 This includes raw material in-transit and in possession of Company's subsidiaries as at 31 December 2015 of Rs. 152.59 million (30 June 2015: Rs. 144.5 million) and Rs. 150.58 million (30 June 2015: Rs. 146.7 million) respectively.

4.2 This includes finished goods in possession of Company's subsidiaries as at 31 December 2015 of Rs. 50.91 million (30 June 2015: Rs. 58.3 million).

5. TRADE DEBTS - net

	Note	31 December 2015	30 June 2015
		(Rupees)	
<i>Unsecured</i>			
Considered good		210,321,674	220,871,727
Considered doubtful		<u>405,606</u>	<u>4,494,293</u>
		<u>210,727,280</u>	<u>225,366,020</u>
Bad debts written off		-	(4,088,687)
Provision for doubtful debts		<u>(405,606)</u>	<u>(405,606)</u>
		<u>210,321,674</u>	<u>220,871,727</u>

6. LOANS AND ADVANCES

Loans to employees - considered good	6.1	3,818,387	3,634,151
Loans to workers - considered good	6.2	3,816,897	4,635,317
Advance to employees		19,079,996	19,064,473
Advance to suppliers		<u>89,436,692</u>	<u>48,412,342</u>
		<u>116,151,972</u>	<u>75,746,283</u>

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

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

7. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	31 December 2015	30 June 2015
		(Rupees)	
Unclaimed input sales tax	7.1	149,728,979	114,879,602
Trade and other deposits		10,134,464	8,255,867
Receivable against sale of investment		-	30,424,559
Prepayments - provident fund	7.2	17,764,748	16,042,778
Prepayments		3,377,479	428,187
Other receivables		<u>3,873,232</u>	<u>15,080,842</u>
		<u>184,878,902</u>	<u>185,111,835</u>

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

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7.2 This represents amount paid by the Company to outgoing members on behalf of the fund.

8. TAXATION

	Note	31 December 2015	30 June 2015
		(Rupees)	
Opening refundable		151,034,947	112,905,071
Refunds / adjusted during the period / year		-	(38,630,578)
		151,034,947	74,274,493
Advance tax paid during the period / year		46,139,384	116,464,478
Provision for taxation		(31,760,357)	(39,704,024)
Closing refundable		165,413,894	151,034,947

9. INVESTMENTS

At fair value through profit or loss - at initial recognition	9.1	65,295,221	116,632,605
Available-for-sale	9.2	44,907,616	33,567,952
		110,202,837	150,200,557

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

31 December 2015	30 June 2015	Name of investee company	31 December 2015			30 June 2015	
			Carrying value	Market value	Unrealised gain / (loss)	Market Value	
(Number of shares / certificates)		Ordinary shares - Quoted	Note	------(Rupees)-----			
1	1	Agriautos Industries Limited		186	207	21	186
1	1	Al-Ghazi Tractors Limited *		489	413	(76)	489
1	1	Atlas Battery Limited		704	764	60	704
1	1	Atlas Honda Limited		335	388	53	335
1	1	The General Tyre & Rubber Company of Pakistan Limited		146	172	26	146
1	1	Honda Atlas Cars (Pakistan) Limited		219	203	(16)	219
1	1	Thal Limited		285	252	(33)	285
230	230	Baluchistan Wheels Limited		13,375	14,085	710	13,375
315	315	Ghandhara Nissan Limited		31,151	58,105	26,954	31,151
150	150	Hino Pak Motors Limited		125,489	154,201	28,712	125,489
200	200	Indus Motor Company Limited		249,800	202,256	(47,544)	249,800
272	272	Millat Tractors Limited		186,542	150,353	(36,189)	186,542
63	63	Oil & Gas Development Company Limited		11,293	7,393	(3,900)	11,293
127	127	Pak Suzuki Motor Company Limited		55,361	62,904	7,543	55,361

Participation term certificate (PTC) - Quoted

Treet Corporation Limited *
(note 9.1.2)

9.1.1	108,132,231	64,743,525	(43,388,706)	115,957,230
	108,807,606	65,395,221	(43,412,385)	116,632,605

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

9.1.1 Movement in carrying value of PTC is as follows:

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

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- 9.1.2 These are mandatorily convertible into ordinary shares of Treets Corporation Limited at the ratio of 2 PTCs into 1 ordinary share in a period of 7 years. Principal amount of PTC will be reduced through redemption (in cash and through share conversion). The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 for the year 2019. During the period, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively (also refer note 3.4).

9.2 Available-for-sale

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

31 December 2015	30 June 2015	Name of investee company (Number of shares)	31 December 2015			30 June 2015
2015	2015		Cost	Market value	Unrealised gain / (loss)	Market value
(Rupees)						
Ordinary shares - Quoted						
182,000	182,000	Tri-Pack Films Limited	10,515,113	44,895,760	34,380,647	33,557,160
152	152	ZIL Limited	5,130	11,856	6,526	10,792
			10,520,443	44,907,616	34,387,173	33,567,952

9.2.1	Unrealized gain on re-measurement of available-for-sale investments	31 December 2015	30 June 2015
(Rupees)			
	Market value of investments	44,907,616	33,567,952
	Less : Cost of investments	<u>10,520,443</u>	<u>10,520,443</u>
		34,387,173	23,047,509
	Less: Unrealized gain on re-measurement of available-for-sale investments at beginning of the period	<u>23,047,509</u>	<u>20,351,645</u>
		<u>11,339,664</u>	<u>2,695,864</u>

- 9.2.2 The above investments having an aggregate market value of Rs. 44.907 million have been pledged with financial institutions as securities against borrowing facilities.

10.	CASH AND BANK BALANCES	31 December 2015	30 June 2015
(Rupees)			
	Cash in hand	551,745	1,028,298
	Cash at bank - current accounts	<u>2,185,247</u>	<u>8,066,011</u>
		<u>2,736,992</u>	<u>9,094,309</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

- 11.1.1 Initially, as per the Gas Infrastructure and Development Cess Act, 2011 (the Act), certain Companies as specified in the Act (including SSGC) shall collect and pay Gas Infrastructure and Development Cess (GID Cess). As per the second schedule of the Act, GID Cess of Rs. 13 per MMBTU was applicable to the Company. Subsequently, through Finance Bill 2012 -2013, the rate of GID Cess increased to Rs. 50 per MMBTU. On 3 August 2012, Companies in the industry filed a suit on the ground that the rate of GID Cess has been enhanced without any lawful justification and authority. The Honourable High Court of Sindh vide its ad-interim order dated 6 September 2012, restrained SSGC from charging GID Cess above Rs. 13 per MMBTU. On 31 December 2013, the Ministry of Petroleum and Natural Resources, Government of Pakistan increased the GID Cess applicable to Rs. 150 per MMBTU with immediate effect. On May 22, 2015 the Gas Infrastructure Development Cess (GIDC) Act, 2015 was promulgated whereby cess rate of Rs. 100 per MMBTU and Rs. 200 per MMBTU

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were fixed for industrial and captive power consumers, respectively. The GIDC Act, 2015 was made applicable with immediate effect superseding the GIDC Act, 2011 and GIDC Ordinance, 2014. The Sui Southern Gas Company Limited (SSGC) has also not yet billed GID Cess amount pertaining to periods prior to the promulgation of GIDC Act, 2015. On 24 May 2015, an ad-interim stay order was obtained by Companies in the industry against the GIDC Act, 2015 from the High Court of Sindh. This stay order has restrained SSGCL from charging and / or recovering the cess under the GIDC Act, 2015 till the final decision on this matter. A committee has been formed by the Federal Government to review the anomalies of GIDC Act, 2015.

In view of above stated facts and opinion of legal advisor, the Company is confident of a favourable outcome. However, Company has recorded a full provision of Rs. 0.74 million (30 June 2015: Rs. 0.35 million) in these financial statements.

- 11.1.2 Guarantees provided by the banks amounted to Rs. 0.45 million (30 June 2015: Rs. 0.64 million) to Sui Southern Gas Company Limited in favour of the Company.
- 11.2.2 For tax related contingencies, refer note 19.1 in Part D.

11.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 311.295 million (30 June 2015: Rs. 161.201 million).

12. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

31 December 2015	30 June 2015		31 December 2015	30 June 2015
(Number of shares)			(Rupees)	
3,770,000	3,770,000	Ordinary shares of Rs. 10/- each fully paid in cash	37,700,000	37,700,000
71,230,000	71,230,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	712,300,000	712,300,000
<u>75,000,000</u>	<u>75,000,000</u>		<u>750,000,000</u>	<u>750,000,000</u>

- 12.1 Escanaba Limited holds 31,770,500 number of ordinary shares (30 June 2015: 31,770,500) comprising 42.36% (30 June 2015: 42.36%) and Treet Corporation Limited (associate company) holds 15,615,750 number of ordinary shares (30 June 2015: 15,615,750) comprising 20.82% (30 June 2014: 20.82%).

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

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

	31 December 2015			30 June 2015		
	Minimum Lease Payments	Finance charges	Principal outstanding	Minimum Lease Payments	Finance charges	Principal outstanding
	(Rupees)					
Not later than one year	20,664,439	1,530,699	19,133,740	15,350,348	2,443,080	12,907,268
Later than one year but not later than five years	16,850,124	1,248,157	15,601,967	18,529,184	274,468	18,254,716
	<u>37,514,563</u>	<u>2,778,856</u>	<u>34,735,707</u>	<u>33,879,532</u>	<u>2,717,548</u>	<u>31,161,984</u>

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

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14. DEFERRED TAX LIABILITIES**14.1 Deferred tax comprises of:**

	31 December 2015	30 June 2015
	(Rupees)	
<i>Taxable temporary differences arising in respect of:</i>		
- Accelerated tax depreciation	30,846,776	29,986,182
- Finance lease arrangements	6,476,243	6,361,791
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	-	18,918,441
<i>Deductible temporary differences arising in respect of:</i>		
- Provision against slow-moving stock-in-trade	(215,830)	(215,830)
- Provision against compensated absences	(2,264,280)	(2,116,027)
- Provision for bad debts	(125,738)	(125,738)
- Remeasurement of defined benefit liability	(2,089,556)	(1,385,836)
- Provision for impairment against investment in Specialized Motorcycles (Private) Limited	-	(7,750,000)
	32,627,615	43,672,983

14.2 Movement:

	31 December 2015				30 June 2015			
	Balance at 1 July 2015	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 31 December 2015	Balance at 1 July 2014	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2015
	(Rupees)							
<i>Taxable temporary differences</i>								
- Accelerated tax depreciation	29,986,182	860,594	-	30,846,776	37,722,685	(7,736,503)	-	29,986,182
- Finance lease arrangements	6,361,791	114,452	-	6,476,243	5,917,951	1,241,840	-	6,361,791
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	18,918,441	(18,918,441)	-	-	-	18,918,441	-	18,918,441
<i>Deductible temporary differences</i>								
- Provision against slow-moving stock-in-trade	(215,830)	-	-	(215,830)	(247,679)	27,849	-	(215,830)
- Provision against compensated absences	(2,116,027)	(148,253)	-	(2,264,280)	(1,725,737)	(390,290)	-	(2,116,027)
- Provision for bad debts	(125,738)	-	-	(125,738)	(141,962)	16,224	-	(125,738)
- Remeasurement of defined benefit liability	(1,385,836)	-	(703,720)	(2,089,556)	-	-	(1,385,836)	(1,385,836)
- Provision for impairment against investment in Specialized Motorcycles (Private) Limited	(7,750,000)	7,750,000	-	-	(26,250,007)	18,300,007	-	(7,750,000)
	43,672,983	(18,341,648)	(703,720)	32,627,615	34,479,251	30,579,568	(1,385,836)	43,672,983

15. EMPLOYEE BENEFITS - gratuity

The actuarial valuation for staff gratuity has been carried out as at 31 December 2015 on the basis of projected unit credit method as per the requirements of approved accounting standard - International Accounting Standard 19, "Employee Benefits". The assumptions used in actuarial valuation are as follows:

15.1 Actuarial assumptions

	31 December 2015	30 June 2015
- Discount rate used for period end obligation	9.25%	9.75%
- Discount rate used for interest cost in profit and loss account	9.75%	13.25%
- Expected rate of increase in salary level	8.25%	8.75%
- Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

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15.2	Amount recognised in the balance sheet	Note	31 December 2015			30 June 2015		
			Executives	Non-Executives	Total	Executives	Non-Executives	Total
			(Rupees)					
	Present value of defined benefit obligations	15.2.1	24,043,327	11,583,289	35,626,616	22,286,372	11,251,358	33,537,730
	Fair value of plan assets	15.2.2	(28,512,783)	(11,774,088)	(40,286,871)	(28,171,187)	(11,708,465)	(39,879,652)
	Net asset at end of the period / year		(4,469,456)	(198,799)	(4,668,255)	(5,884,815)	(457,107)	(6,341,922)
15.2.1	Movement in present value of defined benefit obligation:							
	Opening balance		22,286,372	11,251,358	33,537,730	21,086,636	10,387,724	31,474,360
	Current service cost		729,998	230,266	960,264	1,452,588	454,724	1,907,312
	Interest cost		1,072,885	534,466	1,607,351	2,642,280	1,343,682	3,985,962
	Benefits paid by the plan		(556,964)	(575,904)	(1,132,868)	(2,289,800)	(493,454)	(2,783,254)
	Re-measurements (gain) / loss on obligation		511,036	143,103	654,139	(605,332)	(441,318)	(1,046,650)
	Closing balance		24,043,327	11,583,289	35,626,616	22,286,372	11,251,358	33,537,730
15.2.2	Movement in the fair value of plan assets:							
	Opening balance		28,171,187	11,708,465	39,879,652	28,034,343	15,326,129	43,360,472
	Interest income		1,359,769	586,344	1,946,013	3,622,834	1,891,988	5,514,822
	Contribution paid / (received) into / (from) the plan		-	1,210,000	1,210,000	905,000	(1,600,100)	(695,100)
	Benefits paid by the plan		(556,964)	(575,904)	(1,132,868)	(2,289,800)	(493,454)	(2,783,254)
	Re-measurements (loss) / gain on plan assets		(461,209)	(1,154,717)	(1,615,926)	(2,101,390)	(3,415,698)	(5,517,088)
	Closing balance		28,512,783	11,774,088	40,286,871	28,171,187	11,708,465	39,879,652
15.2.3	Amounts recognised in the profit and loss account							
	Current service cost		729,998	230,266	960,264	1,452,588	454,724	1,907,312
	Interest cost		1,072,885	534,466	1,607,351	2,642,280	1,343,682	3,985,962
	Interest income		(1,359,769)	(586,344)	(1,946,013)	(3,622,834)	(1,891,988)	(5,514,822)
	Expense / (income) for the period / year		443,114	178,488	621,602	472,034	(93,582)	378,452
15.2.4	Amounts recognised in the other comprehensive income							
	Re-measurement (gain) / loss on obligation	15.2.4.1	511,036	143,103	654,139	(605,332)	(441,318)	(1,046,650)
	Re-measurement of fair value of plan assets	15.2.4.2	(461,209)	(1,154,717)	(1,615,926)	(2,101,390)	(3,415,698)	(5,517,088)
	Re-measurement loss for the period / year		972,245	1,297,820	2,270,065	1,496,038	2,974,380	4,470,438
15.2.4.1	Re-measurements loss / (gain) on obligation:							
	Gain due to change in financial assumptions		-	-	-	-	-	-
	Loss / (gain) due to change in experience adjustments		511,036	143,103	654,139	(605,332)	(441,318)	(1,046,650)
			511,036	143,103	654,139	(605,332)	(441,318)	(1,046,650)
15.2.4.2	Re-measurement on plan assets - Net (expense) / income of plan assets over interest income:							
	Actual return on plan assets		898,560	(568,473)	330,087	1,321,444	(1,523,710)	(2,206)
	Interest income on plan assets		(1,359,769)	(586,344)	(1,946,013)	(3,622,834)	(1,891,988)	(5,514,822)
			(461,209)	(1,154,717)	(1,615,926)	(2,101,390)	(3,415,698)	(5,517,088)
15.2.5	Net recognized asset							
	Net asset at beginning of the period / year		(5,884,815)	(457,107)	(6,341,922)	(6,947,507)	(4,938,405)	(11,885,912)
	Expense / (income) recognised in profit and loss account		443,114	178,488	621,602	472,034	(93,582)	378,452
	Contribution (paid) / (received) (into) / (from) the plan		-	(1,210,000)	(1,210,000)	905,000	1,600,100	695,100
	Re-measurement losses / (gains) recognised in other comprehensive income		972,245	1,297,820	2,270,065	1,496,038	2,974,380	4,470,438
	Net asset at end of the period / year		(4,469,456)	(198,799)	(4,668,255)	(5,884,815)	(457,107)	(6,341,922)
15.3	Plan assets comprise of the following:							
			31 December 2015			30 June 2015		
			Executives	Non-Executives	Total	Executives	Non-Executives	Total
			(Rupees)					
	Government bonds		37,968,189	11,337,110	49,305,299	28,128,584	11,149,968	39,278,552
	Term deposit receipts		398,625	216,047	614,672	47,503	104,477	151,980
	Equity shares		153,969	430,931	584,900	-	-	584,900
	Fair value of plan assets at end of the period / year		38,520,783	11,774,088	50,294,871	28,176,087	11,254,445	39,430,532



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15.4 Sensitivity analysis for actuarial assumptions

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

	31 December 2015 (Rupees)	
	Executives	Non-Executives
Discount rate +1%	22,728,674	10,797,925
Discount rate -1%	25,537,035	12,454,162
Salary increase +1%	25,522,106	12,445,749
Salary increase -1%	22,719,111	10,791,773

15.5 Expected charge for the year ending 30 June 2016 is Rs. 1,336,095.

15.6 Risks associated with defined benefit plans

a) Investment risks

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

b) Longevity risks

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

c) Salary increase risk

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

d) Withdrawal risk

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

15.7 Historical information

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

15.8 Gratuity for the period / year recognised in the profit and loss account has been allocated as follows:

	31 December 2015	30 June 2015
	(Rupees)	
Cost of sales	443,114	472,034
Administrative and selling expenses	178,488	(93,582)
	<u>621,602</u>	<u>378,452</u>

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16. SHORT TERM BORROWINGS

	Note	31 December 2015	30 June 2015
		(Rupees)	
<i>Secured</i>			
Running finances under mark-up arrangements	16.1	938,721,322	823,016,962
Islamic Financing	16.2	149,000,000	156,428,900
		<u>1,087,721,322</u>	<u>979,445,862</u>
16.1 Running finances under mark-up arrangements			
JS Bank Limited		283,794,347	154,739,453
Meezan Bank		201,478,964	194,508,917
Bank AL Habib Limited		194,456,145	252,518,862
Soneri Bank		88,500,510	120,153,409
United Bank Limited		46,248,267	97,078,740
Habib Bank Limited		15,883,286	4,017,581
		<u>830,361,459</u>	<u>823,016,962</u>
Soneri Bank - Local Bill discount		69,093,675	-
United Bank Limited - Local Bill discount		39,266,188	-
		<u>108,359,863</u>	<u>-</u>
16.1.1		<u>938,721,322</u>	<u>823,016,962</u>

- 16.1.1** These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 30 November 2016. 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 1.75% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum).

The aggregate available short term funded facilities amounted to Rs. 1,407 million (30 June 2015: Rs. 990 million) out of which Rs. 319.28 million (30 June 2015: 167 million) remained unavailed as at the reporting date.

Facilities available for opening letters of credit / guarantees at 31 December 2015 amounted to Rs. 1,500 million (30 June 2015: Rs. 1,200 million) out of which Rs. 1,188.25 million (30 June 2015: Rs. 1,038.8 million) remained unutilized at the year end.

The rates of mark-up applicable on running finance are based on 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum). The bank has imposed a condition that prior No Objection Certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

- 16.2** This represents availed Islamic finance (Murabaha and Istisnaa) facility from Al Baraka Bank having limits of Rs. 75 million and 150 million, respectively, for procurement of raw materials and manufacturing of mufflers, radiators and exhaust system. These facilities carry mark-up at 6 month KIBOR plus 0.8% per annum (30 June 2015: 6 month KIBOR plus 0.8 %) and is repayable within 120 days of the disbursement date.

16.3 Unavalled facilities

The facilities for demand finance and import loans under mark-up arrangements with various banks amounted to Rs. 450 million (30 June 2015: Rs. 450 million). The demand finance loans carry mark-up at the rate of 1 month KIBOR plus 1% per annum (30 June 2015: 1 month KIBOR plus 1% per annum). The loans are repayable within 180 days of the disbursement date. The whole amount of Rs. 450 million (30 June 2015: Rs. 450 million) remained unutilized at the period end.

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The foreign currency import loans carry mark-up at rates ranging from 3 month LIBOR plus 3% per annum to 4 month LIBOR plus 4% per annum (30 June 2015: 3 month LIBOR plus 3% per annum to 4 month LIBOR plus 4% per annum). The loans are repayable within 120 to 180 days of the disbursement date. The facility remained unutilised at the period end.

The local currency import loans carry mark-up at rates ranging from 3 months KIBOR plus 1.25% to 1.5% per annum (30 June 2015: 3 months KIBOR plus 1.25% to 1.5% per annum). The loans are repayable within 120 to 180 days of the disbursement date. The facility remained unutilised at the period end.

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

- 16.4 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.

17.	DUE TO RELATED PARTIES - net	Note	31 December 2015	30 June 2015
			(Rupees)	
	<i>Unsecured</i>			
	Loan from subsidiaries	17.1	234,240,000	105,831,892
	Trade payables	17.2	29,234,211	65,304,541
	Due from related parties - considered good	17.3	(5,199,547)	(93,636)
	Accrued mark-up on loan from subsidiary companies	17.4	9,867,609	3,274,198
			<u>268,142,273</u>	<u>174,316,995</u>
17.1	Loan from subsidiaries			
	Specialized Autoparts Industries (Private) Limited	17.1.1	124,990,000	49,300,000
	Multiple Autoparts Industries (Private) Limited	17.1.1	50,650,000	20,000,000
	Specialized Motorcycle (Private) Limited	17.1.1	58,600,000	36,531,892
			<u>234,240,000</u>	<u>105,831,892</u>
17.1.1	These are repayable on demand carrying mark up at the rate of 1 month KIBOR plus 1.75% per annum.			
17.2	Trade payables			
	Specialized Autoparts Industries (Private) Limited	17.2.1	15,526,588	42,641,807
	Multiple Autoparts Industries (Private) Limited	17.2.1	13,707,623	22,662,734
			<u>29,234,211</u>	<u>65,304,541</u>
17.2.1	These represent payable against toll manufacturing services provided to the Company.			
17.3	Due from related parties - considered good			
	Specialized Autoparts Industries (Private) Limited	17.3.1	1,707,159	93,636
	Specialized Motorcycle (Private) Limited		3,492,388	-
			<u>5,199,547</u>	<u>93,636</u>
17.3.1	The above balance is mark-up free, unsecured and represent amount paid by the Company to Total PARCO Limited for fuel utilized by Specialized Autoparts Industries (Private) Limited.			

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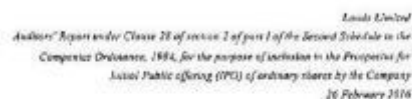
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17.4	Accrued mark-up on loan from subsidiary companies	Note	31 December	30 June
			2015	2015
			(Rupees)	
	Specialized Autoparts Industries (Private) Limited		2,906,776	11,481
	Multiple Autoparts Industries (Private) Limited		1,146,538	4,658
	Specialized Motorcycle (Private) Limited		5,814,295	3,258,059
			<u>9,867,609</u>	<u>3,274,198</u>
18.	TRADE AND OTHER PAYABLES			
	Creditors		18,461,879	34,203,491
	Accrued mark-up on short term borrowings			
	Accrued liabilities	18.1	5,881,696	3,323,253
	<i>Other liabilities</i>			
	Advance from customer		66,040,214	45,803,637
	Mobilization advances		31,698,099	318,974
	Workers' profit participation fund	18.2	20,567,115	14,710,739
	Provision for compensated absences		7,304,129	6,825,895
	Workers' welfare fund	18.3	6,724,171	4,549,779
	Withholding tax payable		4,884,101	37,000
	Security deposit from contractors		175,000	172,000
	Payable to provident fund		-	1,320,742
	Accrued mark-up on mobilization advance		-	-
	Other payables		12,862,122	3,498,234
			<u>174,598,526</u>	<u>114,763,744</u>
18.1	This includes provision of Rs. 0.742 million in respect of Gas Infrastructure Development Cess (GID Cess) charges. No payment has been made in the current and prior years, since the Company has obtained stay order against levy of GID Cess (also refer note 11).			
18.2	Workers' profit participation fund			
		Note	31 December	30 June
			2015	2015
			(Rupees)	
	Opening balance		14,710,739	10,249,543
	Charge for the period / year		5,136,285	11,374,449
	Interest charged during the period / year		720,091	1,127,450
			<u>20,567,115</u>	<u>22,751,442</u>
	Less: Payments during the period / year	18.2.1	-	(8,040,703)
	Closing balance		<u>20,567,115</u>	<u>14,710,739</u>
18.2.1	These payments were made to workers who meet the criteria as set out by the Company.			
18.3	Workers' welfare fund			
	Opening balance		4,549,779	3,034,228
	Charge for the period / year		2,174,392	4,549,779
	Less: Payments during the period / year		-	(3,034,228)
	Closing balance		<u>6,724,171</u>	<u>4,549,779</u>

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	For the six months period ended	For the year ended				
	31 December 2015	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
				(Restated)		
	(Rupees)					
Revenue	2,003,211,384	3,259,791,651	2,315,750,144	2,438,434,655	2,063,884,656	1,713,715,009
Cost of sales	(1,786,772,913)	(2,951,895,908)	(2,051,894,106)	(2,172,406,000)	(1,821,687,080)	(1,412,823,690)
Gross profit	216,438,471	307,895,743	263,856,038	266,028,655	242,197,576	300,891,319
Administrative and selling expenses	(59,876,047)	(120,060,091)	(100,494,710)	(93,114,168)	(73,473,110)	(64,259,985)
Operating profit	156,562,424	187,835,652	163,361,328	172,914,488	168,724,466	236,631,334
Other income	20,102,743	138,143,731	59,257,621	66,354,346	20,496,553	2,460,139
	176,665,167	325,979,403	222,618,949	239,268,834	189,221,013	239,091,473
Financial charges	(60,648,509)	(88,562,582)	(70,907,532)	(60,327,150)	(56,141,392)	(52,190,523)
Other charges	(50,723,062)	(15,824,228)	(10,619,799)	(12,494,760)	(9,182,494)	(13,056,160)
	(111,371,562)	(104,487,810)	(81,527,334)	(72,851,910)	(65,323,886)	(65,246,691)
Profit before taxation	65,293,605	221,491,593	141,091,615	166,416,924	123,897,127	173,844,782
Taxation	(21,418,709)	(72,522,911)	(35,496,526)	(47,593,380)	(39,101,760)	(60,015,041)
Profit after taxation	43,874,896	148,968,682	105,595,089	118,823,544	84,795,367	113,829,741
Other comprehensive income						
Unrealised gain on revaluation of available-for-sale investments	11,359,664	2,695,864	(5,905,974)	(1,453,950)	6,451,640	12,644,575
Remeasurement of defined benefit liability - net of tax	(1,566,345)	(3,084,602)	3,286,139	(2,572,465)	-	-
	9,773,319	(388,738)	(2,619,835)	(4,026,415)	6,451,640	12,644,575
Total comprehensive income	53,648,215	148,579,944	102,975,254	114,797,129	91,247,007	126,474,316
Basic and diluted earnings per share*	0.58	1.99	1.43	1.58	1.13	1.52

C. Details of dividend declared by the Company for the six months period ended 31 December 2015 and for the five years ended 30 June 2015, 2014, 2013, 2012 and 2011 were as follows:

	<u>For the six months period</u>		<u>For the year ended</u>			
	31 December 2015	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
	(Rupees)					
Final dividend on ordinary shares	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-
- Per share	-	-	-	-	1.00	-
- Total	-	-	-	-	6,000,000	-
Stock dividend (Percentage)*	-	1150%	-	-	-	-
Date approved	-	30 April 2015	-	-	31 October 2011	-

* The Board of directors of Loads Limited in their meeting held on 31 March 2015 has declared issue of bonus shares in the proportion of eleven hundred and fifty (1,150) bonus shares for every hundred shares held (i.e. 1:95%). The said bonus issue was approved by the members in the Extraordinary General Meeting dated 30 April 2015.

4/10/2012



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D SIGNIFICANT DISCLOSURES MADE IN THE NOTES TO THE AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS OF THE COMPANY FOR THE RELEVANT FINANCE PERIOD / YEARS:

We give below the significant disclosures made in the notes to the audited financial statements of the Company for the six months period ended 31 December 2015 and for the financial years 30 June 2011 to 30 June 2015:

19 Financial statements for the six months period ended 31 December 2015

19.1 Taxation

Current / prior years

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

The income tax return for tax year 2011 was selected for audit by the Commissioner Inland Revenue under section 177 of the Income Tax Ordinance, 2001 ("the Ordinance"). An amended order under section 122(1)/(5) was issued in which short credit of tax deducted and refund adjustment was allowed, and for which rectification application under section 221 was moved, which is not yet passed and therefore, the mistake is treated to have been rectified under section 221(3) of the Ordinance. Therefore, net demand of Rs. 1.29 million is payable as against incorrect demand of Rs. 4.07 million created in amended order. Accordingly as a matter of prudence the Company had made a provision of above amount in the financial statements.

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

19.2 Change in accounting policy

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

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

- 20** This report is being issued on the specific request of the Company for the purpose of inclusion in the prospectus to be issues for IPO. Accordingly, this should not be distributed to any other parties without our prior consent.

Yours faithfully,

KPMG Taseer Hadi & Co.



6.1.2 AUDITORS REPORT ON CONSOLIDATED BASIS



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The Board of Directors
Loads Limited
Plot No. 23, Sector 19
Korangi Industrial Area
Karachi-74900

Our ref KA-ZS-994
Contact Aryn Malik

26 February 2016

Dear Sirs,

Loads Limited and its subsidiaries ("the Group")
Auditors' Report under Clause 28 of section 2 of part I of the Second Schedule to the Companies Ordinance, 1984, for the purpose of inclusion in the Prospectus for Initial Public offering (IPO) of ordinary shares by the Loads Limited

We have summarised from the audited unconsolidated financial statements of Loads Limited ("the Company") for the six months period ended 31 December 2015 and for the five years ended 30 June 2011 to 30 June 2015 and audited consolidated financial statements of the Group for the six months period ended 31 December 2015 and for the five years ended 30 June 2012 to 30 June 2015 and in accordance with Section 53(1) read with Clause 28 of Section 2 of Part I of the Second Schedule to the Companies Ordinance, 1984, a summary of the assets, liabilities and shareholders' equity and the profit and loss accounts of the Group together with other relevant information as are given in the following paragraphs for inclusion in the prospectus being issued for Initial Public offering (IPO) of ordinary shares by the Company.

The unconsolidated and consolidated financial statements for the six months period ended 31 December 2015 and for the years ended 30 June 2011 to 30 June 2015 were audited by us and unqualified reports were issued. No financials statements of the Company and the Group have been audited or reviewed by us subsequent to the audit of the unconsolidated financial statements for the six months period ended 31 December 2015.

As at 31 December 2015, the Company has three wholly owned subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL) and Specialized Motorcycle (Private) Limited (SMPL).

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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.



KPMG Taseer Hadi & Co.

Loads Limited and its subsidiaries ("the Group")
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In accordance with Clause 28 of Section 2 of part I of the Second Schedule to the Companies Ordinance, 1984, we report that:

A. Summary of Assets, Liabilities and Shareholders' Equity as at 31 December 2015 and 30 June 2015

The Summary of assets, liabilities and shareholder's equity of the Company as at 31 December 2015 and 30 June 2015 were as follows:

	Note	31 December 2015	30 June 2015
(Rupees)			
ASSETS			
Non-current assets			
Property, plant and equipment	1	501,326,460	453,326,462
Intangible assets	2	1	1
Long term investments	3	375,040,402	368,544,268
Employee benefits	15.2	4,660,255	6,341,922
		<u>881,027,118</u>	<u>828,212,653</u>
Current assets			
Stores and spares		58,805,751	46,727,368
Stock-in-trade	4	1,185,911,188	940,154,402
Trade debts - net	5	210,321,674	226,898,911
Loans and advances	6	132,566,226	87,619,418
Deposits, prepayments and other receivables	7	189,275,902	189,665,592
Taxation	8	173,656,904	162,352,748
Investments	9	111,867,677	150,200,557
Cash and bank balances	10	13,435,889	63,925,477
		<u>2,075,841,211</u>	<u>1,867,544,473</u>
Total assets		<u>2,956,868,329</u>	<u>2,695,757,126</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs. 10/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital	12	750,000,000	750,000,000
Unrealised gain on re-measurement of available for sale investments		32,559,291	21,219,627
Unappropriated profit		<u>757,274,273</u>	<u>668,061,461</u>
		<u>1,539,833,564</u>	<u>1,439,281,088</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease	13	15,601,967	18,254,716
Deferred tax liabilities	14	64,678,635	84,397,796
		<u>80,280,602</u>	<u>102,652,512</u>
Current liabilities			
Current maturity of liabilities against assets subject to finance lease	13	19,133,740	12,907,268
Short term borrowings	16	1,087,721,322	979,445,862
Trade and other payables	17	211,679,466	144,254,655
Accrued mark-up on short term borrowings		<u>18,219,635</u>	<u>17,215,741</u>
		<u>1,336,754,163</u>	<u>1,153,823,526</u>
Total equity and liabilities		<u>2,956,868,329</u>	<u>2,695,757,126</u>
CONTINGENCIES AND COMMITMENTS			
	11		



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Loads Limited and its subsidiaries ("the Group")
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I. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2015	30 June 2015
		(Rupees)	
Opening property, plant and equipment	1.1	446,072,125	417,921,741
Capital work-in-progress	1.2	58,154,319	35,404,721
		<u>504,226,444</u>	<u>453,326,462</u>

1.1 Operating property, plant and equipment

	Cost				Rate	31 December 2015				Not back value as at 31 December 2015		
	As at 01 July 2015	Additions	Transfers	(Disposals)		As at 31 December 2015	Accumulated depreciation					
							As at 01 July 2015	For the period	Transfers		(Disposals)	As at 31 December 2015
	(Rupees)				%	(Rupees)						
Owned												
Freehold land (note 1.1.1)	25,000,000	-	-	-	25,000,000	-	-	-	-	-	25,000,000	
Leasehold land	19,703,215	-	-	-	19,703,215	-	-	-	-	-	19,703,215	
Building on leasehold land	160,492,084	3,042,415	-	-	163,495,401	5	37,591,638	2,749,895	-	-	163,183,866	
Plant and machinery	370,866,662	18,681,874	-	-	401,478,536	10-20	286,545,218	9,526,983	-	-	385,106,935	
Tools and equipment	126,587,837	3,487,955	-	-	143,995,192	10-35	102,308,602	6,836,689	-	-	109,175,192	34,629,380
Furniture, fittings and office equipment	33,323,660	2,985,338	-	-	36,116,998	10-35	19,873,671	1,726,662	-	-	21,594,283	14,544,715
Vehicles	17,618,889	1,895,800	-	-	19,488,689	20	10,450,617	821,580	-	-	11,473,287	7,935,882
Leased												
Plant and machinery	22,583,237	-	-	-	22,583,237	10-20	6,772,821	917,901	-	-	7,495,722	15,811,615
Vehicles	58,626,893	8,827,192	-	-	69,453,885	20	15,873,218	3,971,570	-	-	19,644,688	33,839,397
	897,567,579	54,689,754	-	-	892,157,353		419,645,838	20,539,900	-	-	446,185,738	446,672,125
	Cost				Rate	30 June 2015				Not back value as at 30 June 2015		
As at 01 July 2014	Additions	Transfers	(Disposals)	As at 30 June 2015		As at 01 July 2014	For the year	Transfers	(Disposals)		As at 30 June 2015	
	(Rupees)				%	(Rupees)						
Owned												
Freehold land (note 1.1.1)	23,693,000	-	-	-	23,693,000	-	-	-	-	-	23,693,000	
Leasehold land	19,703,215	-	-	-	19,703,215	-	-	-	-	-	19,703,215	
Building on leasehold land	139,122,780	1,320,200	-	-	140,442,980	8	31,998,600	2,632,028	-	-	55,351,638	107,861,356
Plant and machinery	357,558,270	18,335,733	-	(5,044,343)	370,849,660	10-20	190,524,614	18,766,780	-	(2,748,592)	206,245,218	164,721,446
Tools and equipment	131,191,783	5,485,054	-	-	136,676,837	10-35	90,819,341	16,719,362	-	-	103,238,680	24,049,234
Furniture, fittings and office equipment	29,176,378	4,529,404	-	(472,122)	33,233,660	10-30	17,015,582	3,275,637	-	(377,590)	19,873,623	13,190,899
Vehicles	17,418,080	2,912,600	11,572,151	(14,389,861)	37,113,080	20	16,248,577	3,218,428	7,324,846	(8,761,211)	10,695,627	6,882,462
Leased												
Plant and machinery	22,503,237	-	-	-	22,503,237	10-20	4,722,392	2,269,429	-	-	6,772,821	16,730,516
Vehicles	37,854,285	24,140,295	(11,572,151)	-	50,422,469	20	(5,242,421)	7,715,756	(7,374,846)	-	53,815,310	34,913,278
	899,627,243	56,851,752	-	(16,936,416)	897,567,579		379,831,215	55,242,314	-	(11,807,711)	419,645,838	417,021,747



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1.1.5 Depreciation has been allocated as follows:

	31 December 2015	31 December 2014 (Un-audited)
	(Rupees)	
Cost of sales	23,235,665	24,100,646
Administrative and selling expenses	3,303,725	2,850,516
	<u>26,539,390</u>	<u>26,951,162</u>

1.2 Capital work-in-progress

	31 December 2015	30 June 2015
	(Rupees)	
Tools and equipment	50,414,950	28,088,429
Advance against capital expenditure	4,839,385	7,316,292
	<u>55,254,335</u>	<u>35,404,721</u>

2. INTANGIBLE ASSETS

	31 December 2015					
	Cost	Useful life	Amortization	Net book value as at		
	As at 1 July 2015	Addition / (disposal)	As at 31 December 2015	As at 1 July 2015	For the period	As at 31 December 2015
	(Rupees)		(Rupees)	(Rupees)		(Rupees)
Computer software and licenses	12,184,897	-	12,184,897	3	12,184,896	-
						1

	30 June 2015					
	Cost	Useful life	Amortization	Net book value as at		
	As at 1 July 2014	Addition / (disposal)	As at 30 June 2015	As at 1 July 2014	For the year	As at 30 June 2015
	(Rupees)		(Rupees)	(Rupees)		(Rupees)
Computer software and licenses	12,637,397	147,506	12,186,897	3	10,661,541	1,525,355
						12,184,896
						1

3. LONG TERM INVESTMENTS

Investments in equity accounted undertakings

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

31 December 2015	30 June 2015		31 December 2015	30 June 2015
(Number of shares)			(Rupees)	
7,420,680	7,492,475	Quoted Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	375,040,402	368,544,268
		Note 2.1		

The above figures are based on un-audited consolidated financial statements of Treet Corporation Limited for the half year ended 31 December 2015.

3.1 Movement

Balance at beginning of the period / year	368,544,268	164,159,539
Subscription of right shares	-	254,774,250
Conversion from participation term certificate into ordinary shares	7,582,410	7,580,340
Shares sold during the period / year	-	(61,462,366)
Share of profit for the period / year - net	6,406,199	10,784,220
Share of other comprehensive income for the period / year - re-measurement of defined benefits liability	-	(753,875)
Less: dividends received during the period / year	(7,492,475)	(6,537,640)
Balance at end of the period / year	<u>375,040,402</u>	<u>368,544,268</u>
Equity held at end of the period / year	<u>5.53%</u>	<u>5.56%</u>

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

Quoted Treet Corporation Limited	<u>479,798,013</u>	<u>540,582,071</u>
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Holding in associate as at 31 December 2015 is 5.53% (30 June 2015: 5.56%) and effective holding due to cross holding as at 31 December 2015 is 5.59%.

3.3 Summarised financial information for the six months period ended 31 December 2015 based on un-audited consolidated financial statements of associated company is as follows:

Name of investee company	Total assets	Total liabilities	Revenues	Profit
	(Rupees in '000)			
31 December 2015				
Treet Corporation Limited	<u>12,217,943</u>	<u>3,467,450</u>	<u>3,710,736</u>	<u>107,430</u>

3.4 Surplus on revaluation of property, plant and equipment has been adjusted to make the accounting policies consistent with the entity, when the associate's financial statements are used by the entity in applying the equity accounting.

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4.	STOCK-IN-TRADE	Note	31 December 2015	30 June 2015
			(Rupees)	
	Raw material and components	4.1	917,330,860	782,578,700
	Work-in-process		162,254,085	68,169,176
	Finished goods		107,022,470	90,102,753
			<u>1,186,607,415</u>	<u>940,850,629</u>
	Provision for slow-moving and obsolescence		<u>(696,227)</u>	<u>(696,227)</u>
			<u>1,185,911,188</u>	<u>940,154,402</u>
4.1	This includes raw material in-transit as at 31 December 2015 of Rs. 152.59 million (30 June 2015: Rs. 144.5 million).			
5.	TRADE DEBTS - net	Note	31 December 2015	30 June 2015
			(Rupees)	
	<i>Unsecured</i>			
	Considered good		210,321,674	226,898,911
	Considered doubtful		<u>405,606</u>	<u>34,308,278</u>
			<u>210,727,280</u>	<u>261,207,189</u>
	Bad debts written off		-	(4,088,687)
	Provision for doubtful debts	5.1	<u>(405,606)</u>	<u>(30,219,591)</u>
			<u>210,321,674</u>	<u>226,898,911</u>
5.1	Provision for doubtful debts			
	Opening balance		30,219,591	29,582,934
	Charge for the period / year		-	636,657
	Written off during the period		<u>(29,813,985)</u>	-
	Closing balance		<u>405,606</u>	<u>30,219,591</u>
6.	LOANS AND ADVANCES			
	Loans to employees - considered good	6.1	4,617,605	3,988,036
	Loans to workers - considered good	6.2	5,616,710	5,752,624
	Advance to employees		30,132,332	29,466,416
	Advance to suppliers		<u>92,199,579</u>	<u>48,412,342</u>
			<u>132,566,226</u>	<u>87,619,418</u>
6.1	This represents loans provided to executive staff having maturity of twelve months. These loans carry mark-up at the rate of 10% (30 June 2015: 10%) per annum.			
6.2	This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 10% (30 June 2015: 10%) per annum.			
7.	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	31 December 2015	30 June 2015
			(Rupees)	
	Unclaimed input sales tax	7.1	149,728,979	114,879,602
	Trade and other deposits		12,810,714	12,351,225
	Receivable against sale of investment		-	30,424,559
	Prepayments - provident fund	7.2	17,764,748	16,042,778
	Prepayments		3,605,107	875,577
	Other receivables		<u>5,366,354</u>	<u>15,091,851</u>
			<u>189,275,902</u>	<u>189,665,592</u>
7.1	This represents input sales tax not claimed due to restriction of input tax to be adjusted up to ninety percent of output tax as per section 8B of Sales Tax Act, 1990.			
7.2	This represents amount paid by the Parent Company to outgoing members on behalf of the fund.			

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8. TAXATION	Note	31 December 2015	30 June 2015
		(Rupees)	
Opening refundable		162,352,748	135,296,948
Refunds / adjustments during the period / year		-	(38,978,863)
		<u>162,352,748</u>	<u>96,318,085</u>
Advance tax paid during the period / year		62,266,446	128,400,397
Provision for taxation		(50,962,290)	(62,365,734)
Closing refundable		<u>173,656,904</u>	<u>162,352,748</u>
9. INVESTMENTS			
At fair value through profit or loss - at initial recognition	9.1	66,960,061	116,632,605
Available-for-sale	9.2	44,907,616	33,567,952
		<u>111,867,677</u>	<u>150,200,557</u>
9.1 At fair value through profit or loss - at initial recognition			
Ordinary shares	9.1.1	651,696	675,375
Participation term certificates	9.1.2	64,743,525	115,957,230
Units of mutual funds	9.1.3	1,564,840	-
		<u>66,960,061</u>	<u>116,632,605</u>
9.1.1 Ordinary shares - quoted			

31 December 2015	30 June 2015	Name of investee company	31 December 2015			30 June 2015
			Carrying value	Market value	Unrealised gain / (loss)	Market Value
(Number of shares)			(Rupees)			
1	1	Agronox Industries Limited	186	287	21	186
1	1	Al-Ghazi Tractors Limited *	489	413	(76)	489
1	1	Atlas Battery Limited	704	764	60	704
1	1	Atlas Honda Limited	335	388	53	335
1	1	The General Tyre & Rubber Company of Pakistan Limited	146	172	26	146
1	1	Honda Atlas Cars (Pakistan) Limited	219	202	(16)	219
1	1	Thal Limited *	285	252	(33)	285
230	230	Baluchistan Wheels Limited	13,375	14,085	710	13,375
315	315	Ghandhara Nissan Limited	31,151	58,105	26,954	31,151
150	150	Hino Pak Motors Limited	125,489	154,201	28,712	125,489
200	200	Indus Motor Company Limited	249,800	202,256	(47,544)	249,800
272	272	Milhat Tractors Limited	186,542	150,353	(36,189)	186,542
63	63	Oil & Gas Development Company Limited	11,293	7,393	(3,900)	11,293
127	127	Pak Suzuki Motor Company Limited	55,361	62,904	7,543	55,361
			<u>675,375</u>	<u>651,696</u>	<u>(23,679)</u>	<u>675,375</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.

9.1.2	Participation term certificate (PTC) - Quoted	Note	31 December 2015			30 June 2015
			Carrying value	Market value	Unrealised gain / (loss)	Market Value
			(Rupees)			
Trect Corporation Limited * (note 9.1.2.2)	9.1.2.1		108,132,231	64,743,525	(43,388,706)	115,957,230

* PTCs have a face value of Rs. 30/- per certificate.

9.1.2.1 Movement in carrying value of PTC is as follows:		31 December 2015	30 June 2015
		(Rupees)	
Opening balance		115,957,230	108,157,170
Purchased during the period		32,136	-
Principal cash redemption		(274,725)	(274,725)
Principal conversion to ordinary shares		(7,582,410)	(7,582,410)
Closing balance		<u>108,132,231</u>	<u>100,300,035</u>

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- 9.1.2.2 These are mandatorily convertible into ordinary shares of Treet Corporation Limited at the ratio of 2 PTCs into 1 ordinary share in a period of 7 years. Principal amount of PTC will be reduced through redemption (in cash and through share conversion). The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 for the year 2019. During the period, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively (also refer note 3.1).

9.1.3 Units of mutual funds

31 December 2015	30 June 2015	Name of Fund	Carrying value / cost		Market value	
			31 December 2015	30 June 2015	31 December 2015	30 June 2015
(Number of units)			(Rupees)		(Rupees)	
		NAFA Islamic Asset Allocation Fund				
<u>101,054</u>	<u>-</u>		<u>1,630,000</u>	<u>-</u>	<u>1,564,840</u>	<u>-</u>
			1,630,000	-	1,564,840	-
Unrealised loss on re-measurement of investments - at fair value through profit or loss - at initial recognition			(65,160)	-	-	-
			<u>1,564,840</u>	<u>-</u>	<u>1,564,840</u>	<u>-</u>

9.2 Available-for-sale

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

31 December 2015 (Number of shares)	30 June 2015	Name of investee company	31 December 2015			30 June 2015
			Cost	Market value	Unrealised gain / (Rupees)	Market value
		Ordinary shares - Quoted				
182,000	182,000	Tri-Pack Films Limited	10,515,113	44,895,760	34,380,647	33,557,160
152	152	ZIL Limited	5,330	11,856	6,526	10,792
			10,520,443	44,907,616	34,387,173	33,567,952

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

	31 December 2015	30 June 2015
	(Rupees)	
Market value of investments	44,907,616	33,567,952
Less : Cost of investments	10,520,443	10,520,443
	34,387,173	23,047,509
Less: Unrealized gain on re-measurement of available-for-sale investments at beginning of the period	23,047,509	20,351,645
	11,339,664	2,695,864

- 9.2.2 The above investments having an aggregate market value of Rs. 44.907 million have been pledged with financial institutions as securities against borrowing facilities.

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10. CASH AND BANK BALANCES

	Note	31 December 2015	30 June 2015
		(Rupees)	
Cash in hand		1,348,843	1,991,325
Cash at bank - profit and loss accounts	10.1	1,972	14,415,662
Cash at bank - current accounts		12,085,074	47,518,490
		<u>13,435,889</u>	<u>63,925,477</u>

10.1 These carry mark-up at the rate ranging from 5% to 5.5% (30 June 2015: 5.5%) per annum.

11. CONTINGENCIES AND COMMITMENTS**11.1 Contingencies**

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

In view of above stated facts and opinion of legal advisor, the Group is confident of a favourable outcome. However, provision of Rs. 0.74 million (30 June 2015: Rs. 0.35 million) has been recorded in these consolidated financial statements.

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

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

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

11.1.5 For tax related contingencies refer note 19.1 in part D.

11.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 311.295 million (30 June 2015: Rs. 161.201 million).

12. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

31 December 2015	30 June 2015	Note	31 December 2015	30 June 2015
(Number of shares)			(Rupees)	
3,770,000	3,770,000	Ordinary shares of Rs. 10/- each fully paid in cash	37,700,000	37,700,000
71,230,000	71,230,000	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	712,300,000	712,300,000
<u>75,000,000</u>	<u>75,000,000</u>	12.1	<u>750,000,000</u>	<u>750,000,000</u>

12.1 Escanaba Limited holds 31,770,500 number of ordinary shares (30 June 2015: 31,770,500) comprising 42.36% (30 June 2015: 42.36%) and Treet Corporation Limited (associate company) holds 15,615,750 number of ordinary shares (30 June 2015: 15,615,750) comprising 20.82% (30 June 2014: 20.82%).

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Opening balance	31,161,984	26,834,089
New leases acquired	8,827,192	25,961,134
Repayments made during the period / year	(5,253,469)	(21,633,239)
	<u>34,735,707</u>	<u>31,161,984</u>
Current maturity	(19,133,740)	(12,907,268)
Closing balance	<u>15,601,967</u>	<u>18,254,716</u>

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

	31 December 2015			30 June 2015		
	Minimum Lease Payments	Finance charges	Principal outstanding	Minimum Lease Payments	Finance charges	Principal outstanding
	(Rupees)					
Not later than one year	20,664,439	1,530,699	19,133,740	15,350,348	1,443,080	12,907,268
Later than one year but not later than five years	16,850,124	1,248,157	15,601,967	18,529,184	274,468	18,254,716
	<u>37,514,563</u>	<u>2,778,856</u>	<u>34,735,707</u>	<u>33,879,532</u>	<u>2,717,548</u>	<u>31,161,984</u>

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

14. DEFERRED TAX LIABILITIES

- 14.1 Deferred tax comprises of:

	31 December 2015	30 June 2015
	(Rupees)	
Taxable temporary differences arising in respect of:		
- Accelerated tax depreciation	54,711,727	54,255,210
- Finance lease arrangements	8,646,441	8,531,989
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	-	18,918,441
- Share of profit from associated company	6,015,871	6,535,587
Deductible temporary differences arising in respect of:		
- Provision against slow-moving stock-in-trade	(215,830)	(215,830)
- Provision against compensated absences	(2,264,280)	(2,116,027)
- Provision for doubtful debts	(125,738)	(125,738)
- Remeasurement of defined benefit liability	(2,089,556)	(1,385,836)
	<u>64,678,635</u>	<u>84,397,796</u>

14.2 Movement:

	31 December 2015				30 June 2015			
	Balance at 1 July 2015	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 31 December 2015	Balance at 1 July 2014	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2015
	(Rupees)							
Taxable temporary differences								
- Accelerated tax depreciation	54,255,210	456,517	-	54,711,727	46,676,445	(12,421,285)	-	54,255,210
- Finance lease arrangements	8,531,989	114,452	-	8,646,441	5,117,951	3,414,038	-	8,531,989
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	18,918,441	(18,918,441)	-	-	-	18,918,441	-	18,918,441
- Share of profit from associated company	6,535,587	(519,716)	-	6,015,871	-	6,535,587	-	6,535,587
Deductible temporary differences								
- Provision against slow-moving stock-in-trade	(215,830)	-	-	(215,830)	(241,679)	27,849	-	(215,830)
- Provision against compensated absences	(2,116,027)	(148,253)	-	(2,264,280)	(1,725,737)	(390,290)	-	(2,116,027)
- Provision for doubtful debts	(125,738)	-	-	(125,738)	(141,052)	16,224	-	(125,738)
- Remeasurement of defined benefit liability	(1,385,836)	-	(703,720)	(2,089,556)	-	-	(1,385,836)	(1,385,836)
- Carried forward tax losses	-	-	-	-	(29,899,839)	29,899,839	-	-
	<u>84,397,796</u>	<u>(19,015,441)</u>	<u>(703,720)</u>	<u>64,678,635</u>	<u>39,783,229</u>	<u>46,000,403</u>	<u>(1,385,836)</u>	<u>84,397,796</u>

15. EMPLOYEE BENEFITS - Gratuity

The actuarial valuation for staff gratuity has been carried out as at 31 December 2015 on the basis of projected unit credit method as per the requirements of approved accounting standard - International Accounting Standard 19, "Employee Benefits". The assumptions used in actuarial valuation are as follows:

	31 December 2015	30 June 2015
- Discount rate used for period end obligation	9.25%	9.75%
- Discount rate used for interest cost in profit and loss account	9.75%	13.25%
- Expected rate of increase in salary level	8.25%	8.75%
- Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005

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15.2	Amount recognised in the balance sheet	Note	31 December 2015			30 June 2015		
			Executives	Non-Executives	Total	Executives	Non-Executives	Total
			(Rupees)					
			24,043,327	11,583,289	35,626,616	22,286,372	11,251,358	33,537,730
			(28,512,793)	(11,774,088)	(40,286,871)	(28,171,187)	(11,708,465)	(39,879,652)
			(4,469,466)	(190,799)	(4,660,265)	(5,884,815)	(457,107)	(6,341,922)
15.2.1	Movement in present value of defined benefit obligation:							
	Opening balance		22,286,372	11,251,358	33,537,730	21,086,636	10,387,724	31,474,360
	Current service cost		729,998	230,266	960,264	1,452,388	454,724	1,907,112
	Interest cost		1,072,885	534,466	1,607,351	2,642,290	1,343,682	3,985,962
	Benefits paid by the plan		(556,564)	(575,964)	(1,132,568)	(2,289,806)	(493,454)	(2,783,254)
	Re-measurements (gain) / loss on obligation		511,036	143,183	654,139	(605,332)	(441,318)	(1,046,650)
	Closing Balance		24,043,327	11,583,289	35,626,616	22,286,372	11,251,358	33,537,730
15.2.2	Movement in the fair value of plan assets:							
	Opening balance		28,171,187	11,708,465	39,879,652	28,034,543	15,326,129	43,360,672
	Interest income		1,259,769	586,244	1,846,013	3,622,834	1,891,988	5,514,822
	Contribution paid / (received) into / (from) the plan		-	1,210,000	1,210,000	905,000	(1,600,500)	(695,500)
	Benefits paid by the plan		(556,564)	(575,964)	(1,132,568)	(2,289,806)	(493,454)	(2,783,254)
	Re-measurements (loss) / gain on plan assets		(461,209)	(1,154,717)	(1,615,926)	(2,101,390)	(3,415,698)	(5,517,088)
	Closing Balance		28,512,793	11,774,088	40,286,871	28,171,187	11,708,465	39,879,652
15.2.3	Amounts recognised in the profit and loss account							
	Current service cost		729,998	230,266	960,264	1,452,388	454,724	1,907,112
	Interest cost		1,072,885	534,466	1,607,351	2,642,290	1,343,682	3,985,962
	Interest income		(1,259,769)	(586,244)	(1,846,013)	(3,622,834)	(1,891,988)	(5,514,822)
	Expense / (income) for the period / year		443,114	178,488	621,602	472,034	(93,582)	378,452
15.2.4	Amounts recognised in the other comprehensive income							
	Re-measurement (gain) / loss on obligation	15.2.4.1	511,036	143,183	654,139	(605,332)	(441,318)	(1,046,650)
	Re-measurement of fair value of plan assets	15.2.4.2	461,209	(1,154,717)	(1,615,926)	(2,101,390)	(3,415,698)	(5,517,088)
	Re-measurement loss for the period / year		972,245	(1,297,820)	(1,325,575)	(1,496,058)	(2,974,380)	(4,470,438)
15.2.4.1	Re-measurements loss / (gain) on obligation:							
	Gain due to change in financial assumptions		-	-	-	-	-	-
	Loss / (gain) due to change in experience adjustments		511,036	143,183	654,139	(605,332)	(441,318)	(1,046,650)
			511,036	143,183	654,139	(605,332)	(441,318)	(1,046,650)
15.2.4.2	Re-measurement on plan assets - Net (expense) / income of plan assets over interest income:							
	Actual return on plan assets		898,560	(568,473)	330,087	1,521,444	(1,523,710)	(2,266)
	Interest income on plan assets		(1,259,769)	(586,244)	(1,846,013)	(3,622,834)	(1,891,988)	(5,514,822)
			(461,209)	(1,154,717)	(1,615,926)	(2,101,390)	(3,415,698)	(5,517,088)
			31 December 2015			30 June 2015		
			Executives	Non-Executives	Total	Executives	Non-Executives	Total
			(Rupees)					
15.2.5	Net recognized asset							
	Net asset at beginning of the period / year		(5,884,815)	(457,107)	(6,341,922)	(6,947,907)	(4,938,405)	(11,886,312)
	Expense / (income) recognised in profit and loss account		443,114	178,488	621,602	472,034	(93,582)	378,452
	Contribution (paid) / received (into) / from the plan		-	(1,210,000)	(1,210,000)	(905,000)	1,600,500	695,500
	Re-measurements losses / (gains) recognised in other comprehensive income		972,245	(1,297,820)	(1,325,575)	(1,496,058)	(2,974,380)	(4,470,438)
	Net asset at end of the period / year		(4,469,466)	(190,799)	(4,660,265)	(5,884,815)	(457,107)	(6,341,922)
15.3	Plan assets comprise of the following:							
			31 December 2015			30 June 2015		
			Executives	Non-Executives	Total	Executives	Non-Executives	Total
			(Rupees)					
	Government bonds		27,968,189	11,137,110	39,105,299	28,128,584	11,149,968	39,278,552
	Term deposit receipts		390,625	206,847	597,472	42,603	104,477	147,080
	Equity shares		153,569	438,931	592,500	-	454,020	454,020
	Fair value of plan assets at end of the period / year		28,512,793	11,774,088	40,286,871	28,171,187	11,708,465	39,879,652



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15.4 Sensitivity analysis for actuarial assumptions

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

	31 December 2015	
	(Rupees)	
	Executives	Non-Executives
Discount rate +1%	22,728,674	10,797,925
Discount rate -1%	25,537,035	12,454,162
Salary increase +1%	25,522,106	12,445,749
Salary increase -1%	22,719,111	10,791,773

15.5 Expected charge for the year ending 30 June 2016 is Rs. 1,336,095.

15.6 Risks associated with defined benefit plans**(a) Investment risks:**

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

(b) Longevity risks:

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

(c) Salary increase risk:

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

(d) Withdrawal risk:

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

15.7 Historical information

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

15.8 Gratuity for the period / year recognised in the profit and loss account has been allocated as follows:

	Note	31 December 2015	30 June 2015
		(Rupees)	
Cost of sales		443,114	472,034
Administrative and selling expenses		178,488	(93,582)
		<u>621,602</u>	<u>378,452</u>

16. SHORT TERM BORROWINGS**Secured**

Running finances under mark-up arrangements	16.1	938,721,322	823,016,962
Islamic Financing	16.2	149,000,000	156,428,900
		<u>1,087,721,322</u>	<u>979,445,862</u>

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16.1 Running finances under mark-up arrangements	Note	31 December 2015	30 June 2015
		(Rupees)	
Bank Al Habib		194,456,145	252,518,862
Habib Bank Limited		15,883,286	4,017,581
JS Bank Limited		283,794,347	154,739,453
Meezan Bank		201,478,904	194,508,917
Soneri Bank		88,500,510	120,153,409
United Bank Limited		46,248,267	97,078,740
		830,361,459	823,016,962
Soneri Bank - Local Bill discounting		69,093,675	-
United Bank Limited - Local Bill discounting		39,266,188	-
		108,359,863	
	16.1.1	938,721,322	823,016,962

- 16.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Parent Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 30 November 2016. 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 1.75% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum).

The aggregate available short term funded facilities amounted to Rs. 1,407 million (30 June 2015: Rs. 990 million) out of which Rs. 319.28 million (30 June 2015: 167 million) remained unavailed as at the reporting date.

Facilities available for opening letters of credit / guarantees at 31 December 2015 amounted to Rs. 1,500 million (30 June 2015: Rs. 1,200 million) out of which Rs. 1,188.25 million (30 June 2015: Rs. 1,038.8 million) remained unutilized at the reporting date.

The rates of mark-up applicable on running finance are based on 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum). The bank has imposed a condition that prior No Objection Certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

- 16.2 This represents availed Islamic finance (Murabaha and Istisnaa) facility from Al Baraka Bank having limits of Rs. 75 million and 150 million, respectively, for procurement of raw materials and manufacturing of mufflers, radiators and exhaust system. These facilities carry mark-up at 6 month KIBOR plus 0.8% per annum (30 June 2015: 6 month KIBOR plus 0.8 %) and is repayable within 120 days of the disbursement date.

16.3 Unavailed facilities

The facilities for demand finance and import loans under mark-up arrangements with various banks amounted to Rs. 450 million (30 June 2015: Rs. 450 million). The demand finance loans carry mark-up at the rate of 1 month KIBOR plus 1% per annum (30 June 2015: 1 month KIBOR plus 1% per annum). The loans are repayable within 180 days of the disbursement date. The whole amount of Rs. 450 million (30 June 2015: Rs. 450 million) remained unutilized at the period end.

The facilities for opening the letters of credit and guarantees as at 31 December 2015 amounted to Rs. 1,500 million (30 June 2015: Rs. 1,200 million) of which the amount remains unutilized at the period end was Rs. 1,499.6 million (30 June 2015: Rs. 1038.8 million).

The foreign currency import loans carry mark-up at rates ranging from 3 month LIBOR plus 3% per annum to 4 month LIBOR plus 4% per annum (30 June 2015: 3 month LIBOR plus 3% per annum to 4 month LIBOR plus 4% per annum). The loans are repayable within 120 to 180 days of the disbursement date. The facility remained unutilized at the period end.

The local currency import loans carry mark-up at rates ranging from 3 months KIBOR plus 1.25% to 1.5% per annum (30 June 2015: 3 months KIBOR plus 1.25% to 1.5% per annum). The loans are repayable within 120 to 180 days of the disbursement date. The facility remained unutilized at the period end.

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

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- 16.4 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.

17. TRADE AND OTHER PAYABLES

	Note	31 December 2015	30 June 2015
		(Rupees)	
Creditors		25,020,465	40,107,872
Accrued liabilities	17.1	10,821,718	9,243,399
Other liabilities			
Mobilization advances		31,698,099	318,974
Security deposit from contractors		308,000	305,000
Withholding tax payable		4,884,101	963,067
Workers' profit participation fund	17.2	29,780,936	20,876,909
Workers' welfare fund	17.3	11,619,776	8,244,071
Advance from customer		66,040,214	50,945,068
Withholding sales tax payable		8,345,223	627,572
Provision for compensated absences		7,304,129	6,825,895
Payable to provident fund		2,849,871	1,320,742
Other payables		13,006,934	4,476,086
		211,679,466	144,254,655

- 17.1 This includes provision of Rs. 0.742 million in respect of Gass Infrastructure Development Cess (GID Cess) charges. No payment has been made in the current and prior years, since stay order has been obtained against levy of GID Cess (also refer note 11).

17.2 Workers' profit participation fund

	Note	31 December 2015	30 June 2015
		(Rupees)	
Opening balance		20,876,909	11,071,435
Charge for the period / year		8,183,936	17,497,769
Interest charged during the period / year		720,091	1,208,652
		29,780,936	29,777,856
Less: Payments during the period / year	17.2.1	-	(8,900,947)
Closing balance		29,780,936	20,876,909

- 17.2.1 These payments were made to workers who meet the criteria as set out by the Group.

17.3 Workers' welfare fund

Opening balance	8,244,071	4,031,195
Charge for the period / year	3,375,705	7,917,479
Less: Payments during the period / year	-	(3,704,603)
Closing balance	11,619,776	8,244,071

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- B. The Consolidated Profit and loss accounts of the Group i.e. Loads Limited, SAIL, MAIL, and SMPL for the six months period ended 31 December 2015 and for the five years ended 30 June 2015, 2014, 2013, 2012 and 2011 were as follows:

	For the six months period ended	For the year ended				
	31 December 2015	30 June 2015	30 June 2014	30 June 2013 (restated)	30 June 2012	30 June 2011
Continuing Operations						
(Rupees)						
Revenue	2,003,211,384	3,332,572,072	3,352,365,382	2,462,128,822	2,071,295,714	1,713,715,009
Cost of sales	(1,722,512,759)	(2,838,082,094)	(2,843,938,813)	(2,133,369,985)	(1,742,468,732)	(1,355,457,928)
Gross profit	280,698,625	494,489,978	508,426,569	328,758,837	328,826,982	358,257,081
Administrative and selling expenses	(68,239,711)	(134,281,088)	(113,062,640)	(104,975,660)	(84,758,313)	(79,664,752)
Operating profit	212,458,914	360,208,890	395,363,929	223,783,177	244,068,669	278,592,329
Other income	12,955,180	62,350,493	57,335,312	41,510,597	10,193,104	2,381,888
Financial charges	(34,061,101)	(85,524,905)	(71,002,539)	(60,534,701)	(56,148,059)	(52,193,811)
Other charges	(55,037,186)	(25,415,248)	(12,112,830)	(15,416,251)	(13,387,479)	(16,579,188)
	(109,094,287)	(109,440,243)	(83,115,159)	(75,944,352)	(69,535,528)	(68,792,799)
Share of profit in associate - net	116,319,307	311,619,140	184,565,082	189,348,906	184,725,235	221,641,418
Profit before taxation	6,405,159	10,784,220	12,681,784	14,098,620	27,461,007	14,657,681
Taxation	(31,945,849)	(111,349,963)	(42,338,350)	(101,423,270)	(45,818,006)	(34,245,099)
Profit from continuing operations after taxation	98,779,157	211,853,397	134,918,516	102,614,256	166,368,236	201,654,860
Discontinued operations						
Profit from discontinued operations	-	-	-	-	-	385,274
Profit after taxation	98,779,157	211,853,397	134,918,516	102,614,256	166,368,236	202,040,134
Other comprehensive income						
Unrealised gain on re-measurement of available-for-sale investments	11,339,664	3,895,864	(5,005,974)	(1,453,958)	5,451,640	12,644,573
Re-measurement of defined benefit liability - net of tax	(1,566,245)	(3,838,477)	1,549,026	(2,372,465)	-	-
Group's share of fair value reserve in associate's available-for-sale investment	-	-	(110,784)	(86,656)	269,146	908,715
	9,773,419	(1,142,613)	(4,467,732)	(4,113,071)	5,660,786	13,553,290
Total comprehensive income	108,552,476	209,918,784	130,448,784	97,991,225	173,029,022	215,593,564
Basic and diluted earnings per share from continuing operations*	1.21	2.81	1.89	1.56	2.32	2.69
Basic and diluted earnings per share from discontinued operations*	-	-	-	-	-	0.01

* The basic and diluted earnings per share for all prior periods have been adjusted to give effect of bonus shares issued during the year 30 June 2015.

- C. Details of dividend declared by the Group for the six months period ended 31 December 2015 and for the five years ended 30 June 2015, 2014, 2013, 2012 and 2011 were as follows:

	For the six months period ended	For the year ended				
	31 December 2015	30 June 2015	30 June 2014	30 June 2013	30 June 2012	30 June 2011
(Rupees)						
Final dividend on ordinary shares	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	-
- Per share	-	-	-	-	1.80	-
- Total	-	-	-	-	5,000,000	-
Stock dividend (Percentage)*	-	1150%	-	-	-	-
Date approved	-	30 April 2015	-	-	31 October 2011	-

* The Board of directors of Loads Limited in their meeting held on 31 March 2015 has declared issue of bonus shares in the proportion of eleven hundred and fifty (1,150) bonus shares for every hundred shares held (i.e. 1150%). The said bonus issue was approved by the members in the Extraordinary General Meeting dated 30 April 2015.

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D SIGNIFICANT DISCLOSURES MADE IN THE NOTES TO THE AUDITED FINANCIAL STATEMENTS OF THE COMPANY / THE GROUP FOR THE RELEVANT FINANCIAL PERIOD / YEARS:

We give below the significant disclosure made in the notes to the audited financial statements of the Company for the six months period ended 31 December 2015 and for the financial years 30 June 2011 to 30 June 2015:

19 Financial statements for the six months period ended 31 December 2015

19.1 Taxation

Current / prior years

- The returns of income tax have been filed up to and including tax year 2015. Except for tax year mentioned below, all other assessment years are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.
- The income tax return for tax year 2011 of the Parent Company was selected for audit by the Commissioner Inland Revenue under section 177 of the Income Tax Ordinance, 2001 ("the Ordinance"). An amended order under section 122(1)/(5) was issued in which short credit of tax deducted and refund adjustment was allowed, and for which rectification application under section 221 was moved, which is not yet passed and therefore, the mistake is treated to have been rectified under section 221(3) of the Ordinance. Therefore, net demand of Rs. 1.29 million is payable as against incorrect demand of Rs. 4.07 million created in amended order. Accordingly as a matter of prudence the Parent Company had made a provision of above amount in the financial statements.
- In respect of tax year 2011 (corresponding to financial year ended 30 June 2011), the Commissioner conducted audit of a subsidiary company, SAIL, (the subsidiary) u/s 177 of the Ordinance, which culminated in amended Order u/s 122 (1)/(5) dated 28 June 2012 for a demand of Rs. 1,344,073. The subsidiary has challenged the above amended order before the Commissioner Inland Revenue (Appeals -II) which has been adjudicated by Commissioner vide Appeal Order dated 29 January 2013 allowing relief to the subsidiary, whereby demand is fully vacated. However tax department has filed a second appeal before Appellate tribunal challenging above appeal order which is pending for hearing.
- In respect of tax year 2011, the Commissioner has issued an intimation letter dated 25 July 2012 to another subsidiary company, MAIL for audit u/s 177 of Income Tax Ordinance, 2001 but no audit proceeding has yet been commenced.
- Tax year 2014 of the Parent Company was selected for audit under section 177 of the Ordinance by Federal Board of Revenue (FBR). In this respect, a notice was issued by tax authorities under Rule 44 (4) of the Income Tax Rules, 2002, for filing reconciliation of expenses incurred during the year 01 July 2013 to 30 June 2014. Proceedings in this respect were finalized and order was passed creating a demand of Rs. 0.083 million which was deposited by the Parent Company subsequent to the period end.
- Further, in respect of tax year 2014, notices were also issued to the subsidiary companies by tax authorities under Rule 44 (4) of the Income Tax Rules 2002 for filing reconciliation of expenses incurred (pertaining to sections 149 and 165 of the Ordinance) during the year 01 July 2013 to 30 June 2014. Proceedings in this respect were finalized during the current period and orders were passed creating demands of Rs. 0.048 million, Rs. 0.036 million and Rs. 0.008 million from SAIL, MAIL and SMPL respectively. The amounts of demands were deposited on 14 October 2015.

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KPMG Taseer Hadi & Co.

*Loads Limited and its subsidiaries ("the Group")
Auditors' Report under Clause 28 of section 2 of part I of the Second Schedule to the
Companies Ordinance, 1984, for the purpose of inclusion in the Prospectus for
Initial Public offering (IPO) of ordinary shares by the Loads Limited
26 February 2016*

20 Change in accounting policies

The nature and effects of changes in accounting policies are explained below:

- IFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 "Financial Instruments: Disclosures". As a result, an additional disclosure has been included in this regard. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Group's assets and liabilities.
- As a result of IFRS 10, the Group has changed its accounting policy for determining whether it has control over and consequently whether it consolidates its investees. IFRS 10 introduces new control model that focus on whether the Group has power over an investee exposure or rights of variable returns from involvement with the investee and ability to use its power to affect those returns. The adoption of IFRS 10 has no effects on financial statements except for certain changes in policies disclosed in note 3.1 to the consolidated financial statements.
- As a result of IFRS 12, the Group has expanded certain disclosures as disclosed in note 3.1 to the consolidated financial statements.

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

21 Operations of SMPL

The operations of the subsidiary company, SMPL have ceased and transferred to the Parent Company 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.

- 22 This report is being issued on the specific request of the Company for the purpose of inclusion in the prospectus to be issues for IPO. Accordingly, this should not be distributed to any other parties without our prior consent.

Yours faithfully,

KPMG Taseer Hadi & Co.



6.2 Share Break-UP Value Certificate



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

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

The Board of Directors
Loads Limited
Plot No. 23, Sector 19
Korangi Industrial Area
Karachi-74900

Our ref KA-ZS-988

Contact Aryn Malik

26 February 2016

Dear Sirs,

Auditors' certificate for break-up value of ordinary shares

As requested, we confirm that the break-up value of the ordinary shares of Rs. 10 each of Loads Limited ("the Company"), and the Company and its subsidiaries ("the Group") based on the audited financial statements for the six months period ended 31 December 2015 is as follows:

	The Company (Rupees)	The Group
Issued, subscribed and paid-up capital	750,000,000	750,000,000
Unrealized gain on re-measurement of available for sale investments	34,387,173	32,559,291
Revenue reserve	604,760,581	757,274,273
	<u>1,389,147,754</u>	<u>1,539,833,564</u>
	(Number)	
Number of ordinary shares in issue as of 31 December 2015	<u>75,000,000</u>	<u>75,000,000</u>
	(Rupees)	
Break-up value per ordinary share	<u>18.52</u>	<u>20.53</u>

The breakup value per share has been calculated in accordance with Technical Release 22 (TR-22) issued by Institute of Chartered Accountants of Pakistan. According to the TR, the breakup value per share in the equity capital of the Company is the amount each share is worth on the basis of carrying value per balance sheet, prepared in accordance with approved accounting standards as applicable in Pakistan.

Yours faithfully,

KPMG Taseer Hadi & Co.

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.


Management Note on Break-Up Value of Shares as at 31st March 2016

	Unconsolidated	Consolidated
	Rupees	
Issued, subscribed and paid-up capital	750,000,000	750,000,000
Unrealized gain	26,803,076	24,975,194
Unappropriated profit	635,749,279	820,553,506
Total Shareholders' equity (A)	1,412,552,355	1,595,528,700
Outstanding number of ordinary shares of PKR 10.00/-each (subscribed and paid-up capital)*(B)	75,000,000	75,000,000
Breakup Value per Ordinary share PKR 10.00/-each (Rupees) (C=A/B)	18.83	21.27



6.3 AUDITOR CERTIFICATE ON ISSUED, SUBSCRIBED, AND PAID-UP-CAPITAL OF THE COMPANY



KPMG Taseer Hadi & Co.
Chartered Accountants
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Internet www.kpmg.com.pk

The Board of Directors
Loads Limited
Plot No. 23, Sector 19
Korangi Industrial Area
Karachi-74900

Our ref KA-ZS-043

Contact Aryn Malik

21 July 2016

Dear Sirs,

Issued, Subscribed and Paid-up capital as at 30 June 2016

We have examined the books of accounts and records of Loads Limited ("the Company") and we report that the issued, subscribed and paid up capital of the Company as at 30 June 2016 are as follows:

	Number of Shares	Amount in Rupees
Ordinary shares of Rs. 10 each		
Ordinary shares of Rs. 10 each	<u>75,000,000</u>	<u>750,000,000</u>

The following break-up of issued, subscribed and paid-up share capital has been extracted from the share register maintained by the Company:

	Number of Shares	Amount in Rupees
Ordinary shares of Rs. 10 each		
Issued and fully paid in cash	3,770,000	37,700,000
Issued as fully paid up bonus shares	<u>71,230,000</u>	<u>712,300,000</u>
Total	<u>75,000,000</u>	<u>750,000,000</u>

The category wise list of shareholders of the Company (extracted from the share register maintained by the Company) as at 30 June 2016 is as follows:

	Number of Shares	Amount in Rupees
Corporate shareholder (considered as sponsor by the Company)		
Treet Corporation Limited	<u>15,615,750</u>	<u>156,157,500</u>
Sub total 'A'	<u>15,615,750</u>	<u>156,157,500</u>

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



KPMG Taseer Hadi & Co.

Loads Limited
Issued, Subscribed and Paid-up
capital as at 30 June 2016
21 July 2016

Directors (considered as sponsors by the Company)	Number of Shares	Amount in Rupees
Syed Shahid Ali	51,917,250	519,172,500
Munir K. Bana	1,667,375	16,673,750
Muhammad Ziauddin	684,687	6,846,870
Syed Sheharyar Ali	6,250	62,500
Saulat Said	6,250	62,500
Jalees Ahmed Siddiqi	6,250	62,500
Amir Zia	500	5,000
Shamim A. Siddiqui	500	5,000
Sub total 'B'	54,289,062	542,890,620
Other Shareholders	Number of Shares	Amount in Rupees
Uzma Ziauddin	1,604,950	16,049,500
Abidah Ziauddin	1,604,950	16,049,500
Nabat Munir Bana	1,250,000	12,500,000
Niloufer Qasim Mehdi	247,063	2,470,630
Namwar Javaid Hassan	247,050	2,470,500
Khadija Wajid Ali	141,175	1,411,750
Sub total 'C'	5,095,188	50,951,880
Total 'A+B+C'	75,000,000	750,000,000

This letter is being issued on the specific request of the Company for the purpose of inclusion in the prospectus to be issued for Initial Public Offer. Accordingly, this should not be distributed to any other parties without our prior written consent.

Yours faithfully,

KPMG Taseer Hadi & Co.



6.4 Auditor Report Nine Month Ended FY 2016 (Consolidated)



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
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Telephone + 92 (21) 3588 8047
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Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of **Loads Limited** as at 31 March 2016, the condensed interim consolidated statements of profit or loss account and condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim consolidated cash flow statement for the nine months period then ended, and notes to the condensed interim consolidated financial information ("the condensed consolidated interim financial information"). Management is responsible for the preparation and presentation of this condensed consolidated interim consolidated financial information in accordance with IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed consolidated interim financial statements based on our review.

Score of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of 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 consolidated financial information as at 31 March 2016 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

Emphasis of Matter

We draw attention to note 1.5 to the condensed interim consolidated financial information, which states that the operations of the subsidiary company, SMPIL have ceased and transferred to the Holding Company from 1 July 2015. Accordingly, the financial statements of the subsidiary were not prepared on going concern basis. Our conclusion is not qualified in respect of this matter.

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KPMG Taseer Hadi & Co.

Other Matter

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

Date: 5 August 2016

Karachi


KPMG Taseer Hadi & Co.
Chartered Accountants
Amyn Malik




Loads Limited
Condensed Interim Consolidated Balance Sheet
As at 31 March 2016

	Note	31 March 2016 (Un-audited)	30 June 2015 (Audited)
(Rupees)			
ASSETS			
Non-current assets			
Property, plant and equipment	5	529,006,290	453,326,462
Intangible assets		1	1
Long term investments	6	380,168,707	368,544,268
Employee benefits		7,436,453	6,341,922
		<u>916,611,451</u>	<u>828,212,653</u>
Current assets			
Stores and spares		81,654,240	46,727,368
Stock-in-trade	7	1,173,277,978	940,154,402
Trade debts - net	8	368,215,286	326,898,911
Loans and advances		113,405,939	87,619,418
Deposits, prepayments and other receivables		167,084,648	189,665,592
Taxation - net		164,307,335	162,352,748
Investments	9	110,318,716	150,200,555
Cash and bank balances		32,936,440	63,925,477
		<u>2,211,200,552</u>	<u>1,867,544,473</u>
Total assets		<u>3,127,812,003</u>	<u>2,695,757,126</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015: 150,000,000) ordinary shares of Rs.10/- each		<u>1,500,000,000</u>	<u>1,500,000,000</u>
Issued, subscribed and paid up capital		750,000,000	750,000,000
Unrealised gain on re-measurement of available for sale investments		24,975,194	21,219,627
Unappropriated profit		<u>820,553,506</u>	<u>668,061,461</u>
		<u>1,595,528,700</u>	<u>1,439,281,088</u>
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		14,565,571	18,254,716
Deferred tax liabilities		<u>67,223,634</u>	<u>84,397,796</u>
		<u>81,789,205</u>	<u>102,652,512</u>
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		18,538,000	12,907,268
Short term borrowings	11	1,199,431,979	979,445,862
Trade and other payables		181,634,160	144,254,655
Mobilization advances		31,698,099	-
Accrued mark-up on short term borrowings		<u>19,191,860</u>	<u>17,215,741</u>
		<u>1,450,494,098</u>	<u>1,153,823,526</u>
Total equity and liabilities		<u>3,127,812,003</u>	<u>2,695,757,126</u>
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 19 form an integral part of the condensed interim consolidated financial information.

KPMG


 Director

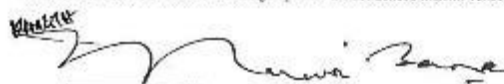

 Chief Executive Officer



Loads Limited
Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the nine months ended 31 March 2016

Note	For the nine months period ended		For the three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees)			
Revenue	3,036,494,874	2,282,016,641	1,033,283,190	946,989,814
Cost of sales	(2,610,161,247)	(1,972,887,112)	(887,648,508)	(821,397,613)
Gross profit	426,333,340	309,529,529	145,634,682	122,692,201
Administrative and selling expenses	(102,877,404)	(94,293,159)	(34,637,693)	(37,006,430)
Operating profit	323,455,936	215,236,373	110,996,989	85,685,771
Other expenses	(60,126,851)	(12,189,040)	(5,089,665)	8,107,777
Other income	15,382,531	20,818,549	2,423,351	6,656,309
	(44,744,320)	7,629,509	(2,666,314)	14,764,086
Financial charges	(79,357,649)	(96,518,710)	(25,296,548)	(26,462,156)
Share of profit in associate - net	11,534,504	9,620,187	5,128,905	4,228,077
Profit before taxation	210,888,438	165,667,259	88,162,432	78,215,788
Taxation	(56,830,045)	(30,077,905)	(24,883,199)	(19,072,467)
Profit for the period	154,058,393	135,589,354	63,279,233	59,143,321
Earnings per share - basic and diluted	2.05	1.54	6.89	6.79

The annexed notes 1 to 19 form an integral part of the condensed interim consolidated financial information.


 Chief Executive Officer


 Director



Loads Limited

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

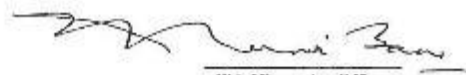
For the nine months ended 31 March 2016

Note	For the nine months period ended		For the three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees)			
Profit for the period	154,058,390	115,589,851	63,279,233	59,143,321
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit and loss</i>				
Unrealised gain on re-measurement of available-for-sale investments	9.2.1 3,755,567	1,835,653	(7,584,697)	1,835,653
<i>Items that will not be reclassified to profit and loss</i>				
Re-measurements of defined benefit liability	(2,270,065)	(5,423,801)	-	(5,423,801)
Related tax	13.2 703,720	-	-	-
	(1,566,345)	(5,423,801)	-	(5,423,801)
Share of loss in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-
Total comprehensive income for the period	156,247,612	112,001,703	55,695,136	58,555,173

The annexed notes 1 to 19 form an integral part of the condensed interim consolidated financial information.

Hence


 Director


 Chief Executive Officer



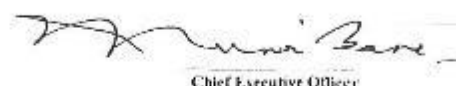
Loads Limited
Condensed Interim Consolidated Cash Flow Statement (Un-audited)
For the nine months ended 31 March 2016

	Note	31 March 2016	31 March 2015
(Rupees)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		210,888,438	165,667,759
<i>Adjustment for</i>			
Depreciation	5.1	42,415,127	40,956,479
Amortisation		-	1,189,680
Interest income from participation term certificate	17	-	(12,395,870)
Mark-up expense	18	63,364,306	56,864,407
Dividend income		(32,036)	-
Finance lease charges	19	1,479,004	4,450,733
Capital gain on sale of investment in associate		-	-
Provision for gratuity	19.2.3	1,002,071	-
Gain on disposal of property, plant and equipment	17	-	(3,938,014)
Share of profit in associate – net of tax	6.1	(11,534,504)	(9,620,187)
Unrealized loss on re-measurement of investment classified as ‘at fair value through profit or loss’ – at initial recognition	16	44,115,659	(3,499,717)
		351,698,065	241,675,270
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		(34,926,872)	(19,450,630)
Stock-in-trade		(233,123,576)	(199,648,490)
Trade debts		(141,316,345)	(92,774,741)
Loans and advances		(25,786,521)	(53,299,588)
Deposits, prepayments and other receivables		22,580,944	(60,732,945)
		(412,572,370)	(135,906,394)
Increase / (decrease) in current liabilities			
Trade and other payables		67,276,809	38,971,154
		67,276,809	38,971,154
Cash generated from / (used in) operations		6,402,504	(75,309,490)
Mark-up paid		(59,587,392)	(69,820,259)
Long term deposits		-	(1,892,580)
Provision against impaired debts		-	630,657
Gratuity paid		(4,366,667)	-
Tax paid		(75,255,077)	(25,571,925)
Net cash used in operating activities		(132,806,632)	(151,960,497)
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(104,601,679)	(15,860,979)
Investments – net		(8,060,661)	-
Proceeds from disposal of property, plant and equipment		643,296	10,339,525
Proceeds from disposal of investment in associate		-	-
Dividend received		32,036	18,933,510
Dividend received from associate		7,492,475	-
Net cash (used in) / generated from investing activities		(104,494,533)	1,412,056
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of finance lease liabilities		(13,673,989)	(21,025,443)
Net cash used in financing activities		(13,673,989)	(21,025,443)
Net decrease in cash and cash equivalents		(250,975,154)	(169,573,884)
Cash and cash equivalents at beginning of the period		(915,520,385)	(410,748,692)
Cash and cash equivalents at end of the period	14	(1,166,495,539)	(580,322,576)

The annexed notes 1 to 19 form an integral part of the condensed interim consolidated financial information.

KPMV


 Director


 Chief Executive Officer



Loads Limited

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

For the nine months ended 31 March 2016

	Issued, subscribed and paid up capital	Unrealised gain on re-measurement of available for sale investments	Revenue reserves General reserve	Unappropriated profit	Total
			(Rupees)		
Balance as at 01 July 2014	60,000,000	18,523,763	590,262,580	560,583,961	1,229,370,304
Total comprehensive income for the period ended 31 March 2015					
Profit for the period	-	-	-	115,589,851	115,589,851
Other comprehensive income					
Unrealised gain on re-measurement of available for sale investments	-	1,835,633	-	-	1,835,633
Re-measurement of defined benefit liability - net	-	-	-	(5,423,801)	-
Share of profit / (loss) in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-	-
	-	1,835,633	-	110,166,050	112,001,703
Transactions with Owners					
Bonus shares issue @ 1150% for the nine months period ended 31 March 2015	690,000,000	-	(590,262,580)	(99,737,420)	-
Balance as at 31 March 2015	750,000,000	20,359,416	-	571,015,501	1,341,375,007
Balance as at 01 July 2015	750,000,000	21,219,637	-	668,061,461	1,439,281,088
Total comprehensive income for the period ended 31 March 2016					
Profit for the period	-	-	-	154,058,390	154,058,390
Other comprehensive income					
Unrealised gain on re-measurement of available for sale investments	9,217	3,755,567	-	-	3,755,567
Re-measurement of defined benefit liability - net	-	-	-	(1,566,345)	(1,566,345)
Share of profit / (loss) in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-	-
	-	3,755,567	-	152,492,045	156,247,612
Transactions with Owners					
Balance as at 31 March 2016	750,000,000	24,975,194	-	820,553,606	1,595,528,700

The annexed notes 1 to 19 form an integral part of the condensed interim consolidated financial information

4/16/16

Director

Chief Executive Officer



Loads Limited

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

For the nine months ended 31 March 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.
- 1.4 The Parent Company is in the process of listing on Pakistan Stock Exchange Limited. Accordingly, these condensed interim consolidated financial information of the Group along with condensed interim unconsolidated financial information of the Parent Company for the nine months period ended 31 March 2016 may be published in the Prospectus, for Initial Public Offering. This condensed interim consolidated financial information has been prepared for the nine months period ended 31 March 2016. The financial year of the group will end on 30 June 2016.
- 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.
- 1.6 Subsequent to the period end, shareholding of Mr. Shahid Ali (Chairman of the Board of Directors) in the Parent Company increased from 20.142 million shares (26.86%) to 51.917 million shares (69.22%).

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim consolidated financial information of the Group has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives issued under the Companies Ordinance, 1984, shall prevail.

This condensed interim consolidated financial information does not include information required for full annual financial statements and should be read in conjunction with annual financial statements for the year ended 30 June 2015.

The SECP through a notification no. SRO 56(1)/2016 dated 28 January 2016, directed that the requirements of consolidation under section 237 of the Companies Ordinance, 1984 and IFRS 10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under Trust Structure. Accordingly, the aforesaid requirements have not been considered in the preparation of this condensed interim consolidated financial information.

Signature



2.2 Basis of measurement

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

2.3 Functional and presentation currency

This condensed interim consolidated financial information is presented in Pak Rupees which is also the functional currency of the Group and has been rounded to the nearest rupees.

2.4 Use of estimates and judgments

The preparation of 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 this condensed interim consolidated financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2015.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements for the year ended 30 June 2015, except for the change in note 4. Moreover, during the current period IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interest in Other Entities" and IFRS 13 "Fair Value Measurement" became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Company's financial statements. The effect of IFRS 13 "Fair Value Measurement" are disclosed in notes 4 and 17.1 to the condensed interim financial information.

4. CHANGES IN ACCOUNTING POLICIES

IFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 "Financial Instruments: Disclosures". As a result, the an additional disclosure has been included in this regard in note 17.1. In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the change had no significant impacts on the measurements of the Group's assets and liabilities.

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5. PROPERTY, PLANT AND EQUIPMENT

	Note	31 March 2016	30 June 2015
		(Rupees)	
Operating property, plant and equipment	5.1	471,144,917	417,921,741
Capital work-in-progress		57,861,373	35,404,721
		<u>529,006,290</u>	<u>453,326,462</u>

5.1 Operating property, plant and equipment includes following additions, disposals and write offs during the period

	For the nine months period ended			
	Additions		Disposals - NBV	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees)			
Improvements in buildings	16,873,808	-	-	-
Plant and machinery	52,475,987	-	-	2,213,188
Tools and equipment	7,626,744	-	-	-
Furniture, fittings and office equipment	3,273,488	-	-	7,117
Vehicles	1,895,000	-	-	5,180,906
Leased				
Vehicles	14,136,572	-	643,296	-
	<u>96,281,599</u>		<u>643,296</u>	<u>7,401,511</u>

5.1.1 There were no write offs during the period.

6. LONG TERM INVESTMENTS

Investments in equity accounted undertakings

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

31 March 2016	30 June 2015	Quoted	31 March 2016	30 June 2015
(Number of shares)			(Rupees)	
<u>7,620,680</u>	<u>7,492,475</u>	Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	<u>380,168,707</u>	<u>368,544,268</u>

The above figures are based on un-audited consolidated financial statements of Treet Corporation Limited for the nine months period ended 31

6.1 Movement

Balance at beginning of the period / year	368,544,268	161,159,539
Subscription of right shares	-	254,774,250
Conversion from participation term certificate into ordinary shares	7,582,410	7,580,210
Shares sold during the period / year	-	(61,462,366)
Share of profit for the period / year - net	11,834,504	10,784,220
Share of other comprehensive income for the period / year	-	(753,875)
- re-measurement of defined benefit liability	-	(753,875)
Less: dividends received during the period / year	(7,492,475)	(6,557,640)
Balance at end of the period / year	<u>380,168,707</u>	<u>368,544,268</u>
Equity held at end of the period / year	<u>5.53%</u>	<u>5.56%</u>

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

Quoted	
Treet Corporation Limited	<u>361,906,093</u> <u>510,582,071</u>

Holding in associate as at 31 March 2016 is 5.53% (30 June 2015: 5.56%).

6.3 Summarised financial information for the nine months period ended 31 March 2016 based on un-audited consolidated financial statements of associated company is as follows:

Name of investee company	Total assets	Total liabilities	Revenues	Profit
	(Rupees in '000)			
31 March 2016				
Treet Corporation Limited	<u>17,101,968</u>	<u>2,726,281</u>	<u>8,678,445</u>	<u>195,625</u>

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7.	STOCK-IN-TRADE	Note	31 March 2016	30 June 2015
			(Rupees)	
	Raw material and components	7.1	966,407,743	782,578,700
	Work-in-process		106,384,726	68,169,176
	Finished goods		101,181,736	90,102,753
			<u>1,173,974,205</u>	<u>940,850,629</u>
	Provision for slow-moving and obsolescence		(696,227)	(696,227)
			<u>1,173,277,978</u>	<u>940,154,402</u>
7.1	This includes raw material in-transit as at 31 March 2016 of Rs. 184.805 million (30 June 2015: Rs. 144.5 million)			
8.	TRADE DEBTS - net	Note	31 March 2016	30 June 2015
			(Rupees)	
	<i>Unsecured</i>			
	Considered good		368,215,256	226,898,911
	Considered doubtful		405,606	34,308,278
			<u>368,620,862</u>	<u>261,207,189</u>
	Bad debts written off		-	18,088,187
	Provision for doubtful debts	8.1	(405,606)	(30,219,591)
			<u>368,215,256</u>	<u>226,898,911</u>
8.1	Provision for doubtful debts			
	Opening balance		30,219,591	29,582,934
	Charge for the period / year		-	636,657
	Written off during the period		(29,813,985)	-
	Closing balance		<u>405,606</u>	<u>30,219,591</u>
9.	INVESTMENTS			
	At fair value through profit or loss - at initial recognition	9.1	66,321,947	116,632,605
	Available-for-sale	9.2	43,996,769	33,567,957
			<u>110,318,716</u>	<u>150,200,562</u>
9.1	At fair value through profit or loss - at initial recognition			
	Ordinary shares	9.1.1	610,890	675,375
	Participation term certificates	9.1.2	64,102,500	115,957,330
	Units of mutual funds	9.1.3	1,608,557	-
			<u>66,321,947</u>	<u>116,632,605</u>

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9.1.1 Ordinary shares - quoted

31 March 2016	30 June 2015	Name of investee company	31 March 2016			30 June 2015
			Carrying value	Market value	Unrealised gain / (loss)	Market Value
(Number of shares)			(Rupees)			
1	1	Agrains Industries Limited	186	181	(5)	186
1	1	Al-Ghazi Tractors Limited *	489	458	(31)	489
1	1	Atlas Battery Limited	794	563	(231)	794
1	1	Atlas Honda Limited	335	378	43	335
1	1	The General Tyre & Rubber Company of Pakistan Limited	146	148	2	146
1	1	Honda Atlas Cars (Pakistan) Limited	219	252	33	219
1	1	Thal Limited *	285	253	(32)	285
230	230	Baluchistan Wheels Limited	15,375	18,400	3,025	15,375
315	315	Ghaidara Nissan Limited	31,351	82,441	51,090	31,351
150	150	Hino Pak Motors Limited	125,189	146,999	21,810	125,189
200	200	Indus Motor Company Limited	249,800	188,920	(60,880)	249,800
372	372	Millat Tractors Limited	186,542	142,585	(43,957)	186,542
63	63	Oil & Gas Development Company Limited	11,293	7,210	(4,083)	11,293
127	127	Pak Suzuki Motor Company Limited	55,361	82,099	26,738	55,361
			875,375	610,800	(264,575)	875,375

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

9.1.2 Participation term certificate (PTC) - Quoted

Note	31 March 2016			30 June 2015
	Carrying value	Market value	Unrealised gain /	Market Value
	(Rupees)			
9.1.2.1	108,132,231	64,102,500	(44,029,731)	115,957,230

* PTCs have a face value of Rs. 30/- per certificate

9.1.2.1 Movement in carrying value of PTC is as follows:

	31 March 2016	30 June 2015
(Rupees)		
Opening balance	115,957,230	108,132,231
Purchased during the period	32,136	-
Principal cash redemption	(274,725)	(274,725)
Principal conversion to ordinary shares	(7,582,410)	(7,582,410)
Closing balance	108,132,231	108,132,231

9.1.2.2 These are mandatorily convertible into ordinary shares of Treet Corporation Limited at the ratio of 2 PTCs into 1 ordinary share in a period of 7 years. Principal amount of PTC will be reduced through redemption (in cash and through share conversion). The principal redemption through cash is Rs. 0.15 per PTC per annum from year 2013 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum from year 2013 to year 2018 and 0.08 for the year 2019. During the period, principal redeemed in cash amounted to Rs. 11.27 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively (also refer note 6.1).

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9.1.3 Units of mutual funds

31 March 2016	30 June 2015	Name of Fund	Carrying value / cost		Market value	
			31 March 2016	30 June 2015	31 March 2016	30 June 2015
(Number of units)			(Rupees)		(Rupees)	
101,054	-	NAFA Islamic Asset Allocation Fund	1,630,000	-	1,608,557	-
			1,630,000	-	1,608,557	-
		Unrealised loss on re-measurement of investments - at fair value through profit or loss - at initial recognition	(21,443)	-	-	-
			1,608,557	-	1,608,557	-

9.2 Available-for-sale

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

31 March 2016	30 June 2015	Name of investee company	31 March 2016		30 June 2015	
			Cost	Market value	Unrealised gain / (Rupees)	Market value
(Number of shares)						
		Ordinary shares - Quoted				
235,386	182,000	Tri-Pack Films Limited	17,189,363	43,984,227	26,795,864	33,557,160
152	152	ZIL Limited	5,330	12,542	7,212	10,792
			17,194,693	43,996,769	26,803,076	33,567,952

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

	31 March 2016	30 June 2015
(Rupees)		
Market value of investments	43,996,769	33,567,952
Less : Cost of investments	17,193,693	10,520,143
	26,803,076	23,047,809
Loss: Unrealized gain on re-measurement of available-for-sale investments at beginning of the period	23,047,509	20,351,645
	3,755,567	2,695,864

9.2.2 The above investments having an aggregate market value of Rs. 34,008 million have been pledged with financial institutions as securities against borrowing facilities.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

In view of above stated facts and opinion of legal advisor, the Group is confident of a favourable outcome. However, provision of Rs. 0.74 million (30 June 2015: Rs. 0.35 million) has been recorded in this condensed interim financial information.

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

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

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

10.1.5 Tax related contingencies are disclosed in note 12.

10.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 186.71 million (30 June 2015: Rs. 161.201 million).

11. SHORT TERM BORROWINGS	Note	31 March 2016	30 June 2015
		(Rupees)	
<i>Secured</i>			
Running finances under mark-up arrangements	11.1	1,046,431,979	823,016,962
Islamic Financing	11.2	153,000,000	156,428,900
		<u>1,199,431,979</u>	<u>979,445,862</u>
11.1 Running finances under mark-up arrangements			
JS Bank Limited		285,172,353	154,739,153
Meezan Bank		197,195,215	194,308,917
Bank AL Habib Limited		260,114,714	252,518,862
Sonari Bank		117,715,946	120,153,109
United Bank Limited		96,626,472	97,078,740
Habib Bank Limited		20,620,294	1,017,581
		<u>977,444,994</u>	<u>823,016,962</u>
Sonari Bank - Local Bill discounting		68,986,985	-
United Bank Limited - Local Bill discounting		-	-
		<u>68,986,985</u>	
	11.1.1	<u>1,046,431,979</u>	<u>823,016,962</u>

11.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Parent Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 30 November 2016. 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 1.25% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum).

The aggregate available short term funded facilities amounted to Rs. 1.36 billion (30 June 2015: Rs. 0.99 billion) out of which Rs. 313.568 million (30 June 2015: 167 million) remained unavailed as at the reporting date.

Facilities available for opening letters of credit / guarantees at 31 March 2016 amounted to Rs. 1,450 million (30 June 2015: Rs. 1,200 million) out of which Rs. 1,001.47 million (30 June 2015: Rs. 1,038.8 million) remained unutilized at the period end.

11.2 This represents availed Islamic finance (Istisna) facility from Al Baraka Bank having limits of Rs. 200 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 2015: 6 month KIBOR plus 0.8 %) and is repayable within 120 days of the disbursement date.

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11.3 Unavailed facilities

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

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

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

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

- 11.4 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.

12. TAXATION	Note	For the nine months period ended	
		31 March 2016	31 March 2015
		(Rupees)	
Current		73,125,060	17,285,606
Prior	12.6 & 12.7	175,430	4,230,811
Deferred		(16,470,442)	28,561,491
		<u>56,830,048</u>	<u>50,077,908</u>

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

- 12.2 The income tax return for tax year 2011 of the Parent Company was selected for audit by the Commissioner Inland Revenue under section 177 of the Income Tax Ordinance, 2001 ("the Ordinance"). An amended order under section 122(1)(5) was issued in which short credit of tax deducted and refund adjustment was allowed, and for which rectification application under section 221 was moved, which is not yet passed and therefore, the mistake is treated to have been rectified under section 221(3) of the Ordinance. Therefore, net demand of Rs. 1.29 million is payable as against incorrect demand of Rs. 4.07 million created in amended order. Accordingly as a matter of prudence the Parent Company had made a provision of above amount in the financial statements.

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

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

- 12.5 Tax year 2014 of the Parent Company was selected for audit under section 177 of the Ordinance by Federal Board of Revenue (FBR). In this respect, a notice was issued by tax authorities under Rule 4(14) of the Income Tax Rules, 2002, for filing reconciliation of expenses incurred during the year 01 July 2013 to

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30 June 2014. Proceedings in this respect were finalized and order was passed creating a demand of Rs. 0.083 million which has been deposited by the Parent Company.

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

13. TRANSACTIONS WITH RELATED PARTIES

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

	31 March 2016	30 June 2015
	(Rupees)	
Orient Trading Company (Pvt.) Ltd	21,816	25,736
Receivable from / (payable to) provident fund	(545,832)	14,722,036
Employee benefits - gratuity	7,436,453	6,341,922
Tax receivable on bonus shares from Escanaba Limited	-	14,614,430
Tax receivable on bonus shares from directors	-	11,500
	For the nine months period ended	
	31 March 2016	31 March 2015
	(Rupees)	
Expenses pertaining to Orient Trading Company (Private) Limited - net	5,175	8,050
Employee retirement benefits:		
- Expense for the period	1,002,071	(1,316,128)
- Contribution (received) / paid during the period	4,366,667	2,398,000
Interest income from Treet Corporation	19,525,430	18,933,310

The remuneration to key management personnel is given in note 16 to this condensed consolidated interim financial information.

14. CASH AND CASH EQUIVALENTS	31 March 2016	31 March 2015
	(Rupees)	
Short term borrowings	11 (1,199,431,979)	(661,901,557)
Cash and bank balances	32,936,440	81,578,981
	(1,166,495,539)	(580,322,576)

15. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objective and policies are consistent with that disclosed in the represented financial statements for the year ended 30 June 2015.

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16. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

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

	Chief Executive		Directors		Total	
	31 March 2015	31 March 2015	31 March 2015	31 March 2015	31 March 2015	31 March 2015
	(Rands)					
Managerial remuneration	4,284,682	4,270,492	3,754,310	5,126,768	8,254,792	9,194,250
Flowers and culture	4,874,650	4,400,700	4,829,165	4,956,222	8,531,515	9,125,923
Stones	1,254,039	1,411,451	1,119,817	1,125,925	4,871,259	2,587,679
Medical	241,292	1,190,020	185,216	1,079,761	536,416	1,250,478
Contributions to retirement benefit funds	180,000	414,377	-	-	180,000	1,114,737
	12,734,749	11,687,040	10,113,618	11,511,297	22,848,376	26,099,249

Number of persons

1	1	2	5	3	6
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16.1 The aggregate amount paid to directors in respect of attending board and other meetings was NIL (2015: NIL).

16.2 The Chief Executive and directors are provided with the use of group maintained cars in accordance with their entitlement.

16.3 The Chief Executive and his spouse are covered under group hospitalisation insurance policy.

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 order to transact between market participants at the measurement date.

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

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data (e.g., 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 not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying amount	Investments	Trade and other receivables	Cash and cash equivalents	Other financial liabilities	Total	Fair value			
						Level 1	Level 2	Level 3	Total
31 December 2015									
Financial assets - measured at fair value									
Equity securities at fair value through profit or loss - at cost	2,215,447	-	-	-	2,215,447	2,215,447	-	-	2,215,447
Available-for-sale	43,986,768	-	-	-	43,986,768	43,986,768	-	-	43,986,768
Derivative Term Liabilities	64,331,908	-	-	-	64,331,908	64,331,908	-	-	64,331,908
Financial assets - not measured at fair value									
Assets held - investments	(17,111)	308,168,700	-	-	308,168,700	308,168,700	-	-	308,168,700
Trade debt	(17,111)	168,219,276	-	-	168,219,276	168,219,276	-	-	168,219,276
Loans and receivables	(17,111)	112,467,025	-	-	112,467,025	112,467,025	-	-	112,467,025
Debt securities	(17,111)	-	-	-	-	-	-	-	-
Other debt	(17,111)	167,854,408	-	-	167,854,408	167,854,408	-	-	167,854,408
Cash and cash equivalents	(17,111)	-	19,536,851	-	19,536,851	19,536,851	-	-	19,536,851
		488,487,421	648,795,041	19,536,851	1,156,819,313	1,156,819,313	-	-	1,156,819,313
Financial liabilities - not measured at fair value									
Loan term financing	(17,111)	-	-	1,199,443,779	1,199,443,779	1,199,443,779	-	-	1,199,443,779
Trade and other payables	(17,111)	-	-	181,534,168	181,534,168	181,534,168	-	-	181,534,168
Liabilities to financial institutions	(17,111)	-	-	33,110,271	33,110,271	33,110,271	-	-	33,110,271
Liabilities to financial institutions	(17,111)	-	-	19,771,000	19,771,000	19,771,000	-	-	19,771,000
		-	-	1,433,859,118	1,433,859,118	1,433,859,118	-	-	1,433,859,118

17.1.2 The Group has not disclosed fair values for those financial assets and financial liabilities because their carrying amounts are a reasonable approximation of fair value.

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18. GENERAL

18.1 Reclassification of comparatives

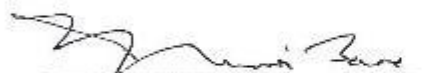
Certain reclassifications have been made in the prior year's balance sheet for better presentation. Details are as follows:

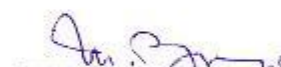
	30 June 2015		
	As previously reported	Impact	As stated
	----- (Rupees) -----		
Effects on balance sheet			
Long term deposits	7,461,337	(7,461,337)	-
Intangible assets	-	1	1
Employee benefits - gratuity	-	6,341,922	6,341,922
Deposits, prepayments and other receivables	188,546,178	1,119,414	189,665,592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

19. AUTHORISATION

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

14/06/2016


Chief Executive Officer


Director



6.5 Auditor Report Nine Month Ended FY 2016 (Unconsolidated)



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

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Auditors' Report to Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated balance sheet of Loomis Limited ("the Company") as at March 31, 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 statements for the nine months period then ended (here-in-after referred to as "interim financial information"). Management is responsible for the preparation and presentation of this 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 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 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 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 March 31, 2016 have not been reviewed and we do not express a conclusion on them.

Date: 5 August 2016

Karachi

KPMG Taseer Haidi & Co.
Chartered Accountants
Amyn Malik

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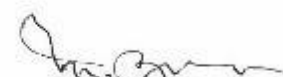


Loads Limited
Condensed Interim Unconsolidated Balance Sheet
As at 31 March 2016

		31 March 2016 (Unaudited)	30 June 2015 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	383,923,019	308,435,733
Intangible assets		1	-
Long term investments	6	627,070,245	619,187,835
Employee benefits - gratuity		7,436,453	6,541,922
		1,018,429,718	934,165,490
Current assets			
Stores and spares		62,395,448	32,657,297
Stock-in-trade	7	1,173,273,978	940,184,401
Trade debts	8	368,215,256	220,871,727
Loans and advances		105,120,471	75,746,383
Deposits, prepayments and other receivables		159,276,434	84,111,835
Taxation		162,444,310	151,031,917
Investments	9	108,710,159	150,200,557
Cash and bank balances		19,058,854	9,094,309
		2,158,498,910	1,761,871,357
Total assets		3,176,928,628	2,696,036,848
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
150,000,000 (30 June 2015 - 150,000,000) ordinary shares of Rs. 10/- each		1,500,000,000	1,500,000,000
Issued, subscribed and paid up capital		750,000,000	750,000,000
Unrealised gain on re-measurement of available for sale investments	9.2.1	26,803,076	23,047,509
Unappropriated profit		638,749,279	562,452,650
		1,415,552,355	1,335,499,559
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		14,565,571	18,251,716
Deferred tax liabilities		35,172,614	15,672,983
		49,738,185	33,924,700
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		15,538,000	12,902,268
Short term borrowings	11	1,199,431,979	979,445,862
Due to related parties	12	295,481,275	171,416,982
Trade and other payables		181,994,774	111,763,114
Accrued mark-up on short term borrowings		19,191,860	15,728,114
		1,714,638,088	1,290,846,338
Total equity and liabilities		3,176,928,628	2,696,036,848
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes 1 to 19 form an integral part of the condensed interim unconsolidated financial information.


 Chief Executive Officer


 Director

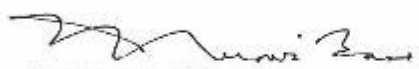


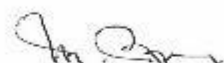
Loads Limited
Condensed Interim Unconsolidated Profit and Loss Account (Un-audited)
For the nine month period ended 31 March 2016

	For the nine months period ended		For the three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees)			
Revenue	3,036,494,574	2,743,878,808	1,033,233,180	901,218,963
Cost of sales	(2,715,197,995)	(2,084,149,615)	(928,405,082)	(663,955,704)
Gross profit	321,316,579	159,969,193	104,828,108	237,263,259
Administrative and selling expenses	(90,177,033)	(83,340,284)	(27,566,021)	(32,086,501)
Operating profit	231,139,566	76,258,809	77,312,087	205,176,758
Other expenses	(52,554,760)	(5,757,621)	(1,831,698)	(1,568,976)
Other income	22,489,873	76,909,190	2,387,130	6,389,003
	130,064,887	71,151,369	855,432	1,792,979
Financial charges	(90,745,767)	(68,664,128)	(36,097,267)	(26,273,631)
Profit before taxation	110,328,912	78,743,250	47,776,252	164,804,733
Taxation	(35,465,318)	(26,007,466)	(14,046,699)	3,363,813
Profit after taxation	74,863,594	52,735,784	33,729,643	168,168,546
Earnings per share - basic and diluted	1.00	0.29	0.45	0.76

The annexed notes 1 to 19 form an integral part of the condensed interim unconsolidated financial information.

W.M.G.T.A


 Chief Executive Officer


 Director



Loads Limited


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

For the nine months period ended 31 March 2016

Note	For the nine months period ended		For the three months period ended	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees)			
Profit after taxation	74,863,594	52,755,781	33,723,643	19,794,066
Other comprehensive income:				
<i>Items that are or may be reclassified subsequently to profit and loss</i>				
Unrealised gain on revaluation of available-for-sale investments	9.2.1	3,755,567	1,835,653	(910,846)
<i>Items that will not be reclassified to profit and loss</i>				
Re-measurement of defined benefit liability	(3,270,065)	15,123,801	-	-
Related tax	703,720	-	-	-
	(1,566,345)	15,123,801	-	-
Total comprehensive income for the period	77,052,816	73,603,383	33,723,643	19,794,066

The annexed notes 1 to 19 form an integral part of the condensed interim unconsolidated financial information.

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 Chief Executive Officer


 Director



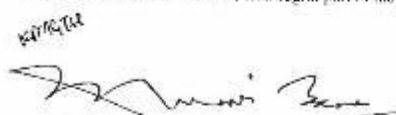
Loads Limited

Condensed Interim Unconsolidated Cash Flow Statement (Un-audited)

For the nine month period ended 31 March 2016

	31 March 2016	31 March 2015
	(Rupees)	
Profit before taxation	110,328,912	78,743,250
<i>Adjustment for:</i>		
Depreciation	34,708,006	33,558,314
Amortisation	-	1,080,535
Mark-up expense	74,757,717	58,848,564
Finance lease charges	1,479,604	1,450,333
Provision for gratuity	1,092,071	-
Gain on disposal of property, plant and equipment	-	(2,938,014)
Unrealized loss on re-measurement of investment classified as 'at fair value through profit or loss' at initial recognition	44,094,216	(3,499,217)
	<u>266,369,926</u>	<u>171,346,695</u>
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(29,738,151)	(21,854,322)
Stock-in-trade	(533,123,576)	(144,867,355)
Trade debts	(147,343,529)	(89,238,569)
Loans and advances	(29,374,188)	(49,651,611)
Deposits, prepayments and other receivables	25,835,401	(25,649,562)
	<u>(413,744,043)</u>	<u>(340,221,921)</u>
Increase / (decrease) in current liabilities		
Due to related parties - net	(18,537,039)	-
Trade and other payables	65,430,235	85,869,277
	<u>46,893,196</u>	<u>85,869,277</u>
Cash used in operations	<u>(100,480,971)</u>	<u>(82,315,952)</u>
Mark-up paid	(59,687,392)	(14,321,750)
Long term deposits	-	(1,864,980)
Gratuity paid	(4,366,667)	-
Tax paid	(54,671,330)	(49,781,367)
Net cash used in operating activities	<u>(219,206,510)</u>	<u>(154,510,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(99,762,016)	(16,481,974)
Purchase of investments - net	(6,430,661)	(50,090,090)
Proceeds from disposal of property, plant and equipment	541,296	10,339,525
Net cash used in investing activities	<u>(105,651,381)</u>	<u>(56,142,449)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(13,673,989)	(21,025,415)
Loan from subsidiary companies - unsecured	128,408,198	35,413,011
Net cash generated from / (used in) financing activities	<u>114,734,119</u>	<u>2,387,596</u>
Net decrease in cash and cash equivalents	<u>(210,021,572)</u>	<u>(208,267,429)</u>
Cash and cash equivalents at beginning of the period	<u>(970,381,551)</u>	<u>(144,712,232)</u>
Cash and cash equivalents at end of the period	<u>(1,180,373,123)</u>	<u>(165,979,721)</u>

The annexed notes 1 to 19 form an integral part of the condensed interim unconsolidated financial information.


Chief Executive Officer


Director



Loads Limited

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

For the nine months period ended 31 March 2016

Note	Issued, subscribed and paid up	Unrealised gain on re-measurement of available for sale	Revenue reserves		Total
			General reserve	Unappropriated profit	
			(Rupees)		
Balance as at 01 July 2014	600,000,000	20,351,645	595,262,590	518,505,770	1,734,119,905
<i>Total comprehensive income for the period ended 31 March 2015</i>					
Profit after taxation	-	-	-	52,755,384	52,755,384
<i>Other comprehensive income</i>					
Unrealised gain on re-measurement of available-for-sale investments	-	1,815,653	-	-	1,815,653
Re-measurement of defined benefit liability - net	-	-	-	(5,425,801)	(5,425,801)
	-	1,815,653	-	47,329,583	49,145,386
<i>Transactions with Owners</i>					
Bonus shares issue at 1150% for the nine months period ended 31 March 2015	600,000,000	-	1,790,262,590	198,727,120	-
Balance as at 31 March 2015	1,200,000,000	22,167,298	-	863,879,933	2,086,047,231
Balance as at 01 July 2015	750,000,000	23,647,509	-	562,452,630	1,335,499,539
<i>Total comprehensive income for the period ended 31 March 2016</i>					
Profit after taxation	-	-	-	74,861,594	74,861,594
<i>Other comprehensive income</i>					
Unrealized loss on revaluation of available-for-sale investments	9.2.1	1,755,567	-	-	1,755,567
Re-measurement of defined benefit liability - net	-	-	-	(1,566,345)	(1,566,345)
	-	1,755,567	-	73,295,249	77,052,816
<i>Transactions with owners</i>					
Balance as at 31 March 2016	750,000,000	26,803,076	-	635,747,879	1,412,550,955

The annexed notes 1 to 19 form an integral part of the condensed interim unconsolidated financial information

Chief Executive Officer

Director



Loads Limited

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

For the nine months period ended 31 March 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 December 1993, the status of the Company was converted from private limited company to unlisted public limited company. The registered office of the Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.
- 1.2 The principal activity of the Company is to manufacture and sale of radiators, exhaust systems and other components for automotive industry.
- 1.3 This is the separate financial information of the Company. There are three wholly owned subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL) and Specialized Motorcycles (Private) Limited (SMPL) and one associate of the Company. Two subsidiaries are principally engaged in providing toll manufacturing services to the Company and one subsidiary (SMPL) has ceased its operations from 1 July 2015.
- 1.4 The Company is in the process of listing on Pakistan Stock Exchange Limited. Accordingly, this condensed interim financial information along with condensed interim consolidated financial information for the nine months period ended 31 March 2016 may be published in the Prospectus, for Initial Public Offering. This condensed interim financial information has been prepared for the nine months period ended 31 March 2016.
- 1.5 Subsequent to the period end, shareholding of Mr. Shahid Ali (Chairman of the Board of Directors) in the Company increased from 20.142 million shares (26.86%) to 51.917 million shares (69.22%).

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information of the Company has been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements differ, the provisions or directives issued under the Companies Ordinance, 1984, shall prevail.

This condensed interim financial information does not include information required for full annual financial statements and should be read in conjunction with annual financial statements for the year ended 30 June 2015.

2.2 Basis of measurement

This condensed interim unconsolidated interim 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

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

2.4 Use of estimates and judgments

The preparation of 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 this condensed interim unconsolidated financial information, the significant judgments made by 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 financial statements as at and for the year ended 30 June 2015.

Wahid Ali



3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements as at and for the year ended 30 June 2015, except for the change in note 4. Moreover, during the current period IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interest in Other Entities" and IFRS 13 "Fair Value Measurement" became effective for financial periods beginning on or after 1 January 2015. IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the Company's financial statements. The effect of IFRS 13 "Fair Value Measurement" are disclosed in notes 4 and 18.1 to the financial statements.

4. CHANGE IN ACCOUNTING POLICY - fair value measurement

IFRS 13 "Fair Value Measurement" establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other IFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other IFRSs, including IFRS 7 "Financial Instruments: Disclosures". As a result, the Company has included an additional disclosure in this regard in note 18.1. In accordance with the transitional provision of IFRS 13, the Company has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures.

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

5. PROPERTY, PLANT AND EQUIPMENT

	Note	31 March 2016	30 June 2015
		(Rupees)	
Operating property, plant and equipment	5.1	329,857,176	275,171,809
Capital work-in-progress		54,065,843	30,203,924
		<u>383,923,019</u>	<u>305,375,733</u>

5.1 Operating property, plant and equipment includes following additions, disposals and write offs during the period:

	For the nine months period ended			
	Additions		Disposals - NBV	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rupees)			
Improvements in buildings	14,042,713	435,111	-	-
Plant and machinery	49,818,607	2,123,150	-	2,213,188
Tools and equipment	7,426,744	5,426,054	-	-
Furniture, fittings and office equipment	2,717,033	2,182,222	-	7,417
Vehicles	1,895,000	1,912,800	-	5,180,906
<i>Leased</i>				
Vehicles	14,136,572	33,222,900	643,296	-
	<u>90,036,669</u>	<u>35,302,237</u>	<u>643,296</u>	<u>7,401,511</u>

5.1.1 There were no write offs during the period.

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6. LONG TERM INVESTMENTS	Note	31 March 2016	30 June 2015
		(Rupees)	
Investments in subsidiary companies - unquoted	6.1	325,000,000	325,000,000
Less: Provision for impairment	6.1.3	(125,000,000)	(125,000,000)
Net investment in subsidiary companies		300,000,000	300,000,000
Investment in associate	6.2	327,070,245	319,187,835
		<u>627,070,245</u>	<u>619,187,835</u>

6.1 Subsidiary companies

31 March 2016	30 June 2015		31 March 2016	30 June 2015
(Number of shares)			(Rupees)	
		<u>Unquoted</u>		
		Specialized Autoparts Industries (Private) Limited (SAIL)		
17,500,000	17,500,000	(Chief Executive - Munir K. Bana)	175,000,000	175,000,000
		Multiple Autoparts Industries (Private) Limited (MAIL)		
7,500,000	7,500,000	(Chief Executive - Munir K. Bana)	75,000,000	75,000,000
		Specialized Motorcycles (Private) Limited (SMPL)		
7,500,000	7,500,000	(Chief Executive - Munir K. Bana)	75,000,000	75,000,000
			<u>325,000,000</u>	<u>325,000,000</u>

6.1.1 Specialized Autoparts Industries (Private) Limited (SAIL) is engaged in the manufacturing and selling of components for the automotive industry. Presently, the Company is engaged in providing toll manufacturing services to its parent company. The net assets of SAIL, as disclosed in the latest available un-audited financial statements for the period ended 31 March 2016, amounted to Rs. 256.549 million.

6.1.2 Multiple Autoparts Industries (Private) Limited (MAIL) is engaged in the manufacturing and selling of components for the automotive industry. Presently, the Company is engaged in providing toll manufacturing services to its parent company. The net assets of MAIL, as disclosed in the latest available un-audited financial statements for the period ended 31 March 2016, amounted to Rs. 126.676 million.

6.1.3 Specialized Motorcycles (Private) Limited (SMPL) was engaged in the business to to acquire, deal in, purchase, import, sales, supply and export all sorts of motorcycles & auto parts, metallurgical parts, machinery and equipment parts. The Company has ceased its operations from 1 July 2015. The net assets of SMPL, as disclosed in the latest available un-audited financial statements for the period ended 31 March 2016, amounted to Rs. 60.565 million.

Provision for impairment against investment in subsidiary company:

	Note	31 March 2016	30 June 2015
		(Rupees)	
Opening Balance		25,000,000	75,000,000
Reversals during the period		-	(50,000,000)
Closing balance		<u>25,000,000</u>	<u>25,000,000</u>

Handled



- 6.1.4 The Company holds 100% shares in all of its subsidiaries. Break-up value per share of investment in subsidiaries based on their latest available financial information for the period ended 31 March 2016 are as follows:

	Note	31 March 2016	30 June 2015
Unquoted			
		(Rupees)	
Specialized Autoparts Industries (Private) Limited		14.66	12.31
Multiple Autoparts Industries (Private) Limited		16.89	13.76
Specialized Motorcycles (Private) Limited		8.08	7.77

6.2 Associate

31 March 2015	30 June 2015			
(Number of shares)		Quoted		
		Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	6.4	
7,620,680	7,492,475			
				327,070,245
				319,487,835

- 6.2.1 Market value of investment in associate is as follows:

Quoted	
Treet Corporation Limited	361,906,093
	540,582,071

- 6.2.2 The above investments include 7,492,475 shares having an aggregate market value of Rs. 355.817 million, which have been pledged with financial institutions as securities against borrowing facilities.

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

- 6.4 During the period 128,205 shares amounting to Rs. 7.58 million were converted and issued to the Company at the rate of Rs. 59.14 per share, as per the prospectus of participation term certificate issued by Treet Corporation (refer note 9.1.2).

7. STOCK-IN-TRADE

	Note	31 March 2016	30 June 2015
		(Rupees)	
Raw material and components	7.1	966,407,743	782,578,700
Work-in-process		106,384,726	68,169,176
Finished goods	7.2	101,181,736	90,102,753
		1,173,974,205	940,850,629
Provision for slow-moving and obsolescence		(696,227)	(696,227)
		1,173,277,978	940,154,402

- 7.1 This includes raw material in-transit and in possession of Company's subsidiaries as at 31 March 2016 of Rs. 184.805 million (30 June 2015: Rs. 144.5 million) and Rs. 357.463 million (30 June 2015: Rs. 346.7 million) respectively.
- 7.2 This includes finished goods in possession of Company's subsidiaries as at 31 March 2016 of Rs. 69.86 million (30 June 2015: Rs. 58.3 million).

8. TRADE DEBTS - net

		31 March 2016	30 June 2015
		(Rupees)	
Unsecured			
Considered good		368,215,256	320,871,727
Considered doubtful		405,606	3,392,293
		368,620,862	225,366,020
Bad debts written off		-	(1,088,687)
Provision for doubtful debts		(405,606)	(405,606)
		368,215,256	220,871,727

24/04/16



9. INVESTMENTS

	Note	31 March 2016	30 June 2015
		(Rupees)	
At fair value through profit or loss - at initial recognition	9.1	64,711,390	115,653,605
Available-for-sale	9.2	13,996,769	13,567,937
		<u>108,710,159</u>	<u>129,220,542</u>

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

31 March 2016	30 June 2015	Name of investee company	Carrying value	Market value	Unrealised gain (loss)	30 June 2015 Market Value
(Number of shares / certificates)						
1	1	Agrimex Industries Limited	186	184	(2)	186
1	1	Al-Ghazi Tractors Limited *	489	458	(31)	489
1	1	Atlas Battery Limited	704	563	(141)	704
1	1	Atlas Honda Limited	335	378	43	335
1	1	The General Tyre & Rubber Company of Pakistan Limited	146	148	2	146
1	1	Honda Atlas Cars (Pakistan) Limited	219	252	33	219
1	1	Thal Limited *	285	253	(32)	285
230	230	Baluchistan Wheels Limited	13,375	18,400	5,025	13,375
315	315	Ghandhara Nissan Limited	31,151	52,441	21,290	31,151
150	150	Hino Pak Motors Limited	125,189	146,999	21,810	125,189
200	200	Inclus Motor Company Limited	249,800	188,920	(60,880)	249,800
272	272	Millat Tractors Limited	186,542	142,585	(43,957)	186,542
63	63	Oil & Gas Development Company Limited	11,293	7,210	(4,083)	11,293
127	127	Pak Suzuki Motor Company Limited	55,361	52,099	(3,262)	55,361
Participation term certificate (PTC) - Quoted						
Treet Corporation Limited *						
(note 9.1.1)						
		9.1.1	<u>108,132,231</u>	<u>64,102,500</u>	<u>(44,029,731)</u>	<u>115,957,230</u>
			<u>108,807,606</u>	<u>64,711,390</u>	<u>(44,094,216)</u>	<u>115,653,605</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.

9.1.1 Movement in carrying value of PTC is as follows:

	31 March 2016	30 June 2015
	(Rupees)	
Opening balance	115,957,230	108,157,120
Purchased during the period	32,136	-
Principal cash redemption	(274,725)	(274,725)
Principal conversion to ordinary shares	(17,582,410)	(7,582,410)
Closing balance	<u>108,132,231</u>	<u>100,300,005</u>

9.1.2 These are mandatorily convertible into ordinary shares of Treet Corporation Limited at the rate 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 2012 to year 2019 and principal redemption through share conversion is 0.07 share per PTC per annum from year 2012 to year 2018 and 0.08 for the year 2019. During the period, principal redeemed in cash amounted to Rs. 1.2 million and principal redeemed through share conversion amounted to Rs. 7.58 million, respectively (interest rate is 4%).

REVISION



9.2 Available-for-sale

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

31 March 2016 (Number of shares)	30 June 2015	Name of investee company	31 March 2016			30 June 2015
			Cost	Market value	Unrealised gain / (Loss)	Market value
			(Rupees)			
			Ordinary shares - Quoted			
235,386	182,000	Tri-Pack Films Limited	17,188,363	43,984,227	26,795,864	33,557,160
152	152	ZIL Limited	5,330	12,542	7,212	10,792
			17,193,693	43,996,769	26,803,076	33,567,952

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

	31 March 2016 (Rupees)	30 June 2015
Market value of investments	43,996,769	33,567,952
Less : Cost of investments	<u>17,193,693</u>	<u>10,520,143</u>
	26,803,076	33,047,809
Less: Unrealized gain on re-measurement of available-for-sale investments at beginning of the period	<u>23,047,509</u>	<u>20,351,815</u>
	<u>3,755,567</u>	<u>2,695,994</u>

9.2.2 The above investments having an aggregate market value of Rs. 34,008 million have been pledged with financial institutions as securities against borrowing facilities.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

However, Company has recorded a full provision of Rs. 0.74 million (30 June 2015: Rs. 0.35 million) in this condensed interim financial information.

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

10.1.3 Tax related contingencies are disclosed in note 13.

10.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 186.71 million (30 June 2015: Rs. 161.201 million).

Wamsha



11. SHORT TERM BORROWINGS	Note	31 March 2016	30 June 2015
		(Rupees)	
Secured			
Running finances under mark-up arrangements	11.1	1,046,431,979	823,016,962
Islamic Financing	11.2	153,000,000	156,428,900
		<u>1,199,431,979</u>	<u>979,445,862</u>
11.1 Running finances under mark-up arrangements			
JS Bank Limited		285,172,353	154,739,453
Meezan Bank		197,195,215	194,508,917
Bank AL Habib Limited		260,114,714	252,518,862
Soneri Bank		117,715,946	120,153,409
United Bank Limited		96,626,472	97,078,740
Habib Bank Limited		20,620,294	4,017,581
		<u>977,444,994</u>	<u>823,016,962</u>
Soneri Bank - Local Bill discount		68,986,985	-
United Bank Limited - Local Bill discount		-	-
		<u>68,986,985</u>	<u>-</u>
	11.1.1	<u>1,046,431,979</u>	<u>823,016,962</u>

- 11.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Company, personal guarantees of the Directors, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 30 November 2016. 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 1.25% to 6 month KIBOR plus 0.85% per annum (30 June 2015: 1 month KIBOR plus 1.75% to 6 month KIBOR plus 0.85% per annum).

The aggregate available short term funded facilities amounted to Rs. 1,360 million (30 June 2015: Rs. 990 million) out of which Rs. 313.568 million (30 June 2015: 167 million) remained unavailed as at the reporting date.

Facilities available for opening letters of credit / guarantees at 31 March 2016 amounted to Rs. 1,450 million (30 June 2015: Rs. 1,200 million) out of which Rs. 1,001.47 million (30 June 2015: Rs. 1,038.8 million) remained unutilized at the year end.

- 11.2 This represents availed Islamic finance (Istisna) facility from Al Baraka Bank having limits of Rs. 200 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 2015: 6 month KIBOR plus 0.8 %) and is repayable within 120 days of the disbursement date.

11.3 Unavailed facilities

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

14/06/2016



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

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

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

- 11.4 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.

12. DUE TO RELATED PARTIES - net	Note	31 March 2016	30 June 2015
		(Rupees)	
Unsecured			
Loan from subsidiaries	12.1	234,240,000	105,831,892
Trade payables	12.2	51,046,388	65,304,541
Due from related parties - considered good	12.3	(4,372,522)	(93,636)
Accrued mark-up on loan from subsidiary companies	12.4	14,567,609	3,274,198
		<u>295,481,475</u>	<u>174,316,995</u>
12.1 Loan from subsidiaries			
Specialized Autoparts Industries (Private) Limited	12.1.1	124,990,000	49,300,000
Multiple Autoparts Industries (Private) Limited	12.1.1	50,650,000	20,000,000
Specialized Motorcycle (Private) Limited	12.1.1	58,600,000	36,531,892
		<u>234,240,000</u>	<u>105,831,892</u>
12.1.1 These are repayable on demand carrying mark up at the rate of 1 month KIBOR plus 1.75% per annum.			
12.2 Trade payables			
Specialized Autoparts Industries (Private) Limited	12.2.1	33,824,823	42,641,807
Multiple Autoparts Industries (Private) Limited	12.2.1	17,420,493	22,662,734
Specialized Motorcycles (Private) Limited	12.2.1	(198,928)	-
		<u>51,046,388</u>	<u>65,304,541</u>
12.2.1 These represent payable against toll manufacturing services provided to the Company.			
12.3 Due from related parties - considered good			
Specialized Autoparts Industries (Private) Limited	12.3.1	-	93,636
Specialized Motorcycle (Private) Limited		4,372,522	-
		<u>4,372,522</u>	<u>93,636</u>
12.3.1 The above balance is mark-up free, unsecured and represent amount paid by the Company to Total PARCO Limited for fuel utilized by Specialized Autoparts Industries (Private) Limited.			
12.4 Accrued mark-up on loan from subsidiary companies		31 March 2016	30 June 2015
		(Rupees)	
Specialized Autoparts Industries (Private) Limited		5,406,776	11,181
Multiple Autoparts Industries (Private) Limited		2,146,538	1,658
Specialized Motorcycle (Private) Limited		7,014,295	3,258,059
		<u>14,567,609</u>	<u>3,274,198</u>

K. Prasad



13.	TAXATION	Note	For the nine months period ended	
			31 March 2016	31 March 2015
			(Rupees)	
	Current		43,178,678	6,481,939
	Prior	13.2	83,289	2,239,319
	Deferred		(7,796,649)	17,286,208
		13.1	<u>35,465,318</u>	<u>26,007,466</u>

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

The income tax return for tax year 2011 was selected for audit by the Commissioner Inland Revenue under section 177 of the Income Tax Ordinance, 2001 ("the Ordinance"). An amended order under section 122(1)(5) was issued in which short credit of tax deducted and refund adjustment was allowed, and for which rectification application under section 221 was moved, which is not yet passed and therefore, the mistake is treated to have been rectified under section 221(3) of the Ordinance. Therefore, net demand of Rs. 1.29 million is payable as against incorrect demand of Rs. 4.07 million created in amended order. Accordingly as a matter of prudence the Company had made a provision of above amount in the financial statements.

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

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 terms determined in accordance with the agreed rates.

Transactions and balances with related parties are disclosed below:

	31 March 2016	30 June 2015
	(Rupees)	
(Due to) / Due from related party - net		
- Specialized Motorcycle (Private) Limited	<u>(61,241,773)</u>	<u>(39,789,951)</u>
- Specialized Autoparts Industries (Private) Limited	<u>164,220,382</u>	<u>(91,859,652)</u>
- Multiple Autoparts Industries (Private) Limited	<u>(70,217,031)</u>	<u>(42,667,392)</u>
Orient Trading Company (Pvt.) Ltd	<u>21,816</u>	<u>25,736</u>
Receivable from provident fund	<u>(545,832)</u>	<u>14,722,036</u>
Employee benefits - gratuity	<u>7,436,453</u>	<u>6,341,922</u>

6/10/2014



	31 March 2016	30 June 2015
	(Rupees)	
Tax receivable on bonus shares from Escanaba Limited	-	14,614,130
Tax receivable on bonus shares from directors	-	11,500
	For the nine months period ended	
	31 March 2016	31 March 2015
	(Rupees)	
Sub-contracting work from:		
- Specialized Autoparts Industries (Private) Limited	209,184,804	164,573,753
- Multiple Autoparts Industries (Private) Limited	96,289,020	80,759,543
Sale to Specialized Motorcycle (Private) Limited	-	87,053,924
Payments made during the period (net):		
- Specialized Autoparts Industries (Private) Limited	(252,657,155)	(147,778,079)
- Multiple Autoparts Industries (Private) Limited	(116,891,885)	(77,486,900)
- Specialized Motorcycle (Private) Limited	(21,131,956)	-
Payments made on behalf of:		
- Specialized Motorcycle (Private) Limited	121,088	-
Payments received on behalf of:		
- Specialized Motorcycle (Private) Limited	-	55,554,320
Mark-up charged by subsidiary companies	6,593,411	1,981,157
Expenses pertaining to Orient Trading Company (Private) Limited - net	5,175	8,050
Employee retirement benefits:		
- Expense / (income) for the period	1,002,071	(1,316,128)
- Contribution paid during the period	4,366,667	2,398,000
Dividend and interest income from Treet Corporation	19,525,430	18,933,510

The remuneration to key management personnel is given in note 16 to this condensed interim financial information.

15.	CASH AND CASH EQUIVALENTS	31 March 2016	31 March 2015
		(Rupees)	
	Short term borrowings	(1,199,431,979)	(661,901,557)
	Cash and bank balances	19,058,854	8,921,785
		<u>(1,180,373,125)</u>	<u>(652,979,772)</u>

KPMG



16. REMUNERATION OF CHIEF EXECUTIVE AND DIRECTORS

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

	Chief Executive		Directors		Total	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015	31 March 2016	31 March 2015
	(Rands)					
Management remuneration	4,596,682	4,150,452	5,358,116	5,358,758	9,954,792	9,509,210
Director fees and expenses	1,676,458	1,390,040	4,489,165	4,926,221	6,165,623	6,316,261
Benefits	2,556,439	1,211,955	2,119,417	1,175,935	4,675,856	2,387,890
Medical	561,888	1,179,656	188,226	300,036	750,114	1,479,692
Group share incentive benefits funds	450,491	416,667	-	-	867,158	11
	10,243,958	8,348,770	12,154,924	11,760,950	22,398,882	20,396,064

Number of persons

1	1	1	2	2	1	1
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16.1 The aggregate amount paid to directors at group, including board and other meetings was NIL (2015: NIL).

16.2 The Chief Executive and directors are provided with free use of group maintained cars in accordance with their entitlement.

16.3 The Chief Executive and his spouse are covered under group hospitalization insurance policy.

17. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements for the year ended 30 June 2015.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

The Company classifies fair value measurements of its instruments 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).

18.1 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, as disclosed in the consolidated financial statements at the year end. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Carrying amount	Carrying amount				Fair value			
	Investments	Loans and receivables	Costs and cash equivalents	Other financial liabilities	Total	Level 1	Level 2	Level 3
31 December 2015								
Financial assets - measured at fair value								
Equity securities								
- At fair value through profit or loss - in current recognition	510,299	-	-	-	510,299	510,299	-	-
- Available for sale	43,938,793	-	-	-	43,938,793	43,938,793	-	-
Derivative Term Contract	64,500,280	-	-	-	64,500,280	-	-	-
Financial assets - not measured at fair value								
Loans receivable - at cost	19,777	280,808,881	-	-	280,828,658	-	-	-
Loans receivable - at cost	19,777	227,068,428	-	-	246,848,205	246,848,205	-	-
Trade debt	19,777	20,815,256	-	-	20,835,033	-	-	-
Loans receivable	19,777	109,124,277	-	-	109,144,054	-	-	-
Receivables and other receivables	19,777	129,236,434	-	-	149,256,211	-	-	-
Cash and bank balances	19,777	-	19,458,251	-	19,478,028	-	-	-
	19,777	430,919,544	19,458,251	-	450,396,572	246,848,205	-	-
Financial liabilities - not measured at fair value								
Short-term borrowings	19,777	-	1,195,412,575	-	1,195,432,352	-	-	-
Trade and other payables	19,777	-	-	54,554,774	54,574,551	-	-	-
Derivative contracts - net	19,777	-	-	2,518,615	2,538,392	-	-	-
Trade and other payables - net	19,777	-	-	22,192,571	22,212,348	-	-	-
Accrued interest on other loans	19,777	-	-	15,181,864	15,201,641	-	-	-
	19,777	-	1,195,412,575	81,945,219	1,276,370,571	-	-	-

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

Profit



19. GENERAL

19.1 Reclassification of comparatives

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

Effects on balance sheet


Long term deposits
Intangible assets
Deposits, prepayments and other receivables
Employee benefits - gratuity
Loan from subsidiary companies - unsecured
Due to related parties - net
Trade and other payables
Mobilisation advances
Accrued mark-up on short term borrowings


30 June 2015		
As previously reported	Impact	As adjusted
(Rupees)		
2,500,867	(1,000,867)	-
-	-	-
(186,646,527)	(1,534,692)	188,181,835
-	341,922	341,922
(105,831,892)	(105,831,892)	-
-	(174,316,995)	(174,316,995)
(2,007,269,550)	85,475,506	(1,921,794,044)
(118,974)	118,974	-
-	(17,215,741)	(17,215,741)

19.2 Date of authorization

This condensed interim unconsolidated financial information was authorised for issue in the Board of Directors meeting held on

Kumar


Chief Executive Officer


Director



6.6 SUMMARY FINANCIAL HIGHLIGHTS (CONSOLIDATED BASIS)

(Amounts in PKR mn)	FY12	FY13	FY14	FY15	6MFY16	9MFY16
Income Statement	Audited	Audited	Audited	Audited	Audited	Reviewed
Sales ⁽¹⁾	2,071	2,462	2,352	3,333	2,003	3,036
Sales Growth (%)	21%	19%	(4%)	42%	48%	33%
Cost of Goods Sold	(1,742)	(2,133)	(2,044)	(2,838)	(1,722)	(2,610)
Gross Profit	329	329	308	494	281	426
EBITDA ⁽²⁾	287	272	245	416	239	366
EBITDA Growth (%)	(14%)	(5%)	(10%)	70%	54%	43%
Operating Profit	245	224	195	360	212	323
Financial Charges	(56)	(60.5)	(71)	(86)	(54)	(79)
Profit before Taxation	212	203	177	322	123	211
Profit after Taxation ⁽³⁾	166	102	135	211	91	154
Profit After Tax Growth (%)	(18%)	(39%)	32%	56%	63%	33%
Balance Sheet						
Non-Current Assets	583	571	614	828	881	917
Current Assets	895	1,182	1,241	1,868	2,076	2,211
Total Assets	1,478	1,753	1,855	2,696	2,957	3,128
Share Capital	60	60	60	750	750	750
Total Equity	1,001	1,099	1,229	1,439	1,540	1,596
Non-Current Liabilities	7.5	54	52	103	80	82
Current Liabilities	470	600	574	1,154	1,337	1450
Total Equity and Liabilities	1,478	1,753	1,855	2,696	2,957	3,128
Total Number of Issued Shares (mn)	6	6	6	75	75	75
Cash flow Analysis						
Cash flow from Operating Activities	(23)	(10)	40	(279)	(93)	(133)
Cash flow from Investing Activities	(45)	(66)	(54)	(199)	(60)	(104)
Cash flow from Financing Activities	(41)	(58)	(18)	(27)	(6)	(14)
Cash and Cash Equivalent - Beginning	(136)	(245)	(379)	(411)	(916)	(916)
Cash and Cash Equivalent - Ending	(245)	(379)	(411)	(916)	(1,074)	(1,166)
Short term Borrowing	286	416	452	979	1,088	1,199
Net Cash and Bank Balance	42	37	41	64	13	33
Financial Ratios						
Gross Margin	15.9%	13.4%	13.1%	14.8%	14.0%	14.0%
Operating Profit Margin	12.0%	9.1%	8.3%	10.8%	10.5%	10.6%
Net Margin	8.0%	4.1%	5.7%	6.3%	4.5%	5.1%
EBITDA Margin	13.9%	11.0%	10.4%	12.5%	11.9%	12.1%
Earnings Per Share (PKR)	27.7	17.1	22.5	2.8	1.2	2.05
Current Ratio (x)	1.9	2	2.2	1.6	1.6	1.5
Breakup Value Per Share (PKR)	166.8	183.2	204.8	19.2	20.5	21.3
Capital Expenditure to Total Assets	4.6%	2.8%	2.4%	1.8%	2.2%	3.3%



Receivable Turnover	15.47	16.12	12.02	8.02	5.01	5.67
Payable Turnover	12.9	12.6	19.0	17.6	8.1	14.4
Asset Turnover	1.4	1.4	1.3	1.2	0.7	1.0
Fixed Asset Turnover	4.8	5.6	5.3	7.4	4.0	5.7
Debt to Equity	33.7%	40.8%	38.9%	70.2%	74.1%	78.4%
Debt to Asset	22.8%	25.6%	25.8%	37.5%	38.6%	40.0%
Distribution Cash	0%	0%	0%	0%	0%	0%
Distribution Bonus Shares	0%	0%	0%	1,150%	0%	0%
Return on Assets	11.0%	5.9%	7.3%	7.8%	3.1%	4.9%
Return on Equity	16.6%	9.3%	11.0%	14.7%	5.9%	9.6%

⁽¹⁾ Sales have grown at CAGR of 17%, over the last four years (FY12 – FY15)

⁽²⁾ Company's EBITDA has grown at CAGR of 13%, over the last four years (FY12 – FY15)

⁽³⁾ Profit after Taxation of the company increases at CAGR of 8%, over the last four years (FY12 – FY15)



6.7 Summary Financial Highlights (Unconsolidated)

(Amounts in PKR mn)	FY12	FY13	FY14	FY15	6MFY16	9MFY16
Income Statement	Audited	Audited	Audited	Audited	Audited	Reviewed
Sales ⁽¹⁾	2,064	2,438	2,316	3,260	2,003	3,036
Sales Growth (%)	20%	18%	-5%	41%	49%	35%
Cost of Goods Sold	(1,822)	(2,172)	(2,052)	(2,952)	(1,787)	(2,715)
Gross Profit	242	266	264	308	216	321
EBITDA ⁽²⁾	202	212	204	234	178	266
EBITDA Growth	-26%	5%	-4%	15%	139%	140%
Operating Profit	169	173	163	188	157	231
Financial Charges	(56)	(60)	(71)	(89)	(61)	(91)
Profit before Taxation	124	166	141	221	65	(110)
Profit after Taxation ⁽³⁾	85	119	108	149	44	75
Profit after Taxation Growth (%)	-25%	40%	-9%	38%	34%	42%
Balance Sheet						
Non-Current Assets	599	608	651	931	987	1,018
Current Assets	875	1,141	1,166	1,765	2,018	2,159
Total Assets	1,474	1,749	1,817	2,696	3,005	3,177
Share Capital	60	60	60	750	750	750
Total Equity	967	1,082	1,187	1,335	1,389	1,412
Non-Current Liabilities	12	34	27	62	48	50
Current Liabilities	495	633	603	1,299	1,568	1,715
Total Equity and Liabilities	1,474	1,749	1,817	2,696	3,005	3,177
Total Number of Issued Shares (mn)	6	6	6	75	75	75
Cash flow Analysis						
Cash flow from Operating Activities	(23)	(27)	39	(349)	(174)	(219)
Cash flow from Investing Activities	(45)	(65)	(68)	(256)	(62)	(106)
Cash flow from Financing Activities	(41)	(58)	(18)	79	122	115
Cash and Cash Equivalent - Beginning	(137)	(246)	(397)	(445)	(970)	(970)
Cash and Cash Equivalent - Ending	(246)	(397)	(445)	(970)	(1,085)	(1,180)
Short term Borrowing	286	416	452	979	1,088	1,199
Net Cash and Bank Balance	40	19	7	9	3	19
Financial Ratios						
Gross Margin	11.7%	10.9%	11.4%	9.4%	10.8%	10.6%
Operating Profit Margin	8.2%	7.1%	7.0%	5.8%	7.8%	7.6%
Net Margin	4.1%	4.9%	4.7%	4.6%	2.2%	2.5%
EBITDA Margin	9.8%	8.7%	8.8%	7.2%	8.9%	8.8%
Earnings Per Share (PKR)	14.1	19.8	17.9	2.0	0.6	1.0
Current Ratio (x)	1.8	1.8	1.9	1.4	1.3	1.3
Breakup Value Per Share (PKR)	161.1	180.3	197.8	17.8	18.5	18.8
Capital Expenditure to Total Assets	4.1%	2.2%	2.2%	1.4%	2.1%	3.1%
Debt to Equity	30.8%	41.4%	40.3%	75.7%	82.1%	88.6%



Receivable Turnover	15.9	15.8	11.9	8.0	5.1	5.8
Payable Turnover	11.4	10.7	14.9	14.7	10.2	14.9
Asset Turnover	1.4	1.4	1.3	1.2	0.7	1.0
Fixed Asset Turnover	7.3	8.3	7.8	10.7	5.6	7.9
Debt to Asset	20.2%	25.6%	26.3%	37.5%	38.0%	39.4%
Distribution Cash	0%	0%	0%	0%	0%	0%
Distribution Bonus Shares	0%	0%	0%	1,150%	0%	0%
Return on Assets	5.8%	6.8%	5.9%	5.5%	1.5%	2.4%
Return on Equity	8.8%	11.0%	9.1%	11.2%	3.2%	5.3%

⁽¹⁾ Sales have grown at CAGR of 16%, over the last four years (FY12 – FY15)

⁽²⁾ Company's EBITDA has grown at CAGR of 5%, over the last four years (FY12 – FY15)

⁽³⁾ Profit after Taxation of the company increases at CAGR of 21%, over the last four years (FY12 – FY15)



PART 7

7 MANAGEMENT

7.1 BOARD OF DIRECTORS OF THE COMPANY

S. No.	Name and Address	Designation	Directorship in Other Companies
1	Syed Shahid Ali 1-F.C.C. Gulberg, Lahore	Chairman	<ul style="list-style-type: none"> ▪ Ali Automobiles Limited (Dormant) ▪ First Treet Manufacturing Modaraba ▪ IGI Insurance Limited (Listed) ▪ Multiple Autoparts Industries (Private) Limited ▪ Packages Limited (Listed) ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycle (Private) Limited ▪ Treet Assets (Private) Limited (Dormant) ▪ Treet Corporation Limited (Listed) ▪ Treet Holdings Limited (Formerly Global Econo Trade Limited) ▪ Global Arts Limited ▪ Treet Power Limited
2	Mr. Saulat Said House # 58, Ahmed Block, New Garden Town, Lahore	Vice Chairman	<ul style="list-style-type: none"> ▪ Treet Corporation Limited (Listed) ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycles (Private) Limited ▪ First Treet Manufacturing Modaraba ▪ Treet Holdings Limited (Formerly Global Econo Trade Limited) ▪ Global Arts Limited
3	Mr. Munir Karim Bana House # 3, 1 st Street off Khayaban-e-Sehr, Phase VI D.H.A, Karachi	Chief Executive	<ul style="list-style-type: none"> ▪ Treet Corporation Limited (Listed) ▪ Treet Power Limited ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycles (Private) Limited ▪ Orient Trading Co. (Private) Limited ▪ Treet Holdings Limited (Formerly Global Econo Trade Limited) ▪ First Treet Manufacturing Modaraba ▪ Global Arts Limited



4	Syed Sheharyar Ali 1-F.C.C. Gulberg, Lahore	Non- Executive Director	<ul style="list-style-type: none"> ▪ Ali Automobiles Limited (Dormant) ▪ Treet Corporation Limited (Listed) ▪ First Treet Manufacturing Modaraba ▪ Treet Holdings Limited (Formerly Global Econo Trade Limited) ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycle (Private) Limited ▪ Cutting Edge (Private) Limited ▪ Global Arts Limited ▪ Online Hotel Agents (Private) Limited
5	Mr. Muhammad Ziauddin House # 1B, 22G, Block-9, Scheme 5, Khayaban-e-Jami, Clifton, Karachi	Executive Director	<ul style="list-style-type: none"> ▪ Orient Trading Co. (Private) Limited ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycle (Private) Limited
6	Mr. Shamim Ahmed Siddiqui D-61, Roofi Green Land, Abul Hassan Aspahani Road, Gulshan-e-Iqbal, Karachi.	Executive Director	<ul style="list-style-type: none"> ▪ Orient Trading Co. (Private) Limited ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycle (Private) Limited
7	Mr. Jalees Ahmed Siddiqi House # 13, A Street Off Khayaban-e- Shaheen, Phase VD.H.A, Karachi	Non- Executive Director	<ul style="list-style-type: none"> ▪ PICIC Insurance Limited (Listed) ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycle (Private) Limited
8	Mr. Amir Zia C/o Treet Corporation Limited, 72-B, Kotlakhpat Industrial Area, Lahore	Non- Executive Director	<ul style="list-style-type: none"> ▪ Multiple Autoparts Industries (Private) Limited ▪ Specialized Autoparts Industries (Private) Limited ▪ Specialized Motorcycle (Private) Limited

7.2 UNDERTAKING BY THE COMPANY AND ITS SPONSORS

The Company and its Sponsors undertake that:

- They have not indulged in any fraudulent activities;



- They have not been declared defaulter by the securities exchange due to non-compliance of its Regulations;
- They have not had any TRE Certificate cancelled or forfeited by a securities exchange;
- They have not failed to comply with the applicable Regulations of the securities exchange and SECP;
- They had not been sponsor/substantial shareholder/director of a company which has been delisted by the securities exchange due to non-compliance of its Regulations.

That whatever is stated above is true and correct to the best of their knowledge and belief and nothing has been concealed therein.

7.3 OVERDUE LOANS

There are no overdue loans (both foreign and local currency) on the Company or its Sponsors/Directors.

7.4 DIVIDEND PAYOUT BY LISTED GROUP COMPANIES AND ASSOCIATED COMPANIES

Packages Limited	FY11	FY12	FY13	FY14	FY15
Dividend Paid (%)	150%	90%	80%	45%	15%
Bonus (%)	-	-	-	-	-

IGI Insurance Limited	FY11	FY12	FY13	FY14	FY15
Dividend Paid (%)	60%	30%	25%	30%	50%
Bonus (%)	-	-	10%	-	15%

Treet Corporation Limited	FY11	FY12	FY13	FY14	FY15
Dividend Paid (%)	10%	20%	20%	20%	10%
Bonus (%)	-	-	-	-	-

First Treet Manufacturing Modaraba	FY11	FY12	FY13	FY14	FY15
Dividend Paid (%)	6.93%	6.50%	6.70%	3.45%	6.20%
Bonus (%)	-	-	-	-	-

PICIC Insurance	FY11	FY12	FY13	FY14	FY15
Dividend Paid (%)	-	-	-	-	-
Bonus (%)	-	-	-	-	-

With the exception of the above Companies, none of the group companies are listed on the Securities Exchange.

7.5 PROFILES OF DIRECTORS

Mr. Syed Shahid Ali – Chairman



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

Mr. Saulat Said – Vice Chairman

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

Mr. Munir K. Bana – Chief Executive / Director

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

Mr. Syed Sheharyar Ali – Director

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

Mr. Muhammad Ziauddin – Executive Director

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

Mr. Jalees Ahmed Siddiqi – Independent Director

Mr. Jalees Ahmed Siddiqi is a Human Resource professional. Having an engineering degree, Mr. Jalees began his working life in USA / Canada, where he was associated with projects and production



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

Mr. Amir Zia – Director

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

Mr. Shamim Ahmed Siddiqui – Director

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

7.6 PROFILE OF OTHER KEY MANAGEMENT

Mr. Jamshed E. Mehta – Company Secretary

Mr. Jamshed E. Mehta has been Company Secretary since May, 1994. Previously he served Packages Limited since 1960 in the capacity of Company Secretary and Head of Karachi office. He has diversified experience at senior management levels with emphasis on Capital Restructuring and Corporate & Legal affairs. Mr. Mehta is a Chartered Secretary and a Fellow member of the Institute of Chartered Secretaries of Pakistan.

Mr. Sarwar Kamal Siddiqui – Sr. G.M. Personnel & Administration

Mr. Sarwar Kamal Siddiqui joined Loads Limited in 1983 and is currently serving as Senior General Manager, Personnel & Admin. He has extensive experience in Human Resources & Company Administration. He holds degree of Bachelor of Laws (BA-L.L.B).

Mr. Javed Iqbal – Sr. G.M. Technical

Mr. Javed Iqbal joined Loads Limited in 1991 and is currently serving as Senior General Manager, Technical. He possesses vast experience in Engineering Industry and technical knowledge both for development of dies and manufacture of auto parts. He holds degree of Bachelor in Mechanical Engineering (B.E. Mechanical) from NED University.

Mr. Iftekhhar Ahmed – Sr. G.M. Production



Mr. Iftekhhar Ahmed joined Loads Limited in 1990 and is currently serving as Senior General Manager, Production. He is well versed in Production Planning as well as factory management. He holds Bachelor degree in Mechanical Engineering (B.E. Mechanical) from NED University.

Mr. Tahseen Ahmed – G.M. Quality Assurance

Mr. Tahseen Ahmed joined Loads Limited in 1995 and is currently serving as General Manager, Quality Assurance. Previously, he served Pak Suzuki in the position of Deputy Manager Quality Assurance for 12 years. His responsibilities include quality assurance, product quality and customer satisfaction including implementation of ISO-9001 and ISO-14001 systems. He holds Bachelor degree in Mechanical Engineering (B.E. Mechanical) from NED University.

Mr. Azeemullah – G.M. Human Resources

Mr. Azeemullah joined Loads Limited in 1996 and is currently serving as General Manager, Human Resources. He has long years of experience in Human Resource and Industrial Relations. His responsibilities include maintaining cordial industrial relations and up-gradation of human resource through Training & Development. He holds Bachelor degree in Law (L.L.B).

Mr. Mobin Akhter – Deputy G.M. Finance

Mr. Mobin Akhter joined Loads Limited in 2009 and is currently serving as Deputy General Manager, Finance. He is experienced in auditing, finance, budgeting, costing & taxation. He also deals with internal control policies & procedures, evaluation of capital projects and other business development plans. He is a qualified Chartered Management Accountant from The Institute of Chartered Management Accountants of Pakistan (ICMA) and also has audit experience in a firm of Chartered Accountants.

Mr. Irfan Ahmed Khan – Deputy G.M. Research & Development

Mr. Irfan Ahmed Khan joined Loads Limited in 1997 and is currently working as Deputy General Manager, Research & Development. He has extensive experience in Research & Development department and has been managing product development and design & manufacture of Dies & Tooling. He holds a Bachelor degree in Technology (B- Tech).

7.7 NUMBER OF DIRECTORS

Pursuant to Section 174 of the Companies Ordinance, 1984 a listed Company shall not have less than seven (7) directors. At present, the Board consists of eight (8) directors, including the Chief Executive Officer.

7.8 QUALIFICATION OF DIRECTORS

Pursuant to Article 49 of the Articles of Association, no person shall be appointed as a Director unless he is a member of the Company and holds qualification shares of face value of Rs. 5,000 at least in his own name. This condition does not apply to the nominee directors.



7.9 REMUNERATION OF THE DIRECTORS

Pursuant to Article 52 of the Articles of Association of the Company the remuneration of a Director for performing extra services including holding of the office of Chairman and remuneration to be paid to any Director for attending the meetings of the Directors or a committee of Directors shall from time to time be determined by the Board of Directors in accordance with the law.

7.10 BENEFITS TO PROMOTERS AND OFFICERS

No amount of benefits has been paid or given during the last year or is intended to be paid or given to any promoter or to any officer of the Company other than as remuneration for services rendered as whole-time executives of the Company.

7.11 INTEREST OF DIRECTORS

The directors may be deemed to be interested to the extent of fees payable to them for attending Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the sponsors in the capital of the Company.

7.12 INTEREST OF DIRECTORS IN PROPERTY ACQUIRED BY THE COMPANY

None of the Directors of the Company had or has any interest in any property acquired by the Company or proposed to be acquired by the Company.

7.13 ELECTION OF DIRECTORS

The Directors of the Company are elected for a term of three years in accordance with the procedure laid down in section 178 of the Ordinance.

The Directors shall comply with the provisions of Sections 174 to 178 and Sections 180 and 184 relating to the election of Directors and matters ancillary thereto.

Subject to the provisions of the Ordinance, the Company may from time to time increase or decrease the number of Directors.

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so appointed shall be subject to retirement at the same time as if he / she had become a Director on the day on which the Director in whose place he / she is chosen was last elected as Director.

The Company may remove a Director in accordance with the provisions of the Ordinance.

The present Directors of the Company were elected on December 17, 2014 for the period of three years.



7.14 VOTING RIGHTS

At any general meeting, a resolution put to the vote of the meeting shall, unless a poll is demanded, be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against that resolution.

A poll may be demanded only in accordance with the provision of Section 167 of the Ordinance. If a poll is duly demanded, it shall be taken in accordance with the manner laid down in Section 167 of the Ordinance and the result of the poll shall be deemed to be resolution of the meeting at which the poll was demanded.

7.15 INTERNAL AUDIT

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.

The internal audit committee comprises of the following members:

- Mr. Saulat Said
- Syed Sheharyar Ali

7.16 HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full time basis.

7.17 BORROWING POWERS OF DIRECTORS

Subject to the provision contained in the Article of Association of the Company, the Directors may exercise all the power of the Company to borrow money and to mortgage or charge its undertaking and property or any part thereof and to issue securities and debentures whether outright or as securities for any debt, liability or obligation of the Company or of any third party.

7.18 POWERS OF DIRECTORS

The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are required to be exercised subject to the Ordinance, the Articles of Association of the Company and any regulations prescribed by the Company in the General Meeting.

7.19 INVESTMENT IN SUBSIDIARIES

**7.19.1 Specialized Autoparts Industries (Private) Limited**

Loads Limited has made an investment of PKR 175 million in Specialized Autoparts Industries (Private) Limited. The Company holds 17.50 million Ordinary Shares of face value PKR 10.00 each representing 100% of the total share capital of SAIL. The principal object of SAIL is to manufacture components for the automotive industry. SAIL was incorporated on June 2, 2004 as a private limited company under the Companies Ordinance, 1984. The registered office of the SAIL is located at the Korangi Industrial Area and the production facility is at Port Qasim.

7.19.2 Multiple Autoparts Industries (Private) Limited

Loads Limited has made an investment of PKR 75 million in Multiple Autoparts Industries (Private) Limited. The Company holds 7.50 million Ordinary Shares of face value PKR 10.00 each representing 100% of the total share capital of MAIL. The principal object of MAIL is to manufacture components for the automotive industry. MAIL was incorporated on May 14, 2004 as a private limited company under the Companies Ordinance, 1984. The registered office of the MAIL is located at the Korangi Industrial Area and the production facility is at Port Qasim.

7.19.3 Specialized Motorcycles (Private) Limited

Loads Limited has made an investment of PKR 75 million in Specialized Motorcycles (Private) Limited. The Company holds 7.50 million Ordinary Shares of face value PKR 10.00 each representing 100% of the total share capital of SMPL. The principal object of SMPL to acquire, deal in, purchase, import, sell and supply all types of motorcycles, auto parts, metallurgical parts, machinery and equipment parts. SMPL was incorporated on September 28, 2004 as a private limited company under the Companies Ordinance, 1984. The registered office of the SMPL is located at the Korangi Industrial Area.

SMPL has ceased its operations from July 1, 2015.

7.20 INVESTMENT IN ASSOCIATED COMPANIES

The Company owns 5.53% of the paid-up capital of Treet Corporation Limited which is an associated company as per the Companies Ordinance, 1984 and the said investment is measured using equity method of accounting as defined in IAS-28 "Investment in Associates". The investment has a carrying value of PKR 380,168,707 as at March 31, 2016.

Further the Company has also invested in Participation Term Certificates (PTC) of Treet Corporation Limited. The investment has a face value of PKR 54,930,000 as at June 30, 2015.

Other than the above mentioned, the Company has not sponsored nor acquired any associated Company nor has any resolution been passed for sponsoring or acquiring any associated Company under Section 208 of the Ordinance.

7.21 REVALUATION OF FIXED ASSETS

The Company has not performed any revaluation of Fixed Assets to date.



7.22 CAPITALIZATION OF RESERVES

The Company has issued following Ordinary shares as Bonus issue:

S. No	No. of Shares Issued	Par Value per share (PKR)	%	Date of Issue
1	577,500	5,775,000	75%	17-Jun-91
2	1,347,350	13,473,500	100%	29-Jun-94
3	305,000	3,050,000	11.32%	29-Jun-95
4	69,000,000	690,000,000	1,150%	31-Mar-15

Other than the above mentioned, there has been no capitalization of reserves since the incorporation of Loads Limited.



PART 8

8 MISCELLANEOUS INFORMATION

8.1 REGISTERED OFFICE / CORPORATE OFFICE

Loads Limited

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

8.2 PLANT ADDRESS OF THE COMPANY

Loads Limited

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

8.3 PLANT ADDRESSES OF THE SUBSIDIARIES

Specialized Autoparts Industries (Private) Limited

DSU-19, Sector II, Pak Steel Industrial Estate,
Bin Qasim, Karachi

Multiple Autoparts Industries (Private) Limited

DSU-38/4, Sector-II, Pak Steel Industrial Estate,
Bin Qasim, Karachi

8.4 BANKER TO THE ISSUE FOR BOOK BUILDING

Bank Alfalah Limited

8.5 BANKERS TO THE ISSUE

1. Askari Bank Limited
2. Bank Al Habib Limited
3. Bank Alfalah Limited
4. Faysal Bank Limited
5. Habib Bank Limited
6. Habib Metropolitan Bank
7. MCB Bank Limited
8. Soneri Bank Limited
9. Summit Bank Limited
10. United Bank Limited

8.6 BID COLLECTION CENTERS

Karachi

Contact Officer:	Muhammad Rafique Bhundi
Direct No.:	021 3246 0741
Mobile No.:	0331 260 4039



PABX No.: 021 111 245 111
Fax No.: 021 3242 9653
Email: rafique.bhundi@arifhabibltd.com
Postal Address: Arif Habib Center, 23 MT Khan Road, Karachi

Contact Officer: **Ammad Tahir**
Direct No.: 021 3677 0144
Mobile No.: 0345 317 1151
PABX No.: 111 511 611 Ext 253
Fax No.: 021 3242 9653
Email: ammad.tahir@arifhabibltd.com
Postal Address: Naya Nazimabad, Manghopir Road, Karachi

Lahore

Contact Officer: **Tahir Abbas**
Mobile No.: 0333 213 7736
Fax No.: 021 3242 9653
Email: tahir.abbas@arifhabibltd.com
Postal Address: Room # 220, Arif Habib Ltd, Lahore Stock Exchange, Lahore

Islamabad

Contact Officer: **Azhar Hayyat Qureshi**
Mobile No.: 0331 525 3798
Direct: 051 289 4076
Fax No.: 021 3242 9653
Email: azhar.hayat@bankalfalah.com
Postal Address: Bank Alfalah Limited, ISE Tower, Ground Floor, Blue Area, Islamabad

Quetta

Contact Officer: **Sagheer Ahmed**
Mobile No.: 0331 781 8701
Direct: 081 282 8210
Fax No.: 021 3242 9653
Email: saghir.ahmed@bankalfalah.com
Postal Address: Bank Alfalah Limited, M.A. Jinnah Road, Quetta

Peshawar

Contact Officer: **Murad Ali**
Mobile No.: 0345 900 5757
Direct: 091 528 7051
Fax No.: 021 3242 9653
Email: murad.ali@bankalfalah.com
Postal Address: Bank Alfalah Limited, 6/B Islamia Road, Peshawar Cantt



8.7 BANKERS TO THE COMPANY

1. Al Baraka Bank (Pakistan) Limited
2. Bank Al-Habib Limited
3. Habib Bank Limited
4. JS Bank Limited
5. Meezan Bank Limited
6. Soneri Bank Limited
7. United Bank Limited

8.8 AUDITORS OF THE COMPANY

KPMG Taseer Hadi & Co. Chartered Accountants

1st Floor, Shaikh Sultan Trust Building No. 2
Beaumont Road
Karachi

8.9 LEGAL ADVISOR OF THE COMPANY & THE ISSUE

Cornelius, Lane & Mufti

Advocates & Solicitors,
Nawa-e-Waqt House,
4 Shahrah-e-Fatima Jinnah,
Lahore

8.10 LEAD MANAGER & ARRANGER

Arif Habib Limited

Arif Habib Center,
23, MT Khan Road, Karachi
Tel: 021-32468117
Fax: 021-32429653
Email: rafique.bhundi@arifhabibltd.com
Website: www.arifhabibltd.com

8.11 BOOK RUNNER TO THE ISSUE

Arif Habib Limited

Arif Habib Center,
23, MT Khan Road, Karachi
Tel: 021-32468117
Fax: 021-32429653
Email: rafique.bhundi@arifhabibltd.com
Website: www.arifhabibltd.com

8.12 COMPUTER BALLOTTER & SHARES REGISTRAR

Central Depository Company of Pakistan Limited

CDC House, 99-B, Block-B, S.M.C.H.S
Main Shakra-e-Faisal,
Karachi
Tel: (021) 111-111-500



8.13 UNDERWRITING AGREEMENTS

Within five (5) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through stock exchange where shares are to be listed.

Supplement to the Prospectus would contain among other information, information relating names of the Underwriters for the General Public Portion of the Issue and Underwriting Commission.

8.14 DUE DILIGENCE REPORTS

The Due Diligence Reports will be furnished along with the Underwriting Agreements for the General Public Portion within five (5) working days of the closing of the Bidding Period.

8.15 MATERIAL CONTRACTS & DOCUMENTS

8.15.1 Details of Short-term Financing Facility

Bank	Facility	Limit (PKR Mn)	Mark up Commission	Date Sanctioned	Expiry / Review Date
Al Baraka Bank	Istisna	200	KIBOR+1.00%	27-Aug-15	30-Sep-16
Bank Al Habib	Running Finance	400	3MK+1.00%	15-Feb-16	28-Feb-17
Habib Bank Limited	Running Finance	20	1MK+1.75%	15-Apr-16	31-Dec-16
JS Bank Limited	Running Finance	300	3MK+1.25%	9-Nov-15	30-Nov-16
Meezan Bank Limited	Running Musharakah	200	3MK+1.00%	26-Apr-16	28-Feb-17
Soneri Bank Limited	Running Finance	120	6MK+0.85%	20-Mar-15	31-Jan-17
	Invoice Bill Payment Facility	70	1MK+0.75%	18-Sep-15	
United Bank Limited	Running Finance	100	1MK+1.50%	15-Oct-15	30-Sep-16
	Inland Bill Discounting	150	1MK+1.25%		
	FE25	150	To be decided on case to case basis		
	FATR	150	1MK+1.50%		
Total:-		1,860			

Note: As at December 31, 2015 the total equity is PKR 1.539 billion.

As per Bank Al Habib renewal facility letter dated February 15, 2016, total funded borrowings from Banks/ Financial Institutions must not exceed 4 times of equity.

4 times Equity is PKR 6.156 billion (4 x 1.539), the company still have the cushion available



8.15.2 Details of Long-term Financing Facility

Bank	Facility	Limit (PKR Mn)	Mark up Commission	Date Sanctioned	Expiry / Review Date
Bank Al Habib	Auto Finance	20	2% + Base	15-Feb-16	28-Feb-17

*The above facility hasn't been availed by the company

8.15.3 Details of Non Funded Financing Facility

Bank	Facility	Limit in Mn	Mark up Commission	Date Sanctioned	Expiry / Review Date
Al Baraka Bank	LC-Sight (Import)	100	Maximum 0.075% Per QTR	27-Aug-15	30-Sep-16
Bank Al Habib	LC-Sight (Import)	400	0.10% Flat	15-Feb-16	28-Feb-17
Habib Bank Limited	LC-Sight (Import)	100	0.07% per QTR (Opening) 0.07% Flat (Retirement)	15-Apr-16	31-Dec-16
JS Bank Limited	LC-Sight (Import)	350	0.10% per QTR (Opening) 0.15% Flat (Retirement)	9-Nov-15	30-Nov-16
Meezan Bank Limited	LC-Sight (Import)	200	0.15% per QTR (Opening) 0.10% Flat (Retirement)	26-Apr-16	28-Feb-17
	Letter of Guarantee	2.5	2% per annum		
	Forward Cover	31	To be determined by Bank		
Soneri Bank Limited	LC-Sight (Import)	100	0.10% per QTR	20-Mar-15	31-Jan-17
United Bank Limited	LC-Sight (Import)	300	0.05% per QTR	15-Oct-15	30-Sep-16

8.15.4 Details of Related Party Agreements

Title of Agreement	Party to the Agreement	Date	Particular
Toll Manufacturing Agreement	Specialized Autoparts Industries (Private) Limited	01-Jul-15	Agreement for manufacture and supply of Components / Sub-Components for a period of five years
Toll Manufacturing Agreement	Multiple Autoparts Industries (Private) Limited	01-Jul-15	Agreement for manufacture and supply of Components / Sub-Components for a period of five years



8.15.5 Details of Other Company Related Agreements

Title of Agreement	Party to the Agreement	Date	Particular	Tenure of Agreement
Basic Vendor Purchase Agreement	Pak Suzuki Motor Company Limited	04-Oct-02	Agreement for supply of various automobile components	Agreement will remain in force unless terminated by either party by giving 3 months' notice
Contract for Supply of Parts/Components of Indus Motor Ltd.	Indus Motor Company Limited	31-Oct-12	Agreement for supply of various automobile components	Contract shall remain in force as long as parts continue to be ordered as per quarterly schedule
General Agreement for Purchase of Parts	Honda Atlas Cars (Pakistan) Limited	15-Aug-12	Agreement for supply of various automobile components	1 year, renewable automatically every year, unless 2 months' notice in writing is given by either party for termination
Purchase Agreement	Thal Limited	11-Jun-14	Agreement for supply of various components	Contract will continue till supply orders are received by Loads Limited
Agreement for Supply of Raw Materials and Parts	Yamaha Motor Pakistan (Private) Limited	22-Jun-15	Agreement for supply of various motor cycle components	Agreement expired on 21 June 2016, and request for renewal is in process
Technical Assistance Agreement	Futaba Industrial Co. Ltd.	31-Jul-13	Technical assistance agreement for manufacture of exhaust systems	Agreement shall remain in force for 7 years and renewed automatically every year, unless notified by either party
Lease Agreement	ORIX Leasing Pakistan Limited	30-Oct-13	Lease Agreement for various cars	Expires on 30-Sep-2016
Lease Agreement	ORIX Leasing Pakistan Limited	19-Nov-13	Lease Agreement for various cars	Expires on 31-Oct-2016
End User License Agreement	SAP Malaysia Sdn Bhd	20-Dec-10	End User License Agreement for SAP Business One Software	Agreement shall remain in force till software is in use
Contract of Gas Supply	Sui Southern Gas Company Limited	28-Sep-83	Contract for gas supply	Agreement will remain in force unless terminated by either party by giving 1 months' notice
Construction Agreement	Nadeem Brothers	18 Feb-16	Construction of hangers for Yamaha	Contract will expire on completion of construction and maintenance period.

Note: As per auto industry practice, agreements with buyers for supply of parts, are long term in nature and renewed automatically. This is especially applicable to sole suppliers who have technology, foreign collaboration, equipment, dies and moulds for manufacturing the products.



8.16 INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, Information Memorandum and copies of agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

8.17 LEGAL PROCEEDINGS

There are ordinary litigations incidental to the business, to which the Company is a party. However, none of them have any material impact except for the matters disclosed below:

- (i) A lawsuit has been filed against Specialized Autoparts Industries (Pvt) Limited, the subsidiary company of Loads by Pakistan Steel Mills Corporation Limited ("**PSMCL**") claiming possession of a leasehold land of SAIL on the ground that No Objection Certificate was not obtained from PSMCL when SAIL purchased the suit property in court auction. However, SAIL's lawyer is of the view that no condition about specific use was imposed upon SAIL when it purchased the suit property in court auction. Further, SAIL is manufacturing autoparts for the last eight years which is in knowledge of PSMCL. Furthermore, the action of PSMCL is unjustifiable and also contrary to law in as much as no show cause notice was given to SAIL. The Honourable Court has restrained PSMCL from dispossessing SAIL from the suit property. SAIL based on lawyer's advice is confident of a favorable outcome.
- (ii) During the year ended 30 June, 2015, the subsidiary company, Specialized Motorcycles (Pvt) Limited, received show cause notice dated 20 March 2015 under section 21(2) of the Sales Tax Act, 1990 from Federal board of Revenue ("**FBR**") for non-filing of sales tax returns for six consecutive months. SMPL replied to the aforesaid notice that it is in the process of changing sales tax status from manufacturer to distributor and has filed application for change in particulars/status several times but applications were rejected owing to delay in filing of requisite documents. Finally, the application filed on 10 March, 2015 was acknowledged by FBR and forwarded for verification and is awaited order is received from tax authorities. The management of SMPL is confident that no liability arises in respect of non-filing of sales tax return and therefore, no provision has been made in Financial Statements for the year ended 30 June, 2015.

8.18 MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

8.19 FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on 1st July and ends on 30th June each year.



PART 9

9 APPLICATION AND ALLOTMENT INSTRUCTIONS

9.1 Eligible investors include:

- a. Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality;
- b. Foreign Nationals whether living in or outside Pakistan
- c. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
- d. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
- e. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

9.2 APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR ALEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

9.3 Copies of this Prospectus and applications forms can be obtained from members of PSX the Bankers to the Issue and their Branches, the Lead Manager, Arrangers & the Book Runner, and the registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<http://www.arifhabibltd.com>, <http://loads-group.pk>

The applicants opting for scrip-less form of shares are required to complete the relevant sections of the application. In accordance with the provisions of the Central Depositories Act, 1997 and the CDCPL Regulations, credit of such shares is allowed ONLY in the applicant's own CDC account. In case of discrepancy between the information provided in the application form and the information already held by CDS, the Company reserves the right to issue shares in physical form.

9.4 Name(s) and address(es) must be written in full block letters, in English and should not be abbreviated.

9.5 All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form.

9.6 APPLICATIONS MADE BY INDIVIDUAL INVESTORS

- (i) In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.



- (ii) Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

9.7 APPLICATIONS MADE BY INSTITUTIONAL INVESTORS

- (i) Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.
- (ii) Attested photocopies of the documents mentioned in 9.7 (i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

9.8 Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.

9.9 Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares.

9.10 Subscription money must be paid by cheque drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue **"IPO of Loads Limited – General Public Account"** and crossed **"A/C PAYEE ONLY"**.

9.11 For the applications made through pay order / bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.

9.12 The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.

9.13 Applications are not to be made by minors and / or persons of unsound mind.

9.14 Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.



- 9.15** Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made.
- 9.16** Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
- 9.17** Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
- 9.18** It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
- 9.19** Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under section 87(8) of the Securities Act, 2015.

9.20 ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- a) In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.
- b) Applicants may also subscribe using their Special Convertible Rupee Account (SCRA) as set out under the State Bank of Pakistan's Foreign Exchange Manual.

9.21 BASIS OF ALLOTMENT

The basis and conditions of transfer of shares to the General Public shall be as follows:

- a) The minimum value of application will be calculated as Issue Price x 500 Shares. Application for amount below the minimum value shall not be entertained.
- b) Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
- c) Allotment / Transfer of Shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.



- d) Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
- e) Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
- f) The Company will dispatch Shares to successful applicants through their Bankers to the Issue or credit the respective CDS accounts of the successful applicants (as the case maybe).
- g) Employees will subscribe their portion during subscription period. If the preferential allocation portion is under subscribed, the unsubscribed shares will be allotted to the General Public Portion.

9.22 E-IPO FACILITIES

In order to facilitate the investors, the Issuer has arranged provision of e-IPO facility through United Bank Limited (“**UBL**”) and Summit Bank Limited (“**SMBL**”) that is among the Bankers to the Issue.

The accountholders of UBL can use UBL net-banking to submit their applications online via link:

<http://www.ubldirect.com/corporate/ebank>

The accountholders of SMBL can use SMBL net-banking to submit their applications online via link:

<https://ib.summitbank.com.pk>

The accountholders of UBL & SMBL can submit their applications through these links 24 hours a day during the subscription period which will close at 12:00 midnight on September 29, 2016.

9.23 BANKERS TO THE ISSUE

Code No.	Banks
01	Askari Bank Limited
02	Bank Al Habib Limited
03	Bank Alfalah Limited
04	Faysal Bank Limited
05	Habib Bank Limited
06	Habib Metropolitan Bank
07	MCB Bank Limited
08	Soneri Bank Limited
09	Summit Bank Limited
10	United Bank Limited

9.24 CODE OF OCCUPATION

Code No.	Occupation	Code No.	Occupation
01	Business	06	Professional
02	Business Executive	07	Student



03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Others

9.25 NATIONALITY CODE

Code No.	Name of Country	Code No.	Name of Country
001	U.S.A	006	Bangladesh
002	U.K	007	China
003	U.A.E	008	Bahrain
004	K.S.A	009	Other
005	Oman		



PART 10

10 REGISTRATION FORM & BIDDING FORM OF LOADS LIMITED**INSTRUCTIONS FOR REGISTRATION AND BIDDING**

REGISTRATION PERIOD OPENS FROM September 01, 2016 TO September 06, 2016 BETWEEN 9:00 AM TO 5:00 PM AND BETWEEN 9:00 AM TO 3:00 PM ON September 07, 2016

BIDDING PERIOD OPENS FROM September 06, 2016 to September 07, 2016 BETWEEN 9:00 AM TO 5:00 PM

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF Loads Limited (“LL” or the “Company”) THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 15.00/- PER SHARE

The Present Issue comprises of 50,000,000 Ordinary Shares (40.00% of the Total Post-IPO Paid-up Capital of the Company with Face Value of PKR 10.00/- each).

Book Building portion of the Issue comprises of 35,625,000 Ordinary Shares (71.25% of the Total Issue Size) at a Floor Price of PKR 15.00/- per share (including a premium of PKR 5.00/- per share)

Instructions for Registration and Bidding

1. Only registered investors will be eligible to participate in the bidding process.
2. Investors are required to fill in the Registration Form and submit the complete Registration Form along with Margin Money at the Bid Collection Centres during the Registration Period.
3. For deposit of Margin Money only Pay Orders, Demand Drafts or a bank receipt evidencing Online Transfers in the designated bank account shall be accepted during the Bidding Period. **Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.**
4. Once the investor is registered in the System, the investor will receive Username and Password via an automatically generated e-mail through the System software.
5. Investors can directly place their bids online during the Bidding Period by using the Username and Password provided to them via e-mail or submit the Bidding Form at the bid collection centres in person.
6. On entry of bid in the System, the investors will receive an e-mail confirmation of their bid via the System software.
7. Investors can revise and withdraw their bids online. Please visit www.bkb.psx.com.pk to access online portal. Online access will be available for bid revisions during the Bidding Period from 9:00 am to 5:00 pm. **An investor will not be allowed to place or revise a bid with a price variation of more than 20% of the prevailing Indicative Strike Price.** No downward revision shall be allowed after 4:00 pm on last day of the Bidding Period.

Please Note:

1. Fill in all the particulars of the form accurately in **BLOCK LETTERS**.
2. For deposit of margin money, only Pay Orders, Demand Draft will be accepted or online transfer facility (pay order or demand draft may be deposited at any branch of summit bank and evidence to be submitted to the book runner) into the respective IPO account of the Issuer, **A/C No. 0005-1004911254**, titled **“IPO of LOADS LIMITED – BB Account”** is opened at Bank Alfalah Limited, Main Corporate Branch, Karachi.
3. Kindly provide a copy of CNIC or Passport (in case of Individual Investors) or NTN Certificate / Certificate of Incorporation (in case of Institutional Investor) along with the Registration Form.
4. Applicants are requested to provide accurate contact details. Please provide accurate landline number(s), mobile number(s), fax number(s), UIN(s), NTN number and e-mail address(es).
5. **Bidders are requested to provide two copies of the bidding instrument at the time of bid submission.**
6. The National Taxation Number (“NTN”) of Loads Limited is **0944311-8**. This NTN shall be required by applicants for making their respective pay orders.
7. The Bidder is required to duly fill Additional Payment Form for depositing additional funds for enhancement of deposit amount.



8. All payments are to be made in favor of “**IPO OF LOADS LIMITED - BOOK BUILDING ACCOUNT**” at any of the following bidding centers:

BID COLLECTION CENTRES			
Karachi			
Contact Person:	Rafique Bhundi	Contact Person:	Ammad Tahir
Mobile No:	+0331 260 4039	Mobile No:	+92 345 317 1151
Direct No:	+92 21 3243 3542	Direct No:	+021 3677 0144
PABX No:	+92 21 111 245 111	PABX:	+92 21 111 511 611
Fax No:	+92 21 3242 9653	Fax No:	+92 21 3242 9653
Email:	rafique.bhundi@arifhabibltd.com	Email:	ammad.tahir@arifhabibltd.com
Postal Address:	Arif Habib Center, 23 MT Khan Road, Karachi	Postal Address:	Naya Nazimabad, Manghopir Road, Karachi
Lahore		Islamabad	
Contact Person:	Tahir Abbas	Contact Person:	Azhar Hayyat Qureshi
Mobile No:	+92 333 213 7736	Mobile No:	+92331 525 3798
Fax No:	+92 21 3242 9653	Direct No:	+92 51 289 4076
Email:	tahir.abbas@arifhabibltd.com	Fax No:	+92 21 3242 9653
Postal Address:	Room # 220, Arif Habib Ltd, LSE Building, Lahore	Email:	azhar.hayat@bankalfalah.com
		Postal Address:	Bank Alfalah Limited, ISE Tower, Ground Floor, Blue Area, Islamabad
Peshawar		Quetta	
Contact Person:	Murad Ali	Contact Person:	Sagheer Ahmed
Mobile No:	+92 345 900 5757	Mobile No:	+92 333 781 8701
Direct No:	+92 91 528 7051	Direct No:	+92 81 282 8210
Fax No:	021 3242 9653	Email:	saghir.ahmed@bankalfalah.com
Email:	murad.ali@bankalfalah.com	Postal Address:	Bank Alfalah Limited, M.A. Jinnah Road, Quetta
Postal Address:	Bank Alfalah Limited, 6/B Islamia Road, Peshawar Cantt		

9. **CASH SHOULD NOT BE SUBMITTED WITH REGISTRATION FORM AT THE BID COLLECTION CENTER.**

10. **THE BID SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM ALONG WITH THE REGISTRATION FORM IN PERSON OR THROUGH FAX AT THE NUMBERS MENTIONED IN NOTE 8 ABOVE. REGISTERED INVESTORS CAN ALSO PLACE THEIR BIDS DIRECTLY VIA THE ONLINE PORTAL BY VISITING WWW.BKB.PSX.COM.PK.**

11. Bids can be placed at “Limit Price” or “Step Bid”.

a) Payment for Limit Price:

If investors are placing their bids through “Limit Price” then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 4.0 million shares at a price of PKR 17.00/- per share, then the total Application Money would amount to PKR 68,000,000. In such a case, (i) individual investor shall deposit PKR 68,000,000 in the Book Building account as the Bid amount which is 100% of PKR 68,000,000; and (ii) Institutional Investors shall deposit PKR 17,000,000 in the Book Building account as the margin amount which is at least 25% of PKR 68,000,000.

b) Payment for Step Bid:



If investors are placing their bids through “Step Bid” which is a series of limit bid at increasing prices then they shall deposit the Margin Money / Bid Amount based on the total number of shares they are bidding for at their stated bid price. The aggregate amount of step bid shall not be less than PKR 1,000,000/- and the amount of any step shall also not be less than PKR 1,000,000/-.

For instance, if the investor Bids for 0.50 million shares at PKR 16.00/- per share, 1.0 million shares at PKR 17.00/- per share and 1.5 million shares at PKR 18.00/- per share, then in essence the investor has placed one “Step Bid” comprising three limit Bids at increasing prices. The Application Money would amount to PKR 52,000,000/- which is the sum of the products of the number of shares Bid for and the Bid price of each limit Bid. In such a case, (i) individual investor shall deposit PKR 52,000,000/- in the Book Building Account as Bid amount which is 100% of PKR 52,000,000/- and (ii) Institutional investors shall deposit at least PKR 13,000,000/- in the Book Building Account as Margin Money which is 25% of PKR 52,000,000/-.

12. The applicant, if Individual Investor, shall submit amount of 100% of the application money as Bid / Margin Money whereas Institutional Investors shall submit not less than 25% of the application money.
13. Book Runner shall not accept or register any new Bidders after **3:00pm during the last day of Bidding Period and after 4:00pm no bid shall be withdrawn from the System.**
14. The Bidder can view the color of the book, i.e. bid price and number of shares against each bid price online anytime during the Bidding Period at the following websites: www.psx.com.pk
15. Successful Bidders shall be intimated, within **one (1) working day** of the closing of the Bidding Period, the Strike Price and the number of shares provisionally allotted to each of them.
16. The successful institutional Bidders shall, within **three (3) working days** of the closing of the Bidding Period, deposit the balance amount, if required, as consideration against allotment of shares.
17. Where a successful Bidder defaults in payment of shares allotted to him, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.
18. Final allotment of shares out of the Book Building Issue shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be transferred at the time of transfer of shares out of the general public offer to successful applicants.
19. Margin Money of unsuccessful Bidders shall be refunded within **five (5) working days** of the close of the Bidding Period, through courier, to the address submitted on the Bidding Form.



For investor education please visit www.jamapunji.pk
Jama Punji is an Investor Education Initiative of the
Securities & Exchange Commission of Pakistan



REGISTRATION FORM

 Loads Limited	Book Runner	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT	
		Registration Dates	September 01, 2016 to September 07, 2016
		Bidding Dates	September 06, 2016 to September 07, 2016
		Bidding Form No.	

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF LOADS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 15.00 PER SHARE (INCLUDING A PREMIUM OF PKR 5.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE.

ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.

Name	CNIC #	
	NTN*	
Address	Cell #	
	Land Line #	
E-mail	Fax #	
PLEASE TICK THE APPROPRIATE BOX		Nationality (If other than Pakistani)
<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor	<input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreigner	
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 12.50% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.		
Payment Details:	Payments to be made in favor of "IPO of Loads Limited - BB Account"	
Amount in Figures		Instrument #
Instrument Date		Margin %age
Banker's Name, Address & Branch		
CDC Details for Sub A/C & House A/C		
CDC Participant Name		CDC Participant ID
Sub A/C No.		House A/C No.
CDC Details for Investor A/C		
CDC Investor Service A/C ID		CDC Investor A/C No.

I DECLARE THAT I have read all the term and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.

Signature of Bidder: _____



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DUPLICATE REGISTRATION FORM

 Loads Limited	Book Runner	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT
		Registration Dates September 01, 2016 to September 07, 2016
		Bidding Dates September 06, 2016 to September 07, 2016
	Bidding Form No.	

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF LOADS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 15.00 PER SHARE (INCLUDING A PREMIUM OF PKR 5.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.

Name	CNIC #	
	NTN*	
Address	Cell #	
	Land Line #	
E-mail	Fax #	
PLEASE TICK THE APPROPRIATE BOX		Nationality (If other than Pakistani)
<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor	<input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreigner	
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 12.50% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.		
Payment Details:	Payments to be made in favor of "IPO of Loads Limited - BB Account"	
Amount in Figures		Instrument #
Instrument Date		Margin %age
Banker's Name, Address & Branch		
CDC Details for Sub A/C & House A/C		
CDC Participant Name		CDC Participant ID
Sub A/C No.		House A/C No.
CDC Details for Investor A/C		
CDC Investor Service A/C ID		CDC Investor A/C No.

I DECLARE THAT I have read all the term and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.



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Signature of Bidder: _____



BIDDING FORM

 Loads Limited	Book Runner	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT					
		<table border="1"> <tr> <td>Registration Dates</td> <td>September 01, 2016 to September 07, 2016</td> </tr> <tr> <td>Bidding Dates</td> <td>September 06, 2016 to September 07, 2016</td> </tr> <tr> <td>Bidding Form No.</td> <td></td> </tr> </table>	Registration Dates	September 01, 2016 to September 07, 2016	Bidding Dates	September 06, 2016 to September 07, 2016	Bidding Form No.
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Bidding Form No.							

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF LOADS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 15.00 PER SHARE (INCLUDING A PREMIUM OF PKR 5.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE.

ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.

Name		CNIC #	
		NTN*	
Address		Cell #	
		Land Line #	
E-mail		Fax #	

PLEASE TICK THE APPROPRIATE BOX		Nationality (If other than Pakistani)
<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor	<input type="checkbox"/> Resident <input type="checkbox"/> Non Resident <input type="checkbox"/> Foreigner	

***INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 12.50% APPLIES TO FILERS INSTEAD OF 20.0% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANIES.**

Payment Details:	Payments to be made in favor of "IPO of Loads Limited - BB Account"		
Amount in Figures		Instrument #	
Instrument Date		Margin %age	
Banker's Name, Address & Branch			
CDC Details for Sub A/C & House A/C			
CDC Participant Name		CDC Participant ID	
Sub A/C No.		House A/C No.	
CDC Details for Investor A/C			
CDC Investor Service A/C ID		CDC Investor A/C No.	

I DECLARE THAT I have read all the term and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.

Signature of Bidder: _____



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In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange (“PSX”), I/we am/are eligible to bid in this Initial Public Offering. The amount payable on bidding is remitted herewith which is the applicable margin amount. I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares. In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within five (5) working days of the close of the bidding period.

I/We agree that this is a binding agreement to accept the number of shares as may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/ we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is entitled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filling of the same with the Securities and Exchange Commission of Pakistan (“SECP”).

I understand that the Issuer, the book runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; ii) FORIEGNER; iii) I AM/WE ARE NOT MINOR(S); iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITOUS NAME, IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERSTAND THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important Instructions:

- 1) Bids shall only be entered for those Eligible Investors who have submitted a duly filled Registration Form as prescribed by the Book Runner.
- 2) Bid money / margin money shall be deposited through demand draft, pay order in favor of “**IPO of Loads Limited - BB Account**”. For online transfer facility (pay order or demand draft may be deposited at any branch of Bank Alfalah Limited and evidence to be submitted to the book runner) the payment shall be made into **A/C # 0005-1004911254** being maintained at Bank Alfalah Limited – Main Corporate Branch with the Account Title “**IPO of Loads Limited - BB Account**”.
- 3) For deposit of margin money, only Pay Orders, Demand Drafts, or online transfer will be accepted. Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- 4) In case of intercity instruments, only Pay Orders “**payable at any branch**” will be accepted. For the purpose of expediting the clearing of the instruments it is highly recommended that the Pay Order should be made from online branches of the respective banks.
- 5) Eligible Investors can register themselves till 3:00 pm on the last day of Book Building after which no new investors shall be registered.
- 6) Investors can revise and withdraw their bids online. Please visit www.bkb.kse.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for bid revisions during the bidding period from 9:00 am to 5:00 pm on the last day of bidding. An investor will not be allowed to place or revise a bid with a price variation of more than 20% of the prevailing indicative strike price. However, after 4.00 pm on the last day of bidding, withdrawal and downward revision of bids will not be allowed.

Yours Faithfully,

Signature of Bidder: _____



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To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp
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ADDITIONAL PAYMENT FORM

 Loads Limited	Book Runner		Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT				
			Bidding Dates	September 06, 2016 to September 07, 2016			
			Bidding Form No.				
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF LOADS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 15.00 PER SHARE (INCLUDING A PREMIUM OF PKR 5.00/- PER SHARE)							
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE							
Name	CNIC #		Cell #				
	NTN		Land Line #				
Client ID: (ID generated and e-mailed at the time of bid placement)		Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)			
		Non Resident	<input type="checkbox"/>				
		Foreigner	<input type="checkbox"/>				
Additional Payment Details							
Payments to be made in favor of "IPO of Loads Limited – BB Account"							
Amount in Figures		Instrument #		Instrument Date		Margin %age	
Banker's Name, Address & Branch							
1. It may be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form 2. I DECLARE THAT I have read all the conditions in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Additional Payment Form.							
Signature of Bidder: _____		 <small>For investor education please visit www.jamapunji.pk Jama Punji is an Investor Education Initiative of the Securities & Exchange Commission of Pakistan</small>					

To be filled in by the Book Runner:					
Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp



BID REVISION FORM

 Loads Limited	Book Runner	Tick One <input type="checkbox"/> KHI <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> QUT
		Bidding Date September 06, 2016 to September 07, 2016
	Bidding Form No.	

INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF LOADS LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 15.00 PER SHARE (INCLUDING A PREMIUM OF PKR 5.00/- PER SHARE)

PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE MAKE SURE TO PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE

Name	PLEASE TICK THE APPROPRIATE BOX			
	<input type="checkbox"/> Local Institutional Investor	<input type="checkbox"/> Foreign Institutional Investor	<input type="checkbox"/> Individual Investor	
Address	Cell #	Resident	<input type="checkbox"/>	Nationality (If other than Pakistani)
	Land Line #	Non-Resident	<input type="checkbox"/>	
		Foreigner	<input type="checkbox"/>	
Fax #	E-mail	CNIC #		
		NTN		

Payment Details: Payments to be made in favor of "IPO of Loads Limited – BB Account"

Amount in Figures	Instrument #	Instrument Date	Margin %age
Banker's Name, Address & Branch			
CDC Details for Sub A/C and House A/C			
CDC Participant Name	CDC Participant ID		
Sub A/C No.	House A/C No.		
CDC Details for Investor A/C			
CDC Investor Service A/C ID	CDC Investor A/C No.		

The Directors of Loads Limited

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

Dear Sir,

On the basis of Prospectus by Loads Limited for the Initial Public Offering of Shares, I/we hereby bid for subscription of shares of the Company as under:

Bid Details			
Bid Option (Please tick)	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)
Limit Order			
Step Order:			
Option (1)			
Option (2)			
Option (3)			
Option (4)			
Total (Shares and Price)			

- Each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Bidding Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the Book Runner along with each Additional Payment Form.
- I DECLARE THAT I have read all the term and conditions stated in the Prospectus and the Instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Bid Revision Form

Signature of Bidder: _____



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PART 11

11 SIGNATORIES TO THE PROSPECTUS

Syed Shahid Ali	-Sd-
Mr. Saulat Said	-Sd-
Mr. Munir Karim Bana	-Sd-
Syed Sheharyar Ali	-Sd-
Mr. Muhammad Ziauddin	-Sd-
Mr. Jalees Ahmed Siddiqi	-Sd-
Mr. Amir Zia	-Sd-
Mr. Shamim Ahmed Siddiqui	-Sd-

Signed by the above in the presence of witnesses:

-Sd-

-Sd-

Name: _____

CNIC: _____

Address: _____

Date: _____

Name: _____

CNIC: _____

Address: _____

Date: _____



PART 12

12 MEMORANDUM OF ASSOCIATION

(As Amended by Special Resolutions dated 09 March 2015)



THE COMPANIES ORDINANCE, 1984

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

LOADS LIMITED

*Incorporated the 1st day of January, 1979
Converted into Public Company and Adopted by
Special Resolution passed on December 19, 1993*

- I. The name of the Company is LOADS LIMITED.
- II. The Registered Office of the Company will be situated in the Province of Sind.
- III. The objects for which the Company is established are as follows:
 1. To carry on the business as importers, indentors, manufacturer's representatives, agents, distributors and dealers of automobiles, carrier vehicles, agricultural tractors, farm machinery and implements, motor cycles, motor scooters, three wheelers, rickshaws, and spare parts, accessories thereof.
 2. To carry on all or any of the business of importing and dealing in mechanical or electrical plant, machinery, equipment, apparatus, appliances, accessories and other goods and merchandise of all description.
 3. To carry on the business as manufacturers, assembly and body builders of passenger buses, automobiles, motor vans, lorries, trucks, agricultural tractors, farm machinery and implements, carrier vehicles, motor cycles, motor scooters, motor scooter rickshaws, cycles, parts, spares and accessories.
 4. To carry goods, cargoes and passengers by trucks, trolleys, trailers, refrigerated vans, buses and any conveyance whatsoever and to own and operate such conveyances.
 5. To carry on all or any of the business of importing, dealing and installation of air conditioning and refrigeration plants, air conditioning and refrigeration units, electrical lifts and escalators, switchboards, transformers, converters, ducting, tractors, engines, pumps and all agricultural machinery, implements, parts and accessories.
 6. To carry on all kinds of agency and commission business and in particular to become and undertake the office of Managers, Manufacturer's Agents, Manufacturer's Representatives, Selling Agents, Mercantile Agents, Factors, Brokers, Promoters, Secretaries, Treasurers, Receivers and Agents of any





- Government of State, either independently or jointly with any other person or in syndicate, firm or company, including the business of commission agents, shipping agents, clearing agents, insurance agents and general agents in any part of the world.
7. To carry on the business of engineers, contractors, electricians, machinists, smiths, foundrymen, manufacturers, repairers, hirers, suppliers and dealers in or of electrical or mechanical plant, apparatus, equipment, machinery, appliances, accessories, parts, spares and goods, articles and things of every description.
 8. To carry on business as machinery and metal merchants, agents and brokers, salvage contractors, shipbreakers, storekeepers, warehousemen, forwarding agents and shippers and contractors.
 9. To maintain, service, repair, alter, remodel, renovate, convert, manipulate, purchase, and prepare for market machinery, plant, equipment and other goods and merchandise.
 10. To carry on business as importers, exporters, manufacturers, buyers, sellers, insurers and to treat, prepare and deal in merchandise, commodities and articles of all kinds and generally to carry on business as traders and merchants.
 11. To manufacture and produce and either as principals, agents, importers or trade representatives to buy, sell, trade and deal in any plant, machinery, equipment, goods and articles belonging to or capable of being used with any such business and all apparatus, appliances, accessories and things used or capable of being used in connection therewith or any patents, inventions or privileges for the time being belonging to the Company or which the Company may acquire.
 12. To carry on business as air conditioning and refrigeration engineers, electrical engineers, mechanical engineers, civil engineers, motor engineers, marine engineers and contractors and suppliers.
 13. To carry on all or any of the businesses of machine and engineering tool makers, boiler makers, iron foundrymen, brass foundrymen, metal wrights, metal workers and metallurgists and to buy, sell, manufacture, repair, convert, let on hire and deal in machinery and agricultural implements, tools, parts, spares, utensils and conveniences of all kinds of aluminium, iron, brass, steel or other metal.
 14. To carry on business as packers, shippers, forwarding agents, cargo agents, cargo sales agents, warehousemen or other business or clearing and forwarding agents, general agents.
 15. To acquire, package, transport, import, export, buy and sell by whole-sale or retail in Pakistan or elsewhere and otherwise deal in and to in any way carry on the business of milk and all types of dairy products, meat, live cattle and sheep, live-stock farming, fish farming, poultry eggs and in all branches of such respective trades or business.
 16. To carry on all or any of the business, trade, profession, industry or commerce in Pakistan or elsewhere of Manufacturers, Fabricators, Assemblers and Builders, Contractors, Decorators, Architects, Merchants and dealers in goods, machinery, equipment, materials, processed block casting products,





- building constructions, transport, lands, mines, store, sand, lime, cement, cellular concrete, timber, hardware and other prefabricated building material requisites, bricks and tile and terra-cotta makers, job masters, carriers, licensed victuallers, house agents and property of all kinds and description.
17. To carry on business as tourist agents and contractors and to facilitate travelling, provide for tourists and travellers, or promote the provision of conveniences of all kinds in the way of through tickets, circular tickets, sleeping cars or berths, reserved places, air reservations, steamer reservations, hotel, motel and lodging accommodation, restaurant, cafe, tavern, refreshment room, guides, safe deposits, enquiry bureaux, libraries, lavatories, reading rooms, baggage transport and otherwise.
18. To establish, maintain and work lines of aerial conveyances, aeroplanes, seaplanes, gliders, airships and between two or more places in Pakistan and between other places in and outside Pakistan to be from time to time selected by the Company.
19. To manufacture, buy, sell, prepare, let on hire and deal in aerial conveyances of all kinds and the component parts thereof, and all kinds of machinery and all apparatus for use in connection therewith.
20. To acquire, construct, provide and maintain aerodromes, hangars, sheds, garages and accommodation for or in connection with all kinds of aerial conveyances.
21. To carry on the business of railway, tramway, airway, omnibus, van, carriage and boat proprietors and carriers of passengers and goods by land, sea or air.
22. To carry on any other business, whether manufacturing or otherwise, which may seem to the Company capable of being conveniently carried on in connection with the above or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
23. To maintain, service, repair, alter, remodel, renovate, convert, manipulate, purchase, and prepare for market machinery, plant, equipment and other goods and merchandise.
24. To manufacture and produce and either as principals, agents, importers, trade representatives to buy, sell, trade and deal in any plant, machinery, equipment, goods and articles belonging to or capable of being used with any such business and all apparatus, appliances, accessories and things used or capable of being used in connection therewith or any patents, inventions or privileges for the time being belonging to the Company or which the Company may acquire.
25. To carry on the business of mechanical engineers, electrical engineers, sanitary and water engineers and plumbers, brass-founders, metal workers, boiler-makers, millwrights, machinists, smiths, and tool-makers and to buy, sell, manufacture, repair, convert, alter, let on hire and deal in machinery implements, rolling stocks and hardware of all kinds.
26. To establish branches or appoint agencies and dealers in the country and abroad for or in connection with any of the objects of the Company.





- 27 To carry on the business of manufacturers, exporters and importers of and dealers in all kinds of goods, commodities and merchandise from and to all countries in the world, to act as agents, selling agents, buying agents, publicity agents, managers, brokers, commission agents, inventors, indenting agents, canvassers, advertisers, stockists and distributors for any persons, firms, companies, corporations, governments and local authorities (including without prejudice to the said generality and in particular for exporters, importers, buyers, sellers, manufacturers, merchants, tradesmen, insurers, financiers, builders, property owners and others) and generally to undertake and carry out agencies and agency work of any kind whatsoever and transact all manner of agency, booking, commission, canvassing, distributing and advertising business.
- 28 To insure with any other company or person against losses, damages, risks and liabilities of all kinds which may affect the Company and also to carry on marine, fire, accident and transit insurance businesses and generally every kind of insurance and re-insurance business except the issuing of policies of insurance upon human life.
- 29 To acquire and undertake the whole or any part of the business, property and liabilities of any person or Company carrying on any business which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.
- 30 To apply for, purchase, or otherwise acquire any patents, licences, concessions, and the like, conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use, exercise, develop, or grant licences in respect of, or otherwise turn to account the property, rights, information so acquired.
- 31 To enter into partnership or into arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise with any person or company carrying on or engaged in, or about to carry on or engage in, any business or transaction which this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company. And to lend money to, guarantee the contracts of, or otherwise assist any such person or Company and to take or otherwise acquire shares and securities of any such Company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same.
- 32 To take, or otherwise, acquire, and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit this Company.
- 33 To enter into any arrangements with any Governments or authorities supreme, municipal, local, or otherwise, that may seem conducive to the Company's objects, or any of them, and to obtain from any such Government or authority any rights, privileges, and concessions which the Company may think it desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.



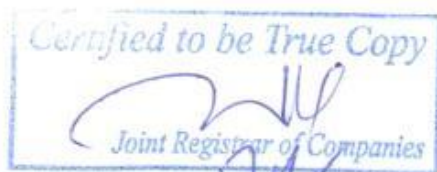


34. To establish and support or aid in establishment and support of associations, institutions, funds, trusts, and conveniences calculated to benefit employees or ex-employees of the Company or its predecessors in business or dependents or connections of such persons and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent object, or for any public, general or useful object.
35. To promote any company or companies for the purpose of acquiring all or any of the property, rights and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to benefit this Company.
36. Generally to purchase, take on lease or in exchange, hire or otherwise acquire any real and personal property, and any rights, or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, buildings, easements, machinery, plant and stock-in-trade.
37. To construct, maintain and alter any buildings or works necessary or convenient for the purposes of the Company.
38. To construct, improve, maintain, develop, work, manage, carry out or control any roads, ways, tramways, railways, branches or sidings, bridges, reservoirs, watercourses, wharves, manufactories, warehouses, electric works, shops, stores and other works and convenience which may seem calculated directly or indirectly to advance the Company's interests and to contribute to subsidise, or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof.
39. To invest and deal with the moneys of the Company not immediately required in such manner as may from time to time be determined.
40. To lend money to such persons or companies and on such terms as may seem expedient and in particular to customs and others having dealings with the Company's and to guarantee the performance of contracts by any such persons or companies.
41. To borrow or raise or secure the payment of money in such manner as the Company shall think fit and in particular by the issue of debentures or debenture-stock, perpetual or otherwise charged upon all or any of the Company's property, both present and future, including its uncalled capital and to purchase, redeem or pay off any such securities.
42. To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures and other negotiable or transferable instruments.
43. To undertake and execute any trusts and undertaking, whereof may seem desirable and either gratuitously or otherwise.
44. To sell or dispose of the undertaking of the Company or any part thereof for such consideration as the Company may think fit, and in particular for shares, debentures, or securities of an other company having objects altogether or in part similar to those of this Company.





45. To adopt such means of making known the products of the Company as may seem expedient, and in particular by advertising in the press, by circulars, by purchases and exhibition of works of art interest, by publication of books and periodicals and by granting prizes, rewards and donations.
 46. To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the Company.
 47. To buy, sell, or deal in shares, stocks, debentures, securities, bonds, lands, buildings, and to build houses and quarters and or to repair, develop and put to perfection as required such buildings, etc., for the purposes of carrying on the business of the Company or as investment of the funds of the Company and for that purpose to develop and turn to account any land in which the Company is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, maintaining, fitting up, and improving buildings, and by painting, paving, draining, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
 48. To do all or any of the above things in any part of the world and as principals, agents, contractors, trustees or otherwise and by or through trustees, agents, or otherwise and either alone or in conjunction with others.
 49. To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debenture-stock or other securities of the Company or the formation or promotion of the Company or the conduct of its business.
 50. To pay all the preliminary expenses of any kind incidental to the formation and incorporation of the Company out of the funds of the Company.
 51. To distribute any of the Company's property amongst the members in specie or in any manner whatsoever.
 52. To do all such other things as are incidental or conducive to the attainment of the above objects.
- IV. The liability of the members is limited.
- V. The capital of the Company is Rs. 1,500,000,000 (Rupees Fifteen Hundred million only) divided into 150,000,000 Ordinary Shares of Rs.10/- each with power to increase, reduce, modify, sub-divide, consolidate or re-organise the Capital of the Company for the time being and to divide the shares into several classes in accordance with the provisions of the Companies Ordinance, 1984 and the regulations of the Company





We, the several persons whose names and addresses are subscribed below are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names

	Names, addresses and Description of Subscribers	Number and Class of Shares	Names, Addresses and Description of Witnesses
1	Sd/- SYED WAJID ALI 13 ABDULLAH HAROUN ROAD KARACHI INDUSTRIALIST	50 SHARES OF RS. 10 EACH	Sd/- (J. E. MEHTA) COMPANY EXECUTIVE 122-DEPOT LINES SADDAR KARACHI 
2	Sd/- (N. Z. MAMAT) 8 MARY ROAD BATH ISLAND KARACHI CHARTERED ACCOUNTANT	50 SHARES OF RS. 10 EACH	
3	Sd/- M. ZIAUDDIN G-22 BLOCK K SCHEMES KARAKASHAN CLUB HOUSE KARACHI ENGINEER	50 SHARES OF RS. 10 EACH	

13 APPLICATION FORM

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APPLICATION INSTRUCTIONS FOR INVESTORS

GENERAL INSTRUCTIONS

- 1 **Eligible investors includes:**
 - a. Pakistani citizens resident in or outside Pakistan or Persons holding two nationalities including Pakistani nationality
 - b. Foreign Nationals whether living in or outside Pakistan
 - c. Companies: bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be)
 - d. Mutual Funds: Provident/pension/gratuity funds/trusts, (subject to the terms of the Trust Deed and existing regulations), and
 - e. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan
- 2 **APPLICATION MUST BE MADE ON THE COMMISSION'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING ATLEAST 62 GM.**
- 3 **Copies of the Prospectus and application forms can be obtained from the TREC holders of Pakistan Stock Exchange, the Bankers to the Issue and their branches, the Lead Manager & Arranger and the registered office of the Company. The Prospectus and the application forms can also be downloaded from the website: www.loads-group.com & www.arifhabibhd.com**
- 4 The Applicants opting for scrip less form of Shares are required to complete the relevant sections of the application. In accordance with provisions of the Central Depositories Act, 1997 and the CDC Regulations, credit of such Shares is allowed ONLY in the applicant's own CDC Account. In case of discrepancy between the information provided in the application form and the information already held by CDS, the Issuer reserves the right to issue shares in physical form
- 5 Name(s) and addresses must be written in full block letters, in English and should not be abbreviated
- 6 All applications must bear the name and signature corresponding with that recorded with the applicant's banker. In case of difference of signature with the bank and Computerized National Identity Card (CNIC) or National Identity Card for Overseas Pakistanis (NICOP) or Passport both the signatures should be affixed on the application form
- 7 **APPLICATIONS MADE BY INDIVIDUAL INVESTORS**
 - (i) In case of individual investors, an attested photocopy of CNIC (in case of RPN/Passport (in case of NRPs and Ftd) as the case may be, should be enclosed and the number of CNIC/ Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal/Provincial Government Gazetted Officer, Councillor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence
 - (ii) Original CNIC/Passport, along with one attested photocopy, must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application
- 8 **APPLICATIONS MADE BY INSTITUTIONAL INVESTORS**
 - (i) Applications made by companies, corporate bodies, mutual funds, provident/pension/gratuity funds/trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal/Provincial Government Gazetted Officer, Councillor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents
 - (ii) Attested photocopies of the documents mentioned in 8(i) must be produced for verification to the Banker to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application
- 9 Only one application will be accepted against each applicant, however, in case of joint account, one application may be submitted in the name of each joint account holder
- 10 Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application form and submit attested copies of their CNIC/Passport. The shares/certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of Shares
- 11 Subscription money must be paid by cheque drawn on applicant's own bank account or pay order/bank draft payable to one of the Bankers to the Issue "IPO of Loads Limited – General Public Account" and crossed "A/C PAYEE ONLY"
- 12 For the applications made through pay order/bank draft, it would be permissible for a Banker to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order/bank draft individually for each application
- 13 **The applicant should have at least one bank account with any of the commercial banks. Applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of Shares.**
- 14 Applications are not to be made by minors and/or persons of unsound mind
- 15 Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the application form
- 16 Applicants should retain the bottom portion of their application forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of Shares for which the application has been made
- 17 Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action
- 18 **Bankers to the Issue are required to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.**
- 19 **It would be permissible for a Banker to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.**
- 20 **Submission of false and fictitious applications is an offence under section 87(7) of the Securities Act, 2015 and such applications' money is liable to confiscation under section 87(8) of the Securities Act, 2015.**

عوام الناس کو مطلع کیا جاتا ہے کہ سیکورٹیز ریگولیشن ایکٹ 2015 کی شق نمبر (7) 87 کے تحت رجسٹریشن یا جعلی درخواستیں دینا قانوناً ناجائز ہے۔ علاقہ ورڈی کرنے والوں کی رقم، جو کہ درخواست اس کے ساتھ جمع کرانی جاتی ہے، سیکورٹیز ریگولیشن ایکٹ 2015 کی شق نمبر (8) 87 کے تحت ضبط کی جاسکتی ہے۔

ADDITIONAL INSTRUCTIONS FOR FOREIGN / NON-RESIDENT INVESTORS

- 21 In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of memorandum of association or an equivalent document should also be enclosed if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the application. Copies of these documents can be attested by the bank manager in the country of applicant's residence
- 22 Applicants may also subscribe using their Special Convertible Rupee Account (SCRA) as set out under the State Bank of Pakistan's Foreign Exchange Manual.

BASIS OF ALLOTMENT

- 1 The minimum amount of application for subscription of 500 shares
- 2 Application for Shares must be made for 500 Shares or in multiple thereof only. Applications, which are neither for 500 Shares nor for multiple thereof, shall be rejected
- 3 Allotment/Transfer of Shares to successful applicants shall be made in accordance with the allotment criteria/instructions disclosed in the Prospectus
- 4 Allotment of Shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and/or the instructions by the Securities & Exchange Commission of Pakistan
- 5 **Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.**
- 6 The Company will dispatch shares to successful applicants through their Bankers to the Issue or credit the respective CDS accounts of the successful applicants (as the case may be)

BANKERS TO THE OFFER

Code	Name of Banks	Code	Name of Banks
01	Askani Bank Limited	07	MCB Bank Limited
02	Bank Al Habib Limited	08	Sonari Bank Limited
03	Bank Alfalah Limited	09	Summit Bank Limited
04	Faysal Bank Limited	10	United Bank Limited
05	Habib Bank Limited		
06	Habib Metropolitan Bank		

OCCUPATION CODE

Code	Occupation	Code	Occupation
01	Business	06	Professional
02	Business Executive	07	Student
03	Service	08	Agriculturist
04	Housewife	09	Industrialist
05	Household	10	Other

*In order to facilitate investors, United Bank Limited "UBL" and Summit Bank Limited "SMBL" are offering electronic submission of application (e-IPO) to its account holders. UBL account holders can use UBL Net banking to submit their application online via link <http://www.ubdirect.com/corporate/submitbank> and SMBL account holders can use SMBL Net banking to submit their application online via link <https://sbl.summitbank.com.pk>. Further, please note that online applications can be submitted 24 hours a day during the subscription period which will close at 12:00 midnight September 29, 2016.

OVERSEAS BANKERS TO THE OFFER

Code	Name of Banks	Code	Name of Banks
01	n/a	06	n/a
02	n/a	07	n/a
03	n/a	08	n/a
04	n/a	09	n/a
05	n/a	10	n/a

NATIONALITY CODE

Code	Name of Country	Code	Name of Banks
001	U.S.A	006	Bangladesh
002	U.K	007	China
003	U.A.E	008	Bahrain
004	K.S.A	009	Other
005	Oman		

For further queries you may contact

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