

# HALF YEARLY REPORT 2020

Report to Shareholders for  
half year ended  
December 31, 2020

# INNOVATION IN MOTION

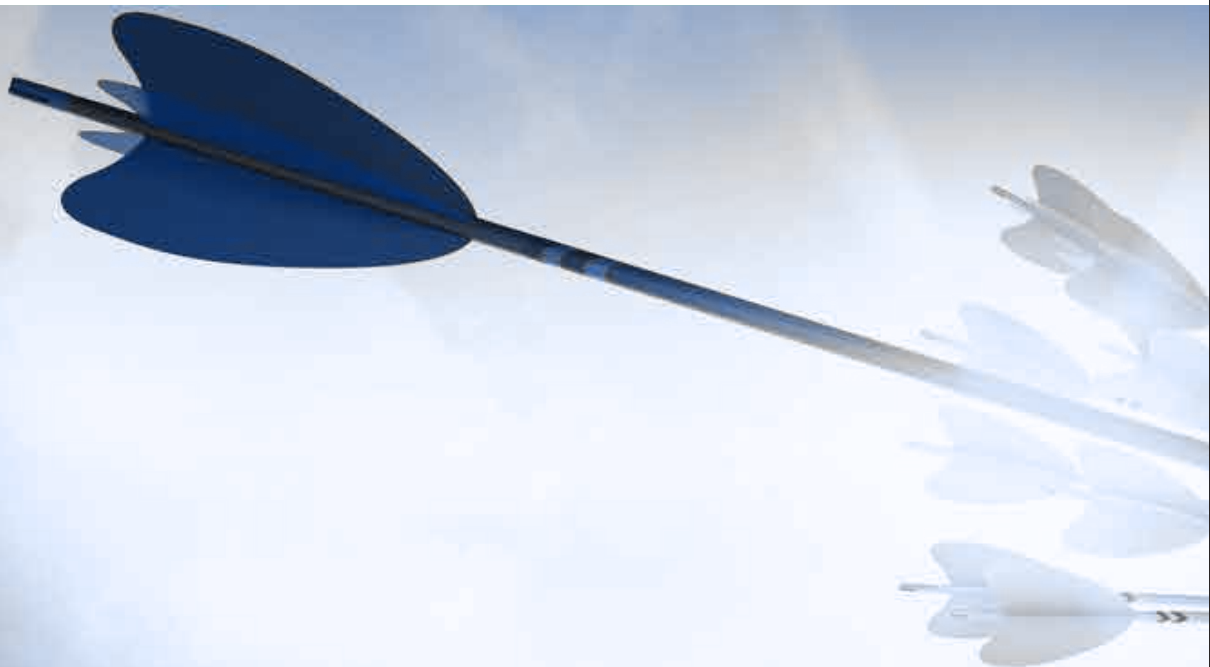


**Loads Limited**

**Manufacturers of**  
Exhaust Systems, Radiators &  
Sheet Metal Components

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# Vision

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



# Mission

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

# Company Information

**Board of Directors**

Syed Shahid Ali	– 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

**Audit Committee**

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

**Human Resources & Remuneration Committee**

Mrs. Rozina Muzammil	– Chairperson
Syed Sheharyar Ali	– Member
Mr. Munir K. Bana	– 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 Rating**

A1 – Short term  
A – Long Term

**Exchange**

Pakistan Stock Exchange

**Bankers**

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

**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  
Shahra-e-Faisal, Karachi  
Tel: Customer Support Services: 0800-23275  
Fax: +92-21-34326053  
E-mail: info@cdcpak.com

**Registration with Authorities**

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

**Website**

www.loads-group.pk

# DIRECTOR'S REVIEW

The directors of your company are pleased to present a brief of operations and financial results of your Company for the half year ended December 31, 2020.

## SUMMARY OF COMPARATIVE FINANCIAL RESULTS

	Rupees in million					
	Half year ended December 31					
	Loads			Consolidated		
	2020	2019	% Change	2020	2019	% Change
Sales	2,085	1,756	19%	2,085	1,756	19%
Gross Profit	233	199	17%	209	191	9%
Operating Profit	223	190	17%	266	218	22%
Share of Loss in associate	-	-	-	(19)	(26)	27%
Profit before Taxation	108	15	646%	72	17	324%
Profit / (Loss) after Taxation	77	(18)	527%	38	(23)	266%
Earnings / (Loss) per share– basic & diluted (Rupees)	0.51	(0.12)	527%	0.25	(0.15)	266%

## BUSINESS REVIEW

Your group has recorded sales of Rs. 2,085 million for the half year ended December 31, 2020, registering a growth of Rs. 329 million (19%) over the previous period. The increase is mainly due to growth in sales of automobiles & tractors by 84% & 68% respectively.

### Company Results

Operating Profit of Loads Limited has improved on account of healthy sales volume. Profit before Taxation has also improved on account of reduction in mark-up rates on borrowings. Therefore, Earnings per Share (EPS) grew from a loss of 12 paise per share to a profit of 51 paise per share.

### Group Results

Consolidated Operating Profit increased by 22%, whereas Profit before Taxation and Profit after Taxation increased by 324% & 266% respectively, due to increase in sales and mark to market impact of notional gain on investment in associate by Rs. 119 million (Treet Corporation).

## AUTOMOTIVE INDUSTRY

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

Overall car & LCV sales for the half year ended December 31, 2020 increased by 18%, due to increase in sales of automobiles.

### (b) Heavy Commercial Vehicles

Heavy vehicles decreased from previous half year's 2,064 units to 1,947 units (-6%).

### (c) Tractors

The tractor industry's sales increased by 43% over previous period mainly due to healthy growth of 68% in sales of tractors.

**SALES PERFORMANCE**

The overall sales of the group for the half year increased by 19%, over previous period. A product-wise analysis is given below:

Products	Rs. in million		
	Sales in Half year December		
	2020	2019	% Change
Exhaust Systems	1,315	1033	27%
Sheet Metal Components	478	561	-15%
Radiators	292	162	80%
Total	2,085	1,756	19%

Comments on performance of various product groups are given below:

**(a) Exhaust Systems**

Sales of exhaust systems increased by 27% mainly on account of increase in sales of automobiles.

**(b) Sheet Metal Components**

The group has registered a decline of 15%, as compared to previous half year, mainly due to decrease in sales of small cars.

**(c) Radiators**

Sales of radiators increased by 80% mainly on account of growth in sales of tractors and spare parts business by 68% & 84% respectively.

**ELECTION OF DIRECTORS**

The shareholders in their extraordinary general meeting held on December 17, 2020, elected seven directors for a term of three years commencing from December 18, 2020.

**PROSPECTS**

In spite of the challenging business environment, your Company has always been able to continue its operation while maintaining standard operating procedures for the safety of all the employees. The COVID-19 situation has improved and cases have gradually going down; however, the risk of second wave remains high.

The structural reforms along with support in the form of subsidized loans extended by the Government, have partially softened the pandemic's impact, with the economy back on track for revival and the industry is expected to rebound in the coming years.

Your Company remains committed to the 'Customer First' philosophy that demands a high level of contribution, dedication and efficiency from all levels in the Company, in order to ensure maximum customer satisfaction.

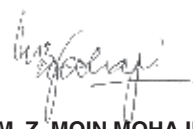
**ACKNOWLEDGEMENTS**

The Board wishes to thank all its employees and major customers (Suzuki, Toyota, Honda, Millat Tractors, Yamaha etc.), for their continued support.

By order of the Board



**Munir K. Bana**  
Chief Executive



**M. Z. MOIN MOHAJIR**  
Director



سہ ماہی سال کے لئے اس گروپ کی مجموعی فروخت میں پچھلے عرصے کے مقابلے میں 19 فیصد اضافہ ہوا ہے۔ ایک مصنوعی تجزیہ ذیل میں دیا گیا ہے:-

روپے بلین میں			منصوعات
ششماہی 31 دسمبر 2020 میں فروخت			
تبدیل %	2019	2020	
27%	1,033	1,315	ایگزاسٹ سسٹم
-15%	561	478	شیٹ میٹل اجزاء
80%	162	292	ریڈی ایٹرز
19%	1,756	2,085	ٹول

مختلف پروڈکٹ گروپس کی کارکردگی پر تبصرے نیچے دیئے گئے ہیں:-

#### (a) ایگزاسٹ سسٹم

آٹوموبائل کی فروخت میں اضافے کی وجہ سے نظام اخراج کی فروخت میں 27 فیصد اضافہ ہوا ہے۔

#### (b) شیٹ میٹل اجزاء

اس گروپ نے پچھلے سہ ماہی سال کے مقابلے میں 15 فیصد کمی ریکارڈ کی ہے، اس کی بنیادی وجہ چھوٹی کاروں کی فروخت میں کمی ہے۔

#### (c) ریڈی ایٹرز

بنیادی طور پر ٹریکٹرز کی فروخت میں اضافے کی وجہ سے ریڈی ایٹرز کی فروخت میں 80 فیصد اضافہ ہوا ہے اور بعد میں اسپر پائرس کے کاروبار میں بالترتیب 68 فیصد اور 84 فیصد تک اضافہ ہوا ہے۔

#### ڈائریکٹرز کا انتخاب

حصص یافتگان نے 18 دسمبر 2020 کو اپنے غیر معمولی عمومی اجلاس میں 18 دسمبر 2020 سے شروع ہونے والے تین سال کی مدت کے لئے سات ڈائریکٹرز کا انتخاب کیا۔

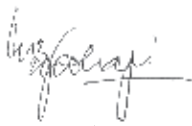
#### امتیازات

Challenging کاروباری ماحول کے باوجود، آپ کی کمپنی ہمیشہ ہی اپنے اہل کاروں کی حفاظت کے لئے معیاری آپریٹنگ طریقہ کار کو برقرار رکھتے ہوئے اپنے عمل کو جاری رکھنے میں کامیاب رہی ہے۔ Covid-19 کی صورتحال میں بہتری آئی ہے اور کس آہستہ آہستہ کم ہوتے جا رہے ہیں۔ تاہم، دوسری طرف خطرہ زیادہ ہے۔ حکومت کی طرف سے بڑھے جانے والے سبسڈی والے قرضوں کی شکل میں حمایت کے ساتھ ساتھ سائنسی اصلاحات نے وبائی بیماری کے اثرات کو جزوی طور پر نرم کر دیا ہے، جس سے معاشی بحالی کی راہ پر گامزن ہے اور آنے والے برسوں میں اس صنعت کی بازگشت متوقع ہے۔ آپ کی کمپنی "کسٹمر فیسٹ" کے فلسفے سے پر عزم ہے جو زیادہ سے زیادہ صارفین کی اطمینان کو یقینی بنانے کے لئے کمپنی میں ہر سطح سے اعلیٰ سطح پر شراکت، لگن اور کارکردگی کا مطالبہ کرتی ہے۔

#### اعتراف:

بورڈ چاہتا ہے کہ وہ اپنے تمام ملازمین اور بڑے صارفین (سوزوکی، انڈس موٹرز، ہنڈا، ملٹ ٹریکٹرز، بابا وغیرہ) کی مسلسل حمایت کے لئے ان کا شکریہ ادا کرے۔

بورڈ کے حکم سے



امیر زید مہمن مہار  
ڈائریکٹر



منیر کے بانا  
چیف ایگزیکٹو

## حصص یا فنڈنگ کے لئے ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2020 کو ختم ہونے والے سہ ماہی سال کے لئے آپ کی کمپنی کے کاروائیوں اور مالی نتائج کا ایک مختصر خاکہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ ہم آہنگی کے مالی نتائج کا خلاصہ:

روپے ملین میں						
دوسری سہ ماہی 31 دسمبر کو ختم ہوئی						
مجموعی			لوڈز			
% تبدیل	2019	2020	% تبدیل	2019	2020	
19%	1,756	2,085	19%	1,756	2,085	فروخت
9%	191	209	17%	199	233	کل منافع
22%	218	266	17%	190	223	آپریٹنگ منافع
27%	(26)	(19)	-	-	-	المیوسی ایٹ کاشیئر میں حصہ
324%	17	72	646%	15	108	ٹیکس لگانے سے پہلے منافع/انقصان
266%	(23)	38	527%	(18)	77	ٹیکس لگانے کے بعد منافع/انقصان
266%	(0.15)	0.25	527%	(0.12)	0.51	آمدنی/انقصان فی شیئر، بنیاد اور کمزور (روپے)

### کاروباری جائزہ

آپ کے گروپ نے 31 دسمبر 2020 کو ختم ہونے والے سہ ماہی سال کے آخر میں 2,085 ملین روپے کی فروخت ریکارڈ کی ہے، اس سے پچھلے عرصے کے مقابلے میں 329 ملین روپے (19%) کا اضافہ ریکارڈ کیا گیا ہے۔ یہ اضافہ بنیادی طور پر آٹوموبائل اور ریکریٹو کی فروخت میں بالترتیب 84 فیصد اور 68 فیصد تک اضافے کی وجہ ہے۔

### کمپنی کے نتائج

صحت مند فروخت کے حجم کی وجہ سے لوڈز لمیٹڈ کے آپریٹنگ منافع میں بہتری آئی ہے۔ ٹیکس لگانے سے قبل منافع میں بھی بہتری آئی ہے کیونکہ قرضوں پر مارک اپ ریٹ میں کمی کی وجہ سے۔ لہذا، فی حصص آمدنی (EPS) 12 پیسے فی شیئر کے خسارے سے بڑھ کر 51 پیسے فی شیئر کے منافع میں آگئی۔

### گروپ کے نتائج

مجموعی آپریٹنگ منافع میں 22% کا اضافہ ہوا، جب کہ ٹیکس لگانے سے قبل منافع اور ٹیکس عائد ہونے کے بعد منافع میں بالترتیب 324 فیصد اور 266 فیصد کا اضافہ ہوا جس کی وجہ سے 119 ملین روپے (ٹریڈ کارپوریشن) کی شراکت میں سرمایہ کاری پر غیر منافع بخش منافع کے اثر و فروخت کے اثر و رسوخ شامل ہیں۔

### گاڑیوں کی صنعت

#### (a) مسافر کاریں/ہلکی کمرشل گاڑیاں (LCVs)

31 دسمبر 2020 کو ختم ہونے والے سہ ماہی آٹوموبائل کی فروخت میں اضافے کی وجہ سے سال کے لئے کار اور ایل سی وی (LCV) کی فروخت میں 18 فیصد کا اضافہ ہوا۔

#### (b) بھاری تجارتی گاڑیاں

بھاری گاڑیاں گزشتہ نصف سال کی 2,064 یونٹوں سے کم ہو کر 1,947 یونٹس (-6%) ہو گئیں۔

#### (c) ٹریکٹر

پچھلے ادوار کے مقابلے میں ٹریکٹر انڈسٹری کی فروخت میں 43 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ ٹریکٹروں کی فروخت میں 68 فیصد صحت مند اضافہ ہے۔



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
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## INDEPENDENT AUDITOR'S REVIEW REPORT

**To the Members of Loads Limited**

### **Report on Review of Unconsolidated Condensed Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of **Loads Limited** ("the Company") as at 31 December 2020 and the related unconsolidated condensed interim statement of profit or loss, the unconsolidated condensed interim statement of comprehensive income, the unconsolidated condensed interim statement of changes in equity, the unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial statements for the six months period then ended (here-in-after-referred to as "unconsolidated condensed interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated condensed interim financial statements based on our review.

#### **Scope of Review**

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

#### **Conclusion**

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



KPMG Taseer Hadi & Co.

**Other Matters**

The figures for the quarter ended 31 December 2020 and 31 December 2019 in the unconsolidated condensed interim financial statements have not been reviewed and we do not express a conclusion on them.

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

**Date: 23 February 2021**

**Karachi**

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

# **Condensed Interim Unconsolidated Financial Statement**

**Condensed Interim Unconsolidated Statement of Financial Statements**  
As at 31 December 2020

	Note	31 December 2020 (Un-audited)	30 June 2020 (Audited)
<b>(Rupees)</b>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	552,446,775	572,383,838
Intangible assets		156,725	344,797
Long term investments	8.1	1,438,419,724	1,318,698,930
Loans and receivables		8,597,134	7,261,530
Deferred tax assets		-	35,901,404
		<u>1,999,620,358</u>	<u>1,934,590,499</u>
<b>Current assets</b>			
Stores, spares and loose tools		59,773,256	66,504,668
Stock-in-trade	9	900,237,915	1,381,183,851
Trade debts - net		459,829,283	328,704,079
Loans and advances		73,170,199	53,400,690
Deposits, prepayments and other receivables	10	23,886,216	137,879,444
Due from related parties		2,227,666,766	1,700,724,240
Taxation - net		171,299,005	109,164,230
Investments	8.2	750,879	551,787
Cash and bank balances		9,004,527	32,010,964
		<u>3,925,618,046</u>	<u>3,810,123,953</u>
<b>Total assets</b>		<u><u>5,925,238,404</u></u>	<u><u>5,744,714,452</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised share capital		4,000,000,000	4,000,000,000
400,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital	14	1,512,500,000	1,512,500,000
Share premium		1,095,352,578	1,095,352,578
Fair value reserve of equity securities - FVOCI		(73,327,067)	(185,546,462)
Unappropriated profit		416,599,319	339,322,527
		<u>2,951,124,830</u>	<u>2,761,628,643</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Long term loans		327,282,811	395,759,100
Lease liabilities		167,775	663,416
Deferred tax liabilities		2,559,478	-
Defined benefit obligation - net		10,973,556	16,149,322
Gas Infrastructure Development Cess		1,358,739	-
Deferred grant		1,474,993	1,539,868
		<u>343,817,352</u>	<u>414,111,706</u>
<b>Current liabilities</b>			
Current maturity of lease liabilities		1,034,249	1,077,125
Current portion of long term loans		179,155,032	31,770,597
Current portion of deferred grant		5,334,398	2,807,246
Short term borrowings	11	1,799,855,995	2,086,407,636
Due to related party	12	311,755,000	40,000,000
Trade and other payables	13	254,572,644	323,849,923
Unclaimed dividend		3,527,781	3,526,379
Accrued mark-up		75,061,123	79,535,197
		<u>2,630,296,222</u>	<u>2,568,974,103</u>
<b>Total equity and liabilities</b>		<u><u>5,925,238,404</u></u>	<u><u>5,744,714,452</u></u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	15		

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

**Condensed Interim Unconsolidated Statement of Profit or Loss Account  
(Un-audited)**
**For the six and three months period ended 31 December 2020**

	Note	For the six months period ended		For the three months period ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
(Rupees)					
Revenue - net		2,085,378,481	1,756,061,643	1,169,340,062	785,776,167
Cost of sales	16	(1,852,070,166)	(1,552,128,875)	(1,050,384,213)	(707,135,605)
<b>Gross profit</b>		<b>233,308,315</b>	203,932,768	<b>118,955,849</b>	78,640,562
Administrative and selling expenses		(79,237,871)	(85,125,527)	(42,397,558)	(36,147,442)
		<b>154,070,444</b>	118,807,241	<b>76,558,291</b>	42,493,120
Other expenses		(7,593,798)	(5,038,711)	(3,797,431)	(2,999,246)
Other income		76,096,126	75,781,720	35,746,930	45,380,985
		<b>68,502,328</b>	70,743,009	<b>31,949,499</b>	42,381,739
<b>Operating profit</b>		<b>222,572,772</b>	189,550,250	<b>108,507,790</b>	84,874,859
Finance costs		(114,535,587)	(175,046,284)	(55,221,642)	(99,209,114)
Equity investments at FVTPL - net change in fair value	8.2.1	200,156	7,284	29,909	1,749,750
<b>Profit before taxation</b>		<b>108,237,341</b>	14,511,250	<b>53,316,057</b>	(12,584,505)
Taxation		(30,960,549)	(32,653,117)	10,173,446	(18,098,835)
<b>Profit / (Loss) after taxation</b>		<b>77,276,792</b>	(18,141,867)	<b>63,489,503</b>	(30,683,340)
<b>Earnings / (Loss) per share - basic and diluted</b>	17	<b>0.51</b>	(0.12)	<b>0.42</b>	(0.2)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

## Condensed Interim Unconsolidated Statement of Comprehensive Income (Un-audited)

For the six and three months period ended 31 December 2020

	For the six months period ended		For the three months period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Rupees)			
Profit / (Loss) after taxation	77,276,792	(18,141,867)	63,489,503	(30,683,340)
<b>Other comprehensive income</b>				
<i>Items that will never be reclassified subsequently to profit or loss</i>				
Change in fair value of equity investment at FVOCI - net of tax	(1,064)	1,227	628	(1,718)
Investments in associate at FVOCI - net of tax	112,220,459	46,525,225	63,734,915	65,721,094
<b>Total comprehensive income for the period</b>	<b><u>189,496,187</u></b>	<b><u>28,384,585</u></b>	<b><u>127,225,046</u></b>	<b><u>35,036,036</u></b>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive




Director




**Condensed Interim Unconsolidated Statement of Cash Flows  
(Un-audited)**
**For the six months period ended 31 December 2020**

	31 December 2020	31 December 2019
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	108,237,341	14,511,250
<b>Adjustments for</b>		
Depreciation	35,545,760	40,759,802
Amortisation	188,072	485,173
Mark-up expense	68,737,049	167,542,292
Gain on disposal of property, plant and equipment	(2,491,069)	(1,317,073)
Loss on disposal of investment	-	2,985,337
Gain on disposal of investment	-	(1,282,139)
Discount income on reversal of Gas Infrastructure Development Cess (GIDC)	(938,388)	-
Provision for gratuity	1,893,715	812,823
Finance lease charges	-	28,342
Mark-up income	(59,966,792)	(66,918,660)
Dividend income	(11,178)	(7,545,987)
Equity investments at FVTPL - net change in fair value	(200,156)	(7,284)
	<u>150,994,354</u>	<u>150,053,876</u>
<b>Working capital changes</b>		
<b>Decrease / (increase) in current assets</b>		
Stores and spares and loose tools	6,731,412	3,571,844
Stock-in-trade	480,945,936	(50,950,016)
Trade debts - net	(131,125,204)	164,803,131
Due from related parties	(468,886,295)	(278,396,567)
Loans and advances	(19,769,509)	(23,168,464)
Deposits, prepayments and other receivables	112,657,624	105,997,653
	(19,446,036)	(78,142,419)
<b>Decrease in current liabilities</b>		
Trade and other payables	(66,980,152)	(158,274,354)
<b>Cash generated from / (used in) operations</b>	64,568,166	(86,362,897)
Mark-up paid	(73,211,125)	(133,609,288)
Contribution paid to defined benefit plan	(7,069,481)	(4,000)
Income tax paid	(62,134,775)	(36,202,323)
<b>Net cash used in operating activities</b>	(77,847,215)	(256,178,508)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(16,832,628)	(18,668,300)
Dividend received	11,178	7,545,987
Mark-up received	1,910,561	789,459
Proceeds from disposal of property, plant and equipment	3,715,000	3,949,623
Purchase of investments	-	-
Proceeds from sale of investments - net	-	18,443,031
<b>Net cash (used in) / generated from investing activities</b>	(11,195,889)	12,059,800
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(538,517)	(6,186,203)
Loan received	81,370,423	45,646,000
Dividend paid	1,402	(7,458)
Due to related party	271,755,000	40,000,000
<b>Net cash generated from financing activities</b>	352,588,308	79,452,339
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>	263,545,204	(164,666,369)
Cash and cash equivalents at beginning of the period	(2,054,396,672)	(2,079,009,297)
<b>Cash and cash equivalents at end of the period</b>	<u>(1,790,851,468)</u>	<u>(2,243,675,666)</u>
<b>Cash and cash equivalents at end of the period comprises</b>		
Cash and bank balances	9,004,527	6,081,905
Short term borrowings	(1,799,855,995)	(2,249,757,571)
	<u>(1,790,851,468)</u>	<u>(2,243,675,666)</u>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

  
Chief Financial Officer

  
Chief Executive

  
Director

**Condensed Interim Unconsolidated Statement of Changes in Equity  
(Un-audited)**

**For the six months period ended 31 December 2020**

	Share capital	Capital reserve		Revenue reserve	Total equity
	Issued, subscribed and paid up capital	Share premium	Fair value reserve of equity securities - FVOCI (Rupees)	Unappropriated profit	
<b>Balance as at 1 July 2019</b>	1,512,500,000	1,095,352,578	(217,988,192)	476,845,898	2,866,710,284
<b>Total comprehensive income for the six months period ended 31 December 2019</b>					
Loss after taxation	-	-	-	(18,141,867)	(18,141,867)
Reclassification of unrealised gain on sale of investment carried at FVOCI	-	-	16,627,880	(16,627,880)	-
Gain on sale of investment carried at FVOCI	-	-	-	1,282,139	1,282,139
Other comprehensive income	-	-	46,526,452	-	46,526,452
	-	-	63,154,332	(33,487,608)	29,666,724
<b>Balance as at 31 December 2019</b>	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>(154,833,860)</u>	<u>443,358,290</u>	<u>2,896,377,008</u>
<b>Balance as at 1 July 2020</b>	1,512,500,000	1,095,352,578	(185,546,462)	339,322,527	2,761,628,643
<b>Total comprehensive income for the six months period ended 31 December 2020</b>					
Profit after taxation	-	-	-	77,276,792	77,276,792
Other comprehensive income	-	-	112,219,395	-	112,219,395
	-	-	112,219,395	77,276,792	189,496,187
<b>Balance as at 31 December 2020</b>	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>(73,327,067)</u>	<u>416,599,319</u>	<u>2,951,124,830</u>

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.



Chief Financial Officer



Chief Executive



Director

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

### 1. STATUS AND NATURE OF BUSINESS

#### 1.1 Legal status and operations

Loads Limited (the Company) is a public listed company, which was incorporated in Pakistan on 1 January 1979, as a private limited company under Companies Act, 1913 (Repealed with the enactment of the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017) on May 30, 2017).

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

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

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

There are four subsidiaries and one associate (Treet Corporation Limited) of the Company, subsidiaries are carried at cost. The details are as follows:

Name of the Company	Incorporation date	Effective holding %		Principle line of business
		31 December 2020	30 June 2020	
<b>Subsidiaries</b>				
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.
<b>Associate</b>				
Treet Corporation Limited	22 January 1977	5.27%	5.27%	Manufacture and sale of razors, razor blades and other trading activities

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

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

1.2 As at 31 December 2020, the financial position of the subsidiaries are as follows:

	Note	Assets	Liabilities	Equity	Breakup value
		------(Rupees)-----			(Rs. / share)
<b>31 December 2020</b>					
SAIL	1.2.1	<u>900,332,665</u>	<u>326,077,974</u>	<u>574,254,691</u>	<u>17.67</u>
HAWL	1.2.1	<u>5,091,587,894</u>	<u>4,232,854,890</u>	<u>858,733,004</u>	<u>6.53</u>
MAIL	1.2.1	<u>386,170,269</u>	<u>155,368,778</u>	<u>230,801,491</u>	<u>18.46</u>
SMPL	1.2.1	<u>82,175,549</u>	<u>746,620</u>	<u>81,428,929</u>	<u>10.86</u>
<b>30 June 2020</b>					
SAIL		<u>1,006,988,019</u>	<u>425,752,089</u>	<u>581,235,930</u>	<u>17.88</u>
HAWL		<u>4,870,275,306</u>	<u>3,857,257,307</u>	<u>1,013,017,999</u>	<u>7.70</u>
MAIL		<u>373,347,778</u>	<u>137,615,240</u>	<u>235,732,538</u>	<u>18.86</u>
SMPL		<u>86,247,150</u>	<u>7,548,623</u>	<u>78,698,527</u>	<u>10.49</u>

1.2.1 The financial information of SAIL, HAWL, MAIL and SMPL is based on the un-audited management accounts for the period ended 31 December 2020.

1.3 As at 30 September 2020, the assets, liabilities and equity of Treet Corporation Limited amounted to Rs. 23,784 million, Rs. 15,807 million and Rs. 7,977 million respectively (un-audited).

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These unconsolidated condensed interim financial statements of the Company for the six months period ended December 31, 2020 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standards (IAS) 34 , Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These unconsolidated condensed interim financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange Limited. These unconsolidated condensed interim financial statements comprise of the unconsolidated statement of financial position as at 31 December 2020 and unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the six months period ended 31 December 2020.

2.3 The comparative unconsolidated condensed interim statement of financial position presented in these unconsolidated condensed interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2020, whereas the comparative statement of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the six months period ended 31 December, 2019 have been extracted from the unaudited unconsolidated condensed interim financial statements for the period then ended 31 December, 2019.

## **Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)**

**For the six months period ended 31 December 2020**

**2.4** These unconsolidated condensed interim financial statements of the Company does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

### **2.5 Basis of measurement**

These condensed interim financial statements have been prepared under the historical cost convention except as disclosed elsewhere.

### **2.6 Functional and presentation currency**

These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency and all financial statements presented in Pakistani Rupee have been rounded off to the nearest rupee, unless otherwise stated.

## **3. SIGNIFICANT ACCOUNTING POLICIES**

**3.1** The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the audited financial statements for the year ended June 30, 2020.

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

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2020, but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these unconsolidated condensed interim financial statements.

## **5. STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after 01 January 2021:

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) 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;
  - any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
  - there is no substantive change to the other terms and conditions of the lease.

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited) For the six months period ended 31 December 2020

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.
- 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.

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

- IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.
- IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.
- IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for the annual period beginning on or after January 1, 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.
- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

- Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) - In response to concerns regarding temporary accounting mismatches and volatility, and increased costs and complexity, the Board issued amendments to IFRS 4 Insurance Contracts in 2017. The two optional solutions raised some considerations which required detailed analysis and management judgement. On the issue of IFRS 17 (Revised) Insurance Contracts in June 2020, the end date for applying the two options under the IFRS 4 amendments was extended to 1 January 2023, aligned with the effective date of IFRS 17.
- 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.
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

The above amendments and annual improvements are not likely to have an impact on these unconsolidated condensed interim financial statements.

### 6. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

- 6.1** The preparation of these unconsolidated condensed interim financial statements in conformity with approved accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual result may differ from these estimates. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.
- 6.2** Judgements and estimates made by the management in the preparation of these unconsolidated condensed interim financial statements are the same as those that were applied to financial statements as at and for the year ended 30 June 2020.
- 6.3** The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statement as at and for the year ended 30 June 2020.

### 7. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Operating property, plant and equipment	7.1	528,152,667	539,864,117
Capital work-in-progress		24,294,108	32,519,721
		<u>552,446,775</u>	<u>572,383,838</u>

**Notes to the Condensed Interim Unconsolidated Financial Statements  
(Un-audited)**

**For the six months period ended 31 December 2020**

7.1 The following acquisitions and disposals have been made during six months period ended 31 December 2020.

	For the six months period ended			
	31 December 2020		31 December 2019	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	----- (Rupees) -----			
Building on leasehold land	201,997	-	-	-
Plant and machinery	2,486,950	-	3,500,951	-
Tools and equipment	19,367,625	-	5,774,182	-
Furniture, fittings and office equipment	3,001,669	-	1,915,323	-
Vehicles	-	1,223,931	4,308,485	2,632,550
	<u>25,058,241</u>	<u>1,223,931</u>	<u>15,498,941</u>	<u>2,632,550</u>

**8. INVESTMENT**

**8.1 Long term investments**

	Note	31 December 2020 (Un-audited)	30 June 2020 (Audited)
		(Rupees)	
<b>Investments in subsidiary companies - unlisted</b>			
Hi-Tech Alloy Wheels Limited		859,960,000	859,960,000
Specialized Autoparts Industries (Private) Limited		175,000,000	175,000,000
Multiple Autoparts Industries (Private) Limited		75,000,000	75,000,000
Specialized Motorcycles (Private) Limited		75,000,000	75,000,000
	8.1.1	<u>1,184,960,000</u>	<u>1,184,960,000</u>
Less: Provision for impairment against SMPL	8.1.2	<u>(25,000,000)</u>	<u>(25,000,000)</u>
Net investment in subsidiary companies		<u>1,159,960,000</u>	<u>1,159,960,000</u>
Investment in associate at FVOCI - listed	8.1.3	<u>278,459,724</u>	<u>158,738,930</u>
		<u>1,438,419,724</u>	<u>1,318,698,930</u>

8.1.1 Company's shareholding in subsidiaries and their financial position as at 31 December 2020 is disclosed in note 1.1 and 1.2 to this condensed interim unconsolidated financial information.

8.1.2 The Company has maintained provision for impairment amounting to Rs. 25 million in respect of SMPL as the operations of SMPL have ceased from 1 July 2015. The key financial information of SMPL is disclosed in note 1.1.

8.1.3 This represents 8,887,958 shares (30 June 2020: 8,887,958 shares) of Treet Corporation Limited having market value of Rs. 278.460 million (30 June 2020: Rs. 158.739 million). The Company's holding in Treet Corporation Limited is considered associate by virtue of common directorship. The financial position of the associate as at 30 September 2020 (un-audited) is disclosed in note 1.3 to this condensed interim unconsolidated financial information.

**8.2 Short term investments**

	Note	31 December 2020 (Un-audited)	30 June 2020 (Audited)
		(Rupees)	
Equity securities - at FVTPL	8.2.1	734,007	533,851
Equity securities - at FVOCI	8.2.2	16,872	17,936
		<u>750,879</u>	<u>551,787</u>



## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

### 8.2.1 Equity securities - at FVTPL

31 December 2020 (Un-audited) (Number of shares / certificates)	30 June 2020 (Audited)	Name of investee company	31 December 2020			30 June 2020
			Carrying value	Market value	Net change in fair value	Market value
Ordinary shares - Quoted			(Rupees)			
1	1	Agriautos Industries Limited*	182	234	52	182
1	1	Al-Ghazi Tractors Limited *	352	371	19	352
1	1	Atlas Battery Limited	168	266	98	168
1	1	Atlas Honda Limited	384	500	116	384
1	1	The General Tyre & Rubber Company of Pakistan Limited	60	83	23	60
1	1	Honda Atlas Cars (Pakistan) Limited	194	328	134	194
1	1	Thal Limited *	325	473	148	325
230	230	Baluchistan Wheels Limited	13,968	20,240	6,272	13,968
315	315	Ghandhara Nissan Limited	19,766	39,161	19,395	19,766
150	150	Hinopak Motors Limited	55,950	60,701	4,751	55,950
200	200	Indus Motor Company Limited	198,998	239,592	40,594	198,998
306	306	Millat Tractors Limited	216,085	334,792	118,707	216,085
63	63	Oil & Gas Development Company Limited	6,867	6,538	(329)	6,867
127	127	Pak Suzuki Motor Company Limited	20,552	30,728	10,176	20,552
			<u>533,851</u>	<u>734,007</u>	<u>200,156</u>	<u>533,851</u>

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

### 8.2.2 Equity securities - at FVOCI

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

31 December 2020 (Un-audited) (Number of shares / certificates)	30 June 2020 (Audited)	Name of investee company	31 December 2020			30 June 2020
			Carrying value	Market value	Net change in fair value	Market value
Ordinary shares - Quoted			(Rupees)			
<u>152</u>	<u>152</u>	ZIL Limited	<u>5,330</u>	<u>16,872</u>	<u>11,542</u>	<u>17,936</u>

#### 8.2.2.1 Equity investments at FVOCI - net change in fair value

	31 December 2020 (Un-audited)	30 June 2020 (Audited)
Note	(Rupees)	
Market value of investments	16,872	17,936
Less: Cost of investments	(5,330)	(5,330)
	<u>11,542</u>	<u>12,606</u>
Less: Equity investments at FVOCI - net change in fair value at beginning of the period / year	(12,606)	(10,771)
Net change in fair value for the period / year	<u>(1,064)</u>	<u>1,835</u>

### 9. STOCK-IN-TRADE

Raw material and components	9.1 & 9.2	849,188,070	1,336,158,261
Work-in-process		80,355,755	74,331,500
Finished goods		-	-
		<u>929,543,825</u>	<u>1,410,489,761</u>
Provision for slow-moving and obsolescence		(29,305,910)	(29,305,910)
		<u>900,237,915</u>	<u>1,381,183,851</u>

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

9.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 195.21 million (30 June 2020: Rs. 278 million) and Rs. 578.2 million (30 June 2020: Rs. 752 million) respectively.

9.2 Raw material held with toll manufacturers as at 31 December 2020 amounted to Rs. 30 million (30 June 2020: Rs. 33.72 million).

### 10. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes margin paid to various banks against letter of credit amounting to Rs. 9.242 million (30 June 2020: Rs. 5.281). Further, in prior year (30 June 2020), it includes unclaimed input sales tax amounting to Rs. 125.402 million which has been claimed during the period.

### 11. SHORT TERM BORROWINGS

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
<b>Secured</b>			
Running finances under mark-up arrangements	11.1	1,115,904,622	1,290,257,148
Soneri Bank Limited - Local bill discounting		385,932,949	436,927,999
Islamic financing	11.2	298,018,424	359,222,489
		<u>1,799,855,995</u>	<u>2,086,407,636</u>

11.1 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Company, pledge of stock (shares) lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 31 August 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 3 month KIBOR plus 0.55% to 3 month KIBOR plus 1.5% (30 June 2020: 1 month KIBOR plus 0.55% to 3 month KIBOR plus 0.55%) per annum.

The aggregate available short term borrowing facilities amounted to Rs. 1,705 million (30 June 2020: Rs. 1,820 million) out of which Rs. 164.91 million (30 June 2020: 92.8 million) remained unavailed as at the reporting date.

#### 11.2 Islamic financing

This includes Islamic finance facility available from Al Baraka Bank, Meezan Bank and Bank Islami Pakistan having limits of Rs. 480 million, for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. As at 31 December 2020, amount of Rs. 41.48 million (30 June 2020: Rs. 31 million) remained unutilised. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up at 1 month KIBOR plus 2% per annum to 3 months KIBOR plus 2.75% (30 June 2020: 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75%) and is repayable maximum within 120 to 180 days of the disbursement date.

### 12. DUE TO RELATED PARTY

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Loan from Director		<u>311,755,000</u>	<u>40,000,000</u>

This represents interest free loan received from a Director.

**Notes to the Condensed Interim Unconsolidated Financial Statements  
(Un-audited)**
**For the six months period ended 31 December 2020**
**13. TRADE AND OTHER PAYABLES**

	Note	31 December 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Creditors		63,778,616	54,990,413
Accrued liabilities		23,280,039	47,908,421
<b>Other liabilities</b>			
Advance from customer	13.1	86,481,256	147,836,422
Mobilization advances		38,272,254	38,272,254
Workers' Profit Participation Fund		8,206,118	2,818,085
Provision for compensated absences		1,655,698	2,122,179
Workers' Welfare Fund		2,205,765	-
Payable to Provident Fund		-	34,100
Withholding tax payable		2,017,576	5,593,020
Sales tax payable		4,553,404	-
Rental payable		1,278,789	2,086,917
Security deposit from contractors		129,000	129,000
Other payables		22,714,129	22,059,112
		<u>254,572,644</u>	<u>323,849,923</u>

13.1 This includes advance from scrap dealers amounting to Rs. 70.535 million.

**14. SHARE CAPITAL**
**14.1 Authorised share capital**

Authorised share capital comprises of 400,000,000 (30 June 2020: 400,000,000) Ordinary shares of Rs. 10 each.

**14.2 Issued, subscribed and paid up capital**

31 December 2020 (Number of shares)	30 June 2020	Ordinary shares	31 December 2020 (Rupees)	30 June 2020
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
<u>151,250,000</u>	<u>151,250,000</u>		<u>1,512,500,000</u>	<u>1,512,500,000</u>

**15. CONTINGENCIES AND COMMITMENTS**
**15.1 Contingencies**

There have been no significant changes in the status of contingencies as reported in the unconsolidated annual financial statements for the year ended 30 June 2020.

**15.2 Commitments**

Commitments in respect of letters of credit amounted to Rs. 665.7 million (30 June 2020: Rs. 58.199 million).

**Notes to the Condensed Interim Unconsolidated Financial Statements  
(Un-audited)**

**For the six months period ended 31 December 2020**

**16. COST OF SALES**

Note	For the six months period ended		For the three months period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (Rupees) -----			
	----- (Un-audited) -----			
Raw materials and components consumed	1,346,492,041	959,298,159	726,350,382	223,134,974
Ancillary materials consumed	41,419,350	26,192,684	15,116,251	12,073,699
<b>Manufacturing expenses</b>				
Salaries, wages and other employee benefits	107,690,603	109,202,312	54,120,546	53,501,329
Toll manufacturing 16.1	161,871,995	188,707,011	92,594,216	85,715,446
Depreciation	32,566,774	36,848,590	16,803,984	18,595,837
Gas, power and water	11,866,910	7,870,477	5,865,996	3,999,765
Others	23,719,822	17,813,700	5,458,815	9,535,758
Transferred to capital work-in-progress	(5,809,410)	(3,146,940)	(2,669,200)	(1,185,937)
Manufacturing cost	331,906,694	357,295,150	172,174,357	170,162,198
Opening stock of work-in-process 9	74,331,500	80,695,276	78,822,642	173,117,128
Impact of recording revenue over time 9	80,355,756	90,138,657	80,355,756	90,138,657
Closing stock of work-in-process 9	(80,355,755)	(90,138,657)	(80,355,755)	(90,138,657)
	74,331,501	80,695,276	78,822,643	173,117,128
Opening stock of finished goods 9	-	-	-	-
Impact of recording revenue over time 9	57,920,580	128,647,606	57,920,580	128,647,606
Closing stock of finished goods 9	-	-	-	-
	57,920,580	128,647,606	57,920,580	128,647,606
	<u>1,852,070,166</u>	<u>1,552,128,875</u>	<u>1,050,384,213</u>	<u>707,135,605</u>

16.1 This includes toll manufacturing expense from SAIL and MAIL amounting to Rs. 128.714 million (31 December 2019: Rs. 155.312 million).

**17. EARNINGS PER SHARE - basic and diluted**

		six month period ended	
		31 December 2020	31 December 2019
		(Rupees)	
Profit / (Loss) after taxation	Rupees	77,276,792	(18,141,867)
Weighted average number of ordinary shares outstanding during the period	Numbers	151,250,000	151,250,000
Earnings / (Loss) per share - basic and diluted	Rupees	0.51	(0.12)

**18. TRANSACTIONS WITH RELATED PARTIES**

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

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited) For the six months period ended 31 December 2020

Balance as at	Relationship and Effective shareholding	Period / year and year end balances	31 December 2020 (Un-audited)	30 June 2020 (Audited)
Name of the related party			(Rupees)	
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (30 June 2020: 91%)	Loan due from at the period / year end Accrued mark-up on loan at the period / year end Amount due from at the period / year end	<u>241,329,000</u> <u>31,909,987</u> <u>161,390,350</u>	<u>246,329,000</u> <u>21,582,124</u> <u>87,575,325</u>
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (30 June 2020: 80%)	Loan due from at the period / year end Accrued mark-up on loan at the period / year end Trade receivable at the period / year end	<u>80,519,500</u> <u>9,457,262</u> <u>28,520,329</u>	<u>80,519,500</u> <u>6,062,508</u> <u>26,351,296</u>
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (30 June 2020: 80%)	Loan due from at the period / year end Mark-up Receivable on loan at the period / year end	<u>1,418,400,900</u> <u>225,129,243</u>	<u>1,040,000,900</u> <u>180,884,715</u>
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (30 June 2020: 100%)	Due from at the period / year end Loan due from at the period / year end Accrued mark-up on loan at the period / year end	<u>3,706,788</u> <u>2,904,000</u> <u>275,511</u>	<u>3,706,788</u> <u>2,714,000</u> <u>186,425</u>
Provident fund	Defined benefit scheme	Receivable from / (Payable to) provident fund	<u>3,182,632</u>	<u>(34,100)</u>
Employee benefits - gratuity	Defined contribution plan	Balance at the year period / year - payable	<u>10,973,556</u>	<u>16,149,322</u>
<b>Transactions for the period</b>				
Balance as at	Relationship and Effective shareholding	Transactions during the period	<u>Six month period ended</u>	
Name of the related party			31 December 2020	31 December 2019
(Rupees)				
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (31 December 2019: 91%)	Toll manufacturing Payments made during the period Loan (repaid) / provided Mark-up income on loan	<u>105,087,774</u> <u>-</u> <u>(5,000,000)</u> <u>10,327,863</u>	<u>114,111,559</u> <u>-</u> <u>181,600,000</u> <u>5,506,781</u>
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (31 December 2019: 92%)	Toll manufacturing Payments made during the period Loan provided Mark-up income on loan	<u>23,626,319</u> <u>-</u> <u>-</u> <u>3,394,754</u>	<u>41,200,094</u> <u>-</u> <u>52,200,000</u> <u>1,524,050</u>
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (31 December 2019: 80%)	Loan provided Mark-up income on loan	<u>378,400,000</u> <u>44,244,528</u>	<u>219,570,900</u> <u>59,059,255</u>
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (31 December 2019: 100%)	Loan provided Mark-up on loan	<u>190,000</u> <u>89,086</u>	<u>1,864,000</u> <u>39,115</u>
Provident fund	Defined benefit scheme	(Paid) / received during the period	<u>9,328,903</u>	<u>8,587,828</u>
Employee benefits - gratuity	Defined contribution plan	Expense for the period Contribution paid during the period	<u>1,893,715</u> <u>7,069,481</u>	<u>816,823</u> <u>-</u>
Treet Corporation Limited	Associated company by virtue of significant influence	Mark-up income on PTCs	<u>-</u>	<u>7,527,465</u>
Remuneration of chief executive, directors and executives (Key management personnel)				
Salaries and benefits			<u>28,137,569</u>	<u>34,051,406</u>

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

### 19. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

#### 19.1 Accounting classifications and fair values

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

31 December 2020	Carrying amount				Fair value				
	Fair value through profit or loss	FVOCI - equity instrument	Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
	(Rupees)								
<b>Financial assets - measured at fair value</b>									
Equity securities	734,007	16,872	-	-	750,879	750,879	-	-	750,879
Equity securities - associate	-	278,459,724	-	-	278,459,724	278,459,724	-	-	278,459,724
	<u>734,007</u>	<u>278,476,596</u>	-	-	<u>279,210,603</u>				
<b>Financial assets - not measured at fair value</b>									
Subsidiaries - unlisted shares	-	-	1,159,960,000	-	1,159,960,000				
Trade debts	-	-	459,829,283	-	459,829,283				
Loans	-	-	15,020,732	-	15,020,732				
Deposits and other receivables	-	-	14,053,575	-	14,053,575				
Due from related parties	-	-	2,227,666,766	-	2,227,666,766				
Cash and bank balances	-	-	9,004,527	-	9,004,527				
	-	-	<u>3,885,534,883</u>	-	<u>3,885,534,883</u>				
<b>Financial liabilities - not measured at fair value</b>									
Short term financing	-	-	1,799,855,995	-	1,799,855,995				
Trade and other payables	-	-	109,772,784	-	109,772,784				
Liabilities against assets subject to finance lease	-	-	1,202,024	-	1,202,024				
Accrued mark-up on short term financing	-	-	75,061,123	-	75,061,123				
Long term loan	-	-	327,282,811	-	327,282,811				
Current portion of long term loan	-	-	179,155,032	-	179,155,032				
Due to related party	-	-	311,755,000	-	311,755,000				
Unclaimed dividend	-	-	3,527,781	-	3,527,781				
	-	-	<u>2,807,612,550</u>	-	<u>2,807,612,550</u>				

## Notes to the Condensed Interim Unconsolidated Financial Statements (Un-audited) For the six months period ended 31 December 2020

30 June 2020	Carrying amount					Fair value			Total
	Fair value through profit or loss	FVOCI - equity instrument	Amortised cost	Other financial liabilities	Total carrying amount (Rupees)	Level 1	Level 2	Level 3	
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	-	-	1,159,960,000	-	1,159,960,000				
Trade debts	-	-	328,704,079	-	328,704,079				
Loans	-	-	26,599,259	-	26,599,259				
Deposits and other receivables	-	-	10,023,690	-	10,023,690				
Due from related parties	-	-	1,700,724,240	-	1,700,724,240				
Cash and bank balances	-	-	32,010,964	-	32,010,964				
	<u>533,851</u>	<u>158,756,866</u>	<u>3,258,022,232</u>	<u>-</u>	<u>3,417,312,949</u>				
Financial liabilities - not measured at fair value									
Short term financing	-	-	2,086,407,636	-	2,086,407,636				
Trade and other payables	-	-	130,700,872	-	130,700,872				
Liabilities against assets subject to finance lease	-	-	1,740,541	-	1,740,541				
Accrued mark-up on short term financing	-	-	79,535,197	-	79,535,197				
Long term loan	-	-	395,759,100	-	395,759,100				
Current portion of long term loan	-	-	31,770,597	-	31,770,597				
Due to related party	-	-	40,000,000	-	40,000,000				
Unclaimed dividend	-	-	3,535,500	-	3,535,500				
	<u>-</u>	<u>-</u>	<u>2,769,449,443</u>	<u>-</u>	<u>2,769,449,443</u>				

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

## 20. GENERAL

### 20.1 Segment reporting

These unconsolidated condensed interim financial statements have been prepared on the basis of a single reportable segment. Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at 31 December 2020 are located in Pakistan.

### 20.2 Corresponding figures

Corresponding figures have been reclassified wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison in accordance with the accounting and reporting standards as applicable in Pakistan. Following major reclassification has been made during the period other than disclosed elsewhere in these financial statements.

Description	Reclassified from	Reclassified to	Amount (Rupees)
Freight charges	Cost of sales	Administrative and selling expenses	<u>4,582,945</u>

20.3 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on February 22, 2021.

Chief Financial Officer

Chief Executive

Director

# **Condensed Interim Consolidated Financial Statement**



## Condensed Interim Consolidated Statement of Financial Statements

As at 31 December 2020

	Note	31 December 2020 (Un-audited)	30 June 2020 (Audited)
(Rupees)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	5,246,142,556	4,932,529,642
Intangible assets		156,725	344,797
Investments		278,459,724	158,738,930
Loan and receivable		8,597,134	7,261,530
Deferred tax assets		-	9,501,130
		<u>5,533,356,139</u>	<u>5,108,376,029</u>
<b>Current assets</b>			
Stores, spares and loose tools		74,828,927	76,560,562
Stock-in-trade		900,237,906	1,381,183,851
Trade debts - net		459,829,283	328,704,079
Loans and advances		121,794,002	67,822,902
Deposits, prepayments and other receivables		331,233,050	575,981,421
Due from related party		1,150,380	1,150,380
Taxation - net		233,976,241	163,120,742
Investments		11,683,087	9,001,861
Cash and bank balances		54,065,341	95,281,712
		<u>2,188,798,217</u>	<u>2,698,807,510</u>
<b>Total assets</b>		<u>7,722,154,356</u>	<u>7,807,183,539</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Authorised capital</b>			
400,000,000 ordinary shares of Rs.10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up capital		1,512,500,000	1,512,500,000
Share premium		1,095,352,578	1,095,352,578
Fair value reserve		(1,816,940)	(1,815,876)
Unappropriated profit		302,047,898	231,917,852
		<u>2,908,083,536</u>	<u>2,837,954,554</u>
<b>Non-Controlling Interest</b>		<u>227,506,228</u>	<u>259,467,794</u>
		<u>3,135,589,764</u>	<u>3,097,422,348</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		167,775	663,416
Defined benefit obligation - net		10,973,556	16,149,322
Long term loans		1,725,656,482	1,730,349,971
Gas Infrastructure Development Cess		1,358,739	-
Deferred tax liabilities		10,599,531	-
Deferred grant		4,272,923	2,646,769
		<u>1,753,029,006</u>	<u>1,749,809,478</u>
<b>Current liabilities</b>			
Current maturity of lease liabilities		1,034,249	1,077,125
Current portion of long term loans		190,685,397	43,170,962
Current portion of deferred grant		5,665,578	4,829,455
Short term borrowings		1,799,855,995	2,088,194,296
Trade and other payables		372,045,163	491,985,880
Due to related party		330,755,000	162,803,871
Unclaimed dividend		3,527,781	3,526,379
Accrued mark-up		129,966,423	164,363,745
		<u>2,833,535,586</u>	<u>2,959,951,713</u>
<b>Total equity and liabilities</b>		<u>7,722,154,356</u>	<u>7,807,183,539</u>

**CONTINGENCIES AND COMMITMENTS**

5

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



Chief Financial Officer



Chief Executive



Director

**Condensed Interim Consolidated Profit and Loss Account (Un-audited)**  
**For the six and three months period ended 31 December 2020**

	Note	For the six months period ended		For the three months period ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>(Rupees)</b>					
Revenue - net		2,085,378,481	1,756,061,643	1,169,340,062	785,776,167
Cost of sales	6	(1,876,765,603)	(1,564,746,187)	(1,063,283,981)	(718,782,995)
<b>Gross profit</b>		<b>208,612,878</b>	191,315,456	<b>106,056,081</b>	66,993,172
Administrative and selling expenses		(98,750,911)	(96,087,836)	(53,330,629)	(40,020,615)
		<b>109,861,967</b>	95,227,620	<b>52,725,452</b>	26,972,557
Other expenses		(7,593,798)	(3,605,858)	(3,797,431)	(1,062,670)
Other income		163,832,150	126,769,508	100,325,565	79,872,134
		<b>156,238,352</b>	123,163,650	<b>96,528,134</b>	78,809,464
<b>Operating profit</b>		<b>266,100,319</b>	218,391,270	<b>149,253,586</b>	105,782,021
Financial charges		(175,384,375)	(175,163,583)	(78,474,053)	(99,285,079)
Share of (loss) / profit in associates-net		(18,976,014)	(26,280,800)	24,236,732	1,649,200
<b>Profit before taxation</b>		<b>71,739,930</b>	16,946,887	<b>95,016,265</b>	8,146,142
Taxation		(33,571,450)	(40,206,954)	8,700,644	(23,194,280)
<b>Profit / (loss) after taxation</b>		<b>38,168,480</b>	(23,260,067)	<b>103,716,909</b>	(15,048,138)
<b>Profit / (loss) attributable To:</b>					
Owners of the Company		70,130,046	(21,770,844)		
Non-controlling interest		(31,961,566)	(1,489,223)		
		<b>38,168,480</b>	(23,260,067)		
<b>Earnings / (loss) per share</b>					
- basic and diluted		<b>0.25</b>	(0.15)	<b>0.69</b>	(0.10)

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



Chief Financial Officer



Chief Executive



Director

**Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)  
For the six and three months period ended 31 December 2020**

	For the six months period ended		For the three months period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	(Rupees)			
Profit / (loss) after taxation	38,168,480	(23,260,067)	103,716,909	(15,048,138)
<b>Other comprehensive income:</b>				
Items that are or may be reclassified subsequently to profit and loss				
Equity investments at FVOCI - net change in fair value	(1,064)	46,526,458	628	50,421,505
<b>Total comprehensive income for the period</b>	<b><u>38,167,416</u></b>	<b><u>23,266,391</u></b>	<b><u>103,717,537</u></b>	<b><u>35,373,367</u></b>

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



Chief Financial Officer



Chief Executive




Director

## Condensed Interim Consolidated Cash Flow Statement (Un-audited)


For the six months period ended 31 December 2020

	31 December 2020	31 December 2019
	(Rupees)	
Profit before taxation	71,739,930	16,946,887
<b>Adjustment for:</b>		
Depreciation	42,609,476	48,206,363
Amortization	188,072	485,173
Mark-up expense	175,384,375	167,959,622
Finance lease charges	-	28,342
Mark-up income	(3,070,977)	(789,459)
Dividend Income	(11,178)	-
Interest income on PTC	-	(7,545,988)
Gain on disposal of item of property, plant and equipment	(7,142,767)	(1,317,073)
Provision for gratuity	1,893,715	816,823
Gain on disposal of investment	(1,075,208)	(1,282,139)
Loss on redemption of PTC	-	2,985,337
Share of profit in associates - net	-	26,280,800
Equity investments at FVTPL - net change in fair value	(119,920,950)	(7,277)
	<u>160,594,488</u>	<u>252,767,411</u>
<b>Working capital changes</b>		
<b>Decrease / (increase) in current assets</b>		
Stores and spares	1,731,635	(12,707,811)
Stock-in-trade	480,945,945	(50,950,016)
Trade debts	(131,125,204)	164,803,131
Loans and advances	(53,971,100)	(63,361,918)
Deposits, prepayments and other receivables	243,412,767	132,000,137
	540,994,043	169,783,523
<b>Decrease in current liabilities</b>		
Trade and other payables	(118,581,978)	(200,608,484)
<b>Cash generated from operations</b>	583,006,553	221,942,450
Mark-up paid	(209,781,696)	(138,100,461)
Contribution paid to defined benefit obligation	(7,069,481)	(4,000)
Tax paid	(84,326,289)	(43,367,254)
<b>Net cash generated from operating activities</b>	<u>281,829,087</u>	<u>40,470,735</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(356,659,611)	(470,924,277)
Mark-up received	3,070,977	789,459
Dividend received	12,579	7,545,988
Proceeds from disposal of item of property, plant and equipment	7,579,988	3,949,623
Purchase of investments - net	(10,932,208)	18,450,314
Proceeds from disposal of investments	9,525,283	-
<b>Net cash used in investing activities</b>	<u>(347,402,992)</u>	<u>(440,188,893)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(538,517)	(6,186,204)
Loan and Borrowings	145,283,223	45,646,000
Loan from director	167,951,129	111,205,245
Dividend Paid	-	(7,458)
<b>Net cash generated from financing activities</b>	<u>312,695,835</u>	<u>150,657,583</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>247,121,930</u>	<u>(249,060,575)</u>
Cash and cash equivalents at beginning of the period	<u>(1,992,912,584)</u>	<u>(3,241,256,889)</u>
<b>Cash and cash equivalents at end of the period</b>	<u>(1,745,790,654)</u>	<u>(3,490,317,464)</u>

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



Chief Financial Officer



Chief Executive



Director

**Condensed Interim Consolidated Statement of Changes in Equity  
(Un-audited)  
For the six months period ended 31 December 2020**

	Share capital	Capital reserve		Revenue reserve	Total equity
	Issued, subscribed and paid up capital	Share premium	Fair value reserve of equity securities - FVOCI (Rupees)	Unappropriated profit	
Balance as at 30 June 2019	1,512,500,000	1,095,352,578	(3,392,943)	641,560,112	3,246,019,747
<b>Total comprehensive income for the period ended 31 December 2019</b>					
Loss after taxation	-	-	-	(21,770,844)	(21,770,844)
Reclassification of unrealised gain on sale of investment carried at FVOCI	-	-	16,627,880	(16,627,880)	-
Gain on sale of investment carried at FVOCI	-	-	-	1,282,139	1,282,139
Other comprehensive income	-	-	46,526,458	-	46,526,458
	-	-	63,154,338	(37,116,585)	26,037,753
<b>Transactions with owners</b>	-	-	-	-	-
Balance as at 31 December 2019	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>59,761,395</u>	<u>604,443,527</u>	<u>3,272,057,500</u>
<b>Balance as at 01 July 2020</b>	<b>1,512,500,000</b>	<b>1,095,352,578</b>	<b>(1,815,876)</b>	<b>231,917,852</b>	<b>2,837,954,554</b>
<b>Total comprehensive income for the period ended 31 December 2020</b>					
Profit after taxation	-	-	-	70,130,046	70,130,046
Other comprehensive loss	-	-	(1,064)	-	(1,064)
	-	-	(1,064)	70,130,046	70,128,982
<b>Transactions with owners</b>	-	-	-	-	-
<b>Balance as at 31 December 2020</b>	<u><b>1,512,500,000</b></u>	<u><b>1,095,352,578</b></u>	<u><b>(1,816,940)</b></u>	<u><b>302,047,898</b></u>	<u><b>2,908,083,536</b></u>

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



Chief Financial Officer



Chief Executive



Director

## Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

### 1. STATUS AND NATURE OF BUSINESS

#### 1.1 Legal status and operations

Loads Limited (“the Parent Company”) was incorporated in Pakistan on January 01, 1979 as a private limited company under the Companies Act, 1913 {repealed with the enactment of the Companies Ordinance, 1984 (repealed with the enactment of Companies Act, 2017 on May 30, 2017)}.

On December 19, 1993, the Parent Company was converted from private limited company to public unlisted Company and subsequently on November 01, 2016, the shares of the Parent Company were listed on Pakistan Stock Exchange Limited (PSX). The registered address of the of the Parent Company is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi.

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

The Parent 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. Subsidiaries are carried at cost. The details are as follows:

Name of the Company	Incorporation date	Effective holding %		Principle line of business
		31 December 2020	30 June 2020	
<b>Subsidiaries</b>				
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 start yet.
<b>Associate</b>				
Treet Corporation Limited	22 January 1977	5.27%	5.27%	Manufacture and sale of razors, razor blades and other trading activities

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

## Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The condensed interim consolidated financial statements has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as 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.

This condensed interim consolidated financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements of the Parent Company as at and for the year ended 30 June 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last financial statements.

#### 2.2 Basis of measurement

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

#### 2.3 Functional and presentation currency

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

#### 2.4 Key estimates and judgments

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

In preparing the condensed interim consolidated financial statements, the significant judgments made by the management in applying the Parent Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2020. The Parent Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2020.

### 3. PROPERTY, PLANT AND EQUIPMENT

	Note	31 December 2020 (Un-audited)	30 June 2020 (Audited)
		(Rupees)	
Operating property, plant and equipment		784,401,473	794,856,968
Capital work-in-progress	3.1	4,461,741,083	4,137,672,674
		<u>5,246,142,556</u>	<u>4,932,529,642</u>

## Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

3.1 The following acquisitions and disposals have been made during six months period ended 31 December 2020.

	For the six months period ended			
	31 December 2020		30 December 2019	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	----- (Rupees) -----			
Building on leasehold land	201,997	-	244,457	-
Plant and machinery	2,486,950	-	4,255,951	-
Tools and equipment	19,681,125	-	6,018,182	-
Furniture, fittings and office equipment	3,169,567	-	3,331,530	-
Vehicles	-	1,223,931	4,308,485	2,632,550
	<u>25,539,639</u>	<u>1,223,931</u>	<u>18,158,605</u>	<u>2,632,550</u>

## 4. CONTINGENCIES AND COMMITMENTS

### 4.1 Contingencies

There is no change in the status of contingencies as disclosed under note 17 of the annual consolidated financial statements of the Company for the year ended 30 June 2020.

### 4.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 665.7 million (30 June 2020: Rs. 58 million).

## 5. COST OF SALES

	For the six months period ended		For the three months period ended	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	----- (Rupees) -----			
Raw materials and components consumed	1,340,682,632	948,652,362	723,681,183	225,066,810
Ancillary materials consumed	65,012,497	40,057,234	37,506,900	20,933,686
<b>Manufacturing Expenses</b>				
Salaries, wages and other employee benefits	196,172,782	224,940,342	94,339,366	104,547,097
Toll manufacturing	35,794,037	34,893,837	19,902,774	17,141,329
Depreciation	39,281,003	44,069,507	20,163,375	22,239,713
Gas, power and water	23,360,657	17,591,277	12,572,484	8,875,187
Others	44,209,915	38,918,932	18,374,677	22,551,255
Manufacturing cost	<u>1,744,513,523</u>	<u>1,349,123,491</u>	<u>926,540,759</u>	<u>421,355,077</u>
Opening stock of work-in-process	74,331,500	86,975,090	78,822,642	168,780,312
Impact of recording revenue overtime	80,355,756	90,138,657	80,355,756	90,138,657
Closing stock of work-in-process	(80,355,756)	(90,138,657)	(80,355,756)	(90,138,657)
	<u>74,331,500</u>	<u>86,975,090</u>	<u>78,822,642</u>	<u>168,780,312</u>
Opening stock of finished goods	-	-	-	-
Impact of recording revenue overtime	57,920,580	128,647,606	57,920,580	128,647,606
Closing stock of finished goods	-	-	-	-
	<u>57,920,580</u>	<u>128,647,606</u>	<u>57,920,580</u>	<u>128,647,606</u>
	<u>1,876,765,603</u>	<u>1,564,746,187</u>	<u>1,063,283,981</u>	<u>718,782,995</u>



## Notes to the Condensed Interim Consolidated Financial Statements (Un-audited)

For the six months period ended 31 December 2020

### 7. TRANSACTIONS WITH RELATED PARTIES

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

Transactions and balances with related parties are disclosed below:

	<b>31 December 2020</b>	30 June 2020 (Rupees)
<b>Investment in Treet Corporation</b>		
Ordinary shares: 8,887,958 shares (30 June 2020: 8,887,958 shares)	<u><b>278,459,724</b></u>	<u>158,738,930</u>
<b>Treet Corporation Limited</b>		
Interest income from PTCs	<u>-</u>	<u>7,545,988</u>
<b>Receivable from / (payable to) provident fund</b>		
	<u><b>3,182,632</b></u>	<u>(34,100)</u>
<b>Defined benefit obligation - payable</b>	<u><b>10,973,556</b></u>	<u>16,149,322</u>
	<b>31 December 2020</b>	31 December 2019 (Rupees)
<b>First Treet Manufacturing Modaraba</b>		
Purchase of goods	<u><b>179,422</b></u>	<u>123,548</u>
<b>IGI General Insurance Limited</b>		
Purchase of services	<u><b>2,979,997</b></u>	<u>3,443,844</u>

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

### 8. DATE OF AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board Of Directors on February 22, 2021.

### 9. GENERAL

9.1 All figures, except for the 30th June 2020, appearing in this condensed interim consolidated financial statements are unaudited.

9.2 The amounts have been rounded off to nearest rupee.



Chief Financial Officer



Chief Executive










Director










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