

INNOVATION IN MOTION

Half Yearly Report 2021

Report to the
Shareholders for
Half year ended
December 31, 2021



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 Shah	– 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

* Chairman is Non-Executive Director

Audit Committee

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

Human Resources & Remuneration Committee

Mrs. Rozina Muzammil	– Chairperson
Mr. Munir K. Bana	– Member
Syed Sheharyar Ali	– Member
Mr. Muhammad Mohtashim Aftab	– Member
Mr. Shamim A. Siddiqui	– Member

Chief Operating Officer

Syed Mehdi Hasnain

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. Babar Saleem

Head of Internal Audit

Mr. Khawaja M. Akber

External Auditors

M/S. KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisors

M/S. Altaf K. Allana & Co., Advocates

Corporate Advisor

M/S. 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
BankIslami Pakistan Ltd.
The Bank of Punjab
MCB Islamic Bank Limited

Subsidiaries and Associate

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

Registered Office

Plot No. 23, Sector 19
Korangi Industrial Area, Karachi
Tel: +92-21-35065001-5, +92-302-8674683-9
Fax: +92-21-35057453-54
E-mail: inquiry@loads-group.pk

Shares Registrar

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S, Main Shahra-e-Faisal,
Karachi

Tel: Customer Support Services: 0800-23275

Fax: +92-21-34326053

E-mail: info@cdcpak.com

Registration with Authorities

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

Website

www.loads-group.pk

DIRECTORS' REVIEW

The Directors of your company present the Loads Group's six months report together with reviewed financial statements for the half year ended 31 December 2021.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

	Rupees in million					
	Half year ended 31 December					
	2021		2020		% Change	
	Loads	Consolidated	Loads	Consolidated	Loads	Consolidated
Revenue - Net	3,625	3,625	2,085	2,085	74%	74%
Gross Profit	361	451	233	209	55%	116%
Operating Profit	358	359	223	266	61%	35%
Share of Profit/(Loss) in associate	-	22	-	(19)	-	216%
Profit before Taxation	193	127	108	72	79%	76%
Profit after Taxation	134	42	77	38	74%	11%
Earnings per share (EPS) basic & diluted (Rupees)	0.53	0.17	Re-stated 0.43	Re-stated 0.21	+23%	-19%

BUSINESS REVIEW

Company Results

The Company recorded Operating Profit (OP) increase of Rs. 135 million (+61%) over the previous period. Profit before Taxation (PBT) registered an increase of Rs. 85 million (+79%) and Profit after Taxation (PAT) grew by Rs.57 million (+74%) respectively over the previous period. Therefore, Earnings per Share (EPS) improved from of 43 paise per share to 53 paise per share.

Group Results

The group has recorded sales of Rs. 3,625 million for the half year ended 31 December 2021, registering a growth of Rs. 1,540 million (+74%) over the previous period. The increase is mainly due to growth in sales of automobiles & heavy vehicles by 70% & 57% respectively.

Consolidated Profit before Taxation (PBT) and Profit after Taxation (PAT) also improved by 76% & 11% respectively over the previous period.

Share of profit from associated undertaking, Treet Corporation Limited, has improved from a loss of Rs. 19 million to a profit of Rs. 22 million as compared to previous period.

AUTOMOTIVE INDUSTRY

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

Overall car sales for the half year grew over previous period by 70%, mainly due to growth in Toyota, Suzuki and Honda volumes by 46%, 92% and 43% respectively.

(b) Heavy Commercial Vehicles

Heavy vehicle volumes grew by 57% over previous period's 1,947 units to 3,062 units, on account of increase of 70% in trucks, partly offset by decline of 12% in buses.

(c) Tractors

The tractor industry's sales grew by 21% over previous period, registering sales of 26,479 units in 2021 (2020: 21,853 units), on account of growth in Al-Ghazi Tractor volumes by 49% and Millat Tractors by 11%.

SALES PERFORMANCE

The overall sales of the group for the half year increased by 74%, over previous period. A product-wise analysis is given below:

Products	Rs. in millions		
	Sales in Half year December 31, 2021		
	2021	2020	% Change
Exhaust Systems	2,327	1,315	77%
Radiators	419	292	43%
Sheet Metal Components	879	478	84%
Total	3,625	2,085	74%

Comments on performance of various product groups are given below:

(a) Exhaust Systems

Sales of exhaust systems grew by 77% on account of growth in sales of all three major customers, Pak Suzuki, Honda and Toyota (Corolla & Yaris), by 92%, 43% and 46% respectively.

(b) Radiators

Sales of radiators increased by 43%, reflecting growth in sales of pickups and vans of Pak Suzuki by 80%, and 74% respectively, whereas aftermarket business remained stable without any significant increase.

(c) Sheet Metal Components

The group has registered a growth of 84%, as compared to corresponding period, mainly due to increase in volumes of OEMs.

PROSPECTS

The economy continues to remain under pressure due to current account deficit, rupee depreciation, rising inflation and after affects of COVID - 19.

However, in spite of the above factors, auto sector has performed exceptionally well during the first half of the current year due to high demand of cars.

We remain cognizant of the present business challenges and are continually assessing our strategies to meet the customers' demand while improving productivity through innovation, efficiency and effective cost containment initiatives.

ACKNOWLEDGEMENTS

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

By order of the Board



Munir K. Bana
Chief Executive



Rozina Muzammil
Director

Karachi: 28 February 2022

(ج) ٹریکیٹر:

ٹریکیٹر انڈسٹری کی سیلز میں گزشتہ مدت کے مقابلے میں 21 فیصد کا اضافہ ہوا۔ یہ سیلز 2021 میں 21,853 یونٹس رہی (2020 میں 26,479 یونٹس تھی) جو کہ الغازی ٹریکیٹر کے حجم میں 49% اور ملٹ ٹریکیٹرز میں 11% اضافے کی وجہ سے ہوئی۔

کمپنی کی سیلز کی کارکردگی:

گروپ کی مجموعی فروخت میں 74 فیصد تک کا اضافہ ہو کمپنی کی پروڈکٹس کے حساب سے کارکردگی ششماہی سال میں اس طرح ریکارڈ کی گئی۔

روپے بلین میں			پروڈکٹس
ششماہی 31 دسمبر 2021			
تبدیل %	2020	2021	
77%	1,315	2,327	ایگزوسٹ سٹم
43%	292	419	ریڈی ایٹرز
84%	478	879	شیٹ مثل اجزاء
74%	2,085	3,625	مجموعی

مختلف پروڈکٹس کی کارکردگی کے بارے میں تبصرہ

(اے) ایگزاسٹ سٹم:

ایگزاسٹ سٹم کی فروخت میں 77 فیصد اضافہ ہوا جس کی وجہ تین بڑے صارفین پاک سوزوکی، ہونڈا اور ٹویوتا (کرولا اور یارس) کی فروخت میں بالترتیب 92 فیصد، 43 فیصد اور 46 فیصد اضافہ ہے۔

(ب) ریڈی ایٹرز:

ریڈی ایٹرز کی فروخت 43 فیصد بڑھ گئی، جس کی وجہ بالترتیب پاک سوزوکی کی پک اپ اور وین کی فروخت تھی، ان کی فروخت میں بالترتیب 80 فیصد اور 74 فیصد اضافہ ہوا۔ جب کہ (After Market) کاروبار مستحکم رہا اور کوئی اہم اضافہ نہیں ہوا۔

(سی) شیٹ مثل اجزاء

گروپ نے 84 فیصد کا اضافہ گزشتہ مدت کے مقابلے میں کیا، یہ اضافہ (OEMs) کے حجم کے اضافہ سے ہوا۔

توقعات

معیشت بدستور باؤ میں رہی جس کی وجہ کرنٹ اکاؤنٹ خسارہ، روپے کی قدر میں کمی بڑھتا ہوا افراط زر اور COVID-19 کے بعد کے اثرات ہیں۔ تاہم مندرجہ بالا عوامل کے باوجود، گاڑیوں کی زیادہ مانگ کی وجہ سے آٹو سیکٹرز نے رواں سال کی پہلی ششماہی کے دوران میں غیر معمولی کارکردگی کا مظاہر کیا۔ ہم موجودہ کاروباری چیلنجوں سے بخوبی واقف ہیں اور جدت، کارکردگی اور لاگت پر قابو پانے کے موثر اقدامات کے ذریعے پیداواری صلاحیت کو بہتر بناتے ہوئے صارفین کی طلب کو پورا کرنے کے لیے مسلسل حکمت عملی کا جائزہ لے رہے ہیں۔

تسلیمات

بورڈ اپنے تمام ملازمین اور صارفین کا شکریہ ادا کرنا چاہتا ہے، ان کی مسلسل جہد و جہد کی حمایت بھی کرتا ہے بورڈ کے حکم سے



روزینہ مزیل
ڈائریکٹر



منیر کے۔ بانا
چیف ایگزیکٹو

کراچی: 28 فروری 2022

لوڈز گروپ ڈائریکٹرز کی شیئر ہولڈز کو رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2021 کو ختم ہونے والے ششماہی کے مالیاتی نتائج اور آپریشنز برائے ششماہی مدت مختتمہ چھ ماہ کی رپورٹ پیش کرتے ہیں۔
تفیلی مالیاتی نتائج کی سمری

روپے بلین میں						
تبدیل %		ششماہی 31 دسمبر 2020		ششماہی 31 دسمبر 2021		
مجموعی	لوڈز	مجموعی	لوڈز	مجموعی	لوڈز	
74%	74%	2,085	2,085	3,625	3,625	فروخت
116%	55%	209	233	451	361	کل منافع
35%	61%	266	223	359	358	آپریٹنگ منافع
216%	-	(19)	-	22	-	منافع / نقصان کا شیئر
76%	79%	72	108	127	193	ٹیکس سے پہلے کا منافع
11%	74%	38	77	42	134	ٹیکس کے بعد کا منافع
-19%	+23%	Re-stated 0.21	Re-stated 0.43	0.17	0.53	آمدنی ہر شیئر پر (EPS) بنیاد اور کمزور (روپے)

کاروباری جائزہ

کمپنی کے نتائج

کمپنی نے گزشتہ مدت کے مقابلے میں آپریٹنگ منافع (OP) 135 ملین (+61%) کا اضافہ ریکارڈ کیا۔ ٹیکس سے پہلے منافع میں (PBT) 85 ملین (+79%) اور ٹیکس کے بعد کے منافع (PAT) 57 ملین روپے کا اضافہ (+74%) گزشتہ مدت کے مقابلے میں رہا۔ لہذا فی شیئر آمدنی (EPS) 43 پیسے فی شیئر سے بڑھ کر 53 پیسے فی شیئر ہو گئی۔

گروپ کے نتائج

گروپ نے ششماہی مختتمہ کے آخر میں 31 دسمبر 2021 تک 3,625 ملین روپے کی سیلز ریکارڈ کی۔ جو گزشتہ مدت کے مقابلے میں 1,540 ملین (+74%) زیادہ تھی۔

یہ اضافہ خاص طور پر آٹوموبائل اور بھاری گاڑیوں کی فروخت کی وجہ سے ہوا۔ جو کہ بالترتیب 70 فیصد اور 57 فیصد تھا۔

ٹیکس سے پہلے کا مجموعی منافع (PBT) اور ٹیکس کے بعد کا منافع (PAT) بالترتیب گزشتہ مدت کے مقابلے میں 76 فیصد اور 11 فیصد بڑھ گیا۔

گزشتہ عرصے کے مقابلے میں ٹریڈ کارپوریشن لمیٹڈ سے ملنے والا (Share of Profit) 19 ملین کے نقصان سے 22 ملین کے منافع میں تبدیل ہوا۔

گاڑیوں کی صنعت کا جائزہ:

(الف) مسافر کاریں / ہلکی کمرشل گاڑیاں (LCVs)

کاروں کی سیلز پہلے ششماہی سال میں گزشتہ مدت کے مقابلے میں 70 فیصد زیادہ رہی یہ اضافہ ٹویونا، سوزوکی اور ہونڈا گاڑیوں میں بالترتیب 46 فیصد، 92 فیصد اور 43 فیصد تھا۔

(ب) بڑی تجارتی گاڑیاں:

بڑی تجارتی گاڑیوں گزشتہ مدت کے مقابلے میں 57 فیصد اضافہ ہوا۔ ان کا وولیم 1,947 یونٹس سے بڑھ کر 3,062 یونٹس تک پہنچ گیا، یہ اضافہ 70 فیصد رٹوں میں اضافہ کی وجہ سے ہوا، جزوی طور پر بسوں میں 12 فیصد کمی ہوئی۔

Condensed Interim Unconsolidated Financial Statements



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

To the members of Loads Limited

Report on review of Condensed Unconsolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of **Loads Limited** ("the Company") as at 31 December 2021 and the related condensed unconsolidated interim statement of profit or loss, the condensed unconsolidated interim statement of comprehensive income, the condensed unconsolidated interim statement of changes in equity, the condensed unconsolidated interim statement of cash flows and notes to the condensed unconsolidated interim financial statements for the six-months period then ended (here-in-after referred to as the "condensed unconsolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed unconsolidated 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 condensed unconsolidated 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 condensed unconsolidated 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 condensed unconsolidated interim financial statements are 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 Matter

The figures for the three months ended 31 December 2021 and 31 December 2020 in the condensed unconsolidated interim statement of profit or loss and the condensed unconsolidated interim statement of other comprehensive income have not been reviewed and we do not express a conclusion thereon.

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

Date: 28 February 2022

Karachi

UDIN: RR202110106qzUekP084

KPMG Taseer Hadi
KPMG Taseer Hadi & Co.
Chartered Accountants

Condensed Interim Unconsolidated Statement of Financial Position

As at 31 December 2021

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	7	578,278,422	562,752,918
Intangible assets		2,629,666	-
Long term investments	8.1	1,361,654,469	1,599,825,041
Long term loans		8,510,586	8,303,878
Deferred tax assets		-	9,448,705
		1,951,073,143	2,180,330,542
Current assets			
Stores, spares and loose tools		59,226,887	57,654,929
Stock-in-trade	9	1,510,612,629	1,387,034,758
Trade debts - net		850,518,491	476,303,736
Loans and advances	10	139,661,320	110,124,231
Deposits, prepayments and other receivables		27,289,401	42,134,540
Due from related parties		3,045,261,531	2,588,437,564
Defined benefit asset - net		4,416,627	-
Taxation - net		293,199,343	162,738,194
Short term investments	8.2	798,462	925,552
Cash and bank balances		43,922,720	10,733,698
		5,974,907,411	4,836,087,202
TOTAL ASSETS		7,925,980,554	7,016,417,744
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital 400,000,000 ordinary shares of Rs. 10 each		4,000,000,000	4,000,000,000
Issued, subscribed and paid-up capital	14	2,512,500,000	2,512,500,000
Share premium		1,070,065,433	1,070,065,433
Fair value reserve		54,944,440	82,731,000
Unappropriated profit		597,068,896	463,202,182
		4,234,578,769	4,128,498,615
LIABILITIES			
Non-current liabilities			
Long term loans		242,865,463	249,526,409
Lease liabilities		20,424,173	910,322
Deferred tax liabilities - net		1,521,348	-
Defined benefit obligation - net		-	4,535,710
Gas Infrastructure Development Cess		-	940,401
Deferred grant		-	242,701
		264,810,984	256,155,543
Current liabilities			
Current maturity of lease liabilities		7,620,267	839,504
Current portion of long term loans		137,557,377	208,662,007
Current portion of deferred grant		1,474,993	3,456,285
Short term borrowings	11	2,403,048,687	1,844,976,781
Due to related parties	12	202,446,996	204,344,517
Trade and other payables	13	623,397,818	328,591,992
Unclaimed dividend		3,527,781	3,527,781
Accrued mark-up		47,516,882	37,364,719
		3,426,590,801	2,631,763,586
TOTAL EQUITY AND LIABILITIES		7,925,980,554	7,016,417,744
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated 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 2021

	Note	For the six months period ended		For the three months period ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees)					
Revenue - net		3,624,967,332	2,085,378,481	1,952,046,621	1,169,340,062
Cost of sales	16	(3,264,138,728)	(1,852,070,166)	(1,756,694,749)	(1,050,384,213)
Gross profit		360,828,604	233,308,315	195,351,872	118,955,849
Administrative, selling and general expenses		(128,164,937)	(79,237,871)	(68,362,219)	(42,397,558)
		232,663,667	154,070,444	126,989,653	76,558,291
Other expenses		(12,792,594)	(7,593,798)	(9,505,446)	(3,797,431)
Other income		137,739,519	76,096,126	77,189,802	35,746,930
		124,946,925	68,502,328	67,684,356	31,949,499
Operating profit		357,610,592	222,572,772	194,674,009	108,507,790
Finance costs		(164,228,536)	(114,535,587)	(73,981,870)	(55,221,642)
Equity investments at FVTPL - net change in fair value	8.2.1	(126,791)	200,156	15,247	29,909
Profit before taxation		193,255,265	108,237,341	120,707,386	53,316,057
Taxation		(59,388,551)	(30,960,549)	(38,349,666)	10,173,446
Profit after taxation		133,866,714	77,276,792	82,357,720	63,489,503
			<i>Re-stated</i>		<i>Re-stated</i>
Earnings per share - basic and diluted	17	0.53	0.43	0.33	0.36

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated 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 2021

	For the six months period ended		For the three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Profit for the period	133,866,714	77,276,792	82,357,720	63,489,503
Other comprehensive (loss) / income				
Items that will never be reclassified subsequently to profit or loss				
Change in fair value of equity investment at FVOCI - net of tax	(296)	(1,064)	(278)	628
Investments in associate at FVOCI - net of tax	(27,786,264)	112,220,459	8,452,071	63,734,915
Total comprehensive income for the period	106,080,154	189,496,187	90,809,513	127,225,046

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.



Chief Financial Officer



Chief Executive



Director

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

For the six months ended 31 December 2021

	Share capital	Capital Reserve	Revenue reserves		Total equity
	Issued, subscribed and paid-up capital	Share premium	Fair value reserve	Unappropriated profit	
	(Rupees)				
Balance as at 30 June 2020 (Audited)	1,512,500,000	1,095,352,578	(185,546,462)	339,322,527	2,761,628,643
Total comprehensive income for the six months ended 31 December 2020					
Profit for the period	-	-	-	77,276,792	77,276,792
Other comprehensive income	-	-	112,219,395	-	112,219,395
	-	-	112,219,395	77,276,792	189,496,187
Balance as at 31 December 2020 (Un-audited)	<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>
Balance as at 30 June 2021 (Audited)	2,512,500,000	1,070,065,433	82,731,000	463,202,182	4,128,498,615
Total comprehensive income for the six months ended 31 December 2021					
Profit for the period	-	-	-	133,866,714	133,866,714
Other comprehensive loss	-	-	(27,786,560)	-	(27,786,560)
	-	-	(27,786,560)	133,866,714	106,080,154
Balance as at 31 December 2021 (Un-audited)	<u>2,512,500,000</u>	<u>1,070,065,433</u>	<u>54,944,440</u>	<u>597,068,896</u>	<u>4,234,578,769</u>

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Unconsolidated Statement of Cash Flows (Un-audited)

For the six months ended 31 December 2021

	31 December 2021	31 December 2020
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	193,255,265	108,237,341
Adjustments for		
Depreciation	34,239,114	35,545,760
Amortisation	75,133	188,072
Finance costs	113,952,193	68,737,049
Gain on disposal of property, plant and equipment	(1,504,289)	(2,491,069)
Discount income on reversal of Gas Infrastructure Development Cess (GIDC)	-	(938,388)
Current Service Costs	1,447,663	1,893,715
Finance lease charges	934,680	-
Mark-up income on loan to subsidiaries	(126,008,442)	(59,966,792)
Dividend income	(4,871,455)	(11,178)
Unrealised loss / (gain) on re-measurement of investment classified as at FVTPL	126,791	(200,156)
	211,646,653	150,994,354
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	(1,571,958)	6,731,412
Stock-in-trade	(123,577,871)	480,945,936
Trade debts - net	(374,214,755)	(131,125,204)
Due from related parties	(3,388,338)	(468,886,295)
Loans and advances	(32,448,596)	(19,769,509)
Deposits, prepayments and other receivables	14,638,431	112,657,624
	(520,563,087)	(19,446,036)
Decrease in current liabilities		
Trade and other payables	293,865,425	(66,980,152)
Cash generated from / (used in) operations	(15,051,009)	64,568,166
Finance costs paid	(103,800,030)	(73,211,125)
Contribution paid to defined benefit plan	(10,400,000)	(7,069,481)
Income tax paid - net	(176,503,959)	(62,134,775)
Net cash used in operating activities	(305,754,998)	(77,847,215)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for acquisition of property, plant and equipment	(20,286,642)	(16,832,628)
Dividend received	4,871,455	11,178
Mark-up received	21,170,617	1,910,561
Proceeds from disposal of vehicles	2,961,000	3,715,000
Proceeds from sale of investments - net	205,632,646	-
Net cash generated from / (used in) investing activities	214,349,076	(11,195,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
Rental payments against lease liabilities	(2,992,066)	(538,517)
Loan received	(79,989,569)	81,370,423
Dividend paid	-	1,402
Loans to subsidiary companies - net	(348,597,806)	-
Due to related parties	(1,897,521)	271,755,000
Net cash (used in) / generated from financing activities	(433,476,962)	352,588,308
Net (decrease) / increase in cash and cash equivalents during the period	(524,882,884)	263,545,204
Cash and cash equivalents at beginning of the period	(1,834,243,083)	(2,054,396,672)
Cash and cash equivalents at end of the period	(2,359,125,967)	(1,790,851,468)
Cash and cash equivalents at end of the period comprises		
Cash and bank balances	43,922,720	9,004,527
Short term borrowings	(2,403,048,687)	(1,799,855,995)
	(2,359,125,967)	(1,790,851,468)

The annexed notes from 1 to 21 form an integral part of these condensed unconsolidated interim financial statements.

Chief Financial Officer

Chief Executive

Director

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

For the six months ended 31 December 2021

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 of the Company. The details are as follows:

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		31 December 2021	30 June 2021	
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	2.78%	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.

1.2 As at 31 December 2021, the financial position of the subsidiaries are as follows:

Note	Assets		Liabilities		Equity		Breakup value		
	(Rupees)								
31 December 2021		(Rupees / share)							
SAIL	1.2.1	965,117,738	271,488,571	693,629,167	21.34				
HAWL	1.2.1	5,285,941,412	4,826,381,250	459,560,162	3.49				
MAIL	1.2.1	442,070,761	175,282,892	266,787,869	21.34				
SMPL	1.2.1	96,292,767	12,599,046	83,693,721	11.16				
30 June 2021									
SAIL		1,295,589,035	651,120,840	644,468,195	19.83				
HAWL		5,230,036,291	4,561,037,831	668,998,460	5.09				
MAIL		448,069,874	194,837,816	253,232,058	20.26				
SMPL		92,450,477	11,250,765	81,199,712	10.82				

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

For the six months ended 31 December 2021

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 2021.

1.3 As at 30 September 2021, the consolidated assets, liabilities and equity of Treet Corporation Limited amounted to Rs. 25,382 million, Rs. 14,938 million and Rs. 10,444 million respectively (un-audited).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements of the Company for the six months period ended 31 December 2021 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 condensed interim unconsolidated 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 condensed unconsolidated interim financial statements comprise of the unconsolidated statement of financial position as at 31 December 2021 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 ended 31 December 2021.

2.3 The comparative condensed unconsolidated interim statement of financial position presented in these condensed unconsolidated interim financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended 30 June 2021, 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 ended 31 December 2020 have been extracted from the unaudited unconsolidated condensed interim financial statements for the period then ended 31 December 2020.

2.4 These condensed unconsolidated 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 30 June 2021. 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 unconsolidated interim financial statements have been prepared under the historical cost convention except for certain investments which are being stated at fair value.

2.6 Functional and presentation currency

These condensed unconsolidated interim financial statements are presented in Pakistani Rupee which is also the Company's functional currency and all financial statements 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 unconsolidated interim financial statements are the same as those applied in the preparation of the audited financial statements for the year ended 30 June 2021.

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 01 July, 2021, 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 condensed unconsolidated interim financial statements.

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

For the six months ended 31 December 2021

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 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 01 January, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises 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.

Annual Improvements to IFRS standards 2018-2020

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 01 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 annual periods beginning on or after 01 January, 2022 clarifies that sales proceeds and costs 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 01 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.
- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 01 January, 2023. 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.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

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

For the six months ended 31 December 2021

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 01 January, 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.
- The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 01 January, 2023 and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 01 January, 2023 with earlier application permitted.
- 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.

6. USE OF JUDGEMENTS AND ESTIMATES

- 6.1** The preparation of these condensed unconsolidated 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 condensed unconsolidated interim financial statements are the same as those that were applied to annual audited unconsolidated financial statements as at and for the year ended 30 June, 2021.
- 6.3** The Company's financial risk management objectives and policies are consistent with that disclosed in the annual audited unconsolidated financial statement as at and for the year ended 30 June 2021.

	31 December 2021 (Un-audited)	30 June 2021 (Audited)
Note	(Rupees)	

7. PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment	7.1	533,014,321	527,681,972
Capital work-in-progress		45,264,101	35,070,946
		578,278,422	562,752,918

- 7.1** The following acquisitions and disposals have been made during six months period ended 31 December 2021.

	For the six months period ended			
	31 December 2021		31 December 2020	
	Acquisitions at cost	Disposals at cost	Acquisitions at cost	Disposals at cost
	(Un-audited)			
(Rupees)				
Building on leasehold land	1,365,002	-	201,997	-
Plant and machinery	6,905,847	-	2,486,950	-
Tools and equipment	131,547	-	19,367,625	-
Furniture, fittings and office equipment	2,136,421	-	3,001,669	-
Vehicles	35,440,000	18,155,850	-	1,223,931
	45,978,817	18,155,850	25,058,241	1,223,931

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

For the six months ended 31 December 2021

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
		(Rupees)	
8. INVESTMENTS	Note		
8.1 Long term investments			
At cost			
Investments in subsidiary companies - unlisted			
		859,960,000	859,960,000
		175,000,000	175,000,000
		75,000,000	75,000,000
		75,000,000	75,000,000
	8.1.1	1,184,960,000	1,184,960,000
	8.1.2	(25,000,000)	(25,000,000)
		1,159,960,000	1,159,960,000
	8.1.3	201,694,469	439,865,041
		1,361,654,469	1,599,825,041

8.1.1 Company's shareholding in subsidiaries and their financial position as at 31 December 2021 is disclosed in note 1.1 and 1.2 to this condensed unconsolidated interim financial statement.

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 1.2.

8.1.3 This represents 4,837,958 shares (30 June 2021: 8,887,958 shares) of Treet Corporation Limited having market value of Rs. 201.694 million (30 June 2021: Rs. 439.865 million). During the period, the Company has disposed off 4,050,000 share of Treet Corporation Limited. 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 2021 (un-audited) is disclosed in note 1.3 to this condensed unconsolidated interim financial statement.

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
		(Rupees)	
8.2 Short term investments	Note		
	8.2.1	785,063	911,854
	8.2.2	13,399	13,698
		798,462	925,552

8.2.1 Equity securities - at FVTPL

31 December 2021 (Un-audited)	30 June 2021 (Audited)	Name of Investee company	31 December 2021 (Un-audited)			30 June 2021 (Audited)	
			Carrying value	Market value	Net change in fair value	Market value	
			(Rupees)				
		Ordinary shares - Quoted					
		(Number of shares / certificates)					
		1	1	274	223	(51)	274
		1	1	365	337	(28)	365
		1	1	316	208	(108)	316
		1	1	480	406	(74)	480
		1	1	88	46	(42)	88
		1	1	346	237	(109)	346
		1	1	423	383	(40)	423
		230	230	18,168	16,560	(1,608)	18,168
		315	315	34,407	24,614	(9,793)	34,407
		300	300	183,645	105,951	(77,694)	183,645
		200	200	250,828	245,800	(5,028)	250,828
		412	344	371,386	355,243	(16,143)	371,386
		63	63	5,987	5,431	(556)	5,987
		127	127	45,141	29,624	(15,517)	45,141
				911,854	785,063	(126,791)	911,854

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

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

For the six months ended 31 December 2021

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 2021 (Un-audited)	30 June 2021 (Audited)	Name of investee company	31 December 2021 (Un-audited)			30 June 2021 (Audited)
(Number of shares)	(Number of shares)		Cost	Market value	Net change in fair value	Market value
<u>152</u>	<u>152</u>	Ordinary shares - Quoted ZIL Limited	<u>5,330</u>	<u>13,399</u>	<u>8,069</u>	<u>13,698</u>

8.2.2.1 Equity investments at FVOCI - net change in fair value

	31 December 2021 (Un-audited)	30 June 2021 (Audited)
Market value of investments	13,399	13,698
Less: Cost of investments	(5,330)	(5,330)
	<u>8,069</u>	<u>8,368</u>
Less: Equity investments at FVOCI - net change in fair value at beginning of the period / year	(8,368)	(12,606)
Net change in fair value for the period / year	<u>(299)</u>	<u>(4,238)</u>

9. STOCK-IN-TRADE

	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
Raw material and components	9.1 & 9.2	1,430,590,162	1,342,414,312
Work-in-process		106,513,130	71,111,109
Finished goods		-	-
		<u>1,537,103,292</u>	<u>1,413,525,421</u>
Provision for slow-moving and obsolescence		(26,490,663)	(26,490,663)
		<u>1,510,612,629</u>	<u>1,387,034,758</u>

9.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 486.5 million (30 June 2021: Rs. 373 million) and Rs. 594 million (30 June 2021: Rs. 452 million) respectively.

9.2 Raw material held with toll manufacturers as at 31 December 2021 amounted to Rs.71.56 million (30 June 2021: Rs. 76.33 million).

10. LOANS AND ADVANCES

This includes advance amounting to Rs. 98.69 million (30 June 2021: RS. 47.10 million) given to clearing agent for the payment of clearing charges and other import related expenses to be incurred upon receipt of imported consignments.

11. SHORT TERM BORROWINGS

	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
Secured			
Running finances under mark-up arrangements	11.1	1,397,756,526	1,148,350,204
Soneri Bank Limited - Local bill discounting		445,929,975	430,559,076
Islamic financing	11.2	559,362,186	266,067,501
		<u>2,403,048,687</u>	<u>1,844,976,781</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 October 2022. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

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

For the six months ended 31 December 2021

These facilities carry mark-up at the rates ranging from 1 month KIBOR plus 1.25% to 3 month KIBOR plus 1.5% (30 June 2021: 1 month KIBOR plus 1% to 3 month KIBOR plus 1.5%) per annum.

The aggregate available short term borrowing facilities amounted to Rs. 2,200 million (30 June 2021: Rs. 2,155 million) out of which Rs. 394 million (30 June 2021: 328 million) remained unavailed as at the reporting date.

11.2 Islamic financing

This includes Islamic finance facility available from Al Baraka Bank, MCB Islamic, Meezan Bank and Bank Islami Pakistan having limits of Rs. 630 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 2021, amount of Rs. 70.64 million (30 June 2021: Rs. 133.93 million) remained unutilised. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up at 3 month KIBOR plus 2.5% per annum to 6 months KIBOR plus 2% (30 June 2021: 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75%) and is repayable maximum within 90 to 180 days of the disbursement date.

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
		(Rupees)	
12. DUE TO RELATED PARTIES	Note		
Payable to SAIL and MAIL against Toll Manufacturing		202,446,996	204,344,517
13. TRADE AND OTHER PAYABLES			
Trade Creditors		406,581,894	159,008,303
Accrued liabilities		49,310,703	50,700,562
Other liabilities			
Advance from customers	13.1	46,555,448	40,922,777
Mobilization advances		57,786,747	38,272,254
Workers' Profit Participation Fund		12,353,907	11,630,341
Provision for compensated absences		2,864	196,577
Workers' Welfare Fund		7,338,932	3,555,670
Withholding tax payable		3,784,907	1,753,132
Current portion of Gas Infrastructure Development Cess		859,149	633,887
Sales tax payable		20,890,869	-
Security deposit from contractors		129,000	129,000
Other payables		17,803,398	21,789,489
		623,397,818	328,591,992

13.1 This includes advance from scrap dealers amounting to Rs. 43.38 million.

14. SHARE CAPITAL

14.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (30 June 2021: 400,000,000) Ordinary shares of Rs. 10 each.

14.2 Issued, subscribed and paid-up capital

31 December 2021 (Un-audited)	30 June 2021 (Audited)		31 December 2021 (Un-audited)	30 June 2021 (Audited)
(Number of shares)		Ordinary shares	(Rupees)	
153,770,000	153,770,000	Ordinary shares of Rs.10 each fully paid in cash	1,537,700,000	1,537,700,000
		Ordinary shares of Rs.10 each issued as fully paid bonus shares		
97,480,000	97,480,000		974,800,000	974,800,000
251,250,000	251,250,000		2,512,500,000	2,512,500,000

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

For the six months ended 31 December 2021

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 2021.

15.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 1,011 million (30 June 2021: Rs. 941 million).

16. COST OF SALES

Note	Six months period ended		Three months period ended		
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	
	(Rupees)				
	(Un-audited)				
Raw materials and components consumed	2,420,872,052	1,346,492,041	1,220,780,107	726,350,382	
Ancillary materials consumed	63,391,032	41,419,350	39,521,191	15,116,251	
Manufacturing expenses					
Salaries, wages and other employee benefits	173,584,046	107,690,603	86,040,520	54,120,546	
Toll manufacturing	381,234,994	161,871,995	198,841,730	92,594,216	
Depreciation	31,466,247	32,566,774	16,445,569	16,803,984	
Gas, power and water	17,268,764	11,866,910	9,533,803	5,865,996	
Others	26,001,263	23,719,822	14,528,655	5,458,815	
Transferred to capital work-in-progress	(5,128,140)	(5,809,410)	(2,593,135)	(2,669,200)	
Manufacturing cost	624,427,174	331,906,694	322,797,142	172,174,357	
Opening stock of work-in-process	9	71,111,109	74,331,500	89,258,948	78,822,642
Impact of recording revenue overtime	9	106,513,130	80,355,756	106,513,130	80,355,756
Closing stock of work-in-process	9	(106,513,130)	(80,355,755)	(106,513,130)	(80,355,755)
		71,111,109	74,331,501	89,258,948	78,822,643
Opening stock of finished goods	9	-	-	-	-
Impact of recording revenue overtime	9	84,337,361	57,920,580	84,337,361	57,920,580
Closing stock of finished goods	9	-	-	-	-
		84,337,361	57,920,580	84,337,361	57,920,580
		3,264,138,728	1,852,070,166	1,756,694,749	1,050,384,213

16.1 This includes toll manufacturing expense from SAIL and MAIL amounting to Rs. 328.085 million (31 December 2020: Rs. 128.714 million).

17. EARNINGS PER SHARE - basic and diluted

		Six months period ended	
		31 December 2021	31 December 2020
Profit after taxation	Rupees	133,866,714	77,276,792
			Re-stated
Weighted average number of ordinary shares outstanding during the period	Numbers	251,250,000	177,752,583
Earnings per share - basic and diluted	Rupees	0.53	0.43

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

For the six months ended 31 December 2021

18. TRANSACTIONS AND BALANCES 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:

Balances as at:			31 December	30 June
Description of the related parties	Relationship and effective shareholding	Balances as at period / year-end	2021 (Un-audited)	2021 (Audited)
			(Rupees)	
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (30 June 2021: 91%)	Loan due from at the period / year end Accrued mark-up on loan at the period / year end Amount due to at the period / year end	<u>412,664,283</u> <u>58,806,597</u> <u>160,812,652</u>	<u>442,503,110</u> <u>47,831,821</u> <u>143,226,487</u>
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (30 June 2021: 92%)	Loan due from at the period / year end Accrued mark-up on loan at the period / year end Amount due to at the period / year end	<u>113,872,788</u> <u>15,941,896</u> <u>40,596,873</u>	<u>139,440,876</u> <u>8,513,792</u> <u>61,118,030</u>
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (30 June 2021: 80%)	Loan due from at the period / year end Mark-up Receivable on loan at the period / year end	<u>2,012,493,641</u> <u>387,108,891</u>	<u>1,610,058,900</u> <u>294,978,806</u>
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (30 June 2021: 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>7,894,000</u> <u>808,835</u>	<u>3,706,788</u> <u>6,124,000</u> <u>186,425</u>
Provident fund	Defined contribution scheme	Receivable from PF	<u>4,164,867</u>	<u>3,432,833</u>
Employee benefits - gratuity	Defined contribution plan	Balance at the year period / year	<u>(4,416,627)</u>	<u>4,535,710</u>
Transactions for the period :			Six months period ended	
Description of the related parties	Relationship and effective percentage shareholding	Transactions made during the period	31 December 2021 (Un-audited)	31 December 2020 (Rupees)
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (31 December 2020: 91%)	Toll manufacturing Loan provided / (repaid) Mark-up income on loan	<u>246,754,213</u> <u>(29,838,847)</u> <u>26,082,885</u>	<u>105,087,774</u> <u>(5,000,000)</u> <u>10,327,863</u>
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (31 December 2020: 92%)	Toll manufacturing Loan provided Mark-up income on loan	<u>81,330,986</u> <u>(25,568,088)</u> <u>7,428,104</u>	<u>23,626,319</u> <u>-</u> <u>3,394,754</u>
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (31 December 2020: 80%)	Loan provided Mark-up income on loan	<u>402,434,741</u> <u>92,130,085</u>	<u>378,400,000</u> <u>44,244,528</u>
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (31 December 2020: 100%)	Loan provided Mark-up on loan	<u>1,570,000</u> <u>367,368</u>	<u>190,000</u> <u>89,086</u>
Provident fund	Defined benefit scheme	Paid during the period	<u>7,255,612</u>	<u>9,328,903</u>
Employee benefits - gratuity	Defined contribution plan	Expense for the period Contribution paid during the period	<u>1,447,663</u> <u>10,400,000</u>	<u>1,893,715</u> <u>7,069,481</u>
First Treet Manufacturing Modaraba	Common directorship	Purchase of batteries	<u>114,146</u>	<u>188,204</u>
IGI General Insurance Limited	Common directorship	Purchase of services	<u>4,430,627</u>	<u>2,749,621</u>
Remuneration of Chief Executive, Directors and Executives (Key management personnel) Salaries and benefits			<u>48,043,865</u>	<u>28,137,569</u>

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 date (i.e. unobservable inputs).

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

For the six months ended 31 December 2021

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.

	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)									
31 December 2021									
Financial assets - measured at fair value									
Equity securities	785,063	13,399	-	-	798,462	798,462	-	-	798,462
Equity securities - associate	-	201,694,469	-	-	201,694,469	201,694,469	-	-	201,694,469
Financial assets - not measured at fair value									
Subsidiaries - unlisted shares	-	-	1,159,960,000	-	1,159,960,000				
Trade debts - net	-	-	850,518,491	-	850,518,491				
Loans	-	-	8,294,498	-	8,294,498				
Deposits and other receivables	-	-	27,289,401	-	27,289,401				
Due from related parties	-	-	3,045,261,531	-	3,045,261,531				
Cash and bank balances	-	-	43,922,720	-	43,922,720				
	-	-	5,135,246,641	-	5,337,739,572				
Financial liabilities - not measured at fair value									
Short term borrowings	-	-	2,403,048,687	-	2,403,048,687				
Trade and other payables	-	-	473,695,995	-	473,695,995				
Liabilities against assets subject to finance lease	-	-	28,044,440	-	28,044,440				
Accrued mark-up on short term financing	-	-	47,516,882	-	47,516,882				
Long term loan	-	-	242,865,463	-	242,865,463				
Current portion of long term loan	-	-	137,557,377	-	137,557,377				
Due to related party	-	-	202,446,996	-	202,446,996				
Unclaimed dividend	-	-	3,527,781	-	3,527,781				
	-	-	3,538,703,621	-	3,538,703,621				
30 June 2021									
(Rupees)									
Financial assets - measured at fair value									
Equity securities	911,854	13,698	-	-	925,552	925,552	-	-	925,552
Equity securities - associate	-	439,865,041	-	-	439,865,041	439,865,041	-	-	439,865,041
Financial assets - not measured at fair value									
Subsidiaries - unlisted shares	-	-	1,159,960,000	-	1,159,960,000				
Trade debts - net	-	-	476,303,736	-	476,303,736				
Loans	-	-	46,264,187	-	46,264,187				
Deposits and other receivables	-	-	6,841,298	-	6,841,298				
Due from related parties	-	-	2,588,437,564	-	2,588,437,564				
Cash and bank balances	-	-	10,733,698	-	10,733,698				
	911,854	439,878,739	4,288,540,483	-	4,729,331,076				
Financial liabilities - not measured at fair value									
Short term borrowings 19.1	-	-	1,844,976,781	-	1,844,976,781				
Trade and other payables 19.1	-	-	159,008,303	-	159,008,303				
Liabilities against assets subject to finance lease 19.1	-	-	1,749,826	-	1,749,826				
Accrued mark-up on short term financing 19.1	-	-	37,364,719	-	37,364,719				
Long term loan	-	-	249,526,409	-	249,526,409				
Current portion of long term loan	-	-	208,662,007	-	208,662,007				
Due to related party	-	-	204,344,517	-	204,344,517				
Unclaimed dividend 19.1	-	-	3,527,781	-	3,527,781				
	-	-	2,709,160,343	-	2,709,160,343				

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

For the six months ended 31 December 2021

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

20. GENERAL

20.1 Segment reporting

These condensed unconsolidated 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 2021 are located in Pakistan.

21. DATE OF AUTHORISATION

These condensed unconsolidated interim financial statements were authorised for issue by the Board of Directors on 28 February 2022.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement Of Financial Position

As at 31 December 2021

		31 December 2021 (Un-audited)	30 June 2021 (Audited)
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,259,503,674	5,255,653,540
Intangible assets		2,629,666	-
Long term investments		205,396,587	327,621,735
Long term loans		8,510,586	8,303,878
		5,476,040,513	5,591,579,153
Current assets			
Stores, spares and loose tools		68,812,828	70,811,900
Stock-in-trade		1,510,612,629	1,387,034,758
Trade debts - net		850,518,491	476,303,736
Loans and advances		149,708,030	132,827,429
Due from related party		1,150,380	1,150,380
Deposits, prepayments and other receivables		501,554,303	512,011,961
Defined benefit asset - net		4,416,627	-
Taxation - net		330,137,228	206,232,180
Short term investments		798,462	925,552
Cash and bank balances		105,636,472	25,171,422
		3,523,345,450	2,812,469,318
Total assets		8,999,385,963	8,404,048,471
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		4,000,000,000	4,000,000,000
400,000,000 (30 June 2021: 400,000,000) ordinary shares of Rs.10/- each			
Issued, subscribed and paid up capital		2,512,500,000	2,512,500,000
Share premium		1,070,065,433	1,070,065,433
Fair value reserve		(1,820,202)	(1,819,906)
Unappropriated profit		367,577,208	288,483,538
Equity attributable to owners of Parent Company		3,948,322,439	3,869,229,065
Non-Controlling Interest		160,789,136	197,754,752
		4,109,111,575	4,066,983,817
LIABILITIES			
Non-current liabilities			
Lease liabilities		20,424,173	910,322
Defined benefit obligation - net		-	4,535,710
Long term loans		1,271,327,598	1,301,462,356
Deferred tax liabilities		20,123,265	17,053,867
Deferred grant		-	424,227
Gas Infrastructure Development Cess		-	1,668,081
		1,311,875,036	1,326,054,563
Current liabilities			
Current maturity of lease liabilities		7,620,267	839,504
Current portion of long term loans		182,372,740	543,658,900
Current portion of deferred grant		3,969,766	5,770,074
Short term borrowings		2,403,048,687	1,844,976,781
Trade and other payables		819,706,532	513,330,155
Due to related party		26,048,871	22,048,871
Unclaimed dividend		3,527,781	3,527,781
Accrued mark-up and profit		132,104,708	76,858,025
		3,578,399,352	3,011,010,091
Total equity and liabilities		8,999,385,963	8,404,048,471
CONTINGENCIES AND COMMITMENTS	4		

The annexed notes from 1 to 8 form an integral part of the condensed interim consolidated financial statements.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Statement of Profit or Loss (Un-audited)

For the six and three months period ended 31 December 2021

Note	For the six months period ended		For the three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
(Rupees)				
Revenue - net	3,624,967,332	2,085,378,481	1,952,046,621	1,169,340,062
Cost of revenue	(3,174,415,277)	(1,876,765,603)	(1,711,942,125)	(1,063,283,981)
Gross profit	450,552,055	208,612,878	240,104,496	106,056,081
Administrative, selling and general expenses	(148,093,856)	(98,750,911)	(79,385,856)	(53,330,629)
	302,458,199	109,861,967	160,718,640	52,725,452
Other expenses	(19,108,911)	(7,593,798)	(12,681,231)	(3,797,431)
Other income	75,640,170	163,832,150	27,757,037	100,325,565
	56,531,259	156,238,352	15,075,806	96,528,134
Operating profit	358,989,458	266,100,319	175,794,446	149,253,586
Finance cost	(254,344,166)	(175,384,375)	(130,483,247)	(78,474,053)
Share of profit / (loss) in associates-net	22,121,628	(18,976,014)	10,673,588	24,236,732
Profit before taxation	126,766,920	71,739,930	55,984,787	95,016,265
Taxation	(84,638,866)	(33,571,450)	(50,950,164)	8,700,644
Profit after taxation	42,128,054	38,168,480	5,034,623	103,716,909
Profit / (loss) attributable To:				
Owners of the Parent Company	79,093,670	70,130,046		
Non-controlling interest	(36,965,616)	(31,961,566)		
	42,128,054	38,168,480		
		<i>Re-stated</i>		<i>Re-stated</i>
Earnings per share - basic and diluted	0.17	0.21	0.02	0.58

The annexed notes from 1 to 8 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 2021

	For the six months period ended		For the three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Profit for the period	42,128,054	38,168,480	5,034,623	103,716,909
Other comprehensive (loss) / income:				
<i>Items that will not be reclassified subsequently to consolidated profit and loss</i>				
Equity investments at FVOCI - net change in fair value	(296)	(1,064)	(278)	628
Total comprehensive income for the period	42,127,758	38,167,416	5,034,345	103,717,537

The annexed notes from 1 to 8 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 2021

	Share capital	Capital Reserve	Revenue reserves		Total equity
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Unappropriated profit	
	(Rupees)				
Balance as at 30 June 2020 (Audited)	1,512,500,000	1,095,352,578	(1,815,876)	231,917,852	2,837,954,554
Total comprehensive income for the period ended 31 December 2020					
Profit for the period	-	-	-	70,130,046	70,130,046
Other comprehensive loss	-	-	(1,064)	-	(1,064)
	-	-	(1,064)	70,130,046	70,128,982
Transactions with owners of Parent Company	-	-	-	-	-
Balance as at 31 December 2020	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>(1,816,940)</u>	<u>302,047,898</u>	<u>2,908,083,536</u>
Balance as at 30 June 2021 (Audited)	2,512,500,000	1,070,065,433	(1,819,906)	288,483,538	3,869,229,065
Total comprehensive income for the period ended 31 December 2021					
Profit for the period	-	-	-	79,093,670	79,093,670
Other comprehensive loss	-	-	(296)	-	(296)
	-	-	(296)	79,093,670	79,093,374
Transactions with owners of Parent Company	-	-	-	-	-
Balance as at 31 December 2021	<u>2,512,500,000</u>	<u>1,070,065,433</u>	<u>(1,820,202)</u>	<u>367,577,208</u>	<u>3,948,322,439</u>

The annexed notes from 1 to 8 form an integral part of the condensed interim consolidated financial statements.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Consolidated Statement of Cash Flows (Un-audited)

For the six months period ended 31 December 2021

	31 December 2021	31 December 2020
	(Rupees)	
Cash flows from operating activities		
Profit before taxation	126,766,920	71,739,930
Adjustment for:		
Depreciation	40,789,363	42,609,476
Amortisation	75,133	188,072
Finance cost	254,344,166	175,384,375
Finance lease charges	934,680	-
Mark-up income	(958,500)	(3,070,977)
Gain on disposal of investment	(63,204,199)	-
Dividend Income	(4,871,455)	(11,178)
Gain on disposal of item of property, plant and equipment	(1,504,289)	(7,142,767)
Provision for gratuity	1,447,663	1,893,715
Gain on disposal of investment	-	(1,075,208)
Share of profit in associates - net	(22,121,628)	-
Equity investments at FVTPL - net change in fair value	126,791	(119,920,950)
	331,824,645	160,594,488
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	1,999,072	1,731,635
Stock-in-trade	(123,577,871)	480,945,945
Trade debts - net	(374,214,755)	(131,125,504)
Loans and advances	(19,716,975)	(53,971,100)
Deposits, prepayments and other receivables	10,457,658	243,412,767
	(505,052,871)	540,994,043
Decrease in current liabilities		
Trade and other payables	304,708,296	(118,581,978)
Cash generated from operations	131,480,070	583,006,553
Finance cost paid	(199,097,483)	(209,781,696)
Contribution paid to defined benefit obligation	(10,400,000)	(7,069,481)
Tax paid	(191,980,893)	(84,326,289)
Net cash (used in) / generated from operating activities	(269,998,306)	281,829,087
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(29,394,632)	(356,659,611)
Mark-up received	958,500	3,070,977
Dividend received	4,871,455	12,579
Proceeds from disposal of vehicles	2,961,000	7,579,988
Purchase of investments - net	-	(10,932,208)
Proceeds from disposal of investments	205,632,646	9,525,283
Net cash generated from / (used in) investing activities	185,028,969	(347,402,992)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments against finance lease obligations	(2,992,066)	(538,517)
Loan and Borrowings	(393,645,453)	145,281,821
Loan from director	4,000,000	167,951,129
Unclaimed dividend	-	1,402
Net cash (used in) / generated from financing activities	(392,637,519)	312,695,835
Net (decrease) / increase in cash and cash equivalents	(477,606,856)	247,121,930
Cash and cash equivalents at beginning of the period	(1,819,805,359)	(1,992,912,584)
Cash and cash equivalents at end of the period	(2,297,412,215)	(1,745,790,654)

The annexed notes from 1 to 8 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 2021

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. The details are as follows:

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		31 December 2021	30 June 2021	
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	2.78%	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.

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.

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

For the six months period ended 31 December 2021

This condensed interim consolidated financial statements 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 2021. 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 2021. 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 2021.

	Note	31 December 2021 (Un-audited)	30 June 2021 (Audited)
(Rupees)			
3. PROPERTY, PLANT AND EQUIPMENT			
Operating property, plant and equipment		780,101,450	767,127,019
Capital work-in-progress	3.1	4,479,402,224	4,488,526,521
		5,259,503,674	5,255,653,540

3.1 The following acquisitions and disposals have been made during six months period ended 31 December 2021.

	For the six months period ended			
	31 December 2021		31 December 2020	
	Acquisitions at cost	Disposals at cost (Rupees)	Acquisitions at cost	Disposals at cost
Building on leasehold land	1,365,002	-	201,997	-
Plant and machinery	9,319,447	-	2,486,950	-
Tools and equipment	404,487	-	19,681,125	-
Furniture, fittings and office equipment	2,988,326	-	3,169,567	-
Vehicles	35,440,000	18,155,850	-	1,223,931
	49,517,262	18,155,850	25,539,639	1,223,931

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 Parent Company for the year ended 30 June 2021.

4.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 1,011 million (30 June 2021: Rs. 941 million).

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

For the six months period ended 31 December 2021

5. COST OF REVENUE	For the six months period ended		For the three months period ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	(Rupees)			
Raw materials and components consumed	2,415,743,912	1,340,682,632	1,218,186,972	723,681,183
Ancillary materials consumed	107,081,400	65,012,497	60,392,654	37,506,900
Manufacturing Expenses				
Salaries, wages and other employee benefits	312,761,298	196,172,782	155,031,000	94,339,366
Toll manufacturing	56,545,635	35,794,037	31,283,131	19,902,774
Depreciation	37,814,594	39,281,003	22,793,916	20,163,375
Gas, power and water	38,588,006	23,360,657	21,006,564	12,572,484
Others	50,431,962	44,209,915	29,651,579	18,374,677
Manufacturing cost	3,018,966,807	1,744,513,523	1,538,345,816	926,540,759
Opening stock of work-in-process	71,111,109	74,331,500	89,258,948	78,822,642
Impact of recording revenue overtime	106,513,130	80,355,756	106,513,130	80,355,756
Closing stock of work-in-process	(106,513,130)	(80,355,756)	(106,513,130)	(80,355,756)
	71,111,109	74,331,500	89,258,948	78,822,642
Opening stock of finished goods	-	-	-	-
Impact of recording revenue overtime	84,337,361	57,920,580	84,337,361	57,920,580
Closing stock of finished goods	-	-	-	-
	84,337,361	57,920,580	84,337,361	57,920,580
	3,174,415,277	1,876,765,603	1,711,942,125	1,063,283,981

6. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Transactions and balances with related parties are disclosed below:

	31 December 2021 (Un-audited)	30 June 2021 (Audited)
	(Rupees)	
Investment in Treet Corporation Limited		
Ordinary shares: 4,837,958 shares (30 June 2021: 8,887,958 shares)	205,396,587	327,621,735
Receivable from provident fund	4,164,867	3,432,833
Defined benefit obligation - (receivable) / payable	(4,416,627)	4,535,710
First Treet Manufacturing Modaraba		
Purchase of batteries	153,883	179,422
IGI General Insurance Limited		
Purchase of services	9,360,432	2,979,997

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.

7. DATE OF AUTHORISATION

This un-audited condensed interim consolidated financial statements was authorised for issue by the Board Of Directors on 28 February 2022.

8. GENERAL

8.1 All figures, except for the 30th June 2021, appearing in this condensed interim consolidated financial statements are un-audited.

8.2 The amounts have been rounded off to nearest rupee.


Chief Financial Officer


Chief Executive









Director










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