

**MECHANICS OF
GROWTH**
Annual Report 2022

Manufacturers of
Exhaust Systems, Radiators &
Sheet Metal Components

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VISION

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



MISSION

**“Satisfy customers with timely supplies of products
confirming to quality standards
at competitive prices.”**

COMPANY INFORMATION

Board of Directors

Syed Shahid Ali Shah	– Chairman*
Mr. Munir K. Bana	– Chief Executive
Syed Sheharyar Ali	– Non-Executive Director
Mr. Muhammad Mohtashim Aftab	– Non-Executive Director
Mr. Shamim A. Siddiqui	– Executive Director
Mr. M. Z. Moin Mohajir	– Independent Director
Mrs. Rozina Muzammil	– Independent Director

* Chairman is Non-Executive Director

Audit Committee

Mr. M. Z. Moin Mohajir	– Chairman
Syed Sheharyar Ali	– Member
Mr. Muhammad Mohtashim Aftab	– Member
Mrs. Rozina Muzammil	– Member

Human Resources & Remuneration Committee

Mrs. Rozina Muzammil	– Chairperson
Mr. Munir K. Bana	– Member
Syed Sheharyar Ali	– Member
Mr. Muhammad Mohtashim Aftab	– Member
Mr. Shamim A. Siddiqui	– Member

Chief Operating Officer

Syed Mehdi Hasnain

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. Babar Saleem

External Auditors

M/S. KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisors

M/S. Altaf K. Allana & Co., Advocates

Corporate Advisor

M/S. Cornelius, Lane & Mufti, Advocates & Solicitors

Symbol

Loads

Credit Rating

A1 – Short term

A – Long Term

Exchange

Pakistan Stock Exchange

Bankers

Al Baraka Bank (Pakistan) Limited
 Bank AL Habib Limited
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 JS Bank Limited
 MCB Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan Limited
 Soneri Bank Limited
 Allied Bank Limited
 Askari Bank Limited
 Bank Islami Pakistan Ltd.
 The Bank of Punjab
 MCB Islamic Bank Limited

Subsidiaries and Associates

- Specialized Autoparts Industries (Private) Limited
- Multiple Autoparts Industries (Private) Limited
- Specialized Motorcycles (Private) Limited
- Hi-Tech Alloy Wheels Limited
- Treet Corporation Limited

Registered Office

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

Shares Registrar

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

Tel: Customer Support Services: 0800-23275

Fax: +92-21-34326053

E-mail: info@cdcpak.com

Registration with Authorities

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

Website

www.loads-group.pk

Key Operating Financial Data

Rs. in 000

Description	2022	2021	2020	2019	2018
Sales	7,791,955	4,717,228	2,778,630	5,709,735	4,889,663
Gross profit	947,440	498,954	52,269	637,179	520,588
Profit / (loss) before taxation	155,799	90,298	(717,684)	60,441	245,094
Profit / (loss) after taxation	(86,255)	(3,558)	(646,728)	(56,560)	161,557
Shareholders' Equity	3,947,967	4,066,984	3,097,422	3,576,135	3,651,342
Non - Current Assets	5,430,108	5,591,579	5,108,376	4,883,817	2,304,604
Total Assets	9,112,445	8,404,048	7,807,183	7,722,887	5,588,850
Total Liabilities	5,164,478	4,337,065	4,709,760	4,146,751	1,937,507
Current Assets	3,682,337	2,812,469	2,698,807	2,839,070	3,284,246
Current Liabilities	3,838,253	3,011,010	2,959,951	3,897,965	1,841,168
Cash Dividend	0%	0%	0%	0%	0%
Stock Dividend	0%	0%	0%	0%	0%
Issued , Subscribed & Paid up Capital	251,250	251,250	151,250	151,250	151,250

Important Ratios	2022	2021	2020	2019	2018
Profitability					
Gross Profit	12%	11%	2%	11%	11%
Profit / (Loss) before Taxation	2%	2%	-26%	1%	5%
(Loss) / Profit after Taxation	-1.1%	-0.1%	-23%	-1%	3%
Return to Equity					
Return on Equity before Tax	4%	2%	-23%	2%	7%
Return on Equity after Tax	-2.2%	-0.1%	-21%	-2%	4%
Earning per Shares	0.29	0.29	(3.24)	(0.35)	1.02
Liquidity / Leverage					
Current Ratio	0.96	0.93	0.91	0.73	1.78
Break-up Value per Share	15.71	16.19	20.48	23.64	24.14
Total Liabilities to Equity	1.31	1.07	1.52	1.16	0.53

% Change	2022	2021	2020	2019	2018
Sales	65%	70%	-51%	17%	11%
Gross Profit	90%	855%	-92%	22%	-5%
Profit before Taxation	73%	-113%	-1287%	-75%	-35%
Profit after Taxation	2324%	-99%	-1043%	-135%	-47%
Shareholders' Equity	-3%	31%	-13%	-2%	7%
Non - Current Assets	-3%	9%	5%	112%	59%
Total Assets	8%	8%	1%	38%	45%
Total Liabilities	19%	-8%	14%	114%	329%
Current Assets	31%	4%	-5%	-14%	37%
Current Liabilities	27%	2%	-24%	112%	415%
Cash Dividend	0%	0%	0%	0%	0%
Stock Dividend	0%	0%	0%	0%	0%
P/E Ratio	1942	74.52	-4.29	-43.17	30.57

CODE OF CONDUCT

Employees

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

Business Partners

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

Business Resources

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

Communities

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

ROLE OF CHAIRMAN

The Chairman of the Board, Syed Shahid Ali Shah, is a non-executive director. The Chairman is responsible for leadership and effective performance of the Board and for maintenance of relationships between directors that are open, cordial, and conducive to productive corporation. Duties of the Chairman are:

- To lead and oversee the Board of Directors.
- To facilitate an open flow of information between management and the Board, thus to involve the Board in the process of effective decision making for the Company.
- To lead a critical evaluation of Company's management, practices and adherence to the Company's strategic plan and objectives.
- In accordance with Company law and as and when required, chair the meetings of the Board and meetings of the shareholders in accordance with their terms of reference.
- To establish, in consultation with the Company Secretary and the Chief Executive, an agenda for each meeting of the Board.
- To seek compliance of the management to implement the decisions of the Board.
- To work closely with the Chief Executive and provide support and guidance for the management on major issues.
- To promote the highest standards of corporate governance.
- To ensure that the Company has an effective and clear communication with its shareholders.
- To ensure that new directors receive appropriate induction into the Company.

ROLE OF CHIEF EXECUTIVE

The Chief Executive has executive responsibility over the business directions set by the Board. The Chief Executive is accountable to the Board for the conduct and performance of the Company. Responsibilities of the Chief Executive are:

- To align the entire Company to the Vision, Mission and Strategy evolved by the Board, such that everyone will focus his efforts towards the success of the Company.
- To build a corporate culture and be a role model for the entire organisation.
- To set performance standards for the Company and promote those standards with confidence.
- To manage the day-to-day operations of the Company's business, strategic planning, budgeting, financial reporting and risk management.
- To build good relationship between and among the employees of the Company, the government, the supply chain associates, the dealers and other stakeholders of the Company.
- To provide strategic leadership to the organisation to ensure its future growth through unexpected as well as foreseen threats, opportunities and to keep the Company in focus with competition, markets, products and growth technology.
- To set standards required to maintain a competitive advantage in the industry and implement these standards into the output of the Company.
- To build a talented team (hire talent and fire non-performers) and to lead the team to working together in a common direction thus steering the Company to its strategy and vision through direction and effective communication.
- To set budgets, to fund projects which support the strategy and ramp down projects which lose money. To manage the Company's capital judiciously and carefully control the Company's expenditures.
- To provide leadership and develop policies and procedures of the Company and ensure compliance of these procedures and policies.
- To develop human resource of the Company, the Company's staffing needs of the future, training, compensation packages and to create a corporate culture of high standards and good value.
- To build effective PR for the Company.

PROFILES OF DIRECTORS

Syed Shahid Ali - Chairman

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

Mr. Munir K. Bana – Chief Executive & Director

Munir K. Bana qualified as a Chartered Accountant from A.F. Ferguson & Co. in 1972 and is a fellow of the Institute of Chartered Accountants of Pakistan. He has been a Director on the Board of Directors of Loads Limited since 1996, initially serving as Director Finance and later elected as Chief Executive of the Company. Previously, he served on the Boards of Directors of multi-national listed companies (Parke-Davis & Boots) as Finance Director & Company Secretary for 18 years.

In an honorary capacity, Mr. Bana served 8 years as Chairman & Director of Karachi Tools, Dies & Moulds Centre, a public limited company, during 2006-14. He was also elected Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers ("PAAPAM") for the year 2012-13.

Currently, Mr. Bana is also a non-executive Director on the Boards of Directors of Pakistan Steel Mill as well as Treet Corporation Limited and its subsidiaries.

Syed Sheharyar Ali – Non-Executive Director

Syed Shaharyar Ali completed his BBA from Saint Louis University, USA, in 2001, and began 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 of Liaquat National Hospital, President of Punjab Netball Federation, Vice President of Punjab Cycling Association, Director of GET Motor Cycle Project, Vice President of All Pakistan Music Council, Director of Gulab Devi Hospital and Director of Cutting Edge (Private) Limited.

Mr. Muhammad Mohtashim Aftab – Non-Executive Director

Mr. Muhammad Mohtashim Aftab is a qualified accountant from Institute of Cost and Management Accountants of Pakistan (ICMAP). He joined Treet Group of Companies as Chief Financial Officer in November 2019. He has vast experience and exposure in strategic planning, industry analysis, financial/economic analysis & project evaluation, treasure management, international trade and international trade finance. His expertise also lies in financial and non-financial reporting, tax management, financial restructuring (including debt/equity, restructuring/balance sheet repositioning & capital restructuring), financial engineering and corporate affairs.

He started his career with A.F. Ferguson & Co. Chartered Accountants as Consultants for 2 years and then joined Kot Addu Power Company Limited and reached the position of Chief Financial Officer and worked there for more than 23 years.

Mr. Shamim A. Siddiqui – Executive Director / CFO

Mr. Shamim A. Siddiqui is a qualified Cost and Management Accountant & a Gold Medalist from Institute of Cost and Management Accountants of Pakistan. He has been serving the company since 1984 and currently holds the position of Chief Financial Officer. He has wide experience in finance, costing, planning & taxation.

Mr. M.Z. Moin Mohajir – Independent Director

Mr. Moin Mohajir was appointed on the Board of Directors in 2019 as an Independent Director. He is a fellow member of Institute of Chartered Accountants of Pakistan. Mr. Moin Mohajir has served in senior positions in various multinational companies and has over 40 years' experience in Finance, Taxation & Audit. Currently, he is Deputy Secretary-General of Overseas Investors Chamber of Commerce and Industry.

Ms. Rozina Muzammil – Independent Director

Ms. Rozina Muzammil is a Fellow Member of two prestigious accounting bodies of Pakistan namely: Institute of Cost and Management Accountants of Pakistan (ICMAP), and Pakistan Institute of Public Finance Accountants (PIPFA). She is Certified Director from Executive Development Centre-Lahore School of Accountancy. She holds a Master of Business Administration (MBA) Degree. She has completed many training programs which include Leadership Course from McKinsey Academy (U.S.A), Human Capital Management and Training Needs Analysis/Assessment. She has to her credit a diversified experience of 20 years at executive level in Corporate Governance & Management, Teaching & Training, Auditing, Finance, Costing and Budgeting. She has served as General Manager Finance in FMCG industry and worked as Executive Director at Pakistan Institute of Public Finance Accountants (PIPFA). Currently she is working as Chief Human Resource Officer (CHRO) at The Institute of Bankers Pakistan since December 2015.

She is a PhD Scholar (pursuing specialization in HRM) from Asia e University, Malaysia and authored a book on Accounting, titled Fundamentals of Accounting, published by an HEC recognized University in 2014. She remained associated with Karachi University Business School (KUBS), ICMAP, Muhammad Ali Jinnah University (MAJU), and KASBIT, as visiting Faculty for MBA/MPhil programs.

She is an Independent Director at Loads Limited and Chairperson of its Human Resource Committee. She has been an HR Expert for recruitment of MTO Batches at House Building Finance Company Limited (HBFCL) since March 2018. She was awarded various Certificates of Excellence and High Achiever Awards and had the rare distinction of being the youngest female FCMA in Pakistan. She has held various honorary positions at ICMAP such as Chairperson Examination & Administration Committee, Chairperson Corporate Relations and Communication Committee, Founder Member and Convener of CMA Women's Forum and Member Karachi Branch Council from 2015 to February 2019.

CHAIRMAN'S REVIEW

I am pleased to present the audited annual accounts of the Loads Group for the year ended June 30, 2022.

The Pakistan Economy

Our economy struggled due to its macroeconomic vulnerabilities and impact of higher commodity prices. In spite of that, growth numbers for the year 2021-22 are impressive, where GDP growth was recorded at 5.97% and Large-Scale Manufacturing sector grew by 11.7%. The Government recorded highest exports of USD 31.8 billion and received inward remittances of USD 31.2 billion.

However, such high growth for an import led economy is at the cost of depleting foreign exchange reserves and widening current account deficit. With the rising global commodity prices, the current account deficit widened to USD 17 billion against USD 2.8 billion of last year. Rupee depreciated significantly by 31% to Rs. 205 per USD from Rs. 157 last year, touching a peak of Rs.240 per USD in July 2022. The average inflation was recorded at 12% against 9% of last year.

The Government has taken strict measures to slow down the economy by increasing the policy rate from 8% to 15% and imposed 100% cash margin on LCs of selected sectors. On the other hand, withdrawal of subsidies on fuel & energy prices and significant increase in food and commodity prices caused inflation to reach a 14 year high of 21.3% in June 2022.

These measures have tightened financial conditions and increased borrowing costs especially for the Large-Scale Manufacturing sector, resulting in demand suppression and increasing poverty.

The Automotive Industry

Sales of Cars, Vans, LCVs & SUVs for the year ended June 30, 2022 increased from 182,733 units to 279,267 units (+53%) over previous year. Honda, Suzuki and Toyota sales grew by 37%, 71% & 26% respectively, during the year.

Heavy vehicle volumes increased from previous year's 4,347 units to 6,498 units, registering a growth of 49%.

The tractor industry's sales increased by 16% from previous year's 50,920 units to 58,947 units, with growth of 58% in volumes of Al-Ghazi Tractors.

Board Performance

The Board performed its duties and responsibilities diligently by effectively guiding the Company in its strategic affairs. The Board also played an important role in overseeing the Management's performance and focusing on major risk areas. The Board was fully involved in the strategic planning processes. The Board also remained committed to ensure high standards of Corporate Governance to preserve and maintain stakeholder value.

The Board carried out its self-evaluation and identified potential areas for further improvement in line with global best practices. The main focus remained on strategic growth, business opportunities, risk management, Board composition and providing oversight to the Management.

Sales of Loads Group

Net sales revenue of the Group touched Rs. 7,791 million, increasing by 65% over previous year's sales of Rs. 4,717 million, mainly due to growth of automobile industry.

Profitability

Group Operating Profit (OP) and Profit before Taxation (PBT) grew by Rs.412 million (+155%) & Rs.66 million (+73%) respectively, due to above healthy sales growth. However, Profit after Taxation (PAT) declined by Rs.82 million, with Earnings per Share (EPS) declining from Re. 0.29 to Re. 0.005 per share, because of levy of super tax.

Acknowledgement

On my own behalf and on behalf of the Board of Directors of your Company, I take this opportunity of acknowledging the devoted and sincere services of employees of all the cadres of the Company.

I am also grateful to our bankers, shareholders and valued customers (reputed Original Equipment Manufacturers) for their continued support.



Syed Shahid Ali Shah

Chairman

Karachi, October 5, 2022

چیرمین کا جائزہ:

مجھے 30 جون 2022 کو ختم ہونے والے سال کے لیے لوڈز گروپ کے آڈٹ شدہ سالانہ اکاؤنٹس پیش کرتے ہوئے خوشی ہو رہی ہے۔

پاکستان کی معیشت:

ہماری معیشت اپنی معاشی کمزوروں اور اجناس کی بلند قیمتوں کے اثرات کی وجہ سے جدوجہد کر رہی تھی۔ اس کے باوجود، سال 2021-22 کے لئے ترقی کے اعداد و شمار متاثر کن ہیں، جہاں جی ڈی پی کی شرح نمو 5.97% ریکارڈ کی گئی اور بڑے پیمانے پر مینوفیکچرنگ سیکٹر میں 11.7% اضافہ ہوا۔ حکومت نے سب سے زیادہ 31.8 بلین امریکی ڈالر کی برآمدت ریکارڈ کی اور 31.2 بلین امریکی ڈالر کی اندرونی ترسیلات موصول ہوئیں۔

تاہم، درآمدی قیادت والی معیشت کے لیے اتنی زیادہ ترقی زرمبادلہ کے ذخائر کو کم کرنے اور کرنٹ اکاؤنٹ خسارے کو بڑھانے کی قیمت پر ہے۔ اجناس کی بڑھتی ہوئی عالمی قیمتوں کے ساتھ، کرنٹ اکاؤنٹ خسارہ گزشتہ سال کے 2.8 بلین امریکی ڈالر کے مقابلے میں 17 بلین امریکی ڈالر تک بڑھ گیا۔ روپے کی قدر میں نمایاں طور پر 31 فیصد کمی واقع ہوئی ہے۔ روپے سے 205 فی امریکی ڈالر گزشتہ سال 157، جولائی 2022 میں 240 روپے فی امریکی ڈالر کی چوٹی کو چھو رہا تھا۔ اوسط افراط زر گزشتہ سال کے 9% کے مقابلے میں 12% ریکارڈ کیا گیا تھا۔

حکومت نے پالیسی ریٹ کو 8% سے بڑھا کر 15% کر کے معیشت کو سست کرنے کے لیے سخت اقدامات کیے ہیں اور منتخب سیکٹرز کے LCs پر 100% کیش مارجن لگا دیا ہے۔ دوسری طرف، ایندھن اور توانائی کی قیمتوں پر سبسڈی کی واپسی اور خوراک اور اجناس کی قیمتوں میں نمایاں اضافے کی وجہ سے جون 2022 میں افراط زر 14 سال کی بلند ترین سطح 21.3% تک پہنچ گئی۔ ان اقدامات نے مالی حالات کو سخت کر دیا ہے اور خاص طور پر بڑے پیمانے پر مینوفیکچرنگ سیکٹر کے لیے قرض لینے کی لاگت میں اضافہ ہوا ہے، جس کے نتیجے میں طلب میں کمی اور غربت میں اضافہ ہوا ہے۔

آٹوموٹو انڈسٹری:

30 جون 2022 کو ختم ہونے والے سال کے لیے کاروں، وینز، LCVs اور SUVs کی فروخت گزشتہ سال کے مقابلے میں 182,733 یونٹس سے بڑھ کر 279,267 یونٹس (+53%) ہو گئی۔ سال کے دوران ہونڈا، سوزوکی اور ٹویوٹا کی فروخت میں بالترتیب 37%، 71% اور 26% اضافہ ہوا۔

بھاری گاڑیوں کا حجم گزشتہ سال کے 4,347 یونٹس سے بڑھ کر 6,498 یونٹس تک پہنچ گیا، جس میں 49 فیصد اضافہ ریکارڈ کیا گیا۔ ٹریکٹر انڈسٹری کی فروخت پچھلے سال کے 50,920 یونٹس سے 58,947 یونٹس ہو گئی، الغازی ٹریکٹرز کے حجم میں 58 فیصد اضافہ ہوا۔

بورڈ کی کارکردگی:

بورڈ نے اس کے اسٹریٹجک امور میں کمپنی کی موثر رہنمائی کرتے ہوئے اپنے فرائض اور ذمہ داریاں پوری تدبیر سے نبھائیں۔ بورڈ نے انتظامیہ کی کارکردگی کی نگرانی کرنے اور بڑے خطرے والے علاقوں پر توجہ مرکوز کرنے میں بھی اہم کردار ادا کیا۔ بورڈ اسٹریٹجک منصوبہ بندی کے عمل میں مکمل طور پر شامل تھا۔ بورڈ اسٹیک ہولڈر کی قدر کو برقرار رکھنے اور برقرار رکھنے کے لیے کارپوریٹ گورننس کے اعلیٰ معیار کو یقینی بنانے کے لیے بھی پرعزم ہے۔

بورڈ نے اپنی خود تشخیص کی اور عالمی بہترین طریقوں کے مطابق مزید بہتری کے لیے ممکنہ شعبوں کی نشاندہی کی۔ بنیادی توجہ اسٹریٹجک ترقی، کاروباری مواقع، رسک مینجمنٹ، بورڈ کی تشکیل اور انتظامیہ کو نگرانی فراہم کرنے پر رہی۔

لوڈ گروپ کی فروخت:

گروپ کی خالص فروخت آمدنی روپے کو چھو گئی۔ 7,791 ملین روپے، پچھلے سال کی فروخت کے مقابلے میں 65 فیصد اضافہ ہوا۔ 4,717 ملین، بنیادی طور پر آٹوموبائل انڈسٹری کی ترقی کی وجہ سے۔

منافع بخشی:

گروپ آپریٹنگ پرافٹ (OP) اور ٹیکسیشن سے پہلے کا منافع (PBT) بالترتیب 412 ملین روپے (+155%) اور روپے 66 ملین (+73%) بڑھ گیا، جس کی وجہ سے سیکلر میں صحت مند اضافہ ہے۔ تاہم، ٹیکسیشن کے بعد منافع (PAT) میں 82 ملین روپے کی کمی ہوئی، فی حصص آمدنی (EPS) Re (0.005) سے کم ہو گئی۔ 0.29 فی شیئر، سپر ٹیکس کی وجہ سے۔

اعتراف:

اپنی طرف سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، میں کمپنی کے تمام کیڈرز کے ملازمین کی مخلصانہ خدمات کا اعتراف کرنے کا یہ موقع لیتا ہوں۔ میں اپنے مینیجرز، شیئر ہولڈرز اور قابل قدر صارفین (معروف اور بچل ایکو پمنٹ مینوفیکچررز) کا بھی ان کی مسلسل حمایت کے لیے شکر گزار ہوں۔



سید شاہد علی شاہ

چیرمین

کراچی، 05 اکتوبر، 2022

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders

The Directors of your Company take pleasure in presenting Loads Group's Annual Report together with Annual Audited Financial Statements for the year ended June 30, 2022.

OPERATING AND FINANCIAL RESULTS

	Rupees in million					
	2022		2021		Increase / (decrease) over previous year	
	Loads	Consolidated	Loads	Consolidated	Loads	Consolidated
Sales	7,791	7,791	4,717	4,717	3,074	3,074
Gross Profit	810	947	397	499	413	448
Operating Profit/ (Loss)	852	678	398	266	454	412
Share of Profit/(Loss) in associate	-	(8)	-	26	-	34
Provision for impairment against associate	-	(22)	-	138	-	160
Profit/(Loss) before Taxation	471	156	174	90	297	66
Profit/(Loss) after Taxation	267	(86)	123	(4)	144	(82)
Earnings/(Loss) per share (EPS) – basic & diluted	Rs. 1.06	Rs. 0.005	Rs. 0.62	Rs. 0.29	Rs. 0.44	Rs. (0.28)

BUSINESS REVIEW

Company Results

The Company recorded revenue growth of 65% with increase in Operating Profit (OP) of Rs. 454 million (+114%) over the previous year. Profit before Taxation (PBT) registered an increase of Rs. 297 million (+171%) and Profit after Taxation (PAT) grew by Rs.144 million (+117%) respectively over the previous year. Therefore, Earnings per Share (EPS) improved from of 62 paise per share to 1.06 rupees per share.

Group Results

The group has recorded sales of Rs. 7,791 million for the year ended June 30, 2022, registering a growth of Rs. 3,074 million (+65%) over the previous year. The increase is mainly due to growth in sales of automobiles & heavy vehicles by 53% & 49% respectively.

Consolidated Profit before Taxation (PBT) improved by 73%. However, Profit after Taxation (PAT) declined by Rs. 82 million over previous year, due to decline in share of profit from associated undertaking, Treet Corporation Limited, from a profit of Rs. 26 million to a loss of Rs. 8 million as compared to previous year.

AUTOMOTIVE INDUSTRY REVIEW

Sector wise analysis of the country's auto industry sales is given below:

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

Sales of Cars, Vans, LCVs & SUVs for the year ended June 30, 2022 increased from 182,733 units to 279,267 units (+53%) over previous year. Honda, Suzuki and Toyota sales grew by 37%, 71% & 26% respectively, during the year.

(b) Heavy Commercial Vehicles

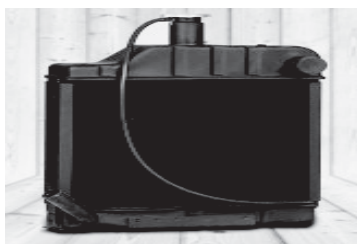
Heavy vehicle volumes increased from previous year's 4,347 units to 6,498 units, registering a growth of 49%.

(c) Tractors

The tractor industry's sales increased by 16% from previous year's 50,920 units to 58,947 units, with growth of 58% in volumes of Al-Ghazi Tractors.

COMPANY'S SALES PERFORMANCE

The overall sales of the group grew by 65%. The Company's product-wise performance for the year is analyzed below:



	Exhaust Systems	Radiator	Sheet Metal Components
Products	Sales (Rs. in millions)		
	2022	2021	(+/-)%
Exhaust Systems	4,620	3,028	53%
Sheet Metal Components	2,202	1,059	108%
Radiators	969	630	54%
Total	7,791	4,717	65%

Comments on performance of various product groups are given below:

- (a) **Exhaust Systems** : Sales of exhaust systems grew by 53% on account of growth in sales of all three major customers, Pak Suzuki, Honda and Toyota by 71%, 37% and 26% respectively.
- (b) **Radiators** : Sales of radiators increased by 54%, reflecting growth in sales of pickups and vans of Pak Suzuki by 48% and 51% respectively.
- (c) **Sheet Metal Components** : The group has registered a growth of 108%, as compared to corresponding year, mainly due to increase in overall volumes of all our customers.

MATERIAL CHANGES OR COMMITMENTS

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the balance sheet relates and the date of the report.

RISK MANAGEMENT

The risk management process encompasses identification of strategic, financial, operational, legal and external risks and ensuring appropriate measures to minimize adverse effect on the Company's performance. Strategic risk arising from our customers' demand and capacity utilization create risk of loss of business and related margins. These risks are addressed through strategic business alignment and its effects are addressed thoroughly.

The 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. The other factors are natural disasters/diseases and foreign exchange movement, i.e., PKR depreciation, which will inflate the price of imports thus affecting the profitability of the Company.

CORPORATE GOVERNANCE

We believe that establishing and maintaining the standards of corporate governance is necessary for the success and sustainability of the business. The Board recognizes that good governance is more than just compliance with rules and regulations; it's about culture, behavior and how we do our business and the Board is therefore committed to ensuring that the Company's values and high standards are set from the top and embedded throughout the Company. We are committed to integrity, having the best-in-class corporate governance and our Board is structured to provide shareholders and all our stakeholders right and truthful information. Integrity and accountability are at the heart of everything that we do and we believe that, together with our robust governance framework, this allows the Board to lead the Company in the right direction as we pursue our strategy while ensuring that good governance principles and practices are adhered to.

INFORMATION TECHNOLOGY

The Company believes that information technology (IT) is essential for business transformation to meet business challenges. The Company has aligned itself to the efficient use of information technology resources in achieving its operational and strategic objectives. We focused on IT governance by aligning IT strategy with business strategy for effective risk management, resource optimizations and benefit realization. IT Steering Committee provides strategic direction and cost-effective solutions to maximize return on investments in IT. Loads continuously explores the prospects of implementing the latest IT technologies and infrastructure to enable efficient and timely decision making in the changing business environment. Information systems are developed to support the Company's long-term objectives and are managed by a professionally staffed team.

INTERNAL FINANCIAL CONTROL

A system of sound internal control has been established and implemented at all levels within the company. The system of internal control is sound in design for ensuring achievements of Company's objectives and operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies.

INSIDER TRADING

The Company has a policy on insider trading. Closed periods are announced by the Company prior to the announcement of financial results. Directors and Executives are only allowed to trade in Company securities outside of the closed periods.

RELATED PARTIES TRANSACTIONS

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

CORPORATE FINANCIAL REPORTING

The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flow and changes in equity. The financial statements together with notes thereto have been drawn up in conformity with the Companies Act, 2017. International Financial Reporting Standards as applicable in Pakistan have been followed in the preparation of the financial Statements. Accounting policies have been consistently applied in the preparation of the financial statements except for the change due to adoption of IFRS 9 and IFRS 15.

REVIEW OF CEO'S PERFORMANCE

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes the performance of the business, the accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

WHISTLE BLOWING POLICY

The Company ensures accountability and integrity in conduct by devising a transparent and effective whistleblowing mechanism for alerts against deviations from policies, controls, applicable regulations or violation from the code of ethics. This policy is applicable to all individuals associated with the Company and provisions for disclosures thereunder in confidence, without fear of repercussions.

MANAGEMENT COMMITTEE

The Management Committee comprises of senior management headed by Chief Executive Officer (CEO), which ensures that a proper system is developed and implemented across the Company that enable swift and appropriate decision making. It acts in an advisory capacity to CEO at the operating level, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee is organized on a functional basis and meets monthly to review the performance of each function against set targets. CEO also ensures that all decisions and directions given by the Board are properly communicated and implemented.

COMMUNICATION

The Company focuses on the importance of communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Act, 2017. The activities of the Company are updated on its website at www.loads-group.pk, on timely basis.

SAFEGUARDING OF RECORDS

The Company places great emphasis on storage and safe custody of its financial records. The Company is using SAP for recording its financial information. The access to electronic documentation has been secured through implementation of a comprehensive password protected authorization matrix in SAP-ERP system.

INTERNAL AUDIT

Loads Group has an independent Internal Audit function. The Head of Internal Audit functionally reports to the Board Audit Committee (BAC). Annual internal audit plans are prepared on the basis of risk assessment to BAC for approval. The Internal Audit function is an independent appraisal activity within the Company engaged in continuous review of operations with an emphasis on accounting, financial, and operational implications, and acts as a managerial control and value-addition to all departments.

Internal audit procedures are guided by the principles of independence, objectivity and value addition and the outcomes of these procedures are operational efficiency, safeguard of profitability and Company's best interests.

HUMAN RESOURCES

The Company's Human Resource ("HR") department's activities are focused towards building talent for the future. The HR department strives to attract, develop, motivate and retain the most talented and dedicated employees who are committed to ensure the Company's success. The department is responsible to manage the numerous needs of Company employees, as well as handling employee relations, payroll, benefits, and training.

The HR department assists in maximizing the efficiency of the Company through HR management, workforce planning, training & development and compensation & benefits of employees.

COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) GENERAL ORDER, 2009

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

- (i) **Energy Conservation:** Projects to switch over to renewable energy continue in phases, with solar power already installed at the head office.
- (ii) **Quality and Environmental management systems:** ISO 9001 and ISO 14001 certifications, previously obtained by the Company, continue to be renewed every year.
- (iii) **Business Ethics:** Strict ethics were followed in all business dealings throughout the year.
- (iv) **Contribution to National Exchequer:** The group met all its obligations towards payments of income tax, sales tax and other government levies aggregating Rs. 2,280 million (2021: Rs. 1,297 million).

DIVIDEND & APPROPRIATION

Your Company remains committed to both increasing its shareholder value and providing sustainable returns over a longer-term period. However, due to liquidity crunch, rising interest rates, soaring inflation and political instability, the Directors have not proposed any dividend for the year ended June 30, 2022.

COMPOSITION OF THE BOARD

The composition of the Board is in compliance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, which are given below:

Total number of Directors

Male	6
Female	1

Composition

Independent Directors	2
Non-Executive Directors	3
Executive Directors	2

ATTENDANCE OF BOARD MEETINGS

The Board of Directors of your company has met four (4) times during the year 2021-22 and the attendance at each of these meetings is as follows: -

Name of Director	Designation	28 Oct 21	29 Nov 21	28 Feb 22	28 Apr 22	2021 - 2022
Syed Shahid Ali Shah	Chairman	P	A	P	A	2/4
Mr. Munir K. Bana	Chief Executive	P	P	P	P	4/4
Syed Sheharyar Ali	Non-Executive Director	P	P	P	P	4/4
Mr. M. Z. Moin Mohajir	Independent Director	P	A	P	P	3/4
Mr. M. Mohtashim Aftab	Non-Executive Director	P	P	P	P	4/4
Mr. Shamim A. Siddiqui	Executive Director	P	P	P	P	4/4
Ms. Rozina Muzammil	Independent Director	P	P	P	P	4/4
Quorum at Meetings		7/7	5/7	7/7	6/7	

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

DIRECTORS' TRAINING PROGRAM

Five directors are certified Directors whereas two directors meet the criteria of exemption under clause 20(2) of the Code 2019 and is accordingly exempted from directors' training program and their details are as follows:

S. No	Name of Directors	Institution	Year
1	Syed Shahid Ali Shah	Exempted by SECP	Not Applicable
2	Mr. Munir K. Bana	Exempted by SECP	Not Applicable
3	Syed Sheharyar Ali	Pakistan Institute of Corporate Governance	2022
4	Mr. M. Z. Moin Mohajir	Pakistan Institute of Corporate Governance	2019
5	Mr. M. Mohtashim Aftab	Pakistan Institute of Corporate Governance	2015
6	Mr. Shamim A. Siddiqui	Institute of Cost and Management Accountants of Pakistan	2017
7	Ms. Rozina Muzammil	University of Lahore	2015

AUDIT COMMITTEE

The Audit Committee comprises of four non-executive directors, including two independent directors, one of whom is the Chairman of the Committee.

During the year, Audit Committee held four meetings, to review the financial statements, internal audit reports, compliances with the best practices of Corporate Governance requirements and other associated matters. These meetings included meetings with the external auditors before and after completion of audit for the year ended June 30, 2022.

HUMAN RESOURCES & REMUNERATION COMMITTEE

The Board's Human Resources & Remuneration Committee (HR&R) consists of five members. The Chairperson of the HR&R is an independent director. The Committee held one meeting during the year to discuss and approve matters falling under the terms of reference of the Committee.

DIRECTORS REMUNERATION

The Company has formulated a transparent procedure for the remuneration of its Directors (reported in note 41 of the financial statements) in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

CHAIRMAN'S REVIEW

The accompanied Chairman's review deals with the performance of the company for the year ended June 30, 2022 and the future outlook. The directors endorse the contents of the review.

CORPORATE BRIEFING SESSION

The Company carried out a corporate briefing session during the year.

FINANCIAL STATEMENTS

The auditors of the Company, KPMG Taseer Hadi & Co., Chartered Accountants, audited the financial statements of the Company and have issued an unqualified report to the members.

SAFETY, HEALTH & ENVIRONMENT

We are actively managing health and safety risks associated with our manufacturing process and working towards to reduce and control the risk of accidents or injuries during work. So far, no serious accident has taken place and no major injury or loss of life. All employees are equipped with safety equipments at plant i.e. uniform, shoes, helmets, ear plugs and gloves. Firefighting system has been installed and in house fire fighting and safety trainings are carried out regularly.

Protection of environment is of prime concern, every measure is being taken to preserve nature and to maintain clean environment at workplaces. The Company fully discourages the use of substance of concern and ensure that all the products manufactured are free from hazardous material.

We comply with all applicable laws, regulations and conditions granted in environmental standards. We ensure appropriate training and awareness on environmental systems, procedures, best practices and on shared responsibility towards environmental protection among employees, contractors, suppliers and customers. Regularly review environmental performance and carry out audit and set targets to achieve continuous improvement.

The company has already obtained International Certification ISO-14001 of environment to meet the International Environment Standards and has been recertified by the International Agency.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The “Statement of Compliance with Code of Corporate Governance” (CCG) is annexed to this report.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2022 required under section 227(2)(f) of the Companies Act, 2017 is annexed to this report.

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co. have completed their annual audit of the Company for the year ended June 30, 2022 and have issued unqualified report.

In line with our Group policy to appoint the same auditors as the parent Company, the Board of Directors have decided to replace existing external auditors (M/s. KPMG Taseer Hadi & Co.) and have recommended the appointment of M/s. Yousuf Adil Chartered Accountants as auditors for the financial year 2022-23, to the Shareholders, in the upcoming Annual General Meeting. The Board of Directors thank M/s KPMG Taseer Hadi & Co. for their valuable contributions during their engagement with the Company.

FUTURE OUTLOOK

Post-pandemic recovery of the economy has been gravely affected by the ongoing Russia–Ukraine conflict. Subsequently, prices in the commodity markets have reached to an all-time high, unprecedented inflation and energy crisis, leading to a mixed global economic outlook with risks of a recession. Consequently, monetary tightening measures are being taken to curtail inflation, which may eventually lead to a decline in economic activity.

The instability in global markets has also squeezed Pakistan’s economy, combined with an uncertain political environment and high international fuel and commodity prices, exercised enormous burden on foreign exchange reserves resulting in a significant depreciation of the Pakistani Rupee against the US dollar. The IMF programme will provide much needed stability on the external front. However, tough measures taken on the fiscal front will put further burden on corporates in Pakistan and, in turn, affect shareholders' returns.

Going forward, risks of a global and domestic slowdown in growth, inflationary pressures, high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures, pose a threat to business demand, as well as profitability in the short to medium-term. However, the Company remains engaged on delivering enduring value and strengthening relationships with existing customers and suppliers.

ACKNOWLEDGEMENTS

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

By Order of the Board



Munir K. Bana
Chief Executive



Rozina Muzammil
Director

Karachi: October 5, 2022

بیرونی آڈیٹرز:

KPMG تاثیر ہادی اینڈ کمپنی نے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کا اپنا سالانہ آڈٹ مکمل کر لیا ہے اور نا اہل رپورٹ جاری کر دی ہے۔
گروپ پالیسی اور پیرنٹ کمپنی کے آڈیٹر کو سامنے رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے موجودہ بیرونی آڈیٹر (Co.Taseer Hadis. & KPMG/ M) کو تبدیل کرنے کا فیصلہ کیا ہے اور اس لیے میسرز کی تقرری کی سفارش کی ہے۔ یوسف عادل چارٹرڈ اکاؤنٹنٹس برائے مالی سال 2022-23، شیئر ہولڈرز کو، آئندہ سالانہ جنرل میٹنگ میں۔ بورڈ آف ڈائریکٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی کا شکریہ ادا کرتے ہیں کہ انہوں نے کمپنی کے ساتھ اپنی مصروفیت کے دوران قابل قدر تعاون کیا۔

مستقبل کا آڈٹ لک:

روس، یوکرین کے جاری تنازعہ سے معیشت کی وبائی بیماری کے بعد کی بحالی شدید متاثر ہوئی ہے۔ اس کے بعد، اجناس کی منڈیوں میں قیمتیں اب تک کی بلند ترین سطح پر پہنچ گئی ہیں، بے مثال افراط زر اور توانائی کا بحران، جس کی وجہ سے کساد بازاری کے خطرات کے ساتھ ملا جلا عالمی اقتصادی نقطہ نظر ہے۔ نتیجتاً، مہنگائی کو کم کرنے کے لیے مالیاتی سختی کے اقدامات کیے جا رہے ہیں، جو بالآخر اقتصادی سرگرمیوں میں کمی کا باعث بن سکتے ہیں۔

عالمی منڈیوں میں عدم استحکام نے پاکستان کی معیشت کو بھی نچوڑا ہے، غیر یقینی سیاسی ماحول اور ایندھن اور اجناس کی بلند بین الاقوامی قیمتوں کے ساتھ مل کر، زرمبادلہ کے ذخائر پر بہت زیادہ بوجھ پڑا ہے جس کے نتیجے میں امریکی ڈالر کے مقابلے پاکستانی روپے کی قدر میں نمایاں کمی واقع ہوئی ہے۔ آئی ایم ایف پروگرام بیرونی محاذ پر بہت ضروری استحکام فراہم کرے گا۔ تاہم، مالیاتی محاذ پر اٹھائے گئے سخت اقدامات پاکستان میں کارپوریٹس پر مزید بوجھ ڈالیں گے اور اس کے نتیجے میں حصص یافتگان کے منافع کو متاثر کریں گے۔

آگے بڑھتے ہوئے، ترقی میں عالمی اور گھریلو سست روی کے خطرات، افراط زر کے دباؤ، قرض لینے کی بلند قیمت، گھریلو کاروباری ماحول میں غیر یقینی صورتحال، جاری مالیاتی سختی کے اقدامات کے ساتھ، کاروباری طلب کے ساتھ ساتھ مختصر میں منافع کے لیے خطرہ ہے۔ درمیانی مدت تک۔ تاہم، کمپنی پائیدار قدر کی فراہمی اور موجودہ گاہکوں اور سپلائرز کے ساتھ تعلقات کو مضبوط بنانے میں مصروف ہے۔

تسلیمات

بورڈ تمام ملازمین کا شکریہ ادا کرنا چاہتا ہے کہ وہ سال بھر کے دوران مسلسل تعاون اور سخت محنت کریں۔ ہم اپنے صارفین کی مسلسل سرپرستی کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں اور آنے والے سالوں میں ان کے ساتھ ایک نتیجہ خیز تعلقات کے منتظر ہیں۔

روزینہ مزمل

ڈائریکٹر

منیر کے بانا

چیف ایگزیکٹو

کراچی: 05 اکتوبر 2022

حساب کتاب کا گروہ یا لوگ:

آڈٹ کمیٹی چارٹران ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں دو آزاد ڈائریکٹرز بھی شامل ہیں جن میں سے ایک کمیٹی کا چیئر مین ہے۔ سال کے دوران، آڈٹ کمیٹی نے مالیاتی گوشواروں، اندرونی آڈٹ رپورٹس، کارپوریٹ گورننس کی ضروریات کے بہترین طریقوں کی تعمیل اور دیگر متعلقہ امور کا جائزہ لینے کے لیے چارٹرننگ کیس۔ ان ملاقاتوں میں 30 جون 2022 کو ختم ہونے والے سال کے آڈٹ کی تکمیل سے پہلے اور بعد میں بیرونی آڈیٹرز کے ساتھ ملاقاتیں شامل تھیں۔

انسانی وسائل اور معاوضے کی کمیٹی:

بورڈ کی ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (HR&R) پانچ ممبران پر مشتمل ہے۔ HR&R کی چیئر پرسن ایک آزاد ڈائریکٹر ہیں۔ کمیٹی نے سال کے دوران ایک اجلاس منعقد کیا تاکہ کمیٹی کے ٹرمز آف ریفرنس کے تحت آنے والے معاملات پر بحث اور منظوری دی جاسکے۔

ڈائریکٹرز کا معاوضہ:

کمپنی نے ٹیکنیز ایکٹ 2017 اور لیکسٹیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق اپنے ڈائریکٹرز کے معاوضے کیلئے ایک شفاف طریقہ کار وضع کیا ہے (مالیاتی بیانات کے نوٹ 41 میں روپورٹ کیا گیا ہے)۔

چیئر مین کا جائزہ:

چیئر مین کا جائزہ 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے۔ ڈائریکٹرز جائزے کے مندرجات کی توثیق کرتے ہیں۔

کارپوریٹ بریفنگ سیشن:

کمپنی نے سال کے دوران ایک کارپوریٹ بریفنگ سیشن کیا۔

مالیاتی گوشوارے:

مہنی کے آڈیٹرز، کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، نے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا اور اراکین کو ایک غیر مستند رپورٹ جاری کی ہے۔

حفاظت، صحت اور ماحولیات:

ہم اپنے مینوفیکچرنگ کے عمل سے منسلک صحت اور حفاظت کے خطرات کا فعال طور پر انتظام کر رہے ہیں اور کام کے دوران حادثات یا چوٹوں کے خطرے کو کم کرنے اور ان پر قابو پانے کے لیے کام کر رہے ہیں۔ ابھی تک کوئی بڑا حادثہ پیش نہیں آیا اور نہ ہی کوئی بڑا جانی نقصان ہوا ہے۔ تمام ملازمین پلانٹ میں حفاظتی ساز و سامان سے لیس ہیں یعنی یونیفارم، جوتے، ہیلمٹ، ایپریٹ اور دستانے، فائر فائٹنگ سسٹم نصب کیا گیا ہے اور گھر میں فائر فائٹنگ اور سیفٹی کی تربیت باقاعدگی سے کی جاتی ہے۔

ماحولیات کا تحفظ اولین تشویش ہے، فطرت کے تحفظ اور کام کی جگہوں پر صاف ستھرا ماحول برقرار رکھنے کے لیے ہر اقدام اٹھایا جا رہا ہے۔ کمپنی تشویشناک مادے کے استعمال کی مکمل حوصلہ شکنی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ تیار کردہ تمام مصنوعات مضر صحت مواد سے پاک ہوں۔

ہم ماحولیاتی معیارات میں دیے گئے تمام قابل اطلاق قوانین، ضوابط اور شرائط کی تعمیل کرتے ہیں۔ ہم ماحولیاتی نظام، طریقہ کار، بہترین طریقوں اور ملازمین، ٹھیکیداروں، سپلائرز اور صارفین کے درمیان ماحولیاتی تحفظ کی مشترکہ ذمہ داری کے بارے میں مناسب تربیت اور آگاہی کو یقینی بناتے ہیں۔ ماحولیاتی کارکردگی کا باقاعدگی سے جائزہ لیں اور آڈٹ کریں اور مسلسل بہتری کے حصول کے لیے اہداف مقرر کریں۔

کمپنی پہلے ہی بین الاقوامی ماحولیاتی معیارات پر پورا اترنے کے لیے ماحولیات کی بین الاقوامی سرٹیفیکیشن ISO-14001 حاصل کر چکی ہے اور بین الاقوامی ایجنسی کی طرف سے اسے دوبارہ سرٹیفکیٹ کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان:

"کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کا بیان" (CCG) اس رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ 2017 کے سیکشن 227(2)(f) کے تحت 30 جون 2022 تک شیئر ہولڈنگ کے پیٹرن کو ظاہر کرنے والا بیان اس رپورٹ کے ساتھ منسلک ہے۔

ڈیویڈنڈ اور پروپوزیشن

آپ کی کمپنی اپنے شیئر ہولڈرز کی قدر بڑھانے اور طویل مدتی مدت میں پائیدار منافع فراہم کرنے دونوں کیلئے پرعزم ہے۔ تاہم لیکویڈیٹی کی کمی، بڑھتی ہوئی شرح سود، بڑھتی ہوئی افراط زر اور سیاسی عدم استحکام کی وجہ سے، ڈائریکٹرز نے 30 جون 2022 کو ختم ہونے والے سال کیلئے کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کے مطابق ہے، جو ذیل میں دی گئی ہیں:

مرد	خواتین	ٹوٹل نمبر آف ڈائریکٹرز	کمپوزیشن
6	1	7	آزاد ڈائریکٹرز
3	1	4	نان ایگزیکٹو ڈائریکٹرز
2	0	2	ایگزیکٹو ڈائریکٹرز

بورڈ کے اجلاسوں میں شرکت:

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے سال 2021-22 کے دوران چار (4) بار ملاقات کی ہے اور ان میں سے ہر ایک میٹنگ میں حاضری حسب ذیل ہے:-
ان ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی گئی جو اجلاس میں شرکت سے قاصر تھے۔

ڈائریکٹر کے نام	عہدہ	28 اکتوبر 2021	29 نومبر 2021	28 فروری 2022	28 اپریل 2022	2021-2022
سید شاہد علی شاہ	چیئر مین	P	A	P	A	2/4
منیر کے بانا	چیف ایگزیکٹو	P	P	P	P	4/4
سید شہریار علی	نان ایگزیکٹو ڈائریکٹر	P	P	P	P	4/4
ایم زیلعین مہاجر	آزاد ڈائریکٹر	P	A	P	P	3/4
ایم ہتھم آفتاب	نان ایگزیکٹو ڈائریکٹر	P	P	P	P	4/4
شیم اے صدیقی	ایگزیکٹو ڈائریکٹر	P	P	P	P	4/4
روزینہ مزل	آزاد ڈائریکٹر	P	P	P	P	4/4
اجلاسوں میں شرکت		7/7	5/7	7/7	6/7	

ان ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی گئی جو اجلاس میں شرکت سے قاصر تھے۔

ڈائریکٹرز کا تربیتی پروگرام:

پانچ ڈائریکٹرز سرٹیفائیڈ ڈائریکٹرز ہیں جبکہ دو ڈائریکٹرز کو 2019 کی شق 20(2) کے تحت آئینی کے معیار پر پورا اترتے ہیں اور اس کے مطابق ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں اور ان کی تفصیلات درج ذیل ہیں:-

سیریل نمبر	ڈائریکٹر کے نام	انسٹی ٹیوشن	سال
۱۔	سید شاہد علی شاہ	SECP کی طرف سے مستثنیٰ	قابل اطلاق نہیں
۲۔	جناب منیر کے بانا	SECP کی طرف سے مستثنیٰ	قابل اطلاق نہیں
۳۔	سید شہریار علی	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2022
۴۔	جناب ایم زیلعین مہاجر	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2019
۵۔	جناب ایم ہتھم آفتاب	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2015
۶۔	جناب شیم اے صدیقی	انسٹی ٹیوٹ آف کاسٹ اینڈ انجمنٹ اکاؤنٹنٹس آف پاکستان	2017
۷۔	مس روزینہ مزل	یونیورسٹی آف لاہور	2015

وسل بلونگ کی پالیسی:

کمپنی پالیسیوں، کنٹرولز، قابل اطلاق ضوابط سے انحراف یا ضابطہ اخلاق کی خلاف ورزی کے خلاف الرٹس کے لیے ایک شفاف اور موثر وسل بلونگ میکانزم وضع کر کے احتساب اور دیانتداری کو یقینی بناتی ہے۔ یہ پالیسی کمپنی سے وابستہ تمام افراد پر لاگو ہوتی ہے اور اس کے تحت نتائج کے خوف کے بغیر اعتماد کے ساتھ افشاء کرنے کی شرائط ہوتی ہے۔

انتظامی کمیٹی:

انتظامی کمیٹی سینئر مینجمنٹ پر مشتمل ہوتی ہے جس کی سربراہی چیف ایگزیکٹو آفیسر (CEO) کرتی ہے، جو اس بات کو یقینی بناتی ہے کہ کمپنی میں ایک مناسب نظام تیار اور لاگو کیا جائے جو تیز اور مناسب فیصلہ سازی کے قابل ہو۔ یہ آپریٹنگ سطح پر CEO کے لیے مشاورتی صلاحیت میں کام کرتا ہے، کاروبار اور دیگر کارپوریٹ امور سے متعلق سفارشات فراہم کرتا ہے۔ یہ طویل مدتی منصوبوں، سرمائے اور اخراجات کے بجٹ کی ترقی اور کاروباری منصوبوں کی ذمہ داری کا جائزہ لینے اور آگے بڑھانے کے لیے ذمہ دار ہے۔ کمیٹی کو ایک فنکشنل بنیادوں پر منظم کیا جاتا ہے اور مقررہ اہداف کے خلاف ہر تقریب کی کارکردگی کا جائزہ لینے کے لیے ماہانہ مینٹنگ ہوتی ہے۔ سی ای او اس بات کو بھی یقینی بناتا ہے کہ بورڈ کی طرف سے دیے گئے تمام فیصلوں اور ہدایات کو صحیح طریقے سے بنایا جائے اور ان پر عمل درآمد کیا جائے۔

مواصلات:

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز کرتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹیں کمپنیز ایکٹ، 2017 میں بتائے گئے وقت کے اندراج میں تقسیم کی جاتی ہیں۔

ریکارڈز کی حفاظت:

کمپنی اپنے مالیاتی ریکارڈوں کو ذخیرہ کرنے اور محفوظ رکھنے پر بہت زیادہ زور دیتی ہے۔ کمپنی اپنی مالی معلومات کو ریکارڈ کرنے کے لیے SAP کا استعمال کر رہی ہے۔ الیکٹرانک دستاویزات تک رسائی ERP-SAP سسٹم میں پاس ورڈ سے محفوظ ایک جامع اجازت کے میٹرکس کے نفاذ کے ذریعے محفوظ کی گئی ہے۔

اندرونی آڈٹ:

لوڈز گروپ کا ایک آزاد اندرونی آڈٹ فنکشن ہے۔ اندرونی آڈٹ کا سربراہ بورڈ آڈٹ کمیٹی (BAC) کو فعال طور پر رپورٹ کرتا ہے۔ سالانہ اندرونی آڈٹ کے منصوبے BAC کو منظوری کے لیے خطرے کی تشخیص کی بنیاد پر تیار کیے جاتے ہیں۔ انٹرنل آڈٹ فنکشن کمپنی کے اندر ایک آزاد تشخیصی سرگرمی ہے جو اکاؤنٹنگ، مالیاتی، اور آپریشنل مضمرات پر زور دینے کے ساتھ آپریشنز کے مسلسل جائزے میں مصروف ہے، اور تمام محکموں کے لیے انتظامی کنٹرول اور ویلیو ایڈیشن کے طور پر کام کرتی ہے۔

اندرونی آڈٹ کے طریقہ کار کی رہنمائی آزادی، معروضیت اور قدر میں اضافے کے اصولوں سے ہوتی ہے اور ان طریقہ کار کے نتائج آپریشنل کارکردگی، منافع کی حفاظت اور کمپنی کے بہترین مفادات ہیں۔

انسانی وسائل:

کمپنی کے ہیومن ریسورس ("HR") ڈیپارٹمنٹ کی سرگرمیاں مستقبل کے لیے ٹیلنٹ کی تعمیر پر مرکوز ہیں۔ HR ڈیپارٹمنٹ انتہائی باصلاحیت اور سرشار ملازمین کو راغب کرنے، تیار کرنے، حوصلہ افزائی کرنے اور برقرار رکھنے کی کوشش کرتا ہے جو کمپنی کی کامیابی کو یقینی بنانے کے لیے پرعزم ہیں۔ محکمہ کمپنی کے ملازمین کی متعدد ضروریات کا انتظام کرنے کے ساتھ ساتھ ملازمین کے تعلقات، پے رول، فوائد اور تربیت کو سنبھالنے کا ذمہ دار ہے۔

HR ڈیپارٹمنٹ HR مینجمنٹ، افرادی قوت کی منصوبہ بندی، تربیت اور ترقی اور ملازمین کے معاوضے اور فوائد کے ذریعے کمپنی کی کارکردگی کو بڑھانے میں مدد کرتا ہے۔

کمپنیاں (کارپوریٹ سماجی ذمہ داری) جزل آرڈر 2009:

کمپنیز (کارپوریٹ سماجی ذمہ داری) جزل آرڈر، 2009 کے لحاظ سے، آپ کی کمپنی نے موجودہ مالی سال کے دوران درج ذیل شعبوں میں تعاون کیا۔

(i) توانائی کا تحفظ: قابل تجدید توانائی پر سوچنے کرنے کے منصوبے مراحل میں جاری ہیں، ہیڈ آفس میں شمسی توانائی پہلے سے نصب ہے۔

(ii) معیار اور ماحولیاتی انتظام کے نظام: ISO 9001 اور ISO 14001 سرٹیفیکیشن، جو پہلے کمپنی نے حاصل کیے تھے، ہر سال تجدید ہوتے رہتے ہیں۔

(iii) کاروباری اخلاقیات: سال بھر تمام کاروباری معاملات میں سخت اخلاقیات کی پیروی کی گئی۔

(iv) قومی خزانے میں شراکت: گروپ نے 2,280 ملین روپے (1,297:2021 ملین روپے) کی مجموعی طور پر انکم ٹیکس، سیلز ٹیکس اور دیگر سرکاری محصولات کی ادائیگی کے لیے اپنی تمام ذمہ داریوں کو پورا کیا۔

رسک مینجمنٹ:

رسک مینجمنٹ کے عمل میں سٹرٹیجک، مالی، آپریشنل، قانونی اور بیرونی خطرات کی شناخت اور کمپنی کی کارکردگی پر منفی اثرات کو کم کرنے کے لیے مناسب اقدامات کو یقینی بنانا شامل ہے۔ ہمارے صارفین کی طلب اور صلاحیت کے استعمال سے پیدا ہونے والا اسٹرٹیجک خطرہ کاروبار اور متعلقہ مارجن کے نقصان کا خطرہ پیدا کرتا ہے۔ یہ خطرات سٹرٹیجک کاروباری صف بندی کے ذریعے حل کیے جاتے ہیں اور اس کے اثرات کو اچھی طرح سے حل کیا جاتا ہے۔

کمپنی کی مصنوعات کی مانگ میں کمی کا اس کے منافع پر منفی اثر پڑ سکتا ہے جس کی وجہ آٹو انڈسٹری میں متوقع نموسے کم فروخت کا حجم ہے۔ دیگر عوامل قدرتی آفات/ بیماریاں اور غیر ملکی زرمبادلہ کی نقل و حرکت، یعنی PKR کی قدر میں کمی، جو درآمدات کی قیمت کو بڑھا دے گی اس طرح کمپنی کے منافع کو متاثر کرے گی۔

کارپوریٹ گورننس:

ہم سمجھتے ہیں کہ کارپوریٹ گورننس کے معیارات کو قائم کرنا اور برقرار رکھنا کاروبار کی کامیابی اور پائیداری کے لیے ضروری ہے۔ بورڈ تسلیم کرتا ہے کہ گورننس صرف قواعد و ضوابط کی تعمیل سے زیادہ ہے۔ یہ ثقافت، رویے اور ہم اپنا کاروبار کیسے کرتے ہیں اس کے بارے میں ہے اور اس لیے بورڈ اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ کمپنی کی اقدار اور اعلیٰ معیارات اوپر سے مرتب ہوں اور پوری کمپنی میں سراپت کر جائیں۔ ہم دیانتداری کے لیے پرعزم ہیں، بہترین درجے کی کارپوریٹ گورننس رکھتے ہیں اور ہمارا بورڈ شیئرز ہولڈرز اور اپنے تمام اسٹیک ہولڈرز کو درست اور سچی معلومات فراہم کرنے کے لیے تشکیل دیا گیا ہے۔ دیانتداری اور جوابدہی ہمارے ہر کام کا مرکز ہے اور ہمیں یقین ہے کہ ہمارے مضبوط گورننس فریم ورک کے ساتھ، یہ بورڈ کمپنی کی صحیح سمت میں رہنمائی کرنے کی اجازت دیتا ہے کیونکہ ہم اپنی حکمت عملی پر عمل پیرا ہوتے ہوئے اس بات کو یقینی بناتے ہیں کہ اچھی حکمرانی کے اصولوں اور طریقوں کو یقینی بنایا جائے۔

انفارمیشن ٹیکنالوجی:

کمپنی کا خیال ہے کہ کاروباری چیلنجوں سے نمٹنے کے لیے کاروباری تبدیلی کے لیے انفارمیشن ٹیکنالوجی (IT) ضروری ہے۔ کمپنی نے اپنے آپریشنل اور اسٹرٹیجک مقاصد کو حاصل کرنے کے لیے انفارمیشن ٹیکنالوجی کے وسائل کے موثر استعمال کے لیے خود کو ہم آہنگ کیا ہے۔ ہم نے مؤثر رسک مینجمنٹ، وسائل کی اصلاح اور فائدہ کے حصول کے لیے آئی ٹی حکمت عملی کو کاروباری حکمت عملی کے ساتھ ہم آہنگ کرتے ہوئے آئی ٹی گورننس پر توجہ مرکوز کی۔ آئی ٹی اسٹریٹجک کمیٹی آئی ٹی میں سرمایہ کاری پر زیادہ سے زیادہ منافع حاصل کرنے کے لیے اسٹرٹیجک سمت اور سرمایہ کاری کے مؤثر حل فراہم کرتی ہے۔ لوڈ مسلسل بدلتے کاروباری ماحول میں موثر اور بروقت فیصلہ سازی کے قابل بنانے کے لیے جدید ترین آئی ٹی ٹیکنالوجیز اور بنیادی ڈھانچے کو لاگو کرنے کے امکانات کو تلاش کرتا ہے۔ انفارمیشن سسٹمز کمپنی کے طویل مدتی مقاصد کو پورا کرنے کے لیے تیار کیے گئے ہیں اور ان کا انتظام پیشہ ورنہ عملی ٹیم کے ذریعے کیا جاتا ہے۔

اندرونی مالیاتی کنٹرول:

کمپنی کے اندر ہر سطح پر مضبوط اندرونی کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کی کامیابیوں اور آپریشنل تائید اور کارکردگی، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لیے ڈیزائن میں درست ہے۔

اندرونی تجارت:

کمپنی کی اندرونی تجارت سے متعلق پالیسی ہے۔ مالیاتی نتائج کے اعلان سے پہلے کمپنی کی طرف سے بند مدت کا اعلان کیا جاتا ہے۔ ڈائریکٹرز اور ایگزیکٹوز کو صرف بند ادوار سے باہر کمپنی کی سیکورٹیز میں تجارت کرنے کی اجازت ہے۔

متعلقہ فریقوں کے لین دین:

یہ کمپنی کی پالیسی ہے کہ اس بات کو یقینی بنائے کہ متعلقہ فریقوں کے ساتھ داخل ہونے والے تمام لین دین کی لمبائی پوری ہونی چاہیے۔ تاہم، غیر معمولی حالات میں، کمپنی روائگی کے لیے اس کے منطقی اور مالی اثر کو درست ثابت کرنے کے بعد، بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی منظوری سے مشروط، Arm's کی لمبائی کے لین دین کے علاوہ، لین دین کر سکتی ہے۔

کارپوریٹ مالیاتی رپورٹنگ:

کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔ مالیاتی گوشواروں کو نوٹس کے ساتھ کمپنیز ایکٹ 2017 کے مطابق تیار کیا گیا ہے۔ IFRS 9 اور IFRS 15 کو اپنانے کی وجہ سے ہونے والی تبدیلی کے علاوہ مالیاتی بیانات کی تیاری میں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔

سی ای او کی کارکردگی کا جائزہ:

سی ای او کی کارکردگی کا باضابطہ طور پر تشخیصی نظام کے ذریعے جائزہ لیا جاتا ہے جو مقداری اور کوالٹی اقدار پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور کارپوریٹ کامیابی شامل ہے۔

آٹوموٹو انڈسٹری کا جائزہ:

ملک کی آٹو انڈسٹری کی فروخت کا سیکٹر وار تجزیہ ذیل میں دیا گیا ہے:-

(a) مسافر کاریں/ ہلکی کمرشل گاڑیاں (LCVs)/ جیپیں (SUVs):

30 جون 2022 کو ختم ہونے والے سال کے لیے کاروں، وینز، LCVs اور SUVs کی فروخت گزشتہ سال کے مقابلے 182,733 یونٹس سے بڑھ کر 279,267 یونٹس (+53%) ہو گئی۔ سال کے دوران ہونڈا، سوزوکی اور ٹویوٹا کی فروخت میں بالترتیب 37%، 71% اور 26% اضافہ ہوا۔

(b) بھاری تجارتی گاڑیاں:

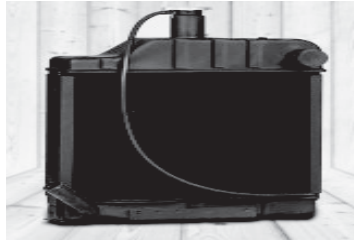
بھاری گاڑیوں کا حجم پچھلے سال کے 4,347 یونٹس سے بڑھ کر 6,498 یونٹس تک پہنچ گیا، جس میں 49% اضافہ ہوا۔

(c) ٹریکٹر:

ٹریکٹر انڈسٹری کی فروخت پچھلے سال کے 50,920 یونٹس سے 58,947 یونٹس ہو گئی، الغازی ٹریکٹرز کے حجم میں 58% اضافہ ہوا۔

کمپنی کی میلز پر فارمنس:

گروپ کی مجموعی فروخت میں 65% اضافہ ہوا۔ سال کے لیے کمپنی کی مصنوعات کے لحاظ سے کارکردگی کا تجزیہ ذیل میں کیا گیا ہے:-



فروخت (روپے بلین میں)			مصنوعات
(+/-)%	2021	2022	
53%	3,028	4,620	ایگزاسٹ سسٹم
108%	1,059	2,202	شیٹ میٹل کے اجزاء
54%	630	969	ریڈی ایٹرز
65%	4,717	7,791	ٹوٹل

(a) ایگزاسٹ سسٹم

تینوں بڑے صارفین پاک سوزوکی، ہونڈا اور ٹویوٹا کی فروخت میں بالترتیب 71%، 37% اور 26% اضافے کی وجہ سے ایگزاسٹ سسٹم کی فروخت میں 53% اضافہ ہوا۔

(b) ریڈی ایٹرز

ریڈی ایٹرز کی فروخت میں 54% اضافہ ہوا، جو پاک سوزوکی کی پک اپ اور وینز کی فروخت میں بالترتیب 48% اور 51% اضافے کی عکاسی کرتا ہے۔

(c) شیٹ میٹل کے اجزاء:

گروپ نے اسی سال کے مقابلے میں 108% اضافہ درج کیا ہے، جس کی بنیادی وجہ ہمارے تمام صارفین کے مجموعی حجم میں اضافہ ہے۔

مادی تبدیلیاں یا وعدے:

کمپنی کے مالی سال کے اختتام جس سے بیلنس شیٹ کا تعلق ہے اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2022 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ لوڈز گروپ کی سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

آپریٹنگ اور مالیاتی نتائج:

روپے ملین میں						
پچھلے سال کے مقابلے میں اضافہ / کمی		2021		2022		
مجموعی	لوڈز	مجموعی	لوڈز	مجموعی	لوڈز	
3,074	3,074	4,717	4,717	7,791	7,791	فروخت
448	413	499	397	947	810	کل منافع
412	454	266	398	678	852	آپریٹنگ منافع / (نقصان)
34	-	26	-	(8)	-	ایسوسی ایٹ میں منافع / (نقصان) کا حصہ
160	-	138	-	(22)	-	ایسوسی ایٹ کے خلاف نقص کے لئے فراہمی
66	297	90	174	156	471	ٹیکس سے پہلے منافع / (نقصان)
(82)	144	(4)	123	(86)	267	ٹیکس کے بعد منافع / (نقصان)
Rs. (0.28)	Rs. 0.44	Rs. 0.29	Rs. 0.62	Rs. 0.005	Rs. 1.06	آمدنی / (نقصان) فی شیئر EPS، بنیادی اور کنزرو

کاروباری جائزہ:

کمپنی کے نتائج:

کمپنی نے آپریٹنگ پرافٹ (OP) میں روپے کے اضافے کے ساتھ 65% کی آمدنی میں اضافہ ریکارڈ کیا۔ پچھلے سال کے مقابلے میں 454 ملین (+114%) ٹیکسیشن سے پہلے منافع (PBT) میں روپے کا اضافہ ہوا۔ پچھلے سال کے مقابلے میں بالترتیب 297 ملین (+171%) اور ٹیکسیشن کے بعد منافع (PAT) میں بالترتیب 144 ملین روپے (+117%) اضافہ ہوا۔ لہذا فی شیئر آمدنی EPS 62 پیسے فی شیئر سے بڑھ کر 1.06 روپے فی شیئر ہو گئی۔

گروپ کے نتائج:

گروپ نے روپے کی فروخت ریکارڈ کی ہے۔ 30 جون 2022 کو ختم ہونے والے سال کے لیے 7,791 ملین روپے کا اضافہ ہوا ہے۔ پچھلے سال کے مقابلے میں 3,074 ملین (+65%)۔ یہ اضافہ بنیادی طور پر آئٹمز بائیل اور بھاری گاڑیوں کی فروخت میں بالترتیب 53% اور 49% اضافے کی وجہ سے ہوا ہے۔ ٹیکسیشن سے پہلے مجموعی منافع (PBT) میں 73% بہتری آئی۔ تاہم ٹیکسیشن کے بعد منافع (PAT) میں گزشتہ سال کے مقابلے میں 82 ملین روپے کی کمی ہوئی، جس کی وجہ متعلقہ انڈر ٹیکنگ، ٹریٹ کارپوریشن لمیٹڈ کے منافع کے حصہ میں کمی ہے، جو پچھلے سال کے مقابلے میں 26 ملین روپے کے منافع سے 8 ملین کے نقصان میں ہے۔



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Loads Limited

Review Report on the Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of Loads Limited ('the Company') for the year ended 30 June 2022 in accordance with the requirements of Regulation No. 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2022.

Further, we highlight below the instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:



KPMG Taseer Hadi & Co.

S. No.	Reference	Description
1	Paragraph 15 of the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	The internal audit function of the Company comprises of Head of Internal Audit only who resigned from the position on 9 May 2022. The position remained vacant till 30 June 2022.
2	Paragraph 19 of the statement of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	Regulation 6(1) states that it is mandatory that each listed company shall have at least two or one third of its members of the Board, whichever is higher, as an independent directors. Currently there are 7 directors on the Board of the Company out of which only 2 are independent directors.

Date: 7 October 2022

Karachi

UDIN: CR2022101065gPx0kbeS

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KPMG Taseer Hadi & Co.
Chartered Accountants

Statement of Compliance Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of company Loads Limited
Year ending June 30, 2022

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following:
 - a. Male 6
 - b. Female 1
2. The composition of the Board is as follows:

Independent Directors	Mr. M. Z. Moin Mohajir Mrs. Rozina Muzammil
Non-Executive Directors	Syed Shahid Ali Shah Syed Sheharyar Ali Mr. M. Mohtashim Aftab
Executive Directors	Mr. Munir K. Bana Mr. Shamim A. Siddiqui
Female Director	Mrs. Rozina Muzammil
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Directors were apprised of their duties and responsibilities from time to time. The directors either have already attended directors' training as required in previous years or meet the exemption criteria as contained in these Regulations.
10. No new appointment or change in terms and conditions of Chief Financial Officer and Company Secretary took place during the year. The Board has complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:-

- a. Audit Committee

Mr. M. Z. Moin Mohajir	Chairman
Syed Sheharyar Ali	Member
Mr. M. Mohtashim Aftab	Member
Mrs. Rozina Muzammil	Member
- b. Human Resources & Remuneration Committee

Mrs. Rozina Muzammil	Chairperson
Mr. Munir K. Bana	Member
Syed Sheharyar Ali	Member
Mr. M. Mohtashim Aftab	Member
Mr. Shamim A. Siddiqui	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a. Audit Committee 4 quarterly meetings
 - b. HR and Remuneration Committee 1 annual meeting
15. The Board has set up an internal audit function comprising only the Head of Internal Audit. However, the Head of Internal Audit resigned from the position on May 9, 2022 and the position remained vacant till June 30, 2022. The Company is in the process of hiring suitably qualified and experienced resources for the purpose;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non- mandatory requirements) are below:

S. No	Requirement	Explanation	Reg No.
1	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. Explanation.—For the purposes of this sub-regulation, a listed company shall explain the reasons, in the compliance report, if any fraction contained in such one-third number which is not rounded up as one, 2019	Regulation of 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 stipulates that it is mandatory for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e., 0.5), the final number will be rounded upto two directors.	Regulation of 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019

For and on behalf of Board of Directors



Syed Shahid Ali Shah
Chairman

October 5, 2022
Karachi



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Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of Loads Limited

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Loads Limited** (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2022, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated

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financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Revenue Recognition	
	Refer notes 5.15 & 28 to the unconsolidated financial statements. The Company's revenue for the year ended 30 June 2022 was Rs. 7,791.96 million. The Company's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products"). We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.	Our procedures amongst others, included the following: • Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls of revenue recognition; • Inspected sales contracts with OEMs, and on a sample basis for other customers, to understand and assess the terms and conditions therein which may affect revenue recognition; • Performed verification on a sample basis of revenue transactions with underlying documentation including sales invoices and other dispatch documents; • Compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Assessed the appropriateness of disclosure presented in the unconsolidated financial statements in accordance with the requirement of IFRS 15.



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S. No.	Key audit matters	How the matters were addressed in our audit
2.	Valuation of Stock-in-trade	
	Refer notes 5.9 and 9 to the unconsolidated financial statements. As at 30 June 2022 the company's stock-in-trade amounting to Rs. 1,651.46 million, against which an obsolescence provision of Rs. 32.52 million is held. The Company reviews its inventory on a regular basis and, where appropriate, makes provision for obsolete inventory based on estimates of future sales activity. Management's judgment is required to assess the appropriate level of provisioning required for the inventories, including the assessment of available facts and circumstances, the stock-in-trade own physical conditions, the market selling prices and estimated selling costs of the stock-in-trade. We focused on this area as the stock-in-trade is material to the Company's unconsolidated financial statements and the determination of allowance for inventory obsolescence involves significant management's judgment and estimation.	Our procedures amongst others, included the following: • Attended management's inventory counts and observed the process, including observing the process implemented by management to identify and monitor obsolete stock; • Assessed the adequacy of the allowance for obsolescence, by taking into consideration the status of the ageing and conditions of the inventories and historical usage pattern; • Re-calculated the allowance for inventory obsolescence in accordance with the Company's policy; • Considered the historical accuracy of provisions made by the Company by examining the reversal of previously recorded provisions; and • Assessed the adequacy of the related disclosures in the notes to the unconsolidated financial statements.

Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 but does not include the unconsolidated financial statements and our auditor's report thereon.



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Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.



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As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe



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these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 7 October 2022

Karachi

UDIN: AR2022101061W07ASQqF

KPMG Taseer - 1
KPMG Taseer Hadi & Co.
Chartered Accountants



Financial statements (Unconsolidated)

Unconsolidated Statement of Financial Position

As at 30 June 2022

		2022	2021
		(Rupees)	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	581,106,660	562,752,918
Intangible assets	7	2,879,505	-
Long-term investments	8	1,301,133,954	1,599,825,041
Long-term loans	11	7,644,157	8,303,878
Deferred tax assets	20	-	9,448,705
		1,892,764,276	2,180,330,542
Current assets			
Stores, spares and loose tools	29.2	39,966,825	57,654,929
Stock-in-trade	9	1,618,931,498	1,387,034,758
Trade debts - net	10	909,494,124	476,303,736
Loans and advances	12	215,251,284	110,124,231
Deposits, prepayments and other receivables	13	19,596,020	42,134,540
Due from related parties	26	3,252,222,264	2,588,437,564
Taxation - net	14	279,797,568	162,738,194
Short-term investments	15	922,505	925,552
Cash and bank balances	16	11,719,932	10,733,698
		6,347,902,020	4,836,087,202
Total assets		8,240,666,296	7,016,417,744
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 400,000,000 ordinary shares of Rs.10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up capital	18	2,512,500,000	2,512,500,000
Share premium		1,070,065,433	1,070,065,433
Fair value reserve		(50,689,879)	82,731,000
Unappropriated profit		767,973,738	463,202,182
		4,299,849,292	4,128,498,615
LIABILITIES			
Non-current liabilities			
Long-term loans	22	240,869,432	249,526,409
Lease liabilities	19.1	23,828,164	910,322
Deferred tax liabilities	20	3,011,200	-
Defined benefit obligation - net	21	35,100,894	4,535,710
Gas Infrastructure Development Cess	23	-	940,401
Deferred grant	24	-	242,701
		302,809,690	256,155,543
Current liabilities			
Current maturity of lease liabilities	19.1	6,500,095	839,504
Current portion of long-term loans	22	370,637,176	208,662,007
Current portion of deferred grant	24	242,701	3,456,285
Short-term borrowings	25	2,224,673,253	1,844,976,781
Due to related parties	26	142,716,321	204,344,517
Trade and other payables	27	836,279,196	328,591,992
Unclaimed dividend		3,527,781	3,527,781
Accrued mark-up and profit		53,430,791	37,364,719
		3,638,007,314	2,631,763,586
Total equity and liabilities		8,240,666,296	7,016,417,744
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

Unconsolidated Statement of Profit or Loss

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
Revenue - net	28	7,791,955,309	4,717,228,398
Cost of sales	29	(6,981,076,054)	(4,319,960,129)
Gross profit		810,879,255	397,268,269
Administrative, selling and general expenses	30	(258,535,659)	(183,594,220)
		552,343,596	213,674,049
Reversal of impairment loss on trade debts	10.1	-	12,347,172
Other expenses	31	(34,928,658)	(12,095,417)
Other income	32	335,113,234	184,182,505
		300,184,576	172,087,088
Operating profit		852,528,172	398,108,309
Finance costs	33	(381,310,087)	(223,628,727)
Profit before taxation		471,218,085	174,479,582
Taxation	34	(204,051,028)	(50,599,927)
Profit for the year		267,167,057	123,879,655
Earnings per share - Basic and diluted	35	1.06	0.62

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
Profit for the year		267,167,057	123,879,655
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Change in fair value of equity investments at FVOCI - net of tax		1,654	(4,238)
Investment in associate at FVOCI - net change in fair value	8.2.1	(98,256,587)	281,126,111
Gain on disposal of tree shares		7,574,125	-
Tax effect on change in fair value of investment at FVOCI - current year charge		8,103,921	(17,612,144)
		(82,576,887)	263,509,729
Re-measurement (loss) / gain on defined benefit obligation	21.2.4	(19,760,437)	6,714,822
Related tax	20.1	6,520,944	(1,947,298)
		(13,239,493)	4,767,524
Total comprehensive income for the year		171,350,677	392,156,908

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Share capital	Capital Reserve	Revenue reserves		Total equity
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Unappropriated profit	
	(Rupees)				
Balance as at 1 July 2020	1,512,500,000	1,095,352,578	(185,546,462)	339,322,527	2,761,628,643
Issuance of right shares	1,000,000,000	-	-	-	1,000,000,000
Issuance cost of right shares	-	(25,287,145)	-	-	(25,287,145)
Profit for the year	-	-	-	123,879,655	123,879,655
Other comprehensive income for the year	-	-	268,277,462	-	268,277,462
Total comprehensive income for the year ended 30 June 2021	-	-	268,277,462	123,879,655	392,157,117
Balance as at 30 June 2021	2,512,500,000	1,070,065,433	82,731,000	463,202,182	4,128,498,615
Profit for the year	-	-	-	267,167,057	267,167,057
Realized Gain on disposal of investment	-	-	(37,604,499)	37,604,499	-
Other comprehensive loss	-	-	(95,816,380)	-	(95,816,380)
Total comprehensive (loss) / income for the year ended 30 June 2022	-	-	(133,420,879)	304,771,556	171,350,677
Balance as at 30 June 2022	2,512,500,000	1,070,065,433	(50,689,879)	767,973,738	4,299,849,292

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		471,218,085	174,479,582
Adjustments for			
Depreciation	6.1	71,564,623	72,222,578
Amortisation	7	1,246,096	344,797
Provision for / (Reversal of) obsolescence and slow moving stock - net	9.1	6,038,204	(2,815,247)
Finance costs	33	309,215,659	223,234,987
Finance lease charges	33	2,658,343	27,948
Current service costs	21.2.3	16,314,747	3,459,406
Gain on disposal of property, plant and equipment	32	(3,381,635)	(4,113,307)
Loss on sale of investments	31	-	-
Mark-up income on bank balance	32	-	(1,578,438)
Dividend income	32	(4,898,968)	(40,364)
Government grant income	32	(3,456,285)	(5,781,666)
Mark-up income on loan to employees	32	(1,730,045)	(1,574,229)
Mark-up income on loan to subsidiaries	32	(307,382,893)	(149,112,622)
Unrealized loss / (gain) on re-measurement of investment classified as at FVTPL	32 & 15.1	4,701	(342,978)
		557,410,632	308,410,447
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		17,688,104	8,849,739
Stock-in-trade		(237,934,944)	(3,035,660)
Trade debts - net		(433,190,388)	(147,599,657)
Loans and advances		(104,467,332)	(57,765,889)
Due from related parties		(6,728,718)	89,962,784
Deposits, prepayments and other receivables		22,538,520	95,744,904
		(742,094,758)	(13,843,779)
(Decrease) / Increase in current liabilities			
Due to related parties		(61,628,196)	204,344,517
Trade and other payables		507,687,204	5,682,470
		446,059,008	210,026,987
Cash generated from operating activities		261,374,882	504,593,655
Finance costs paid		(289,693,302)	(259,608,641)
Contributions paid to defined benefit plan		(5,510,000)	(8,358,195)
Mark-up received from loans to employees		1,730,045	1,574,229
Income tax paid - net		(294,025,632)	(97,280,426)
Net cash (used in) / generated from operating activities		(326,124,007)	140,920,622
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment and intangibles		(67,607,277)	(66,225,016)
Proceeds from disposal of property, plant and equipment		11,146,333	8,877,907
Purchase of investment from redemption of investments		-	(35,025)
Proceed from disposal of investment		205,632,853	-
Mark-up received on bank balances / PTC		-	1,578,438
Dividend income received		4,898,968	40,364
Net cash generated from / (used in) investing activities		154,070,877	(55,763,332)
CASH FLOWS FROM FINANCING ACTIVITIES			
Rental payments against lease liabilities	19	(8,281,510)	(1,165,063)
Proceeds from issuance of right shares - net		-	974,712,855
Dividend reversed		-	1,402
Long term loans obtained during the year - net		151,297,491	30,010,591
Markup received from - RP		21,170,617	-
Loans from director		-	(40,000,000)
Loans to subsidiary companies		(370,843,706)	(828,563,486)
Net cash (used in) / generated from financing activities		(206,657,108)	134,996,299
Net (decrease) / increase in cash and cash equivalents		(378,710,238)	220,153,589
Cash and cash equivalents at beginning of the year		(1,834,243,083)	(2,054,396,672)
Cash and cash equivalents at end of the year	16.1	(2,212,953,321)	(1,834,243,083)

The annexed notes from 1 to 47 form an integral part of these unconsolidated financial statements.

Chief Financial Officer

Chief Executive

Director

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

1. LEGAL STATUS AND OPERATIONS

- 1.1** Loads Limited (the Company) is a public listed company, which was incorporated in Pakistan on 1 January 1979, as a private limited company under Companies Act, 1913 (repealed with the enactment of the Companies Act, 2017 on 30 May 2017).

On 19 December 1993, the status of the Company was converted from private limited company to public unlisted company. On 1 November 2016, the shares of the Company were listed on Pakistan Stock Exchange Limited (PSX).

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

The Company's registered office and plant is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.

There are four subsidiaries and one associate of the Company. The details are as follows:

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		2022	2021	
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	91%	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	92%	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	100%	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	80%	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers. Commercial production has not yet started.
Associate				
Treet Corporation Limited	22 January 1977	2.85%	5.27%	Manufacture and sale of razors, razor blades and other trading activities

Plants of SAIL and MAIL are situated at DSU-19 and DSU-38 respectively in Downstream Industrial Estate Pakistan Steel Mills, Bin Qasim Town, Karachi. HAWL has acquired land for establishing industrial unit which is located at National Industrial Park, Bin Qasim, the Special Economic Zone declared by Government of Sindh.

1.2 Liquidity position and its management

In 2017, Loads group initiated a new project of alloy wheels through a subsidiary company i.e. HAWL. To finance this project, significant borrowings were made from group entities (including Parent company) and other lenders (banks and related parties). Details of liquidity position and its management are included in note 38.3.1.

2. BASIS OF PREPARATION

2.1 Statement of compliance

- 2.1.1** These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under the historical cost convention, except for investments which are classified as FVTPL and obligations in respect of gratuity schemes which are measured at present value of defined benefit obligation less fair value of planned assets.

2.3 Functional and presentation currency

These unconsolidated financial statements are presented in Pakistan Rupee which is also the Company's functional currency and has been rounded off to the nearest rupee unless otherwise stated

3. USE OF JUDGMENTS AND ESTIMATES

The preparation of unconsolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only effects that period, or in the period of the revision and the future periods if the revision effects both current and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (note 6);
- Provision for impairment of stock-in-trade (note 9.1);
- Trade debts and impairment (note 10 and 5.4);
- Net defined benefit obligation (note 21);
- Contingencies (note 17).
- Provision for taxation (note 34).

4. NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

4.1 Standards, interpretations and amendments to published accounting and reporting standards as applicable in Pakistan that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022
- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
 - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
 - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
 - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computations adopted in applied in the preparation of these unconsolidated financial statements are set out below. These have been consistently applied to all the periods presented.

5.1 Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

Depreciation charge is based on the reducing balance method whereby the cost of an asset is written off to the unconsolidated statement of profit or loss over its estimated useful life by applying the rates mentioned in note 6.1 to the unconsolidated financial statements.

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

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

Gains and losses on disposal

Any gain or loss on disposal of an item of property, plant and equipment is recognized in the unconsolidated statement of profit or loss.

Impairment

The carrying amount of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

Impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount in the unconsolidated statement of profit or loss.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

5.2 Intangible assets

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

Amortisation

Amortisation is charged to the unconsolidated statement of profit or loss on a straight line basis at the rates specified in note 7 to these financial statements, over the estimated useful lives of intangible assets unless lives are indefinite. Amortisation on additions to intangible assets is charged from the month in which an item is acquired or capitalised while no amortisation is charged for the month in which the item is disposed off.

5.3 Financial Instruments

5.3.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, and impairment are recognised in the unconsolidated statement of profit or loss. Other net gains and losses are recognised in unconsolidated other comprehensive income. On de-recognition, gains and losses accumulated in unconsolidated other comprehensive income are reclassified to the unconsolidated statement of profit and loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the unconsolidated statement of profit and loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the unconsolidated statement of profit and loss.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, and impairment are recognised in the unconsolidated statement of profit and loss.

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

5.3.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the unconsolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

5.3.4 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

5.4 Impairment

5.4.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Based on the management assessment no ECL was required since the Company's financial assets at amortized cost are held with related parties or counterparties with low credit risk. Further, ECL calculated on Trade Debts was not required as the amount assessed was immaterial to the unconsolidated financial statement.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

5.4.2 Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss.

5.5 Investment in subsidiaries

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

5.6 Investment in associate

Entities in which the Company has significant influence directly or indirectly (through subsidiaries) but not control and which are neither subsidiaries nor joint ventures of the members of the Company are associates. Investment in associates are stated at fair value.

5.7 Provisions

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

5.8 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value except items in transit which are stated at invoice value plus other charges incurred thereon. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

5.9 Stock-in-trade

Stock-in-trade is stated at lower of cost less impairment loss, if any and net realisable value. Cost is determined using weighted average cost formula and includes expenditure incurred in bringing / acquiring the inventories to their intended location and condition.

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

5.10 Cash and cash equivalents

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

5.11 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange differences, if any are recognized in unconsolidated statement of profit or loss.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

5.12 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in unconsolidated statement of profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax

Current tax is the expected tax payable on the taxable income for the year estimated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax

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

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

5.13 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

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

For defined benefit plans, the net defined benefit liability / asset recognised in the balance sheet is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The deficit or surplus is:

- a) the present value of the defined benefit obligation; less
- b) the fair value of plan assets (if any).

The present value of defined benefit obligation is calculated annually by independent actuaries by discounting the estimated future cash flows using an interest rate equal to the yield on high-quality corporate bonds.

Actuarial gains or losses that arise are recognised in other comprehensive income in the period they arise. Service costs and net interest on net defined benefit liability / asset are recognised in unconsolidated statement of profit or loss.

Compensated absences

The Company recognises the liability for accumulated compensated absences as employees render services that increase their entitlement to future compensated absences.

Defined contribution plan - Provident Fund

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

5.14 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholder and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

5.15 Revenue from Contracts with Customers

Made to order products:

Revenue and associated costs are recognized over time as the Company's performance does not create an asset with an alternative use for the Company and the Company has an enforceable right to payments for performance completed to date.

Standard products:

Revenue is recognized at point in time when customer obtains control of the product which is when goods are delivered and accepted at the customer's premises.

5.16 Dividend distribution and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognised in the period in which these are approved. The distribution of dividend is subject to the covenant as mentioned in note 25.

5.17 Segment accounting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose results are regularly reviewed by the segment to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

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

5.18 Fair value measurement

Fair value is 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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

5.19 Investment and other income

Mark-up income is recognised using the effective interest method.

Dividend income is recognised when the right to receive the same is established i.e. the book closure date of the investee Company declaring the dividend.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

Gains and losses on sale of investments are accounted for when the commitment (trade date) for sale of security is made.

Rental income (net of any incentives given to lessees) from investment property is recognised on a straight line basis over the lease term.

5.20 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalised up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to Unconsolidated statement of profit or loss.

5.21 Borrowings

Borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortized cost with any difference between cost and redemption value being recognised in the Unconsolidated statement of profit or loss over the period of the borrowings on an effective interest basis.

5.22 Government grants

Government grants are transfers of resources to an entity by a Government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a Government subsidy. The definition of "Government" refers to Governments, Government agencies and similar bodies, whether local, national or international.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Company will be able to comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred, are recognized on a systematic basis over the periods in which the entity recognizes as expense the related costs the grant are expected to compensate. Grants that compensate for the cost of an asset are recognized in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below- market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the Government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

5.23 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less provision for any uncollectible amounts. Refer note 5.4 for a description of the Company's impairment policies.

5.24 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Company mainly leases properties for its operations. The Company recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The lease liability is subsequently increased by the finance cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

6. PROPERTY, PLANT AND EQUIPMENT

Operating assets
Capital work-in-progress

Note

	2022	2021
	(Rupees)	
	549,624,886	527,681,972
	31,481,774	35,070,946
	581,106,660	562,752,918

6.1 Operating assets

	2022				2021					Net book value as at 30 June 2022		
	Cost				Annual Rate %	Accumulated depreciation						
	As at 1 July 2021	Additions / transfers	Transfer from leased assets	(Disposals)		As at 30 June 2022	As at 1 July 2021	For the year	Transfer from leased assets		(Disposals)	As at 30 June 2022
	(Rupees)					(Rupees)						
Owned												
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	25,080,000	
Leasehold land (note 6.1.1)	1,089,774	-	-	-	1,089,774	-	-	-	-	-	1,089,774	
Building on leasehold land	90,790,497	3,797,643	-	-	94,588,140	5	35,854,868	2,847,535	-	-	38,702,403	55,885,737
Plant and machinery (note 6.1.4)	743,253,470	24,196,719	-	-	767,450,189	10 - 20	397,605,888	38,463,588	-	-	436,069,476	331,380,713
Tools and equipment	344,417,698	27,637,043	-	-	372,054,741	10 - 35	287,750,623	15,880,046	-	-	303,630,669	68,424,072
Furniture, fittings and office equipment	49,849,876	3,390,343	-	-	53,240,219	10 - 30	37,511,286	3,393,458	-	-	40,904,744	12,335,475
Vehicles	99,360,831	66,700		(20,743,810)	78,683,721	20	71,341,415	4,304,764		(14,090,895)	61,555,284	17,128,437
Right of use assets												
Vehicles	5,864,842	42,184,000		(2,148,000)	45,900,842	20	1,960,936	6,675,232	-	(1,036,004)	7,600,164	38,300,678
	1,359,706,988	101,272,448	-	(22,891,810)	1,438,087,626		832,025,016	71,564,623	-	(15,126,899)	888,462,740	549,624,886
	Cost					2021	Accumulated depreciation					Net book value as at 30 June 2021
	As at 1 July 2020	Additions / transfers	Transfer from leased assets	(Disposals)	As at 30 June 2021	Annual Rate %	As at 1 July 2020	For the year	Transfer from leased assets	(Disposals)	As at 30 June 2021	
	(Rupees)						(Rupees)					
Owned												
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	1,089,774	-	-	-	1,089,774	-	-	-	-	-	-	1,089,774
Building on leasehold land	90,444,304	346,193	-	-	90,790,497	5	32,973,385	2,881,483	-	-	35,854,868	54,935,629
Plant and machinery (note 6.1.4)	714,809,912	28,443,558	-	-	743,253,470	10 - 20	358,553,759	39,052,129	-	-	397,605,888	345,647,582
Tools and equipment	314,093,026	30,324,672	-	-	344,417,698	10 - 35	268,451,645	19,298,978	-	-	287,750,623	56,667,075
Furniture, fittings and office equipment	45,772,108	4,077,768	-	-	49,849,876	10 - 30	34,762,425	2,748,861	-	-	37,511,286	12,338,590
Vehicles	110,552,651	195,000		(11,386,820)	99,360,831	20	70,433,342	7,530,293		(6,622,220)	71,341,415	28,019,416
Right of use assets												
Vehicles	4,447,000	1,417,842		-	5,864,842	20	1,250,102	710,834	-	-	1,960,936	3,903,906
	1,306,288,775	64,805,033	-	(11,386,820)	1,359,706,988		766,424,658	72,222,578	-	(6,622,220)	832,025,016	527,681,972

6.1.1 Freehold land represents a plot in Lahore measuring 23 Kanals 18 Marlas and held by the Company for the expansion of business in future. Currently, this plot of land is not being used. Leasehold land is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi which represents total area of 8,888.88 square yards.

6.1.2 Carrying amount of temporary idle properties of the company

Freehold land

	2022	2021
	(Rupees)	
	25,080,000	25,080,000

6.1.3 Freehold land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 984.76 million (2021: Rs. 694 million) obtained from JS Bank Limited and Pak Kuwait Investment Company Pvt Ltd (note 22).

6.1.4 Plant and machinery are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 801 million and Rs. 920 million (2021: Rs. 801 million and Rs. 653 million) respectively. These charges are against different financing facilities obtained from various banks (note 22).

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
6.1.6	The depreciation charge for the year has been allocated as follows:		
Cost of sales	29	64,491,487	66,758,569
Administrative, selling and general expenses	30	7,073,136	5,464,009
		71,564,623	72,222,578

6.1.7 Details of property, plant and equipment disposed off

Details of operating property, plant and equipment disposed off during the year are as follows:

Asset	2022					Particulars of buyer	Mode of disposal	Relationship with buyer
	Original cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal			
Owned	(Rupees)							
Vehicles								
Honda BRV BH-1247	2,148,000	1,036,004	1,111,996	2,050,000	938,004	Arbab Nasim	Negotiation	Employee
Toyota Altis BBZ-228	2,300,000	1,536,915	763,085	763,085	-	Munir K Bana	Company Policy	Employee
Toyota Corolla BCF-227	1,752,500	1,176,047	576,453	576,453	-	Azeem Ullah	Company Policy	Employee
Suzuki Swift BCF-759	1,282,000	856,663	425,337	425,337	-	Mobin Akhter	Company Policy	Employee
Suzuki Cultus BCK-437	1,039,000	694,285	344,715	344,715	-	Asif Hashmi	Company Policy	Employee
Toyota Corolla BCG-738	1,752,500	1,176,047	576,453	576,453	-	Shamim A Siddiqui	Company Policy	Employee
Suzuki Wagonr BHA-271	1,064,740	711,606	353,134	1,400,000	1,046,866	Khuawaja Akber	Negotiation	Third party
Suzuki Cultus BCL-250	1,039,000	694,285	344,715	911,000	566,285	muhammad Asif	Negotiation	Third party
Toyota Corolla BCG-559	1,752,500	1,176,047	576,453	576,453	-	Iftikhar Ahmed	Company Policy	Employee
Toyota Corolla BCK-137	1,752,500	1,176,047	576,453	576,453	-	Tehseen Ahmed	Company Policy	Employee
Suzuki Swift BCF-762	1,282,000	856,663	425,337	425,337	-	Irfan A Khan	Company Policy	Employee
Suzuki Cultus BCK-459	1,039,000	694,285	344,715	344,715	-	Nasir Rana	Company Policy	Employee
Suzuki Cultus BCM-618	1,039,000	694,285	344,715	344,715	-	Noushad Hussain	Company Policy	Employee
Suzuki Cultus BCM-612	1,039,000	694,285	344,715	344,715	-	Ejaz Durrani	Company Policy	Employee
Suzuki Mehran BEJ-297	691,350	462,685	228,665	228,665	-	Nabeel Ahmed	Company Policy	Employee
Suzuki Mehran BEJ-294	691,350	462,685	228,665	228,665	-	Arbab Nasim	Company Policy	Employee
Suzuki Pick-Up KT-7457	637,000	509,256	127,744	557,786	430,042	Raees Khan	Negotiation	Third party
Suzuki Pick-Up CU-0816	590,370	519,022	71,348	471,786	400,438	Naveed Rauf	Negotiation	Third party
	22,891,810	15,127,112	7,764,698	11,146,333	3,381,635			

	Note	2022	2021
		(Rupees)	
6.2	Capital work-in-progress		
Tools and equipment	6.2.1	31,481,774	35,070,946
		31,481,774	35,070,946

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

Balance at beginning of the year	35,070,946	32,519,721
Additions during the year	97,683,276	67,356,258
Transferred to property, plant and equipment	(101,272,448)	(64,805,033)
Balance at end of the year	31,481,774	35,070,946

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

7. INTANGIBLE ASSETS

					2022					
	Cost				Useful life	Amortisation			Net book value as at 30 June 2022	
	As at 1 July 2021	Additions (Disposals)	As at 30 June 2022	As at 1 July 2021		For the year	(Disposals)	As at 30 June 2022		
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	15,976,154	4,125,601	-	20,101,755	3	15,976,154	1,246,096	-	17,222,250	2,879,505
					2021					
	Cost				Useful life	Amortisation			Net book value as at 30 June 2021	
	As at 1 July 2020	Additions (Disposals)	As at 30 June 2021	As at 1 July 2020		For the year	(Disposals)	As at 30 June 2021		
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	15,976,154	-	-	15,976,154	3	15,631,357	344,797	-	15,976,154	-

7.1 At 30 June 2022, the cost of fully amortised intangible amounted to Rs. 15.98 million (2021: Rs. 15.98 million).

7.2 The amortisation charge for the year has been allocated to administrative, selling and general expenses (note 30).

7.3 Computer software relates to SAP business license.

8. LONG - TERM INVESTMENTS

Investments in subsidiary companies - unquoted
Less: Provision for impairment in SMPL
Net investments in subsidiary companies

Investments in associate at FVOCI - quoted
Treet Corporation Limited

Note	2022	2021
	(Rupees)	
8.1	1,184,960,000	1,184,960,000
8.1.4.1	(25,000,000)	(25,000,000)
	1,159,960,000	1,159,960,000
8.2	141,173,954	439,865,041
	1,301,133,954	1,599,825,041

8.1 Investments in subsidiary companies

2022 (Number of shares)	2021	Unquoted	Note	2022 (% of holding)	2021	2022 (Rupees)	2021
17,500,000	17,500,000	Specialized Autoparts Industries (Private) Limited (SAIL) (Chief Executive - Munir K. Bana)	8.1.1	91%	91%	175,000,000	175,000,000
7,500,000	7,500,000	Multiple Autoparts Industries (Private) Limited (MAIL) (Chief Executive - Munir K. Bana)	8.1.2	92%	92%	75,000,000	75,000,000
85,996,000	85,996,000	Hi Tech Alloy Wheels Limited (HAWL) (Chief Executive - Munir K. Bana)	8.1.3	80%	80%	859,960,000	859,960,000
7,500,000	7,500,000	Specialized Motorcycles (Private) Limited (SMPL) (Chief Executive - Munir K. Bana)	8.1.4	100%	100%	75,000,000	75,000,000
						1,184,960,000	1,184,960,000

8.1.1 As at 30 June 2022, the break-up value of SAIL was Rs. 22.09 per share (2021: Rs. 19.98 per share).

8.1.2 As at 30 June 2022, the break-up value of MAIL was Rs. 22.51 per share (2021: Rs. 20.34 per share).

8.1.3 As at 30 June 2022, the break-up value of HAWL was Rs. 1.68 per share (2021: Rs. 5.41 per share). Further, as at 30 June 2022, recoverable amount under IAS - 36 'Impairment of assets' of HAWL has been calculated and which was higher than carrying amount of investment.

8.1.4 Specialized Motorcycles (Private) Limited (SMPL) was engaged in the business to acquire, deal in, purchase, import, sales, supply and export all sorts of motorcycles & auto parts, metallurgical parts, machinery and equipment parts. SMPL has ceased its operations from 1 July 2015. The net assets of SMPL, as disclosed in the latest available audited financial statements for the year ended 30 June 2022, amounted to Rs. 86.47 million (2021: Rs.81.21 million).

8.1.4.1 The Company has maintained provision for impairment amounting to Rs. 25 million in respect of SMPL. The key information and ratios of SMPL in addition to information disclosed in note 8.1.5 are as follows:

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022	2021
		(Rupees)	
Net equity	Rupees	86,466,704	81,210,973
Current ratio	Times	6.73	8.22
Cash flows - increase / (decrease)	Rupees	46,840	(882,755)

8.1.5 Summarised financial information based on latest available audited financial statements for the year ended 30 June 2022 of the subsidiaries are as follows:

	2022				2021			
	SAIL	MAIL	SMPL	HAWL	SAIL	MAIL	SMPL	HAWL
Direct share holding	53.85%	60.00%	100%	65.38%	53.85%	60.00%	100%	65.38%
Effective holding*	91%	92%	100%	80%	91%	92%	100%	80%
	(Rupees in millions)				(Rupees in millions)			
Statement of Financial Position - extracts								
Non-current assets	299.00	103.00	-	4,790.00	298.41	104.07	-	4,748.12
Current assets	1,071.00	346.00	101.00	480.00	997.18	344.00	92.45	481.91
Non-current liabilities	11.00	6.00	-	1,023.00	33.31	12.79	-	1,053.73
Current liabilities	643.00	162.00	15.00	4,025.00	617.81	182.04	11.25	3,507.31
Net assets	716.00	280.99	86.00	222.00	644.47	253.23	81.20	668.99
Share of net assets	651.56	258.51	86.00	177.60	586.47	232.97	81.20	535.19
Carrying amount	(175.00)	(75.00)	(50.00)	(859.96)	(175.00)	(75.00)	(50.00)	(859.96)
	476.56	183.51	36.00	(682.36)	411.47	157.97	31.20	(324.77)
Statement of profit or loss - extracts								
Revenue	468.00	163.00	-	-	365.46	98.77	-	-
Profit / (loss) after tax	71.00	28.00	5.00	(448.00)	63.23	17.50	2.50	(344.02)
Total comprehensive income	71.00	28.00	5.00	(448.00)	63.23	17.50	2.50	(344.02)
Statement of cash flows - extracts								
Operating activities	100.00	49.00	(3.00)	(21.00)	(126.00)	(67.34)	(4.29)	(117.54)
Investing activities	(9.00)	(2.00)	-	-	(5.28)	0.96	-	(340.01)
Financing activities	(82.00)	(45.00)	3.00	14.00	130.63	65.67	3.41	411.25
Net cash flows	9.00	2.00	-	(7.00)	(0.65)	(0.71)	(0.88)	(46.30)
Opening cash and cash equivalents	-	3.00	-	10.00	0.96	3.28	1.19	55.92
Closing cash and cash equivalents	9.00	5.00	-	3.00	0.31	2.57	0.31	9.62
Total cash and cash equivalents of the group				17.00				12.81

*due to cross holdings.

8.2 Investments in associate - at FVOCI

2022	2021		2022	2021
(Number of shares)		Note	(Rupees)	
4,837,958	8,887,958	Quoted Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	141,173,954	439,865,041

8.2.1 Investments in associate at FVOCI - net change in fair value investments

Market value of investments	8.2.2	141,173,954	439,865,041
Less : Cost of investments		(194,514,939)	(357,344,940)
Fair value reserve		(53,340,985)	82,520,101
Add: Realized gain on disposal of investment		37,604,499	-
Less: Unrealized gain on re-measurement of investments at beginning of the year		(82,520,101)	198,606,010
Unrealized (loss) / gain on re-measurement of investments for the year		(98,256,587)	281,126,111

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

8.2.2 Movement in the carrying value of investment in associate is as follows:

	2022	2021
	(Rupees)	
Carrying amount at the beginning of the year	357,344,940	357,344,940
Disposals during the year	(162,830,001)	-
Carrying amount at the end of the year	194,514,939	357,344,940

8.2.3 During the year, the company disposed of 4,050,000 shares of Treet Corporation Limited against a consideration of Rs. 205.63 million.

8.2.4 This includes 4,400,000 shares (2021: 8,800,000 shares) having an aggregate market value of Rs. 141.173 million (2021: 435.512 million), which have been pledged with the financial institution as security against borrowing facilities. All other shares are kept in the Central Depository Company (CDC) account of the Company.

8.2.5 The Company's holding in associate of 2.85% (2021: 5.27%) is considered associate by virtue of common directorship i.e. (3 directors are common out of 7 directors).

8.2.6 Summarised financial information based on audited annual consolidated financial statements for the year ended 30 June 2022 and 30 June 2021 is as follows:

Statement of Financial Position

	2022	2021
	(Rupees)	
Non-current assets	18,057,790	18,267,245
Current assets	7,275,237	6,980,867
Assets held for sale - net	-	537,384
Non-current liabilities	(2,528,650)	(1,807,033)
Current liabilities	(13,124,813)	(13,873,960)
Net assets	9,679,564	10,104,503
Effective holding (percentage)	2.85%	5.27%
Share of net assets	275,868	532,507

Statement of Profit or Loss

Revenue	15,789,923	14,194,739
Loss after tax from continuing operations	(292,786)	(50,759)
Other comprehensive income / (loss) from continuing operations - net of tax	(26,578)	2,696,076
Other comprehensive income / (loss) from discontinuing operations	-	-
Profit / (Loss) from discontinuing operations - net of tax	-	598,644
Total comprehensive income / (loss)	(319,364)	3,243,961
Share of total comprehensive income / (loss)	(9,102)	170,957

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022	2021
	Note	(Rupees)	
9. STOCK-IN-TRADE			
Raw materials and components	9.2 & 9.3	1,544,914,809	1,342,414,312
Work-in-process		106,545,556	71,111,109
Finished goods		-	-
		1,651,460,365	1,413,525,421
Provision for obsolescence and slow moving stock	9.1	(32,528,867)	(26,490,663)
		1,618,931,498	1,387,034,758
9.1 Provision for obsolescence and slow moving stock			
Opening balance		26,490,663	29,305,910
Charge for the year	29.1	12,659,549	2,223,382
Consumed during the year		(6,621,345)	(5,038,629)
Closing balance		32,528,867	26,490,663
9.2	This includes raw materials in transit and in possession of Company's subsidiaries as at 30 June 2022 amounting to Rs. 522 million (2021: Rs. 373 million) and Rs. 438 million (2021: Rs. 452 million) respectively.		
9.3	Raw materials held with toll manufacturers as at 30 June 2022 amounted to Rs. 107 million (2021: Rs. 76.33 million).		
9.4	Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 667 million and Rs. 1,978 million (2021: Rs. 400 million and Rs. 1,712 million) respectively. These charges are against different financing facilities obtained from various banks (note 25).		
		2022	2021
	Note	(Rupees)	
10. TRADE DEBTS - NET			
Unsecured			
Considered good		909,494,124	476,303,736
Less: Provision for doubtful debts	10.1	-	-
		909,494,124	476,303,736
10.1 Movement in provision for doubtful debts			
Opening balance		-	(12,347,172)
Provision for doubtful debts during the year		-	-
Provision reversed during the year		-	12,347,172
Closing balance		-	-
10.2	For age analysis of trade debts, refer note 38.2.		
11. LONG - TERM LOANS			
Long term portion of loan to employees	12.2	7,644,157	8,303,878

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022	2021
		(Rupees)	
12. LOANS AND ADVANCES	Note		
Unsecured - considered good			
Advance to suppliers	12.1	148,233,907	71,109,461
Loans to employees - considered good and unsecured	12.2	35,573,874	15,980,119
Loans to workers - considered good and unsecured	12.3	30,139,317	21,980,190
Advance salaries		1,304,186	1,054,461
		215,251,284	110,124,231

12.1 This includes advance amounting to Rs. 40.6 million (2021: Rs. 47.10 million) given to clearing agents for payment of clearing charges and other import related expenses to be incurred upon receipt of import consignment.

		2022	2021
		(Rupees)	
12.2 Loans to employees	Note		
Loans to employees	12.2.1	43,218,031	24,283,997
Less: Long term portion	11	(7,644,157)	(8,303,878)
Current portion of loans to employees		35,573,874	15,980,119

12.2.1 This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 13% (2021: 9%) per annum.

12.2.2 These loans and advances are granted for a period of 12 months. These loans and advances, except for the eid advances granted, carry an interest of 13% per annum and complete principal amount is to be repaid at the end of loan tenure. Details of loans to employees above Rs. 1 million are as follows:

Name of Borrower	2022	2021
	(Rupees)	
Minhaj Ul Haq	3,229,561	1,964,302
Iftekhar Ahmed	1,030,000	-
Javed Ansari	1,159,250	1,564,993
Mehdi Hasnain	2,700,000	-

12.3 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 13% (2021: 9%) per annum.

		2022	2021
		(Rupees)	
13. DEPOSITS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES	Note		
Unclaimed input sales tax	13.1	-	29,010,079
Margin deposits	13.2	4,169,620	2,084,576
Receivable from Provident Fund		4,318,920	3,432,833
Trade and other deposits		1,840,000	4,501,600
Prepayments		3,220,534	2,850,330
Other receivables		6,046,946	255,122
		19,596,020	42,134,540

13.1 Prior year figure 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.

13.2 This represents margin deposits with banks against various letters of credit issued by banks on behalf of the Company.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

14. TAXATION - NET	Note	2022	2021
		(Rupees)	
Opening advance tax		162,738,194	109,164,230
Refund received during the year		-	(47,494,562)
		162,738,194	61,669,668
Advance tax paid during the year		294,025,632	144,774,988
Provision for taxation	34	(176,966,258)	(43,706,462)
Closing advance tax		279,797,568	162,738,194

15. SHORT - TERM INVESTMENTS

Equity securities - at fair value through profit or loss (FVTPL)	15.1	907,153	911,854
Equity securities - at fair value through other comprehensive income (FVOCI)	15.2	15,352	13,698
		922,505	925,552

15.1 Equity securities - mandatory at FVTPL

2022 (Number of shares)	2021	Name of investee company Ordinary shares - Quoted	2022			2021
			Carrying value	Market value	Unrealised gain / (loss)	Market value
			----- (Rupees) -----			
1	1	Agriaautos Industries Limited	274	134	(140)	274
1	1	Al-Ghazi Tractors Limited *	365	390	25	365
1	1	Atlas Battery Limited	316	172	(144)	316
1	1	Atlas Honda Limited	480	378	(102)	480
1	1	The General Tyre & Rubber Company of Pakistan Limited	88	34	(54)	88
1	1	Honda Atlas Cars (Pakistan) Limited	346	195	(151)	346
1	1	Thal Limited *	423	270	(153)	423
230	230	Baluchistan Wheels Limited	18,168	17,480	(688)	18,168
315	315	Ghandhara Nissan Limited	34,407	18,705	(15,702)	34,407
300	300	Hino Pak Motors Limited	183,645	92,160	(91,485)	183,645
200	200	Indus Motor Company Limited	250,828	228,882	(21,946)	250,828
592	344	Millat Tractors Limited	371,386	516,573	145,187	371,386
63	63	Oil & Gas Development Company Limited	5,987	4,956	(1,031)	5,987
127	127	Pak Suzuki Motor Company Limited	45,141	26,824	(18,317)	45,141
			911,854	907,153	(4,701)	911,854

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

15.2 Equity securities - at FVOCI

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

2022 (Number of shares)	2021	Name of investee company	Cost	Market value (Rupees)	Unrealised gain	Market value
		Ordinary shares - Quoted				
152	152	ZIL Limited	5,330	15,352	10,022	13,698
			5,330	15,352	10,022	13,698

15.2.1 Equity securities - at FVOCI - net change in fair value investments

	2022 (Rupees)	2021 (Rupees)
Market value of investments	15,352	13,698
Less : Cost of investments	(5,330)	(5,330)
	10,022	8,368
Less: Unrealized gain on re-measurement of investments at beginning of the year	(8,368)	(12,606)
Unrealized (loss) / gain on re-measurement of investments for the year	1,654	(4,238)

16. CASH AND BANK BALANCES

Cash in hand	1,663,182	611,086
Cash at banks		
- in current accounts	10,056,750	6,500,930
- in saving accounts		3,621,682
	11,719,932	10,733,698

16.1 Cash and cash equivalents

Cash and bank balances	16	11,719,932	10,733,698
Short term borrowings	25	(2,224,673,253)	(1,844,976,781)
		(2,212,953,321)	(1,834,243,083)

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Income Tax Return e-filed for Tax Year 2021 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, Subsequent to the year a Notice has been received under Rule 44(4) for monitoring of withholding-tax on 26.08.2022.	Company & FBR	26 August 2022

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Tax Year 2019 was selected for audit by the Tax authorities under section 177 of the Income Tax Ordinance, 2001. The Company received a notice dated 10 January 2020 which has been responded along with the provision of required details, documents and evidences. Proceedings in this regard have not yet been finalized and hence no provision has been recognized in these financial statements.	Company & FBR	10 January 2020
Federal Board of Revenue (FBR)	For Tax Year 2019, notice dated 16 July 2020 was received by the Company regarding monitoring of withholding taxes which has been responded by the Company by filing documents and details. Proceedings in this regard have not yet been finalized.	Company & FBR	16 July 2020
Federal Board of Revenue (FBR)	For the Tax Year 2015, notice dated 26 April 2021 was received by the Company under section 177 of the Income Tax Ordinance, 2001 which was responded the Company through its tax advisor during the month of May 2021 and June 2021. The concerned Assessing Officer finalized the audit proceeding in haste, without providing the opportunity for substantial additions and disallowances made in the amended order under section 122(4) dated 30 June 2021 and created factually incorrect and disputed demand of Rs. 750,761,241.	Company & FBR	26 April 2021
Federal Board of Revenue (FBR)	Company had challenged the above amended order in appeal filed before Commissioner Inland Revenue (Appeals) against Order dated 30.06.2021 u/s.122(4) for the above mentioned tax year, the appeal has adjudicated by Commissioner (Appeals) vide Appeal Order dated 29.10.2021 where substantial direct relief has been allowed to the company, whilst one major issue has been remanded-back with directions and as such, disputed demand has been vacated.	Company & FBR	
Federal Board of Revenue (FBR)	Proceedings were initiated under S.11(2) of the Sales Tax Act, 1990 vide Notice dated 31.05.2022 for alleged non-realization of 17% sales-tax on deletion of Fixed Assets at WDV value in Tax Year 2017 (Income Year ended 30-06-2017), whereas such sales tax has been charged on sales proceeds resulting in substantial tax gain, which has also been offered for tax in tax year 2017, which has been responded but no further action has been taken.	Company & FBR	31 May 2022

- 17.1.2** The company has issued Corporate guarantees, on behalf of its subsidiary company namely Hi-tech Alloy Wheels Limited, amounting to Rs.1,180 million (current outstanding: Rs. 1,077 million) to Bank of Punjab, MCB bank Limited and JS Bank Limited.

17.2 Commitments

- 17.2.1** Guarantees issued by banks on behalf of the Company

- 17.2.2** Letters of credit issued by various banks on behalf of the Company in ordinary course of the business (outstanding at year end)

- 17.2.3** The Company has issued post dated cheques to Total PARCO Limited and Atlas Insurance Company Limited as security deposits amounting to Rs. 0.3 million (2021: Rs. 4.34 million) and 25.9 million (2021: nil) respectively.

2022	2021
(Rupees)	
710,749	710,749
627,972,442	941,188,793

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

18. SHARE CAPITAL

18.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each.

18.2 Issued, subscribed and paid-up capital

2022	2021		2022	2021
(Number of shares)			(Rupees)	
153,770,000	153,770,000	Ordinary shares of Rs. 10 each fully paid in cash	1,537,700,000	1,537,700,000
97,480,000	97,480,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	974,800,000	974,800,000
251,250,000	251,250,000		2,512,500,000	2,512,500,000

18.3 In prior year, the Company has issued 100,000,000 right shares in the proportion of 1 right share for every 1.5125 ordinary shares held i.e. 66.11%, at a price of Rs. 10 per shares (at a par).

18.4 The break-up of share capital is as follows:

Shareholders	2022		2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Syed Shahid Ali (Chairman)	94,651,139	37.67%	104,376,139	41.54%
Treet Corporation Limited (Associate)	31,387,657	12.49%	31,387,657	12.49%
Directors	8,379,151	3.33%	5,894,845	2.35%
Others	116,832,053	46.50%	109,591,359	43.62%
	251,250,000	100%	251,250,000	100%

19. LEASE LIABILITIES

	Note	2022	2021
		(Rupees)	
Opening balance		1,749,826	1,740,541
Addition during the year		34,201,600	1,146,400
Interest accrued during the year	33	2,658,343	27,948
Repayment of lease liabilities		(8,281,510)	(1,165,063)
Closing balance	19.1	30,328,259	1,749,826

19.1 Breakup of lease liabilities

	Note	2022	2021
Lease Liabilities	19	30,328,259	1,749,826
Less: Current maturity		(6,500,095)	(839,504)
		23,828,164	910,322

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

	2022			2021		
	Minimum lease payments	Interest	Present value minimum lease payments	Minimum lease payments	Interest	Present value minimum lease payments
Less than one year	10,856,244	4,356,149	6,500,095	939,828	100,324	839,504
One to five years	29,123,392	5,295,228	23,828,164	1,093,049	182,727	910,322
	39,979,636	9,651,377	30,328,259	2,032,877	283,051	1,749,826

20. DEFERRED TAX ASSETS - NET

Note

Taxable temporary differences
Deductible temporary differences

20.1

2022	2021
(Rupees)	
71,661,012	55,684,837
(68,649,812)	(65,133,542)
3,011,200	(9,448,705)

20.1 Analysis of change in deferred tax

Breakup and treatment of deferred tax balances are as follows:

	2022				2021			
	Balance at 1 July 2021	Recognized in profit or loss	Recognized in other comprehensive income	Balance at 30 June 2022	Balance at 1 July 2020	Recognized in profit or loss	Recognized in other comprehensive income	Balance at 30 June 2021
	(Rupees)							
Taxable temporary differences								
- Accelerated tax depreciation	55,684,837	15,976,175	-	71,661,012	57,064,576	(1,379,739)	-	55,684,837
Deductible temporary differences								
- Provision for obsolescence and slow moving stock	(7,682,292)	(3,052,234)	-	(10,734,526)	(8,498,714)	816,422	-	(7,682,292)
- Unrealised gain on investments	2,898,910	(52,152)	(8,103,921)	(5,257,163)	(14,760,872)	47,846	17,611,936	2,898,910
- Lease liability	(507,450)	(9,500,875)	-	(10,008,325)	(504,757)	(2,693)	-	(507,450)
- Provision against leave encashment	(57,007)	56,062	-	(945)	(615,432)	558,425	-	(57,007)
- Expected credit loss	-	-	-	-	(3,580,680)	3,580,680	-	-
- Intangibles	(833,584)	835,259	-	1,675	(941,989)	108,405	-	(833,584)
- Carry forward of tax losses	(42,604,735)	42,604,735	-	-	(45,768,854)	3,164,119	-	(42,604,735)
- Remeasurement of defined benefit liability	(9,097,384)	-	(6,520,944)	(15,618,328)	(11,044,682)	-	1,947,298	(9,097,384)
- Provision for bonus	-	(18,782,200)	-	(18,782,200)	-	-	-	-
- Provision for impairment against investment in SMPL	(7,250,000)	(1,000,000)	-	(8,250,000)	(7,250,000)	-	-	(7,250,000)
	(9,448,705)	27,084,770	(1,4624,865)	3,011,200	(35,901,404)	6,893,465	19,559,234	(9,448,705)

21. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at 30 June 2022 on the basis of projected unit credit method as per the requirements of approved accounting standard - IAS 19, "Employee Benefits". The assumptions used in actuarial valuation were as follows:

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

2022	2021
(Percentage)	

21.1 Actuarial assumptions

Financial assumptions

- Discount rate
- Discount rate used for interest cost in profit or loss account
- Expected rate of increase in salary level

13.25%	10.00%
10.00%	8.50%
12.25%	9.00%

Demographic assumptions

- Mortality rate

SLIC 2001 -
2005
Setback 1
Year

SLIC 2001 -
2005
Setback 1
Year

21.2 Amount recognised in the unconsolidated Statement of Financial Position

Amount recognised in the unconsolidated Statement of Financial Position		2022			2021		
		Management	Non- Management	Total	Management	Non- Management	Total
----- (Rupees) -----							
Present value of defined benefit obligation	21.2.1	57,313,043	19,549,473	76,862,516	40,558,050	15,931,187	56,489,237
Fair value of plan assets	21.2.2	(32,842,501)	(8,919,121)	(41,761,622)	(35,632,006)	(16,321,521)	(51,953,527)
Payables		-	-	-	-	-	-
Net liability at end of the year		24,470,542	10,630,352	35,100,894	4,926,044	(390,334)	4,535,710

21.2.1 Movement in present value of defined benefit obligation

Opening balance	40,558,050	15,931,187	56,489,237	34,008,162	15,180,704	49,188,866
Current service costs	2,296,058	562,604	2,858,662	2,010,224	543,479	2,553,703
Past Service Cost (credit)	9,949,508	3,328,506	13,278,014	-	-	-
Interest costs	3,971,288	1,522,914	5,494,202	2,843,910	1,244,262	4,088,172
Benefits paid by the plan	(1,690,335)	(1,404,100)	(3,094,435)	(1,100,806)	(1,084,655)	(2,185,461)
Benefits due but not paid (payable)	-	-	-	-	-	-
Re-measurements loss / (gain) on obligation	2,228,474	(391,638)	1,836,836	2,796,560	47,397	2,843,957
Closing balance	57,313,043	19,549,473	76,862,516	40,558,050	15,931,187	56,489,237

21.2.2 Movement in the fair value of plan assets

Opening balance	35,632,006	16,321,521	51,953,527	25,770,366	8,584,084	34,354,450
Interest income	3,728,934	1,587,197	5,316,131	2,344,144	838,326	3,182,469
Contribution paid into the plan	5,005,000	505,000	5,510,000	4,716,399	3,641,796	8,358,195
Benefits paid by the plan	(1,690,335)	(1,404,100)	(3,094,435)	(2,018,726)	(1,481,641)	(3,500,367)
Re-measurement gain / (loss) on plan assets	(9,833,104)	(8,090,497)	(17,923,601)	4,819,823	4,738,956	9,558,780
Closing balance	32,842,501	8,919,121	41,761,622	35,632,006	16,321,521	51,953,527

21.2.3 Amounts recognised in the unconsolidated statement of profit or loss

Current service costs	2,296,058	562,604	2,858,662	2,010,224	543,479	2,553,703
Past Service Cost (credit)	9,949,508	3,328,506	13,278,014	-	-	-
Interest costs	3,971,288	1,522,914	5,494,202	2,843,910	1,244,262	4,088,172
Interest income	(3,728,934)	(1,587,197)	(5,316,131)	(2,344,144)	(838,326)	(3,182,469)
Expense for the year	12,487,920	3,826,827	16,314,747	2,509,990	949,415	3,459,406

21.2.4 Amounts recognised in the unconsolidated other comprehensive income

Re-measurement loss / (gain) on obligation	21.2.4.1	2,228,474	(391,638)	1,836,836	2,796,560	47,397	2,843,957
Re-measurement of fair value of plan assets		9,833,104	8,090,497	17,923,601	(4,819,823)	(4,738,956)	(9,558,779)
Re-measurement loss for the year		12,061,578	7,698,859	19,760,437	(2,023,263)	(4,691,559)	(6,714,822)

21.2.4.1 Re-measurement loss / (gain) on obligation

Loss / (gain) due to change in financial assumptions	145,401	39,150	184,551	63,695	20,119	83,814
Loss / (gain) due to change in experience adjustments	2,083,073	(430,788)	1,652,285	2,732,865	27,278	2,760,143
	2,228,474	(391,638)	1,836,836	2,796,560	47,397	2,843,957

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

	2022			2021		
	Management	Non-Management	Total	Management	Non-Management	Total
21.2.5 Net recognized liability / (asset)	(Rupees)					
Net liability at beginning of the year	4,926,044	(390,334)	4,535,710	9,155,716	6,993,606	16,149,322
Expense recognised in unconsolidated statement of profit and loss	12,487,920	3,826,827	16,314,747	2,509,990	949,415	3,459,405
Contribution paid into the plan	(5,005,000)	(505,000)	(5,510,000)	(4,716,399)	(3,641,796)	(8,358,195)
Re-measurement losses recognised in unconsolidated other comprehensive income	12,061,578	7,698,859	19,760,437	(2,023,263)	(4,691,559)	(6,714,822)
Net liability / (asset) at end of the year	<u>24,470,542</u>	<u>10,630,352</u>	<u>35,100,894</u>	<u>4,926,044</u>	<u>(390,334)</u>	<u>4,535,710</u>

21.3 Plan assets comprise of the following:

	2022		2021	
	Management	Non-Management	Management	Non-Management
Government securities	17,255,611	4,119,622	17,350,172	4,146,177
Equity shares	5,805,560	4,091,542	12,920,511	9,105,892
Others	9,781,330	707,958	5,361,323	3,069,450
	<u>32,842,501</u>	<u>8,919,122</u>	<u>35,632,006</u>	<u>16,321,519</u>

21.4 Sensitivity analysis for actuarial assumptions

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

	2022		2021	
	Management	Non-Management	Management	Non-Management
Discount rate +1%	54,742,723	18,822,610	38,546,024	15,261,738
Discount rate -1%	60,216,885	20,326,170	42,839,493	16,650,398
Salary increase +1%	60,247,793	20,333,967	42,863,334	16,657,552
Salary increase -1%	54,671,508	18,802,586	38,489,718	15,243,041

21.5 Expected charge for the year ending 30 June 2023 is Rs. 8.3 million.

21.6 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) Mortality 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.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

21.7 Historical information

	2021	2020	2019	2018	2017
	(Rupees)				
Present value of defined benefit obligation	56,489,237	49,188,866	45,088,642	39,088,649	46,295,653
Fair value of plan assets	(51,953,527)	(34,354,450)	(34,621,402)	(44,405,857)	(46,008,258)
Payables	-	1,314,906	-	-	-
Net liability / (asset)	4,535,710	16,149,322	10,467,240	(5,317,208)	287,395

21.8 Gratuity for the year recognised in the unconsolidated profit or loss has been allocated as follows:

	Note	2022	2021
		(Rupees)	
Cost of sales	29	3,826,827	2,647,792
Administrative, selling and general expenses	30	12,487,920	811,614
		16,314,747	3,459,406

22. LONG - TERM LOANS

Secured

Term finance - under SBP refinance scheme for payment of wages and salaries	22.1	32,056,291	92,469,893
Loan from JS Bank Limited	22.2	213,750,000	270,750,000
Loan from Orix Leasing Pakistan Limited	22.3	80,903,556	14,968,523
Karobar Financing from BankIslami Pakistan Limited	22.4	-	80,000,000
Loan From Gulf Leasing	22.5	14,728,760	-
Pak Kuwait Investment Company (Long Term Loan)	22.6	95,911,250	-
Allied Bank Limited	22.7	174,156,751	-
Less: Current portion		(370,637,176)	(208,662,007)
		240,869,432	249,526,409

22.1 In 2020, the Company availed salary refinance facility from JS Bank under the State Bank of Pakistan's (SBP) "Refinance scheme for payment of wages and salaries to the workers and employees of Business concern" due to coronavirus pandemic for a period of two years and six months (inclusive of grace period of six months). In 2020, the Company obtained the loan in two tranches in May 2020 and June 2020. In prior year, the Company has also obtained more two tranches in July 2020 and October 2020. This facility is secured by first hypothecation charge on current and future plant and machinery of the Company situated at Karachi. This facility carries mark-up at concessional rate of 3% per annum. Principal amount is payable in 8 equal quarterly installment and repayment of financing has been started from January 2021.

22.2 In 2020, the Company entered into a long term loan facility from JS Bank Limited of Rs. 300 million for cash flow management of the Company. This facility is secured by charge over current and future assets of the Company. During the year, the Company has made repayments of Rs. 14.250 million together with mark-up thereon. This facility carries mark-up at the rate of 3 months KIBOR plus 2% (2021: 3 months KIBOR plus 2%) repayable quarterly from the disbursement date.

Due to pandemic of COVID 19, the Company through its letter dated 15 April 2020 requested the Bank to provide relief to the Company as per directives issued under Circular Letter no.13 of 2020 dated 26 March 2020, by State Bank of Pakistan for deferment of principal repayments for one year. The Bank through its addendum to the agreement dated 7 July 2020 approved request of the Company and extended the facility date till 9 January 2026.

22.3 In prior year, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 30.2 million for cash flow management of the Company. This facility is secured by hypothecation charge over specified assets of the Company. During the year, the Company has made repayments of Rs. 12.3 million (2021: Rs. 9.75 million) together with mark-up thereon mark-up at 3 months KIBOR plus 4.75% per quarter repayable on monthly basis from the disbursement date.

During the year, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 100 million for cash flow management of the Company. This facility is secured by hypothecation charge over specified assets of the Company. During the year, the Company has made repayments of Rs. 5.8 million together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 5% per quarter repayable on monthly basis from the disbursement date.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

- 22.4** Last year Karobar finance facility was availed from BankIslami Pakistan Limited with limit of Rs. 200 million to fulfil working capital requirement through Shari'ah compliant mechanism.

During the year, the outstanding balance of facility has been fully paid off.

- 22.5** During the year, the Company availed long term financing facility from PAK Gulf of Rs. 16.9 million. for cash flow management of the Company. This facility is secured by hypothecation charge over present fixed assets (including plant and machinery) of the Company. During the year, the Company has made payments of mark-up Rs. 3.72 million. This facility carried mark-up at 3 months KIBOR plus 3.99% per annum repayable on quarterly basis from the disbursement date.

- 22.6** During the year, the Company availed long term financing facility from PAK Kuwait of Rs. 200 million out of which 95 million has been availed for cash flow management of the Company. This facility is secured by hypothecation charge over present and future fixed assets (including land, building and plant and machinery) of the Company. During the year, the Company has made payments of mark-up Rs. 3.77 million. This facility carried mark-up at 3 months KIBOR plus 2% per annum repayable on quarterly basis from the disbursement date.

- 22.7** This facility has been obtained from Allied Bank for working capital requirements and facility is secured by hypothecation charge over present and future current assets of the Company and is expiring by June 2023. This facility carries mark-up at 3 month KIBOR plus 1% per annum (2021: 3 month KIBOR plus 1.5 % per annum).

During the current year, the Bank has rolled over the facility and converted from running finance to a term finance facility.

23. GAS INFRASTRUCTURE DEVELOPMENT CESS

The Honorable Supreme Court of Pakistan decided the appeal against consumers upholding the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act), through its judgement dated August 13, 2020. The Supreme court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector is also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 installments instead of 24 installments.

During the year, the balance has been completely unwound.

		2022	2021
	Note	(Rupees)	
24. DEFERRED GRANT			
Government grant		242,701	3,698,986
Less: Current portion of Government grant		(242,701)	(3,456,285)
	24.1	-	242,701

- 24.1** The Institute of Chartered Accountants of Pakistan issued a publication through circular no.11/2020 to clarify accounting of the long term loan (note 22). Accordingly, the Company measured and recognized the loan liability and deferred capital grant in accordance with the said publication and requirements of relevant IFRSs.

		2022	2021
	Note	(Rupees)	
25. SHORT-TERM BORROWINGS			
Secured			
Running finance under mark-up arrangements	25.1	1,173,638,735	1,148,350,204
Soneri Bank Limited - Local bill discounting		385,000,000	430,559,076
SCB - Local Bill Discount		222,258,916	-
Islamic financing	25.2	443,775,602	266,067,501
		2,224,673,253	1,844,976,781

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022	2021
	Note	(Rupees)	
25.1 Running finance under mark-up arrangements			
JS Bank Limited		298,722,492	116,512,813
MCB Bank Limited		198,468,699	199,915,566
Askari Bank Limited		200,000,000	198,860,638
Habib Metropolitan Bank		94,947,788	155,817,293
Bank Al Habib Limited		88,512,322	74,756,965
Pak Khwait Investment Company (Short Term Loan)		200,000,000	-
Soneri Bank Limited		92,987,434	119,625,094
Allied Bank Limited		-	282,861,835
	25.1.1	1,173,638,735	1,148,350,204

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

These facilities carry mark-up at the rate ranging from 01 month KIBOR plus 1.25% to 3 month KIBOR plus 1.50% per annum (2021: 01 month KIBOR plus 1.0% to 3 month KIBOR plus 1.50% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 1,270 million (2021: Rs. 2,155 million) out of which Rs. 96.36 million (2021: 328 million) remained unavailed at the reporting date.

		2022	2021
	Note	(Rupees)	
25.2 Islamic financing			
Istisna facility	25.2.1	443,775,602	266,067,501

25.2.1 This represents Islamic finance facilities available from Al Baraka Bank (Pakistan) Limited, MCB Islamic Bank and Meezan Bank Limited having aggregate limits of Rs. 505 million (2021: Rs 400 million), for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up ranging from 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75% per annum (2021: 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75% per annum) and is repayable maximum within 120 days to 180 days of the disbursement date.

25.3 Facilities available for opening letters of credit / guarantees at 30 June 2022 amounted to Rs. 2,555 million (2021: Rs. 2,555 million) out of which Rs. 2,497 million (2021: Rs. 2,497 million) remained unutilized at the reporting date.

25.4 Unavailed facilities

The Company has unavailed Islamic financing facilities from Al-Baraka, MCB Islamic and Meezan Bank of Istisna and Murabaha having aggregate limits of Rs. 505 million. The facilities pertaining to Meezan Bank Limited and Al-Baraka Bank limited are secured by a pari-passu charge over present and future current assets of the company amounting to Rs. 584 million. Facility pertaining to MCB Islamic is secured by ranking charge over present and future current assets of the company amounting to Rs. 333 million. In addition to this, facility pertaining to Meezan Bank Limited is also secured by a pari-passu charge over plant and machinery of the company amounting to Rs. 83 million. These facilities carry mark-up ranging from 3 months KIBOR plus 2% to 6 months KIBOR plus 3.5%.

		2022	2021
	Note	(Rupees)	
26. DUE FROM / (TO) RELATED PARTIES			
Due from related parties	26.1	3,252,222,264	2,588,437,564
Due to related parties	26.2	(142,716,321)	(204,344,517)

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
26.1 Due from related parties			
Unsecured - Considered good			
Loan to HAWL	26.1.1	2,039,529,541	1,610,058,900
Mark-up receivable on loan to HAWL	26.1.1	530,883,572	294,978,806
Loan to SAIL	26.1.2	410,664,263	442,503,110
Loan to MAIL	26.1.2	109,872,788	139,440,876
Loan to SMPL	26.1.2	8,904,000	6,124,000
Mark-up receivable from SAIL, MAIL and SMPL	26.1.2	113,157,098	62,849,588
Other receivables from related parties	26.1.3	39,211,002	32,482,284
		3,252,222,264	2,588,437,564

26.1.1 The Company entered into three loan agreements with HAWL dated 25 December 2017, 10 April 2019 and 5 October 2020 for meeting working capital and other requirements. During the year, the Company has provided loans amounting to Rs. 429.4 million. These loans are repayable on demand and carry mark-up at the rate of average borrowing of the company i.e. 6 month KIBOR per annum plus 3% (2021: 8.97%).

26.1.2 The Company has two long term loan agreements with SAIL for an amount up to Rs. 300 million and Rs. 350 million (Rs 350 million pertains to 28 October 2020). As at 30 June 2022, the Company has provided loan amounting to Rs. 410.66 million (2021 : Rs. 442.5 million), which is receivable together with unpaid interest thereon in full on demand of the Company. This loan carries mark-up at the rate of average borrowing cost of the company i.e 6 month KIBOR plus 3% per annum (2021: 8.97%). The time frame for the repayment may be further extended mutually by both parties. Further, during the year company has received repayments amounting to Rs 118.5 million in respect of these loans. The maximum amount outstanding during the year was Rs. 529 million (2021: Rs. 442 million).

The Company has two long term loan agreements with MAIL for an amount up to Rs. 300 million. As at 30 June 2022, the Company has provided loan amounting to Rs. 109.87 million (2021 : 139.44 million), which is receivable together with unpaid interest thereon in full on demand of the Company. This loan carries mark-up at the rate of average borrowing cost of the company i.e 6 month KIBOR plus 3% per annum (2021: 8.97%). The time frame for the repayment may be further extended mutually by both parties. Further, during the year company has received repayments amounting to Rs 52.9 million in respect of these loans. The maximum amount outstanding during the year was Rs. 162 million (2021: Rs. 139.4 million).

On 10 April 2019, the Company entered into a long term loan agreement with SMPL for an amount up to Rs. 50 million as at 30 June 2022 has provided loan amounting to Rs. 8.9 million, which is receivable together with unpaid interest on demand of the Company. This loan carries mark-up at the rate of average borrowing cost of the company i.e. 6 month KIBOR plus 3% per annum (2021 :8.97%). The time frame for the repayment may be further extended mutually by both parties. The maximum amount outstanding during the year was Rs. 8.9 million (2021: 6.1 million).

	Note	2022	2021
		(Rupees)	
26.1.3 Due from related parties			
Advance			
SAIL	26.1.3.1	29,710,301	22,981,583
Other receivable			
SMPL		3,706,788	3,706,788
HAWL		5,793,913	5,793,913
	26.1.3.2	39,211,002	32,482,284

26.1.3.1 These represent advance paid to subsidiary companies for toll manufacturing services. It also includes amount payable on account of diesel charges paid by the Company, on behalf of the SAIL amounting to Rs. 29.70 million.

26.1.3.2 These balance are mark-up free and unsecured.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

26.1.3.3 Detailed analysis of due from related parties

Name of related party	2022					
	Gross amount due	Provision for doubtful debts	Reversal of provision of doubtful debts	Amount due written off	Net amount	Maximum amount outstanding at any time during the year
	----- (Rupees) -----					
Advance						
SAIL (note 26.1.3.4)	29,710,301	-	-	-	29,710,301	29,710,301
Other receivable						
SMPL	3,706,788	-	-	-	3,706,788	3,706,788
HAWL	5,793,913	-	-	-	5,793,913	5,793,913
	39,211,002	-	-	-	39,211,002	39,211,002

26.1.3.4 These are short term mark-up free advances given against future toll manufacturing services from subsidiary companies.

26.2 Due to related parties - unsecured

Note

2022	2021
(Rupees)	
109,800,483	143,226,487
32,915,838	61,118,030
142,716,321	204,344,517

27. TRADE AND OTHER PAYABLES

Trade creditors		482,231,107	159,008,303
Accrued liabilities	27.1	55,026,568	50,700,562
Other liabilities			
Advance from customers	27.2	58,234,184	40,922,777
Mobilization advances	27.3	105,586,724	38,272,254
Workers' Profit Participation Fund	27.4	28,642,932	11,630,341
Provision for bonus		56,915,758	-
Provision for leave encashment		2,864	196,577
Workers' Welfare Fund	27.5	10,329,621	3,555,670
Withholding tax payable		3,719,909	1,753,132
Current portion of Gas Infrastructure Development Cess	23	868,472	633,887
Security deposit from contractors	27.6	129,000	129,000
Sales Tax Payable		16,141,054	-
Other payables	27.7	18,451,003	21,789,489
		836,279,196	328,591,992

27.1 This includes salaries and wages amounting Rs. 16 million.

27.2 This includes Rs. 44.9 million (2021: Rs. 37.01 million) received from scrap dealer against future sale of scrap and ancillary items.

27.3 This carries no mark-up.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022	2021
	Note	(Rupees)	
27.4 Workers' Profit Participation Fund			
Opening balance		11,630,341	2,818,085
Charge for the year	31	24,594,336	8,539,747
Mark-up charged during the year	33	1,229,327	272,509
Less: Payments made during the year		(8,811,072)	-
Closing balance		28,642,932	11,630,341
27.5 Workers' Welfare Fund			
Opening balance		3,555,670	-
Charge for the year	31	10,329,621	3,555,670
Less: Payments made during the year		(3,555,670)	-
Closing balance		10,329,621	3,555,670
27.6	This represents security deposit received from contractors against provision of services, which are kept in the Company's bank account.		
27.7	This includes amounts deducted from employees' salaries against vehicles (used by employees) to be sold to the employees upon completion of respective useful lives of the vehicles.		
28. REVENUE - NET	Note	2022	2021
		(Rupees)	
Local sales	28.1	9,144,053,719	5,550,644,167
Less: Sales returns		(28,227,273)	(21,265,030)
		9,115,826,446	5,529,379,137
Less: Sales tax		(1,323,871,137)	(812,150,739)
		7,791,955,309	4,717,228,398
28.1	This includes scrap sales amounting to Rs. 297.58 million (2021: Rs. 130.58 million).		

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

29. COST OF SALES

Raw materials and components consumed
Stores and spares consumed

Note

2022	2021
(Rupees)	

5,472,290,131
66,840,226

3,237,731,910
61,251,615

Manufacturing expenses

Salaries and wages
Other employees' benefits
Provident Fund contribution
Toll manufacturing
Depreciation
Gas, power and water
Travelling and vehicle running costs
Insurance
Repairs and maintenance
Postage, telephone and telex
Inward freight and storage charges
Conveyance
Rent, rates and taxes
Printing, stationery and periodicals
Royalty / technical know-how
General expenses
Security services
Transferred to capital work-in-progress
Manufacturing costs

29.3

29.4

6.1.6

29.5

214,009,837
156,554,844
3,243,091
750,120,238
64,491,487
33,583,692
12,105,867
7,589,785
17,423,475
141,101
1,267,071
468,151
270,191
45,983
18,566,326
3,287,577
603,572
(22,477,678)
1,261,294,610

179,473,348
68,243,764
2,899,848
535,160,094
66,758,569
25,304,296
8,001,439
9,451,252
8,106,071
504,375
1,708,860
1,337,800
533,858
46,621
21,133,010
2,053,390
567,457
(15,411,657)
915,872,395

Opening stock of work-in-process
Impact of recording revenue over time
Closing stock of work-in-process
Net change in work-in-process

9

71,111,109
141,980,611
(106,545,860)
106,545,860

74,331,500
67,890,719
(71,111,109)
71,111,110

Cost of goods manufactured

6,906,970,827

4,285,967,030

Opening stock of finished goods
Impact of recording revenue over time
Closing stock of finished goods
Net change in finished goods

9

-
74,105,227
-
74,105,227

-
33,993,099
-
33,993,099

6,981,076,054

4,319,960,129

29.1 Raw materials and components consumed

Opening balance
Purchases
Less: Purchase returns

1,342,414,312
5,727,507,582
(65,376,503)
7,004,545,391

1,336,158,261
3,262,473,560
(20,708,981)
4,577,922,840

Closing balance
Charge for the year - net

9

9.1

(1,544,914,809)
12,659,549
5,472,290,131

(1,342,414,312)
2,223,382
3,237,731,910

29.2 Stores and spares consumed

Opening balance
Purchases

57,654,929
49,152,122

66,504,668
52,401,876

Closing balance

106,807,051
(39,966,825)
66,840,226

118,906,544
(57,654,929)
61,251,615

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

29.3 This includes a sum of Rs. 3.8 million (2021: Rs. 2.6 million) in respect of expense relating to gratuity.

29.4 Toll manufacturing costs

SAIL
MAIL
Others

2022	2021
(Rupees)	
468,400,059	365,461,130
162,605,367	98,767,870
119,114,812	70,931,094
750,120,238	535,160,094

29.5 This represents royalty in respect of providing technical information and assistance for the manufacturing of exhaust system. Details are as follows:

Name of Recipients	Relationship with the Company	Registered Address	Note
Futaba	Technical Advisor	1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558	
SNIC	Technical Assistance	1403 Higashihiratsubo, Iwata-shi, Shizuoka-ken, Japan	

2022	2021
(Rupees)	
10,965,495	8,422,794
7,600,831	12,710,216
18,566,326	21,133,010

30. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

Salaries and wages		
Other employees' benefits	30.1	
Provident Fund contribution		
Advertising and sales promotion		
Travelling and vehicle running cost		
Outward freight		
Depreciation	6.1.6	
Amortization	7	
Legal and professional charges		
Subscription and certification charges		
Postage, telephone and telex		
Conveyance		
Rent expense		
Auditors' remuneration	30.2	
Electricity		
Repairs and maintenance		
Entertainment		
Printing, stationery and periodicals		
Insurance		
Donation		
General expenses		

114,253,909	91,426,984
36,580,991	19,992,636
2,146,298	1,477,124
15,666,933	9,551,640
10,368,204	6,457,713
34,485,144	20,694,027
7,073,136	5,464,009
1,246,096	344,797
11,430,637	6,825,035
4,492,707	3,247,195
4,542,323	3,681,398
3,948,882	1,789,131
456,284	2,246,730
4,392,800	2,715,000
1,200,000	1,202,100
336,546	337,576
433,625	290,261
2,174,108	2,107,664
503,596	1,605,133
50,000	200,000
2,753,440	1,938,067
258,535,659	183,594,220

30.1 This includes a sum of Rs. 12 million (2021: Rs. 0.81 million) in respect of expense relating to gratuity.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022	2021
		(Rupees)	
30.2 Auditor's remuneration	Note		
Audit fee		1,421,200	682,500
Other audit services		1,000,000	1,000,000
Interim review		831,600	262,500
Certifications for regulatory purposes		940,000	275,000
Out of pocket expense		200,000	495,000
		4,392,800	2,715,000
31. OTHER EXPENSES			
Workers' Profit Participation Fund	27.4	24,594,336	8,539,747
Workers' Welfare Fund	27.5	10,329,621	3,555,670
Unrealised loss on re-measurement of investments at fair value through profit or loss	15.1	4,701	-
		34,928,658	12,095,417
32. OTHER INCOME			
Income from financial assets			
Dividend income	32.1	4,898,968	40,364
Mark-up income on loans to employees		1,730,045	1,574,229
Mark-up income on savings accounts		-	1,578,438
Mark-up income on loans to subsidiaries	26.1	307,382,893	149,112,622
Deferred grant		3,456,285	5,781,666
Gain on remeasurement of Gas Infrastructure Development Cess	23	-	1,240,054
Others		2,517,261	2,770,085
Unrealised gain on re-measurement of investments at fair value through profit or loss		-	342,978
Exchange gain		5,124,802	12,158,390
		325,110,254	174,598,826
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment	6.1.7	3,381,635	4,113,307
Reversal of provision against inventory		6,621,345	5,038,629
Others		-	431,743
		10,002,980	9,583,679
		335,113,234	184,182,505
32.1	This represents dividend received from Indus Motor Company Limited, Baluchistan Wheels, Atlas Battery Limited, Millat Tractors Limited, Alghazi Tractors Ltd, Thal Limited, Agriautos Industries Limited and Honda Atlas Cars (Pakistan) Limited against investment in equity securities.		
33. FINANCE COSTS	Note	2022	2021
		(Rupees)	
Mark-up on loans and borrowings		301,431,045	220,143,511
Exchange loss		68,061,099	-
Finance lease charges		2,658,343	27,948
Bank charges		7,784,614	3,091,476
Unwinding of Gas Infrastructure Development Cess	23	145,659	93,283
Mark-up on workers' Profit Participation Fund	27.4	1,229,327	272,509
		381,310,087	223,628,727

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

34. TAXATION

		2022	2021
		(Rupees)	
Current		176,966,258	43,706,462
Prior		-	-
Deferred	20.1	27,084,770	6,893,465
	34.1	204,051,028	50,599,927

34.1 Reconciliation between tax expense and accounting profit

Profit / (loss) before taxation	471,218,085	174,479,582
Tax at the applicable rate of 29% (2021: 29%)	136,653,245	50,599,079
Reversal of normal tax	-	-
Effect of minimum tax	-	-
Prior year charge	-	-
Tax effect of income taxed at lower rate	102,878	848
Tax effect of permanent differences	67,294,717	-
	204,051,028	50,599,927

34.2 The returns of income tax have been filed up to and including tax year 2021 (corresponding to financial year ended upto 30 June 2021). These, except for those mentioned in note 17, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

35. EARNINGS PER SHARE - BASIC AND DILUTED

	2022	2021
	(Rupees)	
Profit / (loss) for the year attributable to ordinary shareholders of the Company	267,167,057	123,879,655
	(Number)	
Weighted average number of ordinary shares outstanding during the year	251,250,000	199,097,039
	(Rupees)	
Earnings per share - basic and diluted	1.06	0.62

35.2 There were no convertible dilutive potential ordinary shares outstanding as at 30 June 2022 and 30 June 2021.

36. TRANSACTIONS WITH RELATED PARTIES

36.1 Related parties comprise of subsidiaries, associated company and other companies with common directorship and significant influence, employees retirement benefit funds, directors and key management personnel. Transactions with related parties are at terms determined in accordance with the agreed rates / contractual agreements. Details of transactions / balances with related parties other than those disclosed elsewhere in the unconsolidated financial statements are as follows:

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

Description of the related parties	Relationship and percentage shareholding	Transactions during the year and year end balances	Note	2022 (Rupees)	2021
SAIL	Subsidiary company - 54% holding (2021: 54%)	Toll manufacturing	29.4	468,400,059	365,461,130
		Payments made during the year		579,754,846	196,452,844
		Mark-up charged to related party		55,204,356	26,249,697
		Amount (due to) / due from at the year end	26.2	(109,800,483)	(143,226,487)
		Loan due at the year end	26.1.2	410,664,263	442,503,110
		Mark-up receivable at the year end	26.1	87,928,068	47,831,821
MAIL	Subsidiary company - 60% holding (2021: 60%)	Toll manufacturing	29.4	162,605,367	98,767,870
		Payments made during the year		218,028,519	26,616,751
		Mark-up charged to related party		15,332,970	8,513,792
		Amount (due to) / due from at the year end	26.2	(32,915,838)	(61,118,030)
		Loan due at the year end	26.1.2	109,872,788	139,440,876
		Mark-up receivable at the year end	26.1	23,846,762	14,576,300
HAWL	Subsidiary company - 65.38% holding (2021: 65.38%)	Loan due at the year end	26.1	2,039,529,541	1,610,058,900
		Loan disburse during the year	26.1	429,470,641	570,058,000
		Mark-up income on loan	32	235,904,766	114,094,091
		Mark-up receivable at the year end	26.1	530,883,572	294,978,806
SMPL	Subsidiary company - 100% holding (2021: 100%)	Loan due at the year end	26.1	8,904,000	6,124,000
		Loan disburse during the year		2,780,000	3,410,000
		Mark-up on loan		940,801	255,042
		Amount due at the year end	26.1.3	3,706,788	3,706,788
		Mark-up receivable at the year end	26.1	1,382,268	441,467
Provident fund	Defined contribution plan	Receivable from / (payable to) Provident Fund	13	4,318,920	3,432,833
Employee benefits - gratuity	Defined benefit scheme	Expense for the year	21.2.5	16,314,747	3,459,405
		Contribution paid during the year	21.2.5	5,510,000	8,358,195
		Balance at the year end liability	21	(35,100,894)	(4,535,710)
Treet Corporation Limited	Associated company by virtue of common directorship	Mark-up income on PTCs	32	-	-
IGI General Insurance Limited	Common directorship	Payment for services		4,671,870	3,322,627
First Treet Manufacturing Modaraba	Common directorship	Purchase of batteries		159,470	236,941
Treet Holding (Private) Limited	Common directorship	Purchase of Motor-cycle		-	-

36.2 The remuneration of Board of Directors (executive and non-executive) and all members of the Company's Management Team is disclosed in the note 41 to these unconsolidated financial statements.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

37 Reconciliation of movement of equity and liabilities to cash flows arising from financing activities

	2022				
	Liabilities				
	Long term loan	Lease liabilities	Due to related parties	Unclaimed dividend	Total
	(Rupees)				
Balance as at 1 July 2021	451,758,622	1,749,826	204,344,517	3,527,781	661,380,746
Changes from financing cash flows					
Payment of lease rentals	-	(8,281,510)	-	-	(8,281,510)
Loan adjusted against issue of right shares	-	-	(204,344,517)	-	(204,344,517)
Addition during the year	-	34,201,600	-	-	34,201,600
Proceeds from loans and borrowings - net	151,297,491	-	142,716,321	-	294,013,812
Total changes from financing cash flows	151,297,491	25,920,090	(61,628,196)	-	115,589,385
Liability - related other changes					
Government grant income during the year	(3,456,285)	-	-	-	(3,456,285)
Finance costs charged during the year	-	2,658,343	-	-	2,658,343
Total liability - related other changes	(3,456,285)	2,658,343	-	-	(797,942)
Balance as at 30 June 2022	599,599,828	30,328,259	142,716,321	3,527,781	776,172,189
	2021				
	Liabilities				
	Long term loan	Lease liabilities	Due to related parties	Unclaimed dividend	Total
	(Rupees)				
Balance as at 1 July 2020	427,529,697	1,740,541	40,000,000	3,526,379	472,796,617
Changes from financing cash flows					
Payment of lease rentals	-	(1,165,063)	-	-	(1,165,063)
Loan adjusted against issue of right shares	-	-	(40,000,000)	-	(40,000,000)
Dividend paid	-	-	-	1,402	1,402
Addition during the year	-	1,146,400	-	-	1,146,400
Proceeds from loans and borrowings - net	30,010,591	-	204,344,517	-	234,355,108
Total changes from financing cash flows	30,010,591	(18,663)	164,344,517	1,402	194,337,847
Liability - related other changes					
Government grant income during the year	(5,781,666)	-	-	-	(5,781,666)
Finance costs charged during the year	-	27,948	-	-	27,948
Total liability - related other changes	(5,781,666)	27,948	-	-	(5,753,718)
Balance as at 30 June 2021	451,758,622	1,749,826	204,344,517	3,527,781	661,380,746

38. FINANCIAL RISK MANAGEMENT

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

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

38.1 Risk management framework

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

38.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to credit risk

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

	Note	2022	2021
		(Rupees)	
Trade debts - net	10	909,494,124	476,303,736
Loans	12	73,357,348	46,264,187
Deposits and other receivables	13	12,056,566	6,841,298
Due from related parties - unsecured	26	3,252,222,264	2,588,437,564
Bank balances and term deposit receipts	16	10,056,750	6,500,930
		4,257,187,052	3,124,347,715

Credit rating and collaterals

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

Bank Name	Rating Agency	Short term rating	2022	
			(Rupees)	(%)
Bank Al Habib Limited	PACRA	A-1+	4,129,031	41.1%
Meezan Bank Limited	VIS	A-1+	2,188,089	21.8%
National Bank of Pakistan	PACRA	A-1+	456,757	4.5%
Allied Bank Limited	PACRA	A-1+	619,506	6.2%
Bank Alfalah Limited	VIS	A-1+	808,000	8.0%
MCB Islamic Bank	VIS	A-1+	219,553	2.2%
Habib Bank Limited	VIS	A-1+	627,906	6.2%
Al Baraka Bank (Pakistan) Limited	VIS	A-1	732,443	7.3%
BankIslami Pakistan Limited	PACRA	A-1	275,465	2.7%
			10,056,750	100%

Bank Name	Rating Agency	Short term rating	2021	
			(Rupees)	(%)
Bank Al Habib Limited	PACRA	A-1+	3,834,721	37.9%
Meezan Bank Limited	JCR-VIS	A-1+	2,473,190	24.4%
National Bank of Pakistan	PACRA	A-1+	1,636,269	16.2%
Habib Bank Limited	JCR-VIS	A-1+	107,469	1.1%
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	575,876	5.7%
BankIslami Pakistan Limited	PACRA	A-1	1,495,088	14.8%
			10,122,613	100%

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry. All of the Company's receivables are from distributors of automotive industries. Trade debts pertaining to four major customers of the Company aggregates to 85.3% as at 30 June 2022 (2021: 85.3%).

Based on management assessment, no ECL was required, except trade receivables, since the Company's financial assets at amortized cost are held related parties or with counterparties with low credit risk.

Impairment losses and past due balances

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

	2022			2021		
	Gross	Impairment	Net	Gross	Impairment	Net
	(Rupees)					
Less than or equal to 30 days	874,495,997	-	874,495,997	437,143,758	-	437,143,758
More than 30 days but not more than 90 days	19,172,103	-	19,172,103	30,393,375	-	30,393,375
More than 90 days but not more than 180 days	15,826,024	-	15,826,024	8,766,603	-	8,766,603
More than 180 days	-	-	-	-	-	-
	909,494,124	-	909,494,124	476,303,736	-	476,303,736

Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that no impairment allowance is necessary, except mentioned above. In respect of trade debts past due there are reasonable grounds to believe that the amounts will be recovered in short period of time.

38.3 Liquidity risk

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

Maturity analysis of financial liabilities

		2022					
	Note	Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
		(Rupees)					
Financial Liabilities							
Short-term borrowings	25	2,224,673,253	2,224,673,253	185,389,438	370,778,876	1,668,504,942	-
Trade and other payables	27	482,231,107	482,231,107	120,557,777	289,338,664	72,334,666	-
Lease liabilities	19	30,328,259	2,032,878	89,753	179,506	524,829	1,238,790
Accrued mark-up on short-term borrowings		53,430,791	53,430,791	53,430,791	-	-	-
Long-term loans	22	240,869,432	314,411,479	-	-	-	314,411,479
Current portion of long-term loans	22	370,637,176	232,988,869	101,520,275	37,440,026	94,028,568	-
Due to related parties	26	142,716,321	142,716,321	142,716,321	-	-	-
Unclaimed dividend		3,527,781	3,527,781	3,527,781	-	-	-
		3,548,414,120	3,456,012,479	607,232,136	697,737,072	1,835,393,005	315,650,269

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2021					
		Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
		(Rupees)					
Financial Liabilities							
Short-term borrowings	25	1,844,976,781	1,844,976,780	153,748,065	307,496,130	1,383,732,585	-
Trade and other payables	27	159,008,303	159,008,304	53,002,768	79,504,152	26,501,384	-
Lease liabilities	19	1,749,826	1,762,698	89,753	179,506	524,829	1,238,790
Accrued mark-up on short-term borrowings		37,364,719	37,364,719	37,364,719	-	-	-
Long-term loans	22	249,526,409	249,526,409	-	-	-	249,526,409
Current portion of long-term loans	22	208,662,007	208,662,007	101,520,275	37,440,026	94,028,568	-
Due to related parties	25	204,344,517	204,344,517	204,344,517	-	-	-
Unclaimed dividend		3,527,781	3,527,781	3,527,781	-	-	-
		2,709,160,343	2,709,173,215	553,597,878	424,619,814	1,504,787,366	250,765,199

38.3.1 Liquidity position and its management

In 2017, Loads Group (the Group) initiated a new project of alloy wheels. The Group planned to produce alloy wheels through a subsidiary company namely HAWL. To finance the project cost, the Group incurred significant borrowings and utilized the cash buffers of all the group entities to finance the project. Details are as follows:

	2022
	(Rupees)
Project cost to date	5,227,423,537
Loans from Bank and others	1,031,395,933
Financing from Related parties	
Loads	2,039,529,541
SAIL	687,753,172
MAIL	198,673,102
SMPL	71,700,000
Others	-
	2,997,655,815
Equity	1,198,371,789
	5,227,423,537

The financial position of the group entities are summarised in note 8.1.5. Moreover, in October 2020, the Board of Loads Limited committed Rs. 3 billion to HAWL. The shareholders and senior management of the company are closely monitoring the situation and are committed to meet the cash flow requirements, if any, which may arise in future, from their other entities or personal wealth.

38.4 Market risk

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

Market risk comprises of three types of risks:

- currency risk;
- interest rate risk; and
- other price risk.

The Company is exposed to all of the three risks which are as follows:

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

38.4.1 Currency risk

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

Exposure to currency risk

The Company's exposure to foreign currency risk at the reporting date was as follows:

	2022		
	USD	SGD	JPY
Creditors	1,736,191	-	177,840,115
Net balance sheet exposure	1,736,191	-	177,840,115
2021			
	USD	SGD	JPY
Creditors	382,856	70,340	24,889,417
Net balance sheet exposure	382,856	70,340	24,889,417

The following significant exchange rates applied during the year:

	Average rate		Balance sheet date rate	
	2022	2021	2022	2021
USD to Pak Rupees	181.02	162.80	204.50	157.54
SGD to Pak Rupees	132.13	118.77	147.11	117.15
JPY to Pak Rupees	1.47	1.50	1.50	1.43

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, SGD and JPY at 30 June 2022 would have increased equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2021.

As at 30 June	2022		2021	
	Profit or loss (Rupees)	Equity	Profit or loss (Rupees)	Equity
Effect of change in USD	35,505,106	35,505,106	6,031,513	6,031,513
Effect of change in SGD	-	-	8,240,331	8,240,331
Effect of change in JPY	26,676,017	26,676,017	3,559,187	3,559,187
Gross exposure	62,181,123	62,181,123	17,831,031	17,831,031

The Company does not have any foreign currency borrowings as at 30 June 2022.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

38.4.2 Interest rate risk

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

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

		2022	2021
	Note	(Rupees)	
Variable rate instruments			
Financial assets	26.1	2,039,529,541	1,610,058,900
Loan to SAIL	26.1	410,664,263	442,503,110
Loan to MAIL	26.1	109,872,788	139,440,876
Loan to SMPL	26.1	8,904,000	6,124,000
		2,568,970,592	2,198,126,886
Financial liabilities			
Loan from JS Bank Limited	22	213,750,000	270,750,000
Loan from Orix Leasing Pakistan Limited	22	80,903,556	14,968,523
Karobar Financing from BankIslami Pakistan Limited	22	-	80,000,000
Short-term borrowings	25	2,224,673,253	1,844,976,781
Lease liabilities	19	30,328,259	1,749,826
		19,315,524	(14,318,244)
Fixed rate instruments			
Financial assets			
Loans to employees - considered good and unsecured	12.2	43,218,031	24,283,997
Loans to workers - considered good and unsecured	12	30,139,317	21,980,190
		73,357,348	46,264,187
Financial liabilities			
Term finance - under SBP refinance scheme for payment of wages and salaries	22	32,056,291	92,469,893
		41,301,057	(46,205,706)

Fair value sensitivity analysis of fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

	Profit or loss		Equity	
	100 bps increase (Rupees)	100 bps decrease	100 bps increase (Rupees)	100 bps decrease
As at 30 June 2022				
Cash flow sensitivity - variable rate instruments	193,155	(193,155)	193,155	(193,155)
As at 30 June 2021				
Cash flow sensitivity - variable rate instruments	(319,459)	319,459	(319,459)	319,459

38.4.3 Other price risk

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

As at 30 June 2022, the fair value of equity securities exposed to price risk are disclosed in note 15. The table below summarises the sensitivity of the price movements as at 30 June 2022. The analysis is based on the assumption that KSE-100 index increased by 10% (2021: 10%) and decreased by 10% (2021: 10%), with all other variables held constant and that the fair value of the Company's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index, having regard to the historical volatility of index of past three years (2020: three years).

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

	2022	2021
	(Rupees)	
Effect on assets of an increase in the KSE-100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'		
Effect on investments	1,420,965	4,407,906
Effect on profit or loss	9,072	9,119
Effect on equity	1,420,965	4,407,906
Effect on assets of a decrease in the KSE-100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'		
Effect on investments	(1,420,965)	(4,407,906)
Effect on profit or loss	(9,072)	(9,119)
Effect on equity	(1,420,965)	(4,407,906)

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2021 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

38.5 Operational risk

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

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

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

39. CAPITAL RISK MANAGEMENT

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

40. FAIR VALUE MEASUREMENT

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

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

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

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

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

40.1 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.

		2022								
		Carrying amount					Fair value			
30 June 2022	Note	Fair value through profit or loss	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)										
Financial assets - measured at fair value										
Equity securities		907,153	15,352	-	-	922,505	922,505	-	-	922,505
Equity securities - associate		-	141,173,954	-	-	141,173,954	141,173,954	-	-	141,173,954
Financial assets - not measured at fair value										
Subsidiaries - unlisted shares	40.1.1	-	-	1,159,960,000	-	1,159,960,000				
Trade debts - net	40.1.1	-	-	909,494,124	-	909,494,124				
Loans	40.1.1	-	-	73,357,348	-	73,357,348				
Deposits and other receivables	40.1.1	-	-	12,056,566	-	12,056,566				
Due from related parties	40.1.1	-	-	3,252,222,264	-	3,252,222,264				
Cash and bank balances	40.1.1	-	-	11,719,932	-	11,719,932				
		907,153	141,189,306	5,418,810,234	-	5,560,906,693				

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

		2022								
Financial liabilities - not measured at fair value	Note	Carrying amount				Total	Fair value			
		Fair value through profit or loss	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
		(Rupees)								
Short term borrowings	40.1.1	-	-	-	2,224,673,253	2,224,673,253				
Trade and other payables	40.1.1	-	-	-	482,231,107	482,231,107				
Lease liabilities	40.1.1	-	-	-	30,328,259	30,328,259				
Accrued mark-up on short term borrowings	40.1.1	-	-	-	53,430,791	53,430,791				
Long term loan	40.1.1	-	-	-	240,869,432	240,869,432				
Current portion of long term loan	40.1.1	-	-	-	370,637,176	370,637,176				
Due to related parties	40.1.1	-	-	-	142,716,321	142,716,321				
Unclaimed dividend	40.1.1	-	-	-	3,527,781	3,527,781				
		-	-	-	3,548,414,120	3,548,414,120				
		2021								
30 June 2021	Note	Carrying amount				Total	Fair value			
		Fair value through profit or loss	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
		(Rupees)								
Financial assets - measured at fair value										
Equity securities		911,854	13,698	-	-	925,552	925,552	-	-	925,552
Equity securities - associate		-	439,865,041	-	-	439,865,041	439,865,041	-	-	439,865,041
Financial assets - not measured at fair value										
Subsidiaries - unlisted shares	40.1.1	-	-	1,159,960,000	-	1,159,960,000				
Trade debts - net	40.1.1	-	-	476,303,736	-	476,303,736				
Loans	40.1.1	-	-	46,264,187	-	46,264,187				
Deposits and other receivables	40.1.1	-	-	6,841,298	-	6,841,298				
Due from related parties	40.1.1	-	-	2,588,437,564	-	2,588,437,564				
Cash and bank balances	40.1.1	-	-	10,733,698	-	10,733,698				
		911,854	439,878,739	4,288,540,483	-	4,729,331,076				
Financial liabilities - not measured at fair value										
Short term borrowings	40.1.1	-	-	-	1,844,976,781	1,844,976,781				
Trade and other payables	40.1.1	-	-	-	159,008,303	159,008,303				
Lease liabilities	40.1.1	-	-	-	1,749,826	1,749,826				
Accrued mark-up on short term borrowings	40.1.1	-	-	-	37,364,719	37,364,719				
Long term loan	40.1.1	-	-	-	249,526,409	249,526,409				
Current portion of long term loan	40.1.1	-	-	-	208,662,007	208,662,007				
Due to related parties	40.1.1	-	-	-	204,344,517	204,344,517				
Unclaimed dividend	40.1.1	-	-	-	3,527,781	3,527,781				
		-	-	-	2,709,160,343	2,709,160,343				

40.1.1 The Company has not disclosed fair values for these financial assets and financial liabilities because their carrying amounts are assessed to be a reasonable approximation of fair value.

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

	2022					2021				
	Chief Executive	Executive Director	Non - Executive Directors	Executives	Total	Chief Executive	Executive Director	Non - Executive Directors	Executives	Total
(Rupees)										
Managerial remuneration	12,538,800	4,644,000	-	22,339,648	39,522,448	11,016,000	3,744,000	-	13,019,132	27,779,132
Housing and utilities	13,583,700	5,031,000	-	29,538,396	48,153,096	11,124,000	3,891,000	-	14,679,327	29,694,327
Bonus	5,062,500	1,875,000	-	5,596,003	12,533,503	-	-	-	-	-
Medical	898,735	169,992	-	1,006,557	2,075,284	1,027,726	101,870	-	864,917	1,994,513
Company's contributor to retirement benefits funds	-	464,400	-	1,055,579	1,519,979	-	374,400	-	426,912	801,312
Meeting fee	-	-	1,942,000	-	1,942,000	-	-	660,000	-	660,000
	32,083,735	12,184,392	1,942,000	59,536,183	105,746,310	23,167,726	8,111,270	660,000	28,990,288	60,929,284
Number of persons	1	1	5	6	13	1	1	5	5	12

- 41.1** Details of cost of cars to Chief Executives, Directors and certain Executives. The Chief Executive, Directors and certain Executives are provided with free use of group maintained cars in accordance with their entitlements. The approximate aggregate value of this benefit is Rs. 72.10 million (2021: Rs. 37.76 million).

42. PROVIDENT FUND

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

	2022 (Un-audited)	2021 (Audited)
(Rupees)		
Size of the Fund	61,947,294	62,013,174
Costs of investments made	52,281,204	52,281,204
Amortized cost of investments	53,603,148	54,227,536
Percentage of investments made - based on fair value / amortized cost	86.52%	87.45%

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

	2022 (Un-audited)	2021 (audited)	2022 (Un-audited)	2021 (audited)
		(Rupees)		
			(% of the size of the fund)	
Term finance certificates	140,000	140,000	0.23%	0.23%
Mutual fund units	6,458,953	6,467,516	10.43%	10.43%
Government securities	43,198,765	43,198,765	69.73%	69.66%
Equity securities	3,805,430	4,421,255	6.14%	7.13%
	53,603,148	54,227,536	86.53%	87.45%

The above investments out of Provident Fund have been made in accordance with the requirement of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

43. PLANT CAPACITY AND PRODUCTION

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

44. NUMBER OF EMPLOYEES

	2022	2021
(Number)		
Total number of employees at reporting date	733	694
Total number of factory employees at reporting date	547	592
Average number of employees during the year	714	663
Average number factory of employees during the year	570	559

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2022

45. OPERATING SEGMENTS

45.1 The financial information has been prepared on the basis of a single reportable segment.

45.2 Geographically, all the sales were carried out in Pakistan.

45.3 All non-current assets of the Company as at 30 June 2022 are located in Pakistan.

45.4 Sales to four major customers of the Company is around 89% during the year ended 30 June 2022 (2021: 85%).

47. GENERAL

47.1 Authorisation for issue

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on October 05, 2022.



Chief Financial Officer



Chief Executive



Director



Financial statements (Consolidated)



KPMG Taseer Hadi & Co.
Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT

To the members of Loads Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Loads Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2022, and the consolidated statement of profit or loss statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of the Chartered Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 1.1 to the consolidated financial statements, which states that the going concern basis for preparing the financial statements of the subsidiary company, Specialized Motorcycles (Private) Limited has not been used because the company is dormant. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial



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statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	Revenue Recognition	
	Refer notes 5.14 & 28 to the consolidated financial statements. The Group's revenue for the year ended 30 June 2022 was Rs. 7,791.96 million. The Group's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products"). We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.	Our procedures amongst others, included the following: • Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls of revenue recognition; • Inspected sales contracts with OEMs, and on a sample basis for other customers, to understand and assess the terms and conditions therein which may affect revenue recognition; • Performed verification on a sample basis of revenue transactions with underlying documentation including sales invoices and other dispatch documents; • Compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Assessed the appropriateness of disclosure presented in the consolidated financial statements



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S. No.	Key audit matters	How the matters were addressed in our audit
		in accordance with the requirement of IFRS 15.
2.	Valuation of Stock-in-trade	
	Refer notes 5.8 and 9 to the consolidated financial statements. The balance of gross stock-in-trade at 30 June 2022 is Rs. 1,651.46 million, against which an obsolescence provision of Rs. 32.52 million is held. The Group reviews its inventory on a regular basis and, where appropriate, makes provision for obsolete inventory based on estimates of future sales activity. Management's judgment is required to assess the appropriate level of provisioning required for the inventories, including the assessment of available facts and circumstances, the stock-in-trade own physical conditions, the market selling prices and estimated selling costs of the stock-in-trade. We focused on this area as the stock-in-trade is material to the Group's consolidated financial statements and the determination of allowance for inventory obsolescence involves significant management's judgment and estimation.	Our procedures amongst others, included the following: • Attended management's inventory counts and observed the process, including observing the process implemented by management to identify and monitor obsolete stock; • Assessed the adequacy of the allowance for obsolescence, by taking into consideration the status of the ageing and conditions of the inventories and historical usage pattern; • Re-calculated the allowance for inventory obsolescence in accordance with the Group's policy; • Considered the historical accuracy of provisions made by the Group by examining the reversal of previously recorded provisions; and • Assessed the adequacy of the related disclosures in the notes to the consolidated financial statements.



KPMG Taseer Hadi & Co.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are



KPMG Taseer Hadi & Co.

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



KPMG Taseer Hadi & Co.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Taufiq.

Date: 7 October 2022

Karachi

UDIN: AR202210106GwPIORnU7


KPMG Taseer Hadi & Co.
Chartered Accountants

Consolidated Statement of Financial Position

As at 30 June 2022

		2022	2021
		(Rupees)	
ASSETS	Note		
Non-current assets			
Property, plant and equipment	6	5,270,345,813	5,255,653,540
Intangible assets	7	2,879,505	-
Long-term Investments	8	149,238,235	327,621,735
Long-term loans	11	7,644,157	8,303,878
		5,430,107,710	5,591,579,153
Current assets			
Stores, spares and loose tools	29.2	55,063,066	70,811,900
Stock-in-trade	9	1,618,931,498	1,387,034,758
Trade debts - net	10	909,494,124	476,303,736
Loans and advances	12	253,365,717	132,827,429
Due from related party	36	1,150,380	1,150,380
Deposits, prepayments and other receivables	13	495,687,252	512,011,961
Taxation - net	14	317,350,627	206,232,180
Short-term investments	15	922,502	925,552
Cash and bank balances	16	30,371,640	25,171,422
		3,682,336,806	2,812,469,318
Total assets		9,112,444,516	8,404,048,471
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 400,000,000 ordinary shares of Rs.10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up capital	18	2,512,500,000	2,512,500,000
Share premium		1,070,065,433	1,070,065,433
Fair value reserve		(1,818,044)	(1,819,906)
Unappropriated profit		269,956,095	288,483,538
Equity attributable to owners of the Parent Company		3,850,703,484	3,869,229,065
Non controlling interests	19	110,305,074	197,754,752
		3,961,008,558	4,066,983,817
LIABILITIES			
Non-current liabilities			
Lease liabilities	20.1	23,828,164	910,322
Defined benefit obligation - net	22.2	35,100,894	4,535,710
Long term loans	23	1,229,817,007	1,301,462,356
Deferred tax liabilities	21	24,389,285	17,053,867
Deferred grant	25	-	424,227
Gas Infrastructure Development Cess	24	47,239	1,668,081
		1,313,182,589	1,326,054,563
Current liabilities			
Current maturity of lease liabilities	20.1	6,500,095	839,504
Current portion of long-term loans	23	433,625,552	543,658,900
Current portion of deferred grant	25	424,227	5,770,074
Short-term borrowings	26	2,226,407,411	1,844,976,781
Trade and other payables	27	1,064,498,286	513,330,155
Due to related party	36	22,048,871	22,048,871
Loan from director		4,000,000	-
Unclaimed dividend		3,527,781	3,527,781
Accrued mark-up on short-term financing		77,221,146	76,858,025
		3,838,253,369	3,011,010,091
Total equity and liabilities		9,112,444,516	8,404,048,471

CONTINGENCIES AND COMMITMENTS

17

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

Consolidated Statement of Profit or Loss

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
Revenue - net	28	7,791,955,309	4,717,228,398
Cost of revenue	29	(6,844,515,665)	(4,218,274,392)
Gross profit		947,439,644	498,954,006
Administrative, selling and general expenses	30	(306,958,075)	(256,180,587)
Reversal of impairment loss on trade receivables	10.1	-	12,347,172
		640,481,569	255,120,591
Other expenses	31	(46,401,555)	(38,095,825)
Other income	32	84,734,309	49,191,548
		38,332,754	11,095,723
Operating profit		678,814,323	266,216,314
Finance costs	33	(492,756,160)	(340,314,043)
Share of (loss) / profit in associate - net	8.1.2	(8,370,342)	26,197,334
Provision for (Impairment) / reversal against associate	8.1.2	(21,888,597)	138,198,148
Profit before taxation		155,799,224	90,297,753
Taxation	34	(242,054,431)	(93,855,526)
Loss for the year		(86,255,207)	(3,557,773)
Profit / (loss) attributable to:			
Owners of the Parent Company		1,194,471	58,155,269
Non-controlling interests	19	(87,449,678)	(61,713,042)
		(86,255,207)	(3,557,773)
Earning per share - basic and diluted	35	0.005	0.29

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive



Director

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
Loss for the year		(86,255,207)	(3,557,773)
Other comprehensive income for the year - net of tax			
<i>Items that will not be subsequently reclassified to profit or loss</i>			
Re-measurement (loss) / gain on defined benefit obligation	22.2.4	(19,760,437)	6,714,823
Related tax		6,520,944	(1,947,298)
		(13,239,493)	4,767,525
Change in fair value of equity investments at FVOCI - net of tax	15.2.1	1,862	(4,030)
Share of other comprehensive loss in associate - net of tax	8.1.2	(6,482,421)	(6,357,108)
Total comprehensive loss for the year		(105,975,259)	(5,151,386)
Total comprehensive income / (loss) attributable to			
Owners of the Parent Company		(18,525,581)	56,561,656
Non-controlling interests	19	(87,449,678)	(61,713,042)
		(105,975,259)	(5,151,386)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.



Chief Financial Officer



Chief Executive



Director

Consolidated Statement of Changes In Equity

For the year ended 30 June 2022

	Attributable to owners of the Parent Company					Non controlling interests	Total equity
	Share capital	Capital reserve	Revenue reserves		Total		
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Unappropriated profit / (loss)			
	(Rupees)						
Balance at 1 July 2020	1,512,500,000	1,095,352,578	(1,815,876)	231,917,852	2,837,954,554	259,467,794	3,097,422,348
Total comprehensive income for the year ended 30 June 2020							
Issuance of right shares	1,000,000,000	-	-	-	1,000,000,000	-	1,000,000,000
Issuance cost of right shares	-	(25,287,145)	-	-	(25,287,145)	-	(25,287,145)
Profit / (Loss) for the year	-	-	-	58,155,269	58,155,269	(61,713,042)	(3,557,773)
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	4,767,525	4,767,525	-	4,767,525
Change in fair value of equity investments at	-	-	(4,030)	-	(4,030)	-	(4,030)
Share of other comprehensive loss in associate - net of tax	-	-	-	(6,357,108)	(6,357,108)	-	(6,357,108)
	-	-	(4,030)	56,565,686	56,561,656	(61,713,042)	(5,151,386)
Balance at 30 June 2021	2,512,500,000	1,070,065,433	(1,819,906)	288,483,538	3,869,229,065	197,754,752	4,066,983,817
Total comprehensive income for the year ended 30 June 2021							
Profit / (loss) for the year	-	-	-	1,194,471	1,194,471	(87,449,678)	(86,255,207)
Re-measurement loss on defined benefit obligation - net of tax	-	-	-	(13,239,493)	(13,239,493)	-	(13,239,493)
Change in fair value of equity investments at FVOCI - net of tax	-	-	1,862	-	1,862	-	1,862
Share of other comprehensive loss in associate - net of tax	-	-	-	(6,482,421)	(6,482,421)	-	(6,482,421)
	-	-	1,862	(18,527,443)	(18,525,581)	(87,449,678)	(105,975,259)
Transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 30 June 2022	2,512,500,000	1,070,065,433	(1,818,044)	269,956,095	3,850,703,484	110,305,074	3,961,008,558

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	2022	2021
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		155,799,224	90,297,753
Adjustments for:			
Depreciation	6.1	88,083,629	89,954,325
Amortisation	7	1,246,096	344,797
Provision / (reversal against provision) for obsolescence and slow moving stocks - net	9.1	6,038,204	(2,815,247)
Finance costs	33	413,674,579	339,836,180
Finance lease charges	33	2,658,343	27,948
Provision for gratuity	22.2.3	16,314,747	3,459,406
Gain on disposal of property, plant and equipment	32	(3,381,635)	(8,765,005)
Share of profit in associate continued - net of tax		8,370,342	(26,197,334)
Provision for impairment against associate		21,888,597	(138,198,148)
Mark-up income on saving account	32	(203,572)	(2,843,563)
Dividend income	32	(4,898,968)	(40,364)
Mark-up income on loans to employees	32	(2,241,920)	(1,998,536)
Income on investment in PIB	32	(863,050)	(653,223)
Gain on redemption of investments	32	-	(1,098,110)
Gain on disposal of investment	32	(50,323,849)	-
Government grant	32	(8,361,186)	(9,612,833)
Unrealized (loss) / gain on re-measurement of investment classified as at FVTPL - net	32	-	(342,978)
		643,799,581	331,355,068
Working capital changes			
<i>(Increase) / decrease in current assets</i>			
Stores, spares and loose tools		15,748,834	5,748,662
Stock-in-trade		(237,934,944)	(3,035,660)
Trade debts - net		(433,190,388)	(147,599,657)
Loans and advances		(119,878,567)	(65,004,527)
Deposits, prepayments and other receivables		16,324,709	62,927,112
		(758,930,356)	(146,964,070)
<i>Increase / (decrease) in current liabilities</i>			
Trade and other payables		549,547,289	23,012,356
		549,547,289	23,012,356
Cash generated from operations		434,416,514	207,403,354
Contributions paid to defined benefit plan	22.2.2	(5,510,000)	(8,358,195)
Mark-up received from loans to employees		2,241,920	1,998,536
Mark-up paid		(407,541,378)	(417,713,909)
Income taxes paid - net		(336,671,767)	(112,359,265)
Net cash used in operating activities		(313,064,711)	(329,029,479)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		(75,227,217)	(404,381,443)
Proceeds from disposal of property and equipment	6.1.7	10,034,550	21,039,693
Proceeds from redemption of investments		4,921	9,513,367
Purchase of investment		-	(30,684,657)
Proceeds from disposal of investment		205,632,646	-
Coupon received on PIB		863,050	653,223
Mark-up received on bank deposits		203,572	2,843,563
Dividend received		4,898,968	40,364
Net cash generated from / (used in) investing activities		146,410,481	(400,975,890)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments against finance lease obligation	20	(8,281,510)	(1,165,063)
Proceeds from issuance of right shares - net		-	974,712,855
Loans obtained / (repaid) to directors		4,000,000	(140,755,000)
Long term loans obtained from banking company	37	438,073,276	150,063,050
Loan repaid to banking company	37	(643,367,948)	(79,744,650)
Dividend received / (paid)	37	-	1,402
Net cash (used in) / generated from financing activities		(209,576,182)	903,112,594
Net (decrease) / increase in cash and cash equivalents		(376,230,412)	173,107,225
Cash and cash equivalents at beginning of the year		(1,819,805,359)	(1,992,912,584)
Cash and cash equivalents at end of the year	16.2	(2,196,035,771)	(1,819,805,359)

The annexed notes from 1 to 46 form an integral part of these consolidated financial statements.

Chief Financial Officer

Chief Executive

Director

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

The Group consists of Loads Limited (the Parent Company), Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL), Specialized Motorcycles (Private) Limited (SMPL) and Hi-Tech Alloy Wheels Limited (HAWL).

Loads Limited (the Parent Company) is a public listed company, which was incorporated in Pakistan on 1 January 1979, as a private limited company under Companies Act, 1913 (repealed with the enactment of the Companies Act, 2017) on 30 May 2017.

On 19 December 1993, the status of the Company was converted from private limited company to public unlisted company.

On 1 November 2016, the shares of the Company were listed on Pakistan Stock Exchange Limited (PSX).

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

The Group's registered office and plant is situated at Plot no. 23, Sector 19, Korangi Industrial Area, Karachi.

There are four subsidiaries and one associate of the Company. The details are as follows:

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		2022	2021	
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	91%	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	92%	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	100%	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	80%	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers. Commercial production has not yet started.
Associate				
Treet Corporation Limited	22 January 1977	2.86%	5.27%	Manufacture and sale of razors, razor blades and other trading activities.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Plants of SAIL and MAIL are situated at DSU-19 and DSU-38 respectively in Downstream Industrial Estate Pakistan Steel Mills, Bin Qasim Town, Karachi. HAWL has acquired land for establishing industrial unit which is located at National Industrial Park, Bin Qasim, the Special Economic Zone declared by Government of Sindh.

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 assets are measured at lower of their carrying amounts and fair value less cost to sell.

1.2 Liquidity position and its management

In the year 2017, Loads group initiated a new project of alloy wheels through a subsidiary company i.e. HAWL. To finance this project, significant borrowings were made from group entities (including Parent company) and other lenders (banks and related parties) Details of liquidity position and its management are included in note 38.3.1.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprises of:

- "International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB)" as are notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of" and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for investments which are classified as FVTPL and obligations in respect of gratuity schemes which are measured at present value of defined benefit obligation less fair value of planned assets.

2.3 Functional and presentation currency

These consolidated financial statements are presented in Pakistan Rupee which is also the Group's functional currency and has been rounded off to the nearest rupee unless otherwise stated.

3 USE OF JUDGMENTS AND ESTIMATES

The preparation of consolidated financial statements in conformity with accounting and reporting standards as applicable in Pakistan requires management to make judgments, estimates and assumptions that effect the application of accounting policies and reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only effects that period, or in the period of the revision and the future periods if the revision effects both current and future periods.

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation "uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (note 6);
- Provision for impairment of stock-in-trade (note 9.1);
- Provision for impairment of financial and non-financial assets (notes 8);
- Net defined benefit obligation (note 22);
- Contingencies (note 17).
- Provision for taxation (note 34).

4 NEW OR AMENDMENTS / INTERPRETATIONS TO EXISTING STANDARDS, INTERPRETATION AND FORTHCOMING REQUIREMENTS

4.1 Standards, interpretations and amendments to published accounting and reporting standards as applicable in Pakistan that are not yet effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 July 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 clarifies that the 'cost of fulfilling a contract' for the purposes of the onerous contract assessment comprises the costs that relate directly to the contract, including both the incremental costs and an allocation of other direct costs to fulfil the contract. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022.
- Classification of liabilities as current or non-current (Amendments to IAS 1) apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.
- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.
- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computations adopted in applied in the preparation of these consolidated financials statements are set out below. These have been consistently applied to all the periods presented.

5.1 Basis of Consolidation

5.1.1 Subsidiaries

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

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

5.1.2 Non-controlling interests (NCI)

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

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

5.1.3 Loss of control

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

5.1.4 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

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

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in consolidated statement of profit or loss, and is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. Impairment policy of non financial assets are included in note 5.5.

5.1.5 Transactions eliminated on consolidation

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5.2 Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

Depreciation charge is based on the reducing balance method whereby the cost of an asset is written off to consolidated statement of profit or loss over its estimated useful life by applying the rates mentioned in note 6.1 to the consolidated financial statements.

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

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

Gains and losses on disposal

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

Impairment

The carrying amount of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell.

Impairment loss is recognized if the carrying amount of an asset exceeds its estimated recoverable amount in consolidated statement of profit or loss.

5.3 Intangible assets

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

Amortisation

Amortisation is charged to consolidated statement of profit or loss on a straight line basis at the rates specified in note 7 to these consolidated financial statements, over the estimated useful lives of intangible assets unless lives are indefinite.

Amortisation on additions to intangible assets is charged from the month in which an item is acquired or capitalised while no amortisation is charged for the month in which the item is disposed off.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5.4 Financial Instruments

5.4.1 Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

Debt Investments at FVOCI	These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, and impairment are recognised in the consolidated statement of profit or loss. Other net gains and losses are recognised in consolidated other comprehensive income. On de-recognition, gains and losses accumulated in other consolidated comprehensive income are reclassified to the consolidated statement of profit and loss.
Equity Investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in consolidated other comprehensive income and are never reclassified to the consolidated statement of profit and loss.
Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the consolidated statement of profit and loss.
Financial assets measured at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, and impairment are recognised in the consolidated statement of profit and loss.

5.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Group derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

5.4.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when the Group has a legally enforceable right to offset and the Parent Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5.4.4 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Parent Company derecognises the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

5.5 Impairment

5.5.1 Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Based on the management assessment no ECL was required since the Group's financial assets at amortized cost are held with related parties or counterparties with low credit risk. Further, ECL calculated on Trade Debts was not required as the amount assessed was immaterial to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5.5.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

5.6 Provisions

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

5.7 Stores, spares and loose tools

Stores, spares and loose tools are valued at lower of weighted average cost and net realizable value except items in transit which are stated at invoice value plus other charges incurred thereon.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

5.8 Stock-in-trade

Stock-in-trade is stated at lower of cost less impairment loss, if any and net realisable value. Cost is determined using weighted average cost formula and includes expenditure incurred in bringing / acquiring the inventories to their intended location and condition.

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

5.9 Cash and cash equivalents

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

5.10 Foreign currency translation

Transactions in foreign currencies are translated into Pakistan Rupees at the rates of exchange approximating those prevailing on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistan Rupees at the rates of exchange prevailing at the reporting date. Exchange differences, if any are recognised in consolidated statement of profit or loss.

5.11 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in consolidated statement of profit or loss except to the extent that it relates to items recognised directly in consolidated equity or other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Current tax

Current tax is the expected tax payable on the taxable income for the year estimated using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax

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

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

5.12 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

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

For defined benefit plans, the net defined benefit liability / asset recognised in the balance sheet is the deficit or surplus, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The deficit or surplus is:

- a) the present value of the defined benefit obligation; less
- b) the fair value of plan assets (if any).

The present value of defined benefit obligation is calculated annually by independent actuaries by discounting the estimated future cash flows using an interest rate equal to the yield on high-quality corporate bonds.

Actuarial gains or losses that arise are recognised in other comprehensive income in the period they arise. Service costs and net interest on net defined benefit liability / asset are recognised in consolidated statement of profit or loss.

Compensated absences

The Group recognises the liability for accumulated compensated absences as employees render services that increase their entitlement to future compensated absences.

Defined Contribution plan - Provident Fund

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

5.13 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit after tax attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholder and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

5.14 Revenue from Contracts with Customers

Made to order products

Revenue and associated costs are recognised over the period as the Group's performance does not create an asset with an alternative use for the Group and the Group has an enforceable right to payments for performance completed to date.

Standard products

Revenue is recognised at point in time when customer obtains control of the product which is when goods are delivered and accepted at the customer's premises.

5.15 Dividend distribution and appropriation to reserves

Dividend distribution to the Parent company's shareholders and appropriation to reserves is recognised in the period in which these are approved. The distribution of dividend is subject to the covenant as mentioned in note 26.

5.16 Segment accounting

Segment reporting is based on the operating (business) segments of the Group. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose results are regularly reviewed by the segment to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

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

5.17 Fair value measurement

Fair value is 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 in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in consolidated statement of profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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For the year ended 30 June 2022

5.18 Investment and other income

Mark-up income is recognised using the effective interest method.

Dividend income is recognised when the right to receive the same is established i.e. the book closure date of the investee company declaring the dividend.

Gains and losses on sale of investments are accounted for when the commitment (trade date) for sale of security is made.

Rental income (net of any incentives given to lessees) from investment property is recognised on a straight line basis over the lease term.

5.19 Borrowing costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalised up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to consolidated statement of profit or loss.

5.20 Borrowings

Borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the consolidated statement of profit or loss over the period of the borrowings on an effective interest basis.

5.21 Government grants

Government grants are transfers of resources to an entity by a Government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a Government subsidy. The definition of "Government" refers to Governments, Government agencies and similar bodies, whether local, national or international.

Government grants are recognized at fair value, as deferred income, when there is reasonable assurance that the grants will be received and the Group will be able to comply with the conditions associated with the grants.

Grants that compensate the Group for expenses incurred, are recognised on a systematic basis over the periods in which the entity recognises as expense the related costs the grant are expected to compensate. Grants that compensate for the cost of an asset are recognised in income on a systematic basis over the expected useful life of the related asset.

A loan is initially recognized and subsequently measured in accordance with IFRS 9. IFRS 9 requires loans at below-market rates to be initially measured at their fair value - e.g. the present value of the expected future cash flows discounted at a market-related interest rate. The benefit that is the Government grant is measured as the difference between the fair value of the loan on initial recognition and the amount received, which is accounted for according to the nature of the grant.

5.22 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less provision for any uncollectible debts. Refer note 5.5 for a description of the Group's impairment policies.

5.23 Leases

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group mainly leases vehicles for its operations. The Group recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability. The right-of-use asset is depreciated using the straight line method from the commencement date to the earlier of end of the useful life of right-of-use asset or end of the lease term. The estimated useful lives of assets are determined on the same basis as that for owned assets. In addition, the right-of-use asset is periodically reduced by impairment losses, if any.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease liability is subsequently increased by the finance cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in assessment of whether extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has elected not to recognize right-of-use assets and lease liabilities for short term and low value assets. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. The right-of-use assets are presented in the same line items as it presents underlying assets of the same nature that it owns.

6. PROPERTY, PLANT AND EQUIPMENT	Note	2022	2021
		(Rupees)	
Operating assets	6.1	786,520,790	767,127,019
Capital work-in-progress	6.2	4,483,825,023	4,488,526,521
		5,270,345,813	5,255,653,540

6.1 Operating assets

	Cost				2022 Annual rate	Accumulated depreciation					Net book value as at 30 June 2022
	As at 1 July 2021	Additions / transfers	Transfer from leased assets	(Disposals)		As at 1 July 2021	For the year	Transfer from leased assets	(Disposals)	As at 30 June 2022	
Owned	(Rupees)				%	(Rupees)					
Freehold land (note 6.1.1)	25,080,000	-	-	-	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	19,703,315	-	-	-	-	60,252	60,252	-	-	120,504	19,582,811
Building on leasehold land	332,782,387	4,472,339	-	-	5	111,939,441	11,455,684	-	-	123,395,125	213,859,601
Plant and machinery (note 6.1.4)	833,488,072	31,343,690	-	-	10 - 20	442,368,717	43,993,484	-	-	486,362,201	378,469,561
Tools and equipment	313,214,865	28,268,983	-	-	10 - 35	255,419,506	16,176,025	-	-	271,595,531	69,888,317
Furniture, fittings and office equipment	68,192,857	7,794,603	-	-	10 - 30	48,702,274	5,165,044	-	-	53,867,318	22,120,142
Vehicles	99,388,819	66,700	-	(20,743,810)	20	70,137,012	4,557,908	-	(14,090,895)	60,604,025	18,107,684
Right of use assets											
Vehicles	5,864,842	42,184,000	-	-	20	1,960,936	6,675,232	-	-	8,636,168	39,412,674
	1,697,715,157	114,130,315	-	(20,743,810)		930,588,138	88,083,629	-	(14,090,895)	1,004,580,872	786,520,790

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For the year ended 30 June 2022

	Cost				2021 Annual rate	Accumulated depreciation					Net book value as at 30 June 2021
	As at 1 July 2020	Additions / transfers	Transfer from leased assets	(Disposals)		As at 1 July 2020	For the year	Transfer from leased assets	(Disposal)	As at 30 June 2021	
Owned	(Rupees)				%	(Rupees)					
Freehold land (note 6.1.1)	25,080,000	-	-	-	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	19,703,315	-	-	-	-	-	60,252	-	-	60,252	19,643,063
Building on leasehold land	329,575,112	3,207,275	-	-	5	100,144,052	11,795,389	-	-	111,939,441	220,842,946
Plant and machinery (note 6.1.5)	803,819,014	29,669,058	-	-	10 - 20	397,271,681	45,097,036	-	-	442,368,717	391,119,355
Tools and equipment	282,230,193	30,984,672	-	-	10 - 35	235,995,104	19,424,402	-	-	255,419,506	57,795,359
Furniture, fittings and office equipment	63,867,640	4,325,217	-	-	10 - 30	44,073,955	4,628,319	-	-	48,702,274	19,490,583
Vehicles	116,385,789	4,895,000	-	(21,891,970)	20	71,516,201	8,238,093	-	(9,617,282)	70,137,012	29,251,807
Leased											
Vehicles	4,447,000	1,417,842	-	-	20	1,250,102	710,834	-	-	1,960,936	3,903,906
	<u>1,645,108,063</u>	<u>74,499,064</u>	<u>-</u>	<u>(21,891,970)</u>		<u>850,251,095</u>	<u>89,954,325</u>	<u>-</u>	<u>(9,617,282)</u>	<u>930,588,138</u>	<u>767,127,019</u>

6.1.1 Freehold land represents a plot in Lahore measuring 23 Kanals and 18 Marlas and held by the Group for the expansion of business in future. Currently, this plot of land is not being used. Leasehold land is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi which represents total area of 8,888.88 square yards.

2022	2021
(Rupees)	

6.1.2 Carrying amount of temporary idle property of the Group

25,080,000	25,080,000
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6.1.3 Freehold land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 984.76 million (2021: 694 million) obtained from JS Bank Limited and Pak Kuwait Investment Company Pvt Ltd (note 23).

6.1.4 Plant and machinery are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 801 million and Rs. 920 million (2021: Rs. 801 million and Rs. 653 million) respectively. These charges are against different financing facilities obtained from various banks (note 26).

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

6.1.6 The depreciation charge for the year has been allocated as follows:

	Note	2022	2021
		(Rupees)	
Cost of salest	29	77,532,663	80,307,209
Administrative, selling and general expenses	30	10,550,965	9,647,116
		88,083,628	89,954,325

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For the year ended 30 June 2022

6.1.7 Details of vehicles disposed off during the year are as follow:

Asset	2022					Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal			
Owned	(Rupees)							
Vehicles								
Honda BRV BH-1247	2,148,000	1,036,004	1,111,996	2,050,000	938,004	Arbab Nasim	Negotiation	Employee
Toyota Altis BBZ-228	2,300,000	1,536,915	763,085	763,085	-	Munir K Bana	Company Policy	Employee
Toyota Corolla BCF-227	1,752,500	1,176,047	576,453	576,453	-	Azeem Ullah	Company Policy	Employee
Suzuki Swift BCF-759	1,282,000	856,663	425,337	425,337	-	Mobin Akhter	Company Policy	Employee
Suzuki Cultus BCK-437	1,039,000	694,285	344,715	344,715	-	Asif Hashmi	Company Policy	Employee
Toyota Corolla BCG-738	1,752,500	1,176,047	576,453	576,453	-	Shamim A Siddiqui	Company Policy	Employee
Suzuki Wagonr BHA-271	1,064,740	711,606	353,134	1,400,000	1,046,866	Khuawaja Akber	Negotiation	Third party
Suzuki Cultus BCL-250	1,039,000	694,285	344,715	911,000	566,285	Muhammad Asif	Negotiation	Third party
Toyota Corolla BCK-559	1,752,500	1,176,047	576,453	576,453	-	Iftikhar Ahmed	Company Policy	Employee
Toyota Corolla BCK-137	1,752,500	1,176,047	576,453	576,453	-	Tehseen Ahmed	Company Policy	Employee
Suzuki Swift BCF-762	1,282,000	856,663	425,337	425,337	-	Irfan A Khan	Company Policy	Employee
Suzuki Cultus BCK-459	1,039,000	694,285	344,715	344,715	-	Nasir Rana	Company Policy	Employee
Suzuki Cultus BCM-618	1,039,000	694,285	344,715	344,715	-	Noushad Hussain	Company Policy	Employee
Suzuki Cultus BCM-612	1,039,000	694,285	344,715	344,715	-	Ejaz Durrani	Company Policy	Employee
Suzuki Mehran BEJ-297	691,350	462,685	228,665	228,665	-	Nabeel Ahmed	Company Policy	Employee
Suzuki Mehran BEJ-294	691,350	462,685	228,665	228,665	-	Arbab Nasim	Company Policy	Employee
Suzuki Pick-Up KT-7457	637,000	509,256	127,744	557,786	430,042	Raees Khan	Negotiation	Third party
Suzuki Pick-Up CU-0816	590,370	519,022	71,348	471,786	400,438	Naveed Rauf	Negotiation	Third party
	22,891,810	15,127,112	7,764,698	11,146,333	3,381,635			

6.2 Capital work-in-progress

Note

Plant and machinery

Building and construction work

Tools and equipment

6.2.1

2022	2021
(Rupees)	
3,084,692,890	3,085,805,216
1,367,650,359	1,367,650,359
31,481,774	35,070,946
4,483,825,023	4,488,526,521

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

Balance at beginning of the year

Additions during the year

Transferred to operating property, plant and equipment

Balance at end of the year

6.2.1.1

4,488,526,521	4,137,672,674
99,694,096	425,352,911
(103,283,268)	(74,499,064)
4,484,937,349	4,488,526,521

6.2.1.1 Major capital work-in-progress relates to Hi-Tech Alloy Wheels Limited (HAWL). Details are as follows:

Note	2022				2021			
	Opening Balance	Additions	Transfers	Closing Balance	Opening Balance	Additions	Transfers	Closing Balance
	(Rupees)				(Rupees)			
Building	1,367,650,359	-	-	1,367,650,359	1,095,593,102	272,057,257	-	1,367,650,359
Plant and machinery	3,064,491,431	-	-	3,064,491,431	2,988,970,767	75,520,664	-	3,064,491,431
Furniture and fittings	-	-	-	-	-	-	-	-
	4,432,141,790	-	-	4,432,141,790	4,084,563,869	347,577,921	-	4,432,141,790

6.2.1.1.1 This includes an amount of Rs.1,219 million (2021: Rs. 1,216 million) paid to Descon Engineering (Private) Limited (contractor) in respect of construction of manufacturing facility "alloy rim manufacturing plant" at the plot of land situated in Bin Qasim Industrial Park. For this purpose, a contract was entered on 13 June 2018 between the Group and the Contractor for the provision of facility completion contract including design, mechanical, civil, electrical, installation works and project management of Hi-Tech Alloy Wheel Rim Greenfield project. Following is the repayment schedule as per the aforementioned contract (term sheet) between the Group and the Contractor:

Contract Phase	Contract price	Additional work	Amount forego on termination	Paid till 30 June 2022		Outstanding commitments	Contract price	Additional work	Amount forego on termination	Paid till 30 June 2022		Outstanding commitments
				Advance	Progress billing					Advance	Progress billing	
				(Rupees)						(USD)		
Engineering	106,340,715	-	-	-	(106,340,715)	-	908,895	-	-	-	(908,895)	-
Procurement	234,000,000	-	(49,461,853)	(7,511,704)	(157,394,564)	19,631,879	2,000,000	(422,751)	(64,203)	(1,345,253)	167,793	
Construction	669,896,019	284,043,134	-	(7,511,704)	(931,160,249)	15,267,200	5,725,607	2,427,719	(64,203)	(7,958,635)	130,488	
Testing and Commissioning	53,170,299	-	(46,929,051)	(6,241,248)	-	-	454,447	-	(401,103)	(53,344)	-	
Total	1,063,407,033	284,043,134	(96,390,904)	(21,264,656)	(1,194,895,528)	34,899,079	9,088,949	2,427,719	(823,854)	(181,750)	(10,212,783)	298,281

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

As per agreement, payments made to Descon Engineering (Private) Limited will be in Pakistan rupees using a conversion rate of Rs. 117 / USD 1. The unpaid amount has been disclosed as commitments in note 17.3.4

Further, the above additional work was agreed with the Contractor after the original contract.

During the year with mutual consent the company has terminated its contract with Descon Engineering and a net liability of company is determined by Rs. 34,899,079 to Descon Engineering. It is further agreed that the amount would be paid in 12 monthly installment starting from June 2022.

6.2.11.2 HAWL has entered into several contracts for the purchase of Plant and Equipment are as follows:

Plant	Date of agreement & note	Name of vendor	Country of manufacturer	Contract price	Amount paid to date	Amount paid / payable to date including LC and other charges	Status of Payment	Purpose
				In Foreign Currency	In Rupees			
Alloy Wheels Manufacturing Plant*	11 December 2017 Refer note 6.2.11.3	ROH Automotive & Toyota Motor Corporation	Australia	AUD 5,587,763	AUD 5,587,763	537,085,491	Complete	Alloy wheels manufacturing
Painting Plant	2 March 2018 Refer note 6.2.11.4	Shinwoo Costec Ltd	Korea	USD 10,760,500	USD 8,600,500	1,192,555,052	In progress	Supporting section of the alloy wheel manufacturing plant
Low Pressure Die Casting Machine	Based on proforma invoice	Hands Corporation Limited	Korea	USD 3,340,000	USD 3,006,000	470,416,488	In progress	For wheel shape to enhance production facility
Cummins DG Set		Cummins Power Generation	China	USD 217,000	USD 217,000	34,952,693	Complete	Diesel generators for power generation
SNG Plant		Korea Gas Engineering	Korea	USD 160,000	USD 160,000	24,799,071	Complete	For conversion of LPG into SNG for running of plant
Diesel Fire Pump		Patterson Pump Company	USA	USD 75,276	USD 75,276	12,407,458	Complete	To protect plant in case of fire emergency
Ventilation Fans & Refrigerant		Systemair HSK	Turkey	EUR 153,791	EUR 153,791	28,458,866	Complete	To minimize heat produce from plant
Effluent Treatment Plant		AB Winston Emerges FZE	China	USD 67,000	USD 67,000	11,457,369	Complete	To recycle industrial waste water for further use and released to a sanitary sewer
Screw Air Compressor		Ingersoll Rand Int. Limited	Czech Republic	EUR 52,700	EUR 52,700	9,695,975	Complete	For gas compression
Additional Parts for Alloy Wheel Manufacturing Plant		EBC Korea Company Limited	Korea	USD 70,207	USD 70,207	12,859,467	Complete	Additional parts for alloy wheel manufacturing plant
Ups With Lead Acid Batteries And Spare Parts	Avatec Power Pte Ltd	Singapore	USD 166,405	USD 166,405	26,703,837	Complete	To minimize heat produce from plant.	
Total						2,361,391,767		

6.2.11.3 No borrowing costs was capitalized in the cost of Plant and Machinery in current year and last year.

HAWL had entered into an agreement on 11 December 2017 to purchase an old and used alloy wheels manufacturing plant along with available related spare parts, two aftermarket dies and manuals for operation and maintenance of equipment ("the Plant") from Arrowcrest Group Pty Ltd trading as "ROH Automotive" and Toyota Motor Corporation Australia Limited (jointly referred as "the Seller") at a price of AUD 4.31 million (excluding dismantling cost). The seller engaged Grays (Aust) Holdings Pty Ltd ("the Selling Agent") for the sale of the plant. Based on the inspection carried out by the management of the Group on 29 August 2017 at ROH Automotive's site, the Plant was purchased on "as is, where is" and "as inspected" basis. Further, the Group contracted with Samaras Structural Engineers for dismantling, packaging, loading and removal of the plant from ROH Automotive site and Seaway Logistics for forwarding and shipping the plant to Karachi Port, Pakistan. The terms of the agreement state that the title of the plant will transfer to the Group after receipt of the purchase amount by the Selling Agent.

Following is the repayment schedule as per the aforementioned agreement between the Group and the Seller:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Particulars	Contingent upon	Payable after	Amount in AUD	Payment made to date in (Rupees)
Down payment - 30% of the total purchase amount	Letter of credit which will be opened on or 5 days after the signing of the purchase agreement	11 December 2017	1,293,750	115,053,188
Second payment - 40% of the total purchase amount	Payable upon commencement of the dismantling of the plant from ROH Automotive site	9 January 2018	1,725,000	153,404,250
Final payment - 30% of the total purchase amount	Payable before the last group of container will leave from ROH Automotive site	23 July 2018	1,293,750	115,053,188
			4,312,500	383,510,626

On 5 July 2018, the Group had received a revised proforma invoice amounting to Rs. 497,621,043 (AUD 5.588 million). The whole amount was paid in the year 2019 and the Group is currently in the process of bringing the plant to the intended location and condition.

6.2.1.1.4 The Group had entered into an agreement on 2 March 2018 to purchase a new and unused painting plant having such specifications, make, model, criteria, features and accessories in respect of alloy wheel manufacturing plant ("the Plant") from Shinwoo Costec Ltd (the "Seller") at a price of USD 10.5 million (excluding sea freight which will be borne equally by the Group and the Seller). The Group, along with the Seller engaged EBC Korea Co. Ltd ("the Selling Agent") as an intermediary, for collecting payments from the Group and passing them to the seller and purchasing the Plant from the Seller and shipping it to the Group. The Seller has agreed to provide the assembly, commissioning, testing and handover of complete plant, in fully operational condition covering end-to-end of alloy wheel manufacturing. In December 2018, the contract price was revised from USD 10.5 million to USD 10.7 million.

Particulars	Contingent upon	Amount in (USD)	Payment made to date in (Rupees)
First payment	Opening of letter of credit	3,450,000	402,007,455
Second payment	Sight payment upon shipment	5,210,500	725,220,637
Third payment	Upon successful commissioning through deferred payment	525,000	-
Fourth payment	Retention money payable after one year of commissioning through deferred payment	375,000	-
Fifth payment	After two years of successful commissioning through deferred payment	600,000	-
Final payment	After three years of successful commissioning through deferred payment	600,000	-
Total		10,760,500	1,127,228,092

The unpaid amount has been disclosed as commitments in note 17.2

7 INTANGIBLE ASSETS

					2022					
Cost				Useful life	Amortisation				Net book value as at 30 June 2022	
As at 1 July 2021	Addition	(Disposals)	As at 30 June 2022		As at 1 July 2021	For the year	(Disposals) June 2022	As at 30 June 2022		
(Rupees)				(Years)	(Rupees)					
Computer software and licenses	17,528,764	4,125,601	-	21,654,365	3	17,528,764	1,246,096	-	18,774,860	2,879,505
					2021					
Cost				Useful life	Amortisation				Net book value as at 30 June 2021	
As at 1 July 2020	Addition	(Disposals)	As at 30 June 2021		As at 1 July 2020	For the year	(Disposals) June 2021	As at 30 June 2021		
(Rupees)				(Years)	(Rupees)					
Computer software and licenses	17,528,764	-	-	17,528,764	3	17,183,967	344,797	-	17,528,764	-

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For the year ended 30 June 2022

- 7.1** At 30 June 2022, the cost of fully amortised intangible amounted to Rs. 17.53 million (2021: Rs. 17.53 million).
- 7.2** The amortisation charge for the year has been allocated to administrative, selling and general expenses (note 30).
- 7.3** Computer software relates to SAP business license.

8. LONG-TERM INVESTMENTS

		2022	2021
	Note	(Rupees)	
Investment in associate - listed (Treet Corporation Limited)	8.1	138,518,754	316,777,304
Investment in Pakistan Investment Bond (PIB)		10,719,481	10,844,431
		<u>149,238,235</u>	<u>327,621,735</u>

8.1 Interests in equity-accounted investees

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".

2022	2021		2022	2021
(Number of shares)		Note	(Rupees)	
		Quoted		
		Treet Corporation Limited		
<u>4,837,958</u>	<u>8,887,958</u>	(Chief Executive Officer - Syed Shahid Ali) 8.1.2	<u>138,518,754</u>	<u>316,777,304</u>

- 8.1.2** During the year, the company disposed of 4,050,000 shares of Treet Corporation Limited against a consideration of Rs. 205.63 million.

- 8.1.3** Market value of investment in associate is as follows:

		2022	2021
	Note	(Rupees)	
Quoted			
Treet Corporation Limited	8.1.4	138,518,754	439,865,041

- 8.1.4** This includes 4,837,958 shares (2021: 8,800,000 shares) which have been pledged with the financial institution as security against borrowing facilities. All other shares are kept in the Central Depository Company (CDC) account of the Company.

- 8.1.5** Treet Corporation Limited is considered associate by virtue of common directorship i.e. (3 Directors are common out of 7 Directors). The Group has direct share holding in associate of 2.77% (2021: 5.23%) and effective share holding (due to cross holding) of 2.86% (2021: 5.27%).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

8.1.6 Summarised financial information based on audited annual financial statements for the year ended 30 June 2022 and 30 June 2021 is as follows:

	2022	2021
Direct holding	2.77%	5.23%
Effective holding	2.86%	5.27%
(Rupees in 000)		
Non-current assets	18,057,790	18,267,245
Current assets	7,275,237	6,980,867
Assets held for sale - net	-	537,384
Non-current liabilities	(2,528,650)	(1,807,033)
Current liabilities	(13,124,813)	(13,873,959)
Net assets (100%)	9,679,564	10,104,504
Group share of net assets	276,835	532,507
Eliminations	-	-
Negative goodwill *	(138,316)	(215,730)
Carrying amount of interest in associate	138,519	316,777

* Negative goodwill has not been recognized in the statement of profit or loss as the investment is carried at lower of recoverable amount and carrying amount.

Financial highlights of Treet Corporation Limited

	2022	2021
(Rupees in 000)		
Revenue - net	15,789,923	14,194,739
Loss after tax from continuing operations (100%)	(292,786)	(50,759)
Other comprehensive loss from continuing operations - net of tax	(26,578)	2,696,076
Loss from discontinuing operations - net of tax	-	598,644
Total comprehensive loss for the year (100%)	(319,364)	3,243,961
Share of total comprehensive loss	(9,134)	24,360
Loss after tax (2022: 2.86% 2021: 5.27%)	(8,374)	(2,675)
Other comprehensive income (2022: 2.86% 2021: 5.27%)	(760)	(4,513)
Loss from discontinuing operations - net of tax (2022: 2.86% 2021: 5.27%)	-	31,548
Group's share of total comprehensive loss (2022: 2.86% 2021: 5.27%)	(9,134)	24,360

9. STOCK-IN-TRADE

Raw material and components	9.2 & 9.3	1,544,914,809	1,342,414,312
Work-in-process		106,545,556	71,111,109
Finished goods		-	-
		1,651,460,365	1,413,525,421
Provision for obsolescence and slow moving stocks	9.1	(32,528,867)	(26,490,663)
		1,618,931,498	1,387,034,758

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

9.1 Provision for obsolescence and slow moving stocks

	Note	2022	2021
		(Rupees)	
Opening balance		26,490,663	29,305,910
Charge for the year	29.1	12,659,549	2,223,382
Reversal during the year		(6,621,345)	(5,038,629)
Closing balance		32,528,867	26,490,663

9.2 This includes raw materials in transit and in possession of subsidiaries as at 30 June 2022 amounting to Rs. 522 million (2021: Rs. 373 million) and Rs. 438 million (2021: Rs. 452 million) respectively.

9.3 Raw materials held with toll manufacturers as at 30 June 2022 amounted to Rs. 107 million (2021: Rs. 76.33 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 667 million and Rs. 1,978 million (2021: Rs. 400 million and Rs. 1,712 million) respectively. These charges are against different financing facilities obtained from various banks (note 23).

10. TRADE DEBTS - NET

	Note	2022	2021
		(Rupees)	
Unsecured			
Considered good		909,494,124	476,303,736
Less: impairment loss on trade debts	10.1	-	-
		909,494,124	476,303,736

10.1 Movement in impairment loss on trade debts

Opening balance	-	(12,347,172)
Provision for impairment loss on trade debts	-	-
Provision reversed during the year	-	12,347,172
Closing balance	-	-

10.2 For ageing of trade debts, refer note 38.2.

11. LONG-TERM LOANS

Long term portion of loan to employees	12.2	7,644,157	8,303,878
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12. LOANS AND ADVANCES

Unsecured - considered good			
Advance to suppliers	12.1	149,614,967	71,463,917
Loans to employees	12.2	39,969,934	16,883,906
Loans to workers	12.3	55,481,455	39,994,033
Advance salaries		8,299,361	4,485,573
		253,365,717	132,827,429

12.1 This includes advance amounting to Rs. 40.6 million (2021: Rs. 47.10 million) given to clearing agents for payment of clearing charges and other import related expenses to be incurred upon receipt of import consignment.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

12.2 Loans to employees

		2022	2021
	Note	(Rupees)	
Loans to employees	12.2.1	47,614,091	25,187,784
Less: long-term portion		(7,644,157)	(8,303,878)
Current portion of loans to employees		39,969,934	16,883,906

12.2.1 This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 13% (2021: 9%) per annum.

12.3 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 13% (2021: 9%) per annum.

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

		2022	2021
	Note	(Rupees)	
Unclaimed input sales tax	13.1	225,113,709	247,774,596
Trade and other deposits		4,970,145	7,631,745
Prepayments - provident fund		4,382,040	3,495,953
Prepayments	13.3	6,003,681	5,856,029
Receivable from employees		310,223	176,848
Margin deposit	13.2	10,516,566	2,685,902
Advance against land and construction	13.4	244,143,888	244,143,888
PIB income receivable		247,000	247,000
		495,687,252	512,011,961

13.1 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.

13.2 This includes margin deposited with banks against various letter of credit issued by Banks on behalf of the Group.

13.3 This includes prepaid expenses paid by Hi- Tech Alloy Wheels Limited amounting to Nil (30 June 2021: Rs. Nil) paid in relation to advisory fees for consultancy and listing fees paid to PSX.

13.4 This represents margin deposit against continuing guarantee with Habib Metropolitan Bank Limited with respect to new connection of electricity of 4,870 KW with K-Electric amounting to Rs. 14.074 million. The guarantee shall remain in force and effect for three years i.e. from 20 March 2019 to 19 March 2022.

13.4.1 This includes advances against:

	2022	2021
	(Rupees)	
- Plant	13,923,580	13,923,580
- Land	216,108,000	216,108,000
	230,031,580	230,031,580

13.4.2 It includes advance amount paid to "Dynamic Engineering and Automation" amounting to Rs. 11.202 million for the provision of construction material and man power for civil construction work of SNG plant.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

13.4.3 This includes advance paid to "National Industrial Parks Development and Management Company" against purchase of 12 acres plot at Bin Qasim Industrial Park ('the Industrial Park'). The Industrial Park is included in the list of Special Economic Zones. As per the Special Economic Zones Act, 2012, the Company will be entitled to one time exemption from custom-duties and taxes on import of plant and machinery for installation in the zone subject to verification by the Board of Investment (BOI) and exemption from all taxes on income for ten years if Commercial Production (CP) commences by 30 June 2020 and five years tax exemption if CP commences after 30 June 2020 (refer note 17.2). During the year, the Hi-Tech Alloy Wheels Limited paid last installment amounting to Rs. 64.83 million. Hence, Total price of the plot amounting to Rs. 216.108 million has been fully paid off. Possession of the allotted plot shall be handed over through a lease agreement. NIPD&MC though its letter dated 13 April 2021 claimed surcharge on delayed payment of third installment amounting to Rs. 16.19 million for which the Company is in process of negotiating the same.

The Company delayed the third installment due non-availability of utilities and obtained legal opinion on the above mentioned matter. The Advisor confirmed in its opinion that question of late payment charges does not arise as third installment was linked with infrastructure facilities and that was of failure of NIPD&MC to execute its part of contract (provision of utility facilities essential for running an industry).

Therefore, the Company has not made any provision in this regard based on the legal advisor opinion.

As per section 37 of Special Economic Zones Act, 2012, all zone enterprises shall be entitled to one time exemption from custom duties and taxes on import of plant and machinery into Special Economic Zones (SEZ) except items listed under Chapter 87 of the Pakistan Customs Tariff, for installation in that zone enterprise subject to verification by the Board of Investment. The Group is in the process of obtaining Zero-rated / Exemption Certificate in respect of import of plant and machinery.

14. TAXATION - NET	Note	2022	2021
		(Rupees)	
Advance tax net of provision		317,350,627	206,232,180
15. SHORT-TERM INVESTMENTS			
Equity securities - at fair value through profit or loss (FVTPL)	15.1	907,150	911,854
Equity securities - at fair value through other comprehensive income (FVOCI)	15.2	15,352	13,698
		922,502	925,552
15.1 Equity securities - mandatory at FVTPL			
Ordinary shares	15.1.1	907,150	911,854
		907,150	911,854

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

15.1.1 Ordinary shares - listed

2022 (Number of shares / certificates)	2021	Name of investee company Ordinary shares - Quoted	2022			2021
			Carrying value	Market value	Unrealised (loss) / gain	Market value
			(Rupees)			
1	1	Agriautos Industries Limited	274	134	(140)	274
1	1	Al-Ghazi Tractors Limited *	365	390	25	365
1	1	Atlas Battery Limited	316	172	(144)	316
1	1	Atlas Honda Limited	480	377	(103)	480
1	1	The General Tyre & Rubber Company of Pakistan Limited	88	34	(54)	88
1	1	Honda Atlas Cars (Pakistan) Limited	346	194	(152)	346
1	1	Thal Limited *	423	269	(154)	423
230	230	Baluchistan Wheels Limited	18,168	17,480	(688)	18,168
315	315	Gandhara Nissan Limited	34,407	18,705	(15,702)	34,407
300	300	Hino Pak Motors Limited	183,645	92,160	(91,485)	183,645
200	200	Indus Motor Company Limited	250,828	228,882	(21,946)	250,828
592	344	Millat Tractors Limited	371,386	516,573	145,187	371,386
63	63	Oil & Gas Development Company Limited	5,987	4,956	(1,031)	5,987
127	127	Pak Suzuki Motor Company Limited	45,141	26,824	(18,317)	45,141
			911,854	907,150	(4,704)	911,854

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

15.2 Equity securities - at FVOCI

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

2022 (Number of shares)	2021	Name of investee company	2022			2021
			Cost	Market value	Unrealised gain	Market value
			------(Rupees)-----			
		Ordinary shares - Quoted				
152	152	ZIL Limited	5,330	15,352	10,022	13,698

15.2.1 Equity securities at FVOCI - net change in 'fair value investments

	2022	2021
	(Rupees)	
Market value of investments	15,352	13,698
Less : cost of investments	(5,330)	(5,330)
	10,022	8,368
Less: Unrealised loss on re-measurement of investments at beginning of the year	(8,368)	(12,606)
Add: Mark-to-market gain on security	-	-
Less: Transfer of reserve on sale of security	-	-
Unrealised (loss) / gain on re-measurement of equity investments at OCI for the year	1,862	(4,238)

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

16. CASH AND BANK BALANCES

Note

2022	2021
(Rupees)	
Cash in hand	1,637,537
With banks	
- in current accounts	10,575,399
- in savings accounts	12,958,486
25,609,639	23,533,885
2,087,725	25,171,422
27,697,364	
30,371,640	

16.1 These carries mark-up rate ranging from 2% to 6%

16.2 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise of:

Cash and bank balances	16	30,371,640	25,171,422
Short term borrowings	26	(2,226,407,411)	(1,844,976,781)
		(2,196,035,771)	(1,819,805,359)

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Income Tax Return e-filed for Tax Year 2021 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, Subsequent to the year a Notice has been received under Rule 44(4) for monitoring of withholding-tax on 26.08.2022.	Parent Company & FBR	26 August 2022
Federal Board of Revenue (FBR)	Tax Year 2019 was selected for audit by the Tax authorities under section 177 of the Income Tax Ordinance, 2001. The Company received a notice dated 10 January 2020 which has been responded along with the provision of required details, documents and evidences. Proceedings in this regard have not yet been finalized and hence no provision has been recognized in these financial statements.	Parent Company & FBR	10 January 2020
Federal Board of Revenue (FBR)	For Tax Year 2019, notice dated 16 July 2020 was received by the Company regarding monitoring of withholding taxes which has been responded by the Company by filing documents and details. Proceedings in this regard have not yet been finalized.	Parent Company & FBR	16 July 2020
Federal Board of Revenue (FBR)	For the Tax Year 2015, notice dated 26 April 2021 was received by the Company under section 177 of the Income Tax Ordinance, 2001 which was responded the Company through its tax advisor during the month of May 2021 and June 2021. The concerned Assessing Officer finalized the audit proceeding in haste, without providing the opportunity for substantial additions and disallowances made in the amended order under section 122(4) dated 30 June 2021 and created factually incorrect and disputed demand of Rs. 750,761,241.	Parent Company & FBR	26 April 2021

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
	Company had challenged the above amended order in appeal filed before Commissioner Inland Revenue (Appeals) against Order dated 30.06.2021 u/s.122(4) for the above mentioned tax year, the appeal has adjudicated by Commissioner (Appeals) vide Appeal Order dated 29.10.2021 where substantial direct relief has been allowed to the company, whilst one major issue has been remanded-back with directions and as such, disputed demand has been vacated.		
Federal Board of Revenue (FBR)	Proceedings were initiated under S.11(2) of the Sales Tax Act, 1990 vide Notice dated 31.05.2022 for alleged non-realization of 17% sales-tax on deletion of Fixed Assets at WDV value in Tax Year 2017 (Income Year ended 30-06-2017), whereas such sales tax has been charged on sales proceeds resulting in substantial tax gain, which has also been offered for tax in tax year 2017, which has been responded but no further action has been taken.	Parent Company & FBR	31 May 2022
Federal Board of Revenue (FBR)	Income Tax Returns e-filed upto and including Tax Year 2021 are presently deemed to have been accepted and assessed u/s.120 of Income Tax Ordinance, 2001, unless amended u/s.122 on selection of case for audit u/s.214C/S.177 or amended u/s.122(5A) of the Income Tax Ordinance, 2001.	MAIL & FBR	
Federal Board of Revenue (FBR)	Notice was received on 11.04.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.2,046,459/- of prior years against admitted-tax for Tax Year 2021 by rectifying Deemed Order u/s.120(1), for which response dated 18.04.2022 was filed. However, Assistant/Deputy Commissioner passed Rectification order u/s.221(1) dated 24.05.2022 for Tax Year 2021 creating demand of Rs.2,046,459/- for tax year 2019.	MAIL & FBR	11 March 2022
	Further, we have filed letter dated 03.06.2022 forwarding details/documents/evidences for determination of pending Income Tax Refund due of Rs.13,238,814/- for Tax year 2019 and requesting for adjustment of demand for tax year 2021, which is not yet finalized and is pending.		

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Notice was received on 11.04.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.1,938,372/- of prior years against admitted-tax for Tax Year 2018 by rectifying Deemed Order u/s.120(1), for which response dated 18.04.2022 was filed. However, Assistant/Deputy Commissioner passed Rectification order u/s.221(1) dated 24.05.2022 for Tax Year 2018 mistakenly determining 'NIL' demand instead of Rs.1,938,372/-. Further, we have filed letter dated 03.06.2022 forwarded details/ documents/evidences for determination of pending Income Tax Refund due of Rs.13,238,814/- for Tax year 2019 and requesting for adjustment of demand for tax year 2018, which is not yet finalized and is pending.	MAIL & FBR	11 April 2022
Federal Board of Revenue (FBR)	Notice was received on 10.03.2022 was issued by officer, SRB for deposit of Sindh Workers Welfare Fund (SWWF) for 6-years from 2016 to 2021 which was responded by letter dated 05.04.2022 which evidences and also attended the proceedings.	MAIL & FBR	10 March 2022
Federal Board of Revenue (FBR)	Notice was received on 11.03.2022 for payment of Sindh Companies Profits (Worker's Participation) Fund for 6-years from 2016 to 2021 was issue, which was also responded vide letter dated 05.04.2022 with voluminous details/evidences and on which no further action taken.	MAIL & FBR	10 March 2022
Federal Board of Revenue (FBR)	Income Tax Returns e-filed upto and including Tax Year 2021 are presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001.	SAIL & FBR	2021
Federal Board of Revenue (FBR)	FBR had issued Show Cause Notice dated 28.04.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.4,346,200/- of prior years against admitted-tax liability for Tax Year 2021 by rectifying Deemed Order u/s.120(1), to which response dated 09.05.2022 has been filed. However, no further action has been taken.	SAIL & FBR	28 April 2022
Federal Board of Revenue (FBR)	Notice was received on 21-05-2022, Issued under S.221(2) for rectification of mistake in assessment order read with S.4 of the Workers Welfare Fund, 1971 proposing levy and recovery of WWF of Rs.1,158,998/- along with default surcharge as provided in sub-section (8) of Section 4 of the Workers Welfare Fund, 1971 for Tax Year 2021, which has been responded but no further action has been taken, as WWF has already been deposited with Sindh Revenue Board (SRB).	SAIL & FBR	21 May 2022

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Show Cause Notice was received on 28.04.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.3,157,053/- of prior years against admitted-tax liability for Tax Year 2020 by rectifying Deemed Order u/s.120(1), to which response dated 09.05.2022 has been filed. However, no further action has been taken.	SAIL & FBR	28 April 2022
Federal Board of Revenue (FBR)	Notice was received on 14.01.2021 under Rule 44(4) for monitoring of WHT and the response, was submitted along with all details/documents/evidences etc., but proceedings were not finalized yet.	SAIL & FBR	14 January 2021
Federal Board of Revenue (FBR)	Notice was received on 30.03.2022 by FBR Officer in respect of pending show cause notice u/s.11(2) dated 03.01.2022 on alleged inadmissible input tax claimed/adjusted of Rs.1.644(M) on purchase made during the period Aug, 2016 to January, 2020 from Dawood Engineering + Traders a Blacklisted/suspended person, to which detailed response has been submitted vide letter dated 06.04.2022 on which no further action has yet been taken and hopefully matter is closed now.	SAIL & FBR	03 March 2022
Federal Board of Revenue (FBR)	Notice was received from SRB on 10.03.2022 for deposit of Sindh Workers Welfare Fund (SWWF) for 6-years from 2016 to 2021 which was responded by letter dated 05.04.2022 with evidences. Similarly, another Notice dated 11.03.2022 for payment of Sindh Companies Profits (Worker's Participation) Fund for 6-years from 2016 to 2021 was also received, which was responded vide letter dated 05.04.2022 with voluminous details/evidences. No further action has been taken by the department.	SAIL & FBR	10 March 2022
Federal Board of Revenue (FBR)	Notice U/s.122(9)/122(1)(5) was received on 16-02-2022 for tax year 2019 identifying several issues, being erroneous in so far as prejudicial to the interest of revenue, and proposed amendment u/s.122(1)(5) for which response dated 17.02.2022 filed taking various objections on point of law and facts. After hearing before Additional Commissioner, the above proceedings were culminated in Amended Order u/s.122(1)(5) dated 22.02.2022 creating a gross Net Refund of Rs.2,652,611/-.	HAWL & FBR	16-Feb-22
	No appeal is filed against of the above order.		

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Income Tax Return e-filed for tax year 2020 is presently deemed to have been assessed u/s.122 on selection of case for audit u/s.214C/S.177 or amended u/s.122(5A) of the Income Tax Ordinance. Show Cause Notice dated 10.03.2021 issued u/s.161(1A) pointing out default whilst monitoring of withholding taxes which has been responded but no action taken and the matter is pending. No appeal is filed against above order. Refund Application u/s. 170 of the Ordinance has been e-filed claiming Refund of Rs. 1,715,263/-, Refund Order u/s.170(4) has been passed creating Refund of Rs. 770,720/- for tax year 2020, which Refund has been directly credited into the company bank account in September, 2021. Short refund determined due to non-verification of tax credit claimed on import stage, as those Bill of Entries and tax thereon were not relevant for this year.	HAWL & FBR	2020
Federal Board of Revenue (FBR)	Income Tax Return e-filed for Tax Year 2021 are presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001.	HAWL & FBR	2021
Federal Board of Revenue (FBR)	Income Tax Returns e-filed upto and including Tax Year 2021 are presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, However, refund application e-filed for Refund of Rs.522,564/- is yet pending.	SMPL & FBR	2021
Federal Board of Revenue (FBR)	Notice was received on 23.05.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.125,227/- of prior years against admitted tax for Tax Year 2020 by rectifying Deemed Order u/s.120(1), for which response dated 27.05.2022 was filed. Assistant/Deputy Commissioner has passed Rectification order u/s.221(1) dated 28.06.2022 for Tax Year 2020 creating demand of Rs.125,227/- for adjustment of undetermined income-tax refund in the Return of Income. However, subsequently Refund Order dated 05.07.2022 has been passed u/s.170(3) of Income Tax Ordinance, 2001 for Tax year 2015, determining refund and also adjusting the above demand of Rs.125,227/- for tax year 2020 against said refund. The matter is closed now	SMPL & FBR	23 May 2022
Federal Board of Revenue (FBR)	Notice was received on 23.05.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.118,701/- of prior years against demand for Tax Year 2017 by rectifying Deemed Order u/s.120(1), for which response dated 24.05.2022 was filed. Assistant/Deputy Commissioner has passed Rectification order u/s.221(1) for Tax Year 2017 creating demand of Rs.118,701/- for adjustment of undetermined income-tax refund.	SMPL & FBR	23 May 2022

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
	However, subsequently Refund Order dated 05.07.2022 has been passed u/s.170(3) of Income Tax Ordinance, 2001 for Tax year 2015, determining refund and then adjusting the above demand of Rs.118,701/- for tax year 2017 against said refund. The matter is closed now.		
Federal Board of Revenue (FBR)	Notice was received on 30.05.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.1,390,922/- of prior years against demand for Tax Year 2016 by rectifying Deemed Order u/s.120(1), for which response dated 01.06.2022 was filed. Assistant/Deputy Commissioner has passed Rectification order u/s.221(1) for Tax Year 2016 and created demand of Rs.1,390,922/- for adjustments of undetermined income-tax refund. However, subsequently Refund Order dated 05.07.2022 has been passed u/s.170(3) of Income Tax Ordinance, 2001 for Tax year 2015, determining refund and also adjusting the above demand of Rs.1390,922/- for tax year 2016 against said refund. The matter is closed now.	SMPL & FBR	30 May 2022
Federal Board of Revenue (FBR)	For Tax years 2018, 2020 and 2021, Notices were received for u/s.176 seeking information for purposes of monitoring of withholding-taxes for all aforesaid years were responded and no further action has been taken. The matter seems to be closed now is no further action taken for issue of show cause notices.	SMPL & FBR	2018
Federal Board of Revenue (FBR)	De-Registration from Sales Tax of the Company as per Order dated 08.07.2021 show cause notices were issued u/s.11(2) of the Sales Tax Act, 1990 for levy of penalty of Rs.10,000/- each for alleged non-filing of Monthly Sales Tax Returns from July-December, 2021 which were responded by letters dated March 02, 2022 and April 07, 2022. The matter is closed and no further action has been taken.	SMPL & FBR	02 Mar 2022
17.2 Contingencies of the associated Company - Treet Corporation Limited			
Federal Board of Revenue (FBR)	During previous years, the Additional Commissioner of Income Large Taxpayer Unit (LTU) passed an order u/s 12(9A) of Income Tax Ordinance for the assessment year 2000-01, creating an income tax demand of Rs. 12.79 million along with an additional tax of Rs. 2.01 million. The department adjusted the said demand against the income tax refunds of the Holding company for the tax year 2006. 'The Holding company through it tax advisor, filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2006

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Federal Board of Revenue (FBR)	During previous years, with respect to the tax year 2004, the Additional Commissioner Inland Revenue (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 and created an income tax demand of Rs 6.56 million with respect to issue of proration of profits between local and export sales. The Holding company filed an appeal before CIR (Appeals) which was decided against the Holding company. Being aggrieved, the Holding company preferred an appeal dated 26 May 2014 before ATIR which is pending adjudication at the year end. In the meanwhile, the Holding company filed a rectification application for not giving credit of tax paid, with income tax return, amounting to Rs 3.94 million, while computing the total tax demand of Rs. 6.56 million. The assessing officer accepted the Holding company's contention and reduced the tax demand from 6.56 million. to Rs. 2.62 million vide order dated 30 June 2015. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2004
Federal Board of Revenue (FBR)	During previous years, with respect to the tax year 2013, the Additional Commissioner Inland Revenue (ACIR) passed an order dated 28 February 2019, u/s 122(5A) of Income Tax Ordinance 2001 and created a tax demand of Rs. 10.06 million. The Holding company paid Rs 1 million (10% of demand), under protest, and recorded the same in advance tax. The Holding company preferred an appeal before the CIR (Appeals-1) which was decided in favor of the Holding company for majority of the matters. Being aggrieved, the tax department filed an appeal, dated 22 January 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2013
Federal Board of Revenue (FBR)	During the previous years, with respect to the tax year 2009, Additional Commissioner Inland Revenue (ACIR) vide order dated 30-06-2015, u/s 122(5A) of Income Tax Ordinance 2001, created an income tax demand of Rs. 15.7 million, where ACIR disallowed addition u/s 111(1)(a) amounting Rs. 20.15 million, adjustment of minimum tax u/s 113 amounting Rs. 3.77 million and allocation of expenses to dividend income. Being aggrieved the Holding company filed an appeal before CIR Appeals (CIR-A) which was decided in favor of the Holding company and case was remanded back to the assessing officer. Being aggrieved, during 2018, the department filed an appeal before ATIR with respect to disallowance of additions u/s 111(1)(a) amounting Rs. 20,159,000 which is pending adjudication at the year end. ACIR vide order dated 29 June 2019, u/s 124/129 of Income Tax Ordinance 2001, disallowed minimum tax amounting to Rs 3.77 million. Being aggrieved, the Holding company preferred an appeal before CIR (Appeals), dated 14 October 2019, which is decided in favor of the Holding company during the year, vide order no. 45, dated 30 November 2020. The management and	Treet & FBR	2009

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

	the tax advisor of the Holding company are confident of favorable outcome of the appeal filed by tax department against ATIR; therefore, no provision has been recorded in these consolidated financial statements.		
Federal Board of Revenue (FBR)	During previous years, with respect to the tax year 2017, Additional Commissioner Inland Revenue (ACIR), passed an order dated 30 November 2018, u/s 122(5A) of Income Tax Ordinance 2001, and created an income tax demand of Rs. 11.48 million. The Holding company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Holding company for majority of the matters and case was remanded back to assessing officer. The tax department filed an appeal before ATIR against the order of CIR(A). The Holding company also preferred an appeal before ATIR on account of difference issues such as proration of profit between local and export sale, disallowance u/s 65B, dividend income allocation etc. Both the counter appeals are pending adjudication at the year end. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2018
Federal Board of Revenue (FBR)	During previous years, the Deputy Commissioner Inland Revenue (DCIR) passed an order u/s 161/205 and created an income tax demand of Rs. 0.57 million, for tax year 2011. Against the said order, the Holding company filed an appeal before the CIR (Appeals) and got a relief of Rs. 0.21 million. The Holding company has filed a second appeal before the ATIR, with respect to remaining amount of Rs. 0.36 million which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident that the case will be decided in favor of the Holding company, therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2011
Federal Board of Revenue (FBR)	During the year, with respect to the tax year 2015, ACIR passed an order dated 21 April 2021 and created an income tax demand of Rs. 25.35 million. The Holding company has paid Rs 2.53 million (10% of demand), under protest, and recorded the same in advance tax. Being aggrieved the Holding company has preferred an appeal before CIR(A) which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2015
Federal Board of Revenue (FBR)	"During previous years, with respect to the tax period from July 2013 to June 2018, ACIR, vide order dated 23 May 2019, created a sales tax demand of Rs. 138.04 million on the contention that the Company has claimed illegal/ inadmissible input sales tax adjustment. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company. The department filed an appeal, dated 9 January 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements."	Treet & FBR	2019

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Federal Board of Revenue (FBR)	During the year, with respect to the tax period from July 2016 to June 2018, Additional Commissioner-III, Punjab Revenue Authority, Lahore, vide order dated 18 December 2020, created a Punjab sales tax demand of Rs. 175.15 million along with default surcharge and penalty of Rs. 141.82 million, on the contention that the Holding company has received services taxable services but failed to withhold and deposit the due tax as per provisions of the Punjab Sales Tax on Services (Withholding) Rules, 2015. Being aggrieved, the Holding company has filed an appeal, dated 22 February 2021, before Commissioner (Appeals), Punjab Revenue Authority, Lahore which has been heard on 02 June 2021 and 01 July 2021 and decision is awaited. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2016
Federal Board of Revenue (FBR)	During previous years, Assistant Commissioner Inland Revenue (ACIR) passed an order u/s 161/205 and created a tax demand of Rs. 2.18 million. The Holding company deposited the said amount, under protest, to government exchequer and recorded the same in advance tax. The Holding company filed an appeal before the CIR (Appeals) against the order of ACIR on 28 May 2019 which is pending adjudication at the year end.	Treet & FBR	2019

Based on the opinion of the Holding company's legal counsel, management is expecting a favorable outcome of the above cases. Therefore no provision has been recognized in these consolidated financial statements.

Contingencies - First Treet Manufacturing Modaraba

Federal Board of Revenue (FBR)	"For the tax period July 2011 to June 2013 a sale tax demand of Rs. 9,526,018 along with default surcharge of Rs. 35,463 and penalty amounting to Rs. 508,485 was created by ACIR, Audit Unit- 03, Zone-VI, CRTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissibility of input sales tax. Against this order, the Modaraba filed appeal before the Commissioner Inland Revenue (Appeals), Zone-II, Lahore and the learned CIR Appeals has decided the case in favor of the Modaraba. Against this order, the department went into an appeal before ATIR, pending adjudication until the year end."	First Treet Modaraba & FBR	2011-2013
Federal Board of Revenue (FBR)	"For the tax period July 2017 to June 2018 a sale tax demand of Rs. 14,753,014 along with penalty of Rs. 855,726 (aggregating to Rs. 15,608,740) was created by Deputy Commissioner Inland Revenue, Unit-08, Audit-01, LTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissible claim of input tax Rs. 13,574,483, non-compliance of 73 etc. Against this order the Modaraba filed appeal before the CIR (Appeals), Zone-1, Lahore on 26-05-2022 and the appeal was heard on 01-08-2022 but decision awaited. As per the opinion of legal advisor of the Modaraba, a favourable outcome is expected."	First Treet Modaraba & FBR	2017-2018

Notes to the Consolidated Financial Statements

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Federal Board of Revenue (FBR)	For the tax years 2011 and 2012, the Deputy Commissioner Inland Revenue (DCIR) passed orders under sections 161 and 205 of the Income Tax Ordinance, 2001 creating tax demands of Rs. 1.520 million and Rs. 41.364 million respectively. The Modaraba filed appeals against the orders passed by DCIR before Commissioner Inland Revenue CIR (Appeals - II) who decided the matters in favor of the Modaraba by deleting the tax demands. Tax department filed appeals since 07-04-2014 and 15-04-2014 against the decision of CIR (Appeals - II) before Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. The management and tax advisor of the Modaraba are of the view that favorable outcome is expected in the instant case as the Modaraba is fully compliant of withholding tax provisions.	First Treet Modaraba & FBR	2014
Federal Board of Revenue (FBR)	For the tax year 2017, the Inland Revenue Officer (IRO), E & C Unit-VII, Range-II, Zone-VI, CRTO, Lahore, passed orders under sections 161 and 205 of the Income Tax Ordinance, 2001 and arbitrarily created a tax demand of Rs. 1.807 million. The Modaraba filed appeals since 19-04-2018 against the order passed by IRO before Commissioner Inland Revenue (CIR) Appeals, Zone-II, Lahore which is pending adjudication. The management and tax advisor of the Modaraba are of the view that favorable outcome is expected in the instant case as the Modaraba is fully compliant of withholding tax provisions.	First Treet Modaraba & FBR	2018
Federal Board of Revenue (FBR)	For the tax period April 2016 to July 2017, the Assistant Commissioner Inland Revenue (ACIR), E & C Unit - 07, Zone-VI, CRTO, Lahore passed order under section 25 of the Sales Tax Act, 1990 creating a sales tax demand of Rs. 26.067 million along with penalty of Rs. 1.303 million mainly on the issue of inadmissibility of input sales tax and adjustment thereof against illegal claim. The Modaraba filed appeals since 28-07-2020 against the order passed by ACIR before Commissioner Inland Revenue CIR (Appeals), Zone-I, Lahore which is pending adjudication. The management and tax advisor of the Modaraba are of the view that the tax demand will be deleted by appellate authorities based a decision in favor of Registered Person (RP) on this issue by the Lahore High Court, Lahore.	First Treet Modaraba & FBR	2020

Based on the opinion of tax advisor of the Modaraba's legal counsel, management is expecting a favourable outcome of the above cases. Therefore, no provision in this regard has been recognised in these consolidated financial statements.

Commitments

Outstanding letters of credit as at 30 June 2022 amounted to Rs. 72.71 million (2021: Rs. 868.63 million).

Outstanding capital commitments as at 30 June 2022 amounted to Rs. 174.98 million (2021: Rs. 217.56 million).

Guarantees given by banks on behalf of the Holding Company in favour of Sui Northern Gas Pipeline Limited and Government Institutions, as at 30 June 2021, amounts to Rs. 7.40 million (2021: Rs. 290.615 million).

Guarantees given by the Holding Company to various financial institutions on behalf of First Treet Manufacturing Modaraba and Renacon Pharma Limited as at 30 June 2022 amounts to Rs. 2,758 million (2021: Rs. 2,758 million) and Rs. 444 million (2021: Rs. 444 million) respectively.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

17.3 Commitments Treet Holdings Limited

2022	2021
(Rupees)	

17.3.1 Guarantees

Guarantees issued by banks on behalf of the Group

710,749	710,749
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17.3.2 Letters of credit

Letters of credit issued by various banks on behalf of the Group in ordinary course of the business (outstanding at year end)

627,972,442	941,188,793
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17.3.3 The Company has issued post dated cheques to Total PARCO Limited and Atlas Insurance Company Limited as security deposits amounting to Rs. 0.3 million (2021: Rs. 4.34 million) and 25.9 million (2021: nil) respectively.

17.3.4 Commitments in respect of capital expenditures of HAWL:

2022	2021
(Rupees)	

Property, plant and equipment

686,040,464	782,431,368
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Description	Currency	2022			2021	
		Original contract price	Amount forego on termination of contract	Paid till date	Outstanding commitments	Outstanding commitments
Painting plant for alloy wheels manufacturing	USD Rupees equivalent	10,760,500 1,787,567,537		(8,600,500) (1,192,555,052)	2,160,000 595,012,485	2,160,000 595,012,485
Low Pressure Die Casting Machine	USD Rupees equivalent	3,340,000 526,545,388		(3,006,000) (470,416,488)	334,000 56,128,900	334,000 56,128,900
Contract with Descon Engineering (Private) Limited	USD Rupees equivalent	11,516,668 1,347,450,167	(823,854) (96,390,904)	(10,394,533) (1,216,160,184)	298,281 34,899,079	1,122,135 131,289,983
Contract with Descon Engineering (Private) Limited	Rupees	61,340,590	(3,015,992)	(58,324,598)	-	3,015,992

18. SHARE CAPITAL

18.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2021: 400,000,000) ordinary shares of Rs. 10 each.

18.2 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2022	2021		2022	2021
(Number of shares)			(Rupees)	
153,770,000	153,770,000	Ordinary shares of Rs. 10 each fully paid in cash	1,537,700,000	1,537,700,000
97,480,000	97,480,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	974,800,000	974,800,000
251,250,000	251,250,000		2,512,500,000	2,512,500,000

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

18.3 The break-up of share capital is as follows:

Description of Shareholders	2022		2021	
	Number of shares	% of Holding	Number of shares	% of Holding
Syed Shahid Ali (Chairman)	94,651,139	37.67%	104,376,139	41.54%
Treet Corporation Limited (Associate)	31,387,657	12.49%	31,387,657	12.49%
Directors	8,379,151	3.33%	5,894,845	2.35%
Other shareholders	116,832,053	46.50%	109,591,359	43.62%
	251,250,000	100%	251,250,000	100%

19. NON CONTROLLING INTERESTS (NCI)

19.1 Non-controlling interest (NCI) NCI

The following table summarizes the information relating to the Group's subsidiaries that have non-controlling interest (NCI).

	2022				Intra group eliminations	Total
	SMPL	SAIL	MAIL	HAWL		
	(Percentage)					
NCI percentage	0%	9%	8%	20%		
	(Rupees)					
Non current assets	-	298,794,028	103,072,727	4,790,371,441		
Current assets	101,457,434	960,931,697	311,548,756	479,550,976		
Non-current liabilities	-	(10,881,731)	(5,744,751)	(1,023,120,543)		
Current liabilities	(15,029,425)	(532,899,979)	(127,606,262)	(4,025,411,779)		
Net Assets	86,428,009	715,944,015	281,270,470	221,390,095		
Net assets attributable to NCI	-	64,434,961	22,501,638	44,278,019	(20,909,544)	110,305,074
Revenue - net	-	468,400,059	162,605,367	-		
Profit / (loss) for the year	5,228,297	71,476,320	28,038,412	(447,608,365)		
Other comprehensive income (OCI)	-	-	-	-		
Total comprehensive income	5,228,297	71,476,320	28,038,412	(447,608,365)		
Profit / (loss) allocated to NCI	-	6,432,869	2,243,073	(89,521,673)	(6,603,947)	(87,449,678)
Cash flows from operating activities	(2,733,160)	99,667,500	48,779,555	(20,947,031)		
Cash flows from investment activities	-	(9,051,235)	(2,306,757)	185,126		
Cash flows from financing activities (dividends to NCI: nil)	2,780,000	(81,971,526)	(44,491,046)	14,197,151		
Net increase / (decrease) in cash and cash equivalents	46,840	8,644,739	1,981,752	(6,564,754)		

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	2021				Intra group eliminations	Total
	SMPL	SAIL	MAIL	HAWL		
	(Percentage)					
NCI percentage	0%	9%	8%	20%		
	(Rupees)					
Non current assets	-	298,410,731	104,068,818	4,748,123,207		
Current assets	92,450,477	997,178,304	344,001,056	481,913,084		
Non-current liabilities	-	(33,314,824)	(12,793,400)	(1,053,731,717)		
Current liabilities	(11,250,765)	(617,806,016)	(182,044,416)	(3,507,306,114)		
Net Assets	81,199,712	644,468,195	253,232,058	668,998,460		
Net assets attributable to NCI	-	58,002,138	20,258,565	133,799,692	(14,305,643)	197,754,752
Revenue - net	-	365,461,130	98,767,870	-		
Profit / (loss) for the year	2,501,185	63,232,265	17,499,520	(344,019,539)		
Other comprehensive income (OCI)	-	-	-	-		
Total comprehensive income for the year	2,501,185	63,232,265	17,499,520	(344,019,539)		
Profit / (loss) allocated to NCI	-	5,690,904	1,399,962	(68,803,908)	-	(61,713,042)
Cash flows from operating activities	(4,292,755)	(125,999,239)	(67,339,338)	(117,541,834)		
Cash flows from investment activities	-	(5,279,336)	965,104	(340,012,796)		
Cash flows from financing activities (dividends to NCI: nil)	3,410,000	130,627,204	65,665,927	411,254,482		
Net increase (decrease) in cash and cash equivalents	(882,755)	(651,371)	(708,307)	(46,300,148)		

20. LEASE LIABILITIES

	2022	2021
	(Rupees)	
Opening balance	1,749,826	1,740,541
Addition during the year	34,201,600	1,146,400
financial charges accrued during the year	2,658,343	27,948
Repayment of lease liabilities	(8,281,510)	(1,165,063)
Closing balance	30,328,259	1,749,826

20.1 Breakup of lease liabilities

Lease liability	30,328,259	1,749,826
Less: Current maturity	(6,500,095)	(839,504)
	23,828,164	910,322

	2022			2021		
	Minimum lease payments	Interest	Present value minimum lease payments	Minimum lease payments	Interest	Present value minimum lease payments
	(Rupees)			(Rupees)		
Maturity analysis - contractual undiscounted cash flows:						
Less than one year	10,856,244	4,356,149	6,500,095	939,828	100,324	839,504
One to five years	29,123,392	5,295,228	23,828,164	1,093,050	182,728	910,322
More than five years	-	-	-	-	-	-
Total undiscounted lease liabilities at 30 June 2021	39,979,636	9,651,377	30,328,259	2,032,878	283,052	1,749,826

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21. DEFERRED TAX LIABILITIES / (ASSETS) - NET

Taxable temporary differences
Deductible temporary differences

2022	2021
(Rupees)	
91,777,582	86,297,643
(67,388,297)	(69,243,776)
24,389,285	17,053,867

21.1 Analysis of change in deferred tax

Breakup and treatment of deferred tax balances are as follows:

	2022				2021			
	Balance at 1 July 2021	Recognised in consolidated profit and loss	Recognised in consolidated other comprehensive income	Balance at 30 June 2022	Balance at 1 July 2020	Recognised in consolidated profit and loss	Recognised in consolidated other comprehensive income	Balance at 30 June 2021
	(Rupees)				(Rupees)			
Taxable temporary differences								
- Accelerated tax depreciation	84,634,895	14,980,814	-	99,615,709	86,417,255	(1,782,360)	-	84,634,895
- Finance lease arrangements	1,662,748	(9,500,875)	-	(7,838,127)	1,665,441	(2,693)	-	1,662,748
Deductible temporary differences								
- Provision for unrealised gain on re-measurement of investments	(196,660)	(1,052,152)	-	(1,248,812)	(196,363)	-	(297)	(196,660)
- Share of profit from associated company	(7,167,246)	(1,651,182)	(2,647,749)	(11,466,177)	(14,764,473)	7,597,227	(1,843,561)	(7,167,246)
- Expected credit loss	-	-	-	-	(3,580,680)	3,580,680	-	-
- Intangibles	(833,584)	835,259	-	1,675	(941,989)	108,405	-	(833,584)
- Allowance for inventory obsolescence	(7,682,292)	(3,052,234)	-	(10,734,526)	(8,498,714)	816,422	-	(7,682,292)
- Provision against compensated absences	(57,007)	56,062	-	(945)	(615,432)	558,425	-	(57,007)
- Provision for Bonus	-	(28,321,184)	-	(28,321,184)	-	-	-	-
- Carry forward losses	(44,209,603)	44,209,603	-	-	(57,941,493)	13,731,890	-	(44,209,603)
- Remeasurement of defined benefit liability	(9,097,384)	-	(6,520,944)	(15,618,328)	(11,044,682)	-	1,947,298	(9,097,384)
	17,053,867	16,504,111	(9,168,693)	24,389,285	(9,501,130)	24,607,996	103,440	17,053,867

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22. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at 30 June 2022 on the basis of projected unit credit method as per the requirements of approved accounting standard - IAS 19 "Employee Benefits". The assumptions used in actuarial valuation were as follows:

22.1 Actuarial assumptions

Financial assumptions

- Discount rate
- Discount rate used for interest cost in profit or loss account
- Expected rate of increase in salary level

2022	2021
(Rupees)	
13.25%	10.00%
10.00%	8.50%
12.25%	9.00%

Demographic assumptions

- Mortality rate

"SLIC 2001 - 2005
Setback 1 Year"

"SLIC 2001 - 2005
Setback 1 Year"

22.2 Amount recognised in the consolidated balance sheet

	Note	2022			2021		
		Management	Non- Management	Total	Management	Non- Management	Total
		(Rupees)			(Rupees)		
Present value of defined benefit obligation	22.2.1	57,313,043	19,549,473	76,862,516	40,558,050	15,931,187	56,489,237
Fair value of plan assets	22.2.2	(32,842,501)	(8,919,121)	(41,761,622)	(35,632,006)	(16,321,521)	(51,953,527)
Payables		-	-	-	-	-	-
Net liability at end of the year		24,470,542	10,630,352	35,100,894	4,926,044	(390,334)	4,535,710

22.2.1 Movement in present value of defined benefit obligation

Opening balance	40,558,050	15,931,187	56,489,237	34,008,162	15,180,704	49,188,866
Current service cost	2,296,058	562,604	2,858,662	2,010,224	543,479	2,553,703
Past Service Cost (credit)	9,949,508	3,328,506	13,278,014			
Interest costs	3,971,288	1,522,914	5,494,202	2,843,910	1,244,262	4,088,172
Benefits paid by the plan	(1,690,335)	(1,404,100)	(3,094,435)	(1,100,806)	(1,084,655)	(2,185,461)
Benefits due but not paid (payable)	-	-	-	-	-	-
Re-measurements gain on obligation	2,228,474	(391,638)	1,836,836	2,796,560	47,397	2,843,957
Closing balance	57,313,043	19,549,473	76,862,516	40,558,050	15,931,187	56,489,237

22.2.2 Movement in the fair value of plan assets

Opening balance	35,632,006	16,321,521	51,953,527	25,770,366	8,584,084	34,354,450
Interest income	3,728,934	1,587,197	5,316,131	2,344,144	838,325	3,182,469
Contribution paid into the plan	5,005,000	505,000	5,510,000	4,716,399	3,641,796	8,358,195
Benefits paid by the plan	(1,690,335)	(1,404,100)	(3,094,435)	(2,018,726)	(1,481,641)	(3,500,367)
Re-measurements gain / (loss) on plan assets	(9,833,104)	(8,090,497)	(17,923,601)	4,819,823	4,738,957	9,558,780
Closing balance	32,842,501	8,919,121	41,761,622	35,632,006	16,321,521	51,953,527

22.2.3 Amounts recognised in the consolidated profit or loss account

Current service cost	2,296,058	562,604	2,858,662	2,010,224	543,479	2,553,703
Past Service Cost (credit)	9,949,508	3,328,506	13,278,014			
Interest cost	3,971,288	1,522,914	5,494,202	2,843,910	1,244,262	4,088,172
Interest income	(3,728,934)	(1,587,197)	(5,316,131)	(2,344,144)	(838,325)	(3,182,469)
Expense for the year	12,487,920	3,826,827	16,314,747	2,509,990	949,416	3,459,406

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22.2.4 Amounts recognised in the consolidated other comprehensive income

Re-measurement loss on obligation	22.2.4.1	2,228,474	(391,638)	1,836,836	2,796,560	47,397	2,843,957
Re-measurement of fair value of plan assets		9,833,104	8,090,497	17,923,601	(4,819,823)	(4,738,957)	(9,558,780)
Re-measurement (gain) / loss for the year		<u>12,061,578</u>	<u>7,698,859</u>	<u>19,760,437</u>	<u>(2,023,263)</u>	<u>(4,691,560)</u>	<u>(6,714,823)</u>

22.2.4.1 Re-measurement loss / (gain) on obligation

Loss / (gain) due to change in financial assumptions		145,401	39,150	184,551	63,695	20,119	83,814
Loss / (gain) due to change in experience adjustments		<u>2,083,073</u>	<u>(430,788)</u>	<u>1,652,285</u>	<u>2,732,865</u>	<u>27,278</u>	<u>2,760,143</u>
		<u>2,228,474</u>	<u>(391,638)</u>	<u>1,836,836</u>	<u>2,796,560</u>	<u>47,397</u>	<u>2,843,957</u>

22.2.5 Net recognized liability / (asset)

Net liability at beginning of the year		4,926,044	(390,334)	4,535,710	9,155,716	6,993,606	16,149,322
Expense recognised in consolidated statement of profit and loss		12,487,920	3,826,827	16,314,747	2,509,990	949,416	3,459,406
Contribution paid into the plan		(5,005,000)	(505,000)	(5,510,000)	(4,716,399)	(3,641,796)	(8,358,195)
Re-measurement (gain) / loss recognised in consolidated other comprehensive income					(2,023,263)	(4,691,560)	(6,714,823)
Net liability / (asset) at end of the year		<u>12,061,578</u>	<u>7,698,859</u>	<u>19,760,437</u>	<u>(2,023,263)</u>	<u>(4,691,560)</u>	<u>(6,714,823)</u>
		<u>24,470,542</u>	<u>10,630,352</u>	<u>35,100,894</u>	<u>4,926,044</u>	<u>(390,334)</u>	<u>4,535,710</u>

22.3 Plan assets comprise of the following

	2022		2021	
	Management	Non-Management	Management	Non-Management
	(Rupees)		(Rupees)	
Government securities	17,255,611	4,119,622	17,350,172	4,146,177
Equity shares	5,805,560	4,091,542	12,920,511	9,105,894
Others	9,781,330	707,958	5,361,323	3,069,450
	<u>32,842,501</u>	<u>8,919,122</u>	<u>35,632,006</u>	<u>16,321,521</u>

22.4 Sensitivity analysis for actuarial assumptions

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

	2022		2021	
	Management	Non-Management	Management	Non-Management
	(Rupees)		(Rupees)	
Discount rate +1%	54,742,723	18,822,610	38,546,024	15,261,738
Discount rate -1%	60,216,885	20,326,170	42,839,493	16,650,398
Salary increase +1%	60,247,793	20,333,967	42,863,334	16,657,552
Salary increase -1%	54,671,508	18,802,586	38,489,718	15,243,041

Notes to the Consolidated Financial Statements

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22.5 Expected charge for the year ending 30 June 2023 is Rs. 8.3 million.

22.6 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) Mortality 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.

22.7 Historical information

	30 June				
	2021	2020	2019	2018	2017
	(Rupees)				
Present value of defined benefit obligation	56,489,237	50,503,772	45,088,642	39,088,649	46,295,653
Fair value of plan assets	(51,953,527)	(34,354,450)	(34,621,402)	(44,405,857)	(46,008,258)
Net liability / (asset)	4,535,710	16,149,322	10,467,240	(5,317,208)	287,395

22.8 Gratuity for the year recognised in the consolidated profit or loss has been allocated as follows:

	Note	2022	2021
		(Rupees)	
Cost of revenue	29.3	3,826,827	2,647,792
Administrative, selling and general expenses	30.1	12,487,920	811,614
		16,314,747	3,459,406

23. LONG-TERM LOAN

Secured

Term finance - under SBP refinance scheme for payment of wages	23.1	55,530,107	160,940,598
Loan from JS Bank Limited	23.2	213,750,000	270,750,000
Loan from Orix Leasing Pakistan Limited	23.3	80,903,556	14,968,523
Karobar Financing	23.4	-	80,000,000
Islamic finance (diminishing Murabaha)		-	199,946,480
Demand finance		1,028,462,135	1,118,515,655
Loan from Gulf leasing	23.5	14,728,760	-
Pak Kuwait Investment Company	23.6	95,911,250	-
Allied Bank	23.7	174,156,751	-
Less: Current portion		(433,625,552)	(543,658,900)
		1,229,817,007	1,301,462,356

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23.1 In 2020, the Group availed salary refinance facility from JS Bank under the State Bank of Pakistan's (SBP) "Refinance scheme for payment of wages and salaries to the workers and employees of Business concern" due to coronavirus pandemic for a period of two years and six months (inclusive of grace period of six months). The Group has obtained the loan in four tranches in May 2020, June 2020, July 2020 and October 2020. This facility is secured by first hypothecation charge on current and future plant and machinery of the Group situated at Karachi. This facility carries mark-up at concessional rate of 3% per annum. Principal amount is payable in 8 equal quarterly installments and repayment of financing has been started from January 2021.

23.2 In 2020, the Group entered into a long term loan facility from JS Bank Limited of Rs. 300 million for cash flow management of the Group. This facility is secured by charge over current and future assets of the Group. During the year, the Group has made repayments of principal amounting to Rs. 14.250 million together with mark-up thereon. This facility carries mark-up ranging from 3 months KIBOR plus 2% to 3 months KIBOR plus 3.5% per annum (2021: ranging from 3 months KIBOR plus 2% to 3 months KIBOR plus 3.5% per annum) repayable quarterly from the disbursement date.

Due to current pandemic of COVID 19, the Group through its letter dated 15 April 2020 requested the Bank to provide relief to the Group as per directives issued under Circular Letter no.13 of 2020 dated 26 March 2020, by State Bank of Pakistan for deferment of principal repayments for one year. The Bank through its addendum to the agreement dated 7 July 2020 approved request of the Group and extended the facility date till 9 January 2026.

23.3 In prior year, the Group availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 30.2 million for cashflow management of the Group. This facility is secured by hypothecation charge over specified assets of the Group. During the year, the Group has made repayments of Rs. 9.75 million together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 4.75% per quarter (2021: 3 months KIBOR plus 4.75%) repayable on monthly basis from the disbursement date.

23.4 Prior year figure represents Karobar finance facility available from BankIslami Pakistan Limited having limit of Rs. 200 million (2021: Rs 200 million), to fulfill working capital requirement through Shari'ah compliant mechanism.

As at 30 June 2022, balance reflecting during the year change in facility from Karobar to Tijarah Facility of 80 million. This facility is secured by ranking charge over current and future assets of the Company. This facility carry mark-up at the rate of 3 month KIBOR plus 2.5% (2021: 1 year KIBOR plus 0.5%) and is repayable maximum within 90 days.

Due to current pandemic of COVID 19, the Group through its letter dated 15 April 2020 requested the Bank to provide relief to the Group as per directives issued under circular letter no.13 of 2020 dated 26 March 2020, by State Bank of Pakistan for deferment of principal repayments for one year. The Bank through its letter dated 20 May 2020 approved request of the Group and revised the payment date till 17 August 2021.

23.5 During the year, the Group availed long term financing facility from PAK Gulf of Rs. 16.9 million. for cash flow management of the Company. This facility is secured by hypothecation charge over present fixed assets (including plant and machinery) of the Company. During the year, the Company has made payments of mark-up Rs. 3.72 million. This facility carried mark-up at 3 months KIBOR plus 3.99% per annum repayable on quarterly basis from the disbursement date.

23.6 During the year, the Group availed long term financing facility from PAK Kuwait of Rs. 200 million out of which 95 million has been availed for cash flow management of the Company. This facility is secured by hypothecation charge over present and future fixed assets (including land, building and plant and machinery) of the Company. During the year, the Company has made payments of mark-up Rs. 3.77 million. This facility carried mark-up at 3 months KIBOR plus 2% per annum repayable on quarterly basis from the disbursement date.

23.7 This facility has been obtained from Allied Bank for working capital requirements and facility is secured by hypothecation charge over present and future current assets of the Group and is expiring by June 2023. This facility carries mark-up at 3 month KIBOR plus 1% per annum (2021: 3 month KIBOR plus 1.5 % per annum).

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24. GAS INFRASTRUCTURE DEVELOPMENT CESS

The Honorable Supreme Court of Pakistan decided the appeal against consumers upholding the vires of the Gas Infrastructure Development Cess Act, 2015 (GIDC Act), through its judgement dated August 13, 2020. The Supreme court on November 02, 2020 ordered that their decision of August 13, 2020 has validated the GIDC Act in complete sense and the benefits allowed under Section 8(2) of the GIDC Act to the industrial sector is also available. Further, payment of due Gas Infrastructure Development Cess (the Cess) was allowed in 48 installments instead of 24 installments.

During the year, the balance has been completely unwound.

25. DEFERRED GRANT

		2022	2021
	Note	(Rupees)	
Government grant		424,227	6,194,301
Less: Current portion of Government grant		(424,227)	(5,770,074)
	23.1	-	424,227

25.1 The Institute of Chartered Accountants of Pakistan issued a publication through circular no.11/2020 to clarify accounting of the long term loan (note 23). Accordingly, the Group has measured and recognised the loan liability and deferred capital grant in accordance with the said publication and requirements of relevant IFRSs.

26. SHORT-TERM BORROWINGS

		2022	2021
	Note	(Rupees)	
Secured			
Running finances under mark-up arrangements	26.1	1,175,372,893	1,148,350,204
Soneri Bank Limited - Local bill discounting		385,000,000	430,559,076
Standard Chartered Bank - Local bill discounting		222,258,916	-
Islamic financing		443,775,602	266,067,501
		2,226,407,411	1,844,976,781

26.1 Running finances under mark-up arrangements

Allied Bank Limited		-	282,861,835
JS Bank Limited		298,722,492	116,512,813
MCB Bank Limited		198,468,699	199,915,566
Askari Bank Limited		200,000,000	198,860,638
Habib Metropolitan Bank Limited		94,947,788	155,817,293
Bank AL Habib Limited		90,246,480	74,756,965
Pak Kuwait Investment company		200,000,000	-
Soneri Bank Limited		92,987,434	119,625,094
	26.1.1	1,175,372,893	1,148,350,204

26.1.1 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 and HAWL, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 31 March 2022. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

These facilities carry mark-up at the rate ranging from 01 month KIBOR plus 1.25% to 3 month KIBOR plus 1.50% per annum (2021: 01 month KIBOR plus 1.0% to 3 month KIBOR plus 1.50% per annum).

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The aggregate available short term borrowing facilities amounting to Rs. 1,270 million (2021: Rs. 2,155 million) out of which Rs. 96.36 million (2021: 328 million) remained unavailed at the reporting date.

26.2 Facilities available for opening letters of credit / guarantees at 30 June 2022 amounted to Rs. 2,555 million (2021: Rs. 2,555 million) out of which Rs. 2,497 million (2021: Rs. 2,497 million) remained unutilized at the reporting date.

26.3 Covenants compliance matter

During the year, HAWL has received waiver from MCB & Bank of Punjab against the breach of certain financial covenants accordingly, HAWL is required to repay the loan as per agreed repayment schedule.

As at 30 June 2022, company's debt:equity ratio was 96:4 which resulted in breach of the Bank of Punjab (BOP) loan covenant agreed on 6 August 2018. However, keeping in view the waiver received from BOP and MCB, the loan is classified as Non-Current Liability.

26.4 Details of loans and borrowings of HAWL are as follows:

Name of Lender and date of agreement	Facilities	Repayment	Security	Significant loan covenants	Mark-up rate	Average mark-up rate	Limit (Rupees)	Outstanding Amount (Rupees)
The Bank of Punjab (BOP) (6 August 2018)	Demand Finance (DF)	Five equal yearly instalments, commencing from 21 November 2021.	- Exclusive charge of Rs. 666.67 million over specific plant and machinery being imported by Habib Bank Limited with 25% margin. - Corporate guarantee of Loads	- Debt: equity ratio to be maintained at 33:67 at all time. - Project progress report to be submitted on quarterly basis. - No change in sponsor directorship / major shareholding of company without prior NOC	3 months KIBOR plus 1%	10.62%	300,000,000	199,946,480
MCB Bank Limited (MCB) (1 June 2018)	Demand Finance (DF)	On yearly basis in arrears for 1 year after the grace period and subsequently on quarterly basis in arrears till the proposed maturity of the loan.	- First exclusive charge over entire present and future fixed assets (land, building and plant and machinery) including 25% margin. - Corporate guarantee of Loads Limited	- The Company shall undertake not to avail any borrowing facility from any other bank for retirement of LC against which this facility is utilized. - Bill of entry should not be more than 30 days old. - No dividend payment during the relief period to be allowed. - Financial covenants as follows: - Linkage ratio < 2 times - Leverage ratio < 2.5 times - Current ratio > 1	3 month KIBOR plus 1%	8.04%	868,515,655	868,515,655
JS Bank Limited	Salary Refinance Facility	8 equal quarterly instalments starting from 1 January 2021.	- Ranking hypothecation charge of Rs.100 million on all present and future plant and machinery of the Company. - 1st equitable mortgage charge of PKR 693.73 million over land & building and plant and machinery. - 1st pari passu hypothecation charge of PKR 56 million over stocks & books debts of the company. - Corporate guarantee of Loads Limited	Financial covenants are as follows: - Leverage ratio < 2.5 times - DSCR to remain -0.5 times - Current ratio to remain at least 0.5:1	3%	3%	11,861,545	8,896,159
Total							1,180,377,200	1,077,358,294

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27. TRADE AND OTHER PAYABLES

	Note	2022	2021
		(Rupees)	
Trade creditors		519,156,777	172,889,862
Accrued liabilities		99,520,615	93,208,332
Other liabilities			
Advance from customers	27.6	58,234,184	40,922,777
Book overdrawn		-	1,628,751
Mobilization advances	27.3	105,586,724	38,272,254
Workers' profit participation fund	27.1	36,031,538	17,813,913
Provision for compensated absences		2,864	196,577
Workers' welfare fund	27.2	13,541,822	11,139,756
Withholding tax payable		7,457,459	8,701,592
Security deposit from contractors	27.4	262,000	262,000
Sales tax payable		26,468,617	17,208,536
Payable to provident fund		10,451,344	9,541,814
Current portion of Gas Infrastructure Development Cess		868,472	1,085,754
Provision against unclaimed input tax		74,199,254	74,199,252
Provision for bonus		89,808,807	
Other payables	27.5	22,907,809	26,258,985
		1,064,498,286	513,330,155

27.1 Workers' Profit Participation Fund

Opening balance		17,813,913	2,969,298
Charge for the year	31	33,046,362	14,557,484
Mark-up charged during the year	33	191,249	287,131
Write-off during the year		-	-
Less: Payments during the year		(15,019,986)	-
Closing balance		36,031,538	17,813,913

27.2 Workers' Welfare Fund

Opening balance		11,139,756	5,056,637
Charge for the year	31	13,350,492	6,083,119
Less: Payments during the year		(10,948,426)	-
Closing balance		13,541,822	11,139,756

27.3 These carry mark-up.

27.4 This represents security deposit received from contractors against provision of services, kept in the Group's bank account.

27.5 This includes amounts deducted from employees' salaries against vehicles (used by employees) to be sold to the employees upon completion of respective useful lives of the vehicles.

27.6 This includes Rs. 44.9 million (2021:Rs. 37.01 million) received from scrap dealer against future sale of scrap and ancillary items.

Notes to the Consolidated Financial Statements

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28. REVENUE - NET

	Note	2022	2021
		(Rupees)	
Local sales	28.1	9,144,053,719	5,550,644,167
Less: Sales returns		(28,227,273)	(21,265,030)
		9,115,826,446	5,529,379,137
Less: Sales tax		(1,323,871,137)	(812,150,739)
		7,791,955,309	4,717,228,398

28.1 This includes scrap sales amounting to Rs. 297.58 million (2021: Rs. 130.58 million).

29. COST OF REVENUE

Raw materials and components consumed	29.1	5,472,290,131	3,237,731,910
Ancillary materials consumed	29.2	146,602,146	117,118,549
Manufacturing expenses			
Salaries and wages		393,346,171	325,602,134
Other employees' benefits	29.3	269,553,427	126,849,833
Provident fund contribution		3,243,091	2,899,848
Toll manufacturing		125,617,550	90,717,030
Depreciation	6.1.6	77,532,663	80,307,209
Gas, power and water		77,352,145	52,621,686
Travelling and vehicle running cost		14,611,527	9,425,911
Insurance		10,841,341	12,321,636
Repairs and maintenance		36,595,969	18,487,837
Postage, telephone and telex		1,147,961	1,918,716
Inward freight and storage charges		1,276,371	1,813,180
Conveyance		30,989,650	22,791,572
Rent, rates and taxes		1,461,308	2,070,814
Printing, stationery and periodicals		143,494	113,885
Royalty expense	29.4	18,566,326	21,133,010
General expenses		4,567,413	4,089,623
Security services		603,572	567,457
Transferred to capital work-in-progress		(22,477,678)	(15,411,657)
Manufacturing cost		1,044,972,301	758,319,724
Opening stock of work-in-process		71,111,109	74,331,500
Impact of recording revenue over time		141,980,611	67,890,719
Closing stock of work-in-process	9	(106,545,860)	(71,111,109)
		106,545,860	71,111,110
Cost of goods manufactured		6,770,410,438	4,184,281,293
Opening stock of finished goods		-	-
Impact of recording revenue over time		74,105,227	33,993,099
Closing stock of finished goods	9	-	-
Net change in finished goods		74,105,227	33,993,099
		6,844,515,665	4,218,274,392

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29.1 Raw materials and components consumed

		2022	2021
		(Rupees)	
Opening balance		1,342,414,312	1,336,158,261
Purchases		5,727,507,582	3,262,473,560
Less: Purchase returns		(65,376,503)	(20,708,981)
		7,004,545,391	4,577,922,840
Closing balance	9	(1,544,914,809)	(1,342,414,312)
Charge for the year	9.1	12,659,549	2,223,382
		5,472,290,131	3,237,731,910

29.2 Stores and spares consumed

Opening inventory		70,811,900	76,560,562
Purchases		130,853,312	111,369,887
		201,665,212	187,930,449
Closing inventory		(55,063,066)	(70,811,900)
		146,602,146	117,118,549

29.3 This includes a sum of Rs. 3.8 million (2021: Rs. 2.6 million) in respect of expense relating to gratuity.

29.4 This represents royalty in respect of providing technical information and assistance for the manufacturing of exhaust system. Details are as follows:

Name of Recipient	Relationship with the Group	Registered Address	2022	2021
			(Rupees)	
Futaba Industrial Co. Limited	Technical Advisor	1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558	10,965,495	8,422,794
SNIC Co. Limited	Technical Assistance	1403 Higashihiratsutsu, Iwata-shi, Shizuoka-ken, Japan	7,600,831	12,710,216
			18,566,326	21,133,010

30. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

Salaries and wages		132,427,867	108,496,660
Other employees' benefits	30.1	40,631,985	23,822,219
Provident Fund contribution		2,146,298	1,477,124
Advertising and sales promotion		15,666,933	9,551,640
Travelling and vehicle running cost		10,659,456	6,559,173
Outward freight		34,485,144	20,694,027
Depreciation	61.6	10,550,965	9,647,116
Amortisation	7	1,246,096	344,797
Legal and professional charges		14,297,842	9,775,201
Rent, rates and taxes		4,496,807	3,247,195
Listing expense		-	27,858,269
Postage, telephone and telex		4,542,323	3,703,826
Conveyance		3,948,882	1,860,272
Auditor's remuneration	30.2	7,542,800	4,175,530

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	2022	2021
	(Rupees)	
Electricity	2,686,182	1,811,135
Repairs and maintenance	348,892	413,146
Entertainment	462,174	290,261
Printing, stationery and periodicals	2,181,858	2,109,314
Insurance	5,729,002	6,157,409
Donation	50,000	200,000
Staff Transportation	-	104,355
Commission expense	63,047	-
Rent expense	1,907,932	5,540,653
Sales Tax charges	-	2,320,769
Security charges	2,844,100	
General expenses	8,041,490	6,020,496
	306,958,075	256,180,587

30.1 This includes a sum of Rs. 12.48 million (2021: Rs. 0.81 million) in respect of employee benefits - gratuity.

30.2 Auditor's remuneration

Audit services

Audit fee	3,921,200	1,664,300
Interim review	831,600	262,500
Other audit services	1,000,000	1,000,000
Out of pocket expense	700,000	823,730
Certifications for regulatory purposes	1,090,000	425,000
	7,542,800	4,175,530

31. OTHER EXPENSES

Workers' Profit Participation Fund	27.1	33,046,362	14,557,484
Workers' Welfare Fund	27.2	13,350,492	6,083,119
Others		4,701	17,455,222
		46,401,555	38,095,825

32. OTHER INCOME

Income from financial assets

Profit on bank deposit		31,017	-
Dividend income	32.1	4,898,968	40,364
Mark-up income on loans to employees		2,241,920	1,998,536
Mark-up income on savings accounts		203,572	2,843,563
Government grant		5,770,080	9,612,833
Income on investment in PIB		863,050	653,223
Gain on remeasurement of Gas Infrastructure Development Cess		-	2,633,600
Unrealised gain on re-measurement of investments at FVTPL	15.1.1	-	342,978
Gain on redemption of investments	15.1.2	-	1,098,110
Gain on disposal of shares		50,323,849	-
Others		2,591,106	2,825,034
Exchange Gain		5,124,802	12,158,390
		72,048,364	34,206,631

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Income from assets other than financial assets

		2022	2021
		(Rupees)	
Gain on disposal of property, plant and equipment	6.1.7	3,381,635	8,765,005
Reversal of provision against inventory	9.1	6,621,345	5,038,629
Gain on scrap sale of packing material		-	749,540
Others		2,682,965	431,743
		12,685,945	14,984,917
		84,734,309	49,191,548

- 32.1** This represents dividend received from Indus Motor Company Limited, Baluchistan Wheels, Atlas Battery Limited, Millat Tractors Limited, Alghazi Tractors Ltd, Thal Limited, Agriautos Industries Limited and Honda Atlas Cars (Pakistan) Limited against investment as disclosed in note 15.

33. FINANCE COSTS

		2022	2021
		(Rupees)	
Mark-up on bank loans and borrowings		413,674,579	335,680,268
Exchange loss		68,061,099	-
Bank charges		7,954,303	4,155,912
Finance lease charges		2,658,343	27,948
Unwinding of Gas Infrastructure Development Cess		216,587	162,784
Mark-up on workers' profit participation fund	27.1	191,249	287,131
		492,756,160	340,314,043

34. TAXATION

Current		225,550,320	69,247,530
Prior		-	-
Deferred	21.1	16,504,111	24,607,996
	34.1	242,054,431	93,855,526

34.1 Reconciliation between tax expense and accounting profit

Profit / (loss) before taxation		155,799,224	90,297,753
Tax at the applicable rate of 29% (2021: 29%)		45,181,775	26,186,348
Effect of super tax @ 10%		56,300,255	-
Reversal of normal tax		125,980,970	96,866,959
Tax effect of share of profit from associate		(1,651,182)	7,597,227
Net effect of expenses not deductible in determining taxable income		10,921,427	1,131,101
Effect of change in deferred tax rate		3,294,619	-
Tax effect of income taxable as FTR		102,878	848
Others		1,923,689	(37,926,957)
		242,054,431	93,855,526

- 34.2** The returns of income tax have been filed up to and including tax year 2021 (corresponding to financial year ended upto 30 June 2021). These, except for those mentioned in note 17, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

- 34.3** HAWL received the status of Special Economic Zone Enterprise after its application for Zone Enterprise entry was accepted on 18 December 2018 by "National Industrial Parks Development and Management Company" located at Bin Qasim Industrial Park ('the Industrial Park') which is included in the list of Special Economic Zones. As per the Special Economic Zones Act,

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2012, the Company will be entitled to one time exemption from custom-duties and taxes on import of plant and machinery for installation in the Zone subject to verification by the Board of Investment (BOI) and exemption from all taxes on income for ten years if Commercial Production (CP) commences by 30 June 2020 and five years tax exemption if CP commences after 30 June 2020.

35. EARNING / (LOSS) PER SHARE - BASIC AND DILUTED	2022	2021
	(Rupees)	
Profit / (loss) for the year attributable to ordinary shareholders of the Company	1,194,471	58,155,269
	(Number)	
Weighted average number of ordinary shares outstanding during the year	251,250,000	199,097,039
	(Rupees)	
Earning / (loss) per share - basic and diluted	0.005	0.29

35.1 There were no convertible dilutive potential ordinary shares outstanding as at 30 June 2022 and 30 June 2021.

36. TRANSACTIONS WITH RELATED PARTIES

36.1 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 / contractual agreements. Transactions and balances with related parties, other than those disclosed elsewhere in these consolidated financial statements, are disclosed below:

Description of the related parties	Relationship and percentage shareholding	Transactions during the year and year end balances	2022	2021
			(Rupees)	
Provident fund	Defined benefit scheme	Receivable from / (Payable to) provident fund	4,318,920	3,432,833
Employee benefits - gratuity	Defined contribution plan	Expense for the year	16,314,747	3,459,406
		Contribution paid during the year	5,510,000	8,358,195
		Balance at the year end liability	(35,100,894)	(4,535,701)
Treet Corporation Limited	Associated company by virtue of common directorship	Mark-up income on PTC	-	-
		Receivable at the year end	1,150,380	1,150,380
IGI General Insurance Limited	Common directorship	Purchase of services	5,598,646	5,515,483
		Amount due at the year end	947,629	3,370,983
First Treet Manufacturing Modaraba	Common directorship	Purchase of batteries	163,884	319,861
Treet Holding (Private) Limited	Common directorship	Purchase of Motor-cycle	-	-
Treet HR Management (Private) Limited	Associated company by common directorship	Payable in respect of COO salary and service charges	22,048,871	22,048,871

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36.2 The remuneration to Board of Directors (executive and non-executive) and all members of the Group's Management Team is disclosed in note 41 to these consolidated financial statements.

37 Reconciliation of movement of liabilities to cash flows arising from financing activities

	Liabilities			Total
	Long term loan	Liabilities against assets subject to finance lease	Unclaimed dividend	
	------(Rupees)-----			
Balance as at 1 July 2021	1,845,121,256	1,749,826	3,527,781	1,850,398,863
Changes from financing cash flows				
Proceeds from loans and borrowings	438,073,276	-	-	438,073,276
Repayment of loans	(643,367,948)	-	-	(643,367,948)
Addition to lease	-	34,201,600	-	34,201,600
Payment of finance lease liabilities	-	(8,281,510)	-	(8,281,510)
Dividend paid	-	-	-	-
Cash received from Non controlling interest	-	-	-	-
Total changes from financing cash flows	(205,294,672)	25,920,090	-	(179,374,582)
Liability - related other changes				
Government grant income during the year	(5,770,080)	-	-	(5,770,080)
Finance cost	-	2,658,343	-	2,658,343
Government grant	(471,466)	-	-	(471,466)
Total liability - related other changes	(6,241,546)	2,658,343	-	(3,583,203)
Total equity-related other changes	-	-	-	-
Balance as at 30 June 2022	1,633,585,038	30,328,259	3,527,781	1,667,441,078
Balance as at 1 July 2020	1,773,520,933	1,740,541	3,526,379	1,778,787,853
Changes from financing cash flows				
Proceeds from loans and borrowings	150,063,050	-	-	150,063,050
Repayment of loans	(79,744,650)	-	-	(79,744,650)
Addition to lease	-	1,146,400	-	1,146,400
Payment of finance lease liabilities	-	(1,165,063)	-	(1,165,063)
Dividend paid	-	-	1,402	1,402
Cash received from Non controlling interest	-	-	-	-
Total changes from financing cash flows	70,318,400	(18,663)	1,402	70,301,139
Liability - related other changes				
Government grant income during the year	(9,612,833)	-	-	(9,612,833)
Finance cost	-	27,948	-	27,948
Government grant	(7,438,155)	-	-	(7,438,155)
Total liability - related other changes	(17,050,988)	27,948	-	(17,023,040)
Total equity-related other changes	-	-	-	-
Balance as at 30 June 2021	1,826,788,345	1,749,826	3,527,781	1,832,065,952

38. FINANCIAL RISK MANAGEMENT

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

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

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38.1 Risk management framework

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

38.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties in case of placements or other arrangements to fulfil their obligations.

Exposure to credit risk

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

	Note	2022	2021
		(Rupees)	
Trade debts - net	10	909,494,124	476,303,736
Loans	12	103,095,546	65,181,817
Deposits and other receivables	13	15,796,934	10,494,495
Short-term Investments	15.1	-	-
Receivable from Group Company		1,150,380	1,150,380
Bank balances and term deposit receipts	16	27,697,364	23,533,885
		1,057,234,348	576,664,313

Credit rating and collaterals

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

Banks	Rating Agency	Short term rating	2022	
			(Rupees)	(%)
MCB Islamic Bank Limited	PACRA	A1+	250,650	0.9%
MCB Bank Limited	PACRA	A1+	148,440	0.5%
Meezan Bank Limited	VIS	A-1+	15,293,784	55.2%
Habib Bank Limited	VIS	A-1+	641,520	2.3%
Bank AL-Habib Limited	PACRA	A-1+	8,081,890	29.2%
Habib Metropolitan Bank Limited	PACRA	A1+	20,866	0.1%
The Bank of Punjab	PACRA	A1+	4,684	0.0%
Askari Bank Limited	PACRA	A1+	1,110	0.0%
National Bank of Pakistan	PACRA	A-1+	1,366,402	4.9%
Al Baraka Bank (Pakistan) Limited	VIS	A-1	732,443	2.6%
Soneri Bank Limited	PACRA	A1+	78,178	0.3%
BankIslami Pakistan Limited	PACRA	A-1	275,465	1.0%
JS Bank Limited	PACRA	A1+	801,932	2.9%
			27,697,364	100%

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Banks	Rating Agency	Short term rating	2021	
			(Rupees)	(%)
MCB Islamic Bank Limited	PACRA	A-1	156,723	0.7%
MCB Bank Limited	PACRA	A-1	199,870	0.8%
Meezan Bank Limited	JCR	A1+	2,605,669	11.1%
Habib Bank Limited	JCR	A-1+	121,083	0.5%
Bank AL-Habib Limited	PACRA	A1+	13,638,459	58.0%
Habib Metropolitan Bank Limited	PACRA	A1+	20,866	0.1%
The Bank of Punjab	PACRA	A1+	241,769	1.0%
Askari Bank Limited	PACRA	A1+	1,041	0.0%
National Bank of Pakistan	PACRA	A1+	4,321,082	18.4%
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	575,876	2.4%
Soneri Bank Limited	PACRA	A-1+	78,178	0.3%
BankIslami Pakistan Limited	PACRA	A1	1,495,088	6.4%
JS Bank Limited	PACRA	A1+	78,181	0.3%
			23,533,885	100%

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. All of the Group's receivables are from distributors of automotive industries. Trade debts pertaining to four major customers of the Group aggregates to 85.3% as at 30 June 2022 (2021: 85.3%).

Impairment losses and past due balances

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

	2022			2021		
	Gross	Impairment	Net	Gross	Impairment	Net
(Rupees)						
Less than or equal to 30 days	874,495,997	-	874,495,997	437,143,758	-	437,143,758
More than 30 days but not more than 90 days	19,172,103	-	19,172,103	30,393,375	-	30,393,375
More than 90 days but not more than 180 days	15,826,024	-	15,826,024	8,766,603	-	8,766,603
More than 180 days	-	-	-	-	-	-
	909,494,124	-	909,494,124	476,303,736	-	476,303,736

Based on the past experience, consideration of financial position, past track records and recoveries, the Group believes that no impairment allowance is necessary, except mentioned above. In respect of trade debts past due there are reasonable grounds to believe that the amounts will be recovered in short period of time.

38.3 Liquidity risk

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

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Maturity analysis of financial liabilities

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

	2022					
	Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
Financial Liabilities	(Rupees)					
Short-term borrowings	2,226,407,411	(2,226,407,411)	(153,748,065)	(307,496,130)	(1,765,163,216)	-
Long-term loan	1,229,817,007	(1,229,817,007)	-	-	-	(1,229,817,007)
Current portion of long-term loan	433,625,552	(433,625,552)	(101,520,275)	(48,689,249)	(283,416,028)	-
Trade and other payables	618,677,392	(618,677,392)	(178,600,525)	(38,470,944)	(401,605,923)	-
Lease liabilities	30,328,259	(30,328,259)	(114,043)	(5,855,700)	(530,352)	(23,828,164)
Accrued mark-up on short-term borrowings	77,221,146	(77,221,146)	(77,221,146)	-	-	-
Due to related party	22,048,871	(22,048,871)	(22,048,871)	-	-	-
Unclaimed dividend	3,527,781	(3,527,781)	(3,527,781)	-	-	-
	4,641,653,419	(4,641,653,419)	(536,780,706)	(400,512,023)	(2,450,715,519)	(1,253,645,171)
	2021					
	Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
Financial Liabilities	(Rupees)					
Short-term borrowings	1,844,976,781	(1,844,976,781)	(153,748,065)	(307,496,130)	(1,383,732,590)	-
Long-term loan	1,301,462,356	(1,885,598,542)	-	-	-	(1,885,598,542)
Current portion of long-term loan	543,658,900	(567,985,764)	(101,520,275)	(48,689,249)	(417,776,239)	-
Trade and other payables	237,909,660	(237,909,660)	(178,600,525)	(38,470,944)	(20,838,191)	-
Lease liabilities	1,749,826	(2,032,878)	(114,043)	(295,433)	(530,352)	(1,093,050)
Accrued mark-up on short-term borrowings	76,858,025	(76,858,025)	(76,858,025)	-	-	-
Due to related party	22,048,871	(22,048,871)	(22,048,871)	-	-	-
Unclaimed dividend	3,527,781	(3,527,781)	(3,527,781)	-	-	-
	4,032,192,200	(4,640,938,302)	(536,417,585)	(394,951,756)	(1,822,877,372)	(1,886,691,592)

38.3.1 Liquidity position and its management

In 2017, Loads Group (the Group) initiated a new project of alloy wheels. The Group planned to produce alloy wheels through a subsidiary company namely HAWL. To finance the project cost, the Group incurred significant borrowings and utilized the cash buffers of all the group entities to finance the project. Details are as follows:

	(Rupees)
Project cost to date	5,227,423,537
Loans from Bank and others	1,031,395,933
Financing from Related parties	
Loads Limited	2,039,529,541
SAIL	687,753,172
MAIL	198,673,102
SMPL	71,700,000
Others	-
	2,997,655,815
Equity	1,198,371,789
	5,227,423,537

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

In October 2020, the Board of Loads Limited committed Rs. 3 billion to HAWL. The shareholders and senior management of the company are closely monitoring the situation and are committed to meet the cash flow requirements, if any, which may arise in future, from their other entities or personal wealth.

38.4 Market risk

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

Market risk comprises of three types of risks:

- currency risk;
- interest rate risk; and
- other price risk.

The Group is exposed to all of the three risks which are as follows:

38.4.1 Currency risk

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

Exposure to currency risk

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2022		
	(USD)	(SGD)	(JPY)
Creditors	1,736,191	-	177,840,115
Net balance sheet exposure	1,736,191	-	177,840,115
	2021		
	(USD)	(SGD)	(JPY)
Creditors	382,856	70,340	24,889,417
Net balance sheet exposure	382,856	70,340	24,889,417

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2022	2021	2022	2021
USD to Pak Rupees	181.02	162.80	204.50	157.54
SGD to Pak Rupees	132.13	118.77	147.11	117.15
JPY to Pak Rupees	1.47	1.50	1.50	1.43

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, SGD and JPY at 30 June 2022 would have increased consolidated equity and statement of profit and loss by the amounts (net of tax) shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2021.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

A 10 percent strengthening of the Rupee against USD, SGD and JPY at 30 June 2021 would have increased consolidated equity and statement of profit and loss by the amounts (net of tax) shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2020.

As at 30 June	2022		2021	
	Consolidated Profit and loss	Consolidated Equity	Consolidated Profit and loss	Consolidated Equity
	(Rupees)		(Rupees)	
Effect of change in USD	35,505,106	35,505,106	6,031,513	6,031,513
Effect of change in SGD	-	-	8,240,331	8,240,331
Effect of change in JPY	26,676,017	26,676,017	3,484,519	3,559,187
Gross exposure	62,181,123	62,181,123	17,756,363	17,831,031

The Group does not have any foreign currency borrowings as at 30 June 2022.

38.4.2 Interest rate risk

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

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

	2022	2021
	(Rupees)	
Variable rate instruments		
<i>Financial liabilities</i>		
Short-term borrowings	(2,226,407,411)	(1,844,976,781)
Lease liability	(30,328,259)	(1,749,826)
Long-term loans	(1,229,817,007)	(1,301,462,356)
	(3,486,552,677)	(3,148,188,963)
	(3,486,552,677)	(3,148,188,963)
Fixed rate instruments		
<i>Financial assets</i>		
Loan to employees	39,969,934	16,883,906
Loan to workers	55,481,455	39,994,033
	95,451,389	56,877,939
<i>Financial liabilities</i>		
Term finance - under SBP refinance scheme for payment of wages and salaries	(55,530,107)	(160,940,598)
	39,921,282	(104,062,659)

Fair value sensitivity analysis of fixed rate instruments

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) consolidated equity and statement of profit or loss by the amounts (net of tax) shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2021.

	Consolidated Profit or loss		Consolidated Profit or loss	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	(Rupees)		(Rupees)	
As at 30 June 2022				
Cash flow sensitivity - variable rate instruments	<u>34,865,527</u>	<u>(34,865,527)</u>	<u>34,865,527</u>	<u>(34,865,527)</u>
As at 30 June 2021				
Cash flow sensitivity - variable rate instruments	<u>31,481,890</u>	<u>(31,481,890)</u>	<u>31,481,890</u>	<u>(31,481,890)</u>

38.4.3 Other price risk

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

As at 30 June 2022, the fair value of equity securities exposed to price risk are disclosed in note 15. The table below summarises the sensitivity of the price movements as at 30 June 2022. The analysis is based on the assumption that KSE 100 index increased by 10% (2021: 10%) and decreased by 10% (2021: 10%), with all other variables held constant and that the fair value of the Group's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of index of past three years (2021: three years).

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

Effect on assets of an increase in the KSE 100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'

	2022	2021
	(Rupees)	
Effect on investments	<u>9,225</u>	<u>9,256</u>
Effect on profit or loss	<u>9,072</u>	<u>9,119</u>
Effect on equity	<u>9,225</u>	<u>9,256</u>

Effect on assets of a decrease in the KSE 100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'

Effect on investments	<u>(9,225)</u>	<u>(9,256)</u>
Effect on statement of profit and loss	<u>(9,072)</u>	<u>(9,119)</u>
Effect on equity	<u>(9,225)</u>	<u>(9,256)</u>

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The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Group's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2022 is not necessarily indicative of the effect on the Group's assets of future movements in the level of KSE 100 index.

38.4.4 Operational risk

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

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

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

39. CAPITAL RISK MANAGEMENT

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

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

	2022	2021
	(Rupees)	
Debt	7,841,204,912	7,396,084,328
Total equity	3,961,008,558	4,066,983,817
Total capital	11,802,213,470	11,463,068,145
Gearing ratio	71:36	64:36

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

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

40.1 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:

2022										
Note	Carrying amount						Fair value			
	Fair value through profit or loss	FVOCI - equity instruments	Financial assets at amortised cost	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)										
Financial assets - measured at fair value										
Equity securities	922,502	15,352	-	-	-	937,854	937,854	-	-	937,854
Pakistan Investment Bond	-	-	10,719,481	-	-	10,719,481	10,844,431	-	-	10,844,431
Financial assets - not measured at fair value										
Trade debts	40.11	-	-	909,494,124	-	909,494,124				
Loans	40.11	-	-	103,095,546	-	103,095,546				
Deposits and other receivables	40.11	-	-	15,796,934	-	15,796,934				
Cash and bank balances	40.11	-	-	30,371,640	-	30,371,640				
		922,502	15,352	1,069,477,725	-	1,070,415,579				
Financial liabilities - not measured at fair value										
Short-term borrowings	40.11	-	-	-	2,226,407,411	2,226,407,411				
Long-term loans	40.11	-	-	-	1,229,817,007	1,229,817,007				
Trade and other payables	40.11	-	-	-	618,677,392	618,677,392				
Lease liabilities	40.11	-	-	-	30,328,259	30,328,259				
Accrued mark-up on short-term borrowings	40.11	-	-	-	77,221,146	77,221,146				
Due to related party	40.11	-	-	-	22,048,871	22,048,871				
Unclaimed dividend	40.11	-	-	-	3,527,781	3,527,781				
		-	-	-	4,208,027,867	4,208,027,867				
2021										
Note	Carrying amount						Fair value			
	Fair value through profit or loss	Available for sale	Loans and receivables	Other financial assets	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
(Rupees)										
Financial assets - measured at fair value										
Equity securities	925,552	13,698	-	-	-	939,250	939,250	-	-	939,250
Pakistan Investment Bond	-	-	10,844,431	-	-	10,844,431	10,844,431	-	-	10,844,431
Financial assets - not measured at fair value										
Trade debts	40.11	-	-	476,303,736	-	476,303,736				
Loans	40.11	-	-	65,181,817	-	65,181,817				
Deposits and other receivables	40.11	-	-	10,494,495	-	10,494,495				
Cash and bank balances	40.11	-	-	25,171,422	-	25,171,422				
		925,552	13,698	587,995,901	-	588,935,151				
Financial liabilities - not measured at fair value										
Short-term borrowings	40.11	-	-	-	1,844,976,781	1,844,976,781				
Long-term loans	40.11	-	-	-	1,301,462,356	1,301,462,356				
Trade and other payables	40.11	-	-	-	373,377,538	373,377,538				
Lease liabilities	40.11	-	-	-	1,749,826	1,749,826				
Accrued mark-up on short-term borrowings	40.11	-	-	-	76,858,025	76,858,025				
Due to related party	40.11	-	-	-	22,048,871	22,048,871				
Unclaimed dividend	40.11	-	-	-	3,527,781	3,527,781				
		-	-	-	3,624,001,178	3,624,001,178				

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

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

41. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2022					2021				
	Chief Executive	Director	Non - Executive Director	Executives	Total	Chief Executive	Directors	Non-Executive Director	Executives	Total
	(Note 36.2)					(Note 36.2)				
	(Rupees)					(Rupees)				
Managerial remuneration	12,538,800	4,644,000	-	22,339,648	39,522,448	11,016,000	3,744,000	-	13,019,132	27,779,132
Housing and utilities	13,583,700	5,031,000	-	29,538,396	48,153,096	11,124,000	3,891,000	-	14,679,327	29,694,327
Bonus	5,062,500	1,875,000	-	5,596,003	12,533,503	-	-	-	-	-
Medical	898,735	169,992	-	1,006,557	2,075,284	1,027,726	101,870	-	864,917	1,994,513
Group's Contribution to retirement benefits funds	-	464,400	-	1,055,579	1,519,979	-	374,400	-	426,912	801,312
Meeting fee	-	-	1,942,000	-	1,942,000	-	-	660,000	-	660,000
	32,083,735	12,184,392	1,942,000	59,536,183	105,746,310	23,167,726	8,111,270	660,000	28,990,288	60,929,284
Number of persons	1	1	5	6	13	1	1	5	5	12

41.1 Details of cost of cars to Chief Executives, Directors and certain Executives. The Chief Executive, Directors and certain Executives are provided with free use of group maintained cars in accordance with their entitlements. The approximate aggregate value of this benefit is Rs. 72.10 million (2021: Rs. 37.76 million).

42. PROVIDENT FUND

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

	2022 (Un-audited)	2021 (Audited)
	(Rupees)	
Size of the Fund	61,947,294	62,013,174
Costs of investments made	52,281,204	52,281,204
Amortised cost of investments	53,603,148	54,227,536
Percentage of investments made - based on fair value / amortised cost	86.52%	87.44%

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

	2022 (Un-audited)	2021 (audited)	2022 (Un-audited)	2021 (audited)
	(Rupees)		(% of the size of the fund)	
Term finance certificates	140,000	140,000	0.23%	0.23%
Mutual fund units	6,458,953	6,467,516	10.43%	10.43%
Government securities	43,198,765	43,198,765	69.73%	69.66%
Equity securities	3,805,430	4,421,255	6.14%	7.13%
	53,603,148	54,227,536	86.53%	87.45%

Notes to the Consolidated Financial Statements

For the year ended 30 June 2022

The above investments out of provident fund have been made in accordance with the requirement of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

43. PLANT CAPACITY AND PRODUCTION

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

44. NUMBER OF EMPLOYEES

Total number of employees at reporting date
Total number of factory employees at reporting date

Average number of employees during the year
Average number factory of employees during the year

2022	2021
(Number)	
1,496	1,364
1,201	1,211
1,429	1,324
1,206	1,136

45. OPERATING SEGMENTS

45.1 The financial information has been prepared on the basis of a single reportable segment.

45.2 Geographically, all the sales were carried out in Pakistan.

45.3 All non-current assets of the Group as at 30 June 2022 are located in Pakistan.

46. GENERAL

46.1 Authorisation for issue

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on October 05, 2022.



Chief Financial Officer



Chief Executive



Director

NOTICE OF 42nd ANNUAL GENERAL MEETING OF LOADS LIMITED

Notice is hereby given that the 42nd Annual General Meeting ("AGM") of Loads Limited will be held on Friday, October 28, 2022 at 11:30 a.m. at Plot No.23, Sector 19, Korangi Industrial Area, Karachi and also through video link facility. The AGM is being held to transact the following business:

Ordinary Business

1. To confirm minutes of the Annual General Meeting of Loads Limited held on November 26, 2021.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022, together with the Directors' and Auditors' Reports thereon.
3. To appoint external auditors of the company for the year ending June 30, 2023 and to fix their remuneration. M/S Yousuf Adil & Co Chartered Accountants, being eligible, have offered themselves for appointment.

Special Business

4. To consider to pass the following resolutions:
 - a) "RESOLVED THAT the transaction carried out in the normal course of business with associated companies during the year ended June 30, 2022 be and are ratified and approved."
 - b) "RESOLVED THAT the Chief Executive of the Company be and is hereby authorised to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2023 and in this connection the Chief Executive be and is hereby also authorised to take any and all necessary actions, sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."
5. To transact any other business with the permission of Chair.

October 7, 2022
Karachi

Notes:

By Order of the Board



Babar Saleem
Company Secretary

Closure of Share Transfer Books

- The Share Transfer Books of the Company shall remain closed from October 21, 2022 to October 28, 2022 (both days inclusive). Transfers in the form of physical transfers / CDS Transaction IDs received in order at the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, by close of business on October 20, 2022 will be treated in time to attend and vote at the meeting and for the purpose of the above entitlement to the transferees.

Participation in the Annual General Meeting electronically and appointing proxies

- Only those persons, whose names appear in the register of members of the Company as on October 20, 2022 are entitled to attend, participate in, and vote at the Annual General Meeting. The Annual General Meeting is being conducted as per guidelines circulated by SECP vide its circular No. 4 of 2021 dated February 15, 2021.
- The shareholders who wish to attend the Annual General Meeting are requested to get themselves registered by sending their particulars at the designated email address co.secy@loads-group.com, giving particulars as per below table by the close of business hours (5:00 p.m.) on October 26, 2022:

Shareholder's Name	CNIC No.	CDS Participant ID / Folio No.	Mobile No.	Email Address

- The webinar link would be provided to the registered shareholders/proxyholders who have provided all the requested information. The shareholders are also encouraged to send their comments/suggestion related to the agenda items of the AGM on the above-mentioned email address by the close of business hours (5:00 p.m.) on October 26, 2022.
- The login facility will open at 11:00 a.m. enabling the participants to join the proceedings which will start at 11:30 a.m. sharp.
- A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on their behalf. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in their own right. For appointing proxies, the scanned/hard copy of the proxy form appearing below duly executed and witnessed, along with the relevant supporting documents and the e-mail address of the proxy must be sent to the Company Secretary at co.secy@loads-group.com at least 48 hours before the time of the Meeting.
- The proxy form should be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Where possible, attested copies of the CNIC or the identification pages of the passport of the beneficial owners and the proxy should be attached with the e-mailed Proxy Form.
- In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature should be submitted along with Proxy Form to the Company.
- Shareholders holding shares in physical form are requested to notify the change of their addresses (if any) and provide the copy of their CNIC to Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi.

Circulation /Transmission of Annual Financial Statements in Electronic Form

- The Company's annual financial statements for the year ended June 30, 2022 is also being circulated to the shareholders through CD/DVD in compliance of section 223(6) of the Companies Act, 2017. The annual financial statements have also been uploaded on the Company's website and is readily accessible to the shareholders (<http://www.loads-group.pk/>).

Notice to Members Who Have Not Provided CNIC

- SECP vide Notification S.R.O. 19(1)/2014 dated 10th January 2014 read with Notification S.R.O 831(1)/2012 dated 5th July 2012 require that the dividend warrant(s) should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, in case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with the directives of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the dispatch of dividend warrants of such shareholders. The shareholders while sending CNIC must quote their respective folio number and name of the Company.

Unpaid / Unclaimed Dividend and Shares:

- As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017, as prescribed.

Deposit of Physical Shares into CDC Account:

- The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.
- The shareholders of Loads Limited having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi.

Request for Video Conference Facility

- In terms of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request / demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.
- In this regard, please fill the following form and submit to the Company at its registered address 10 days before holding of the AGM. After receiving the request / demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

I / We / Messrs. _____ of _____ being Member(s) of Loads Limited, holder of _____ ordinary share(s) as per Folio # _____ and / or CDC Participant ID & Sub-Account No. _____, hereby, opt for video conference facility at _____ city.

Signature of the Member(s)
(please affix company stamp
in case of corporate entity)

Change of Address

- Members are requested to immediately notify the Company's Share Registrar, M/s. CDC Share Registrar Services Limited of any change in their registered address.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on October 28, 2022.

1) Agenda Item No. 4

4(a) of the Notice-Transactions carried out with associated companies during the year ended June 30, 2022 to be passed as an Ordinary Resolution

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in this/these transaction(s) due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2022 with associated company as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

4(b) of the Notice-Authorization to the Chief Executive for the transactions carried out with associated companies during the year ended June 30, 2022 to be passed as an Ordinary Resolution

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 on arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority Directors are interested in these transaction(s) due to their common directorship in the associated companies.

In order to comply with the provisions of clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2023.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies.

ہولڈنگ رکھنے والے ممبروں سے درخواست/مطالبہ وصول کرتی ہے۔ جغرافیائی محل وقوع پر بانٹ پذیر ہونے کے لیے میٹنگ کی تاریخ سے کم از کم 10 دن قبل ویڈیو کانفرنس کے ذریعے میٹنگ میں شرکت کریں گے۔

☆ اس سلسلے میں، براہ کرم درج ذیل فارم کو پُر کریں اور کمپنی کو اس کے رجسٹرڈ ایڈریس پر جمع کروائیں جو کہ AGM کے انعقاد سے 10 دن پہلے ہو۔ مجموعی طور پر 10 فیصد یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبروں کی درخواست/ڈیمانڈ حاصل کرنے کے بعد کمپنی ای جی ایم کی تاریخ سے کم از کم پانچ (5) دن پہلے ویڈیو کانفرنس کی جگہ کے بارے میں اراکین کو مطلع کرے گی اور ان تک رسائی حاصل کرنے کے لیے ضروری معلومات کے ساتھ سہولت۔

میں/ہم/میسرز _____ لوڈز لمیٹڈ کے ممبر (ے) ہونے کے ناطے، فوئیو نمبر _____ اور/یا CDC شرکاء ID اور ذیلی اکاؤنٹ نمبر _____ کے مطابق _____ عام شیئر کے حامل، _____ شہر میں ویڈیو کانفرنس کی سہولت کا انتخاب کریں۔

رکن کے دستخط
(برائے مہربانی کمپنی سٹیپ لگائیں)
کارپوریٹ ادارے کی صورت میں)

ایڈریس کی تبدیلی

☆ ممبران سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئر رجسٹر، میسرز سی ڈی سی شیئر رجسٹر اور سرورسز لمیٹڈ کو اپنے رجسٹرڈ ایڈریس میں کسی تبدیلی کے بارے میں فوری طور پر مطلع کریں۔

کمپنی ایکٹ، 2017 کے سیکشن 134(3) کے تحت بیان:

یہ بیان 28 اکتوبر 2022 کو ہونے والی کمپنی کی سالانہ جنرل میٹنگ میں لین دین کے لیے خصوصی کاروبار سے متعلق مادی حقائق بیان کرتا ہے۔

(1) ایجنڈا آئٹم نمبر 4:

30 جون 2022 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے نوٹس ٹرانزیکشنز میں سے (a) 4 کو ایک عام قرارداد کے طور پر منظور کیا جائے گا۔ متعلقہ کمپنیوں (متعلقہ فریقوں) کے ساتھ کاروبار کے معمول کے مطابق کئے جانے والے لین دین کو بورڈ کی طرف سے منظوری دی جارہی ہے جیسا کہ آڈٹ کمیٹی کی سفارش کردہ فہرست کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر ہے۔ بورڈ میٹنگ کے دوران ڈائریکٹرز کی طرف سے یہ بتایا گیا کہ چونکہ کمپنی ڈائریکٹرز کی اکثریت اس ٹرانزیکشن میں دلچسپی رکھتی ہے کیونکہ ان کی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں شیئر رکھنے کی وجہ سے ڈائریکٹرز کا کورم اس کی منظوری کے لیے تشکیل نہیں دیا جاسکتا۔ ان ٹرانزیکشنز کو جنہیں جنرل میٹنگ میں شیئر ہولڈرز سے منظور ہونا ضروری ہے۔ 30 جون 2022 کو ختم ہونے والے مالی سال کے دوران کئے گئے مذکورہ لین دین کے پیش نظر متعلقہ کمپنی کے ساتھ جیسا کہ آڈٹ شدہ مالیاتی بیانات کے متعلقہ نوٹس میں دکھایا گیا ہے شیئر ہولڈرز کے سامنے ان کے غور اور منظوری/توثیق کے لیے پیش کیا جا رہا ہے۔ ڈائریکٹرز اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں ان کے شیئر کی حد تک اس قرارداد میں دلچسپی رکھتے ہیں۔

30 جون 2022 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے لین دین کے لیے چیف ایگزیکٹو کو نوٹس کی اجازت کا (b) 4 ایک عام قرارداد کے طور پر منظور کیا جائے گا۔ کمپنی معمول کے کاروبار میں متعلقہ کمپنیوں کے ساتھ لین دین کرے گی۔ کمپنی ڈائریکٹرز کی اکثریت اس مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں حصص کے انعقاد کی وجہ سے اس/ان ٹرانزیکشنز میں دلچسپی لیتی تھی۔ لہذا، متعلقہ کمپنیوں کے ساتھ اس طرح کے لین دین کو شیئر ہولڈرز سے منظوری لینا ہوگی۔ لیسڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 کی شقوں کی تعمیل کے لیے شیئر ہولڈرز چیف ایگزیکٹو کو اختیار دے سکتے ہیں کہ وہ متعلقہ کمپنیوں کے ساتھ ہونے والے لین دین کو منظور کریں اور کاروبار کے دوران معمول کے مطابق چلائیں۔ آئندہ سال 30 جون 2023 کو ختم ہونے والا ہے۔ ڈائریکٹرز اپنی مشترکہ ڈائریکٹر شپ اور متعلقہ کمپنیوں میں حصہ داری اور اس سے منسلک استحقاق کی حد تک اس قرارداد میں دلچسپی رکھتے ہیں۔

☆ ویب پیار لنک رجسٹرڈ شیئر ہولڈرز/پراکسی ہولڈرز کو فراہم کیا جائے گا جنہوں نے تمام مطلوبہ معلومات فراہم کی ہیں۔ شیئر ہولڈرز کی حوصلہ افزائی کی جاتی ہے کہ وہ 26 اکتوبر 2022 کو کاروباری اوقات (شام 5:00 بجے) تک مذکورہ بالا ای میل ایڈریس پر AGM کے ایجنڈا آئٹمز سے متعلق اپنی رائے بھیجیں۔

☆ لاگ ان کی سہولت صبح 11:00 بجے کھل جائے گی جس سے شرکاء کارروائی میں شامل ہو سکیں گے جو کہ صبح 11:30 بجے شروع ہوں گی۔

☆ مذکورہ اجلاس میں شرکت اور ووٹ کا حقدار رکن اپنی طرف سے شرکت اور ووٹ دینے کے لیے ایک پراکسی مقرر کر سکتا ہے۔ کوئی بھی شخص پراکسی کے طور پر کام نہیں کرے گا (سوائے ایک کارپوریشن کے) جب تک کہ وہ اپنے حق میں موجود ہونے اور ووٹ دینے کا حقدار نہ ہو۔ پراکسیوں کی تقرری کے لیے، پراکسی فارم کی سکین/ہارڈ کاپی جو نیچے دکھائی دے رہی ہے اور متعلقہ معاون دستاویزات اور پراکسی کا ای میل ایڈریس کمپنی سیکریٹری کو co.secy@loads-group.com پر بھیجنا ضروری ہے۔ میٹنگ کے وقت سے کم از کم 48 گھنٹے پہلے۔

☆ پراکسی فارم کا مشاہدہ دو افراد کو کرنا چاہیے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں۔

☆ جہاں ممکن ہو CNIC کی تصدیق شدہ کاپیاں یا فائدہ مند مالکان کے پاسپورٹ کے شناختی صفحات اور پراکسی ای میل پراکسی فارم کے ساتھ منسلک کی جائیں۔

☆ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نمونے کے دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ الگ الگ جمع کرائی جائے۔

☆ فزیکل شکل میں شیئر ہولڈرز رکھنے والے شیئرز داروں سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی کو مطلع کریں (اگر کوئی ہے) اور رجسٹرڈ میسرز سی ڈی سی شیئر رجسٹر افسر/مینیجر، سی ڈی سی ہاؤس، 99-بی، بلاک-بی، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی کو اپنے CNIC کی کاپی فراہم کریں۔

ایگزیکٹو فارم میں سالانہ مالیاتی بیانات کی گردش/ترتیل

☆ کمپنی کے ایکٹ 2017 کے سیکشن 223(6) کی تعمیل میں سی ڈی سی ڈی ڈی کے ذریعے 30 جون 2022 کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ مالیاتی بیانات بھی شیئر ہولڈرز کو تقسیم کیے جا رہے ہیں۔ ویب سائٹ ہے اور شیئر ہولڈرز کے لیے آسانی سے قابل رسائی ہے (<http://www.loads-group.pk/>)۔

ان ممبران کو نوٹس جنہوں نے CNIC فراہم نہیں کیا

☆ ایس ای سی پی نے نوٹیفکیشن (1) 19 S.R.O مورخہ 10 جنوری 2014 نوٹیفکیشن 831(1)/2012 S.R.O مورخہ 5 جولائی 2012 کے ساتھ پڑھا گیا ہے جس کے مطابق منافع وارنٹ میں رجسٹرڈ رکن یا مجاز شخص کا CNIC نمبر ہونا چاہیے، سوائے نا بالغوں اور کارپوریٹ ممبروں کے۔ اس کے مطابق ایک درست CNIC کی کاپی نہ ملنے کی صورت میں، کمپنی ایس ای سی پی کی ہدایات پر عمل کرنے سے قاصر رہے گی اور اس وجہ سے 13 جولائی 2015 کے ایس ای سی پی کے حکم کے تحت اس طرح کے شیئرز ہولڈرز کے منافع وارنٹ کی ترتیل کو روکنے پر پابندی ہوگی۔ شیئرز ہولڈرز کو CNIC بھیجتے وقت ان کے متعلقہ فوئیو نمبر اور کمپنی کا نام درج کرنا چاہیے۔

غیر ادا شدہ/غیر دعویٰ کردہ منافع اور حصص:

☆ کمپنیز ایکٹ، 2017 کے سیکشن 244 کی شقوق کے مطابق، کمپنی کی طرف سے اعلان کردہ کوئی بھی شیئر یا منافع جو کہ اس تاریخ سے تین سال کی مدت تک غیر دعویٰ دار/بغیر ادائیگی کے رہتا ہے، جس کی وجہ ادا اور قابل ادائیگی تقبی شیئر ہولڈرز کو اپنا دعویٰ دائر کرنے کے لیے نوٹس جاری کرنے کے بعد وفاقی حکومت کے کریڈٹ کے لیے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے پاس جمع کیا گیا۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ غیر دعویٰ کردہ منافع اور شیئرز کے لیے ان کے دعوے فوری درج کیے جائیں۔ اگر کوئی دعویٰ درج نہیں کیا جاتا ہے تو کمپنی کمپنیز ایکٹ 2017 کے سیکشن 244(2) کی شق کے مطابق وفاقی حکومت کے پاس غیر دعویٰ دار/بلا معاوضہ رقم اور شیئر جمع کروائے گی۔

فزیکل شیئرز کو سی ڈی سی اکاؤنٹ میں جمع کرنا:

☆ کمپنیز ایکٹ، 2017 کے سیکشن 72 کے مطابق، ہر موجودہ لسٹڈ کمپنی کو لازمی طور پر اس کے فزیکل شیئر کو بک انٹری فارم کے ساتھ اس انداز میں تبدیل کرنا ہوگا جس کی وضاحت کی جائے اور کمیشن کی جانب سے نوٹیفکیشن کی تاریخ سے ہو۔ فزیکل شیئر ہولڈنگ رکھنے والے شیئر ہولڈرز کو حوصلہ دیا جاتا ہے کہ وہ کسی بھی بروکر یا سرمایہ کار کا اکاؤنٹ براہ راست سی ڈی سی کے ساتھ کھولیں تاکہ وہ اپنے فزیکل شیئر کو سکرپٹس فارم میں رکھ سکیں، اس سے انہیں کئی طریقوں سے سہولت ملے گی، بشمول محفوظ تحویل اور شیئرز کی فروخت، کسی بھی وقت وہ چاہتے ہیں، کیونکہ پاکستان اسٹاک ایکسچینج کے موجودہ قوانین کے مطابق فزیکل شیئر کی تجارت کی اجازت نہیں ہے۔

ویڈیو کانفرنس کی سہولت کے لیے درخواست۔

☆ ایس ای سی پی کی سرکرہ نمبر 10 کے مطابق مورخہ 21 مئی 2014، اگر ایکٹ کے سیکشن (b)(1) 134 کے تحت موجود دفعات کے ساتھ پڑھا گیا ہے، اگر کمپنی 10 فیصد یا اس سے زیادہ شیئر

42 ویں سالانہ جنرل میٹنگ آف لوڈز لمیٹڈ کا نوٹس

نوٹس اس طرح دیا گیا ہے کہ لوڈز لمیٹڈ کی 42 ویں سالانہ جنرل میٹنگ جمعہ 28 اکتوبر، 2022 کو صبح 11:30 بجے کمپنی کے رجسٹرڈ آفس میں پلاٹ نمبر 23، بیکٹر 19، گورگی انڈسٹریل ایریا، کراچی، آڈیولنگ کی سہولت کے ساتھ منعقد کی جائے گی AGM درج ذیل کاروبار کے لین دین کے لیے ہے۔

عام کاروبار

- (1) 26 نومبر 2022 کو ہونے والی لوڈز لمیٹڈ کی غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق کرنا۔
- (2) 30 جون 2022 کو ختم ہونے والے سال کے لیے ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ کمپنی کے آڈٹ شدہ مالی بیانات پر غور کرنا اور ان کو اپنانا۔
- (3) 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کے بیرونی آڈیٹرز کی تقرری اور ان کا معاوضہ طے کرنا۔ آڈیٹرز، میسرز کے یوسف عادل اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس اہل ہونے کی وجہ سے خود کو تقرری کے لیے پیش کریں گے۔

خصوصی کاروبار

- (4) درج ذیل قراردادوں کو منظور کرنے پر غور کرنا:
 - (a) اس بات کو تسلیم کیا گیا کہ 30 جون 2022 کو ختم ہونے والے سال کے دوران وابستہ کمپنیوں کے ساتھ کاروبار معمول کے مطابق کیا گیا جو لین دین کیا گیا اس کی توثیق اور منظوری دی جائے۔
 - (b) یہ بھی حل کیا گیا کہ کمپنی کا چیف ایگزیکٹو 30 جون 2023 کو ختم ہونے والے آئندہ سال کے دوران متعلقہ کمپنیوں کے ساتھ کئے گئے تمام لین دین کو منظور کرنے اور کاروبار کے معمول کے مطابق کرنے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو کمپنی کی جانب سے اس سلسلے میں درکار تمام دستاویزات / معاہدے پر دستخط / عملدرآمد، کسی بھی اور تمام ضروری اقدامات کرنے اور اس پر عمل درآمد کرنے کا بھی مجاز ہے۔
- (5) چیئر مین کی اجازت سے کسی دوسرے کاروبار کا لین دین کرنا۔


بابر سلیم
کمپنی سیکریٹری

بورڈ کے حکم سے
07 اکتوبر 2022
کراچی۔

نوٹ:

شیئر ٹرانسفر کھاتوں کی بندش:

☆ شیئر کمپنی کے شیئر ٹرانسفر کھاتے 21 اکتوبر 2022 سے 26 اکتوبر 2022 (دونوں دن سمیت) بند رہیں گے۔ فیکل ٹرانسفر/سی ڈی ایس ٹرانزیکشن آئی ڈی کی صورت میں ٹرانسفر کمپنی شیئر رجسٹر اریسز سی ڈی سی شیئر رجسٹر اریسز و سر لمیٹڈ، سی ڈی سی ہاؤس، B-99 بلاک B، ایس ایم سی ایچ ایس، شاہراہ فیصل کراچی میں کاروبار کے اختتام پر 20 اکتوبر 2022 کو میٹنگ میں شرکت اور ووٹ ڈالنے کے لئے اور ٹرانسفر کو درج بالا استحقاق کے مقصد کے لئے بروقت بندوبست کیا جائے گا۔

سالانہ جنرل میٹنگ میں الیکٹرانک طور پر شرکت اور پر کسی مقرر کرنا:

☆ صرف وہی افراد، جن کے نام 20 اکتوبر 2022 تک کمپنی کے ممبروں کے رجسٹر میں ظاہر ہوتے ہیں، سالانہ جنرل میٹنگ میں شرکت اور ووٹ ڈالنے کے حقدار ہیں۔ سالانہ جنرل میٹنگ ایس ای سی پی کے 15 فروری 2021 کے سرکلر نمبر 2021 کے سرکلر نمبر 4 کے ذریعے جاری کردہ ہدایات کے مطابق منعقد کی جا رہی ہے۔

☆ سالانہ جنرل میٹنگ میں شرکت کے خواہشمند شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات نامزد ای میل ایڈریس co.secy@loads-group.com پر بھیج کر اپنی رجسٹریشن کروائیں۔ 26 اکتوبر 2022 کو کاروباری اوقات (شام 5:00 بجے) تک نیچے دی گئی جدول کے مطابق تفصیلات دیں۔

شیئر ہولڈرز کا نام	شناختی کارڈ نمبر	CDS شراکت دار آئی ڈی / فوئیو نمبر	موبال نمبر	ای میل ایڈریس

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2022

No of Shareholders	Shareholdings'Slab			Total Shares Held	No of Shareholders	Shareholdings'Slab			Total Shares Held
993	1	to	100	37,057	2	270001	to	275000	544,511
1045	101	to	500	388,103	3	285001	to	290000	859,801
2022	501	to	1000	1,616,526	4	295001	to	300000	1,193,803
3172	1001	to	5000	8,072,705	2	305001	to	310000	619,805
893	5001	to	10000	6,869,949	1	345001	to	350000	350,000
340	10001	to	15000	4,252,403	1	390001	to	395000	392,896
218	15001	to	20000	3,949,593	1	395001	to	400000	400,000
143	20001	to	25000	3,332,095	1	400001	to	405000	403,000
83	25001	to	30000	2,327,164	1	420001	to	425000	421,374
71	30001	to	35000	2,344,048	1	445001	to	450000	449,818
45	35001	to	40000	1,705,407	1	510001	to	515000	514,000
33	40001	to	45000	1,417,103	1	520001	to	525000	525,000
66	45001	to	50000	3,247,211	1	555001	to	560000	556,528
19	50001	to	55000	1,000,990	1	560001	to	565000	563,132
18	55001	to	60000	1,047,069	1	595001	to	600000	597,895
15	60001	to	65000	954,517	1	600001	to	605000	602,500
15	65001	to	70000	1,024,837	1	620001	to	625000	620,500
15	70001	to	75000	1,108,991	1	640001	to	645000	644,000
7	75001	to	80000	552,913	3	680001	to	685000	2,053,500
4	80001	to	85000	330,030	1	695001	to	700000	699,500
5	85001	to	90000	439,247	1	705001	to	710000	709,500
9	90001	to	95000	836,449	1	730001	to	735000	731,888
18	95001	to	100000	1,798,257	1	820001	to	825000	825,000
7	100001	to	105000	713,299	1	830001	to	835000	830,578
13	105001	to	110000	1,419,770	1	870001	to	875000	875,000
4	110001	to	115000	448,365	1	920001	to	925000	922,000
10	115001	to	120000	1,175,850	1	930001	to	935000	933,847
2	120001	to	125000	242,886	1	1050001	to	1055000	1,051,620
3	125001	to	130000	382,500	1	1360001	to	1365000	1,365,000
1	130001	to	135000	135,000	1	1495001	to	1500000	1,500,000
1	135001	to	140000	139,267	1	1560001	to	1565000	1,565,000
1	140001	to	145000	142,219	1	1695001	to	1700000	1,700,000
7	145001	to	150000	1,044,181	1	1710001	to	1715000	1,711,485
4	150001	to	155000	613,001	2	1930001	to	1935000	3,870,000
2	155001	to	160000	314,683	1	2030001	to	2035000	2,032,010
1	160001	to	165000	165,000	1	2070001	to	2075000	2,072,990
5	165001	to	170000	837,066	1	2480001	to	2485000	2,484,306
2	170001	to	175000	350,000	1	2490001	to	2495000	2,491,734
1	175001	to	180000	180,000	1	2655001	to	2660000	2,657,352
3	180001	to	185000	552,693	1	2805001	to	2810000	2,809,818
3	185001	to	190000	563,360	1	3055001	to	3060000	3,058,550
10	195001	to	200000	1,985,850	1	3135001	to	3140000	3,135,398
3	200001	to	205000	606,711	1	4760001	to	4765000	4,762,000
2	210001	to	215000	427,128	1	5835001	to	5840000	5,837,268
1	215001	to	220000	218,500	1	31385001	to	31390000	31,387,657
1	225001	to	230000	230,000	1	94365001	to	94370000	94,365,588
2	245001	to	250000	499,173					
1	250001	to	255000	253,712					
1	255001	to	260000	259,970					
					9,396			251,250,000	

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2022

Categories of Shareholders	Shareholders	Shares Held	Percentage
SYED SHAHID ALI SHAH	2	94,651,139	37.67
MUNIR KARIM BANA	1	5,837,268	2.32
MUHAMMAD MOHTASHIM AFTAB	1	42,360	0.02
SYED SHEHARYAR ALI	1	12,562	0.00
SHAMIM AHMED SIDDIQUI	1	993	0.00
MUHAMMAD ZINDAH MOIN MOHAJIR	1	831	0.00
ROZINA MUZAMMIL	1	831	0.00
Directors and their spouse(s) and minor children & Sponsors			
Associated Companies, undertakings and related parties	9	34,029,569	13.54
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	1	3,058,550	1.22
Insurance Companies	1	45,681	0.02
Modarabas and Mutual Funds	1	602,500	0.24
General Public			
a. Local	9201	86,675,471	34.50
b. Foreign	97	1,091,390	0.43
Foreign Companies	0	-	-
Others	78	25,200,855	10.03
Totals	9396	251,250,000	100

Shareholders' holding 10% or more	Shares Held	Percentage
SYED SHAHID ALI SHAH	94,651,139	37.67
TREET CORPORATION LIMITED.	31,387,657	12.49

FORM OF PROXY

I/We _____
of _____ being a Member of Loads Limited and holder(s) of
_____ Ordinary Shares as per Share Register Folio No. _____

For beneficial owners as per CDC List

CDC Participant ID No. _____

Sub Account No. _____

CNIC No.

[illegible]

Passport No.

hereby appoint Mr./Mrs./Miss. _____ of _____ or
failing him/her Miss/Mrs./ Mr. _____
of _____ another person on my/our proxy to attend and vote for me/us and my/our
behalf at Annual General Meeting of the Company to be held on Friday, October 28, 2022 at 11:30
a.m. and at every adjournment thereof, if any.

Please affix Rupees
Five Revenue Stamp

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

Signed this _____ day of October 2022

Signature of Shareholder_____

Signature of Proxy _____

1. WITNESS

Signature: _____

Name: _____

Address:

CNIC No. or Passport No.

2. WITNESS

Signature: _____

Name: _____

Address:

CNIC No. or Passport No.

1. This Proxy Form duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities in addition to the above the following requirements have to be met.
 - i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy forms.
 - ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - iii. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



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

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فارم آف پراسی

میں اہم۔
جس کا تعلق سے ہے،
لوڈز لمیٹنگ کا / کے ممبر ہیں اور رجسٹر فو لیومبر۔
آرڈری شیڈز کے شیڈ ہولڈر (S) ہیں۔

سی ڈی سی لسٹ کے مطابق مینی فیشل اونرز کے لیے

سی ڈی سی میں شرکت کا شناختی نمبر _____ سب اکاؤنٹ نمبر _____

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر _____ پاسپورٹ نمبر _____

جناب / محترمہ ----- کو، جن کا تعلق ----- سے ہے یا ان کی ناکامی کی صورت میں دوسرے فرد کی حیثیت سے جناب / محترمہ ----- کو، جن کا تعلق ----- سے ہے جمعہ، 28 اکتوبر، 2022 کو صبح 11:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام اور التوا کی صورت میں بعد میں ہونے والے اجلاسوں میں میری / ہماری جانب سے شرکت اور میری / ہماری جانب سے ووٹ دینے کے لیے مقرر کرتا / کرتی / کرتے ہیں۔

براہ کرم اس پر پانچ روپے کا
ریونیوٹکٹ لگائیں

(دستخط، نمونے کے اس دستخط سے ملنے چاہئیں جو کمپنی کے یاس رجسٹرڈ ہیں)

دستخط کیے گئے۔۔۔۔۔ اکتوبر، 2022

شیر ہولڈر کے دستخط

پراسی کے دستخط

2. گواہ

دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر _____

1. گواہ

دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر _____

1. صحیح طریقے سے پڑاؤ درست شدہ یہ پراسیکیوٹر، اجلاس شروع ہونے کے وقت سے لازمی طور پر 48 گھنٹے قبل اوپر درج کمپنی کے رجسٹرڈ دفتر کے ایڈریس پر پہنچ جانا چاہیے۔

2. اگر کوئی ممبر ایک سے زیادہ پراسیکیوٹر مقرر کرے گا اور کمپنی کو ایک سے زیادہ پراسیکیوٹرز ومنت داخل کرائے جائیں گے، تو اس قسم کے تمام انٹرو ومنت آف پراسیکیوٹر ناقابل قبول تصور کیے جائیں گے۔

3. سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے، مذکورہ بالا کے علاوہ درج ذیل تقاضوں کو بھی پورا کریں۔

i. بینہ فیشل اونرز اور پراکسی کے سی این آئی سی اور پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ جمع کرائی جائیں گی۔

ii. اجلاس کے وقت پراکسی اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرے گا۔

iii. کارپوریٹ ادارے کی صورت میں، پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد یا ور آف اثاثہ نمونے کے دستخط (اگر یہ پہلے فراہم نہیں کیے گئے) کمپنی کو پیش کرنا ہوں گے۔

ڈاک ٹکٹ
یہاں چسپاں کریں

لوڈز لمیٹڈ
پلاٹ نمبر 23، سیکٹر 19،
کورنگی انڈسٹریل ایریا،
کراچی 74900، پاکستان۔

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Loads Limited

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0302-8674683-9 Fax: 35057453-54
Website: www.loads-group.pk**