LOADS LIMITED

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of Loads Limited will be held on Thursday, May 2, 2019 at 11:00 a.m. at the Auditorium of the Institute of Chartered Accountants of Pakistan (ICAP), Chartered Accountants Avenue, Clifton, Karachi, to transact the following business:

Ordinary Business

1. To confirm the minutes of the 38th Annual General Meeting of the Company held on October 25, 2018.

Special Business

2. To consider and if thought fit, pass the following Special Resolution under Section 199 of the Companies Act, 2017, with or without modification(s), addition(s) or deletion(s).

***RESOLVED THAT** approval of the shareholders of Loads Limited (the Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017, Regulation No. 5(7) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 and subject to the compliance with all statutory and legal requirements, for investment up to PKR 4,000,000,000/- (Rupees Eight billion Only) in the following manner, being subsidiaries undertakings, in the form of capital expenditures, working capital loan for a period of seven years starting from the date of approval by Shareholders:*

Name of Subsidiary	*Loan*	*Corporate Guarantee(s)*	*Total Investment in Associated Companies*
Hi-Tech Alloy Wheels Limited (HAWL)	*4,000,000,000*	*3,500,000,000*	*7,500,000,000*
Specialized Autoparts Industries (Private) Limited (SAIL)	*300,000,000*	-	*300,000,000*
Multiple Autoparts Industries (Private) Limited (MAIL)	*150,000,000*	-	*150,000,000*
Specialized Motorcycles (Private) Limited (SMPL)	*50,000,000*	-	*50,000,000*

FURTHER RESOLVED THAT approval of the shareholders of Loads Limited ("the Company") be and is hereby accorded in terms of Section 199 of the Companies Act, 2017, Regulation No. 5(3) of Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 and subject to the compliance with all statutory and legal requirements, to give corporate guarantee(s) and/or to earmark its un-funded financial facilities for opening of letter of credits and guarantees to the banks/financial institutions on behalf of its subsidiaries.

FURTHER RESOLVED THAT the said resolution shall be valid for one year starting from the date of approval by shareholders and the Chief Executive and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment as and when required, and take all steps and actions necessary, incidental and ancillary including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of implementing the aforesaid resolution.

3. To transact any other business with the permission of the Chair.

By Order of the Board

Babar Saleem
Company Secretary

April 11, 2019
Karachi

NOTES:

1. The Share Transfer Books of the Company will remain closed from April 25, 2019 to May 2, 2019 (both days inclusive).
2. Only those persons, whose names appear in the register of members of the Company as on April 24, 2019, are entitled to attend, participate in, and vote at the Extraordinary General Meeting.
3. A member of the Company entitled to attend and vote may appoint another person as his / her proxy to attend and vote instead of him / her. The instrument appointing proxy must be received at the registered office of the Company not less than 48 hours before the time for holding the meeting;
4. An instrument of proxy is being provided with this notice.
5. Members are requested to immediately notify the Company's Share Registrar, M/s. Central Depository Company of Pakistan Limited of any change in their registered address.
6. CDC account holders are required to comply with the following guidelines as laid down by the Securities and Exchange Commission of Pakistan.
7. Pursuant to SECP's Circular No 10 dated 21 May 2014, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In this regard please fill the following and submit to registered address of the Company at least 10 days before the date of EOGM.

I/We _____ of _____, being member(s) of Loads Limited holder _____ Ordinary share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.

A. For Attending the Meeting

(i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per CDC regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting; and

(ii) In case of corporate entities, the board of directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

B. For Appointing Proxies

(i) In case of individuals, the account holder or sub-account holder and their registration details are uploaded as per the CDC regulations, shall submit the proxy form as per the above requirement;

(ii) The proxy form shall be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form;

(iii) Attested copies of CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form;

(iv) The proxy shall produce his / her original CNIC or original passport at the time of the meeting; and

(v) In case of corporate entities, the board of directors' resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with the proxy form to the Company.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business listed at agenda items 2, to be transacted at the Extraordinary General Meeting of the Company to be held on May 2, 2019.

Agenda item no. 2: Investment in Associated undertaking

The information required to be annexed to the Notice by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (Notification No. SRO 1240(I)/2017 dated December 6, 2017) is set out below:-

A. Hi-Tech Alloy Wheels Limited

S. No	Requirement	Information Required
i.	Name of the associated company or associated undertaking	Hi-Tech Alloy Wheels Limited
ii.	Basis of relationship	An associated undertaking due to Common directorships.
iii.	Earnings (Loss) per Share for last three years	2017: (Loss) per Share (0.08) 2018: Earning per Share 1.60 **Note: The Company was incorporated on January 13, 2017, therefore EPS for earlier years not applicable.**
iv.	Break-up value per share	Rs. 10.71
v.	Financial position as per Financial Statement for the year ended 30 June 2018.	Rupees **Balance Sheet:** *Assets* Property, plant and equipment 1,072,350,760 Equity -accounted investees 349,577,164 Advances, deposits & prepayments 16,172,389 Taxation 2,118,772 Accrued Mark-up 2,073,717 Cash and cash equivalents 513,092,581 *Equity* Issued, subscribed and paid-up capital 1,315,450,000 Unappropriated profit 93,616,119 *Liabilities* Deferred tax liability 36,339,781 Due to related parties 508,051,412 Other payables 1,928,071 The Annual Audited Accounts for the year ended 30 June 2018 are placed on the website of the Company.
vi.	Investment in relation to a project of associated undertaking.	Not Applicable
vii.	Maximum amount of investment to be made	To provide loan, advances, corporate guarantee(s) as and when required by the HAWL in the following manner: - Loan and advances up to a maximum of Rs. 4,000,000,000/- (Rupees Four Billion only). - Corporate Guarantee(s) up to a maximum of Rs. 3,500,000,000/- (Rupees Three Billion and Five Hundred Million only)
viii.	Purpose, benefits and period of investment.	**Purpose** - To support the project of the associated company. **Benefits** - The management of the Company believes that it will contribute towards increase in profitability which will ultimately translate to higher returns. **Period** - Seven Years
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: Justification for investment through borrowings: Detail of collateral, guarantees and assets pledge for obtaining such funds: Cost benefit analysis	Investment will made from internally generated funds and bank borrowings. Markup is higher than our financing cost. Pari passu and ranking charge over current & fixed assets of the company, as collateral security. Margin: 25% The rate of interest charged to HAWL is marginally higher than the borrowing cost of the company; therefore, it would have a positive impact on company's net profit.
x.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	The management of the Company has entered into a loan agreement dated 10-04-2019 with HAWL. The agreement, borrowing cost and tenure has been mentioned herein.
xi.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Directors of the Company have no interest in the investee company except in their capacity as sponsor/director/shareholder of HAWL
xii.	Any other important details necessary for the members to understand the transactions.	Loads Limited had granted a loan of Rs. 495 million to HAWL in order to meet its working capital and other requirements. HAWL imported a running alloy wheel manufacturing plant from ROH Automotive and will be the first major alloy wheels manufacturer in Pakistan to predominantly cater to the OEM market and intends to supply to the local auto manufacturers and also meet the large demand in the spare parts market.
xiii.	Any other important detail necessary for the members to understand the transactions.	None
xiv.	Category-wise amount of investment.	Category wise of investment is loan, advances, corporate guarantee(s) as and when required by the HAWL in the following manner: - Loan and advances up to a maximum of Rs. 4,000,000,000/- (Rupees Four Billion only). - Corporate Guarantee(s) up to a maximum of Rs. 3,500,000,000/- (Rupees Three Billion and Five Hundred Million only)
xv.	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for relevant period;	1-Month KIBOR + 0.75
xvi.	Rate of interest, mark up, fees or commission etc. to be charged by investing company;	1-Month KIBOR + 1.00
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	As per the loan agreement entered by the Company with HAWL

B. Specialized Autoparts Industries (Private) Limited

S. No	Requirement	Information Required
i.	Name of the associated company or associated undertaking	Specialized Autoparts Industries (Private) Limited ("SAIL")
ii.	Basis of relationship	An associated undertaking due to Common directorships.
iii.	Earning (Loss) per Share for last three years	2016: Earning per Share 2.74 2017: Earning per Share 2.81 2018: Earning per Share 2.72
iv.	Break-up value per share	PKR 15.9
v.	Financial position as per Financial Statement for the year ended 30 June 2018.	Rupees **Balance Sheet:** *Assets* Property, plant and equipment 138,198,042 Investment associate 150,000,000 Stores & spares 7,504,494 Loan and advances 4,562,279 Deposits, prepayments & other receivables 1,987,104 Due from related parties 256,107,222 Investments 5,649,022 Taxation - net 15,161,414 Cash and bank balances 5,527,689
		Equity Issued, subscribed and paid-up capital 325,000,000 Unappropriated profit 192,728,783 *Liabilities* Deferred tax liability 17,827,547 Due to related parties 7,579,044 Trade and other payables 41,561,892 The Annual Audited Accounts for the year ended 30 June 2018 are placed on the website of the Company.
vi.	Investment in relation to a project of associated undertaking.	Not Applicable
vii.	Maximum amount of investment to be made	To provide loan and advances up to a maximum of Rs.300,000,000/- (Rupees Three Hundred Million Only) as and when required by the SAIL.
viii.	Purpose, benefits and period of investment.	**Purpose** - To support the working capital requirements of the associated company. **Benefits** - The management of the Company believes that it will contribute towards increase in profitability which will ultimately translate to higher returns. **Period** - Seven Years
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: Justification for investment through borrowings: Detail of collateral, guarantees and assets pledge for obtaining such funds: Cost benefit analysis	Investment will made from internally generated funds and bank borrowings. Markup is higher than our financing cost. Pari passu and ranking charge over current & fixed assets of the company, as collateral security. Margin: 25% The rate of interest charged to SAIL is marginally higher than the borrowing cost of the company; therefore, it would have a positive impact on company's net profit.
x.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated 10-04-2019 entered by the Company for meeting working capital and other requirements of SAIL. The amount, borrowing cost and tenure has been mentioned herein.
xi.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Directors of the Company have no interest in the investee company except in their capacity as sponsor/director/shareholder of associated company.
xii.	Investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs.	None
xiii.	Any other important detail necessary for the members to understand the transactions.	None
xiv.	Category-wise amount of investment.	Category wise of investment is loan and advances of Rs.300,000,000/- (Rupees Three Hundred Million Only) as and when required by the SAIL.
xv.	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for relevant period;	1-Month KIBOR + 0.75
xvi.	Rate of interest, mark up, fees or commission etc. to be charged by investing company;	1-Month KIBOR + 1.00
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	As per the loan agreement entered by the Company with SAIL.

C. Multiple Autoparts Industries (Private) Limited

S. No	Requirement	Information Required
i.	Name of the associated company or associated undertaking	Multiple Autoparts Industries (Private) Limited ("MAIL")
ii.	Basis of relationship	An associated undertaking due to Common directorships.
iii.	Earning (Loss) per Share for last three years	2016: Earning per Share 3.54 2017: Earning per Share 2.92 2018: Earning per Share 4.45
iv.	Break-up value per share	PKR 11.95
v.	Financial position as per Financial Statement for the year ended 30 June 2018.	Rupees **Balance Sheet:** *Assets* Property, plant and equipment 53,395,851 Investment in associated company 50,000,000 Stores and spares 8,152,729 Loans and advances 1,889,579 Deposits, prepayments & other receivables 5,129,420 Due from related parties 138,092,309 Investments 2,559,676 Taxation net 1,596,397 Cash and bank balances 7,887,256 *Equity* Issued, subscribed and paid-up capital 125,000,000 Unappropriated profit 114,181,759 *Liabilities* Deferred tax liability 8,180,981 Trade and other payables 21,260,494 The Annual Audited Accounts for the year ended 30 June 2018 are placed on the website of the Company.
vi.	Investment in relation to a project of associated undertaking.	Not Applicable
vii.	Maximum amount of investment to be made	To provide loan and advances up to a maximum of Rs.150,000,000/- (Rupees One Hundred and Fifty Million Only) as and when required by the MAIL.
viii.	Purpose, benefits and period of investment.	**Purpose** - To support the working capital requirements of the associated company. **Benefits** - The management of the Company believes that it will contribute towards increase in profitability which will ultimately translate to higher returns. **Period** - Seven Years
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: Justification for investment through borrowings: Detail of collateral, guarantees and assets pledge for obtaining such funds: Cost benefit analysis	Investment will made from internally generated funds and bank borrowings. Markup is higher than our financing cost. Pari passu and ranking charge over current & fixed assets of the company, as collateral security. Margin: 25% The rate of interest charged to MAIL is marginally higher than the borrowing cost of the company; therefore, it would have a positive impact on company's net profit.
x.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated 10-04-2019 entered by the Company for meeting working capital and other requirements of MAIL. The amount, borrowing cost and tenure has been mentioned herein.
xi.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Directors of the Company have no interest in the investee company except in their capacity as sponsor/director/shareholder of associated company.
xii.	Investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs.	None
xiii.	Any other important detail necessary for the members to understand the transactions.	None
xiv.	Category-wise amount of investment.	Category wise of investment is loan and advances of Rs.150,000,000/- (Rupees One Hundred and Fifty Million Only) as and when required by the MAIL.
xv.	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for relevant period;	1-Month KIBOR + 0.75
xvi.	Rate of interest, mark up, fees or commission etc. to be charged by investing company;	1-Month KIBOR + 1.00
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	As per the loan agreement entered by the Company with MAIL.

D. Specialized Motorcycles (Private) Limited

S. No	Requirement	Information Required
i.	Name of the associated company or associated undertaking	Specialized Motorcycles (Private) Limited ("SMPL")
ii.	Basis of relationship	An associated undertaking due to Common directorships.
iii.	Earning (Loss) per Share for last three years	2016: Earning per Share 0.26 2017: Earning per Share 0.52 2018: Earning per Share 0.34
iv.	Break-up value per share	PKR 0.98
v.	Financial position as per Financial Statement for the year ended 30 June 2018.	Rupees **Balance Sheet:** *Assets* Due from related party 67,496,966 Taxation - Net 283,883 Cash balances 429,884 *Equity* Issued, subscribed and paid-up capital 75,000,000 Accumulated loss (7,589,941) *Liabilities* Due to related party 54,000 Other payables 746,674 The Annual Audited Accounts for the year ended 30 June 2018 are placed on the website of the Company.
vi.	Investment in relation to a project of associated undertaking.	Not Applicable
vii.	Maximum amount of investment to be made	To provide loan and advances up to a maximum of Rs.50,000,000/- (Rupees Fifty Million Only) as and when required by the SMPL.
viii.	Purpose, benefits and period of investment.	**Purpose** - To support the other requirements of the associated company. **Benefits** - The management of the Company believes that it will contribute towards increase in profitability which will ultimately translate to higher returns. **Period** - Seven Years
ix.	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds: Justification for investment through borrowings: Detail of collateral, guarantees and assets pledge for obtaining such funds: Cost benefit analysis	Investment will made from internally generated funds and bank borrowings. Markup is higher than our financing cost. Pari passu and ranking charge over current & fixed assets of the company, as collateral security. Margin: 25% The rate of interest charged to SMPL is marginally higher than the borrowing cost of the company; therefore, it would have a positive impact on company's net profit.
x.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated 10-04-2019 entered by the Company for meeting working capital and other requirements of SMPL. The amount, borrowing cost and tenure has been mentioned herein.
xi.	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Directors of the Company have no interest in the investee company except in their capacity as sponsor/director/shareholder of associated company.
xii.	Investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs.	None
xiii.	Any other important detail necessary for the members to understand the transactions.	None
xiv.	Category-wise amount of investment.	Category wise of investment is loan and advances of Rs.50,000,000/- (Rupees Fifty Million Only) as and when required by the SMPL.
xv.	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah Compliant products and rate of return for unfunded facilities, as the case may be, for relevant period;	1-Month KIBOR + 0.75
xvi.	Rate of interest, mark up, fees or commission etc. to be charged by investing company;	1-Month KIBOR + 1.00
xvii.	Particulars of collateral or security to be obtained in relation to the proposed investment;	None
xviii.	If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
xix.	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking;	As per the loan agreement entered by the Company with SMPL.