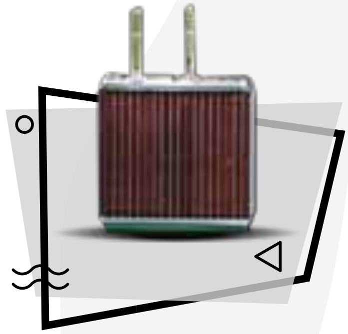
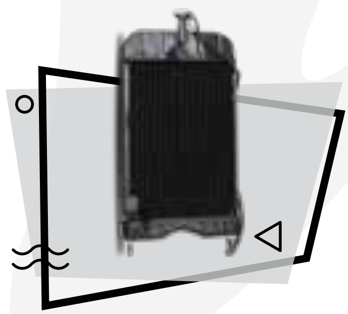
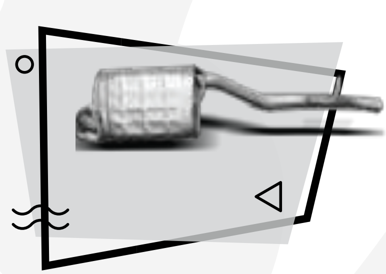
Loads Limited

Report to the Shareholders for
Half Year ended December 31, 2018





Manufacturers of

Exhaust Systems, Radiators &
Sheet Metal Components

Contents

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 conforming 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
Syed Sheharyar Ali	– Non-Executive Director
Mr. Amir Zia	– Non-Executive Director
Mr. Sajid Zahid	– Independent Director
Mr. M.Z. Moin Mohajir	– Independent Director
Ms. Lubna S. Pervez	– Independent Director
Mr. Shamim A. Siddiqui	– Executive Director

* Chairman and Vice Chairman are Non-Executive Directors

Audit Committee

Mr. M.Z. Moin Mohajir	– 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

Loads Limited

Directors' Review

The directors of your company are pleased to present a brief of operations and financial results of your Company for the half year ended December 31, 2018.

FINANCIAL HIGHLIGHTS (Consolidated)

	Rs in millions	
	Half year December 31, 2018	**Half year December 31, 2017**
Sales	3,090	2,190
Gross Profit (GP)	358	270
Operating Profit	252	200
Profit before Taxation (PBT)	105	171
Profit after Taxation (PAT)	43	132
Earnings per share (EPS) - basic & diluted	0.28	0.88

BUSINESS REVIEW

Your group has recorded sales over Rs. 3 billion in the half year, registering an increase of 41% over the previous period, mainly on account of growth of Indus Motors (Toyota Corolla), partly offset by decline of 9% in volumes of Suzuki, as well as price revisions incorporating rupee devaluation.

GP grew by 33% but PBT and PAT for the half year ended December 31, 2018 reflects a significant decline of 39% and 67% respectively, mainly due to higher financial charges as compared to previous year, on account of substantial investment in diversification into Alloy Wheels industry through subsidiary, Hi-tech Alloy Wheels Limited, “mark to market” impact of notional loss on investments, absence of tax credit on listing due to falling under minimum (turnover) tax regime and provision of additional tax due non-distribution of cash dividend on 2018 after tax profit. Consequently, the group’s EPS stands decreased from Rs. 0.88 to Rs. 0.28 for the half year ended December 31, 2018.

AUTOMOTIVE INDUSTRY

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

Overall car & LCV sales for the half year ended December 31, 2018 marginally decreased by 3%, due to decline in sales of Suzuki (-9%) and Honda (-2%), partly offset by Toyota Corolla’s growth of 8%.

(b) Heavy Commercial Vehicles

Heavy vehicles decreased from previous half year’s 4,562 units to 3,771 units (-17%).

(c) Tractors

The tractor industry’s sales declined by 24% over previous period.

SALES PERFORMANCE

The overall sales of the group for the half year increased by 41%, over previous period. A product-wise analysis is given below:

Products	Rs. in Millions		
	Sales		
	Half Year December 31, 2018	**Half Year December 31, 2017**	**+(-)%**
Exhaust Systems	2,213	1,444	+53%
Radiators	371	364	+ 2%
Sheet Metal Components	506	382	+ 32%
Total	**3,090**	**2190**	**+ 41%**

Comments on performance of various product groups are given below:

(a) Exhaust Systems

Sales have registered a growth 53%, mainly due to increase in Toyota Corolla's volume by 8%, introduction of catalytic converters in Suzuki Pickups and Carry Vans during the current period and rupee devaluation impact.

(b) Radiators

Increase of 2% reflects rupee devaluation impact, partly offset by decline in Suzuki volumes.

(c) Sheet Metal Components

The group has registered a growth of 32%, as compared to previous half year, mainly due to rupee devaluation impact.

APPOINTMENT OF DIRECTORS

The Board of Directors appointed Mr. Sajid Zahid and Mr. Muhammad Zindah Moin Mohajir as Directors, with effect from January 16, 2019, to fill the casual vacancies of Mr. Najam I. Chaudhri and Mr. M. Ziauddin.

The Company encourages representation of independent and non-executive directors, on its Board. In line with the requirements of the Code of Corporate Governance 2017, the current composition of the Board is as follows:

(i)	Independent Directors:	3
(ii)	Non-executive Directors:	4
(iii)	Executive Directors:	2

PROSPECTS

Macroeconomic indicators of the country are challenging for the industry. Pak Rupee devaluation, rising raw material prices, expected hike in interest rate and current account deficit are major challenges for the auto industry.

The future prospects of your company are encouraging on account of new entrants and exemption of imported raw materials from levy of Regulatory Duty.

Our subsidiary M/s. Hi-Tech Alloy Wheels Limited, signed Technology Transfer and Supply Agreement with a leading South Korean Company, M/s. Hands Corporation Limited, on February 8, 2019.

ACKNOWLEDGEMENTS

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

By order of the Board

MUNIR K. BANA
Chief Executive

SAJID ZAHID
Director

February 27, 2019
Karachi

گروپ کی مختلف مصنوعات کی کارکردگی کا مختصراً جائزہ درج ذیل ہے:

(a) ایگزاسٹ سسٹم

فروخت میں 53 فیصد نمو ہوئی جس کی وجوجات میں مدت کے دوران ٹویوٹا کرولا کے حجم فروخت میں اضافہ اور سوزوکی پک اپ اور کیری وین catalytic converters کو متعارف کروانا اور روپے کی قدر میں کمی کے اثرات شامل ہیں۔

(b) ریڈی ایٹرز

روپے کی قدر میں کمی سے 2 فیصد اضافہ ہوا، جس میں سوزوکی فروخت میں کمی کے اثرات بھی شامل ہیں۔

(c) شیٹ میٹل کے اجزاء

شیٹ میٹل کے اجزاء کی نمو میں موجودہ ششماہی میں گزشتہ مدت کی بہ نسبت 32 فیصد اضافہ ہوا جس کی بنیادی وجہ روپے کی قدر میں کمی کے اثرات تھے۔

ڈائریکٹران کا تقرر

بورڈ آف ڈائریکٹرز نے جناب نجم آئی چوہدری اور جناب ایم ضیاءالدین کے خالی ہونے والے عہدوں پر جناب ساجد زاہد اور جناب محمد زندہ معین مہاجر کو 16 جنوری 2019 سے بطور ڈائریکٹر تقرر کیا ہے۔

کمپنی بورڈ میں آزاد اور نان ایگزیکٹو ڈائریکٹران کی نمائندگی کی حوصلہ افزائی کرتی ہے۔ ادارتی نظم و نسق کے ضابطہ 2017 کی مطلوبات کے تحت بورڈ کی تشکیل درج انداز میں کی گئی ہے:

(i)	آزاد ڈائریکٹرز	3
(ii)	نان ایگزیکٹو ڈائریکٹرز	4
(iii)	ایگزیکٹو ڈائریکٹر	2

امکانات

صنعت کے لئے معاشی اشاریئے دشوار گزار ہیں۔ پاکستانی روپے کی قدر میں کمی، خام مال کی بڑھتی ہوئی قیمت، شرح سود میں متوقع اضافہ اور رواں کھاتے کا خسارہ آٹو کی صنعت کے لئے بڑے چیلنجز ہیں۔

نئے رجحانات اور درآمد شدہ خام مال پر ریگولیٹری ڈیوٹی کی چھوٹ کی وجہ سے کمپنی کے مستقبل کے امکانات حوصلہ افزاء ہیں۔

ہماری ذیلی کمپنی میسرز ہائی ٹیک الائے وہیلز لمیٹڈ نے ساؤتھ کوریا کی ایک بڑی کمپنی میسرز ہینڈز کارپوریشن لمیٹڈ کے ساتھ ٹیکنالوجی کی منتقلی اور فراہمی کے لئے ایک معاہدہ 8 فروری 2019 طے کیا ہے۔

اعتراف

بورڈ اپنے تمام ملازمین اور کسٹمرز کے مسلسل تعاون پر ان کا مشکور ہے۔

برائے ومنجانب

منیر کے بانا
چیف ایگزیکٹو

ساجد زاہد
ڈائریکٹر

27 فروری 2019
کراچی

لوڈز لمیٹڈ

ڈائریکٹران کا جائزہ

کمپنی کے ڈائریکٹران آپ کی کمپنی کے کاروباری اور مالیاتی نتائج برائے ششماہی مختتمہ 31 دسمبر 2018 پیش کرتے ہوئے اظہار مسرت کرتے ہیں:

مالیاتی جھلکیاں (مجموعی)

	روپے ملین میں	
	ششماہی 31 دسمبر 2018	ششماہی 31 دسمبر 2017
فروخت	3,090	2,190
خام منافع (GP)	358	270
کاروباری منافع	252	200
منافع قبل از ٹیکس (PBT)	105	171
منافع بعد از ٹیکس (PAT)	43	132
فی حصص آمدنی (EPS) - بنیادی اور رقیق	0.28	0.88

کاروباری جائزہ

ششماہی میں گروپ کی فروخت 3 بلین روپے ریکارڈ ہوئیں جو کہ گزشتہ مدت کی بہ نسبت 41 فیصد زیادہ ہے، جس کی بنیادی وجہ انڈس موٹر (ٹویوٹا کرولا) کی سالانہ نمو میں اضافہ ہے، جبکہ سوزوکی کی فروخت میں 9 فیصد کمی ہوئی، اس کے علاوہ روپے کی قدر میں کمی کو شامل کرنے کے لئے قیمتوں میں تبدیلیاں کی گئیں۔

GP میں 33 فیصد اضافہ ہوا لیکن ششماہی مدت مختتمہ 31 دسمبر 2018 میں PBT اور PAT میں بالترتیب 39 فیصد اور 67 فیصد کمی ہوئی جس کی بنیادی وجہ گزشتہ سال کی بہ نسبت بلند مالیاتی اخراجات تھے، جس کی وجہ الائے وہیلز کی صنعت میں تنوع پذیری کے لئے ذیلی کمپنی ''ہائی ٹیک الائے وہیلز لمیٹڈ'' میں بھاری سرمایہ کاری ہے، سرمایہ کاریوں پر تخیلی خساروں کے اثرات، لسٹنگ پر کم از کم طرز ٹیکس (فروخت) کے تحت ٹیکس کریڈٹ نہ ملنا اور 2018 کے بعد از ٹیکس منافع پر منافع منقسمہ کی عدم تقسیم پر ٹیکس کا اضافی اختصاص شامل ہیں۔ جس کے نتیجے میں گروپ کی ششماہی مختتمہ 31 دسمبر 2018 کو EPS 0.88 روپے سے کم ہو کر 0.28 روپے رہ گئی۔

آٹوموٹو انڈسٹری

(a) مسافر کاریں/ہلکی تجارتی گاڑیوں (LCVs)

ششماہی مدت 31 دسمبر 2018 میں مجموعی طور پر کاروں اور LCV کی فروخت میں 3 فیصد کمی ہوئی جس کی وجہ سوزوکی (9- فیصد) اور ہونڈا (2- فیصد) کی فروخت میں کمی ہے تاہم اس کے اثرات کو ٹویوٹا کرولا کی فروخت میں 8 فیصد اضافہ نے کسی حد تک زائل کیا۔

(b) بھاری تجارتی گاڑیاں

بھاری تجارتی گاڑیوں کی فروخت گزشتہ سال 4,562 یونٹ رہی جو اس ششماہی میں کم ہو کر 3,771 (17- فیصد) یونٹ رہ گئی۔

(c) ٹریکٹرز

ٹریکٹر کی صنعت کی فروخت میں گزشتہ مدت کی بہ نسبت 24 فیصد کمی ہوئی۔

فروخت کی کارکردگی

ششماہی مدت میں گروپ کی مجموعی فروخت میں گزشتہ مدت کی بہ نسبت 41 فیصد اضافہ ہوا۔

	روپے ''ملین'' میں		
مصنوعات	ششماہی 31 دسمبر 2018	ششماہی 31 دسمبر 2017	فیصد
ایگزاسٹ سسٹم	2,213	1,444	+53%
ریڈی ایٹر	371	364	+ 2%
شیٹ میٹل کے اجزاء	506	382	+ 32%
کل	3,090	2190	+ 41%

CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

ASSETS	Note	31 December 2018 (Un-audited)	30 June 2018 (Audited)
		(Rupees)	
Non-current assets			
Property, plant and equipment	4	**3,217,982,496**	1,879,663,053
Intangible assets		**1,592,480**	2,248,940
Long term investments		**385,434,066**	399,117,546
Long term loan and receivable		**12,840,074**	18,257,596
Employee benefits - gratuity		**3,884,221**	5,317,208
		3,621,733,337	2,304,604,343
Current assets			
Stores and spares		**47,872,920**	44,933,529
Stock-in-trade		**1,743,230,781**	1,662,758,743
Trade debts - net		**491,698,857**	350,809,641
Loans and advances		**101,137,975**	155,422,463
Deposits, prepayments and other receivables		**410,337,496**	247,070,821
Current maturity of long term receivables		**30,098,153**	47,104,408
Taxation - net		**148,332,949**	165,957,057
Short term investments		**45,965,514**	74,292,038
Cash and bank balances		**124,149,274**	535,897,253
		3,142,823,919	3,284,245,953
Total assets		**6,764,557,256**	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
Reserve		**5,871,931**	13,240,378
Unappropriated profit		**739,168,961**	696,944,970
		3,352,893,470	3,318,037,926
Non-Controlling Intrest		**334,191,751**	333,304,662
		3,687,085,221	3,651,342,588
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		**1,625,700**	5,014,204
Loans and borrowings		**340,291,614**	-
Deferred tax liabilities		**81,695,637**	91,325,057
		423,612,951	96,339,261
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		**7,980,321**	14,049,148
Short term financing		**1,993,535,776**	1,439,632,009
Trade and other payables		**610,978,345**	364,664,760
Unclaimed Dividend		**3,546,164**	3,574,008
Accrued mark-up on short term financing		**37,818,478**	19,248,522
		2,653,859,084	1,841,168,447
Total equity and liabilities		**6,764,557,256**	5,588,850,296
CONTINGENCIES AND COMMITMENTS	5		

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

Cheif Financial Officer	**Chief Executive**	**Director**

CONDENSED INTERIM CONSOLIDATED PROFIT OR LOSS (UN-AUDITED)

For the six months period ended 31 December 2018

	Note	For the six months period ended		For the three months period ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		---(Rupees)---			
Turnover		**3,089,945,615**	2,190,126,926	**1,516,773,820**	1,031,822,984
Cost of sales	6	**(2,732,198,383)**	(1,920,012,272)	**(1,353,220,475)**	(911,759,621)
Gross profit		**357,747,232**	270,114,654	**163,553,345**	120,063,363
Administrative and selling expenses		**(105,497,003)**	(90,639,740)	**(53,617,284)**	(44,848,665)
		252,250,229	179,474,914	**109,936,061**	75,214,698
Other expenses		**(14,601,338)**	(11,521,451)	**(5,529,737)**	(5,290,540)
Other income		**24,246,695**	32,208,592	**8,378,921**	16,216,264
		9,645,357	20,687,141	**2,849,184**	10,925,724
Operating profit		**261,895,586**	200,162,055	**112,785,245**	86,140,422
Financial charges		**(120,673,491)**	(22,383,901)	**(83,442,287)**	(14,700,990)
Equity investments at FVTPL - net change in fair value		**(13,445,792)**	(7,843,176)	**(14,083,211)**	(7,843,176)
Share of profit in associates-net		**(22,047,368)**	1,096,213	**(13,503,930)**	548,107
Profit before taxation		**105,728,935**	171,031,191	**1,755,817**	64,144,363
Taxation		**(62,617,855)**	(38,674,571)	**(24,520,261)**	(15,839,685)
Profit after taxation		**43,111,080**	132,356,620	**(22,764,444)**	48,304,678
Profit attributable to:					
Owners of the Company		**42,223,991**	132,356,620		
Non-controlling interest		**887,089**	-		
		43,111,080	132,356,620		
Earnings per share					
- basic and diluted		**0.28**	0.88	**(0.15)**	0.32

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

Cheif Financial Officer	**Chief Executive**	**Director**

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

For the six months period ended 31 December 2018

	Note	For the six months period ended		For the three months period ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December **2017**
		(Rupees)			
Profit after taxation		**43,111,080**	132,356,620	**(22,764,444)**	48,304,678
Other comprehensive income:					
Items that are or may be reclassified subsequently to profit and loss					
Equity investments at FVOCI - net change in fair value		**(7,368,447)**	(19,787,086)	**(5,217,544)**	(1,737,119)
Total comprehensive income for the period		**35,742,633**	112,569,534	**(27,981,988)**	46,567,559

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

Cheif Financial Officer	Chief Executive	Director

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the six months period ended 31 December 2018

	Note	For the six months period ended 31 December 2018	31 December 2017
		----------------(Rupees)----------------	
Profit before taxation		**105,728,935**	171,031,191
Adjustment for			
Depreciation		**51,245,394**	47,543,658
Amortisation		**656,460**	220,981
Mark-up expense		**71,723,612**	4,647,346
Finance lease charges		**277,650**	599,742
Mark-up income		**(11,533,788)**	(25,482,764)
Dividend income		**(7,624,320)**	(26,000)
Gain on disposal of item of property, plant and equipment		**(3,503,619)**	(900,433)
Provision for gratuity		**1,432,987**	1,231,375
Loss on PIB's		**-**	5,994,099
Share of profit in associates - net		**22,047,368**	(1,096,213)
Equity investments at FVTPL - net change in fair value		**13,445,792**	7,843,176
		243,896,471	211,606,158
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares		**(2,939,391)**	15,619,197
Stock-in-trade		**(80,472,038)**	(204,692,898)
Trade debts		**(140,889,216)**	70,373,439
Loans and advances		**54,284,488**	(20,586,321)
Deposits, prepayments and other receivables		**(140,842,898)**	(22,696,241)
		(310,859,055)	(161,982,824)
Increase / (decrease) in current liabilities			
Trade and other payables		**251,993,313**	76,696,620
Cash generated from operations		**185,030,729**	126,319,954
Mark-up paid		**(52,736,326)**	(3,334,714)
Gratuity Paid		**-**	(945,658)
Tax paid		**(61,318,932)**	(7,842,521)
Net cash generated from operating activities		**70,975,471**	114,197,061
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(1,392,145,294)**	(155,043,658)
Sales of PIB's		**-**	136,024,320
Mark-up received		**11,533,788**	25,482,764
Dividend received		**7,624,320**	26,000
Proceeds from disposal of item of property, plant and equipment		**6,084,076**	2,876,564
Redemption/(Purchase) of investments - net		**(252,896)**	(452,698,916)
Net cash used in investing activities		**(1,367,156,006)**	(443,332,926)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		**(9,734,981)**	(6,277,470)
Proceeds from loans and borrowings		**340,291,614**	-
Dividend Paid		**(27,844)**	(134,342,062)
Net cash generated from / (used in) financing activities		**330,528,789**	(140,619,532)
Net (decrease)/Invested in cash and cash equivalents		**(965,651,746)**	(469,755,397)
Cash and cash equivalents at beginning of the period		**(903,734,756)**	314,726,110
Cash and cash equivalents at end of the period		**(1,869,386,502)**	(155,029,287)

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

Cheif Financial Officer	Chief Executive	Director

Loads Limited

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

For the six months period ended 31 December 2018

	Share capital	Capital reserve		Revenue reserve	
	Issued, subscribed and paid up Capital	Share premium	Fair value reserve of equity securities - FVOCI	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 31 December 2017					
Profit after taxation	-	-	-	132,356,620	132,356,620
Other comprehensive income	-	-	(19,787,086)	-	(19,787,086)
	-	-	(19,787,086)	132,356,620	112,569,534
Transactions with owners	-	-	-	-	-
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2017	-	-	-	(137,500,000)	(137,500,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	137,500,000	-	-	(137,500,000)	-
	137,500,000	-	-	(275,000,000)	(137,500,000)
Balance as at 31 December 2017	1,512,500,000	1,095,352,578	13,939,083	755,856,565	3,377,648,226
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 31 December 2018					
Profit after taxation	**-**	**-**	**-**	**42,223,991**	**42,223,991**
Other comprehensive income	**-**	**-**	**(7,368,447)**	**-**	**(7,368,447)**
	-	**-**	**(7,368,447)**	**42,223,991**	**34,855,544**
Transactions with owners	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December 2018	**1,512,500,000**	**1,095,352,578**	**5,871,931**	**739,168,961**	**3,352,893,470**

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

Cheif Financial Officer | **Chief Executive** | **Director**

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

For the six months period ended 31 December 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. Company on 19 December 1993, the Parent Company was converted from private 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) of the parent company. The details are as follows:

Name of the Company	Incorporation date	Principle line of business
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	It will manufacture alloy wheels of various specifications and sell them to local car assemblers.

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.

1.4 Summary of significant events and transactions in the current reporting period

The Company’s financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Utilized short-term running finance facilities from different banks amounting to Rs. 894.1 million
- Capital expenditure incurred for the purchase of plants for manufacturing and painting of Alloy Wheels and the Company has also entered into a contract for construction of building.

2. BASIS OF PREPARATION

The condensed interim consolidated financial information has been presented in condensed form in accordance with accounting standards as applicable in Pakistan for interim financial reporting and provisions of and directives issued under the Companies Act, 2017. This condensed interim information is unaudited and is being submitted to shareholders in accordance with the requirements 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 audited financial statements for the year ended 30 June 2018.

2.1 Functional and presentation currency

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

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

For the six months period ended 31 December 2018

2.2 Accounting Estimates, Judgments and Financial Risk Management

The preparation of the condensed interim consolidated financial information in conformity with approved accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing the condensed interim consolidated financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2018 except for new significant judgments and key sources of estimation uncertainty related to application of IFRS 15 and IFRS 9 which are discussed in note 3.

The Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2018.

2.3 Standards, interpretations and amendments to published approved accounting standards 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 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

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

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

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

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company has initially applied IFRS-15 and IFRS-9 from 1 July 2018. The effect of initially applying these standards is disclosed below:

3.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The adoption of IFRS 15 did not impact the timing or amount of revenue, dividend, markup, other investment income and related assets and liabilities recognised by the Company. All contracts with customers are short term and the revenue is recognised at the point of sale. Accordingly, there is no impact on comparative information. The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Company's goods are set out below:

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

For the six months period ended 31 December 2018

Under IFRS 15, revenue is recognised when a customer obtains control of the goods. Determining the timing of the transfer of control - at a point in time or over time - requires judgments.

The following table provides information about the nature and timing of tile satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of Product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 July 2018)	Revenue recognition under IAS 18 (applicable before 1 July 2018)
Standard Products	Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated at the point in time.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.	Revenue was recognized when the goods were delivered to the customers' premises which was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred,
	Some contract permit the customer to return an item. Return goods are exchanged only for new goods - i.e. no cash refunds are offered.	For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of product. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Group reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.	provided that a reasonable estimate of the returns could be made. If a reasonable estimate could not be made, then revenue recognition was deferred until the return period lapsed or a reasonable estimate of returns could be made.

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

For the six months period ended 31 December 2018

Made-to-order products	The Company has determined that for made-to-order products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contract products are made to a customer's specification and if a contract is terminated by the customer, then the Company is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms. Uninvoiced amounts are presented as contract assets.	Revenue and associated costs are recognised over time - i.e. before the goods are delivered to the customers premises. Progress is determined based on the cost-to-cost method.	Revenue was recognised when the goods were delivered to the customer premises, which was taken to be the point in time at which customer accepted the goods and the related risk and reward of ownership transfer. Revenue was recognised at that point provided that the revenue and cost could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods.

3.1.1 Sales to customers are made pursuant to the sales agreements, Under which, tentative schedules are provided to the Company which are later confirmed by monthly schedules. Since the monthly schedules are short-term in nature, revenue is recognised at the point of sale and no contract asset / liability is recognized.

3.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non - financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statements of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in other expenses.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

3.2.1 Effect of change in accounting policies due to adoption of IFRS 9

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.
The adoption of IFRS 9 has not had a significant on the Company's accounting policies related to financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, refer note 3.2.2.2.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1July 2018. The below mentioned re-classifications did not have any impact on the amounts of Company's financial assets and financial liabilities as at 1 July 2018.

	Note	Original classification under IAS 39	New classification under IFRS 9
Financial assets			
Equity securities	*(a)*	Designated as at FVTPL	Mandatorily at FVTPL
Equity securities	*(b)*	Available for sale	FVOCI - equity instrument
Participation Term Certificates	*(a)*	Designated as at FVTPL	Mandatorily at FVTPL
Trade debts		Loans and receivables	Amortised cost
Loans		Loans and receivables	Amortised cost
Deposits and other receivables		Loans and receivables	Amortised cost
Cash and bank balances		Loans and receivables	Amortised cost
Financial liabilities			
Short term financing		Other financial liabilities	Other financial liabilities
Trade and other payables		Other financial liabilities	Other financial liabilities
Liabilities against assets subject to finance lease		Other financial liabilities	Other financial liabilities
Accrued mark-up on short term financing*		Other financial liabilities	Other financial liabilities
Unclaimed dividend		Other financial liabilities	Other financial liabilities

(a) Under IAS 39, these equity securities (ordinary shares of listed companies and PTCs) were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

(b) These equity securities represent investments that the Company intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Company has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

* Accrued markup have been presented separately in accordance with the requirements of fourth schedule of the Companies Act, 2017.

Adoption of IFRS 9 did not have any impact on the profit or loss and OCI for the year ended 30 June 2018, except for presentation of certain items as mentioned above.

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 (refer note 3.2.2.5).

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements as at 1 July 2018 did not have any impact on the financial assets of the Company.

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

(iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 is only limited to the classification of financial instruments as described in note 3.2.2.2.

3.2.2 Financial instruments - Policies applicable from 1 July 2018

3.2.2.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.2.2.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI -debt investment, FVOCI -equity investment, or FVTPL Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

On initial recognition of an equity investment that is not held for trading, the Company may irrecoverably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets- Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets 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 income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in 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 OCI and are never reclassified to profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.2.2.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.2.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2.2.5 Impairment

(i) Financial assets

Financial instruments - financial assets measured at amortized cost

The Company measures loss allowances at an amount equal to lifetime Expected Credit Losses (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 inducing forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired ' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial liabilities.

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

For the six months period ended 31 December 2018

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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.

(ii) Non-financial assets

The carrying amounts 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 Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 assessment of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companys of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss account.

4. PROPERTY, PLANT AND EQUIPMENT	**31 December 2018**	30 June 2018
	---------------(Rupees)--------------	
Operating property, plant and equipment	**780,776,434**	782,741,778
Capital work-in-progress	**2,437,206,062**	1,096,921,275
	3,217,982,496	1,879,663,053

5. CONTINGENCIES AND COMMITMENTS

5.1 Contingencies

There is no change in the status of contingencies as disclosed under note 15 of the annual Consolidated financial statements of the Company for the year ended 30 June 2018.

5.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 749.731 million (30 June 2018: Rs. 1744.3 million).

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

For the six months period ended 31 December 2018

6. COST OF SALES	For the six months period ended 31 December 2018	31 December 2017	For the three months period ended 31 December 2018	31 December 2017
	---(Rupees)---			
Raw materials and components consumed	**2,358,544,488**	1,588,554,440	**1,171,288,778**	792,991,027
Ancillary materials consumed	**56,136,632**	52,534,479	**23,751,141**	25,678,591
Manufacturing Expenses				
Salaries, wages and other employee benefits	**255,201,054**	198,501,594	**137,272,306**	93,044,669
Subcontracting costs	**62,692,445**	56,171,285	**27,577,085**	28,128,722
Depreciation	**46,805,576**	43,674,288	**23,750,831**	23,296,674
Gas, power and water	**22,273,374**	23,691,371	**11,041,170**	12,816,782
Others	**58,278,925**	44,208,475	**29,842,229**	25,358,690
Manufacturing cost	**2,859,932,494**	2,007,335,932	**1,424,523,540**	1,001,315,155
Opening stock of work-in-process	**150,978,815**	140,014,359	**173,950,179**	125,347,126
Closing stock of work-in-process	**(177,240,188)**	(176,721,607)	**(177,240,188)**	(176,721,607)
	(26,261,373)	(36,707,248)	**(3,290,009)**	(51,374,481)
Opening stock of finished goods	**49,683,031**	110,143,067	**83,142,713**	122,578,426
Closing stock of finished goods	**(151,155,769)**	(160,759,479)	**(151,155,769)**	(160,759,479)
	(101,472,738)	(50,616,412)	**(68,013,056)**	(38,181,053)
	2,732,198,383	1,920,012,272	**1,353,220,475**	911,759,621

7. TRANSACTIONS WITH RELATED PARTIES

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

Transactions and balances with related parties are disclosed below:

	31 December 2018	30 June 2018
	---(Rupees)---	
Investment in Treet Corporation		
Ordinary shares: 8,741,438 shares (30 June 2018: 8,613,233 shares)	**349,817,475**	342,235,065
Participation Term Certificates (PTCs): 1,831,500 PTCs (30 June 2018: 1,831,500 PTCs)	**11,886,435**	32,948,685
Receivable from / (payable to) provident fund	**9,758,853**	8,701,174
Employee benefits - gratuity	**3,884,221**	5,317,208
Treet Corporation Limited		
Interest income from PTCs	**7,574,410**	12,655,665

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

For the six months period ended 31 December 2018

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.

8. DATE OF AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board Of Directors on 27 February 2019.

9. GENERAL

9.1 All figures, except for 30th June 2018, appearing in this condensed interim consolidated financial information are unaudited.

9.2 The amounts have been rounded off to nearest rupee.

Cheif Financial Officer	Chief Executive	Director

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
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Independent Auditors' Review Report

To the Members of Loads Limited

Report on Review of Condensed Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim unconsolidated statement of financial position of Loads Limited ("the Company") as at 31 December 2018 and the related condensed interim unconsolidated profit or loss account, the condensed interim unconsolidated statement of comprehensive income, the condensed interim unconsolidated statement of cash flows, the condensed interim unconsolidated statement of changes in equity and notes to the condensed interim unconsolidated financial information for the six months period then ended (here-in-after-referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

KPMG Taseer Hadi & Co.

Other Matters

The figures of the condensed interim unconsolidated profit and loss account and the condensed interim unconsolidated statement of comprehensive income for the quarter ended 31 December 2018 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditors' review report is Amyn Malik.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 27 February 2019

Karachi

Loads Limited

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Note	31 December 2018 (Un-audited)	30 June 2018 (Audited)
ASSETS		(Rupees)	
Non-current assets			
Property, plant and equipment	4	**609,197,997**	623,616,093
Intangible assets		**1,592,479**	2,248,940
Long term investments	5.1	**1,509,777,475**	1,502,195,065
Long term loan and receivable		**12,840,074**	18,257,596
Employee benefits - gratuity		**3,884,221**	5,317,208
		2,137,292,246	2,151,634,902
Current assets			
Stores and spares		**31,599,863**	29,276,306
Stock-in-trade	6	**1,743,230,782**	1,662,758,743
Trade debts - net	7	**491,698,857**	350,809,641
Loans and advances		**52,127,529**	146,214,779
Deposits, prepayments and other receivables	8	**386,532,260**	224,544,009
Current maturity of long term receivables		**30,098,153**	47,104,408
Due from related parties		**540,568,448**	518,518,738
Taxation - net		**130,188,893**	146,796,591
Short term investments	5.2	**37,735,354**	66,083,341
Cash and bank balances		**3,134,258**	8,959,843
		3,446,914,397	3,201,066,399
Total assets		**5,584,206,643**	5,352,701,301
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
Reserve		**8,022,834**	15,068,260
Unappropriated profit		**485,392,563**	434,398,893
		3,101,267,975	3,057,319,731
LIABILITIES			
Non-current liabilities			
Liabilities against assets subject to finance lease		**1,625,700**	5,014,204
Deferred tax liabilities	13	**41,517,757**	49,060,762
		43,143,457	54,074,966
Current liabilities			
Current maturity of liabilities against assets subject to finance lease		**7,980,321**	14,049,148
Short term financing	9	**1,823,389,969**	1,439,632,009
Due to related parties		**288,973,927**	464,530,779
Trade and other payables	10	**280,505,920**	300,272,138
Unclaimed dividend		**3,546,164**	3,574,008
Accrued mark-up on short term financing		**35,398,910**	19,248,522
		2,439,795,211	2,241,306,604
Total equity and liabilities		**5,584,206,643**	5,352,701,301
CONTINGENCIES AND COMMITMENTS	11		

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

Cheif Financial Officer	**Chief Executive**	**Director**

CONDENSED INTERIM UNCONSOLIDATED PROFIT OR LOSS (UN-AUDITED)

For the six months period ended 31 December 2018

	Note	For the six months period ended		For the three months period ended	
		31 December 2018	31 December 2017	**31 December 2018**	31 December 2017
		----------------------------------(Rupees)------------------------------------			
Turnover		**3,089,945,615**	2,190,126,926	**1,516,773,820**	1,031,822,984
Cost of sales	12	**(2,834,466,940)**	(1,989,345,851)	**(1,397,162,235)**	(948,484,792)
Gross profit		**255,478,675**	200,781,075	**119,611,585**	83,338,192
Administrative and selling expenses		**(79,016,843)**	(74,479,662)	**(37,197,018)**	(34,042,846)
		176,461,832	126,301,413	**82,414,567**	49,295,346
Other expenses		**(6,990,169)**	(8,966,639)	**(3,531,216)**	(3,531,216)
Other income		**36,868,475**	28,832,556	**17,693,858**	14,902,879
		29,878,306	19,865,917	**14,162,642**	11,371,663
Operating profit		**206,340,138**	146,167,330	**96,577,209**	60,667,009
Finance cost		**(107,379,431)**	(33,226,207)	**(64,421,368)**	(19,939,368)
Equity investments at FVTPL - net change in fair value	5.2.1	**(13,445,792)**	(7,843,176)	**(14,083,211)**	(7,843,176)
Profit before taxation		**85,514,915**	105,097,947	**18,072,630**	32,884,465
Taxation	13	**(34,521,245)**	(21,686,985)	**(14,711,695)**	(8,943,066)
Profit after taxation		**50,993,670**	83,410,962	**3,360,935**	23,941,399
Earnings per share - basic and diluted	14	**0.34**	0.55	**0.02**	0.16

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

Cheif Financial Officer | **Chief Executive** | **Director**

Loads Limited

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

For the six months period ended 31 December 2018

		For the six months period ended		For the three months period ended	
	Note	**31 December 2018**	31 December 2017	**31 December 2018**	31 December 2017
		-----(Rupees)-----			
Profit after taxation		**50,993,670**	83,410,962	**3,360,935**	23,941,399
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Equity investments at FVOCI - net change in fair value	5.2.2.1	**(7,045,426)**	(19,787,086)	**11,004,541**	(1,737,119)
Total comprehensive income for the period		**43,948,244**	63,623,876	**14,365,476**	22,204,280

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

Cheif Financial Officer	**Chief Executive**	**Director**

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the six months period ended 31 December 2018

	Note	31 December 2018	31 December 2017
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**85,514,915**	105,097,947
Adjustments for			
Depreciation		**43,845,957**	41,340,639
Amortisation		**656,461**	220,981
Mark-up expense		**84,820,687**	4,647,346
Gain on disposal of property, plant and equipment		**(3,503,619)**	(900,433)
Provision for gratuity		**1,432,987**	1,231,375
Finance lease charges		**277,650**	599,742
Mark-up income		**(25,740,537)**	(25,776,118)
Dividend income		**(7,624,320)**	(26,000)
Equity investments at FVTPL - net change in fair value		**13,445,792**	7,843,176
		193,125,973	134,278,655
Working capital changes			
Decrease / (increase) in current assets			
Stores and spares		**(2,323,557)**	156,159
Stock-in-trade		**(80,472,039)**	(189,017,578)
Trade debts - net		**(140,889,216)**	70,373,439
Loans and advances		**94,087,250**	(13,690,990)
Deposits, prepayments and other receivables		**(139,564,474)**	(23,166,143)
		(269,162,036)	(155,345,113)
Increase / (decrease) in current liabilities			
Due to related parties - net		**(56,239,806)**	19,927,836
Trade and other payables		**(20,183,548)**	88,664,640
		(76,423,354)	108,592,476
Cash (used in) / generated from operations		**(152,459,417)**	87,526,018
Mark-up paid		**(55,397,390)**	(4,079,929)
Gratuity paid		**-**	(945,658)
Tax (paid) / refunded - net		**(25,456,552)**	14,343,507
Net cash (used in) / generated from operating activities		**(233,313,359)**	96,843,938
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(32,008,318)**	(62,111,721)
Advance against issue of shares in subsidiary		**-**	(500,000,000)
Dividend received		**7,624,320**	26,000
Mark-up received		**25,740,537**	25,776,118
Proceeds from disposal of property, plant and equipment		**6,084,076**	3,393,564
Proceeds from sale of investments - net		**274,359**	87,289,678
Net cash used in investing activities		**7,714,974**	(445,626,361)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		**(9,734,981)**	(6,277,470)
Dividend paid		**(27,844)**	(134,342,062)
Repayment of loan from subsidiaries - unsecured		**(154,222,335)**	(200,634,000)
Net cash used in financing activities		**(163,985,160)**	(341,253,532)
Net decrease in cash and cash equivalents during the period		**(389,583,545)**	(690,035,955)
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	16	**(1,820,255,711)**	(502,460,015)

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

Cheif Financial Officer	**Chief Executive**	**Director**

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

For the six months period ended 31 December 2018

	Share capital	Capital reserve		Revenue reserve	
	Issued, subscribed and paid up	Share premium	Fair value reserve of equity securities - FVOCI	Unappropriated profit	Total
	---------- (Rupees) ----------				
Balance as at 1 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 six months period ended 31 December 2017					
Profit after taxation	-	-	-	83,410,962	83,410,962
Other comprehensive income	-	-	(19,787,086)	-	(19,787,086)
	-	-	(19,787,086)	83,410,962	63,623,876
Transactions with owners of the Company					
Contributions and distributions					
Final cash dividend at the rate of 10% (i.e. Re. 1 per share) for the year ended 30 June 2017	-	-	-	(137,500,000)	(137,500,000)
Issue of bonus shares at the rate of 10% (i.e. 10 shares for every 100 shares held)	137,500,000	-	-	(137,500,000)	-
	137,500,000	-	-	(275,000,000)	(137,500,000)
Balance as at 31 December 2017	1,512,500,000	1,095,352,578	15,766,965	445,699,648	3,069,319,191
Balance as at 1 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 six months period ended 31 December 2018					
Profit after taxation	-	-	-	50,993,670	50,993,670
Other comprehensive income	-	-	(7,045,426)	-	(7,045,426)
	-	-	(7,045,426)	50,993,670	43,948,244
Transactions with owners of the Company	-	-	-	-	-
Balance as at 31 December 2018	**1,512,500,000**	**1,095,352,578**	**8,022,834**	**485,392,563**	**3,101,267,975**

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

Cheif Financial Officer	Chief Executive	Director

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the six months period ended 31 December 2018

1. STATUS AND NATURE OF BUSINESS

1.1 Legal status and operations

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 Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) on May 30, 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 sale of 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 (Treet Corporation Limited) of the Company which are carried at cost. The details are as follows:

Name of the Company	Incorporation date	Effective holding %		Principle line of business
		31 December 2018	30 June 2018	
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.
Associate				
Treet Corporation Limited	22 January 1977	**5.32%**	5.42%	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.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the six months period ended 31 December 2018

1.2 As at 31 December 2018, the financial position of the subsidiaries are as follows:

	Note	Assets	Liabilities	Equity	Breakup value
		--------------------------(Rupees)	--------------------------		(Rs. / share)
31 December 2018					
SAIL	1.2.1	**629,548,286**	**57,568,001**	**571,980,285**	**17.60**
HAWL	1.2.2	**2,941,781,578**	**1,559,039,123**	**1,382,742,455**	**10.51**
MAIL	1.2.1	**281,869,888**	**26,219,660**	**255,650,228**	**20.45**
SMPL	1.2.1	**69,835,198**	**624,340**	**69,210,858**	**9.23**
30 June 2018					
SAIL		584,697,266	66,968,483	517,728,783	15.93
HAWL		1,955,385,383	546,319,264	1,409,066,119	10.71
MAIL		268,623,224	29,441,465	239,181,759	19.13
SMPL		68,210,733	800,674	67,410,059	8.99

1.2.1 The financial information of SAIL, MAIL and SMPL is based on the un-audited management accounts for the period ended 31 December 2018.

1.2.2 The financial information of Hi-Tech is based on the audited special purpose financial statements for the period ended 31 December 2018 prepared for publishing in prospectus for Initial Public Offering (IPO).

1.3 As at 30 September 2018, the assets, liabilities and equity of Treet Corporation Limited amounted to Rs. 22,477 million, Rs. 13,595 million and Rs. 8,882 million respectively (un-audited).

1.4 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- Utilized short-term running finance facilities from different banks amounting to Rs. 383.7 million (refer note 9);
- Repayment of loan amounting to Rs. 154.2 million to subsidiaries; and
- Minimum tax charge of Rs. 35.7 million calculated at the rate of 1.25% on turnover (refer note 13).

2. BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim unconsolidated financial information of the Company for the six months period ended 31 December 2018 has been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting and provisions of and directives issued under Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 have been followed.

This condensed interim unconsolidated financial information does not include information required for full annual financial statements and therefore should be read in conjunction with the audited unconsolidated financial statements for the year ended 30 June 2018.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the six months period ended 31 December 2018

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Accounting Estimates, Judgments and Financial Risk Management

The preparation of the condensed interim unconsolidated financial information in conformity with approved accounting and reporting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

In preparing the condensed interim unconsolidated financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the unconsolidated financial statements as at and for the year ended 30 June 2018 except for new significant judgments and key sources of estimation uncertainty related to application of IFRS 15 and IFRS 9 which are discussed in note 3. The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated financial statements as at and for the year ended 30 June 2018.

2.5 Standards, interpretations and amendments to published approved accounting standards 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 January 2019:

- IFRIC 23 'Uncertainty over Income Tax Treatments' (effective for annual periods beginning on or after 1 January 2019) clarifies the accounting for income tax when there is uncertainty over income tax treatments under IAS 12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The application of interpretation is not likely to have an impact on Company's financial statements.

- IFRS 16 'Leases' (effective for annual period beginning on or after 1 January 2019). IFRS 16 replaces existing leasing guidance, including IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases- Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The Company is currently in the process of analyzing the potential impact of its lease arrangements that will result in recognition of right to use assets and liabilities on adoption of the standard.

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- Amendment to IAS 28 'Investments in Associates and Joint Ventures' - Long Term Interests in Associates and Joint Ventures (effective for annual period beginning on or after 1 January 2019). The amendment will affect companies that finance such entities with preference shares or with loans for which repayment is not expected in the foreseeable future (referred to as long-term interests or 'LTI'). The amendment and accompanying example state that LTI are in the scope of both IFRS 9 and IAS 28 and explain the annual sequence in which both standards are to be applied. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 19 'Employee Benefits'- Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 1 January 2019). The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period; and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income. The application of amendments is not likely to have an impact on Company's financial statements.

- Amendment to IFRS 3 'Business Combinations' - Definition of a Business (effective for business combinations for which the acquisition date is on or after the beginning of annual period beginning on or after 1 January 2020). The IASB has issued amendments aiming to resolve the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The standard is effective for transactions in the future and therefore would not have an impact on past financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective for annual periods beginning on or after 1 January 2020). The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing their general purpose financial statements in accordance with IFRS Standards.

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

- IFRS 3 Business Combinations and IFRS 11 Joint Arrangement - the amendment aims to clarify the accounting treatment when a company increases its interest in a joint operation that meets the definition of a business. A company remeasures its previously held interest in a joint operation when it obtains control of the business. A company does not remeasure its previously held interest in a joint operation when it obtains joint control of the business.

- IAS 12 Income Taxes - the amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transaction that generates the distributable profits.

- IAS 23 Borrowing Costs - the amendment clarifies that a company treats as part of general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use or sale.

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

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Company has initially applied IFRS-15 and IFRS-9 from 1 July 2018. The effect of initially applying these standards is disclosed below:

3.1 IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time - requires judgment.

The adoption of IFRS 15 did not impact the timing or amount of revenue, dividend, markup, other investment income and related assets and liabilities recognised by the Company. All contracts with customers are short term and the revenue is recognised at the point of sale. Accordingly, there is no impact on comparative information. The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Company's goods are set out below:

Under IFRS 15, revenue is recognised when a customer obtains control of the goods. Determining the timing of the transfer of control - at a point in time or over time - requires judgments.

The following table provides information about the nature and timing of tile satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

Type of Product	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition under IFRS 15 (applicable from 1 July 2018)	Revenue recognition under IAS 18 (applicable before 1 July 2018)
Standard products	Customers obtain control of products when the goods are delivered to and have been accepted at their premises. Invoices are generated at the point in time.	Revenue is recognised when the goods are delivered and have been accepted by customers at their premises.	Revenue was recognized when the goods were delivered to the customers' premises which was taken to be the point in time at which the customer accepted the goods and the related risks and rewards of ownership transferred,
	Some contract permit the customer to return an item. Return goods are exchanged only for new goods - i.e. no cash refunds are offered.	For contracts that permit the customer to return an item, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data for specific types of product. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The refund liability is included in other payables and the right to recover returned goods is included in inventory. The Group reviews its	provided that a reasonable estimate of the returns could be made. If a reasonable estimate could not be made, then revenue recognition was deferred until the return period lapsed or a reasonable estimate of returns could be made.

		estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.	
Made-to-order products	The Company has determined that for made-to-order products, the customer controls all of the work in progress as the products are being manufactured. This is because under those contract products are made to a customer's specification and if a contract is terminated by the customer, then the Company is entitled to reimbursement of the costs incurred to date, including a reasonable margin. Invoices are issued according to contractual terms. Uninvoiced amounts are presented as contract assets.	Revenue and associated costs are recognised over time - i.e. before the goods are delivered to the customers premises. Progress is determined based on the cost-to-cost method.	Revenue was recognised when the goods were delivered to the customer premises, which was taken to be the point in time at which customer accepted the goods and the related risk and reward of ownership transfer. Revenue was recognised at that point provided that the revenue and cost could be measured reliably, the recovery of the consideration was probable and there was no continuing managerial involvement with the goods.

3.1.1 Sales to customers are made pursuant to the sales agreements, Under which, tentative schedules are provided to the Company which are later confirmed by monthly schedules. Since the monthly schedules are short-term in nature, revenue is recognised at the point of sale and no contract asset / liability is recognized.

3.2 IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non - financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

As a result of adoption of IFRS 9, the Company has adopted consequential amendments to IAS 1 Presentation of Financial Statements, which require impairment of financial assets to be presented in a separate line item in the statements of profit or loss and OCI. Previously, the Company's approach was to include the impairment of trade receivables in other expenses.

Additionally, the Company has adopted consequential amendments to IFRS 7 Financial Instruments: Disclosures.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

3.2.1 Effect of change in accounting policies due to adoption of IFRS 9

(i) Classification and measurement of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale.

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IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

The adoption of IFRS 9 has not had a significant on the Company's accounting policies related to financial liabilities.

For an explanation of how the Company classifies and measures financial instruments and accounts for related gains and losses under IFRS 9, refer note 3.2.2.2.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and financial liabilities as at 1 July 2018. The below mentioned re-classifications did not have any impact on the amounts of Company's financial assets and financial liabilities as at 1 July 2018.

	Note	Original classification under IAS 39	New classification under IFRS 9
Financial assets			
Equity securities	(a)	Designated as at FVTPL	Mandatorily at FVTPL
Equity securities	(b)	Available for sale	FVOCI - equity instrument
Participation Term Certificates	(a)	Designated as at FVTPL	Mandatorily at FVTPL
Trade debts		Loans and receivables	Amortised cost
Loans		Loans and receivables	Amortised cost
Deposits and other receivables		Loans and receivables	Amortised cost
Due from related parties		Loans and receivables	Amortised cost
Cash and bank balances		Loans and receivables	Amortised cost
Financial liabilities			
Short term financing		Other financial liabilities	Other financial liabilities
Trade and other payables		Other financial liabilities	Other financial liabilities
Due to related parties		Other financial liabilities	Other financial liabilities
Liabilities against assets subject to finance lease		Other financial liabilities	Other financial liabilities
Accrued mark-up on short term financing*		Other financial liabilities	Other financial liabilities
Unclaimed dividend		Other financial liabilities	Other financial liabilities

(a) Under IAS 39, these equity securities (ordinary shares of listed companies and PTCs) were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

(b) These equity securities represent investments that the Company intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Company has designated these investments at the date of initial application as measured at FVOCI. Unlike IAS 39, the accumulated fair value reserve related to these investments will never be reclassified to profit or loss.

* Accrued markup have been presented separately in accordance with the requirements of fourth schedule of the Companies Act, 2017.

Adoption of IFRS 9 did not have any impact on the profit or loss and OCI for the year ended 30 June 2018, except for presentation of certain items as mentioned above.

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(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39 (refer note 3.2.2.5).

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company has determined that the application of IFRS 9's impairment requirements as at 1 July 2018 did not have any impact on the financial assets of the Company.

(iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 is only limited to the classification of financial instruments as described in note 3.2.2.2.

3.2.2 Financial instruments - Policies applicable from 1 July 2018

3.2.2.1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

3.2.2.2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI -debt investment, FVOCI -equity investment, or FVTPL Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrecoverably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business model assessment:

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectationsabout future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets- Subsequent measurement and gains and losses:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets 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 income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in 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 OCI and are never reclassified to profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.2.2.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3.2.2.4 Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.2.2.5 Impairment

(i) Financial assets

Financial instruments - financial assets measured at amortized cost

The Company measures loss allowances at an amount equal to lifetime Expected Credit Losses (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 inducing forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

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Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired ' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial liabilities.

Presentation of allowance for ECL in the statement of financial position

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

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. 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.

(ii) Non-financial assets

The carrying amounts 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 Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 assessment of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are Companied together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Companys of assets (the "cash-generating unit, or CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss account.

4. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2018	30 June 2018
		(Rupees)	
Operating property, plant and equipment	4.1	**588,836,962**	604,432,210
Capital work-in-progress		**20,361,035**	19,183,883
		609,197,997	623,616,093

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4.1 The following acquisitions and disposals have been made during six months period ended 31 December 2018.

	For the six months period ended			
	31 December 2018		31 December 2017	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	(Rupees)			
Building on leasehold land	3,438,352	-	3,391,471	-
Plant and machinery	19,677,187	2,009,028	30,914,153	-
Tools and equipment	1,540,000	-	9,927,272	-
Furniture, fittings and office equipment	182,827	-	2,641,944	-
Vehicles	5,992,800	571,429	13,589,260	2,493,135
	30,831,166	2,580,457	60,464,100	2,493,135

5. INVESTMENT

5.1 Long term investments	Note	**31 December 2018**	30 June 2018
		(Rupees)	
At cost			
Investments in subsidiary companies - unlisted			
Hi-Tech Alloy Wheels Limited		**859,960,000**	859,960,000
Specialized Autoparts Industries (Private) Limited		**175,000,000**	175,000,000
Multiple Autoparts Industries (Private) Limited		**75,000,000**	75,000,000
Specialized Motorcycles (Private) Limited		**75,000,000**	75,000,000
	5.1.1	**1,184,960,000**	1,184,960,000
Less: Provision for impairment against SMPL	5.1.2	**(25,000,000)**	(25,000,000)
Net investment in subsidiary companies		**1,159,960,000**	1,159,960,000
Investment in associate	5.1.3	**349,817,475**	342,235,065
		1,509,777,475	1,502,195,065

5.1.1 This represents investment in subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL), Specialized Motorcycles (Private) Limited (SMPL) and Hi-Tech Alloy Wheels Limited (HAWL). Company's shareholding in subsidiaries and their financial position as at 31 December 2018 is disclosed in note 1.1 and 1.2 to this condensed interim unconsolidated financial information.

5.1.2 The Company has maintained provision for impairment amounting to Rs. 25 million in respect of SMPL as the operations of SMPL have ceased from 1 July 2015. The key financial information of SMPL is disclosed in note 1.2.

5.1.3 This represents 8,741,438 shares (30 June 2018: 8,613,233 shares) of Treet Corporation Limited having market value of Rs. 202.014 million (30 June 2018: 294.486 million). Out of the above 8,344,644 shares (30 June 2018: 8,344,644) have been kept in a broker's CDC sub account. The Company's holding in Treet Corporation Limited is considered associate by virtue of common directorship. The financial position of the associate as at 30 September 2018 (un-audited) is disclosed in note 1.3 to this condensed interim unconsolidated financial information.

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5.1.3.1 As at 12 February 2019, the market value of these shares amounted to Rs. 218.798 million. The recoverable amount of investment in associate was based on its value in use, determined by discounting the future cash flows to be generated from the continuing use. The carrying value was determined to be lower than its recoverable amount and therefore no impairment loss was recognized in this condensed unconsolidated interim financial information. The key assumptions used in the estimation of value in use includes discount rate of 12.5% and growth rate of 10%.

The discount rate was a pre-tax measure based on the rate of government bonds issued by the government, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systematic risk of specific investments.

5.2 Short term investments

	Note	31 December 2018	30 June 2018
		(Rupees)	
Equity securities - mandatorily at FVTPL	5.2.1	**12,518,827**	33,821,388
Equity securities - at FVOCI	5.2.2	**25,216,527**	32,261,953
		37,735,354	66,083,341

5.2.1 Equity securities - mandatorily at FVTPL

31 December 2018 (Number of shares / certificates)	30 June 2018 (Number of shares / certificates)	Name of investee company	31 December 2018 Carrying value	31 December 2018 Market value	31 December 2018 Net change in fair value	30 June 2018 Market value
		Ordinary shares - Quoted	(Rupees)			
1	1	Agriautos Industries Limited*	**295**	**222**	**(73)**	295
1	1	Al-Ghazi Tractors Limited *	**680**	**546**	**(134)**	680
1	1	Atlas Battery Limited	**410**	**192**	**(218)**	410
1	1	Atlas Honda Limited	**510**	**375**	**(135)**	510
1	1	The General Tyre & Rubber Company of Pakistan Limited	**166**	**81**	**(85)**	166
1	1	Honda Atlas Cars (Pakistan) Limited	**316**	**177**	**(139)**	316
1	1	Thal Limited *	**478**	**428**	**(50)**	478
230	230	Baluchistan Wheels Limited	**24,888**	**17,257**	**(7,631)**	24,888
315	315	Ghandhara Nissan Limited	**56,596**	**29,934**	**(26,662)**	56,596
150	150	Hinopak Motors Limited	**121,157**	**82,763**	**(38,394)**	121,157
200	200	Indus Motor Company Limited	**284,292**	**243,936**	**(40,356)**	284,292
272	272	Millat Tractors Limited	**323,152**	**226,301**	**(96,851)**	323,152
63	63	Oil & Gas Development Company Limited	**9,804**	**8,064**	**(1,740)**	9,804
127	127	Pak Suzuki Motor Company Limited	**49,959**	**22,116**	**(27,843)**	49,959
		Participation term certificate (PTC) - Quoted				
1,831,500	1,831,500	Treet Corporation Limited *(note 5.2.1.1)	**25,091,916**	**11,886,435**	**(13,205,481)**	32,948,685
			25,964,619	**12,518,827**	**(13,445,792)**	33,821,388

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

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For the six months period ended 31 December 2018

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

5.2.2 Equity securities - at FVOCI

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

31 December 2018	30 June 2018	Name of investee company	31 December 2018			30 June 2018
(Number of shares)		Ordinary shares - Quoted	Cost	Market value	Net change in fair value	Market value
			(Rupees)			
235,386	235,386	Tri-Pack Films Limited	**17,188,363**	**25,205,133**	**8,016,770**	32,247,882
152	152	ZIL Limited	**5,330**	**11,394**	**6,064**	14,071
			17,193,693	**25,216,527**	**8,022,834**	32,261,953

5.2.2.1 Equity investments at FVOCI - net change in fair value

	31 December 2018	30 June 2018
	(Rupees)	
Market value of investments	**25,216,527**	32,261,953
Less: Cost of investments	**(17,193,693)**	(17,193,693)
	8,022,834	15,068,260
Less: Equity investments at FVOCI - net change in fair value at beginning of the period / year	**(15,068,260)**	(35,554,051)
Net change in fair value for the period / year	**(7,045,426)**	(20,485,791)

5.2.2.2 The above investments include 182,000 shares (30 June 2018: 182,000 shares) of Tri-Pack Films Limited having an aggregate market value of Rs. 19.49 million (30 June 2018: Rs. 24.9 million) which have been pledged with financial institutions as securities against borrowing facilities.

6. STOCK-IN-TRADE

	Note	31 December 2018	30 June 2018
		(Rupees)	
Raw material and components	6.1 & 6.2	**1,419,724,151**	1,466,986,223
Work-in-process		**177,240,188**	150,978,815
Finished goods	6.3	**151,155,769**	49,683,031
		1,748,120,108	1,667,648,069
Provision for slow-moving and obsolescence		**(4,889,326)**	(4,889,326)
		1,743,230,782	1,662,758,743

6.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 194.82 million (30 June 2018: Rs. 314.159 million) and Rs. 603.10 million (30 June 2018: Rs. 412 million) respectively.

6.2 Raw material held with toll manufacturers as at 31 December 2018 amounted to Rs. 36.01 million (30 June 2018: Rs. 51 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

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6.3 This includes finished goods in possession of Company's subsidiaries amounting to Rs. 75 million (30 June 2018: Rs. 28 million).

6.4 Short term financing facilities obtained from different banks are subject to charge over stock-in-trade along with other current assets amounting to Rs. 2,535 million.

7. TRADE DEBTS - net *(unsecured)*

As at 31 December 2018, about 90% (30 June 2018: 84%) of trade debts was represented by few customers, out of which significant portion has been recovered subsequent to the period end.

8. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes margin paid to various banks against letter of credit amounting to Rs. 132.662 million (30 June 2018: Nil). Further, it includes unclaimed input sales tax amounting to Rs. 228.92 million (30 June 2018: Rs. 199.55 million) which is 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.

9. SHORT TERM FINANCING

	Note	**31 December 2018**	30 June 2018
		(Rupees)	
Secured			
Running finances under mark-up arrangements	9.1	**1,463,389,969**	1,173,799,354
Islamic financing	9.2	**360,000,000**	150,000,000
Short term loan		**-**	115,832,655
		1,823,389,969	1,439,632,009

9.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Company, pledge of stock (shares), 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 2019. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

These facilities carry mark-up at the rates ranging from 1 month KIBOR plus 0.5% to 6 month KIBOR plus 0.55% (30 June 2018: 1 month KIBOR plus 0.5% to 6 month KIBOR plus 0.55%) per annum. Average mark-up rates during the period were in the range of 7.1% to 11.4%.

The aggregate available short term funded facilities amounted to Rs. 2,020 million (30 June 2018: Rs. 1,720 million) out of which Rs. 556.61 million (30 June 2018: 546.2 million) remained unavailed as at the reporting date.

9.2 Islamic financing

This includes Islamic finance (Istisna) facility available from various banks having limits of Rs. 400 million, for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. As at 31 December 2018, amount of Rs. 230 million (30 June 2018: Rs. 200 million) remained unutilised. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up at 6 month KIBOR plus 1.5% per annum (30 June 2018: 6 month KIBOR plus 1%) and is repayable maximum within 120 to 180 days of the disbursement date. Average mark-up rates during the period were in the range of 8.02% to 12.2%.

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

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Further, it includes Karobar financing facility obtained from Bank Islami Pakistan Limited for working capital requirements and are secured by charge over current and future assets of the Company, and title of ownership of karobar finance goods. This facility are expiring on various dates latest by 31 May 2019. The aggregate available short term funded facilities amounted to Rs. 200 million (30 June 2018: Nil) out of which Rs. 10 million (30 June 2018: Nil) remained unavailed as at the reporting date. This facility carry mark-up at the rate relevant KIBOR plus 0.5%. Average mark-up rates during the period were in the range of 8.57% to 11.19%.

10. TRADE AND OTHER PAYABLES

	Note	**31 December 2018**	30 June 2018
		(Rupees)	
Creditors		**113,294,201**	185,844,876
Accrued liabilities		**28,385,492**	20,438,364
Other liabilities			
Advance from customer	10.1	**81,379,529**	38,325,272
Mobilization advances		**6,391,857**	12,071,585
Workers' profit participation fund	10.2	**7,182,421**	9,418,998
Provision for compensated absences		**13,006,332**	11,090,085
Workers' welfare fund	10.3	**8,247,351**	9,141,985
Withholding tax payable		**2,961,079**	1,251,590
Security deposit from contractors		**129,000**	129,000
Other payables		**19,528,658**	12,560,383
		280,505,920	300,272,138

10.1 This includes advance from scrap dealers amounting to Rs. 70.7 million.

10.2 Workers' profit participation fund

Opening balance	**9,418,998**	19,659,057
Charge for the period / year	**4,992,978**	7,229,562
Interest charged during the period / year	**241,497**	798,224
	14,653,473	27,686,843
Less: Payments during the period / year	**(7,471,052)**	(18,267,845)
Closing balance	**7,182,421**	9,418,998

10.3 Workers' welfare fund

Opening balance	**9,141,985**	6,250,160
Charge for the period	**1,997,191**	2,891,825
Less: Payments during the period	**(2,891,825)**	-
Closing balance	**8,247,351**	9,141,985

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no change in the status of contingencies as disclosed under note 15 of the annual unconsolidated financial statements of the Company for the year ended 30 June 2018.

11.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 408.331 million (30 June 2018: Rs. 604.132 million).

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the six months period ended 31 December 2018

12. COST OF SALES	Note	For the six months period ended 31 December 2018	31 December 2017	For the three months period ended 31 December 2018	31 December 2017
		(Rupees)			
Raw materials and components consumed		**2,358,544,488**	1,588,554,440	**1,168,430,673**	794,556,222
Ancillary materials consumed		**20,028,580**	20,542,970	**5,385,689**	10,869,870
Manufacturing expenses					
Salaries, wages and other employee benefits		**130,258,948**	101,987,306	**72,063,626**	48,138,344
Toll manufacturing	12.1	**372,180,323**	294,860,175	**178,677,378**	145,353,852
Depreciation		**40,145,621**	37,971,887	**20,342,474**	20,352,528
Gas, power and water		**9,979,245**	9,945,173	**4,860,007**	4,937,581
Others		**34,969,288**	27,939,111	**19,752,790**	14,250,570
Transferred to capital work-in-progress		**(3,905,442)**	(5,131,550)	**(1,047,337)**	(3,566,355)
Manufacturing cost		**583,627,983**	467,572,102	**294,648,938**	229,466,520
Opening stock of work-in-process	6	**150,978,815**	140,014,359	**173,950,179**	148,098,868
Closing stock of work-in-process	6	**(177,240,188)**	(176,721,608)	**(177,240,188)**	(176,721,608)
		(26,261,373)	(36,707,249)	**(3,290,009)**	(28,622,740)
Opening stock of finished goods	6	**49,683,031**	110,143,067	**83,142,713**	102,974,399
Closing stock of finished goods	6	**(151,155,769)**	(160,759,479)	**(151,155,769)**	(160,759,479)
		(101,472,738)	(50,616,412)	**(68,013,056)**	(57,785,080)
		2,834,466,940	1,989,345,851	**1,397,162,235**	948,484,792

12.1 This includes toll manufacturing expense from SAIL and MAIL amounting to Rs. 312.83 million (31 December 2017: 241.5 million).

13. TAXATION

Income tax is recognised based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Income tax for the current period is calculated on the basis of minimum tax liability at the rate of 1.25% on turnover for the period less allowable tax credit of Rs. 2.1 million on account of purchase of plant and machinery (section 65B of the Income Tax Ordinance, 2001). Tax expense for the period also includes tax on undistributed profits at the rate of 5% amounting to Rs. 6.34 million, as per the requirement of section 5A of the Income Tax Ordinance, 2001 and deferred tax income of Rs. 7.5 million. Amounts accrued or income tax expense in one interim period may be adjusted in a subsequent interim period of that financial year, if the estimate of the income tax rate changes.

14. EARNINGS PER SHARE - basic and diluted

		For the six months period ended 31 December 2018	31 December 2017
		(Rupees)	
Profit after taxation	*Rupees*	**50,993,670**	83,410,962
Weighted average number of ordinary shares outstanding during the period	*Numbers*	**151,250,000**	151,250,000
Earnings per share - basic and diluted	*Rupees*	**0.34**	0.55

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

For the six months period ended 31 December 2018

15. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of subsidiaries, associated company and other companies with common directorship and significant influence, employees retirement benefit funds and key management personnel. Transactions with related parties are at 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:

Balance as at

Name of the related party	Relationship and percentage shareholding	Transactions during the period / year and year end balances	31 December 2018	30 June 2018
			(Rupees)	
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 54% holding (30 June 2018: 54%)	Due from at the period / year end	**9,289,204**	6,760,538
		Loan due to at the period / year end	**(91,590,000)**	(151,590,000)
		Accrued mark-up on loan at the period / year end	**(33,887,533)**	(27,259,489)
		Trade payable at the period / year end	**(62,646,374)**	(77,203,733)
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 60% holding (30 June 2018: 60%)	Loan due to at the period / year end	**-**	(81,450,000)
		Accrued mark-up on loan at the period / year end	**-**	(12,131,182)
		Trade payable at the period / year end	**(27,529,884)**	(43,692,621)
Hi-Tech Alloy Wheels Limited	Subsidiary company - 65.38% holding (30 June 2018: 65.38%)	Loan due from at the period / year end	**491,530,000**	495,000,000
		Mark-up Receivable on loan at the period / year end	**30,248,543**	7,257,499
		Due from at the period / year end	**5,793,913**	5,793,913
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (30 June 2018: 100%)	Due from at the period / year end	**3,706,788**	3,706,788
		Loan due to at the period / year end	**(53,866,000)**	(54,416,000)
		Accrued mark-up on loan at the period / year end	**(19,454,136)**	(16,787,754)
Provident fund	Defined benefit scheme	Receivable from provident fund	**9,758,853**	8,701,174
Employee benefits - gratuity	Defined contribution plan	Balance at the period / year end	**3,884,221**	5,317,208
Treet Corporation Limited	Associated company by virtue of common directorship	Participation Term Certificates (PTCs)	**11,886,435**	32,948,685

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

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Transactions for the period

Name of the related party	Relationship and effective percentage shareholding	Transactions during the period / year and year end balances	For the six months period ended 31 December 2018	31 December 2017
			(Rupees)	
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (30 June 2018: 91%)	Toll manufacturing	**235,159,817**	159,827,378
		Payments made during the period	**(292,790,437)**	(343,882,474)
		Repayment of loan	**(60,000,000)**	
		Mark-up charged by related party	**(6,628,044)**	(2,169,949)
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (30 June 2018: 92%)	Toll manufacturing	**77,667,607**	81,709,319
		Payments made during the period	**(189,831,033)**	(131,099,434)
		Mark-up charged by related party	**(3,561,153)**	(2,742,379)
		Repayment of loan	**(81,450,000)**	(50,000,000)
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (30 June 2018: 80%)	Repayment of loan	**3,470,000**	(500,000,000)
		Mark-up income on loan	**22,991,044**	-
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (30 June 2018: 100%)	Repayment of loan	**(550,000)**	(1,184,000)
		Mark-up charged by related party	**(2,666,382)**	(5,956,116)
Employee benefits - gratuity	Defined contribution plan	Expense for the period	**1,432,987**	1,231,375
		Contribution paid during the period	**-**	945,658
Treet Corporation Limited	Associated company by virtue of common directorship	Mark-up income on PTCs	**7,574,410**	12,655,665

Remuneration of chief executive, directors and executives (Key management personnel)

Salaries and benefits	**29,149,764**	38,746,008
Post retirement benefits	**212,419**	719,965

16. CASH AND CASH EQUIVALENTS

	31 December 2018	31 December 2017
	(Rupees)	
Cash and bank balances	**3,134,258**	73,978,488
Short term financing	**(1,823,389,969)**	(576,438,503)
	(1,820,255,711)	(502,460,015)

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

17.1 Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2018		Carrying amount					Fair value			
	Note	Mandatorily at FVTPL	FVOCI - equity instrument	Financial assets at amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
		(Rupees)								
Financial assets - measured at fair value										
Equity securities		632,392	25,216,527	-	-	25,848,919	25,848,919	-	-	25,848,919
Participation Term Certificates		11,886,435	-	-	-	11,886,435	11,886,435	-	-	11,886,435
		12,518,827	25,216,527	-	-	37,735,354				
Financial assets - not measured at fair value										
Trade debts	17.1.1	-	-	491,698,857	-	491,698,857				
Loans	17.1.1	-	-	16,525,911	-	16,525,911				
Deposits and other receivables	17.1.1	-	-	178,382,347	-	178,382,347				
Due from related parties	17.1.1	-	-	540,568,448	-	540,568,448				
Cash and bank balances	17.1.1	-	-	3,134,258	-	3,134,258				
		-	-	1,230,309,821	-	1,230,309,821				
Financial liabilities - not measured at fair value										
Short term financing	17.1.1	-	-	-	1,823,389,969	1,823,389,969				
Trade and other payables	17.1.1	-	-	-	174,214,683	174,214,683				
Due to related parties	17.1.1	-	-	-	288,973,927	288,973,927				
Liabilities against assets subject to finance lease	17.1.1	-	-	-	9,606,021	9,606,021				
Accrued mark-up on short term financing	17.1.1	-	-	-	35,398,910	35,398,910				
Unclaimed dividend	17.1.1	-	-	-	3,546,164	3,546,164				
		-	-	-	2,335,129,674	2,335,129,674				

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30 June 2018	Note	Carrying amount: Fair value through profit or loss	Carrying amount: Available for sale	Carrying amount: Loans and receivable	Carrying amount: Other financial liabilities	Carrying amount: Total	Fair value: Level 1	Fair value: Level 2	Fair value: Level 3	Fair value: Total
		----------	----------	----------	----------	(Rupees)	----------	----------	----------	----------
Financial assets - measured at fair value										
Equity securities		872,703	32,261,953	-	-	33,134,656	33,134,656	-	-	33,134,656
Participation Term Certificates		32,948,685	-	-	-	32,948,685	32,948,685	-	-	32,948,685
		33,821,388	32,261,953	-	-	66,083,341				
Financial assets - not measured at fair value										
Trade debts	17.1.1	-	-	350,809,641	-	350,809,641				
Loans	17.1.1	-	-	15,783,108	-	15,783,108				
Deposits and other receivables	17.1.1	-	-	75,054,802	-	75,054,802				
Due from related parties	17.1.1	-	-	518,518,738	-	518,518,738				
Cash and bank balances	17.1.1	-	-	8,959,843	-	8,959,843				
		-	-	969,126,132	-	969,126,132				
Financial liabilities - not measured at fair value										
Short term financing	17.1.1	-	-	-	1,439,632,009	1,439,632,009				
Trade and other payables	17.1.1	-	-	-	230,062,708	230,062,708				
Due to related parties	17.1.1	-	-	-	464,530,779	464,530,779				
Liabilities against assets subject to finance lease	17.1.1	-	-	-	19,063,352	19,063,352				
Accrued mark-up on short term financing	17.1.1	-	-	-	19,248,522	19,248,522				
Unclaimed dividend	17.1.1	-	-	-	3,574,008	3,574,008				
		-	-	-	2,176,111,378	2,176,111,378				

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
For the six months period ended 31 December 2018

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

18. GENERAL

18.1 Segment reporting

The financial information has been prepared on the basis of a single reportable segment. Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at 31 December 2018 are located in Pakistan. Sales to three major customers of the Company aggregates to 85.15% during the six months period ended 31 December 2018 (31 December 2017: 94.89%).

18.2 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on 27 February 2019.

Cheif Financial Officer	**Chief Executive**	**Director**

Loads Limited

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