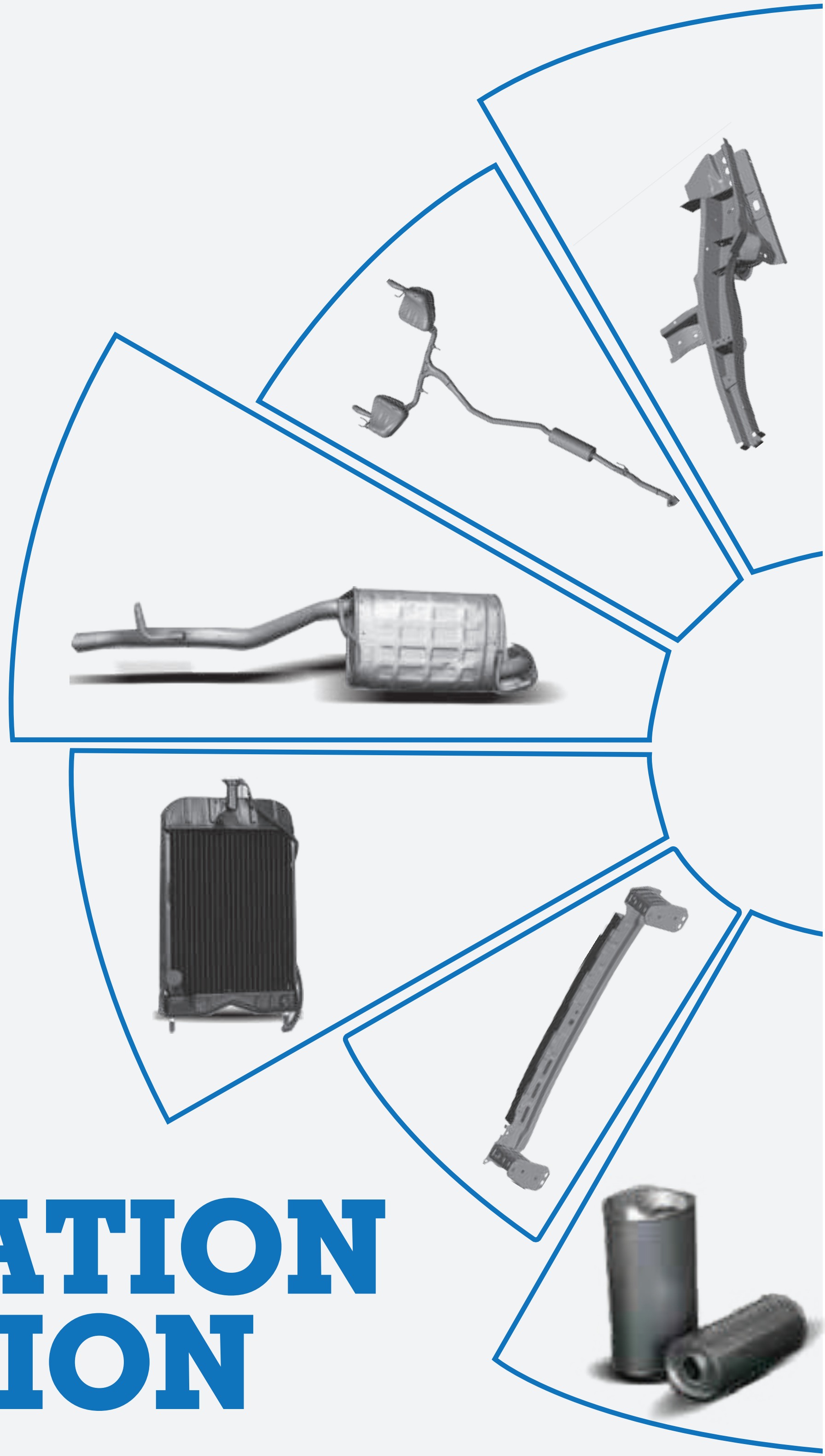
Loads Limited



INNOVATION IN MOTION

Annual Report 2020

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 confirming to quality standards at competitive prices."

COMPANY INFORMATION

Board of Directors

Syed Shahid Ali	– Chairman*
Mr. Saulat Said	– Vice Chairman*
Mr. Munir K. Bana	– Chief Executive
Syed Sheharyar Ali	– Non-Executive Director
Mr. Muhammad Mohtashim Aftab	– Non-Executive Director
Mr. Shamim A. Siddiqui	– Executive Director
Mr. M. Z. Moin Mohajir	– Independent Director
Mrs. Rozina Muzammil	– Independent Director
Dr. Muzzaffar Mahmood	– Independent 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. Muhammad Mohtashim Aftab	– Member

Human Resources & Remuneration Committee

Mrs. Rozina Muzammil	– Chairperson
Mr. Saulat Said	– Member
Mr. Munir K. Bana	– Member
Syed Sheharyar Ali	– Member
Mr. Muhammad Mohtashim Aftab	– 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 Advisor
Cornelius, Lane & Mufti, Advocates & Solicitors

Symbol
Loads

Credit Raiting
A1 - Short term
A - Long term

Exchange
Pakistan Stock Exchange

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

Subsidiaries and Associates
- 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 Shah-ra-e-Faisal, Karachi

Tel: Customer Support Services: 0800-23275
Fax: +92-21-34326053
E-mail: info@cdcpak.com

Registration with Authorities

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

Website
www.loads-group.pk

KEY OPERATING FINANCIAL DATA

Rs. In 000

Description	2020	2019	2018	2017	2016	2015
Sales	2,778,630	5,709,735	4,889,663	4,405,126	4,035,658	3,332,572
Gross Profit	52,269	637,179	520,588	547,582	567,795	494,489
(Loss) / Profit before Taxation	(717,684)	60,441	245,094	377,731	260,326	322,403
(Loss) / Profit after Taxation	(646,728)	(56,259)	161,557	306,427	180,714	211,053
Shareholders' Equity	3,097,422	3,576,135	3,651,342	3,402,578	1,618,362	1,439,281
Non - Current Assets	5,108,376	4,395,828	2,304,604	1,450,807	1,006,294	828,212
Total Assets	7,807,183	7,722,887	5,588,850	3,854,619	2,983,407	2,695,757
Total Liabilities	4,709,760	4,146,751	1,937,507	452,041	1,365,044	1,256,475
Current Assets	2,698,807	3,327,059	3,284,246	2,403,812	1,977,112	1,867,544
Current Liabilities	2,959,951	3,897,965	1,841,168	357,229	1,270,583	1,153,823
Cash Dividend	0%	0%	0%	10%	10%	0%
Stock Dividend	0%	0%	0%	10%	10%	1150%
Issued , Subscribed & Paid up Capital						
(Ordinary shares)	151,250	151,250	151,250	137,500	75,000	75,000

Important Ratios	2020	2019	2018	2017	2016	2015
Profitability						
Gross Profit	2%	11%	11%	12%	14%	15%
(Loss) / Profit before Taxation	-26%	1%	5%	9%	6%	10%
(Loss) / Profit after Taxation	-23%	-1%	3%	7%	4%	6%
Return to Equity						
Return on Equity before Tax	-23%	2%	7%	11%	16%	22%
Return on Equity after Tax	-21%	-2%	4%	9%	11%	15%
Earning per Shares	(3.81)	(0.35)	1.02	2.31	2.19	2.81
Liquidity / Leverage						
Current Ratio	0.91	0.85	1.78	6.73	1.56	1.62
Break-up Value per Share	20.48	23.64	24.14	24.75	21.58	19.19
Total Liabilities to Equity	1.52	1.16	0.53	0.13	0.84	0.87

% Change	2020	2019	2018	2017	2016	2015
Sales	-51%	17%	11%	9%	21%	42%
Gross Profit	-92%	22%	-5%	-4%	15%	60%
Profit before Taxation	-1287%	-75%	-35%	45%	-19%	82%
Profit after Taxation	-1050%	-135%	-47%	70%	-14%	56%
Shareholders' Equity	-13%	-2%	7%	110%	12%	17%
Non - Current Assets	16%	91%	59%	44%	22%	35%
Total Assets	1%	38%	45%	29%	11%	45%
Total Liabilities	14%	114%	329%	-67%	9%	101%
Current Assets	-19%	1%	37%	22%	6%	50%
Current Liabilities	-24%	112%	415%	-72%	10%	101%
Cash Dividend	0%	0%	-100%	0%	10%	0%
Stock Dividend	0%	0%	-100%	0%	-99%	1150%
P/E Ratio	-3.65	-43.17	30.57	17.95	9.85	6.83

CODE OF CONDUCT

Employees

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

Business Partners

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

Business Resources

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

Communities

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

ROLE OF CHAIRMAN

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

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

ROLE OF CHIEF EXECUTIVE

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

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

PROFILE OF DIRECTORS

Syed Shahid Ali - Chairman

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

Mr. Saulat Said – Vice Chairman

Saulat Said has a Master's degree in Science from Punjab University. Earlier he worked for over three decades with Packages Limited in senior management positions where he retired as General Manager of the Company. He was CEO of IGI Insurance Limited before joining Loads Limited as Director in the year 2007. Currently, he is also a Board Member of Treet Corporation Limited.

Mr. Munir K. Bana – Chief Executive & Director

Munir K. Bana qualified as a Chartered Accountant from A.F. Ferguson & Co. in 1972 and is a fellow of the Institute of Chartered Accountants of Pakistan. He has been on the Board of Loads Limited since 1996, initially serving as Director Finance and later elected as Chief Executive of the Company. Previously, he served on the Boards of various multi-national companies including Parke-Davis & Boots as Finance Director for 18 years. He also served over 10 years as Honorary Chairman of Karachi Tools, Dies & Moulds Centre, a public-private partnership. He was elected Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers ("PAAPAM") for the year 2012-13. Currently, he is also a Board member in all the Treet group of Companies as well as Pakistan Steel Mill.

Syed Sheharyar Ali – Non-Executive Director

Syed Shaharyar Ali completed his BBA from Saint Louis University, USA, in 2001, and began his career with Packages Limited. Currently, he holds the position of Executive Director in Packaging Solutions, a project of Treet Group. His portfolios also include Member, Governing Body of Liaquat National Hospital, President of Punjab Netball Federation, Vice President of Punjab Cycling Association, Director of GET Motor Cycle Project, Vice President of All Pakistan Music Council, Director of Gulab Devi Hospital and Director of Cutting Edge (Private) Limited.

Mr. Muhammad Mohtashim Aftab – Non-Executive Director

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

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

Mr. Shamim A. Siddiqui – Executive Director / CFO

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

Mr. M.Z. Moin Mohajir – Independent Director

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

Dr. Muzzaffar Mahmood – Independent Director

Dr. Muzzaffar Mahmood has taught several courses related to heat transfer, thermodynamics and thermodynamics both at bachelors and masters level. His research covers work on: air jet ejectors; heat transfer closely-spaced-small-diameter tubes; and heat transfer in swirling impinging jets. He supervised PhD work on desiccant cooling, fuel cells and design of experiments applied in textile printing. He served on various administrative positions at NED: chairman, dean and pro-vice chancellor. He was also the overall in-charge of a major HEC funded development program at NED University which began in 2005. He has been instrumental in setting up several new departments at NED University, most notably the Textile Engineering Department. The Department has been the first in Pakistan to start a Master's program and produce an indigenous PhD in textiles.

He has provided consultancy services to many projects of power and energy, notably 7.5 MW NRL power plant and to USAID in the 7th Five Year Plan.

Ms. Rozina Muzammil – Independent Director

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

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

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

CHAIRMAN'S REVIEW

I am pleased to present the audited annual accounts of the Loads Group for the year ended June 30, 2020.

The Economy

The Financial Year 2019-20 (FY20) was a very difficult year across the globe and specifically in Pakistan due to a slowdown in auto industry followed by lock down in last quarter due to the COVID-19 pandemic. It is early to fully assess impact of the pandemic which has already taken lives across the globe and temporarily stopped the global economy. COVID-19 is also tragic for Pakistan's already ailing economy. The country's economy witnessed the negative grown of 0.38% percent in the FY20. Exports fell, but remittances in the FY20 increased by 6.4% and stood at USD 23.12 billion, which supported the current account balance of the country. The current account deficit during FY20 shrunk by 78% Year-on-Year to USD 2.96 billion which is 1.1% of GDP, compared to a deficit of USD 13.43 billion in FY19 which was 4.8% of GDP. The overall tax collection stood at Rs 3,989 billion in FY20 as against the revenue collection of Rs 3,826 billion in the corresponding period last year.

The COVID-19 pandemic badly affected the entire corporate sector. During these challenging times, the Company managed to operate, often with very thin staff, and successfully ensured business continuity through emergency management plans to cope with this crisis.

The Automotive Industry

Overall cars / LCVs sales for the financial year 2019-20 crashed by 53% from previous year's 240,646 units to 111,962 units. Honda, Suzuki and Toyota sales declined by 63%, 49% & 57% respectively, during the year.

Heavy vehicles volumes decreased from previous year's 6,763 units to 3,647 units, registering an overall decrease of 46%. Truck sales declined by 47%, whereas buses recorded a reduction of 40%.

The tractor industry's sales decreased by 35% over previous year's, registering sales of 32,727 units in 2020 (2019: 50,405 units), with decline in sales of 34% and 35% in volumes of Al-Ghazi Tractors and Millat Tractors respectively.

Board Performance

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

The Company has an independent Internal Audit department and internal audit reports are presented to the Board Audit Committee wherein areas for improvement are highlighted.

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

Sales of Loads Group

Net sales revenue of the Group touched Rs. 2,779 million and decreased by 51% over Rs. 5,709 million in the previous year due to slowdown of the economy on account of PKR devaluation, stern taxation measures, interest rate hikes and lock down of more than two months during this year due to Corona Virus (COVID-19) outbreak.

Profitability

Profit Before Tax (PBT) and Profit After Tax (PAT) of the Group decreased by 1,296% and 1,055 % respectively, mainly on account of above factors, and share of loss & provision of impairment from associated undertaking. Consequently, the group's EPS decline from a loss of 35 paisa per share to a loss of Rs. 3.81 per share.

Acknowledgement

On my own behalf and on behalf of the Board of Directors of your Company, I take this opportunity of acknowledging the devoted and sincere services of employees of all the cadres of the Company. I am also grateful to our bankers, shareholders, and valued customers, the Original Equipment Manufacturers, and the related Ministries for their continued support.

Syed Shahid Ali
Chairman
Karachi, October 5, 2020

کمپنی کا اپنا ایک آزاد آڈٹ ڈپارٹمنٹ ہے اور اندرونی آڈٹ کی رپورٹیں بورڈ کی آڈٹ کمیٹی کو پیش کی جاتی ہیں جن میں بہتریوں کے لئے مختلف شعبوں کو اجاگر کیا جاتا ہے۔

بورڈ نے اپنی از خود تشخیص کی اور بہترین عالمی طور طریقوں کے مطابق بہتری کے لئے مختلف شعبوں کی نشاندہی کی۔ اس کی بنیاد توجہ کلیدی نمو، کاروباری مواقعوں، خطرات کے انتظام، بورڈ کی تشکیل بندی اور انتظامیہ کو نگرانی فراہم کرنے پر مرکوز رہیں۔

لوڈز گروپ کی فروخت

گروپ کی خالص فروخت گزشتہ سال کی 5,709 ملین روپے کے مقابلے میں 2,779 ملین روپے رہی اور اس میں گزشتہ سال کی بہ نسبت 51 فیصد کمی ہوئی، کمی کی وجوہات میں پاکستانی روپے کی قدر میں کمی، سخت ٹیکس اقدامات، بڑھتی ہوئی شرح سود اور کورونا وائرس (COVID-19) کے پھیلاؤ کے نتیجے میں دو ماہ سے زیادہ لاک ڈاؤن کی وجہ سے معاشی سست روی شامل ہے۔

منافع کاری

گروپ کے منافع قبل از ٹیکس (PBT) اور منافع بعد از ٹیکس (PAT) میں بالترتیب 1,296 فیصد اور 1,055 فیصد کمی ہوئی، جس کی بنیادی وجوہات مندرجہ بالا عوامل اور ملحقہ کمپنیوں کے خسارہ میں حصہ اور ان کی فرسودگی کے لئے اختصاص تھا۔ جس کے نتیجے میں EPS 35 پیسے خسارہ فی حصص سے کم ہو کر 3.81 روپے خسارہ فی حصص ہو گئی۔

اعتراف

میری جانب سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے میں اس موقع پر کمپنی کے ہر سطح کے ملازمین کی مخلصانہ اور سرگرم خدمات کا اعتراف کرتا ہوں۔ میں اپنے بینکاروں، حصص یافتگان اور قابل قدر گاہکوں، ایکوپمنٹ کے اصل تیار کنندگان اور ملحقہ وزارتوں کے مسلسل تعاون پر ان کا مشکور ہوں۔

سید شاہد علی

چیئرمین

کراچی، 5 اکتوبر 2020

چیئرمین کی جائزہ رپورٹ

میں لوڈز گروپ کے آڈٹ شدہ مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2020 پیش کرتے اظہار مسرت کرتا ہوں

معیشت

مالیاتی سال 20-2019 (FY20) دنیا بھر میں انتہائی دشوار گزار رہا اور خاص طور پر پاکستان میں COVID-19 کی وباء کے نتیجے میں آخری سہ ماہی میں لاک ڈاؤن کی وجہ سے آٹو کی صنعت سست روی کا شکار ہوئی - وباء کے اثرات کی مکمل تشخیص قبل از وقت ہوگی جس نے پہلے ہی سے دنیا بھر میں بہت سی جانیں نگل لی ہیں اور عارضی طور پر عالمی معیشت کو روک دیا ہے- COVID-19 پاکستان سے پہلے سے بیمار معیشت کے لئے بھی الم انگیز رہا- FY20 میں ملکی معیشت میں 0.38 فیصد کی منفی نمو دیکھی گئی - برآمدات گر گئیں، لیکن ترسیلات زر میں FY20 میں 6.4 فیصد اضافہ ہوا اور 23.12 بلین یوایس ڈالر رہیں، جس نے ملک کے رواں کھاتے کے توازن کو سہارا دیا- FY20 کے دوران رواں کھاتے کے خسارہ میں 78 فیصد کمی ہوئی جو گزشتہ سال کے مقابلے میں 2.96 بلین یوایس ڈالر رہا جو کہ GDP کا 1.1 فیصد ہے، جبکہ FY19 میں خسارہ 13.43 بلین یوایس ڈالر تھا جو کہ GDP کا 4.8 فیصد تھا- FY20 کے دوران مجموعی ٹیکس وصولی 3,989 بلین روپے رہی جبکہ گزشتہ سال محصولات کی وصولی 3,826 بلین روپے تھی-

COVID-19 کی وباء نے پورے کارپوریٹ سیکٹر کو بری طرح متاثر کیا- اکثر بہت معمولی اسٹاف کے ساتھ ان مشکل اوقات میں کمپنی اپنے آپ کو چلانے کے قابل رہی اور بحران سے نمٹنے کے ہنگامی انتظامی منصوبوں کے ذریعے کاروباری تسلسل کو یقینی بنایا-

آٹو کی صنعت

سال کے دوران مالیاتی سال 20-2019 میں کاروں/LCVs کی فروخت 53 فیصد کمی کے ساتھ گزشتہ سال کی 240,646 یونٹس سے کم ہوکر 111,962 یونٹس رہ گئی- سال کے دوران ہونڈا سوزوکی اور ٹویوٹا کرولا کی فروخت میں بالترتیب 63 فیصد، 49 فیصد اور 57 فیصد کمی ہوئی-

بھاری تجارتی گاڑیوں کی فروخت گزشتہ سال کے 6,763 یونٹس کے مقابلے میں کم ہوکر 3647 یونٹس رہ گئی جس سے 46 فیصد کمی کی عکاسی ہوتی ہے- ٹرک کی فروخت میں 47 فیصد کمی ہوئی جبکہ بسوں کی فروخت میں 40 فیصد کمی ہوئی-

ٹریکٹر کی صنعت کی فروخت گزشتہ سال کی بہ نسبت 35 فیصد کمی کے ساتھ 2020 میں 32,727 یونٹس رہی، الغازی ٹریکٹرز اور ملت ٹریکٹرز کے حجم فروخت میں بالترتیب 34 فیصد اور 35 فیصد کمی ہوئی-

بورڈ کی کارکردگی

بورڈ نے اپنے فرائض اور ذمہ داریاں شائستگی کے ساتھ کمپنی کے کلیدی معاملات میں رہنمائی کرتے ہوئے انجام دیئے- بورڈ نے انتظامیہ کی نگرانی کی کارکردگی میں بھی اہم کردار ادا کیا اور بڑے خطرات کے انتظام پر توجہ مرکوز کی- بورڈ مکمل طور پر کلیدی منصوبہ بندی میں مصروف عمل رہا- بورڈ ادارتی نظم و ضبط کے اعلیٰ معیارات کو یقینی بنانے اور مستفیدان کی برتری کو برقرار رکھنے کے لئے کوشاں رہا-

DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company present the Loads Group's Annual Report together with Annual Audited Financial Statements for the year ended June 30, 2020 in accordance with the requirements of Section 236 of the Companies Act 2017

OPERATING AND FINANCIAL RESULTS

	Rupees in million					
	2020		2019		% Change	
	Loads	**Consolidated**	Loads	Consolidated	Loads	Consolidated
Sales	**2,779**	**2,779**	5,709	5,709	-51%	-51%
Gross Profit	**198**	**52**	519	637	-62%	-92%
Operating Profit /Loss (OP)	**166**	**-186**	380	373	-56%	-150%
Share of Loss in associate	**-**	**-173**	-	-109	-	59%
Provision for impairment against associate	**-**	**-123**	-	-15	-	720%
Profit /Loss before Taxation (PBT)	**-195**	**-718**	133	60	-246%	-1296%
Profit/Loss after Taxation (PAT)	**-137**	**-647**	41	-56	-434%	1055%
Earnings/Loss per share (EPS) – basic & diluted	**-0.91**	**-3.81**	0.27	-0.35	-434%	988%

BUSINESS REVIEW

Your group has recorded sales of Rs. 2,779 million for the year ended June, 2020, registering a decline of Rs. 2,930 million (-51%) over the previous year. The decrease is mainly due to the lock down of three months during this year on account of the COVID-19 outbreak, which also impacted the automotive industry, which was already negatively impacted on account of PKR devaluation, stern taxation measures, interest rate hikes and inflation.

Company Results

Operating Profit (OP), Profit before Taxation (PBT) and Profit after Taxation (PAT) of Loads Limited reflects the above impact and registered a decrease of 56%, 246% & 434% respectively over the previous year. Therefore, Earnings/Loss per share (EPS) reflects a decline from a profit of 27 paisa per share to a loss of 91 paisa per share.

Group Results

Consolidated Operating Profit (OP), Profit before Taxation (PBT) and Profit after Taxation (PAT) also declined by 150%, 1,296% & 1,055% respectively, due to the factors stated above.

Share of loss and Provision for impairment of associated undertaking, Treet Corporation Limited, has increased from Rs. 109 million to Rs. 173 million and Rs.15 million to Rs.123 million respectively as compared to previous year.

AUTOMOTIVE INDUSTRY REVIEW

Cars/LCVs sales declined by 53%, while heavy vehicles, tractors and two wheelers declined by 46%, 35% and 23% respectively, due to impact of Covid-19, devaluation, interest hike and taxation measures taken by the Government to document the economy.

Sector wise analysis of our group's customer base is given below:

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

Sales of Cars, Vans, LCVs & SUVs for the year ended June 30, 2020 decreased from 240,646 units to 111,962 units (-53%) over previous year.

(b) Heavy Commercial Vehicles

Heavy vehicle volumes declined from previous year's 6,763 units to 3,647 units, registering a decrease of 46%.

(c) Tractors

The tractor industry's sales decreased by 35% from previous year's 50,405 units to 32,727 units.

COMPANY'S SALES PERFORMANCE

The overall sales of the group declined by 51%. The Company's product-wise performance for the year is analyzed below:



Exhaust Systems **Radiator** **Sheet metal components**

Products	Sales (Rs. in millions)		
	2020	2019	+(-)%
Exhaust Systems	1,648	4,020	-59%
Sheet Metal Components	779	990	-21%
Radiators	352	699	-50%
Total	**2,779**	**5,709**	**-51%**

Comments on performance of various product groups are given below:

(a) Exhaust Systems:
Sales of exhaust systems declined by 59% mainly on account of downturn in sales of Honda and Toyota Corolla by 63% and 57% respectively.

(b) Radiators:
Decline of 50% reflects loss of radiator sales due to decline in sales of tractors & heavy vehicles and discontinuation of Suzuki Mehran cars.

(c) Sheet Metal Components:

Sales of Sheet Metal Components declined by 21% mainly on account of downturn in sales of Honda, Toyota Corolla and Pak Suzuki by 63%, 57% & 49% respectively, partially offset by addition of parts from Suzuki's new vehicle, Alto 660cc.

MATERIAL CHANGES OR COMMITMENTS

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

RISK MANAGEMENT

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

The decrease in demand for Company's products may have an adverse impact on its profitability due to lower sales volume resulting from lower than anticipated growth in auto industry. The other factors are COVID-19, foreign exchange movement, i.e. PKR depreciation, which will inflate the price of imports thus affecting the profitability of the Company. Financial risks include credit risk, market risk and liquidity risks. An effective risk management process is in place and action plans are identified to address issues and mitigate risks.

CORPORATE GOVERNANCE

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

COVID-19 CONSIDERATIONS FOR BOARD

COVID-19 has had unparalleled impacts on business, including concerns over supply chain disruptions and numerous strategic and operational concerns impacting both the short and long-term plans. Our major concern was the availability of production inputs and customers' orders. The Company ensured that there were no supply chain disruptions after the lockdown period.

Considering the advice regarding reduced travel and avoiding large groups of people, Loads decided to conduct Board and Committee meetings through video conference. As the safety of employees was a priority during the COVID-19 outbreak, Loads made necessary arrangements for the use of technology and related applications in order to enable them to work from home where possible to meet regulatory compliances and adhered to standard procedures on employees' entry to the plant and during their stay within the plant.

COVID-19 PANDEMIC: OUR PREPARATION OF BUSINESS CONTINUITY PLAN

Outbreak of COVID-19 has affected the people and economies of the entire world, including the developed countries, and the corporate sector has also been severely impacted. Due to lockdown all over the country, the movement of public transport, goods as well as people were restricted and flexibility was given only to those industries categorized as 'essential' by the authorities. This presented a great challenge for the management to continue operations of the Plant. A Business Continuity Plan prepared by the Company was implemented to manage operations, both at its factory and 2 plants of its subsidiaries.

The Company immediately took following effective measures for prevention of the Corona Pandemic within the factory premises in compliance with the SOPs issued by Government of Sindh from time to time:

- COVID-19 awareness sessions were conducted at all facilities for our employees and workforce with special focus on taking necessary preventive measures and maintaining a balanced diet and healthy lifestyle.

- Individual temperature monitoring of all employees through dedicated Medical/Security Staff (also equipped with COVID-19 Medical kits) and Thermal Temperature Guns daily before entering the factory premises and the commencement of duties for all shifts.

- Availability of hand wash sanitizers and use of disinfectant sprays throughout all the production areas.

- Installation of specially purpose Disinfectant Walkthrough Tunnel and Mist Pedestal Fans performing Disinfectant Sprays.

- Bare essential employees at critical roles were identified by the Human Resource department in concert with concerned departmental heads and duty rosters were prepared accordingly. Diabetic patients, employees with other serious illnesses and those over 50 years of age were given special consideration and were encouraged to work from home where possible and with reduced duty hours in case of essential services.

- Social distancing observed in Canteen and Mosque through flexible timings and increase in number of shifts/groups to comply with the Government's notifications.

INFORMATION TECHNOLOGY (IT)

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

INTERNAL FINANCIAL CONTROL

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

RELATED PARTIES TRANSACTIONS

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

CORPORATE FINANCIAL REPORTING

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

REVIEW OF CEO'S PERFORMANCE

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

COMMUNICATION

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

SAFEGUARDING OF RECORDS

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

INTERNAL AUDIT

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

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

HUMAN RESOURCES

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

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

COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) GENERAL ORDER, 2009

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

(i) **Energy Conservation:** Projects to switch over to renewable energy continue in phases, with solar power installed at the head office last year.

(ii) **Quality and Environmental management systems:** ISO 9001 and ISO 14001 certifications, previously obtained by the Company, continue to be renewed every year.

(iii) **Business Ethics:** Strict ethics were followed in all business dealings throughout the year.

(iv) **Contribution to National Exchequer:** The group met all its obligations towards payments of income tax, sales tax and other government levies aggregating Rs. 938 million (2019: Rs. 1,622 million).

COMPOSITION OF THE BOARD

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

i. Total number of Directors

- Male – 8
- Female – 1

ii. Composition

- Independent Directors – 3
- Executive Directors – 2
- Non-Executive Directors – 4

ATTENDANCE OF BOARD MEETINGS

The Board of Directors of your company has met five (5) times during the year 2019-20 and the attendance at each of these meetings is as follows:-

Name of Director	Designation	03 Oct 19	29 Oct 19	31 Dec 19	28 Feb 20	30 Apr 20	2019-2020
Syed Shahid Ali	Chairman	A	A	P	A	A	1/5
Mr. Saulat Said	Vice Chairman	P	P	P	P	P	5/5
Mr. Munir K. Bana	Chief Executive	P	P	P	P	P	5/5
Syed Sheharyar Ali	Non-Executive Director	P	P	A	A	P	3/5
Mr. M. Z. Moin Mohajir	Independent Director	P	P	A	P	P	4/5
Mr. Muhammad Mohtashim Aftab	Non-Executive Director	N/A	N/A	P	P	P	3/5
Mr. Shamim A. Siddiqui	Executive Director	P	P	P	P	P	5/5
Ms. Rozina Muzammil	Independent Director	P	P	P	P	P	5/5
Dr. Muzzaffar Mahmood	Independent Director	N/A	N/A	N/A	P	P	2/5
Mr. Amir Zia - resigned on December 5, 2019	Non-Executive Director	P	P	N/A	N/A	N/A	2/5
Mr. Sajid Zahid - resigned on November 4, 2019	Independent Director	P	A	N/A	N/A	N/A	1/5
Quorum at Meetings		8/9	7/9	6/8	7/9	8/9	

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

During the year, following directors were appointed on the Board of Directors:

Outgoing Director	Date of Leaving	Reason	Incoming Director	Date of Appointment
Mr. Amir Zia	December 5, 2019	Resigned	Mr. Muhammad Mohtashim Aftab	December 9, 2019
Mr. Sajid Zahid	November 4, 2019	Resigned	Dr. Muzzaffar Mahmood	January 29, 2020

AUDIT COMMITTEE

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

During the year, Audit Committee held four meetings, to review the financial statements, internal audit reports, compliances with the best practices of Corporate Governance requirements and other associated matters. These meetings included meetings with the external auditors before and after completion of audit for the year ended June 30, 2020.

HUMAN RESOURCES & REMUNERATION COMMITTEE

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

DIRECTORS REMUNERATION

Articles of Association of the company authorise the Board of Directors to fix remuneration of independent and non-executive directors for attending meetings of the board of directors and its committees from time to time.

PERFORMANCE EVALUATION OF BOARD OF DIRECTORS

The evaluation of the Board's role of oversight and its effectiveness is a continuous process, which is appraised by the Board itself. The core areas of focus are:

- Regulatory Compliances, Financial Information and Controls;
- Leadership through vision and values;
- Strategic thinking and decision making;
- Commercial and business acumen;
- Contribution to resolution of divergent views;
- Proactive participation; and
- Time commitment.

Individual feedback was obtained and on the basis of that feedback, the average rating of the performance of the Board and role of the Chairman in governing the Board was found up to the mark as is evident by the performance of the Company in current year's difficult, Covid-19 environment.

CHAIRMAN'S REVIEW

The accompanied Chairman's review deals with the performance of the company for the year ended June 30, 2020 and the future outlook. The directors endorse the contents of the review.

FINANCIAL STATEMENTS

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

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

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

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2020 required under section 227(2)(f) of the Companies Act, 2017 is annexed to this report.

AUDITORS

The auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, retire at the conclusion of the Annual General Meeting. Being eligible, they have offered themselves for re-appointment.

As suggested by the Board Audit Committee, the Board recommended the appointment of M/s. KPMG Taseer Hadi & Co., Chartered Accountants, as auditors of the Company for the year 2020-21.

FUTURE OUTLOOK

COVID-19 lockdowns resulted in closure of operations of all facilities from March 26, 2020 till June 4, 2020. The Government took positive steps to support the manufacturing sector to reduce the impact of Covid-19 pandemic on the economy, such as major reduction in interest rate, re-scheduling of loan installments and introduction of a refinance scheme for payment of wages and salaries. These steps have restored the operating performance of the manufacturing sector in the subsequent year.

The Company remains strongly focused on innovations, creating a strong performance culture within the organization and capitalizing on opportunities in a challenging macroeconomic environment to improve productivity and enhance shareholders' value. Our employees remain crucial for the continued growth of the business. New technologies are continuously evolving in the auto industry and the Company is committed to adopt innovations that can positively impact the Company's performance.

ACKNOWLEDGEMENTS

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

By Order of the Board

Munir K. Bana
Chief Executive

Rozina Muzammil
Director

Karachi: October 5, 2020

کمپنی تسلسل کے ساتھ اختراع، مستحکم کارکردگی کو ادارے کے اندر پیدا کرنے کیلئے کوشاں ہے اور دشوار گزار معاشی ماحول میں مواقعوں سے مستفید ہو رہی ہے تاکہ پیداوریت اور حصص یافتگان کی قدر میں اضافہ کیا جا سکے- ہمارے ملازمین کاروبار کی مسلسل نمو میں بنیادی اہمیت کے حامل ہیں- مسلسل ابھرتی ہوئی آٹو کی صنعت میں نئی ٹیکنالوجیز سامنے آ رہی ہیں اور کمپنی ان اختراعات کو اختیار کرنے کے لئے کوشاں ہے تاکہ کمپنی کی کارکردگی پر مثبت اثرات مرتب ہوں-

اعترافات

سال کے دوران بورڈ اپنے ملازمین کے مسلسل تعاون اور انتھک محنت پر انہیں ستائش پیش کرتا ہے- ہم اپنے گاہکوں کی مسلسل سرپرستی پر ان کے مشکور ہیں اور امید کرتے ہیں کہ آنے والے سالوں میں یہ تعلقات مزید نتیجہ خیز بن جائیں گے

بحکم

منیر کے بانا
چیف ایگزیکٹو

روزینہ مزمل
ڈائریکٹر

کراچی: 15 اکتوبر 2020

انفرادی فیڈ بیک حاصل کئے گئے اوران فیڈ بیک کی بنیاد پر بورڈ کی اوسطاً کارکردگی کی ریٹنگ اور بورڈ کے نظم وضبط میں چیئر مین کے کردار سے متعلق ریٹنگ تسلی بخش پائی گئی جس کی عکاسی سال کے دوران Covid-19 کے دشوار گزار ماحول میں کمپنی کی کارکردگی سے ہوتی ہے۔

چیئرمین کا جائزہ

چیئرمین کا ملحقہ جائزہ سال مختتمہ 30 جون 2020 کے دوران کمپنی کی کارکردگی اور مستقبل کی پیش بینی کے متعلق بتاتا ہے۔ ڈائریکٹران اس جائزہ کے مندرجات کی توثیق کرتے ہیں۔

مالیاتی گوشوارے

کمپنی کے آڈیٹرز KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا ہے اور انہوں نے اپنی غیر مشروط رپورٹ ممبران کو پیش کی ہے۔

ادارتی نظم وضبط کے ضابطہ کی پاسداری کا بیان

''ادارتی نظم وضبط کے ضابطہ کی پاسداری کا بیان'' (CCG) اس رپورٹ کے ساتھ منسلک ہے۔

حصص داری کی ساخت

کمپنیز ایکٹ 2017 کی دفعہ 227 (2)(f) کے تحت حصص داری کی ساخت سے متعلق ایک گوشوارہ اس رپورٹ کے ساتھ منسلک کیا گیا ہے۔

آڈیٹرز

آڈیٹرز میسرز KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس سالانہ اجلاس عام کے اختتام پر سبکدوش ہو جائیں گے۔ اہلیت کے باعث انہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

بورڈ کی آڈٹ کمیٹی کی تجویز پر بورڈ نے KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو سال 21-2020 کے لئے کمپنی کا آڈیٹر کی حیثیت سے تقرری کی سفارش کی ہے۔

مستقبل کی پیش بینی

COVID-19 کے لاک ڈاؤن کے نتیجے میں 26 مارچ 2020 سے 4 جون 2020 تک تمام سہولیات پر آپریشن بند رہے۔ حکومت نے Covid-19 وبا کے اثرات کو معیشت پر سے کم کرتے ہوئے پیداواری شعبے کو سہارا دینے کے لئے مثبت اقدامات کئے جن میں شرح سود میں بڑے پیمانے پر کمی، قرضوں کی قسطوں کی ازسرنو جدول بندی اور اجرتوں اور تنخواہوں کی ادائیگی کے لئے ریفائنس اسکیم کا تعارف شامل ہیں۔ ان اقدامات سے اگلے سال میں پیداواری شعبے کی کارکردگی بحال ہوگئی۔

سال کے دوران مندرجہ ذیل ڈائریکٹران کی بورڈ میں تقرری ہوئی:

جانے والا ڈائریکٹر	جانے کی تاریخ	وجہ	آنے والا ڈائریکٹر	تاریخ تقرری
جناب عامر ضیاء	5 دسمبر 2019	مستعفی	جناب محمد محتشم صاحب	9 دسمبر 2019
جناب ساجد زاہد	4 نومبر 2020	مستعفی	ڈاکٹر مظفر محمود	29 جنوری 2020

آڈٹ کمیٹی

آڈٹ کمیٹی چار نان ایگزیکٹو ڈائریکٹران پر مشتمل ہے جس میں ایک آزاد ڈائریکٹر شامل جو کمیٹی کا چیئرمین ہے۔

سال کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے جن میں مالیاتی گوشواروں، اندرونی آڈٹ کی رپورٹوں، ادارتی نظم وضبط کے بہترین طوریقوں پر عملدرآمد اور دیگر ملحقہ معاملات کا جائزہ لیا گیا۔ ان اجلاس میں سال مختتمہ 30 جون 2020 کے آڈٹ سے پہلے اور آڈٹ کے بعد بیرونی آڈیٹرز کے ساتھ مشاورت ہوئی۔

انسانی وسائل اور معاوضہ کمیٹی

بورڈ کی ایک انسانی وسائل اور معاوضہ کمیٹی (HR&RC) ہے جو کہ چھ ممبران پر مشتمل ہے۔ HR&RC کا چیئرمین ایک نان ایگزیکٹو ڈائریکٹر ہے۔ سال کے دوران کمیٹی کا ایک اجلاس ہوا جس میں کمیٹی کی ذمہ داریوں پر بحث ہوئی اور ان کی منظوری دی گئی۔

ڈائریکٹران کا معاوضہ

بورڈ آف ڈائریکٹرز کمپنی کے آرٹیکلز آف ایسوسی ایشن کے مطابق آزاد اور نان ایگزیکٹو ڈائریکٹران کو بورڈ آف ڈائریکٹرز اور اس کی کمیٹیوں کے اجلاس میں حاضر ہونے کا معاوضہ وقتاً فوقتاً طے کرنے کا مجاز ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کی تشخیص

بورڈ کی نگرانی کی ذمہ داری کو پورا کرنے اور اس کی اثر پذیری کی تشخیص ایک مسلسل عمل ہے جسے بورڈ بذات خود انجام دیتا ہے۔ جن چیزوں کا اس میں احاطہ کیا گیا ہے وہ درج ذیل ہیں:

- ضابطوں کی پاسداری، مالیاتی معلومات اور گرفت،
- قیادت بذریعہ نصب العین اور اقدار
- کلیدی سوچ اور فیصلہ سازی،
- تجارتی اور کاروباری فراست،
- انحرافی آراء کے حل میں معاونت،
- متحرک شرکت اور
- وقت کی پابندی۔

i– **ڈائریکٹران کی کل تعداد**

مرد 8

خاتون 1

ii– **ساخت**

آزاد ڈائریکٹران 3

ایگزیکٹو ڈائریکٹران 2

نان ایگزیکٹو ڈائریکٹران 4

بورڈ کے اجلاس میں حاضری

سال 2019-20 کے دوران کمپنی کے بورڈ آف ڈائریکٹر کے پانچ (5) اجلاس ہوئے اور ہر اجلاس میں حاضری درج ذیل رہی:

ڈائریکٹر کا نام	عہدہ	03 اکتوبر 19	29 اکتوبر 19	31 دسمبر 19	28 فروری 20	30 اپریل 20	2019-2020
سید شاہد علی	چیئرمین	A	A	P	A	A	1/5
جناب صولت سعید	وائس چیئرمین	P	P	P	P	P	5/5
جناب منیر کے بانا	چیف ایگزیکٹو	P	P	P	P	P	5/5
سید شہریار علی	نان ایگزیکٹو ڈائریکٹر	P	P	A	A	P	3/5
جناب ایم زید معین مہاجر	آزاد ڈائریکٹر	P	P	A	P	P	4/5
جناب محمد محتشم آفتاب	نان ایگزیکٹو ڈائریکریٹر	N/A	N/A	P	P	P	3/5
جناب شمیم اے صدیقی	ایگزیکٹو ڈائریکٹر	P	P	P	P	P	5/5
مس روزینہ مزمل	آزاد ڈائریکٹر	P	P	P	P	P	5/5
ڈاکٹر مظفر محمود	آزاد ڈائریکٹر	N/A	N/A	N/A	P	P	2/5
جناب عامر ضیاء–5 دسمبر 2019 کو استعفیٰ دیا تھا	نان ایگزیکٹو ڈائریکٹر	P	P	N/A	N/A	N/A	2/5
جناب ساجد زاہد–4 نومبر 2019 کو استعفیٰ دیا تھا	آزاد ڈائریکٹر	P	A	N/A	N/A	N/A	1/5
اجلاس میں حاضر ممبران کی تعداد	8/9	7/9	6/8	7/9	8/9		

جو ڈائریکٹران اجلاس میں حاضر نہ ہو سکے ان کی رخصت منظور کر لی گئی۔

خط وکتابت

کمپنی اپنے حصص یافتگان کے ساتھ خط و کتابت کو اہمیت دیتی ہے۔کمپنیز ایکٹ 2017 کے تحت سالانہ، ششماہی اور سہ ماہی رپورٹیں مقررہ مدت پر تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت وقتاً فوقتاً ویب سائٹ www.loads-group.pk پر اپ ڈیٹ کی جاتی ہیں۔

ریکارڈ کا تحفظ

کمپنی اپنے مالیاتی ریکارڈ کی محفوظ تحویل اور ذخیرہ کو بہت زیادہ اہمیت دیتی ہے۔ کمپنی اپنی مالیاتی معلومات کی ریکارڈنگ کے لئے SAP استعمال کرتی ہے۔ برقی دستاویزات تک رسائی کو SAP-ERP کے جامع محفوظ پاسورڈ کے ذریعے تحفظ فراہم کیا گیا ہے۔

اندرونی آڈٹ

لوڈز گروپ میں ایک آڈٹ کا آزادانہ نظام ہے۔ اندرونی آڈٹ کے سربراہ کی ذمہ داری بورڈ کی آڈٹ کمیٹی کو رپورٹس فراہم کرنا ہے۔ اندرونی آڈٹ کے سالانہ منصوبے خطرات کی تشخیص کی بنیاد پر BAC کی منظوری کے لئے پیش کئے جاتے ہیں۔ اندرونی آڈٹ کا نظام کمپنی کے کاروباری افعال کے مسلسل جائزے کے ساتھ اکاؤنٹنگ، مالیاتی اور کاروباری مضمرات کی نشاندہی کرتا ہے جس کی وجہ سے یہ ڈپارٹمنٹس کو انتظامی گرفت اور برتری حاصل ہوتی ہے۔

اندرونی آڈٹ کا طریقہ کار آزادانہ، مقصدیت اور فوقیت کے رہنما اصولوں کی بنیاد پر ترتیب دیا گیا ہے اور اس طریقہ کار کے نتائج میں استعداد، منافع اور کمپنی کے بہترین مفادات کا تحفظ شامل ہے۔

انسانی وسائل

کمپنی کے شعبہ انسانی وسائل (HR) کی سرگرمیاں مستقبل میں انسانی صلاحیتوں کی تعمیر پر مرکوز ہیں۔ HR ڈپارٹمنٹ ایسے مخلص اور باصلاحیت ملازمین کی کشش، ترقی، ترغیب اور انہیں رکھنے کے لئے کوشاں ہے جو کہ کمپنی کی کامیابی کے لئے پرعزم ہیں۔ یہ ڈپارٹمنٹ کمپنی کے ملازمین کی مختلف ضروریات کے انتظام کے ساتھ ساتھ ملازمین کے ساتھ تعلقات، پے رول، مراعات اور تربیت کا ذمہ دار ہے۔

HR انتظام، ملازمتی منصوبہ بندی، ملازمین کی تربیت و ترقی اور معاوضہ و مراعات کے ذریعے HR ڈپارٹمنٹ کمپنی کی استعداد میں اضافہ میں مدد کرتا ہے۔

کمپنیز (کارپوریٹ سوشل ریسپانسبلٹ) جنرل آرڈر 2009

کمپنیز (کارپوریٹ سوشل ریسپانسبلٹ) جنرل آرڈر 2009 کے تحت آپ کی کمپنی نے موجودہ مالیاتی سال کے دوران مندرجہ ذیل شعبوں میں معاونت کی:

(i) توانائی کی بچت: پروجیکٹس کو توانائی کی بچت کے آلات پر مرحلہ وار منتقل کیا جارہا ہے اور کمپنی نے حال میں اپنے ہیڈ آفس میں شمسی توانائی نصب کی ہے۔

(ii) معیار اور ماحولیاتی انتظام کا نظام: ISO 9001 اور ISO 14001 کی تصدیقات کمپنی نے پہلے ہی حاصل کر لی ہیں اور تسلسل کے ساتھ ہر سال ان کی تجدید کرواتی رہے گے۔

(iii) کاروباری اخلاقیات: سال بھر کاروباری لین دین میں سخت اخلاقیات پر عمل کیا گیا۔

(iv) قومی خزانے میں معاونت: انکم ٹیکس، سیلز ٹیکس اور دیگر سرکاری محصولات کے واجبات کی مد میں کمپنی نے مجموعی طور پر 938 ملین روپے (2019 میں 1,622 ملین روپے) کی معاونت کی۔

بورڈ کی تشکیل بندی

بورڈ کی ساخت بندی لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضروریات کی پاسداری کرتے ہوئے کی گئی ہے:

تمام ملازمین کے انفرادی درجہ حرارت کی نگرانی سرگرم میڈیکل/سیکیورٹی اسٹاف (جو کہ COVID-19 کی میڈیکل کٹس سے لیس تھا) انجام دی اور فیکٹری کی حدود میں داخل ہونے اور تمام شفٹوں میں اپنے کاموں کو شروع کرنے قبل تھرمل ٹیمپریچر گنز کو استعمال کیا گیا۔

تمام پیداواری جگہوں پر جراثیم کش اسپرے کے استعمال اور ہینڈ واش سینی ٹائزر کی دستیابی کو یقینی بنایا گیا۔
انتہائی بنیادی اہمیت کے حامل ملازمین کو ہیومن ریسورس ڈپارٹمنٹ نے متعلقہ شعبہ کے سربراہ کی مشاورت سے شناخت کیا اور اسی حساب سے یومیہ روسٹرز تیار کئے گئے۔ ذیابیطس، دیگر شدید بیماریوں کے حامل ملازمین اور جن کی عمر 50 سال سے زیادہ تھی ان پر خصوصی توجہ دی گئی اور جہاں تک ممکن ہو سکا ان کو گھر سے کام کرنے کی حوصلہ افزائی کی گئی اور بنیادی خدمات میں ان کے ڈیوٹی کے اوقات کم کئے گئے۔

سماجی فاصلے کو کینٹین اور مسجد میں لچک پذیر نظام الاوقات کے ذریعے برقرار رکھا گیا اور سرکاری نوٹیفکیشن پر عمل کرنے کے لئے شفٹوں/گروپوں میں اضافہ کیا گیا۔

انفارمیشن ٹیکنالوجی (IT)

کمپنی اس بات پر یقین رکھتی ہے کہ کاروبار کو کاروباری چیلنجز کے مطابق ڈھالنے کے لئے انفارمیشن ٹیکنالوجی بنیادی حیثیت رکھتی ہے۔ کمپنی نے کلیدی مقاصد اور آپریشن میں مطابقت کے حصول کے لئے انفارمیشن ٹیکنالوجی کے وسائل کا مستعدی سے استعمال کیا ہے۔ ہماری توجہ آئی ٹی نظم وضبط پر ہے جس میں کاروباری حکمت عملی کی خطرات کے انتظام، وسائل کے بہتر استعمال اور مراعات فوائد کے ذریعے آئی ٹی حکمت عملی سے مطابقت پیدا کی جاتی ہے۔ آئی ٹی اسٹیئرنگ کمیٹی نے آئی ٹی میں سرمایہ کاری کے ذریعے منفعت میں اضافے کے لئے کلیدی سمت اور سستے حل فراہم کئے ہیں۔ لوڈز تسلسل کے ساتھ جدید آئی ٹی ٹیکنالوجیز اور ساخت کے نفاذ کے امکانات کو تلاش کرتی ہے تا کہ بدلتے ہوئے کاروباری ماحول میں مستعد اور بروقت فیصلہ سازی کی جا سکے۔ انفارمیشن سسٹم کو اس طرح ترویج کیا گیا ہے کہ وہ کمپنی کے طویل مدتی مقاصد میں معاون ہو اور اس کا انتظام ایک پیشہ ورانہ عملے کی ٹیم کرتی ہے۔

اندرونی مالیاتی گرفت

اندرونی مالیاتی گرفت کا ایک نظام قائم کیا گیا ہے اور کمپنی میں ہر سطح پر نافذ ہے۔ اندرونی گرفت کے نظام کی شکل مضبوط ہے جو کمپنی کے مقاصد کے حصول اور کاروباری اثر پذیری اور استعداد، قابل اعتماد مالیاتی رپورٹنگ اور قوانین، ضوابط اور پالیسیوں پر عملدرآمد کو یقینی بناتا ہے۔

ملحقہ پارٹیوں کے ساتھ سودے

کمپنی کی پالیسی ہے کہ ملحقہ پارٹیوں کے ساتھ تمام سودے غیر جانبداری کے ساتھ طے پائیں۔ تاہم کچھ استثنائی سودوں کے علاوہ کمپنی نے غیر جانبداری کی بنیادی سودے کئے، اس بات کو یقینی بناتے ہوئے (اور باضابطہ مالیاتی گوشواروں میں ظاہر کرتے ہوئے) کہ یہ معقول ہیں اور ان کے مالیاتی اثرات کی وجہ سے کوئی انحراف تو نہیں ہو رہا اس کے بعد بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی ان کی منظوری دیتی ہے۔

ادارتی مالیاتی رپورٹنگ

کمپنی کی انتظامیہ کے تیار کردہ مالیاتی گوشوارے اس کے معاملات، کاروباری نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کو شفافیت کے ساتھ پیش کرتے ہیں۔ مالیاتی گوشواروں کے ساتھ نوٹس کی تیاری میں کمپنیز ایکٹ 2017 کی پاسداری کی گئی ہے۔ مالیاتی گوشواروں کی تیاری میں عالمی مالیاتی رپورٹنگ معیارات کو ملحوظ خاطر رکھا گیا ہے۔ IFRS 9 اور IFRS15 کو اختیار کرنے کے نتیجے میں تبدیلی کے سوائے مالیاتی گوشواروں کی تیاری میں تسلسل کے ساتھ حساباتی پالیسیاں لاگو کی گئی ہیں۔

CEO کی کارکردگی کا جائزہ

CEO کی کارکردگی کا جائزہ ایک تشخیصی نظام کے ذریعے کیا جاتا ہے جو کہ مقداری اور معیاری قدروں پر مشتمل ہوتا ہے۔ اس میں کاروباری کارکردگی، کمپنی کے مقاصد کا حصول بلحاظ منافع، ادارے کا تعمیری ڈھانچہ، جانشینی منصوبہ بندی اور ادارتی کامیابی شامل ہیں۔

خطراتی انتظام

خطرات کے انتظام کا نظام کلیدی، مالیاتی، کاروباری، قانونی اور بیرونی خطرات کی نشاندہی اوران کے ناموافق اثرات کو کم کرنے کے لئے درست اقدامات کو یقینی بناتا ہے۔کلیدی خطرہ گاہکوں کی طلب اور پیدواری گنجائش کے مابین فرق ہے جس کے نتیجے میں کاروباری خساروں اور متعلقہ شرح منافع میں کمی کا خطرہ پیدا ہوتا ہے۔ان خطرات کا ازالہ کلیدی کاروباری مطابقت اوراس کے اثرات کے مکمل ازالے کے ذریعے کیا جاتا ہے۔

مجموعی آٹو انڈسٹری کی صنعت کی فروخت میں کمی کے نتیجے میں کمپنی کی مصنوعات کی طلب اور فروخت میں کمی کی وجہ سے کمپنی کی منافع کاری پر منفی اثرات مرتب ہوتے ہیں۔ دیگر عناصر میں COVID-19، زرمبادلہ کے نرخ میں اتار چڑھاؤ یعنی PKR کی قدر میں کمی، جس سے درآمدی خام مال میں اضافہ کی وجہ سے کمپنی کے منافع پر اثرات مرتب ہوتے ہیں۔ مالیاتی خطرات میں قرضہ جاتی خطرہ، مارکیٹ کا خطرہ اور روانیت کا خطرہ شامل ہیں۔خطرات کے موثر انتظام کا ایک نظام موجود ہے اور کارروائی کے منصوبے تشکیل دیئے گئے ہیں تاکہ مسائل کا ازالہ اور خطرات کو کم کیا جا سکے۔

ادارتی نظم وضبط

ہم کاروبار کی پائیداری اور کامیابی کیلئے ادارتی نظم وضبط کے معیارات کو برقرار رکھنے اور قائم کرنے پر یقین رکھتے ہیں۔ بورڈ اس بات کو تسلیم کرتا ہے کہ اچھا نظم وضبط قواعد وضوابط کی پاسداری سے آگے ہے، اس کا تعلق ثقافت، رویہ اور ہمارے کاروباری کرنے کے انداز سے ہے اور لہذا بورڈ کمپنی کی اقدار اور اعلیٰ معیارات کو کمپنی بھر میں اوپر سے نیچے تک یقینی بنانے کے لئے کوشاں ہے۔ ہم دیانت داری، بہترین ادارتی نظم وضبط کے لئے پرعزم ہیں اور بورڈ کی ساخت بندی ایسی ہے جس سے حصص یافتگان اور ہمارے تمام مستفیدان کو صحیح اور درست معلومات فراہم کی جاسکیں۔ دیانت داری اور محاسبہ ہمارے ہر فعل کا مرکز ہے اور ہمیں یقین ہے کہ بہترین نظم وضبط کے نظام کے ذریعے بورڈ کمپنی کی درست سمت میں رہنمائی کرتا رہے گا کیونکہ ہم ایسی حکمت عملی اختیار کرتے ہیں جس سے اچھے نظم وضبط کے اصولوں اور طور طریقوں کی پاسداری کو یقینی بنایا جا سکے۔

بورڈ کا COVID-19 کے اثرات

COVID نے کاروبار پر بے مثل اثرات مرتب کئے ہیں بشمول ہمارے سپلائی چین میں رکاوٹ اور لاتعداد کلیدی اور کاروباری خدشات پیدا کردیئے جس نے ہماری طویل مدتی اور قلیل مدتی منصوبوں پر اثرات مرتب کئے۔ ہمارے بڑے خدشات میں پیداوار کے لئے خام مال کی دستیابی اور کسٹمرز کے آرڈز سے متعلق تھے۔کمپنی نے اس بات کو یقینی بنایا کہ لاک ڈاؤن کی مدت کے بعد سپلائی چین میں کوئی رکاوٹ پیدا نہ ہو۔

کم سے کم سفر اور لوگوں کے بڑے اجتماع سے بچنے کے مشورے پر غور کرتے ہوئے لوڈز نے بورڈ اور کمیٹیوں کے اجلاس کو بذریعہ وڈیو کانفرنس منعقد کرنے کا فیصلہ کیا۔ COVID-19 وباء کے دوران کیونکہ ملازمین کا تحفظ ایک ترجیح تھا، اس لئے لوڈز نے ٹیکنالوجی اور ملحقہ اپلی کیشنز کو استعمال کیا تاکہ ضابطے کی ضروریات کو جہاں تک ممکن ہو ملازمین گھر سے کام کرکے پورا کریں اور پلانٹ میں ملازمین کے داخلے اور پلانٹ میں کام کے دوران ان کی موجودگی کے لئے معیاری طریقہ کار پر عمل کیا گیا۔

COVID-19 وبا: کاروباری تسلسل کے منصوبے کے لئے ہماری تیاری

COVID-19 کی وباء پوری دنیا میں پھیل گئی ہے۔ تاہم کارپوریٹ سیکٹر بہت زیادہ متاثر ہوا۔لاک ڈاؤن کی وجہ سے عوامی ٹرانسپورٹ کی عدم دستیابی کے نتیجے میں مزدوروں کی نقل و حرکت نہ ہو سکی۔اس نے انتظامیہ کے لئے اپنے آپریشنز جاری رکھنے کیلئے ایک بڑا چیلنج پیدا کردیا۔ آپریشن کے انتظام کے لئے کمپنی نے کاروباری تسلسل کا ایک منصوبہ تیار کیا، جو فیکٹری اور اس کی ذیلی کمپنیوں کے 2 پلانٹس کے لئے تھا۔

کمپنی نے فوری طور پر کورونا وبا سے بچاؤ کے لئے فیکٹری کی حدود میں حکومت سندھ کی وقتاً فوقتاً جاری کردہ SOPs کی پاسداری کرتے ہوئے مندرجہ ذیل موثر اقدامات کئے:

COVID-19 سے متعلق آگاہی نشستیں سہولیات کے تمام ملازمین اور مزدوروں کے لئے منعقد کی گئیں جن میں ضروری احتیاطی تدابیر اختیار کرنے اور متوازن غذا کو برقرار رکھنے اور صحت مند طرز زندگی کو اپنانے پر خصوصی توجہ دلائی گئی۔

آٹوموٹو انڈسٹری کا جائزہ

Covid-19 کے اثرات، روپے کے قدر میں کمی، شرح سود میں اضافہ اور سخت ٹیکس اقدامات کی وجہ سے کاروں/ LCVs میں کی فروخت میں 53 فیصد کمی ہوئی، جبکہ بھاری گاڑیوں، ٹریکٹروں اور دو پہیوں کی گاڑیوں میں بالترتیب 46 فیصد، 35 فیصد اور 23 فیصد کمی ہوئی۔

ہمارے گروپ کے کسٹمرز کا شعبہ وار تجزیہ درج ذیل ہے:

(a) مسافر کاریں/ہلکی تجارتی گاڑیاں (LCVs) /جیپیں (SUVs)

مالیاتی سال مختتمہ 30 جون 2020 میں کاروں، ویناں، LCVs اور SUVs کی فروخت گزشتہ سال کے 240,646 یونٹ کے مقابلے میں کم ہوکر 111,962 (53- فیصد) رہ گئی۔

(b) بھارتی تجارتی گاڑیاں

بھاری تجارتی گاڑیوں کی فروخت گزشتہ سال کے 6,763 یونٹس کے مقابلے میں کم ہوکر 3,647 یونٹس رہ گئی جس سے 46 فیصد کمی کی عکاسی ہوتی ہے۔

(c) ٹریکٹرز

ٹریکٹر کی صنعت کی فروخت میں گزشتہ سال کی بہ نسبت 35 فیصد کمی ہوئی یعنی فروخت 50,405 یونٹ سے کم ہوکر 32,727 یونٹس رہ گئی۔

کمپنی کی فروخت کی کارکردگی

گروپ کی مجموعی فروخت میں 51 فیصد کمی ہوئی۔ سال کے دوران کمپنی کی مصنوعات وار کارکردگی کو درج ذیل میں پیش کیا گیا ہے:

مصنوعات	فروخت (روپے ملین میں)		
	2020	2019	+(-)%
ایگزاسٹ سسٹم	1,648	4,020	-59%
شیٹ میٹل کے اجزاء	779	990	-21%
ریڈی ایٹر	352	699	-50%
کل	2,779	5,709	-51%

گروپ کی مختلف مصنوعات کا جائزہ درج ذیل ہے:

a) ایگزاسٹ سسٹم

ایگزاسٹ سسٹم کی فروخت میں 59 فیصد کمی کی بنیادی وجوہات میں ہونڈا اور ٹویوٹا کرولا کی فروخت میں بالترتیب 63 فیصد اور 57 فیصد کمی تھی۔

b) ریڈی ایٹرز

ریڈی ایٹرز کی فروخت میں 50 فیصد کمی کی وجہ ٹریکٹروں، بھاری تجارتی گاڑیوں کی فروخت میں تنزلی اور سوزوکی مہران کاروں کا پیداواری انقطاع تھا۔

c) شیٹ میٹل کے اجزاء

شیٹ میٹل اجزاء کی فروخت میں 21 فیصد کمی ہوئی جس کی بنیادی وجہ ہونڈا، ٹویوٹا کرولا اور پاک سوزوکی کی فروخت میں بالترتیب 63 فیصد، 57 فیصد اور 49 فیصد کمی تھی، جس کا ازالہ جزوی طور سوزوکی کی نئی گاڑیوں، آلٹو 660cc کے اضافے سے ہوا۔

اہم تبدیلیاں یا وعدے

کوئی اہم وعدے اور تبدیلیاں جو کہ کمپنی کی مالیاتی پوزیشن پر اثر انداز ہوں، مالیاتی سال کے اختتام جس کا تعلق میزانیہ سے ہے اور اس رپورٹ کی تاریخ تک رونما نہیں ہوئیں۔

ڈائریکٹرز رپورٹ برائے حصص یافتگان

آپ کی کمپنی کے ڈائریکٹران لوڈز گروپ کی سالانہ رپورٹ کے ساتھ سالانہ مالیاتی گوشوارے برائے مختتمہ سال 30 جون 2020 پیش کرتے ہوئے اظہار مسرت کرتے ہیں:

کاروباری اور مالیاتی نتائج (مجموعی)

	روپے ملین میں					
	2020		2019		تبدیلی (فیصد)	
	لوڈز	مجموعی	لوڈز	مجموع	لوڈز	مجموعی
فروخت	2,779	2,779	5,709	5,709	-51%	-51%
خام منافع	198	52	519	637	-62%	-92%
کاروباری منافع (OP)	166	-186	380	373	-56%	-150%
ملحقہ کمپنیوں کے خسارے میں حصہ	-	-173	-	-109	-	59%
ملحقہ کمپنیوں کے فرسودگی کے عوض اختصاص	-	-123	-	-15	-	720%
منافع/خسارہ قبل از ٹیکس (PBT)	-195	-718	133	60	-246%	-1296%
منافع/خسارہ بعد از ٹیکس (PAT)	-137	-647	41	-56	-434%	1055%
فی حصص آمدن - بنیادی اور رواں	-0.91	-3.81	0.27	-0.35	-434%	988%

کاروباری جائزہ

سال مختتمہ 30 جون 2020 میں آپ کی گروپ کی فروخت 2,779 ملین روپے ریکارڈ ہوئی جو کہ گزشتہ سال کے مقابلے میں 2,930 ملین روپے (51- فیصد) کم ہے۔ کمی کی وجہ پاکستانی روپے کی قدر میں کمی، ٹیکس کے سخت اقدامات، شرح سود میں اضافہ، افراط زر اور کورونا وائرس (COVID-19) کی وباء کی صورت میں تین مہینے لاک ڈاؤن کے نتیجے میں معاشی سست روی کی وجہ سے آٹو موٹو کی صنعت میں تنزلی تھی۔

کمپنی کے نتائج

لوڈز لمیٹڈ کے کاروباری منافع (OP)، منافع قبل از ٹیکس (PBT) اور منافع بعد از ٹیکس میں مندرجہ بالا اثرات کی عکاسی ہوتی ہے اور گزشتہ سال کی بہ نسبت ان میں بالترتیب 56 فیصد، 246 فیصد اور 434 فیصد کمی ہوئی۔ لہذا آمدن/خسارہ فی حصص (EPS) سے عکاسی ہوتی ہے کہ 27 پیسہ فی حصص منافع گر کر 91 پیسے فی حصص خسارہ میں تبدیل ہو گیا۔

گروپ کے نتائج

مذکورہ بالا عوامل کی وجہ سے مجموعی کاروباری منافع (OP)، منافع قبل از ٹیکس (PBT) اور منافع بعد از ٹیکس (PAT) میں بالترتیب 150 فیصد، 1,296 فیصد اور 1,055 فیصد کمی ہوئی۔

گزشتہ سال کے مقابلے میں ملحقہ کمپنیوں ٹریٹ کارپوریشن لمیٹڈ کے خسارے میں حصہ اور فرسودگی کے لئے اختصاص بالترتیب 109 ملین روپے سے بڑھ کر 173 ملین اور 15 ملین سے بڑھ کر 123 ملین روپے ہو گیا۔

KPMG Taseer Hadi & Co.
Chartered Accountants
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Karachi 75530 Pakistan
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INDEPENDENT AUDITOR'S REVIEW REPORT

Independent Auditor's Review Report to the members on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') prepared by the Board of Directors of Loads Limited ('the Company") for the year ended 30 June 2020 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2020.

KPMG Taseer Hadi & Co.

Date: 6 October 2020

KPMG Taseer Hadi & Co.
Chartered Accountants

Karachi

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of company	**Loads Limited**
Year ending	**June 30, 2020**

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

1. The total number of directors are 9 as per the following:

a.	Male	8
b.	Female	1

2. The composition of board is as follows:

Independent Directors	Mr. M .Z. Moin Mohajir Mrs. Rozina Muzammil Dr. Muzzaffar Mahmood
Non-Executive Directors	Syed Shahid Ali Mr. Saulat Said Syed Sheharyar Ali Mr. M. Mohtashim Aftab
Executive Directors	Mr. Munir K. Bana Mr. Shamim A. Siddiqui
Female Director	Mrs. Rozina Muzammil

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;

9. More than 66% Directors have either completed Directors' Training program or are exempted from doing so under these regulations. However, no Directors' Training program arranged during the year.

10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

a. Audit Committee

Mr. M .Z. Moin Mohajir	-	Chairman
Mr. Saulat Said	-	Member
Syed Sheharyar Ali	-	Member
Mr. M. Mohtashim Aftab	-	Member

b. Human Resources & Remuneration Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

a.	Audit Committee	4 quarterly meetings
b.	HR and Remuneration Committee	1 annual meeting

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company. However, during the year, managerial staff in internal audit department has resigned and due to COVID -19 hiring process were temporarily suspended, now the company is in process of hiring resources in Internal Audit Department.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. As required under regulation 10 that all directors shall attend the annual general meeting and extra-ordinary general meeting, however, some directors of the Company have not attended the annual general meeting during the year due to reasonable cause communicated to the company secretary.

19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with;

20. The Company has also complied with all other applicable regulations.

For and on behalf of Board of Directors

Munir K. Bana
Chief Executive

Rozina Muzammil
Director

October 5, 2020
Karachi

KPMG

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 35685847, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REPORT

To the members of Loads Limited

Report on the Audit of Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Loads Limited** (the Company), which comprise the unconsolidated statement of financial position as at 30 June 2020, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2020 and of the profit or loss, other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Liquidity Management**	
	Refer note 1.3 of the financial statements for liquidity management. The total assets of the Company as 30 June 2020 were Rs. 5,745 million of which approximately 52% were financed through debt. There has also been a decline in automotive industry has been which has resulted in decline in the Company's sales by 51.3% in the unconsolidated financial statements. The Company has suffered net loss before taxation of Rs. 195 million compared to profit before taxation of Rs. 133 million last year leading to cash flow issues. In order to better manage liquidity subsequent to year-end, the company has restructured loans amounting to approximately Rs. 740 million and currently has net current asset position.	Our procedures included: • obtaining management budget for the next 12 months and assessing adequacy of assumptions considering results subsequent to the year-end; • inspected restructured terms and assessed the Company's ability to comply with restructured terms; • considered appropriateness of disclosures about liquidity management is in line with accounting and reporting standards as applicable in Pakistan.

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S. No.	Key audit matters	How the matters were addressed in our audit
2.	**Revenue Recognition**	
	Refer notes 27 to the unconsolidated financial statements for revenue. The Company's revenue for the year ended 30 June 2020 was Rs. 2,778 million. The Company's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products"). We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or could be subject to manipulation in order to achieve financial targets and expectations and significant decrease in revenue from last year.	Our procedures included: • assessed the design, implementation and operating effectiveness of the key internal controls over the Company's systems which governs revenue recognition; • inspected all sales contracts with OEMs and on a sample basis for other customers to understand and assess the terms and conditions impact of any changes thereto which may effect revenue recognition; • performed testing of anti-fraud controls relating to revenue recognition; • performed verification of sample of revenue transactions with underlying documentation including sales invoices and dispatch documents; • compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; • assessed the appropriateness of disclosure presented in the unconsolidated financial statements in accordance with the requirement of IFRS 15.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Review, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Review, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and take appropriate actions in accordance with ISAs as applicable in Pakistan.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

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

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

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

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

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d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 6 October 2020

Karachi

Financial statements (Unconsolidated)

Unconsolidated Statement of Financial Position

As at 30 June 2020

	Note	2020	2019
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	**572,383,838**	614,855,300
Intangible assets	7	**344,797**	1,138,159
Long term investments	8	**1,318,698,930**	1,293,354,344
Loans and receivables	11	**7,261,530**	6,897,737
Deferred tax assets	20	**35,901,404**	-
		1,934,590,499	1,916,245,540
Current assets			
Stores, spares and loose tools	28.2	**66,504,668**	51,696,875
Stock-in-trade	9	**1,381,183,851**	1,404,712,679
Trade debts - net	10	**328,704,079**	601,589,094
Loans and advances	12	**53,400,690**	62,401,011
Deposits, prepayments and other receivables	13	**137,879,444**	308,162,546
Current maturity of long term receivables	11.1	**-**	13,995,364
Due from related parties	25	**1,700,724,240**	976,856,001
Taxation - net	14	**109,164,230**	73,093,061
Investments	15	**551,787**	27,009,259
Cash and bank balances	16	**32,010,964**	3,079,537
		3,810,123,953	3,522,595,427
Total assets		**5,744,714,452**	5,438,840,967
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
400,000,000 ordinary shares of Rs.10 each		**4,000,000,000**	2,000,000,000
Issued, subscribed and paid up capital	18	**1,512,500,000**	1,512,500,000
Share premium		**1,095,352,578**	1,095,352,578
Fair value reserve		**(185,546,462)**	(217,988,192)
Unappropriated profit		**339,322,527**	476,845,898
		2,761,628,643	2,866,710,284
LIABILITIES			
Non-current liabilities			
Long term loans	22	**395,759,100**	-
Lease liabilities	19	**663,416**	1,665,777
Deferred tax liabilities	20	**-**	43,678,920
Defined benefit obligation - net	21	**16,149,322**	10,467,240
Deferred grant	23	**1,539,868**	-
		414,111,706	55,811,937
Current liabilities			
Current maturity of lease liabilities	19	**1,077,125**	4,104,846
Current portion of long term loans	22	**31,770,597**	-
Current portion of deferred grant	23	**2,807,246**	-
Short term borrowings	24	**2,086,407,636**	2,082,088,834
Due to related parties	25	**40,000,000**	-
Trade and other payables	26	**323,849,923**	381,874,542
Unclaimed dividend		**3,526,379**	3,535,500
Accrued mark-up and profit		**79,535,197**	44,715,024
		2,568,974,103	2,516,318,746
Total equity and liabilities		**5,744,714,452**	5,438,840,967
CONTINGENCIES AND COMMITMENTS	17		

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

Chief Financial Officer	Chief Executive	Director

Unconsolidated Statement of Profit or Loss

For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
Revenue - net	27	**2,778,630,637**	5,709,735,175
Cost of sales	28	**(2,580,607,870)**	(5,190,618,409)
Gross profit		**198,022,767**	519,116,766
Administrative, selling and general expenses	29	**(176,541,409)**	(184,657,677)
		21,481,358	334,459,089
Provision for doubtful debts	10	**(12,347,172)**	-
Other expenses	30	**(3,044,586)**	(24,494,455)
Other income	31	**159,475,343**	70,355,300
		156,430,757	45,860,845
Operating profit		**165,564,943**	380,319,934
Finance costs	32	**(360,356,770)**	(247,322,944)
(Loss) / profit before taxation		**(194,791,827)**	132,996,990
Taxation	33	**57,460,597**	(91,768,436)
(Loss) / profit for the year		**(137,331,230)**	41,228,554
(Loss) / earnings per share - Basic and diluted	34	**(0.91)**	0.27

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

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

Unconsolidated Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
(Loss) / profit for the year		**(137,331,230)**	41,228,554
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Change in fair value of equity investments at FVOCI - net of tax		**1,384,926**	(16,633,321)
Investment in associate at FVOCI - net change in fair value	8.2.1	**17,817,121**	(168,674,502)
Tax effect on change in fair value of investment at FVOCI - prior year charge		**15,418,631**	-
Tax effect on change in fair value of investment at FVOCI - current year charge		**(654,158)**	-
		33,966,520	(185,307,823)
Re-measurement loss on defined benefit obligation	21.2.4	**(2,418,212)**	(14,150,802)
Related tax	20.1	**701,281**	4,103,733
		(1,716,931)	(10,047,069)
Total comprehensive loss for the year		**(105,081,641)**	(154,126,338)

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

Chief Financial Officer	Chief Executive	Director

Unconsolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Share capital	Capital Reserve	Revenue reserves		
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Unappropriated profit	Total equity
	--- (Rupees) ---				
Balance as at 1 July 2018	1,512,500,000	1,095,352,578	(32,680,369)	445,664,413	3,020,836,622
Total comprehensive income / (loss) for the year ended 30 June 2019					
Profit for the year	-	-	-	41,228,554	41,228,554
Other comprehensive loss for the year	-	-	(185,307,823)	(10,047,069)	(195,354,892)
	-	-	(185,307,823)	31,181,485	(154,126,338)
Balance as at 30 June 2019	1,512,500,000	1,095,352,578	(217,988,192)	476,845,898	2,866,710,284
Total comprehensive income / (loss) for the year ended 30 June 2020					
Loss for the year	**-**	**-**	**-**	**(137,331,230)**	**(137,331,230)**
Reclassification of unrealised loss on sale of investments measured at FVOCI	**-**	**-**	**192,141**	**(192,141)**	**-**
Other comprehensive income	**-**	**-**	**32,249,589**	**-**	**32,249,589**
	-	**-**	**32,441,730**	**(137,523,371)**	**(105,081,641)**
Balance as at 30 June 2020	**1,512,500,000**	**1,095,352,578**	**(185,546,462)**	**339,322,527**	**2,761,628,643**

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

Chief Financial Officer	Chief Executive	Director

Unconsolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before taxation		**(194,791,827)**	132,996,990
Adjustments for:			
Depreciation	6.1	**80,532,759**	90,146,422
Amortisation	7	**793,362**	1,110,781
Provision for obsolescence and slow moving stock	9.1	**11,286,922**	13,129,662
Finance costs	32	**340,559,842**	197,333,256
Current service costs	21.2.3	**3,903,870**	1,633,646
Gain on disposal of property, plant and equipment	31	**(1,317,073)**	(3,886,792)
Loss on sale of investments	30	**2,985,345**	-
Mark-up income on investments	31	**(8,500,176)**	(8,651,272)
Dividend income	31	**(27,489)**	(74,142)
Government grant income	31	**(229,596)**	-
Un-winding of mark-up on long term receivables	31	**-**	(2,647,827)
Mark-up income on loan to employees	31	**(1,329,238)**	(1,379,435)
Mark-up income on loan to subsidiaries	31	**(148,071,771)**	(53,386,502)
Unrealized loss on re-measurement of investment classified as at FVTPL	15.1	**59,241**	14,583,626
		85,854,171	380,908,413
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(14,807,793)**	(22,420,569)
Stock-in-trade		**12,241,906**	68,424,155
Trade debts - net		**272,885,015**	(63,021,686)
Loans and advances		**9,000,321**	83,813,768
Due from related parties		**161,236,932**	-
Deposits, prepayments and other receivables		**183,914,673**	(36,023,214)
		624,471,054	30,772,454
(Decrease) / Increase in current liabilities			
Due to related parties		**-**	(388,317,115)
Received against mobilization advance		**38,272,254**	-
Trade and other payables		**(96,296,873)**	80,975,875
		(58,024,619)	(307,341,240)
Cash generated from operating activities		**652,300,606**	104,339,627
Finance costs paid		**(305,711,327)**	(170,838,559)
Contributions to defined benefit plan		**(640,000)**	-
Mark-up received from loans to employees		**1,329,238**	1,379,435
Income tax paid		**(42,354,795)**	(19,343,015)
Net cash generated from / (used in) operating activities		**304,923,722**	(84,462,512)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(38,858,224)**	(76,425,876)
Proceeds from disposal of property, plant and equipment		**2,114,000**	7,533,071
Proceeds from disposal / redemption of investments		**16,900,000**	274,725
Mark-up received		**8,500,176**	8,651,272
Dividend income received		**27,489**	74,142
Net cash used in investing activities		**(11,316,559)**	(59,892,666)
CASH FLOWS FROM FINANCING ACTIVITIES			
Rental payments against lease liabilities		**(4,058,424)**	(22,779,020)
Dividend paid		**(9,121)**	(38,508)
Long term loans obtained during the year		**432,106,407**	-
Loans from director		**40,000,000**	-
Loans to subsidiary companies		**(737,033,400)**	(137,530,000)
Repayment of loan to subsidiary companies		**-**	(343,634,425)
Net cash used in financing activities		**(268,994,538)**	(503,981,953)
Net increase / (decrease) in cash and cash equivalents		**24,612,625**	(648,337,131)
Cash and cash equivalents at beginning of the year		**(2,079,009,297)**	(1,430,672,166)
Cash and cash equivalents at end of the year	16.1	**(2,054,396,672)**	(2,079,009,297)

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

Chief Financial Officer	Chief Executive	Director

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2020

1. LEGAL STATUS AND OPERATIONS

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

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

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

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

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

Name of the Company	Incorporation date	Effective holding % 30 June 2020	Effective holding % 30 June 2019	Principle line of business
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	**91%**	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	**92%**	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	**100%**	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	**80%**	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers. Commercial production has not yet started.
Associate				
Treet Corporation Limited	22 January 1977	**5.27%**	5.32%	Manufacture and sale of razors, razor blades and other trading activities

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

1.2 Impact of COVID-19 on the financial statements

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On 20 March 2020, the Government of the Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from 23 March 2020. In the Company's case, the lockdown was subsequently relaxed from end of May 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company has resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future.

The management has analyzed the financial statement items that may be exposed to the impacts of the economic conditions arising from COVID-19 such as recoverable values of inventories, trade receivables and fixed assets relating to the business.

After analyzing impact, the carrying values of such assets are considered in line with the requirements of applicable financial reporting standards.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements, other than the disruption on operations in the months of the lockdown period, however the quantification of the same is impracticable.

1.3 Liquidity position and its management

In 2017, Loads group initiated a new project of alloy wheels through a subsidiary company i.e. HAWL. To finance this project, significant borrowings were made from group entities (including Parent company) and other lenders (banks and related parties). This along with a downturn in automotive sector has resulted in severe liquidity crunch in the group entities including Loads Limited. Details of liquidity position and its management are included in note 37.3.1.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. USE OF JUDGMENTS AND ESTIMATES

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

In particular, information about signifcant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most signifcant effect on the amounts recognised in the financial statements are set forth below:

- Depreciation rates for fixed assets (note 6);
- Provision for impairment of stores and spares and stock-in-trade (notes 9 and 28.2);
- Provision for impairment of financial and non-financial assets (notes 6 and 10);
- Net defined benefit obligation (note 21);
- Contingencies (note 17).

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

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2020:

- 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.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Company.

- Amendments to IFRS 16 IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

  - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
  - there is no substantive change to the other terms and conditions of the lease; and
  - any reduction in lease payments affects only payments originally due on or before 30 June 2021.

- Classification of liabilities as current or non-current (Amendments to IAS 1) effective for the annual period beginning on or after 1 January 2022. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the "10 percent" test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

The above amendments are effective for annual periods beginning on or after 1 July 2020 and are not likely to have an impact on Company's financial statements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the periods presented except as mentioned in change in accounting policies as stated in note 5.1.

5.1 Change in accounting policy

Explained below is the impact of the adoption of IFRS 16 "Leases" on the Company's financial statements, and also discloses the new accounting policy that has been applied from 1 July 2019, where it is different to that applied in prior periods.

The Company adopted IFRS 16 "Leases" on 1 July 2019 as notified by the Securities and Exchange Commission of Pakistan vide its SRO 434 (I)/2018 dated 9 April 2018. The standard replaces the existing guidance on leases, 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 in the Legal Form of a Lease".

IFRS 16 introduced a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise right-of-use (RoU) assets representing its rights to use the underlying assets and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 “Leases”. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently. At inception of a contract, the Company is required to assess whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company is required to apply judgments to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term which significantly effects the amount of lease liabilities and RoU assets recognised.

Generally, RoU asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the RoU asset value.

The Company is required to determine the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Company applies the definition of a contract and determined the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

In applying IFRS 16 for the first time, the Company has used the practical expedients permitted by the standard by electing not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Company relied on its arrangements made applying IAS 17 and interpretation for determining whether an arrangement contains a lease. The application of IFRS 16 did not have any impact on assets, liabilities or unappropriated profit except reclassification of leased assets as RoU assets.

5.2 Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

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

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

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

Gains and losses on disposal

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

Impairment

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

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

5.3 Intangible assets

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

Amortisation

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

5.4 Financial Instruments

5.4.1 Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

5.4.2 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) - Debt investment;
- Fair value through other comprehensive income (FVOCI) - Equity investment; or
- Fair value through profit and loss (FVTPL).

The classification depends on the Company's business model for managing financial assets and the contractual terms of the financial assets cash flows.

Amortized cost

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 in order to collect contractual cash flows; and

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

FVOCI - Debt investment

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.

FVOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in investment's fair value in OCI.

FVTPL

All financial assets not classified as measured at amortized 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.

Subsequent measurement and derecognition

Financial assets classified at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. 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 classified as FVOCI are subsequently measured at fair value. Interest income calculated using effective method, foreign exchange gain and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments classified as FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Company's right to receive payments is established. This category only includes equity instruments, which the Company intends to hold for the foreseeable future. On derecognition, there is no reclassification of fair value gains and losses to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.

The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognised in profit or loss. Net gains and losses (unrealised and realised), including any interest or dividend income, are recognised in profit or loss.

Impairment of financial assets

Expected credit loss (ECL) is recognized for financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not investments in equity instruments. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and other receivables including loans to related parties.

The Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL's that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payment are 90 days past due.

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

5.4.3 Financial liabilities

Classification and subsequent measurement of financial liabilities

The Company classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination;
- held-for-trading; or
- designated as at FVTPL.

The Company has not classified any of its financial liabilities at FVTPL.

Derecognition

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Company has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.5 Investment in subsidiaries

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

5.6 Investment in associate

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

5.7 Provisions

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

5.8 Stores, spares and loose tools

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

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

5.9 Stock-in-trade

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

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

5.10 Cash and cash equivalents

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

5.11 Foreign currency translation

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

5.12 Taxation

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

Current tax

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

Deferred tax

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

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

5.13 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

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

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

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

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

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

Compensated absences

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

Defined contribution plan - Provident Fund

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

5.14 Earnings per share

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

5.15 Revenue from Contracts with Customers

Made to order products:

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

Standard products:

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

5.16 Dividend distribution and appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognised in the period in which these are approved. The distribution of dividend is subject to the covenant as mentioned in note 24.

5.17 Segment accounting

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

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

5.18 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

5.19 Investment and other income

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

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

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

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

5.20 Borrowing costs

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

5.21 Borrowings

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

5.22 Government grants

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

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

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

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

5.23 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less provision for any uncollectible amounts. Refer note 5.4.2 for a description of the Company's impairment policies.

5.24 Leases

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

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

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

6. PROPERTY, PLANT AND EQUIPMENT	Note	2020 (Rupees)	2019 (Rupees)
Operating property, plant and equipment	6.1	**539,864,117**	590,671,546
Capital work-in-progress	6.2	**32,519,721**	24,183,754
		572,383,838	614,855,300

6.1 Operating property, plant and equipment

2020

	Cost: As at 1 July 2019	Cost: Additions / transfers	Cost: Transfer from leased assets	Cost: (Disposals)	Cost: As at 30 June 2020	Rate	Accumulated depreciation: As at 1 July 2019	Accumulated depreciation: For the year	Accumulated depreciation: Transfer from leased assets	Accumulated depreciation: (Disposals)	Accumulated depreciation: As at 30 June 2020	Net book value as at 30 June 2020
	(Rupees)					%	(Rupees)					
Owned												
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	1,089,774	-	-	-	1,089,774	-	-	-	-	-	-	1,089,774
Building on leasehold land	90,310,420	133,884	-	-	90,444,304	5	29,945,094	3,028,291	-	-	32,973,385	57,470,919
Plant and machinery (note 6.1.4)	692,413,944	22,395,968	-	-	714,809,912	10 - 20	316,558,974	41,994,785	-	-	358,553,759	356,256,153
Tools and equipment	308,015,944	6,077,082	-	-	314,093,026	10 - 35	247,133,400	21,318,245	-	-	268,451,645	45,641,381
Furniture, fittings and office equipment	43,856,785	1,915,323	-	-	45,772,108	10 - 30	31,484,889	3,277,536	-	-	34,762,425	11,009,683
Vehicles	41,592,575	-	71,592,626	(2,632,550)	110,552,651	20	13,989,138	10,105,605	48,174,222	(1,835,623)	70,433,342	40,119,309
Right of use assets												
Vehicles	76,039,626	-	(71,592,626)	-	4,447,000	20	48,616,027	808,297	(48,174,222)	-	1,250,102	3,196,898
	1,278,399,068	30,522,257	-	(2,632,550)	1,306,288,775		687,727,522	80,532,759	-	(1,835,623)	766,424,658	539,864,117

2019

	Cost: As at 1 July 2018	Cost: Additions / transfers	Cost: Transfer from leased assets	Cost: (Disposals)	Cost: As at 30 June 2019	Rate	Accumulated depreciation: As at 1 July 2018	Accumulated depreciation: For the year	Accumulated depreciation: Transfer from leased assets	Accumulated depreciation: (Disposals)	Accumulated depreciation: As at 30 June 2019	Net book value as at 30 June 2019
	(Rupees)					%	(Rupees)					
Owned												
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	1,089,774	-	-	-	1,089,774	-	-	-	-	-	-	1,089,774
Building on leasehold land	86,872,068	3,438,352	-	-	90,310,420	5	26,838,561	3,106,533	-	-	29,945,094	60,365,326
Plant and machinery (note 6.1.4)	641,199,111	59,215,210	-	(8,000,377)	692,413,944	10 - 20	280,760,945	41,410,325	-	(5,612,296)	316,558,974	375,854,970
Tools and equipment	304,175,944	3,840,000	-		308,015,944	10 - 35	217,341,709	29,791,691	-	-	247,133,400	60,882,544
Furniture, fittings and office equipment	41,656,735	2,200,050	-	-	43,856,785	10 - 30	28,240,997	3,243,892	-	-	31,484,889	12,371,896
Vehicles	29,924,468	2,253,800	9,414,307	-	41,592,575	20	4,004,150	5,482,924	4,502,064	-	13,989,138	27,603,437
Leased												
Vehicles	80,083,975	9,084,625	(9,414,307)	(3,714,667)	76,039,626	20	48,463,503	7,111,057	(4,502,064)	(2,456,469)	48,616,027	27,423,599
	1,210,082,075	80,032,037	-	(11,715,044)	1,278,399,068		605,649,865	90,146,422	-	(8,068,765)	687,727,522	590,671,546

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

6.1.2 Carrying amount of temporary idle properties of the company	2020 (Rupees)	2019 (Rupees)
	25,080,000	25,080,000

6.1.3 Freehold land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 694 million (2019: 300 million) obtained from JS Bank Limited (note 22).

6.1.4 Plant and machinery are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 801 million and Rs. 653 million (2019: Rs. 801 million and Rs. 253 million) respectively. These charges are against different financing facilities obtained from various banks (note 22).

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

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

	Note	2020	2019
		(Rupees)	
Cost of sales	28	**74,080,647**	82,313,415
Administrative, selling and general expenses	29	**6,452,112**	7,833,007
		80,532,759	90,146,422

6.1.7 Details of property, plant and equipment disposed off

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

Asset	Original cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Particulars of buyer	Mode of disposal	Relationship with buyer
	2020							
Owned	(Rupees)							
Vehicles								
Alto AWL-693	754,000	611,413	142,587	569,000	426,413	Mr. Muhammad Arif	Negotiation	Various
Mehran VXR BAQ-653	607,700	424,942	182,758	485,000	302,242	Mr. Muhammad Islam Khan	Negotiation	Various
Mehran VXR BEA-144	633,850	381,437	252,413	557,000	304,587	Mr. Muhammad Aslam	Negotiation	Various
Suzuki Pickup Ravi KT-7456	637,000	417,831	219,169	503,000	283,831	Mr. Hafiz Muhammad Umais	Negotiation	Various
	2,632,550	1,835,623	796,927	2,114,000	1,317,073			

6.1.8 Vehicles having net book value of Rs. 23.4 million (2019: 4.9 million) was classified as owned vehicles on expiry of lease term.

6.2 Capital work-in-progress	Note	2020	2019
		(Rupees)	
Tools and equipment	6.2.1	**32,519,721**	24,183,754

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

	2020	2019
Balance at beginning of the year	**24,183,754**	19,183,883
Additions during the year	**38,858,224**	15,127,815
Transferred to property, plant and equipment	**(30,522,257)**	(10,127,944)
Balance at end of the year	**32,519,721**	24,183,754

7. INTANGIBLE ASSETS

	Cost				Useful life	Amortisation				Net book value as at 30 June 2020
2020	As at 1 July 2019	Additions	(Disposals)	As at 30 June 2020		As at 1 July 2019	For the year	(Disposals)	As at 30 June 2020	
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	15,976,154	-	-	15,976,154	3	14,837,995	793,362	-	15,631,357	344,797

	Cost				Useful life	Amortisation				Net book value as at 30 June 2019
2019	As at 1 July 2018	Additions	(Disposals)	As at 30 June 2019		As at 1 July 2018	For the year	(Disposals)	As at 30 June 2019	
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	15,976,154	-	-	15,976,154	3	13,727,214	1,110,781	-	14,837,995	1,138,159

7.1 At 30 June 2020, the cost fully amortised intangible amounted to Rs. 13.07 million (2019: Rs. 12.19 million).

7.2 The amortisation charge for the year has been allocated to administrative, selling and general expenses (note 29).

7.3 Computer software relates to SAP business license.

8. LONG TERM INVESTMENTS

	Note	2020	2019
		(Rupees)	
Investments in subsidiary companies - unquoted	8.1	**1,184,960,000**	1,184,960,000
Less: Provision for impairment in SMPL	8.1.4.1	**(25,000,000)**	(25,000,000)
Net investments in subsidiary companies		**1,159,960,000**	1,159,960,000
Investments in associate at FVOCI - quoted			
Treet Corporation Limited	8.2	**158,738,930**	133,394,344
		1,318,698,930	1,293,354,344

8.1 Investments in subsidiary companies

2020	2019		Note	2020	2019	2020	2019
(Number of shares)		Unquoted		(% of holding)		(Rupees)	
17,500,000	17,500,000	Specialized Autoparts Industries (Private) Limited (SAIL) (Chief Executive - Munir K. Bana)	8.1.1	**91%**	91%	**175,000,000**	175,000,000
7,500,000	7,500,000	Multiple Autoparts Industries (Private) Limited (MAIL) (Chief Executive - Munir K. Bana)	8.1.2	**92%**	92%	**75,000,000**	75,000,000
85,996,000	85,996,000	Hi Tech Alloy Wheels Limited (HAWL) (Chief Executive - Munir K. Bana)	8.1.3	**80%**	80%	**859,960,000**	859,960,000
7,500,000	7,500,000	Specialized Motorcycles (Private) Limited (SMPL) (Chief Executive - Munir K. Bana)	8.1.4	**100%**	100%	**75,000,000**	75,000,000
						1,184,960,000	1,184,960,000

8.1.1 As at 30 June 2020, the break-up value of SAIL was Rs. 17.88 per share (2019: Rs. 18.73 per share).

8.1.2 As at 30 June 2020, the break-up value of MAIL was Rs. 18.86 per share (2019: Rs. 19.16 per share).

8.1.3 As at 30 June 2020, the break-up value of HAWL was Rs. 7.70 per share (2019: Rs. 10.28 per share).

8.1.4 Specialized Motorcycles (Private) Limited (SMPL) was engaged in the business to acquire, deal in, purchase, import, sales, supply and export all sorts of motorcycles & auto parts, metallurgical parts, machinery and equipment parts. SMPL has ceased its operations from 1 July 2015. The net assets of SMPL, as disclosed in the latest available audited financial statements for the year ended 30 June 2020, amounted to Rs. 78.70 million (2019: Rs.71.69 million).

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

		2020	2019
Net equity	Rupees	**78,698,527**	71,694,932
Current ratio	Times	**11.42**	16.58
Cash flows - increase / (decrease)	Rupees	**1,138,728**	(373,298)

8.1.5 Summarised financial information based on latest available audited financial statements for the year ended 30 June 2020 of the subsidiaries are as follows:

	2020				2019			
	SAIL	**MAIL**	**SMPL**	**HAWL**	SAIL	MAIL	SMPL	HAWL
Direct share holding	**53.85%**	**60.00%**	**100%**	**65.38%**	53.85%	60.00%	100%	65.38%
Effective holding*	**91%**	**92%**	**100%**	**80%**	91%	92%	100%	80%
	(Rupees in millions)				(Rupees in millions)			
Statement of Financial Position - extracts								
Non-current assets	**295.93**	**104.63**	**-**	**4,373.79**	304.29	108.61	-	3,696.15
Current assets	**711.06**	**268.72**	**86.25**	**496.48**	563.89	239.21	76.29	706.72
Non-current liabilities	**21.00**	**10.67**	**-**	**1,330.98**	19.18	8.58	-	267.04
Current liabilities	**404.75**	**126.94**	**7.55**	**2,526.28**	239.50	99.73	4.60	2,783.81
Net assets	**581.24**	**235.73**	**78.70**	**1,013.00**	609.51	239.50	71.69	1,352.03
Share of net assets	**528.93**	**216.87**	**78.70**	**810.40**	554.65	220.34	71.69	1,081.62
Carrying amount	**(175.00)**	**(75.00)**	**(50.00)**	**(859.96)**	(175.00)	(75.00)	(50.00)	(859.96)
	353.93	**141.87**	**28.70**	**(49.56)**	379.65	145.34	21.69	221.66
Statement of profit or loss - extracts								
Revenue	**189.03**	**56.26**	**-**	**-**	435.41	106.44	-	-
(Loss) / Profit after tax	**(28.27)**	**(3.77)**	**7.00**	**(339.00)**	91.78	0.32	4.28	(57.04)
Total comprehensive income	**(28.27)**	**(3.77)**	**7.00**	**(339.00)**	91.78	0.32	4.28	(57.04)
Statement of cash flows - extracts								
Operating activities	**(165.06)**	**(85.44)**	**(1.98)**	**(41.54)**	159.58	106.22	(3.14)	(178.18)
Investing activities	**(2.41)**	**(1.02)**	**-**	**(273.19)**	7.98	6.91	20:51	(2,618.48)
Financing activities	**161.59**	**86.05**	**3.11**	**373.41**	(166.26)	(117.33)	(17.74)	2,280.81
Net cash flows	**(5.88)**	**(0.41)**	**1.13**	**58.68**	1.30	(4.20)	(0.37)	(515.85)
Opening cash and cash equivalents	**6.83**	**3.69**	**0.06**	**(2.76)**	5.52	7.89	0.43	513.10
Closing cash and cash equivalents	**0.95**	**3.28**	**1.19**	**55.92**	6.83	3.69	0.06	(2.75)
Total cash and cash equivalents of the group				**61.34**				7.82

*due to cross holdings.

8.2 Investments in associate at FVOCI

2020	2019		**2020**	2019
(Number of shares)			**(Rupees)**	
		Quoted		
8,887,958	8,741,438	Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	**158,738,930**	133,394,344

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

	Note	2020	2019
Market value of investments		**158,738,930**	133,394,344
Less : Cost of investments	8.2.2	**(357,344,940)**	(349,817,475)
Fair value reserve		**(198,606,010)**	(216,423,131)
Less: Unrealized gain on re-measurement of investments at beginning of the year		**216,423,131**	47,748,629
Unrealized gain / (loss) on re-measurement of investments for the year		**17,817,121**	(168,674,502)

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

	Note	2020	2019
Carrying amount at the beginning of the year		**349,817,475**	342,235,065
Conversion from Participation Term Certificates into ordinary shares	8.2.2.1	**7,527,465**	7,582,410
		357,344,940	349,817,475

8.2.2.1 In the current year, 146,520 shares (2019: 128,205) amounting to Rs. 7.53 million (2019: Rs. 7.58 million) were converted and issued to the Company at the rate of Rs. 51.38 per share, as per the prospectus of participation term certificate issued by Treet Corporation Limited (refer note 15.1.2).

8.2.3 This includes 8,800,000 shares (2019: nil shares) having an aggregate market value of Rs.157.168 million (2019: nil), which have been pledged with the financial institution as security against borrowing facilities. All other shares are kept in the Central Depository Company (CDC) account of the Company.

8.2.4 The Company's holding in associate of 5.27% (2019: 5.32%) is considered associate by virtue of common directorship i.e. (4 directors are common out of 8 directors).

8.2.5 Summarised financial information based on audited annual financial statements for the year ended 30 June 2020 and 30 June 2019 is as follows:

	Note	2020	2019
		(Rupees)	
Statement of Financial Position			
Non-current assets		**16,075,313**	18,376,137
Current assets		**6,102,505**	7,846,942
Assets held for sale - net		**2,020,906**	-
Non-current liabilities		**(970,947)**	(549,031)
Current liabilities		**(15,021,936)**	(15,188,379)
Net assets		**8,205,841**	10,485,669
Effective holding (percentage)		**5.27%**	5.32%
Share of net assets		**432,448**	557,838
Statement of Profit or Loss			
Revenue		**11,111,578**	11,972,060
Loss after tax from continuing operations		**(2,268,146)**	(2,125,246)
Other comprehensive (loss) / income from continuing operations - net of tax		**(95,414)**	3,291,205
Loss from discontinuing operations - net of tax		**(371,373)**	-
Total comprehensive (loss) / income		**(2,734,933)**	1,165,959
Share of total comprehensive (loss) / income		**(144,131)**	62,029

9. STOCK-IN-TRADE

	Note	2020	2019
Raw materials and components	9.2 & 9.3	**1,336,158,261**	1,342,036,391
Work-in-process		**74,331,500**	80,695,276
Finished goods		**-**	-
		1,410,489,761	1,422,731,667
Provision for obsolescence and slow moving stock	9.1	**(29,305,910)**	(18,018,988)
		1,381,183,851	1,404,712,679

9.1 Provision for obsolescence and slow moving stock

	Note	2020	2019
Opening balance		**18,018,988**	4,889,326
Charge for the year	28.1	**11,286,922**	13,129,662
Closing balance		**29,305,910**	18,018,988

9.2 This includes raw materials in transit and in possession of Company's subsidiaries as at 30 June 2020 amounting to Rs. 278 million (2019: Rs. 315 million) and Rs. 752 million (2019: Rs. 726 million) respectively.

Notes to the Unconsolidated Financial Statements
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9.3 Raw materials held with toll manufacturers as at 30 June 2020 amounted to Rs. 33.72 million (2019: Rs. 40.2 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 400 million and Rs. 1,712 million (2019: Rs. 534 million and Rs. 200 million) respectively. These charges are against different financing facilities obtained from various banks (note 24).

		Note	2020	2019
10.	**TRADE DEBTS - NET**		**(Rupees)**	
	Unsecured			
	Considered good		**341,051,251**	601,589,094
	Less: Provision for doubtful debts	10.1	**(12,347,172)**	-
			328,704,079	601,589,094
10.1	**Movement in provision for doubtful debts**			
	Opening balance		**-**	-
	Provision for doubtful debts during the year		**(12,347,172)**	-
	Closing balance		**(12,347,172)**	-

10.2 For age analysis of trade debts, refer note 37.2.

11.	**LOANS AND RECEIVABLES**			
	Long term portion of loan to employees	12.2	**7,261,530**	6,897,737
11.1	**Receivable against sale of assets**			
	Opening balance		**13,995,364**	61,146,939
	Mark-up accrued during the year	31	**-**	2,647,827
	Less: Installments received during the year		**(13,995,364)**	(49,799,402)
			-	13,995,364
12.	**LOANS AND ADVANCES**			
	Unsecured - considered good			
	Advance to suppliers	12.1	**28,964,329**	51,719,838
	Loans to employees - considered good and unsecured	12.2	**7,371,877**	3,222,201
	Loans to workers - considered good and unsecured	12.3	**11,965,852**	6,050,569
	Advance salary		**5,098,632**	1,408,403
			53,400,690	62,401,011

12.1 This includes advance amounting to Rs. 16.26 million (2019: Rs. 39.86 million) given to clearing agents for payment of clearing charges and other import related expenses to be incurred upon receipt of import consignment.

		Note	2020	2019
12.2	**Loans to employees**		**(Rupees)**	
	Loans to employees	12.2.1	**14,633,407**	10,119,938
	Less: Long term portion	11	**(7,261,530)**	(6,897,737)
	Current portion of loans to employees		**7,371,877**	3,222,201

12.2.1 This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 12% (2019: ranging from 7% to 9%) per annum.

12.3 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 12% (2019: ranging from 7% to 9%) per annum.

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2020 (Rupees)	2019 (Rupees)
Unclaimed input sales tax	13.1	**125,402,156**	137,639,869
Margin deposits	13.2	**5,281,350**	152,470,497
Receivable from Provident Fund		**-**	9,004,535
Trade and other deposits		**4,501,600**	6,010,580
Prepayments		**2,185,687**	2,430,060
Advance against capital expenditure		**267,911**	478,593
Other receivables		**240,740**	128,412
		137,879,444	308,162,546

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

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

14. TAXATION - NET

	Note	2020 (Rupees)	2019 (Rupees)
Opening advance tax		**73,093,061**	146,796,591
Refunds received during the year		**-**	(6,050,160)
		73,093,061	140,746,431
Advance tax paid during the year		**42,725,142**	30,763,936
Penalties paid		**-**	(5,370,761)
Provision for taxation		**(6,653,973)**	(93,046,545)
Closing advance tax		**109,164,230**	73,093,061

15. INVESTMENTS

	Note	2020	2019
Equity securities - at fair value through profit or loss (FVTPL)	15.1	**533,851**	11,380,627
Equity securities - at fair value through other comprehensive income (FVOCI)	15.2	**17,936**	15,628,632
		551,787	27,009,259

15.1 Equity securities - mandatory at FVTPL

2020	2019	Name of investee company	Note	2020 Carrying value	2020 Market value	2020 Unrealised gain / (loss)	2019 Market value
(Number of shares)		Ordinary shares - Quoted		(Rupees)			
1	1	Agriautos Industries Limited		200	182	(18)	200
1	1	Al-Ghazi Tractors Limited *		317	352	35	317
1	1	Atlas Battery Limited		96	168	72	96
1	1	Atlas Honda Limited		322	384	62	322
1	1	The General Tyre & Rubber Company of Pakistan Limited		52	60	8	52
1	1	Honda Atlas Cars (Pakistan) Limited		148	194	46	148
1	1	Thal Limited *		364	325	(39)	364
230	230	Baluchistan Wheels Limited		14,065	13,968	(97)	14,065
315	315	Ghandhara Nissan Limited		16,515	19,766	3,251	16,515
150	150	Hino Pak Motors Limited		48,300	55,950	7,650	48,300
200	200	Indus Motor Company Limited		240,784	198,998	(41,786)	240,784
306	272	Millat Tractors Limited		234,567	216,085	(18,482)	234,567
63	63	Oil & Gas Development Company Limited		8,284	6,867	(1,417)	8,284
127	127	Pak Suzuki Motor Company Limited		29,078	20,552	(8,526)	29,078
		Participation term certificates (PTCs) - Quoted					
-	1,831,500	Treet Corporation Limited *	15.1.1	-	-	-	10,787,535
				593,092	533,851	(59,241)	11,380,627

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

15.1.1 Movement in carrying value of PTCs is as follows:

	Note	2020	2019
		(Rupees)	
Opening balance		10,787,535	32,948,685
Principal cash redemption	15.1.2	(274,725)	(274,725)
Principal conversion to ordinary shares	15.1.2	(7,527,465)	(7,582,410)
		2,985,345	25,091,550
Realised / unrealised loss for the year	30	(2,985,345)	(14,304,015)
Closing balance		-	10,787,535

15.1.2 These PTCs were mandatorily convertible into ordinary shares of Treet Corporation Limited at the ratio of 2 PTCs into 1 ordinary share over a period of 7 years. During the year, final redemption of principal amount of PTCs has been received (in cash and through share conversion). Therefore, it has been fully paid off and ceased to exist. 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 for the year 2019. During the year, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.53 million (also refer note 8.2.2).

15.2 Equity securities - at FVOCI

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

2020	2019	Name of investee company	2020 Cost	2020 Market value	2020 Unrealised gain	2019 Market value
(Number of shares)			(Rupees)			
		Ordinary shares - Quoted				
-	235,386	Tri-Pack Films Limited	-	-	-	15,617,861
152	152	ZIL Limited	5,330	17,936	12,606	10,771
			5,330	17,936	12,606	15,628,632

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2020

15.2.1	Equity securities - at FVOCI - net change in fair value investments	2020	2019
		(Rupees)	
	Market value of investments	**17,936**	15,628,632
	Less : Cost of investments	**(5,330)**	(17,193,693)
		12,606	(1,565,061)
	Less: Unrealized loss on re-measurement of investments at beginning of the year	**(1,565,061)**	(15,068,260)
	Add: Mark-to-market gain on security	**1,384,926**	-
	Less: Transfer of reserve on sale of security	**174,694**	
	Unrealized gain / (loss) on re-measurement of investments for the year	**7,165**	(16,633,321)

15.2.2 During the year, shares of Tri-Pack Films Limited have been released from pledge and all shares of Tri-Pack Limited have been disposed off.

16.	CASH AND BANK BALANCES	Note	2020	2019
			(Rupees)	
	Cash in hand		**1,828,063**	171,447
	Cash at banks			
	- in current accounts		**30,182,901**	2,908,090
			32,010,964	3,079,537

16.1	CASH AND CASH EQUIVALENTS	Note	2020	2019
	Cash and bank balances	16	**32,010,964**	3,079,537
	Short term borrowings	24	**(2,086,407,636)**	(2,082,088,834)
			(2,054,396,672)	(2,079,009,297)

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Tax Year 2019 was selected for audit by the Tax authorities through a notice dated 10 January 2020 was received which has been responded along with the provision of required details, documents and evidences. Proceedings in this regard have not yet been finalized and hence no provision has been recognized in these financial statements.	Company & FBR	10 January 2020
Federal Board of Revenue (FBR)	For Tax Year 2019, assessing officer has commenced proceedings for monitoring of withholding taxes and subsequent to year end issued notice dated 16 July 2020 was received which is yet to be complied and responded by the company.	Company & FBR	16 July 2020

		2020	2019
17.2	**Commitments**	**(Rupees)**	
17.2.1	Guarantees issued by banks on behalf of the Company	**710,749**	10,607,444
17.2.2	Letters of credit issued by various banks on behalf of the Company in ordinary course of the business (outstanding at year end)	**58,199,139**	343,869,697

17.2.3 The Company has issued post dated cheques to Total Parco Limited and Atlas Insurance Company Limited as security deposits amounting to Rs. 4.34 million (2019: Rs. 4.34 million) and Rs. 77.27 million (2019: nil) respectively.

18. SHARE CAPITAL

18.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each.

18.2 Issued, subscribed and paid up capital

2020	2019		2020	2019
(Number of shares)			**(Rupees)**	
53,770,000	53,770,000	Ordinary shares of Rs. 10 each fully paid in cash	**537,700,000**	537,700,000
97,480,000	97,480,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**974,800,000**	974,800,000
151,250,000	151,250,000		**1,512,500,000**	1,512,500,000

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

	2020		2019	
Name of Shareholders	**Number of shares**	**% of Holding**	Number of shares	% of Holding
Syed Shahid Ali (Chairman)	**62,819,872**	**41.53%**	62,819,872	41.53%
Treet Corporation Limited (Associate)	**18,895,057**	**12.49%**	18,895,057	12.49%
Directors	**4,454,475**	**2.95%**	4,454,475	2.95%
Other shareholders	**65,080,596**	**43.03%**	65,080,596	43.03%
	151,250,000	**100%**	151,250,000	100%

19. LEASE LIABILITIES

	Note	2020	2019
		(Rupees)	
Opening balance		**5,770,623**	19,063,352
Addition during the year		**-**	9,157,244
Interest accrued during the year	32	**28,342**	401,666
Repayment of lease liabilties		**(4,058,424)**	(22,851,639)
Closing balance	19.1	**1,740,541**	5,770,623

19.1 BREAKUP OF LEASE LIABILITIES

	Note	2020	2019
		(Rupees)	
Lease Liabilities	19	**1,740,541**	5,770,623
Less: Current maturity		**(1,077,125)**	(4,104,846)
		663,416	1,665,777
Maturity analysis - contractual undiscounted cash flows:			
Less than one year		**1,092,282**	4,133,188
One to five years		**670,416**	1,665,777
More than five years		**-**	-
Total undiscounted lease liabilities at 30 June 2020		**1,762,698**	5,798,965

20. DEFERRED TAX (ASSETS) / LIABILITIES - NET

	Note	2020	2019
Taxable temporary differences		**57,064,576**	66,251,887
Deductible temporary differences		**(92,965,980)**	(22,572,967)
	20.1	**(35,901,404)**	43,678,920

20.1 Analysis of change in deferred tax

Breakup and treatement of deferred tax balances are as follows:

	2020				2019			
	Balance at 1 July 2019	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at 30 June 2020**	Balance at 1 July 2018	Recognized in profit or loss	Recognized in other comprehensive income	Balance at 30 June 2019
	(Rupees)							
Taxable temporary differences								
- Accelerated tax depreciation	**64,578,406**	**(7,513,830)**	**-**	**57,064,576**	69,996,547	(5,418,141)	-	64,578,406
Deductible temporary differences								
- Provision for obsolescence and slow moving stock	**(3,996,656)**	**(4,502,058)**	**-**	**(8,498,714)**	(1,417,905)	(2,578,751)	-	(3,996,656)
- Unrealised gain on investments	**-**	**3,601**	**(14,764,473)**	**(14,760,872)**	-	-	-	-
- Lease liability	**1,673,481**	**(2,178,238)**	**-**	**(504,757)**	(2,812,087)	4,485,568	-	1,673,481
- Provision against leave encashment	**(982,910)**	**367,478**	**-**	**(615,432)**	(3,216,125)	2,233,215	-	(982,910)
- Expected credit loss	**-**	**(3,580,680)**	**-**	**(3,580,680)**	-	-	-	-
- Intangibles	**-**	**(941,989)**	**-**	**(941,989)**	-	-	-	-
- Carry forward of tax losses	**-**	**(45,768,854)**	**-**	**(45,768,854)**	-	-	-	-
- Remeasurement of defined benefit liability	**(10,343,401)**	**-**	**(701,281)**	**(11,044,682)**	(6,239,668)	-	(4,103,733)	(10,343,401)
- Provision for impairment against investment in SMPL	**-** **(7,250,000)**	**-**	**-**	**(7,250,000)**	(7,250,000)	-	-	(7,250,000)
	43,678,920	**(64,114,570)**	**(15,465,754)**	**(35,901,404)**	49,060,762	(1,278,109)	(4,103,733)	43,678,920

21. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at 30 June 2020 on the basis of projected unit credit method as per the requirements of approved accounting standard - IAS 19, “Employee Benefits”. The assumptions used in actuarial valuation were as follows:

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2020

21.1	Actuarial assumptions	2020	2019
		(Rupees)	
	Financial assumptions		
	- Discount rate	8.50%	14.25%
	- Discount rate used for interest cost in profit or loss account	14.25%	9.00%
	- Expected rate of increase in salary level	7.50%	13.25%
	Demographic assumptions		
	- Mortality rate	SLIC 2001 - 2005 Setback 1 Year	SLIC 2001 - 2005 Setback 1 Year

		Note	2020 Management	2020 Non-Management	2020 Total	2019 Management	2019 Non-Management	2019 Total
			---- (Rupees) ----					
21.2	**Amount recognised in the balance sheet**							
	Present value of defined benefit obligation	21.2.1	34,008,162	15,180,704	49,188,866	30,080,864	15,007,778	45,088,642
	Fair value of plan assets	21.2.2	(25,770,366)	(8,584,084)	(34,354,450)	(25,459,044)	(9,162,358)	(34,621,402)
	Payables		917,920	396,986	1,314,906	-	-	-
	Net liability at end of the year		9,155,716	6,993,606	16,149,322	4,621,820	5,845,420	10,467,240
21.2.1	**Movement in present value of defined benefit obligation**							
	Opening balance		30,080,864	15,007,778	45,088,642	25,538,353	13,550,296	39,088,649
	Current service costs		1,992,823	558,752	2,551,575	1,615,029	497,165	2,112,194
	Interest costs		4,200,342	2,036,921	6,237,263	2,260,327	1,210,832	3,471,159
	Benefits paid by the plan		(291,640)	(1,030,201)	(1,321,841)	(847,225)	(193,207)	(1,040,432)
	Benefits due but not paid (payable)		(917,920)	(396,986)	(1,314,906)	-	-	-
	Re-measurements loss / (gain) on obligation		(1,056,307)	(995,560)	(2,051,867)	1,514,380	(57,308)	1,457,072
	Closing balance		34,008,162	15,180,704	49,188,866	30,080,864	15,007,778	45,088,642
21.2.2	**Movement in the fair value of plan assets**							
	Opening balance		25,459,044	9,162,358	34,621,402	31,206,791	13,199,066	44,405,857
	Interest income		3,607,134	1,277,834	4,884,968	2,770,486	1,179,221	3,949,707
	Contribution paid into the plan		-	640,000	640,000	-	-	-
	Benefits paid by the plan		(291,640)	(1,030,201)	(1,321,841)	(847,225)	(193,207)	(1,040,432)
	Re-measurement (loss) on plan assets		(3,004,172)	(1,465,907)	(4,470,079)	(7,671,008)	(5,022,722)	(12,693,730)
	Closing balance		25,770,366	8,584,084	34,354,450	25,459,044	9,162,358	34,621,402
21.2.3	**Amounts recognised in the profit or loss account**							
	Current service costs		1,992,823	558,752	2,551,575	1,615,029	497,165	2,112,194
	Interest costs		4,200,342	2,036,921	6,237,263	2,260,327	1,210,832	3,471,159
	Interest income		(3,607,134)	(1,277,834)	(4,884,968)	(2,770,486)	(1,179,221)	(3,949,707)
	Expense for the year		2,586,031	1,317,839	3,903,870	1,104,870	528,776	1,633,646
21.2.4	**Amounts recognised in the other comprehensive income**							
	Re-measurement loss / (gain) on obligation	21.2.4.1	(1,056,307)	(995,560)	(2,051,867)	1,514,380	(57,308)	1,457,072
	Re-measurement of fair value of plan assets		3,004,172	1,465,907	4,470,079	7,671,008	5,022,722	12,693,730
	Re-measurement loss for the year		1,947,865	470,347	2,418,212	9,185,388	4,965,414	14,150,802
21.2.4.1	**Re-measurement loss / (gain) on obligation**							
	Loss / (gain) due to change in financial assumptions		(224,916)	(80,415)	(305,331)	190,119	79,003	269,122
	Loss / (gain) due to change in experience adjustments		(831,391)	(915,145)	(1,746,536)	1,324,261	(136,311)	1,187,950
			(1,056,307)	(995,560)	(2,051,867)	1,514,380	(57,308)	1,457,072

21.2.5 Net recognized liability / (asset)

	2020			2019		
	Management	Non-Management	Total	Management	Non-Management	Total
	(Rupees)					
Net liability / (asset) at beginning of the year	4,621,820	5,845,420	10,467,240	(5,668,438)	351,230	(5,317,208)
Expense recognised in profit and loss account	2,586,031	1,317,839	3,903,870	1,104,870	528,776	1,633,646
Contribution paid into the plan	-	(640,000)	(640,000)	-	-	-
Re-measurement losses recognised in other comprehensive income	1,947,865	470,347	2,418,212	9,185,388	4,965,414	14,150,802
Net liability at end of the year	9,155,716	6,993,606	16,149,322	4,621,820	5,845,420	10,467,240

21.3 Plan assets comprise of the following:

	2020		2019	
	Management	Non-Management	Management	Non-Management
	(Rupees)			
Government securities	12,758,790	1,947,907	13,268,124	2,434,372
Equity shares	5,002,985	3,525,916	5,438,497	3,832,848
Others	8,008,591	3,110,259	6,752,423	2,895,138
	25,770,366	8,584,082	25,459,044	9,162,358

21.4 Sensitivity analysis for actuarial assumptions

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

	2020		2019	
	Management	Non-Management	Management	Non-Management
	(Rupees)			
Discount rate +1%	32,088,922	14,460,143	28,361,709	14,265,408
Discount rate -1%	36,192,701	15,959,508	32,027,900	15,810,429
Salary increase +1%	36,215,216	15,967,202	32,048,208	15,818,534
Salary increase -1%	32,035,104	14,439,926	28,314,790	14,245,109

21.5 Expected charge for the year ending 30 June 2021 is Rs. 3.78 million.

21.6 Risks associated with defined benefit plans

a) Investment risks

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

b) Mortality risks

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

c) Salary increase risk

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

d) Withdrawal risk

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

21.7 Historical information

	2019	2018	2017	2016	2015
	(Rupees)				
Present value of defined benefit obligation	45,088,642	39,088,649	46,295,653	36,385,471	33,537,730
Fair value of plan assets	(34,621,402)	(44,405,857)	(46,008,258)	(41,234,617)	(39,879,652)
Net liability / (asset)	10,467,240	(5,317,208)	287,395	(4,849,146)	(6,341,922)

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

	Note	**2020**	2019
		(Rupees)	
Cost of sales	28	**3,032,008**	1,104,870
Administrative, selling and general expenses	29	**871,862**	528,776
		3,903,870	1,633,646

22. LONG TERM LOANS

	Note	2020	2019
Secured			
Term finance - under SBP refinance scheme for payment of wages and salaries	22.1	**37,778,159**	-
Loan from JS Bank Limited	22.2	**285,000,000**	-
Loan from Orix Leasing Pakistan Limited	22.3	**24,751,538**	-
Karobar Financing from BankIslami Pakistan Limited	22.4	**80,000,000**	-
Less: Current portion		**(31,770,597)**	-
		395,759,100	-

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

22.2 During the year, the Company entered into a long term loan facility from JS Bank Limited of Rs. 300 million for cash flow management of the Company. This facility is secured by charge over current and future assets of the Company. During the year, the Company has made repayments of Rs. 15 million together with mark-up thereon. This facility carries mark-up ranging from 3 months KIBOR plus 2% to 3 months KIBOR plus 3.5% per annum (2019: nil) repayable quarterly from the disbursement date.

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

22.3 During the year, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 30.2 million for cashflow management of the Company. This facility is secured by hypothecation charge over specified assets of the Company. During the year, the Company has made repayments of Rs. 8.64 million together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 4.75% per quarter (2019: nil) repayable on monthly basis from the disbursement date.

22.4 This represents Karobar finance facility available from BankIslami Pakistan Limited having limit of Rs. 200 million (2019: Rs 200 million), to fulfil working capital requirement through Shari'ah compliant mechanism.

As at 30 June 2020, Rs. 120 million remained utilised (2019: Rs. 51 million unutllised). This facility is secured by ranking charge over current and future assets of the Company. This facility carry mark-up ranging from 1 month KIBOR plus 0.5% to 6 months KIBOR plus 0.5% per annum (2019: 1 month KIBOR plus 0.5% per annum) and is repayable maximum within 180 days.

Due to current pandemic of COVID 19, the Company though its letter dated 15 April 2020 requested the Bank to provide relief to the Company as per directives issued under circular letter no.13 of 2020 dated 26 March 2020, by State Bank of Pakistan for deferment of principal repayments for one year. The Bank through its letter dated 20 May 2020 approved request of the Company and revised the payment date till 17 August 2021.

23. DEFERRED GRANT

	Note	2020	2019
		(Rupees)	
Government grant		**4,347,114**	-
Less: Current portion of Government grant		**(2,807,246)**	-
	23.1	**1,539,868**	-

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

24. SHORT TERM BORROWINGS

	Note	2020	2019
		(Rupees)	
Secured			
Running finance under mark-up arrangements	24.1	**1,290,257,148**	1,296,086,327
Soneri Bank Limited - Local bill discounting		**436,927,999**	437,002,507
Islamic financing	24.2	**359,222,489**	349,000,000
		2,086,407,636	2,082,088,834

24.1 Running finance under mark-up arrangements

	Note	2020	2019
Allied Bank Limited		**293,236,857**	298,809,749
JS Bank Limited		**297,293,483**	248,890,177
MCB Bank Limited		**186,457,226**	198,370,857
Meezan Bank Limited		**-**	197,323,413
Askari Bank Limited		**196,740,177**	180,048,815
Habib Metropolitan Bank		**139,288,766**	86,266,815
Bank AL Habib Limited		**93,636,789**	60,515,566
Soneri Bank Limited		**83,603,850**	24,983,047
Habib Bank Limited		**-**	877,888
	24.1.1	**1,290,257,148**	1,296,086,327

24.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future current assets of the Company, pledge of stock (shares), lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 28 February 2021. The banks have imposed a condition that a no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

These facilities carry mark-up at the rates ranging from 1 month KIBOR plus 0.55% to 3 months KIBOR plus 1.50% per annum (2019: 1 month KIBOR plus 0.5% to 6 months KIBOR plus 0.55% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 1,820 million (2019: Rs. 2,320 million) out of which Rs. 92.8 million (2019: 586.9 million) remained unavailed at the reporting date.

24.2 Islamic financing

	Note	2020	2019
		(Rupees)	
Istisna facility	24.2.1	**359,222,489**	200,000,000
Karobar Financing	22.4	**-**	149,000,000
		359,222,489	349,000,000

24.2.1 This represents Islamic finance facilities available from Al Baraka Bank (Pakistan) Limited and Meezan Bank Limited having aggregate limits of Rs. 390 million (2019: 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 30 June 2020, amount of Rs. 31 million remained unutilised (2019: Rs. 400 million unutilised). This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up ranging from 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75% per annum (2019: 1 month KIBOR plus 0.5% to 3 months KIBOR plus 1 %) and is repayable maximum within 120 days to 180 days of the disbursement date.

24.3 Facilities available for opening letters of credit / guarantees at 30 June 2020 amounted to Rs. 2,555 million (2019: Rs. 2,958 million) out of which Rs. 2,497 million (2019: Rs. 2,533 million) remained unutilized at the reporting date.

24.4 Unavailed facilities

The Company has unutilized facility of SBP refinancing scheme for renewable energy from JS Bank Limited having limit aggregating to Rs. 60 million, to finance solar power plant to be installed by the company. This facility is secured by charge over current and future assets of the Company. This facility carries mark-up at maximum 4% per annum and is repayable maximum within 8 years of the disbursement date.

The Company also has an unutilized facility of forward cover from JS Bank Limited, having limit aggregating to Rs. 35 million to hedge forex risk on import transactions carried in USD. The tenor of facility is of maximum 6 months and the cover limit for JS Bank Limited is established at 10 times of the actual limit (Rs. 350 million).

The above facilities are secured by way of first pari passu charge over stocks, book debts, plant, machinery, land and building and also by way of pledge of shares of associated company.

The Company has unavailed Islamic financing facilities from BankIslami Pakistan Limited of Istisna and Murabaha having agggregate limits of Rs. 400 million. These facilities are secured by ranking charge over present and future current assets of the company amounting to Rs. 266.67 million. These facilities carry mark-up ranging from 1 month KIBOR plus 0.5% to 6 months KIBOR plus 0.5% per annum and are repayable maximum within 180 days of the disbursement date.

25. DUE FROM / TO RELATED PARTIES

	Note	2020	2019
		(Rupees)	
Due from related parties	25.1	**1,700,724,240**	976,856,001
Due to related parties	25.2	**40,000,000**	-

25.1 Due from related parties

	Note	2020	2019
Unsecured - Considered good			
Loan to HAWL	25.1.1	**1,040,000,900**	632,530,000
Mark-up receivable on loan to HAWL	25.1.1	**180,884,715**	60,644,001
Loan to SAIL	25.1.2	**246,329,000**	-
Loan to MAIL	25.1.2	**80,519,500**	-
Loan to SMPL	25.1.2	**2,714,000**	-
Mark-up receivable from SAIL, MAIL and SMPL	25.1.2	**27,831,057**	-
Other receivables from related parties	25.1.3	**122,445,068**	283,682,000
		1,700,724,240	976,856,001

25.1.1 This represents two loan agreements the Company entered into with HAWL dated 25 December 2017 and 10 April 2019 to provide loan up to a maximum limit of Rs. 5 billion for meeting working capital and other requirements. During the year, the Company provided loans amounting to Rs. 407.47 million. These loans are repayable on demand and carry mark-up at the rate of 1 month KIBOR plus 1%.

25.1.2 On 10 April 2019, the Company entered into a long term loan agreement with SAIL for an amount up to Rs. 300 million and as at 30 June 2020 has provided loan amounting to Rs. 246 million, which is receivable together with unpaid interest thereon in full on demand of the Company. This loan carries mark-up at the rate of 1 month KIBOR plus 1% per annum. The time frame for the repayment may be further extended mutually by both parties. The maximum amount outstanding during the year was Rs. 246 million (2019: nil).

On 10 April 2019, the Company entered into a long term loan agreement with MAIL for an amount upto Rs. 150 million and as at 30 June 2020 has provided loan amounting to Rs. 80.52 million, which is receivable together with unpaid interest thereon in full on demand of the Company. This loan carries mark-up at the rate of 1 month KIBOR plus 1% per annum. The time frame for the repayment may be further extended mutually by both parties. The maximum amount outstanding during the year was Rs. 80.52 million (2019: nil).

On 10 April 2019, the Company entered into a long term loan agreement with SMPL for an amount up to Rs. 50 million and as at 30 June 2020 has provided loan amounting to Rs. 2.7 million, which is receivable together with unpaid interest on demand of the Company. This loan carries mark-up at the rate of one month KIBOR plus 1% per annum. The time frame for the repayment may be further extended mutually by both parties. The maximum amount outstanding during the year was Rs. 2.7 million (2019: nil).

25.1.3 Due from related parties

	Note	2020	2019
		(Rupees)	
Advance			
SAIL	25.1.3.1	**87,575,325**	188,969,099
MAIL	25.1.3.1	**25,369,042**	85,212,200
		112,944,367	274,181,299
Other receivable			
SMPL		**3,706,788**	3,706,788
HAWL		**5,793,913**	5,793,913
	25.1.3.2	**122,445,068**	283,682,000

25.1.3.1 These represent advance paid to subsidiary companies for toll manufacturing services. It also includes amount payable on account of diesel charges paid by the Company, on behalf of the SAIL amounting to Rs. 16.5 million.

25.1.3.2 These balance are mark-up free and unsecured.

25.1.3.3 Detailed analysis of due from related parties

Name of related party	Gross amount due	Provision for doubtful debts	Reversal of provision of doubtful debts	Amount due written off	Net amount	Maximum amount outstanding at any time during the year
	2020					
	(Rupees)					
Advance						
SAIL (note 25.1.3.4)	87,575,325	-	-	-	87,575,325	87,575,325
MAIL (note 25.1.3.4)	25,369,042	-	-	-	25,369,042	25,369,042
Other receivable						
SMPL	3,706,788	-	-	-	3,706,788	3,706,788
HAWL	5,793,913	-	-	-	5,793,913	5,793,913
	122,445,068	-	-	-	122,445,068	122,445,068

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

25.2 Due to related parties - unsecured

	Note	2020	2019
		(Rupees)	
Loan from director		40,000,000	-

26. TRADE AND OTHER PAYABLES

	Note	2020	2019
Trade creditors		54,990,413	239,143,365
Accrued liabilities	26.1	47,908,421	26,916,239
Other liabilities			
Advance from customers	26.2	147,836,422	83,699,401
Mobilization advances	26.3	38,272,254	524,430
Workers' Profit Participation Fund	26.4	2,818,085	9,168,893
Provision for leave encashment		2,122,179	3,389,345
Workers' Welfare Fund	26.5	-	2,931,372
Payable to Provident Fund		34,100	-
Withholding tax payable		5,593,020	2,363,704
Rental payable		2,086,917	-
Security deposit from contractors	26.6	129,000	129,000
Other payables	26.7	22,059,112	13,608,793
		323,849,923	381,874,542

26.1 This includes provision of Rs. 3.25 million (2019: Rs. 3.25 million) in respect of Gas Infrastructure Development Cess (GIDC) charges.

26.2 This includes Rs. 79.3 million received from scrap dealer against future sale of scrap and ancillary items.

26.3 This carries no mark-up (2019: 7.3%).

26.4	Workers' Profit Participation Fund	Note	2020	2019
			(Rupees)	
	Opening balance		**9,168,893**	9,418,998
	Charge for the year	30	**-**	6,979,457
	Mark-up charged during the year	32	**1,035,784**	241,496
	Less: Payments made during the year		**(7,386,592)**	(7,471,058)
	Closing balance		**2,818,085**	9,168,893

26.5 Workers' Welfare Fund

Opening balance		**2,931,372**	9,141,985
Charge for the year	30	**-**	2,931,372
Less: Payments made during the year		**(2,931,372)**	(9,141,985)
Closing balance		**-**	2,931,372

26.6 This represents security deposit received from contractors against provision of services, which are kept in the Company's bank account.

26.7 This includes amounts deducted from employees' salaries against vehicles (used by employees) to be sold to the employees upon completion of respective useful lives of the vehicles.

27.	REVENUE - NET	Note	2020	2019
			(Rupees)	
	Local sales	27.1	**3,284,088,726**	6,715,988,229
	Less: Sales returns		**(15,705,071)**	(35,598,074)
			3,268,383,655	6,680,390,155
	Less: Sales tax		**(489,753,018)**	(970,654,980)
			2,778,630,637	5,709,735,175

27.1 This includes scrap sales amounting to Rs. 64.62 million (2019: Rs. 67.24 million).

28.	COST OF SALES	Note	2020	2019
			(Rupees)	
	Raw materials and components consumed	28.1	**1,768,210,376**	4,114,376,036
	Stores and spares consumed	28.2	**42,822,565**	35,529,507
	Manufacturing expenses			
	Salaries and wages		**173,010,539**	180,897,881
	Other employees' benefits	28.3	**39,400,634**	71,705,363
	Provident Fund contribution		**2,965,450**	2,718,117
	Toll manufacturing	28.4	**303,183,451**	646,950,276
	Depreciation	6.1.6	**74,080,647**	82,313,415
	Gas, power and water		**15,990,166**	16,722,962
	Travelling and vehicle running costs		**9,411,233**	13,448,524
	Insurance		**9,130,676**	9,111,043
	Repairs and maintenance		**7,421,652**	9,910,531
	Postage, telephone and telex		**604,202**	404,055
	Input sales tax written-off		**14,245,222**	-
	Inward freight and storage charges		**2,994,500**	1,530,473
	Conveyance		**275,152**	1,294,439
	Rent, rates and taxes		**209,181**	1,551,886
	Printing, stationery and periodicals		**42,767**	55,772
	Royalty expense	28.5	**4,941,111**	11,026,173
	General expenses		**637,654**	5,014,698
	Security services		**547,402**	636,655
	Transferred to capital work-in-progress		**(8,774,244)**	(9,373,528)
	Manufacturing costs		**650,317,395**	1,045,918,735
	Opening stock of work-in-process		**80,695,276**	150,978,815
	Impact of adoption of IFRS 15		**-**	(75,489,408)
	Impact of recording revenue over time		**67,967,725**	-
	Closing stock of work-in-process	9	**(74,331,500)**	(80,695,276)
	Net change in work-in-process		**74,331,501**	(5,205,869)
	Cost of goods manufactured		**2,535,681,837**	5,190,618,409
	Opening stock of finished goods		**-**	49,683,031
	Impact of adoption of IFRS 15		**-**	(49,683,031)
	Impact of recording revenue over time		**44,926,033**	-
	Closing stock of finished goods	9	**-**	-
	Net change in finished goods		**44,926,033**	-
			2,580,607,870	5,190,618,409

28.1	Raw materials and components consumed	Note	2020	2019
	Opening balance		**1,342,036,391**	1,466,986,223
	Purchases		**1,809,409,840**	3,976,296,542
	Less: Purchase returns		**(58,364,516)**	-
			3,093,081,715	5,443,282,765
	Closing balance	9	**(1,336,158,261)**	(1,342,036,391)
	Charge for the year	9.1	**11,286,922**	13,129,662
			1,768,210,376	4,114,376,036

28.2 Stores, spares and loose tools

	2020	2019
	(Rupees)	
Opening balance	**51,696,875**	29,276,306
Purchases	**57,630,358**	57,950,076
	109,327,233	87,226,382
Closing balance	**(66,504,668)**	(51,696,875)
	42,822,565	35,529,507

28.3 This includes a sum of Rs. 3 million (2019: Rs. 1.1 million) in respect of expense relating to gratuity.

28.4 Toll manufacturing costs

	2020	2019
	(Rupees)	
SAIL	**189,027,987**	435,406,633
MAIL	**56,261,119**	106,442,132
Others	**57,894,345**	105,101,511
	303,183,451	646,950,276

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

Name of Recipient	Relationship with the Company	Registered Address	2020	2019
			(Rupees)	
Futaba Industrial Co. Limited	Technical advisor	1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558	**4,941,111**	11,026,173

29. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

	Note	2020	2019
		(Rupees)	
Salaries and wages		**95,388,227**	87,772,339
Other employees' benefits	29.1	**12,877,291**	24,535,411
Provident Fund contribution		**1,520,128**	1,350,070
Penalties		**-**	5,370,761
Advertising and sales promotion		**1,501,195**	2,347,896
Travelling and vehicle running cost		**8,599,708**	11,318,757
Outward freight		**10,118,656**	18,857,488
Depreciation	6.1.6	**6,452,112**	7,833,007
Amortization	7	**793,362**	1,110,781
Legal and professional charges		**16,408,313**	5,682,855
Subscripition and certification charges		**2,671,451**	2,536,937
Postage, telephone and telex		**3,804,700**	4,531,090
Conveyance		**2,552,322**	2,039,205
Rent expense		**2,901,485**	-
Auditors' remuneration	29.2	**2,395,000**	1,410,000
Electricity		**1,225,450**	1,235,600
Repairs and maintenance		**429,939**	309,208
Entertainment		**327,962**	505,162
Printing, stationery and periodicals		**1,759,979**	2,341,352
Insurance		**2,045,959**	1,676,033
Donation		**-**	100,000
General expenses		**2,768,170**	1,793,725
		176,541,409	184,657,677

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For the year ended 30 June 2020

29.1 This includes a sum of Rs. 0.87 million (2019: Rs. 0.53 million) in respect of expense relating to gratuity.

29.2 Auditors' remuneration

	Note	2020	2019
		(Rupees)	
Audit fee		**650,000**	600,000
Other audit services		**1,000,000**	-
Interim review		**250,000**	350,000
Certifications for regulatory purposes		**400,000**	375,000
Out of pocket expense		**95,000**	85,000
		2,395,000	1,410,000

30. OTHER EXPENSES

	Note	2020	2019
Workers' Profit Participation Fund	26.4	**-**	6,979,457
Workers' Welfare Fund	26.5	**-**	2,931,372
Unrealised loss on re-measurement of investments at fair value through profit or loss	15.1	**59,241**	14,583,626
Loss on redemption of PTCs	15.1.1	**2,985,345**	-
		3,044,586	24,494,455

31. OTHER INCOME

	Note	2020	2019
Income from financial assets			
Mark-up income from PTCs		**7,527,465**	7,582,410
Dividend income	31.1	**27,489**	74,142
Un-winding of mark-up on sale of dies	11.1	**-**	2,647,827
Mark-up income on loans to employees		**1,329,238**	1,379,435
Mark-up income on savings accounts		**-**	361,220
Mark-up income on loans to subsidiaries	25.1	**148,071,771**	53,386,502
Government grant		**229,596**	-
Others		**972,711**	707,642
		158,158,270	66,139,178
Income from assets other than financial assets			
Gain on disposal of property, plant and equipment	6.1.7	**1,317,073**	3,886,792
Others		**-**	329,330
		1,317,073	4,216,122
		159,475,343	70,355,300

31.1 This represents dividend received from Indus Motor Company Limited, Baluchistan Wheels Limited, ZIL Limited, Al-Ghazi Tractors Limited, Millat Tractors Limited, Oil and Gas Development Company Limited, Thal Limited, Agriautos Industries Limited and Honda Atlas Cars (Pakistan) Limited against investment as disclosed in note 15.

32. FINANCE COSTS

	Note	2020	2019
		(Rupees)	
Mark-up on bank loans and borrowings		**340,531,500**	182,264,400
Mark-up on loans from subsidiary companies		**-**	14,040,661
Exchange loss		**13,605,649**	47,520,381
Finance lease charges		**28,342**	401,666
Mark-up on mobilization advance		**-**	626,529
Bank charges		**5,155,495**	2,227,811
Mark-up on workers' Profit Participation Fund	26.4	**1,035,784**	241,496
		360,356,770	247,322,944

33. TAXATION

	Note	2020	2019
		(Rupees)	
Current		**4,123**	68,471,796
Prior		**5,677,441**	24,574,749
Deferred	20.1	**(63,142,161)**	(1,278,109)
	33.1	**(57,460,597)**	91,768,436

33.1 Reconciliation between tax expense and accounting profit

	2020	2019
(Loss) / profit before taxation	**(194,791,827)**	132,996,990
Tax at the applicable rate of 29% (2019: 29%)	**(56,489,630)**	38,569,127
Reversal of normal tax	**56,489,630**	(38,569,127)
Effect of minimum tax	**4,123**	68,471,796
Prior year charge	**5,677,441**	24,574,749
Tax effect of income taxed at lower rate	**4,123**	10,380
Tax effect of permanent differences	**(63,146,284)**	(1,288,489)
	(57,460,597)	91,768,436

33.2 The returns of income tax have been filed up to and including tax year 2019 (corresponding to financial year ended upto 30 June 2019). These, except for those mentioned in note 17, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

34. (LOSS) / EARNINGS PER SHARE - BASIC AND DILUTED

	2020	2019
	(Rupees)	
(Loss) / profit for the year attributable to ordinary shareholders of the Company	**(137,331,230)**	41,228,554
Weighted average number of ordinary shares	(Number)	
outstanding during the year	**151,250,000**	151,250,000
	(Rupees)	
(Loss) / earnings per share - basic and diluted	**(0.91)**	0.27

35. TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	Note	2020	2019
SAIL	Subsidiary company - 54% holding (2019: 54%)	Toll manufacturing	28.4	**189,027,987**	435,406,633
		Payments made during the year		**361,359,768**	809,981,078
		Mark-up charged to / (by) related party		**21,582,124**	(6,755,857)
		Amount due (from) at the year end	25.1.3	**(87,575,325)**	(188,969,099)
		Loan provided / (repaid)	25.1.2	**246,329,000**	(151,590,000)

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	Note	2020 (Rupees)	2019 (Rupees)
MAIL	Subsidiary company - 60% holding (2019: 60%)	Toll manufacturing	28.4	**56,261,119**	106,442,132
		Payments made during the year		**86,565,703**	253,460,993
		Mark-up charged to / (by) related party		**6,062,508**	(3,565,895)
		Amount due from / (to) at the year end		**111,951,050**	(85,212,200)
		Loan provided / (repaid)	25.1.2	**80,519,500**	(81,450,000)
HAWL	Subsidiary company - 65.38% holding (2019: 65.38%)	Loan due at the year end	25.1	**1,040,000,900**	632,530,000
		Loan provided during the year	25.1	**407,470,900**	137,530,000
		Mark-up on loan	31	**120,240,714**	53,386,502
SMPL	Subsidiary company - 100% holding (2019: 100%)	Loan provided / (repaid)	25.1	**2,714,000**	(54,416,000)
		Mark-up on loan		**186,425**	3,718,909
		Amount due at the year end	25.1.3	**3,706,788**	3,706,788
Provident fund	Defined contribution plan	(Payable to) / receivable from Provident Fund	26	**(34,100)**	9,004,535
Employee benefits - gratuity	Defined benefit scheme	Expense for the year	21.2.3	**3,903,870**	1,633,646
		Contribution paid during the year	21.2.5	**640,000**	-
		Balance at the year end liability	21	**(16,149,322)**	(10,467,240)
Treet Corporation Limited	Associated company by virtue of common directorship	Mark-up income on PTCs	31	**7,527,465**	7,582,410
IGI General Insurance Limited	Common directorship	Purchase for services		**4,388,610**	3,979,581
First Treet Manufacturing Modaraba	Common directorship	Purchase of goods		**178,983**	-
Treet Holding (Private) Limited	Common directorship	Purchase of Motor-cycle		**102,000**	-

35.2 Following are the details of related parties associated through common directorship and with no transactions took place during the year:

Company Name	Basis of relationship
Archroma Pakistan Limited	Common directorship
Cutting Edge (Pvt) Limited	Common directorship
Elite Brands Limited	Common directorship
Frag Games (Pvt) Limited	Common directorship
GlaxoSmithKline Consumer	Common directorship
Global Arts (Private) Limited	Common directorship
Global Assets (Private) Limited	Common directorship
Gulab Devi Chest Hospital	Common directorship
Healthcare Pakistan Limited	Common directorship
Liaquat National Hospital	Common directorship
Online Hotel Agents (Pvt) Limited	Common directorship
Packages Limited	Common directorship
Pakistan Oxygen Limited	Common directorship
Renacon Pharma (Private) Limited	Common directorship
RobotArts (Pvt) Limited	Common directorship
Spell Digital Movies (Pvt) Limited	Common directorship
Treet Battery (Private) Limited	Common directorship
Treet Holding (Private) Limited	Common directorship
Treet Power Limited (Unlisted)	Common directorship

35.3 The remuneration of Board of Directors (executive and non-executive) and all members of the Company`s Management Team is disclosed in the note 40 to these unconsolidated financial statements.

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

	Liabilities				Total
	Long term loan	Lease liabilities	Due to related parties	Unclaimed dividend	
	‘--------------------------------------(Rupees)-----------------------------------				
Balance as at 1 July 2019	-	5,770,623	-	3,535,500	9,306,123
Changes from financing cash flows					
Payment of lease rentals	-	(4,058,424)	-	-	(4,058,424)
Dividends Paid	-	-	-	(9,121)	(9,121)
Proceeds from loans and borrowings	432,106,407	-	40,000,000	-	472,106,407
Total changes from financing cash flows	432,106,407	(4,058,424)	40,000,000	(9,121)	468,038,862
Liability - related other changes					
Government grant income during the year	(229,596)	-	-	-	(229,596)
Mark-up payable	-	-	-	-	-
Finance costs charged during the year	-	28,342	-	-	28,342
Total liability - related other changes	(229,596)	28,342	-	-	(201,254)
Balance as at 30 June 2020	**431,876,811**	**1,740,541**	**40,000,000**	**3,526,379**	**477,143,731**

37. FINANCIAL RISK MANAGEMENT

The Company has exposure to following risks from its use of financial instrument:
- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

37.1 Risk management framework

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

37.2 Credit risk

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

Exposure to credit risk

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

	Note	**2020**	2019
		(Rupees)	
Trade debts - net	10	**328,704,079**	601,589,094
Loans	12	**26,599,259**	16,170,507
Deposits and other receivables	13	**10,023,690**	172,604,853
Due from related parties - unsecured	25	**1,700,724,240**	976,856,001
Investments	15.1	**-**	10,787,535
Bank balances and term deposit receipts	16	**30,182,901**	2,908,090
		2,096,234,169	1,780,916,080

Credit rating and collaterals

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

Bank	**Rating Agency**	**Short term rating**	**2020 (Rupees)**	**2020 (%)**
Bank Al Habib Limited	PACRA	A-1+	**213,977**	**0.7%**
Meezan Bank Limited	JCR-VIS	A-1+	**25,104,073**	**83.2%**
National Bank of Pakistan	PACRA	A-1+	**978,189**	**3.2%**
Habib Bank Limited	JCR-VIS	A-1+	**2,411,492**	**8.0%**
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	**393,372**	**1.3%**
BankIslami Pakistan Limited	PACRA	A-1	**1,081,798**	**3.6%**
			30,182,901	**100%**

Bank	Rating Agency	Short term rating	2019 (Rupees)	2019 (%)
Bank Al Habib Limited	PACRA	A-1+	213,876	7.4%
National Bank of Pakistan	PACRA	A-1+	765,215	26.3%
Habib Bank Limited	JCR-VIS	A-1+	10,000	0.3%
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A-1	224,254	7.7%
BankIslami Pakistan Limited	PACRA	A-1	1,694,745	58.3%
			2,908,090	100%

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry. All of the Company's receivables are from distributors of automotive industries. Trade debts pertaining to four major customers of the Company aggregates to 80% as at 30 June 2020 (2019: 90%).

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

Impairment losses and past due balances

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

	2020			2019		
	Gross	**Impairment**	**Net**	Gross	Impairment	Net
	(Rupees)					
Less than or equal to 30 days	**317,630,870**	**(9,490,287)**	**308,140,583**	515,281,620	-	515,281,620
More than 30 days but not more than 90 days	**8,285,540**	**(253,282)**	**8,032,258**	44,646,369	-	44,646,369
More than 90 days but not more than 180 days	**15,134,841**	**(2,603,603)**	**12,531,238**	41,661,105	-	41,661,105
More than 180 days	**-**	**-**	**-**	-	-	-
	341,051,251	**(12,347,172)**	**328,704,079**	601,589,094	-	601,589,094

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

37.3 Liquidity risk

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

Maturity analysis of financial liabilities

	Note	2020					
		Carrying amount	**Contractual cash flows**	**Less than one month**	**One to three months**	**Three months to one year**	**More than one year**
		(Rupees)					
Financial Liabilities							
Short term borrowings	24	**2,086,407,636**	**2,086,407,636**	**173,867,303**	**347,734,606**	**1,564,805,727**	**-**
Trade and other payables	26	**130,700,872**	**130,700,872**	**75,163,522**	**37,361,791**	**18,175,559**	**-**
Lease liabilities	19	**1,740,541**	**1,762,698**	**91,024**	**182,048**	**819,216**	**670,410**
Accrued mark-up on short term borrowings		**79,535,197**	**79,535,197**	**79,535,197**	**-**	**-**	**-**
Long term loan	22	**395,759,100**	**395,759,100**	**-**	**-**	**-**	**395,759,100**
Current portion of long term loan	22	**31,770,597**	**31,770,597**	**-**	**-**	**31,770,597**	**-**
Due to related parties	25	**40,000,000**	**40,000,000**	**40,000,000**	**-**	**-**	**-**
Unclaimed dividend		**3,526,379**	**3,526,379**	**3,526,379**	**-**	**-**	**-**
		2,769,440,322	**2,769,462,479**	**372,183,425**	**385,278,445**	**1,615,571,099**	**396,429,510**

	Note	2019					
		Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
		(Rupees)					
Financial Liabilities							
Short term borrowings	24	2,082,088,834	2,082,088,834	1,051,663,070	1,030,425,764	-	-
Trade and other payables	26	297,650,711	297,650,711	103,681,850	101,376,803	92,592,058	-
Lease liabilities	19	5,770,623	5,743,028	339,771	679,542	3,057,938	1,665,777
Accrued mark-up on short term borrowings		44,715,024	44,715,024	44,715,024	-	-	-
Unclaimed dividend		3,535,500	3,535,500	3,535,500	-	-	-
		2,433,760,692	2,433,733,097	1,203,935,215	1,132,482,109	95,649,996	1,665,777

37.3.1 Liquidity position and its management

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

	2020 (Rupees)
Project cost to date	**4,084,563,869**
Loans from Bank and others	**1,321,729,080**
Financing from Related parties	
Loads	**1,040,000,000**
SAIL	**561,048,780**
MAIL	**198,673,102**
SMPL	**71,700,000**
Others	**100,755,000**
	1,972,176,882
Equity	**790,657,007**
	4,084,563,869

This has resulted in severe cash flows problems in all the entities of the Group. The financial position of the group entities are summarised in note 8.1.5. Moreover, in April 2019, the Board of Loads Limited committed Rs. 7.5 billion to HAWL. The shareholders and senior management of the company are closely monitoring the situation and are committed to meet the cash flow requirements, if any, which may arise in future, from their other entities or personal wealth.

37.4 Market risk

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

Market risk comprises of three types of risks:
- currency risk;
- interest rate risk; and
- other price risk.

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

37.4.1 Currency risk

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

Exposure to currency risk

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

	2020		
	USD	**SGD**	**JPY**
Creditors	**163,570**	**-**	**977,098**
Net balance sheet exposure	**163,570**	**-**	**977,098**

	2019		
	USD	SGD	JPY
Creditors	537,517	47,640	43,961,725
Net balance sheet exposure	537,517	47,640	43,961,725

The following significant exchange rates applied during the year:

	Average rate		**Balance sheet date rate**	
	2020	2019	**2020**	2019
USD to Pak Rupees	**164.05**	141.54	**168.05**	160.05
SGD to Pak Rupees	**119.36**	102.91	**120.39**	118.32
JPY to Pak Rupees	**1.53**	1.30	**1.56**	1.49

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, SGD and JPY at 30 June 2020 would have increased equity and profit or loss account by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2019.

As at 30 June	2020 Profit or loss	2020 Equity	2019 Profit or loss	2019 Equity
.	(Rupees)		(Rupees)	
Effect of change in USD	**2,748,794**	**2,748,794**	6,110,009	6,110,009
Effect of change in SGD	**-**	**-**	400,143	400,143
Effect of change in JPY	**152,427**	**152,427**	4,681,924	4,681,924
Gross exposure	**2,901,221**	**2,901,221**	11,192,076	11,192,076

The Company does not have any foreign currency borrowings as at 30 June 2020.

37.4.2 Interest rate risk

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

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

Variable rate instruments	Note	**2020**	2019
		(Rupees)	
Financial assets			
Loans to employees - considered good and unsecured	12.2	**-**	10,119,938
Loans to workers - considered good and unsecured	12	**-**	6,050,569
Loan to HAWL	25.1	**1,040,000,900**	632,530,000
Loan to SAIL	25.1	**246,329,000**	-
Loan to MAIL	25.1	**80,519,500**	-
Loan to SMPL	25.1	**2,714,000**	-
		1,369,563,400	648,700,507
Financial liabilities			
Loan from JS Bank Limited	22	**285,000,000**	-
Loan from Orix Leasing Pakistan Limited	22	**24,751,538**	-
Karobar Financing from BankIslami Pakistan Limited	22	**80,000,000**	-
Short term borrowings	24	**2,086,407,636**	2,082,088,834
Lease liabilities	19	**1,740,541**	5,770,623
		(1,108,336,315)	(1,439,158,950)

Fixed rate instruments	Note	**2020**	2019
Financial assets			
Loans to employees - considered good and unsecured	12.2	**14,633,407**	-
Loans to workers - considered good and unsecured	12	**11,965,852**	-
		26,599,259	
Financial liabilities			
Term finance - under SBP refinance scheme for payment of wages and salaries	22	**37,778,159**	-
		(11,178,900)	-

Fair value sensitivity analysis of fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

	Profit or loss		Equity	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	(Rupees)		(Rupees)	
As at 30 June 2020				
Cash flow sensitivity - variable rate instruments	**(11,083,363)**	**11,083,363**	**(11,083,363)**	**11,083,363**
As at 30 June 2019				
Cash flow sensitivity - variable rate instruments	(14,391,590)	14,391,590	(14,391,590)	14,391,590

37.4.3 Other price risk

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

As at 30 June 2020, the fair value of equity securities exposed to price risk are disclosed in note 15. The table below summarises the sensitivity of the price movements as at 30 June 2020. The analysis is based on the assumption that KSE-100 index increased by 10% (2019: 10%) and decreased by 10% (2019: 10%), with all other variables held constant and that the fair value of the Company's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index, having regard to the historical volatility of index of past three years (2019: three years).

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

	2020	2019
	(Rupees)	
Effect on assets of an increase in the KSE-100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'		
Effect on investments	**1,592,907**	1,604,036
Effect on profit or loss	**5,339**	113,806
Effect on equity	**1,592,907**	1,604,036
Effect on assets of a decrease in the KSE-100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'		
Effect on investments	**(1,592,907)**	(1,604,036)
Effect on profit or loss	**(5,339)**	(113,806)
Effect on equity	**(1,592,907)**	(1,604,036)

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2020 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

37.5 Operational risk

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

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

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

38. CAPITAL RISK MANAGEMENT

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to the shareholders or issue bonus / new shares. The Company also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio of the Company is as follows:

	2020	2019
	(Rupees)	
Total debt	**2,515,677,874**	2,132,574,481
Total equity	**2,761,628,643**	2,866,710,284
Total capital	**5,277,306,517**	4,999,284,765
Gearing ratio	**48:52**	43:57

39. FAIR VALUE MEASUREMENT

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

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

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

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

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

39.1 Accounting classifications and fair values

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

		2020								
		Carrying amount					Fair value			
30 June 2020	Note	**Fair value through profit or loss**	**FVOCI - equity instruments**	**Financial assets at amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets - measured at fair value										
Equity securities		**533,851**	**17,936**	**-**	**-**	**551,787**	**551,787**	**-**	**-**	**551,787**
Equity securities - associate		**-**	**158,738,930**	**-**	**-**	**158,738,930**	**158,738,930**	**-**	**-**	**158,738,930**
Financial assets - not measured at fair value										
Subsidiaries - unlisted shares	39.1.1	**-**	**-**	**1,159,960,000**	**-**	**1,159,960,000**				
Trade debts - net	39.1.1	**-**	**-**	**328,704,079**	**-**	**328,704,079**				
Loans	39.1.1	**-**	**-**	**26,599,259**	**-**	**26,599,259**				
Deposits and other receivables	39.1.1	**-**	**-**	**10,023,690**	**-**	**10,023,690**				
Due from related parties	39.1.1	**-**	**-**	**1,700,724,240**	**-**	**1,700,724,240**				
Cash and bank balances	39.1.1	**-**	**-**	**32,010,964**	**-**	**32,010,964**				
		533,851	**158,756,866**	**3,258,022,232**	**-**	**3,417,312,949**				
Financial liabilities - not measured at fair value										
Short term borrowings	39.1.1	**-**	**-**	**-**	**2,086,407,636**	**2,086,407,636**				
Trade and other payables	39.1.1	**-**	**-**	**-**	**130,700,872**	**130,700,872**				
Lease liabilities	39.1.1	**-**	**-**	**-**	**1,740,541**	**1,740,541**				
Accrued mark-up on short term borrowings	39.1.1	**-**	**-**	**-**	**79,535,197**	**79,535,197**				
Long term loan	39.1.1	**-**	**-**	**-**	**395,759,100**	**395,759,100**				
Current portion of long term loan	39.1.1	**-**	**-**	**-**	**31,770,597**	**31,770,597**				
Due to related parties	39.1.1	**-**	**-**	**-**	**40,000,000**	**40,000,000**				
Unclaimed dividend	39.1.1	**-**	**-**	**-**	**3,526,379**	**3,526,379**				
		-	**-**	**-**	**2,769,440,322**	**2,769,440,322**				

		2019								
		Carrying amount					Fair value			
30 June 2019	Note	Fair value through profit or loss	FVOCI - equity instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets - measured at fair value										
Equity securities		593,092	15,628,632	-	-	16,221,724	16,221,724	-	-	16,221,724
Equity securities - associate		-	133,394,344	-	-	133,394,344	133,394,344	-	-	133,394,344
Participation Term Certificates		10,787,535	-	-	-	10,787,535	10,787,535	-	-	10,787,535
Financial assets - not measured at fair value										
Subsidiaries - unlisted shares	39.1.1	-	-	1,159,960,000	-	1,159,960,000				
Trade debts - net	39.1.1	-	-	601,589,094	-	601,589,094				
Loans	39.1.1	-	-	16,170,507	-	16,170,507				
Deposits and other receivables	39.1.1	-	-	172,604,853	-	172,604,853				
Due from related parties	39.1.1	-	-	976,856,001	-	976,856,001				
Cash and bank balances	39.1.1	-	-	3,079,537	-	3,079,537				
		11,380,627	149,022,976	2,930,259,992	-	3,090,663,595				
Financial liabilities - not measured at fair value										
Short term borrowings	39.1.1	-	-	-	2,082,088,834	2,082,088,834				
Trade and other payables	39.1.1	-	-	-	297,650,711	297,650,711				
Lease liabilities	39.1.1	-	-	-	5,770,623	5,770,623				
Accrued mark-up on short term borrowings	39.1.1	-	-	-	44,715,024	44,715,024				
Unclaimed dividend	39.1.1	-	-	-	3,535,500	3,535,500				
		-	-	-	2,433,760,692	2,433,760,692				

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

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2020					2019				
	Chief Executive	Executive Director	Non - Executive Directors	Executives	Total	Chief Executive	Executive Director	Non - Executive Directors	Executives	Total
	(Rupees)									
Managerial remuneration	10,368,000	3,168,000	-	13,388,112	26,924,112	9,171,600	2,703,600	-	10,169,612	22,044,812
Housing and utilities	11,232,000	3,432,000	-	15,568,740	30,232,740	9,928,400	2,921,400	-	11,818,172	24,667,972
Bonus	1,600,000	475,000	-	2,418,401	4,493,401	3,900,000	1,112,500	-	4,505,580	9,518,080
Medical	558,586	170,737	-	1,160,398	1,889,721	992,547	94,273	-	2,095,928	3,182,748
Company's contribution to retirement benefits funds	-	316,800	-	303,852	620,652	-	270,000	-	159,517	429,517
Meeting fee	-	-	310,000	-	310,000	-	-	112,000	-	112,000
	23,758,586	7,562,537	310,000	32,839,503	64,470,626	23,992,547	7,101,773	112,000	28,748,809	59,955,129
Number of persons	1	1	7	5	14	1	1	7	3	12

40.1 The Chief Executive, directors and certain executives are provided with free use of group maintained cars in accordance with their entitlements. The approximate aggregate value of this benefit is Rs. 37.76 million (2019: Rs. 37.76 million).

41. PROVIDENT FUND

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

	2020 (Un-audited)	2019 (Audited)
	(Rupees)	
Size of the Fund	69,527,228	63,556,207
Costs of investments made	41,640,455	57,460,495
Amortized cost of investments	49,841,350	58,191,665
Percentage of investments made - based on fair value / amortized cost	71.68%	91.56%

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

	2020 (Un-audited)	2019 (Audited)	2020 (Un-audited)	2019 (Audited)
	------- (Rupees) ------		(% of the size of the fund)	
Term finance certificates	140,000	140,000	0.20%	0.22%
Mutual fund units	5,679,472	13,333,101	8.17%	20.98%
Government securities	42,309,898	41,632,355	60.85%	65.50%
Equity securities	1,711,980	3,086,209	2.46%	4.86%
	49,841,350	58,191,665	71.68%	91.56%

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

42. PLANT CAPACITY AND PRODUCTION

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

Notes to the Unconsolidated Financial Statements
For the year ended 30 June 2020

43.	NUMBER OF EMPLOYEES	2020	2019
		(Numbers)	
	Total number of employees at reporting date	**632**	742
	Total number of factory employees at reporting date	**526**	536
	Average number of employees during the year	**687**	763
	Average number factory of employees during the year	**531**	605

44. OPERATING SEGMENTS

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

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

44.3 All non-current assets of the Company as at 30 June 2020 are located in Pakistan.

44.4 Sales to four major customers of the Company is around 86% during the year ended 30 June 2020 (2019: 89%).

45. RECLASSISIFICATION OF COMPARATIVES

Certain reclassification has been made in prior year`s note to the accounts for better presentation. Details are as follows:

Account title		Notes		Amount
From	To	From	To	(Rupees)
Legal and professional charges	General expenses	29	29	20,000
Legal and professional charges	Subscripition and certification charges	29	29	2,536,937
Capital work-in-progress	Deposits, prepayments and other receivables	6	13	478,593

There is no effects in the statement of financials position, statement of profit or loss, statement of comprehensive income and statement of cash flow for the aforementioned reclassification.

46. GENERAL

46.1 Authorisation for issue

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on 05 October 2020.

Chief Financial Officer	Chief Executive	Director

Financial statments (Consolidated)

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

To the members of Loads Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Loads Limited** and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2020, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

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

KPMG Taseer Hadi & Co.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the key audit matters:

S. No.	Key audit matters	How the matters were addressed in our audit
1.	**Revenue Recognition**	
	Refer notes 27 to the consolidated financial statements for revenue. The Group's revenue for the year ended 30 June 2020 was Rs. 2,779 million. The Group's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products"). We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Group, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or could be subject to manipulation in order to achieve financial targets and expectations and significant decrease in revenue from last year.	Our procedures included: • assessed the design, implementation and operating effectiveness of the key internal controls over the Group's systems which governs revenue recognition; • inspected all sales contracts with OEMs and on a sample basis for other customers to understand and assess the terms and conditions impact of any changes thereto which may effect revenue recognition; • performed testing of anti-fraud controls relating to revenue recognition; • performed verification of sample of revenue transactions with underlying documentation including sales invoices and dispatch documents; • compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period;

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S. No.	Key audit matters	How the matters were addressed in our audit
		• assessed the appropriateness of disclosure presented in the consolidated financial statements in accordance with the requirement of IFRS 15.
2.	**Impairment testing of alloy wheels plant**	
	Refer note 6 to the consolidated financial statements. As at 30 June 2020, the carrying amount of alloy wheels plant under construction was Rs. 4,085 million. Impairment indicators include the completion of the project being delayed from estimated completion date and cost overruns. We have identified the estimation of recoverable amount of the plant as a key audit matter as it includes judgment and inherent uncertainties.	Our procedures included: • obtained an understanding of the management's process for impairment testing; • assessed that business rationale of budget on which forecast is based is reasonable; • involved our own valuation specialist to assist in evaluation appropriateness of valuation model and reasonableness of key assumptions including growth in cash flows, discount rate applied etc.; • performed sensitivity analysis with respect to changes in key assumptions used in the valuation model; • considered appropriateness of disclosures about key assumptions / discount rate.
3.	**Liquidity Management**	
	Refer note 1.3 of the consolidated financial statements for liquidity management. The total assets of the Group are Rs. 7,807 million of which approximately 60% are financed through debt.	Our procedures included: • obtaining management budget for the next 12 months and assessing adequacy of assumptions considering

KPMG Taseer Hadi & Co.

S. No.	Key audit matters	How the matters were addressed in our audit
	There has also been a decline in automotive industry has been which has resulted in decline in the Group's sales by 51.3% in the consolidated financial statements. The Group has suffered net loss before taxation of Rs. 718 million compared to profit before taxation of Rs. 60 million last year leading to further cash flow issues; In order to better manage liquidity subsequent to year-end, the Group has restructured loans amounting to approximately Rs. 2,058 million and currently has net current asset position.	results subsequent to the year-end; • inspected restructured terms and assessed the Group's ability to comply with restructured terms; • considered appropriateness of disclosures about liquidity management is in line with accounting and reporting standards as applicable in Pakistan.

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's Review, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we have obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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When we read the Chairman's Review, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and take appropriate actions in accordance with ISAs as applicable in Pakistan.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

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material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

KPMG

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

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

Date: 6 October 2020

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

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Consolidated Statement of Financial Position

As at 30 June 2020

	Note	2020	2019
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	**4,932,529,642**	4,109,086,166
Intangible assets	7	**344,797**	1,138,159
Investments	8	**158,738,930**	278,706,019
Loans and receivables	11	**7,261,530**	6,897,737
Deferred tax assets	21	**9,501,130**	-
		5,108,376,029	4,395,828,081
Current assets			
Stores and spares and loose tools	28.2	**76,560,562**	61,971,605
Stock-in-trade	9	**1,381,183,851**	1,404,712,679
Trade debts - net	10	**328,704,079**	601,589,094
Loans and advances	12	**67,822,902**	69,088,671
Due from related party		**1,150,380**	-
Deposits, prepayments and other receivables	13	**575,981,421**	984,855,361
Current maturity of long term receivables	11.1	**-**	13,995,364
Taxation - net	14	**163,120,742**	123,339,561
Investments	15	**9,001,861**	34,735,199
Cash and bank balances	16	**95,281,712**	32,771,396
		2,698,807,510	3,327,058,930
Total assets		**7,807,183,539**	7,722,887,011
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 400,000,000 ordinary shares of Rs.10 each		**4,000,000,000**	2,000,000,000
Issued, subscribed and paid up capital	18	**1,512,500,000**	1,512,500,000
Share premium		**1,095,352,578**	1,095,352,578
Fair value reserve		**(1,815,876)**	(3,392,943)
Unappropriated profit		**231,917,852**	641,560,112
Equity attributable to owners of the Company		**2,837,954,554**	3,246,019,747
Non controlling Interests	19	**259,467,794**	330,115,497
		3,097,422,348	3,576,135,244
LIABILITIES			
Non-current liabilities			
Lease liabilities	20.1	**663,416**	1,665,777
Defined benefit obligation - net	22	**16,149,322**	10,467,240
Long term loans	23	**1,730,349,971**	166,666,667
Deferred tax liabilities	21	**-**	69,986,776
Deferred grant	24	**2,646,769**	-
		1,749,809,478	248,786,460
Current liabilities			
Current maturity of lease liabilities	20.1	**1,077,125**	4,104,846
Current portion of long term loans	23	**43,170,962**	-
Current portion of deferred grant	24	**4,829,455**	-
Short term borrowings	25	**2,088,194,296**	3,274,028,285
Trade and other payables	26	**491,985,880**	501,533,063
Due to related party		**162,803,871**	33,818,656
Unclaimed dividend		**3,526,379**	3,535,500
Accrued mark-up		**164,363,745**	80,944,957
		2,959,951,713	3,897,965,307
Total equity and liabilities		**7,807,183,539**	7,722,887,011
CONTINGENCIES AND COMMITMENTS	17		

The annexed notes 1 to 45 form an integral part of these consolidated financial statements.

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

Consolidated Statement of Profit or Loss
For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
Revenue - net	27	**2,778,630,637**	5,709,735,175
Cost of sales	28	**(2,726,360,719)**	(5,072,556,256)
Gross profit		**52,269,918**	637,178,919
Administrative, selling and general expenses	29	**(239,016,127)**	(258,502,409)
Impairment loss on trade receivables	10	**(12,347,172)**	-
		(199,093,381)	378,676,510
Other expenses	30	**(3,044,586)**	(34,958,382)
Other income	31	**15,905,563**	29,513,184
		12,860,977	(5,445,198)
Operating (loss) / profit		**(186,232,404)**	373,231,312
Finance costs	32	**(235,609,302)**	(188,328,868)
Share of loss in associate - net	8.1.2	**(172,850,982)**	(109,254,552)
Provision for impairment against associate		**(122,991,403)**	(15,206,745)
(Loss) / profit before taxation		**(717,684,091)**	60,441,147
Taxation	33	**70,955,369**	(116,700,981)
Loss for the year		**(646,728,722)**	(56,259,834)
Loss attributable to:			
Owners of the Company		**(576,081,019)**	(53,070,669)
Non-controlling interests	19	**(70,647,703)**	(3,189,165)
		(646,728,722)	(56,259,834)
Loss per share - basic and diluted	34	**(3.81)**	(0.35)

The annexed notes 1 to 45 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive	Director

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
Loss for the year		**(646,728,722)**	(56,259,834)
Other comprehensive loss			
Items that will not be reclassified to profit or loss			
Re-measurement loss on defined benefit obligation	22.2.4	**(2,418,212)**	(14,150,802)
Related tax		**701,281**	4,103,733
		(1,716,931)	(10,047,069)
Change in fair value of equity investments at FVOCI - net of tax		**1,384,926**	(16,633,321)
Share of other comprehensive income / (loss) in associate - net of tax	8.1.2	**168,347,831**	(3,532,640)
Total comprehensive loss for the year		**(478,712,896)**	(86,472,864)
Total comprehensive loss attributable to			
Owners of the company		**(408,065,193)**	(83,283,699)
Non-controlling interests	19	**(70,647,703)**	(3,189,165)
		(478,712,896)	(86,472,864)

The annexed notes 1 to 45 form an integral part of these consolidated financial statements.

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2020

	Attributable to owners of the Company						
	Share capital	**Capital reserve**	**Revenue reserves**				
	Issued, subscribed and paid up capital	**Share premium**	**Fair value reserve**	**Unappropriated profit**	**Total**	**Non controlling interests**	**Total equity**
	--- (Rupees) ---						
Balance at 1 July 2018	1,512,500,000	1,095,352,578	13,240,378	708,210,490	3,329,303,446	333,304,662	3,662,608,108
Total comprehensive income for the year ended 30 June 2019							
Loss for the year	-	-	-	(53,070,669)	(53,070,669)	(3,189,165)	(56,259,834)
Other comprehensive loss for the year	-	-	(16,633,321)	(13,579,709)	(30,213,030)	-	(30,213,030)
	-	-	(16,633,321)	(66,650,378)	(83,283,699)	(3,189,165)	(86,472,864)
Transactions with owners of the Company	-	-	-	-	-	-	-
Balance at 30 June 2019	1,512,500,000	1,095,352,578	(3,392,943)	641,560,112	3,246,019,747	330,115,497	3,576,135,244
Total comprehensive income for the year ended 30 June 2020							
Loss for the year	**-**	**-**	**-**	**(576,081,019)**	**(576,081,019)**	**(70,647,703)**	**(646,728,722)**
Reclassification of unrealised gain on sale of investment carried at FVOCI	**-**	**-**	**192,141**	**(192,141)**	**-**	**-**	**-**
Re-measurement loss on defined benefit obligation - net of tax	**-**	**-**	**-**	**(1,716,931)**	**(1,716,931)**	**-**	**(1,716,931)**
Change in fair value of equity investments at FVOCI - net of tax	**-**	**-**	**1,384,926**	**-**	**1,384,926**	**-**	**1,384,926**
Share of other comprehensive income in associate - net of tax	**-**	**-**	**-**	**168,347,831**	**168,347,831**	**-**	**168,347,831**
	-	**-**	**1,577,067**	**(409,642,260)**	**(408,065,193)**	**(70,647,703)**	**(478,712,896)**
Transactions with owners of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2020	**1,512,500,000**	**1,095,352,578**	**(1,815,876)**	**231,917,852**	**2,837,954,554**	**259,467,794**	**3,097,422,348**

The annexed notes 1 to 45 form an integral part of these consolidated financial statements.

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020	2019
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(717,684,091)**	60,441,147
Adjustments for:			
Depreciation	6.1.6	**101,180,156**	105,820,154
Amortization	7	**793,362**	1,110,781
Provision for obsolescence and slow moving stock	9.1	**11,286,922**	13,129,662
Finance costs	32	**213,753,648**	104,929,853
Finance lease charges	32	**28,342**	401,666
Provision for gratuity	22.2.3	**3,903,870**	1,633,646
Gain on disposal of property, plant and equipment	31	**(1,317,073)**	(3,911,559)
Share of loss in associate continued - net of tax	8.1.2	**172,850,982**	109,254,552
Provision for impairment against associate		**122,991,403**	15,206,745
Capital loss on sale of investments	30	**2,985,345**	-
Mark-up income on investments	31	**(916,844)**	(12,786,779)
Dividend income	31	**(803,081)**	(98,892)
Un-winding of mark-up on long term receivables	31	**-**	(2,647,827)
Mark-up income on loan to employees	31	**(1,648,778)**	(2,156,387)
Mark-up income from Participation Term Certificates	31	**(7,527,465)**	(7,582,410)
Government grant	31	**(291,728)**	-
Unrealized (gain) / loss on re-measurement of investment classified as at FVTPL - net		**(5,642)**	14,583,626
		(100,420,672)	397,327,978
Working capital changes			
(Increase) / decrease in current assets			
Stores and spares and loose tools		**(14,588,957)**	(17,038,076)
Stock-in-trade		**12,241,906**	244,916,402
Trade debts - net		**272,885,015**	(250,779,453)
Loans and advances		**1,265,769**	86,333,792
Deposits, prepayments and other receivables		**422,505,511**	(202,678,861)
		694,309,244	(139,246,196)
Increase / (decrease) in current liabilities			
Trade and other payables		**(47,819,437)**	136,241,774
Received against Mobilization advance		**38,272,254**	-
Due to related party		**128,985,215**	33,818,656
		119,438,032	170,060,430
Cash generated from operations		**713,326,604**	428,142,212
Contributions to defined benefit plan		**(640,000)**	-
Mark-up received from loan to employees		**1,648,778**	2,156,387
Income taxes paid - net		**(49,431,284)**	(91,318,033)
Net cash generated from operating activities		**664,904,098**	338,980,566
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(925,420,559)**	(2,817,862,703)
Payments for acquisition of investments / redemption of investments - net		**17,270,346**	757,482
Mark-up received on investments and bank deposits		**916,844**	12,786,779
Mark-up received from Participation Term Certificates		**7,527,465**	7,582,410
Dividend received		**803,081**	98,892
Proceeds from disposal of property and equipment		**2,114,000**	7,626,671
Net cash used in investing activities		**(896,788,823)**	(2,789,010,469)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments against finance lease obligation		**(4,058,424)**	(22,779,020)
Mark-up paid		**(130,325,643)**	(31,341,369)
Long term loan		**1,614,622,218**	166,666,667
Dividend paid		**(9,121)**	(38,508)
Net cash generated from financing activities		**1,480,229,030**	112,507,770
Net increase / (decrease) in cash and cash equivalents		**1,248,344,305**	(2,337,522,133)
Cash and cash equivalents at beginning of the year		**(3,241,256,889)**	(903,734,756)
Cash and cash equivalents at end of the year	16.1	**(1,992,912,584)**	(3,241,256,889)

The annexed notes 1 to 45 form an integral part of these consolidated financial statements.

Chief Financial Officer	Chief Executive	Director

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

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

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

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

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

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

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

Name of the Company	Incorporation date	Effective holding % 30 June 2020	30 June 2019	Principle line of business
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	**91%**	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	**92%**	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	**100%**	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	**80%**	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers. Commercial production has not yet started.
Associate				
Treet Corporation Limited	22 January 1977	**5.27%**	5.32%	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.

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

1.2 Impact of COVID-19 on the financial statements

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On 20 March 2020, the Government of the Sindh announced a temporary lockdown as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Group temporarily suspended its operations from 23 March 2020. In the Company's case, the lockdown was subsequently relaxed from end of May 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Group has resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in supply chain including supply to the customers resulting in a decline in sales. It is also expected that the outbreak may result in lower demand in future.

The management has analyzed the financial statement items that may be exposed to the impacts of the economic conditions arising from COVID-19 such as recoverable values of inventories, trade receivables and fixed assets relating to the business. After analyzing impact, the carrying values of such assets are considered in line with the requirements of applicable financial reporting standards.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements, other than the disruption on operations in the months of the lockdown period, however the quantification of the same is impracticable.

1.3 Liquidity position and its management

In the year 2017, Loads group initiated a new project of alloy wheels through a subsidiary company i.e. HAWL. To finance this project, significant borrowings were made from group entities (including parent company) and other lenders (banks and related parties). This alongwith a downturn in automotive sector has resulted in severe liquidity crunch in the group entities including Loads Limited. Details of liquidity position and its management are included in note 37.3.1.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 USE OF JUDGMENTS AND ESTIMATES

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

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are set forth below:

- Depreciation rates for fixed assets (note 6);
- Provision for impairment of stores and spares and stock-in-trade (notes 9 and 28.2);
- Provision for impairment of financial and non-financial assets (notes 6 and 10);
- Net defined benefit obligation (note 22);
- Contingencies (note 17).

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

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

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 1 July 2020:

- 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.

- On 29 March 2018, the International Accounting Standards Board (the IASB) has issued a revised Conceptual Framework for Financial Reporting which is applicable immediately contains changes that will set a new direction for IFRS in the future. The Conceptual Framework primarily serves as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs and any inconsistencies with the revised Framework will be subject to the usual due process – this means that the overall impact on standard setting may take some time to crystallize. The companies may use the Framework as a reference for selecting their accounting policies in the absence of specific IFRS requirements. In these cases, companies should review those policies and apply the new guidance retrospectively as of 1 January 2020, unless the new guidance contains specific scope outs.

- Interest Rate Benchmark Reform which amended IFRS 9, IAS 39 and IFRS 7 is applicable for annual financial periods beginning on or after 1 January 2020. The G20 asked the Financial Stability Board (FSB) to undertake a fundamental review of major interest rate benchmarks. Following the review, the FSB published a report setting out its recommended reforms of some major interest rate benchmarks such as IBORs. Public authorities in many jurisdictions have since taken steps to implement those recommendations. This has in turn led to uncertainty about the long-term viability of some interest rate benchmarks. In these amendments, the term 'interest rate benchmark reform' refers to the market-wide reform of an interest rate benchmark including its replacement with an alternative benchmark rate, such as that resulting from the FSB's recommendations set out in its July 2014 report 'Reforming Major Interest Rate Benchmarks' (the reform). The amendments made provide relief from the potential effects of the uncertainty caused by the reform. A company shall apply the exceptions to all hedging relationships directly affected by interest rate benchmark reform. The amendments are not likely to affect the financial statements of the Group.

- Amendments to IFRS 16 IASB has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications. Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

- there is no substantive change to the other terms and conditions of the lease; and

- any reduction in lease payments affects only payments originally due on or before 30 June 2021.

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual period beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprise the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

- Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after 1 January 2022. Clarifies that sales proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc, are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- The following annual improvements to IFRS standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022:

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the "10 percent" test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

  The above amendments are effective for annual periods beginning on or after 1 July 2020 and are not likely to have an impact on Group's financial statements.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied to all the periods presented except as mentioned in change in accounting policies as stated in note 5.1.

5.1 Change in accounting policy

Explained below is the impact of the adoption of IFRS 16 "Leases" on the Group's financial statements, and also discloses the new accounting policy that has been applied from 1 July 2019, where it is different to that applied in prior periods.

The Group adopted IFRS 16 "Leases" on 1 July 2019 as notified by the Securities and Exchange Commission of Pakistan vide its SRO 434 (I)/2018 dated 9 April 2018. The standard replaces the existing guidance on leases, 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 in the Legal Form of a Lease".

IFRS 16 introduced a single lease accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise right-of-use (RoU) assets representing its rights to use the underlying assets and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 "Leases". Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases differently.

At inception of a contract, the Group is required to assess whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group is required to apply judgments to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term which significantly effects the amount of lease liabilities and RoU assets recognised.

Generally, RoU asset would be equal to the lease liability. However, if there are additional costs such as site preparation, non-refundable deposits, application money, other expenses related to transaction etc. need to be added to the RoU asset value.

The Group is required to determine the lease term as the non-cancellable period of a lease, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and

- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In determining the lease term and assessing the length of the non-cancellable period of a lease, the Group applies the definition of a contract and determined the period for which the contract is enforceable. A lease is no longer enforceable when the lessee and the lessor each has the right to terminate the lease without permission from the other party with no more than an insignificant penalty.

In applying IFRS 16 for the first time, the Group has used the practical expedients permitted by the standard by electing not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its arrangements made applying IAS 17 and interpretation for determining whether an arrangement contains a lease. The application of IFRS 16 did not have any impact on assets, liabilities or unappropriated profit except reclassification of leased assets as RoU assets.

5.2 Basis of Consolidation

5.2.1 Subsidiaries

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

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

5.2.2 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

5.2.3 Loss of control

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

5.2.4 Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

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

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. Impairment policy of non financial assets are included in note 5.3.

5.2.5 Transactions eliminated on consolidation

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

5.3 Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

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

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

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

Gains and losses on disposal

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

Impairment

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

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

5.4 Intangible assets

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

Amortisation

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

5.5 Financial Instruments

5.5.1 Initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

5.5.2 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI) - Debt investment;
- Fair value through other comprehensive income (FVOCI) - Equity investment; or
- Fair value through profit and loss (FVTPL).

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets cash flows.

Amortized cost

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 in order to collect contractual cash flows; and

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

FVOCI - Debt investment

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.

FVOCI - Equity investment

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in investment's fair value in OCI.

FVTPL

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 Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL.

Subsequent measurement and derecognition

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. 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 classified as FVOCI are subsequently measured at fair value. Interest income calculated using effective method, foreign exchange gain 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 classified as FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment, when the Group's right to receive payments is established. This category only includes equity instruments, which the Group intends to hold for the foreseeable future. On derecognition, there is no reclassification of fair value gains and losses to profit or loss. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9.

The financial assets classified at FVTPL are subsequently measured at fair value and net gains and losses, including any interest or dividend income, are recognised in profit or loss. Net gains and losses (unrealised and realised), including any interest or dividend income, are recognised in profit or loss.

Impairment of financial assets

Expected credit loss (ECL) is recognized for financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not investments in equity instruments. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The financial assets at amortized cost consist of trade receivables, cash and cash equivalents, and other receivables including loans to related parties.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables. Management uses actual historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment to determine lifetime expected loss allowance. For other debt financial assets (i.e., loans etc.), the ECL is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL's that results from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due and a financial asset in default when contractual payment are 90 days past due.

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

5.5.3 Financial liabilities

Classification and subsequent measurement of financial liabilities

The Group classifies its financial liabilities as those to be measured subsequently at amortized cost using the effective interest method, if they are not:

- contingent consideration of an acquirer in a business combination;
- held-for-trading; or
- designated as at FVTPL.

The Group has not classified any of its financial liabilities at FVTPL.

Derecognition

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when the Group has a legal right to offset the amounts and intends to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.6 Provisions

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

5.7 Stores, spares and loose tools

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

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

5.8 Stock-in-trade

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

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

5.9 Cash and cash equivalents

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

5.10 Foreign currency translation

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

5.11 Taxation

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

Current tax

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

Deferred tax

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

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

5.12 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

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

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

(a) the present value of the defined benefit obligation; less

(b) the fair value of plan assets (if any).

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

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

Compensated absences

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

Defined Contribution plan - Provident Fund

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

5.13 Earnings per share

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

5.14 Revenue from Contracts with Customers

Made to order products

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

Standard products

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

5.15 Dividend distribution and appropriation to reserves

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

5.16 Segment accounting

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

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

5.17 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

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

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

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

5.18 Investment and other income

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

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

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

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

5.19 Borrowing costs

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

5.20 Borrowings

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

5.21 Government grants

Government grants are transfers of resources to an entity by a Government entity in return for compliance with certain past or future conditions related to the entity's operating activities - e.g. a Government subsidy. The definition of "Government" refers t Governments, Government agencies and similar bodies, whether local, national or international.

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

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

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

5.22 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less provision for any uncollectible debts. Refer note 5.5.2 for a description of the Group's impairment policies.

Notes to the Consolidated Financial Statements
For the year ended 30 June 2020

5.23 Leases

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

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

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

6. PROPERTY, PLANT AND EQUIPMENT

	Note	**2020**	2019
		(Rupees)	
Operating property, plant and equipment	6.1	**794,856,968**	859,206,477
Capital work-in-progress	6.2	**4,137,672,674**	3,249,879,689
		4,932,529,642	4,109,086,166

6.1 Operating property, plant and equipment

	Cost					2020	Accumulated depreciation					Net book
	As at 1 July 2019	Additions / transfers	Transfer from leased assets	(Disposals)	As at 30 June 2020	Rate	As at 1 July 2019	For the year	Transfer from leased assets	(Disposals)	As at 30 June 2020	value as at 30 June 2020
Owned	(Rupees)					%	(Rupees)					
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	19,703,315	-	-	-	19,703,315	-	-	-	-	-	-	19,703,315
Building on leasehold land	327,490,993	2,084,119	-	-	329,575,112	5	86,805,708	13,338,344	-	-	100,144,052	229,431,060
Plant and machinery (note 6.1.5)	779,397,553	24,421,461	-	-	803,819,014	10 - 20	348,579,864	48,691,817	-	-	397,271,681	406,547,333
Tools and equipment	274,922,329	7,307,864	-	-	282,230,193	10 - 35	214,564,270	21,430,834	-	-	235,995,104	46,235,089
Furniture, fittings and office equipment	60,053,512	3,814,128	-	-	63,867,640	10 - 30	38,466,002	5,607,953	-	-	44,073,955	19,793,685
Vehicles	47,425,713	-	71,592,626	(2,632,550)	116,385,789	20	13,874,693	11,302,909	48,174,222	(1,835,623)	71,516,201	44,869,588
Right of use assets												
Vehicles	76,039,626	-	(71,592,626)		4,447,000	20	48,616,027	808,297	(48,174,222)	-	1,250,102	3,196,898
	1,610,113,041	37,627,572	-	(2,632,550)	1,645,108,063		750,906,564	101,180,154	-	(1,835,623)	850,251,095	794,856,968

	2019												
	Cost					Rate	Accumulated depreciation					Net book value as at 30 June 2019
	As at 1 July 2018	Additions / transfers	Transfer from leased assets	(Disposals)	As at 30 June 2019		As at 1 July 2018	For the year	Transfer from leased assets	(Disposal)	As at 30 June 2019	
Owned	(Rupees)					%	(Rupees)					
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	19,703,315	-	-	-	19,703,315	-	-	-	-	-	-	19,703,315
Building on leasehold land	235,668,167	91,822,826	-	-	327,490,993	5	77,859,428	8,946,280	-	-	86,805,708	240,685,285
Plant and machinery (note 6.1.5)	720,933,451	66,534,479	-	(8,070,377)	779,397,553	10 - 20	306,009,607	48,183,720	-	(5,613,463)	348,579,864	430,817,689
Tools and equipment	270,753,082	4,169,247	-	-	274,922,329	10 - 35	184,698,708	29,865,562	-	-	214,564,270	60,358,059
Furniture, fittings and office equipment	54,501,675	5,551,837	-	-	60,053,512	10 - 30	33,485,269	4,980,733	-	-	38,466,002	21,587,510
Vehicles	29,174,456	8,836,950	9,414,307	-	47,425,713	20	2,639,828	6,732,801	4,502,064	-	13,874,693	33,551,020
Leased												
Vehicles	80,083,975	9,084,625	(9,414,307)	(3,714,667)	76,039,626	20	48,463,503	7,111,057	(4,502,064)	(2,456,469)	48,616,027	27,423,599
	1,435,898,121	185,999,964	-	(11,785,044)	1,610,113,041		653,156,343	105,820,153	-	(8,069,932)	750,906,564	859,206,477

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

6.1.2 Carrying amount of temporary idle properties of the Group	**2020**	2019
	(Rupees)	
	25,080,000	25,080,000

6.1.3 Freehold land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 694 million (2019: 300 million) obtained from JS Bank Limited (note 23).

6.1.4 Plant and machinery are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 801 million and Rs. 653 million (2019: Rs. 801 million and Rs. 253 million) respectively. These charges are against different financing facilities obtained from various banks (note 25).

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

6.1.6 The depreciation charge for the year has been allocated as follows:	Note	**2020**	2019
		(Rupees)	
Cost of sales	28	**89,715,861**	96,202,694
Administrative, selling and general expenses	29	**11,464,295**	9,617,459
		101,180,156	105,820,153

6.1.7 Details of property, plant and equipment disposed off

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

	2020							
Asset	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain on disposal	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
Owned	(Rupees)							
Vehicles								
ALTO AWL-693	754,000	611,413	142,587	569,000	426,413	Mr. Muhammad Arif	Negotiation	Various
Mehran VXR BAQ-653	607,700	424,942	182,758	485,000	302,242	Mr. Muhammad Islam Khan	Negotiation	Various
Mehran VXR BEA-144	633,850	381,437	252,413	557,000	304,587	Mr. Muhammad Aslam	Negotiation	Various
Suzuki Pickup Ravi KT-7456	637,000	417,831	219,169	503,000	283,831	Mr. Hafiz Muhammad Umais	Negotiation	Various
	2,632,550	1,835,623	796,927	2,114,000	1,317,073			

6.1.8 Vehicles having net book value of Rs. 23.4 million (2019: 4.9 million) were classified as owned vehicles on expiry of lease term.

6.2	**Capital work-in-progress**	**Note**	**2020**	2019
			(Rupees)	
			3,009,559,851	2,415,096,923
	Plant and machinery		**1,095,593,102**	808,862,392
	Building and construction work		**32,519,721**	24,183,754
	Tools and equipment		**-**	637,425
	Equipment and fixtures			
	Advances against:		**-**	1,098,195
	- Furniture and equipments		**-**	1,000
	- other capital expenditure	6.2.1	**4,137,672,674**	3,249,879,689

6.2.1	**Movement in capital work-in-progress is as follows:**			
			3,249,879,689	19,183,883
	Balance at beginning of the year		**925,420,557**	3,301,401,393
	Additions during the year		**(37,627,572)**	(70,705,587)
	Transferred to operating property, plant and equipment	6.2.1.1	**4,137,672,674**	3,249,879,689
	Balance at end of the year			

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

	Note	**2020**				2019			
	Note	**Opening Balance**	**Additions**	**Transfers**	**Closing Balance**	Opening Balance	Additions	Transfers	Closing Balance
		(Rupees)							
Building	6.2.1.1.1	**808,760,061**	**286,833,041**	**-**	**1,095,593,102**	-	867,062,350	(58,302,289)	808,760,061
Plant and machinery	6.2.1.1.2	**2,427,723,186**	**561,247,581**	**-**	**2,988,970,767**	-	2,427,862,400	(139,214)	2,427,723,186
Furniture and fittings		**891,413**	**-**	**(891,413)**	**-**	-	1,185,447	(294,034)	891,413
Office equipment		**-**	**-**	**-**	**-**	-	576,206	(576,206)	-
Computers and ancillary equipment		**-**	**-**	**-**	**-**	-	1,265,900	(1,265,900)	-
		3,237,374,660	**848,080,622**	**(891,413)**	**4,084,563,869**	-	3,297,952,303	(60,577,643)	3,237,374,660

6.2.1.1.1 This includes an amount of Rs. 873 million (2019: Rs. 673 million) paid to Descon Engineering (Private) Limited (contractor) in respect of construction of manufacturing facility “alloy rim manufacturing plant” at the plot of land situated in Bin Qasim Industrial Park. For this purpose, a contract was entered on 13 June 2018 between the Group and the Contractor for the provision of facility completion contract including design, mechanical, civil, electrical, installation works and project management of Hi-Tech Alloy Wheel Rim Greenfield project. Following is the repayment schedule as per the aforementioned contract (term sheet) between the Group and the Contractor:

Contract Phase	**Contract price**	**Paid during the year**		**Outstanding commitments**	**Contract price**	**Paid during the year**		**Outstanding commitments**
		Advance	**Progress billing**			**Advance**	**Progress billing**	
	(Rupees)				(USD)			
Engineering	**106,340,715**	**-**	**(106,340,715)**	**-**	**908,895**	**-**	**(908,895)**	**-**
Procurement	**234,000,000**	**(7,511,704)**	**(157,394,564)**	**69,093,732**	**2,000,000**	**(64,203)**	**(1,345,253)**	**590,544**
Construction	**669,896,019**	**(7,511,704)**	**(588,414,496)**	**73,969,819**	**5,725,607**	**(64,203)**	**(5,029,184)**	**632,220**
Testing and Commissioning	**53,170,299**	**(6,241,248)**	**-**	**46,929,051**	**454,447**	**(53,344)**	**-**	**401,103**
Total	**1,063,407,033**	**(21,264,656)**	**(852,149,775)**	**189,992,602**	**9,088,949**	**(181,750)**	**(7,283,332)**	**1,623,867**

As per agreement, payments made to Descon Engineering (Private) Limited will be in Pakistan rupees using a conversion rate of Rs. 117 / USD 1. The unpaid amount has been disclosed as commitments in note 15.2.

In addition to above, HAWL has given further advance of Rs. 10.75 million for the additional work in the construction of building. Moreover, the Group has also purchased material of Rs.186.6 million for the construction of building.

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

Plant	Date of agreement & note	Name of vendor	Country of manufacturer	Contract price	Amount paid to date	Amount paid / payable to date including LC	Status of Payment	Purpose
				In Foreign Currency		In Rs.		
Alloy Wheels Manufacturing Plant*	11 December 2017 Refer note 5.6.1	ROH Automative & Toyota Motor Corporation	Australia	AUD 5,587,763	AUD 5,587,763	537,085,491	Complete	Alloy wheels manufacturing
Painting Plant	2 March 2018 Refer note 5.6.2	Shinwoo Costec Ltd	Korea	USD 10,760,500	USD 8,660,500	1,192,555,052	In progress	Supporting section of the alloy wheel manufacturing plant
Low Pressure Die Casting Machine	Based on proforma invoice	Hands Corporation Limited	Korea	USD 3,340,000	USD 3,006,000	470,416,488	In progress	For wheel shape to enhance production facility
Cummins DG Set		Cummins Power Generation	China	USD 217,000	USD 217,000	34,952,693	Complete	Diesel generators for power generation
SNG Plant		Korea Gas Engineering	Korea	USD 160,000	USD 160,000	24,799,071	Complete	For conversion of LPG into SNG for running of plant
Diesel Fire Pump		Patterson Pump Company	USA	USD 75,276	USD 75,276	12,407,458	Complete	To protect plant in case of fire emergency
Ventilation Fans & Refrigerant		Systemair HSK	Turkey	EUR 153,791	EUR 153,791	28,458,866	Complete	To minimize heat produce from plant
Effluent Treatment Plant		AB Winston Emerges FZE	China	USD 67,000	USD 67,000	11,457,369	Complete	To recycle industrial waste water for further use and released to a sanitary sewer
Screw Air Compressor		Ingersoll Rand Int. Limited	Czech Republic	EUR 52,700	EUR 52,700	9,695,975	Complete	For gas compression
Additional Parts for Alloy Wheel Manufacturing Plant		EBC Korea Company Limited	Korea	USD 70,207	USD 70,207	12,859,467	Complete	Additional parts for alloy wheel manufacturing plant
Ups With Lead Acid Batteries And Spare Parts		Avatec Power Pte Ltd	Singapore	USD 166,405	USD 166,405	26,703,837	Complete	To minimize heat produce from plant.
Total						**2,361,391,767**		

6.2.1.1.3 This includes borrowing costs of Rs. 286.88 million (2019: Rs. 137.14 million) which is capatilized in the cost of Plant and Machinery.

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

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

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

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

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

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

The unpaid amount has been disclosed as commitments in note 15.2.1.

7 INTANGIBLE ASSETS

2020

	Cost				Useful life	Amortization				Net book value as at 30 June 2020
	As at 1 July 2019	Addition	(Disposals)	As at 30 June 2020		As at 1 July 2019	For the year	(Disposals)	As at 30 June 2020	
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	**17,528,764**	**-**	**-**	**17,528,764**	**3**	**16,390,605**	**793,362**	**-**	**17,183,967**	**344,797**

2019

	Cost				Useful life	Amortization				Net book value as at 30 June 2019
	As at 1 July 2018	Addition	(Disposals)	As at 30 June 2019		As at 1 July 2018	For the year	(Disposals)	As at 30 June 2019	
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	17,528,764	-	-	17,528,764	3	15,279,824	1,110,781	-	16,390,605	1,138,159

7.1 At 30 June 2020, the cost fully amortised intangible amounted to Rs. 13.07 million (2019: Rs. 12.19 million).

7.2 The amortisation charge for the year has been allocated to administrative, selling and general expenses (note 29).

7.3 Computer software relates to SAP business license.

8. INVESTMENTS

	Note	2020 (Rupees)	2019
Investment in associate - listed			
Treet Corporation Limited	8.1	**158,738,930**	278,706,019

8.1 Interests in equity-accounted investees

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

2020	2019			2020	2019
(Number of shares)		Quoted	Note	(Rupees)	
		Treet Corporation Limited			
8,887,958	8,741,438	(Chief Executive Officer - Syed Shahid Ali)	8.1.2	158,738,930	278,706,019

8.1.2 Movement

	Note	2020	2019
		(Rupees)	
Balance at beginning of the year		278,706,019	399,117,546
Conversion from participation term certificate into ordinary shares	8.1.2.1	7,527,465	7,582,410
Share of loss for the period from continued operations - net		(153,287,609)	(109,254,552)
Share of loss for the period from dicontinued operations - net		(19,563,373)	-
Share of other comprehensive income for the period			
- re-measurement of defined benefit liability		168,347,831	(3,532,640)
Provision for impairment		(122,991,403)	(15,206,745)
Less: dividend received during the year		-	-
		158,738,930	278,706,019
Equity held at end of the year		5.27%	5.32%

8.1.2.1 In the current year, 146,520 shares (2019: 128,205) amounting to Rs. 7.53 million (2019: Rs. 7.58 million) were converted and issued to the Group at the rate of Rs. 51.38 per share, as per the prospectus of participation term certificate issued by Treet Corporation Limited (refer note 15.1.2).

8.1.3 Market value of investment in associate is as follows:

	Note	2020	2019
		(Rupees)	
Quoted			
Treet Corporation Limited	8.1.4	158,738,930	133,394,344

8.1.4 This includes 8,800,000 (2019: nil) shares having an aggregate market value of Rs.157.168 million (2019: nil), which have been pledged with the financial institution as security against borrowing facilities. All other shares are kept in the Central Depository Company (CDC) account of the Group.

8.1.5 Treet Corporation Limited is considered associate by virtue of common directorship i.e. (4 directors are common out of 8 directors). The Group has direct share holding in associate of 5.23% (2019: 5.38%) and effective share holding (due to cross holding) of 5.27% (2019: 5.32%).

8.1.6 Summarised financial information based on audited annual financial statements for the year ended 30 June 2020 and 30 June 2019 is as follows:

	2020	2019
Direct holding	5.23%	5.38%
Effective holding	5.27%	5.32%
	(Rupees in "000")	
Non-current assets		
Current assets	16,075,313	18,376,137
Assets held for sale - net	6,102,505	7,846,942
Non-current liabilities	2,020,906	-
Current liabilities	(970,947)	(549,031)
Net assets (100%)	(15,021,936)	(15,188,379)
	8,205,841	10,485,669
Group share of net assets		
Eliminations	432,448	557,838
Negative goodwill *	-	-
Carrying amount of interest in associate	(273,709)	(279,132)
	158,739	278,706

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

Financial highlights of Treet Corporation Limited

	Note	2020	2019
		(Rupees in "000")	
Revenue		**11,111,578**	11,972,060
Loss after tax from continuing operations (100%)		**(2,268,146)**	(2,125,246)
Other comprehensive loss from continuing operations - net of tax		**(95,414)**	3,291,205
Loss from discontinuing operations - net of tax		**(371,373)**	-
Total comprehensive loss (100%)		**(2,734,933)**	1,165,959
Share of total comprehensive loss		**(144,131)**	62,029
Loss after tax (2020: 5.27% 2019: 5.32%)		**(119,531)**	(113,063)
Other comprehensive income (2020: 5.27% 2019: 5.32%)		**(5,028)**	175,092
Loss from discontinuing operations - net of tax (2020: 5.27% 2019: 5.32%)		**(19,571)**	-
Group's share of total comprehensive loss (2020: 5.27% 2019: 5.32%)		**(144,130)**	62,029

9. STOCK-IN-TRADE

	Note	2020	2019
		(Rupees)	
Raw material and components	9.2 & 9.4	**1,336,158,261**	1,342,036,391
Work-in-process		**74,331,500**	80,695,276
Finished goods		**-**	-
		1,410,489,761	1,422,731,667
Provision for obsolescence and slow moving stock	9.1	**(29,305,910)**	(18,018,988)
		1,381,183,851	1,404,712,679

9.1 Provision for obsolescence and slow moving stock

	2020	2019
Opening balance	**18,018,988**	4,889,326
Charge for the year	**11,286,922**	13,129,662
Closing balance	**29,305,910**	18,018,988

9.2 This includes raw materials in transit and in possession of subsidiaries as at 30 June 2020 amounting to Rs. 278 million (2019: Rs. 315 million) and Rs. 752 million (2019: Rs. 726 million) respectively.

9.3 Raw materials held with toll manufacturers as at 30 June 2020 amounted to Rs. 33.7 million (2019: Rs. 40.2 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 400 million and Rs. 1,712 million (2019: Rs. 534 million and Rs. 200 million) respectively. These charges are against different financing facilities obtained from various banks (note 23).

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		Note	2020	2019
10.	**TRADE DEBTS - NET**		**(Rupees)**	
	Unsecured			
	Considered good		**341,051,251**	601,589,094
	Less: impairment loss on trade debts	10.1	**(12,347,172)**	-
			328,704,079	601,589,094
10.1	**Movement in provision for doubtful debts**			
	Opening balance		**-**	-
	Provision for doubtful debts during the year		**(12,347,172)**	-
	Closing balance		**(12,347,172)**	-

10.2 For ageing of trade debts, refer note 37.2.

		Note	2020	2019
11.	**LOANS AND RECEIVABLES**			
	Long term portion of loan to employees	12.2	**7,261,530**	6,897,737
11.1	**Receivable against sale of assets**			
	Opening balance		**13,995,364**	61,146,939
	Mark-up accrued during the year	31	**-**	2,647,827
	Less: Installments received during the year		**(13,995,364)**	(49,799,402)
			-	13,995,364
12.	**LOANS AND ADVANCES**			
	Unsecured - considered good			
	Advance to suppliers	12.1	**29,741,356**	55,475,763
	Loans to employees	12.2	**9,911,080**	5,428,746
	Loans to workers	12.3	**20,629,345**	6,618,666
	Advance salary		**7,541,121**	1,565,496
			67,822,902	69,088,671

12.1 This includes advance amounting to Rs. 16.26 million (30 June 2019: Rs. 39.86 million) given to clearing agents for payment of clearing charges and other import related expenses to be incurred upon receipt of import consignment.

		Note	2020	2019
12.2	**Loans to employees**		**(Rupees)**	
	Loans to employees	12.2.1	**17,172,610**	12,326,483
	Less: long term portion		**(7,261,530)**	(6,897,737)
	Current portion of loans to employees		**9,911,080**	5,428,746

12.2.1 This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 12% (2019: 7% to 9%) per annum.

12.3 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 12% (2019: ranging from 7% to 9%) per annum.

13.	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	2020	2019
			(Rupees)	
	Unclaimed input sales tax	13.1	**303,715,067**	264,403,098
	Trade and other deposits		**7,631,745**	11,794,033
	Prepayments - provident fund		**-**	9,004,535
	Prepayments	13.3	**31,596,433**	58,865,837
	Advance against capital expenditure		**267,911**	478,593
	Receivable from employees		**467,762**	-
	Margin deposit	13.2	**5,868,294**	152,470,497
	Advance against land and construction	13.4	**226,434,209**	487,510,356
	Others		**-**	328,412
			575,981,421	984,855,361

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

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

13.3 This includes prepaid expenses paid by Hi- Tech Alloy Wheels Limited amounting to Rs. 27.86 million (30 June 2019: Rs. 29.32 million) paid in relation to advisory fees for consultancy and listing fees paid to PSX.

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

13.4.1	This includes advances against:	2020	2019
		(Rupees)	
	- Plant	**29,116,968**	114,654,414
	- Land	**151,275,600**	151,275,600
		180,392,568	265,930,014

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

13.4.3 This represents advance paid to “National Industrial Parks Development and Management Company” against purchase of 12 acres plot at Bin Qasim Industrial Park (‘the Industrial Park’). The Industrial Park is included in the list of Special Economic Zones. As per the Special Economic Zones Act, 2012, the Company will be entitled to one time exemption from custom-duties and taxes on import of plant and machinery for installation in the zone subject to verification by the Board of Investment (BOI) and exemption from all taxes on income for ten years if Commercial Production (CP) commences by 30 June 2020 and five years tax exemption if CP commences after 30 June 2020 (refer note 5.4 and 17.2). The total price of the plot is Rs. 216.108 million out of which Rs. 64.834 million is still outstanding. Possession of the allotted plot shall be handed over through a lease agreement and the request for the same has been made by the Company to National Industrial Parks Development and Management Company. As per agreement, the Company has to pay remaining amount within 12 months of the execution of License agreement and since the said agreement has not been executed due to failure of National Industrial Parks Development and Management Company to provide utilities at Bin Qasim Industrial park.

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

		Note	2020	2019
14.	**TAXATION - NET**		(Rupees)	
	Advance tax net of provision		**163,120,742**	123,339,561

		Note	2020	2019
15.	**INVESTMENTS**			
	Equity securities - at fair value through profit or loss (FVTPL)	15.1	**8,983,925**	19,106,567
	Equity securities - at fair value through other comprehensive income (FVOCI)	15.2	**17,936**	15,628,632
			9,001,861	34,735,199

		Note	2020	2019
15.1	**Equity securities - mandatory at FVTPL**			
	Ordinary shares	15.1.1	**533,851**	593,092
	Participation term certificates	15.1.2	**-**	10,787,535
	Units of mutual funds	15.1.5	**8,450,074**	7,725,940
			8,983,925	19,106,567

15.1.1 Ordinary shares - listed

2020	2019	Name of investee company	2020 Carrying value	2020 Market value	2020 Unrealised (loss) / gain	2019 Market value
(Number of shares / certificates)		Ordinary shares - Quoted	(Rupees)			
1	1	Agriautos Industries Limited	200	182	(18)	200
1	1	Al-Ghazi Tractors Limited *	317	352	35	317
1	1	Atlas Battery Limited	96	168	72	96
1	1	Atlas Honda Limited	322	384	62	322
1	1	The General Tyre & Rubber Company of Pakistan Limited	52	60	8	52
1	1	Honda Atlas Cars (Pakistan) Limited	148	194	46	148
1	1	Thal Limited *	364	325	(39)	364
230	230	Baluchistan Wheels Limited	14,065	13,968	(97)	14,065
315	315	Ghandhara Nissan Limited	16,515	19,766	3,251	16,515
150	150	Hino Pak Motors Limited	48,300	55,950	7,650	48,300
200	200	Indus Motor Company Limited	240,784	198,998	(41,786)	240,784
306	272	Millat Tractors Limited	234,567	216,085	(18,482)	234,567
63	63	Oil & Gas Development Company Limited	8,284	6,867	(1,417)	8,284
127	127	Pak Suzuki Motor Company Limited	29,078	20,552	(8,526)	29,078
			593,092	533,851	(59,241)	593,092

15.1.2 Participation term certificates (PTCs) - listed

2020	2019	Name of investee company Ordinary shares - Quoted	Note	2020 Carrying value	2020 Market value	2020 Unrealised loss	2019 Market value
(Number of certificates)				(Rupees)			
-	1,831,500	Treet Corporation Limited *	15.1.3	-	-	-	10,787,535

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

		Note	2020	2019
15.1.3	**Movement in carrying value of PTCs is as follows:**		(Rupees)	
	Opening balance		**10,787,535**	32,948,685
	Principal cash redemption	15.1.4	**(274,725)**	(274,725)
	Principal conversion to ordinary shares	15.1.4	**(7,527,465)**	(7,582,410)
			2,985,345	25,091,550
	Realised / unrealised loss for the year	30	**(2,985,345)**	(14,304,015)
	Closing balance			

15.1.4 These PTCs were mandatorily convertible into ordinary shares of Treet Corporation Limited at the ratio of 2 PTCs into 1 ordinary share over a period of 7 years. During the year, final redemption of principal amount of PTCs has been received (in cash and through share conversion). Therefore, it has been fully paid off and ceased to exist. 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 for the year 2019. During the year, principal redeemed in cash amounted to Rs. 0.27 million and principal redeemed through share conversion amounted to Rs. 7.53 million (also refer note 8.2.2).

15.1.5 Units of mutual funds

	2020					
Name of Fund	**As at 1 July 2019**	**Dividend reinvested during the year**	**As at 30 June 2020**	**Carrying value as at 30 June 2020**	**Market Value as at 30 June 2020**	**Unrealised gain as at 30 June 2020**
	Number of units			**(Rupees)**		
NAFA Riba Free Savings Fund	**15,825**	**1,437**	**17,262**	**176,176**	**176,628**	**452**
NAFA Islamic Active Allocation Plan IV	**16,249**	**1,530**	**17,779**	**2,563,277**	**2,569,432**	**6,155**
NAFA Islamic Active Allocation Plan VI	**43,571**	**2,687**	**46,258**	**2,346,687**	**2,373,211**	**26,524**
NAFA Islamic Capital Preservation Plan-II	**26,761**	**3,282**	**30,043**	**3,299,051**	**3,330,803**	**31,752**
				8,385,191	**8,450,074**	**64,883**

	2019					
Name of Fund	As at 1 July 2018	Dividend reinvested during the year	As at 30 June 2019	Carrying value as at 30 June 2019	Market Value as at 30 June 2019	Unrealised gain / (loss) as at 30 June 2019
	Number of units			(Rupees)		
NAFA Islamic Asset Allocation Fund	14,109	1,716	15,825	151,272	161,502	10,230
NAFA Riba Free Savings Fund	16,202	47	16,249	1,585,482	1,438,245	(147,237)
NAFA Islamic Active Allocation Plan IV	43,571	-	43,571	3,793,484	3,447,072	(346,412)
NAFA Islamic Capital Preservation Plan-II	26,640	121	26,761	2,678,459	2,679,121	662
				8,208,697	7,725,940	(482,757)

15.2 Equity securities - at FVOCI

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

			2020			2019
2020	2019	Name of investee company	**Cost**	**Market value**	Unrealised gain	Market value
(Number of shares)			**(Rupees)**			
		Ordinary shares - Quoted				
-	235,386	Tri-Pack Films Limited	**-**	**-**	-	15,617,861
152	152	ZIL Limited	**5,330**	**17,936**	12,606	10,771
			5,330	**17,936**	12,606	15,628,632

		2020	2019
15.2.1	**Equity securities at FVOCI - net change in 'fair value investments**	**(Rupees)**	
	Market value of investments	**17,936**	15,628,632
	Less : cost of investments	**(5,330)**	(17,193,693)
		12,606	(1,565,061)
	Less: Unrealized loss on re-measurement of investments at beginning of the year	**(1,565,061)**	(15,068,260)
	Add: Mark-to-market gain on security	**1,384,926**	-
	Add: Transfer of reserve on sale of security	**174,694**	-
	Unrealized gain / (loss) on re-measurement of equity investments at OCI for the year	**7,165**	(16,633,321)

15.2.2 During the year, shares of Tri-Pack Films Limited have been released from pledge and all shares of Tri-Pack Limited have been disposed off.

		Note	2020	2019
16.	**CASH AND BANK BALANCES**		**(Rupees)**	
	Cash in hand		**2,928,063**	1,183,009
	With banks			
	- in current accounts		**37,589,625**	14,723,246
	- in savings accounts		**54,764,024**	16,865,141
			92,353,649	31,588,387
			95,281,712	32,771,396

16.1 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise of:

	Note	2020	2019
Cash and bank balances	16	**95,281,712**	32,771,396
Short term borrowings	25	**(2,088,194,296)**	(3,274,028,285)
		(1,992,912,584)	(3,241,256,889)

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

17.1.1 Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Tax Year 2019 was selected for audit by the Tax authorities through a notice dated 10 January 2020 was received which has been responded along with the provision of required details, documents and evidences. Proceedings in this regard have not yet been finalized and hence no provision has been recognized in these financial statements.	Parent Company & FBR	10 January 2020
Federal Board of Revenue (FBR)	For Tax Year 2019, Assessing officer has commenced proceedings for monitoring of withholding taxes and subsequent to year end issued notice dated 16 July 2020 was received which is yet to be complied and responded by the company.	Parent Company & FBR	16 July 2020
Federal Board of Revenue (FBR)	On 4 February 2020, notice was issued for monitering of withholding tax u/s.176 of the Income Tax Ordinance, 2001 for tax year 2019. The Company submitted response to FBR on 19 February 2020. Due to pandemic situation of COVID 19, the proceeding was adjourned. Subsequent to year end and proceedings were finalized, and order u/s.161/205 dated 30/7/2020 was issued by the tax authorities creating a demand for defaulted tax of Rs.109,922 and default surcharge u/s. 205 thereof Rs.16,190 plus penalty u/s .182(15) of Rs. 25,000 aggregating to Rs. 151,112. The Company deposited the same amount on 12 August 2020 and no appeal was filed by the Company.	MAIL & FBR	4 February 2020
Federal Board of Revenue (FBR)	In respect of Tax Year 2019, a notice dated 14 Feruary 2020 was issued by the Tax authorities for monitoring of withholding taxes which has been responded and requisitioned details, document, and evidences have been filed by the Company. Proceeding in this regard have not yet been finalized.	HAWL & FBR	14 February 2020
Federal Board of Revenue (FBR)	The Company received show cause notice under section 21(2) of the Sales Tax Act, 1990 from Federal Board of Revenue (FBR) for non-filing of sales tax return for six consecutive months. The management replied for the aforesaid notice that it is in the process of changing sales tax status from manufacturer to distributor and has filed application for change in particulars / status several times but applications were rejected owing to delay in filing of requisite documents. Finally, the application filed on 10 March 2015 was acknowledged by FBR and forwarded for verification and subsequently no further order was received from tax authorities. The management is confident that no liability will arise in respect of non-filing of sales tax return and therefore, no provision is recognized in these financial statements.	SMPL & FBR	20 March 2015
Federal Board of Revenue (FBR)	In respect of Tax Year 2018, a notice dated 9 January 2019 was issued by FBR for monitoring of withholding taxes which has been responded and requisitioned details, Documents, and evidences have been filed by the Company. Proceeding in this regards have not yet been finalized.	SMPL & FBR	9 January 2019

17.2 Commitments

	2020	2019
17.2.1 Guarantees	(Rupees)	
Guarantees issued by banks on behalf of the Group	**710,749**	11,007,444
Guarantee for plot	**64,832,400**	64,832,400

17.2.1.1 This represents guarantee provided by M/s. East West Insurance Company Limited for the plot of land at Bin Qasim Industrial Park for which group is liable to pay within one year commencing from 11 April 2018 to 10 April 2019.

	2020	2019
17.2.2 Letters of credit	(Rupees)	
Letters of credit issued by various banks on behalf of the Group in ordinary course of the business (outstanding at year end)	**58,199,139**	343,869,697

17.2.3 The Company has issued post dated cheques to Total Parco Limited and Atlas Insurance Company Limitedas security deposits amounting to Rs. 4.34 million (2019: Rs. 4.34 million) and Rs. 77.27 million (2019: nil) respectively.

	2020	2019
17.2.4 Commitments in respect of capital expenditures of HAWL:	(Rupees)	
Property, plant and equipment	**841,133,987**	1,851,049,440

Description	2020				2019
	Currency	Original contract price	Paid till date	Outstanding commitments	Outstanding commitments
Painting plant for alloy wheels manufacturing	USD	**10,760,500**	**(8,600,500)**	**2,160,000**	2,160,000
	Rupees equivalent	**1,787,567,537**	**(1,192,555,052)**	**595,012,485**	595,012,485
Low Pressure Die Casting Machine	USD	**3,340,000**	**(3,006,000)**	**334,000**	334,000
	Rupees equivalent	**526,545,388**	**(470,416,488)**	**56,128,900**	53,457,401
Contract with Descon Engineering (Private) Limited	USD	**9,088,949**	**(7,465,082)**	**1,623,867**	3,335,579
	Rupees equivalent	**1,063,407,033**	**(873,414,431)**	**189,992,602**	390,262,743
Contract with Descon Engineering (Private) Limited	Rupees	**35,083,426**	**(32,190,557)**	**2,892,869**	29,820,912

18. SHARE CAPITAL

18.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2019: 200,000,000) ordinary shares of Rs. 10 each.

18.2 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2020	2019		2020	2019
(Number of shares)			(Rupees)	
53,770,000	53,770,000	Ordinary shares of Rs. 10 each fully paid in cash	**537,700,000**	537,700,000
97,480,000	97,480,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**974,800,000**	974,800,000
151,250,000	151,250,000		**1,512,500,000**	1,512,500,000

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

	2020		2019	
	Number of shares	**% of Holding**	Number of shares	% of Holding
Name of Shareholders				
Syed Shahid Ali (Chairman)	**62,819,872**	**41.53%**	62,819,872	41.53%
Treet Corporation Limited (Associate)	**18,895,057**	**12.49%**	18,895,057	12.49%
Directors	**4,454,475**	**2.95%**	4,454,475	2.95%
Other shareholders	**65,080,596**	**43.03%**	65,080,596	43.03%
	151,250,000	**100%**	151,250,000	100%

19. NON CONTROLLING INTERESTS (NCI)

The following table summarizes the information relating to the Group's subsidiaries that have non-controlling interest (NCI)

	2020					
	SMPL	**SAIL**	**MAIL**	**HAWL**	**Intra group eliminations**	**Total**
		---------------- (Percentage) ----------------				
NCI percentage	**0%**	**9%**	**8%**	**20%**		
Non current assets	**-**	**295,932,817**	**104,628,506**	**4,373,790,935**		
Current assets	**86,247,150**	**711,055,202**	**268,719,272**	**495,333,991**		
Non-current liabilities	**-**	**(21,000,200)**	**(10,671,159)**	**(1,330,977,062)**		
Current liabilities	**(7,548,623)**	**(404,751,889)**	**(126,944,081)**	**(2,525,129,865)**		
Net Assets	**78,698,527**	**581,235,930**	**235,732,538**	**1,013,017,999**		
Net assets attributable to NCI	**-**	**52,311,234**	**18,858,603**	**202,603,600**	**(14,305,643)**	**259,467,794**
Revenue	**-**	**189,027,987**	**56,261,119**	**-**		
Profit / (loss) for the period	**7,003,595**	**(28,270,976)**	**(3,769,642)**	**(339,008,718)**		
Other comprehensive income (OCI)	**-**	**-**	**-**	**-**		
Total comprehensive income	**7,003,595**	**(28,270,976)**	**(3,769,642)**	**(339,008,718)**		
Profit / (loss) allocated to NCI	**-**	**(2,544,388)**	**(301,571)**	**(67,801,744)**	**-**	**(70,647,703)**
Cash flows from operating activities	**(1,975,286)**	**(165,060,546)**	**(85,436,141)**	**(41,540,563)**		
Cash flows from investment activities	**14**	**(2,405,331)**	**(1,017,313)**	**(273,192,330)**		
Cash flows from financing activities (dividends to NCI: nil)	**3,114,000**	**161,593,791**	**86,048,785**	**373,413,546**		
Net increase (decrease) in cash and cash equivalents	**1,138,728**	**(5,872,086)**	**(404,669)**	**58,680,653**		

	2019					
	SMPL	SAIL	MAIL	HAWL	Intra group eliminations	Total
	---------------- (Percentage) ----------------					
NCI percentage	0%	9%	8%	20%		
Non current assets	-	304,288,861	108,608,404	4,183,662,262		
Current assets	72,589,665	564,195,286	239,211,016	219,209,858		
Non-current liabilities	-	(19,178,281)	(8,583,291)	(232,117,690)		
Current liabilities	(894,733)	(240,542,845)	(99,733,949)	(2,818,727,713)		
Net Assets	71,694,932	608,763,021	239,502,180	1,352,026,717		
Net assets attributable to NCI	-	54,788,672	19,160,174	270,405,343	(14,238,692)	330,115,497
Revenue	-	435,406,633	106,442,132	-		
Profit / (loss) for the period	4,284,873	91,034,238	320,421	(57,039,402)		
Other comprehensive income (OCI)	-	-	-	-		
Total comprehensive income	4,284,873	91,034,238	320,421	(57,039,402)		
Profit / (loss) allocated to NCI	-	8,193,081	25,634	(11,407,880)	-	(3,189,165)
Cash flows from operating activities	17,310,702	159,427,094	21,003,117	(70,154,127)		
Cash flows from investment activities	-	(335,327,080)	(110,419,027)	(2,704,625,607)		
Cash flows from financing activities (dividends to NCI: nil)	(17,684,000)	-	-	2,280,808,000		
Net increase (decrease) in cash and cash equivalents	(373,298)	(175,899,986)	(89,415,910)	(493,971,734)		

20 LEASE LIABILITIES

	2020	2019
	(Rupees)	
Opening balance	**5,770,623**	19,063,352
Addition during the year	**-**	9,157,244
Interest accrued during the year	**28,342**	401,666
Repayment of lease liabilties	**(4,058,424)**	(22,851,639)
Closing balance	**1,740,541**	5,770,623

20.1 Breakup of lease liabilities

	2020	2019
Lease liability	**1,740,541**	5,770,623
Less: Current maturity	**(1,077,125)**	(4,104,846)
	663,416	1,665,777

	2020	2019
Maturity analysis - contractual undiscounted cash flows:		
Less than one year	**1,092,282**	4,133,188
One to five years	**670,416**	1,665,777
More than five years	**-**	-
Total undiscounted lease liabilities at 30 June 2020	**1,762,698**	5,798,965

21. DEFERRED TAX (ASSETS) / LIABILITIES - NET

	2020	2019
Taxable temporary differences	**88,082,696**	94,013,459
Deductible temporary differences	**(97,583,826)**	(24,026,683)
	(9,501,130)	69,986,776

21.1 Analysis of change in deferred tax

Breakup and treatement of deferred tax balances are as follows:

	2020				2019			
	Balance at 1 July 2019	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2020	Balance at 1 July 2018	Recognized in profit and loss	Recognized in other comprehensive income	Balance at 30 June 2019
	(Rupees)							
Taxable temporary differences								
- Accelerated tax depreciation	**90,169,780**	**(3,752,525)**	**-**	**86,417,255**	93,834,877	(3,665,097)	-	90,169,780
- Finance lease arrangements	**3,843,679**	**(2,178,238)**	**-**	**1,665,441**	(641,889)	4,485,568	-	3,843,679
Deductible temporary differences								
- Provision for unrealised gain on re-measurement of investments at fair value through profit or loss	**-**	**(196,363)**	**-**	**(196,363)**	-	-	-	-
- Share of profit from associated company	**(8,703,716)**	**(6,060,757)**	**-**	**(14,764,473)**	9,005,767	(17,709,483)	-	(8,703,716)
- Expected credit loss	**-**	**(3,580,680)**	**-**	**(3,580,680)**	-	-	-	-
- Intangibles	**-**	**(941,989)**	**-**	**(941,989)**	-	-	-	-
- Allowance for inventory obsolescence	**(3,996,656)**	**(4,502,058)**	**-**	**(8,498,714)**	(1,417,905)	(2,578,751)	-	(3,996,656)
- Provision against compensated absences	**(982,910)**	**367,478**	**-**	**(615,432)**	(3,216,125)	2,233,215	-	(982,910)
- Carry forward losses	**-**	**(57,941,493)**	**-**	**(57,941,493)**	-	-	-	-
- Remeasurement of defined benefit liability	**(10,343,401)**	**-**	**(701,281)**	**(11,044,682)**	(6,239,668)	-	(4,103,733)	(10,343,401)
	69,986,776	**(78,786,625)**	**(701,281)**	**(9,501,130)**	91,325,057	(17,234,548)	(4,103,733)	69,986,776

22. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at 30 June 2020 on the basis of projected unit credit method as per the requirements of approved accounting standard - IAS 19 “Employee Benefits”. The assumptions used in actuarial valuation were as follows:

22.1 Actuarial assumptions

	2020	2019
	(Rupees)	
Financial assumptions		
-Discount rate	**8.50%**	14.25%
-Discount rate used for interest cost in profit or loss account	**14.25%**	9.00%
-Expected rate of increase in salary level	**7.50%**	13.25%
Demographic assumptions		
-Mortality rate	**SLIC 2001 - 2005 Setback 1 Year**	SLIC 2001 - 2005 Setback 1 Year

			2020			2019		
			Management	Non-Management	Total	Management	Non-Management	Total
		Note	(Rupees)					
22.2	**Amount recognised in the balance sheet**							
	Present value of defined benefit obligation	22.2.1	34,008,162	15,180,704	49,188,866	30,080,864	15,007,778	45,088,642
	Fair value of plan assets	22.2.2	(25,770,366)	(8,584,084)	(34,354,450)	(25,459,044)	(9,162,358)	(34,621,402)
	Payables		917,920	396,986	1,314,906	-	-	-
	Net liability at end of the year		9,155,716	6,993,606	16,149,322	4,621,820	5,845,420	10,467,240
22.2.1	**Movement in present value of defined benefit obligation**							
	Opening balance		30,080,864	15,007,778	45,088,642	25,538,353	13,550,296	39,088,649
	Current service cost		1,992,823	558,752	2,551,575	1,615,029	497,165	2,112,194
	Interest costs		4,200,342	2,036,921	6,237,263	2,260,327	1,210,832	3,471,159
	Benefits paid by the plan		(291,640)	(1,030,201)	(1,321,841)	(847,225)	(193,207)	(1,040,432)
	Benefits due but not paid (payable)		(917,920)	(396,986)	(1,314,906)	-	-	-
	Re-measurements gain on obligation		(1,056,307)	(995,560)	(2,051,867)	1,514,380	(57,308)	1,457,072
	Closing balance		34,008,162	15,180,704	49,188,866	30,080,864	15,007,778	45,088,642
22.2.2	**Movement in the fair value of plan assets**							
	Opening balance		25,459,044	9,162,358	34,621,402	31,206,791	13,199,066	44,405,857
	Interest income		3,607,134	1,277,834	4,884,968	2,770,486	1,179,221	3,949,707
	Contribution paid into the plan		-	640,000	640,000	-	-	-
	Benefits paid by the plan		(291,640)	(1,030,201)	(1,321,841)	(847,225)	(193,207)	(1,040,432)
	Re-measurements (loss) / gain on plan assets		(3,004,172)	(1,465,907)	(4,470,079)	(7,671,008)	(5,022,722)	(12,693,730)
	Closing balance		25,770,366	8,584,084	34,354,450	25,459,044	9,162,358	34,621,402
22.2.3	**Amounts recognised in the profit or loss account**							
	Current service cost		1,992,823	558,752	2,551,575	1,615,029	497,165	2,112,194
	Interest cost		4,200,342	2,036,921	6,237,263	2,260,327	1,210,832	3,471,159
	Interest income		(3,607,134)	(1,277,834)	(4,884,968)	(2,770,486)	(1,179,221)	(3,949,707)
	Expense for the year		2,586,031	1,317,839	3,903,870	1,104,870	528,776	1,633,646
22.2.4	**Amounts recognised in the other comprehensive income**							
	Re-measurement loss / (gain) on obligation	22.2.4.1	(1,056,307)	(995,560)	(2,051,867)	1,514,380	(57,308)	1,457,072
	Re-measurement of fair value of plan assets		3,004,172	1,465,907	4,470,079	7,671,008	5,022,722	12,693,730
	Re-measurement loss / (gain) for the year		1,947,865	470,347	2,418,212	9,185,388	4,965,414	14,150,802
22.2.4.1	**Re-measurement loss / (gain) on obligation**							
	Loss / (gain) due to change in financial assumptions		(224,916)	(80,415)	(305,331)	190,119	79,003	269,122
	Loss / (gain) due to change in experience adjustments		(831,391)	(915,145)	(1,746,536)	1,324,261	(136,311)	1,187,950
			(1,056,307)	(995,560)	(2,051,867)	1,514,380	(57,308)	1,457,072
22.2.5	**Net recognized liability / (asset)**							
	Net asset at beginning of the year		4,621,820	5,845,420	10,467,240	(5,668,438)	351,230	(5,317,208)
	Expense recognised in profit and loss account		2,586,031	1,317,839	3,903,870	1,104,870	528,776	1,633,646
	Contribution paid into the plan		-	(640,000)	(640,000)	-	-	-
	Re-measurement losses recognised in other comprehensive income		1,947,865	470,347	2,418,212	9,185,388	4,965,414	14,150,802
	Net liability at end of the year		9,155,716	6,993,606	16,149,322	4,621,820	5,845,420	10,467,240

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For the year ended 30 June 2020

22.3 Plan assets comprise of the following

	2020		2019	
	Management	Non-Management	Management	Non-Management
	(Rupees)		(Rupees)	
Government securities	**12,758,790**	**1,947,907**	13,268,124	2,434,372
Equity shares	**5,002,985**	**3,525,916**	5,438,947	3,832,848
Others	**8,008,591**	**3,110,259**	6,751,973	2,895,138
	25,770,366	**8,584,082**	25,459,044	9,162,358

22.4 Sensitivity analysis for actuarial assumptions

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

	2020		2019	
	Management	Non-Management	Management	Non-Management
	(Rupees)		(Rupees)	
Discount rate +1%	**32,088,922**	**14,460,143**	28,361,709	14,265,408
Discount rate -1%	**36,192,701**	**15,959,508**	32,027,900	15,810,429
Salary increase +1%	**36,215,216**	**15,967,202**	32,048,208	15,818,534
Salary increase -1%	**32,035,104**	**14,439,926**	28,314,790	14,245,109

22.5 Expected charge for the year ending 30 June 2021 is Rs. 3.78 million.

22.6 Risks associated with defined benefit plans

a) Investment risks

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

b) Mortality risks

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

c) Salary increase risk

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

d) Withdrawal risk

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

22.7 Historical information

	30 June				
	2019	2018	2017	2016	2015
	(Rupees)				
Present value of defined benefit obligation	45,088,642	39,088,649	46,295,653	36,385,471	33,537,730
Fair value of plan assets	(34,621,402)	(44,405,857)	(46,008,258)	(41,234,617)	(39,879,652)
Net (asset) / liability	10,467,240	(5,317,208)	287,395	(4,849,146)	(6,341,922)

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

	Note	2020	2019
		(Rupees)	
Cost of sales	28.3	**3,032,008**	1,104,870
Administrative and selling expenses	29.1	**871,862**	528,776
		3,903,870	1,633,646

23. LONG TERM LOAN

	Note	2020	2019
Secured			
Term finance - under SBP refinance scheme for payment of wages	23.1	**65,307,260**	-
Loan from JS Bank Limited	23.2	**285,000,000**	-
Loan from Orix Leasing Pakistan Limited	23.3	**24,751,538**	-
Karobar Financing	23.4	**80,000,000**	-
Islamic finance (diminishing musharaka)		**199,946,480**	166,666,667
Demand finance		**1,118,515,655**	-
Less: Current portion		**(43,170,962)**	-
		1,730,349,971	166,666,667

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

23.2 During the year, the Group entered into a long term loan facility from JS Bank Limited of Rs. 300 million for cash flow management of the Group. This facility is secured by charge over current and future assets of the Group. During the year, the Group has made repayments of Rs. 15 million together with mark-up thereon. This facility carries mark-up ranging from 3 months KIBOR plus 2% to 3 months KIBOR plus 3.5% per annum (2019: nil) repayable quarterly from the disbursement date.

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

23.3 During the year, the Group availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 30.2 million for cashflow management of the Group. This facility is secured by hypothecation charge over specified assets of the Group. During the year, the Group has made repayments of Rs. 8.64 million together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 4.75% per quarter (2019: nil) repayable on monthly basis from the disbursement date.

23.4 This represents Karobar finance facility available from BankIslami Pakistan Limited having limit of Rs. 200 million (2019: Rs 200 million), to fulfil working capital requirement through Shari'ah compliant mechanism.

As at 30 June 2020, Rs.120 million remained utilised (2019: Rs. 51 million unutllised). This facility is secured by ranking charge over current and future assets of the Group. This facility carry mark-up ranging from 1 month KIBOR plus 0.5% to 6 months KIBOR plus 0.5% per annum (2019: 1 month KIBOR plus 0.5% per annum) and is repayable maximum within 180 days.

Due to current pandemic of COVID 19, the Group though its letter dated 15 April 2020 requested the Bank to provide relief to the Group as per directives issued under circular letter no.13 of 2020 dated 26 March 2020, by State Bank of Pakistan for deferment of principal repayments for one year. The Bank through its letter dated 20 May 2020 approved request of the Group and revised the payment date till 17 August 2021.

			2020	2019
24.	**DEFERRED GRANT**	Note	**(Rupees)**	
	Government grant		**7,476,224**	-
	Less: Current portion of Government grant		**(4,829,455)**	-
		23.1	**2,646,769**	-

24.1 The Institute of Chartered Accountants of Pakistan issued a publication through circular no.11/2020 to clarify accounting of the long term loan (note 23). Accordingly, the Group has measured and recognized the loan liability and deferred capital grant in accordance with the said publication and requirements of relevant IFRSs.

			2020	2019
25.	**SHORT TERM BORROWINGS**	Note	**(Rupees)**	
	Secured			
	Running finances under mark-up arrangements	25.1	**1,292,043,808**	2,404,692,445
	Soneri Bank Limited - Local bill discounting		**436,927,999**	437,002,507
	Islamic financing		**359,222,489**	432,333,333
			2,088,194,296	3,274,028,285

25.1 Running finances under mark-up arrangements

		2020	2019
Allied Bank Limited		**293,236,857**	298,809,749
JS Bank Limited		**297,293,483**	248,890,177
MCB Bank Limited		**186,457,226**	1,022,057,256
Meezan Bank Limited		**-**	197,323,413
Askari Bank Limited		**196,740,177**	180,048,815
Habib Metropolitan Bank Limited		**139,288,766**	86,266,815
Bank AL Habib Limited		**95,423,449**	60,515,566
Soneri Bank Limited		**83,603,850**	24,983,047
Habib Bank Limited		**-**	877,888
The Bank of Punjab		**-**	284,919,719
	25.1.1	**1,292,043,808**	2,404,692,445

25.1.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Parent Company and HAWL, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 28 February 2021. 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 0.55% to 3 months KIBOR plus 1.50% per annum (2019: 1 month KIBOR plus 0.5% to 6 months KIBOR plus 0.55% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 1,820 million (2019: Rs. 2,320 million) out of which Rs. 92.8 million (2019: 586.9 million) remained unavailed at the reporting date.

25.2 Facilities available for opening letters of credit / guarantees at 30 June 2020 amounted to Rs. 2,555 million (2019: Rs. 2,958 million) out of which Rs. 2,497 million (2019: Rs. 2,533 million) remained unutilized at the reporting date.

25.3 Covenants compliance matter

HAWL has secured bank loans from MCB Bank Limited, Bank of Punjab Limited and JS Bank Limited with a carrying amount of Rs. 868.515 million (2019: Rs. 823.686 million), Rs. 199.946 million (2019: Rs. 284.92 million) and Rs. 3.266 million (2019: nil) respectively as at 30 June 2020.

Long term arrangements are subject to covenants clauses, in which HAWL is required to maintain the current ratio of more than 1 and leverage ratio of not more than 2.5 by MCB and JS Bank and debt to equity ratio of not less than 33:67 by BOP.

As at 30 June 2020, HAWL's debt:equity ratio was 76:24 and the current ratio was less than one i.e. 0.14. These ratios resulted in breach of the covenant clauses due to which the banks are contractually entitled to immediate settlement of outstanding loan amount. Management has been in the process of actively renegotiating with all the banks for restructuring of loan.

Subsequent to year end, MCB has allowed grace period of 3 years on 1 August 2020 and BOP has allowed grace period of 1 year on 22 July 2020, due to which their outstanding loan amount is classified as non-current as at 30 June 2020.

Whereas with JS Bank, the bank has not requested the early repayment of loan as of the date when these financial statements were approved by the Board of Directors. However through the email dated 17 September 2020, Bank has informed that they will reconsider the terms and conditions of the facility by 31 December 2020. Due to which, outstanding loan amount with JS bank is presented as current liability.

As of 30 June 2019, Company was in breach of covenants imposed by BOP and MCB. Due to which all outstanding amount with these lenders became payable on demand. Accordingly, exposure with these lenders was classified as current liabilities.

25.4 Details of loans and borrowings of HAWL are as follows:

Name of Lender and date of agreement	Facility	Repayment	Security	Significant loan covenants	Mark-up rate	Average mark-up rate	Limit (Rupees)	Outstanding Amount (Rupees)
The Bank of Punjab (BOP) (6 August 2018)	Demand Finance (DF)	Five equal yearly installments, commencing from 20 November 2021.	-Exclusive charge of Rs. 666.67 million over specific plant and machinery being imported by Habib Bank Limited with 25% margin. -Corporate guarantee of Loads	- The project debt equity ratio of 30:70 shall be maintained at all the time. - Project progress report to be submitted on quarterly basis. - No change in sponsor directorship / major shareholding of company without prior NOC	1 year KIBOR plus 1%	14.61%	300,000,000	199,946,480
MCB Islamic Bank Limited (MIB) (20 March 2018)	Islamic finance (Diminishing Musharaka)	Repayable semi-annual / quarterly basis depending upon negotiations over a period of 3 years. Including grace period of one year, commencing from 1 August 2021.	- First exclusive charge over Plant & Machinery being imported (already registered). Additional (if required) cover shall be taken from pari passu charge over fixed assets of the company. - Cross Corporate Guarantee of Parent company.	- Goods being imported must be as per Government policy and Shari'ah complaint. - All requisite charge forms to be submitted, duly filled in (electronic / hard form) and signed by authorized persons. - Facility shall available be subject to mutually agreed Shari'ah process flow and approved terms and conditions.	1 month KIBOR plus 0.75%	13.29%	250,000,000	250,000,000
MCB Bank Limited (MCB) (1 June 2018)	Demand Finance (DF)	On yearly basis in arrears for 1 year after the grace period and subsequently on quarterly basis commencing from 22 July 2023.	- First exclusive charge over entire present and future fixed assets (land, building and plant and machinery) including 25% margin. - Lien over purchase / import documents. -Corporate guarantee of Parent company.	- Cumulative financing availed against the plant and machinery being imported through MIB and HBL valuing Rs 1,800 million should not exceed Rs. 1,350 million. - The Company shall undertake not to avail any borrowing facility from any other bank for retirement of LC against which this facility is utilized. - Bill of entry should not be more than 30 days old. Financial covenants as follows: - Linkage ratio < 2 times - Leverage ratio < 2.5 times - Current ratio > 1	3 months KIBOR plus 1%	13.75%	1,000,000,000	868,515,655
JS Bank Limited (Refer 12.1)	Salary Refinance Facility	8 equal quarterly installments starting from 1 January 2021.	Ranking hypothecation charge of Rs.11 million on all present and future plant and machinery of the Company.	Financial covenants are as follows: - Leverage ratio < 2.5 times - DSCR < 0.5 times - Current ratio > 1	3%	3%	8,000,000	3,266,945
Total							**1,558,000,000**	**1,321,729,080**

26.	TRADE AND OTHER PAYABLES	Note	2020	2019
			(Rupees)	
	Trade creditors		**60,945,680**	257,046,750
	Accrued liabilities	26.1	**103,457,441**	71,438,429
	Other liabilities			
	Advance from customers	26.7	**147,836,422**	83,699,401
	Rental payable		**2,086,917**	-
	Book overdrawn		**132,534**	21,882,931
	Mobilization advances	26.4	**38,272,254**	524,430
	Workers' profit participation fund	26.2	**2,969,298**	15,521,412
	Provision for compensated absences		**2,122,179**	3,389,345
	Workers' welfare fund	26.3	**5,056,637**	10,896,456
	Withholding tax payable		**36,684,956**	10,805,475
	Security deposit from contractors	26.5	**262,000**	262,000
	Sales tax payable		**69,542**	3,023,112
	Payable to provident fund		**9,792,403**	8,476,882
	Provision against uncliamed input tax		**56,744,030**	-
	Other payables	26.6	**25,553,587**	14,566,440
			491,985,880	501,533,063

26.1 This includes provision of Rs. 6.29 million (2019: Rs. 6.26 million) in respect of Gas Infrastructure Development Cess (GIDC) charges. No payment has been made in the current and prior years, Subsequent to year end, the case of GIDC charge was decided by the Supreme Court of Pakistan. Accoriding to the decision, the Group has to pay the amount in 24 equal installments starting from August 2020.

26.2	Workers' Profit Participation Fund	Note	2020	2019
			(Rupees)	
	Opening balance		**15,521,412**	15,716,871
	Charge for the year	30	**-**	13,904,332
	Mark-up charged during the year	32	**1,413,625**	471,502
	Write-off during the year		**732,264**	-
	Less: Payments during the year		**(14,698,003)**	(14,571,293)
	Closing balance		**2,969,298**	15,521,412
26.3	**Workers' Welfare Fund**			
	Opening balance		**10,896,456**	18,033,964
	Charge for the year	30	**-**	5,966,628
	Less: Payments during the year		**(5,839,819)**	(13,104,136)
	Closing balance		**5,056,637**	10,896,456

26.4 This carries no mark-up (2019: 7.3%).

26.5 This represents security deposit received from contractors against provision of services, kept in the Group's bank account.

26.6 This includes amounts deducted from employees' salaries against vehicles (used by employees) to be sold to the employees upon completion of respective useful lives of the vehicles.

26.7 This includes Rs. 79.3 million received from scrap dealer against future sale of scrap and anciliary items.

27.	REVENUE - NET	Note	2020	2019
			(Rupees)	
	Local sales	27.1	**3,284,088,726**	6,715,988,229
	Less: Sales returns		**(15,705,071)**	(35,598,074)
			3,268,383,655	6,680,390,155
	Less: Sales tax		**(489,753,018)**	(970,654,980)
			2,778,630,637	5,709,735,175

27.1 This includes scrap sales amounting to Rs. 64.62 million (2019: Rs. 67.24 million).

		Note	2020	2019
28.	**COST OF SALES**		(Rupees)	
	Raw materials and components consumed	28.1	**1,768,210,376**	4,114,376,036
	Ancillary materials consumed	28.2	**89,198,875**	108,675,323
	Manufacturing expenses			
	Salaries and wages		**335,851,126**	355,101,427
	Other employees' benefits	28.3	**83,970,682**	160,126,811
	Provident fund contribution		**2,965,450**	2,718,117
	Toll manufacturing		**60,476,513**	111,210,192
	Depreciation	6.1.6	**89,715,860**	96,202,694
	Gas, power and water		**37,243,942**	38,778,687
	Travelling and vehicle running cost		**11,069,717**	15,482,938
	Insurance		**11,751,213**	11,477,660
	Repairs and maintenance		**19,251,586**	22,855,182
	Postage, telephone and telex		**2,078,645**	1,373,148
	Input sales tax written-off		**70,989,252**	-
	Inward freight and storage charges		**2,994,500**	1,599,911
	Conveyance		**19,985,135**	23,209,442
	Rent, rates and taxes		**1,398,600**	3,204,813
	Printing, stationery and periodicals		**94,902**	701,695
	Royalty expense	28.4	**4,941,111**	11,026,173
	General expenses		**3,142,542**	8,378,749
	Security services		**547,402**	636,655
	Transferred to capital work-in-progress		**(8,774,244)**	(9,373,528)
	Manufacturing cost		**749,693,934**	854,710,766
	Opening stock of work-in-process		**80,695,276**	150,978,815
	Impact of adoption of IFRS 15		**-**	(75,489,408)
	Impact of IFRS 15 during the year		**67,967,725**	
	Closing stock of work-in-process	9	**(74,331,500)**	(80,695,276)
			74,331,501	(5,205,869)
	Cost of goods manufactured		**2,681,434,686**	5,072,556,256
	Opening stock of finished goods		**-**	49,683,031
	Impact of adoption of IFRS 15		**-**	(49,683,031)
	Impact of recording revenue over time		**44,926,033**	
	Closing stock of finished goods	9	**-**	-
	Net change in finished goods		**44,926,033**	-
			2,726,360,719	5,072,556,256

		Note	2020	2019
28.1	**Raw materials and components consumed**			
	Opening balance		**1,342,036,391**	1,466,986,223
	Purchases		**1,809,409,840**	3,976,296,542
	Less: Purchase returns		**(58,364,516)**	-
			3,093,081,715	5,443,282,765
	Closing balance	9	**(1,336,158,261)**	(1,342,036,391)
	Charge for the year	9.1	**11,286,922**	13,129,662
			1,768,210,376	4,114,376,036
28.2	**Stores, spares and loose tools**			
	Opening inventory		**61,971,605**	44,933,529
	Purchases		**103,787,832**	125,713,399
			165,759,437	170,646,928
	Closing inventory		**(76,560,562)**	(61,971,605)
			89,198,875	108,675,323

28.3 This includes a sum of Rs. 3 million (2019: Rs. 1.1 million) in respect of expense relating to gratuity.

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

Name of Recipient	Relationship with the Group	Registered Address	2020 (Rupees)	2019
Futaba Industrial Co. Limited	Technical advisor	1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558	**4,941,111**	11,026,173

29. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

	Note	2020 (Rupees)	2019
Salaries and wages		**118,401,913**	108,453,662
Other employees' benefits	29.1	**18,357,982**	29,391,788
Provident Fund contribution		**1,520,128**	1,350,070
Advertising and sales promotion		**1,501,195**	2,347,896
Travelling and vehicle running cost		**12,188,665**	14,007,885
Outward freight		**10,118,656**	18,857,488
Depreciation	6.1.6	**11,464,295**	9,617,459
Amortization	7	**793,362**	1,110,781
Legal and professional charges		**18,359,269**	14,994,373
Rent, rates and taxes		**2,671,451**	-
Listing expense		**7,182,544**	-
Postage, telephone and telex		**3,987,584**	4,719,770
Conveyance		**2,552,322**	2,039,205
Auditors' remuneration	29.2	**3,647,722**	3,086,500
Electricity		**1,308,034**	1,377,626
Repairs and maintenance		**1,237,902**	483,402
Entertainment		**327,962**	505,162
Printing, stationery and periodicals		**1,857,051**	2,570,190
Insurance		**8,155,433**	4,251,291
Donation		**-**	100,000
Staff Transportation		**1,413,714**	-
Commission expense		**113,565**	397,130
Rent expense		**2,901,485**	-
Penalty	29.3	**-**	33,556,274
General expenses		**8,953,893**	5,284,457
		239,016,127	258,502,409

29.1 This includes a sum of Rs. 1.3 million (2019: Rs. 0.53 million) in respect of employee benefits - gratuity.

29.2 Auditors' remuneration

	2020 (Rupees)	2019
Audit services		
Audit fee	**1,585,000**	1,400,000
Interim review	**250,000**	350,000
Fee for special audit / review for IPO	**-**	220,000
Other audit services	**1,000,000**	-
Out of pocket expense	**337,722**	391,500
Certifications for regulatory purposes	**475,000**	725,000
	3,647,722	3,086,500

29.3 In 2018, the Bank had remitted advance payment of USD 3.15 million and USD 0.3 million to M/S EBC Korea Company Limited on 12 April 2018 and 30 August 2018 respectively under a letter of credit of USD 10.8 million on behalf of the Group.

As per para 30(i) of FE Manual 2017, shipment must be received within four months from the date of advance payment and failure thereof would result in penalty at the rate of one percent per month or part thereof on the amount of advance payment from date of remittance till date of submission of documents.

However, the goods were shipped as per the shipment schedule prescribed in letter of credit and were received approximately after 8 months and consequently a penalty had been imposed by SBP amounting to USD 0.24 million (Rs. 28.19 million).

		Note	2020	2019
30.	**OTHER EXPENSES**		**(Rupees)**	
	Workers' Profit Participation Fund	26.2	**-**	13,904,332
	Workers' Welfare Fund	26.3	**-**	5,966,628
	Loss on redemption of PTCs	15.1.3	**2,985,345**	-
	Unrealised loss on re-measurement of investments at FVTPL	15.1.1	**59,241**	14,583,626
	Others		**-**	503,796
			3,044,586	34,958,382

		Note	2020	2019
31.	**OTHER INCOME**			
	Income from financial assets			
	Mark-up income from PTCs		**7,527,465**	7,582,410
	Dividend income	31.1	**803,081**	98,892
	Un-winding of mark-up on sale of dies	11.1	**-**	2,647,827
	Mark-up income on loans to employees		**1,648,778**	2,156,387
	Mark-up income on savings accounts		**860,922**	12,032,712
	Government grant		**291,728**	-
	Unrealised gain on re-measurement of investments at FVTPL		**64,883**	-
	Others		**55,922**	754,067
			11,252,779	25,272,295
	Income from assets other than financial assets			
	Gain on disposal of property, plant and equipment	6.1.7	**1,317,073**	3,911,559
	Gain on scrap sale of packing material		**2,363,000**	-
	Others		**972,711**	329,330
			4,652,784	4,240,889
			15,905,563	29,513,184

31.1 This represents dividend received from Indus Motor Company Limited, Baluchistan Wheels Limited, ZIL Limited, Al-Ghazi Tractors Limited, Millat Tractors Limited, Oil and Gas Development Company Limited, Thal Limited, Agriautos Industries Limited and Honda Atlas Cars (Pakistan) Limited against investment as disclosed in note 15. Further it also includes dividend reinvested on mutual funds as disclosed in note 15.1.5.

		Note	2020	2019
32.	**FINANCE COSTS**		**(Rupees)**	
	Mark-up on bank loans and borrowings		**213,753,648**	104,303,324
	Exchange loss		**15,102,753**	78,911,577
	Bank charges		**5,310,934**	-
	Finance lease charges		**28,342**	401,666
	Mark-up on mobilization advance		**-**	626,529
	Commission and other charges		**-**	3,614,270
	Mark-up on workers' profit participation fund	26.2	**1,413,625**	471,502
			235,609,302	188,328,868
33.	**TAXATION**			
	Current		**3,000,253**	108,118,572
	Prior		**4,831,003**	25,816,957
	Deferred	21.1	**(78,786,625)**	(17,234,548)
		33.1	**(70,955,369)**	116,700,981

		2020	2019
33.1	**Reconciliation between tax expense and accounting profit**	**(Rupees)**	
	(Loss) / profit before taxation	**(717,684,091)**	60,441,147
	Tax at the applicable rate of 29% (2019: 29%)	**(208,128,386)**	17,527,933
	Difference in minimum tax and tax as per first schedule	**208,163,831**	70,649,545
	Prior year charge	**4,831,003**	25,816,957
	Tax effect of share of profit from asssociate	**(6,060,757)**	(15,295,637)
	Net effect of expenses not deductible in determining taxable income	**(72,725,868)**	-
	Tax effect of tax credits	**-**	(7,070,373)
	Tax effect of income taxable as FTR	**120,462**	
	Others	**2,844,346**	25,072,556
		(70,955,369)	116,700,981

33.2 The returns of income tax have been filed up to and including tax year 2019 (corresponding to financial year ended upto 30 June 2019). These, except for those mentioned in note 17, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

33.3 HAWL received the status of Special Economic Zone Enterprise after its application for Zone Enterprise entry was accepted on 18 December 2018 by "National Industrial Parks Development and Management Company" located at Bin Qasim Industrial Park ('the Industrial Park') which is included in the list of Special Economic Zones. As per the Special Economic Zones Act, 2012, the Company will be entitled to one time exemption from custom-duties and taxes on import of plant and machinery for installation in the Zone subject to verification by the Board of Investment (BOI) and exemption from all taxes on income for ten years if Commercial Production (CP) commences by 30 June 2020 and five years tax exemption if CP commences after 30 June 2020.

		2020	2019
34.	**LOSS PER SHARE - BASIC AND DILUTED**	**(Rupees)**	
	Loss for the year attributable to ordinary shareholders of the Company	**(576,081,019)**	(53,070,669)
		(Number)	
	Weighted average number of ordinary shares outstanding during the year	**151,250,000**	151,250,000
		(Rupees)	
	Loss per share - basic and diluted	**(3.81)**	(0.35)

35. TRANSACTIONS WITH RELATED PARTIES

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

Name of the related party	Relationship and percentage shareholding	Transactions during the year and year end balances	2020 (Rupees)	2019
Provident fund	Defined benefit scheme	(Payable) / Receivable from / (to) provident fund	**(34,100)**	9,004,535
Employee benefits - gratuity	Defined contribution plan	Expense for the year	**3,903,870**	1,633,646
		Contribution paid during the year	**640,000**	-
		Balance at the year end asset / (liability)	**(16,149,322)**	(10,467,240)
Treet Corporation Limited	Associated company by virtue of common directorship	Mark-up income on PTC	**7,527,465**	7,582,410
		Receivable at the year end	**1,150,380**	-
IGI General Insurance Limited	Common directorship	Purchase of services	**5,377,187**	10,062,764
		Amount due at the year end	**5,133,985**	4,824,114
First Treet Manufacturing Modaraba	Common directorship	Sale of goods	**178,983**	-
		Purchase of goods	**51,007**	-
Treet Holding (Private) Limited	Common directorship	Purchase of Motor-cycle	**102,000**	-
Treet HR Management (Private) Limited	Associated company by common directorship	Payable in respect of COO salary and service charges	**22,048,871**	14,818,656

35.2 Following are the details of related parties associated through common directorship and with which no transactions took place during the year:

Company Name	Basis of relationship
Archroma Pakistan Limited	Common directorship
Cutting Edge (Pvt) Limited	Common directorship
Elite Brands Limited	Common directorship
Frag Games (Pvt) Limited	Common directorship
GlaxoSmithKline Consumer	Common directorship
Global Arts (Private) Limited	Common directorship
Global Assets (Private) Limited	Common directorship
Gulab Devi Chest Hospital	Common directorship
Healthcare Pakistan Limited	Common directorship
Liaquat National Hospital	Common directorship
Online Hotel Agents (Pvt) Limited	Common directorship
Packages Limited	Common directorship
Pakistan Oxygen Limited	Common directorship
Renacon Pharma (Private) Limited	Common directorship
Robot Arts (Pvt) Limited	Common directorship
Spell Digital Movies (Pvt) Limited	Common directorship
Treet Battery (Private) Limited	Common directorship
Treet Holding (Private) Limited	Common directorship
Treet Power Limited (Unlisted)	Common directorship

35.3 The remuneration to Board of Directors (executive and non-executive) and all members of the Group's Management Team is disclosed in note 40 to these consolidated financial statements.

36 Reconciliation of movement of liabilities to cash flows cash arising from financing activities

	Liabilities			Total
	Long term loan	**Liabilities against assets subject to finance lease**	**Unclaimed dividend**	
	---------- (Rupees) ----------			
Balance as at 1 July 2019	166,666,667	5,770,623	3,535,500	175,972,790
Changes from financing cash flows				
Proceeds from loans and borrowings	1,614,622,218	-	-	1,614,622,218
Payment of finance lease liabilities	-	(4,058,424)	-	(4,058,424)
Dividend Paid	-	-	(9,121)	(9,121)
Cash received from Non controlling interest	-	-	-	-
Total changes from financing cash flows	1,614,622,218	(4,058,424)	(9,121)	1,610,554,673
Liability - related other changes				
Government grant income during the year	(291,728)	-	-	(291,728)
Finance cost	-	28,342	-	28,342
Government grant	(7,476,224)	-	-	(7,476,224)
Total liability - related other changes	(7,767,952)	28,342	-	(7,739,610)
Total equity-related other changes	-	-	-	-
Balance as at 30 June 2020	**1,773,520,933**	**1,740,541**	**3,526,379**	**1,778,787,853**

37. FINANCIAL RISK MANAGEMENT

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

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

37.1 Risk management framework

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

37.2 Credit risk

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

Exposure to credit risk

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

	Note	**2020**	2019
		(Rupees)	
Trade debts - net	10	**328,704,079**	601,589,094
Loans	12	**37,801,955**	18,945,149
Deposits and other receivables	9 & 11	**13,967,801**	178,259,894
Investments	15.1	**8,450,074**	18,513,475
Loan from Group Company		**1,150,380**	-
Bank balances and term deposit receipts	16	**92,353,649**	31,588,387
		482,427,938	848,895,999

Credit rating and collaterals

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

Bank	**Rating Agency**	**Short term rating**	**2020 (Rupees)**	**2020 (%)**
MCB Islamic Bank Limited	PACRA	A-1	**41,097,526**	**44.5%**
MCB Bank Limited	PACRA	A-1	**609,129**	**0.7%**
Meezan Bank Limited	JCR	A1+	**25,235,900**	**27.3%**
Habib Bank Limited	JCR	A-1+	**2,803,876**	**3.0%**
Bank Al-Habib Limited	PACRA	A1+	**16,193,661**	**17.5%**
Habib Metropolitan Bank Limited	PACRA	A1+	**22,045**	**0.0%**
The Bank of Punjab	PACRA	A1+	**216,224**	**0.2%**
Askari Bank Limited	PACRA	A1+	**986**	**0.0%**
National Bank of Pakistan	PACRA	A1+	**3,892,842**	**4.2%**
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	**393,372**	**0.4%**
Soneri Bank Limited	PACRA	A-1+	**78,178**	**0.1%**
BankIslami Pakistan Limited	PACRA	A1	**1,081,798**	**1.2%**
JS Bank Limited	PACRA	A1+	**728,112**	**0.8%**
			92,353,649	**100%**

Bank	Rating Agency	Short term rating	2019 (Rupees)	2019 (%)
MCB Islamic Bank Limited	PACRA	A-1	16,089,601	50.9%
Meezan Bank Limited	JCR	A1+	1,125,420	3.6%
Habib bank Limited	JCR	A-1+	213,239	0.7%
Bank Al-Habib Limited	PACRA	A1+	8,257,665	26.1%
Habib Metropolitan Bank Limited	PACRA	A1+	722,604	2.3%
The Bank of Punjab	PACRA	A1+	91,042	0.3%
Askari Bank Limited	PACRA	A1+	898	0.0%
National Bank of Pakistan	PACRA	A1+	3,090,643	9.8%
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	224,255	0.7%
Soneri Bank Limited	PACRA	A-1+	78,178	0.2%
BankIslami Pakistan Limited	PACRA	A1	1,694,842	5.4%
			31,588,387	100%

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry. All of the Group's receivables are from distributors of automotive industries. Trade debts pertaining to four major customers of the Group aggregates to 80% as at 30 June 2020 (2019: 90%).

Impairment losses and past due balances

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

	2020			2019		
	Gross	Impairment	Net	Gross	Impairment	Net
	(Rupees)					
Less than or equal to 30 days	317,630,870	(9,490,287)	308,140,583	515,281,620	-	515,281,620
More than 30 days but not more than 90 days	8,285,540	(253,282)	8,032,258	44,646,369	-	44,646,369
More than 90 days but not more than 180 days	15,134,841	(2,603,603)	12,531,238	41,661,105	-	41,661,105
More than 180 days	-	-	-	-	-	-
	341,051,251	(12,347,172)	328,704,079	601,589,094	-	601,589,094

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

37.3 Liquidity risk

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

Maturity analysis of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	2020					
	Carrying amount	Contractual cash flows	Less than one month	One to three month	Three months to one year	More than one year
	(Rupees)					
Financial Liabilities						
Short term financing	**2,088,194,296**	**(2,088,194,296)**	**(174,016,191)**	**(348,032,382)**	**(1,566,145,723)**	**-**
Long term loan	**1,730,349,971**	**(1,730,349,971)**	**-**	**-**	**-**	**(1,730,349,971)**
Current portion of long term loan	**43,170,962**	**(43,170,962)**	**(43,170,962)**	**-**	**-**	
Trade and other payables	**237,909,660**	**(237,909,660)**	**(178,600,525)**	**(38,470,944)**	**(20,838,191)**	**-**
Lease liabilities	**1,740,541**	**(1,762,698)**	**(91,024)**	**(182,048)**	**(819,216)**	**(670,410)**
Accrued mark-up on short term financing	**164,363,745**	**(164,363,745)**	**(164,363,745)**	**-**	**-**	**-**
Due to related party	**162,803,871**	**(162,803,871)**	**(162,803,871)**	**-**	**-**	**-**
Unclaimed dividend	**3,526,379**	**(3,526,379)**	**(3,526,379)**	**-**	**-**	**-**
	4,432,059,425	**(4,432,081,582)**	**(726,572,697)**	**(386,685,374)**	**(1,587,803,130)**	**(1,731,020,381)**

	2019					
	Carrying amount	Contractual cash flows	Less than one month	One to three month	Three months to one year	More than one year
	(Rupees)					
Financial Liabilities						
Short term financing	3,274,028,285	(3,274,028,285)	(272,835,690)	(545,671,380)	(2,455,521,214)	-
Trade and other payables	346,702,964	(346,702,964)	(257,046,750)	(89,394,214)	(262,000)	-
Lease liabilities	5,770,623	(5,798,218)	(344,370)	(688,740)	(3,099,331)	(1,665,777)
Accrued mark-up on short term financing	80,944,957	(80,944,957)	(80,944,957)	-	-	-
Due to related party	33,818,656	(33,818,656)	(33,818,656)	-	-	-
Unclaimed dividend	3,535,500	(3,535,500)	(3,535,500)	-	-	-
	3,744,800,985	(3,744,828,580)	(648,525,923)	(635,754,334)	(2,458,882,545)	(1,665,777)

37.3.1 Liquidity position and its management

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

	Rupees
Project cost to date	**4,084,563,869**
Loans from Bank and others	**1,321,729,080**
Financing from Related parties	
Loads	**1,040,000,000**
SAIL	**561,048,780**
MAIL	**198,673,102**
SMPL	**71,700,000**
Others	**100,755,000**
	1,972,176,882
Equity	**790,657,007**
	4,084,562,969

This has resulted in severe cash flows problems in all the entities of the Group. Moreover, in April 2019, the Board of Loads Limited committed Rs. 7.5 billion to HAWL. The shareholders and senior management of the Group are closely monitoring the situation and are committed to meet the cash flow requirements, if any, which may arise in future, from their other entities or personal wealth.

37.4 Market risk

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

Market risk comprises of three types of risks:

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

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

37.4.1 Currency risk

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

Exposure to currency risk

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

	2020		
	USD	**SGD**	**JPY**
Creditors	**163,570**	**-**	**977,098**
Net balance sheet exposure	**163,570**	**-**	**977,098**

	2019		
	USD	SGD	JPY
Creditors	537,517	47,640	43,961,725
Net balance sheet exposure	537,517	47,640	43,961,725

The following significant exchange rates applied during the year:

	Average rate		Balance sheet date rate	
	2020	2019	**2020**	2019
USD to Pak Rupees	**164.05**	141.54	**168.05**	160.05
SGD to Pak Rupees	**119.36**	102.91	**120.39**	118.32
JPY to Pak Rupees	**1.53**	1.30	**1.56**	1.49

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, SGD and JPY at 30 June 2019 would have increased equity and profit and loss account by the amounts (net of tax) shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2018.

As at 30 June	2020 Profit and loss	2020 Equity	2019 Profit and loss	2019 Equity
	(Rupees)		(Rupees)	
Effect of change in USD	**2,748,794**	**2,748,794**	6,110,009	6,110,009
Effect of change in SGD	**-**	**-**	400,143	400,143
Effect of change in JPY	**152,427**	**152,427**	4,681,924	4,681,924
Gross exposure	**2,901,221**	**2,901,221**	11,192,076	11,192,076

The Group does not have any foreign currency borrowings as at 30 June 2020.

37.4.2 Interest rate risk

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

At balance sheet date, details of the interest rate profile of the Group's interest bearing financial instruments were as follows:

	2020	2019
	(Rupees)	
Variable rate instruments		
Financial assets		
Loan to employee	**-**	12,326,483
Loan to worker	**-**	6,618,666
	-	18,945,149
Financial liabilities		
Short tem borrowings	**(2,089,934,837)**	(3,274,028,285)
Lease liability	**(1,740,541)**	(5,770,623)
Long term loans	**(1,719,614,038)**	(166,666,667)
	(3,811,289,416)	(3,446,465,575)
	(3,811,289,416)	(3,427,520,426)
Fixed rate instruments		
Financial assets		
Loan to employees		
Loan to workers	**16,766,761**	-
	20,629,345	-
	37,396,106	-
Financial liabilities		
Term finance - under SBP refinance scheme for payment of wages and salaries	**(53,906,895)**	
	(16,510,789)	-

Fair value sensitivity analysis of fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts (net of tax) shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for June 2019.

	Profit or loss		Equity	
	100 bps increase	**100 bps decrease**	**100 bps increase**	**100 bps decrease**
	(Rupees)		**(Rupees)**	
As at 30 June 2020				
Cash flow sensitivity - variable rate instruments	**38,112,894**	**(38,112,894)**	**38,112,894**	**(38,112,894)**
As at 30 June 2019				
Cash flow sensitivity - variable rate instruments	34,275,204	(34,275,204)	34,275,204	(34,275,204)

37.4.3 Other price risk

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

As at 30 June 2020, the fair value of equity securities exposed to price risk are disclosed in note 15. The table below summarises the sensitivity of the price movements as at 30 June 2020. The analysis is based on the assumption that KSE 100 index increased by 10% (2019: 10%) and decreased by 10% (2019: 10%), with all other variables held constant and that the fair value of the Group's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of index of past three years (2019: three years).

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

Effect on assets of an increase in the KSE 100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'

	2020	2019
	(Rupees)	
Effect on investments	**90,019**	347,352
Effect on profit or loss	**89,839**	191,066
Effect on equity	**90,019**	347,352
Effect on assets of a decrease in the KSE 100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'		
Effect on investments	**(90,019)**	(347,352)
Effect on profit and loss account	**(89,839)**	(191,066)
Effect on equity	**(90,019)**	(347,352)

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Group's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2020 is not necessarily indicative of the effect on the Group's assets of future movements in the level of KSE 100 index.

37.4.4 Operational risk

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

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

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

38. CAPITAL RISK MANAGEMENT

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

The Group manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to the shareholders or issue bonus / new shares. The Group also monitors capital using a gearing ratio, which is net debt, interest bearing loans and borrowings including finance cost thereon. Capital signifies equity as shown in the balance sheet plus net debt. The gearing ratio of the Group is as follows:

	2020	2019
	(Rupees)	
Debt	**3,477,512,680**	3,360,743,865
Total equity	**3,097,422,348**	3,576,135,244
Total capital	**6,574,935,028**	6,936,879,109
Gearing ratio	**53:47**	29:71

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

39.1 Accounting classifications and fair values

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

2020

	Note	Carrying amount: Fair value through profit or loss	Carrying amount: FVOCI - equity instruments	Carrying amount: Financial assets at amortised cost	Carrying amount: Other financial assets	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		8,983,925	17,936	-	-	-	9,001,861	9,001,861	-	-	9,001,861
Financial assets - not measured at fair value											
Trade debts	39.1.1	-	-	328,704,079	-	-	328,704,079				
Loans	39.1.1	-	-	37,801,955	-	-	37,801,955				
Deposits and other receivables	39.1.1	-	-	13,967,801	-	-	13,967,801				
Cash and bank balances	39.1.1	-	-	95,281,712	-	-	95,281,712				
		8,983,925	17,936	475,755,547	-	-	484,757,408				
Financial liabilities - not measured at fair value											
Short term financing	39.1.1	-	-	-	-	2,088,194,296	2,088,194,296				
Long Term loan	39.1.1					1,730,349,971	1,730,349,971				
Trade and other payables	39.1.1	-	-	-	-	237,909,660	237,909,660				
Lease liabilities	39.1.1	-	-	-	-	1,740,541	1,740,541				
Accrued mark-up on short term financing	39.1.1	-	-	-	-	164,363,745	164,363,745				
Due to related party	39.1.1	-	-	-	-	162,803,871	162,803,871				
Unclaimed dividend	39.1.1	-	-	-	-	3,526,379	3,526,379				
		-	-	-	-	4,388,888,463	4,388,888,463				

2019

	Note	Carrying amount: Fair value through profit or loss	Carrying amount: Available for sale	Carrying amount: Loans and receivables	Carrying amount: Other financial assets	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		8,319,032	15,628,632	-	-	-	23,947,664	23,947,664	-	-	23,947,664
Participation Term Certificates		10,787,535	-	-	-	-	10,787,535	10,787,535	-	-	10,787,535
Financial assets - not measured at fair value											
Trade debts	*39.1.1*	-	-	601,589,094	-	-	601,589,094				
Loans	*39.1.1*	-	-	18,945,149	-	-	18,945,149				
Deposits and other receivables	*39.1.1*	-	-	178,259,894	-	-	178,259,894				
Cash and bank balances	*39.1.1*	-	-	32,771,396	0	-	32,771,396				
		19,106,567	15,628,632	831,565,533	-	-	866,300,732				
Financial liabilities - not measured at fair value											
Short term financing	*39.1.1*	-	-	-	-	3,274,028,285	3,274,028,285				
Trade and other payables	*39.1.1*	-	-	-	-	346,702,964	346,702,964				
Lease liabilities	*39.1.1*	-	-	-	-	5,770,623	5,770,623				
Accrued mark-up on short term financing	*39.1.1*	-	-	-	-	80,944,957	80,944,957				
Due to related party	*39.1.1*	-	-	-	-	33,818,656	33,818,656				
Unclaimed dividend	*39.1.1*	-	-	-	-	3,574,008	3,574,008				
		-	-	-	-	3,744,839,493	3,744,839,493				

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

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2020					2019				
	Chief Executive	**Director**	**Non - Executive Director**	**Executives**	**Total**	Chief Executive	Directors	Non -Executive Director	Executives	Total
	(Note 39.4)					(Note 39.4)				
	---------- (Rupees) ----------									
Managerial remuneration	**10,368,000**	**3,168,000**	**-**	**13,388,112**	**26,924,112**	9,171,600	2,703,600	-	10,169,612	22,044,812
Housing and utilities	**11,232,000**	**3,432,000**	**-**	**15,568,740**	**30,232,740**	9,928,400	2,921,400	-	11,818,172	24,667,972
Bonus	**1,600,000**	**475,000**	**-**	**2,418,401**	**4,493,401**	3,900,000	1,112,500	-	4,505,580	9,518,080
Medical	**558,586**	**170,737**	**-**	**1,160,398**	**1,889,721**	992,547	94,273	-	2,095,928	3,182,748
Group's Contribution to retirement benefits funds		**316,800**	**-**	**303,852**	**620,652**	-	270,000	-	-	270,000
Meeting fee	**-**	**-**	**310,000**	**-**	**310,000**	-	-	112,000	159,517	271,517
	23,758,586	**7,562,537**	**310,000**	**32,839,503**	**64,470,626**	23,992,547	7,101,773	112,000	28,748,809	59,955,129
Number of persons	**1**	**1**	**7**	**5**	**14**	1	1	7	3	12

40.1 The Chief Executive, directors and certain executives are provided with free use of group maintained cars in accordance with their entitlements. The approximate aggregate value of this benefit is Rs. 37.76 million (30 June 2019: Rs. 37.76 million).

41. PROVIDENT FUND

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

	2020	2019
	(Rupees)	
Size of the Fund	**69,527,228**	63,556,207
Costs of investments made	**41,640,455**	57,460,495
Amortized cost of investments	**49,841,350**	58,191,665
Percentage of investments made - based on fair value / amortized cost	**71.68%**	91.56%

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

	2020 (Un-audited)	2019 (Audited)	**2020 (Un-audited)**	2019 (Audited)
	------- (Rupees) ------		**(% of the size of the fund)**	
Term finance certificates	**140,000**	140,000	**0.20%**	0.22%
Mutual fund units	**5,679,472**	13,333,101	**8.17%**	20.98%
Government securities	**42,309,898**	41,632,355	**60.85%**	65.50%
Equity securities	**1,711,980**	3,086,209	**2.46%**	4.86%
	49,841,350	58,191,665	**71.68%**	91.56%

The above investments out of provident fund have been made in accordance with the requirement of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

42. PLANT CAPACITY AND PRODUCTION

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

		2020	2019
43.	**NUMBER OF EMPLOYEES**	**(Rupees)**	
	Total number of employees at reporting date	**1,283**	1,524
	Total number of factory employees at reporting date	**1,061**	1,300
	Average number of employees during the year	**1,404**	1,344
	Average number factory of employees during the year	**1,181**	1,310

44. OPERATING SEGMENTS

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

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

44.3 All non-current assets of the Group as at 30 June 2020 are located in Pakistan.

45. GENERAL

45.1 Authorisation for issue

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on 05 Octeber 2020.

Chief Financial Officer	Chief Executive	Director

NOTICE OF 40TH ANNUAL GENERAL MEETING OF LOADS LIMITED

Notice is hereby given that the 40th Annual General Meeting of Loads Limited will be held on Wednesday, October 28, 2020 at 11:30 a.m. at the registered office of the company; however, due to the current situation caused by the COVID-19 pandemic, shareholders shall be entitled to attend the meeting through video link facility managed from the Company's head office at Plot No.23, Sector 19, Korangi Industrial Area, Karachi, to transact the following business:

Ordinary Business

1. To confirm minutes of the Extraordinary General Meeting of Loads Limited held on January 23, 2020.

2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2020, together with the Directors' and Auditors' Reports thereon.

3. To appoint external auditors of the company for the year ending June 30, 2021 and to fix their remuneration. The retiring auditors, M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for re-appointment.

4. Any other business with the permission of the Chair.

Special Business

5. To consider to pass the following resolutions:

a) RESOLVED THAT the transaction carried out in the normal course of business with associated companies during the year ended June 30, 2020 be and are ratified and approved.

b) "RESOLVED THAT the Chief Executive of the Company be and is hereby authorised to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2021 and in this connection the Chief Executive be and is hereby also authorised to take any and all necessary actions, sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company.

6. 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 3,550,000,000/- (Rupees Three billion and five hundred & fifty million only) in the following manner, being subsidiaries undertakings, in the form of capital expenditures, working capital loan, 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)	1,000,000,000	2,000,000,000	3,000,000,000
Specialized Autoparts Industries (Private) Limited (SAIL)	350,000,000	-	350,000,000
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(7) 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 two years 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.

By Order of the Board

October 7, 2020
Karachi

Babar Saleem
Company Secretary

Notes:

Participation of Shareholders through Online Facility

- In pursuance of SECP's Circular No. 5 dated March 17, 2020, and Circular No. 10 dated April 1, 2020, respectively pertaining to Regulatory Relief to dilute impact of Corona Virus (COVID 19) for Corporate Sector, the shareholders shall be entitled to attend the proceedings of the AGM through online means using a video link facility, webinar or other electronic means for the safety and well-being of the valued shareholders and the general public.

- Shareholders interested in attending the AGM through electronic means, are requested to register themselves by submitting their following particulars at the Company's designated email address co.secy@loads-group.com before the close of business hours on 24 October 2020. The link to the webinar will be sent to the shareholders on the email address provided in the table below:

Shareholder Name	CNIC No	CDS / Folio No.	Mobile No.	Email Address

- Shareholders can also provide their comments / suggestions on co.secy@loads-group.com for the agenda items proposed to be conducted at the AGM in the same manner as it is being discussed in the AGM, and later shall be made part of the minutes of the meeting.

- The purpose of the aforementioned arrangements is to ensure maximum participation of the shareholders in the AGM through an online facility. Shareholders are also requested to consolidate their attendance through proxies, so that the quorum requirement may also be fulfilled.

Closure of Share Transfer Books

- The Share Transfer Books of the Company shall remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). Transfers in the form of physical transfers / CDS Transaction IDs received in order at the Company's Share Registrar, Messrs CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, by close of business on October 21, 2020 will be treated in time to attend and vote at the meeting and for the purpose of the above entitlement to the transferees.

Participation in the Meeting

- Only those persons, whose names appear in the register of members of the Company as on October 21, 2020, are entitled to attend, participate in, and vote at the Annual General Meeting.

- A member of the Company entitled to attend and vote at the Annual General Meeting may appoint another person as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the time of the Meeting and must be duly stamped, signed and witnessed. A form of proxy is attached herewith in the Annual Report.

Circulation /Transmission of Annual Financial Statements in Electronic Form

- The Company's annual financial statements for the year ended June 30, 2020 is also being circulated to the shareholders through CD/DVD in compliance of section 223(6) of the Companies Act, 2017. The annual financial statements has also been uploaded on the Company's website and is readily accessible to the shareholders (http://www.loads-group.pk/).

Notice to Members Who Have Not Provided CNIC

- SECP vide Notification S.R.O. 19(1)/2014 dated 10th January 2014 read with Notification S.R.O 831(1)/2012 dated 5th July 2012 require that the dividend warrant(s) should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

  Accordingly, in case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with the directives of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the dispatch of dividend warrants of such shareholders. The shareholders while sending CNIC must quote their respective folio number and name of the Company.

Change of Address

- Members are requested to immediately notify the Company's Share Registrar, Messrs CDC Share Registrar Services Limited of any change in their registered address.

Submission of valid CNIC (Mandatory):

- As per SECP directives the dividend of shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shahra-e-Faisal, Karachi - 74400 without any further delay.

Unclaimed Dividend / Shares:

- As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017, as prescribed.

Guidelines for CDC Account Holders

- CDC account holders are required to comply with the following guidelines as laid down in Circular No. 1 of 2000 dated 26th January 2000 issued by SECP:

A. For Attending the Meeting

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account 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 (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

(i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account 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 (2) 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 (unless it has been provided earlier) 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 to be transacted at the Annual General Meeting of the Company to be held on October 28, 2020.

1) Agenda Item No. 5

5(a) of the Notice - Transactions carried out with associated companies during the year ended June 30, 2020 to be passed as an Ordinary Resolution

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in this/these transaction(s) due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2020 with associated company as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

5(b) of the Notice – Authorization to the Chief Executive for the transactions carried out with associated companies during the year ended June 30, 2020 to be passed as an Ordinary Resolution

The Company would be conducting transactions with associated companies in normal course of business. The majority of majority of Company Directors were interested in this/these transaction(s) due to their common directorship and holding of shares in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

In order to comply with the provisions of clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2021.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and privileges attached thereto only.

2) **Agenda Item No. 6**

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).

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	2018: Earning per Share 1.60 2019: (Loss) per Share (0.43) 2020: (Loss) per Share (2.58)
iv.	Break-up value per share	Rs. 7.70
v.	Financial position as per Financial Statement for the year ended 30 June 2020.	Rupees **Balance Sheet:** ***Assets*** Property, plant and equipment 4,146,893,090 Long term investments 226,897,845 Advances, deposits & prepayments 433,114,423 Taxation 6,168,465 Cash and cash equivalents 56,051,103 ***Equity*** Issued, subscribed and paid-up capital 1,315,450,000 Accumulated losses / Unappropriated loss (302,432,001) ***Non-Current Liabilities*** Long term loan 1,318,462,135 Deferred grant 116,095 Deferred tax liabilities – net 12,398,832 ***Current Liabilities*** Current portion of long term loans 2,935,765 Current portion of deferred grant 215,085 Due to related parties 2,321,455,348 Accrued mark-up on loans 84,711,765 Other payables 116,962,282
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. 1,000,000,000/- (Rupees One Billion only). - Corporate Guarantee(s) up to a maximum of Rs. 2,000,000,000/- (Rupees Two Billion only)

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 HAWL is 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 agreements(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated October 5, 2020 entered by the Company for meeting working capital and other requirements of HAWL. 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.	Loads Limited had granted a loan of Rs. 1,040 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. 1,000,000,000/- (Rupees One Billion only). - Corporate Guarantee(s) up to a maximum of 2,000,000,000/- (Rupees Two Billion 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	1MONTH KIBOR + 1.25%

	the case may be, for relevant period;	
xvi.	rate of interest, mark up, fees or commission etc. to be charged by investing company;	1MONTH KIBOR + 1.5%
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	2018: Earning per Share 2.72 2019: Earning per Share 2.82 2020: Earning per Share (0.87)
iv.	Break-up value per share	PKR 17.88
v.	Financial position as per Financial Statement for the year ended 30 June 2020.	Rupees **Balance Sheet:** ***Non-Current Assets*** Property, plant and equipment 145,932,817 Investment associate 150,000,000 ***Current Assets*** Stores & spares 6,273,280 Loan and advances 12,100,909 Deposits, prepayments & other receivables 2,558,518 Due from related parties 650,587,943 Investments 5,818,401 Taxation – net 30,970,697 Cash and bank balances 2,745,454 ***Equity*** Issued, subscribed and paid-up capital 325,000,000 Unappropriated profit 256,235,930

		Non-Current Liabilities Deferred tax liability 12,857,271 Deferred tax liability - net 7,353,095 Deferred grant 789,834 ***Non-Current Liabilities*** Short-term borrowings 1,786,660 Current portion of long term loan 6,747,690 Current portion of deferred grant 1,440,572 Trade and other payables 38,071,175 Due to related parties 356,612,698 Accrued mark-up 93,094
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.350,000,000/- (Rupees Three Hundred and Fifty 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:	Investment will made from internally generated funds and bank borrowings.
	Justification for investment through borrowings:	Markup is higher than our financing cost.
	Detail of collateral, guarantees and assets pledge for obtaining such funds:	Pari passu and ranking charge over current & fixed assets of the company, as collateral security. Margin :25%
	Cost benefit analysis	The rate of interest charged to SAIL is 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 agreements(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated October 5, 2020 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.	Loads Limited had granted a loan of Rs. 246.3 million to SAIL in order to meet its working capital and other requirements.

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.350,000,000/- (Rupees Three Hundred and Fifty 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;	1MONTH KIBOR + 1.25%
xvi.	rate of interest, mark up, fees or commission etc. to be charged by investing company;	1MONTH KIBOR + 1.5%
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	2018: Earning per Share 4.45 2019: Earning per Share 0.03 2020: Earning per Share (0.30)
iv.	Break-up value per share	PKR 18.86
v.	Financial position as per Financial Statement for the year ended 30 June 2020.	Rupees **Balance Sheet:** ***Non-Current Assets*** Property, plant and equipment 54,628,506 Investment in associated company 50,000,000 ***Current Assets*** Stores and spares 3,782,614 Loans and advances 2,321,303

		Deposits, prepayments & other receivables 2,429,036 Due from related parties 237,571,238 Investments 2,631,673 Taxation net 16,704,531 Cash and bank balances 3,278,877 ***Equity*** Issued, subscribed and paid-up capital 125,000,000 Unappropriated profit 110,732,538 ***Non-Current Liabilities*** Long term loan 3,271,465 Deferred tax liability - net 7,198,722 Deferred grant 200,972 ***Current Liabilities*** Current portion of long term loan 1,716,910 Current portion of deferred grant 366,552 Trade and other payables 12,885,881 Due to related parties 111,951,050 Accrued mark-up 23,688
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 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 agreements(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated October 5, 2020 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	Directors of the Company have no interest in the investee company except in their capacity as sponsor/director/shareholder of associated company.

	any, in the associated company or associated undertaking or the transaction under consideration.	
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.	Loads Limited had granted a loan of Rs. 80.6 million to MAIL in order to meet its working capital and other requirements.
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;	1MONTH KIBOR + 1.25%
xvi.	rate of interest, mark up, fees or commission etc. to be charged by investing company;	1MONTH KIBOR + 1.5%
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	2018: Earning per Share 0.34 2019: Earning per Share 0.57 2020: Earning per Share 0.93

iv.	Break-up value per share	PKR 10.49
v.	Financial position as per Financial Statement for the year ended 30 June 2020.	Rupees **Balance Sheet:** ***Assets*** Due from related party 84,939,017 Taxation – Net 112,819 Cash balances 1,195,314 ***Equity*** Issued, subscribed and paid-up capital 75,000,000 Accumulated profit / losses 3,698,527 ***Liabilities*** Due to related party 6,607,213 Other payables 941,410
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:	Investment will made from internally generated funds and bank borrowings.
	Justification for investment through borrowings:	Markup is higher than our financing cost.
	Detail of collateral, guarantees and assets pledge for obtaining such funds:	Pari passu and ranking charge over current & fixed assets of the company, as collateral security. Margin :25%
	Cost benefit analysis	The rate of interest charged to SMPL is 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 agreements(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.	A loan agreement dated October 5, 2020 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	Loads Limited had granted a loan of Rs. 2.7 million to SMPL in order to meet its working capital and other requirements.

	complete information / justification for any impairment or write offs.	
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;	1MONTH KIBOR + 1.25%
xvi.	rate of interest, mark up, fees or commission etc. to be charged by investing company;	1MONTH KIBOR + 1.5%
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.

xi	ڈائریکٹروں، سرپرستوں، بڑے حصص یافتگان اور ان کے رشتہ داروں کے اگر کوئی بالواسطہ یا بلاواسطہ مفادات ملحقہ ادارے یا ملحقہ کمپنی یا زیرِغور سودے سے وابستہ ہیں	کمپنی کے ڈائریکٹران کا سرمایہ شدہ کمپنی میں کوئی مفاد نہیں ہے سوائے اس کے کہ ملحقہ کمپنی میں ان کی حیثیت صرف سرپرست/ ڈائریکٹر/حصص یافتہ کی ہے۔
xii	قبل ازیں ملحقہ کمپنی یا ملحقہ ادارے میں کی گئی سرمایہ کاری، اس سرمایہ کاری کی کارکردگی کا جائزہ بشمول مکمل معلومات/ جواز برائے نقصان یا حذف	لوڈز لمیٹڈ نے SMPL کے لئے قبل ازیں 2.7 ملین روپے کا قرضہ دیا ہے تا کہ اس کے جاری سرمائے اور دیگر ضروریات کو پورا کیا جا سکے۔
xiii	مزید کوئی دیگر اہم معلومات جو کہ ممبران کو سودے کو سمجھنے کے لئے درکار ہوں	کوئی نہیں
xiv	سرمایہ کاری کی رقم -درجہ وائز	SMPL کو جب اور جیسے ضرورت ہوگی قرضے،ادھار فراہم کئے جائیں گی جس کے تحت درجہ وار سرمایہ کاری -/50,000,000 (پانچ کروڑ) روپے کی ہوگی۔
xv	سرمایہ لگانے والی کمپنی کی اوسطاً قرضہ جاتی لاگت ،متعلقہ مدت کے دوران کراچی انٹربینک آفرڈ ریٹ (KIBOR) ،شریعت کے مطابق مصنوعات کی شرح منفعت اور بلاسرمایہ سہولیات پر شرح منفعت جو بھی صورت ہو، متعلقہ مدت کے دوران	1MONTH KIBOR + 1.25%
xvi	شرح سود، مارک اپ، فیس یا کمیشن وغیرہ جو کہ سرمایہ لگانے والی کمپنی عائد کرے گی	1MONTH KIBOR + 1.5%
xvii	مجوزہ سرمایہ کاری کی بابت ضمانت یا بارِضمانت کے کوائف	کوئی نہیں
xviii	اگر سرمایہ کاری میں مبادلہ کے خدوخال ہوں یعنی یہ حصص میں منتقل ہو جائے،تو پھر اس کی شرائط وضوابط، بشمول مبادلہ کا فارمولا، حالات جن کے تحت مبادلہ ہوگا اور وقت جب مبادلہ قابل عمل ہوگا	نا قابل اطلاق
xix	قرضہ کی واپسی کا جدول اور قرضہ یا ادھار کی شرائط وضوابط جو ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ طے پائے ہوں	کمپنی کے SMPL کے ساتھ طے پائے جانے والے قرضہ جاتی معاہدے کے مطابق

D- اسپیشلائزڈ موٹرسائیکلز (پرائیویٹ) لمیٹڈ

نمبر شمار	مطلوبات	درکار معلومات
i	ملحقہ کمپنی یا ادارے کا نام	اسپیشلائزڈ موٹرسائیکلز (پرائیویٹ) لمیٹڈ("SMPL")
ii	تعلق کی بنیاد	مشترکہ ڈائریکٹرشپس کی وجہ سے ایک ملحقہ ادارہ
iii	منافع (خسارہ) فی حصص گزشتہ تین سالوں کا	2018: فی حصص منافع 0.34 2019: فی حصص منافع 0.57 2020: فی حصص منافع 0.93
iv	فی حصص مالیت کا بریک اپ	10.49 پاکستانی روپے
v	مختتمہ 30 جون 2020 کے مالیاتی گوشواروں کے مطابق مالیاتی پوزیشن	**میزانیہ** **اثاثے** ملحقہ پارٹیوں سے قابل وصول 84,939,017 ٹیکس-خالص 112,819 نقد رقومات 1,195,314 **ایکویٹی** جاری کردہ، خریدشدہ اور اداشدہ سرمایہ 75,000,000 جمع شدہ فائدہ/خسارہ 3,698,527 **واجبات** ملحقہ پارٹیوں کے واجبات 6,607,213 دیگر واجبات 941,410
vi	ملحقہ ادارے کے کسی پروجیکٹ میں سرمایہ کاری	نا قابل اطلاق
vii	سرمایہ کاری کی زیادہ سے زیادہ رقم	SMPL کو جب اور جیسے ضرورت پڑی تو انہیں قرض اور ادھار کی مد میں زیاہ سے زیادہ 50,000,000/- (پانچ کروڑ) روپے فراہم کئے جائیں گے
viiii	سرمایہ کاری کے مقاصد، فوائد اور مدت	**مقاصد:** تا کہ متعلقہ کمپنی کی ورکنگ کیپیٹل ضروریات کی تائید کی جاسکیں۔ **فوائد:** کمپنی کی انتظامیہ کو یقین ہے کہ اس سے منافع کاری میں اضافہ ہوگا جس کے نتیجے میں اعلیٰ منفعت حاصل ہوگی **مدت:** سات سال
ix	سرمایہ کاری کے فنڈ کے وسائل اور قرضے کی رقم کے طور پر سرمایہ کاری کو استعمال کیا جائے گا: بطور قرضہ سرمایہ کاری کا جواز: ان رقومات کے حصول کے لئے ضمانت ناموں، بار ضمانت اور رہن شدہ اثاثوں کی تفصیل: لاگتی فوائد کا تجزیہ	سرمایہ کاری اندرونی طور پر پیدا شدہ فنڈز اور بینک کے قرضوں سے کی جائے گی شرح سود ہماری مالیاتی لاگت سے زیادہ ہے کمپنی کے ررواں اور جامد اثاثوں پر مساوی مالیت اور رینکنگ چارج بطور بار ضمانت: مارجن :25 فیصد شرح سود جو SMPL سے لیا جائے گا وہ کمپنی کی قرضہ جاتی لاگت کی شرح سے بلند ہوگی، لہذا اس سے کمپنی کے خالص منافع پر مثبت اثرات مرتب ہونگے
x	معاہدہ (معاہدوں) اگر کوئی ہوں تو ان کے نمایاں خدوخال جو کہ ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ مجوزہ سرمایہ کاری کی بابت طے پائے ہوں	ایک قرضہ جاتی معاہدہ مورخہ 05 اکتوبر 2020 کمپنی نے SMPL کے ساتھ طے کیا ہے جو کہ SMPL کے جاری سرمائے اور دیگر ضروریات کو پورا کرے گا۔ اس میں قرضہ کی رقم، قرضہ جاتی لاگت اور مدت بیان کی گئی ہے۔

ix	سرمایہ کاری کے فنڈ کے وسائل اور قرضے کی رقم کے طور پر سرمایہ کاری کو استعمال کیا جائے گا: بطور قرضہ سرمایہ کاری کا جواز: ان رقومات کے حصول کے لئے ضمانت ناموں، بار ضمانت اور رہن شدہ اثاثوں کی تفصیل: لاگتی فوائد کا تجزیہ	سرمایہ کاری اندرونی طور پر پیدا شدہ فنڈز اور بینک کے قرضوں سے کی جائے گی شرح سود ہماری مالیاتی لاگت سے زیادہ ہے کمپنی کے ررواں اور جامد اثاثوں پر مساوی مالیت اور رینکنگ چارج بطور بار ضمانت: مارجن: 25 فیصد شرح سود جو MAIL سے لیا جائے گا وہ کمپنی کی قرضہ جاتی لاگت کی شرح سے بلند ہوگی، لہذا اس سے کمپنی کے خالص منافع پر مثبت اثرات مرتب ہونگے
x	معاہدہ (معاہدوں) اگر کوئی ہوں تو ان کے نمایاں خدوخال جو کہ ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ مجوزہ سرمایہ کاری کی بابت طے پائے ہوں	ایک قرضہ جاتی معاہدہ مورخہ 5 اکتوبر 2020 کو کمپنی نے MAIL کے ساتھ طے کیا ہے جو کہ MAIL کے جاری سرمائے اور دیگر ضروریات کو پورا کرے گا- اس میں قرضہ کی رقم، قرضہ جاتی لاگت اور مدت بیان کی گئی ہے-
xi	ڈائریکٹروں، سرپرستوں، بڑے حصص یافتگان اور ان کے رشتہ داروں کے اگر کوئی بالواسطہ یا بلاواسطہ مفادات ملحقہ ادارے یا ملحقہ کمپنی یا زیر غور سودے سے وابستہ ہیں	کمپنی کے ڈائریکٹران کا سرمایہ شدہ کمپنی میں کوئی مفاد نہیں ہے سوائے اس کے کہ ملحقہ کمپنی میں ان کی حیثیت صرف سرپرست/ ڈائریکٹر/حصص یافتہ کی ہے-
xii	قبل ازیں ملحقہ کمپنی یا ملحقہ ادارے میں کی گئی سرمایہ کاری، اس سرمایہ کاری کی کارکردگی کا جائزہ بشمول مکمل معلومات/ جواز برائے نقصان یا حذف	لوڈز لمیٹڈ نے MAIL کے لئے قبل ازیں 80.6 ملین روپے کا قرضہ دیا ہے تا کہ اس کے جاری سرمائے اور دیگر ضروریات کو پورا کیا جاسکے-
xiii	مزید کوئی دیگر اہم معلومات جو کہ ممران کو سودے کو سمجھنے کے لئے درکار ہوں	کوئی نہیں
xiv	سرمایہ کاری کی رقم- درجہ وائز	MAIL کو جب اور جیسے ضرورت ہوگی قرضے، ادھار فراہم کئے جائیں گی جس کے تحت درجہ وار سرمایہ کاری -/150,000,000 (پندرہ کروڑ) روپے کی ہوگی-
xv	سرمایہ لگانے والی کمپنی کی اوسطاً قرضہ جاتی لاگت، متعلقہ مدت کے دوران کراچی انٹربینک آفرڈ ریٹ (KIBOR)، شریعت کے مطابق مصنوعات کی شرح منفعت اور بلاسرمایہ سہولیات پر شرح منفعت جو بھی صورت ہو، متعلقہ مدت کے دوران	1MONTH KIBOR + 1.25%
xvi	شرح سود، مارک اپ، فیس یا کمیشن وغیرہ جو کہ سرمایہ لگانے والی کمپنی عائد کرے گی	1MONTH KIBOR + 1.5%
xvii	مجوزہ سرمایہ کاری کی بابت ضمانت یا بار ضمانت کے کوائف	کوئی نہیں
xviii	اگر سرمایہ کاری میں مبادلہ کے خدوخال ہوں یعنی یہ حصص میں منتقل ہوجائے، تو پھر اس کی شرائط وضوابط، بشمول مبادلہ کا فارمولا، حالات جن کے تحت مبادلہ ہوگا اور وقت جب مبادلہ قابل عمل ہوگا	نا قابل اطلاق
xix	قرضہ کی واپسی کا جدول اور قرضہ یا ادھار کی شرائط و ضوابط جو ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ طے پائے ہوں	کمپنی کے MAIL کے ساتھ طے پائے جانے والے قرضہ جاتی معاہدے کے مطابق

c- ملٹی پل آٹو پارٹس انڈسٹریز (پرائیویٹ) لمیٹڈ

نمبر شمار	مطلوبات	درکار معلومات
i	ملحقہ کمپنی یا ادارے کا نام	ملٹی پل آٹو پارٹس انڈسٹریز (پرائیویٹ) لمیٹڈ ("MAIL")
ii	تعلق کی بنیاد	مشترکہ ڈائریکٹرشپس کی وجہ سے ایک ملحقہ ادارہ
iii	منافع (خسارہ) فی حصص گزشتہ تین سالوں کا	2018: منافع فی حصص 4.45 2019: منافع فی حصص 0.03 2020: منافع فی حصص (0.30)
iv	فی حصص مالیت کا بریک اپ	18.86 پاکستانی روپے
v	مختتمہ 30 جون 2020 کے مالیاتی گوشواروں کے مطابق مالیاتی پوزیشن	روپے **میزانیہ** **جامد اثاثے** پراپرٹی، پلانٹ اینڈ ایکوئپمنٹ 54,628,506 ملحقہ کمپنی میں سرمایہ کاری 50,000,000 اسٹوز اینڈ اسپیرز 3,782,614 **رواں اثاثے** خام مال اور فاضل پرزے قرضے اور ادھار 2,321,303 جمع شدہ رقومات، پیشگی ادائیگیاں اور دیگر واجب الوصولیاں 2,429,036 ملحقہ پارٹیوں سے واجب الوصولیاں 237,571,238 سرمایہ کاریاں 2,631,673 ٹیکس - خالص 16,704,531 نقد اور بینکوں میں رقومات 3,278,877 **ایکویٹی** جاری کردہ، خرید شدہ اور ادا شدہ سرمایہ 125,000,000 غیر مصرف شدہ منافع 110,732,538 **جامد واجبات** موخر شدہ ٹیکس واجبات 3,271,465 موخر شدہ ٹیکس واجبات - خالص 7,198,722 موخر شدہ گرانٹ 200,972 **رواں واجبات** طویل مدتی قرضے کا رواں حصہ 1,716,910 موخر شدہ گرانٹ کا رواں حصہ 366,552 تجارتی و دیگر واجبات 12,885,881 ملحقہ پارٹیوں کے واجبات 111,951,050 پیشگی مارک اپ 23,688
vi	ملحقہ ادارے کے کسی پروجیکٹ میں سرمایہ کاری	نا قابل اطلاق
vii	سرمایہ کاری کی زیادہ سے زیادہ رقم	MAIL کو جب اور جیسے ضرورت پڑی تو انہیں قرض اور ادھار کی مد میں زیاہ سے زیادہ -/150,000,000 (پندرہ کروڑ) روپے فراہم کئے جائیں گے
viii	سرمایہ کاری کے مقاصد، فوائد اور مدت	**مقاصد:** تاکہ متعلقہ کمپنی کی ورکنگ کیپیٹل ضروریات کی تائید کی جاسکیں۔ **فوائد:** کمپنی کی انتظامیہ کو یقین ہے کہ اس سے منافع کاری میں اضافہ ہوگا جس کے نتیجے میں اعلیٰ منفعت حاصل ہوگی **مدت:** سات سال

ix	سرمایہ کاری کے فنڈ کے وسائل اور قرضے کی رقم کے طور پر سرمایہ کاری کو استعمال کیا جائے گا: بطور قرضہ سرمایہ کاری کا جواز: ان رقومات کے حصول کے لئے ضمانت ناموں، بار ضمانت اور رہن شدہ اثاثوں کی تفصیل: لاگتی فوائد کا تجزیہ	سرمایہ کاری اندرونی طور پر پیدا شدہ فنڈز اور بینک کے قرضوں سے کی جائے گی شرح سود ہماری مالیاتی لاگت سے زیادہ ہے کمپنی کے ررواں اور جامد اثاثوں پر مساوی مالیت اور رینکنگ چارج بطور بار ضمانت: مارجن: 25 فیصد شرح سود جو SAIL سے لیا جائے گا وہ کمپنی کی قرضہ جاتی لاگت کی شرح سے بلند ہوگی، لہذا اس سے کمپنی کے خالص منافع پر مثبت اثرات مرتب ہونگے
x	معاہدہ (معاہدوں) اگر کوئی ہوں تو ان کے نمایاں خدوخال جو کہ ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ مجوزہ سرمایہ کاری کی بابت طے پائے ہوں	ایک قرضہ جاتی معاہدہ مورخہ 5 اکتوبر 2020 کو کمپنی نے SAIL کے ساتھ طے کیا ہے جو کہ SAIL کے جاری سرمائے اور دیگر ضروریات کو پورا کرے گا- اس میں قرضہ کی رقم، قرضہ جاتی لاگت اور مدت بیان کی گئی ہے-
xi	ڈائریکٹروں، سرپرستوں، بڑے حصص یافتگان اور ان کے رشتہ داروں کے اگر کوئی بالواسطہ یا بلاواسطہ مفادات ملحقہ ادارے یا ملحقہ کمپنی یا زیرغور سودے سے وابستہ ہیں	کمپنی کے ڈائریکٹران کا سرمایہ شدہ کمپنی میں کوئی مفاد نہیں ہے سوائے اس کے کہ ملحقہ کمپنی میں ان کی حیثیت صرف سرپرست/ ڈائریکٹر/حصص یافتہ کی ہے-
xii	قبل ازیں ملحقہ کمپنی یا ملحقہ ادارے میں کی گئی سرمایہ کاری، اس سرمایہ کاری کی کارکردگی کا جائزہ بشمول مکمل معلومات/ جواز برائے نقصان یا حذف	لوڈز لمیٹڈ نے SAIL کے لئے قبل ازیں 246.3 ملین روپے کا قرضہ دیا ہے تاکہ اس کے جاری سرمائے اور دیگر ضروریات کو پورا کیا جاسکے-
xiii	مزید کوئی دیگر اہم معلومات جو کہ ممران کو سودے کو سمجھنے کے لئے درکار ہوں	کوئی نہیں
xiv	سرمایہ کاری کی رقم - درجہ وائز	SAIL کو جب اور جیسے ضرورت ہوگی قرضے، ادھار فراہم کئے جائیں گی جس کے تحت درجہ وار سرمایہ کاری -/350,000,000 (پینتس کروڑ) روپے کی ہوگی-
xv	سرمایہ لگانے والی کمپنی کی اوسطاً قرضہ جاتی لاگت، متعلقہ مدت کے دوران کراچی انٹربینک آفرڈ ریٹ (KIBOR)، شریعت کے مطابق مصنوعات کی شرح منفعت اور بلاسرمایہ سہولیات پر شرح منفعت جو بھی صورت ہو، متعلقہ مدت کے دوران	1MONTH KIBOR + 1.25%
xvi	شرح سود، مارک اپ، فیس یا کمیشن وغیرہ جو کہ سرمایہ لگانے والی کمپنی عائد کرے گی	1MONTH KIBOR + 1.5%
xvii	مجوزہ سرمایہ کاری کی بابت ضمانت یا بار ضمانت کے کوائف	کوئی نہیں
xviii	اگر سرمایہ کاری میں مبادلہ کے خدوخال ہوں یعنی یہ حصص میں منتقل ہوجائے، تو پھر اس کی شرائط وضوابط، بشمول مبادلہ کا فارمولا، حالات جن کے تحت مبادلہ ہوگا اور وقت جب مبادلہ قابل عمل ہوگا	ناقابل اطلاق
xix	قرضہ کی واپسی کا جدول اور قرضہ یا ادھار کی شرائط و ضوابط جو ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ طے پائے ہوں	کمپنی کے SAIL کے ساتھ طے پائے جانے والے قرضہ جاتی معاہدے کے مطابق

B– اسپشلائزڈ آٹو پارٹس انڈسٹریز (پرائیویٹ) لمیٹڈ

نمبر شمار	مطلوبات	درکار معلومات
i	ملحقہ کمپنی یا ادارے کا نام	اسپشلائزڈ آٹو پارٹس انڈسٹریز (پرائیویٹ) لمیٹڈ
ii	تعلق کی بنیاد	مشترکہ ڈائریکٹرشپس کی وجہ سے ایک ملحقہ ادارہ
iii	منافع (خسارہ) فی حصص گزشتہ تین سالوں کا	2018: منافع فی حصص 2.72 2019: منافع فی حصص 2.82 2020: منافع فی حصص (0.87)
iv	فی حصص مالیت کا بریک اپ	17.88 پاکستانی روپے
v	مختتمہ 30 جون 2020 کے مالیاتی گوشواروں کے مطابق مالیاتی پوزیشن	روپے **میزانیہ** **جامد اثاثے** پراپرٹی، پلانٹ اینڈ ایکوپمنٹ 145,932,817 ملحقہ کمپنی کی سرمایہ کاری 150,000,000 **رواں اثاثے** خام مال اور فاضل پرزے 6,273,280 قرضے اور ادھار 12,100,909 جمع شدہ رقومات، پیشگی ادائیگیاں اور دیگر واجب الوصولیاں 2,558,518 ملحقہ پارٹیوں سے وصولیاں 650,587,943 سرمایہ کاریاں 5,818,401 ٹیکس- خالص 30,970,697 نقد اور بینکوں میں رقومات 2,745,454 **ایکویٹی** جاری کردہ، خرید شدہ اور ادا شدہ سرمایہ 325,000,000 غیر مصرف شدہ منافع 256,235,930 **جامد واجبات** موخر شدہ ٹیکس واجبات 12,857,271 موخر شدہ ٹیکس واجبات- خالص 7,353,095 موخر شدہ گرانٹ 789,834 **رواں واجبات** قلیل مدتی قرضے 1,786,660 طویل مدتی قرضے کا رواں حصہ 6,747,690 موخر شدہ گرانٹ کا رواں حصہ 1,440,572 تجارتی و دیگر واجبات 38,071,175 ملحقہ پارٹیوں کے واجبات 356,612,698 پیشگی مارک اپ 93,094
vi	ملحقہ ادارے کے کسی پروجیکٹ میں سرمایہ کاری	ناقابل اطلاق
vii	سرمایہ کاری کی زیادہ سے زیادہ رقم	SAIL کو جب اور جیسے ضرورت پڑی تو انہیں قرض اور ادھار کی مد میں زیادہ سے زیادہ -/350,000,000 (پینتیس کروڑ) روپے فراہم کئے جائیں گے
viii	سرمایہ کاری کے مقاصد، فوائد اور مدت	**مقاصد:** تاکہ متعلقہ کمپنی کی ورکنگ کیپٹل ضروریات کی تائید کی جاسکیں۔ **فوائد:** کمپنی کی انتظامیہ کو یقین ہے کہ اس سے منافع کاری میں اضافہ ہوگا جس کے نتیجے میں اعلیٰ منفعت حاصل ہوگی **مدت:** سات سال

ix	سرمایہ کاری کے فنڈ کے وسائل اور قرضے کی رقم کے طور پر سرمایہ کاری کو استعمال کیا جائے گا: بطور قرضہ سرمایہ کاری کا جواز: ان رقومات کے حصول کے لئے ضمانت ناموں، بار ضمانت اور رہن شدہ اثاثوں کی تفصیل لاگتی فوائد کا تجزیہ	سرمایہ کاری اندرونی طور پر پیدا شدہ فنڈز اور بینک کے قرضوں سے کی جائے گی شرح سود ہماری مالیاتی لاگت سے زیادہ ہے کمپنی کے رواں اور جامد اثاثوں پر مساوی مالیت اور رینکنگ چارج بطور بار ضمانت: مارجن: 25 فیصد شرح سود جو HAWL سے لیا جائے گا وہ کمپنی کی قرضہ جاتی لاگت کی شرح سے بلند ہوگی، لہذا اس سے کمپنی کے خالص منافع پر مثبت اثرات مرتب ہونگے
x	معاہدہ (معاہدوں) اگر کوئی ہوں تو ان کے نمایاں خدوخال جو کہ ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ مجوزہ سرمایہ کاری کی بابت طے پائے ہوں	ایک قرضہ جاتی معاہدہ مورخہ 5 اکتوبر 2020 کو کمپنی نے HAWL کے ساتھ طے کیا ہے جو کہ HAWL کے جاری سرمائے اور دیگر ضروریات کو پورا کرے گا- اس میں قرضہ کی رقم، قرضہ جاتی لاگت اور مدت بیان کی گئی ہے-
xi	ڈائریکٹروں، سرپرستوں، بڑے حصص یافتگان اور ان کے رشتہ داروں کے اگر کوئی بالواسطہ یا بلاواسطہ مفادات ملحقہ ادارے یا ملحقہ کمپنی یا زیرغور سودے سے وابستہ ہیں	کمپنی کے ڈائریکٹران کا سرمایہ شدہ کمپنی میں کوئی مفاد نہیں ہے سوائے اس کے کہ ملحقہ کمپنی میں ان کی حیثیت صرف سرپرست/ ڈائریکٹر/حصص یافتہ کی ہے-
xii	قبل ازیں ملحقہ کمپنی یا ملحقہ ادارے میں کی گئی سرمایہ کاری، اس سرمایہ کاری کی کارکردگی کا جائزہ بشمول مکمل معلومات/ جواز برائے نقصان یا حذف	لوڈز لمیٹڈ نے HAWL کے لئے قبل ازیں 1,040 ملین روپے کا قرضہ دیا ہے تا کہ اس کے جاری سرمائے اور دیگر ضروریات کو پورا کیا جا سکے- HAWL نے ایک چلتا ہوا الائے وہیلز کا پیداواری پلانٹ تیار کنندہ سے پاکستان میں درآمد کر لیا ہے تا کہ اصل تیار کنندگان کی مارکیٹ کی ضروریات کو پورا کیا جا سکے اور اس کا ارادہ ہے کہ اسے مقامی آٹو مینوفیکچرز کو سپلائی کیا جائے اور اس کے علاوہ فاضل پرزوں کی مارکیٹ کی وسیع طلب کو بھی پورا کیا جا سکے-
xiii	مزید کوئی دیگر اہم معلومات جو کہ ممبران کو سودے کو سمجھنے کے لئے درکار ہوں	کوئی نہیں
xiv	سرمایہ کاری کی رقم- درجہ وائز	HWAL کو جب اور جیسے ضرورت ہوگی قرضے، ادھار، کارپوریٹ گارنٹی (گارنٹیاں) فراہم کی جائیں گی جس کے تحت درجہ وار سرمایہ کاری درج ذیل انداز میں ہوگی: - قرضہ اور ادھار کے لئے زیادہ سے زیادہ رقم 1,000,000,000/- (ایک ارب روپے) - کارپوریٹ گارنٹی (گارنٹیاں) کے لئے زیادہ سے زیادہ رقم 2,000,00,000/- (دو ارب روپے)
xv	سرمایہ لگانے والی کمپنی کی اوسطاً قرضہ جاتی لاگت کی متعلقہ مدت کے دوران کراچی انٹر بینک آفرڈ ریٹ (KIBOR)، شریعت کے مطابق مصنوعات کی شرح منفعت اور بلا سرمایہ سہولیات پر شرح منفعت جو بھی صورت ہو، متعلقہ مدت کے دوران	1MONTH KIBOR + 1.25%
xvi	شرح سود، مارک اپ، فیس یا کمیشن وغیرہ جو کہ سرمایہ لگانے والی کمپنی عائد کرے گی	1M KIBOR + 1.5%
xvii	مجوزہ سرمایہ کاری کی بابت ضمانت یا بار ضمانت کے کوائف	کوئی نہیں
xviii	اگر سرمایہ کاری میں مبادلہ کے خدوخال ہوں یعنی یہ حصص میں منتقل ہو جائے، تو پھر اس کی شرائط وضوابط، بشمول مبادلہ کا فارمولا، حالات جن کے تحت مبادلہ ہوگا اور وقت جب مبادلہ قابل عمل ہوگا	ناقابل اطلاق
xix	قرضہ کی واپسی کا جدول اور قرضہ یا ادھار کی شرائط و ضوابط جو ملحقہ کمپنی یا ملحقہ ادارے کے ساتھ طے پائے ہوں	کمپنی کے HAWL کے ساتھ طے پائے جانے والے قرضہ جاتی معاہدے کے مطابق

A- ہائی ٹیک الائے وہیلز لمیٹڈ

نمبر شمار	مطلوبات	درکار معلومات
i	ملحقہ کمپنی یا ادارے کا نام	ہائی ٹیک الائے وہیلز لمیٹڈ
ii	تعلق کی بنیاد	مشترکہ ڈائریکٹرشپس کی وجہ سے ایک ملحقہ ادارہ
iii	منافع (خسارہ) فی حصص گزشتہ تین سالوں کا	2018: منافع فی حصص 1.60 2019: (خسارہ) فی حصص (0.43) 2020: (خسارہ) فی حصص (2.58)
iv	فی حصص مالیت کا بریک اپ	7.7 روپے
v	مختتمہ 30 جون 2020 کے مالیاتی گوشواروں کے مطابق مالیاتی پوزیشن	**میزانیہ** **اثاثے** پراپرٹی، پلانٹ اینڈ ایکوئپمنٹ 4,146,893,090 محسوب سرمایہ شدہ 226,897,845 ادھار، جمع شدہ رقومات اور پیشگی ادا کی گئی رقومات 433,114,423 ٹیکس 6,168,465 نقد اور مترادف نقد 56,051,103 **ایکویٹی** جاری کردہ، خرید شدہ اور ادا شدہ سرمایہ 1,315,450,000 غیر مصرف شدہ منافع (302,432,001) **جامد واجبات** طویل مدتی قرضہ 1,318,462,135 موخر شدہ گرانٹ 116,095 موخر شدہ ٹیکس واجبات - خالص 12,398,832 **رواں واجبات** طویل مدتی قرضوں کا موجودہ حصہ 2,935,765 موخر شدہ گرانٹ کا موجودہ حصہ 215,085 ملحقہ پارٹیوں کے واجبات 2,321,455,348 قرضوں میں پیشگی مارک اپ 84,711,765 دیگر واجبات 116,962,282
vi	ملحقہ ادارے کے کسی پروجیکٹ میں سرمایہ کاری	ناقابل اطلاق
vii	سرمایہ کاری کی زیادہ سے زیادہ رقم	HAWL کو جب اور جیسے ضرورت ہوگی اسے مندرجہ ذیل قرض، ادھار، کارپوریٹ گارنٹی (گارنٹیاں) فراہم کی جائیں گی: - قرض اور ادھار کی زیادہ سے زیادہ رقم/1,000,000,000 (ایک ارب روپے) - کارپوریٹ گارنٹیوں کے لئے زیادہ سے زیادہ رقم/2,000,000,000 (دو ارب روپے)
viii	سرمایہ کاری کے مقاصد، فوائد اور مدت	**مقاصد:** تاکہ متعلقہ کمپنی کی ورکنگ کیپیٹل ضروریات کی تائید کی جا سکیں۔ **فوائد:** کمپنی کی انتظامیہ کو یقین ہے کہ اس سے منافع میں اضافہ ہوگا جس کے نتیجے میں اعلیٰ منفعت حاصل ہوگی۔ **مدت:** سات سال

غیر دعویٰ شدہ منافع منقسمہ / حصص:

☆ کمپنیز ایکٹ 2017 کی دفعہ 244 کی شقوں کے تحت کمپنی کا کوئی بھی جاری کردہ حصص یا منافع منقسمہ جو کہ اپنی واجب الادا اور واجب ہونے کی تاریخ سے تین سال تک غیر دعویٰ شدہ / غیر ادا شدہ رہا ہو تو پھر حصص یافتگان کو اپنے دعوے دائر کرنے کے نوٹس کے اجراء کے بعد سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو وفاقی حکومت کے خزانے میں جمع ضروری ہے -حصص یافتگان سے درخواست ہے کہ غیر دعویٰ شدہ منافع منقسمہ اور حصص پر اپنے دعویٰ کو فوری طور پر دائر کریں-اگر کوئی دعویٰ موصول نہ ہوا تو کمپنیز ایکٹ 2017 کی دفعہ (2)244 کی شقوں کے مطابق کمپنی غیر دعویٰ شدہ/ غیر ادا شدہ رقم اور حصص کو وفاقی حکومت کے پاس جمع کروادے گی-

CDC کے کھاتے داروں کے لئے رہنما اصول

☆ CDC کے کھاتے داروں کے لئے ضروری ہے کہ SECP کے جاری کردہ سرکلر نمبر 1 سن 2000 مورخہ 26 جنوری 2000 کی پاسداری کریں:

A- اجلاس میں حاضری کے لئے:

(i) انفرادی فرد کی صورت میں کھاتے دار یا ذیلی کھاتے دار اور/ یا وہ افراد جن کے حصص گروپ اکاؤنٹ کی صورت میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC کے ضوابط کے تحت اپ لوڈ کردی گئی ہوں، وہ اپنی شناخت کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ اجلاس میں حاضری کے وقت پیش کریں گے-

(ii) کارپوریٹ انیٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیارنامہ بمع نامزد فرد کے نمونہ دستخط اجلاس میں حاضری کے وقت پیش کئے جائیں گے (اگر پہلے پیش نہ کئے ہوں)

B- پراکسی کی تقرری کے لئے

(i) انفرادی صورت میں کھاتے دار یا ذیلی کھاتے دار یا وہ فرد جس کے حصص گروپ اکاؤنٹ میں ہوں اور ان کی رجسٹریشن کی تفصیلات CDC ریگولیشنز کے تحت اپ لوڈ کردی گئی ہوں وہ مندرجہ بالا ضابطہ کے تحت پراکسی فارم پیش کریں گے-

(ii) پراکسی فارم پر دو گواہان کے دستخط ہونگے جن کے نام، پتے اور CNIC نمبر پراکسی فارم پر درج کئے جائیں گے-

(iii) پراکسی اور انتفاعی مالکان کی CNIC یا پاسپورٹ کی مصدقہ نقول پراکسی فارم کے ساتھ پیش کی جائیں گی-

(iv) پراکسی اجلاس میں حاضر ہوتے وقت اپنا اصل CNIC یا اصل پاسپورٹ پیش کرے گا-

(v) کارپوریٹ انیٹیٹی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختیارنامہ بمع نامزد فرد کے نمونہ دستخط کمپنی کے پرکسی فارم کے ساتھ پیش کئے جائیں گے (اگر پہلے فراہم نہ کئے ہوں)

بیان زیر دفعہ (3)134 کمپنیز ایکٹ 2017

اس بیان میں 28 اکتوبر 2020 کے سالانہ اجلاس عام میں انجام دیئے جانے والے خصوصی امور سے متعلق اہم حقائق موجود ہیں-

1) ایجنڈا آئٹم نمبر 5

نوٹس کا (a)5- سال مختتمہ 30 جون 2020 کے دوران ملحقہ کمپنیوں کے ساتھ کئے گئے سودوں کے لئے ایک عمومی قرارداد کی منظوری

ملحقہ کمپنیوں (ملحقہ پارٹیوں) کے ساتھ عمومی طریقہ کار کے مطابق کئے گئے سودے سہ ماہی بنیاد پر آڈٹ کمیٹی کی سفارش پر بورڈ لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 کی شق کے تحت منظور کئے جانے والے تھے-

بورڈ کے اجلاس کے دوران ڈائریکٹران نے اس بات کی نشاندہی کی کہ کمپنی کے ڈائریکٹران کی ایک بڑی تعداد کا مفاد ان کی مشترکہ ڈائریکٹرشپ اور ملحقہ کمپنیوں میں حصص داری کی وجہ سے ان سودوں سے وابستہ ہے، ڈائریکٹران کی تعداد پوری نہ ہونے کی وجہ سے ان سودوں کی منظوری نہ لی جاسکی لہذا ان سودوں کی منظوری اجلاس عام میں حصص یافتگان سے لی جائے گی-

مندرجہ بالا کو مدنظر رکھتے ہوئے مالیاتی سال مختتمہ 30 جون 2020 کے دوران ملحقہ کمپنیوں کے ساتھ کئے گئے سودوں کو آڈٹ شدہ مالیاتی گوشواروں کے متعلقہ نوٹس میں دکھایا گیا ہے جو کہ حصص یافتگان کے روبرو غور وخوض اور منظوری/ توثیق کے لئے پیش کئے جائیں گے-

اس قرارداد سے ڈائریکٹران کا مفاد صرف ان کی مشترکہ ڈائریکٹرشپ اور ان کی ملحقہ کمپنیوں میں حصص داری تک محدود ہے-

نوٹس کا (b)5 : سال مختتمہ 30 جون 2020 کے دوران ملحقہ کمپنیوں کے ساتھ کئے گئے سودوں کے لئے چیف ایگزیکٹو کو مجاز بنانے کیلئے عمومی قرارداد کی منظوری

کمپنی نے ملحقہ کمپنیوں کے ساتھ سودے عمومی طریقہ کار کے مطابق انجام دیئے- ڈائریکٹران کی ایک بڑی تعداد کا مفاد ان کی مشترکہ ڈائریکٹرشپ اور ملحقہ کمپنیوں میں ان کی حصص داری کی وجہ ان سودوں سے وابستہ ہے-لہذا ملحقہ کمپنیوں کے ساتھ کئے گئے ان سودوں کی منظوری حصص یافتگان سے لینی ہے-

لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس ریگولیشنز 2017 کی شق 15 کی ذیلی شقوں کے تحت حصص یافتگان چیف ایگزیکٹو کو سال 30 جون 2021 میں ملحقہ کمپنیوں کے ساتھ کئے گئے سودوں اور کئے جانے والے سودوں کے لئے مجاز بنا سکتے ہیں-

اس قرارداد سے ڈائریکٹران کا مفاد صرف ان کی مشترکہ ڈائریکٹرشپ اور ان کی ملحقہ کمپنیوں میں حصص داری تک محدود ہے-

2) ایجنڈا آئٹم نمبر 6

مندرجہ ذیل خصوصی قرارداد زیر دفعہ 199 کمپنیز ایکٹ 2017 پر غور کیا جائے گا اور درست سمجھا گیا تو اس میں کسی تصحیح، اضافہ یا حذف کے ساتھ یا اس کے بغیر منظور کیا جائے گا-
کمپنیز (انویسٹمنٹ ان ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈر ٹیکنز) ریگولیشنز 2017 (نوٹیفکیشن نمبر SRO 1240(I)/2017 مورخہ 6 دسمبر 2017) کے تحت درکار معلومات درج ذیل ہیں

گزارشات:

آن لائن سہولت کے ذریعے حصص یافتگان کی شرکت

☆ SECP کے بالترتیب سرکلر نمبر 5 مورخہ 17 مارچ 2020 اور سرکلر مورخہ کیم اپریل 2020 جن کا مقصد کارپوریٹ سیکٹر کے لئے کورونا وائرس (COVID-19) کی صورتحال کے اثرات کو کم کرنے کے لئے ضابطوں میں ریلیف فراہم کرنا ہے، لہذا حصص یافتگان AGM کی کارروائی میں اپنے قابل قدر گاہکوں اور عام عوام کے تحفظ اور بہبود کے لئے وڈیولنک کی سہولت، webinar یا دیگر برقی ذرائع کو استعمال کرتے ہوئے شرکت کریں گے۔

☆ حصص یافتگان جو کہ AGM میں بذریعہ برقی ذرائع شرکت کرنے کے خواہشمند ہوں ان سے درخواست کی جاتی ہے کہ 24 اکتوبر 2020 کو دفتری اوقات ختم ہونے سے قبل اپنے مندرجہ ذیل کوائف کمپنی کے نامزد ای میل ایڈریس پر فراہم کر کے اپنے آپ کو رجسٹر کروالیں۔Webinar کا لنک حصص یافتگان کو مندرجہ ذیل ٹیبل میں فراہم کردہ ای میل ایڈریس کے ذریعے بھیجا جائے گا:

حصص یافتہ کا نام	CNIC نمبر	سی ڈی ایس/فولیو نمبر	موبائل نمبر	ای میل ایڈریس

☆ حصص یافتگان AGM کے مجوزہ ایجنڈا آئٹم سے متعلق اپنی آراء/تجاویز co.secy@loads-group.com پر بھیج سکتے ہیں اسی انداز سے جیسا کہ اس پر AGM میں بحث ہوگی اور پھر اسے اجلاس کی کارروائی کا حصہ بنایا جائے گا۔

☆ مندرجہ بالا اہتمامات کا مقصد آن لائن سہولت کے ذریعے حصص یافتگان کی AGM میں زیادہ سے زیادہ شرکت کو یقینی بنانا ہے۔حصص یافتگان سے گزارش ہے کہ پراکسی کے ذریعے اپنی شرکت کو مجموعی بنائیں تا کہ کورم کی ضروریات پوری ہوسکیں۔

حصص منتقلی کی کتابیں

(i) کمپنی کی حصص منتقلی کی کتابیں 22 اکتوبر 2020 سے 28 اکتوبر 2020 (بشمول دونوں دن) بندرہیں گی۔طبعی حصص/CDS ٹرانزیکشن آئی ڈیز کی شکل میں کمپنی کے رجسٹرار میسرز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ، CDC ہاؤس B-99، بلاک B، ایس ایم سی ایچ ایس، مین شاہراہِ فیصل، کراچی کو 21 اکتوبر 2020 کو دفتری اوقات ختم ہونے سے قبل موصول ہونے والی منتقلیوں کو اجلاس میں حاضر ہونے، ووٹ دینے اور مندرجہ بالا منتقل الیہ کے استحقاق کے مقاصد کیلئے بروقت تصور کیا جائے گا۔

اجلاس میں شرکت کے لئے

☆ صرف وہ افراد جن کے نام کمپنی کے رجسٹر میں 21 اکتوبر 2020 کو موجود ہونگے وہ سالانہ اجلاس عام میں حاضر ہونے، شرکت کرنے اور ووٹ دینے کے اہل ہونگے۔

☆ وہ ممبر جو کہ سالانہ اجلاس عام میں حاضر ہونے اور ووٹ دینے کا حقدار ہو وہ اپنی طرف سے حاضر ہونے اور ووٹ ڈالنے کے لئے بطور پراکسی کسی دوسرے فرد کی تقرری کرسکتا ہے۔پراکسی کے موثر ہونے کے لئے ضروری ہے کہ وہ کمپنی کے دفتر میں اجلاس سے 48 گھنٹے قبل موصول ہوجائیں اور اور پراکسی فارم باضابطہ دستخط شدہ، مہر شدہ ہو اور اس پر گواہان کے دستخط ہوں۔ایک پراکسی فارم سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

سالانہ مالیاتی گوشواروں کی ترسیل بذریعہ برقی ذرائع

☆ کمپنیز ایکٹ 2017 کی دفعہ 223(6) کی پاسداری کرتے ہوئے کمپنی کے مالیاتی گوشوارے برائے سال مختتمہ 30 جون 2020 حصص یافتگان کو بذریعہ CD/DVD ترسیل کئے جارہے ہیں۔سالانہ مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کردیئے گئے ہیں اور حصص یافتگان کے لئے کمپنی کی ویب سائٹ (http://www.loads-group.pk) پر بھی دستیاب ہیں۔

ان ممبران کے لئے نوٹس جنہوں نے CNIC فراہم نہیں کئے ہیں

☆ SECP کے نوٹیفکیشن S.R.O. 19(1)/2014 مورخہ 10 جنوری 2014 جسے نوٹیفکیشن S.R.O 831(1)/2012 مورخہ 5 جولائی 2012 کے ساتھ پڑھا جائے گا، کے تحت منافع منقسمہ کے پروانوں پر رجسٹرڈ ممبر یا مجاز فرد کے CNIC نمبر لازمی درج ہونے چاہئیں، سوائے نابالغ بچوں اور اداراتی ممبران کے۔لہذا درست CNIC کی نقل موصول نہ ہونے کی صورت میں کمپنی SECP کی ہدایات پر عمل کرنے سے قاصر رہے گی اور لہذا SECP کے حکم مورخہ 13 جولائی 2015 کے تحت ایسے حصص یافتگان کے منافع منقسمہ کے پروانوں کی ترسیل روکنے پر مجبور ہوگی۔حصص یافتگان CNIC کے ساتھ لازمی طور پر اپنا متعلقہ فولیو نمبر اور کمپنی کا نام لکھ کر بھیجیں۔

درست CNIC کی فراہمی (لازمی)

☆ SECP کی ہدایات کے مطابق جن حصص یافتگان کے درست CNICs شیئر رجسٹرار کے پاس دستیاب نہیں ہونگے ان کا منافع منقسمہ روکا جاسکتا ہے۔وہ تمام حصص یافتگان جن کی طبعی حصص داری ہے ان کو مشورہ دیا جاتا ہے کہ اپنے درست CNICs کی نقل اگر پہلے فراہم نہ کی ہو تو فوری طور پر شیئر رجسٹرار CDC شیئر رجسٹرار سروسز لمیٹڈ CDC ہاؤس B-99، بلاک 'B'، سندھ مسلم کوآپریٹو ہاؤسنگ سوسائٹی (S.M.C.H.S.)، مین شاہراہِ فیصل، کراچی 74400 کو بلا تاخیر فراہم کردیں۔

لوڈز لمیٹڈ کے 40ویں سالانہ اجلاس عام کا نوٹس

نوٹس ہذا کے ذریعے مطلع کیا جاتا ہے کہ لوڈز لمیٹڈ کا 40واں سالانہ اجلاس عام 28 اکتوبر 2020 بروز بدھ دوپہر 11:30 بجے لوڈز لمیٹڈ کے رجسٹرڈ آفس پر منعقد ہوگا، تاہم COVID-19 وبا کی جاری صورتحال کی وجہ سے حصص یافتگان صرف وڈیو لنک کے ذریعے اجلاس میں شرکت کرنے کے حقدار ہونگے جس کا اہتمام کمپنی کے ہیڈ آفس واقع پلاٹ نمبر 23، سیکٹر 19، کورنگی انڈسٹریل ایریا، کراچی سے کیا جائے گا، جس میں مندرجہ ذیل امور انجام دیئے جائیں گے:

عمومی امور

1- لوڈز لمیٹڈ کے غیر معمولی اجلاس عام مورخہ 23 جنوری 2020 کی کارروائی کی توثیق

2- کمپنی کے سال مختتمہ 30 جون 2019 کے آڈٹ شدہ مالیاتی گوشواروں کے ساتھ ان پر ڈائریکٹرز اور آڈیٹرز کی رپورٹ کی وصولی، غور وخوص اور منظوری

3- کمپنی کے بیرونی آڈیٹرز کی سال 30 جون 2021 کے لئے تقرری اور ان کے معاوضہ کا تعین- میسرز KPMG تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کے باعث اپنی دوبارہ تقرری کی پیشکش کی ہے-

4- صدر مجلس کی اجازت سے دیگر کسی امور کی انجام دہی

خصوصی امور

5- مندرجہ ذیل قراردادوں کی منظوری پر غور

a) ''متفقہ طور پر سال مختتمہ 30 جون 2020 کے دوران ملحقہ کمپنیوں کے ساتھ عمومی طریقہ کار کے مطابق انجام دئے گئے سودوں کی توثیق اور منظوری دی جاتی ہے-''

b) ''متفقہ طور پر کمپنی کے چیف ایگزیکٹو کو سال 30 جون 2021 میں کئے گئے اور کئے جانے والے سودوں کی منظوری کے مجاز بنایا جاتا ہے اور اس سلسلے میں چیف ایگزیکٹو کو مجاز بنایا جاتا ہے کہ وہ تمام ضروری کارروائی کرے اور کمپنی کی جانب سے ایسی تمام دستاویزات/ توثیقوں پر دستخط کرے جو کہ ان مقاصد کے لئے ضروری ہوں-

6- مندرجہ ذیل خصوصی قرارداد زیر دفعہ 199 کمپنیز ایکٹ 2017 پر غور کیا جائے گا اور درست سمجھا گیا تو اس میں کسی تصحیح، اضافہ یا حذف کے ساتھ یا اس کے بغیر منظور کیا جائے گا:

متفقہ قرارداد منظور کی جاتی ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 199، کمپنیز (انویسٹمنٹ ان ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈرٹیکنز) ریگولیشنز 2017 کی ریگولیشن نمبر 5(7) کے تحت اور تمام آئینی اور قانونی ضروریات پوری کرتے ہوئے 3,550,000,000/ (تین ارب پچپن کروڑ) روپے مندرجہ ذیل انداز میں ذیلی اداروں کو سرمایہ جاتی اخراجات، جاری قرضہ جاتی سرمائے کے لئے فراہم کیا جائے جس کا آغاز حصص یافتگان کی منظوری کی تاریخ سے ہوگا جس کے لئے لوڈز لمیٹڈ (کمپنی) کے حصص یافتگان سے منظوری لی جائے گی:

ذیلی ادارے کا نام	قرضہ	کارپوریٹ گارنٹی	ملحقہ اداروں میں کل سرمایہ کاری
ہائی ٹیک الائے وہیلز لمیٹڈ (HAWL)	1,000,000,000	2,000,000,000	3,000,000,000
اسپیشلائزڈ آٹو پارٹس انڈسٹریز (پرائیویٹ) لمیٹڈ (SAIL)	350,000,000	-	350,000,000
ملٹی پل آٹو پارٹس انڈسٹریز (پرائیوٹ) لمیٹڈ (MAIL)	150,000,000	-	150,000,000
اسپیشلائزڈ موٹر سائیکل (پرائیویٹ) لمیٹڈ (SMPL)	50,000,000	-	50,000,000

مزید متفقہ قرارداد منظور کی جاتی ہے کہ کمپنیز ایکٹ 2017 کی دفعہ 199، کمپنیز (انویسٹمنٹ ان ایسوسی ایٹڈ کمپنیز یا ایسوسی ایٹڈ انڈرٹیکنز) ریگولیشنز 2017 کی ریگولیشن نمبر 5(7) کے تحت اور تمام آئینی اور قانونی ضروریات پوری کرتے ہوئے بینکوں/ مالیاتی اداروں کو بلا سرمایہ مالیاتی سہولیات جیسے ضمانت اور لیٹر آف کریڈٹ کھلوانے کے لئے کارپوریٹ گارنٹی (گارنٹیاں) فراہم کی جائے جس کے لئے لوڈز لمیٹڈ (کمپنی) کے حصص یافتگان سے منظوری لی جائے گی-

مزید متفقہ قرارداد منظور کی جاتی ہے کہ مذکورہ بالا قرارداد حصص یافتگان کی منظوری کی تاریخ سے دو سال کے لئے قابل عمل ہوگی اور کمپنی کے چیف ایگزیکٹو اور/ یا چیف فنانشل آفیسر اور/ یا کمپنی سیکریٹری کو انفرادی طور پر اختیارات دیئے جائیں گے اور انہیں مجاز بنایا جائے گا کہ وہ مذکورہ سرمایہ کاری کے متعلق جب اور جیسے ضرورت ہو فیصلے کریں اور تمام ضروری اقدامات اور افعال کریں، ضمنی اور ذیلی بشمول تمام دستاویزات اور معاہدوں کی تشکیل کریں جو کہ اس سلسلے میں درکار ہوں اور تمام افعال، معاملات، وثیقے اور کام انجام دیں جو کہ مذکورہ بالا قرارداد کے مقاصد کے لئے ضروری ہوں-

بحکم بورڈ

Babar Saleem

بابر سلیم
کمپنی سیکریٹری

7 اکتوبر 2020
کراچی

PATTERN OF SHAREHOLDING AS OF JUNE 30, 2020

No. of Shareholders	Shareholding			Total Shares Held
1148	1	to	100	42,807
1001	101	to	500	326,504
2237	501	to	1000	1,527,887
3044	1001	to	5000	6,862,070
661	5001	to	10000	4,776,648
245	10001	to	15000	3,029,378
118	15001	to	20000	2,137,293
85	20001	to	25000	1,956,966
58	25001	to	30000	1,631,159
32	30001	to	35000	1,048,988
33	35001	to	40000	1,250,183
15	40001	to	45000	644,908
34	45001	to	50000	1,650,013
17	50001	to	55000	901,043
8	55001	to	60000	464,017
6	60001	to	65000	376,987
9	65001	to	70000	616,078
5	70001	to	75000	361,994
2	75001	to	80000	153,695
4	80001	to	85000	332,920
5	85001	to	90000	435,160
5	90001	to	95000	467,220
11	95001	to	100000	1,087,800
3	100001	to	105000	312,712
5	105001	to	110000	550,000
4	110001	to	115000	453,645
4	115001	to	120000	471,341
4	125001	to	130000	508,092
1	130001	to	135000	130,450
2	135001	to	140000	279,000
3	140001	to	145000	428,169
4	145001	to	150000	599,000
3	150001	to	155000	459,839
2	155001	to	160000	315,927
2	160001	to	165000	325,500
3	165001	to	170000	504,249
2	170001	to	175000	342,047
1	175001	to	180000	175,019
1	185001	to	190000	186,500
1	195001	to	200000	197,175
2	235001	to	240000	473,520
2	250001	to	255000	507,375
1	275001	to	280000	280,000
1	285001	to	290000	289,000
2	295001	to	300000	593,803
1	305001	to	310000	309,500
1	325001	to	330000	329,900
1	355001	to	360000	359,927
1	375001	to	380000	378,000
1	380001	to	385000	383,250
1	635001	to	640000	638,000
1	820001	to	825000	824,706
1	1030001	to	1035000	1,030,297
1	1170001	to	1175000	1,170,100
1	1220001	to	1225000	1,223,250
1	1500001	to	1505000	1,501,700
1	1745001	to	1750000	1,748,000
2	1930001	to	1935000	3,866,322
1	2395001	to	2400000	2,398,513
1	3055001	to	3060000	3,058,550
1	3145001	to	3150000	3,148,398
1	3185001	to	3190000	3,188,600
1	3510001	to	3515000	3,513,977
1	18895001	to	18900000	18,895,057
1	62810001	to	62820000	62,819,872
8857				**151,250,000**

PATTERN OF SHAREHOLDING AS OF JUNE 30, 2020

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children & Sponsors			
SYED SHAHID ALI SHAH	1	62,819,872	41.53
SAULAT SAID	1	7,527	0.00
SYED SHERYAR ALI	1	7,562	0.00
MUNIR KARIM BANA	1	3,513,977	2.32
MUHAMMAD ZINDAH MOIN MOHAJIR	1	500	0.00
SHAMIM AHMED SIDDIQUI	1	598	0.00
ROZINA MUZAMMIL	1	500	0.00
MUHAMMAD MOHTASHIM AFTAB	1	25,500	0.02
MUZAFFAR MAHMOOD	1	500	0.00
Associated Companies, undertakings and related parties			
TREET CORPORATION LIMITED.	1	18,895,057	12.49
Executives	8	839,309	0.55
Public Sector Companies and Corporations	-	-	-
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	8	3,608,756	2.39
Mutual Funds			
Nil	-	-	-
General Public			
a. Local	8754	52,722,238	34.86
b. Foreign	8	40,833	0.03
Foreign Companies	-	-	-
Others	69	8,767,271	5.80
Totals	8857	151,250,000	100.00

Share holders holding 10% or more	Shares Held	Percentage
SYED SHAHID ALI SHAH	62,819,872	41.53
TREET CORPORATION LIMITED.	18,895,057	12.49

FORM OF PROXY

I/We ____
of____ being a Member of Loads Limited and holder(s) of ___________________ Ordinary Shares as per Share Register Folio No. _________________________

For beneficial owners as per CDC List	
CDC Participant ID No. _______________	Sub Account No. ___________
CNIC No. [ ][ ][ ][ ][ ]■[ ][ ][ ][ ][ ][ ][ ]■[ ]	Passport No. ______________

hereby appoint Mr./Mrs./Miss.____________________________________ of _________________ or failing him/her Miss/Mrs./ Mr. ____ of ________________ another person on my/our proxy to attend and vote for me/us and my/our behalf at Annual General Meeting of the Company to be held on Wednesday, October 28, 2020 at 11:30 a.m. and at every adjournment thereof, if any.

Please affix Rupees Five Revenue Stamp

Signature should agree with the specimen signature registered with the Company)

Signed this _______ day of October 2020

Signature of Shareholder__________________
Signature of Proxy _____________________

1. WITNESS	2. WITNESS
Signature: _____________________________	Signature: _____________________________
Name: ________________________________	Name: ________________________________
Address: ______________________________ ______________________________________	Address: ______________________________ ______________________________________
CNIC No. or Passport No.____________________	CNIC No. or Passport No.____________________

1. This Proxy Form duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities in addition to the above the following requirements have to be met.

i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy forms.

ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.

iii. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Loads Limited
Plot# 23, Sector 19,
Korangi Industrial Area,
Karachi-74900, Pakistan.

AFFIX
CORRECT
POSTAGE
STAMPS

فارم آف پراکسی

میں/ہم---

جس/جن کا تعلق-- سے ہے،

لوڈز لمیٹڈ کا/کے ممبر ہیں اور رجسٹر فولیو نمبر-------------- کے مطابق---------------------آرڈنری شیئرز کے شیئر ہولڈر(s) ہیں۔

سی ڈی سی لسٹ کے مطابق بینی فیشل اونرز کے لیے
سی ڈی سی میں شرکت کا شناختی نمبر--------------------------- سب اکاؤنٹ نمبر---------------------------
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر--------------------------- پاسپورٹ نمبر---------------------------

جناب/محترمہ-----------------------کو، جن کا تعلق-------------------------------سے ہے یا ان کی ناکامی کی صورت میں دوسرے فرد کی حیثیت سے جناب/محترمہ---------------------------کو، جن کا تعلق-------------------------- سے ہے، بدھ، 28 اکتوبر، 2020 کو صبح 11:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام اور التوا کی صورت میں بعد میں ہونے والے اجلاسوں میں میری/ہماری جانب سے شرکت اور میری/ہماری جانب سے ووٹ دینے کے لیے مقرر کرتا/کرتی/کرتے ہیں۔

براہ کرم اس پر پانچ روپے کا ریونیو ٹکٹ لگائیں

(دستخط نمونے کے اس دستخط سے ملنے چاہیئیں جو کمپنی کے پاس رجسٹرڈ ہیں)

شیئر ہولڈر کے دستخط---------------

دستخط کیے گئے-----اکتوبر 2020

پراکسی کے دستخط

1. گواہ
دستخط: ------------------------------
نام:------------------------------
پتہ:------------------------------

سی این آئی سی یا پاسپورٹ نمبر----------------

2. گواہ
دستخط: ------------------------------
نام:------------------------------
پتہ:------------------------------

سی این آئی سی یا پاسپورٹ نمبر----------------

i. بینی فیشل اونرز اور پراکسی کے سی این آئی سی اور پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ جمع کرائی جائیں گی۔

ii. اجلاس کے وقت پراکسی اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرے گا۔

iii. کارپوریٹ ادارے کی صورت میں، پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونے کے دستخط (اگر یہ پہلے فراہم نہیں کیے گئے) کمپنی کو پیش کرنا ہوں گے۔

1. صحیح طریقے سے پُر اور دستخط شدہ یہ پراکسی فارم، اجلاس شروع ہونے کے وقت سے لازمی طور پر 48 گھنٹے قبل اوپر درج کمپنی کے رجسٹرڈ دفتر کے ایڈریس پر پہنچ جانا چاہیئے۔

2. اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرے گا اور کمپنی کو ایک سے زیادہ پراکسی انسٹرومنٹ داخل کرائے جائیں گے، تو اس قسم کے تمام انسٹرومنٹ آف پراکسی ناقابل قبول تصور کیے جایں گے۔

3. سی ڈی سی اکاؤنٹ ہولڈرز/کارپوریٹ ادارے، مذکورہ بالا کے علاوہ درج ذیل تقاضوں کو بھی پورا کریں۔

ڈاک ٹکٹ
یہاں چسپاں کریں

لوڈز لمیٹیڈ
پلاٹ نمبر23،سیکٹر19،
کورنگی انڈسٹریل ایریا،
کراچی 74900،پاکستان۔

Loads Limited

Plot# 23, Sector 19, Korangi Industrial Area, Karachi-74900.Tel: 35073894,
0302-8674683-9 Fax: 35057453-54 Website: www.loads-group.pk