



Report to the Shareholders for
three months ended September 30, 2018



Manufacturers of
Exhaust Systems, Radiators &
Sheet Metal Components

Contents

02	Vision and Mission Statement
04	Company Information
06	Directors' Report to the Shareholders (English)
09	Directors' Report to the Shareholders (Urdu)

CONSOLIDATED FINANCIAL STATEMENTS

10	Statement of Financial Position
11	Statement of Profit or Loss Account
12	Statement of Comprehensive Income
13	Statement of Cash Flow
14	Statement of Changes in Equity
15	Notes to the Financial Statements

UNCONSOLIDATED FINANCIAL STATEMENTS

18	Statement of Financial Position
19	Statement of Profit or Loss Account
20	Statement of Comprehensive Income
21	Statement of Cash Flow
22	Statement of Changes in Equity
23	Notes to the Financial Statements



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

* Chairman and Vice Chairman are Non-Executive Directors

Audit Committee

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

Human Resources & Remuneration Committee

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

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. Babar Saleem

Head of Internal Audit

Mr. Khawaja M. Akber

Auditors

KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisors

Altaf K. Allana & Co., Advocates

Corporate Advisors

Cornelius, Lane & Mufti, Advocates & Solicitors

Symbol

Loads

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
Askari Bank Limited
Bank Islami Pakistan Limited

Subsidiaries

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

Directors' Report to the Shareholders

The directors are pleased to present their report together with the consolidated accounts of Loads Limited and its subsidiaries for the first quarter ended September 30, 2018.

OPERATING AND FINANCIAL RESULTS (Consolidated)

	Rs. in Millions	
	1st quarter September 30, 2018	1st quarter September 30, 2017
Sales	1,573	1,158
Gross Profit	194	150
Operating Profit	142	104
Profit Before Taxation (PBT)	103	109
Profit After Taxation (PAT)	65	86
Earnings per share (EPS) – basic & diluted	0.40	0.57*

*Restated

Business Review

Your group recorded first quarter sales of Rs.1.5 billion, registering an increase of Rs. 415 million (+36%), as compared to the previous period, on account of growth in Honda Cars & Suzuki WagonR, and the use of catalytic converter (a costly component) in exhaust systems of Suzuki pickup and van.

Gross profit and operating profit registered a healthy growth of 29% & 36% respectively, on account of reasons mentioned above.

PBT and PAT for the period ended September 2018 reflects a decline of 6% & 24%, respectively due to higher financial charges as compared to previous period on account of substantial investment in diversification into Alloy Wheel Industry through subsidiary Hi-Tech Alloy Wheels Limited and reduction in notional gain of "mark to market" impact on investments. Consequently, EPS stand decreased from PKR 0.57 to 0.40 for the quarter ended September 30, 2018.

AUTOMOTIVE INDUSTRY REVIEW

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

Overall car sales for the first quarter decreased over previous year's quarter by 4%, mainly due to decrease in Pak Suzuki volume by 10%.

(b) Heavy Commercial Vehicles

Heavy vehicles volumes declined from previous period's 2,446 units to 2,005 units, due to decrease of 22% in Trucks, partly offset by increase of 24% in buses.

(c) Tractors

The tractor industry's sales declined by 13% over previous period, registering sales of 13,731 units in 2018 (2017: 15,710 units), mainly on account of decrease in Al-Ghazi volumes by 36%.

COMPANY'S SALES PERFORMANCE

The overall sales of the group increased by 36%. The Company's product-wise performance for the first quarter ended September 30, 2018 as compared with the corresponding period is analyzed below:

Products	Rs. in Millions		
	Sales		
	1st quarter September 30, 2018	1st quarter September 30, 2017	+(-)%
Exhaust Systems	1,121	788	42
Radiators	214	179	20
Sheet Metal Components	238	191	25
Total	1,573	1,158	36

Comments on performance of various product groups are given below:

(a) Exhaust Systems

Sales of exhaust systems have increased by 42%, on account of growth in Honda Cars & Suzuki WagonR, and the use of catalytic converter in exhaust systems of Suzuki pickup and van.

(b) Radiators

This business grew by 20%, mainly due to increase in our share of Millat tractor business by 47%.

(c) Sheet Metal Components

This product has registered increase of 25% mainly due to growth of Honda Cars & Suzuki WagonR.

PROSPECTS

The new entrants have commenced setting up of automotive assembly plants, which will create strong demand for auto parts in future.

The Pakistan Stock Exchange has approved the listing application for Initial Public Offering of our subsidiary, M/s. Hi-Tech Alloy Wheels Limited, and the application will be filed with SECP shortly.

Macroeconomic indicators of the country are challenging for auto industry. Pak Rupee devaluation, hike in interest rate and restrictions on non-filers are major challenges for auto industry.

Your company has geared up to meet the challenges in future with wide range of quality products at competitive prices.

ACKNOWLEDGEMENTS

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

By Order of the Board


MUNIR K. BANA
 Chief Executive


M. ZIAUDDIN
 Director

Karachi: October 30, 2018

کمپنی کی فروخت کی کارکردگی

کمپنی کی مجموعی فروخت میں 36 فیصد اضافہ ہوا۔ گزشتہ سال کی اسی مدت کے مقابلے میں پہلی سہ ماہی 30 ستمبر 2018 میں کمپنی کی مصنوعات وار کارکردگی کا موازنہ درج ذیل ہے:

روپے ملین میں			مصنوعات
فروخت			
پہلی سہ ماہی پہلی سہ ماہی 30 ستمبر 2017	پہلی سہ ماہی پہلی سہ ماہی 30 ستمبر 2018	تغیر (+/-) %	
42	788	1,121	ایگزسٹ سسٹم
20	179	214	ریڈلٹر
25	191	238	شیٹ میٹل کے اجزاء
36	1,158	1,573	کل

مختلف مصنوعات کا جائزہ درج ذیل ہے:

(a) ایگزسٹ سسٹم کی فروخت میں 42 فیصد اضافہ ہوا جس کی وجہ ہونڈا اور سوزوکی ویگن آر میں نمو اور سوزوکی پک اپ اور وین کے ایگزسٹ سسٹم میں عمل آگیز ملائے (ایک قیمتی جز) کے استعمال میں اضافہ ہے۔

(b) ریڈی لیٹرز 20 فیصد اضافہ ہوا جس کی بنیادی وجہ ملت ٹریکٹرز کے کاروبار میں 47 فیصد اضافہ تھا۔

(c) شیٹ میٹل کے اجزاء اس مصنوعات کی فروخت میں اضافہ کی وجہ ہونڈا کار اور سوزوکی ویگن آر کی فروخت میں 25 فیصد اضافہ ہے۔

مستقبل کے امکانات

نئے داخل ہونے والوں نے اپنے اسمبلی پلانٹس کے قیام کا آغاز کر دیا ہے جس سے مستقبل میں آٹو پارٹس کی طلب میں اضافہ ہوگا۔

پاکستان اسٹاک ایکسچینج نے ہماری ذیلی کمپنی میسرز ہائی ٹیک الائنسٹیل ویلز لمیٹڈ کی ابتدائی عوامی پیشکش کے لئے لسٹنگ کی درخواست کو منظور کر لیا ہے اور جلد ہی درخواست SECP میں دائر کر دی جائے گی۔


ملک کے اقتصادی اشدائے آٹو انڈسٹری کے لئے دعوہ گزار ہیں۔ پاکستانی روپے کی قدر میں کمی، شرح سود میں اضافہ اور نان فاکٹرز پر عالمی پابندیاں آٹو انڈسٹری کے لئے بڑے چیلنج ہو گئے۔

آپ کی کمپنی چیلنجز سے نمٹنے کے لئے مستقبل میں مسابقتی قیمتوں پر وسیع پیمانے پر معیاری مصنوعات متعارف کرائے گی۔

اعتراف

بورڈ اس موقع پر تمام ملازمین اور اپنے گاہکوں کے مسلسل تعاون پر ان کا مشکور ہے۔

منجانب بورڈ



انیم شاہ الدین
ڈائریکٹر

منیر کے ہانا
چیف ایگزیکٹو

کراچی: 30 اکتوبر 2018

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

ڈائریکٹران اپنی رپورٹ کے ساتھ لوڈز لمیٹڈ اور اس کی ذیلی کمپنیوں کے اشتہار شدہ مالیاتی گوشوارے برائے مہتممہ مدت 30 ستمبر 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں۔

کاروباری اور مالیاتی نتائج (کنسولیڈیٹڈ)

روپے ملین میں

پہلی سہ ماہی پہلی سہ ماہی 30 ستمبر 2017	پہلی سہ ماہی پہلی سہ ماہی 30 ستمبر 2018	فروخت
1,158	1,573	فروخت
150	194	خام منافع
104	142	کاروباری منافع
109	103	منافع قبل از ٹیکس
86	65	منافع بعد از ٹیکس
0.57*	0.40	فی حصص آمدن

* افسر نو تخمینہ شدہ

کاروباری جائزہ

پہلی سہ ماہی میں آپ کے گروپ کی فروخت 1.5 بلین روپے رہی، جو کہ گزشتہ سال کی بہ نسبت 415 ملین روپے (36% اضافہ) کی عکاسی کرتی ہے۔ اضافے کی بنیادی وجہ ہونڈا اور سوزوکی ویگن آر میں نمو اور سوزوکی پک اپ اور وین کے ایگزسٹ سسٹم میں عمل آگیز ملائے (ایک قیمتی جز) کے اشتہار میں اضافہ ہے۔

مندرجہ بالا وجوہات کی بناء پر خام منافع اور کاروباری منافع میں باہر ترتیب 29 فیصد اور 36 فیصد کا اضافہ ہوا۔

مدت مہتممہ ستمبر 2018 میں PBT اور PAT میں باہر ترتیب 6 فیصد اور 24 فیصد کی کمی ہوئی جس کی وجہ گزشتہ مدت کی بہ نسبت مالیاتی اخراجات میں قابل ذکر اضافہ تھا جو کاروباری تنوع یعنی الائنسٹیل کی صنعت میں ہماری ذیلی کمپنی ہائی ٹیک الائنسٹیل ویلز لمیٹڈ میں بھاری سرمایہ کاری اور "ہار سے ہار" قیاسی منافع میں کمی کے نتیجے میں ہوا۔ جس کے وجہ سے ای پی ایس 0.57 روپے سے کم ہو کر سہ ماہی مہتممہ 30 ستمبر 2018 میں 0.40 روپے رہ گئی۔

آٹو موٹو انڈسٹری کا جائزہ

(a) مسافر کاریں / ہلکی تجارتی گاڑیاں (LCVs) پہلی سہ ماہی میں مجموعی کاروں کی فروخت میں گزشتہ سال کی اسی سہ ماہی کی بہ نسبت 4 فیصد کمی ہوئی جس کی بنیادی وجہ پاک سوزوکی کے مجموعی حجم فروخت میں 10 فیصد کمی تھی۔

(b) بھاری تجارتی گاڑیاں بھاری گاڑیوں کا حجم فروخت گزشتہ مدت کے 2,466 یونٹ سے کم ہو کر 2,005 یونٹ رہ گیا، جس کی وجہ ٹرکوں کی فروخت میں 22 فیصد کمی تھی، جبکہ اس کا معمولی ازالہ بسوں کی فروخت میں 24 فیصد اضافہ سے ہوا۔

(c) ٹریکٹرز ٹریکٹر انڈسٹری میں گزشتہ مدت کی بہ نسبت فروخت میں 13 فیصد کمی ہوئی یعنی 2018 میں 13,731 یونٹ (2017 میں 15,710 یونٹس) کی فروخت ہوئی، جس کی بنیادی وجہ الغازی کے حجم فروخت میں 36 فیصد کمی تھی۔

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Note	30 September 2018 (Un-audited) (Rupees)	30 June 2018 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,045,650,337	1,879,663,053
Intangible assets		1,920,709	2,248,940
Long term investments		388,351,369	399,117,546
Employee benefits		5,317,208	5,317,208
Long term loans and receivable		9,453,538	18,257,596
		2,450,693,161	2,304,604,343
Current assets			
Stores and spares		46,405,557	44,933,529
Stock-in-trade		1,755,490,228	1,662,758,743
Trade debts - net		298,006,887	350,809,641
Loans and advances		120,685,842	155,422,463
Deposits, prepayments and other receivables		425,329,899	247,070,821
Current maturity of long term receivables		40,156,003	47,104,408
Taxation - net		151,583,157	165,957,057
Investments		72,786,375	74,292,038
Cash and bank balances		412,941,195	535,897,253
		3,323,385,143	3,284,245,953
Total assets		5,774,078,304	5,588,850,296
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
200,000,000 (30 June 2018: 200,000,000) ordinary shares of Rs.10/- each		2,000,000,000	2,000,000,000
Issued, subscribed and paid up capital		1,512,500,000	1,512,500,000
Share premium		1,095,352,578	1,095,352,578
Unrealised gain on re-measurement of available for sale investments		11,089,475	13,240,378
Unappropriated profit		762,183,075	696,944,970
		3,381,125,128	3,318,037,926
Non Controlling Interest		331,079,970	333,304,662
		3,712,205,098	3,651,342,588
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		3,996,875	5,014,204
Deferred tax liabilities		91,325,057	91,325,057
		95,321,932	96,339,261
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		8,481,663	14,049,148
Short term borrowings		1,468,850,203	1,439,632,009
Trade and other payables		458,222,569	364,664,760
Unclaimed dividend		3,556,513	3,574,008
Accrued mark-up on short term borrowings		27,440,326	19,248,522
		1,966,551,274	1,841,168,447
Total equity and liabilities		5,774,078,304	5,588,850,296

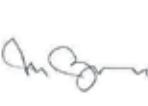
CONTINGENCIES AND COMMITMENTS

6

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.


 Chief Financial Officer


 Chief Executive


 Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the three months period ended 30 September 2018

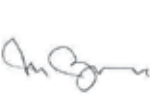
	Note	30 September 2018 (Rupees)	30 September 2017
Revenue		1,573,171,795	1,158,303,942
Cost of sales	7	(1,378,977,908)	(1,008,252,651)
Gross profit		194,193,887	150,051,291
Administrative and selling expenses		(51,879,719)	(45,791,075)
Operating profit		142,314,168	104,260,216
Other expenses		(9,071,601)	(6,230,911)
Other income		15,867,774	15,992,328
		6,796,173	9,761,417
Financial charges		(37,231,204)	(7,682,911)
Share of profit in associate - net		(8,543,438)	2,821,150
Profit before taxation		103,335,699	109,159,872
Taxation		(38,097,594)	(22,834,886)
Profit for the period		65,238,105	86,324,986
Profit attributable to :			
Owners of the Company		60,635,654	86,324,986
Non-controlling interests		4,602,451	-
		65,238,105	86,324,986
Earnings per share - basic and diluted			
		0.40	0.57

(Restated)

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.


 Chief Financial Officer


 Chief Executive


 Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months period ended 30 September 2018

Note	30 September 2018	30 September 2017
	(Rupees)	
Profit for the period	65,238,105	86,324,986
Other comprehensive income		
Items that are or may be reclassified subsequently to profit and loss		
Unrealised gain/loss on re-measurement of available-for-sale investments	(2,150,903)	(16,222,085)
Items that will not be reclassified to profit and loss		
Re-measurements of defined benefit liability	-	-
Related tax	-	-
Share of loss in associate's defined benefit liability recognized in other comprehensive income	-	-
Total comprehensive income for the period	63,087,202	70,102,901

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.


 Chief Financial Officer


 Chief Executive


 Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)

For the three months period ended 30 September 2018

	30 September 2018	30 September 2017
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	103,335,699	109,159,872
Adjustment for		
Depreciation	24,975,929	22,192,981
Amortisation	328,231	110,491
Mark-up expense	30,203,756	4,265,647
Finance lease charges	162,115	329,874
Mark-up income	(7,582,410)	-
Gain on disposal of item of property, plant and equipment	(524,363)	-
Share of profit in associates - net	8,543,438	(2,821,150)
Unrealized gain on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition	(637,419)	(11,358,995)
	158,967,091	121,878,720
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	(1,472,028)	2,792,777
Stock-in-trade	(92,731,485)	(56,749,255)
Trade debts	52,802,754	(83,682,863)
Loans and advances	34,736,621	(16,873,698)
Deposits, prepayments and other receivables	(155,166,055)	12,546,671
	(161,830,193)	(141,966,368)
Increase / (decrease) in current liabilities		
Trade and other payables	93,870,248	37,421,007
Dividend Paid	(17,495)	(25,031)
	93,852,753	37,395,976
Cash generated from / (used in) operations	90,989,651	17,308,328
Mark-up paid	(22,232,968)	(3,901,357)
Tax paid	(23,723,694)	(8,855,494)
Net cash used in operating activities	45,032,989	4,551,477
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(191,794,918)	(105,317,344)
Proceeds from disposal of item of property, plant and equipment	1,356,068	-
Redemption of investments - net	(21,462)	(29,085,147)
Net cash (used in) / generated from investing activities	(190,460,312)	(134,402,491)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(6,746,929)	(4,047,301)
Net cash used in financing activities	(6,746,929)	(4,047,301)
Net (decrease)/Increase in cash and cash equivalents	(152,174,252)	(133,898,315)
Cash and cash equivalents at beginning of the period	(903,734,756)	314,726,110
Cash and cash equivalents at end of the period	(1,055,909,008)	180,827,795

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.


 Chief Financial Officer


 Chief Executive


 Director

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the three months period ended 30 September 2018

	Issued, subscribed and paid up capital	Share premium	Unrealised gain on re- measurement of available for sale investments	Unappropriated profit	Total
	(Rupees)				
Balance as at 01 July 2017	1,375,000,000	1,095,352,578	33,726,169	898,499,945	3,402,578,692
Total comprehensive income for the period ended 30 September 2017					
Profit for the period	-	-	-	86,324,986	86,324,986
Other comprehensive income					
Unrealised gain on re-measurement of available for sale investments	-	-	(16,222,085)	-	(16,222,085)
Re-measurement of defined benefit liability - net	-	-	-	-	-
Share of profit / (loss) in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-	-
	-	-	(16,222,085)	86,324,986	70,102,901
Balance as at 30 September 2017	1,375,000,000	1,095,352,578	17,504,084	984,824,931	3,472,681,593


Balance as at 01 July 2018 1,512,500,000 1,095,352,578 13,240,378 696,944,970 3,318,037,926

Total comprehensive income for the period ended 30 September 2018

Profit for the period	-	-	-	65,238,1055	65,238,1055
Other comprehensive income					
Unrealised gain on re-measurement of available for sale investments	-	-	(2,150,903)	-	(2,150,903)
Re-measurement of defined benefit liability - net	-	-	-	-	-
Share of profit / (loss) in associate's defined benefit liability recognized in other comprehensive income	-	-	-	-	-
	-	-	(2,150,903)	65,238,1055	63,087,202
Balance as at 30 September 2018	1,512,500,000	1,095,352,578	11,089,475	762,183,075	3,381,125,128

The annexed notes 1 to 10 form an integral part of the condensed interim consolidated financial information.


Chief Financial Officer


Chief Executive


Director

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)

For the three months ended 30 September 2018

1. STATUS AND NATURE OF BUSINESS

1.1 Loads Limited ("the Parent Company") was incorporated in Pakistan on 1 January 1979 as a private limited company. On 19 December 1993, the Parent Company was converted to unlisted public limited company and subsequently on 1 November 2016, the shares of the Parent Company were listed on Pakistan Stock Exchange Limited. The registered office of the Parent Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.

1.2 There are four subsidiaries and one associate (Treet Corporation Limited). The details are as follows:

Name of the Company	Incorporation date	Principle line of business
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL) (note 1.5)	28 September 2004	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts.
Hi-Tech Alloy Wheels Limited (Hi-Tech)	13 January 2017	Manufacture modern autoparts, dies, moulds, and fabrication of different products. Hi-Tech has yet to commence its operations

1.3 The operations of the subsidiary company, SMPL have ceased from 1 July 2015. Accordingly, the financial statements of SMPL were not prepared on going concern basis. Therefore, all assets and liabilities of SMPL have been classified as current and assets are measured at lower of their carrying amounts and fair value less cost to sell.

2. BASIS OF PREPARATION

The condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Act, 2017 has been followed. This condensed interim information is unaudited and is being submitted to shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with annual financial statements as at and for the year ended 30 June 2018.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim consolidated financial information are the same as those applied in the preparation of the consolidated financial statements as at and for the year ended 30 June 2018.



NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2018

4. ESTIMATES

The preparation of condensed Interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2018.

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2018 Un-audited ------(Rupees)-----	30 June 2018 Audited
Operating property, plant and equipment	767,234,414	782,741,778
Capital work-in-progress	1,278,415,923	1,096,921,275
	<u>2,045,650,337</u>	<u>1,879,663,053</u>

6. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the contingent liabilities and commitments since the last audited published financial statements.

7. COST OF SALES

	30 September 2018 Un-audited ------(Rupees)-----	30 September 2017 Un-Audited
Raw materials and components consumed	1,187,255,710	793,998,218
Ancillary materials consumed	32,385,491	26,855,888
Salaries, wages and other employee benefits	117,928,748	105,456,925
Subcontracting costs	35,115,360	28,042,563
Depreciation	23,054,745	20,377,614
Gas, power and water	11,232,204	10,874,589
Others	28,436,696	20,414,980
Manufacturing cost	<u>1,435,408,954</u>	<u>1,006,020,777</u>
Opening stock of work-in-process	150,978,815	140,014,359
Closing stock of work-in-process	(173,950,179)	(125,347,126)
	<u>(22,971,364)</u>	<u>14,667,233</u>
Opening stock of finished goods	49,683,031	110,143,067
Closing stock of finished goods	(83,142,713)	(122,578,426)
	<u>(33,459,682)</u>	<u>(12,435,359)</u>
	<u>1,378,977,908</u>	<u>1,008,252,651</u>

8. TRANSACTIONS WITH RELATED PARTIES

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2018

	30 September 2018 Un-audited ------(Rupees)-----	30 June 2018 Audited
Receivable from / (payable to) provident fund	(8,087,182)	(7,614,987)
Employee benefits - gratuity	<u>5,317,208</u>	<u>5,317,208</u>

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


9. DATE OF AUTHORIZATION

This un-audited condensed interim consolidated financial information was authorized for issue by the Board Of Directors on 30 October 2018.

10. GENERAL

10.1 The directors in their meeting held on 1 October 2018 have recommended final dividend of Re Nil per share (30 June 2017: Re. 1 per share) in respect of 'year ended 30 June 2018' and have announced issue of bonus shares at the rate Nil (30 June 2017: 10%). Bonus shares will not be entitled to cash dividend.

10.2 The amounts have been rounded off to nearest rupee.


Chief Financial Officer


Chief Executive


Director



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2018

	Note	30 September 2018 (Un-audited) (Rupees)	30 June 2018 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	608,946,732	623,616,093
Intangible assets		1,920,709	2,248,940
Long term investments		1,502,195,065	1,502,195,065
Long term loans and receivables		9,453,538	18,257,596
Employee benefits - gratuity		5,317,208	5,317,208
		2,127,833,252	2,151,634,902
Current assets			
Stores and spares		28,097,070	29,276,306
Stock-in-trade		1,755,490,228	1,662,758,743
Trade debts - net		298,006,887	350,809,641
Loans and advances		85,328,803	146,214,779
Deposits, prepayments and other receivables		410,923,159	224,544,009
Current maturity of long term receivables		40,156,003	47,104,408
Due from related parties		525,186,200	518,518,738
Taxation - net		137,888,834	146,796,591
Investments		64,556,215	66,083,341
Cash and bank balances		31,574,157	8,959,843
		3,377,207,556	3,201,066,399
Total assets		5,505,040,808	5,352,701,301
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
200,000,000 (30 June 2018: 200,000,000) ordinary shares		2,000,000,000	2,000,000,000
Share capital			
Issued, subscribed and paid up capital		1,512,500,000	1,512,500,000
Share premium		1,095,352,578	1,095,352,578
Capital reserve			
Unrealised gain on re-measurement of available-for-sale investments		12,903,716	15,068,260
Revenue reserve			
Unappropriated profit		480,527,494	434,398,893
		3,101,283,788	3,057,319,731
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		3,996,875	5,014,204
Deferred tax liabilities		49,060,762	49,060,762
		53,057,637	54,074,966
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		8,481,663	14,049,148
Short term financing		1,468,850,203	1,439,632,009
Due to related parties		447,591,866	464,530,779
Trade and other payables		394,778,812	300,272,138
Unclaimed dividend		3,556,513	3,574,008
Accrued mark-up on short term financing		27,440,326	19,248,522
		2,350,699,383	2,241,306,604
Total equity and liabilities		5,505,040,808	5,352,701,301
CONTINGENCIES AND COMMITMENTS			

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

For the three months period ended 30 September 2018

	Note	30 September 2018 (Rupees)	30 September 2017
Revenue			
		1,573,171,795	1,158,303,942
Cost of sales			
	7	(1,437,304,705)	(1,040,861,059)
Gross profit		135,867,090	117,442,883
Administrative and selling expenses			
		(41,819,825)	(40,436,816)
Operating profit		94,047,265	77,006,067
Other expenses			
		(4,963,087)	(5,435,423)
Other income			
		19,812,036	13,929,677
		14,848,949	8,494,254
Financial charges			
		(42,958,063)	(13,286,839)
Profit before taxation		65,938,151	72,213,482
Taxation			
		(19,809,550)	(12,743,919)
Profit after taxation		46,128,601	59,469,563
Earnings per share - basic and diluted			
		0.30	0.43

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director



CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)


For the three months period ended 30 September 2018

	Note	30 September 2018	30 September 2017
		(Rupees)	
Profit after taxation		46,128,601	59,469,563
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit and loss			
Unrealised gain/(loss) on revaluation of available-for-sale investments		(2,164,544)	(18,049,967)
Items that will not be reclassified to profit and loss			
Re-measurement of defined benefit liability		-	-
Related tax		-	-
Total comprehensive income for the period		43,964,057	41,419,596

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.


Chief Financial Officer


Chief Executive


Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)

For the three months period ended 30 September 2018

	30 September 2018	30 September 2017
	(Rupees)	
Profit before taxation	65,938,151	72,213,482
Adjustment for		
Depreciation	21,624,531	19,295,237
Amortisation	328,231	110,491
Mark-up expense	35,942,138	12,560,026
Finance lease charges	162,115	329,874
Gain on disposal of item of property, plant and equipment	524,363	-
Mark-up income	(17,306,617)	-
Unrealized gain/ (loss) on re-measurement of investment classified as 'at fair value through profit or loss' - at initial recognition	(637,419)	(11,359,000)
	106,575,493	93,150,110
Working capital changes		
(Increase) / decrease in current assets		
Stores and spares	1,179,236	(1,165,489)
Stock-in-trade	(92,731,485)	(56,749,255)
Trade debts	52,802,754	(83,682,863)
Loans and advances	60,885,976	(9,148,556)
Deposits, prepayments and other receivables	(178,796,740)	5,309,952
Current maturity of long term receivables	15,752,463	8,176,658
	(140,907,796)	(137,259,553)
Increase / (decrease) in current liabilities		
Due to related parties - net	(21,556,375)	1,727,317
Unclaimed Dividend	(17,495)	(25,031)
Trade and other payables	97,324,644	44,090,879
	75,750,774	45,793,165
Cash used in operations	41,418,471	1,683,722
Mark-up paid	(21,892,822)	(6,559,570)
Tax paid	(10,901,793)	(10,737,091)
Net cash used in operating activities	8,623,856	(15,612,939)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(7,786,875)	(17,020,684)
Proceeds from disposal of item of property, plant and equipment	1,356,068	-
Investment-net	-	(27,082,132)
Net cash used in investing activities	(6,430,807)	(44,102,816)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(6,746,929)	(4,047,301)
Loan from subsidiary companies - unsecured	(2,050,000)	(550,000)
Net cash generated from / (used in) financing activities	(8,796,929)	(4,597,301)
Net (decrease)/Invested in cash and cash equivalents	(6,603,880)	(64,313,056)
Cash and cash equivalents at beginning of the period	(1,430,672,166)	187,575,940
Cash and cash equivalents at end of the period	(1,437,276,046)	123,262,884

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.


Chief Financial Officer


Chief Executive


Director

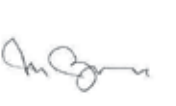
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the three months period ended 30 September 2018

	Issued, subscribed and paid up	Share premium	Unrealised gain on re- measurement of (Rupees)	Unappropriated profit	Total
Balance as at 01 July 2017	1,375,000,000	1,095,352,578	35,554,051	637,288,686	3,143,195,315
Total comprehensive income for the period ended 30 September 2017					
Profit after taxation	-	-	-	59,469,563	59,469,563
Other comprehensive income					
Unrealised loss on revaluation of available-for-sale investments	-	-	(18,049,967)	-	(18,049,967)
Re-measurement of defined benefit liability - net	-	-	(18,049,967)	59,469,563	41,419,596
Transactions with owners	-	-	-	-	-
Balance as at 30 September 2017	<u>1,375,000,000</u>	<u>1,095,352,578</u>	<u>17,504,084</u>	<u>696,758,249</u>	<u>3,184,614,911</u>
Balance as at 01 July 2018	1,512,500,000	1,095,352,578	15,068,260	434,398,893	3,057,319,731
Total comprehensive income for the period ended 30 September 2018					
Profit after taxation	-	-	-	46,128,601	46,128,601
Other comprehensive income					
Unrealised loss on revaluation of available-for-sale investments	-	-	(2,164,544)	-	(2,164,544)
Re-measurement of defined benefit liability - net	-	-	(2,164,544)	46,128,601	43,964,057
Transactions with owners	-	-	-	-	-
Balance as at 30 September 2018	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>12,903,716</u>	<u>480,527,494</u>	<u>3,101,283,788</u>

The annexed notes 1 to 10 form an integral part of the condensed interim unconsolidated financial information.


Chief Financial Officer

Chief Executive

Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2018

1. STATUS AND NATURE OF BUSINESS

1.1 Loads Limited ("the Company") was incorporated in Pakistan on 1 January 1979 as a private limited company. On 19 December 1993, the Company was converted from private limited company to unlisted public limited company and subsequently on 1 November 2016, the shares of the Company were listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi. This condensed interim financial information has been prepared for the three months period ended 30 September 2018.

2. BASIS OF PREPARATION

The condensed interim financial information has been presented in condensed form in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Act, 2017 has been followed. This condensed interim information is unaudited and is being submitted to shareholders in accordance with the requirements of Section 237 of the Companies Act, 2017. This condensed interim financial information does not include all of the information required for full annual financial statements and should be read in conjunction with annual financial statements as at and for the year ended 30 June 2018.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim unconsolidated financial information are the same as those applied in the preparation of the unconsolidated financial statements as at and for the year ended 30 June 2018.

4. ESTIMATES

The preparation of condensed Interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimates uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2018. The provision for taxation for the period has been made on an estimated basis.

5. PROPERTY, PLANT AND EQUIPMENT

	30 September 2018 Un-audited	30 June 2018 Audited
	(Rupees)	(Rupees)
Operating property, plant and equipment	586,809,260	604,432,210
Capital work-in-progress	22,137,472	19,183,883
	<u>608,946,732</u>	<u>623,616,093</u>

6. CONTINGENCIES AND COMMITMENTS

There are no significant changes in the contingent liabilities and commitments since the last audited published financial statements.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2018

7. COST OF SALES

	30 September 2018 Un-audited ------(Rupees)-----	30 September 2017 Un-Audited ------(Rupees)-----
Raw materials and components consumed	1,187,255,710	793,998,218
Ancillary materials consumed	14,642,891	9,673,100
Salaries, wages and other employee benefits	58,195,322	53,848,962
Subcontracting costs	193,502,945	147,941,128
Depreciation	19,803,147	17,619,359
Gas, power and water	5,119,238	5,007,592
Others	15,216,498	13,688,541
Manufacturing cost	1,493,735,751	1,041,776,900
Opening stock of work-in-process	150,978,815	140,014,359
Closing stock of work-in-process	(173,950,179)	(148,098,868)
	(22,971,364)	(8,084,509)
Opening stock of finished goods	49,683,031	110,143,067
Closing stock of finished goods	(83,142,713)	(102,974,399)
	(33,459,682)	7,168,668
	1,437,304,705	1,040,861,059

8. TRANSACTIONS WITH RELATED PARTIES

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

Transactions and balances with related parties are disclosed below:

	30 September 2018 Un-audited ------(Rupees)-----	30 June 2018 Audited ------(Rupees)-----
(Due to) / Due from related party - net		
- Specialized Motorcycle (Private) Limited	(68,375,698)	(66,750,292)
- Specialized Autoparts Industries (Private) Limited	(243,367,679)	(248,528,178)
- Multiple Autoparts Industries (Private) Limited	(124,967,908)	(138,092,309)
- HiTech Alloy Wheels Limited	514,305,619	508,051,412

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 September 2018

For the three months period ended

Sub-contracting work from:

- Specialized Autoparts Industries (Private) Limited
- Multiple Autoparts Industries (Private) Limited

Payments made during the period (net):

- Specialized Autoparts Industries (Private) Limited
- Multiple Autoparts Industries (Private) Limited
- Specialized Motorcycle (Private) Limited

Mark-up charged by subsidiary companies

Mark-up charged to subsidiary company

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

9. DATE OF AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board Of Directors on October 30, 2018.

10. GENERAL

- 10.1 The directors in their meeting held on October 1, 2018 have recommended final dividend of Re Nil per share (30 June 2017: Re. 1 per share) in respect of year ended 30 June 2018 and have announced issue of bonus shares at the rate Nil (30 June 2017: 10%).

- 10.2 The amounts have been rounded off to nearest rupee.


Chief Financial Officer


Chief Executive


Director



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