



Loads Limited

Manufacturers of
Exhaust Systems, Radiators &
Sheet Metal Components



PASSION FOR PERFECTION

annual report 2024

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VISION

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



MISSION

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

COMPANY INFORMATION

Board of Directors

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

* Chairman is Non-Executive Director

Audit Committee

| | |
|------------------------|------------|
| Mr. M. Z. Moin Mohajir | – Chairman |
| Syed Sheharyar Ali | – Member |
| Mr. Munir K. Bana | – Member |
| Dr. Rozina Muzammil | – Member |

Human Resources & Remuneration Committee

| | |
|------------------------------|---------------|
| Dr. Rozina Muzammil | – Chairperson |
| 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. Muhammad Anas

External Auditors

M/S. Yousuf Adil, Chartered Accountants

Legal Advisors

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

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
Askari Bank Limited
The Bank of Punjab
MCB Islamic Bank Limited

Subsidiaries and Associates

- 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. DSU-19, Sector II, Pakistan Steel Estate, Bin Qasim, Karachi.

Tel: +92-21 34740100 / 0302-8674683-9

E-mail: inquiry@loads-group.pk

Shares Registrar

M/s. CDC Share Registrar Services 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

Key Operating Financial Data

Rs. in 000

| Description | 2024 | 2023 | 2022 | 2021 | 2020 |
|--------------------------------------|-----------|-------------|-----------|-----------|-----------|
| Sales | 4,490,364 | 4,493,834 | 7,791,955 | 4,717,228 | 2,778,630 |
| Gross Profit | 815,762 | 770,037 | 974,440 | 498,954 | 52,269 |
| Profit/(Loss) Before Taxation | 545,573 | (1,714,557) | 155,799 | 90,298 | (717,684) |
| Profit/(Loss) After Taxation | 287,257 | (1,798,365) | (86,255) | (3,558) | (646,728) |
| Shareholders' Equity | 2,452,929 | 2,165,936 | 3,947,967 | 4,066,984 | 3,097,422 |
| Non - Current Assets | 3,732,476 | 4,350,816 | 5,430,108 | 5,591,579 | 5,108,376 |
| Total Assets | 6,637,993 | 6,844,619 | 9,112,445 | 8,404,048 | 7,807,183 |
| Total Liabilities | 4,185,064 | 4,678,683 | 5,164,478 | 4,337,065 | 4,709,760 |
| Current Assets | 2,905,517 | 2,493,804 | 3,682,337 | 2,812,469 | 2,698,807 |
| Current Liabilities | 3,636,597 | 3,752,669 | 3,838,253 | 3,011,010 | 2,959,951 |
| Cash Dividend | 0% | 0% | 0% | 0% | 0% |
| Stock Dividend | 0% | 0% | 0% | 0% | 0% |
| Issued, Subscribed & Paid Up Capital | 251,250 | 251,250 | 251,250 | 251,250 | 151,250 |

| Important Ratios | 2024 | 2023 | 2022 | 2021 | 2020 |
|-------------------------------|------|--------|-------|-------|-------|
| Profitability | | | | | |
| Gross Profit | 18% | 17% | 12% | 11% | 2% |
| Profit/(Loss) Before Taxation | 12% | -38% | 2% | 2% | 26% |
| Profit/(Loss) After Taxation | 6.4% | -40.0% | -1.1% | -0.1% | 23.0% |
| Return to Equity | | | | | |
| Return On Equity Before Tax | 22% | -79% | 4% | 2% | -23% |
| Return On Equity After Tax | 12% | -83% | -2.2% | -0.1% | -21% |
| Earning Per Share | 2.65 | -5.23 | 0.005 | 0.29 | -3.24 |
| Liquidity / Leverage | | | | | |
| Current Ratio | 0.80 | 0.66 | 0.96 | 0.93 | 0.91 |
| Break-Up Value Per Share | 9.76 | 8.62 | 15.71 | 16.19 | 20.48 |
| Total Liabilities To Equity | 1.71 | 2.16 | 1.31 | 1.07 | 1.52 |

| % Change | 2024 | 2023 | 2022 | 2021 | 2020 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Sales | -0.08% | -42% | 65% | 70% | -51% |
| Gross Profit | 5.94% | -19% | 90% | 855% | -92% |
| Profit Before Taxation | -131.82% | -1200% | 73% | -113% | -1287% |
| Profit After Taxation | -115.97% | 1985% | 2324% | -99% | -1043% |
| Shareholders' Equity | 13.25% | -45% | -3% | 31% | -13% |
| Non - Current Assets | -14.21% | -20% | -3% | 9% | 5% |
| Total Assets | -3.02% | -25% | 8% | 8% | 1% |
| Total Liabilities | -10.55% | -9% | 19% | -8% | 14% |
| Current Assets | 16.51% | -32% | 31% | 4% | -5% |
| Current Liabilities | -3.09% | -2% | 27% | 2% | -24% |
| Cash Dividend | 0% | 0% | 0% | 0% | 0% |
| Stock Dividend | 0% | 0% | 0% | 0% | 0% |
| P/E Ratio | 3.52 | -1 | 1942 | 74.52 | -4.29 |

CODE OF CONDUCT

Employees

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

Business Partners

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

Business Resources

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

Communities

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

ROLE OF CHAIRMAN

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

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

ROLE OF CHIEF EXECUTIVE

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

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

PROFILES OF DIRECTORS

Syed Shahid Ali - Chairman (Non-Executive Director)

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

Mr. Munir K. Bana – Vice Chairman (Non-Executive Director)

Munir K. Bana qualified as a Chartered Accountant from A.F. Ferguson & Co. in 1972 and is a fellow of the Institute of Chartered Accountants of Pakistan. He has been a Director on the Board of Directors of Loads Limited since 1996, initially serving as Director Finance and later elected as Chief Executive of the Company. Previously, he served on the Boards of Directors of multi-national listed companies (Parke-Davis & Boots) as Finance Director & Company Secretary for 18 years.

In an honorary capacity, Mr. Bana served 8 years as Chairman & Director of Karachi Tools, Dies & Moulds Centre, a public limited company, during 2006-14. He was also elected Chairman of Pakistan Association of Automotive Parts & Accessories Manufacturers ("PAAPAM") for the year 2012-13.

Currently, Mr. Bana is also a non-executive Director on the Boards of Directors of Treet Corporation Limited and its subsidiaries.

Mr. Muhammad Mohtashim Aftab – Chief Executive / Executive Director

Mr. Mohtashim Aftab has been appointed as the Chief Executive Officer of Loads Limited effective May 17th 2024. He is also Director and Chief Executive Officer of all subsidiaries of Loads Group of Companies Mr. Aftab brings with him over 30 years of experience in business partnering, strategic planning, and risk management.

In his previous role as the Group Chief Financial Officer at Treet Corporation Limited, Mr. Aftab not only oversaw all financial operations but also played a pivotal role in driving the Group's growth, sustainability, and success through various operational, financial, and administrative restructurings. He has extensive expertise in financial management, revenue growth, cash and risk management, and capital and debt market transactions. His financial acumen has earned him recognition as an accomplished CFO in the Industry & Trade category for listed companies.

Syed Sheharyar Ali – Non-Executive Director

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

Prior to joining Treet Corporation Limited in 2019, Mr. Aftab spent over two decades at KAPCO, where he gained substantial experience in finance and strategic planning. He also served as a Management Consultant at AF Ferguson & Co., a member firm of PwC, before joining KAPCO. His proficiency in managing complex business transactions and identifying growth opportunities ensures the long-term sustainability and profitability of the businesses he oversees.

In addition to his role at Loads Limited, Mr. Aftab also serves on the Board of Directors of Treet Battery Limited, Renacon Pharma Limited.

Mr. Shamim A. Siddiqui – Executive Director / CFO

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

Mr. M.Z. Moin Mohajir – Independent Director

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

Dr. Rozina Muzammil – Independent Director

Dr. Rozina Muzammil possesses more than two decades of diverse executive-level experience across Human Resource Management, Corporate Governance, Teaching & Training, Auditing, Finance, Costing, and Budgeting. Her career highlights include roles such as General Manager Finance in FMCG Industry, Executive Director at the Pakistan Institute of Public Finance Accountants (PIPFA), and currently, Chief Human Resource Officer at the Institute of Bankers Pakistan since December 2015.

She holds a Ph.D. in Business Administration from Asia e University, Malaysia, and is the author of the book "Fundamentals of Accounting", published by an HEC recognized University in 2014. Dr. Rozina has contributed number of articles in National and International Journals. She is a Certified Labour Laws Practitioner & Industrial Relations Analyst, as well as a Certified Director under the Code of Corporate Governance 2012 of the Securities Exchange Commission of Pakistan.

Dr. Rozina is a Fellow Member of two prestigious accounting bodies in Pakistan: The Institute of Cost and Management Accountants of Pakistan (ICMAP) and Pakistan Institute of Public Finance Accountants (PIPFA). She is also a Professional Member of the Institute of Management Accountants (IMA) USA. Additionally, she holds an MBA and has completed several HR leadership programs. She is certified as a CQI | IRCA | Quality Management Systems Lead Auditor from TUV Austria Romania.

She was the Founder Member and Convener of the CMA Women's Forum and served on the ICMA International Karachi Branch Council from 2015 to February 2019. Dr. Rozina has been an HR Expert for the recruitment of Management Training Officers (MTO) Batches at House Building Finance Company Limited (HBFCL) since March 2018. Currently, she serves as an Independent Director at Loads Limited and chairs its Human Resource and Remuneration Committee while also being a member of its Audit Committee.

CHAIRMAN'S REVIEW

I am pleased to present the audited annual accounts of the Loads Group for the year ended June 30, 2024.

The Pakistan Economy

The economic growth shows sign of improvements in FY24 from negative last year mainly on the back of robust growth in agriculture sector supported by prudent policy management and resumption of flows from multilateral and bilateral partners.

However, during this fiscal year, the economy continued to encounter challenges due to fiscal deficit, high inflation, increased energy and fuel costs, high interest rates, and foreign debt repayments.

The Large-Scale Manufacturing (LSM) sector plays a pivotal role in shaping the overall economy. LSM promotes domestic production as well as exports and generates employment, which eventually stimulates overall growth of an economy. The LSM sector reflected growth of 0.07%, which showed resilience and recovery as compared with last year.

Board Performance

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

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

Sales of Loads Group

Net sales revenue of the Group touched Rs. 4,490 million, which marginally decreased by 0.1% over previous year's sales of Rs.4,494 million, due to downturn in auto industry.

Acknowledgement

On my own behalf and on behalf of the Board of Directors of your Company, I take this opportunity of acknowledging the devoted and sincere services of employees of all the cadres of the Company.

I am also grateful to our shareholders, valued customers (reputed Original Equipment Manufacturers) and bankers for their continued support.



Syed Shahid Ali
Chairman

Karachi, September 18, 2024

چیرمین کا جائزہ:

مجھے 30 جون 2024 کو ختم ہونے والے سال کے لیے لوڈز گروپ کے آڈٹ شدہ سالانہ اکاؤنٹس پیش کرتے ہوئے خوشی ہو رہی ہے۔

پاکستان کی معیشت

معاشی نمو مالی سال 24 میں گزشتہ سال منفی سے بہتری کی علامت ظاہر کرتی ہے خاص طور پر زرعی شعبے میں مضبوط نمو کی وجہ سے جس کی مدد پر بنی پالیسی مینجمنٹ اور کثیر جہتی اور دو طرفہ شراکت داروں کی جانب سے بہاؤ کی بحالی ہے۔ تاہم، اس مالی سال کے دوران، معیشت کو مالیاتی خسارے، بلند افراط زر، توانائی اور ایندھن کی بڑھتی ہوئی قیمتوں، بلند شرح سود، اور غیر ملکی قرضوں کی واپسی کی وجہ سے مسلسل چیلنجز کا سامنا رہا۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) کا شعبہ مجموعی معیشت کی تشکیل میں اہم کردار ادا کرتا ہے۔ LSM ملکی پیداوار کے ساتھ برآمدات کو بھی فروغ دیتا ہے اور روزگار پیدا کرتا ہے، جو کہ آخر کار معیشت کی مجموعی ترقی کو تحریک دیتا ہے۔ LSM سیکٹر نے 0.07% کی نمو کی عکاسی کی، جس نے پچھلے سال کے مقابلے میں لچک اور بحالی کو ظاہر کیا۔

بورڈ کی کارکردگی

بورڈ نے اس کے اسٹریٹجک امور میں کمپنی کی موثر رہنمائی کرتے ہوئے اپنے فرائض اور ذمہ داریاں پوری تندی سے نبھائیں۔ بورڈ نے انتظامیہ کی کارکردگی کی نگرانی کرنے اور بڑے خطرے والے علاقوں پر توجہ مرکوز کرنے میں بھی اہم کردار ادا کیا۔ بورڈ اسٹریٹجک منصوبہ بندی کے عمل میں مکمل طور پر شامل تھا۔ بورڈ اسٹیک ہولڈر کی قدر کو برقرار رکھنے اور برقرار رکھنے کے لیے کارپوریٹ گورننس کے اعلیٰ معیارات کو یقینی بنانے کے لیے بھی پر عزم رہا۔ بورڈ نے اپنی خود تشخیص کی اور عالمی بہترین طریقوں کے مطابق مزید بہتری کے لیے ممکنہ شعبوں کی نشاندہی کی۔ بنیادی توجہ سٹریٹجک ترقی، کاروباری مواقع، رسک مینجمنٹ، بورڈ کی تشکیل اور انتظامیہ کو نگرانی فراہم کرنے پر رہی۔

لوڈ گروپ کی فروخت

گروپ کی خالص فروخت آمدنی روپے کو چھو گئی۔ 4,490 ملین، جو آٹو انڈسٹری میں مندی کی وجہ سے پچھلے سال کی 4,494 ملین روپے کی فروخت کے مقابلے میں 0.1 فیصد کی معمولی کمی واقع ہوئی ہے۔

اعتراف

اپنی طرف سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے، میں کمپنی کے تمام کیڈرز کے ملازمین کی مخلصانہ اور مخلصانہ خدمات کا اعتراف کرنے کا یہ موقع لیتا ہوں۔ میں اپنے شیئر ہولڈرز، قابل قدر کسٹمرز (معروف اور بجنل لیکوپمنٹ مینوفیکچررز) اور بینکرز کا مسلسل تعاون کے لیے ان کا بھی مشکور ہوں۔

سید شاہد علی

چیرمین

کراچی 18 ستمبر 2024

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders

The Directors of your Company take pleasure in presenting Loads Group's Annual Report together with Annual Audited Financial Statements for the year ended June 30, 2024.

OPERATING AND FINANCIAL RESULTS

| | Rupees in million | | | |
|--|-------------------|--------------|---------|--------------|
| | 2024 | | 2023 | |
| | Loads | Consolidated | Loads | Consolidated |
| Sales | 4,490 | 4,490 | 4,494 | 4,494 |
| Gross Profit | 879 | 816 | 732 | 770 |
| Operating Profit/ (Loss) | 884 | 1,313 | (1,174) | (868) |
| Share of Profit/(Loss) in associate | - | - | - | 4 |
| (Provision)/Reversal for impairment against associated company | - | 18 | - | (66) |
| Profit/(Loss) before Taxation | 257 | 545 | (1,772) | (1,715) |
| Profit/(Loss) after Taxation | 826 | 287 | (1,256) | (1,798) |
| Earnings/(Loss) per share (EPS) – basic & diluted | 3.29 | 2.65 | (5.00) | (5.23) |

BUSINESS REVIEW

Company Results

Whilst there was only a marginal upside in the sales, the Company's Operating Profit for the year ended June 30, 2024 at Rs 884 million recorded a significant turnaround versus the loss of Rs 1,174 report last year, mainly on account of gain on disposal of the Korangi land and building.

Consequently, profit before Tax at Rs 257 million also shows a turnaround versus the loss of Rs. 1,772 million last year. Due to recognition of deferred tax assets on Expected Credit Loss on Hi-Tech Alloy Wheels Limited (HAWL), loan and mark-up, Profit after Tax has jumped up to Rs 826 million versus the loss of Rs 1,256 last year. Due to the cash inflow from the disposal of Korangi land and building, markup expenses marginally increased despite high borrowing rate. Further, company has also booked impairment on loan & markup recoverable from associated company, HAWL, of Rs. 895 million and Rs.625 million respectively, due to delay in commencement of its operations. The company has invested heavily in HAWL in past several years, but commissioning of the plant has been delayed due to various factors, mainly Covid-19 and downturn in auto sector. Earnings per share were Rs.3.29, as against previous year loss of Rs 5.00 per share.

Group Results

The group has recorded sales of Rs. 4,490 million for the year ended June 30, 2024, which remain almost stagnant.

During the year, the company has booked impairment of Rs. 291 million on the assets of its subsidiary, Hi-Tech Alloy Wheels Limited, due to inordinate delay in commencement of its operations.

Consolidated accounts registered a Profit before Tax of Rs. 545 million, over previous year's Loss before Tax of Rs. 1715 million on account of gain on disposal of assets. Profit after Taxation was Rs. 287 million, compared to Loss after Tax of Rs. 1798 million in the previous year.

AUTOMOTIVE INDUSTRY REVIEW

Sector wise analysis of the country's auto industry sales is given below:

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

Sales of Cars, Vans, LCVs & SUVs for the year ended June 30, 2024, decreased from 126,879 units to 103,827 (-18%) over previous year. Honda, Suzuki and Toyota sales declined by 5%, 17% & 33% respectively during the year.

(b) Heavy Commercial Vehicles

Heavy vehicle volumes decreased from previous year's 3,836 units to 2,664 units, registering a decline of 31%.

(c) Tractors

The tractor industry's sales increased by 47% from previous year's 30,942 units to 45,494 units, with growth of 62% in volumes of our customer, Millat Tractors.

Note: All the above numbers are based on information released by PAMA (Pakistan Automotive Manufacturers Association).

COMPANY'S SALES PERFORMANCE

The overall sales of the group marginally declined by 0.1%. The Company's product-wise performance for the year is analyzed below:

| Products | Sales (Rs. in millions) | | |
|------------------------|-------------------------|-------|--------|
| | 2024 | 2023 | (+/-)% |
| Exhaust Systems | 2,647 | 2,694 | -1.7% |
| Sheet Metal Components | 1,713 | 1,403 | 22% |
| Radiators | 130 | 397 | -67% |
| Total | 4,490 | 4,494 | -0.1% |

Comments on performance of various product groups are given below:

- (a) **Exhaust Systems** : Sales of exhaust systems declined by 1.7% on account of fall in sales of all three major customers, Honda, Suzuki, and Toyota by 5%, 17% & 33% respectively. This decline in unit sales were offset by increase in prices.
- (b) **Radiators** : Sales of radiators decreased by 67%, reflecting decline in sales of pickups and vans of Pak Suzuki by 28% and 38% respectively.
- (c) **Sheet Metal Components** : The group has registered growth of 22%, as compared to corresponding year, mainly due to increase in overall prices billed to all our customers.

MATERIAL CHANGES OR COMMITMENTS

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

RISK MANAGEMENT

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

The decrease in demand for Company's products may have an adverse impact on its profitability due to lower sales volume resulting from lower than anticipated growth in auto industry. The other factors are natural disasters/diseases and foreign exchange movement, i.e., PKR depreciation, which inflates prices of imports and affects profitability of the Company.

CORPORATE GOVERNANCE

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

INFORMATION TECHNOLOGY

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

INTERNAL FINANCIAL CONTROL

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

INSIDER TRADING

The Company has a policy on insider trading. Closed periods are announced by the Company prior to the announcement of financial results. Directors and Executives are only allowed to trade in Company securities outside the closed periods.

RELATED PARTIES TRANSACTIONS

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

CORPORATE FINANCIAL REPORTING

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

REVIEW OF CEO'S PERFORMANCE

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

WHISTLE BLOWING POLICY

The Company ensures accountability and integrity in conduct by devising a transparent and effective whistleblowing mechanism for alerts against deviations from policies, controls, applicable regulations or violation from the code of ethics. This policy is applicable to all individuals associated with the Company and provisions for disclosures thereunder in confidence, without fear of repercussions.

MANAGEMENT COMMITTEE

The Management Committee comprises of senior management headed by Chief Executive Officer (CEO), which ensures that a proper system is developed and implemented across the Company that enable swift and appropriate decision making. It acts in an advisory capacity to CEO at the operating level, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee is organized on a functional basis and meets monthly to review the performance of each function against set targets. CEO also ensures that all decisions and directions given by the Board are properly communicated and implemented.

COMMUNICATION

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

SAFEGUARDING OF RECORDS

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

INTERNAL AUDIT

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

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

HUMAN RESOURCES

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

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

COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) GENERAL ORDER, 2009

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

- (i) **Energy Conservation:** Projects to switch over to renewable energy continue in phases, with solar power already installed at the head office.
- (ii) **Quality and Environmental management systems:** ISO 9001 and ISO 14001 certifications, previously obtained by the Company, continue to be renewed every year.
- (iii) **Business Ethics:** Strict ethics were followed in all business dealings throughout the year.
- (iv) **Contribution to National Exchequer:** The group met all its obligations towards payments of income tax, sales tax and other government levies aggregating Rs. 1,418 million (2023: Rs. 1,301 million).

DIVIDEND & APPROPRIATION

Your Company remains committed to both increasing its shareholder value and providing sustainable returns over a longer-term period. However, due to auto sector instability, losses in associated companies leading to liquidity crunch, higher interest rates and soaring inflation, the Directors have not proposed any dividend for the year ended June 30, 2024.

COMPOSITION OF THE BOARD

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

Total number of Directors

| | |
|--------|---|
| Male | 6 |
| Female | 1 |

Composition

| | |
|-------------------------|---|
| Independent Directors | 2 |
| Non-Executive Directors | 3 |
| Executive Directors | 2 |

ATTENDANCE OF BOARD MEETINGS

The Board of Directors of your company has met six (6) times during the year 2023-24 and the attendance at each of these meetings is as follows: -

| Name of Director | Designation | 03 Oct 23 | 26 Oct 23 | 19 Dec 23 | 28 Feb 24 | 30 April 24 | 21 June 24 | 2023 - 2024 |
|---------------------------|------------------------|--------------|--------------|--------------|--------------|----------------|---------------|-------------------|
| Syed Shahid Ali | Chairman | A | A | P | A | A | P | 2/6 |
| Mr. Munir K. Bana | Vice Chairman | P | P | P | P | P | P | 6/6 |
| Mr. M. Mohtashim Aftab | Chief Executive | P | P | P | P | P | P | 6/6 |
| Syed Sheharyar Ali | Non-Executive Director | A | P | P | A | A | P | 3/6 |
| Mr. M. Z. Moin Mohajir | Independent Director | P | P | A | P | P | P | 6/6 |
| Mr. Shamim A. Siddiqui | Executive Director | P | P | P | P | P | P | 6/6 |
| Dr. Rozina Muzammil | Independent Director | P | A | P | P | P | P | 5/6 |
| Quorum at Meetings | | 5/7 | 5/7 | 6/7 | 5/7 | 5/7 | 7/7 | |

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

DIRECTORS' TRAINING

Five directors have acquired Director's training whereas two directors have the prescribed qualification and experience required for exemption from training programmes for Directors, under Regulation 19 of the CCG. All Directors are fully conversant with their duties and responsibilities as Directors of a listed company.

AUDIT COMMITTEE

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

During the year, Audit Committee held four meetings, to review the financial statements, internal audit reports, compliances with the best practices of Corporate Governance requirements and other associated matters. These meetings included meetings with the external auditors before and after completion of audit for the year ended June 30, 2024.

HUMAN RESOURCES & REMUNERATION COMMITTEE

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

DIRECTORS REMUNERATION

The Company has formulated a transparent procedure for the remuneration of its Directors (reported in note 41 of the financial statements) in accordance with the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

CHANGE IN CHIEF EXECUTIVE

The Board of Directors on May 16, 2024, appointed of Mr. M. Mohtashim Aftab as the new Chief Executive Officer of the Company in place of Mr. Munir K. Bana.

The Directors would like to record their vote of thanks to Mr. Munir K. Bana for his excellent stewardship of the company.

CHAIRMAN'S REVIEW

The Chairman's review, included in this Annual report, deals with the performance of the company for the year ended June 30, 2024 and the future outlook. The directors endorse the contents of the review.

CORPORATE BRIEFING SESSION

The Company carried out a corporate briefing session during the year.

FINANCIAL STATEMENTS

The auditors of the Company, M/s. Yousuf Adil Chartered Accountants, audited the financial statements of the Company and have issued an unqualified report to the members.

SAFETY, HEALTH & ENVIRONMENT

We are actively managing health and safety risks associated with our manufacturing process and working towards to reduce and control the risk of accidents or injuries during work. So far, no serious accident has taken place and no major injury or loss of life. All employees are equipped with safety equipments at plant i.e., uniform, shoes, helmets, ear plugs and gloves, firefighting system has been installed and in house fire fighting and safety trainings are carried out regularly.

Protection of environment is of prime concern; every measure is being taken to preserve nature and to maintain clean environment at workplaces. The Company fully discourages the use of toxic substance and ensure that all the products manufactured are free from hazardous material.

We comply with all applicable laws, regulations and conditions granted in environmental standards. We ensure appropriate training and awareness on environmental systems, procedures, best practices and on shared responsibility towards environmental protection among employees, contractors, suppliers and customers. Regularly review environmental performance and carry out audit and set targets to achieve continuous improvement.

The company has already obtained International Certification ISO-14001 of environment to meet the International Environment Standards and has been recertified by the International Agency.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The “Statement of Compliance with Code of Corporate Governance” (CCG) is included in this report.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2024 required under section 227(2)(f) of the Companies Act, 2017 is included in this report.

EXTERNAL AUDITORS

M/s. Yousuf Adil Chartered Accountants have completed their annual audit of the Company for the year ended June 30, 2024 and have issued unqualified report.

The current external Auditors retire and being eligible, have offered themselves for re-appointment for the year ending June 30, 2025. The Board of Directors, on the recommendation of Board Audit Committee, have recommended their re-appointment for the year ending June 30, 2025.

FUTURE OUTLOOK

Economic recovery is expected by improvement in manufacturing activity. However, macroeconomic indicators are still challenging for the auto sector due to high interest rates and tightened fiscal measures. The slow production continued during the year and forced the Company to adjust its production to a new operating level by managing fixed costs amid low plant utilization.

However, we anticipate that the automotive industry is slowly recovering, but the need for continuously reduction in interest rates and long-term economic policies are a critical factor. The industry expects industry friendly operating environment to overcome prevailing difficult phase.

However, the Company remains engaged in delivering enduring value and strengthening relationships with existing customers and suppliers.

ACKNOWLEDGEMENTS

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

By Order of the Board



M. Mohtashim Aftab
Chief Executive



Munir K. Bana
Vice Chairman

Karachi: September 18, 2024

تاہم، ہمیں امید ہے کہ آٹوموٹیو انڈسٹری آہستہ آہستہ بحال ہو رہی ہے، لیکن سود کی شرحوں میں مسلسل کمی اور طویل مدتی معاشی پالیسیوں کی ضرورت اہم عوامل ہیں۔ انڈسٹری کو اس مشکل مرحلے پر قابو پانے کے لیے انڈسٹری فرینڈلی آپریٹنگ ماحول کی ضرورت ہے۔

تاہم، کمپنی مسلسل پائیدار قدر کی فراہمی اور اپنے موجودہ صارفین اور سپلائرز کے ساتھ تعلقات کو مضبوط بنانے میں مصروف ہے۔

تھکر

بورڈ سال بھر اپنے ملازمین کی مسلسل محنت اور حمایت پر ان کا شکریہ ادا کرتا ہے۔ ہم اپنے صارفین کے مستقل تعاون کے لیے بھی ان کا شکریہ ادا کرتے ہیں اور آنے والے سالوں میں ان کے ساتھ ایک نتیجہ خیز تعلق کی توقع رکھتے ہیں۔

بحکم بورڈ



منیر انیم بانا
وائس چیئرمین



ایم حشیم آفتاب
چیف ایگزیکٹو

کراچی 18 ستمبر 2024

چیئرمین کا جائزہ

چیئرمین کا جائزہ، جو اس سالانہ رپورٹ میں شامل ہے، سال 30 جون 2024 کو ختم ہونے والے کمپنی کی کارکردگی اور مستقبل کے امکانات سے متعلق ہے۔ ڈائریکٹرز اس جائزے کے مواد کی توثیق کرتے ہیں۔

کارپوریٹ بریفنگ سیشن

کمپنی نے سال کے دوران ایک کارپوریٹ بریفنگ سیشن منعقد کیا۔

مالی بیانات

کمپنی کے آڈیٹرز، میسرز یوسف عدیل چارٹرڈ اکاؤنٹنٹس، نے کمپنی کے مالی بیانات کا آڈٹ مکمل کیا اور ارکان کو ایک غیر مشروط رپورٹ جاری کی ہے۔

سیفٹی، صحت اور ماحول

ہم اپنی مینوفیکچرنگ کے عمل سے منسلک صحت اور حفاظتی خطرات کا فعال طور پر انتظام کر رہے ہیں اور کام کے دوران حادثات یا چوٹوں کے خطرات کو کم کرنے اور کنٹرول کرنے کے لیے کام کر رہے ہیں۔ اب تک کوئی سنگین حادثہ نہیں ہوا اور نہ ہی کوئی بڑی چوٹ یا جانی نقصان ہوا ہے۔ تمام ملازمین کو پلانٹ میں حفاظتی سازوسامان فراہم کیے گئے ہیں، جیسے یونیفارم، جوتے، ہیلمٹ، کان کی پلگ، اور دستاں۔ آگ بجھانے کا نظام نصب کیا گیا ہے اور اندرونی طور پر آگ بجھانے اور حفاظت کی تربیت باقاعدگی سے فراہم کی جاتی ہے۔

ماحول کی حفاظت ہماری اولین ترجیح ہے؛ ہر ممکن اقدام اٹھایا جا رہا ہے تاکہ قدرت کو محفوظ رکھا جاسکے اور کام کی جگہوں پر صاف ماحول کو برقرار رکھا جاسکے۔ کمپنی زہریلے مواد کے استعمال کو مکمل طور پر روکتی ہے اور اس بات کو یقینی بناتی ہے کہ تمام مصنوعات مضر مواد سے پاک ہیں۔

ہم تمام قابل اطلاق قوانین، ضوابط، اور ماحولیاتی معیارات کی تعمیل کرتے ہیں۔ ہم ملازمین، کنٹریکٹرز، سپلائرز، اور صارفین کے درمیان ماحولیاتی نظام، طریقہ کار، بہترین طریقوں، اور ماحولیاتی تحفظ کے حوالے سے مشترکہ ذمہ داری پر مناسب تربیت اور آگاہی فراہم کرتے ہیں۔ ہم باقاعدگی سے ماحولیاتی کارکردگی کا جائزہ لیتے ہیں، آڈٹ کرتے ہیں اور مسلسل بہتری کے اہداف طے کرتے ہیں۔

کمپنی نے پہلے ہی بین الاقوامی ماحولیاتی معیار ISO-14001 کا بین الاقوامی سرٹیفیکیشن حاصل کیا ہے تاکہ بین الاقوامی ماحولیاتی معیارات پر پورا اترا جاسکے اور اسے بین الاقوامی ایجنسی نے دوبارہ تصدیق کی ہے۔

کارپوریٹ گورننس کے ضابطے کے ساتھ تعمیل کا بیان

"کارپوریٹ گورننس کے ضابطے کے ساتھ تعمیل کا بیان" اس رپورٹ میں شامل ہے۔

شینئر ہولڈنگ کا نمونہ

30 جون 2024 تک شینئر ہولڈنگ کا نمونہ، جیسا کہ کمپنیز ایکٹ 2017 کے سیکشن 222(2)(f) کے تحت مطلوب ہے، اس رپورٹ میں شامل ہے۔

بیرونی آڈیٹرز

میسرز یوسف عدیل چارٹرڈ اکاؤنٹنٹس نے سال 30 جون 2024 کو ختم ہونے والے کمپنی کا سالانہ آڈٹ مکمل کیا اور غیر مشروط رپورٹ جاری کی۔ موجودہ بیرونی آڈیٹرز ریٹائر ہو رہے ہیں اور دوبارہ تقرری کے لیے اہل ہیں۔ بورڈ آف ڈائریکٹرز نے بورڈ آڈٹ کمیٹی کی سفارش پر ان کی دوبارہ تقرری کی سفارش کی ہے۔

مستقبل کا لائحہ عمل

معاشی بحالی مینوفیکچرنگ کی سرگرمیوں میں بہتری کے ذریعے متوقع ہے۔ تاہم، بلند شرح سود اور سخت مالیاتی اقدامات کی وجہ سے آٹو سیکٹر کے لیے میکرو اکنامک اشاریے اب بھی چیلنجنگ ہیں۔ سال کے دوران سست پیداوار جاری رہی اور کمپنی کو کم پلانٹ استعمال کے درمیان اپنے پیداواری سطح کو ایک نئے آپریٹنگ لیول پر ایڈجسٹ کرنے کے لیے اپنے فکسڈ اخراجات کو منظم کرنا پڑا۔

بورڈ مینٹگز میں شرکت

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی 2023-24 کے دوران چھ (6) بار مینٹگز ہوئیں اور ہر ایک مینٹگ میں حاضری کا حال درج ذیل ہے:

| ڈائریکٹر کے نام | عہدہ | 103 اکتوبر 2023 | 26 اکتوبر 2023 | 19 دسمبر 2023 | 28 فروری 2024 | 30 اپریل 2024 | 21 جون 2024 | 2023-2024 |
|-------------------|-----------------------|-----------------|----------------|---------------|---------------|---------------|-------------|-----------|
| سید شاہد علی | چیئر مین | A | A | P | A | A | P | 2/6 |
| منیر کے بانا | وائس چیئر مین | P | P | P | P | P | P | 6/6 |
| ایم ہتشم آفتاب | چیف ایگزیکٹو | P | P | P | P | P | P | 6/6 |
| سید شہریار علی | نان ایگزیکٹو ڈائریکٹر | A | P | P | A | A | P | 3/6 |
| ایمزید معین مہاجر | آزاد ڈائریکٹر | P | P | A | P | P | P | 6/6 |
| شیم اے صدیقی | ایگزیکٹو ڈائریکٹر | P | P | P | P | P | P | 6/6 |
| روزینہ منزل | آزاد ڈائریکٹر | P | A | P | P | P | P | 5/6 |
| اجلاسوں میں شرکت | | | | | | | | 7/7 |

ان ڈائریکٹرز کو غیر حاضری کی چھٹی دے دی گئی جو اجلاس میں شرکت سے قاصر تھے۔

ڈائریکٹرز کی تربیت

پانچ ڈائریکٹرز نے ڈائریکٹرز کی تربیت حاصل کی ہے، جبکہ دو ڈائریکٹرز کو ضابطہ 19 کے تحت ڈائریکٹرز کی تربیتی پروگراموں سے مستثنیٰ ہونے کے لیے مطلوبہ تعلیمی قابلیت اور تجربہ حاصل ہے۔ تمام ڈائریکٹرز ایک فہرست شدہ کمپنی کے ڈائریکٹر کے طور پر اپنی ذمہ داریوں اور فرائض سے بخوبی واقف ہیں۔

آڈٹ کمیٹی

آڈٹ کمیٹی چار نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے، جن میں دو آزاد ڈائریکٹرز شامل ہیں، جن میں سے ایک کمیٹی کے چیئر مین ہیں۔

سال کے دوران، آڈٹ کمیٹی نے چار مینٹگز کیس تاکہ مالی بیانات، اندرونی آڈٹ رپورٹس، کارپوریٹ گورننس کے بہترین عمل کی تعمیل اور دیگر متعلقہ معاملات کا جائزہ لیا جاسکے۔ ان مینٹگز میں سال 30 جون 2024 کے اختتام پر آڈٹ کی تکمیل سے پہلے اور بعد میں بیرونی آڈٹرز کے ساتھ مینٹگز شامل تھیں۔

ہیومن ریسورس اور ریویژن کمیٹی

بورڈ کی ہیومن ریسورس اور ریویژن کمیٹی (HR&R) پانچ ارکان پر مشتمل ہے۔ HR&R کی چیئر پرسن ایک آزاد ڈائریکٹر ہیں۔ کمیٹی نے سال کے دوران ایک مینٹگ کی تاکہ کمیٹی کے دائرہ کار میں آنے والے معاملات پر بات چیت اور منظوری دی جاسکے۔

ڈائریکٹرز کی ریویژن کمیٹی

کمپنی نے اپنے ڈائریکٹرز کی ریویژن کمیٹی کے لیے ایک شفاف طریقہ کار وضع کیا ہے (مالی بیانات کے نوٹ 41 میں رپورٹ شدہ) جو کہ کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کارپوریٹ گورننس) کا ضابطہ (ریگولیشنز، 2019) کے مطابق ہے۔

چیف ایگزیکٹو میں تبدیلی

بورڈ آف ڈائریکٹرز نے 16 مئی 2024 کو جناب محتشم آفتاب کو جناب منیر کے بنا کر جگہ کمپنی کا نیا چیف ایگزیکٹو آفیسر مقرر کیا ہے۔ ڈائریکٹرز جناب منیر کے بنا کے شاندار قیادت کے لیے ان کا شکریہ ادا کرتے ہیں۔

رابطہ کاری

کمپنی اپنے شیئر ہولڈرز کے ساتھ شفاف رابطے کو اہمیت دیتی ہے۔ سالانہ، نصف سالانہ اور سہ ماہی رپورٹس کمپنیز ایکٹ 2017 کے مقررہ وقت کے اندر تقسیم کی جاتی ہیں۔ اس کے علاوہ، کمپنی کی سرگرمیوں اور تازہ ترین معلومات کو باقاعدگی سے اس کی ویب سائٹ www.loads-group.pk پر اپ ڈیٹ کیا جاتا ہے۔

ریکارڈز کی حفاظت

کمپنی اپنے مالیاتی ریکارڈز کی محفوظ اور محفوظ رکھاؤ کو بہت اہمیت دیتی ہے۔ مالیاتی معلومات کے اندراج کے لیے SAP سسٹم استعمال کیا جاتا ہے، جس میں ایکٹرانک دستاویزات تک رسائی کو پاس ورڈ محفوظ اجازت نامے کے ذریعے محفوظ کیا گیا ہے، جو SAP-ERP سسٹم میں نافذ کیا گیا ہے۔

اندرونی آڈٹ

لوڈز گروپ میں ایک آزاد اندرونی آڈٹ کا نظام موجود ہے، جہاں اندرونی آڈٹ کے سربراہ براہ راست بورڈ آف آڈٹ کمیٹی (BAC) کو رپورٹ کرتے ہیں۔ سالانہ اندرونی آڈٹ کے منصوبے خطرات کی شخصیت کی بنیاد پر تیار کیے جاتے ہیں اور منظوری کے لیے BAC کو پیش کیے جاتے ہیں۔ اندرونی آڈٹ کا شعبہ کمپنی کے اندر ایک آزاد جائزہ کار کے طور پر کام کرتا ہے، جو مسلسل آپریشنز کا جائزہ لیتا ہے، خاص طور پر اکاؤنٹنگ، مالیاتی اور آپریشنل پہلوؤں پر زور دیتا ہے۔ اس کا مقصد انتظامی کنٹرول کو بہتر بنانا اور تمام شعبوں میں اضافی قدر فراہم کرنا ہے، تاکہ آپریشنل کارکردگی، منافع کے تحفظ اور کمپنی کے بہترین مفادات کا تحفظ ممکن ہو سکے۔

ہیومن ریسورس

کمپنی کا ہیومن ریسورس (HR) کا شعبہ مستقبل کے لیے ہنرمندی کی تعمیر پر توجہ مرکوز رکھتا ہے۔ ایچ آر کا شعبہ کمپنی کی کامیابی کو یقینی بنانے کے لیے سب سے زیادہ باصلاحیت اور پر عزم ملازمین کو متوجہ، ترقی پذیر، حوصلہ افزائی اور برقرار رکھنے کی کوشش کرتا ہے۔ یہ شعبہ ملازمین کی ضروریات کو سنبھالنے کے ساتھ ساتھ ملازمین کے تعلقات، تنخواہ، فوائد اور تربیت کے امور کا بھی ذمہ دار ہے

- توانائی کی بچت: تجدیدی توانائی کے منصوبے مرحلہ وار جاری ہیں، اور ہیڈ آفس میں شمسی توانائی کا نظام پہلے ہی نصب کیا جا چکا ہے۔
- معیار اور ماحولیاتی نظام کا انتظام: کمپنی کی جانب سے پہلے سے حاصل کردہ ISO 9001 اور ISO 14001 سرٹیفیکیشن سہ ماہی تجدید کی جاتی ہیں۔
- کاروباری اخلاقیات: سال بھر میں تمام کاروباری معاملات میں سخت اخلاقیات کی پابندی کی گئی۔
- قومی خزانے میں شراکت: گروپ نے انکم ٹیکس، سیلز ٹیکس اور دیگر حکومتی محصولات کی مد میں کل 1,418 ملین روپے (2023: 1,301 ملین روپے) کی ادائیگیوں کے تمام فرائض پورے کیے۔

ڈویڈنڈ اور مختص کردہ رقم

آپ کی کمپنی اپنے شیئر ہولڈرز کی قدر میں اضافے اور طویل مدتی پائیدار منافع فراہم کرنے کے عزم پر قائم ہے۔ تاہم، آٹو سیکٹر میں عدم استحکام، منسلک کمپنیوں میں نقصان، نقدی بحران، زیادہ شرح سود اور افراط زر میں اضافے کی وجہ سے ڈائریکٹرز نے 30 جون 2024 کو ختم ہونے والے سال کے لیے کوئی ڈویڈنڈ تجویز نہیں کیا ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل درج شدہ کمپنیوں کے (کارپوریٹ گورننس کے ضابطے) ضوابط 2019 کے تقاضوں کے مطابق ہے، جو نیچے دی گئی ہیں:

| مرد | کل ڈائریکٹرز کی تعداد | کمپوزیشن |
|-----|-----------------------|-------------------------|
| 6 | | آزاد ڈائریکٹر 2 |
| 1 | | نان ایگزیکٹو ڈائریکٹر 3 |
| | | ایگزیکٹو ڈائریکٹر 2 |

کارپوریٹ گورننس

ہمیں یقین ہے کہ کارپوریٹ گورننس کے معیار قائم کرنا اور برقرار رکھنا کاروبار کی کامیابی اور پائیداری کے لیے ضروری ہے۔ بورڈ تسلیم کرتا ہے کہ اچھی گورننس صرف قوانین اور ضوابط کی پابندی سے زیادہ ہے؛ یہ ہماری کاروباری ثقافت، رویے اور طریقے کے بارے میں ہے۔ بورڈ اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ کمپنی کی اقدار اور اعلیٰ معیار اوپر سے قائم ہوں اور کمپنی میں ہر سطح پر سرایت کریں۔ ہم دیانت داری اور اعلیٰ معیار کی کارپوریٹ گورننس کے لیے پرعزم ہیں اور ہمارا بورڈ حصص داروں اور تمام فریقین کو درست اور سچی معلومات فراہم کرتا ہے۔ دیانت داری اور جواب دہی ہمارے ہر عمل کے مرکز میں ہیں اور ہمیں یقین ہے کہ ہماری مضبوط گورننس فریم ورک کے ساتھ، بورڈ کمپنی کو صحیح سمت میں لے جانے کے قابل ہے۔

انفارمیشن ٹیکنالوجی

کمپنی کا ماننا ہے کہ کاروباری تبدیلیوں سے نمٹنے کے لیے انفارمیشن ٹیکنالوجی (آئی ٹی) ناگزیر ہے۔ کمپنی نے آئی ٹی وسائل کے موثر استعمال کو اپنے آپریٹنگ اور اسٹریٹیجک مقاصد کے حصول کے لیے ترتیب دیا ہے۔ ہم نے موثر رسک مینجمنٹ، وسائل کی بہتر تقسیم اور فوائد کے حصول کے لیے آئی ٹی حکمت عملی کو کاروباری حکمت عملی سے ہم آہنگ کیا ہے۔ آئی ٹی سٹیورج کمپنی کے آئی ٹی میں کی گئی سرمایہ کاری پر بہترین منافع کے حصول کے لیے اسٹریٹیجک رہنمائی اور موثر حل فراہم کرتی ہے۔ کمپنی مسلسل نئے آئی ٹی ٹیکنالوجیز اور بنیادی ڈھانچے کے نفاذ کے امکانات کو تلاش کرتی ہے تاکہ بدلتے ہوئے کاروباری ماحول میں موثر اور بروقت فیصلے کیے جاسکیں۔

اندرونی مالیاتی کنٹرول

کمپنی کے تمام سطحوں پر ایک موثر اندرونی کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ یہ نظام کمپنی کے مقاصد، آپریٹنگ کارکردگی، مالی رپورٹنگ کی بھروسے مندی، اور قوانین، ضوابط اور پالیسیوں کی پاسداری کو یقینی بنانے کے لیے ڈیزائن کیا گیا ہے۔

اندرونی تجارت

کمپنی نے اندرونی تجارت کے حوالے سے ایک پالیسی متعارف کروائی ہے۔ مالیاتی نتائج کے اعلان سے قبل کمپنی بند ادوار کا اعلان کرتی ہے۔ ڈائریکٹرز اور ایگزیکٹوز کو صرف بند ادوار کے باہر کمپنی کے حصص میں تجارت کی اجازت ہے۔

متعلقہ فریقین کے ساتھ لین دین

کمپنی کی پالیسی یہ ہے کہ تمام لین دین جو متعلقہ فریقین کے ساتھ کیے جاتے ہیں وہ بازاری نرخوں پر ہوں۔ تاہم، خصوصی حالات میں کمپنی بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی منظوری کے بعد، اور اس کے مالی اثرات کو مالیاتی بیانات میں ظاہر کرتے ہوئے، بازاری نرخوں کے علاوہ لین دین کر سکتی ہے۔

کارپوریٹ مالیاتی رپورٹنگ

کمپنی کی انتظامیہ کے تیار کردہ مالیاتی بیانات کمپنی کی مالی حالت، آپریٹنگ کے نتائج، نقدی کی روانی، اور لیکوئٹی میں تبدیلیوں کی منصفانہ تصویر پیش کرتے ہیں۔ مالیاتی بیانات کو کمپنیز ایکٹ 2017 کے تحت تیار کیا گیا ہے اور اسٹریٹیجک فنانشل رپورٹنگ اسٹینڈرڈز کا اطلاق کیا گیا ہے۔

سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کا جائزہ مقصد داری اور معیاری تجزیے کی بنیاد پر باقاعدہ طور پر لیا جاتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، اور کمپنی کی کامیابی شامل ہوتی ہے۔

وسل بلونگ پالیسی

کمپنی اپنی پالیسیوں، کنٹرولز، قوانین، ضوابط، یا اخلاقی ضوابط کی خلاف ورزیوں کی خلاف شفاف اور موثر ووسل بلونگ میکانزم کے ذریعے احتساب اور دیانت داری کو یقینی بناتی ہے۔ یہ پالیسی کمپنی سے وابستہ تمام افراد پر لاگو ہوتی ہے اور انہیں خوف کے بغیر انکشافات کرنے کی اجازت دیتی ہے۔

مینجمنٹ کمیٹی

مینجمنٹ کمیٹی سینئر انتظامیہ پر مشتمل ہوتی ہے، جس کی قیادت چیف ایگزیکٹو آفیسر (سی ای او) کرتے ہیں، اور کمپنی میں تیز رفتار اور مناسب فیصلہ سازی کو یقینی بنانے کے لیے ایک موثر نظام تیار کرتی ہے۔ کمیٹی ماہانہ بنیادوں پر ہر شعبے کی کارکردگی کا جائزہ لیتی ہے اور طویل المدتی منصوبوں، سرمایہ اور اخراجات کے بجٹ کی تیاری کی ذمہ دار ہے۔

آٹوموٹو انڈسٹری کا جائزہ

ملک کی آٹو انڈسٹری کی فروخت کا شعبہ وار تجزیہ درج ذیل ہے:

(a) مسافر گاڑیاں / ہلکے تجارتی گاڑیاں (LCVs) / جیپس (SUVs)

30 جون 2024 کو ختم ہونے والے مالی سال کے لئے کاروں، وینز، اور SUVs کی فروخت 126,879 یونٹس سے گھٹ کر 103,827 یونٹس (-18%) رہ گئی۔ ہونڈا، سوزوکی اور ٹویوٹا کی فروخت میں بالترتیب 5%، 17% اور 33% کی کمی واقع ہوئی۔

(b) بھاری تجارتی گاڑیاں

بھاری گاڑیوں کی مقدار پچھلے سال کے 3,836 یونٹس سے کم ہو کر 2,664 یونٹس رہ گئی، جس میں 31% کمی آئی۔

(c) ٹریکٹر

ٹریکٹر کی صنعت کی فروخت پچھلے سال کے 30,942 یونٹس سے بڑھ کر 45,494 یونٹس تک 47% بڑھ گئی، جبکہ ہمارے گاہک ملٹ ٹریکٹر کی مقدار میں 62% کی ترقی ہوئی۔
نوٹ: اوپر دیئے گئے تمام اعداد و شمار پی اے ایم اے (پاکستان آٹوموٹو مینوفیکچررز ایسوسی ایشن) کی جانب سے جاری کردہ معلومات پر مبنی ہیں، جو ہمارے متعلقہ صارفوں سے حاصل کی گئی ہیں۔

کمپنی کی فروخت کی کارکردگی

گروپ کی مجموعی فروخت میں معمولی 0.1% کمی آئی ہے۔ کمپنی کی مصنوعات کی کارکردگی کا تجزیہ درج ذیل ہے۔

| فروخت (روپے بلین میں) | | | مصنوعات |
|-----------------------|--------------|--------------|-------------------|
| (+/-)% | 2023 | 2024 | |
| -1.7% | 2,694 | 2,647 | ایگزاسٹ سسٹم |
| 22% | 1,403 | 1,713 | شیٹ میٹل کے اجزاء |
| -67% | 397 | 130 | ریڈی ایٹرز |
| -0.1% | 4,494 | 4,490 | ٹوٹل |

مختلف پروڈکٹ گروپس کی کارکردگی پر تبصرے

(a) ایگزاسٹ سسٹمز: ایگزاسٹ سسٹمز کی فروخت میں 1.7% کمی ہوئی، جس کی وجہ تین بڑے صارفین، ہونڈا، سوزوکی، اور ٹویوٹا کی فروخت میں بالترتیب 5%، 17% اور 33% کی کمی ہے۔ یونٹس کی فروخت میں یہ کمی قیمتوں میں اضافے سے متوازن ہو گئی۔

(b) ریڈی ایٹرز: ریڈی ایٹرز کی فروخت میں 67% کمی ہوئی، جو پاک سوزوکی کے پک ایس اور وینز کی فروخت میں بالترتیب 28% اور 38% کی کمی کی عکاسی کرتی ہے۔

(c) شیٹ میٹل کمپوننٹس: گروپ نے پچھلے سال کے مقابلے میں 22% کی ترقی ریکارڈ کی، جس کی بنیادی وجہ ہمارے تمام صارفین کو بل کی گئی قیمتوں میں اضافہ ہے

مادی تبدیلیاں یا وعدے

کمپنی کی مالی حالت کو متاثر کرنے والی کوئی مادی تبدیلیاں یا وعدے مالی سال کے اختتام اور رپورٹ کی تاریخ کے درمیان نہیں ہوئے۔

رہنما مینجمنٹ

خطرے کے انتظام کا عمل اسٹریٹیجک، مالی، آپریشنل، قانونی اور بیرونی خطرات کی نشاندہی اور کمپنی کی کارکردگی پر منفی اثرات کو کم کرنے کے لیے مناسب اقدامات کو یقینی بناتا ہے۔ صارفین کی طلب اور پیداواری صلاحیت سے پیدا ہونے والے اسٹریٹیجک خطرات کاروبار کے نقصان اور متعلقہ مارجن کے خطرے کا باعث بنتے ہیں۔ ان خطرات کو اسٹریٹیجک کاروباری ترتیب کے ذریعے کم کیا جاتا ہے اور ان کے اثرات کو مکمل طور پر حل کیا جاتا ہے۔

کمپنی کی مصنوعات کی طلب میں کمی اس کی منافع بحیثیت پر منفی اثر ڈال سکتی ہے، کیونکہ کم فروخت کا حجم آٹو انڈسٹری میں متوقع ترقی سے کم ہو سکتا ہے۔ دیگر عوامل میں قدرتی آفات/بیماریاں اور غیر ملکی زر مبادلہ کی حرکت، مثلاً پاکستانی روپے کی قدر میں کمی شامل ہیں، جو درآمدی قیمتوں کو بڑھا کر کمپنی کے منافع کو متاثر کرتی ہیں۔

شیر ہولڈرز کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2024 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کے ساتھ لوڈز گروپ کی سالانہ رپورٹ پیش کرنے میں خوشی محسوس کرتے ہیں۔

آپریٹنگ اور مالیاتی نتائج:

| روپے ملین میں | | | | |
|---------------|---------|--------|-------|--|
| 2023 | | 2024 | | |
| مجموعی | لوڈز | مجموعی | لوڈز | |
| 4,494 | 4,494 | 4,490 | 4,490 | فروخت |
| 770 | 732 | 816 | 879 | کل منافع |
| (868) | (1,174) | 1,313 | 884 | آپریٹنگ منافع/(نقصان) |
| 4 | - | - | - | ایسوسی ایٹ میں منافع/(نقصان) کا حصہ |
| (66) | - | 18 | - | ایسوسی ایٹ کے خلاف نقص کے لئے فراہمی |
| (1,715) | (1,772) | 545 | 257 | ٹیکس سے پہلے منافع/(نقصان) |
| (1,798) | (1,256) | 287 | 826 | ٹیکس کے بعد منافع/(نقصان) |
| (5.23) | (5.00) | 2.65 | 3.29 | آمدنی/(نقصان) فی شیئر EPS، بنیادی اور کمزور |

کاروباری جائزہ
کمپنی کے نتائج

اگرچہ فروخت میں معمولی اضافہ ہوا، لیکن 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے کمپنی کا عملی منافع 884 ملین روپے رہا، جو پچھلے سال کے 1,174 ملین روپے کے نقصان کے مقابلے میں ایک اہم بہتری کی عکاسی کرتا ہے، جو بنیادی طور پر کوریج کی زمین اور عمارت کی فروخت سے حاصل ہونے والے فائدے کی وجہ سے ہے۔ نتیجتاً، 257 ملین روپے کا ٹیکس سے پہلے کا منافع بھی پچھلے سال کے 1,772 ملین روپے کے نقصان کے مقابلے میں بہتری دکھاتا ہے۔ ہائی ٹیک الائنڈ ہیلز لمیٹڈ (HAWL) پر متوقع کریڈٹ نقصان کے سلسلے میں موثر کردہ ٹیکس کے اثاثوں کی شناخت کی وجہ سے، ٹیکس کے بعد کا منافع 826 ملین روپے تک پہنچ گیا، جبکہ پچھلے سال 1,256 ملین روپے کا نقصان تھا۔ کوریج کی زمین اور عمارت کی فروخت سے حاصل ہونے والے نقدی کی آمدنی کی وجہ سے، مارجن میں اضافہ ہونے کے باوجود مارک اپ کے اخراجات معمولی طور پر بڑھ گئے۔ مزید یہ کہ، کمپنی نے HAWL سے وصولی کے قابل قرض اور مارک اپ پر 895 ملین روپے اور 625 ملین روپے کمی کی بنگ کی ہے، جو اس کی آپریشنز کی شروعات میں تاخیر کی وجہ سے ہے۔ کمپنی نے پچھلے کئی سالوں میں HAWL میں بھاری سرمایہ کاری کی ہے، لیکن پلانٹ کے کمیشننگ میں مختلف عوامل، خاص طور پر کووڈ-19 اور آٹو سیکٹر کی کمی کی وجہ سے تاخیر ہوئی ہے۔ فی شیئر آمدنی 3.29 روپے رہی، جبکہ پچھلے سال 5.00 روپے فی شیئر کا نقصان ہوا۔

گروپ کے نتائج

گروپ نے 30 جون 2024 کو ختم ہونے والے مالی سال کے لئے 4,490 ملین روپے کی فروخت بریکارڈ کی ہے، جو تقریباً ساکن ہے۔ سال کے دوران، کمپنی نے اپنی ذیلی کمپنی، ہائی ٹیک الائنڈ ہیلز لمیٹڈ کے اثاثوں پر 291 ملین روپے کی کمیابی کی بنگ کی ہے، جو اس کی آپریشنز کی شروعات میں غیر معمولی تاخیر کی وجہ سے ہے۔ اجتماعی حسابات نے ٹیکس سے پہلے 545 ملین روپے کا منافع بریکارڈ کیا، جبکہ پچھلے سال کا ٹیکس سے پہلے کا نقصان 1,715 ملین روپے تھا، جو اثاثوں کی فروخت سے حاصل ہونے والے فائدے کی وجہ سے ہے۔ ٹیکس کے بعد منافع 287 ملین روپے رہا، جبکہ پچھلے سال 1,798 ملین روپے کا نقصان ہوا۔

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF LOADS LIMITED

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of **Loads Limited** (the Company) for the year ended **June 30, 2024**, in accordance with the requirements of Regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2024.

Further, we highlighted below instances of non-compliance of non-mandatory requirements of the Regulations as reflected in the note/paragraph referred below where these are stated in the Statement of Compliance.

| S. No | Paragraph reference | Description |
|-------|---------------------|---|
| I | 19 | The Company plans to arrange training for the female executive in next financial year. |
| ii | 29 & 30 | Non constitution of risk management committee and nomination committee. |
| iii | 10A | The requirement introduced relating to environmental, social & governance matters by the SECP will be complied in due course. |

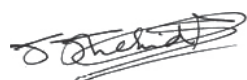

Chartered Accountants

Place: Karachi
Date: September 27, 2024
UDIN: CR202410099tqy6XFKV8

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- | | |
|----------------------------------|--------------------|
| a. Audit Committee | Quarterly meetings |
| b. HR and Remuneration Committee | Annual meeting |
15. The board has set up an independent and effective internal audit function and the audit personnel are suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with;
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non- mandatory requirements) are below:

| S. No. | Non-Mandatory Requirement | Regulation No | Explanation |
|--------|--|---------------|--|
| 1 | Nomination Committee; The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances. | 29 (1) | The Terms of Reference for Nomination Committee are covered by the Human Resource and Remuneration Committee, which timely apprises the Board with regard to any changes therefore a separate committee is not considered necessary. |
| 2 | Risk Management Committee; The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board. | 30 (1) | The Terms of Reference for Risk Committee are covered by the Board of Directors, which in its quarterly meetings to reviews the effectiveness of the Company's risk management procedures, therefore, a separate committee is not considered necessary. |
| 3 | Directors' Training; Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022. | 19 (3) | The Company plans to arrange training for the female executive in next financial year. |
| 4 | Environmental, Social and Governance (ESG) matters: The board is responsible for setting the company's sustainability strategies, priorities and targets to create long term corporate value. The board may establish a dedicated sustainability committee having at least one female director. | 10 | At present the Board provided governance and oversight in relation to the company's initiatives on Environmental, Social and Governance (ESG) matters. Nevertheless, the requirements introduced recently by the SECP through notified dated June 12, 2024 will be complied in due course. |

For and on behalf of Board of Directors



Syed Shahid Ali
Chairman

Karachi, September 18, 2024

INDEPENDENT AUDITOR’S REPORT

TO THE MEMBERS OF LOADS LIMITED

Report on the audit of unconsolidated financial statements

Opinion

We have audited the annexed unconsolidated financial statements of **Loads Limited** (the Company), which comprise the unconsolidated statement of financial position as at **June 30, 2024**, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|--|---|
| 1. | <p>Revenue Recognition</p> <p>Refer notes 5.15 and 27 of the unconsolidated financial statements.</p> <p>The Company's revenue for the year ended June 30, 2024 was Rs. 4,490.36 million.</p> | <p>Our procedures amongst others, included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls of revenue recognition; |

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| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|--|--|
| | <p>The Company's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products").</p> <p>We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.</p> | <ul style="list-style-type: none"> • Inspected sales contracts with OEMs, and on a sample basis for other customers, to understand and assess the terms and conditions therein which may affect revenue recognition; • Performed verification on a sample basis of revenue transactions with underlying documentation including sales invoices and other dispatch documents; • Compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Assessed the appropriateness of disclosure presented in the unconsolidated financial statements in accordance with the requirement of IFRS 15. |

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

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended June 30, 2024 but does not include the unconsolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

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

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Mr. Arif Nazeer.

Yousuf Adil
Chartered Accountants

Place: Karachi

Date: September 27, 2024

UDIN: AR20241009929NDbR0Fi



Financial statements (Unconsolidated)

Unconsolidated Statement of Financial Position

As at 30 June 2024

| | Note | 2024 | 2023 |
|---|------|----------------------|----------------------|
| (Rupees) | | | |
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 518,114,811 | 752,501,724 |
| Intangible assets | 7 | 129,105 | 1,504,305 |
| Long-term investments | 8 | 300,000,000 | 376,587,215 |
| Long-term loans | 11 | 7,996,902 | 5,943,868 |
| Deferred tax assets | 21 | 1,412,616,912 | 593,795,682 |
| | | 2,238,857,730 | 1,730,332,794 |
| Current assets | | | |
| Stores, spares and loose tools | 28.2 | 51,327,421 | 47,488,133 |
| Stock-in-trade | 9 | 967,692,659 | 1,054,302,685 |
| Trade debts - net | 10 | 771,620,583 | 424,653,384 |
| Loans and advances | 12 | 200,102,158 | 88,419,311 |
| Deposits, prepayments and other receivables | 13 | 191,388,870 | 131,980,166 |
| Due from related parties | 25 | 2,386,000,706 | 2,580,326,357 |
| Taxation - net | 14 | 349,534,206 | 360,391,679 |
| Short-term investments | 15 | 11,952,884 | 792,172 |
| Cash and bank balances | 16 | 55,453,025 | 14,594,247 |
| | | 4,985,072,512 | 4,702,948,134 |
| Assets held for sale | 17 | - | 54,181,224 |
| | | 4,985,072,512 | 4,757,129,358 |
| Total assets | | 7,223,930,242 | 6,487,462,152 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised capital 400,000,000 ordinary shares of Rs.10 each | | 4,000,000,000 | 4,000,000,000 |
| Issued, subscribed and paid-up capital | 19 | 2,512,500,000 | 2,512,500,000 |
| Share premium | | 1,070,065,433 | 1,070,065,433 |
| Fair value reserve | | (173,413,521) | (124,505,375) |
| Unappropriated profit / (loss) | | 420,235,226 | (487,694,513) |
| | | 3,829,387,138 | 2,970,365,545 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Long-term loans | 23 | 63,915,275 | 228,096,764 |
| Lease liabilities | 20.1 | 17,634,377 | 24,331,998 |
| Defined benefit obligation - net | 22 | 36,204,835 | 29,052,445 |
| | | 117,754,487 | 281,481,207 |
| Current liabilities | | | |
| Current maturity of lease liabilities | 20.1 | 9,836,492 | 7,001,267 |
| Current portion of long-term loans | 23 | 164,590,950 | 173,389,039 |
| Short-term borrowings | 24 | 978,706,943 | 1,878,992,218 |
| Due to related parties | 25 | 804,866,924 | 254,800,890 |
| Trade and other payables | 26 | 1,257,280,948 | 811,034,606 |
| Unclaimed dividend | | 3,514,025 | 3,527,781 |
| Accrued mark-up and profit | | 57,992,335 | 106,869,599 |
| | | 3,276,788,617 | 3,235,615,400 |
| Total equity and liabilities | | 7,223,930,242 | 6,487,462,152 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 18 | | |

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



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Profit or Loss

For the year ended 30 June 2024

| | | 2024 | 2023 |
|--|--------|------------------------|-----------------|
| | Note | (Rupees) | |
| Revenue from contracts with customers - net | 27 | 4,490,363,976 | 4,493,834,371 |
| Cost of sales | 28 | (3,611,841,683) | (3,760,959,084) |
| Gross profit | | 878,522,293 | 732,875,287 |
| Administrative, selling and general expenses | 29 | (257,079,898) | (260,192,073) |
| | | 621,442,395 | 472,683,214 |
| ECL against loan to subsidiary - HAWL | 25.1.1 | (1,519,581,734) | (1,345,011,583) |
| Provision for impairment of investment in HAWL | | - | (859,960,000) |
| Other expenses | 30 | (33,169,760) | (5,957,526) |
| Other income | 31 | 1,815,589,538 | 564,393,889 |
| Operating profit / (loss) | | 884,280,439 | (1,173,852,006) |
| Finance costs | 32 | (627,580,222) | (598,329,638) |
| Profit / (loss) before income taxes | | 256,700,217 | (1,772,181,644) |
| Income taxes | 33 | 569,885,850 | 516,513,393 |
| Profit / (loss) for the year | | 826,586,067 | (1,255,668,251) |
| Earnings / (loss) per share - Basic and diluted | 34 | 3.29 | (5.00) |

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



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Comprehensive Income

For the year ended 30 June 2024

| | | 2024 | 2023 |
|---|--------|--------------------|------------------------|
| | Note | (Rupees) | |
| Profit / (loss) for the year | | 826,586,067 | (1,255,668,251) |
| Other comprehensive income | | | |
| <i>Items that will not be subsequently reclassified to profit or loss</i> | | | |
| Change in fair value of equity investments at FVOCI - net of tax | | (4,435) | 30,248 |
| Investment in associate at FVOCI - net change in fair value - net of tax | 8.2.1 | - | (69,855,580) |
| Gain on disposal of shares in associate - Treet Corporation Limited | | 36,584,052 | - |
| | | 36,579,617 | (69,825,332) |
| Re-measurement loss on defined benefit obligation | 22.2.4 | (4,144,091) | (3,990,164) |
| Total comprehensive income / (loss) for the year | | 859,021,593 | (1,329,483,747) |

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



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Changes in Equity

For the year ended 30 June 2024

| | 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 1 July 2022 | 2,512,500,000 | 1,070,065,433 | (50,689,879) | 767,973,738 | 4,299,849,292 |
| Loss for the year | - | - | - | (1,255,668,251) | (1,255,668,251) |
| Change in fair value of equity investments at FVOCI - net of tax | - | - | 30,248 | - | 30,248 |
| Investment in associate at FVOCI - net change in fair value - net of tax | - | - | (69,855,580) | - | (69,855,580) |
| Re-measurement gain / (loss) on defined benefit obligation - net of tax | - | - | (3,990,164) | - | (3,990,164) |
| | - | - | (73,815,496) | - | (73,815,496) |
| Total comprehensive loss for the year ended 30 June 2023 | - | - | (73,815,496) | (1,255,668,251) | (1,329,483,747) |
| Balance as at 30 June 2023 | 2,512,500,000 | 1,070,065,433 | (124,505,375) | (487,694,513) | 2,970,365,545 |
| Profit for the year | - | - | - | 826,586,067 | 826,586,067 |
| Change in fair value of equity investments at FVOCI - net of tax | - | - | (4,435) | - | (4,435) |
| Re-measurement gain / (loss) on defined benefit obligation - net of tax | - | - | (4,144,091) | - | (4,144,091) |
| Investment in associate at FVOCI - net change in fair value - net of tax | - | - | - | - | - |
| Gain on disposal of shares in associate - Treet Corporation Limited | - | - | 36,584,052 | - | 36,584,052 |
| Transfer of investment in associate at FVOCI upon disposal | - | - | (81,343,672) | 81,343,672 | - |
| | - | - | (48,908,146) | 81,343,672 | 32,435,526 |
| Total comprehensive income for the year ended 30 June 2024 | - | - | (48,908,146) | 907,929,739 | 859,021,593 |
| Balance as at 30 June 2024 | 2,512,500,000 | 1,070,065,433 | (173,413,521) | 420,235,226 | 3,829,387,138 |

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



Chief Financial Officer



Chief Executive



Director

Unconsolidated Statement of Cash Flows

For the year ended 30 June 2024

| | Note | 2024 | 2023 |
|---|-----------|-----------------|-----------------|
| | | (Rupees) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit / (loss) before taxation | | 256,700,217 | (1,772,181,644) |
| Adjustments for | | | |
| Depreciation | 6.1 | 62,685,924 | 59,309,700 |
| Amortisation | 7 | 1,375,200 | 1,375,200 |
| Provision for obsolescence and slow moving stock - net | 9.1 | 5,749,728 | 10,392,962 |
| Finance costs | 32 | 593,563,981 | 545,877,688 |
| Finance lease charges | 32 | 6,705,758 | 5,353,710 |
| ECL against loan to subsidiary - HAWL | | 1,519,581,734 | 1,345,011,583 |
| Provision for impairment of investment in HAWL | | - | 859,960,000 |
| Current service costs | 22.2.3 | 5,863,622 | 5,666,506 |
| Gain on disposal of property, plant and equipment | 31 | (1,057,193,955) | (65,387,115) |
| Dividend income | 31 | (1,317,244) | (26,244) |
| Government grant income | 31 | - | (242,701) |
| Mark-up income on loan to employees | 31 | (336,637) | (527,067) |
| Mark-up income on loan to subsidiaries | 31 | (724,758,492) | (478,227,520) |
| Unrealized (gain) / loss on re-measurement of investment classified as at FVTPL | 31 & 15.1 | (1,616,801) | 160,582 |
| | | 667,003,035 | 516,515,640 |
| Working capital changes | | | |
| (Increase) / decrease in current assets | | | |
| Stores, spares and loose tools | | (3,839,288) | (7,521,308) |
| Stock-in-trade | | 80,860,298 | 554,235,851 |
| Trade debts - net | | (346,967,199) | 484,840,740 |
| Loans and advances | | (122,991,981) | 128,532,262 |
| Due from related parties | | 13,268,759 | (332,213,789) |
| Deposits, prepayments and other receivables | | (59,408,700) | (112,384,146) |
| | | (439,078,111) | 715,489,610 |
| (Decrease) / Increase in current liabilities | | | |
| Due to related parties | | - | (142,716,321) |
| Trade and other payables | | 446,246,342 | 579,073 |
| | | 446,246,342 | (142,137,248) |
| Cash generated from operating activities | | 674,171,266 | 1,089,868,002 |
| Finance costs paid | | | |
| Contributions paid to defined benefit plan | | (501,574,321) | (487,395,289) |
| Mark-up received from loans to employees | | (2,855,323) | (8,512,000) |
| Workers profit participation fund paid | | 336,637 | 527,067 |
| Income tax paid - net | | - | (25,823,663) |
| Net cash (used in) / generated from operating activities | | (232,384,883) | (173,349,560) |
| | | (62,306,624) | 395,314,557 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for acquisition of property, plant and equipment and intangibles | | (26,601,463) | (311,139,373) |
| Proceeds from disposal of property, plant and equipment | | 1,314,043,627 | 103,177,000 |
| Purchase of investment in mutual funds | | (9,550,000) | - |
| Purchase of investment in Treet | | (67,674,594) | - |
| Proceed from disposal of Treet investment | | 180,845,861 | - |
| Dividend income received | | 81,084 | 26,244 |
| Net cash generated from / (used in) investing activities | | 1,391,144,515 | (207,936,129) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Rental payments against lease liabilities | 20 | (14,934,154) | (15,885,204) |
| Dividend reversed | | (13,756) | - |
| Long term loans paid during the year - net | | (172,979,578) | (210,263,506) |
| Markup received from - related parties | | - | - |
| Loan from director | | 414,000,000 | 250,000,000 |
| Loan recovered from subsidiaries | | 36,401,000 | 137,325,633 |
| Loans to subsidiary companies | | (650,167,350) | - |
| Short term borrowing obtained | | (229,885,963) | (290,737,599) |
| Net cash used in financing activities | | (617,579,801) | (129,560,676) |
| Net increased in cash and cash equivalents | | 711,258,090 | 57,817,752 |
| Cash and cash equivalents at beginning of the year | | (1,104,101,051) | (1,161,918,803) |
| Cash and cash equivalents at end of the year | 16.1 | (392,842,961) | (1,104,101,051) |

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



Chief Financial Officer



Chief Executive



Director

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

1. LEGAL STATUS AND OPERATIONS

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

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

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

During the period, the Company's registered office and plant is shifted to Plot No. DSU 19 sector - II Pak Steel Industrial Estate, Bin Qasim Industrial Area, Karachi.

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

| Name of the Companies | Incorporation date | Effective holding % | | Principle line of business |
|---|--------------------|---------------------|-------|--|
| | | 2024 | 2023 | |
| 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 | 0% | 2.85% | 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 Liquidity position and its management

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

Information about judgments made in applying accounting policies that have the effect on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (note 6);
- Provision for impairment of stock-in-trade (note 9.1);
- Net defined benefit obligation (note 22);
- Contingencies (note 18).
- Provision for taxation (note 33).

4. STANDARDS, AMENDMENTS AND IMPROVEMENTS APPLICABLE TO FINANCIAL STATEMENTS

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.
- Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

4.2 New accounting standards, amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | Effective from accounting period beginning on or after |
|--|---|
| - Amendments to IFRS 16 'Leases' - Clarification on how seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
| - Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants | January 01, 2024 |
| - Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements | January 01, 2024 |
| - Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability | January 01, 2025 |
| - IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2026 |
| - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments | January 01, 2026 |

Certain annual improvements have also been made to a number of IFRSs.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

4.3 During the year, the Institute of Chartered Accountants of Pakistan (ICAP) issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires that minimum and final taxes, which do not meet the criteria of income tax expense as per IAS 12 "Income Tax", should instead be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. However there is no impact in these financial statements.

4.4 Significant accounting policy to material accounting policies information

During the year, the Company adopted Disclosure of Accounting Policies (Amendment to IAS 1). The amendment require the disclosure of "Material" rather than "Significant" accounting policies. Although the amendments did not result in any changes to accounting policies themselves.

5. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied and methods of computations adopted in the preparation of these unconsolidated financial statements are set out below. These have been consistently applied to all the periods presented.

5.1 Property, plant and equipment

Recognition and measurement

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

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

Subsequent expenditure

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

Depreciation

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

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

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

Gains and losses on disposal

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

Impairment

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

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

5.2 Intangible assets

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

Amortisation

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

5.3 Financial Instruments

5.3.1 Initial measurement of financial asset

The Company classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

Subsequent measurement

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, and impairment are recognised in the unconsolidated statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in unconsolidated other comprehensive income are reclassified to the unconsolidated statement of profit and loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in the unconsolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in unconsolidated other comprehensive income and are never reclassified to the unconsolidated statement of profit and loss.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the unconsolidated statement of profit and loss.

Financial assets measured at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, and impairment are recognised in the unconsolidated statement of profit and loss.

5.3.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

5.3.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements only when the Company has a legally enforceable right to offset and the Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the unconsolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

5.3.4 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

5.4 Expected Credit Loss (ECL)

5.4.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5.4.2 Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the unconsolidated statement of profit or loss.

5.5 Investment in subsidiaries

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

5.6 Investment in associate

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

5.7 Provisions

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

5.8 Stores, spares and loose tools

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

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

5.9 Stock-in-trade

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

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

5.10 Cash and cash equivalents

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

5.11 Foreign currency translation

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

5.12 Taxation

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

Current tax

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

Deferred tax

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

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

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

5.13 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

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

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

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

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

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

Compensated absences

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

Defined contribution plan - Provident Fund

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

5.14 Earnings per share

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

5.15 Revenue from Contracts with Customers

Made to order products:

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

Standard products:

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

5.16 Dividend distribution and appropriation to reserves

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

5.17 Operating Segment

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

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

5.18 Fair value measurement

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

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

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

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

5.19 Investment and other income

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

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

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

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

5.20 Borrowing costs

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

5.21 Borrowings

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

5.22 Government grants

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

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

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

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

5.23 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less expected credit loss for any uncollectible amounts. Refer note 5.4 for a description of the Company's policies.

5.24 Leases

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

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

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

| 6. PROPERTY, PLANT AND EQUIPMENT | Note | 2024 | 2023 |
|----------------------------------|------|--------------------|--------------------|
| | | (Rupees) | |
| Operating assets | 6.1 | 445,402,287 | 649,005,230 |
| Capital work-in-progress | 6.2 | 72,712,524 | 103,496,494 |
| | | 518,114,811 | 752,501,724 |

6.1 Operating assets

| | 2024 | | | | | Annual Rate | 2024 | | | | | Net book value as at 30 June 2024 | |
|--|----------------------|--|-----------------------|-----------------------------|----------------------|-------------|--------------------|-------------------|--|--------------|-----------------------------|-----------------------------------|--------------------|
| | As at 1 July 2023 | Non-current assets classified as held for sale | Additions / transfers | Transfer from leased assets | (Disposals) | | As at 30 June 2024 | As at 1 July 2023 | Non-current assets classified as held for sale | For the year | Transfer from leased assets | | (Disposals) |
| Owned | | | | | | | | | | | | | |
| Freehold land (note 6.1.1) | 25,080,000 | - | - | - | - | - | - | - | - | - | - | 25,080,000 | |
| Leasehold land | - | 1,089,774 | - | - | (1,089,774) | - | - | - | - | - | - | - | |
| Building on leasehold land | - | 94,588,140 | - | - | (94,588,140) | 5 | - | 41,496,690 | - | - | (41,496,690) | - | |
| Plant and machinery (note 6.1.4) | 681,522,479 | - | 54,078,641 | - | - | 10 - 20 | 403,908,479 | - | 31,385,027 | - | - | 435,293,506 | 300,307,614 |
| Tools and equipment | 595,226,813 | - | 2,890,000 | - | (211,260,360) | 10 - 35 | 312,416,454 | - | 18,074,471 | - | (12,235,496) | 318,255,429 | 68,601,024 |
| Furniture, fittings and office equipment | 53,574,672 | - | 416,792 | - | - | 10 - 30 | 43,898,092 | - | 2,240,436 | - | - | 46,138,528 | 7,852,936 |
| Vehicles | 70,573,801 | - | - | - | (18,968,915) | 20 | 58,397,445 | - | 2,052,246 | - | (15,325,327) | 45,124,364 | 6,480,522 |
| Right of use assets | | | | | | | | | | | | | |
| Vehicles | 57,437,342 | - | 4,366,000 | - | - | 20 | 15,789,407 | - | 8,933,744 | - | - | 24,723,151 | 37,080,191 |
| | 1,483,415,107 | 95,677,914 | 61,751,433 | - | (325,907,189) | | 834,409,877 | 41,496,690 | 62,685,924 | - | (69,057,513) | 869,534,978 | 445,402,287 |

| | 2023 | | | | | Annual Rate | 2023 | | | | | Net book value as at 30 June 2023 | |
|--|----------------------|-----------------------|-----------------------------|----------------------|--|-------------|--------------------|-------------------|--------------|-----------------------------|-------------------|-----------------------------------|--|
| | As at 1 July 2022 | Additions / transfers | Transfer from leased assets | (Disposals) | Non-current assets classified as held for sale | | As at 30 June 2023 | As at 1 July 2022 | For the year | Transfer from leased assets | (Disposals) | | Non-current assets classified as held for sale |
| Owned | | | | | | | | | | | | | |
| Freehold land (note 6.1.1) | 25,080,000 | - | - | - | - | - | - | - | - | - | - | 25,080,000 | |
| Leasehold land | 1,089,774 | - | - | - | 1,089,774 | - | - | - | - | - | - | - | |
| Building on leasehold land | 94,588,140 | - | - | - | 94,588,140 | 5 | 38,702,403 | 2,794,287 | - | - | 41,496,690 | - | |
| Plant and machinery (note 6.1.4) | 767,450,189 | 15,618,128 | - | (101,545,838) | - | 10 - 20 | 436,069,476 | 33,435,054 | - | (65,596,051) | - | 403,908,479 | 277,614,000 |
| Tools and equipment | 372,054,741 | 223,172,072 | - | - | 595,226,813 | 10 - 35 | 303,630,669 | 8,785,785 | - | - | - | 312,416,454 | 282,810,359 |
| Furniture, fittings and office equipment | 53,240,219 | 334,453 | - | - | 53,574,672 | 10 - 30 | 40,904,744 | 2,993,348 | - | - | - | 43,898,092 | 9,676,580 |
| Vehicles | 78,683,721 | - | - | (8,109,920) | 70,573,801 | 20 | 61,555,284 | 3,111,983 | - | (6,269,822) | - | 58,397,445 | 12,176,356 |
| Right of use assets | | | | | | | | | | | | | |
| Vehicles | 45,900,842 | 11,536,500 | - | - | 57,437,342 | 20 | 7,600,164 | 8,189,243 | - | - | - | 15,789,407 | 41,647,935 |
| | 1,438,087,626 | 250,661,153 | - | (109,655,758) | 95,677,914 | | 888,462,740 | 59,309,700 | - | (71,865,873) | 41,496,690 | 834,409,877 | 649,005,230 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

6.1.1 Freehold land represents a plot in Lahore measuring 23 Kanals 18 Marlas and held by the Company for the expansion of business in future. Currently, this plot of land is not being used.

6.1.2 Carrying amount of temporary idle properties of the company

Freehold land

| | 2024 | 2023 |
|--|-------------------|------------|
| | (Rupees) | |
| | 25,080,000 | 25,080,000 |

6.1.3 Freehold land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 300 million (2023: Rs. 1,251.7 million) obtained from JS Bank Limited. (note 23).

6.1.4 Plant and machinery situated at Plot No. DSU 19 sector - II Pak Steel Industrial Estate, Bin Qasim Industrial Area, Karachi. They are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 267 million and Rs. 520 million (2023: Rs. 1,201 million and Rs. 520 million) respectively. These charges are against different financing facilities obtained from various banks (note 23).

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

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

Cost of sales
Administrative, selling and general expenses

Note

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29

| | 2024 | 2023 |
|--|-------------------|------------|
| | (Rupees) | |
| | 55,139,996 | 51,681,915 |
| | 7,545,928 | 7,627,785 |
| | 62,685,924 | 59,309,700 |

6.1.7 Details of property, plant and equipment disposed off

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

| Asset | 2024 | | | | | Particulars of buyer | Mode of disposal | Relationship with buyer |
|----------------------------|--------------------|--------------------------|--------------------|----------------------|---------------------------|----------------------|------------------|-------------------------|
| | Original cost | Accumulated depreciation | Net book value | Sale proceeds | Gain / (loss) on disposal | | | |
| Owned | (Rupees) | | | | | | | |
| Vehicles | | | | | | | | |
| JZ-2928 | 1,475,602 | 1,196,662 | 278,940 | 1,710,000 | 1,431,060 | Ashfaq Motiwala | Negotiation | Third party |
| JZ-3667 | 1,659,868 | 1,267,652 | 392,216 | 2,010,000 | 1,617,784 | Ashfaq Motiwala | Negotiation | Third party |
| JV-0142 | 1,895,000 | 1,627,940 | 267,060 | 1,593,000 | 1,325,940 | Muhammad Arif | Negotiation | Third party |
| KT-1294 | 1,600,690 | 1,403,514 | 197,176 | 1,969,000 | 1,771,824 | Muhammad Arif | Negotiation | Employee |
| KT-1295 | 1,600,690 | 1,403,514 | 197,176 | 1,969,000 | 1,771,824 | Muhammad Arif | Negotiation | Third party |
| KU-3882 | 648,920 | 532,489 | 116,431 | 567,786 | 451,355 | Naveed Rauf | Negotiation | Third party |
| KU-1541 | 646,900 | 533,846 | 113,054 | 531,786 | 418,732 | Naveed Rauf | Negotiation | Third party |
| KU-3884 | 648,920 | 524,172 | 124,748 | 541,786 | 417,038 | Naveed Rauf | Negotiation | Third party |
| KU-3885 | 648,920 | 524,172 | 124,748 | 561,786 | 437,038 | Naveed Rauf | Negotiation | Third party |
| BDU-374 | 1,311,265 | 878,606 | 432,659 | 1,622,000 | 1,189,341 | Syed Faizan Ali | Negotiation | Third party |
| JZ-4549 | 1,768,275 | 1,290,569 | 477,706 | 2,275,000 | 1,797,294 | Ashfaq Motiwala | Negotiation | Third party |
| BCK-457 | 1,039,000 | 897,805 | 141,195 | 1,350,000 | 1,208,805 | Ashfaq Motiwala | Negotiation | Third party |
| BMW-305 | 1,577,350 | 1,101,403 | 475,947 | 2,158,999 | 1,683,052 | Sheeraz Khan | Negotiation | Third party |
| CX-1213 | 761,615 | 577,768 | 183,847 | 795,999 | 612,152 | Sheeraz Khan | Negotiation | Third party |
| JU-5732 | 1,685,900 | 1,565,219 | 120,681 | 1,675,000 | 1,554,319 | Muhammad Arif | Negotiation | Third party |
| Toolings | 211,260,360 | 12,235,492 | 199,024,868 | 282,712,489 | 83,687,621 | Indus Motor Company | Negotiation | Third party |
| LAND & BUILDING | | | | | | | | |
| Leasehold land | 1,089,774 | - | 1,089,774 | | | | | |
| Building on leasehold land | 94,588,140 | 41,496,690 | 53,091,450 | 1,010,000,000 | 955,818,776 | High Q Pharma | Negotiation | Third party |
| | 325,907,189 | 69,057,513 | 256,849,676 | 1,314,043,631 | 1,057,193,955 | | | |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

- 8.1.1** As at 30 June 2024, the break-up value of SAIL was Rs. (22.50) per share (2023: Rs. 8.4 per share).
- 8.1.2** As at 30 June 2024, the break-up value of MAIL was Rs. 3.59 per share (2023: Rs. 12.08 per share).
- 8.1.3** As at 30 June 2024, the break-up value of HAWL was Rs. (27.95) per share (2023: Rs. (17) per share). In the year ended 30 June 2023 full provision amounting to Rs. 859.9 million had been recorded. Moreover, expected credit loss (ECL) against loan of Rs. 894.6 million (2023: Rs. 422.6 million) and the markup receivable from HAWL amounting to Rs. 624.9 million (2023: Rs. 922.42 million) has been recorded in the books of Loads Limited in accordance with the accounting policy mentioned in note 5.4.
- 8.1.4** Specialized Motorcycles (Private) Limited (SMPL) was engaged in the business to acquire, deal in, purchase, import, sales, supply and export all sorts of motorcycles & auto parts, metallurgical parts, machinery and equipment parts. SMPL has ceased its operations from 1 July 2015. The net assets of SMPL, as disclosed in the latest available audited financial statements for the year ended 30 June 2024, amounted to Rs. 43.74 million (2023: Rs. 52 million).
- 8.1.4.1** The Company has maintained provision for impairment amounting to Rs. 25 million in respect of SMPL. The key information and ratios of SMPL in addition to information disclosed in note 8.1.5 are as follows:

| | | 2024 | 2023 |
|-----------------------|--------|-------------------|-------------|
| | | (Rupees) | |
| Net equity | Rupees | 43,746,897 | 51,821,899 |
| Current ratio | Times | 3.13 | 3.89 |
| Cash flows - increase | Rupees | 4,468 | 143,581 |

- 8.1.5** Summarised financial information based on latest available audited financial statements for the year ended 30 June 2024 of the subsidiaries are as follows:

| | 2024 | | | | 2023 | | | | |
|--|----------------------|-----------------|----------------|-------------------|----------------------|----------|---------|------------|-------------|
| | SAIL | MAIL | SMPL | HAWL | SAIL | MAIL | SMPL | HAWL | |
| Direct share holding | 53.85% | 60.00% | 100% | 65.38% | 53.85% | 60.00% | 100% | 65.38% | |
| Effective holding* | 91% | 92% | 100% | 80% | 91% | 92% | 100% | 80% | |
| | (Rupees in millions) | | | | (Rupees in millions) | | | | |
| Statement of Financial Position - extracts | | | | | | | | | |
| Non-current assets | 127.91 | 51.00 | - | 2,990.65 | 144.00 | 52.00 | - | 3,324.00 | |
| Current assets | 58.95 | 127.92 | 64.26 | 221.78 | 1,006.00 | 224.00 | 70.00 | 218.00 | |
| Non-current liabilities | - | - | - | 430.71 | - | - | - | 644.00 | |
| Current liabilities | 918.07 | 134.05 | 20.52 | 6,458.33 | 875.60 | 125.00 | 18.00 | 5,125.00 | |
| Net assets | (731.21) | 44.87 | 43.74 | (3,676.61) | 274.40 | 151.00 | 52.00 | (2,227.00) | |
| Share of net assets | (665.40) | 41.28 | 43.74 | (2,941.29) | 249.70 | 138.92 | 52.00 | (1,781.60) | |
| Carrying amount | (175.00) | (75.00) | (50.00) | - | (175.00) | (75.00) | (50.00) | - | |
| Difference between share of net assets and carrying amount | (840.40) | (33.72) | (6.26) | (2,941.29) | 74.70 | 63.92 | 2.00 | (1,781.60) | |
| Statement of profit or loss - extracts | | | | | | | | | |
| Revenue | - | 129.80 | - | - | 289.00 | 127.00 | - | - | |
| Profit / (loss) after tax | (1,005.37) | (106.11) | (8.07) | (1,439.83) | (442.00) | (130.00) | (35.00) | (2,449.00) | |
| Total comprehensive income | (1,005.37) | (106.11) | (8.07) | (1,439.83) | (442.00) | (130.00) | (35.00) | (2,449.00) | |
| Statement of cash flows - extracts | | | | | | | | | |
| Operating activities | (77.91) | 35.80 | (4.86) | (25.88) | 324.60 | 70.08 | (3.65) | (27.87) | |
| Investing activities | 7.95 | (0.54) | - | 0.11 | (4.28) | (2.37) | - | - | |
| Financing activities | 76.17 | (32.74) | 4.86 | 26.17 | (323.02) | (68.07) | 3.80 | 21.62 | |
| Net cash flows | 6.21 | 2.52 | - | 0.40 | (2.70) | (0.36) | 0.15 | (6.25) | |
| Opening cash and cash equivalents | 11.00 | 4.20 | 0.50 | 1.02 | 8.95 | 4.55 | 0.36 | 3.05 | |
| Closing cash and cash equivalents | 17.21 | 6.72 | 0.50 | 1.4 | 6.25 | 4.19 | 0.51 | (3.20) | |
| Total cash and cash equivalents of the group | | | | | 25.83 | | | | 7.75 |

*due to cross holdings.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

8.2 Investments in associate - at FVOCI

| 2024 | 2023 | Note | 2024 | 2023 |
|--------------------|-----------|--|----------|------------|
| (Number of shares) | | | (Rupees) | |
| - | 4,837,958 | Quoted Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali) | - | 76,587,215 |

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

| | | | |
|--|-------|----------------------|---------------|
| Market value of investments | 8.2.2 | 180,845,861 | 76,587,215 |
| Less : Cost of investments | | (262,189,533) | (194,514,939) |
| Fair value reserve | | (81,343,672) | (117,927,724) |
| Less: Unrealized loss on re-measurement of investments at beginning of the year | | 117,927,724 | 53,340,985 |
| Realised gain on disposal / Unrealised (loss) on re-measurement of investment for the year | | 36,584,052 | (64,586,739) |

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

| | | |
|--|----------------------|-------------|
| Carrying amount at the beginning of the year | 194,514,939 | 194,514,939 |
| Acquired during the year | 67,674,594 | - |
| Disposals during the year | (262,189,533) | - |
| Carrying amount at the end of the year | - | 194,514,939 |

8.2.3 4,400,000 shares (2023 : 4,400,000) shares of Treet Corporation Limited has been sold during the year having an aggregate market value of Rs. 184.84 million (2023: Rs.76.58 million).

8.2.4 In the year ended 30 June 2023 Treet Corporation Limited was considered as an associate by virtue of common directorship i.e (3 directors are common out of 7 directors) with an holding of 2.85%. During the year ended 30 June 2024 all the shares of the associate were sold.

8.2.5 Summarised financial information based on audited annual consolidated financial statements for the year ended 30 June 2024 and 30 June 2023 is as follows:

| Statement of Financial Position | 2024 | 2023 |
|---------------------------------|-------------------|--------------|
| | (Rupees in '000') | |
| Non-current assets | - | 17,821,644 |
| Current assets | - | 9,300,403 |
| Non-current liabilities | - | (4,400,532) |
| Current liabilities | - | (12,866,933) |
| Net assets | - | 9,854,582 |
| Effective holding (percentage) | - | 2.85% |
| Share of net assets | - | 280,856 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| 2024 | 2023 |
|-------------------|------|
| (Rupees in '000') | |

Statement of Profit or Loss

| | | |
|--|---|------------|
| Revenue | - | 23,352,714 |
| Gain after tax from continuing operations | - | 28,385 |
| Other comprehensive loss from continuing operations - net of tax | - | (73,162) |
| Total comprehensive loss | - | (44,777) |
| Share of total comprehensive loss | - | (1,276) |

| 2024 | 2023 |
|----------|------|
| (Rupees) | |

9. STOCK-IN-TRADE

| | Note | 2024 | 2023 |
|--|-----------|----------------------|---------------|
| Raw materials and components | 9.2 & 9.3 | 896,958,540 | 972,975,395 |
| Work-in-process | | 115,219,072 | 105,801,677 |
| Finished goods | | 4,186,604 | 18,447,442 |
| | | 1,016,364,216 | 1,097,224,514 |
| Provision for obsolescence and slow moving stock | 9.1 | (48,671,557) | (42,921,829) |
| | | 967,692,659 | 1,054,302,685 |

9.1 Provision for obsolescence and slow moving stock

| | | | |
|--------------------------|------|-------------------|-------------|
| Opening balance | | 42,921,829 | 32,528,867 |
| Charge for the year | 28.1 | 5,749,728 | 17,192,512 |
| Consumed during the year | | - | (6,799,550) |
| Closing balance | | 48,671,557 | 42,921,829 |

9.2 This includes raw materials in transit and in possession of Company's subsidiaries as at 30 June 2024 amounting to Rs. 513 million (2023: Rs. 288 million) and Rs. 27 million (2023: Rs. 337 million) respectively.

9.3 Raw materials held with toll manufacturers as at 30 June 2024 amounted to Rs. 79.2 million (2023: Rs. 19.4 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 867 million and Rs. 1,712 million (2023: Rs. 601 million and Rs. 1,712 million) respectively. These charges are against different financing facilities obtained from various banks (note 23).

| 2024 | 2023 |
|----------|------|
| (Rupees) | |

10. TRADE DEBTS - NET

| | Note | 2024 | 2023 |
|------------------|------|--------------------|-------------|
| Unsecured | | | |
| Considered good | | 771,620,583 | 424,653,384 |
| | | 771,620,583 | 424,653,384 |

11. LONG-TERM LOANS

| | | | |
|--|------|------------------|-----------|
| Long term portion of loan to employees | 12.1 | 7,996,902 | 5,943,868 |
|--|------|------------------|-----------|

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | | 2024 | 2023 |
|--|---|---------------|--------------|
| | | (Rupees) | |
| 12. LOANS AND ADVANCES | Note | | |
| Unsecured - considered good | | | |
| Advance to suppliers | | 133,190,907 | 61,166,804 |
| Loans to employees - considered good and unsecured | 12.1 | 28,542,514 | 5,987,431 |
| Loans to workers - considered good and unsecured | 12.2 | 36,913,444 | 7,963,239 |
| Advance salaries | | 1,455,293 | 13,301,837 |
| | | 200,102,158 | 88,419,311 |
| 12.1 Loans to employees | | | |
| Loans to employees | 12.1.1 | 36,539,416 | 11,931,299 |
| Less: Long term portion | 11 | (7,996,902) | (5,943,868) |
| Current portion of loans to employees | | 28,542,514 | 5,987,431 |
| 12.1.1 | This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 13% (2023: 13%) per annum. | | |
| 12.2 | This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 13% (2023: 13%) per annum. | | |
| | | 2024 | 2023 |
| | | (Rupees) | |
| 13. DEPOSITS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Margin deposits | 13.1 | 163,014,123 | 110,586,046 |
| Receivable from Provident Fund | | 23,527,349 | 16,233,600 |
| Trade and other deposits | | 1,840,000 | 1,840,000 |
| Prepayments | | 1,432,692 | 1,455,499 |
| Other receivables | | 1,574,706 | 1,865,021 |
| | | 191,388,870 | 131,980,166 |
| 13.1 | This represents margin deposits with banks against various letters of credit issued by banks on behalf of the Company. | | |
| | | 2024 | 2023 |
| | | (Rupees) | |
| 14. TAXATION - NET | Note | | |
| Opening advance tax | | 360,391,679 | 279,797,568 |
| Advance tax paid during the year | | 232,384,883 | 173,349,560 |
| Provision for taxation | 33 | (243,242,356) | (92,755,449) |
| Closing advance tax | | 349,534,206 | 360,391,679 |
| 15. SHORT-TERM INVESTMENTS | | | |
| Fair value through profit or loss (FVTPL) | | | |
| Equity securities | 15.1 | 1,277,857 | 746,572 |
| Mutual fund | 15.2 | 10,635,515 | - |
| | | 11,913,372 | 746,572 |
| Fair value through other comprehensive income (FVOCI) | | | |
| Equity securities | 15.3 | 39,512 | 45,600 |
| | | 11,952,884 | 792,172 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

15.1 Equity securities - mandatory at FVTPL

| 2024 (Number of shares) | 2023 | Name of investee company | 2024 | | | 2023 |
|----------------------------|-------|---|----------------|------------------|--------------------------|--------------|
| | | | Carrying value | Market value | Unrealised gain / (loss) | Market value |
| | | | (Rupees) | | | |
| | | Ordinary shares - Quoted | | | | |
| 1 | 1 | Agriautos Industries Limited | 62 | 103 | 41 | 62 |
| 1 | 1 | Al-Ghazi Tractors Limited * | 254 | 349 | 95 | 254 |
| 1 | 1 | Atlas Battery Limited | 204 | 296 | 92 | 204 |
| 1 | 1 | Atlas Honda Limited | 257 | 487 | 230 | 257 |
| 1 | 1 | The General Tyre & Rubber Company of Pakistan Limited | 20 | 41 | 21 | 20 |
| 1 | 1 | Honda Atlas Cars (Pakistan) Limited | 92 | 283 | 191 | 92 |
| 1 | 1 | Thal Limited * | 162 | 483 | 321 | 162 |
| 230 | 230 | Baluchistan Wheels Limited | 15,180 | 29,900 | 14,720 | 15,180 |
| 315 | 315 | Ghandhara Nissan Limited | 11,460 | 10,679 | (781) | 11,460 |
| 300 | 300 | Hino Pak Motors Limited | 56,175 | 88,515 | 32,340 | 56,175 |
| 200 | 200 | Indus Motor Company Limited | 188,648 | 316,000 | 127,352 | 188,648 |
| 1,171 | 1,171 | Millat Tractors Limited | 457,053 | 744,850 | 287,797 | 457,053 |
| 63 | 63 | Oil & Gas Development Company Limited | 4,914 | 8,528 | 3,614 | 4,914 |
| 127 | 127 | Pak Suzuki Motor Company Limited | 12,090 | 77,343 | 65,253 | 12,090 |
| | | | 746,571 | 1,277,857 | 531,286 | 746,572 |

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

15.2 Mutual fund - at FVTPL

| 2024 (Number of units) | 2023 | Name of investee fund | 2024 | | | 2023 |
|---------------------------|------|---------------------------------|------------------|-------------------|------------------|--------------|
| | | | Cost | Market value | Unrealised gain | Market value |
| | | | (Rupees) | | | |
| 21,111 | - | Atlas Islamic Money Market Fund | 9,550,000 | 10,635,515 | 1,085,515 | - |
| | | | 9,550,000 | 10,635,515 | 1,085,515 | - |

15.3 Equity securities - at FVOCI

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

| 2024 (Number of shares) | 2023 | Name of investee company | 2024 | | | 2023 |
|----------------------------|------|---------------------------------|--------------|---------------|-----------------|--------------|
| | | | Cost | Market value | Unrealised gain | Market value |
| | | | (Rupees) | | | |
| | | Ordinary shares - Quoted | | | | |
| 152 | 152 | ZIL Limited | 5,330 | 39,512 | (34,182) | 45,600 |
| | | | 5,330 | 39,512 | (34,182) | 45,600 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| 2024 | 2023 |
|------|------|
|------|------|

(Rupees)

15.3.1 Equity securities - at FVOCI

- net change in fair value investments

| | | |
|---|----------|----------|
| Market value of investments | 39,512 | 45,600 |
| Less : cost of investments | (5,330) | (5,330) |
| | 34,182 | 40,270 |
| Less: unrealized gain on re-measurement of investments at beginning of the year | (40,270) | (10,022) |
| Unrealized (loss) / gain on re-measurement of investments for the year | (6,088) | 30,248 |

16. CASH AND BANK BALANCES

| | | | |
|-----------------------|------|------------|------------|
| Cash in hand | | 1,133,214 | 187,250 |
| Cash at banks | | | |
| - in current accounts | | 43,098,611 | 5,738,072 |
| - in saving accounts | 16.2 | 11,221,200 | 8,668,925 |
| | | 55,453,025 | 14,594,247 |

16.1 Cash and cash equivalents

| | | | |
|------------------------|----|---------------|-----------------|
| Cash and bank balances | 16 | 55,453,025 | 14,594,247 |
| Short term borrowings | 24 | (448,295,986) | (1,118,695,298) |
| | | (392,842,961) | (1,104,101,051) |

16.2 These carry markup at the rate ranging from 12.25% - 20% (2023: 12.25% - 19.5%) per annum.

| 2024 | 2023 |
|------|------|
|------|------|

(Rupees)

17 ASSET HELD FOR SALE

Note

| | | | |
|----------------------------|-----|---|------------|
| Leasehold Land | 6.1 | - | 1,089,774 |
| Building on leasehold land | 6.1 | - | 53,091,450 |
| | | - | 54,181,224 |

17.1 On April 28, 2023, the Board of Directors in their meeting decided to sell the above mentioned properties for meeting working capital requirements due to the higher interest rate on borrowings. The decision has been approved by the shareholders in the extraordinary general meeting held on May 30, 2023 under section 183 (3) of Companies Act, 2017. Accordingly, sale of above mentioned properties were classified as asset held for sale. During the year ended June 30, 2024 the Company sold the assets by entering into agreement with a third party amounting Rs. 1,010 million as mentioned in note 6.1.7.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

For certain tax matters, refer to note 33.4

18.1.1 The company has issued Corporate guarantees, on behalf of its subsidiary company namely Hi-tech Alloy Wheels Limited, amounting to Rs.1,180 million (current outstanding: Rs. 1,180 million) to Bank of Punjab, MCB bank Limited and JS Bank Limited.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | 2024 | 2023 |
|---|-------------|------------|
| | (Rupees) | |
| 18.2 Commitments | | |
| 18.2.1 Guarantees issued by banks on behalf of the Company | 260,000 | 710,749 |
| 18.2.2 Letters of credit issued by various banks on behalf of the Company in ordinary course of the business (outstanding at year end) | 361,576,291 | 89,350,440 |
| 18.2.3 The Company has issued post dated cheques to Total PARCO Limited and Atlas Insurance Company Limited as security deposits amounting to Rs. 0.3 million (2023: Rs. 0.3 million) and 112.125 million (2023: 12.375 million) respectively. | | |

19. SHARE CAPITAL

19.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2023: 400,000,000) ordinary shares of Rs. 10 each.

19.2 Issued, subscribed and paid-up capital

| 2024 | 2023 | | 2024 | 2023 |
|--------------------|--------------------|--|----------------------|----------------------|
| (Number of 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 |
| 97,480,000 | 97,480,000 | Ordinary shares of Rs. 10 each issued as fully paid bonus shares | 974,800,000 | 974,800,000 |
| 251,250,000 | 251,250,000 | | 2,512,500,000 | 2,512,500,000 |

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

| Shareholders | 2024 | | 2023 | |
|---------------------------------------|--------------------|--------------|--------------------|--------------|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| Syed Shahid Ali (Chairman) | 94,651,139 | 37.67% | 94,651,139 | 37.67% |
| Treet Corporation Limited (Associate) | 31,387,657 | 12.49% | 31,387,657 | 12.49% |
| Directors | 9,692,603 | 3.86% | 8,818,103 | 3.51% |
| Others | 115,518,601 | 45.98% | 116,393,101 | 46.33% |
| | 251,250,000 | 100% | 251,250,000 | 100% |

| | 2024 | 2023 |
|--|-------------------|-------------------|
| | (Rupees) | |
| 20. LEASE LIABILITIES | | |
| Opening balance | 31,333,265 | 30,328,259 |
| Addition during the year | 4,366,000 | 11,536,500 |
| Interest accrued during the year | 6,705,758 | 5,353,710 |
| Repayment of lease liabilities | (14,934,154) | (15,885,204) |
| Closing balance | 27,470,869 | 31,333,265 |
| 20.1 BREAKUP OF LEASE LIABILITIES | | |
| Lease Liabilities | 27,470,869 | 31,333,265 |
| Less: Current maturity | (9,836,492) | (7,001,267) |
| | 17,634,377 | 24,331,998 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | 2024 | | | 2023 | | |
|--------------------|------------------------|------------------|--------------------------------------|------------------------|-------------------|--------------------------------------|
| | Minimum lease payments | Interest | Present value minimum lease payments | Minimum lease payments | Interest | Present value minimum lease payments |
| | (Rupees) | | | (Rupees) | | |
| Less than one year | 14,690,904 | 4,854,412 | 9,836,492 | 12,651,156 | 5,649,889 | 7,001,267 |
| One to five years | 21,109,065 | 3,474,688 | 17,634,377 | 31,285,014 | 6,953,016 | 24,331,998 |
| | 35,799,969 | 8,329,100 | 27,470,869 | 43,936,170 | 12,602,905 | 31,333,265 |

| 21. DEFERRED TAX LIABILITY / ASSET - NET | Note | 2024 | 2023 |
|--|------|------------------------|----------------------|
| | | (Rupees) | |
| Taxable temporary differences | | 94,227,845 | 83,753,110 |
| Deductible temporary differences | | (1,506,844,757) | (677,548,792) |
| | 21.1 | (1,412,616,912) | (593,795,682) |

21.1 Analysis of change in deferred tax

Breakup and treatment of deferred tax balances are as follows:

| | 2024 | | | | 2023 | | | |
|---|------------------------|------------------------------|--|-------------------------|------------------------|------------------------------|--|-------------------------|
| | Balance at 1 July 2023 | Recognized in profit or loss | Recognized in other comprehensive income | Balance at 30 June 2024 | Balance at 1 July 2022 | Recognized in profit or loss | Recognized in other comprehensive income | Balance at 30 June 2023 |
| | (Rupees) | | | | (Rupees) | | | |
| Taxable temporary differences | | | | | | | | |
| - Accelerated tax depreciation | 83,753,110 | 10,474,735 | - | 94,227,845 | 71,661,012 | 12,092,098 | - | 83,753,110 |
| Deductible temporary differences | | | | | | | | |
| - Lease liabilities | (9,086,647) | (1,626,992) | - | (10,713,639) | (10,008,325) | 921,678 | - | (9,086,647) |
| - Defined benefit obligation - net | (8,425,209) | - | (5,694,677) | (14,119,886) | (15,618,328) | - | 7,193,119 | (8,425,209) |
| - Unrealised gain on investments | (34,890) | 677,121 | 1,653 | 643,884 | (5,257,163) | (46,568) | 5,268,841 | (34,890) |
| - Provision for obsolescence and slow moving stock | (12,447,330) | (6,534,577) | - | (18,981,907) | (10,734,526) | (1,712,804) | - | (12,447,330) |
| - Provision against leave encashment | - | - | - | - | (945) | 945 | - | - |
| - Expected credit loss | (390,053,359) | (727,138,035) | - | (1,117,191,394) | - | (390,053,359) | - | (390,053,359) |
| - Provision for impairment against investment in subsidiaries | (256,638,400) | (88,496,000) | - | (345,134,400) | (8,250,000) | (248,388,400) | - | (256,638,400) |
| - Intangibles | (862,957) | (484,458) | - | (1,347,415) | 1,675 | (864,632) | - | (862,957) |
| - Provision for bonus | - | - | - | - | (18,782,200) | 18,782,200 | - | - |
| | (677,548,792) | (823,602,941) | (5,693,024) | (1,506,844,757) | (68,649,812) | (621,360,940) | 12,461,960 | (677,548,792) |
| | (593,795,682) | (813,128,206) | (5,693,024) | (1,412,616,912) | 3,011,200 | (609,268,842) | 12,461,960 | (593,795,682) |

22. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at 30 June 2024 on the basis of projected unit credit method as per the requirements of approved accounting standard - IAS 19, "Employee Benefits". The assumptions used in actuarial valuation were as follows:

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| 2024 | 2023 |
|--------------|------|
| (Percentage) | |

22.1 Actuarial assumptions

Financial assumptions

- Discount rate
- Discount rate used for interest cost in profit or loss account
- Expected rate of increase in salary level

| | |
|--------|--------|
| 14.75% | 16.25% |
| 16.25% | 13.25% |
| 13.75% | 0.00% |

Demographic assumptions

- Mortality rate

| | |
|--|--|
| SLIC 2001 - 2005 Setback 1 Year | SLIC 2001 - 2005 Setback 1 Year |
|--|--|

22.2 Amount recognised in the unconsolidated Statement of Financial Position

| Note | 2024 | | | 2023 | | |
|---|--------------|----------------|--------------|--------------|----------------|--------------|
| | Management | Non-Management | Total | Management | Non-Management | Total |
| | (Rupees) | | | (Rupees) | | |
| Present value of defined benefit obligation | 61,765,611 | 13,509,067 | 75,274,678 | 49,614,633 | 6,463,843 | 56,078,476 |
| Fair value of plan assets | (33,723,030) | (9,081,365) | (42,804,395) | (30,964,786) | (8,269,576) | (39,234,362) |
| Payables | 1,565,004 | 2,169,548 | 3,734,552 | 1,712,918 | 10,495,413 | 12,208,331 |
| Net liability at end of the year | 29,607,585 | 6,597,250 | 36,204,835 | 20,362,765 | 8,689,680 | 29,052,445 |

22.2.1 Movement in present value of defined benefit obligation

| | | | | | | |
|--|-------------|-------------|-------------|-------------|--------------|--------------|
| Opening balance | 49,614,633 | 6,463,843 | 56,078,476 | 57,313,043 | 19,549,473 | 76,862,516 |
| Current service costs | 2,755,313 | 521,797 | 3,277,110 | 3,258,859 | 759,697 | 4,018,556 |
| Interest costs | 7,729,111 | 1,472,667 | 9,201,778 | 7,089,469 | 1,626,321 | 8,715,790 |
| Benefits due but not paid (payables) | (372,086) | 7,067,844 | 6,695,758 | (1,712,918) | (10,495,413) | (12,208,331) |
| Benefits paid by the plan | (3,729,665) | (1,870,398) | (5,600,063) | (5,902,322) | (4,055,295) | (9,957,617) |
| Gains and losses arising on plan settlements | - | - | - | (1,588,338) | (41,859) | (1,630,197) |
| Re-measurements loss / (gain) on obligation | 5,768,305 | (146,686) | 5,621,619 | (8,843,160) | (879,081) | (9,722,241) |
| Closing balance | 61,765,611 | 13,509,067 | 75,274,678 | 49,614,633 | 6,463,843 | 56,078,476 |

22.2.2 Movement in the fair value of plan assets

| | | | | | | |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Opening balance | 30,964,786 | 8,269,576 | 39,234,362 | 32,842,501 | 8,919,121 | 41,761,622 |
| Interest income | 5,169,930 | 1,445,336 | 6,615,266 | 4,241,900 | 1,195,743 | 5,437,643 |
| Contribution paid into the plan | 5,430,000 | 3,120,000 | 8,550,000 | 4,246,000 | 4,266,000 | 8,512,000 |
| Benefits paid by the plan | (4,249,665) | (3,128,419) | (7,378,084) | (5,902,322) | (4,055,295) | (9,957,617) |
| Re-measurement loss on plan assets | (3,592,021) | (625,128) | (4,217,149) | (4,463,293) | (2,055,993) | (6,519,286) |
| Closing balance | 33,723,030 | 9,081,365 | 42,804,395 | 30,964,786 | 8,269,576 | 39,234,362 |

22.2.3 Amounts recognised in the unconsolidated statement of profit or loss

| | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Current service costs | 2,755,313 | 521,797 | 3,277,110 | 3,258,859 | 759,697 | 4,018,556 |
| Gains and losses arising on plan settlements | - | - | - | (1,588,338) | (41,859) | (1,630,197) |
| Interest costs | 7,729,111 | 1,472,667 | 9,201,778 | 7,089,469 | 1,626,321 | 8,715,790 |
| Interest income | (5,169,930) | (1,445,336) | (6,615,266) | (4,241,900) | (1,195,743) | (5,437,643) |
| Expense for the year | 5,314,494 | 549,128 | 5,863,622 | 4,518,090 | 1,148,416 | 5,666,506 |

22.2.4 Amounts recognised in the unconsolidated other comprehensive income

| | | | | | | | |
|---|----------|-----------|-----------|-----------|-------------|-----------|-------------|
| Re-measurement loss / (gain) on obligation | 22.2.4.1 | 5,768,305 | (146,686) | 5,621,619 | (8,843,160) | (879,081) | (9,722,241) |
| Re-measurement of fair value of plan assets | | 3,592,021 | 625,128 | 4,217,149 | 4,463,293 | 2,055,993 | 6,519,286 |
| Re-measurement loss / (gain) for the year | | 9,360,326 | 478,442 | 9,838,768 | (4,379,867) | 1,176,912 | (3,202,955) |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | 2024 | | | 2023 | | |
|---|-------------------|------------------|-------------------|--------------------|------------------|--------------------|
| | Management | Non-Management | Total | Management | Non-Management | Total |
| | (Rupees) | | | (Rupees) | | |
| 22.2.4.1 Re-measurement loss / (gain) on obligation | | | | | | |
| Loss / (gain) due to change in financial assumptions | 643,139 | 258,423 | 901,562 | (2,443,401) | (482,947) | (2,926,348) |
| Loss / (gain) due to change in experience adjustments | 5,125,166 | (405,109) | 4,720,057 | (6,399,759) | (396,134) | (6,795,893) |
| | 5,768,305 | (146,686) | 5,621,619 | (8,843,160) | (879,081) | (9,722,241) |
| 22.2.5 Net recognized liability / (asset) | | | | | | |
| Net liability at beginning of the year | 20,362,765 | 8,689,680 | 29,052,445 | 24,470,542 | 10,630,352 | 35,100,894 |
| Expense recognised in unconsolidated statement of profit and loss | 5,314,494 | 549,128 | 5,863,622 | 4,518,090 | 1,148,416 | 5,666,506 |
| Contribution paid into the plan | (5,430,000) | (3,120,000) | (8,550,000) | (4,246,000) | (4,266,000) | (8,512,000) |
| Re-measurement losses recognised in unconsolidated other comprehensive income | 9,360,326 | 478,442 | 9,838,768 | (4,379,867) | 1,176,912 | (3,202,955) |
| Net liability / (asset) at end of the year | 29,607,585 | 6,597,250 | 36,204,835 | 20,362,765 | 8,689,680 | 29,052,445 |

22.3 Plan assets comprise of the following:

| | 2024 | | 2023 | |
|-----------------------|-------------------|------------------|-------------------|------------------|
| | Management | Non-Management | Management | Non-Management |
| | (Rupees) | | (Rupees) | |
| Government securities | - | - | 4,697,005 | 2,246,394 |
| Equity shares | 5,560,424 | 3,918,778 | 3,796,633 | 2,675,725 |
| Others | 28,162,606 | 5,162,587 | 22,471,148 | 3,347,457 |
| | 33,723,030 | 9,081,365 | 30,964,786 | 8,269,576 |

22.4 Sensitivity analysis for actuarial assumptions

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

| | 2024 | | 2023 | |
|---------------------|------------|----------------|------------|----------------|
| | Management | Non-Management | Management | Non-Management |
| | (Rupees) | | (Rupees) | |
| Discount rate +1% | 59,650,507 | 13,127,190 | 47,549,858 | 6,202,332 |
| Discount rate -1% | 64,107,119 | 13,914,684 | 51,936,948 | 6,743,980 |
| Salary increase +1% | 64,165,636 | 13,924,690 | 51,985,427 | 6,751,218 |
| Salary increase -1% | 59,561,256 | 13,111,092 | 47,472,702 | 6,191,163 |

22.5 Expected charge for the year ending 30 June 2025 is Rs. 8.54 million.

22.6 Risks associated with defined benefit plans

a) Investment risks

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

b) Mortality risks

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

c) Salary increase risk

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

d) Withdrawal risk

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| 22.7 Historical information | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------------------|-------------------|------------------|-------------------|-------------------|
| | ----- (Rupees) ----- | | | | |
| Present value of defined benefit obligation | 56,078,476 | 76,862,516 | 56,489,237 | 49,188,866 | 45,088,642 |
| Fair value of plan assets | (39,234,362) | (41,761,622) | (51,953,527) | (34,354,450) | (34,621,402) |
| Payables | 12,208,331 | - | - | 1,314,906 | - |
| Net liability / (asset) | <u>29,052,445</u> | <u>35,100,894</u> | <u>4,535,710</u> | <u>16,149,322</u> | <u>10,467,240</u> |

| 22.8 Gratuity for the year recognised in the profit or loss has been allocated as follows: | Note | 2024 | 2023 |
|--|------|------------------|-----------|
| | | (Rupees) | |
| Cost of sales | 28 | 549,128 | 1,148,416 |
| Administrative, selling and general expenses | 29 | 5,314,494 | 4,518,090 |
| | | 5,863,622 | 5,666,506 |

23. LONG-TERM LOANS

Secured

| | | | |
|--|------|----------------------|---------------|
| Loan from JS Bank Limited | 23.1 | 99,750,000 | 156,750,000 |
| Loan from Orix Leasing Pakistan Limited | 23.2 | 28,237,278 | 54,817,643 |
| Loan From Pak Gulf Leasing | 23.3 | 9,155,849 | 11,855,481 |
| Pak Kuwait Investment Company (Long Term Loan) | 23.4 | 91,363,098 | 124,586,042 |
| Allied Bank Limited | 23.5 | - | 53,476,637 |
| Less: Current portion | | (164,590,950) | (173,389,039) |
| | | 63,915,275 | 228,096,764 |

23.1 In 2020, the Company entered into a long term loan facility from JS Bank Limited of Rs. 300 million for cash flow management of the Company. This facility is secured by charge over current and future assets of the Company. During the year, the Company has made repayments of Rs. 86.8 million (2023: Rs. 57 million) together with mark-up thereon. This facility carries mark-up at the rate of 3 months KIBOR plus 2% (2023: 3 months KIBOR plus 2%) repayable quarterly from the disbursement date.

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

During the year, the Company did not comply with certain financial covenants as stipulated in the respective loan agreements. Hence, the company has classified the liability as current, in accordance with the applicable financial reporting standards.

23.2 In 2022, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 100 million for cash flow management of the Company. This facility is secured by hypothecation charge over specified assets of the Company. During the year, the Company has made repayments of Rs. 38.2 million (2023: Rs. 36.4 million) together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 5% per quarter (2023: Rs. 3 months KIBOR plus 5%) repayable on monthly basis from the disbursement date.

23.3 In 2022, the Company availed long term financing facility from Pak Gulf of Rs. 21.6 million. for cash flow management of the Company. This facility is secured by hypothecation charge over present fixed assets (including plant and machinery) of the Company. During the year, the Company has made repayments of 2.7 million (2023: Rs. 2.5 million). This facility carried mark-up at 1 year KIBOR plus 3.99% per annum (2023: 1 year KIBOR plus 3.99%) repayable on quarterly basis from the disbursement date.

23.4 In 2022, the Company availed long term financing facility from Pak Kuwait of Rs. 200 million. This facility is secured by hypothecation charge over present and future fixed assets (including land, building and plant and machinery) of the Company. During the year, the Company has made repayments of Rs. 33.2 million (2023: Rs. 33.2 million). This facility carried mark-up at 3 months KIBOR plus 2% (2023: 3 months KIBOR plus 2%) per annum repayable on quarterly basis from the disbursement date.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

23.5 This facility has been obtained from Allied Bank for working capital requirements and facility is secured by hypothecation charge over present and future current assets of the Company and is expired by June 2023. This facility carries mark-up at 3 month KIBOR plus 1% per annum (2023: 3 month KIBOR plus 1% per annum). This loan has been paid off completely during the year.

| | | 2024 | 2023 |
|--|------|--------------------|---------------|
| | | (Rupees) | |
| 24. SHORT-TERM BORROWINGS | Note | | |
| Secured | | | |
| Running finance under mark-up arrangements | 24.1 | 448,295,986 | 1,118,695,298 |
| Soneri Bank Limited - local bill discounting | | 215,799,900 | 400,000,000 |
| Standard Chartered Bank Limited - local bill discounting | | 268,066,281 | 88,135,339 |
| Islamic financing | 24.2 | 46,544,776 | 272,161,581 |
| | | 978,706,943 | 1,878,992,218 |

24.1 Running finance under mark-up arrangements

| | | | |
|---|-------|--------------------|---------------|
| JS Bank Limited | | 6,852,523 | 275,836,466 |
| MCB Bank Limited | | - | 107,894,262 |
| Askari Bank Limited | | 198,820,014 | 200,000,000 |
| Habib Metropolitan Bank | | 152,953,560 | 149,874,489 |
| Bank AL Habib Limited | | - | 65,552,097 |
| Pak Kuwait Investment Company (Short Term Loan) | | - | 200,000,000 |
| Soneri Bank Limited | | 89,669,889 | 119,537,984 |
| | 24.11 | 448,295,986 | 1,118,695,298 |

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

These facilities carry mark-up at the rate ranging from 01 month KIBOR plus 1% to 3 month KIBOR plus 3% per annum (2023: 01 month KIBOR plus 1.25% to 3 month KIBOR plus 3% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 470 million (2023: Rs. 1,109 million) out of which Rs. 31 million (2023: 56.2 million) remained unavailed at the reporting date.

| | | 2024 | 2023 |
|-------------------------------|--------|-------------------|-------------|
| | | (Rupees) | |
| 24.2 Islamic financing | Note | | |
| Istisna facility | 24.2.1 | 46,544,776 | 272,161,581 |

24.2.1 This represents Islamic finance facilities available from Al Baraka Bank (Pakistan) Limited having aggregate limit of Rs. 50 million (2023: Rs 300 million) and MCB Islamic Bank which had a limit of 250 million in 2023, for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up ranging from 1 month KIBOR plus 1.5% to 3 months KIBOR plus 3.5% per annum (2023: 1 month KIBOR plus 1.5% to 3 months KIBOR plus 3.5% per annum) and is repayable maximum within 120 days to 180 days of the disbursement date.

Facilities available for opening letters of credit / guarantees at 30 June 2024 amounted to Rs. 200 million (2023: Rs. 740 million) out of which Rs. 68.2 million (2023: Rs. 450 million) remained unutilized at the reporting date.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

24.3 Unavailed facilities

The Company has unavailed Islamic financing facilities from Al-Baraka of Istisna having limit of Rs. 3.3 million (2023: Rs. 28 million). The facility pertaining to Al-Baraka Bank limited is secured by a pari-passu charge over present and future current assets of the company amounting to Rs. 267 million. The facility carry mark-up of 3 months KIBOR plus 3.5%.

| | Note | 2024 | 2023 |
|---|--------|----------------------|---------------|
| | | (Rupees) | |
| 25. DUE FROM / (TO) RELATED PARTIES | | | |
| Due from related parties | 25.1 | 2,386,000,706 | 2,580,326,357 |
| Due to related parties | 25.2 | (804,866,924) | (254,800,890) |
| 25.1 Due from related parties | | | |
| Unsecured - Considered good | | | |
| Loan to HAWL | 25.1.1 | 1,357,703,664 | 1,602,144,579 |
| Mark-up receivable on loan to HAWL | 25.1.1 | - | - |
| Loan to SAIL | 25.1.2 | 347,213,263 | 350,664,263 |
| Loan to MAIL | 25.1.2 | 13,672,788 | 46,372,788 |
| Loan to SMPL | 25.1.2 | 9,624,000 | 9,874,000 |
| Mark-up receivable from SAIL, MAIL and SMPL | 25.1.2 | 299,630,959 | 199,845,936 |
| Other receivables from related parties | 25.1.3 | 32,462,386 | 40,372,726 |
| SAIL - against toll manufacturing | | 274,266,574 | 299,964,849 |
| MAIL - against toll manufacturing | | 51,427,072 | 31,087,216 |
| | | 2,386,000,706 | 2,580,326,357 |

25.1.1 The Company entered into four loan agreements with HAWL dated 25 December 2017, 10 April 2019, 5 October 2020 and 28 April 2023, for meeting working capital and other requirements. As at 30 June 2024, the Company has provided loan amounting to Rs. 2,674.9 million (2023: Rs. 2,024.7 million), which is receivable together with unpaid interest thereon in full on demand of the Company. During the year Company did not recover any loan amount (2023: Rs. 14.7 million). The company provided loan of Rs. 650 million (2023: Rs. Nil) These loans are repayable on demand and carry mark-up at the rate of average borrowing of the company i.e. 6 month KIBOR per annum plus 3% (2023: 6 month KIBOR per annum plus 3%). The maximum amount outstanding during the year was Rs. 2,674.90 million (2023: Rs. 2,024.73 million). As stated in note 8.1.3, following adjustment has been made in carrying value of loan and mark-up receivable in accordance with the policy stated in note 5.4.1 to these financial statement.

| | Note | 2024 | 2023 |
|------------------------------------|----------|------------------------|---------------|
| | | (Rupees) | |
| Loan to HAWL | | 2,674,901,258 | 2,024,733,908 |
| Expected Credit Loss | 25.1.1.1 | (1,317,197,594) | (422,589,329) |
| | | 1,357,703,664 | 1,602,144,579 |
| Mark-up receivable on loan to HAWL | 25.1.1.2 | 1,547,395,723 | 922,422,254 |
| Expected Credit Loss | | (1,547,395,723) | (922,422,254) |
| | | - | - |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | Note | 2024 | 2023 |
|---|------|---------------|-------------|
| | | (Rupees) | |
| 25.1.1.1 Allowance for expected credit loss on loan | | | |
| Balance at the beginning of the year | | 422,589,329 | - |
| Charge during the year | | 894,608,265 | 422,589,329 |
| Balance at the end of the year | | 1,317,197,594 | 422,589,329 |
| 25.1.1.2 Allowance for expected credit loss on mark-up | | | |
| Balance at the beginning of the year | | 922,422,254 | - |
| Charge during the year | | 624,973,469 | 922,422,254 |
| Balance at the end of the year | | 1,547,395,723 | 922,422,254 |

25.1.2 The Company has two long term loan agreements with SAIL for an amount up to Rs. 300 million and Rs. 350 million (Rs 350 million pertains to 28 October 2020). As at 30 June 2024, the Company has provided loan amounting to Rs. 347.21 million (2023: Rs. 350.66 million), which is receivable together with unpaid interest thereon in full on demand of the Company. This loan carries mark-up at the rate of average borrowing cost of the company i.e 6 month KIBOR plus 3% per annum (2023: 6 month KIBOR plus 3% per annum). The time frame for the repayment may be further extended mutually by both parties. Further, during the year company has received repayments amounting to Rs 3.451 million (2023: Rs. Nil) in respect of these loans. The maximum amount outstanding during the year was Rs. 350.664 million (2023: Rs. 411 million).

The Company has two long term loan agreements with MAIL for an amount up to Rs. 300 million. As at 30 June 2024, the Company has provided loan amounting to Rs. 13.672 (2023: 46.37 million), which is receivable together with unpaid interest thereon in full on demand of the Company. This loan carries mark-up at the rate of average borrowing cost of the company i.e 6 month KIBOR plus 3% per annum (2023: 6 KIBOR plus 3% per annum). The time frame for the repayment may be further extended mutually by both parties. Further, during the year company has received repayments amounting to Rs 32.95 (2023: 63.5 million Rs) million in respect of these loans. The maximum amount outstanding during the year was Rs. 46.3 million (2023: Rs. 110 million).

The Company has two long term loan agreement with SMPL for an amount upto Rs 100 million. As at 30 June 2024 has provided loan amounting to Rs. 9.62 million (2023: 1 million), which is receivable together with unpaid interest on demand of the Company. This loan carries mark-up at the rate of average borrowing cost of the company i.e. 6 month KIBOR plus 3% per annum (2023 :KIBOR plus 3% per annum). The time frame for the repayment may be further extended mutually by both parties. The maximum amount outstanding during the year was Rs. 9.87 million (2023: Rs. 10.8 million).

| | Note | 2024 | 2023 |
|--|----------|------------|------------|
| | | (Rupees) | |
| 25.1.3 Due from related parties | | | |
| Advance | | | |
| SAIL | 25.1.3.1 | 22,961,685 | 30,872,025 |
| Other receivable | | | |
| SMPL | | 3,706,788 | 3,706,788 |
| HAWL | | 5,793,913 | 5,793,913 |
| | 25.1.3.2 | 32,462,386 | 40,372,726 |

25.1.3.1 These represent advance paid to subsidiary companies for toll manufacturing services.

25.1.3.2 These balance are mark-up free and unsecured.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

25.1.3.3 Detailed analysis of due from related parties

| Name of related party | 2024 | | | | Net amount | Maximum amount outstanding at any time during the year |
|-------------------------|-------------------|------------------------------|---|------------------------|-------------------|--|
| | Gross amount due | Provision for doubtful debts | Reversal of provision of doubtful debts | Amount due written off | | |
| (Rupees) | | | | | | |
| Advance | | | | | | |
| SAIL (note 25.1.3.4) | 22,961,685 | - | - | - | 22,961,685 | 22,961,685 |
| Other receivable | | | | | | |
| SMPL | 3,706,788 | - | - | - | 3,706,788 | 3,706,788 |
| HAWL | 5,793,913 | - | - | - | 5,793,913 | 5,793,913 |
| | 32,462,386 | - | - | - | 32,462,386 | 32,462,386 |

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

| 25.2 Due to related parties - unsecured | Note | 2024 | 2023 |
|---|------|--------------------|--------------------|
| | | (Rupees) | |
| Loan from director | | 664,000,000 | 250,000,000 |
| Mark-up on loan from director | | 140,866,924 | 4,800,890 |
| | | 804,866,924 | 254,800,890 |

25.3 During the year, loan of Rs 414 million (2023: Rs.250 million) was obtained from Mr.Syed Shahid Ali (Director) for company working capital purposes having a mark-up payable at Kibor + 2%. The loan is repayable on demand and the loan is not secured against any guarantee.

| 26. TRADE AND OTHER PAYABLES | Note | 2024 | 2023 |
|--|------|----------------------|--------------------|
| | | (Rupees) | |
| Trade creditors | | 599,752,248 | 339,091,646 |
| Accrued liabilities | 26.1 | 69,871,779 | 46,732,778 |
| Other liabilities | | | |
| Advance from customers | 26.2 | 362,673,854 | 152,919,693 |
| Mobilization advances | 26.3 | 64,865,760 | 196,970,642 |
| Sales tax payable | | 48,468,110 | 38,562,938 |
| Provision for bonus | | 47,550,963 | - |
| Other payables | 26.7 | 24,856,552 | 21,743,264 |
| Workers' Profit Participation Fund | 26.4 | 17,262,504 | 2,819,269 |
| Workers' Welfare Fund | 26.5 | 18,726,525 | 5,796,944 |
| Withholding tax payable | | 2,319,817 | 5,397,096 |
| Current portion of Gas Infrastructure Development Cess | | 868,472 | 868,472 |
| Security deposit from contractors | 26.6 | 61,500 | 129,000 |
| Provision for leave encashment | | 2,864 | 2,864 |
| | | 1,257,280,948 | 811,034,606 |

26.1 This includes salaries and wages amounting Rs. 10.66 million (2023: Rs. 1.7 million).

26.2 This includes Rs. 73 million (2023: Rs. 14 million) received from scrap dealer against future sale of scrap and ancillary items. During the year, the Company has earned Rs. 152.91 million (2023: Rs. 58.23 million) from its customers.

26.3 This carries no mark-up.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | | 2024 | 2023 |
|-------------|--|---------------|---------------|
| | | (Rupees) | |
| 26.4 | Workers' Profit Participation Fund | | |
| | | | Note |
| | | | (Rupees) |
| | Opening balance | 2,819,269 | 28,642,932 |
| | Charge for the year | 14,443,235 | - |
| | Less: Payments made during the year | - | (25,823,663) |
| | Closing balance | 17,262,504 | 2,819,269 |
| 26.5 | Workers' Welfare Fund | | |
| | Opening balance | 5,796,944 | 10,329,621 |
| | Charge for the year | 18,726,525 | 5,796,944 |
| | Less: Payments made during the year | (5,796,944) | (10,329,621) |
| | Closing balance | 18,726,525 | 5,796,944 |
| 26.6 | This represents security deposit received from contractors against provision of services, which are kept in the Company's bank account. | | |
| 26.7 | This includes amounts deducted from employees' salaries against vehicles (used by employees) to be sold to the employees upon completion of respective useful lives of the vehicles. | | |
| 27. | REVENUE FROM CONTRACTS WITH CUSTOMERS - NET | | |
| | | | Note |
| | | | (Rupees) |
| | Local sales | 5,307,644,765 | 5,302,260,756 |
| | Export sales | 5,358,614 | |
| | Less: sales returns | (17,374,890) | (12,006,326) |
| | | 5,295,628,489 | 5,290,254,430 |
| | Less: sales tax | (805,264,513) | (796,420,059) |
| | | 4,490,363,976 | 4,493,834,371 |
| 27.1 | This includes scrap sales amounting to Rs. 114 million (2023: Rs. 116 million). | | |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| 28. COST OF SALES | Note | 2024 | 2023 |
|---|-------|---------------|---------------|
| | | (Rupees) | |
| Raw materials and components consumed | 28.1 | 2,701,452,975 | 2,678,456,671 |
| Stores and spares consumed | 28.2 | 72,584,673 | 53,233,048 |
| Manufacturing expenses | | | |
| Salaries and wages | | 220,691,331 | 192,086,253 |
| Toll manufacturing | 28.4 | 190,058,427 | 475,963,757 |
| Other employees' benefits | 28.3 | 64,043,566 | 87,066,841 |
| Depreciation | 6.1.6 | 55,139,996 | 51,681,915 |
| Gas, power and water | | 37,808,595 | 28,335,311 |
| Repairs and maintenance | | 36,422,588 | 14,174,051 |
| Rent, rates and taxes | | 30,678,202 | 376,999 |
| Conveyance | | 29,670,015 | 4,454,504 |
| Travelling and vehicle running costs | | 22,337,576 | 16,336,358 |
| Royalty / technical know-how | 28.5 | 10,970,042 | 11,173,568 |
| Insurance | | 4,743,947 | 8,181,401 |
| General expenses | | 3,916,172 | 1,220,419 |
| Provident Fund contribution | | 3,182,071 | 3,074,983 |
| Inward freight and storage charges | | 1,749,239 | 4,197,766 |
| Security services | | 872,886 | 834,946 |
| Printing, stationery and periodicals | | 23,470 | 34,090 |
| Transferred to capital work-in-progress | | (8,908,988) | (43,857,970) |
| Manufacturing costs | | 703,399,135 | 855,335,192 |
| Opening stock of work-in-process | | 105,801,677 | 106,545,860 |
| Impact of recording revenue over time | | 115,219,072 | 105,057,494 |
| Closing stock of work-in-process | 9 | (115,219,072) | (105,801,677) |
| Net change in work-in-process | | 105,801,677 | 105,801,677 |
| Cost of goods manufactured | | 3,583,238,460 | 3,692,826,588 |
| Opening stock of finished goods | | 18,447,442 | - |
| Impact of recording revenue over time | | 14,342,385 | 86,579,938 |
| Closing stock of finished goods | 9 | (4,186,604) | (18,447,442) |
| Net change in finished goods | | 28,603,223 | 68,132,496 |
| | | 3,611,841,683 | 3,760,959,084 |
| 28.1 Raw materials and components consumed | | | |
| Opening balance | | 972,975,395 | 1,544,914,809 |
| Purchases | | 2,681,782,056 | 2,174,225,286 |
| Less: Purchase returns | | (62,095,664) | (84,900,541) |
| | | 3,592,661,787 | 3,634,239,554 |
| Closing balance | 9 | (896,958,540) | (972,975,395) |
| Charge for the year - net | 9.1 | 5,749,728 | 17,192,512 |
| | | 2,701,452,975 | 2,678,456,671 |
| 28.2 Stores and spares consumed | | | |
| Opening balance | | 47,488,133 | 39,966,825 |
| Purchases | | 76,423,961 | 60,754,356 |
| | | 123,912,094 | 100,721,181 |
| Closing balance | | (51,327,421) | (47,488,133) |
| | | 72,584,673 | 53,233,048 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

28.3 This includes a sum of Rs. 0.55 million (2023: Rs. 1.1 million) in respect of expense relating to gratuity.

28.4 Toll manufacturing costs

SAIL
MAIL
Others

| 2024 | 2023 |
|--------------------|-------------|
| (Rupees) | |
| - | 289,302,292 |
| 129,858,767 | 126,984,875 |
| 60,199,660 | 59,676,590 |
| 190,058,427 | 475,963,757 |

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

| Name of Recipients | Relationship with the Company | Registered Address |
|-------------------------------|-------------------------------|--|
| Futaba Industrial Co. Limited | Technical Advisor | 1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558 |
| SNIC Co. Limited | Technical Assistance | 1403 Higashihiratsuru, Iwata-shi, Shizuoka-ken, Japan |

| 2024 | 2023 |
|-------------------|------------|
| (Rupees) | |
| 2,330,042 | 2,578,268 |
| 8,640,000 | 8,595,300 |
| 10,970,042 | 11,173,568 |

29. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

Salaries and wages
Other employees' benefits
Outward freight
Travelling and vehicle running cost
General expenses
Legal and professional charges
Depreciation
Auditors' remuneration
Postage, telephone and telex
Provident Fund contribution
Printing, stationery and periodicals
Subscription and certification charges
Amortization
Advertising and sales promotion
Electricity
Repairs and maintenance
Entertainment
Insurance
Conveyance
Donation

Note

| 2024 | 2023 |
|--------------------|-------------|
| (Rupees) | |
| 117,806,143 | 111,622,778 |
| 38,585,147 | 12,698,023 |
| 30,802,690 | 30,939,090 |
| 14,996,490 | 13,630,030 |
| 13,458,850 | 5,734,279 |
| 12,706,450 | 23,791,492 |
| 7,545,928 | 7,627,785 |
| 5,077,048 | 4,306,600 |
| 4,803,235 | 5,888,571 |
| 2,569,798 | 2,421,557 |
| 2,012,994 | 2,964,301 |
| 1,969,890 | 5,909,459 |
| 1,375,200 | 1,375,200 |
| 1,130,600 | 26,627,597 |
| 800,000 | 1,200,000 |
| 480,032 | 230,485 |
| 395,125 | 442,902 |
| 369,283 | 1,590,557 |
| 194,995 | 1,167,767 |
| - | 23,600 |
| 257,079,898 | 260,192,073 |

29.1 This includes a sum of Rs. 5.3 million (2023: Rs. 4.5 million) in respect of expense relating to gratuity.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | | 2024 | 2023 |
|---|---|---------------|---------------|
| | | (Rupees) | |
| 29.2 Auditor's remuneration | Note | | |
| Audit fee | | 1,650,000 | 1,500,000 |
| Other audit services | | 1,100,000 | 1,000,000 |
| Interim review | | 1,040,498 | 831,600 |
| Certifications for regulatory purposes | | 825,000 | 750,000 |
| Out of pocket expense | | 461,550 | 225,000 |
| | | 5,077,048 | 4,306,600 |
| 30. OTHER EXPENSES | | | |
| Workers' Welfare Fund | 26.5 | 18,726,525 | 5,796,944 |
| Workers' Profit Participation Fund | 26.4 | 14,443,235 | - |
| Unrealised loss on re-measurement of investments at fair value through profit or loss | 15.1 | - | 160,582 |
| | | 33,169,760 | 5,957,526 |
| 31. OTHER INCOME | | | |
| Income from financial assets | | | |
| Mark-up income on loans to subsidiaries | | 724,758,492 | 478,227,520 |
| Others | | 30,366,409 | 13,183,692 |
| Unrealised gain on re-measurement of investments at fair value through profit or loss | | 1,616,801 | - |
| Dividend income | 31.1 | 1,317,244 | 26,244 |
| Mark-up income on loans to employees | | 336,637 | 527,067 |
| Deferred grant | | - | 242,701 |
| | | 758,395,583 | 492,207,224 |
| Income from assets other than financial assets | | | |
| Gain on disposal of property, plant and equipment | 6.1.7 | 1,057,193,955 | 65,387,115 |
| Reversal of provision against inventory | | - | 6,799,550 |
| | | 1,057,193,955 | 72,186,665 |
| | | 1,815,589,538 | 564,393,889 |
| 31.1 | This represents dividend received from Indus Motor Company Limited, Baluchistan Wheels, Atlas Battery Limited, Millat Tractors Limited, Alghazi Tractors Ltd, Thal Limited, Agriautos Industries Limited and Honda Atlas Cars (Pakistan) Limited against investment in equity securities. | | |
| 32. FINANCE COSTS | Note | 2024 | 2023 |
| | | (Rupees) | |
| Mark-up on loans and borrowings | | 437,957,460 | 528,446,326 |
| Mark-up on loan from director | | 140,866,924 | 4,800,890 |
| Exchange loss - realised | | 27,310,483 | 47,098,240 |
| Bank charges | | 14,739,597 | 12,630,472 |
| Finance lease charges | | 6,705,758 | 5,353,710 |
| | | 627,580,222 | 598,329,638 |
| 33. TAXATION | | | |
| 33.1 Income taxes | | | |
| Current | | 250,079,839 | 92,755,449 |
| Prior | | (6,837,483) | - |
| Deferred | 21.1 | (813,128,206) | (609,268,842) |
| | 33.2 | (569,885,850) | (516,513,393) |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | 2024 | 2023 |
|---|----------------------|-----------------|
| | (Rupees) | |
| Profit / (loss) before taxation | 256,700,217 | (1,772,181,644) |
| Tax at the applicable rate of 29% (2023: 29%) | 74,443,063 | 513,936,614 |
| Prior year reversal | (6,837,483) | - |
| Tax effect of income taxed at lower rate | 27,662 | 551 |
| Adjustment of minimum tax | (102,740,843) | - |
| Impact of super tax | 90,416,178 | - |
| Tax effect of permanent differences | 514,774,860 | 2,580,165 |
| | 569,885,850 | 516,517,330 |

33.2 Reconciliation between tax expense and accounting profit

33.3 The returns of income tax have been filed up to and including tax year 2023 (corresponding to financial year ended upto 30 June 2024). Following are the tax matters which are as follows.

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|--|-------------------|-----------------|
| Federal Board of Revenue (FBR) | Income Tax Return e-filed for Tax Year 2023 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, unless amended u/s.122 on selection of case for audit u/s.214C/S.177 or amended u/s.122(5A) of the Income Tax Ordinance, 2001, claiming refund due to company of Rs.87,451,874/-, which is pending. | Company & FBR | 15 Jan 2024 |
| Federal Board of Revenue (FBR) | Income Tax Return e-filed for Tax Year 2022 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, unless amended u/s 122 on selection of case for audit u/s. 214C/S.177 or amended U/S.122(5A) of the income tax ordinance,2001, claiming refund due to company of Rs. 191,763,667/-. Additional Commissioner had issued Notice U/s.122(5A) dated 23-01-2024 identifying several issues, being erroneous in so far as prejudicial to the interest of revenue, and proposed amendment u/s.122(5A) for which response dated 19.02.2024 filed taking various objections on point of law and facts. After hearing before Additional Commissioner, the above proceedings were culminated in Amended Order u/s.122(5A) dated 02.04.2024 creating a gross Net Refund of Rs.148,735,082/-. Company has challenged the above amended order in appeal under section 127 before the Commissioner Inland Revenue (Appeals-II), Karachi, which though heard by the Commissioner but no Appeal Order has been passed. Company is following for issue of above refund by Order u/s.170(4) of Rs.148,735,082/determined under amended order dated 02.04.2024 passed u/s.122(5A) subject to verification. | Company & FBR | 03 Jan 2023 |
| Federal Board of Revenue (FBR) | Notice dated 26.08.2022 under Rule 44(4) have been issued requisitioning details/documents for monitoring of withholding-tax for tax year 2021, and in response, all details/documents have been filed but proceedings have yet not been finalized. | Company & FBR | 26 Aug 2022 |
| Federal Board of Revenue (FBR) | For the tax year 2015, notice dated 26 April 2021 was received by the company under section 177 of the Income Tax ordinance, 2001 which was responded the company through its tax advisor during the month of May 2021 and June 2021. The concerned Assessing officer finalized the audit proceeding in haste without providing the opportunity for substantial additions and disallowances made in the amended order under section 122(4) dated 30 June 2021 and created factually incorrect and disputed demand of Rs 750,761,241. | Company & FBR | 30 Jun 2021 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|--|-------------------|-----------------|
|--|--|-------------------|-----------------|

Company has challenged the above mentioned order in appeal before commissioner Inland Revenue (Appeals) against order dated 30-june-2021 u/s 122(4) for tax year 2015 creating a disputed demand of Rs. 750,761,241/- which we were authorized to represent appeal has been adjudicated by Commissioner (Appeals) vide Appeal Order Dated 29-oct-2021 where substantial direct relief has been allowed to the company, whilst one major issue has been remanded back with specific directions and as such, disputed demand has been totally vacated. We are not aware of any appeal filed by the commissioner before appellate tribunal challenging above appeal order.

As of year end, several cases filed against the Company before various court of law / tax forums. The management, based on the opinion of its legal counsel, expect that the outcome of all those cases will be in favor of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these unconsolidated financial statement.

34. EARNINGS PER SHARE - BASIC AND DILUTED

Profit / (loss) for the year attributable to ordinary shareholders of the Company

Weighted average number of ordinary shares - outstanding during the year

Earnings per share - basic and diluted

| | 2024 | 2023 |
|--|--------------------|-----------------|
| | (Rupees) | |
| | 826,586,067 | (1,255,668,251) |
| | (Number) | |
| | 251,250,000 | 251,250,000 |
| | (Rupees) | |
| | 3.29 | (5.00) |

35. TRANSACTIONS WITH RELATED PARTIES

35.1 Related parties comprise of subsidiaries, associated company and other companies with common directorship and significant influence, employees retirement benefit funds, directors and key management personnel. Transactions with related parties are at terms determined in accordance with the agreed rates / contractual agreements as approved by the Board of Directors. Details of transactions / balances with related parties other than those disclosed elsewhere in the unconsolidated financial statements are as follows:

| Description of the related parties | Relationship and percentage shareholding | Transactions during the year and year end balances | Note | 2024 | 2023 |
|------------------------------------|---|--|--------|--------------------|-------------|
| | | | | (Rupees) | |
| SAIL | Subsidiary company - 54% holding (2023:54%) | Toll manufacturing | 28.4 | - | 289,302,292 |
| | | Payments made during the year | | 49,116,303 | 728,418,089 |
| | | Mark-up charged during the year | 31 | 88,495,443 | 71,753,760 |
| | | Loan received during the year | | 3,451,000 | 60,000,000 |
| | | Amount due from at the year end | 25.1 | 274,266,574 | 299,964,849 |
| | | Loan due at the year end | 25.1 | 347,213,263 | 350,664,263 |
| | | Mark-up receivable at the year end | 25.1 | 248,177,271 | 159,681,828 |
| | | Other payable | 25.1.3 | 22,961,685 | 30,872,025 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| Description of the related parties | Relationship and percentage shareholding | Transactions during the year and year end balances | Note | 2024 | | 2023 | |
|------------------------------------|--|--|--------|----------------------|--|---------------|--|
| | | | | ----- (Rupees) ----- | | | |
| MAIL | Subsidiary company - 60% holding (2023: 60%) | Toll manufacturing | 28.4 | 129,858,767 | | 126,984,875 | |
| | | Payments received during the year | | 178,111,020 | | 203,807,852 | |
| | | Mark-up charged during the year | 31 | 8,822,153 | | 13,058,427 | |
| | | Loan received during the year | | 32,700,000 | | 63,500,000 | |
| | | Amount due from at the year end | 25.1 | 51,427,072 | | 31,087,216 | |
| | | Loan due at the year end | 25.1 | 13,672,788 | | 46,372,788 | |
| | | Mark-up receivable at the year end | 25.1 | 45,727,342 | | 36,905,189 | |
| HAWL | Subsidiary company - 65.38% holding (2023: 65.38%) | Loan due at the year end Net of ECL of Rs. 1,317,197,594 | 25.1 | 1,357,703,664 | | 1,602,144,579 | |
| | | Loan received provided during the year | 25.1 | (650,167,349) | | (14,795,633) | |
| | | Mark-up charged during the year | 31 | 624,973,469 | | 391,538,682 | |
| | | Mark-up receivable at the year end | | | | | |
| | | Net of provision of Rs. 1,547,395,723 | 25.1 | - | | - | |
| SMPL | Subsidiary company - 100% holding (2023: 100%) | Loan due at the year end | 25.1 | 9,624,000 | | 9,874,000 | |
| | | Loan received / (provided) during the year | 25.1 | 250,000 | | (970,000) | |
| | | Mark-up charged during the year | 31 | 2,467,427 | | 1,876,651 | |
| | | Other receivable | 25.1.3 | 3,706,788 | | 3,706,788 | |
| | | Mark-up receivable at the year end | 25.1 | 5,726,346 | | 3,258,919 | |
| Syed Shahid Ali shah | Director | Loan due at the year end | 25.2 | 664,000,000 | | 250,000,000 | |
| | | Mark-up receivable at the year end | 25.2 | 140,866,924 | | 4,800,890 | |
| Provident fund | Defined contribution plan | Receivable from Provident Fund | 13 | 23,527,349 | | 16,233,600 | |
| Employee benefits - gratuity | Defined benefit scheme | Expense for the year | 22.2.5 | 5,863,622 | | 5,666,506 | |
| | | Contribution paid during the year | 22.2.5 | 8,550,000 | | 8,512,000 | |
| | | Balance at the year end liability | 22.2.5 | (36,204,835) | | (29,052,445) | |
| IGI General Insurance Limited | Common directorship | Purchase of services | | 6,728,677 | | 5,703,418 | |
| First Treet Manufacturing Modaraba | Common directorship | Purchase of batteries | | 223,539 | | 218,939 | |

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

36 RECONCILIATION OF MOVEMENT OF EQUITY AND LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

| | 2024 | | | | | Total |
|--|----------------------|---------------------|------------------------|----------------------|----------------------|----------------------|
| | Liabilities | | | | | |
| | Long term loan | Lease liabilities | Due to related parties | Short term Borrowing | Unclaimed dividend | |
| (Rupees) | | | | | | |
| Balance as at 1 July 2023 | 401,485,803 | 31,333,265 | 250,000,000 | 1,878,992,218 | 3,527,781 | 2,565,339,067 |
| Changes from financing cash flows | | | | | | |
| Payment of lease rentals | - | (14,934,154) | - | - | - | (14,934,154) |
| Payment made during the year - net | - | - | - | (900,285,275) | - | (900,285,275) |
| Loan adjusted against issue of right shares | - | - | - | - | - | - |
| Dividend reversed | - | - | - | - | (13,756) | (13,756) |
| Addition during the year | - | 4,366,000 | - | - | - | 4,366,000 |
| Loan from Director | - | - | 414,000,000 | - | - | 414,000,000 |
| Proceeds from loans and borrowings - net | (172,979,578) | - | - | - | - | (172,979,578) |
| Total changes from financing cash flows | (172,979,578) | (10,568,154) | 414,000,000 | (900,285,275) | (13,756) | (669,846,763) |
| Liability - related other changes | | | | | | |
| Government grant income during the year | - | - | - | - | - | - |
| Finance costs charged during the year | - | 6,705,758 | - | - | - | 6,705,758 |
| Total liability - related other changes | - | 6,705,758 | - | - | - | 6,705,758 |
| Balance as at 30 June 2024 | 228,506,225 | 27,470,869 | 664,000,000 | 978,706,943 | 3,514,025 | 1,902,198,062 |
| | 2023 | | | | | |
| | Liabilities | | | | | |
| | Long term loan | Lease liabilities | Due to related parties | Unclaimed dividend | Total | |
| (Rupees) | | | | | | |
| Balance as at 1 July 2022 | 611,506,608 | 30,328,259 | 142,716,321 | 3,527,781 | 788,078,969 | |
| Changes from financing cash flows | | | | | | |
| Payment of lease rentals | - | (15,885,204) | - | - | (15,885,204) | |
| Loan adjusted against issue of right shares | - | - | (142,716,321) | - | (142,716,321) | |
| Loan received from associate | - | - | 250,000,000 | - | 250,000,000 | |
| Mark-up payable to associate | - | - | 4,800,890 | - | 4,800,890 | |
| Addition during the year | - | 11,536,500 | - | - | 11,536,500 | |
| Proceeds from loans and borrowings - net | (210,263,506) | - | - | - | (210,263,506) | |
| Total changes from financing cash flows | (210,263,506) | (4,348,704) | 112,084,569 | - | (102,527,641) | |
| Liability - related other changes | | | | | | |
| Government grant income during the year | 242,701 | - | - | - | 242,701 | |
| Finance costs charged during the year | - | 5,353,710 | - | - | 5,353,710 | |
| Total liability - related other changes | 242,701 | 5,353,710 | - | - | 5,596,411 | |
| Balance as at 30 June 2023 | 401,485,803 | 31,333,265 | 254,800,890 | 3,527,781 | 691,147,739 | |

37. FINANCIAL RISK MANAGEMENT

The Company has exposure to following risks from its use of financial instrument:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

37.1 Risk management framework

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

37.2 Credit risk

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

Exposure to credit risk

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

| | Note | 2024 | 2023 |
|---|------|----------------------|----------------------|
| | | (Rupees) | |
| Trade debts - net | 10 | 771,620,583 | 424,653,384 |
| Loans | 12 | 73,452,860 | 19,894,538 |
| Deposits and other receivables | 13 | 166,428,829 | 114,291,067 |
| Due from related parties - unsecured | 25 | 2,386,000,706 | 2,580,326,357 |
| Bank balances and term deposit receipts | 16 | 43,098,611 | 14,406,997 |
| | | 3,440,601,589 | 3,153,572,343 |

Credit rating and collaterals

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

| Bank Name | Rating Agency | Short term rating | 2024 | |
|-----------------------------------|---------------|-------------------|-------------------|-------------|
| | | | (Rupees) | (%) |
| Bank AL Habib Limited | PACRA | A-1+ | 46,445,627 | 97.0% |
| Meezan Bank Limited | VIS | A-1+ | 32,636 | 0.1% |
| National Bank of Pakistan | PACRA | A-1+ | 415,199 | 0.9% |
| Allied Bank Limited | PACRA | A-1+ | - | 0.0% |
| Bank Alfalah Limited | VIS | A-1+ | 11,943 | 0.0% |
| MCB Islamic Bank | VIS | A-1+ | 318,316 | 0.7% |
| Habib Bank Limited | VIS | A-1+ | 273,684 | 0.6% |
| Al Baraka Bank (Pakistan) Limited | VIS | A-1 | 373,627 | 0.8% |
| BankIslami Pakistan Limited | PACRA | A-1 | 20,779 | 0.0% |
| | | | 47,891,811 | 100% |

| Bank Name | Rating Agency | Short term rating | 2023 | |
|-----------------------------------|---------------|-------------------|-------------------|-------------|
| | | | (Rupees) | (%) |
| Bank AL Habib Limited | PACRA | A-1+ | 4,746,413 | 32.9% |
| Meezan Bank Limited | VIS | A-1+ | 2,754,646 | 19.1% |
| National Bank of Pakistan | PACRA | A-1+ | 187,376 | 1.3% |
| Allied Bank Limited | PACRA | A-1+ | - | 0.0% |
| Bank Alfalah Limited | VIS | A-1+ | 12,147 | 0.1% |
| MCB Islamic Bank | VIS | A-1+ | 332,027 | 2.3% |
| Habib Bank Limited | VIS | A-1+ | 129,190 | 0.9% |
| Al Baraka Bank (Pakistan) Limited | VIS | A-1 | 1,403,395 | 9.7% |
| BankIslami Pakistan Limited | PACRA | A-1 | 4,841,803 | 33.6% |
| | | | 14,406,997 | 100% |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry. All of the Company's receivables are from distributors of automotive industries. Trade debts pertaining to four major customers of the Company aggregates to 76% as at 30 June 2024 (2023: 90%).

Based on management assessment, no ECL was required in trade receivables due to low credit risk. For due from related party receivable respective ECL has been recorded the financial statements.

Impairment losses and past due balances

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

| | 2024 | | | 2023 | | |
|--|--------------------|------------|--------------------|--------------------|------------|--------------------|
| | Gross | Impairment | Net | Gross | Impairment | Net |
| | (Rupees) | | | (Rupees) | | |
| Less than or equal to 30 days | 670,504,440 | - | 670,504,440 | 347,608,040 | - | 347,608,040 |
| More than 30 days but not more than 90 days | 64,183,759 | - | 64,183,759 | 19,522,473 | - | 19,522,473 |
| More than 90 days but not more than 180 days | 36,932,384 | - | 36,932,384 | 57,522,872 | - | 57,522,872 |
| | 771,620,583 | - | 771,620,583 | 424,653,385 | - | 424,653,385 |

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

37.3 Liquidity risk

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

Maturity analysis of financial liabilities

| | Note | 2024 | | | | | |
|--|------|----------------------|------------------------|----------------------|---------------------|--------------------------|--------------------|
| | | Carrying amount | Contractual cash flows | Less than one month | One to three months | Three months to one year | More than one year |
| | | (Rupees) | | | | | |
| Financial Liabilities | | | | | | | |
| Short-term borrowings | 24 | 978,706,943 | 978,706,943 | 81,558,912 | 163,117,824 | 734,030,208 | - |
| Trade and other payables | 26 | 599,752,248 | 599,752,248 | 49,979,354 | 99,958,708 | 449,814,186 | - |
| Lease liabilities | 20 | 27,470,869 | 27,470,869 | 819,708 | 1,639,416 | 7,377,372 | 17,634,373 |
| Accrued mark-up on short-term borrowings | | 57,992,335 | 57,992,335 | 57,992,335 | - | - | - |
| Long-term loans | 23 | 63,915,275 | 63,915,275 | - | - | - | 63,915,275 |
| Current portion of long-term loans | 23 | 164,590,950 | 164,590,950 | 13,715,913 | 27,431,826 | 123,443,217 | - |
| Due to related parties | 25 | 804,866,924 | 804,866,924 | 804,866,924 | - | - | - |
| Unclaimed dividend | | 3,514,025 | 3,514,025 | 3,514,025 | - | - | - |
| | | 2,700,809,569 | 2,700,809,569 | 1,012,447,171 | 292,147,774 | 1,314,664,983 | 81,549,648 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | | 2023 | | | | | |
|--|----|----------------------|------------------------|---------------------|---------------------|--------------------------|--------------------|
| | | Carrying amount | Contractual cash flows | Less than one month | One to three months | Three months to one year | More than one year |
| Note | | (Rupees) | | | | | |
| <i>Financial Liabilities</i> | | | | | | | |
| Short-term borrowings | 24 | 1,878,992,218 | 1,878,992,218 | 156,582,685 | 313,165,370 | 1,409,244,165 | - |
| Trade and other payables | 26 | 339,091,646 | 339,091,646 | 84,772,911 | 203,454,986 | 50,863,747 | - |
| Lease liabilities | 20 | 31,333,265 | 31,333,265 | 583,439 | 1,750,317 | 4,667,511 | 24,331,998 |
| Accrued mark-up on short-term borrowings | | 106,869,599 | 106,869,599 | 106,869,599 | - | - | - |
| Long-term loans | 23 | 228,096,764 | 228,096,764 | - | - | - | 228,096,764 |
| Current portion of long-term loans | 23 | 173,389,039 | 173,389,039 | 38,133,608 | 19,750,199 | 115,505,232 | - |
| Due to related parties | 25 | 254,800,890 | 254,800,890 | 254,800,890 | - | - | - |
| Unclaimed dividend | | 3,527,781 | 3,527,781 | 3,527,781 | - | - | - |
| | | <u>3,016,101,202</u> | <u>3,016,101,202</u> | <u>645,270,913</u> | <u>538,120,872</u> | <u>1,580,280,655</u> | <u>252,428,762</u> |

37.3.1 Liquidity position and its management

The financial position of the group entities are summarised in note 8.1.5. Moreover, in October 2020, the Board of Loads Limited committed Rs. 3 billion to HAWL. In the year 2023, the Board approved to provide 800 million loan to support operations of the HAWL and during the year ended June 30, 2024 amount of Rs.650 million has been provided to HAWL. The shareholders and senior management of the company are closely monitoring the situation and are committed to meet the cash flow requirements, if any, which may arise in future, from their other entities or personal wealth.

37.4 Market risk

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

Market risk comprises of three types of risks:

- currency risk;
- interest rate risk; and
- other price risk.

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

37.4.1 Currency risk

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

Exposure to currency risk

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | 2024 | | |
|-----------------------------------|----------------|----------|-------------------|
| | USD | CNY | JPY |
| Creditors | 537,427 | - | 53,630,944 |
| Net balance sheet exposure | 537,427 | - | 53,630,944 |
| | 2023 | | |
| | USD | CNY | JPY |
| Creditors | 247,375 | 125,304 | 6,816,400 |
| Net balance sheet exposure | 247,375 | 125,304 | 6,816,400 |

The following significant exchange rates applied during the year:

| | Average rate | | Balance sheet date rate | |
|-------------------|--------------|--------|-------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| USD to Pak Rupees | 282.17 | 245.25 | 278.34 | 285.99 |
| CNY to Pak Rupees | 38.99 | 35.13 | 38.30 | 39.67 |
| JPY to Pak Rupees | 1.86 | 1.75 | 1.73 | 1.99 |

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, CNY and JPY at 30 June 2024 would have increased equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2023.

| As at 30 June | 2024 | | 2023 | |
|-------------------------|-------------------|-------------------|----------------|------------|
| | Profit or loss | Equity | Profit or loss | Equity |
| | (Rupees) | | (Rupees) | |
| Effect of change in USD | 14,958,743 | 14,958,743 | 7,074,678 | 7,074,678 |
| Effect of change in CNY | - | - | 4,970,810 | 4,970,810 |
| Effect of change in JPY | 9,278,153 | 9,278,153 | 1,356,464 | 1,356,464 |
| Gross exposure | 24,236,896 | 24,236,896 | 13,401,952 | 13,401,952 |

The Company does not have any foreign currency borrowings as at 30 June 2024.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

37.4.2 Interest rate risk

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

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

| | Note | 2024 | 2023 |
|--|------|----------------------|----------------------|
| | | (Rupees) | |
| Variable rate instruments | | | |
| Financial assets | | | |
| Loan to HAWL | 25.1 | 1,357,703,664 | 1,602,144,579 |
| Loan to SAIL | 25.1 | 347,213,263 | 350,664,263 |
| Loan to MAIL | 25.1 | 13,672,788 | 46,372,788 |
| Loan to SMPL | 25.1 | 9,624,000 | 9,874,000 |
| | | 1,728,213,715 | 2,009,055,630 |
| Financial liabilities | | | |
| Loan from JS Bank Limited | 23 | 99,750,000 | 156,750,000 |
| Loan from Orix Leasing Pakistan Limited | 23 | 28,237,278 | 54,817,643 |
| Loan from associate | 25 | 664,000,000 | 250,000,000 |
| Short-term borrowings | 24 | 978,706,943 | 1,878,992,218 |
| Lease liabilities | 20 | 27,470,869 | 31,333,265 |
| | | 1,798,165,090 | 2,371,893,126 |
| | | (69,951,375) | (362,837,496) |
| Fixed rate instruments | | | |
| Financial assets | | | |
| Loans to employees - considered good and unsecured | 12 | 36,539,416 | 11,931,299 |
| Loans to workers - considered good and unsecured | 12 | 36,913,444 | 7,963,239 |
| | | 73,452,860 | 19,894,538 |

Fair value sensitivity analysis of fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

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

| | Profit or loss | | Equity | |
|---|----------------------|------------------|----------------------|------------------|
| | 100 bps increase | 100 bps decrease | 100 bps increase | 100 bps decrease |
| | ----- (Rupees) ----- | | ----- (Rupees) ----- | |
| As at 30 June 2024 | | | | |
| Cash flow sensitivity - variable rate instruments | (699,514) | 699,514 | (699,514) | 699,514 |
| As at 30 June 2023 | | | | |
| Cash flow sensitivity - variable rate instruments | (3,628,375) | 3,628,375 | (3,628,375) | 3,628,375 |

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

37.4.3 Other price risk

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

As at 30 June 2024, the fair value of equity securities exposed to price risk are disclosed in note 15. The table below summarises the sensitivity of the price movements as at 30 June 2024. The analysis is based on the assumption that KSE-100 index increased by 10% (2023: 10%) and decreased by 10% (2023: 10%), with all other variables held constant and that the fair value of the Company's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index, having regard to the historical volatility of index of past three years (2020: three years).

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

| | 2024 | 2023 |
|--|-----------|-----------|
| | (Rupees) | |
| <i>Effect on assets of an increase in the KSE-100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'</i> | | |
| Effect on investments | 119,529 | 773,794 |
| Effect on profit or loss | 12,779 | 7,466 |
| Effect on equity | 119,529 | 773,794 |
| <i>Effect on assets of a decrease in the KSE-100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'</i> | | |
| Effect on investments | (119,529) | (773,794) |
| Effect on profit or loss | (12,779) | (7,466) |
| Effect on equity | (119,529) | (773,794) |

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2024 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

37.5 Operational risk

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

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

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

38. CAPITAL RISK MANAGEMENT

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

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

| | 2024 | 2023 |
|---------------|---------------|---------------|
| | (Rupees) | |
| Total debt | 1,234,684,037 | 2,311,811,286 |
| Total equity | 3,829,387,138 | 2,970,365,545 |
| Total capital | 5,064,071,175 | 5,282,176,831 |
| Gearing ratio | 29:71 | 44:56 |

39. FAIR VALUE MEASUREMENT

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

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

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

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

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

39.1 Accounting classifications and fair values

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

| | | 2024 | | | | | | | | |
|---|-------------|-----------------------------------|----------------------------|------------------------------------|-----------------------------|----------------------|-------------|---------|---------|-------------|
| | | Carrying amount | | | | Fair value | | | | |
| | | Fair value through profit or loss | FVOCI - equity instruments | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| 30 June 2024 | Note | (Rupees) | | | | | | | | |
| Financial assets - measured at fair value | | | | | | | | | | |
| Equity securities | | 11,913,372 | 39,512 | - | - | 11,952,884 | 11,952,884 | - | - | 11,952,884 |
| Equity securities - associate | | - | 180,845,861 | - | - | 180,845,861 | 180,845,861 | - | - | 180,845,861 |
| Financial assets - not measured at fair value | | | | | | | | | | |
| Subsidiaries - unlisted shares | 39.1.1 | - | - | 300,000,000 | - | 300,000,000 | | | | |
| Trade debts - net | 39.1.1 | - | - | 771,620,583 | - | 771,620,583 | | | | |
| Loans | 39.1.1 | - | - | 73,452,860 | - | 73,452,860 | | | | |
| Deposits and other receivables | 39.1.1 | - | - | 166,428,829 | - | 166,428,829 | | | | |
| Due from related parties | 39.1.1 | - | - | 2,386,000,706 | - | 2,386,000,706 | | | | |
| Cash and bank balances | 39.1.1 | - | - | 55,453,025 | - | 55,453,025 | | | | |
| | | 11,913,372 | 180,885,373 | 3,752,956,003 | - | 3,945,754,748 | | | | |
| Financial liabilities - not measured at fair value | | | | | | | | | | |
| Short term borrowings | 39.1.1 | - | - | - | 978,706,943 | 978,706,943 | | | | |
| Trade and other payables | 39.1.1 | - | - | - | 599,752,248 | 599,752,248 | | | | |
| Lease liabilities | 39.1.1 | - | - | - | 27,470,869 | 27,470,869 | | | | |
| Accrued mark-up on short term borrowings | | | | | | | | | | |
| Long term loan | 39.1.1 | - | - | - | 63,915,275 | 63,915,275 | | | | |
| Current portion of long term loan | 39.1.1 | - | - | - | 164,590,950 | 164,590,950 | | | | |
| Due to related parties | 39.1.1 | - | - | - | 804,866,924 | 804,866,924 | | | | |
| Unclaimed dividend | 39.1.1 | - | - | - | 3,514,025 | 3,514,025 | | | | |
| | | - | - | - | 2,700,809,569 | 2,700,809,569 | | | | |
| | | 2023 | | | | | | | | |
| | | Carrying amount | | | | Fair value | | | | |
| | | Fair value through profit or loss | FVOCI - equity instruments | Financial assets at amortised cost | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| 30 June 2023 | Note | (Rupees) | | | | | | | | |
| Financial assets - measured at fair value | | | | | | | | | | |
| Equity securities | | 746,572 | 45,600 | - | - | 792,172 | 792,172 | - | - | 792,172 |
| Equity securities - associate | | - | 76,587,215 | - | - | 76,587,215 | 76,587,215 | - | - | 76,587,215 |
| Financial assets - not measured at fair value | | | | | | | | | | |
| Subsidiaries - unlisted shares | 39.1.1 | - | - | 300,000,000 | - | 300,000,000 | | | | |
| Trade debts - net | 39.1.1 | - | - | 424,653,384 | - | 424,653,384 | | | | |
| Loans | 39.1.1 | - | - | 19,894,538 | - | 19,894,538 | | | | |
| Deposits and other receivables | 39.1.1 | - | - | 114,291,067 | - | 114,291,067 | | | | |
| Due from related parties | 39.1.1 | - | - | 2,580,326,357 | - | 2,580,326,357 | | | | |
| Cash and bank balances | 39.1.1 | - | - | 14,594,247 | - | 14,594,247 | | | | |
| | | 746,572 | 76,632,815 | 3,453,759,593 | - | 3,531,138,980 | | | | |
| Financial liabilities - not measured at fair value | | | | | | | | | | |
| Short term borrowings | 39.1.1 | - | - | - | 1,878,992,218 | 1,878,992,218 | | | | |
| Trade and other payables | 39.1.1 | - | - | - | 339,091,646 | 339,091,646 | | | | |
| Lease liabilities | 39.1.1 | - | - | - | 31,333,265 | 31,333,265 | | | | |
| Accrued mark-up on short term | 39.1.1 | - | - | - | 106,869,599 | 106,869,599 | | | | |
| Long term loan | 39.1.1 | - | - | - | 228,096,764 | 228,096,764 | | | | |
| Current portion of long term loan | 39.1.1 | - | - | - | 173,389,039 | 173,389,039 | | | | |
| Due to related parties | 39.1.1 | - | - | - | 254,800,890 | 254,800,890 | | | | |
| Unclaimed dividend | 39.1.1 | - | - | - | 3,527,781 | 3,527,781 | | | | |
| | | - | - | - | 3,016,101,202 | 3,016,101,202 | | | | |

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| | 2024 | | | | | 2023 | | | | |
|---|-------------------|--------------------|---------------------------|-------------------|--------------------|-------------------|--------------------|---------------------------|-------------------|--------------------|
| | Chief Executive | Executive Director | Non - Executive Directors | Executives | Total | Chief Executive | Executive Director | Non - Executive Directors | Executives | Total |
| | (Rupees) | | | | | (Rupees) | | | | |
| Managerial remuneration | 11,365,440 | 5,568,300 | - | 23,541,299 | 40,475,039 | 11,681,010 | 4,574,700 | - | 20,402,210 | 36,657,920 |
| Housing and utilities | 12,312,560 | 6,032,325 | - | 32,098,443 | 50,443,328 | 12,654,427 | 4,955,925 | - | 26,302,065 | 43,912,417 |
| Bonus | - | - | - | 4,366,667 | 4,366,667 | 5,821,875 | 2,156,250 | - | 9,788,439 | 17,766,564 |
| Medical | 2,156,642 | 240,016 | - | 1,991,980 | 4,388,638 | 1,134,805 | 194,583 | - | 873,867 | 2,203,255 |
| Company's contribution to retirement benefits funds | - | 556,830 | - | 1,616,410 | 2,173,240 | - | 457,470 | - | 1,488,059 | 1,945,529 |
| Meeting fee | - | - | 860,000 | - | 860,000 | - | - | 860,000 | - | 860,000 |
| | 25,834,642 | 12,397,471 | 860,000 | 63,614,799 | 102,706,912 | 31,292,117 | 12,338,928 | 860,000 | 58,854,640 | 103,345,685 |
| Number of persons | 1 | 1 | 5 | 11 | 18 | 1 | 1 | 5 | 8 | 15 |

40.1 Details of cost of cars to Chief Executives, Directors and certain Executives. The Chief Executive, Directors and certain Executives are provided with free use of group maintained cars in accordance with their entitlements. The approximate aggregate value of this benefit is Rs. 72.6 million (2023: Rs. 68.4 million).

41. PROVIDENT FUND

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

| | 2024 | 2023 |
|---|--------------|------------|
| | (Un-audited) | (Audited) |
| | (Rupees) | |
| Size of the Fund | 51,689,360 | 47,018,328 |
| Costs of investments made | 51,580,560 | 47,014,150 |
| Amortized cost of investments | 51,580,560 | 47,014,150 |
| Percentage of investments made - based on fair value / amortized cost | 99.78% | 100.00% |

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

| | 2024 | 2023 | 2024 | 2023 |
|---------------------------|-------------------|-------------------|-----------------------------|---------------|
| | (Un-audited) | (audited) | (Un-audited) | (audited) |
| | (Rupees) | | (% of the size of the fund) | |
| Term finance certificates | 49,752,644 | - | 96.25% | 0.00% |
| Mutual fund units | - | 16,526,805 | 0.00% | 35.15% |
| Government securities | - | 29,245,926 | 0.00% | 62.20% |
| Equity securities | 1,827,916 | 1,241,419 | 3.54% | 2.64% |
| | 51,580,560 | 47,014,150 | 99.79% | 99.99% |

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

Notes to the Unconsolidated Financial Statements

For the year ended 30 June 2024

42. PLANT CAPACITY AND PRODUCTION

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

43. NUMBER OF EMPLOYEES

Total number of employees at reporting date
Total number of factory employees at reporting date
Average number of employees during the year
Average number factory of employees during the year

| | 2024 | 2023 |
|--|----------|------|
| | (Number) | |
| | 576 | 382 |
| | 403 | 234 |
| | 479 | 558 |
| | 319 | 391 |

44. OPERATING SEGMENTS

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

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

44.3 All non-current assets of the Company as at 30 June 2024 are located in Pakistan.

44.4 Sales to four major customers of the Company is around 95% during the year ended 30 June 2024 (2023: 90%).

45. GENERAL

45.1 Authorisation for issue

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on 18 September 2024.



Chief Financial Officer



Chief Executive



Director



Financial statements (Consolidated)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOADS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Loads Limited and its subsidiary** (the Group), which comprise the consolidated statement of financial position as at **June 30, 2024**, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2024 and of the profit, comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the key audit matter:

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|---|---|
| 1. | <p>Revenue Recognition</p> <p>Refer notes 5.14 & 27 to the consolidated financial statements which shows group's revenue for the year ended 30 June 2024 was Rs. 4,490.36 million.</p> <p>The group's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products").</p> | <p>Our procedures amongst others, included the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls of revenue recognition; |

| Sr. No. | Key audit matters | How the matters were addressed in our audit |
|---------|--|--|
| | <p>We identified revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions, inherent risk that revenue could be recorded in an incorrect period or subject to manipulation in order to achieve financial targets and expectations.</p> | <ul style="list-style-type: none"> • Inspected sales contracts with OEMs, and on a sample basis for other customers, to understand and assess the terms and conditions therein which may affect revenue recognition; • Performed verification on a sample basis of revenue transactions with underlying documentation including sales invoices and other dispatch documents; • Compared on a sample basis, revenue transactions recorded just before and after the year end with the underlying goods delivery notes and other relevant documents to assess whether the revenue has been recognized in the appropriate accounting period; and • Assessed the appropriateness of disclosure presented in the consolidated financial statements in accordance with the requirement of IFRS 15. |

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the information included in annual report, but does not include the consolidated and unconsolidated financial statements and our auditor’s report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

YA

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

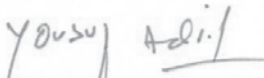
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Arif Nazeer.


Chartered Accountants

Place: Karachi
Date: September 27, 2024
UDIN: AR2024100997fLF1sg80

Consolidated Statement of Financial Position

As at 30 June 2024

| ASSETS | Note | 2024 | 2023 |
|--|------|----------------------|----------------------|
| | | (Rupees) | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 3,701,106,898 | 4,234,083,958 |
| Intangible assets | 7 | 129,105 | 1,504,305 |
| Long-term Investments | 8 | - | 87,171,573 |
| Long-term loans | 11 | 7,996,902 | 5,943,868 |
| Deferred tax assets | 22 | 23,243,390 | 22,111,999 |
| | | 3,732,476,295 | 4,350,815,703 |
| Current assets | | | |
| Stores, spares and loose tools | 28.2 | 55,261,065 | 66,676,325 |
| Stock-in-trade | 9 | 967,692,659 | 1,054,302,685 |
| Trade debts - net | 10 | 771,620,582 | 424,653,384 |
| Loans and advances | 12 | 210,752,150 | 109,688,024 |
| Due from related party | 35 | 1,150,380 | 1,150,380 |
| Deposits, prepayments and other receivables | 13 | 413,632,263 | 352,970,437 |
| Taxation - net | 14 | 392,180,952 | 398,065,618 |
| Short-term Investments | 15 | 11,952,884 | 792,171 |
| Cash and bank balances | 16 | 81,274,041 | 31,323,411 |
| | | 2,905,516,976 | 2,439,622,435 |
| Assets held for sale | 17 | - | 54,181,224 |
| | | 2,905,516,976 | 2,493,803,659 |
| Total assets | | 6,637,993,271 | 6,844,619,362 |
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised capital | | | |
| 400,000,000 ordinary shares of Rs.10 each | | 4,000,000,000 | 4,000,000,000 |
| Issued, subscribed and paid up capital | | | |
| Share premium | 19 | 2,512,500,000 | 2,512,500,000 |
| Fair value reserve | | 1,070,065,433 | 1,070,065,433 |
| | | (1,792,287) | (1,787,796) |
| Accumulated loss | | (374,840,255) | (1,040,322,294) |
| Equity attributable to owners of the Parent Company | | 3,205,932,891 | 2,540,455,343 |
| Non controlling Interests - (NCI) | 20 | (753,004,100) | (374,519,381) |
| | | 2,452,928,791 | 2,165,935,962 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | 21.1 | 17,634,377 | 24,331,998 |
| Defined benefit obligation - net | 23.2 | 36,204,835 | 29,052,445 |
| Long term loans | 24 | 494,627,969 | 872,629,618 |
| Deferred tax liabilities | 22 | - | - |
| | | 548,467,181 | 926,014,061 |
| Current liabilities | | | |
| Current maturity of lease liabilities | 21.1 | 9,836,492 | 7,001,267 |
| Current portion of long-term loans | 24 | 378,264,826 | 517,318,320 |
| Short-term borrowings | 25 | 978,706,943 | 1,883,751,991 |
| Trade and other payables | 26 | 1,347,323,700 | 908,194,157 |
| Due to related party | 35 | 22,048,871 | 22,048,871 |
| Loan from director | | 806,866,924 | 256,800,890 |
| Unclaimed dividend | | 3,514,025 | 3,527,781 |
| Accrued mark-up on short-term financing | | 90,035,518 | 154,026,062 |
| | | 3,636,597,299 | 3,752,669,339 |
| Total equity and liabilities | | 6,637,993,271 | 6,844,619,362 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 18 | | |

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

Chief Financial Officer

Chief Executive

Director

Consolidated Statement of Profit or Loss

For the year ended 30 June 2024

| | Note | 2024 | 2023 |
|--|-------|----------------------|------------------------|
| (Rupees) | | | |
| Revenue - net | 27 | 4,490,363,976 | 4,493,834,371 |
| Cost of revenue | 28 | (3,674,601,563) | (3,723,797,005) |
| Gross profit | | 815,762,413 | 770,037,366 |
| Administrative, selling and general expenses | 29 | (295,856,200) | (354,777,517) |
| Impairment of property, plant and equipment | 6.2.1 | (291,318,612) | (1,199,617,638) |
| Expected Credit Loss (ECL) | | - | (258,314,275) |
| Other expenses | 30 | (33,182,112) | (8,341,348) |
| Other income | 31 | 1,117,355,278 | 183,354,824 |
| Operating profit / (loss) | | 1,312,760,767 | (867,658,588) |
| Finance costs | 32 | (803,771,579) | (784,966,470) |
| Share of profit in associate - net | 8.1.2 | - | 3,803,800 |
| Provision for impairment in associate | 8.1.2 | - | (65,735,339) |
| Gain on disposal in investment in associate | 8.1.3 | 36,584,052 | - |
| Profit / (loss) before revenue taxes and income taxes | | 545,573,240 | (1,714,556,597) |
| Revenue taxes | 33.1 | (700,377) | (336,866) |
| Profit / (loss) before income taxes | | 544,872,863 | (1,714,893,463) |
| Income taxes | 33.2 | (257,615,887) | (83,471,516) |
| Profit / (loss) for the year | | 287,256,976 | (1,798,364,979) |
| Profit / (loss) attributable to: | | | |
| Owners of the Parent Company | | 665,741,695 | (1,313,540,524) |
| Non-controlling interests | 20 | (378,484,719) | (484,824,455) |
| | | 287,256,976 | (1,798,364,979) |
| Earning / (loss) per share - basic and diluted | 34 | 2.65 | (5.23) |

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



Chief Financial Officer



Chief Executive



Director

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

| Note | 2024 | 2023 |
|---|--------------------|------------------------|
| | (Rupees) | |
| Profit / (loss) for the year | 287,256,976 | (1,798,364,979) |
| Other comprehensive income for the year - net of tax | | |
| <i>Items that will not be subsequently reclassified to profit or loss</i> | | |
| Re-measurement loss on defined benefit obligation - net of tax | 23.2.4 (259,656) | (3,990,164) |
| Change in fair value of equity investments at FVOCI - net of tax | 15.3.1 (4,491) | 30,248 |
| Share of other comprehensive gain in associate - net of tax | 8.1.2 - | 7,252,299 |
| Total comprehensive income / (loss) for the year | 286,992,829 | (1,795,072,596) |
| Total comprehensive income / (loss) attributable to | | |
| Owners of the Parent Company | 665,477,548 | (1,310,248,141) |
| Non-controlling interests | 20 (378,484,719) | (484,824,455) |
| | 286,992,829 | (1,795,072,596) |

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



Chief Financial Officer



Chief Executive



Director

Consolidated Statement of Changes In Equity

For the year ended 30 June 2024

| | Attributable to owners of the Parent Company | | | | Total | Non controlling interests | Total equity |
|---|--|----------------------|--------------------|--------------------------------|----------------------|---------------------------|----------------------|
| | Share capital | Capital reserve | Revenue reserves | | | | |
| | Issued, subscribed and paid up capital | Share premium | Fair value reserve | Unappropriated profit / (loss) | | | |
| | (Rupees) | | | | | | |
| Balance at 1 July 2022 | 2,512,500,000 | 1,070,065,433 | (1,818,044) | 269,956,095 | 3,850,703,484 | 110,305,074 | 3,961,008,558 |
| Total comprehensive income for the year ended 30 June 2023 | | | | | | | |
| Profit / (loss) for the year | - | - | - | (1,313,540,524) | (1,313,540,524) | (484,824,455) | (1,798,364,979) |
| Re-measurement gain on defined benefit obligation - net of tax | - | - | - | (3,990,164) | (3,990,164) | - | (3,990,164) |
| Change in fair value of equity investments at FVOCI - net of tax | - | - | 30,248 | - | 30,248 | - | 30,248 |
| Share of other comprehensive gain in associate - net of tax | - | - | - | 7,252,299 | 7,252,299 | - | 7,252,299 |
| | - | - | 30,248 | (1,310,278,389) | (1,310,248,141) | (484,824,455) | (1,795,072,596) |
| Balance at 30 June 2023 | 2,512,500,000 | 1,070,065,433 | (1,787,796) | (1,040,322,294) | 2,540,455,343 | (374,519,381) | 2,165,935,962 |
| Total comprehensive income for the year ended 30 June 2024 | | | | | | | |
| Profit / (loss) for the year | - | - | - | 665,741,695 | 665,741,695 | (378,484,719) | 287,256,976 |
| Re-measurement loss on defined benefit obligation - net of tax | - | - | - | (259,656) | (259,656) | - | (259,656) |
| Change in fair value of equity investments at FVOCI - net of tax | - | - | (4,491) | - | (4,491) | - | (4,491) |
| | - | - | (4,491) | 665,482,039 | 665,477,548 | (378,484,719) | 286,992,829 |
| Balance at 30 June 2024 | 2,512,500,000 | 1,070,065,433 | (1,792,287) | (374,840,255) | 3,205,932,891 | (753,004,100) | 2,452,928,791 |

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



Chief Financial Officer



Chief Executive



Director

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

| | Note | 2024 | 2023 |
|---|--------|-----------------|-----------------|
| | | (Rupees) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit / (loss) before taxation | | 545,573,240 | (1,714,556,597) |
| Adjustments for: | | | |
| Depreciation | 6.1 | 75,065,266 | 75,176,350 |
| Amortisation | 7 | 1,375,200 | 1,375,200 |
| Provision for obsolescence and slow moving stocks - net | 9.1 | 5,749,728 | 10,392,962 |
| Finance costs | 32 | 769,755,338 | 726,976,001 |
| Finance lease charges | 32 | 6,705,758 | 5,353,710 |
| Provision for gratuity | 23.2.3 | 5,863,622 | 5,666,506 |
| Gain on disposal of property, plant and equipment | 31 | (1,058,827,210) | (65,387,115) |
| Share of profit in associate continued - net of tax | | - | (3,803,800) |
| Provision for impairment / (gain) against investment in associate | | (36,584,052) | 65,735,339 |
| Impairment of property, plant and equipment | | 291,318,612 | 1,199,617,638 |
| ECL of advances, deposits and other receivable | | - | 258,314,275 |
| Reversal of provision unclaimed input tax | 31 | - | (68,135,931) |
| Mark-up income on saving account | 31 | (711,215) | (1,141,875) |
| Dividend income | 31 | (1,317,244) | (26,244) |
| Mark-up income on loans to employees | 31 | (353,876) | (560,554) |
| Income on investment in PIB | 31 | (282,115) | (852,877) |
| Government grant | 31 | - | (413,421) |
| | | 603,331,052 | 493,729,567 |
| Working capital changes | | | |
| (Increase) / decrease in current assets | | | |
| Stores, spares and loose tools | | 11,415,260 | (11,613,259) |
| Stock-in-trade | | 80,860,298 | 554,235,851 |
| Trade debts - net | | (346,967,198) | 484,840,740 |
| Loans and advances | | (103,117,156) | 145,377,982 |
| Deposits, prepayments and other receivables | | (60,661,826) | (115,597,460) |
| | | (418,470,622) | 1,057,243,854 |
| Increase / (decrease) in current liabilities | | | |
| Trade and other payables | | 439,129,543 | (82,152,116) |
| | | 623,989,973 | 1,468,821,305 |
| Cash generated from operations | | | |
| Contributions paid to defined benefit plan | | 1,029,112 | (9,541,993) |
| Mark-up received from loans to employees | | 353,876 | 560,554 |
| Finance cost paid | | (696,222,330) | (649,757,664) |
| Income taxes paid - net | | (249,424,448) | (215,460,402) |
| Net cash (used in) / generated from operating activities | | (320,273,817) | 594,621,800 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for acquisition of property, plant and equipment | | (31,726,015) | (318,966,742) |
| Proceeds from disposal of property and equipment | 6.1.7 | 1,315,693,627 | 103,177,000 |
| Proceed from disposal / (acquisition) of investment -net | | 102,535,752 | - |
| Coupon received on PIB | | 282,115 | 852,877 |
| Mark-up received on bank deposits | | 711,215 | 1,141,875 |
| Dividend received | | 1,317,244 | 26,244 |
| Net cash generated from / (used in) investing activities | | 1,388,813,938 | (213,768,746) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments against finance lease obligation | 21 | (14,934,154) | (15,885,204) |
| Loans obtained / (repaid) to directors | | 414,000,000 | 252,800,890 |
| Long term loans obtained from banking company | 36 | - | 53,592,000 |
| Proceeds from Invoice bill discounting | | (225,441,109) | (290,737,598) |
| Loan repaid to banking company | 36 | (517,055,143) | (327,753,549) |
| Net cash used in financing activities | | (343,430,406) | (327,983,461) |
| Net increase in cash and cash equivalents | | 725,109,715 | 52,869,593 |
| Cash and cash equivalents at beginning of the year | | (1,092,131,660) | (1,145,001,253) |
| Cash and cash equivalents at end of the year | 16.2 | (367,021,945) | (1,092,131,660) |

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

Chief Financial Officer

Chief Executive

Director

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1. CORPORATE AND GENERAL INFORMATION

1.1 Legal status and operations

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

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

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

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

During the period the Group's registered office and plant is shifted to Plot No. DSU 19 sector - II Pak Steel Industrial Estate, Bin Qasim 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 |
|---|--------------------|---------------------|-------|--|
| | | 2024 | 2023 | |
| 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 | 0% | 2.85% | Manufacture and sale of razors, razor blades and other trading activities. |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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

The operations of the subsidiary company, SMPL has ceased the operations of the Company from 1 July 2015. Accordingly, these financial statements have not been prepared on going concern basis. Therefore, all assets and liabilities will be realised and discharged respectively at their carrying book values as reflected in the financial statements.

1.2 Liquidity position and its management

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

3 USE OF JUDGMENTS AND ESTIMATES

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

Information about judgments made in applying accounting policies that have the most significant effects on the amount recognized in the financial statements and to the carrying amount of the assets and liabilities and assumptions and estimation uncertainties that may have a significant risk resulting in a material adjustment in the subsequent year are set forth below:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

- Assumptions and estimates used in determining the recoverable amount, residual values and useful lives of property, plant and equipment (note 6);
- Provision for impairment of stock-in-trade (note 9.1);
- Net defined benefit obligation (note 23);
- Contingencies (note 18).
- Provision for taxation (note 33).

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

4.1 New amendments that are effective for the year ended June 30, 2024

4.1.1 The following amendments are effective for the year ended June 30, 2024. These amendments are either not relevant to the Company's / operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 'Presentation of Financial Statements' and IFRS practice statement 2 - Disclosure of accounting policies

Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates

Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.

Amendments to IAS 12 'Income taxes' - International Tax Reform — Pillar Two Model Rules

4.1.2 Standard and amendments to IFRS that are not yet effective

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's / operations or are not expected to have significant impact on the Company's / financial statements other than certain additional disclosures.

| | Effective from accounting period beginning on or after |
|--|---|
| - Amendments to IFRS 16 'Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions | January 01, 2024 |
| - Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current along with Non-current liabilities with Covenants | January 01, 2024 |
| - Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements | January 01, 2024 |
| - Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability | January 01, 2025 |
| - IFRS 17 – Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17) | January 01, 2026 |
| - Amendments IFRS 9 'Financial Instruments' and IFRS 7 'Financial instruments disclosures' - Classification and measurement of financial instruments | January 01, 2026 |

Other than the aforesaid amendments, IASB has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 18 - Presentation and Disclosures in Financial Statements
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

During the year, the Institute of Chartered Accountants of Pakistan (ICAP) issued guidance – “IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes”. The said guidance requires that minimum and final taxes, which do not meet the criteria of income tax expense as per IAS 12 “Income Tax”, should instead be accounted for under IFRIC 21 'Levies' and IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'.

Accordingly, the impact has been incorporated in these financial statements retrospectively in line with the requirements of IAS 8 – ‘Accounting Policies, Change in Accounting Estimates and Errors’. These changes has no impact on the Statement of Financial Position, Earnings per share and Statement of Changes in Equity.

Effect on statement of profit or loss:

For the year ended June 30, 2023

Taxation:

- current year
- prior year
- deferred tax

Revenue taxes

| | Current Classification | Previous Classification |
|--|------------------------|-------------------------|
| | (Rupees) | |
| | 129,913,620 | 130,250,486 |
| | - | - |
| | (46,442,104) | (46,442,104) |
| | 83,471,516 | 83,808,382 |
| | 336,866 | - |

5 MATERIAL ACCOUNTING POLICY INFORMATION

The significant accounting policies and methods of computations adopted in applied in the preparation of these consolidated financials statements are set out below. These have been consistently applied to all the periods presented.

5.1 Basis of Consolidation

5.1.1 Subsidiaries

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

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

5.1.2 Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

5.1.3 Loss of control

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

5.1.4 Interests in equity-accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but no control or joint control, over the financial and operating policies.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognised in consolidated statement of profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount. Impairment policy of non financial assets are included in note 5.5.2.

5.1.5 Transactions eliminated on consolidation

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

5.2 Property, plant and equipment

Recognition and measurement

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

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

Subsequent expenditure

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

Depreciation

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

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

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

Gains and losses on disposal

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

Impairment

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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

5.3 Intangible assets

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

Amortisation

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

5.4 Financial Instruments

5.4.1 Initial measurement of financial asset

The Group classifies its financial assets into following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

Subsequent measurement

| | |
|--|--|
| Debt Investments at FVOCI | These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, and impairment are recognised in the consolidated statement of profit or loss. Other net gains and losses are recognised in consolidated other comprehensive income. On de-recognition, gains and losses accumulated in other consolidated comprehensive income are reclassified to the consolidated statement of profit and loss. |
| Equity Investments at FVOCI | These assets are subsequently measured at fair value. Dividends are recognised as income in the consolidated statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in consolidated other comprehensive income and are never reclassified to the consolidated statement of profit and loss. |
| Financial assets at FVTPL | These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in the consolidated statement of profit and loss. |
| Financial assets measured at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest / mark-up income, and impairment are recognised in the consolidated statement of profit and loss. |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

5.4.2 Non-derivative financial assets

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets. The Group derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

5.4.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when the Group has a legally enforceable right to offset and the Parent Company intends to either settle on a net basis, or to realise the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also offset and the net amount is reported in the consolidated financial statements only when permitted by the accounting and reporting standards as applicable in Pakistan.

5.4.4 Financial liabilities

Financial liabilities are initially recognised on trade date i.e. date on which the Group becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Parent Company derecognises the financial liabilities when contractual obligations are discharged, cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

5.5 Impairment

5.5.1 Financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets.

Notes to the Consolidated Financial Statements

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The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Based on the management assessment no ECL was required since the Group's financial assets at amortized cost are held with related parties or counterparties with low credit risk. Further, ECL calculated on Trade Debts was not required as the amount assessed was immaterial to the consolidated financial statements.

5.5.2 Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss.

5.6 Provisions

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

5.7 Stores, spares and loose tools

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

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

5.8 Stock-in-trade

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

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

5.9 Cash and cash equivalents

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

5.10 Foreign currency translation

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

5.11 Taxation

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

Current tax

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

Deferred tax

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

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

Levies

Tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income or any minimum tax which is not adjustable against future income tax liability is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

5.12 Staff retirement and other service benefits

Defined benefit scheme - Gratuity

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

Compensated absences

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

Defined Contribution plan - Provident Fund

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

5.13 Earnings per share

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

5.14 Revenue from contracts with customers

Made to order products

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

Standard products

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

5.15 Dividend distribution and appropriation to reserves

Dividend distribution to the Parent company's shareholders and appropriation to reserves is recognised in the period in which these are approved. The distribution of dividend is subject to the covenant as mentioned in note 25.6.

5.16 Operating Segment

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

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

5.17 Fair value measurement

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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

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

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

5.18 Investment and other income

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

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

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

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

5.19 Borrowing cost

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

5.20 Borrowings

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

5.21 Government grants

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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

5.22 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less provision for any uncollectible debts. Refer note 5.5 for a description of the Group's impairment policies.

5.23 Leases

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

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

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

| 6. PROPERTY, PLANT AND EQUIPMENT | Note | 2024 | 2023 |
|----------------------------------|------|----------------------|---------------|
| | | (Rupees) | |
| Operating assets | 6.1 | 663,672,642 | 875,297,990 |
| Capital work-in-progress | 6.2 | 3,037,434,256 | 3,358,785,968 |
| | | 3,701,106,898 | 4,234,083,958 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

6.1 Operating assets

| | 2024 | | | | | Annual rate | 2023 | | | | | Annual rate | Net book value as at 30 June 2024 | |
|--|-------------------|--|-----------------------|-----------------------------|---------------|---------------|--------------------------|-------------------|--------------|-----------------------------|-------------|--------------|-----------------------------------|--|
| | Cost | | | | | | Accumulated depreciation | | | | | | | |
| | As at 1 July 2023 | Non-current assets classified as held for sale | Additions / transfers | Transfer from leased assets | (Disposals) | | As at 30 June 2024 | As at 1 July 2023 | For the year | Transfer from leased assets | (Disposals) | | | Non-current assets classified as held for sale |
| Owned | (Rupees) | | | | | % | (Rupees) | | | | | | | |
| Freehold land (note 6.1.1) | 25,080,000 | - | - | - | - | 25,080,000 | - | - | - | - | - | 25,080,000 | | |
| Leasehold land (note 6.1.1) | 18,613,541 | 1,089,774 | - | - | (1,089,774) | 18,613,541 | - | - | - | - | 120,504 | 18,493,037 | | |
| Building on leasehold land | 244,161,180 | 94,588,140 | 3,970,378 | - | (94,588,140) | 248,131,558 | 5 | 92,915,907 | 41,496,690 | 5,569,888 | - | (41,496,690) | 98,485,795 | 149,645,763 |
| Plant and machinery (note 6.1.4) | 782,320,956 | - | 54,078,641 | - | - | 836,399,597 | 10 - 20 | 459,632,363 | - | 36,289,300 | - | - | 495,921,663 | 340,477,934 |
| Tools and equipment | 564,655,920 | - | 2,890,000 | - | (211,260,360) | 356,285,560 | 10 - 35 | 280,664,783 | - | 18,330,290 | - | (12,235,496) | 286,759,577 | 69,525,983 |
| Furniture, fittings and office equipment | 76,673,921 | - | 820,096 | - | - | 77,494,017 | 10 - 30 | 58,586,990 | - | 3,730,700 | - | - | 62,317,690 | 15,176,327 |
| Vehicles | 70,601,789 | - | - | - | (19,617,915) | 50,983,874 | 20 | 57,648,701 | - | 2,211,344 | - | (15,325,327) | 44,534,718 | 6,449,156 |
| Right of use assets | | | | | | | | | | | | | | |
| Vehicles | 59,585,342 | - | 4,366,000 | - | - | 63,951,342 | 20 | 16,825,411 | - | 8,933,744 | - | (632,255) | 25,126,900 | 38,824,442 |
| | 1,841,692,649 | 95,677,914 | 66,125,115 | - | (326,556,189) | 1,676,939,489 | | 966,394,659 | 41,496,690 | 75,065,266 | - | (69,689,768) | 1,013,266,847 | 663,672,642 |

| | 2023 | | | | | Annual rate | 2022 | | | | | Annual rate | Net book value as at 30 June 2023 | |
|--|-------------------|-----------------------|-----------------------------|---------------|--|---------------|--------------------------|-------------------|--------------|-----------------------------|--------------|-------------|-----------------------------------|--|
| | Cost | | | | | | Accumulated depreciation | | | | | | | |
| | As at 1 July 2022 | Additions / transfers | Transfer from leased assets | (Disposals) | Non-current assets classified as held for sale | | As at 30 June 2023 | As at 1 July 2022 | For the year | Transfer from leased assets | (Disposals) | | | Non-current assets classified as held for sale |
| Owned | (Rupees) | | | | | % | (Rupees) | | | | | | | |
| Freehold land (note 6.1.1) | 25,080,000 | - | - | - | - | 25,080,000 | - | - | - | - | - | 25,080,000 | | |
| Leasehold land (note 6.1.1) | 19,703,315 | - | - | - | 1,089,774 | 18,613,541 | - | - | - | - | - | 120,504 | 18,493,037 | |
| Building on leasehold land | 337,254,726 | 1,494,594 | - | - | 94,588,140 | 244,161,180 | 5 | 123,395,125 | 11,017,472 | - | 41,496,690 | 92,915,907 | 151,245,273 | |
| Plant and machinery (note 6.1.5) | 864,831,762 | 19,035,032 | - | (101,545,838) | - | 782,320,956 | 10 - 20 | 486,362,201 | 38,866,213 | - | (65,596,051) | 459,632,363 | 322,688,593 | |
| Tools and equipment | 341,483,848 | 223,172,072 | - | - | - | 564,655,920 | 10 - 35 | 271,595,531 | 9,069,252 | - | - | 280,664,783 | 283,991,137 | |
| Furniture, fittings and office equipment | 75,987,460 | 686,461 | - | - | - | 76,673,921 | 10 - 30 | 53,867,318 | 4,719,672 | - | - | 58,586,990 | 18,086,931 | |
| Vehicles | 78,711,709 | - | - | (8,109,920) | - | 70,601,789 | 20 | 60,604,025 | 3,314,498 | - | (6,269,822) | 57,648,701 | 12,953,088 | |
| Right of use assets | | | | | | | | | | | | | | |
| Vehicles | 48,048,842 | 11,536,500 | - | - | - | 59,585,342 | 20 | 8,636,168 | 8,189,243 | - | - | 16,825,411 | 42,759,931 | |
| | 1,791,101,662 | 255,924,659 | - | (109,655,758) | 95,677,914 | 1,841,692,649 | | 1,004,580,872 | 75,176,350 | - | (71,865,873) | 41,496,690 | 966,394,659 | 875,297,990 |

6.1.1 Freehold land represents a plot in Lahore measuring 23 Kanals and 18 Marlas, held by the Group for the expansion of business in future.

6.1.2 Carrying amount of temporary idle property of the Group.

Freehold land

| | 2024 | 2023 |
|--|------------|------------|
| | (Rupees) | |
| | 25,080,000 | 25,080,000 |

6.1.3 Freehold land and buildings are subject to a first equitable mortgage against long term loan facility of Rs. 300 million (2023: Rs. 1,251.7 million) obtained from JS Bank Limited (note 24).

6.1.4 Plant and machinery situated at Plot No. DSU 19 sector - II Pak Steel Industrial Estate, Bin Qasim Industrial Area, Karachi. They are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 267 million and Rs. 520 million (2022: Rs. 1,201 million and Rs. 520 million) respectively. These charges are against different financing facilities obtained from various banks (note 24.1).

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

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

Cost of sales
Administrative, selling and general expenses

Note

28
29

| | 2024 | 2023 |
|--|------------|------------|
| | (Rupees) | |
| | 66,981,728 | 64,279,177 |
| | 8,083,538 | 10,897,173 |
| | 75,065,266 | 75,176,350 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

6.1.7 Details of property, plant and equipment disposed off

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

| Asset | 2024 | | | | | Particulars of the purchaser | Mode of disposal | Relationship with the purchaser |
|----------------------------|--------------------|--------------------------|--------------------|----------------------|---------------------------|------------------------------|------------------|---------------------------------|
| | Cost | Accumulated depreciation | Net book value | Sale proceeds | Gain / (loss) on disposal | | | |
| Owned | (Rupees) | | | | | | | |
| Vehicles | | | | | | | | |
| JZ-2928 | 1,475,602 | 1,196,662 | 278,940 | 1,710,000 | 1,431,060 | Ashfaq Motiwala | Negotiation | Third party |
| JZ-3667 | 1,659,868 | 1,267,652 | 392,216 | 2,010,000 | 1,617,784 | Ashfaq Motiwala | Negotiation | Third party |
| JV-0142 | 1,895,000 | 1,627,940 | 267,060 | 1,593,000 | 1,325,940 | Muhammad Arif | Negotiation | Third party |
| KT-1294 | 1,600,690 | 1,403,514 | 197,176 | 1,969,000 | 1,771,824 | Muhammad Arif | Negotiation | Third party |
| KT-1295 | 1,600,690 | 1,403,514 | 197,176 | 1,969,000 | 1,771,824 | Muhammad Arif | Negotiation | Third party |
| KU-3882 | 648,920 | 532,489 | 116,431 | 567,786 | 451,355 | Naveed Rauf | Negotiation | Third party |
| KU-1541 | 646,900 | 533,846 | 113,054 | 531,786 | 418,732 | Naveed Rauf | Negotiation | Third party |
| KU-3884 | 648,920 | 524,172 | 124,748 | 541,786 | 417,038 | Naveed Rauf | Negotiation | Third party |
| KU-3885 | 648,920 | 524,172 | 124,748 | 561,786 | 437,038 | Naveed Rauf | Negotiation | Third party |
| BDU-374 | 1,311,265 | 878,606 | 432,659 | 1,622,000 | 1,189,341 | Syed Faizan Ali | Negotiation | Third party |
| JZ-4549 | 1,768,275 | 1,290,569 | 477,706 | 2,275,000 | 1,797,294 | Ashfaq Motiwala | Negotiation | Third party |
| BCK-457 | 1,039,000 | 897,805 | 141,195 | 1,350,000 | 1,208,805 | Ashfaq Motiwala | Negotiation | Third party |
| BMW-305 | 1,577,350 | 1,101,403 | 475,947 | 2,158,999 | 1,683,052 | Sheeraz Khan | Negotiation | Third party |
| CX-1213 | 761,615 | 577,768 | 183,847 | 795,999 | 612,152 | Sheeraz Khan | Negotiation | Third party |
| JU-5732 | 1,685,900 | 1,565,219 | 120,681 | 1,675,000 | 1,554,319 | Muhammad Arif | Negotiation | Third party |
| Shehzore | 649,000 | 632,255 | 16,745 | 1,650,000 | 1,633,255 | Hssan muhammad | Negotiation | Third party |
| Toolings | 211,260,360 | 12,235,492 | 199,024,868 | 282,712,489 | 83,687,621 | Indus Motor Company | Negotiation | Third party |
| LAND & BUILDING | | | | | | | | |
| Lease hold land | 1,089,774 | | 1,089,774 | | | | | |
| Building on leasehold land | | | | 1,010,000,000 | 955,818,776 | High Q Pharma | Negotiation | Third party |
| | <u>94,588,140</u> | <u>41,496,690</u> | <u>53,091,450</u> | | | | | |
| | <u>326,556,189</u> | <u>69,689,768</u> | <u>256,866,421</u> | <u>1,315,693,631</u> | <u>1,058,827,210</u> | | | |

6.2 Capital work-in-progress

Note

| | 2024 | 2023 |
|--------------------------------|----------------------|----------------------|
| | (Rupees) | |
| Plant and machinery | 3,084,692,860 | 3,084,692,890 |
| Building and construction work | 1,370,964,787 | 1,370,213,887 |
| Tools and equipment | 72,712,859 | 103,496,829 |
| Provision for impairment | 4,528,370,506 | 4,558,403,606 |
| | (1,490,936,250) | (1,199,617,638) |
| | <u>3,037,434,256</u> | <u>3,358,785,968</u> |

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

| | | | |
|--|-------|----------------------|----------------------|
| Balance at beginning of the year | | 3,358,785,968 | 4,483,825,023 |
| Additions during the year | | 36,092,045 | 330,353,242 |
| Transferred to operating property, plant and equipment | | (66,125,145) | (255,774,659) |
| Provision for impairment of HAWL | 6.2.1 | (291,318,612) | (1,199,617,638) |
| Balance at end of the year | | <u>3,037,434,256</u> | <u>3,358,785,968</u> |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

6.2.1.1 As at June 30, 2024, the recoverable amount under IAS - 36 "Impairment of assets" of HAWL has been calculated which is lower than carrying amount of fixed assets. The breakdown of these adjustments is as follows:

| Description | Carrying value | Fair value less cost to sell | Impairment | Carrying value after impairment |
|-------------------|----------------------|------------------------------|----------------------|---------------------------------|
| | ----- (Rupees) ----- | | | |
| Building | 1,415,278,727 | (675,674,035) | 739,604,692 | 675,674,035 |
| Plant & Machinery | 3,065,150,394 | (2,313,818,836) | 751,331,558 | 2,313,818,836 |
| | 4,480,429,121 | (2,989,492,871) | 1,490,936,250 | 2,989,492,871 |

Fair values of fixed assets (Building and plant and machinery) (level 3 measurement) has been determined by a professional valuer based on their assessment of the market values . The effect of changes in the unobservable inputs used in the variations cannot be determined with certainty. Accordingly, a qualitative disclosure of sensitivity has not been presented in these consolidated financial statements.

7. INTANGIBLE ASSETS

| | 2024 | | | | Useful life (Years) | 2023 | | | | |
|--------------------------------|-------------------|----------|-------------|--------------------|------------------------|-------------------|--------------|-----------------------|-----------------------------------|--------------------|
| | Cost | | | As at 30 June 2024 | | Amortisation | | | Net book value as at 30 June 2024 | |
| | As at 1 July 2023 | Addition | (Disposals) | | | As at 1 July 2023 | For the year | (Disposals) June 2024 | | As at 30 June 2024 |
| (Rupees) | | | | (Rupees) | | | | | | |
| Computer software and licenses | 21,654,365 | - | - | 21,654,365 | 3 | 20,150,060 | 1,375,200 | - | 21,525,260 | 129,105 |
| | ----- | | | | | ----- | | | | |
| | 2023 | | | | | 2022 | | | | |
| | Cost | | | As at 30 June 2023 | Useful life (Years) | Amortisation | | | Net book value as at 30 June 2023 | |
| | As at 1 July 2022 | Addition | (Disposals) | | | As at 1 July 2022 | For the year | (Disposals) June 2023 | | As at 30 June 2023 |
| (Rupees) | | | | (Rupees) | | | | | | |
| Computer software and licenses | 21,654,365 | - | - | 21,654,365 | 3 | 18,774,860 | 1,375,200 | - | 20,150,060 | 1,504,305 |
| | ----- | | | | | ----- | | | | |

7.1 At 30 June 2024, the cost of fully amortised intangible amounted to Rs. 17.53 million (2022: Rs. 17.53 million).

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

7.3 Computer software relates to SAP business license.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| 8. LONG-TERM INVESTMENTS | Note | 2024 | 2023 |
|--|------|----------|------------|
| | | (Rupees) | |
| Investment in associate - listed (Treet Corporation Limited) | 8.1 | - | 76,587,215 |
| Investment in Pakistan Investment Bond (PIB) | | - | 10,584,358 |
| | | - | 87,171,573 |

8.1 Interests in equity-accounted investees

The following associate, over which the Parent Company has significant influence due to common directorship, is accounted for using equity method of accounting as defined in IAS 28 "Investment in Associates".

| 2024 | 2023 | | 2024 | 2023 |
|--------------------|-----------|---------------------------|----------|------------|
| (Number of shares) | | | (Rupees) | |
| | | Quoted | | |
| | | Treet Corporation Limited | | |
| | | (Chief Executive Officer | | |
| | | - Syed Shahid Ali) | | |
| - | 4,837,958 | | - | 76,587,215 |

8.1.2 Market value of investment in associate is as follows:

| | Note | 2024 | 2023 |
|---------------------------|-------|----------|------------|
| | | (Rupees) | |
| Quoted | | | |
| Treet Corporation Limited | 8.1.3 | - | 76,587,215 |

8.1.3 During the year the Company subscribed to letter of right issue for 5,205,744 shares amounting to Rs. 67.67 million resulting in the total carrying value of investment in associate amounting to Rs. 144.26 million. 10,043,696 shares (2023 : 4,400,000 shares) of Treet Corporation Limited has been sold during the year having an aggregate market value of Rs. 184.84 million (2023: Rs.76.58 million) with gain on disposal amounting to Rs. 36.58 million.

8.1.4 In the year ended 30 June 2024 Treet Corporation Limited was considered as an associate by virtue of common directorship i.e. (3 directors are common out of 7 directors). During the year ended 30 June 2024 all the shares of the associate were sold, hence there was 0% holding (2023 : 2.85% effective holding).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

8.1.5 Summarised financial information based on audited annual financial statements for the year ended 30 June 2024 and 30 June 2023 is as follows:

| | 2024 | 2023 |
|--|------|--------------|
| Direct holding | - | 2.77% |
| Effective holding | - | 2.85% |
| (Rupees in 000) | | |
| Non-current assets | - | 17,821,644 |
| Current assets | - | 9,300,403 |
| Non-current liabilities | - | (4,400,532) |
| Current liabilities | - | (12,866,933) |
| Net assets (100%) | - | 9,854,582 |
| Group share of net assets | - | 280,855 |
| Eliminations | - | - |
| Negative goodwill * | - | (204,268) |
| Carrying amount of interest in associate | - | 76,587 |

* Negative goodwill has not been recognized in the statement of profit or loss as the investment is carried at lower of recoverable amount and carrying amount.

| | 2024 | 2023 |
|--|------|------------|
| (Rupees in 000) | | |
| Financial highlights of Treet Corporation Limited | | |
| Revenue - net | - | 23,352,714 |
| Loss after tax (100%) | - | 28,385 |
| Other comprehensive loss from continuing operations - net of tax | - | (73,162) |
| Total comprehensive loss for the year (100%) | - | (44,777) |
| Share of total comprehensive loss | - | (1,281) |
| Loss after tax (2024: 0% 2023: 2.85%) | - | 812 |
| Other comprehensive income (2024: 0% 2023: 2.85%) | - | (2,092) |
| Group's share of total comprehensive loss (2024: 0% 2023: 2.85%) | - | (1,280) |

9. STOCK-IN-TRADE

| | Note | 2024 | 2023 |
|---|-----------|----------------------|---------------|
| Raw material and components | 9.2 & 9.3 | 896,958,540 | 972,975,395 |
| Work-in-process | | 115,219,072 | 105,801,677 |
| Finished goods | | 4,186,604 | 18,447,442 |
| | | 1,016,364,216 | 1,097,224,514 |
| Provision for obsolescence and slow moving stocks | 9.1 | (48,671,557) | (42,921,829) |
| | | 967,692,659 | 1,054,302,685 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

9.1 Provision for obsolescence and slow moving stocks

| | | 2024 | 2023 |
|--------------------------|------|------------|-------------|
| | Note | (Rupees) | |
| Opening balance | | 42,921,829 | 32,528,867 |
| Charge for the year | 28.1 | 5,749,728 | 17,192,512 |
| Reversal during the year | | - | (6,799,550) |
| Closing balance | | 48,671,557 | 42,921,829 |

9.2 This includes raw materials in transit and in possession of Company's subsidiaries as at 30 June 2024 amounting to Rs. 513 million (2023: Rs. 228 million) and Rs. 27 million (2023: Rs. 337 million) respectively.

9.3 Raw materials held with toll manufacturers as at 30 June 2024 amounted to Rs. 79.2 million (2023: Rs. 19.4 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 867 million and Rs. 1,712 million (2023: Rs. 601 million and Rs. 1,712 million) respectively. These charges are against different financing facilities obtained from various banks (note 25.1).

10. TRADE DEBTS - NET

| | | 2024 | 2023 |
|------------------|------|-------------|-------------|
| | Note | (Rupees) | |
| Unsecured | | | |
| Considered good | | 771,620,582 | 424,653,384 |
| | | 771,620,582 | 424,653,384 |

11. LONG-TERM LOANS

| | | | |
|--|------|-----------|-----------|
| Long term portion of loan to employees | 12.1 | 7,996,902 | 5,943,868 |
|--|------|-----------|-----------|

12. LOANS AND ADVANCES

Unsecured - considered good

| | | | |
|---------------------------------|------|-------------|-------------|
| Advance to suppliers | | 136,116,121 | 63,590,684 |
| Loans to employees | 12.1 | 28,891,757 | 7,066,348 |
| Loans to workers | 12.2 | 38,112,687 | 12,155,752 |
| Advance salaries | | 7,596,585 | 26,750,206 |
| Advance against various expense | | 35,000 | 125,034 |
| | | 210,752,150 | 109,688,024 |

12.1 Loans to employees

| | | | |
|---------------------------------------|--------|-------------|-------------|
| Loans to employees | 12.1.1 | 36,888,659 | 13,010,216 |
| Less: long-term portion | | (7,996,902) | (5,943,868) |
| Current portion of loans to employees | | 28,891,757 | 7,066,348 |

12.1.1 This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 13% (2023: 13%) per annum.

12.2 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 13% (2023: 13%) per annum.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

| | Note | 2024 | 2023 |
|---------------------------------------|-------------|----------------------|---------------|
| | | (Rupees) | |
| Unclaimed input sales tax | 13.1 | 229,759,136 | 229,759,136 |
| Trade and other deposits | | 4,970,145 | 4,970,145 |
| Prepayments - provident fund | | 23,590,469 | 16,296,720 |
| Prepayments | | 1,437,691 | 2,850,625 |
| Receivable from employees | | 691,604 | 450,080 |
| Margin deposit | 13.2 | 163,014,123 | 110,586,046 |
| Advance against land and construction | 13.3 & 13.4 | 244,937,994 | 244,159,939 |
| PIB income receivable | | - | 247,000 |
| Other receivables | | 1,874,706 | 1,965,021 |
| | | 671,946,538 | 611,284,712 |
| Expected Credit Loss | | | |
| Advances | | (28,051,939) | (28,051,939) |
| Deposits | | (100,000) | (100,000) |
| Advance to employee | | (340,080) | (340,080) |
| Receivable from provident fund | | (63,120) | (63,120) |
| Sales tax receivable | | (229,759,136) | (229,759,136) |
| | | (258,314,275) | (258,314,275) |
| | | 413,632,263 | 352,970,437 |

13.1 This represents input sales tax not claimed due to restriction of input tax to be adjusted up to 90% percent of output tax as per section 8B of Sales Tax Act, 1990. 100% ECL has been recorded against the aforementioned amount.

13.2 This includes margin deposited with banks against various letter of credit issued by Banks on behalf of the Group.

13.3 This represents advance paid to "National Industrial Parks Development and Management Company" (NIPD&MC) against purchase of 12 acres plot at Bin Qasim Industrial Park ('the Industrial Park'). The Industrial Park is included in the list of Special Economic Zones. As per the Special Economic Zones Act, 2012, the Company will be entitled to one time exemption from custom-duties and taxes on import of plant and machinery for installation in the zone subject to verification by the Board of Investment (BOI) and exemption from all taxes on income for ten years if Commercial Production (CP) commences by 30 June 2020 and five years tax exemption if CP commences after 30 June 2020. During the year ended 30 June 2021, the Company paid last installment amounting to Rs. 64.83 million. Hence, total price of the plot amounting to Rs. 216.108 million has been fully paid off. Possession of the allotted plot shall be handed over through a lease agreement.

13.4 As per section 37 of Special Economic Zones Act, 2012, all zone enterprises shall be entitled to one time exemption from custom duties and taxes on import of plant and machinery into Special Economic Zones (SEZ) except items listed under Chapter 87 of the Pakistan Customs Tariff, for installation in that zone enterprise subject to verification by the Board of Investment. The Company is in the process of obtaining Zero-rated / Exemption Certificate in respect of import of plant and machinery.

| | Note | 2024 | 2023 |
|------------------------------|------|-------------|-------------|
| | | (Rupees) | |
| 14. TAXATION - NET | | | |
| Advance tax net of provision | | 392,180,952 | 398,065,618 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| 15. SHORT-TERM INVESTMENTS | Note | 2024 | 2023 |
|--|------|-------------------|---------|
| | | (Rupees) | |
| Fair value through profit or loss (FVTPL) | | | |
| Equity securities | 15.1 | 1,277,857 | 746,571 |
| Mutual fund | 15.2 | 10,635,515 | - |
| | | 11,913,372 | 746,571 |
| Fair value through other comprehensive income (FVOCI) | | | |
| Equity securities | 15.3 | 39,512 | 45,600 |
| | | 11,952,884 | 792,171 |

15.1 Equity securities - mandatory at FVTPL

| 2024 (Number of shares / certificates) | 2023 | Name of investee company Ordinary shares - Quoted | 2024 | | | 2023 |
|--|------|--|-------------------|------------------|-----------------------------|-----------------|
| | | | Carrying value | Market value | Unrealised (loss) / gain | Market value |
| ----- (Rupees) ----- | | | | | | |
| 1 | 1 | Agriautos Industries Limited | 62 | 103 | 41 | 62 |
| 1 | 1 | Al-Ghazi Tractors Limited * | 254 | 349 | 95 | 254 |
| 1 | 1 | Atlas Battery Limited | 204 | 296 | 92 | 204 |
| 1 | 1 | Atlas Honda Limited | 257 | 487 | 230 | 257 |
| 1 | 1 | The General Tyre & Rubber Company of Pakistan Limited | 20 | 41 | 21 | 20 |
| 1 | 1 | Honda Atlas Cars (Pakistan) Limited | 92 | 283 | 191 | 92 |
| 1 | 1 | Thal Limited * | 162 | 483 | 321 | 162 |
| 230 | 230 | Baluchistan Wheels Limited | 15,180 | 29,900 | 14,720 | 15,180 |
| 315 | 315 | Ghandhara Nissan Limited | 11,460 | 10,679 | (781) | 11,460 |
| 300 | 300 | Hino Pak Motors Limited | 56,175 | 88,515 | 32,340 | 56,175 |
| 200 | 200 | Indus Motor Company Limited | 188,648 | 316,000 | 127,352 | 188,648 |
| 1,171 | 344 | Millat Tractors Limited | 457,053 | 744,850 | 287,797 | 457,053 |
| 63 | 63 | Oil & Gas Development Company Limited | 4,914 | 8,528 | 3,614 | 4,914 |
| 127 | 127 | Pak Suzuki Motor Company Limited | 12,090 | 77,343 | 65,253 | 12,090 |
| | | | 746,571 | 1,277,857 | 531,286 | 746,571 |

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

15.2 Mutual fund - at FVTPL

| 2024 (Number of Units) | 2023 | Name of investee fund | 2024 | | | 2023 |
|---------------------------|------|---------------------------------|-----------|-----------------|-----------------------------|-----------------|
| | | | Cost | Market value | Net change in fair value | Market value |
| ----- (Rupees) ----- | | | | | | |
| 21,111 | - | Atlas Islamic Money Market Fund | 9,550,000 | 10,635,515 | 1,085,515 | - |

15.3 Equity securities - at FVOCI

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| 2024 (Number of shares) | 2023 | Name of investee company | 2024 | | 2023 |
|----------------------------|------|---------------------------------|---------------------|-----------------|---------------|
| | | | Cost | Market value | Market value |
| | | | | Unrealised gain | |
| | | | ------(Rupees)----- | | |
| | | Ordinary shares - Quoted | | | |
| 152 | 152 | ZIL Limited | 5,330 | 39,512 | 34,182 |
| | | | | | 45,600 |

15.3.1 Equity securities at FVOCI - net change in fair value

| Note | 2024 | 2023 |
|--|----------|----------|
| | (Rupees) | |
| Market value of investments | 39,512 | 45,600 |
| Less : cost of investments | (5,330) | (5,330) |
| | 34,182 | 40,270 |
| Less: unrealised gain on re-measurement of investments at beginning of the year | (40,270) | (10,022) |
| Unrealised (loss) / gain on re-measurement of equity investments at OCI for the year | (6,088) | 30,248 |

16. CASH AND BANK BALANCES

| | | | |
|-----------------------|------|------------|------------|
| Cash in hand | | 1,608,688 | 873,579 |
| With banks | | | |
| - in current accounts | | 46,145,237 | 29,695,866 |
| - in savings accounts | 16.1 | 33,520,116 | 753,966 |
| | | 79,665,353 | 30,449,832 |
| | | 81,274,041 | 31,323,411 |

16.1 These carry markup at the rate ranging from 12.25% - 20% (2023: 12.25% - 19.5%) per annum.

16.2 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of:

| Note | 2024 | 2023 | |
|------------------------|----------|---------------|-----------------|
| | (Rupees) | | |
| Cash and bank balances | 16 | 81,274,041 | 31,323,411 |
| Short term borrowings | 25 | (448,295,986) | (1,123,455,071) |
| | | (367,021,945) | (1,092,131,660) |

17. ASSET HELD FOR SALE

| | | | |
|----------------------------|-----|---|------------|
| Leasehold land | 6.1 | - | 1,089,774 |
| Building on leasehold land | 6.1 | - | 53,091,450 |
| | | - | 54,181,224 |

17.1 On April 28, 2023, the Board of Directors in their meeting decided to sell the above mentioned properties for meeting working capital requirements due to the higher interest rate on borrowings. The decision has been approved by the shareholders in the extraordinary general meeting held on May 30, 2023 under section 183 (3) of Companies Act, 2017. Accordingly, sale of above mentioned properties were classified as asset held for sale. During the year ended June 30, 2024 the Company sold the assets by entering into agreement with a third party amounting Rs. 1,010 million.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

For certain tax matters, refer to note 33.4

Commitments Treet Holdings Limited

Outstanding letters of credit as at 30 June 2024 amounted to Rs. 970 million (2023: Rs. 680.77 million).

Outstanding non-capital commitments as at 30 June 2024 amounted to Rs.209.01 million (2023: Rs. nil).

Guarantees given by banks on behalf of the Holding Company in favour of Sui Northern Gas Pipeline Limited and Sui Southern Gas Limited as at 30 June 2024, amounts to Rs. 5 million and Rs. 2.4 million respectively (2023: Rs. 7.4 million).

Guarantees given by banks on behalf of the Holding Company in favour of Collector of Customs as at 30 June 2024, amounts to Rs. 13.2 million (2023: Rs. 13.2 million).

Guarantees given by banks on behalf of the Holding Company in favour of Yde Sa (Smc-private) Limited as at 30 June 2024, amounts to Rs. 1.85 million (2023: 1.85).

Guarantees given by bank on behalf of the Treet Battery Limited in favour of Sui Northern Gas Pipeline Limited and Faisalabad Electric Supply Company as at 30 June 2024, amounts to Rs. 58.17 million (2023: Rs. 58.17 million).

Bank guarantees given on behalf of Renacon Pharma Limited and First Treet Manufacturing Modaraba as at June 30, 2024 amounts to Rs. 15.06 million (2023: Rs. 5.17 million) and Rs. 7.245 million (2023: Rs. 58.178 million) The bank guarantees confirmed in the name of First Treet Manufacturing Modaraba will be transferred in the name of Treet Battery Limited after the completion of due process.

18.2 Commitments

| 2024 | 2023 |
|----------|------|
| (Rupees) | |

18.2.1 Guarantees

Guarantees issued by banks on behalf of the Group

| | |
|---------|---------|
| 260,000 | 710,749 |
|---------|---------|

18.2.2 Letters of credit

Letters of credit issued by various banks on behalf of the Group in ordinary course of the business (outstanding at year end)

| | |
|-------------|------------|
| 361,576,291 | 89,350,440 |
|-------------|------------|

18.2.3 The Company has issued post dated cheques to Total PARCO Limited and Atlas Insurance Company Limited as security deposits amounting to Rs. 0.3 million (2023: Rs. 0.3 million) and 112.125 million (2023: 12.375 million) respectively.

18.2.4 Commitments in respect of capital expenditures

| 2024 | 2023 |
|-------|------|
| (USD) | |

Property, plant and equipment

| | |
|---------|---------|
| 334,000 | 334,000 |
|---------|---------|

| Description | Currency | 2024 | | | Outstanding commitments | 2023 Outstanding commitments |
|----------------------------------|----------|-------------------------|--|----------------|-------------------------|---------------------------------|
| | | Original contract price | Amount forego on termination of contract | Paid till date | | |
| Low Pressure Die Casting Machine | USD | 3,340,000 | - | (3,006,000) | 334,000 | 334,000 |

19. SHARE CAPITAL

19.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2023: 400,000,000) ordinary shares of Rs. 10 each.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

19.2 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

| 2024 | | 2023 | | 2024 | | 2023 | |
|--------------------|--------------------|--|--|----------------------|----------------------|------|--|
| (Number of 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 | | |
| 97,480,000 | 97,480,000 | Ordinary shares of Rs. 10 each issued as fully paid bonus shares | | 974,800,000 | 974,800,000 | | |
| 251,250,000 | 251,250,000 | | | 2,512,500,000 | 2,512,500,000 | | |

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

| Description of Shareholders | 2024 | | 2023 | |
|---------------------------------------|--------------------|--------------|--------------------|--------------|
| | Number of shares | % of Holding | Number of shares | % of Holding |
| Syed Shahid Ali (Chairman) | 94,651,139 | 37.67% | 94,651,139 | 37.67% |
| Treet Corporation Limited (Associate) | 31,387,657 | 12.49% | 31,387,657 | 12.49% |
| Directors | 9,692,603 | 3.86% | 8,818,103 | 3.51% |
| Other shareholders | 115,518,601 | 45.98% | 116,393,101 | 46.33% |
| | 251,250,000 | 100% | 251,250,000 | 100% |

20. NON CONTROLLING INTERESTS (NCI)

20.1 Non-controlling interest (NCI)

The following table summarizes the information relating to the Group's subsidiaries that have non-controlling interest (NCI).

| | 2024 | | | | Intra group eliminations | Total |
|---|--------------------|------------------------|----------------------|------------------------|--------------------------|----------------------|
| | SMPL | SAIL | MAIL | HAWL | | |
| | (Percentage) | | | | | |
| NCI percentage | 0% | 9% | 8% | 20% | | |
| | (Rupees) | | | | | |
| Non current assets | - | 127,913,708 | 51,007,295 | 3,002,019,362 | | |
| Current assets | 64,262,448 | 59,009,631 | 127,983,633 | 221,787,400 | | |
| Non-current liabilities | - | - | - | (396,073,132) | | |
| Current liabilities | (20,515,551) | (918,072,325) | (134,058,320) | (6,458,330,160) | | |
| Net Assets | 43,746,897 | (731,148,986) | 44,932,608 | (3,630,596,530) | | |
| Net assets attributable to NCI | - | (65,803,409) | 3,594,609 | (726,119,306) | 35,324,006 | (753,004,100) |
| Revenue - net | - | - | 129,858,767 | - | | |
| Profit / (loss) for the year | (8,075,002) | (1,005,471,347) | (106,111,789) | (1,439,825,061) | | |
| Other comprehensive income (OCI) | - | - | - | - | | |
| Total comprehensive income | (8,075,002) | (1,005,471,347) | (106,111,789) | (1,439,825,061) | | |
| Profit / (loss) allocated to NCI | - | (90,492,421) | (8,488,943) | (287,965,012) | 8,461,657 | (378,484,719) |
| Cash flows from operating activities | (4,860,532) | (77,911,879) | 35,802,933 | (25,919,898) | | |
| Cash flows from investment activities | - | 7,949,350 | (540,220) | 109,892 | | |
| Cash flows from financing activities (dividends to NCI: nil) | 4,865,000 | 76,175,765 | (32,744,914) | 26,166,356 | | |
| Net increase / (decrease) in cash and cash equivalents | 4,468 | 6,213,236 | 2,517,799 | 356,350 | | |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| | 2023 | | | | Intra group eliminations | Total |
|---|--------------|---------------|---------------|-----------------|-----------------------------|---------------|
| | SMPL | SAIL | MAIL | HAWL | | |
| | (Percentage) | | | | | |
| NCI percentage | 0% | 9% | 8% | 20% | | |
| | (Rupees) | | | | | |
| Non current assets | - | 144,305,224 | 52,173,909 | 3,324,648,635 | | |
| Current assets | 69,656,195 | 1,005,596,458 | 224,258,099 | 218,393,482 | | |
| Non-current liabilities | - | - | - | (644,532,854) | | |
| Current liabilities | (17,834,296) | (875,637,321) | (125,445,611) | (5,125,630,474) | | |
| Net Assets | 51,821,899 | 274,264,361 | 150,986,397 | (2,227,121,211) | | |
| Net assets attributable to NCI | - | 24,683,792 | 12,078,912 | (445,424,242) | 34,142,157 | (374,519,381) |
| Revenue - net | - | 289,302,292 | 126,984,875 | - | | |
| Profit / (loss) for the year | (34,606,110) | (441,680,154) | (130,284,073) | (2,449,077,237) | | |
| Other comprehensive income (OCI) | - | - | - | - | | |
| Total comprehensive income for the year | (34,606,110) | (441,680,154) | (130,284,073) | (2,449,077,237) | | |
| Profit / (loss) allocated to NCI | - | (39,751,214) | (10,422,726) | (489,815,447) | 55,164,932 | (484,824,455) |
| Cash flows from operating activities | (3,656,419) | 327,630,178 | 70,083,576 | (23,650,771) | | |
| Cash flows from investment activities | - | (4,289,139) | (2,366,411) | 2,635 | | |
| Cash flows from financing activities (dividends to NCI: nil) | 3,800,000 | (323,025,427) | (68,070,337) | 21,619,571 | | |
| Net increase (decrease) in cash and cash equivalents | 143,581 | 315,612 | (353,172) | (2,028,565) | | |

21. LEASE LIABILITIES

| | 2024 | 2023 |
|---|--------------|--------------|
| | (Rupees) | |
| Opening balance | 31,333,265 | 30,328,259 |
| Addition during the year | 4,366,000 | 11,536,500 |
| Financial charges accrued during the year | 6,705,758 | 5,353,710 |
| Repayment of lease liabilities | (14,934,154) | (15,885,204) |
| Closing balance | 27,470,869 | 31,333,265 |

21.1 Breakup of lease liabilities

| | | |
|------------------------|-------------|-------------|
| Lease liability | 27,470,869 | 31,333,265 |
| Less: current maturity | (9,836,492) | (7,001,267) |
| | 17,634,377 | 24,331,998 |

| | 2024 | | | 2023 | | |
|--|------------------------------|-----------|--|------------------------------|------------|--|
| | Minimum lease payments | Interest | Present value minimum lease payments | Minimum lease payments | Interest | Present value minimum lease payments |
| Maturity analysis - contractual undiscounted cash flows: | (Rupees) | | | (Rupees) | | |
| Less than one year | 14,690,904 | 4,854,412 | 9,836,492 | 12,651,156 | 5,649,889 | 7,001,267 |
| One to five years | 21,109,065 | 3,474,688 | 17,634,377 | 31,285,014 | 6,953,016 | 24,331,998 |
| Total undiscounted lease liabilities at 30 June 2024 | 35,799,969 | 8,329,100 | 27,470,869 | 43,936,170 | 12,602,905 | 31,333,265 |

22. DEFERRED TAX LIABILITIES / (ASSETS) - NET

| | 2024 | 2023 |
|----------------------------------|---------------|--------------|
| | (Rupees) | |
| Taxable temporary differences | 103,394,868 | 53,829,345 |
| Deductible temporary differences | (126,638,258) | (75,941,344) |
| | (23,243,390) | (22,111,999) |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

22.1 Analysis of change in deferred tax

Breakup and treatment of deferred tax balances are as follows:

| | 2024 | | | 2023 | | | | |
|--|------------------------|--|---|-------------------------|------------------------|--|---|-------------------------|
| | Balance at 1 July 2023 | Recognised in consolidated profit and loss | Recognised in consolidated other comprehensive income | Balance at 30 June 2024 | Balance at 1 July 2022 | Recognised in consolidated profit and loss | Recognised in consolidated other comprehensive income | Balance at 30 June 2023 |
| | (Rupees) | | | | (Rupees) | | | |
| Taxable temporary differences | | | | | | | | |
| - Accelerated tax depreciation | 53,829,345 | 49,565,523 | - | 103,394,868 | 99,615,709 | (45,786,364) | - | 53,829,345 |
| Deductible temporary differences | | | | | | | | |
| - Provision for unrealised gain on re-measurement of investments | (46,569) | 596,281 | - | 549,712 | (1,248,812) | 1,202,243 | - | (46,569) |
| - Finance lease arrangements | (9,086,647) | (253,449) | - | (9,340,096) | (7,838,127) | (1,248,520) | - | (9,086,647) |
| - Share of profit from associated company | (18,730,154) | 18,730,154 | - | - | (11,466,177) | - | (7,263,977) | (18,730,154) |
| - Provision for unrealised gain on re-measurement of investments - FVOCI | 11,678 | - | (56) | 11,622 | - | - | 11,678 | 11,678 |
| - Intangibles | (862,957) | (311,712) | - | (1,174,669) | 1,675 | (864,632) | - | (862,957) |
| - Allowance for inventory obsolescence | (12,447,330) | (4,100,999) | - | (16,548,329) | (10,734,526) | (1,712,804) | - | (12,447,330) |
| - Provision for bonus | - | - | - | - | (28,322,129) | 28,322,129 | - | - |
| - Remeasurement of defined benefit liability | (8,425,209) | - | (3,884,435) | (12,309,644) | (15,618,328) | - | 7,193,119 | (8,425,209) |
| - Provision in CWIP | (333,885,789) | (156,614,843) | - | (490,500,632) | - | (333,885,789) | - | (333,885,789) |
| - Provision in loans and advances | (74,911,140) | (12,915,714) | - | (87,826,854) | - | (74,911,140) | - | (74,911,140) |
| - Deferred tax asset restricted | 382,442,773 | 108,057,859 | - | 490,500,632 | - | 382,442,773 | - | 382,442,773 |
| | 4,242,157 | 2,753,100 | (3,884,491) | (23,243,390) | 24,389,285 | (46,442,104) | (59,180) | (22,111,999) |

22.2 Deferred tax asset of Rs.490.5 million on impairment loss in HAWL has not been recognized in accordance with the company policy as stated in note 5.11.

23. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at 30 June 2024 on the basis of projected unit credit method as per the requirements of approved accounting standard - IAS 19 "Employee Benefits". The assumptions used in actuarial valuation were as follows:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

23.1 Actuarial assumptions

Financial assumptions

- Discount rate
- Discount rate used for interest cost in profit or loss account
- Expected rate of increase in salary level

| | 2024 | 2023 |
|--|---------------|--------|
| | (Rupees) | |
| | 14.75% | 16.25% |
| | 16.25% | 13.25% |
| | 13.75% | 0.00% |

Demographic assumptions

- Mortality rate

"SLIC 2001 - 2005
Setback 1 Year" "SLIC 2001 - 2005
Setback 1 Year"

| 23.2 | Amount recognised in the consolidated balance sheet | Note | 2024 | | | 2023 | | |
|---|---|----------|-------------------|-------------------|-------------------|--------------------|------------------|--------------------|
| | | | Management | Non-Management | Total | Management | Non-Management | Total |
| | | | (Rupees) | | | (Rupees) | | |
| | Present value of defined benefit obligation | 23.2.1 | 61,765,611 | 13,509,067 | 75,274,678 | 49,614,633 | 6,463,843 | 56,078,476 |
| | Fair value of plan assets | 23.2.2 | (33,723,030) | (9,081,365) | (42,804,395) | (30,964,786) | (8,269,576) | (39,234,362) |
| | Payables | | 1,565,004 | 2,169,548 | 3,734,552 | 1,712,918 | 10,495,413 | 12,208,331 |
| | Net liability at end of the year | | 29,607,585 | 6,597,250 | 36,204,835 | 20,362,765 | 8,689,680 | 29,052,445 |
| 23.2.1 Movement in present value of defined benefit obligation | | | | | | | | |
| | Opening balance | | 49,614,633 | 6,463,843 | 56,078,476 | 57,313,043 | 19,549,473 | 76,862,516 |
| | Current service cost | | 2,755,313 | 521,797 | 3,277,110 | 3,258,859 | 759,697 | 4,018,556 |
| | Past Service Cost (credit) | | - | - | - | - | - | - |
| | Interest costs | | 7,729,111 | 1,472,667 | 9,201,778 | 7,089,469 | 1,626,321 | 8,715,790 |
| | Benefits due but not paid (payable) | | (372,086) | 7,067,844 | 6,695,758 | (1,712,918) | (10,495,413) | (12,208,331) |
| | Benefits paid by the plan | | (3,729,665) | (1,870,398) | (5,600,063) | (5,902,322) | (4,055,295) | (9,957,617) |
| | Gains and losses arising on plan settlements | | - | - | - | (1,588,338) | (41,859) | (1,630,197) |
| | Re-measurements gain on obligation | | 5,768,305 | (146,686) | 5,621,619 | (8,843,160) | (879,081) | (9,722,241) |
| | Closing balance | | 61,765,611 | 13,509,067 | 75,274,678 | 49,614,633 | 6,463,843 | 56,078,476 |
| 23.2.2 Movement in the fair value of plan assets | | | | | | | | |
| | Opening balance | | 30,964,786 | 8,269,576 | 39,234,362 | 32,842,501 | 8,919,121 | 41,761,622 |
| | Interest income | | 5,169,930 | 1,445,336 | 6,615,266 | 4,241,900 | 1,195,743 | 5,437,643 |
| | Contribution paid into the plan | | 5,430,000 | 3,120,000 | 8,550,000 | 4,246,000 | 4,266,000 | 8,512,000 |
| | Benefits paid by the plan | | (4,249,665) | (3,128,419) | (7,378,084) | (5,902,322) | (4,055,295) | (9,957,617) |
| | Re-measurements (loss) on plan assets | | (3,592,021) | (625,128) | (4,217,149) | (4,463,293) | (2,055,993) | (6,519,286) |
| | Closing balance | | 33,723,030 | 9,081,365 | 42,804,395 | 30,964,786 | 8,269,576 | 39,234,362 |
| 23.2.3 Amounts recognised in the consolidated profit or loss account | | | | | | | | |
| | Current service cost | | 2,755,313 | 521,797 | 3,277,110 | 3,258,859 | 759,697 | 4,018,556 |
| | Past Service Cost (credit) | | - | - | - | - | - | - |
| | Gains and losses arising on plan settlements | | - | - | - | (1,588,338) | (41,859) | (1,630,197) |
| | Interest cost | | 7,729,111 | 1,472,667 | 9,201,778 | 7,089,469 | 1,626,321 | 8,715,790 |
| | Interest income | | (5,169,930) | (1,445,336) | (6,615,266) | (4,241,900) | (1,195,743) | (5,437,643) |
| | Expense for the year | | 5,314,494 | 549,128 | 5,863,622 | 4,518,090 | 1,148,416 | 5,666,506 |
| 23.2.4 Amounts recognised in the consolidated other comprehensive income | | | | | | | | |
| | Re-measurement loss on obligation | 23.2.4.1 | 5,768,305 | (146,686) | 5,621,619 | (8,843,160) | (879,081) | (9,722,241) |
| | Re-measurement of fair value of plan assets | | 3,592,021 | 625,128 | 4,217,149 | 4,463,293 | 2,055,993 | 6,519,286 |
| | Re-measurement gain / (loss) for the year | | 9,360,326 | 478,442 | 9,838,768 | (4,379,867) | 1,176,912 | (3,202,955) |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Note | 2024 | | | 2023 | | |
|--|------------------|------------------|------------------|--------------------|------------------|--------------------|
| | Management | Non-Management | Total | Management | Non-Management | Total |
| | (Rupees) | | | (Rupees) | | |
| 23.2.4.1 Re-measurement loss / (gain) on obligation | | | | | | |
| Gain / (loss) due to change in financial assumptions | 643,139 | 258,423 | 901,562 | (2,443,401) | (482,947) | (2,926,348) |
| Gain / (loss) due to change in experience adjustments | 5,125,166 | (405,109) | 4,720,057 | (6,399,759) | (396,134) | (6,795,893) |
| | <u>5,768,305</u> | <u>(146,686)</u> | <u>5,621,619</u> | <u>(8,843,160)</u> | <u>(879,081)</u> | <u>(9,722,241)</u> |

23.2.5 Net recognized liability / (asset)

| | | | | | | |
|--|-------------------|------------------|-------------------|-------------------|------------------|-------------------|
| Net liability at beginning of the year | 20,362,765 | 8,689,680 | 29,052,445 | 24,470,542 | 10,630,352 | 35,100,894 |
| Expense recognised in consolidated statement of profit and loss | 5,314,494 | 549,128 | 5,863,622 | 4,518,090 | 1,148,416 | 5,666,506 |
| Contribution paid into the plan | (5,430,000) | (3,120,000) | (8,550,000) | (4,246,000) | (4,266,000) | (8,512,000) |
| Re-measurement loss / (gain) recognised in consolidated other comprehensive income | 9,360,326 | 478,442 | 9,838,768 | (4,379,867) | 1,176,912 | (3,202,955) |
| Net liability at end of the year | <u>29,607,585</u> | <u>6,597,250</u> | <u>36,204,835</u> | <u>20,362,765</u> | <u>8,689,680</u> | <u>29,052,445</u> |

23.3 Plan assets comprise of the following

| | 2024 | | 2023 | |
|-----------------------|-------------------|------------------|-------------------|------------------|
| | Management | Non-Management | Management | Non-Management |
| | (Rupees) | | (Rupees) | |
| Government securities | - | - | 4,697,005 | 2,246,394 |
| Equity shares | 5,560,424 | 3,918,778 | 3,796,633 | 2,675,725 |
| Others | 28,162,606 | 5,162,587 | 22,471,148 | 3,347,457 |
| | <u>33,723,030</u> | <u>9,081,365</u> | <u>30,964,786</u> | <u>8,269,576</u> |

23.4 Sensitivity analysis for actuarial assumptions

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

| | 2024 | | 2023 | |
|---------------------|------------|----------------|------------|----------------|
| | Management | Non-Management | Management | Non-Management |
| | (Rupees) | | (Rupees) | |
| Discount rate +1% | 59,650,507 | 13,127,190 | 47,549,858 | 6,202,332 |
| Discount rate -1% | 64,107,119 | 13,914,684 | 51,936,948 | 6,743,980 |
| Salary increase +1% | 64,165,636 | 13,924,690 | 51,985,427 | 6,751,218 |
| Salary increase -1% | 59,561,256 | 13,111,092 | 47,472,702 | 6,191,163 |

23.5 Expected charge for the year ending June 30, 2025 is Rs. 8.54 million.

23.6 Risks associated with defined benefit plans

a) Investment risks

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

b) Mortality risks

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

c) Salary increase risk

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

d) Withdrawal risk

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

23.7 Historical information

| | 30 June | | | | |
|---|----------------------|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 |
| | ----- (Rupees) ----- | | | | |
| Present value of defined benefit obligation | 56,078,476 | 76,862,516 | 56,489,237 | 49,188,866 | 45,088,642 |
| Fair value of plan assets | (39,234,362) | (41,761,622) | (51,953,527) | (34,354,450) | (34,621,402) |
| Payables | 12,208,331 | - | - | 1,314,906 | - |
| Net liability | 29,052,445 | 35,100,894 | 4,535,710 | 16,149,322 | 10,467,240 |

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

| | Note | 2024 | 2023 |
|--|------|-----------|-----------|
| | | (Rupees) | |
| Cost of revenue | 28.3 | 549,128 | 1,148,416 |
| Administrative, selling and general expenses | 29.1 | 5,314,494 | 4,518,090 |
| | | 5,863,622 | 5,666,506 |

24. LONG-TERM LOANS

| Secured | | 2024 | 2023 |
|---|------|---------------|---------------|
| Loan from JS Bank Limited | 24.1 | 99,750,000 | 156,750,000 |
| Loan from Orix Leasing Pakistan Limited | 24.2 | 28,237,278 | 54,817,643 |
| Demand finance | | 644,386,570 | 988,462,135 |
| Loan from Gulf leasing | 24.3 | 9,155,849 | 11,855,481 |
| Pak Kuwait Investment Company | 24.4 | 91,363,098 | 124,586,042 |
| Allied Bank | 24.5 | - | 53,476,637 |
| Less: Current portion | | (378,264,826) | (517,318,320) |
| | | 494,627,969 | 872,629,618 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

24.1 In 2020, the Company entered into a long term loan facility from JS Bank Limited of Rs. 300 million for cash flow management of the Company. This facility is secured by charge over current and future assets of the Company. During the year, the Company has made repayments of Rs. 86.8 million together with mark-up thereon. This facility carries mark-up at the rate of 3 months KIBOR plus 2% (2023: 3 months KIBOR plus 2%) repayable quarterly from the disbursement date.

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

During the year, the Company did not comply with certain financial covenants as stipulated in the respective loan agreements. Hence, the company has classified the liability as current, in accordance with the applicable financial reporting standards.

24.2 In 2022, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 100 million for cash flow management of the Company. This facility is secured by hypothecation charge over specified assets of the Company. During the year, the Company has made repayments of Rs. 38.2 million (2023: Rs. 36.4 million) together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 5% per quarter (2023: Rs. 3 months KIBOR plus 5%) repayable on monthly basis from the disbursement date.

24.3 In 2022, the Company availed long term financing facility from Pak Gulf of Rs. 21.6 million. for cash flow management of the Company. This facility is secured by hypothecation charge over present fixed assets (including plant and machinery) of the Company. During the year, the Company has made repayments of 2.7 million (2023: Rs. 2.5 million). This facility carried mark-up at 1 year KIBOR plus 3.99% per annum (2023: Rs. 1 year KIBOR plus 3.99%) repayable on quarterly basis from the disbursement date.

24.4 In 2022, the Company availed long term financing facility from Pak Kuwait of Rs. 200 million. This facility is secured by hypothecation charge over present and future fixed assets (including land, building and plant and machinery) of the Company. During the year, the Company has made repayments of Rs. 33.2 million (2023: Rs. 33.2 million). This facility carried mark-up at 3 months KIBOR plus 2% (2023: Rs. 3 months KIBOR plus 2%) per annum repayable on quarterly basis from the disbursement date.

24.5 This facility has been obtained from Allied Bank for working capital requirements and facility is secured by hypothecation charge over present and future current assets of the Company and was expired by June 2023. This facility carries mark-up at 3 month KIBOR plus 1% per annum (2023: 3 month KIBOR plus 1 % per annum). This loan has been paid off completely during the year.

| | Note | 2024 | 2023 |
|--|------|--------------------|---------------|
| | | (Rupees) | |
| 25. SHORT-TERM BORROWINGS | | | |
| Secured | | | |
| Running finances under mark-up arrangements | 25.1 | 448,295,986 | 1,123,455,071 |
| Soneri Bank Limited - Local bill discounting | | 215,799,900 | 400,000,000 |
| Standard Chartered Bank - Local bill discounting | | 268,066,281 | 88,135,339 |
| Islamic financing | 25.2 | 46,544,776 | 272,161,581 |
| | | 978,706,943 | 1,883,751,991 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| 25.1 Running finances under mark-up arrangements | Note | 2024 | 2023 |
|--|--------|--------------------|----------------------|
| | | (Rupees) | |
| JS Bank Limited | | 6,852,523 | 275,836,466 |
| MCB Bank Limited | | - | 107,894,262 |
| Askari Bank Limited | | 198,820,014 | 200,000,000 |
| Habib Metropolitan Bank Limited | | 152,953,560 | 149,874,489 |
| Bank Al Habib Limited | | - | 70,311,870 |
| Pak Kuwait Investment company | | - | 200,000,000 |
| Soneri Bank Limited | | 89,669,889 | 119,537,984 |
| | 25.1.1 | 448,295,986 | 1,123,455,071 |

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

These facilities carry mark-up at the rate ranging from 01 month KIBOR plus 1% to 3 month KIBOR plus 3% per annum (2023: 01 month KIBOR plus 1.25% to 3 month KIBOR plus 3% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 470 million (2023: Rs. 1,109 million) out of which Rs. 31 million (2023: 56.2 million) remained unavailed at the reporting date.

25.2 This represents Islamic finance facilities available from Al Baraka Bank (Pakistan) Limited having aggregate limit of Rs. 50 million (2023: Rs 300 million) and MCB Islamic Bank which had a limit of 250 million in 2023, for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up ranging from 1 month KIBOR plus 1.5% to 3 months KIBOR plus 3.5% per annum (2023: 1 month KIBOR plus 1.5% to 3 months KIBOR plus 3.5% per annum) and is repayable maximum within 120 days to 180 days of the disbursement date.

25.3 Facilities available for opening letters of credit / guarantees at 30 June 2024 amounted to Rs. 200 million (2023: Rs. 740 million) out of which Rs. 68.2 million (2023: Rs. 450 million) remained unutilized at the reporting date.

25.4 Unavailed facilities

The Company has unavailed Islamic financing facilities from Al-Baraka of Istisna having limit of Rs. 3.3 million (2023: Rs. 28 million). The facility pertaining to Al-Baraka Bank limited is secured by a pari-passu charge over present and future current assets of the company amounting to Rs. 267 million. The facility carry mark-up of 3 months KIBOR plus 3.5%.

25.5 Covenants compliance matter

The company has received waiver from bank against the breach of certain financial covenants. In the year ended June 30, 2020, the company was required to repay the loan as per agreed repayment schedule as per restructuring agreement. As per the repayment schedule loan has been classified between current and non current liabilities.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

25.6 Details of loans and borrowings of HAWL are as follows:

| Name of Lender and date of agreement | Facilities | Repayment | Security | Significant loan covenants | Mark-up rate | Average mark-up rate | Limit (Rupees) | Outstanding Amount (Rupees) |
|--------------------------------------|---------------------|--|---|--|------------------------|----------------------|----------------------|-----------------------------|
| The Bank of Punjab (BOP) | Demand Finance (DF) | Three equal yearly installments total of Rs.40 Million commencing from 21 November | - Exclusive charge of Rs. 666.67 million over specific plant and machinery with 25% margin. - Corporate guarantee of Loads Limited. | - Debt:equity ratio to be maintained at 33:67 at all the times. - Project progress report to be submitted on quarterly basis. - No change in sponsor directorship / major shareholding of company without prior NOC of BOP. - Dividend shall be blocked, if audited accounts as on 30 June 2020 and onwards reveals the following: a) DSCR fall below 1.5 times b) Current ratio falls below 1:1 c) Leverage of company exceeds 3 times d) Net losses incurred by company | 3 months KIBOR plus 1% | 23.26% | 200,000,000 | 79,946,480 |
| MCB Bank Limited (MCB) | Demand Finance (DF) | On yearly basis in arrears for 1 year after the grace period and subsequently on quarterly basis in arrears till the proposed maturity of the Loan | - First exclusive charge over entire present and future fixed assets (land, building and plant and machinery) including 25% margin. - Corporate guarantee of Loads Limited | - The Company shall undertake not to avail any borrowing facility from any other bank for retirement of LC against which this facility is utilized. - Bill of entry should not be more than 30 days old. - No dividend payment during the relief period to be allowed. - Financial covenants as follows: - Linkage ratio < 2 times - Leverage ratio < 2.5 times - Current ratio > 1 | 3 months KIBOR plus 1% | 23.25% | 868,369,370 | 564,440,090 |
| Total | | | | | | | 1,068,369,370 | 644,386,570 |

26. TRADE AND OTHER PAYABLES

Note

| | 2024 | 2023 |
|--|----------------------|--------------------|
| | (Rupees) | |
| Trade creditors | 615,801,000 | 372,194,607 |
| Accrued liabilities | 114,749,745 | 86,917,036 |
| Other liabilities | | |
| Advance from customers | 362,673,854 | 152,919,693 |
| Mobilization advances | 64,865,760 | 196,970,642 |
| Workers' profit participation fund | 17,446,641 | 3,003,406 |
| Provision for compensated absences | 2,864 | 2,864 |
| Provision for bonus | 53,657,479 | - |
| Workers' welfare fund | 19,425,114 | 8,816,029 |
| Withholding tax payable | 5,726,651 | 9,278,509 |
| Security deposit from contractors | 194,500 | 262,000 |
| Sales tax payable | 51,023,379 | 39,310,057 |
| Payable to provident fund | 8,316,864 | 8,034,184 |
| Current portion of Gas Infrastructure Development Cess | 868,472 | 868,472 |
| Other payables | 32,571,377 | 29,616,658 |
| | 1,347,323,700 | 908,194,157 |

26.1 Workers' Profit Participation Fund

| | | | |
|---------------------------------|----|-------------------|------------------|
| Opening balance | | 3,003,406 | 36,031,538 |
| Charge for the year | 30 | 14,443,235 | - |
| Mark-up charged during the year | 32 | - | 397,287 |
| Less: payments during the year | | - | (33,425,419) |
| Closing balance | | 17,446,641 | 3,003,406 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| | | 2024 | 2023 |
|-------------|--------------------------------|--------------------|--------------|
| Note | | (Rupees) | |
| 26.2 | Workers' Welfare Fund | | |
| | Opening balance | 8,816,029 | 13,541,822 |
| | Charge for the year | 18,726,525 | 8,117,440 |
| | Less: payments during the year | (8,117,440) | (12,843,233) |
| | Closing balance | 19,425,114 | 8,816,029 |

26.3 This carries no mark-up.

26.4 This represents security deposit received from contractors against provision of services, kept in the Group's bank account.

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

26.6 This includes Rs. 73 million (2023: Rs. 14 million) received from scrap dealer against future sale of scrap and ancillary items. During the year, the Company has earned Rs. 152.91 million (2023: Rs. 58.23 million) from its customers.

| | | 2024 | 2023 |
|------------|----------------------|----------------------|---------------|
| Note | | (Rupees) | |
| 27. | REVENUE - NET | | |
| | Local sales | 5,296,083,963 | 5,302,260,756 |
| | Export sales | 5,358,614 | - |
| | Less: sales returns | (5,814,088) | (12,006,326) |
| | | 5,295,628,489 | 5,290,254,430 |
| | Less: sales tax | (805,264,513) | (796,420,059) |
| | | 4,490,363,976 | 4,493,834,371 |

27.1 This includes scrap sales amounting to Rs. 114 million (2023: Rs. 116 million).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| | Note | 2024 | 2023 |
|---|-------|----------------------|---------------|
| | | (Rupees) | |
| 28. COST OF REVENUE | | | |
| Raw materials and components consumed | 28.1 | 2,701,452,975 | 2,678,456,671 |
| Ancillary materials consumed | 28.2 | 108,833,088 | 103,091,381 |
| Manufacturing expenses | | | |
| Salaries and wages | | 295,411,851 | 358,885,200 |
| Other employees' benefits | 28.3 | 93,006,116 | 144,990,281 |
| Provident fund contribution | | 3,182,071 | 3,074,983 |
| Toll manufacturing | | 62,506,593 | 63,667,473 |
| Depreciation | 6.1.6 | 66,981,728 | 64,279,177 |
| Gas, power and water | | 74,947,587 | 64,119,341 |
| Travelling and vehicle running cost | | 22,802,148 | 18,174,955 |
| Insurance | | 6,096,776 | 12,325,670 |
| Repairs and maintenance | | 45,329,133 | 24,877,313 |
| Postage, telephone and telex | | 1,114,936 | 2,096,879 |
| Inward freight and storage charges | | 2,184,239 | 4,267,266 |
| Conveyance | | 43,133,464 | 35,250,868 |
| Rent, rates and taxes | | 2,287,627 | 1,923,908 |
| Printing, stationery and periodicals | | 36,170 | 100,127 |
| Royalty expense | 28.4 | 10,970,042 | 11,173,560 |
| General expenses | | 7,956,221 | 2,130,803 |
| Security services | | 872,886 | 834,946 |
| Transferred to capital work-in-progress | | (8,908,988) | (43,857,970) |
| Manufacturing cost | | 729,910,600 | 768,314,780 |
| Opening stock of work-in-process | | 105,801,677 | 106,545,860 |
| Impact of recording revenue over time | | 115,219,072 | 105,057,494 |
| Closing stock of work-in-process | 9 | (115,219,072) | (105,801,677) |
| | | 105,801,677 | 105,801,677 |
| Cost of goods manufactured | | 3,645,998,340 | 3,655,664,509 |
| Opening stock of finished goods | | 18,447,442 | - |
| Impact of recording revenue over time | | 14,342,385 | 86,579,938 |
| Closing stock of finished goods | 9 | (4,186,604) | (18,447,442) |
| Net change in finished goods | | 28,603,223 | 68,132,496 |
| | | 3,674,601,563 | 3,723,797,005 |
| 28.1 Raw materials and components consumed | | | |
| Opening balance | | 972,975,395 | 1,544,914,809 |
| Purchases | | 2,681,782,056 | 2,174,225,286 |
| Less: purchase returns | | (62,095,664) | (84,900,541) |
| | | 3,592,661,787 | 3,634,239,554 |
| Closing balance | 9 | (896,958,540) | (972,975,395) |
| Charge for the year | 9.1 | 5,749,728 | 17,192,512 |
| | | 2,701,452,975 | 2,678,456,671 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

28.2 Stores and spares consumed

| | Note | 2024 | 2023 |
|-------------------|------|---------------------|--------------|
| | | (Rupees) | |
| Opening inventory | | 66,676,325 | 55,063,066 |
| Purchases | | 97,417,828 | 114,704,640 |
| | | 164,094,153 | 169,767,706 |
| Closing inventory | | (55,261,065) | (66,676,325) |
| | | 108,833,088 | 103,091,381 |

28.3 This includes a sum of Rs. 0.55 million (2023: Rs. 1.1 million) in respect of expense relating to gratuity.

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

| Name of Recipient | Relationship with the Group | Registered Address | 2024 | 2023 |
|-------------------------------|-----------------------------|--|-------------------|------------|
| | | | (Rupees) | |
| Futaba Industrial Co. Limited | Technical Advisor | 1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558 | 2,330,042 | 2,578,260 |
| SNIC Co. Limited | Technical Assistance | 1403 Higashihiratsubo, Iwata-shi, Shizuoka-ken, Japan | 8,640,000 | 8,595,300 |
| | | | 10,970,042 | 11,173,560 |

29. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES

| | Note | 2024 | 2023 |
|--|-------|--------------------|-------------|
| | | (Rupees) | |
| Salaries and wages | | 128,772,703 | 131,516,323 |
| Other employees' benefits | 29.1 | 40,241,758 | 14,322,542 |
| Provident Fund contribution | | 2,569,798 | 2,421,557 |
| Advertising and sales promotion | | 1,130,600 | 26,627,597 |
| Travelling and vehicle running cost | | 15,094,250 | 14,163,065 |
| Outward freight | | 30,802,690 | 30,939,090 |
| Depreciation | 6.1.6 | 8,083,538 | 10,897,173 |
| Amortisation | 7 | 1,375,200 | 1,375,200 |
| Legal and professional charges | | 15,747,710 | 26,505,327 |
| Subscription and certification charges | | 2,269,890 | 5,913,559 |
| Postage, telephone and telex | | 4,803,235 | 5,888,571 |
| Conveyance | | 194,995 | 1,167,767 |
| Auditor's remuneration | 29.2 | 8,117,048 | 7,141,600 |
| Electricity | | 7,263,539 | 13,773,523 |
| Repairs and maintenance | | 519,282 | 300,555 |
| Entertainment | | 395,125 | 525,144 |
| Printing, stationery and periodicals | | 2,021,727 | 2,988,451 |
| Insurance | | 4,914,614 | 5,805,421 |
| Donation | | - | 23,600 |
| Rent expense | | 871,636 | 6,112,558 |
| Security charges | | - | 2,374,600 |
| General expenses | | 20,632,362 | 43,994,294 |
| | | 295,856,200 | 354,777,517 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

29.1 This includes a sum of Rs. 5.3 million (2023: Rs. 4.5 million) in respect of employee benefits - gratuity.

| | Note | 2024 | 2023 |
|---|-------|----------------------|--------------------|
| (Rupees) | | | |
| 29.2 Auditor's remuneration | | | |
| Audit fee | | 4,300,000 | 4,000,000 |
| Interim review | | 1,100,000 | 831,600 |
| Other audit services | | 1,040,498 | 1,000,000 |
| Certifications for regulatory purposes | | 975,000 | 410,000 |
| Out of pocket expense | | 701,550 | 900,000 |
| | | 8,117,048 | 7,141,600 |
| 30. OTHER EXPENSES | | | |
| Workers' Profit Participation Fund | 26.1 | 14,443,235 | - |
| Workers' Welfare Fund | 26.2 | 18,726,525 | 8,117,440 |
| Others | | 12,352 | 223,908 |
| | | 33,182,112 | 8,341,348 |
| 31. OTHER INCOME | | | |
| Income from financial assets | | | |
| Dividend income | 31.1 | 1,317,244 | 26,244 |
| Mark-up income on loans to employees | | 353,876 | 560,554 |
| Mark-up income on savings accounts | | 711,215 | 1,141,875 |
| Government grant | | - | 413,421 |
| Income on investment in PIB | | 282,115 | 852,877 |
| Reversal of provision unclaimed input tax | | - | 68,135,931 |
| Others | | 30,527,627 | 13,261,382 |
| | | 34,808,878 | 84,392,284 |
| Income from assets other than financial assets | | | |
| Gain on disposal of property, plant and equipment | 6.1.7 | 1,058,827,210 | 65,387,115 |
| Reversal of provision against inventory | 9.1 | - | 6,799,550 |
| Others | | 23,719,190 | 26,775,875 |
| | | 1,082,546,400 | 98,962,540 |
| | | 1,117,355,278 | 183,354,824 |

31.1 This represents dividend received from Indus Motor Company Limited, Baluchistan Wheels, Atlas Battery Limited, Millat Tractors Limited, Alghazi Tractors Ltd, Thal Limited, Agriautos Industries Limited and Honda Atlas Cars (Pakistan) Limited against investment as disclosed in note 15.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| 32. FINANCE COSTS | Note | 2024 | 2023 |
|--|------|--------------------|--------------------|
| | | (Rupees) | |
| Mark-up on bank loans and borrowings | | 614,078,974 | 714,048,744 |
| Exchange loss | | 27,310,483 | 47,098,240 |
| Bank charges | | 14,809,440 | 12,927,257 |
| Finance lease charges | | 6,705,758 | 5,353,710 |
| Unwinding of Gas Infrastructure Development Cess | | - | 192,385 |
| Mark-up on loan from director | | 140,866,924 | 4,800,890 |
| Mark-up on workers' profit participation fund | | - | 545,244 |
| | | 803,771,579 | 784,966,470 |

33. LEVIES AND TAXATION

| | | | |
|--------------------|--|---------|---------|
| 33.1 Revenue taxes | | 700,377 | 336,866 |
|--------------------|--|---------|---------|

This represents minimum tax provision under section 113 of the Income Tax Ordinance, 2001. The provision for minimum tax has been recognised as levies in these financial statements as per the requirements of IFRIC 21 / IAS 37 and guide on IAS 12 issued by ICAP.

| 33.2 Income taxes | Note | 2024 | 2023 |
|-------------------|------|--------------------|-------------------|
| | | (Rupees) | |
| Current | | 262,421,758 | 129,913,620 |
| Prior | | (7,558,971) | - |
| Deferred | 22.1 | 2,753,100 | (46,442,104) |
| | 33.3 | 257,615,887 | 83,471,516 |

33.3 Reconciliation between tax expense and accounting profit

| | | |
|---|--------------------|-------------------|
| Profit / (loss) before taxation | 545,573,240 | (1,714,556,597) |
| Tax at the applicable rate of 29% (2023: 29%) | (158,216,240) | 497,221,413 |
| Effect of super tax @ 10% | - | (56,300,255) |
| Prior year reversal | (7,558,971) | - |
| Deferred tax not asset recognised | 108,057,859 | - |
| Adjustment of minimum tax | (102,740,843) | - |
| Impact of super tax | 90,416,178 | - |
| Tax effect of share of profit from associate | - | (7,252,299) |
| Net effect of expenses not deductible in determining taxable income | - | (10,921,427) |
| Effect of change in deferred tax rate | - | (3,294,619) |
| Tax effect of income taxable as FTR | - | (102,878) |
| Tax effect of inadmissible item | 327,657,904 | (335,878,419) |
| | 257,615,887 | 83,471,516 |

33.4 The returns of income tax have been filed up to and including tax year 2023 (corresponding to financial year ended upto 30 June 2023). Following are the tax matters which are as follows:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|---|-------------------|-----------------|
| Federal Board of Revenue (FBR) | Income Tax Return e-filed for Tax Year 2023 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, unless amended u/s.122 on selection of case for audit u/s.214C/S.177 or amended u/s.122(5A) of the Income Tax Ordinance, 2001, claiming refund due to company of Rs.87,451,874/-, which is pending. | Company & FBR | 22 May 2023 |
| Federal Board of Revenue (FBR) | <p>Income Tax Return e-filed for Tax Year 2022 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001, unless amended u/s 122 on selection of case for audit u/s. 214C/S.177 or amended U/S.122(5A) of the income tax ordinance,2001, claiming refund due to company of Rs. 191,763,667/-.</p> <p>Additional Commissioner had issued Notice U/s.122(5A) dated 23-01-2024 identifying several issues, being erroneous in so far as prejudicial to the interest of revenue, and proposed amendment u/s.122(5A) for which response dated 19.02.2024 filed taking various objections on point of law and facts. After hearing before Additional Commissioner, the above proceedings were culminated in Amended Order u/s.122(5A) dated 02.04.2024 creating a gross Net Refund of Rs.148,735,082/-.</p> <p>Company has challenged the above amended order in appeal under section 127 before the Commissioner Inland Revenue (Appeals-II), Karachi, which though heard by the Commissioner but no Appeal Order has been passed.</p> <p>Company is following for issue of above refund by Order u/s.170(4) of Rs.148,735,082/determined under amended order dated 02.04.2024 passed u/s.122(5A) subject to verification.</p> | Company & FBR | 03 January 2023 |
| Federal Board of Revenue (FBR) | Notice dated 26.08.2022 under Rule 44(4) have been issued requisitioning details/documents for monitoring of withholding-tax for tax year 2021, and in response, all details/documents have been filed but proceedings have yet not been finalized. | Company & FBR | 26 Aug 2022 |
| Federal Board of Revenue (FBR) | <p>For the tax year 2015, notice dated 26 April 2021 was received by the company under section 177 of the Income Tax ordinance, 2001 which was responded the company through its tax advisor during the month of May 2021 and June 2021. The concerned Assessing officer finalized the audit proceeding in haste without providing the opportunity for substantial additions and disallowances made in the amended order under section 122(4) dated 30 June 2021 and created factually incorrect and disputed demand of Rs 750,761,241.</p> <p>Company has challenged the above mentioned order in appeal before commissioner Inland Revenue (Appeals) against order dated 30-june-2021 u/s 122(4) for tax year 2015 creating a disputed demand of Rs. 750,761,241/- which we were authorized to represent appeal has been adjudicated by Commissioner (Appeals) vide Appeal Order Dated 29-oct-2021 where substantial direct relief has been allowed to the company, whilst one major issue has been remanded back with specific directions and as such, disputed demand has been totally vacated. We are not aware of any appeal filed by the commissioner before appellate tribunal challenging above appeal order.</p> | Company & FBR | 30 Jun 2021 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|--|-------------------|-------------------|
| | As of year end, several cases filed against the Company before various court of law / tax forums. The management, based on the opinion of its legal counsel, expect that the outcome of all those cases will be in favor of the Company, as they have a reasonable defense in the cases filed. Accordingly, no provision has been made in these unconsolidated financial statement. | | |
| Federal Board of Revenue (FBR) | Income Tax Returns e-filed upto and including Tax Year 2023 are presently deemed to have been accepted and assessed u/s.120 of Income Tax Ordinance, 2001, unless amended u/s.122 on selection of case for audit u/s.214C/S.177 or amended u/s.122(5A) of the Income Tax Ordinance,2001 | MAIL & FBR | 2023 |
| Federal Board of Revenue (FBR) | Additional Commissioner issued Show Cause Notice U/s.122(9)/122(5A) dated 30.03.2021 for tax year 2020 identifying several issues, being erroneous in so far as prejudicial to the interest of revenue, and proposed amendment u/s.122(5A) for which response dated 06.04.2021 filed taking various objections on point of law and facts, on which no further action taken either way. | MAIL & FBR | 30 March 2021 |
| Federal Board of Revenue (FBR) | Income Tax Returns e-filed upto and including Tax Year 2023 are presently deemed to have been assessed u/s.120 of Income Tax Ordinance ,2001, unless amended u/s.122 on selection of case for audit u/s.214C/S.177 or amended u/s.122(5A) of the Income Tax Ordinance,2001. | SAIL & FBR | |
| Federal Board of Revenue (FBR) | Refund Application u/s. 170 of the Ordinance had been e-filed claiming Refund of Rs. 5,904,709/-, Refund Order dated 28.02.2023 u/s.170(4) has been passed creating Refund of Rs.3,048,690/- for tax year 2019 and also adjusted the above Refund against demand of Rs.3,048,690/- for tax year 2021 and penalty of Rs.5,000/- created vide order dated 31.01.2022 as requested by the company | SAIL & FBR | 28 February 2023 |
| Federal Board of Revenue (FBR) | Income Tax Returns e-filed upto and including Tax Year 2023 are presently deemed to have been assessed u/s.120 of Income Tax Ordinance ,2001. | SMPL & FBR | 15 July 2015 |
| Federal Board of Revenue (FBR) | Notices u/s.176 seeking information for purposes of monitoring of withholding-taxes for all aforesaid years were responded and no further action has been taken based on factual data / documents submitted. | SMPL & FBR | 2018, 2020 & 2021 |
| | The matter seems to be closed now as no further action taken for issue of show cause notices. | | |

Contingencies of the associated Company - Treet Corporation Limited

| | | | |
|--------------------------------|--|-------------|------|
| Federal Board of Revenue (FBR) | During previous years, with respect to the tax year 2013, the ACIR passed an order dated 28 February, 2019, u/s 122(5A) of Income Tax Ordinance 2001 and created a tax demand of Rs. 10.06 million. The Company paid Rs 1 million (10% of demand), under protest, and recorded the same in advance tax. The Company appealed before the CIR (Appeals-1) which was decided in favor of the Company for majority of the matters. | Treet & FBR | 2013 |
| | Being aggrieved, the tax department filed an appeal, dated January 22, 2020, before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these financial statements. | | |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|---|-------------------|-----------------|
| Federal Board of Revenue (FBR) | <p>During the previous years, with respect to the tax year 2009, Additional Commissioner Inland Revenue (ACIR) vide order dated June 30, 2015, u/s 122(5A) of Income Tax Ordinance 2001, created an income tax demand of Rs. 15.7 million, where ACIR disallowed addition u/s 111(1)(a) amounting Rs. 20.15 million, and allocation of expenses to dividend income.</p> <p>Being aggrieved the Company filed an appeal before CIR Appeals (CIR-A) which was decided in favor of the Company and case was remanded back to the assessing officer. Being aggrieved, during 2018, the department filed an appeal before ATIR with respect to disallowance of additions u/s 111(1)(a) of Rs. 20.16 million which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the appeal filed by tax department against ATIR; therefore, no provision has been recorded in these financial statements.</p> | Treet & FBR | 2004 |
| Federal Board of Revenue (FBR) | <p>During previous years, with respect to the tax year 2017, Additional Commissioner Inland Revenue (ACIR), passed an order dated November 30, 2018 u/s 122(5A) of Income Tax Ordinance 2001. No tax demand is involved as the additions made by ACIR through this order only reduced the b/f losses. The Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company for majority of the matters and case was remanded back to assessing officer. The tax department filed an appeal before ATIR on December 27, 2019 against the order of CIR(A). The Company also preferred an appeal before ATIR on account of difference issues such as proration of profit between local and export sale, disallowance u/s 65B, dividend income allocation etc. Both the counter appeals are pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.</p> | Treet & FBR | 2018 |
| Federal Board of Revenue (FBR) | <p>During previous year, with respect to the tax year 2015, ACIR passed an order u/s 122(5A) dated April 21, 2021 and created an income tax demand of Rs. 25.35 million. The Company has paid Rs 2.53 million (10% of demand), under protest, and recorded the same in advance tax. Being aggrieved the Company has appealed before CIR(A) which is pending adjudication at the year end.</p> <p>Being aggrieved with the appellate order the company in the current period filed second appeal before the learned ATIR on April 29, 2022 contesting the portion of annulment which is pending adjudication at this point in time. However, the department were also filed second appeal on account of couple of add backs where adequate relief was not allowed in the first appeal. Both of the counter appeals are still pending in the ATIR till the year end. Management and tax advisor of the company are confident of favourable outcome of the case.</p> | Treet & FBR | 2011 |
| Federal Board of Revenue (FBR) | <p>During previous year, with respect to the tax year 2015, ACIR passed an order u/s 122(5A) dated April 21, 2021 and created an income tax demand of Rs. 25.35 million. The Company has paid Rs 2.53 million (10% of demand), under protest, and recorded the same in advance tax. Being aggrieved the Company has appealed before CIR(A) which is pending adjudication at the year end.</p> | Treet & FBR | 2011 |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|--|-------------------|-----------------|
| Federal Board of Revenue (FBR) | <p>Being aggrieved with the appellate order the company in the current period filed second appeal before the learned ATIR on April 29, 2022 contesting the portion of annulment which is pending adjudication at this point in time. However, the department were also filed second appeal on account of couple of add backs where adequate relief was not allowed in the first appeal.</p> <p>Both of the counter appeals are still pending in the ATIR till the year end. Management and tax advisor of the company are confident of favourable outcome of the case.</p> <p>During the tax year 2016 , the additional Commissioner Inland Revenue invoked provision of Section 122(5A) of the Income Tax Ordinance, 2001 on different Issues such as addition u/s 111(1)(d), addition u/s 111(1)(b), allocation of expenses between export and local sale, inter corporate dividend, profit on sales of fixed assets, disposal of investment property addition u/s 111(1)(c), disallowed statutory depreciation allowance, disallowed initial allowance, amortisation of advertisement expenses etc and passed an order dated March 31, 2022 by raising a tax demand of Rs 125.60 million. An appeal was filed by the entity before the CIR, Lahore on April 23, 2022.</p> | Treet & FBR | 2016 |
| Federal Board of Revenue (FBR) | <p>The company's first appeal was accepted almost in total by the Commissioner Inland Revenue (Appeals), thereby deleting as well as sending back a couple of add backs for re-visiting his decision, whereby the whole tax demand mentioned above has been deleted. The additional Commission Inland Revenue went into second appeal before Appellate Tribunal Inland Revenue on January 12, 2023 against the order of Commissioner Inland Revenue (Appeals), which is still pending in court.</p> <p>A favorable outcome is expected in line with the decision of Commissioner Inland Revenue (Appeals).</p> <p>During the previous years, with respect to the tax period from July 2016 to June 2018, Additional Commissioner-III, Punjab Revenue Authority, Lahore, vide order dated December 18, 2020 created a Punjab sales tax demand of Rs. 175.15 million along with default surcharge and penalty of Rs. 141.82 million, on the contention that the Company has received services taxable services but failed to withhold and deposit the due tax as per provisions of the Punjab Sales Tax on Services (Withholding) Rules, 2015.</p> | Treet & FBR | 2016 |
| | <p>Being aggrieved, the Company has filed an appeal, dated February 22, 2021 before Commissioner (Appeals), Punjab Revenue Authority, Lahore which has been heard on June 02, 2021 and July 01, 2021 and decision has been partially decided in the favour of company vide Order No. 109/2021 dated January 16, 2024. and reduced the sales tax demand to Rs 79.74 million along with penalty of Rs. 21.02 million. Against this order the company has filed second appeal before the ATIR, Lahore which is pending adjudication at the year end.. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these unconsolidated financial statements.</p> | | |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|--|-------------------|-----------------|
| Federal Board of Revenue (FBR) | <p>During the year, with respect to the TY-2018, ACIR vide order dated June 25, 2024, created a tax demand of PKR 5.94 million u/s 122(5A) of the Income Tax Ordinance, 2001 on different issues such as addition u/s 21(1) , reduce initial allowance & normal depreciation and amortise advertisement expense.</p> <p>Being aggrieved, the Company has filed an appeal before Appellate Tribunal Inland Revenue on 20 July 2024 which is pending adjudication at the year end. The management of the Company is confident of a favorable outcome of the case; therefore, no provision has been recorded in these financial statements.</p> | Treet & FBR | 2018 |
| Federal Board of Revenue (FBR) | <p>During the year, with respect to the TY-2018, ACIR vide order dated June 3, 2024, created a tax demand of Rs. 2.21 million u/s 161(1) of the Income Tax Ordinance, 2001. This demand includes a default surcharge and penalties, on the contention that the Company failed to deduct and deposit withholding tax from payers during the specified period.</p> <p>Being aggrieved, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 20 July 2024. The management of the Company is confident of a favorable outcome of the case; therefore, no provision has been recorded in these financial statements.</p> | Treet & FBR | 2018 |
| Federal Board of Revenue (FBR) | <p>During the year, with respect to the TY-2018, ACIR vide order dated June 25, 2024, created a tax demand of Rs. 5.94 million u/s 122(5A) of the Income Tax Ordinance, 2001 on different issues such as addition u/s 21(1), depreciation and initial allowance and advertisement expense amortized.</p> <p>Being aggrieved, the Company has filed an appeal before Commissioner Inland Revenue (Appeals) on 20 July 2024. The management of the Company is confident of a favorable outcome of the case; therefore, no provision has been recorded in these financial statements.</p> | Treet & FBR | 2018 |
| Federal Board of Revenue (FBR) | <p>During previous years, with respect to the tax period from July 2013 to June 2018, ACIR, vide order dated May 23, 2019 created a sales tax demand of Rs. 138.04 million on the contention that the Company has claimed illegal/ inadmissible input sales tax adjustment. Being aggrieved, the Company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Company. The department filed an appeal, dated January 9, 2020 before ATIR which is pending adjudication at the year end. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these financial statements.</p> | Treet & FBR | 2018 |
| Federal Board of Revenue (FBR) | <p>During the previous years, with respect to the tax period from July 2016 to June 2018, Additional Commissioner-III, Punjab Revenue Authority, Lahore, vide order dated December 18, 2020 created a Punjab sales tax demand of Rs. 175.15 million along with default surcharge and penalty of Rs. 141.82 million, on the contention that the Company has received services taxable services but failed to withhold and deposit the due tax as per provisions of the Punjab Sales Tax on Services (Withholding) Rules, 2015.</p> | Treet & FBR | 2018 |

Notes to the Consolidated Financial Statements

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| Name of the court, agency or authority | Description of the factual basis of the proceeding and relief sought | Principal parties | Date instituted |
|--|---|-------------------|-----------------|
| | Being aggrieved, the Company has filed an appeal, dated February 22, 2021 before Commissioner (Appeals), Punjab Revenue Authority, Lahore which has been partially decided in the favour of company vide Order No. 109/2021 dated January 16, 2024. and reduced the sales tax demand to Rs 79.74 million along with penalty of Rs. 21.02 million. Against this order the Company has filed appeal on February 17, 2024 before the ATIR, Lahore which is pending adjudication at the year end.. The management and the tax advisor of the Company are confident of favorable outcome of the case; therefore, no provision has been recorded in these financial statements. | | |

Based on the opinion of the Holding company's legal counsel, management is expecting a favorable outcome of the above cases. Therefore no provision has been recognized in these consolidated financial statements.

Contingencies - First Treet Manufacturing Modaraba

| | | | |
|--------------------------------|--|--|-----------|
| Federal Board of Revenue (FBR) | For the tax period July 2011 to June 2013 a sale tax demand of Rs. 9,526,018 along with default surcharge of Rs. 35,463 and penalty amounting to Rs. 508,485 was created by ACIR, Audit Unit-03, Zone-VI, CRTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissibility of input sales tax. Against this order, the Modaraba filed appeal before the Commissioner Inland Revenue (Appeals), Zone-II, Lahore and the learned CIR- Appeals has decided the case in favor of the Modaraba. Against this order, the department went into an appeal before ATIR, pending adjudication until the year end. | First Treet Manufacturing Modaraba & FBR | 2011-2013 |
| Federal Board of Revenue (FBR) | For the tax period July 2017 to June 2018 a sale tax demand of Rs. 14,753,014 along with penalty of Rs. 855,726 (aggregating to Rs. 15,608,740) was created by Deputy Commissioner Inland Revenue, Unit-08, Audit-01, LTO, Lahore after conducting audit u/s 25 of the Sales Tax Act, 1990 mainly on the issue of inadmissible claim of input tax Rs. 13,574,483, non-compliance of 73 etc. Against this order the Modaraba filed appeal before the CIR (Appeals), Zone-1, Lahore on 26-05-2022 and the appeal was heard on 01-08-2022 and CIR Appeals has remanded the case back for re- adjudication. Against this order, the department filed a second appeal before the ATIR on 29-12-2022 which is pending adjudication at the year end. As per the opinion of legal advisor of the Modaraba, a favourable outcome is expected. | First Treet Manufacturing Modaraba & FBR | 2017-2018 |

- 33.5** HAWL received the status of Special Economic Zone Enterprise after its application for Zone Enterprise entry was accepted on 18 December 2018 by ""National Industrial Parks Development and Management Company"" located at Bin Qasim Industrial Park ('the Industrial Park') which is included in the list of Special Economic Zones. As per the Special Economic Zones Act, 2012, the Company will be entitled to one time exemption from custom-duties and taxes on import of plant and machinery for installation in the Zone subject to verification by the Board of Investment (BOI) and exemption from all taxes on income for ten years if Commercial Production (CP) commences by 30 June 2020 and five years tax exemption if CP commences after 30 June 2020.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| | 2024 | 2023 |
|---|--------------------|-----------------|
| | (Rupees) | |
| 34. EARNING PER SHARE - BASIC AND DILUTED | | |
| Profit / (loss) for the year attributable to shareholders of the Parent Company | 665,741,695 | (1,313,540,524) |
| | (Number) | |
| Weighted average number of ordinary shares outstanding during the year | 251,250,000 | 251,250,000 |
| | (Rupees) | |
| Earning per share - basic and diluted | 2.65 | (5.23) |

34.1 There were no convertible dilutive potential ordinary shares outstanding as at 30 June 2024 and 30 June 2023.

35. TRANSACTIONS WITH RELATED PARTIES

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

| Description of the related parties | Relationship and percentage shareholding | Transactions during the year and year end balances | 2024 | 2023 |
|---------------------------------------|---|--|---------------------|--------------|
| | | | ------(Rupees)----- | |
| Provident fund | Defined benefit scheme | Receivable from / (Payable to) provident fund | 23,590,469 | 16,296,720 |
| Employee benefits - gratuity | Defined contribution plan | Expense for the year | 5,863,622 | 5,666,506 |
| | | Contribution paid during the year | 8,550,000 | 8,512,000 |
| | | Balance at the year end liability | (36,204,835) | (29,052,445) |
| Treet Corporation Limited | Virtue of common directorship | Receivable at the year end | 1,150,380 | 1,150,380 |
| IGI General Insurance Limited | Common directorship | Purchase of services | 6,728,677 | 6,173,577 |
| | | Amount due at the year end | 3,832,500 | 945,315 |
| First Treet Manufacturing Modaraba | Common directorship | Purchase of batteries | 318,485 | 370,970 |
| Treet HR Management (Private) Limited | Associated company by common directorship | Payable in respect of COO salary and service charges | 22,048,871 | 22,048,871 |

35.2 The remuneration to Board of Directors (executive and non-executive) and all members of the Group's Management Team is disclosed in note 40 to these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

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

| | Liabilities | | | Total |
|--|----------------------|---|--------------------|----------------------|
| | Long term loan | Liabilities against assets subject to finance lease | Unclaimed dividend | |
| | (Rupees) | | | |
| Balance as at 1 July 2023 | 1,389,947,938 | 31,333,265 | 3,527,781 | 1,424,808,984 |
| Changes from financing cash flows | | | | |
| Proceeds from loans and borrowings | - | - | - | - |
| Repayment of loans | (517,055,143) | - | - | (517,055,143) |
| Addition to lease | - | 4,366,000 | - | 4,366,000 |
| Payment of finance lease liabilities | - | (14,934,154) | - | (14,934,154) |
| Dividend paid | - | - | (13,756) | (13,756) |
| Total changes from financing cash flows | (517,055,143) | (10,568,154) | (13,756) | (527,637,053) |
| Liability - related other changes | | | | |
| Government grant income during the year | - | - | - | - |
| Finance cost | - | 6,705,758 | - | 6,705,758 |
| Total liability - related other changes | - | 6,705,758 | - | 6,705,758 |
| Total equity-related other changes | - | - | - | - |
| Balance as at 30 June 2024 | 872,892,795 | 27,470,869 | 3,514,025 | 903,877,689 |
| Balance as at 1 July 2022 | 1,663,442,559 | 30,328,259 | 3,527,781 | 1,697,298,599 |
| Changes from financing cash flows | | | | |
| Proceeds from loans and borrowings | 53,592,000 | - | - | 53,592,000 |
| Repayment of loans | (327,753,549) | - | - | (327,753,549) |
| Addition to lease | - | 11,536,500 | - | 11,536,500 |
| Payment of finance lease liabilities | - | (15,885,204) | - | (15,885,204) |
| Total changes from financing cash flows | (274,161,549) | (4,348,704) | - | (278,510,253) |
| Liability - related other changes | | | | |
| Government grant income during the year | 666,928 | - | - | 666,928 |
| Finance cost | - | 5,353,710 | - | 5,353,710 |
| Total liability - related other changes | 666,928 | 5,353,710 | - | 6,020,638 |
| Total equity-related other changes | - | - | - | - |
| Balance as at 30 June 2023 | 1,389,947,938 | 31,333,265 | 3,527,781 | 1,424,808,984 |

37. FINANCIAL RISK MANAGEMENT

The Group has exposure to following risks from its use of financial instrument:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

37.1 Risk management framework

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

37.2 Credit risk

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

Exposure to credit risk

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

| | | 2024 | 2023 |
|---|------|----------------------|-------------|
| | Note | (Rupees) | |
| Trade debts - net | 10 | 771,620,582 | 424,653,384 |
| Loans | | 75,001,346 | 25,165,968 |
| Deposits and other receivables | | 168,675,872 | 116,006,271 |
| Receivable from Group Company | | 1,150,380 | 1,150,380 |
| Bank balances and term deposit receipts | 16 | 79,665,353 | 30,449,832 |
| | | 1,096,113,533 | 597,425,835 |

Credit rating and collaterals

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

| Banks | Rating Agency | Short term rating | 2024 | |
|-----------------------------------|---------------|-------------------|-------------------|--------------|
| | | | (Rupees) | (%) |
| MCB Islamic Bank Limited | PACRA | A1+ | 334,463 | 1.1% |
| MCB Bank Limited | PACRA | A1+ | 67,520 | 0.2% |
| Meezan Bank Limited | VIS | A-1+ | 16,703,133 | 54.9% |
| Habib Bank Limited | VIS | A-1+ | 154,952 | 0.5% |
| Bank AL-Habib Limited | PACRA | A-1+ | 5,517,186 | 18.1% |
| Habib Metropolitan Bank Limited | PACRA | A1+ | 20,866 | 0.1% |
| The Bank of Punjab | PACRA | A1+ | 107,677 | 0.4% |
| Askari Bank Limited | PACRA | A1+ | 1,263 | 0.0% |
| National Bank of Pakistan | PACRA | A-1+ | 917,278 | 3.0% |
| Al Baraka Bank (Pakistan) Limited | VIS | A-1 | 1,403,395 | 4.6% |
| Soneri Bank Limited | PACRA | A1+ | 78,179 | 0.3% |
| BankIslami Pakistan Limited | PACRA | A-1 | 4,841,803 | 15.9% |
| JS Bank Limited | PACRA | A1+ | 302,117 | 1.0% |
| | | | 30,449,832 | 100% |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

| Banks | Rating Agency | Short term rating | 2023 | |
|-----------------------------------|---------------|-------------------|-------------------|-------------|
| | | | (Rupees) | (%) |
| MCB Islamic Bank Limited | PACRA | A1+ | 334,463 | 1.1% |
| MCB Bank Limited | PACRA | A1+ | 67,520 | 0.2% |
| Meezan Bank Limited | VIS | A-1+ | 16,703,133 | 54.9% |
| Habib Bank Limited | VIS | A-1+ | 154,952 | 0.5% |
| Bank AL-Habib Limited | PACRA | A-1+ | 5,517,186 | 18.1% |
| Habib Metropolitan Bank Limited | PACRA | A1+ | 20,866 | 0.1% |
| The Bank of Punjab | PACRA | A1+ | 107,677 | 0.4% |
| Askari Bank Limited | PACRA | A1+ | 1,263 | 0.0% |
| National Bank of Pakistan | PACRA | A-1+ | 917,278 | 3.0% |
| Al Baraka Bank (Pakistan) Limited | VIS | A-1 | 1,403,395 | 4.6% |
| Soneri Bank Limited | PACRA | A1+ | 78,179 | 0.3% |
| Bank Islami Pakistan Limited | PACRA | A-1 | 4,841,803 | 15.9% |
| JS Bank Limited | PACRA | A1+ | 302,117 | 1.0% |
| | | | 30,449,832 | 100% |

Concentration of credit risk

Concentration of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of the company's performance to developments affecting a particular industry. All of the Company's receivables are from distributors of automotive industries. Trade debts pertaining to four major customers of the Company aggregates to 95% as at 30 June 2024 (2023: 90%).

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

Expected credit loss and past due balances

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

| | 2024 | | | 2023 | | |
|---|--------------------|-----------|--------------------|-------------|------------|-------------|
| | Gross | Impairmen | Net | Gross | Impairment | Net |
| | (Rupees) | | | | | |
| Less than or equal to 30 days | 705,809,940 | - | 705,809,940 | 347,608,040 | - | 347,608,040 |
| More than 30 days but not more than 90 days | 36,305,830 | - | 36,305,830 | 19,522,473 | - | 19,522,473 |
| More than 90 days but not more than 180 days | 14,431,376 | - | 14,431,376 | 57,522,871 | - | 57,522,871 |
| More than 180 days but not more than 360 days | 5,684,225 | - | 5,684,225 | - | - | - |
| More than 360 days | 9,389,211 | - | 9,389,211 | - | - | - |
| | 771,620,582 | - | 771,620,582 | 424,653,384 | - | 424,653,384 |

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

37.3 Liquidity risk

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

Notes to the Consolidated Financial Statements

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Maturity analysis of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

| | | 2024 | | | | | |
|--|-------------|----------------------|------------------------|----------------------|----------------------|--------------------------|----------------------|
| | | Carrying amount | Contractual cash flows | Less than one month | One to three months | Three months to one year | More than one year |
| | | (Rupees) | | | | | |
| Financial Liabilities | Note | | | | | | |
| Short-term borrowings | 25 | 978,706,943 | (1,883,751,991) | 151,822,912 | (313,165,370) | (1,409,244,165) | - |
| Long-term loan | 24 | 494,627,969 | (872,629,618) | - | - | - | (872,629,618) |
| Current portion of long-term loan | 24 | 378,264,826 | (517,318,320) | (211,807,482) | (19,750,199) | (285,760,639) | - |
| Trade and other payables | 26 | 615,801,000 | (615,801,000) | (31,016,217) | (362,032,434) | (222,752,349) | - |
| Lease liabilities | 21 | 27,470,869 | (27,470,869) | (583,439) | (1,750,317) | (4,667,511) | (24,331,998) |
| Accrued mark-up on short-term borrowings | | 90,035,518 | (154,026,066) | (154,026,066) | - | - | - |
| Due to related party | 35.1 | 22,048,871 | (22,048,871) | (22,048,871) | - | - | - |
| Unclaimed dividend | | 3,514,025 | (3,527,781) | (3,527,781) | - | - | - |
| | | <u>2,610,470,021</u> | <u>(4,096,574,516)</u> | <u>(271,186,944)</u> | <u>(696,698,320)</u> | <u>(1,922,424,664)</u> | <u>(896,961,616)</u> |
| | | 2023 | | | | | |
| | | Carrying amount | Contractual cash flows | Less than one month | One to three months | Three months to one year | More than one year |
| | | (Rupees) | | | | | |
| Financial Liabilities | | | | | | | |
| Short-term borrowings | 25 | 1,883,751,991 | (1,883,751,991) | 151,822,912 | (313,165,370) | (1,409,244,165) | - |
| Long-term loan | 24 | 872,629,618 | (872,629,618) | - | - | - | (872,629,618) |
| Current portion of long-term loan | 24 | 517,318,320 | (517,318,320) | (211,807,482) | (19,750,199) | (285,760,639) | - |
| Trade and other payables | 26 | 372,194,607 | (372,194,607) | (31,016,217) | (62,032,434) | (279,145,956) | - |
| Lease liabilities | 21 | 31,333,265 | (31,333,265) | (583,439) | (1,750,317) | (4,667,511) | (24,331,998) |
| Accrued mark-up on short-term borrowings | | 154,026,062 | (154,026,066) | (154,026,066) | - | - | - |
| Due to related party | 35.1 | 22,048,871 | (22,048,871) | (22,048,871) | - | - | - |
| Unclaimed dividend | | 3,527,781 | (3,527,781) | (3,527,781) | - | - | - |
| | | <u>3,856,830,515</u> | <u>(3,856,830,519)</u> | <u>(271,186,944)</u> | <u>(396,698,320)</u> | <u>(1,978,818,271)</u> | <u>(896,961,616)</u> |

37.3.1 The shareholder and senior management of the company are closely monitoring the situation and are committed to meet the cash flow requirements, if any which may arise in future from their other entities or personal wealth. Moreover, in October 2020, the Company has also committed to provide loans and guarantees aggregating to Rs. 3 billion to HAWL to meet the project's financing requirements. In the prior year ended 30 June, 2023, the Board approved to provide Rs. 800 million to support the operations of HAWL and subsequent to year end an amount of Rs. 229 million has been provided to the subsidiary to support its operations.

37.4 Market risk

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

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Market risk comprises of three types of risks:

- currency risk;
- interest rate risk; and
- other price risk.

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

37.4.1 Currency risk

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

Exposure to currency risk

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

| | 2024 | | |
|-----------------------------------|----------------|---------|-------------------|
| | (USD) | (CNY) | (JPY) |
| Creditors | 537,427 | - | 53,630,944 |
| Net balance sheet exposure | 537,427 | - | 53,630,944 |
| | 2023 | | |
| | (USD) | (CNY) | (JPY) |
| Creditors | 247,375 | 125,304 | 6,816,400 |
| Net balance sheet exposure | 247,375 | 125,304 | 6,816,400 |

The following significant exchange rates applied during the year:

| | Average rate | | Reporting date rate | |
|-------------------|---------------------|--------|----------------------------|--------|
| | 2024 | 2023 | 2024 | 2023 |
| USD to Pak Rupees | 282.17 | 245.25 | 278.34 | 285.99 |
| CNY to Pak Rupees | - | 35.13 | - | 39.67 |
| JPY to Pak Rupees | 1.86 | 1.75 | 1.73 | 1.99 |

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD and JPY at 30 June 2024 would have increased equity and statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis as for 2023.

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| As at 30 June | 2024 | | 2023 | |
|-------------------------|------------------------------|---------------------|------------------------------|---------------------|
| | Consolidated Profit and loss | Consolidated Equity | Consolidated Profit and loss | Consolidated Equity |
| | (Rupees) | | (Rupees) | |
| Effect of change in USD | 14,958,743 | 14,958,743 | 7,074,678 | 7,074,678 |
| Effect of change in CNY | - | - | 4,949,508 | 4,949,508 |
| Effect of change in JPY | 9,278,153 | 9,278,153 | 1,356,464 | 1,356,464 |
| Gross exposure | 24,236,896 | 24,236,896 | 13,380,650 | 13,380,650 |

The Group does not have any foreign currency borrowings as at 30 June 2024.

37.4.2 Interest rate risk

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

At reporting date, details of the interest rate profile of the Group's interest bearing financial instruments were as follows:

| | 2024 | 2023 |
|----------------------------------|------------------------|------------------------|
| | (Rupees) | |
| Variable rate instruments | | |
| Financial liabilities | | |
| Short-term borrowings | (978,706,943) | (1,883,751,991) |
| Lease liability | (27,470,869) | (31,333,265) |
| Long-term loans | (494,627,969) | (872,629,618) |
| | (1,500,805,781) | (2,787,714,874) |
| Fixed rate instruments | | |
| Financial assets | | |
| Loan to employees | 28,891,757 | 7,066,348 |
| Loan to workers | 38,112,687 | 12,155,752 |
| | 67,004,444 | 19,222,100 |
| Financial liabilities | - | - |
| | 67,004,444 | 19,222,100 |

Fair value sensitivity analysis of fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) consolidated equity and statement of profit or loss by the amounts (net of tax) shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 2023.

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| | Consolidated Profit or loss | | Consolidated Profit or loss | |
|--|-----------------------------|---------------------|-----------------------------|---------------------|
| | 100 bps increase | 100 bps decrease | 100 bps increase | 100 bps decrease |
| | ----- (Rupees) ----- | | | |
| As at 30 June 2024 | | | | |
| Cash flow sensitivity - variable rate instruments | 15,008,058 | (15,008,058) | 15,008,058 | (15,008,058) |
| As at 30 June 2023 | | | | |
| Cash flow sensitivity - variable rate instruments | 27,877,149 | (27,877,149) | 27,877,149 | (27,877,149) |

37.4.3 Other price risk

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

As at 30 June 2024, the fair value of equity securities exposed to price risk are disclosed in note 15. The table below summarises the sensitivity of the price movements as at 30 June 2024. The analysis is based on the assumption that KSE-100 index increased by 10% (2023: 10%) and decreased by 10% (2023: 10%), with all other variables held constant and that the fair value of the Company's portfolio of equity securities moved according to their historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE-100 index, having regard to the historical volatility of index of past three years (2023: three years).

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

| | 2024 | 2023 |
|--|-----------|---------|
| | (Rupees) | |
| <i>Effect on assets of an increase in the KSE 100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'</i> | | |
| Effect on investments | 119,529 | 7,922 |
| Effect on profit or loss | 12,779 | 7,466 |
| Effect on equity | 119,529 | 7,922 |
| <i>Effect on assets of a decrease in the KSE 100 index on investments classified as 'fair value through profit or loss' and 'fair value through other comprehensive income'</i> | | |
| Effect on investments | (119,529) | (7,922) |
| Effect on statement of profit and loss | (12,779) | (7,466) |
| Effect on equity | (119,529) | (7,922) |

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Group's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2024 is not necessarily indicative of the effect on the Group's assets of future movements in the level of KSE 100 index.

The sensitivity analysis is based on the assumption that the equity index had increased / decreased by 10% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE 100 index, is expected to change over the time. Accordingly, the sensitivity analysis prepared as at 30 June 2024 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

37.4.4 OPERATIONAL RISK

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

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

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

38. CAPITAL RISK MANAGEMENT

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

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

| | 2024 | 2023 |
|---------------|---------------|---------------|
| | (Rupees) | |
| Debt | 1,879,070,607 | 3,305,033,194 |
| Total equity | 2,452,928,791 | 2,165,935,962 |
| Total capital | 4,331,999,398 | 5,470,969,156 |
| Gearing ratio | 43:57 | 60:40 |

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

39.1 Accounting classifications and fair values

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

| | | 2024 | | | | | Fair value | | | | |
|---|--------|-----------------------------------|----------------------------|------------------------------------|------------------------|-----------------------------|----------------------|------------|---------|---------|------------|
| | | Carrying amount | | | | | | | | | |
| | Note | Fair value through profit or loss | FVOCI - equity instruments | Financial assets at amortised cost | Other financial assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| (Rupees) | | | | | | | | | | | |
| Financial assets - measured at fair value | | | | | | | | | | | |
| Equity securities | | 11,913,372 | 39,512 | - | - | - | 11,952,884 | 11,952,884 | - | - | 11,952,884 |
| Pakistan Investment Bond | | - | - | - | - | - | - | - | - | - | - |
| Financial assets - not measured at fair value | | | | | | | | | | | |
| Trade debts | 39.1.1 | - | - | 771,620,582 | - | - | 771,620,582 | - | - | - | - |
| Loans | 39.1.1 | - | - | 75,001,346 | - | - | 75,001,346 | - | - | - | - |
| Deposits and other receivables | 39.1.1 | - | - | 168,675,872 | - | - | 168,675,872 | - | - | - | - |
| Cash and bank balances | 39.1.1 | - | - | 81,274,041 | - | - | 81,274,041 | - | - | - | - |
| | | 11,913,372 | 39,512 | 1,096,571,841 | - | - | 1,108,524,725 | | | | |
| Financial liabilities - not measured at fair value | | | | | | | | | | | |
| Short-term borrowings | 39.1.1 | - | - | - | - | 978,706,943 | 978,706,943 | - | - | - | - |
| Long-term loans | 39.1.1 | - | - | - | - | 872,892,795 | 872,892,795 | - | - | - | - |
| Trade and other payables | 39.1.1 | - | - | - | - | 615,801,000 | 615,801,000 | - | - | - | - |
| Lease liabilities | 39.1.1 | - | - | - | - | 27,470,869 | 27,470,869 | - | - | - | - |
| Accrued mark-up on short-term borrowings | 39.1.1 | - | - | - | - | 90,035,518 | 90,035,518 | - | - | - | - |
| Due to related party | 39.1.1 | - | - | - | - | 22,048,871 | 22,048,871 | - | - | - | - |
| Unclaimed dividend | 39.1.1 | - | - | - | - | 3,514,025 | 3,514,025 | - | - | - | - |
| | | - | - | - | - | 2,610,470,021 | 2,610,470,021 | | | | |
| 2023 | | | | | | | | | | | |
| | | Carrying amount | | | | | Fair value | | | | |
| | Note | Fair value through profit or loss | Available for sale | Loans and receivables | Other financial assets | Other financial liabilities | Total | Level 1 | Level 2 | Level 3 | Total |
| (Rupees) | | | | | | | | | | | |
| Financial assets - measured at fair value | | | | | | | | | | | |
| Equity securities | | 792,171 | 45,600 | - | - | - | 837,771 | 837,771 | - | - | 837,771 |
| Pakistan Investment Bond | | - | - | 10,584,358 | - | - | 10,584,358 | 10,844,431 | - | - | 10,844,431 |
| Financial assets - not measured at fair value | | | | | | | | | | | |
| Trade debts | 39.1.1 | - | - | 424,653,384 | - | - | 424,653,384 | - | - | - | - |
| Loans | 39.1.1 | - | - | 25,165,968 | - | - | 25,165,968 | - | - | - | - |
| Deposits and other receivables | 39.1.1 | - | - | 116,006,271 | - | - | 116,006,271 | - | - | - | - |
| Cash and bank balances | 39.1.1 | - | - | 31,323,411 | - | - | 31,323,411 | - | - | - | - |
| | | 792,171 | 45,600 | 607,733,392 | - | - | 608,571,163 | | | | |
| Financial liabilities - not measured at fair value | | | | | | | | | | | |
| Short-term borrowings | 39.1.1 | - | - | - | - | 1,883,751,991 | 1,883,751,991 | - | - | - | - |
| Long-term loans | 39.1.1 | - | - | - | - | 872,629,618 | 872,629,618 | - | - | - | - |
| Trade and other payables | 39.1.1 | - | - | - | - | 403,419,096 | 403,419,096 | - | - | - | - |
| Lease liabilities | 39.1.1 | - | - | - | - | 31,333,265 | 31,333,265 | - | - | - | - |
| Accrued mark-up on short-term borrowings | 39.1.1 | - | - | - | - | 154,026,062 | 154,026,062 | - | - | - | - |
| Due to related party | 39.1.1 | - | - | - | - | 22,048,871 | 22,048,871 | - | - | - | - |
| Unclaimed dividend | 39.1.1 | - | - | - | - | 3,527,781 | 3,527,781 | - | - | - | - |
| | | - | - | - | - | 3,370,736,684 | 3,370,736,684 | | | | |

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

40. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

| | 2024 | | | | | 2023 | | | | |
|---|-------------------|-------------------|------------------------|-------------------|--------------------|-------------------|-------------------|------------------------|-------------------|--------------------|
| | Chief Executive | Director | Non-Executive Director | Executives | Total | Chief Executive | Directors | Non-Executive Director | Executives | Total |
| | (Rupees) | | | | | (Rupees) | | | | |
| Managerial remuneration | 11,365,440 | 5,568,300 | - | 23,541,299 | 40,475,039 | 11,681,010 | 4,574,700 | - | 20,402,210 | 36,657,920 |
| Housing and utilities | 12,312,560 | 6,032,325 | - | 32,098,443 | 50,443,328 | 12,654,427 | 4,955,925 | - | 26,302,065 | 43,912,417 |
| Bonus | - | - | - | 4,366,667 | 4,366,667 | 5,821,875 | 2,156,250 | - | 9,788,439 | 17,766,564 |
| Medical | 2,156,642 | 240,016 | - | 1,991,980 | 4,388,638 | 1,134,805 | 194,583 | - | 873,867 | 2,203,255 |
| Group's Contribution to retirement benefits funds | - | 556,830 | - | 1,616,410 | 2,173,240 | - | 457,470 | - | 1,488,004 | 1,945,474 |
| Meeting fee | - | - | 860,000 | - | 860,000 | - | - | 860,000 | - | 860,000 |
| | 25,834,642 | 12,397,471 | 860,000 | 63,614,799 | 102,706,912 | 31,292,117 | 12,338,928 | 860,000 | 58,854,585 | 103,345,630 |
| Number of persons | 1 | 1 | 5 | 8 | 15 | 1 | 1 | 5 | 8 | 15 |

40.1 Details of cost of cars to Chief Executives, Directors and certain Executives. The Chief Executive, Directors and certain Executives are provided with free use of group maintained cars in accordance with their entitlements. The approximate aggregate value of this benefit is Rs. 72.6 million (2023: Rs. 68.4 million).

41. PROVIDENT FUND

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

| | 2024 (Un-audited) | 2023 (Audited) |
|---|----------------------|-------------------|
| | (Rupees) | |
| Size of the Fund | 51,689,360 | 47,018,328 |
| Costs of investments made | 51,580,560 | 47,014,150 |
| Amortised cost of investments | 51,580,560 | 47,014,150 |
| Percentage of investments made - based on fair value / amortised cost | 100.00% | 100.00% |

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

| | 2024 (Un-audited) | 2023 (audited) | 2024 (Un-audited) | 2023 (audited) |
|-----------------------|----------------------|-------------------|-----------------------------|-------------------|
| | (Rupees) | | (% of the size of the fund) | |
| Cash & banks | 49,752,644 | - | 96.46% | - |
| Mutual fund units | - | 16,526,805 | 0.00% | 31.97% |
| Government securities | - | 29,245,926 | 0.00% | 62.21% |
| Equity securities | 1,827,916 | 1,241,419 | 3.54% | 2.40% |
| | 51,580,560 | 47,014,150 | 100.00% | 96.58% |

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

The above investments out of provident fund have been made in accordance with the requirement of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

42. PLANT CAPACITY AND PRODUCTION

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

43. NUMBER OF EMPLOYEES

Total number of employees at reporting date
Total number of factory employees at reporting date

Average number of employees during the year
Average number factory of employees during the year

| | 2024 | 2023 |
|---|----------|-------|
| | (Number) | |
| Total number of employees at reporting date | 686 | 846 |
| Total number of factory employees at reporting date | 524 | 635 |
| Average number of employees during the year | 766 | 1,170 |
| Average number factory of employees during the year | 580 | 918 |

44. OPERATING SEGMENTS

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

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

44.3 All non-current assets of the Group as at 30 June 2024 are located in Pakistan.

45. GENERAL

45.1 Authorisation for issue

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on 18 September 2024.



Chief Financial Officer



Chief Executive



Director

NOTICE OF 44th ANNUAL GENERAL MEETING OF LOADS LIMITED

Notice is hereby given that the 44th Annual General Meeting (“AGM”) of Loads Limited will be held on Thursday, October 24, 2024 at 10:00 a.m. at Plot No. DSU-19, Sector II, Pakistan Steel Industrial Estate Bin Qasim, Karachi and also through video link facility. The AGM is being held to transact the following business:

Ordinary Business

1. To confirm minutes of the Extraordinary General Meeting of Loads Limited held on December 14, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024, together with the Directors' and Auditors' Reports thereon.
3. To appoint external auditors of the company for the year ending June 30, 2025 and to fix their remuneration. M/S Yousaf Adil & Co Chartered Accountants, being eligible, have offered themselves for appointment.

QR CODE



<http://www.loads-group.pk/annual-reports/>

Special Business

Whereas in accordance with Section 199 of the Companies Act, 2017, Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and other applicable laws and regulations, Loads Limited (“the Company”) had previously extended a loan of Rs. 2,693,386,891/- (Rupees two billion six hundred & ninety-three million three hundred & eighty-six thousand eight hundred & ninety-one only) to its subsidiary, Hi-Tech Alloy Wheels Limited (“HAWL”) via agreements dated 21 December 2017, 10 April 2019, 05 October 2020 and 28 April 2023. However, due to financial difficulties faced by HAWL, inability to repay the loan, it is proposed that the shareholders consider waiving off loan amounting to Rs. 1,317,197,494 (Rupees One billion three hundred & seventeen million one hundred & ninety-seven thousand and four hundred & ninety-four only) to support the associated company's financial stability. Therefore;

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

RESOLVED THAT approval of the shareholders of Loads Limited (“the Company”) be and is hereby accorded in terms of Section 199 and other applicable provisions of Companies Act, 2017, Regulation No. 3(1)(B)(vi) and other applicable provisions of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and subject to compliance with other applicable laws, regulations and statutory requirements to write off the loan amounting to Rs. 1,317,197,494 (Rupees One billion three hundred & seventeen million one hundred & ninety-seven thousand and four hundred & ninety-four only) extended by the Company to its subsidiary namely Hi-Tech Alloy Wheels Limited.

| Name of Subsidiary | Total Loan as at June 30, 2024 | Proposed Writing off | Outstanding Loan |
|------------------------------|--------------------------------|----------------------|---------------------|
| Hi-Tech Alloy Wheels Limited | Rs. 2,693,386,891/- | Rs. 1,317,197,494 /- | Rs. 1,376,189,397/- |

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

5. To consider to pass the following resolutions:
 - a) **“RESOLVED THAT** the transaction carried out in the normal course of business with associated companies during the year ended June 30, 2024 be and are ratified and approved.”
 - b) **“RESOLVED THAT** the Chief Executive of the Company be and is hereby authorised to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2025 and in this connection the Chief Executive be and is hereby also authorised to take any and all necessary actions, sign / execute any and all such documents/indentures as may be required in this regard on behalf of the Company.

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

By Order of the Board



Babar Saleem
Company Secretary

October 3, 2024
Karachi

Notes:

Closure of Share Transfer Books

- The Share Transfer Books of the Company shall remain closed from October 17, 2024 to October 24, 2024 (both days inclusive). Transfers in the form of physical transfers / CDS Transaction IDs received in order at the Company's Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, by close of business on October 16, 2024 will be treated in time to attend and vote at the meeting and for the purpose of the above entitlement to the transferees.

Participation in the Annual General Meeting electronically and appointing proxies

- Only those persons, whose names appear in the register of members of the Company as on October 16, 2024 are entitled to attend, participate in, and vote at the Annual General Meeting. The Annual General Meeting is being conducted as per guidelines circulated by SECP vide its circular No. 4 of 2021 dated February 15, 2021.
- The shareholders who wish to attend the Annual General Meeting are requested to get themselves registered by sending their particulars at the designated email address co.secy@loads-group.com, giving particulars as per below table by the close of business hours (5:00 p.m.) on October 23, 2024:

| Name of Shareholder* | CNIC/NTN No. | CDC Account No. | Cell No. | E-mail address |
|----------------------|--------------|-----------------|----------|----------------|
| | | | | |

- The webinar link would be provided to the registered shareholders/proxyholders who have provided all the requested information. The shareholders are also encouraged to send their comments/suggestion related to the agenda items of the AGM on the abovementioned email address by the close of business hours (5:00 p.m.) on October 23, 2024.
- The login facility will open at 9:45 a.m. enabling the participants to join the proceedings which will start at 10:00 a.m. sharp.
- A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on their behalf. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in their own right. For appointing proxies, the scanned/hard copy of the proxy form appearing below duly executed and witnessed, along with the relevant supporting documents and the e-mail address of the proxy must be sent to the Company Secretary at co.secy@loads-group.com at least 48 hours before the time of the Meeting.
- The proxy form should be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Where possible, attested copies of the CNIC or the identification pages of the passport of the beneficial owners and the proxy should be attached with the e-mailed Proxy Form.
- In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature should be submitted along with Proxy Form to the Company.
- Shareholders holding shares in physical form are requested to notify the change of their addresses (if any) and provide the copy of their CNIC to Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi.

Polling on Special Business:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification vide SRO 2192(1)/2022 dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of Loads Limited (the "Company") will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Annual General Meeting to be held on Thursday, October 24, 2024, at 10:00 AM, in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for E-Voting:

- Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on October 16, 2024.
- The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.

- IV. E-Voting lines will start from October 18, 2024, 09:00 a.m. and shall close on October 23, 2024 at 5:00 p.m. Members can cast their votes any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

PROCEDURE FOR VOTING THROUGH POSTAL BALLOT:

The shareholders shall ensure that duly filled and signed ballot papers along with copy of valid Computerized National Identity Card (CNIC)/ copy of passport (non-resident) should reach the Chairman of the meeting through post on the Company's registered address, Plot No. DSU-19, Sector II, Pakistan Steel Industrial Estate Bin Qasim, Karachi or e-mail at co.secy@loads-group.com on or before October 23, 2024 during working hours. The signatures on the ballot paper shall match with the signature on CNIC. For the convenience of the shareholders, ballot paper is available on the Company's website at www.gandharaautomobiles.com.pk for the download.

Appointment of Scrutinizer

In accordance with Regulation No. 11 of the Companies (Postal Ballot) Regulations, 2018, the Board of the Company has appointed M/s. UHY HASSAN NAEEM & CO, Chartered Accountants, a QCR rated audit firm to act as the Scrutinizer of the Company for Polling on Special Business and to undertake other responsibilities as defined in Regulation No. 11A.

Electronic Transmission of Annual Report

- In compliance with Section 223(6) of the Companies Act, 2017, the Company has electronically transmitted the Annual Report 2024 through e-mail to shareholders whose e-mail addresses are available with the Company's Share Registrar, M/s. CDC Share Registrar Services Limited. However, in cases, where e-mail addresses are not available with the Company's Share Registrar, printed copies of the notices of AGM along-with the QR enabled code/weblink to download the Annual Report 2024 (containing the financial statements), have been dispatched.
- Notwithstanding the above, the Company will provide hard copies of the Annual Report 2024, to any Member on their request, at their registered address, free of cost, within one (1) week of receiving such request. Further, Members are requested to kindly provide their valid e-mail address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. CDC Share Registrar Services Limited if the Member holds shares in physical form or, to the Member's respective Participant/Investor Account Services, if shares are held in book entry form.
- Pursuant to Notification vide SRO.787 (I)/2014 of September 08, 2014, the SECP has directed to facilitate the members of the Company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect, members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. <http://www.loads-group.pk/annual-reports/>. Please ensure that your e-mail has sufficient rights and space available to receive such e-mail. Further, it is responsibility of the member to timely update the Shares Registrar of any change in the registered e-mail address.

Notice to Members Who Have Not Provided CNIC

- SECP vide Notification S.R.O. 19(1)/2014 dated 10th January 2014 read with Notification S.R.O 831(1)/2012 dated 5th July 2012 require that the dividend warrant(s) should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, in case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with the directives of SECP and therefore will be constrained under SECP order dated July 13, 2015 to withhold the dispatch of dividend warrants of such shareholders. The shareholders while sending CNIC must quote their respective folio number and name of the Company.

Unpaid / Unclaimed Dividend and Shares:

- As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017, as prescribed.

Deposit of Physical Shares into CDC Account:

- The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.
- The shareholders of Loads Limited having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, M/s. M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi.

Request for Video Conference Facility

- In terms of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request / demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

- In this regard, please fill the following form and submit to the Company at its registered address 10 days before holding of the AGM. After receiving the request / demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

I / We / Messrs. _____ of _____ being Member(s) of Loads Limited, holder of _____ ordinary share(s) as per Folio # _____ and / or CDC Participant ID & Sub-Account No. _____, hereby, opt for video conference facility at _____ city.

Signature of the Member(s)
(please affix company stamp
in case of corporate entity)

Change of Address

- Members are requested to immediately notify the Company's Share Registrar, M/s. CDC Share Registrar Services Limited of any change in their registered address.

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

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Company to be held on Thursday, October 24, 2024.

Agenda item no. 4 Writing off the Loan Extended to Hi-Tech Alloy Wheels Limited ("HAWL")

The information required to be annexed to the Notice under Section 199 and other applicable provisions of Companies Act, 2017, Regulation No. 3 and other applicable provisions of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 the by the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017 (Notification No. SRO 1240(I)/2017 dated December 6, 2017) is set out below:

Agenda item no. 5

| S. No | Requirement | Information | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---------------------|--------|---------------|--|-------------------------------|---------------|-----------------------|------------|---|-------------|------------------------|-----------|---------------|--|---|---------------|------------------|---------------|--------------------|--|-----------------|-------------|------------------------|---------------|---------------------------|------------|----------------|------------|
| 1 | Name of the associated company or associated undertaking | Hi-Tech Alloy Wheels Limited | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Basis of relationship | An associated undertaking due to common directorships. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Earnings (Loss) per Share for last three years | 2023: (18.6) Loss per Share 2022: (3.40) Loss per Share 2021: (2.62) Loss per Share | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Break-up value per share | 2023 – PKR (17.00) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | The complete details of the loan already provide | The Company via agreements dated 21 December 2017, 10 April 2019, 05 October 2020 and 28 April 2023 has provided a total loan amounting to Rs. 2,693,386,891/- (Rupees two billion six hundred & ninety-three million three hundred & eighty-six thousand eight hundred & ninety-one only). The above amount of loan is at June 30, 2024. | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Financial position as per Financial Statements for the year ended 30 June 2023. | <table border="1"> <thead> <tr> <th>Balance Sheet Items</th> <th>Rupees</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> </tr> <tr> <td>Property, plant and equipment</td> <td>3,282,271,368</td> </tr> <tr> <td>Long term investments</td> <td>42,308,283</td> </tr> <tr> <td>Advances, deposits prepayments and other receivable</td> <td>216,218,000</td> </tr> <tr> <td>Cash and bank balances</td> <td>1,025,102</td> </tr> <tr> <td>Equity</td> <td></td> </tr> <tr> <td>Issued, subscribed and paid -up capital</td> <td>1,315,450,000</td> </tr> <tr> <td>Accumulated Loss</td> <td>3,552,225,369</td> </tr> <tr> <td>Liabilities</td> <td></td> </tr> <tr> <td>Long term loans</td> <td>644,532,854</td> </tr> <tr> <td>Due to related parties</td> <td>4,694,595,676</td> </tr> <tr> <td>Accrued mark -up on loans</td> <td>56,741,641</td> </tr> <tr> <td>Other payables</td> <td>39,949,050</td> </tr> </tbody> </table> <p>The Annual Audited Accounts for the year ended 30 June 2023 are placed on the website of the Company.</p> | Balance Sheet Items | Rupees | Assets | | Property, plant and equipment | 3,282,271,368 | Long term investments | 42,308,283 | Advances, deposits prepayments and other receivable | 216,218,000 | Cash and bank balances | 1,025,102 | Equity | | Issued, subscribed and paid -up capital | 1,315,450,000 | Accumulated Loss | 3,552,225,369 | Liabilities | | Long term loans | 644,532,854 | Due to related parties | 4,694,595,676 | Accrued mark -up on loans | 56,741,641 | Other payables | 39,949,050 |
| Balance Sheet Items | Rupees | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Assets | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Property, plant and equipment | 3,282,271,368 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long term investments | 42,308,283 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advances, deposits prepayments and other receivable | 216,218,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and bank balances | 1,025,102 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Issued, subscribed and paid -up capital | 1,315,450,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accumulated Loss | 3,552,225,369 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Liabilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Long term loans | 644,532,854 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Due to related parties | 4,694,595,676 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accrued mark -up on loans | 56,741,641 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Other payables | 39,949,050 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| S. No | Requirement | Information |
|-------|--|---|
| 7 | Amount to be written off | To write off the loan amounting to PKR. 1,317,197,494 (Rupees One billion three hundred & seventeen million one hundred & ninety-seven thousand and four hundred & ninety-four only) |
| 8 | Reasons/justification for the Proposed writing off | <p>Economic Recession: The investment was made in HAWL by the Company for diversification in group business. The purpose of the investment was that HAWL will become the first manufacturer of alloy wheels in Pakistan, which could have catered local assemblers' requirements and also met the large demand in the spare parts market. There was no competition with steel wheel manufacturer. The Company anticipated to replace the imported segment of alloy wheel by assemblers and commercial importers. The infrastructure of HAWL was built with the loan extended by the Company. However, HAWL could not commence its operations due to breakdown of Covid-19 and the unprecedented price hike and economic shutdown resultant therefrom, downturn of auto sector and recession in economy in past years. Since the production has not commenced, therefore the Company was able to recover only PKR. 18,485,633 million (Rupees Eighteen million four hundred & eighty-five thousand six hundred & thirty-three only) in terms of principal amount of loan till the year ended June 30, 2024.</p> <p>Financial Difficulties: HAWL has faced significant financial challenges due to adverse market conditions, unexpected operational losses etc. which have adversely affected its ability to meet its financial obligations, including the repayment of loan.</p> <p>Support: Writing off the loan would provide necessary financial relief to HAWL, allowing it to stabilize its operations and maintain its value, which indirectly benefits the Company as the Parent Company.</p> <p>Avoidance of Insolvency Proceedings: Writing off the loan may prevent HAWL from becoming insolvent, which could otherwise result in a total loss of the investment made by the Company. Any potential insolvency proceedings may harm the reputation and goodwill of the Company.</p> |
| 9 | Sources of funds to be written off | Own source |

5(a) of the Notice - Transactions carried out with associated companies during the year ended June 30, 2024 to be passed as an Ordinary Resolution

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in this/these transaction(s) due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval of this/these transaction(s) which has/have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended June 30, 2024 with associated company as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

5(b) of the Notice - Authorization to the Chief Executive for the transactions carried out with associated companies during the year ended June 30, 2024 to be passed as an Ordinary Resolution

The Company shall be conducting transactions with its related parties during the year ending June 30, 2024 on arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority Directors are interested in these transaction(s) due to their common directorship in the associated companies.

In order to comply with the provisions of clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies/related parties during the ensuing year ending June 30, 2025.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies.



**Loads Limited
POSTAL BALLOT PAPER**

for voting through post for the Special Business at the Annual General Meeting to be held on Thursday, October 24, 2024, at 10:00 a.m. at Plot No. DSU-19, Sector II, Pakistan Steel Industrial Estate Bin Qasim, Karachi.
Phone: +92-21- 35073894 Website: www.loads-group.pk.

| | |
|---|--|
| Folio / CDS Account Number | |
| Name of Shareholder / Proxy Holder | |
| Registered Address | |
| Number of shares held | |
| CNIC/Passport No. (in case of foreigner) (copy to be attached) | |
| Additional information and enclosures (in case of representative of body corporate, corporation, or federal Government) | |
| Name of Authorized Signatory | |
| CNIC/Passport No. (in case of foreigner) of Authorized Signatory (copy to be attached) | |

Resolution for Agenda Item No. 4

Whereas in accordance with Section 199 of the Companies Act, 2017, Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and other applicable laws and regulations, Loads Limited ("the Company") had previously extended a loan of PKR Rs. 2,693,386,891/- (Rupees two billion six hundred & ninety-three million three hundred & eighty-six thousand eight hundred & ninety-one only) to its subsidiary, Hi-Tech Alloy Wheels Limited ("HAWL") via agreements dated 21 December 2017, 10 April 2019, 05 October 2020 and 28 April 2023. However, due to financial difficulties faced by HAWL, inability to repay the loan, it is proposed that the shareholders consider waiving off loan amounting to Rs. 1,317,197,494 (Rupees One billion three hundred & seventeen million one hundred & ninety-seven thousand and four hundred & ninety-four only) to support the associated company's financial stability. Therefore;

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

RESOLVED THAT approval of the shareholders of Loads Limited ("the Company") be and is hereby accorded in terms of Section 199 and other applicable provisions of Companies Act, 2017, Regulation No. 3(1)(B)(vi) and other applicable provisions of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 and subject to compliance with other applicable laws, regulations and statutory requirements to write off the loan amounting to Rs. 1,317,197,494 (Rupees one billion three hundred & seventeen million one hundred & ninetyseven thousand and four hundred & ninety-four only) extended by the Company to its subsidiary namely Hi-Tech Alloy Wheels Limited.

| Name of Subsidiary | Total Loan as at June 30, 2024 | Proposed Writing off | Outstanding Loan |
|------------------------------|--------------------------------|----------------------|---------------------|
| Hi-Tech Alloy Wheels Limited | Rs. 2,693,386,891/- | Rs. 1,317,197,494 /- | Rs. 1,376,189,397/- |

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

Resolution for Agenda Item No. 5

To consider to pass the following resolutions:

- a) **"RESOLVED THAT** the transaction carried out in the normal course of business with associated companies during the year ended June 30, 2024 be and are ratified and approved."
- b) **"RESOLVED THAT** the Chief Executive of the Company be and is hereby authorised to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2025 and in this connection the Chief Executive be and is hereby also authorised to take any and all necessary actions, sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company.

Instructions for Poll

- Please indicate your vote by ticking (✓) the relevant box.
 - In case both the boxes are marked as (✓), your poll shall be treated as **"Rejected"**.
- I/we hereby exercise my/our vote in respect of the above resolution through ballot by conveying my/our assent or dissent to the resolution by placing tick (✓) mark in the appropriate box below;

| Resolution | I/We assent to the Resolution (FOR) | I/We dissent to the Resolution (AGAINST) |
|---|-------------------------------------|--|
| Resolution for Agenda Item No. 4 | | |
| Resolution for Agenda Item No. 5 | | |

- Duly filled ballot paper should be sent to the Chairman of Loads Limited at Plot No. DSU-19, Sector II, Pakistan Steel Industrial Estate Bin Qasim, Karachi or email at co.secy@loadsgroup.com
- Copy of CNIC/ Passport (in case of foreigner) should be enclosed with the postal ballot form.
- Ballot paper should reach the Chairman within business hours by or before Wednesday, October 23, 2024. Any postal ballot received after this date, will not be considered for voting.
- Signature on Ballot Paper should match with signature on CNIC/ Passport. (In case of foreigner).
- Incomplete, unsigned, incorrect, defaced, torn, mutilated, overwritten poll paper will be rejected.
- In case of a representative of a body corporate, corporation or Federal Government, the Ballot Paper form must be accompanied by a copy of the CNIC of an authorized person, an attested copy of Board Resolution / Power of Attorney / Authorization Letter etc., in accordance with Section(s) 138 or 139 of the Companies Act, 2017 as applicable. In the case of foreign body corporate etc., all documents must be attested by the Consul General of Pakistan having jurisdiction over the member.
- Ballot Paper form has also been placed on the website of the Company at: www.loads-group.pk. Members may download the Ballot Paper from the website or use an original/photocopy published in newspapers.

**Shareholder / Proxy holder Signature/Authorized Signatory
(In case of corporate entity, please affix company stamp)**

Date: _____

LOADS LIMITED

پوسٹل بیلٹ پیپر



24 اکتوبر 2024 بروز جمعرات صبح 10:00 بجے پلاٹ نمبر 19-DSU، سیکٹر II، پاکستان اسٹیل انڈسٹریل سٹیٹ بن قاسم، کراچی، فون نمبر +923028674683-9/922134740100 ویب سائٹ www.loads-group.pk پر منعقد ہونے والے سالانہ اجلاس عام میں خصوصی امور کیلئے بڈ ریپڈ ریپسٹ وونگ کیلئے بیلٹ پیپر

| | |
|---|--|
| فولیو / CDS کا ونٹ نمبر | |
| شیر ہولڈر / پراسی ہولڈر کا نام | |
| رجسٹرڈ پتہ | |
| موجود شیرز کی تعداد | |
| CNIC / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کریں) | |
| اضافی معلومات اور انکوارٹرز (ہاڈی کا پورٹ، کار پوریشن اور وفاقی حکومت کے نمائندے کی صورت میں) | |
| حجاز دستخط کنندہ کا نام | |
| حجاز دستخط کنندہ کا CNIC / پاسپورٹ نمبر (غیر ملکی ہونے کی صورت میں) (نقل منسلک کریں) | |

ایجنڈا آف انٹیم 4 کیلئے قرارداد:

ہر گاہ کہ بیلٹ ایکٹ 2017 کی شق 199 کے مطابق، بیلٹ (انٹیمٹ ان ایسی بیلٹ یا ایسی اینڈ اینڈ ریکٹنگ) ریگولیشنز 2017 اور دیگر قابل اطلاق قوانین اور ضوابط کے مطابق لوڈ لیمنٹ ("بیلٹ") نے اپنے ذیلی ادارے ہائی ٹیک الائنڈ ہیلولیمینٹ ("HAWL") کو ٹینڈر میں 21 دسمبر 2017 اور 10 اپریل 2019 کو 05.2019 اکتوبر 2020 اور 128 اپریل 2023 کے ذریعے - 2,693,386,891/- روپے (دو ارب، چھ سو تین لاکھ نوے کروڑ، تین سو چھیالیس ہزار آٹھ سو اکیانوے روپے صرف) کے قرضوں میں توسیع کی تھی، تاہم، HAWL کو درپیش مالی مشکلات، قرض کی ادائیگی میں تاخیر کی وجہ سے، یہ تجویز ہے کہ شیر ہولڈرز ذیلی بیلٹ کو مالی استحکام دینے کیلئے 1,317,197,494 (ایک ارب تین سو تین لاکھ نوے ہزار ارب چار سو چار سو روپے صرف) کے قرض کو معاف کرنے پر غور کریں۔ لہذا، بیلٹ ایکٹ 2017 کی شق 199 کے تحت درج ذیل قراردادوں کو ترمیم کیسا تھ یا اس کے بغیر، اضافہ یا حذف، غور کرنے اور اگر مناسب سمجھا جائے تو منظور کریں۔

"قرار پایا کہ لوڈ لیمنٹ ("بیلٹ") کے شیر ہولڈرز کی منظوری منظور کیا گیا ہے کہ بیلٹ ایکٹ 2017 کی شق 199 اور دیگر قابل اطلاق قوانین، ریگولیشنز اور وفاقی تقاضوں سے مشروط ہے، اینڈ اینڈ ریکٹنگ ریگولیشنز 2017 کے ریگولیشن نمبر (B)(vi) 3(1) اور دیگر قابل اطلاق ضابطوں، دیگر قابل اطلاق قوانین، ریگولیشنز اور وفاقی تقاضوں سے مشروط ہے، کے لحاظ سے دی گئی ہے تاکہ بیلٹ کی جانب سے اس کی ذیلی بیلٹ ہائی ٹیک الائنڈ ہیلولیمینٹ کو توسیع کردہ قرض میں دی گئی رقم 1,317,197,494 (ایک ارب تین سو تین لاکھ نوے ہزار ارب چار سو چار سو روپے صرف) کو رائٹ آف کیا جائے۔"

| ذیلی ادارے کا نام | 30 جون 2024 تک مجموعی قرض | مجوزہ رائٹ آف | بقایا قرض |
|----------------------------|---------------------------|---------------------|-------------------|
| ہائی ٹیک الائنڈ ہیلولیمینٹ | Rs. 2,693,386,891/- | Rs. 1,317,197,494/- | Rs. 1,376,189,397 |

مزید قرارداد یا ایک، مذکورہ قرارداد شیر ہولڈرز کی منظوری کی تاریخ سے کارآمد ہوگی اور چیف ایگزیکٹو آفیسر کو تمام ضروری اقدامات اور اعمال کرنے، متعلقہ اور ذیلی اقدامات، بشمول کسی بھی اور تمام دستاویزات اور معاہدوں پر عملدرآمد کرنا جو اس سلسلے میں ضروری ہو اور مذکورہ قرارداد کو نافذ کرنے کے مقصد کیلئے تمام اعمال، معاملات، ڈیڈز اور چیزیں اور کام جو ضروری یا مناسب ہو، کرنے کا ذمہ دار ہونا اختیار دیا گیا ہے۔

ایجنڈا آف انٹیم 5 کیلئے قرارداد:

درج ذیل قراردادوں کو منظور کرنے پر غور کرنا:

(a) "طے کیا گیا کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی بیلٹوں کیساتھ کاروبار کے معمول کے مطابق کئے گئے لین دین کی توثیق اور منظوری دی گئی ہے۔"

(b) "طے کیا گیا کہ بیلٹ کا چیف ایگزیکٹو آفیسر 30 جون 2025 کو ختم ہونے والے سال کے دوران تمام لین دین کی منظوری دینے اور ذیلی بیلٹوں کیساتھ معمول کے مطابق لین دین کرنے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو آفیسر بڈ ریپڈ ریپسٹ کے ذریعے بیلٹ کی جانب سے اس ضمن میں مطلوبہ کسی بھی اور تمام ضروری دستاویزات پر دستخط/ عمل درآمد کرنے کا مجاز ہے۔"

پول کیلئے ہدایات

- براہ مہربانی متعلقہ خانہ کو (✓) کا نشان لگا کر اپنے ووٹ کی نشاندہی کریں۔
- آگروں خانوں کو (✓) کے بطور نشان زدہ کیا گیا ہے تو آپ کے پول کو "مسٹر ڈ" سمجھا جائیگا۔
- ہم، بڈ ریپڈ ریپسٹ، بالآخر ادا کے سلسلے میں اپنا ووٹ بیلٹ کے ذریعے استعمال کرتے ہیں اور ذیلی میں مناسب خانہ میں (✓) کا نشان لگا کر قرارداد پر مبنی اپنی رضامندی یا اختلاف رائے پہنچاتے ہیں۔

| قرارداد | میں/ہم اس قرارداد کی منظوری دیتے ہیں (مخ) | میں/ہم اس قرارداد سے اختلاف کرتے ہیں (خلاف) |
|----------------|---|---|
| قرارداد نمبر 4 | | |
| قرارداد نمبر 5 | | |

نوٹس:

- باقاعدہ پر کیا گیا بیلٹ پیپر، لوڈ لیمنٹ کے چیئر مین کو پلاٹ نمبر 19-DSU، سیکٹر II، پاکستان اسٹیل انڈسٹریل سٹیٹ بن قاسم، کراچی یا بڈ ریپڈ ریپسٹ co.secy@loads-group.com پر ارسال جائے۔
- پوسٹل بیلٹ فارم کیساتھ CNIC / پاسپورٹ کی نقل (غیر ملکی ہونے کی صورت میں) منسلک کریں۔
- بیلٹ پیپر، چیئر مین تک بدھ 23 اکتوبر 2024 تک یا اس سے قبل دفتر یا اس کے اندر تکجنگ جائیں، اس تاریخ کے بعد موصول ہونے والے کسی بھی بیلٹ پیپر پر وونگ کیلئے غور نہیں کیا جائیگا۔
- بیلٹ پیپر کے دستخط CNIC / پاسپورٹ پر کئے گئے دستخط کیساتھ مماثلت ہونی چاہئے۔ (غیر ملکی ہونے کی صورت میں)
- ٹاکسل، میجر دستخط شدہ، غلط شدہ، چھٹا ہوا، بیرونی لیمنٹ، اوور پین پول پیپر، مسٹر ڈ کر دیا جائیگا۔
- ایک ہاڈی کار پورٹ، کار پوریشن یا وفاقی حکومت کا ایک نمائندہ ہونے کی صورت میں، بیلٹ ایکٹ 2017 کے سیکشنز 138 اور 139 کا اطلاق ہوگا، کے مطابق، بیلٹ پیپر کے ہمراہ لازمی طور پر مجاز فرم کے CNIC کی ایک نقل، بورڈ قرارداد کی تصدیق شدہ نقل / پاور آف اتارنی / اتھارائزیشن لیٹر وغیرہ منسلک ہونا چاہئے۔ تمام دستاویزات کو تو فیصل جبرل آف پاکستان سے تصدیق شدہ ہونا ضروری ہے، جو میجر پاور آف اختیار رکھتا ہے۔
- بیلٹ پیپر فارم بیلٹ کی ویب سائٹ www.loads-group.pk پر بھی موجود ہے، ممبرز، بیلٹ پیپر ویب سائٹ سے ڈاؤن لوڈ کر سکتے ہیں یا اور بیلٹ/ اخبار میں شائع شدہ کی فولڈر یا بھی استعمال کی جاسکتی ہے۔

مورخہ:

شیر ہولڈر / پراسی ہولڈر کے دستخط/ حجاز دستخط کنندہ
(کار پورٹ ادارہ ہونے کی صورت میں، براہ کرم بیلٹ کی مہر ثبت کریں)

نوٹس کا ریجنڈا ۲ سیم نمبر 5(a): 30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں کیساتھ کئے گئے لین دین کو ایک عام قرارداد کے طور پر منظور کیا جائیگا۔
 ذیلی کمپنیوں (ریلیٹڈ پارٹیز) کیساتھ معمول کے کاروبار میں کئے گئے لین دین کو بورڈ کے ذریعے منظور کیا جا رہا تھا جیسا کہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر آڈٹ کمپنی نے تجویز کیا تھا۔
 بورڈ اجلاس کے دوران ڈائریکٹرز کی جانب سے نشاندہی کی گئی کہ چونکہ کمپنی ڈائریکٹرز کی اکثریت اس / ان لین دین میں مشترکہ ڈائریکٹر شپ اور ذیلی کمپنیوں میں شیئرز رکھنے کی وجہ سے ڈائریکٹرز کا کورم نہیں بن سکا، اس / ان ٹرانزیکشنز کی منظوری کیلئے جن کی سالانہ اجلاس میں شیئر ہولڈرز کی منظوری ہوتی ہے۔
 مذکورہ بالا کو مد نظر رکھتے ہوئے، ذیلی کمپنیوں کیساتھ 30 جون 2024 کو ختم ہونے والے مالی سال کے دوران کئے گئے لین دین جیسا کہ آڈٹ شدہ مالیاتی گوشواروں کے متعلقہ نوٹس میں دکھایا گیا ہے، شیئر ہولڈرز کے سامنے ان کے غور اور منظوری / توثیق کیلئے پیش کیا جا رہا ہے۔
 ڈائریکٹرز اس قرارداد میں اپنی مشترکہ ڈائریکٹر شپ اور ذیلی کمپنیوں میں ان کی شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

نوٹس کا ریجنڈا ۲ سیم نمبر 5(b): 30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں کیساتھ کئے گئے لین دین کیلئے چیف ایگزیکٹو کو اختیار ایک عام قرارداد کے طور پر منظور کیا جائیگا۔
 کمپنی 30 جون 2024 کو ختم ہونے والے سال کے دوران اپنی ذیلی کمپنیوں کیساتھ لین دین کریگی، جو کہ منظور شدہ پالیسی کے مطابق معمول کے کاروبار میں 'ریلیٹڈ پارٹیز' کیساتھ لین دین کے سلسلے میں بازو کی لمبائی کی بنیاد پر کریگی، زیادہ تر ڈائریکٹرز ذیلی کمپنیوں میں مشترکہ ڈائریکٹر شپ کی وجہ سے ان لین دین میں دلچسپی رکھتے ہیں۔
 30 جون 2025 کو ختم ہونے والے آئندہ سال کے دوران، لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 کی دفعات کی تعمیل کرنے کیلئے، شیئر ہولڈرز چیف ایگزیکٹو کو ذیلی کمپنیوں / ریلیٹڈ پارٹیز کیساتھ کئے گئے لین دین کی منظوری دینے اور کاروبار کے معمول کے مطابق کرنے کا اختیار دے سکتے ہیں۔
 ڈائریکٹرز اس قرارداد میں اپنی مشترکہ ڈائریکٹر شپ اور ذیلی کمپنیوں میں ان کی شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

| نمبر شمار | مطلوب | معلومات | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--|---------------|------|-------|--|------------------------|---------------|-----------------------|------------|--|-------------|---------------------|-----------|---------|--|--|---------------|---------------|---------------|--------|--|----------------|-------------|-------------------------|---------------|--------------------------|------------|--------------------|------------|
| 1 | لہوسوی اینڈ کمپنی کا نام یا لہوسوی اینڈ انڈر ٹیکنگز | ہائی نیک الائے و میلز لیٹڈ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | تعلق کی بنیاد | مشترکہ ڈائریکٹر شپس کی وجہ سے ایک لہوسوی اینڈ انڈر ٹیکنگز | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | پچھلے تین سالوں میں فی شیئر آمدنی (نقصان) | 2023: (18.6) فی شیئر نقصان 2022: (3,40) فی شیئر نقصان 2021: (2.62) فی شیئر نقصان | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | بریک آپ ویلیو فی شیئر | (PKR 17.00:2023) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | قرض کی مکمل تفصیلات پہلے ہی فراہم کی گئی ہیں۔ | کمپنی نے مورخہ 21 دسمبر 2017، 10 اپریل 2019، 05 اکتوبر 2020 اور 28 اپریل 2023 کے معاہدوں کے ذریعے مجموعی طور پر 2,693,386,891/- روپے (دو بلین، چھ سو ترانوے ملین تین سو چھیاسی ہزار آٹھ سو اکیانوے روپے) قرض فراہم کیا ہے، مندرجہ بالا قرض کی رقم 30 جون 2024 تک ہے۔ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | 30 جون 2023 کو ختم ہونے والی سال کے مالی گوشواروں کے مطابق مالی پوزیشن۔ | <table border="1"> <thead> <tr> <th>پینس شیٹ نمبر</th> <th>روپے</th> </tr> </thead> <tbody> <tr> <td>اثاثے</td> <td></td> </tr> <tr> <td>املاک، پلائٹ اور سامان</td> <td>3,282,271,368</td> </tr> <tr> <td>طویل مدتی سرمایہ کاری</td> <td>42,308,283</td> </tr> <tr> <td>ایڈوانسز، پائرسٹس، پائرسٹس ازادانگی اور دیگر قابل وصول</td> <td>216,218,000</td> </tr> <tr> <td>کیٹس اور بینک بیلنس</td> <td>1,025,102</td> </tr> <tr> <td>ایکویٹی</td> <td></td> </tr> <tr> <td>جاری کردہ، سبسکرائب شدہ اور ادا شدہ سرمایہ</td> <td>1,315,450,000</td> </tr> <tr> <td>جمع شدہ نقصان</td> <td>3,552,225,369</td> </tr> <tr> <td>واجبات</td> <td></td> </tr> <tr> <td>طویل مدتی قرضے</td> <td>644,532,854</td> </tr> <tr> <td>ریٹینڈ پارٹیز کی وجہ سے</td> <td>4,694,595,676</td> </tr> <tr> <td>قرضوں پر جمع شدہ مارک آپ</td> <td>56,741,641</td> </tr> <tr> <td>دیگر قابل ادا تنگی</td> <td>39,949,050</td> </tr> </tbody> </table> <p>30 جون 2023 کو ختم ہونے والے سال کے سالانہ آڈٹ شدہ اکاؤنٹس کمپنی کی ویب سائٹ پر رکھے گئے ہیں۔</p> | پینس شیٹ نمبر | روپے | اثاثے | | املاک، پلائٹ اور سامان | 3,282,271,368 | طویل مدتی سرمایہ کاری | 42,308,283 | ایڈوانسز، پائرسٹس، پائرسٹس ازادانگی اور دیگر قابل وصول | 216,218,000 | کیٹس اور بینک بیلنس | 1,025,102 | ایکویٹی | | جاری کردہ، سبسکرائب شدہ اور ادا شدہ سرمایہ | 1,315,450,000 | جمع شدہ نقصان | 3,552,225,369 | واجبات | | طویل مدتی قرضے | 644,532,854 | ریٹینڈ پارٹیز کی وجہ سے | 4,694,595,676 | قرضوں پر جمع شدہ مارک آپ | 56,741,641 | دیگر قابل ادا تنگی | 39,949,050 |
| پینس شیٹ نمبر | روپے | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| اثاثے | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| املاک، پلائٹ اور سامان | 3,282,271,368 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| طویل مدتی سرمایہ کاری | 42,308,283 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ایڈوانسز، پائرسٹس، پائرسٹس ازادانگی اور دیگر قابل وصول | 216,218,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| کیٹس اور بینک بیلنس | 1,025,102 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ایکویٹی | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| جاری کردہ، سبسکرائب شدہ اور ادا شدہ سرمایہ | 1,315,450,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| جمع شدہ نقصان | 3,552,225,369 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| واجبات | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| طویل مدتی قرضے | 644,532,854 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ریٹینڈ پارٹیز کی وجہ سے | 4,694,595,676 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| قرضوں پر جمع شدہ مارک آپ | 56,741,641 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| دیگر قابل ادا تنگی | 39,949,050 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | رائٹ آف کی جانے والی رقم | 1,317,197,494 (ایک ارب تین سو سترہ کروڑ ایک لاکھ ستانوے ہزار اور چار سو پچانوے روپے) کے قرض کو رائٹ آف کرنے کیلئے۔ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | مجوزہ رائٹ آف کرنے کی وجوہات / جواز | <p>اقتصادی کساد بازاری: گروپ کاروبار میں تنوع کیلئے کمپنی کی جانب سے HAWL میں سرمایہ کاری کی گئی، سرمایہ کاری کا مقصد یہ تھا کہ HAWL پاکستان میں الائے وہیل بنانے والی پہلی کمپنی بن جائیگی، جو مقامی اسمبلرز کی ضروریات کو پورا کر سکتی تھی اور اسپینر پارٹس کی مارکیٹ میں بڑی مانگ کو بھی پورا کر سکتی تھی، اسٹیل وہیل مینوفیکچر کے ساتھ کوئی مقابلہ نہیں تھا، کمپنی نے الائے وہیل کے درآمد شدہ حصے کو اسمبلرز اور تجارتی درآمد کنندگان کے ذریعے تبدیل کرنے کی توقع ظاہر کی، HAWL کا بنیادی ڈھانچہ کمپنی کی جانب سے دیئے گئے قرض سے بنایا گیا تھا، تاہم، HAWL کو 19- کی خرابی اور قیمتوں میں غیر معمولی اضافے اور اس کے نتیجے میں اقتصادی بندش، آٹو سیکٹر کی مندی اور گزشتہ برسوں میں معیشت میں کساد بازاری کی وجہ سے اپنا کام شروع نہیں کر سکا، چونکہ، پیداوار شروع نہیں ہوئی، اس لئے کمپنی 30 جون 2024 کو ختم ہونے والے سال تک اصل رقم کے لحاظ سے صرف PKR 18,485,633 (صرف اٹھارہ ملین چار لاکھ پچاسی ہزار چھ سو تینتیس روپے) وصول کرنے میں کامیاب رہی۔</p> <p>مالی مشکلات: HAWL کو مارکیٹ کے منفی حالات، پیر متوقع آپریشنل نقصانات وغیرہ کی وجہ سے اہم مالی چیلنجوں کا سامنا کرنا پڑا، جس نے قرض کی ادائیگی سمیت اپنی مالی ذمہ داریوں کو پورا کرنے کی اس کی صلاحیت کو بری طرح متاثر کیا ہے۔</p> <p>سپورٹ: قرض کو معاف کرنے سے HAWL کو ضروری مالی ریلیف ملے گا، جس سے وہ اپنے کام کو مستحکم کر سکے گا اور اپنی قدر کو برقرار رکھ سکے گا، جس سے کمپنی کو بطور پیرنٹ کمپنی بالواسطہ فائدہ پہنچ سکتا ہے۔</p> <p>دیوالیہ پن کی کارروائی سے اجتناب: قرض کو رائٹ آف کرنا HAWL کو دیوالیہ ہونے سے روک سکتا ہے، جس کے نتیجے میں کمپنی کی جانب سے کی گئی سرمایہ کاری کا مکمل نقصان ہو سکتا ہے، کسی بھی ممکنہ دیوالیہ پن کی کارروائی کمپنی کی ساکھ اور نیک نامی کو نقصان پہنچا سکتی ہے۔</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | رائٹ آف کئے جانے کیلئے فنڈز کے ذرائع | اپنا ذریعہ | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

• مذکورہ بالا کے باوجود، کمپنی کسی بھی رکن کو ان کی درخواست پر، ان کے رجسٹرڈ پتے پر، اس طرح کی درخواست موصول ہونے کے ایک (1) ہفتے کے اندر، سالانہ رپورٹ 2024 کی ہارڈ کاپیاں فراہم کرے گی، مزید، ممبران سے درخواست کی جاتی ہے کہ اگر ممبر کے پاس فزیکل شکل میں شیئرز ہیں یا ممبر کے متعلقہ شرکت کنندہ / سرمایہ کار اکاؤنٹ سروسز کے پاس، اگر شیئرز بک انٹری فارم میں رکھے گئے ہیں، وہ اپنا کارآمد ای میل ایڈریس (کارآمد CNIC کی کاپی کیساتھ) کمپنی کے شیئر رجسٹرار، میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ کو فراہم کریں۔

• SRO.778(I)/2014 کے 08 ستمبر 2014 کے نوٹیفیکیشن کے مطابق، SECP نے کمپنی کے ممبران کو ایکٹو نمک میل سسٹم (ای میل) کے ذریعے سالانہ مالیاتی گوشوارے اور نوٹس وصول کرنے میں سہولت فراہم کرنے کی ہدایت کی ہے، ہمیں یہ سہولت اپنے ممبران کو پیش کرتے ہوئے خوشی ہو رہی ہے جو مستقبل میں کمپنی کے سالانہ مالیاتی گوشواروں اور نوٹس کو ای میل کے ذریعے وصول کرنا چاہتے ہیں، اس ضمن میں، اراکین سے درخواست کی جاتی ہے کہ وہ ایک معیاری درخواست فارم پر ای میل کے ذریعے اپنی رضا مندی سے مطلع کریں، جو کمپنی کی ویب سائٹ یعنی <http://www.loads-group.pk/annual-reports/> پر دستیاب ہے، براہ کرم یقینی بنائیں کہ آپ کے ای میل میں اس طرح کی ای میل وصول کرنے کیلئے کافی حقوق اور جگہ دستیاب ہے، مزید یہ ممبر کی ذمہ داری ہے کہ وہ رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے بارے میں شیئرز رجسٹرار کو بروقت آپ ڈیٹ کرے۔

ان ممبران کو نوٹس جنہوں نے CNIC فراہم نہیں کیا ہے:

• SECP کے S.R.O.19(1)/2014 مورخہ 10 جنوری 2014 ملا کر پڑھیں نوٹیفیکیشن S.R.O.831(1)/2012 مورخہ 5 جولائی 2012 کے تحت ڈیویڈنڈ وارنٹ میں رجسٹرڈ ممبر یا مجاز شخص کا CNIC نمبر ہونا چاہئے، ماسوائے نابالغ یا کارپوریٹ ممبران کے، اسکے مطابق، کارآمد CNIC کی کاپی نہ ملنے کی صورت میں، کمپنی SECP کی ہدایات کی تعمیل کرنے سے قاصر ہوگی اور اس لئے SECP کے 13 جولائی 2015 کے حکم کے تحت اس طرح کے ڈیویڈنڈ وارنٹس کی ترسیل کو روکنے کیلئے مجبور ہو جائے گی، شیئر ہولڈرز کو CNIC بھیجئے وقت اپنے متعلقہ فوئیو نمبر اور کمپنی کے نام کا حوالہ دینا چاہئے۔

غیر ادا شدہ / غیر دعویٰ شدہ ڈیویڈنڈ اور شیئرز:

• کمپنیز ایکٹ 2017 کی شق 244 کی دفعات کے مطابق، کمپنی کی جانب سے جاری کردہ یا ڈیویڈنڈ کا اعلان کردہ کوئی بھی شیئر جو واجب الادا اور قابل ادائیگی ہونے کی تاریخ سے تین سال کی مدت کیلئے غیر دعویٰ شدہ / غیر ادا شدہ رہ گیا ہے، ضروری ہے کہ شیئر ہولڈرز کو اپنا دعویٰ دائر کرنے کیلئے نوٹس جاری کرنے کے بعد وفاقی حکومت کے کریڈٹ کیلئے سیکورٹیز اینڈ ایکسچینج کے پاس جمع کرایا جائے، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے غیر دعویٰ شدہ ڈیویڈنڈ اور شیئرز کے دعوے فوری طور پر درج کرائے جائیں، اگر کوئی دعویٰ درج نہیں کیا جاتا ہے، تو کمپنی کمپنیز ایکٹ، 2017 کی شق 244(2) کی فراہمی کے مطابق، جیسا کہ تجویز کیا گیا ہے، غیر دعویٰ شدہ / غیر ادا شدہ رقم اور شیئرز وفاقی حکومت کے پاس جمع کرانے کیلئے آگے بڑھے گی۔

فزیکل شیئر کو CDC اکاؤنٹ میں جمع کرانا:

• (SECP) نے اپنے لیٹر نمبر CSD/ED/Misc/3026-639-640 مورخہ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ کمپنیز ایکٹ 2017 (ایکٹ) کی شق 72 کی دفعات پر، ان کی جانب سے فزیکل فارم میں جاری کردہ شیئرز کی جگہ بک آف انٹری فارم میں جاری کرے، عمل کریں۔

• فزیکل فوئیو / شیئر سرٹیفکیٹ رکھنے والے لوڈز لمیٹڈ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ جلد اپنے شیئرز کو فزیکل فارم سے بک انٹری فارم میں تبدیل کریں، شیئر ہولڈرز کسی بھی اسٹاک بروکر، سی ڈی سی پارٹنیشنسٹ یا سی ڈی سی اکاؤنٹ سروسز پرووائڈرز سے CDS اکاؤنٹ کھولنے اور اسکے بعد فزیکل شیئرز کو بک انٹری فارم میں اکاؤنٹ میں جمع کروانے میں مدد کیلئے رابطہ کر سکتے ہیں۔ یہ شیئر ہولڈرز کو کئی طریقوں سے سہولت فراہم کرے گا جن میں شیئرز کی محفوظ تحویل، ڈپلیکیٹ حصص کے اجراء کیلئے درکار رسمی کارروائیوں سے گریز وغیرہ شامل ہیں۔ شیئر ہولڈرز تفصیلات اور مدد کیلئے ہمارے شیئر رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہاؤس، B-99، بلاک B، S.M.C.H.S، شاہراہ فیصل، کراچی سے رابطہ کر سکتے ہیں۔

وڈیو کانفرنس کی سہولت کیلئے درخواست:

• SECP کے سرکلر نمبر 10 ہابت 2014 مورخہ 21 مئی 2014 جسے ایکٹ کی شق 134(b)(1) کے تحت موجود دفعات کیساتھ ملا کر پڑھیں، کے لحاظ سے، اگر کمپنی کو مجموعی طور پر جغرافیائی مقام پر رہنے والے 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبران سے اجلاس کی تاریخ سے کم از کم 10 روز قبل وڈیو کانفرنس کے ذریعے اجلاس میں شرکت کرنے کیلئے درخواست / مطالبہ موصول ہوتا ہے، کمپنی اس شہر میں وڈیو کانفرنس کی سہولت، اس شہر میں ایسی سہولت کی دستیابی سے مشروط، کا انتظام کرے گی۔

اس ضمن میں، براہ کرم فارم کو پُر کریں اور AGM کے انعقاد سے 10 روز قبل کمپنی کو اس کے رجسٹرڈ پتے پر جمع کرائیں، مجموعی طور پر 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبران کی درخواست / مطالبہ موصول ہونے کے بعد، کمپنی ممبران کو وڈیو کانفرنس کی سہولت کے مقام کے بارے میں اور ان تک رسائی کے قابل بنانے کیلئے ایسی سہولت کیلئے ضروری مکمل معلومات کیساتھ AGM کی تاریخ سے کم از کم پانچ (5) روز قبل مطلع کرے گی۔

میں / ہم / میسرز _____ آف _____ بطور لوڈز لمیٹڈ کے ممبر (ز) حامل _____ آرڈینری شیئرز برطبق فوئیو نمبر _____ اور / یا CDC شرکت کنندہ IB اور سب اکاؤنٹ نمبر _____، بذریعہ ہذا وڈیو لنک سہولت _____ شہر کا انتخاب کرتے ہیں

ممبر (ز) کے دستخط

(براہ کرم کارپوریٹ ادارہ ہونے کی صورت میں کمپنی کی مہر ثبت کریں)

پتے کی تبدیلی:

ممبران سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئر رجسٹرار میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ کو اپنے رجسٹرڈ پتے میں کسی قسم کی تبدیلی سے فوری طور پر مطلع کریں۔

کمپنیز ایکٹ 2017 کی شق 134(3) کے تحت بیان

یہ بیان جمعرات 24 اکتوبر 2024 کو منعقد ہونے والے کمپنی کے سالانہ اجلاس میں خصوصی امور سے متعلق مادی حقائق کا تعین کرتا ہے۔

لیڈنڈ 2 اعظم نمبر 4 ہائی ٹیک الائے وہیلز لمیٹڈ ("HAWL") کا بڑھا ہوا قرض معاف کرنا

شق 199 اور کمپنیز ایکٹ 2017، ریگولیشن نمبر 3 اور کمپنیز (انوسٹمنٹ ان لیسوس ایڈجسٹمنٹ) ریگولیشنز 2017 کی دیگر قابل اطلاق دفعات کے تحت نوٹس کیساتھ منسلک ہونے کیلئے ضروری معلومات (انوسٹمنٹ ان لیسوس ایڈجسٹمنٹ یا لیسوس ایڈجسٹمنٹ) ریگولیشنز 2017 (نوٹیفیکیشن نمبر SRO 1240(I)/2017 مورخہ 6 دسمبر 2017) ذیل میں بیان کیا گیا ہے:

• جو شیئر ہولڈرز سالانہ اجلاس عام میں شرکت کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات درج ذیل جدول کے مطابق، مورخہ 23 اکتوبر 2024 کو کاروباری اوقات کار کے اختتام (5 بجے شام) تک متعین کردہ ای میل ایڈریس co.secy@loads-group.com پر فراہم کر کے اپنے آپ کو رجسٹر کرائیں۔

| شیئر ہولڈر کا نام | CNIC نمبر | CDS شراکت کی ID / فوئیو نمبر | سیل نمبر | رجسٹرڈ ای میل ایڈریس |
|-------------------|-----------|------------------------------|----------|----------------------|
| | | | | |

• ویبنار کا لنک رجسٹرڈ شیئر ہولڈرز / پراکسی ہولڈرز کو فراہم کیا جائیگا جنہوں نے تمام درخواست کردہ معلومات فراہم کی ہیں، شیئر ہولڈرز کی بھی حوصلہ افزائی کی جاتی ہے کہ وہ AGM کے لیجنڈا آئٹمز سے متعلق اپنے تبصرے / مشورے مذکورہ بالا ای میل ایڈریس پر 23 اکتوبر 2024 کو کاروباری اوقات کار کے اختتام (شام 5 بجے) تک بھیج دیں۔

• لاگ ان کی سہولت صبح 9:45 بجے کھلے گی جس سے شرکاء کارروائی میں شامل ہو سکیں گے جو صبح 10:00 بجے شروع ہوگی۔

• مذکورہ اجلاس میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اپنی جانب سے شرکت کرنے اور ووٹ دینے کیلئے ایک پراکسی مقرر کر سکتا ہے، کوئی بھی شخص پراکسی کے طور پر کام نہیں کر سکے گا (سوائے کارپوریشن کیلئے) جب تک کہ وہ اپنے حق کیلئے موجود ہونے اور ووٹ دینے کا حقدار نہ ہو، پراکسیوں کی تقرری کیلئے، ذیل میں دیئے گئے پراکسی فارم کی اسکین شدہ / ہارڈ کاپی، مناسب طریقے سے تعمیل کی گئی اور تصدیق کیساتھ، متعلقہ تائیدی دستاویزات اور پراکسی کا ای میل ایڈریس کمپنی کے سیکریٹری کو co.secy@loads-group.com پر اجلاس کے وقت سے کم از کم 48 گھنٹے قبل بھیجنا چاہئے۔

• پراکسی فارم پر دو افراد تصدیق کریں گے جن کے نام، پتے اور CNIC نمبر فارم پر درج ہونگے۔

• جہاں تک ممکن ہو، سینٹیفیکل اوزر اور پراکسی کے CNIC کی تصدیق شدہ کاپیاں یا پاسپورٹ کے آئیڈنٹی فیکیشن صفحات، میل کئے گئے پراکسی فارم کیساتھ منسلک کیا جانا چاہئے۔

• کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ جمع کرایا جانا چاہئے۔

• فزیکل شکل میں شیئرز رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی (اگر کوئی ہو) اور CNIC کی کاپی کمپنی کے شیئر رجسٹرار، میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہائوس، 99-B بلاک B، S.M.C.H.S، شاہراہ فیصل، کراچی کو فراہم کریں۔

خصوصی امور پر پولنگ:

• ممبران کو بذریعہ ہذا مطلع کیا جاتا ہے کہ کمپنیز (پوسٹل بیلت) ریگولیشنز، 2018 ("ریگولیشنز") کے مطابق، جس میں بذریعہ SECP کی جانب سے جاری کردہ نوٹیفیکیشن نمبر 2022/1(SRO2192) مورخہ 05 دسمبر 2022 کے ذریعے ترمیم کی گئی، SECP نے تمام لسٹڈ کمپنیوں کو ہدایت کی ہے کہ وہ خصوصی کاروبار کے طور پر درجہ بند تمام کاروباروں پر بذریعہ الیکٹرونک ووٹنگ اور بذریعہ ڈاک ووٹ ڈالنے کا حق فراہم کریں۔

• اس کے مطابق، لوڈز لمیٹڈ ("کمپنی") کے ممبران کو خصوصی امور کیلئے کیلئے ای-ووٹنگ کی سہولت اور ڈاک کے ذریعہ (ضروریات کے مطابق اور مذکورہ ضوابط میں موجود شرائط کے تابع) سالانہ اجلاس عام میں ووٹ کا حق استعمال کرنے کی اجازت ہوگی جو بروز جمعرات 24 اکتوبر 2024 کو صبح 10:00 بجے منعقد ہوگا۔

ای-ووٹنگ کا طریقہ کار:

1- ای ووٹنگ کی سہولت کی تفصیلات کمپنی کے ان اراکین کیساتھ ایک ای میل کے ذریعے شیئر کی جائیں گی جن کے پاس اپنے کارآمد CNIC نمبر، سیل نمبر اور ای میل ایڈریس کمپنی کے ممبران کے رجسٹرڈ میں 16 اکتوبر 2024 کو کاروبار کے اختتام تک دستیاب ہونگے۔

2- ویب ایڈریس، لاگ ان کی تفصیلات، اور پاس ورڈ سے ای میل کے ذریعے اراکین کو مطلع کیا جائیگا، سی ڈی سی شیئر سروسز لمیٹڈ (ای ووٹنگ سروس فراہم کنندہ ہونے کے ناطے) کے ویب پورٹل سے بذریعہ SMS اراکین کو سیکورٹی کوڈز کی اطلاع دی جائیگی۔

3- ای ووٹنگ کے ذریعے ووٹ ڈالنے کا ارادہ رکھنے والے اراکین کی شناخت الیکٹرونک دستخط یا لاگ ان کیلئے تصدیق کے ذریعے کی جائیگی۔

4- ای ووٹنگ لائنز 18 اکتوبر 2024 صبح 09:00 بجے سے شروع ہوگی اور 23 اکتوبر 2024 کو شام 5:00 بجے بند ہوگی۔ ممبران اس مدت کے دوران کسی بھی وقت اپنا ووٹ ڈال سکتے ہیں، ایک بار جب کسی رکن کی جانب سے قرارداد پر ووٹ ڈال دیا جائیگا، تو اسے بعد ازاں تبدیل کرنے کی اجازت نہیں ہوگی۔

پوسٹل بیلت کے ذریعے ووٹ ڈالنے کا طریقہ کار:

• ممبران اس بات کو یقینی بنائیں گے کہ کارآمد کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) کی کاپی / پاسپورٹ کی کاپی (نان ریزیڈنٹ) کیساتھ، درست طریقے سے پُر کئے اور دستخط شدہ بیلت پیپر، اجلاس کے پیپرزمین کے پاس، بذریعہ ڈاک، کمپنی کے رجسٹرڈ ایڈریس پلاٹ نمبر 19-DSU، سیکٹر II، پاکستان انسٹیٹیوٹل انڈسٹریل اسٹیٹ بن قاسم، کراچی یا ای میل co.secy@loads-group.com پر مورخہ 23 اکتوبر 2024 کو یا اس سے قبل دفتری اوقات کار میں پہنچ جائیں، بیلت پیپر پر دستخط CNIC پر دستخط سے مماثل ہونا چاہئے، شیئر ہولڈرز کی سہولت کیلئے بیلت پیپر کمپنی کی ویب سائٹ www.loads-group.pk پر ڈاؤن لوڈ کرنے کیلئے دستیاب ہے۔

چھان بین کرنے والے (اسکر وٹائزر) کی تقرری:

• کمپنیز (پوسٹل بیلت) ریگولیشنز 2018 کے ضابطہ نمبر 11 کے مطابق، کمپنی کے بورڈ نے میسرز UHY حسن نعیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس، ایک QCR ریٹڈ آڈٹ فرم، جو کہ خصوصی امور پر پولنگ کیلئے کمپنی کے اسکر وٹائزر کے طور پر کام کرے گی اور ضابطہ نمبر 11A میں بیان کردہ دیگر ذمہ داریوں کو انجام دے گی۔

سالانہ رپورٹ کی الیکٹرونک ترسیل:

• کمپنیز ایکٹ 2017 کی شق 223(6) کی تعمیل میں، کمپنی نے سالانہ رپورٹ 2024 کو الیکٹرونک طور پر ای میل کے ذریعے ان شیئر ہولڈرز کو ارسال کیا ہے جن کے ای میل ایڈریس کمپنی کے شیئر رجسٹرار، میسرز CDC شیئر رجسٹرار سروسز لمیٹڈ، CDC ہائوس، 99-B بلاک B، S.M.C.H.S، شاہراہ فیصل، کراچی کے پاس دستیاب ہیں، تاہم، ایسے معاملات میں، جہاں کمپنی کے شیئر رجسٹرار کے پاس ای میل ایڈریس دستیاب نہیں ہیں، سالانہ رپورٹ 2024 (مالی گوشواروں پر مشتمل) AGM کے نوٹسز کی پرنٹڈ کاپیاں روانہ کر دی گئی ہیں نیز یہ ڈاؤن لوڈ کیلئے کارآمد QR کوڈ / ویب لنک پر بھی دستیاب ہیں۔

لوڈز لمیٹڈ کے 44 ویں سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا مطلع کیا جاتا ہے کہ لوڈز لمیٹڈ کا 44 واں سالانہ اجلاس عام ("AGM") بروز جمعرات، 24 اکتوبر 2024ء صبح 10:00 بجے بمقام پلاٹ نمبر 19-DSU، میکٹر II، پاکستان اسٹیل انڈسٹریل اسٹیٹ بن قاسم کراچی پر نیز بذریعہ وڈیو لنک سہولت کیلئے منعقد کیا جائیگا۔ AGM مندرجہ ذیل امور کے لین دین کیلئے منعقد کی جارہی ہے:

عمومی امور

- 1- لوڈز لمیٹڈ کے 14 دسمبر 2023 کو منعقد ہونے والے غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنے کیلئے۔
- 2- 30 جون 2024 کو ختم ہونے والے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں کو، بشمول اس پر ڈائریکٹروں اور آڈیٹرز کی رپورٹ کو وصول کرنے، غور کرنے اور اپنانے کیلئے۔
- 3- 30 جون 2025 کو ختم ہونے والے سال کیلئے ایکسٹرنل آڈیٹرز کا تقرر کرنا اور ان کا معاوضہ طے کرنا، میسرز یوسف عادل، چارٹرڈ اکاؤنٹینٹس نے اہل ہونے کے باعث خود کو تفری کیلئے پیش کیا ہے۔

QR CODE



LINK: <http://www.loads-group.pk/annual-repor>

خصوصی امور

ہر گاہ، کمپنیز ایکٹ 2017 کی شق 199 کے مطابق، کمپنیز (انوسٹمنٹ ان لیسوسی اینڈ کمپنیز یا لیسوسی اینڈ انڈر ٹیکنگ) ریگولیشنز 2017 اور دیگر قابل اطلاق قوانین اور ضوابط کے مطابق، لوڈز لمیٹڈ ("کمپنی") نے اپنے ذیلی ادارے ہائی ٹیک الائنڈ وینلز لمیٹڈ ("HAWL") کو قبل ازیں، 21 دسمبر 2017، 10 اپریل 2019، 05 اکتوبر 2020 اور 28 اپریل 2023 کے ذریعے 2,693,386,891/- روپے (دو ارب، تیس سو ترانوے کروڑ، تین سو چھیاسی ہزار آٹھ سو اکیانوے روپے صرف) کے قرضوں میں توسیع کی تھی، تاہم، HAWL کو درپیش مالی مشکلات، قرض کی ادائیگی میں ناکامی کی وجہ سے، یہ تجویز ہے کہ شیئرز ہولڈرز ذیلی کمپنی کو مالی استحکام دینے کیلئے 1,317,197,494 (ایک ارب تین سو سترہ کروڑ ایک لاکھ ستانوے ہزار اور چار سو چرانوے روپے صرف) کے قرض کو معاف کرنے پر غور کریں۔ لہذا،

4- کمپنیز ایکٹ 2017 کی شق 199 کے تحت درج ذیل قراردادوں کو ترمیم کیساتھ باسکے بغیر، اضافہ یا حذف، غور کرنے اور اگر مناسب سمجھا جائے تو منظور کریں۔

"قرار پایا کہ، لوڈز لمیٹڈ ("کمپنی") کے شیئرز ہولڈرز کی منظوری کمپنیز ایکٹ 2017 کی شق 199 اور دیگر قابل اطلاق ضابطوں، (انوسٹمنٹ ان لیسوسی اینڈ کمپنیز یا لیسوسی اینڈ انڈر ٹیکنگ) ریگولیشنز 2017 کے ریگولیشن نمبر 3(B)(vi)(1) اور دیگر قابل اطلاق ضابطوں، دیگر قابل اطلاق قوانین، ریگولیشنز اور قانونی تقاضوں سے مشروط ہے، کے لحاظ سے دی گئی ہے تاکہ کمپنی کی جانب سے اس کی ذیلی کمپنی بنام ہائی ٹیک الائنڈ وینلز لمیٹڈ کو، توسیع کردہ، قرض میں دی گئی رقم 1,317,197,494 (ایک ارب تین سو سترہ کروڑ ایک لاکھ ستانوے ہزار اور چار سو چرانوے روپے صرف) کو رائٹ آف کیا جاسکے۔

| ذیلی ادارے کا نام | 30 جون 2024 تک مجموعی قرض | مجوزہ رائٹنگ آف | بقایا قرض |
|-----------------------------|---------------------------|----------------------|---------------------|
| ہائی ٹیک الائنڈ وینلز لمیٹڈ | Rs. 2,693,386,891/- | Rs. 1,317,197,494 /- | Rs. 1,376,189,397/- |

مزید قرار پایا کہ، مذکورہ قرارداد شیئرز ہولڈرز کی منظوری کی تاریخ سے کارآمد ہوگی اور چیف ایگزیکٹو آفیسر کو تمام ضروری اقدامات اور اعمال کرنے، متعلقہ اور ذیلی اقدامات، بشمول کسی بھی اور تمام دستاویزات اور معاہدوں پر عملدرآمد کرنا جو اس سلسلے میں ضروری ہو اور مذکورہ قرارداد کو نافذ کرنے کے مقصد کیلئے تمام اعمال، معاملات، ڈیڈز اور چیزیں اور کام جو ضروری یا مناسب ہو، کرنے کا بذریعہ ہذا اختیار دیا گیا ہے۔

5- درج ذیل قراردادوں کو منظور کرنے پر غور کرنا:

- a- طے کیا گیا کہ 30 جون 2024 کو ختم ہونے والے سال کے دوران ذیلی کمپنیوں کیساتھ کاروبار کے معمول کے مطابق کئے گئے لین دین کی توثیق اور منظوری دی گئی ہے۔
 - b- طے کیا گیا کہ کمپنی کا چیف ایگزیکٹو 30 جون 2025 کو ختم ہونے والے سال کے دوران تمام لین دین کی منظوری دینے اور ذیلی کمپنیوں کیساتھ معمول کے مطابق لین دین کرنے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو بذریعہ ہذا اسکے ذریعہ کمپنی کی جانب سے اس ضمن میں مطلوبہ کسی بھی اور تمام ضروری دستاویزات پر دستخط / عمل درآمد کرنے کا مجاز ہے۔
- 6- چیز کی اجازت سے دیگر کوئی بھی امور کی انجام دہی:

حسب الحکم بورڈ

باہر سلیم

13 اکتوبر 2024

نوٹس:

شیئرز ٹرانسفر بکس کی بندش

• کمپنی کی شیئرز ٹرانسفر بکس مورخہ 17 اکتوبر 2024 سے 24 اکتوبر 2024 تک (دونوں دن شامل ہیں) بند رہیں گی، کمپنی کے شیئرز رجسٹرار، میسرز CDC شیئرز رجسٹرار سروسز لمیٹڈ، CDC ہائوس، B-99، بلاک B، S.M.C.H.S، شاہراہ فیصل، کراچی کو فزیکل ٹرانسفرز / CDS ٹرانزیکشن ID کی شکل میں 16 اکتوبر 2024 کو کاروبار کے اختتام سے قبل موصول ہونے والے ٹرانسفرز اجلاس میں شرکت اور ووٹ دینے اور ٹرانسفرز کے درج بالا استحقاق کے مقصد کیلئے بروقت تصور کیا جائیگا۔

سالانہ اجلاس عام میں الیکٹرونک طور پر شرکت اور پراکسیوں کا تقرر:

صرف وہی افراد، جن کے نام 16 اکتوبر 2024 کو کمپنی کے ممبران کے رجسٹر میں موجود ہوں گے، سالانہ اجلاس عام میں شرکت کرنے، انہیں کرنے اور ووٹ دینے کا حقدار ہیں، سالانہ اجلاس عام کا انعقاد SECP کی جانب سے سرکلر نمبر 4 بابت 2021 مورخہ 15 فروری 2021 کے ذریعہ کی گئی ہدایت کے مطابق کیا جا رہا ہے۔

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2024

| No of Shareholders | Shareholdings'Slab | Total Shares Held | No of Shareholders | Shareholdings'Slab | Total Shares Held |
|--------------------|--------------------|-------------------|--------------------|----------------------|--------------------|
| 1056 | 1 to 100 | 36,553 | 3 | 305001 to 310000 | 928,600 |
| 862 | 101 to 500 | 308,990 | 2 | 315001 to 320000 | 639,771 |
| 1720 | 501 to 1000 | 1,348,457 | 1 | 320001 to 325000 | 325,000 |
| 2598 | 1001 to 5000 | 6,549,625 | 1 | 325001 to 330000 | 330,000 |
| 763 | 5001 to 10000 | 5,889,035 | 1 | 330001 to 335000 | 334,500 |
| 307 | 10001 to 15000 | 3,846,807 | 1 | 340001 to 345000 | 345,000 |
| 205 | 15001 to 20000 | 3,711,763 | 2 | 345001 to 350000 | 700,000 |
| 136 | 20001 to 25000 | 3,165,974 | 1 | 370001 to 375000 | 375,000 |
| 80 | 25001 to 30000 | 2,268,333 | 1 | 390001 to 395000 | 392,896 |
| 48 | 30001 to 35000 | 1,602,397 | 1 | 395001 to 400000 | 400,000 |
| 48 | 35001 to 40000 | 1,843,354 | 1 | 405001 to 410000 | 408,122 |
| 33 | 40001 to 45000 | 1,407,018 | 2 | 420001 to 425000 | 845,433 |
| 63 | 45001 to 50000 | 3,090,380 | 1 | 445001 to 450000 | 449,818 |
| 15 | 50001 to 55000 | 778,483 | 2 | 450001 to 455000 | 906,500 |
| 24 | 55001 to 60000 | 1,398,848 | 1 | 495001 to 500000 | 500,000 |
| 11 | 60001 to 65000 | 696,263 | 1 | 500001 to 505000 | 501,000 |
| 11 | 65001 to 70000 | 755,206 | 1 | 510001 to 515000 | 514,000 |
| 11 | 70001 to 75000 | 810,258 | 1 | 525001 to 530000 | 527,758 |
| 4 | 75001 to 80000 | 315,844 | 1 | 550001 to 555000 | 550,066 |
| 6 | 80001 to 85000 | 494,361 | 2 | 565001 to 570000 | 1,138,581 |
| 7 | 85001 to 90000 | 616,967 | 1 | 585001 to 590000 | 589,470 |
| 2 | 90001 to 95000 | 184,363 | 1 | 595001 to 600000 | 597,895 |
| 27 | 95001 to 100000 | 2,688,888 | 3 | 680001 to 685000 | 2,053,500 |
| 6 | 100001 to 105000 | 614,162 | 1 | 695001 to 700000 | 700,000 |
| 8 | 105001 to 110000 | 865,990 | 1 | 705001 to 710000 | 709,500 |
| 2 | 110001 to 115000 | 221,865 | 1 | 740001 to 745000 | 741,000 |
| 11 | 115001 to 120000 | 1,301,019 | 1 | 820001 to 825000 | 825,000 |
| 2 | 120001 to 125000 | 243,749 | 1 | 830001 to 835000 | 830,578 |
| 5 | 125001 to 130000 | 636,711 | 1 | 870001 to 875000 | 875,000 |
| 1 | 130001 to 135000 | 130,500 | 1 | 905001 to 910000 | 907,513 |
| 1 | 135001 to 140000 | 140,000 | 1 | 930001 to 935000 | 933,847 |
| 1 | 140001 to 145000 | 142,219 | 1 | 945001 to 950000 | 950,000 |
| 10 | 145001 to 150000 | 1,493,681 | 1 | 1260001 to 1265000 | 1,263,388 |
| 3 | 150001 to 155000 | 456,196 | 1 | 1315001 to 1320000 | 1,316,677 |
| 3 | 155001 to 160000 | 474,683 | 1 | 1695001 to 1700000 | 1,700,000 |
| 2 | 160001 to 165000 | 328,040 | 1 | 1710001 to 1715000 | 1,711,485 |
| 1 | 165001 to 170000 | 166,115 | 2 | 1830001 to 1835000 | 3,670,000 |
| 1 | 175001 to 180000 | 180,000 | 1 | 2000001 to 2005000 | 2,000,500 |
| 2 | 180001 to 185000 | 367,693 | 1 | 2030001 to 2035000 | 2,032,010 |
| 1 | 185001 to 190000 | 188,500 | 1 | 2070001 to 2075000 | 2,072,990 |
| 9 | 195001 to 200000 | 1,791,850 | 1 | 2480001 to 2485000 | 2,484,306 |
| 2 | 200001 to 205000 | 405,211 | 1 | 2490001 to 2495000 | 2,491,734 |
| 1 | 205001 to 210000 | 205,720 | 1 | 2655001 to 2660000 | 2,657,352 |
| 1 | 235001 to 240000 | 240,000 | 1 | 3135001 to 3140000 | 3135398 |
| 2 | 245001 to 250000 | 499,173 | 1 | 3280001 to 3285000 | 3282420 |
| 1 | 260001 to 265000 | 263,500 | 1 | 4760001 to 4765000 | 4762000 |
| 1 | 265001 to 270000 | 267,000 | 1 | 5250001 to 5255000 | 5250620 |
| 3 | 270001 to 275000 | 818,394 | 1 | 5835001 to 5840000 | 5837268 |
| 1 | 280001 to 285000 | 284,000 | 1 | 31385001 to 31390000 | 31387657 |
| 1 | 285001 to 290000 | 286,000 | 1 | 94650001 to 94655000 | 94651139 |
| 3 | 295001 to 300000 | 897,570 | | | |
| | | | 8,182 | | 251,250,000 |

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2024

| Categories of Shareholders | Shareholders | Shares Held | Percentage |
|---|--------------|--------------------|---------------|
| Directors and their spouse(s) and minor children & Sponsors | | | |
| Syed Shahid Ali | 1 | 94,651,139 | 37.67 |
| Munir Karim Bana | 1 | 5,837,268 | 2.32 |
| Muhammad Mohtashim Aftab | 1 | 42,360 | 0.02 |
| Syed Sheharyar Ali | 1 | 308,795 | 0.12 |
| Shamim Ahmed Siddiqui | 1 | 993 | 0.00 |
| Muhammad Zindah Moin Mohajir | 1 | 831 | 0.00 |
| Rozina Muzammil | 1 | 831 | 0.00 |
| Khadija Wajid Ali | 1 | 142,219 | 0.06 |
| Sohail Munir Bana | 1 | 3,359,306 | 1.34 |
| Associated Companies, undertakings and related parties | 7 | 31,399,447 | 12.50 |
| NIT and ICP | - | - | - |
| Banks Development Financial Institutions, Non-Banking Financial Institutions | - | - | - |
| Insurance Companies | 1 | 45,681 | 0.02 |
| Modarabas and Mutual Funds | - | - | - |
| General Public | | | |
| a. Local | 8038 | 89,614,036 | 35.67 |
| b. Foreign | 63 | 985,615 | 0.39 |
| Foreign Companies | - | - | - |
| Others | 64 | 24,861,479 | 9.90 |
| Totals | 8181 | 251,250,000 | 100.00 |

| Shareholders' holding 10% or more | Shares Held | Percentage |
|-----------------------------------|-------------|------------|
| Syed Shahid Ali | 94,651,139 | 37.67 |
| Treet Corporation Limited | 31,387,657 | 12.49 |



**Loads Limited
Plot No. DSU-19, Sector II,
Pakistan Steel Estate, Bin Qasim,
Karachi.**

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
لوڈ لیڈ
پلاٹ نمبر 19-DSU، سیکٹر II،
پاکستان اسٹیل اسٹیٹ، بن قاسم، کراچی۔










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