

QUARTERLY REPORT 2020

Report to the Shareholders for
three months period ended
September 30, 2020



Moving
towards
the future



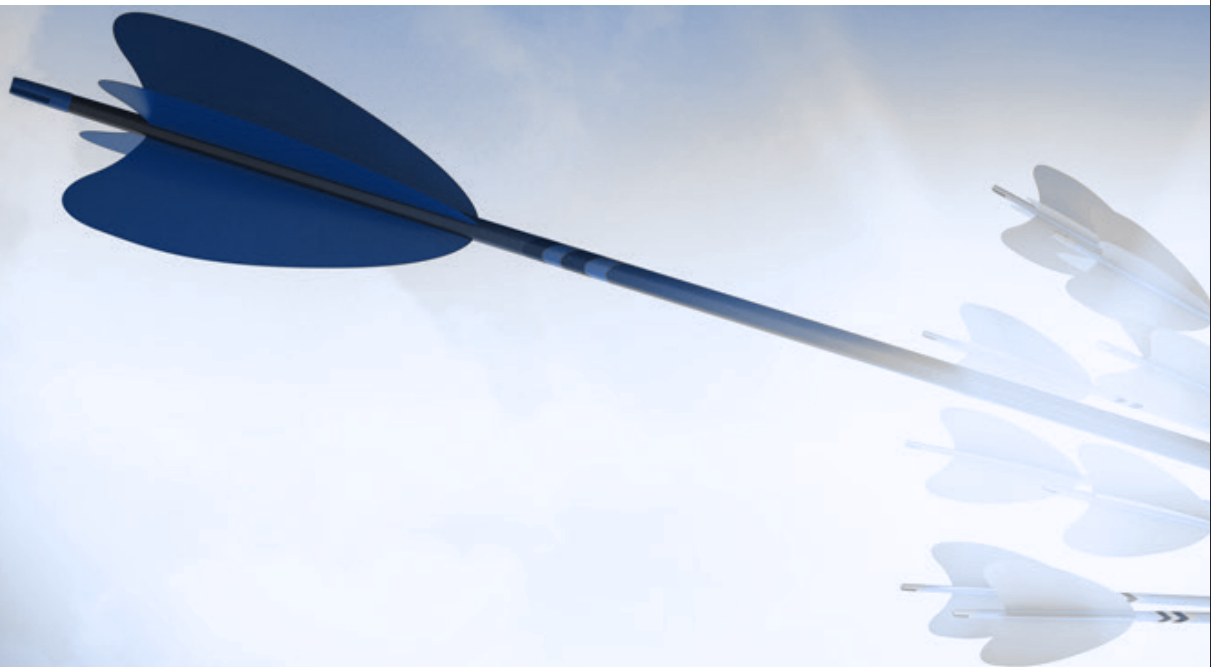
Loads Limited

Manufacturers of

Exhaust Systems, Radiators &
Sheet Metal Components

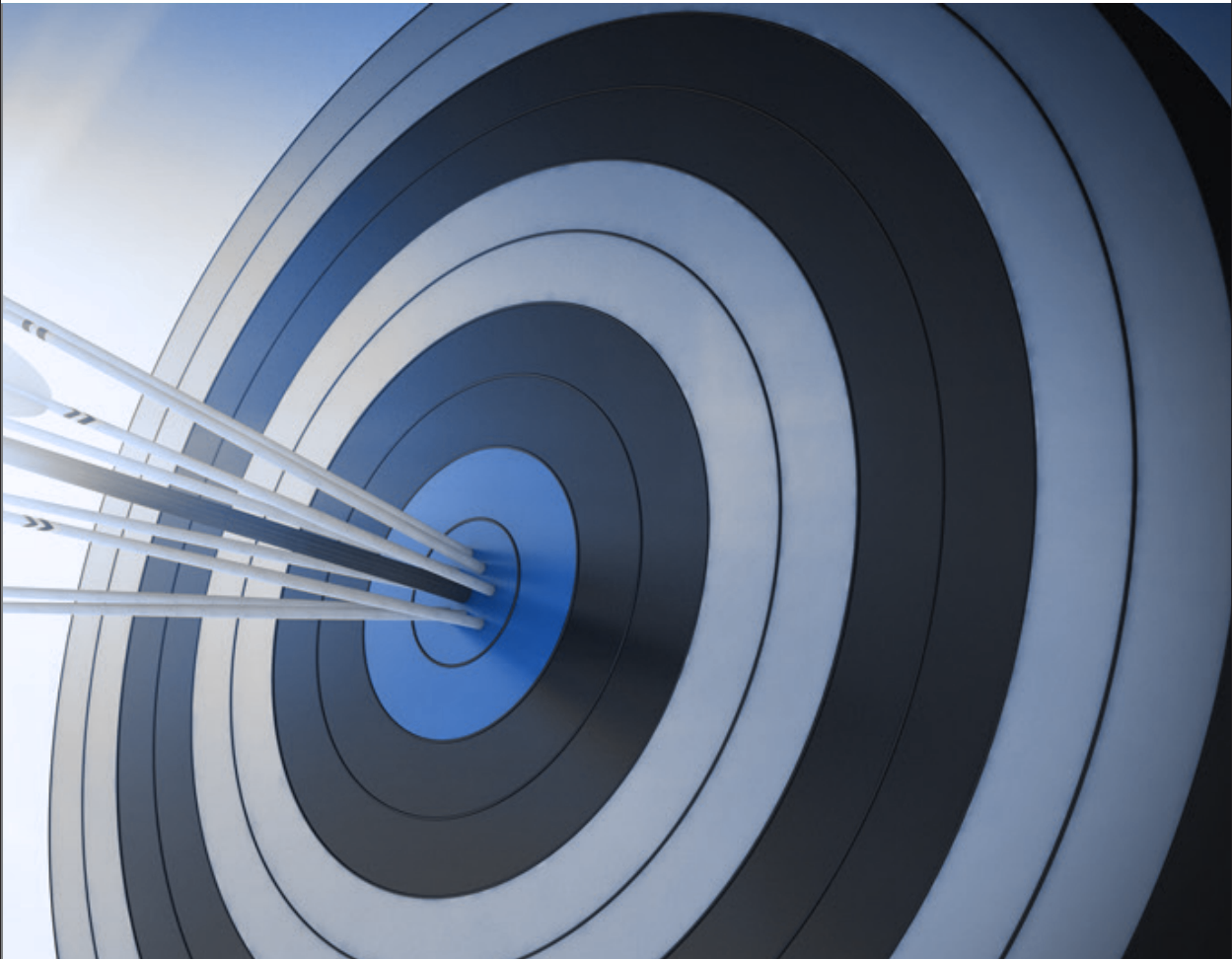
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Vision

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

* Chairman and Vice Chairman are Non – Executive Directors

Audit Committee

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

Human Resources & Remuneration Committee

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

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. Babar Saleem

Head of Internal Audit

Mr. Khawaja M. Akber

Auditors

KPMG Taseer Hadi & Co., Chartered Accountants

Legal Advisors

Altat 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 present the Loads Group's First Quarter Report together with the Un-Audited Financial Statements for the First Quarter ended September 30, 2020.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

	Rupees in million					
	First quarter ended September 30					
	Loads			Consolidated		
	2020	2019	% Change	2020	2019	% Change
Sales	916	970	-6%	916	970	-6%
Gross Profit	114	121	-6%	103	119	-13%
Operating Profit	114	105	9%	117	114	3%
Share of Loss in associate	-	-	-	-43	-28	54%
Profit/Loss before Taxation	55	27	104%	-23	9	-355%
Profit/Loss after Taxation	14	13	8%	-66	-8	725%
Earnings/Loss per share— basic & diluted (Rupees)	0.09	0.08	8%	-0.32	-0.05	540%

BUSINESS REVIEW

Your group has recorded sales of Rs. 916 million for the first quarter ended September 30, 2020, registering a decline of Rs. 54 million (-6%) over the previous period. The decrease is mainly due to slow recovery of Suzuki after the impact of lock down on account of COVID-19 during March to June 2020; all other brands showed healthy growth in this quarter.

Company Results

Operating Profit of Loads Limited has improved due to product mix. However, Profit before Taxation has improved on account of reduction in mark-up rates on net borrowings. Therefore, Earnings per Share (EPS) reflect a marginal rise from a profit of 8 paisa per share to 9 paisa per share.

Group Results

Consolidated Operating Profit increased by 3%, whereas Profit before Taxation and Profit after Taxation declined by 355% & 725% respectively, due to increase in financial cost of subsidiary's borrowings and share of loss of associated undertaking.

Share of loss of associated undertaking, Treet Corporation Limited, has increased from Rs. 28 million to Rs. 43 million as compared to previous period.

AUTOMOTIVE INDUSTRY REVIEW

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

Overall car sales for the first quarter increased over previous year's quarter by 8%, mainly due to growth in Toyota and Honda volumes by 75% and 67% respectively, partly offset by decline in volumes of Pak Suzuki by 24%.

(b) Heavy Commercial Vehicles

Heavy vehicle volumes declined by 14% from previous period's 1,070 units to 924 units, due to decrease of 10% in trucks and 28% in buses.

(c) Tractors

The tractor industry's sales is increased by 14% over previous period, registering sales of 10,713 units in 2020 (2019: 9,395 units), mainly on account of growth in Millat Tractor volumes by 50%.

COMPANY'S SALES PERFORMANCE

The overall sales of the group decreased by 6%. The Company's product-wise performance for the first quarter ended September 30, 2020, as compared with the corresponding period, is analyzed below:

Products	Rs. in million		
	Sales in first quarter July to September		
	2020	2019	% Change
Exhaust Systems	588	627	-6%
Radiators	137	76	80%
Sheet Metal Components	191	267	-28%
Total	916	970	-6%

Comments on performance of various product groups are given below:

- (a) **Exhaust Systems** : Sales of exhaust systems declined by 6% mainly on account of decline in sales of Pak Suzuki partly offset by Honda and Toyota Corolla with increase of 40% and 46% respectively.
- (b) **Radiators** : Increased reflects growth in aftermarket sales by 107% over the previous period.
- (c) **Sheet Metal Components** : Sales of Sheet Metal Components declined by 28% mainly on account of decline in sales of Pak Suzuki, partly offset by Honda with its increase of 44%.

PROSPECTS

Macroeconomic indicators of the country are challenging for auto industry due to significant impact of lockdown on the economy. Government has taken effective measures to return the country to normalcy and revival of economy will help in generating demand for vehicles.

We continue to focus on innovations, increased customer focus and a strong performance culture within the organization. Our people remain crucial for the continued growth of the business.

ACKNOWLEDGEMENTS

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

By order of the Board



Munir K. Bana
Chief Executive



Dr. Muzzaffar Mahmood
Director

Karachi: October 28, 2020

کمپنی کی فروخت کی کارکردگی:

گروپ کی مجموعی فروخت میں 6% کمی واقع ہوئی ہے۔ اسی مدت کے مقابلے میں 30 ستمبر 2020 کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی مصنوعات کی کارکردگی کا تجزیہ ذیل میں کیا گیا ہے:-

مصنوعات	روپے ملین میں		
	جولائی سے ستمبر تک پہلی سہ ماہی میں فروخت		
	2019	2020	تبدیل %
ایگزاسٹ سسٹم	627	588	-6%
ریڈی ایٹرز	76	137	80%
شیٹ میٹل اجزاء	267	191	-28%
ٹوئل	970	916	-6%

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

(a) ایگزاسٹ سسٹم

بنیادی طور پر پاک سوز کی فروخت میں کمی کی وجہ سے ایگزاسٹ سسٹم کی فروخت میں 6 فیصد کمی واقع ہوئی ہے جس کی وجہ ہنڈا اور ٹویوتا کرولا کی بالترتیب 40% اور 46% کا اضافہ ہوا ہے۔

(b) ریڈی ایٹرز

چمکھلے ادوار کے مقابلے میں مارکیٹ میں فروخت کے بعد 107 فیصد اضافہ دیکھنے میں آیا ہے۔

(c) شیٹ میٹل اجزاء

بنیادی طور پر پاک سوز کی فروخت میں کمی کی وجہ سے شیٹ میٹل اجزاء کی فروخت میں 28 فیصد کمی واقع ہوئی ہے، جو جزوی طور پر ہونڈا نے اس میں 44 فیصد کا اضافہ کیا ہے۔

انتیازات:

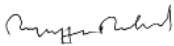
معیشت پر لاک ڈاؤن کے اہم اثر کی وجہ سے ملک کے میکرو اکنامک انڈیکسز آٹو انڈسٹری کے لئے چیلنج ہیں۔ حکومت نے ملک کو معمول کی طرف لوٹنے کے لئے موثر اقدامات اٹھائے ہیں اور معیشت کی بحالی سے گاڑیوں کی طلب پیدا کرنے میں مدد ملے گی۔

ہم تنظیم کے اندر اختراعات، صارفین کی توجہ میں اضافہ اور مضبوط کارکردگی کا مظاہرہ کرتے ہیں۔ ہمارے لوگ کاروبار کی مستقل ترقی کے لئے بہت اہم ہیں۔

اظہار تشکر:

بورڈ کی خواہش ہے کہ وہ تمام ملازمین اور ہمارے صارفین کو ان کی مسلسل مدد کے لئے شکریہ ادا کرے۔

بورڈ کے حکم سے



ڈاکٹر مظفر محمود

ڈائریکٹر



منیر کے بانا

چیف ایگزیکٹو

کراچی 28 اکتوبر 2020

حصص یافتگان کے لئے ڈائریکٹران کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے پہلے سہ ماہی کے لئے غیر آڈٹ شدہ مالی اسٹیٹمنٹ کے ساتھ لوڈز گروپ کی پہلی کوآرڈر رپورٹ پیش کرتے ہیں۔

ہم آہنگی کے مالی نتائج کا خلاصہ:

روپے بلین میں					
پہلی سہ ماہی 30 ستمبر کو ختم ہوئی					
مجموعی			لوڈز		
% تبدیلی	2019	2020	% تبدیلی	2019	2020
-6%	970	916	-6%	970	916
-13%	119	103	-6%	121	114
3%	114	117	9%	105	114
54%	-28	-43	-	-	-
-355%	9	-23	104%	27	55
725%	-8	-66	8%	13	14
540%	-0.05	-0.32	8%	0.08	0.09

کاروباری جائزہ:

آپ کے گروپ نے 30 ستمبر 2020 کو ختم ہونے والی پہلی سہ ماہی کے دوران 916 بلین روپے کی فروخت ریکارڈ کی ہے، اس سے پچھلی مدت کے مقابلے میں 54 بلین (-6%) کی کمی ریکارڈ کی گئی ہے۔ اس کی بنیادی وجہ مارچ تا جون 2020 کے دوران Covid-19 کی وجہ سے لاک ڈاؤن کے اثرات کے بعد سوزوکی کی بحالی میں سست روی ہے۔ اس سہ ماہی میں دیگر تمام براڈرز نے صحت مند (Healthy) ترقی دکھائی۔

کمپنی کے نتائج:

پروڈکٹس کے باعث لوڈز لمیٹڈ کا آپریٹنگ منافع بہتر ہوا ہے۔ تاہم، خالص قرضوں پر مارک اپ ریٹ میں کمی کی وجہ سے ٹیکس لگانے سے پہلے منافع میں بہتری آئی ہے۔ لہذا حصص آمدنی (EPS) میں 8 پیسے فی شیئر کے حصص کے منافع سے معمولی اضافے کی عکاسی ہوتی ہے جو فی حصص 9 پیسے ہے۔

گروپ کے نتائج:

مستقل آپریٹنگ منافع میں 3% اضافہ ہوا ہے، جبکہ ٹیکس لگانے کے بعد منافع میں بالترتیب 355% اور 725% کی کمی واقع ہوئی ہے، جس کی وجہ ذیلی ادارہ کے قرضوں کی مالی لاگت میں اضافے اور اس سے وابستہ نقصانات کا حصہ ہے۔

ٹریڈ کارپوریشن لمیٹڈ کے خسارے کا حصہ گزشتہ ادوار کے مقابلے میں 28 بلین سے بڑھ کر 43 بلین روپے ہو گیا ہے۔

خود کار صنعت کا جائزہ:

(a) پیسٹری کاربن/ہلکی کرش لگایاں (LCVs):

پہلی سہ ماہی کے لئے کاروں کی مجموعی فروخت میں پچھلے سال کی سہ ماہی کے مقابلے میں 8 فیصد اضافہ ہوا ہے، اس کی بنیادی وجہ ٹویوٹا اور ہونڈا کے حجم میں بالترتیب 75% اور 67% اضافہ ہوا ہے، جو جزوی طور پر پاک سوزوکی کی فروخت میں 24% کی کمی سے پھیل گیا۔

(b) بھاری تجارتی گاڑیاں:

ٹرک میں 10% اور بسوں میں 28% کی کمی کی وجہ سے بھاری گاڑیوں کے حجم میں پچھلی مدت کے 1,070 یونٹوں میں سے 14% کمی واقع ہو کر 924 یونٹ رہ گئی ہے۔

(c) ٹریکٹرز:

پچھلے عرصے کے مقابلے میں ٹریکٹر انڈسٹری کی فروخت میں 14% کا اضافہ ہوا ہے جو 2020 (9,395: 2019) میں 10,713 یونٹس کی فروخت کو رجسٹر کرتی ہے، خاص طور پر ملٹ ٹریکٹر کے حجم میں 50% اضافہ ہوا ہے۔

Condensed Interim Unconsolidated Statement of Financial Position

As at 30th September 2020

	Note	30 September 2020 (Unaudited)	30 June 2020 (Audited)
(Rupees)			
ASSETS			
Non-current assets			
Property, plant and equipment	3	560,727,025	572,383,838
Intangible assets		258,597	344,797
Investments	4.1	1,370,426,845	1,318,698,930
Loans and receivables		9,219,839	7,261,530
Deferred tax assets		8,904,925	35,901,404
		<u>1,949,537,231</u>	<u>1,934,590,499</u>
Current assets			
Stores, spares and loose tools		61,355,376	66,504,668
Stock-in-trade	5	1,057,152,534	1,381,183,851
Trade debts - net		388,553,347	328,704,079
Loans and advances		87,173,100	53,400,690
Deposits, prepayments and other receivables	6	143,993,143	137,879,444
Due from related parties		1,830,932,747	1,700,724,240
Taxation - net		125,895,399	109,164,230
Investments	4.2	720,342	551,787
Cash and bank balances		23,079,761	32,010,964
		<u>3,718,855,749</u>	<u>3,810,123,953</u>
Total assets		<u>5,668,392,980</u>	<u>5,744,714,452</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
400,000,000 (30 June 2020: 400,000,000) ordinary shares of Rs.10/- each		<u>4,000,000,000</u>	<u>4,000,000,000</u>
Issued, subscribed and paid-up capital	9	1,512,500,000	1,512,500,000
Share premium		1,095,352,578	1,095,352,578
Fair value reserve		(137,060,918)	(185,546,462)
Unappropriated profit		353,109,816	339,322,527
		<u>2,823,901,476</u>	<u>2,761,628,643</u>
LIABILITIES			
Non-current liabilities			
Long term loans		407,453,031	395,759,100
Lease liabilities		663,416	663,416
Defined benefit obligation - net		15,774,179	16,149,322
Deferred grant		2,309,803	1,539,868
		<u>426,200,429</u>	<u>414,111,706</u>
Current liabilities			
Current maturity of lease liabilities		792,709	1,077,125
Current portion of long term loans		40,549,952	31,770,597
Current portion of deferred grant		1,901,066	2,807,246
Short term borrowings	7	1,920,511,589	2,086,407,636
Due to related parties		40,000,000	40,000,000
Trade and other payables	8	336,168,979	323,849,923
Unclaimed dividend		3,527,781	3,526,379
Accrued mark-up		74,838,999	79,535,197
		<u>2,418,291,075</u>	<u>2,568,974,103</u>
Total equity and liabilities		<u>5,668,392,980</u>	<u>5,744,714,452</u>
CONTINGENCIES AND COMMITMENTS			
	10		

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

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

For the three months period ended 30 September 2020

	Note	30 September 2020	30 September 2019
		(Rupees)	
Revenue - net		916,038,419	970,285,476
Cost of sales	11	(801,685,953)	(849,576,215)
Gross profit		114,352,466	120,709,261
Administrative and selling expenses		(36,840,313)	(44,395,140)
		77,512,153	76,314,121
Other expenses		(3,796,367)	(3,781,931)
Other income		40,519,443	30,400,735
		36,723,076	26,618,804
Operating profit		114,235,229	102,932,925
Finance costs		(59,313,945)	(75,837,170)
Profit before taxation		54,921,284	27,095,755
Taxation		(41,133,995)	(14,554,282)
Profit after taxation		13,787,289	12,541,473
Earnings per share - basic and diluted	12	0.09	0.08

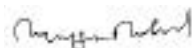
The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.



Chief Financial Officer



Chief Executive



Director

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

For the three months period ended 30 September 2020

	Note	30 September 2020	30 September 2019
		(Rupees)	
Profit for the period		13,787,289	12,541,473
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Investments at FVOCI - net change in fair value	4.1.3 & 4.2.2.1	51,726,223	(19,192,924)
Tax effect on change in fair value of investment at FVOCI		(3,240,679)	-
Total comprehensive income / (loss) for the period		<u><u>62,272,833</u></u>	<u><u>(6,651,451)</u></u>

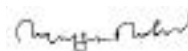
The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.



Chief Financial Officer



Chief Executive



Director

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

For the three months period ended 30 September 2020

	30 September 2020	30 September 2019
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	54,921,284	27,095,755
Adjustments for:		
Depreciation	17,346,998	18,252,753
Amortisation	86,200	242,587
Mark-up expense	58,319,719	69,421,074
Gain on disposal of property, plant and equipment	(600,779)	(426,413)
Interest income on PTC	-	(7,582,410)
Provision for gratuity	946,857	-
Finance lease charges	-	23,413
Mark-up income	(29,037,528)	(22,035,146)
Dividend income	(7)	-
Equity investments at FVTPL - net change in fair value	(170,247)	1,742,466
	<u>101,812,497</u>	<u>86,734,079</u>
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	5,149,292	(485,160)
Stock-in-trade	324,031,317	66,472,809
Trade debts - net	(59,849,268)	74,269,042
Due from related parties	(101,461,383)	31,391,259
Loans and advances	(33,772,410)	(104,583,210)
Deposits, prepayments and other receivables	(8,072,008)	97,739,469
Current maturity of long term receivables	-	6,897,737
	<u>126,025,540</u>	<u>171,701,946</u>
Increase / (decrease) in current liabilities		
Trade and other payables	12,319,056	(121,933,558)
Cash generated from operations	<u>240,157,093</u>	<u>136,502,467</u>
Mark-up paid	(63,029,310)	(61,562,898)
Gratuity paid	(1,322,000)	-
Tax paid	(34,109,364)	(29,771,855)
Net cash generated from operating activities	<u>141,696,419</u>	<u>45,167,714</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(6,114,013)	(9,815,842)
Mark-up received	290,404	-
Proceeds from disposal of property, plant and equipment	1,038,000	569,000
Net cash used in investing activities	<u>(4,785,609)</u>	<u>(9,246,842)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(284,416)	(1,780,178)
Unclaimed dividend	1,409	(8,310)
Loan to subsidiaries - unsecured	-	(234,496,986)
decrease in grants	(136,245)	-
Increase in long term loans	20,473,286	-
Net cash generated from / (used in) financing activities	<u>20,054,034</u>	<u>(236,285,474)</u>
Net increase / (decrease) in cash and cash equivalents during the period	<u>156,964,844</u>	<u>(200,364,602)</u>
Cash and cash equivalents at beginning of the period	(2,054,396,672)	(2,079,009,297)
Cash and cash equivalents at end of the period	<u>(1,897,431,828)</u>	<u>(2,279,373,899)</u>
Cash and cash equivalents at end of the period comprises		
Cash and bank balances	23,079,761	3,462,551
Short term borrowings	(1,920,511,589)	(2,282,836,450)
	<u>(1,897,431,828)</u>	<u>(2,279,373,899)</u>

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

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

For the three months period ended 30 September 2020

	Share capital	Capital reserve		Revenue reserve	
	Issued, subscribed and paid up	Share premium	Fair value reserve of equity securities - FVOCI (Rupees)	Unappropriated profit	Total
Balance as at 30 June 2019	1,512,500,000	1,095,352,578	(217,988,192)	476,845,898	2,866,710,284
Total comprehensive income for the three months period ended 30 September 2019					
Profit after taxation	-	-	-	12,541,473	12,541,473
Other comprehensive loss	-	-	(19,192,564)	-	(19,192,564)
	-	-	(19,192,564)	12,541,473	(6,651,091)
Balance as at 30 September 2019	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>(237,180,756)</u>	<u>489,387,371</u>	<u>2,860,059,193</u>
Balance as at 1 July 2020	1,512,500,000	1,095,352,578	(185,546,462)	339,322,527	2,761,628,643
Total comprehensive income for the three months period ended 30 September 2020					
Profit after taxation	-	-	-	13,787,289	13,787,289
Other comprehensive income	-	-	48,485,544	-	48,485,544
	-	-	48,485,544	13,787,289	62,272,833
Balance as at 30 September 2020	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>(137,060,918)</u>	<u>353,109,816</u>	<u>2,823,901,476</u>

The annexed notes 1 to 14 form an integral part of this condensed interim unconsolidated financial information.

Chief Financial Officer

Chief Executive

Director

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

For the three months period ended 30 September 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 Subsidiaries are carried at cost. The details are as follows:

Name of the Company	Incorporation date	Effective holding %		Principle line of business
		30 September 2020	30 June 2020	
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	91%	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	92%	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	100%	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	80%	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers.
Associate				
Treet Corporation Limited	22 January 1977	5.27%	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 Information (Un-audited)

For the three months period ended 30 September 2020

1.2 As at 30 September 2020, the financial position of the subsidiaries are as follows:

	Note	Assets	Liabilities	Equity	Breakup value (Rs. / share)
30 September 2020		------(Rupees)-----			
SAIL	1.2.1	<u>1,118,435,670</u>	<u>539,190,986</u>	<u>579,244,684</u>	<u>17.82</u>
HAWL	1.2.1	<u>4,842,030,742</u>	<u>3,906,684,870</u>	<u>935,345,872</u>	<u>7.11</u>
MAIL	1.2.1	<u>378,361,342</u>	<u>146,265,643</u>	<u>232,095,699</u>	<u>18.57</u>
SMPL	1.2.1	<u>81,140,457</u>	<u>935,886</u>	<u>80,204,571</u>	<u>10.69</u>
30 June 2020					
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 30 September 2020.

1.3 As at 30 June 2020, the assets, liabilities and equity of Treet Corporation Limited amounted to Rs. 24.199 million and Rs. 15.993 million and 8.206 million respectively (audited).

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.3 Functional and presentation currency

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

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

For the three months period ended 30 September 2020

2.4 Key estimates and judgments

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

3. PROPERTY, PLANT AND EQUIPMENT

	Note	30 September 2020 (Un-audited)	30 June 2020 (Audited) (Rupees)
Operating property, plant and equipment	3.1	523,668,601	539,864,117
Capital work-in-progress		37,058,424	32,519,721
		<u>560,727,025</u>	<u>572,383,838</u>

- 3.1 The following acquisitions and disposals have been made during three months period ended 30 September 2020.

	For the three months period ended			
	30 September 2020		30 September 2019	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	(Rupees)			
Building on leasehold land	-	-	-	-
Plant and machinery	1,111,950	-	6,527,482	-
Tools and equipment	465,987	-	1,915,323	-
Furniture, fittings and office equipment	10,769	-	-	-
Vehicles	-	437,221	36,350	-
	<u>1,588,706</u>	<u>437,221</u>	<u>8,479,155</u>	<u>-</u>

4. INVESTMENT

4.1 Long term investments

	Note	30 September 2020 (Un-audited)	30 June 2020 (Audited) (Rupees)
At cost			
Investments in subsidiary companies - unlisted			
Hi-Tech Alloy Wheels Limited		859,960,000	859,960,000
Specialized Autoparts Industries (Private) Limited		175,000,000	175,000,000
Multiple Autoparts Industries (Private) Limited		75,000,000	75,000,000
Specialized Motorcycles (Private) Limited		75,000,000	75,000,000
	4.1.1	<u>1,184,960,000</u>	<u>1,184,960,000</u>
Less: Provision for impairment against SMPL	4.1.2	(25,000,000)	(25,000,000)
Net investment in subsidiary companies		<u>1,159,960,000</u>	<u>1,159,960,000</u>
Investment in associate at FVOCI - listed	4.1.3	210,466,845	158,738,930
		<u>1,370,426,845</u>	<u>1,318,698,930</u>

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

For the three months period ended 30 September 2020

4.1.1 This represents investment in subsidiaries namely Specialized Autoparts Industries (Private) Limited (SAIL), Multiple Autoparts Industries (Private) Limited (MAIL), Specialized Motorcycles (Private) Limited (SMPL) and Hi-Tech Alloy Wheels Limited (HAWL). Company's shareholding in subsidiaries and their financial position as at 30 September 2020 is disclosed in note 1.1 and 1.2 to this condensed interim unconsolidated financial information.

4.1.2 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.

4.1.3 This represents 8,887,958 shares (30 June 2020: 8,887,958 shares) of Treet Corporation Limited having market value of Rs. 210.467 million (30 June 2020: 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 June 2020 (audited) is disclosed in note 1.3 to this condensed interim unconsolidated financial information.

4.2 Short term investments

	Note	30 September 2020 (Un-audited)	30 June 2020 (Audited)
		(Rupees)	
Equity securities - mandatorily at FVTPL	4.2.1	704,098	533,851
Equity securities - at FVOCI	4.2.2	16,244	17,936
		<u>720,342</u>	<u>551,787</u>

4.2.1 Equity securities - mandatorily at FVTPL

30 September 2020 (Un-audited)	30 June 2020 (Audited)	Name of investee company	30 September 2020 Carrying value	Market value	Net change in fair value	30 June 2020 Market value
(Number of shares / certificates)		Ordinary shares - Quoted	(Rupees)			
1	1	Agriautos Industries Limited*	182	241	59	182
1	1	Al-Ghazi Tractors Limited *	352	359	7	352
1	1	Atlas Battery Limited	168	203	35	168
1	1	Atlas Honda Limited	384	430	46	384
1	1	The General Tyre & Rubber Company of Pakistan Limited	60	67	7	60
1	1	Honda Atlas Cars (Pakistan) Limited	194	259	65	194
1	1	Thal Limited *	325	420	95	325
230	230	Baluchistan Wheels Limited	13,968	18,400	4,432	13,968
315	315	Ghandhara Nissan Limited	19,766	26,621	6,855	19,766
150	150	Hinopak Motors Limited	55,950	104,189	48,239	55,950
200	200	Indus Motor Company Limited	198,998	256,028	57,030	198,998
306	306	Millat Tractors Limited	216,085	264,767	48,682	216,085
63	63	Oil & Gas Development Company Limited	6,867	6,527	(340)	6,867
127	127	Pak Suzuki Motor Company Limited	20,552	25,587	5,035	20,552
			<u>533,851</u>	<u>704,098</u>	<u>170,247</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.

4.2.2 Equity securities - at FVOCI

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

30 September 2020 (Un-audited)	30 June 2020 (Audited)	Name of investee company	30 September 2020 Carrying value	Market value	Net change in fair value	30 June 2020 Market value
(Number of shares / certificates)		Ordinary shares - Quoted	(Rupees)			
152	152	ZIL Limited	5,330	16,244	10,914	17,936

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

For the three months period ended 30 September 2020

4.2.2.1 Equity investments at FVOCI - net change in fair value

	Note	30 September 2020 (Un-audited)	30 June 2020 (Audited) (Rupees)
Market value of investments		16,244	17,936
Less: Cost of investments		(5,330)	(5,330)
		<u>10,914</u>	<u>12,606</u>
Less: Equity investments at FVOCI - net change in fair value at beginning of the period / year		(12,606)	(1,565,061)
Add: Mark-to-market gain on security		-	1,384,926
Less: Transfer of reserve on sale of security		-	174,694
Net change in fair value for the period / year		<u>(1,692)</u>	<u>7,165</u>

5. STOCK-IN-TRADE

Raw material and components	5.1 & 5.2	1,007,635,803	1,336,158,261
Work-in-process		78,822,641	74,331,500
Finished goods		-	-
		<u>1,086,458,444</u>	<u>1,410,489,761</u>
Provision for slow-moving and obsolescence		<u>(29,305,910)</u>	<u>(29,305,910)</u>
		<u>1,057,152,534</u>	<u>1,381,183,851</u>

5.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 201 million (30 June 2020: Rs. 278 million) and Rs. 705 million (30 June 2020: Rs. 752 million) respectively.

5.2 Raw material held with toll manufacturers as at 30 September 2020 amounted to Rs. 27.9 million (30 June 2020: Rs. 33.72 million).

6. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes margin paid to various banks against letter of credit amounting to Rs. 93.36 million (30 June 2020: 5.28 million). Further, it includes unclaimed input sales tax amounting to Rs. 35.94 million (30 June 2020: Rs. 125.402 million) which is not claimed due to restriction of input tax to be adjusted up to ninety percent of output tax as per section. 8B of Sales Tax Act, 1990.

7. SHORT TERM BORROWING

	Note	30 September 2020 (Un-audited)	30 June 2020 (Audited) (Rupees)
Secured			
Running finances under mark-up arrangements	7.1	1,119,078,101	1,290,257,148
Soneri Bank Limited - Local bill discounting		442,210,999	436,927,999
Islamic financing	7.2	359,222,489	359,222,489
		<u>1,920,511,589</u>	<u>2,086,407,636</u>

7.1 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 1 month KIBOR plus 0.55% to 3 month KIBOR plus 1.50% (30 June 2020: 1 month KIBOR plus 0.55% to 3 month KIBOR plus 1.50%) per annum. Average mark-up rates during the period were in the range of 7.81% to 8.93%.

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

For the three months period ended 30 September 2020

The aggregate available short term funded facilities amounted to Rs. 2,290 million (30 June 2020: Rs. 1,820 million) out of which Rs. 310 million (30 June 2020: 54.453 million) remained unavailed as at the reporting date.

7.2 Islamic financing

This includes Islamic finance facility available from Al Baraks Bank, Meezan Bank and having limits of Rs. 390 million, for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. As at 30 September 2020, amount of Rs. 31.48 million (30 June 2020: Rs. 200 million) remained unutilised. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up at 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%) per annum and is repayable maximum within 120 to 180 days of the disbursement date. Average mark-up rates during the period were in the range of 13.46% to 13.99%.

8. TRADE AND OTHER PAYABLES

		30 September 2020 (Un-audited)	30 June 2020 (Audited)
	Note	(Rupees)	
Trade creditors		126,936,040	54,990,413
Accrued liabilities		52,956,910	47,908,421
Other liabilities			
Advance from customer	8.1	89,872,220	147,836,422
Mobilization advances		38,272,254	38,272,254
Workers' profit participation fund	8.2	5,529,776	2,818,085
Provision for compensated absences		1,760,923	2,122,179
Workers' welfare fund	8.3	1,084,676	-
Payable to Provident Fund		-	34,100
Withholding tax payable		1,643,852	5,593,020
Rental payable		2,705,919	2,086,917
Security deposit from contractors		129,000	129,000
Other payables		15,277,409	22,059,112
		<u>336,168,979</u>	<u>323,849,923</u>

8.1 This includes advance from scrap dealers amounting to Rs. 79.3 million (30 June 2020: 79.3 million).

8.2 Workers' profit participation fund

Opening balance	2,818,085	9,168,893
Charge for the period / year	2,711,691	-
Interest charged during the period / year	-	1,035,784
	<u>5,529,776</u>	<u>10,204,677</u>
Less: Payments during the period / year	-	(7,386,592)
Closing balance	<u>5,529,776</u>	<u>2,818,085</u>

8.3 Workers' welfare fund

Opening balance	-	2,931,372
Charge for the period / year	1,084,676	-
Less: Payments made during the period / year	-	(2,931,372)
Closing balance	<u>1,084,676</u>	<u>-</u>

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

For the three months period ended 30 September 2020

9. Share Capital

9.1 Authorised share capital

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

9.2 Issued, subscribed and paid up capital

30 September 2020 (Number of shares)	30 June 2020	Ordinary shares	30 September 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 share	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>

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

10.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 303.242 million (30 June 2020: Rs. 58.199 million).

11. COST OF SALES

		For the three month period ended	
	Note	30 September 2020	30 September 2019
		(Rupees)	
Raw materials and components consumed		468,594,268	444,472,914
Ancillary materials consumed		26,303,099	14,118,985
Manufacturing expenses			
Salaries, wages and other employee benefits		53,570,057	55,700,983
Toll manufacturing	11.1	69,277,779	102,991,565
Depreciation		15,762,790	18,252,753
Gas, power and water		6,000,914	3,870,712
Others		8,261,007	12,860,887
Transferred to capital work-in-progress		(3,140,210)	(2,707,035)
Manufacturing cost		159,732,337	190,969,865
Opening stock of work-in-process	5	74,331,500	80,695,276
Impact of recording revenue overtime		83,313,784	104,148,426
Closing stock of work-in-process	5	(78,822,642)	(92,421,851)
		78,822,642	92,421,851
Opening stock of finished goods	5	-	-
Impact of recording revenue overtime		68,233,607	107,592,600
Closing stock of finished goods	5	-	-
		68,233,607	107,592,600
		<u>801,685,953</u>	<u>849,576,215</u>

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

For the three months period ended 30 September 2020

11.1 This includes toll manufacturing expense from SAIL and MAIL amounting to Rs. 54.707 million (30 September 2019: 87.28 million).

12. EARNINGS PER SHARE - basic and diluted

		For the three month period ended	
		30 September 2020	30 September 2019
Profit after taxation	Rupees	<u>13,787,289</u>	<u>12,541,473</u>
Weighted average number of ordinary shares outstanding during the period	Numbers	<u>151,250,000</u>	<u>151,250,000</u>
Earnings per share - basic and diluted	Rupees	<u>0.09</u>	<u>0.08</u>

13. 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:

Balance as at	Relationship and Effective shareholding	Transactions during the period / year and year end balances	30 September 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Name of the related party				
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>246,329,000</u> <u>26,755,976</u> <u>167,586,520</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: 92%)	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>7,753,725</u> <u>110,856,589</u>	<u>80,519,500</u> <u>6,062,508</u> <u>111,951,050</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>1,040,000,900</u> <u>202,728,712</u>	<u>1,040,000,900</u> <u>120,240,714</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>2,314,000</u> <u>224,483</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>1,463,685</u>	<u>(34,100)</u>
Employee benefits - gratuity	Defined contribution plan	Balance at the year period / year	<u>(15,774,179)</u>	<u>(16,149,322)</u>
Treet Corporation Limited	Associated company by virtue of significant influence	Participation Term Certificates (PTCs)	<u>-</u>	<u>7,527,465</u>

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

For the three months period ended 30 September 2020

Transactions for the period

Balance as at	Relationship and Effective shareholding	Transactions during the period / year and year end balances	30 September 2020	30 September 2019
Name of the related party			(Rupees)	
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (30 September 2019: 91%)	Toll manufacturing Loan provided Mark-up income on loan	46,803,123 - 5,173,852	66,190,213 23,000,000 410,793
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (30 September 2019: 92%)	Toll manufacturing Loan provided Mark-up income on loan	7,903,838 - 1,691,217	19,868,090 98,500,000 1,797,029
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (30 September 2019: 80%)	Loan provided Mark-up income on loan	- 21,843,997	319,570,500 19,827,324
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (30 September 2019: 100%)	Loan provided Principal received Mark-up income on loan	(600,000) 1,000,000 38,058	(800,000) - 245
Provident fund	Defined benefit scheme	Receivable / (payable) at the end of the period / year	1,463,685	(34,100)
Employee benefits - gratuity	Defined contribution plan	Expense for the period Contribution paid during the period	946,857 (1,322,000)	408,412 -
Treet Corporation Limited	Associated company by virtue of significant influence	Mark-up income on PTCs	-	7,574,410
First Treet Manufacturing Modaraba	Common directorship	Purchase of goods	88,484	81,473
IGI General Insurance Limited	Common directorship	Purchase of services	1,499,450	1,644,263
Remuneration of chief executive, directors and executives (Key management personnel)				
Salaries and benefits			12,923,677	18,117,967
Post retirement benefits			-	-

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

Company Name

Basis of relationship

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

**Notes to the Condensed Interim Unconsolidated Financial Information
(Un-audited)****For the three months period ended 30 September 2020****14. GENERAL****14.1 Segment reporting**

The financial information has been prepared on the basis of a single reportable segment. Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at 30 September 2020 are located in Pakistan.

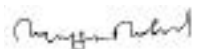
14.2 This condensed interim unconsolidated financial information was authorized for issue by the Board of Directors on 28 October 2020.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Statement of Financial Position

As at 30th September 2020

	Note	30 September 2020 (Unaudited)	30 June 2020 (Audited)
(Rupees)			
ASSETS			
Non-current assets			
Property, plant and equipment	3	4,928,619,251	4,932,529,642
Intangible assets		258,597	344,797
Investments		210,466,845	158,738,930
Loan and receivable		9,219,839	7,261,530
Deferred tax assets		-	9,501,130
		<u>5,148,564,532</u>	<u>5,108,376,029</u>
Current assets			
Store, spare and loose tools		84,108,626	76,560,562
Stock-in-trade		1,057,152,534	1,381,183,851
Trade debts - net		388,553,347	328,704,079
Loans and advances		183,824,751	67,822,902
Due from related party		1,150,380	1,150,380
Deposits, prepayments and other receivables		503,847,664	575,981,421
Taxation - net		186,031,618	163,120,742
Investments		720,342	9,001,861
Cash and bank balances		52,374,765	95,281,712
		<u>2,457,764,027</u>	<u>2,698,807,510</u>
Total assets		<u>7,606,328,559</u>	<u>7,807,183,539</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital			
400,000,000 (30 June 2020: 400,000,000) ordinary shares of Rs.10/- each		<u>4,000,000,000</u>	<u>4,000,000,000</u>
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		49,910,347	(1,815,876)
Unappropriated profit		<u>183,841,940</u>	<u>231,917,852</u>
		<u>2,841,604,865</u>	<u>2,837,954,554</u>
Non-Controlling Interest		<u>241,995,277</u>	<u>259,467,794</u>
		<u>3,083,600,142</u>	<u>3,097,422,348</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities		663,416	663,416
Defined benefit obligation - net		15,774,179	16,149,322
Long term loans		1,763,479,235	1,730,349,971
Deferred grant		5,107,733	2,646,769
Deferred tax liabilities		<u>18,045,724</u>	<u>-</u>
		<u>1,803,070,287</u>	<u>1,749,809,478</u>
Current liabilities			
Current maturity of lease liabilities		792,709	1,077,125
Current portion of long term loans		44,080,317	43,170,962
Current portion of deferred grant		2,232,246	4,829,455
Short term borrowings		1,920,511,589	2,088,194,296
Trade and other payables		463,839,656	491,985,880
Due to related parties		162,803,871	162,803,871
Unclaimed Dividend		3,527,781	3,526,379
Accrued mark-up		<u>121,869,961</u>	<u>164,363,745</u>
		<u>2,719,658,130</u>	<u>2,959,951,713</u>
Total equity and liabilities		<u>7,606,328,559</u>	<u>7,807,183,539</u>


CONTINGENCIES AND COMMITMENTS

4

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



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Profit and Loss Account (Un-audited)
For the three months period ended 30 September 2020

	Note	30 September 2020	30 September 2019
		(Rupees)	
Revenue - net		916,038,419	970,285,476
Cost of sales	5	(813,481,622)	(850,799,582)
Gross profit		102,556,797	119,485,894
Administrative and selling expenses		(45,420,282)	(51,230,831)
		57,136,515	68,255,063
Other expenses		(3,796,367)	(2,543,188)
Other income		63,506,585	46,897,374
		59,710,218	44,354,186
Operating profit		116,846,733	112,609,249
Financial charges		(96,910,322)	(75,878,504)
Share of loss in associates-net		(43,212,746)	(27,930,000)
(Loss) / profit before taxation		(23,276,335)	8,800,745
Taxation		(42,272,094)	(17,012,674)
Loss after taxation		(65,548,429)	(8,211,929)
Loss attributable to:			
Owners of the Company		(48,075,912)	(7,769,642)
Non-controlling interest		(17,472,517)	(442,287)
		(65,548,429)	(8,211,929)
Loss per share - basic and diluted		(0.32)	(0.05)

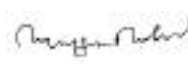
The annexed notes 1 to 8 form an integral part of the condensed interim consolidated financial information.



Chief Financial Officer



Chief Executive



Director

Condensed Interim Consolidated Statement of Comprehensive Income (Un-audited)

For the three months period ended 30 September 2020

	30 September 2020	30 September 2019
	(Rupees)	
Loss after taxation	(65,548,429)	(8,211,929)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit and loss		
Equity investments at FVOCI - net change in fair value	(46,526,458)	(3,895,047)
Total comprehensive loss for the period	<u><u>(112,074,887)</u></u>	<u><u>(12,106,976)</u></u>

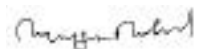
The annexed notes 1 to 8 form an integral part of the condensed interim consolidated financial information.



Chief Financial Officer



Chief Executive





Director

Condensed Interim Consolidated Cash Flow Statement (Un-audited) **For the three months period ended 30 September 2020**

	30 September 2020	30 September 2019
	(Rupees)	
(Loss) / profit before taxation	(23,276,335)	8,800,745
Adjustment for		
Depreciation	20,868,744	21,829,794
Amortization	86,200	242,587
Mark-up expense	96,910,322	75,855,091
Finance lease charges	-	23,413
Markup income	(1,239,991)	-
Gain on disposal of investment	(1,209,279)	-
Interest income on PTC	-	(7,582,410)
Gain on disposal of item of property, plant and equipment	(600,779)	(426,413)
Provision for gratuity	946,857	-
Share of profit in associates - net	-	27,930,000
Equity investments at FVTPL - net change in fair value	(170,247)	1,742,466
	<u>92,315,492</u>	<u>128,415,273</u>
Working capital changes		
Decrease / (increase) in current assets		
Stores and spares and loose tools	(7,548,064)	(11,951,304)
Stock-in-trade	324,031,317	66,472,809
Trade debts	(59,849,268)	74,269,042
Loans and advances	(116,001,849)	(148,004,595)
Deposits, prepayments and other receivables	70,175,448	124,454,938
	<u>210,807,584</u>	<u>105,240,890</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(28,146,224)	(139,794,442)
Cash generated from operations	<u>274,976,845</u>	<u>93,861,721</u>
Mark-up paid	(139,404,106)	(71,327,660)
Gratuity Paid	(1,322,000)	-
Tax paid	(37,636,116)	(34,884,723)
Net cash generated from / (used in) operating activities	<u>96,614,623</u>	<u>(12,350,662)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(17,395,574)	(147,817,290)
Mark-up received	1,239,991	7,582,410
Proceeds from disposal of item of property, plant and equipment	1,038,000	569,000
Disposal of purchase of investments	9,659,353	-
Net cash used in investing activities	<u>(5,458,230)</u>	<u>(139,665,880)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(284,416)	(1,780,178)
Proceeds from loans and borrowings	34,038,619	-
Deferred grant	(136,245)	-
Unclaimed dividend	1,409	(8,310)
Net cash generated from / (used in) financing activities	<u>33,619,367</u>	<u>(1,788,488)</u>
Net increase / (decrease) in cash and cash equivalents	<u>124,775,760</u>	<u>(153,805,030)</u>
Cash and cash equivalents at beginning of the period	(1,992,912,584)	(3,241,256,889)
Cash and cash equivalents at end of the period	<u>(1,868,136,824)</u>	<u>(3,395,061,919)</u>

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


 Chief Financial Officer


 Chief Executive


 Director

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

For the three months period ended 30 September 2020

	Share capital	Capital reserve		Revenue reserve	
	Issued, subscribed and paid up	Share premium	Fair value reserve of equity securities - FVOCI (Rupees)	Unappropriated profit	Total
Balance as at 30 June 2019	1,512,500,000	1,095,352,578	(3,392,943)	641,560,112	3,246,019,747
Total comprehensive income for the period ended 30 September 2019					
Loss after taxation	-	-	-	(7,769,642)	(7,769,642)
Other comprehensive loss			(3,895,047)		(3,895,047)
	-	-	(3,895,047)	(7,769,642)	(11,664,689)
Transactions with owners	-	-	-	-	-
Balance as at 30 September 2019	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>(7,287,990)</u>	<u>633,790,470</u>	<u>3,234,355,058</u>
Balance as at 01 July 2020	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 30 September 2020					
Loss after taxation	-	-	-	(48,075,912)	(48,075,912)
Other comprehensive income	-	-	51,726,223		51,726,223
	-	-	51,726,223	(48,075,912)	3,650,311
Transactions with owners	-	-	-	-	-
Balance as at 30 September 2020	<u>1,512,500,000</u>	<u>1,095,352,578</u>	<u>49,910,347</u>	<u>183,841,940</u>	<u>2,841,604,865</u>

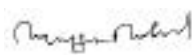
The annexed notes 1 to 8 form an integral part of the condensed interim consolidated financial information.



Chief Financial Officer



Chief Executive



Director

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

For the three months period ended 30 September 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
		30 September 2020	30 June 2020	
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	91%	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	92%	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	100%	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	80%	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers.
Associate				
Treet Corporation Limited	22 January 1977	5.27%	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 Information (Un-audited)

For the three months period ended 30 September 2020

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.3 Functional and presentation currency

The condensed interim consolidated financial information 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 information 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 information, 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	30 September 2020 (Un-audited) (Rupees)	30 June 2020 (Audited)
Operating property, plant and equipment	3.1	738,001,114	794,856,968
Capital work-in-progress		4,190,618,137	4,137,672,674
		<u>4,928,619,251</u>	<u>4,932,529,642</u>

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

For the three months period ended 30 September 2020

- 3.1 The following acquisitions and disposals have been made during three months period ended 30 September 2020.

	For the three months period ended			
	30 September 2020		30 September 2019	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	(Rupees)			
Building on leasehold land	-	-	-	-
Plant and machinery	1,111,950	-	6,527,482	754,000
Tools and equipment	465,987	-	-	-
Furniture, fittings and office equipment	152,487	-	1,915,323	-
Vehicles	-	437,221	36,350	-
	<u>1,588,706</u>	<u>437,221</u>	<u>8,479,155</u>	<u>754,000</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. 303.242 million (30 June 2020: Rs. 58.199 million).

5. COST OF SALES

	For the three months period ended	
	30 September 2020	30 September 2019
	(Rupees)	
Raw materials and components consumed	465,454,058	443,472,914
Ancillary materials consumed	27,505,597	19,123,548
Manufacturing Expenses		
Salaries, wages and other employee benefits	101,833,416	120,393,245
Toll manufacturing	15,891,263	17,752,508
Depreciation	19,117,628	21,829,794
Gas, power and water	10,788,173	8,716,090
Others	25,835,238	21,204,067
Manufacturing cost	<u>666,425,373</u>	<u>652,492,166</u>
Opening stock of work-in-process	74,331,500	80,659,276
Impact of recording revenue overtime	83,313,784	97,030,630
Closing stock of work-in-process	<u>(78,822,642)</u>	<u>(86,975,090)</u>
	<u>78,822,642</u>	<u>90,714,816</u>
Opening stock of finished goods	-	-
Impact of recording revenue overtime	68,233,607	107,592,600
Closing stock of finished goods	<u>-</u>	<u>-</u>
	<u>68,233,607</u>	<u>107,592,600</u>
	<u>813,481,622</u>	<u>850,799,582</u>

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

For the three months period ended 30 September 2020

6. 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:

	30 September 2020 (Un-audited)	30 June 2020 (Audited) (Rupees)
Investment in Treet Corporation		
Ordinary shares: 8,887,958 shares (30 June 2020: 8,887,958 shares)	<u>210,466,845</u>	<u>158,738,930</u>
Receivable / (payable) at the end of the period / year	<u>1,463,685</u>	<u>(34,100)</u>
Employee benefits - gratuity	<u>(15,774,179)</u>	<u>(16,149,322)</u>
Treet Corporation Limited		
Interest income from PTCs	<u>-</u>	<u>7,527,465</u>
First Treet Manufacturing Modaraba		
Purchase of goods	<u>88,484</u>	<u>81,473</u>
IGI General Insurance Limited		
Purchase of services	<u>1,499,450</u>	<u>1,644,263</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.

7. DATE OF AUTHORIZATION

This un-audited condensed interim financial information was authorized for issue by the Board Of Directors on 28 October 2020.

8. GENERAL

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

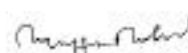
8.2 The amounts have been rounded off to nearest rupee.



Chief Financial Officer



Chief Executive










Director










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Plot# 23, Sector 19, Korangi Industrial Area, Karachi-74900.
Tel: 35073894, 0302-8674683-9 Fax: 35057453-54 Website: www.loads-group.pk