



MECHANICS OF GROWTH



Loads Limited

Manufacturers of

Exhaust Systems, Radiators &
Sheet Metal Components

Half Yearly Report 2023

Report to the Shareholders for
Half year ended
December 31, 2022

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Vision

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

Mission

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

Company Information

Board of Directors

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

* Chairman is Non-Executive Director

Audit Committee

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

Human Resources & Remuneration Committee

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

Chief Operating Officer

Syed Mehdi Hasnain

Chief Financial Officer

Mr. Shamim A. Siddiqui

Company Secretary

Mr. Babar Saleem

Head of Internal Audit

Mr. Muhammad Anas

External Auditors

M/S. Yousuf Adil, Chartered Accountants

Legal Advisors

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

Corporate Advisor

M/S. Cornelius, Lane & Mufti, Advocates & Solicitors

Symbol

Loads

Credit Rating

A1 – Short term

A – Long Term

Exchange

Pakistan Stock Exchange

Bankers

Al Baraka Bank (Pakistan) Limited
Bank AL Habib Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan Limited
Soneri Bank Limited
Allied Bank Limited
Askari Bank Limited
BankIslami Pakistan Ltd.
The Bank of Punjab
MCB Islamic Bank Limited
Bank Alfalah Limited

Subsidiaries and Associate

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

Registered Office

Plot No. 23, Sector 19
Korangi Industrial Area, Karachi
Tel: +92-22-35065001-5, +92-302-8674683-9
Fax: +92-22-35057453-54
E-mail: inquiry@loads-group.pk

Shares Registrar

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: +92-22-34326053

E-mail: info@cdcpcak.com

Registration with Authorities

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

Website

www.loads-group.pk

DIRECTORS' REVIEW

The Directors of your company present the Loads Group's six months report together with reviewed financial statements for the half year ended December 31, 2022.

SUMMARY OF COMPARATIVE FINANCIAL RESULTS

	Rupees in millions					
	2022		2021		Increase over previous period	
	Loads	Consolidated	Loads	Consolidated	Loads	Consolidated
Revenue - Net	2,888	2,888	3,625	3,625	(737)	(737)
Gross Profit	335	295	361	451	(26)	(156)
Operating Profit	424	72	358	359	66	(287)
Share of Profit/(Loss) in associate	-	0.4	-	22	-	(21.6)
Profit/(Loss) before Tax	99	(339)	193	127	(94)	(466)
Profit/(Loss) after Tax	28	(414)	134	42	(106)	(456)
Earnings/(Loss) per share (EPS) – basic & diluted	0.11	(1.34)	0.53	0.17	(0.42)	(1.51)

BUSINESS REVIEW

Company Results

The Company recorded increase in Operating Profit of Rs 66 million despite decline of 20% in sales revenue, due to increase in markup income on intercompany borrowings. Profit before Tax decreased by 49% over the previous period. Profit after Tax reduced from Rs. 134 million to Rs. 28 million due to higher taxation. Therefore, current half year has reported earnings of 11 paisa per share, as against previous period's 53 paisa per share.

Group Results

The group has recorded sales of Rs. 2,888 million for the half year ended December 31, 2022, registering a decline of Rs. 737 million over the previous period. The decrease is mainly due to downturn in auto industry on account of restriction on import introduced by the Central Bank due to paucity of exchange reserves. Therefore, sales of automobiles & heavy vehicles have both substantially reduced by 38% & 36% respectively.

Consolidated Loss before Tax registered loss of Rs. 339 million, as against previous period's Profit before Tax of Rs. 127 million. Loss after Taxation was Rs. 414 million, compared to Profit after Tax of Rs. 42 million in the previous period.

AUTOMOTIVE INDUSTRY

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

Overall car sales for the half year declined over previous period by 38%, mainly due to reduction in the OEM sales volumes.

(b) Heavy Commercial Vehicles

Heavy vehicle volumes declined by 36% compared to previous period, from 3,062 units to 1,947 units, on account of decrease of 42% in trucks, partly offset by increase in buses by 23%.

(c) Tractors

The tractor industry's sales decreased by 57% over previous period, registering sales of 11,513 units in 2022 (2021: 26,479 units), on account of decline in Al-Ghazi Tractor volumes by 44% and Millat Tractors by 63%.

SALES PERFORMANCE

The overall sales of the Loads group for the half year decreased by 20% over previous period. A product-wise analysis is given below:

Products	Rs. in millions		
	Sales in Half year December 31, 2022		
	2022	2021	% Change
Exhaust Systems	1,734	2,327	-25%
Radiators	243	419	-42%
Sheet Metal Components	912	879	+4%
Total	2,889	3,625	-20%

Comments on performance of various product groups are given below:

(a) Exhaust Systems

Sales of exhaust systems declined by 25% on account of decline in sales of all major customers.

(b) Radiators

Sales of radiators decreased by 42%, reflecting decline in sales of pickups and vans, as well as aftermarket sales.

(c) Sheet Metal Components

The group has registered a marginal increase of 4%, as compared to corresponding period.

PROSPECTS

The automobile sector continues to witness decline in volumes in the face of economic downturn and substantial devaluation of rupee. To combat the challenging economic situation, the company is actively working on various cost savings measures to sustain its leadership in the auto parts industry and to achieve profitability in the face of a difficult economic environment.

ACKNOWLEDGEMENTS

The Board wishes to thank all its customers and employees for their continued support during the period.

By order of the Board



Munir K. Bana
Chief Executive



Rozina Muzammil
Director

Karachi: 28 February 2023

ج) ٹریکیٹر:

الغازی ٹریکیٹر کے حجم میں 44 فیصد اور ملت ٹریکیٹرز کی 63 فیصد کمی کی وجہ سے ٹریکیٹر انڈسٹری کی فروخت گزشتہ مدت کے مقابلے میں 57 فیصد کم ہوئی، 2022 میں 11,513 یونٹس (2021: 26,479 یونٹس) کی فروخت ریکارڈ کی گئی۔

کمپنی کی سیلز کی کارکردگی:

ششماہی سال کے لیے لوڈز گروپ کی مجموعی فروخت گزشتہ مدت کے مقابلے میں 20 فیصد کم ہوئی۔ مصنوعات کے لحاظ سے تجزیہ ذیل میں دیا گیا ہے

روپے بلین میں			پروڈکٹس
ششماہی 31 دسمبر 2021			
تبدیل %	2021	2022	
-25%	2,327	1,734	ایگزوسٹ سسٹم
-42%	419	243	ریڈی ایٹرز
+4%	879	912	شیٹ مثل اجزاء
-20%	3,625	2,889	مجموعی

مختلف پروڈکٹس کی کارکردگی کے بارے میں تبصرہ

اے) ایگزوسٹ سسٹم:

تمام بڑے صارفین کی فروخت میں کمی کی وجہ سے ایگزوسٹ سسٹم کی فروخت میں 25 فیصد کمی ہوئی۔

ب) ریڈی ایٹرز:

ریڈی ایٹرز کی فروخت میں 42% کمی واقع ہوئی، جو پک اپ اور وین کی فروخت میں کمی کی عکاسی کرتی ہے، ساتھ ہی مارکیٹ کے بعد فروخت بھی ہے۔

سی) شیٹ مثل اجزاء

گروپ نے اسی مدت کے مقابلے میں 4% کا معمولی اضافہ درج کیا ہے۔

توقعات

معاشی بدحالی اور روپے کی قدر میں خاطر خواہ کمی کی وجہ سے آٹوموبائل سیکٹر میں حجم میں کمی کا سلسلہ جاری ہے۔ مشکل معاشی صورتحال کا مقابلہ کرنے کے لیے، کمپنی آٹو پارٹس کی صنعت میں اپنی قیادت کو برقرار رکھنے اور مشکل معاشی ماحول میں منافع کے حصول کے لیے لاگت کی بچت کے مختلف اقدامات پر سرگرم عمل ہے۔

تسلیمات

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

روزینہ منزل
ڈائریکٹر

منیر کے۔ بانا
چیف ایگزیکٹو

کراچی: 28 فروری 2023

لوڈز گروپ ڈائریکٹرز کی شیئر ہولڈرز کو رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2022 کو ختم ہونے والے ششماہی کے مالیاتی بیانات کے ساتھ لوڈز گروپ کی چھ ماہ کی رپورٹ پیش کرتے ہیں۔

تفصیلی مالیاتی نتائج کی سہری

روپے بلین میں						
پچھلے سال کے مقابلے میں اضافہ		ششماہی 31 دسمبر 2021		ششماہی 31 دسمبر 2022		
مجموعی	لوڈز	مجموعی	لوڈز	مجموعی	لوڈز	
(737)	(737)	3,625	3,625	2,888	2,888	فروخت
(156)	(26)	451	361	295	335	کل منافع
(287)	66	359	358	72	424	آپریٹنگ منافع
(21.6)	-	22	-	0.4	-	منافع / نقصان کا شیئر
(466)	(94)	127	193	(339)	99	ٹیکس سے پہلے کا منافع
(456)	(106)	42	134	(414)	28	ٹیکس کے بعد کا منافع
(1.51)	(0.42)	0.17	0.53	(1.34)	0.11	آمدنی ہر شیئر پر (EPS) بنیاد اور کنزور (روپے)

کاروباری جائزہ

کمپنی کے نتائج

انٹر کمپنی قرضوں پر مارک اپ آمدنی میں اضافے کی وجہ سے سیلز ریونیو میں 20 فیصد کمی کے باوجود کمپنی نے آپریٹنگ منافع میں 66 ملین روپے کا اضافہ ریکارڈ کیا۔ ٹیکس سے پہلے کے منافع میں پچھلی مدت کے مقابلے میں 49% کمی ہوئی۔ بعد از ٹیکس منافع روپے سے کم ہو گیا۔ 134 ملین روپے زیادہ ٹیکس کی وجہ سے 28 ملین لہذا موجودہ ششماہی نے 11 پیسے فی حصص کی آمدنی کی اطلاع دی ہے، جیسا کہ گزشتہ مدت کے 53 پیسے فی حصص تھا۔

گروپ کے نتائج

گروپ نے 31 دسمبر 2022 کو ختم ہونے والے ششماہی کے لیے 2,888 ملین روپے کی روپے کی فروخت ریکارڈ کی ہے۔ گزشتہ مدت کے مقابلے میں 737 ملین۔ یہ کمی بنیادی طور پر زر مبادلہ کے ذخائر کی کمی کی وجہ سے مرکزی بینک کی جانب سے درآمد پر پابندی کی وجہ سے آٹو انڈسٹری میں مندی ہے۔ لہذا آٹوموبائل اور بھاری گاڑیوں کی فروخت میں بالترتیب 38% اور 36% کی نمایاں کمی واقع ہوئی ہے۔

ٹیکس سے پہلے مجموعی نقصان روپے کا نقصان ریکارڈ کیا گیا۔ 339 ملین، جیسا کہ گزشتہ مدت کے منافع سے قبل ٹیکس کے 127 ملین تھا۔ ٹیکس لگانے کے بعد نقصان روپے 414 ملین روپے کے بعد از ٹیکس منافع کے مقابلے گزشتہ مدت میں 42 ملین رہا۔

گاڑیوں کی صنعت کا جائزہ:

(الف) مسافر کاروں/ہلکی کارشل گاڑیاں (LCVs)

ششماہی سال کے لیے مجموعی طور پر کاروں کی فروخت میں گزشتہ مدت کے مقابلے میں 38 فیصد کمی واقع ہوئی، جس کی بنیادی وجہ OEM کی فروخت کے حجم میں کمی ہے۔

(ب) بڑی تجارتی گاڑیاں:

بھاری گاڑیوں کا حجم پچھلی مدت کے مقابلے میں 36 فیصد کم ہو کر 3,062 یونٹس سے 1,947 یونٹ ہو گیا، ٹرکوں میں 42 فیصد کمی کی وجہ سے، جزوی طور پر بسوں میں 23 فیصد اضافے کی وجہ سے ہوئی۔

Condensed Interim Unconsolidated Financial Statements

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Loads Limited

Report on review of Unconsolidated Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **LOADS LIMITED** as at **December 31, 2022** and the related condensed interim statement of profit or loss and condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements forming part thereof (here-in-after referred to as the 'interim financial statements') for the half year then ended **December 31, 2022**. Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarter ended December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2022.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements as of and for the half year ended **December 31, 2022** is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matter

The interim financial statements for the half year ended December 31, 2021 and the annual financial statements (unconsolidated and consolidated) of the Company for the year ended June 30, 2022 were reviewed and audited by another firm of Chartered Accountants who expressed an unmodified conclusion and unmodified opinion thereon vide their reports dated February 28, 2022 and October 07, 2022 respectively.

The engagement partner on the review resulting in this independent auditors' review report is **Arif Nazeer**.



Chartered Accountants

Place: Karachi

Date: February 28, 2023

UDIN: RR202210099XvTKVYIUR


Condensed Interim Unconsolidated Statement of Financial Position

As at 31 December 2022

		31 December 2022	30 June 2022
		(Un-audited)	(Audited)
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	567,516,508	581,106,660
Intangible assets		2,191,904	2,879,505
Long term investments	7.1	1,238,434,019	1,301,133,954
Long term loans		5,279,014	7,644,157
		1,813,421,445	1,892,764,276
Current assets			
Stores, spares and loose tools		39,171,850	39,966,825
Stock-in-trade	8	1,361,750,728	1,618,931,498
Trade debts - net		648,202,269	909,494,124
Loans and advances	9	315,838,940	215,251,284
Deposits, prepayments and other receivables	10	114,163,039	19,596,020
Due from related parties		3,613,879,285	3,252,222,264
Taxation - net		377,698,184	279,797,568
Short term investments	7.2	698,963	922,505
Cash and bank balances		106,808,744	11,719,932
		6,578,212,002	6,347,902,020
Total assets		8,391,633,447	8,240,666,296
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		4,000,000,000	4,000,000,000
400,000,000 ordinary shares of Rs. 10 each			
Issued, subscribed and paid-up capital	14	2,512,500,000	2,512,500,000
Share premium		1,070,065,433	1,070,065,433
Fair value reserve		(113,377,046)	(50,689,879)
Unappropriated profit		795,580,769	767,973,738
		4,264,769,156	4,299,849,292
LIABILITIES			
Non-current liabilities			
Long term loans		294,718,871	240,869,432
Lease liabilities		20,575,376	23,828,164
Deferred tax liabilities		38,274,766	3,011,200
Defined benefit obligation - net		34,222,294	35,100,894
		387,791,307	302,809,690
Current liabilities			
Current maturity of lease liabilities		5,515,711	6,500,095
Current portion of long term loans		230,732,071	370,637,176
Current portion of deferred grant		-	242,701
Islamic commercial paper	16	500,000,000	-
Short term borrowings	11	2,224,147,667	2,224,673,253
Due to related party	12	1,026,676	142,716,321
Trade and other payables	13	698,181,087	836,279,196
Unclaimed dividend		3,527,781	3,527,781
Accrued mark-up and profit		75,941,991	53,430,791
		3,739,072,984	3,638,007,314
Total equity and liabilities		8,391,633,447	8,240,666,296
CONTINGENCIES AND COMMITMENTS			
	15		

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.


Chief Financial Officer


Chief Executive


Director


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

For the six and three months period ended 31 December 2022

	Note	For the six months period ended		For the three months period ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
		(Rupees)			
Revenue - net	17	2,888,545,427	3,624,967,332	1,554,416,610	1,952,046,621
Cost of sales	18	(2,553,137,171)	(3,264,138,728)	(1,379,687,031)	(1,756,694,749)
Gross profit		335,408,256	360,828,604	174,729,579	195,351,872
Administrative, selling and general expenses		(142,400,748)	(128,164,937)	(73,986,580)	(68,362,219)
		193,007,508	232,663,667	100,742,999	126,989,653
Other expenses		(6,755,684)	(12,792,594)	(3,593,916)	(9,505,446)
Other income	19	238,291,899	137,739,519	118,026,306	77,189,802
		231,536,215	124,946,925	114,432,390	67,684,356
Operating profit		424,543,723	357,610,592	215,175,389	194,674,009
Finance costs		(325,328,016)	(164,228,536)	(157,966,034)	(73,981,870)
Equity investments at FVTPL - net change in fair value		(236,310)	(126,791)	(226,040)	15,247
Profit before taxation		98,979,397	193,255,265	56,983,315	120,707,386
Taxation		(71,372,366)	(59,388,551)	(17,993,978)	(38,349,666)
Profit after taxation		27,607,031	133,866,714	38,989,337	82,357,720
Earnings per share - basic and diluted	20	0.11	0.53	0.16	0.33

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.


Chief Financial Officer


Chief Executive


Director

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

For the six and three months period ended 31 December 2022

	For the six months period ended		For the three months period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees)			
Profit for the period	27,607,031	133,866,714	38,989,337	82,357,720
Other comprehensive income				
Items that will never be reclassified subsequently to profit or loss				
Change in fair value of equity investment at FVOCI	12,768	(296)	9,880	(278)
Investments in associate at FVOCI	(62,699,935)	(27,786,264)	(31,299,249)	8,452,071
	(62,687,167)	(27,786,560)	(31,289,369)	8,451,793
Total comprehensive (loss) / income for the period	(35,080,136)	106,080,154	7,699,968	90,809,513

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.



Chief Financial Officer



Chief Executive



Director

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

For the six months ended 31 December 2022

	Share capital	Capital Reserve	Revenue reserves		Total equity
	Issued, subscribed and paid-up capital	Share premium	Fair value reserve	Unappropriated profit	
	(Rupees)				
Balance as at 30 June 2021 (audited)	2,512,500,000	1,070,065,433	82,731,000	463,202,182	4,128,498,615
Total comprehensive income for the half year ended 31 December 2021					
Profit for the period	-	-	-	133,866,714	133,866,714
Other comprehensive income	-	-	(27,786,560)	-	(27,786,560)
	-	-	(27,786,560)	133,866,714	106,080,154
Balance as at 31 December 2021	2,512,500,000	1,070,065,433	54,944,440	597,068,896	4,234,578,769
Balance as at 1 July 2022 (audited)	2,512,500,000	1,070,065,433	(50,689,879)	767,973,738	4,299,849,292
Total comprehensive income for six months period ended 31 December 2022					
Profit for the period	-	-	-	27,607,031	27,607,031
Other comprehensive income	-	-	(62,687,167)	-	(62,687,167)
	-	-	(62,687,167)	27,607,031	(35,080,136)
Balance as at 31 December 2022	2,512,500,000	1,070,065,433	(113,377,046)	795,580,769	4,264,769,156

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.


Chief Financial Officer


Chief Executive


Director


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

For the six months ended 31 December 2022

	31 December 2022	31 December 2021
	(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	98,979,397	193,255,265
Adjustments for		
Depreciation	29,194,334	34,239,114
Amortisation	687,601	75,133
Finance cost	323,077,153	113,952,193
Gain on disposal of property, plant and equipment	(2,911,595)	(1,504,289)
Current Service	14,010,900	1,447,663
Finance lease charges	2,250,863	934,680
Mark-up income	(234,516,933)	(126,008,442)
Dividend income	(13,198)	(4,871,455)
Unrealized loss on re-measurement of investment classified as at FVTPL	236,310	126,791
	230,994,832	211,646,653
Working capital changes		
Decrease / (increase) in current assets		
Stores and spares and loose tools	794,975	(1,571,958)
Stock-in-trade	257,180,770	(123,577,871)
Trade debts - net	261,291,855	(374,214,755)
Due from related parties	(225,120,088)	(3,388,338)
Loans and advances	(98,222,513)	(32,448,596)
Deposits, prepayments and other receivables	(58,560,338)	14,638,431
	137,364,661	(520,563,087)
Decrease in current liabilities		
Trade and other payables	(138,098,109)	293,865,425
Due to related parties	(141,689,645)	(1,897,521)
Cash generated from / (used in) operations	88,571,739	(16,948,530)
Mark-up paid	(300,565,953)	(103,800,030)
Contribution paid to defined benefit plan	(14,889,500)	(10,400,000)
Income tax paid	(134,009,416)	(176,503,959)
Net cash used in operating activities	(360,893,130)	(307,652,519)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(16,147,587)	(20,286,642)
Mark-up received	-	21,170,617
Dividend received	13,198	4,871,455
Proceeds from sale of investment - net	-	205,632,646
Proceeds from disposal of property, plant and equipment	3,455,000	2,961,000
Net cash (used in) / generated from investing activities	(12,679,389)	214,349,076
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(6,488,035)	(2,992,066)
Loan (repaid to) / received from banking companies	(86,298,367)	(79,989,569)
Issuance of Islamic Commercial Paper	463,993,319	-
Loan received / (provided to) related party - net	97,980,000	(348,597,806)
Net cash generated from / (used in) financing activities	469,186,917	(431,579,441)
Net increase / (decrease) in cash and cash equivalents during the period	95,614,398	(524,882,884)
Cash and cash equivalents at beginning of the period	(2,212,953,321)	(1,834,243,083)
Cash and cash equivalents at end of the period	(2,117,338,923)	(2,359,125,967)
Cash and cash equivalents at end of the period comprises		
Cash and bank balances	106,808,744	43,922,720
Short term borrowings	(2,224,147,667)	(2,403,048,687)
	(2,117,338,923)	(2,359,125,967)

The annexed notes from 1 to 23 form an integral part of these condensed interim unconsolidated financial statements.


Chief Financial Officer


Chief Executive


Director

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

For the six months ended 31 December 2022

1. STATUS AND NATURE OF BUSINESS

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

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

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

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

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

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		31 December 2022	30 June 2022	
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	91%	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	92%	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	100%	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	80%	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers. Commercial production has not yet started.
Associate				
Treet Corporation Limited	22 January 1977	2.86%	2.86%	Manufacture and sale of razors, razor blades and other trading activities

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim unconsolidated financial statements of the Company for the three months period ended December 31, 2022 has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

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

For the six months ended 31 December 2022

- 2.2** These condensed interim unconsolidated financial statements are unaudited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and the listing regulations of the Pakistan Stock Exchange Limited. These unconsolidated condensed interim financial statements comprise of the unconsolidated statement of financial position as at December 31, 2022 and unconsolidated statement of profit or loss, unconsolidated statement of comprehensive income, unconsolidated statement of changes in equity and unconsolidated statement of cash flows for the three months period ended December 31, 2022.
- 2.3** The comparative unconsolidated statement of financial position presented in these condensed interim unconsolidated financial statements have been extracted from the audited annual unconsolidated financial statements of the Company for the year ended June 30, 2022, whereas the comparative statement of unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim statement of cash flows for the half year ended December 31, 2021 have been extracted from the unaudited condensed interim unconsolidated financial statements for the period then ended December 31, 2021.
- 2.4** These condensed interim unconsolidated financial statements of the Company does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual unconsolidated financial statements of the Company as at and for the year ended June 30, 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual audited financial statements.

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3 NEW ACCOUNTING STANDARDS / AMENDMENTS AND IFRS INTERPRETATIONS

3.1 New / Revised Standards, Interpretations and Amendments

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2022, but are considered not to be relevant or do not have any significant effect on the Company's financial position and are therefore not stated in these unconsolidated condensed interim financial statements.

3.2 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective:

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective from accounting period beginning on or after
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	January 01, 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	January 01, 2022
- IAS 41 Agriculture - Taxation in fair value measurements	January 01, 2022
- IFRS 3 - Reference to the Conceptual Framework (Amendments)	January 01, 2023
- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition	January 01, 2023
- Definition of Accounting Estimates - Amendments to IAS 8	January 01, 2023
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	January 01, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction Amendments to IAS 12	January 01, 2023
Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2023
Lease Liability in a Sale and Leaseback - Amendments to IFRS 16	January 01, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

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

For the six months ended 31 December 2022

IASB Effective date
(annual periods
beginning on or after)

Standards

IFRS 1 - First-time Adoption of International Financial Reporting Standards

IFRS 17 – Insurance Contracts

January 01, 2023

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements and the significant judgements made by the management in applying the accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the financial statements as at and for the year ended June 30, 2022.

4 SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

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

4.2 Judgements and estimates made by the management in the preparation of these condensed interim unconsolidated financial statements are the same as those that were applied to financial statements as at and for the year ended 30 June 2022.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statement as at and for the year ended June 30, 2022.

6. PROPERTY, PLANT AND EQUIPMENT

Note

31 December 2022 (Un-audited)	30 June 2022 (Audited)
(Rupees)	
534,646,508	549,624,886
32,870,000	31,481,774
567,516,508	581,106,660

Operating property, plant and equipment
Capital work-in-progress

6.1

6.1 The following acquisitions and disposals have been made during the half year ended December 31, 2022.

For the half year ended

	31 December 2022		31 December 2021	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	(Un-audited)			
	(Rupees)			
Building on leasehold land	-	-	1,365,002	-
Plant and machinery	13,183,128	-	6,905,847	-
Tools and equipment	1,260,780	-	131,547	-
Furniture, fittings and office equipment	315,453	-	2,136,421	-
Vehicles	-	3,518,500	35,440,000	18,155,850
	14,759,361	3,518,500	45,978,817	18,155,850

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

For the six months ended 31 December 2022

7. INVESTMENTS	Note	31 December 2022 (Un-audited)	30 June 2022 (Audited)
		(Rupees)	
7.1 Long term investments			
At cost			
Investments in subsidiary companies - unlisted			
Hi-Tech Alloy Wheels Limited		859,960,000	859,960,000
Specialized Autoparts Industries (Private) Limited		175,000,000	175,000,000
Multiple Autoparts Industries (Private) Limited		75,000,000	75,000,000
Specialized Motorcycles (Private) Limited (SMPL)		75,000,000	75,000,000
		1,184,960,000	1,184,960,000
Less: Provision for impairment against SMPL		(25,000,000)	(25,000,000)
Net investment in subsidiary companies		1,159,960,000	1,159,960,000
Investment in associate at FVTOCI - listed	7.1.1	78,474,019	141,173,954
		1,238,434,019	1,301,133,954

7.1.1 This represents 4,837,958 shares (30 June 2022: 4,837,958 shares) of Treet Corporation Limited having market value of Rs. 78.474 million (30 June 2022: Rs. 141.173 million). The Company's holding in Treet Corporation Limited is considered associate by virtue of common directorship.

7.2 Short term investments	Note	31 December 2022 (Un-audited)	30 June 2022 (Audited)
		(Rupees)	
Equity securities - at FVTPL	7.2.1	670,843	907,153
Equity securities - at FVOCI	7.2.2	28,120	15,352
		698,963	922,505

7.2.1 Equity securities - at FVTPL

31 December 2022 (Un-audited)	30 June 2022 (Audited)	Name of investee companies	31 December 2022			30 June 2022
			Carrying value	Market value	Net change in fair value	Market value
(Number of shares)		Ordinary shares - Quoted	(Rupees)			
1	1	Agriaautos Industries Limited*	134	86	(48)	134
1	1	Al-Ghazi Tractors Limited *	390	318	(72)	390
1	1	Atlas Battery Limited	172	163	(9)	172
1	1	Atlas Honda Limited	378	300	(78)	378
1	1	Ghandhara Tyres & Rubber Company Limited	34	27	(7)	34
1	1	Honda Atlas Cars (Pakistan) Limited	195	166	(29)	195
1	1	Thal Limited *	270	193	(77)	270
230	230	Baluchistan Wheels Limited	17,480	16,291	(1,189)	17,480
315	315	Ghandhara Nissan Limited	18,705	13,230	(5,475)	18,705
300	300	Hinopak Motors Limited	92,160	67,950	(24,210)	92,160
200	200	Indus Motor Company Limited	228,882	200,984	(27,898)	228,882
710	592	Millat Tractors Limited	516,573	344,428	(172,145)	516,573
63	63	Oil & Gas Development Company Limited	4,956	5,019	63	4,956
127	127	Pak Suzuki Motor Company Limited	26,824	21,688	(5,136)	26,824
			907,153	670,843	(236,310)	907,153

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

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

For the six months ended 31 December 2022

7.2.2 Equity securities - at FVOCI

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

31 December 2022 (Un-audited)	30 June 2022 (Audited)	Name of investee company	31 December 2022 (Un-audited)			30 June 2022 (Audited)
			Cost	Market value	Net change in fair value	Market value
(Number of shares)		Ordinary shares - Quoted	(Rupees)			
<u>152</u>	<u>152</u>	ZIL Limited	<u>5,330</u>	<u>28,120</u>	<u>12,768</u>	<u>15,352</u>

7.2.2.1 Equity investments at FVOCI - net change in fair value

	31 December 2022 (Un-audited)	30 June 2022 (Audited)
Market value of investments	28,120	15,352
Less: Cost of investments	(5,330)	(5,330)
	<u>22,790</u>	<u>10,022</u>
Less: Equity investments at FVOCI - net change in fair value at beginning of the period / year	(10,022)	(8,368)
Net change in fair value for the period / year	<u>12,768</u>	<u>1,654</u>

8. STOCK-IN-TRADE

	8.1 & 8.2	31 December 2022 (Un-audited)	30 June 2022 (Audited)
Raw material and components		1,291,312,748	1,544,914,809
Work-in-process		62,780,210	106,545,556
Finished goods		40,186,637	-
		<u>1,394,279,595</u>	<u>1,651,460,365</u>
Provision for slow-moving and obsolescence		(32,528,867)	(32,528,867)
		<u>1,361,750,728</u>	<u>1,618,931,498</u>

8.1 This includes raw material in-transit and in possession of Company's subsidiaries amounting to Rs. 296 million (June 30 2022: Rs. 522 million) and Rs. 189 million (June 30, 2022: Rs. 438 million) respectively.

8.2 Raw material held with toll manufacturers as at December 31, 2022 amounted to Rs. 66.84 million (June 30, 2022: Rs. 107 million).

9. LOANS AND ADVANCES

	Note	31 December 2022 (Un-audited)	30 June 2022 (Audited)
Advance to suppliers		298,701,964	148,233,907
Loans to employees - considered good and unsecured	9.1	6,375,058	35,573,874
Loans to workers - considered good and unsecured	9.2	5,109,454	30,139,317
Advance salary		5,652,464	1,304,186
		<u>315,838,940</u>	<u>215,251,284</u>

9.1 This represents loans provided to executive staff having maturity of one to two years. These loans carry mark-up at the rate of 13% (June 30, 2022: 9%) per annum.

9.2 This represents loans provided to workers for personal expenses having maturity of twelve months. These loans carry mark-up at the rate of 13% (June 30, 2022: 9%) per annum.

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

For the six months ended 31 December 2022

		31 December 2022 (Un-audited)	30 June 2022 (Audited)
	Note	(Rupees)	
10. DEPOSITS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Unclaimed input sales tax		21,986,720	-
Margin deposits		37,078,573	4,169,620
Receivable from Provident Fund		9,099,535	4,318,920
Trade and other deposits		1,840,000	1,840,000
Prepayments		4,894,559	3,220,534
Other receivables		39,263,652	6,046,946
		114,163,039	19,596,020
11. SHORT TERM BORROWINGS			
Secured			
Running finances under mark-up arrangements	11.1	1,444,996,211	1,173,638,735
Soneri Bank Limited		450,000,000	385,000,000
Islamic financing	11.2	329,151,456	443,775,602
Standard Chartered Bank		-	222,258,916
		2,224,147,667	2,224,673,253
11.1			
<p>These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Company, pledge of stock (shares) lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by March 31, 2023. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.</p> <p>These facilities carry mark-up at the rates ranging from 1 month KIBOR plus 1% to 3 month KIBOR plus 3% (June 30, 2022: 1 month KIBOR plus 1.25% to 3 month KIBOR plus 1.50%) per annum.</p> <p>The aggregate available short term borrowing facilities amounted to Rs. 1,444 million (June 30, 2022: Rs. 1,173 million) out of which Rs. 55 million (June 30, 2022: 96 million) remained unavailed as at the reporting date.</p>			
11.2 Islamic financing			
<p>This includes Islamic finance facility available from Al Baraka Bank, Meezan Bank and Bank Islami Pakistan having limits of Rs. 1,000 million, for manufacturing of mufflers and exhaust system, spare parts, tools and equipment from local market and for working capital requirement. As at 31 December 2022, amount of Rs. 171 million (June 30, 2022: Rs. 62 million) remained unutilised. This facility is secured by charge over current and future assets of the Company. These facilities carry mark-up at 1 month KIBOR plus 2% per annum to 3 months KIBOR plus 3.5% (30 June, 2022: 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75%) and is repayable maximum within 120 to 180 days of the disbursement date.</p>			
12. DUE TO RELATED PARTY			
Payable to SAIL and MAIL against Toll Manufacturing		1,026,676	142,716,321

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

For the six months ended 31 December 2022

13. TRADE AND OTHER PAYABLES	Note	31 December 2022 (Un-audited)	30 June 2022 (Audited)
		(Rupees)	
Trade creditors		291,483,878	482,231,107
Accrued liabilities		40,907,073	55,026,568
Contract liabilities			
Advance from customers		65,377,129	58,234,184
Mobilization advances		203,192,383	105,586,724
		600,960,463	701,078,583
Other liabilities			
Workers' Profit Participation Fund	13.1	9,433,158	28,642,932
Provision for bonus		-	56,915,758
Provision for leave encashment		2,864	2,864
Workers' Welfare Fund	13.2	12,300,029	10,329,621
Sales tax Payable		-	16,141,054
Withholding tax payable		4,408,413	3,719,909
Payable to Bazaar Industrial Private Limited	13.3	50,000,000	-
Current portion of Gas Infrastructure Development Cess		868,472	868,472
Security deposit from contractors		129,000	129,000
Other payables		20,078,688	18,451,003
		97,220,624	135,200,613
		698,181,087	836,279,196
13.1 Workers' profit participation fund			
Opening balance		28,642,932	11,630,341
Charge for the period / year		4,785,276	24,594,336
Interest charged during the period / year		599,286	1,229,327
		34,027,494	37,454,004
Less: Payments during the period / year		(24,594,336)	(8,811,072)
Closing balance		9,433,158	28,642,932
13.2 Workers' welfare fund			
Opening balance		10,329,621	3,555,670
Charge for the period / year		1,970,408	10,329,621
Less: Payments during the period / year		-	(3,555,670)
Closing balance		12,300,029	10,329,621
13.3 Payable to Bazaar Industrial Private Limited.			
<p>This represents an unsecured credit facility amounting to Rs 50 million (June 30, 2022: Nil) from Bazaar Industrial Private Limited. This facility has been obtained for working capital management and will be paid at a service charge of 1.8% per month after 30 days from the date of credit facility being provided by Bazaar Industrial Private Limited.</p>			
14. SHARE CAPITAL			
14.1 Authorised share capital			
<p>Authorised share capital comprises of 400,000,000 (June 30, 2022: 400,000,000) Ordinary shares of Rs. 10 each.</p>			

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

For the six months ended 31 December 2022

14.2 Issued, subscribed and paid up capital

31 December 2022 (Un-audited) (Number of shares)	30 June 2022 (Audited)		31 December 2022 (Un-audited) (Rupees)	30 June 2022 (Audited)
		Ordinary shares		
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

15. CONTINGENCIES AND COMMITMENTS

15.1 Contingencies

There have been no significant changes in the status of contingencies as reported in the unconsolidated annual financial statements for the year ended June 30, 2022 except for the following:

Description of legal proceedings

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Federal Board of Revenue (FBR)	Income Tax Return e-filed for Tax Year 2021 is presently deemed to have been assessed u/s.120 of Income Tax Ordinance, 2001. Subsequent to the year a Notice has been received under Rule 44(4) for monitoring of withholding-tax on 26.08.2022.	Company & FBR	26 August 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 had challenged the above amended order in appeal filed before Commissioner Inland Revenue (Appeals) against Order dated 30.06.2021 u/s.122(4) for the above mentioned tax year, the appeal has adjudicated by Commissioner (Appeals) vide Appeal Order dated 29.10.2021 where substantial direct relief has been allowed to the company, whilst one major issue has been remanded-back with directions and as such, disputed demand has been vacated.	Company & FBR	26 April 2021
Federal Board of Revenue (FBR)	For Tax Year 2019-20, Notice dated 18.10.2021 was received u/s.25 for audit under S.25 of the Sales Tax Act, 1990 for the period from 01-07-2019 to 30-06-2021. In response, all the requisitioned details/documents/ evidences, etc., submitted and accordingly, audit proceedings was culminated in Order dated 11.02.2022 creating an aggregate demand of Rs.1,577,663/- + Penalty of Rs.78,883/- + default surcharge Rs.505,198/- aggregating to Rs.2,161,744/- for sales-tax period 2019-20, which has been deposited by the company. No appeal has been filed against the sales-tax assessment order.	Company & FBR	10 October 2021
Federal Board of Revenue (FBR)	Proceedings were initiated under S.11(2) of the Sales Tax Act, 1990 vide Notice dated 31.05.2022 for alleged non-realization of 17% sales-tax on deletion of Fixed Assets at WDV value in Tax Year 2017 (Income Year ended 30-06-2017), whereas such sales tax has been charged on sales proceeds resulting in substantial tax gain, which has also been offered for tax in tax year 2017, which has been responded but no further action has been taken.	Company & FBR	31 May 2022

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

For the six months ended 31 December 2022

15.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 252 million (June 30, 2022: Rs. 628 million).

16. ISLAMIC COMMERCIAL PAPER

This represents a credit financing facility amounting to Rs 500 million (June 30, 2022: Nil) obtained by the Company in relation to an agreement between the investors and the Bank Islami (investing agent). The amount is repayable to the investors within 6 months at a mark-up of KIBOR + 2%.

The details of the investors are as follows:

S.No.	Investors	Contribution	Contribution (%)
1	PAIR Investment Company Limited	125,000,000	25%
2	Pak Libya Holding Company Limited	125,000,000	25%
3	Pak Oman Investment Company Limited	100,000,000	20%
4	CDC Trustee Faysal Income and Growth Fund	50,000,000	10%
5	PIACL Provident Fund Trust	50,000,000	10%
6	Bank Islami Pakistan Limited	50,000,000	10%
		<u>500,000,000</u>	

17. REVENUE - NET

	Note	31 December 2022 (Un-audited)	31 December 2021 (Un-audited)
Local sales	17.1	3,394,388,698	4,295,639,092
Less: Sales returns		(5,316,925)	(8,736,191)
		<u>3,389,071,773</u>	<u>4,286,902,901</u>
Less: Sales tax		(500,526,346)	(661,935,569)
		<u>2,888,545,427</u>	<u>3,624,967,332</u>

17.1 This includes scrap sales amounting to Rs. 64.75 million (December 31, 2021: Rs.127.89 million).

18. COST OF SALES

Note	Half year ended		Quarter ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees)			
	(Un-audited)			
Raw materials and components consumed	1,962,198,764	2,420,904,478	964,158,643	1,220,780,107
Ancillary materials consumed	30,693,942	63,391,032	9,519,888	39,521,191
Manufacturing expenses				
Salaries, wages and other employee benefits	139,104,731	173,584,046	66,530,522	86,040,520
Toll manufacturing	209,169,802	381,234,994	129,295,640	198,841,730
Depreciation	25,432,195	31,466,247	9,117,454	16,445,569
Gas, power and water	18,096,971	17,268,764	6,806,126	9,533,803
Others	20,912,683	26,001,263	10,597,431	14,528,655
Transferred to capital work-in-progress	-	(5,128,140)	-	(2,593,135)
Manufacturing cost	412,716,382	624,427,174	222,347,173	322,797,142
Opening stock of work-in-process	106,545,556	71,111,109	142,646,374	89,258,948
Impact of recording revenue overtime	62,780,211	106,513,130	62,780,211	106,513,130
Closing stock of work-in-process	(62,780,210)	(106,545,556)	(62,780,210)	(106,513,130)
	106,545,557	71,078,683	142,646,375	89,258,948
Opening stock of finished goods	-	-	-	-
Impact of recording revenue overtime	81,169,163	84,337,361	81,169,163	84,337,361
Closing stock of finished goods	(40,186,637)	-	(40,186,637)	-
	40,982,526	84,337,361	40,982,526	84,337,361
	<u>2,553,137,171</u>	<u>3,264,138,728</u>	<u>1,379,654,605</u>	<u>1,756,694,749</u>

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

For the six months ended 31 December 2022

- 18.1** This includes toll manufacturing expense from SAIL and MAIL amounting to Rs. 172.99 million (December 31, 2021: Rs. 328.09 million).

	31 December 2022 (Un-audited)	31 December 2021 (Un-audited)
19. OTHER INCOME		(Rupees)
Income from financial assets		
Dividend Income	13,198	33,497
Grant Income	242,701	2,223,993
Dividend income from Treet corporation	-	4,837,958
Total interest receivable from subsidiaries	234,516,933	126,008,442
	234,772,832	133,103,890
Income from assets other than financial assets		
Profit / loss on sale of asset	2,911,595	1,504,289
Other Income	607,472	3,131,340
	3,519,067	4,635,629
	238,291,899	137,739,519

Note

20. EARNINGS PER SHARE - basic and diluted

		31 December 2022 (Un-audited)	31 December 2021 (Un-audited)
Profit after taxation	Rupees	27,607,031	133,866,714
Weighted average number of ordinary shares outstanding during the period	Numbers	251,250,000	251,250,000
Earnings per share - basic and diluted	Rupees	0.11	0.53

- 20.1** The weighted average number of share of prior period have been re-stated to reflect the impact of issuance of right share in March 2021.

21. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Balances as at:

Description	Relationship and effective shareholding	Balances as at the period / year-end	31 December 2022 (Un-audited) (Rupees)	30 June 2022 (Audited)
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (30 June 2022: 91%)	Loan due from at the period / year end Mark-up receivable on loan at the period / year end Trade receivable at the period / year end	365,664,263 124,072,022 182,936,215	410,664,263 87,928,068 (109,800,483)
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (30 June 2022: 92%)	Loan due from at the period / year end Mark-up receivable on loan at the period / year end Trade payable at the period / year end	59,372,788 31,640,814 (1,026,676)	109,872,788 23,846,762 (32,915,838)
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (30 June 2022: 80%)	Loan due from at the period / year end Mark-up Receivable on loan at the period / year end	2,035,129,542 720,572,739	2,039,529,541 530,883,572
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (30 June 2022: 100%)	Due from at the period / year end Loan due from at the period / year end Accrued mark-up on loan at the period / year end	3,706,788 10,824,000 2,272,028	3,706,788 8,904,000 1,382,268
Provident fund		Receivable from PF	9,099,535	4,318,920
Employee benefits - gratuity	Defined contribution plan	Balance at the year period / year	(34,222,294)	(35,100,894)

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

For the six months ended 31 December 2022

Transactions for the period :

Description	Relationship and effective percentage shareholding	Transactions during the period	Half year ended	
			31 December 2022	31 December 2021
			(Un-audited)	
			(Rupees)	
Specialized Autoparts Industries (Private) Limited	Subsidiary company - 91% holding (31 December 2021: 91%)	Toll manufacturing	431,141,308	246,754,213
		Loan provided / (repaid)	(45,000,000)	(29,838,847)
		Mark-up income on loan	36,143,954	26,082,885
Multiple Autoparts Industries (Private) Limited	Subsidiary company - 92% holding (31 December 2021: 92%)	Toll manufacturing	136,922,540	81,330,986
		Loan provided / (repaid)	(50,500,000)	(25,568,088)
		Mark-up income on loan	7,794,052	7,428,104
Hi-Tech Alloy Wheels Limited	Subsidiary company - 80% holding (31 December 2021: 80%)	Loan provided / (repaid)	(4,400,000)	402,434,741
		Mark-up income on loan	189,689,167	92,130,085
Specialized Motorcycle (Private) Limited	Subsidiary company - 100% holding (31 December 2021: 100%)	Loan provided / (repaid)	1,920,000	1,570,000
		Mark-up on loan	889,760	367,368
Provident fund	Defined benefit scheme	Paid during the period	9,099,535	7,255,612
Employee benefits - gratuity	Defined contribution plan	Expense for the period	878,600	1,447,663
		Contribution paid during the period	14,889,500	10,400,000
First Treet Manufacturing Modaraba	Common directorship	Purchase of batteries	143,959	114,146
IGI General Insurance Limited	Common directorship	Purchase of services	5,275,672	4,430,627
Remuneration of chief executive, directors and executives (Key management personnel)				
Salaries and benefits			60,177,568	48,043,865

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

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

22.1 Accounting classifications and fair values

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

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

For the six months ended 31 December 2022

December 31, 2022	Carrying amount					Fair value			Total
	Fair value through profit or loss	FVOCI - equity instrument	Amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	
(Rupees)									
Financial assets - measured at fair value									
Equity securities	670,843	28,120	-	-	698,963	698,963	-	-	698,963
Financial assets - not measured at fair value									
Trade debts	-	-	648,202,269	-	648,202,269	-	-	-	-
Loans	-	-	11,484,512	-	11,484,512	-	-	-	-
Deposits and other receivables	-	-	114,163,039	-	114,163,039	-	-	-	-
Due from related parties	-	-	3,613,879,285	-	3,613,879,285	-	-	-	-
Cash and bank balances	-	-	106,808,744	-	106,808,744	-	-	-	-
	670,843	28,120	4,494,537,849	-	4,495,236,812	-	-	-	-
Financial liabilities - not measured at fair value									
Short term financing	-	-	2,224,147,667	-	2,224,147,667	-	-	-	-
Trade and other payables	-	-	352,469,639	-	352,469,639	-	-	-	-
Liabilities against assets subject to finance lease	-	-	26,091,087	-	26,091,087	-	-	-	-
Accrued mark-up on short term financing	-	-	75,941,991	-	75,941,991	-	-	-	-
Long term loan	-	-	294,718,871	-	294,718,871	-	-	-	-
Current portion of long term loan	-	-	230,732,071	-	230,732,071	-	-	-	-
Due to related party	-	-	1,026,676	-	1,026,676	-	-	-	-
Unclaimed dividend	-	-	3,527,781	-	3,527,781	-	-	-	-
	-	-	3,208,655,783	-	3,208,655,783	-	-	-	-
(Rupees)									
June 30, 2022									
June 30, 2022	Carrying amount					Fair value			Total
	Fair value through profit or loss	FVOCI - equity instruments	Amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	
(Rupees)									
Financial assets - measured at fair value									
Equity securities	907,153	15,352	-	-	922,505	922,505	-	-	922,505
Financial assets - not measured at fair value									
Trade debts	-	-	909,494,124	-	909,494,124	-	-	-	-
Loans	-	-	73,357,348	-	73,357,348	-	-	-	-
Deposits and other receivables	-	-	12,056,566	-	12,056,566	-	-	-	-
Due from related parties	-	-	3,252,222,264	-	3,252,222,264	-	-	-	-
Cash and bank balances	-	-	11,719,932	-	11,719,932	-	-	-	-
	907,153	15,352	4,258,850,234	-	4,259,772,739	-	-	-	-
Financial liabilities - not measured at fair value									
Short term financing	-	-	2,224,673,253	-	2,224,673,253	-	-	-	-
Trade and other payables	-	-	482,231,107	-	482,231,107	-	-	-	-
Liabilities against assets subject to finance lease	-	-	30,328,259	-	30,328,259	-	-	-	-
Accrued mark-up on short term financing	-	-	53,430,791	-	53,430,791	-	-	-	-
Long term loan	-	-	240,869,432	-	240,869,432	-	-	-	-
Current portion of long term loan	-	-	370,637,176	-	370,637,176	-	-	-	-
Due to related party	-	-	142,716,321	-	142,716,321	-	-	-	-
Unclaimed dividend	-	-	3,527,781	-	3,527,781	-	-	-	-
	-	-	3,548,414,120	-	3,548,414,120	-	-	-	-

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

23. GENERAL

23.1 Segment reporting

These condensed interim unconsolidated financial statements have been prepared on the basis of a single reportable segment. Geographically, all the sales were carried out in Pakistan. All non-current assets of the Company as at December 31, 2022 are located in Pakistan.

23.2 These condensed interim unconsolidated financial statements were authorised for issue by the Board of Directors on 28 February 2023.


Chief Financial Officer


Chief Executive


Director

Condensed Interim Consolidated Financial Statements

Condensed Interim Consolidated Statement Of Financial Position

As at 31 December 2022

		31 December 2022 (Un-audited)	30 June 2022 (Audited)
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	3	5,251,590,665	5,270,345,813
Intangible assets		2,191,904	2,879,505
Long term investments		89,192,553	149,238,235
Long term loans		5,279,014	7,644,157
		5,348,254,136	5,430,107,710
Current assets			
Stores, spares and loose tools		53,390,996	55,063,066
Stock-in-trade		1,361,750,728	1,618,931,498
Trade debts - net		648,202,269	909,494,124
Loans and advances		331,220,427	253,365,717
Due from related party		1,150,380	1,150,380
Deposits, prepayments and other receivables		599,619,800	495,687,252
Taxation - net		437,778,496	317,350,627
Short term investments		698,963	922,502
Cash and bank balances		125,923,256	30,371,640
		3,559,735,315	3,682,336,806
Total assets		8,907,989,451	9,112,444,516
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 400,000,000 (30 June 2022: 400,000,000) ordinary shares of Rs.10/- each		4,000,000,000	4,000,000,000
Issued, subscribed and paid up capital		2,512,500,000	2,512,500,000
Share premium		1,070,065,433	1,070,065,433
Fair value reserve		(1,805,276)	(1,818,044)
Unappropriated profit		(66,806,629)	269,956,095
Equity attributable to owners of Parent Company		3,513,953,528	3,850,703,484
Non-Controlling Interest		33,206,397	110,305,074
		3,547,159,925	3,961,008,558
LIABILITIES			
Non-current liabilities			
Lease liabilities		20,575,376	23,828,164
Defined benefit obligation - net		34,222,294	35,100,894
Long term loans		1,283,149,417	1,229,817,007
Deferred tax liabilities		59,990,630	24,389,285
Gas Infrastructure Development Cess		-	47,239
		1,397,937,717	1,313,182,589
Current liabilities			
Current maturity of lease liabilities		5,515,711	6,500,095
Current portion of long term loans		230,732,071	433,625,552
Current portion of deferred grant		-	424,227
Islamic commercial paper - ICP		500,000,000	-
Short term borrowings		2,224,147,667	2,226,407,411
Trade and other payables		863,577,258	1,064,498,286
Due to related party		22,048,871	22,048,871
Loan from director		4,000,000	4,000,000
Unclaimed dividend		3,527,781	3,527,781
Accrued mark-up and profit		109,342,450	77,221,146
		3,962,891,809	3,838,253,369
Total equity and liabilities		8,907,989,451	9,112,444,516
CONTINGENCIES AND COMMITMENTS			
	4		

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


Chief Financial Officer


Chief Executive


Director


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

For the six and three months period ended 31 December 2022

	Note	For the six months period ended		For the three months period ended	
		31 December 2022	31 December 2021	31 December 2022	31 December 2021
(Rupees)					
Revenue - net		2,888,545,427	3,624,967,332	1,554,416,610	1,952,046,621
Cost of revenue	5	(2,593,738,389)	(3,174,415,277)	(1,372,078,919)	(1,711,942,125)
Gross profit		294,807,038	450,552,055	182,337,691	240,104,496
Administrative, selling and general expenses		(169,884,958)	(148,093,856)	(88,642,531)	(79,385,856)
		124,922,080	302,458,199	93,695,160	160,718,640
Other expenses		(67,333,192)	(19,108,911)	(49,510,083)	(12,681,231)
Other income		14,459,051	75,640,170	8,054,125	27,757,037
		(52,874,141)	56,531,259	(41,455,958)	15,075,806
Operating profit		72,047,939	358,989,458	52,239,202	175,794,446
Financial charges		(411,072,513)	(254,344,166)	(201,311,262)	(130,483,247)
Share of profit / (loss) in associates-net		421,943	22,121,628	4,652,168	10,673,588
Profit / (loss) before taxation		(338,602,631)	126,766,920	(144,419,892)	55,984,787
Taxation		(75,258,770)	(84,638,866)	(7,359,367)	(50,950,164)
Profit / (loss) after taxation		(413,861,401)	42,128,054	(151,779,259)	5,034,623
Profit / (loss) attributable to:					
Owners of the Parent Company		(336,762,724)	79,093,670		
Non-controlling interest		(77,098,677)	(36,965,616)		
		(413,861,401)	42,128,054		
Earning / (loss) per share - basic and diluted		(1.34)	0.17		

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


Chief Financial Officer


Chief Executive


Director

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

For the six and three months period ended 31 December 2022

	For the six months period ended		For the three months period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees)			
Profit / (loss) for the period	(413,861,401)	42,128,054	(151,779,259)	5,034,623
Other comprehensive income:				
Items that will not be reclassified subsequently to profit and loss				
Equity investments at FVOCI - net change in fair value	12,768	(296)	20,150	(278)
Total comprehensive income / (loss) for the period	(413,848,633)	42,127,758	(151,759,109)	5,034,345

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



Chief Financial Officer



Chief Executive



Director

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

For the six months period ended 31 December 2022

	Share capital	Capital Reserve	Revenue reserves		Total equity
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Unappropriated profit	
	(Rupees)				
Balance as at 30 June 2021 (Audited)	2,512,500,000	1,070,065,433	(1,819,906)	288,483,538	3,869,229,065
Total comprehensive income for the period ended 31. December 2021					
Profit for the period	-	-	-	79,093,670	79,093,670
Other comprehensive loss	-	-	(296)	-	(296)
	-	-	(296)	79,093,670	79,093,374
Balance as at 31 December 2021	2,512,500,000	1,070,065,433	(1,820,202)	367,577,208	3,948,322,439
Balance as at 01 July 2022 (audited)	2,512,500,000	1,070,065,433	(1,818,044)	269,956,095	3,850,703,484
Total comprehensive income for the period ended 31. December 2022					
Loss for the period	-	-	-	(336,762,724)	(336,762,724)
Other comprehensive income	-	-	12,768	-	12,768
	-	-	12,768	(336,762,724)	(336,749,956)
Balance as at 31 December 2022	2,512,500,000	1,070,065,433	(1,805,276)	(66,806,629)	3,513,953,528

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



Chief Financial Officer



Chief Executive



Director

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

For the six months period ended 31 December 2022

	31 December 2022	31 December 2021
	(Rupees)	
Profit / (loss) before taxation	(338,602,631)	126,766,920
Adjustment for		
Depreciation	37,227,212	40,789,363
Amortisation	687,601	75,133
Finance cost	408,821,650	254,344,166
Finance lease charges	2,250,863	934,680
Markup income	(1,572,657)	(958,500)
Gain on disposal of investment	-	(63,204,199)
Dividend Income	(13,198)	(4,871,455)
Gain on disposal of item of property, plant and equipment	(2,911,595)	(1,504,289)
Current service cost - gratuity	24,755,900	1,447,663
Share of profit/(loss) in associate - net	(421,943)	(22,121,628)
Equity investments at FVTPL - net change in fair value	60,281,045	126,791
	190,502,247	331,824,645
Working capital changes		
Decrease / (increase) in current assets		
Stores, spares and loose tools	1,672,070	1,999,072
Stock-in-trade	257,180,770	(123,577,871)
Trade debts - net	261,291,855	(374,214,755)
Loans and advances	(75,489,567)	(19,716,975)
Deposits, prepayments and other receivables	(67,925,867)	10,457,658
	376,729,261	(505,052,871)
(Decrease) / increase in current liabilities		
Trade and other payables	(200,921,028)	304,708,296
Cash generated from operations	366,310,480	131,480,070
Mark-up paid	(376,700,346)	(199,097,483)
Gratuity Paid	(25,634,500)	(10,400,000)
Tax paid	(160,423,071)	(191,980,893)
Net cash (used in) operating activities	(196,447,437)	(269,998,306)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(17,909,921)	(29,394,632)
Mark-up received	1,572,657	958,500
Dividend received	13,198	4,871,455
Proceeds from disposal of item of property, plant and equipment	3,473,738	2,961,000
Proceeds from sale of investments	-	205,632,646
Net cash generated from / (used in) investing activities	(12,850,328)	185,028,969
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(6,488,035)	(2,992,066)
(Payments against) / proceeds from loans and borrowings	(150,396,159)	(393,645,453)
Issuance of ICP - net	463,993,319	-
Loan obtained from related party	-	4,000,000
Net cash (used in) / generated from financing activities	307,109,125	(392,637,519)
Net (decrease) / increase in cash and cash equivalents	97,811,360	(477,606,856)
Cash and cash equivalents at beginning of the period	(2,196,035,771)	(1,819,805,359)
Cash and cash equivalents at end of the period	(2,098,224,411)	(2,297,412,215)

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


Chief Financial Officer


Chief Executive


Director

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

For the six months period ended 31 December 2022

1. STATUS AND NATURE OF BUSINESS

1.1 Legal status and operations

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

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

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

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

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

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		31 December 2022	30 June 2022	
Subsidiaries				
Specialized Autoparts Industries (Private) Limited (SAIL)	2 June 2004	91%	91%	Manufacture and sell components for the automotive industry.
Multiple Autoparts Industries (Private) Limited (MAIL)	14 May 2004	92%	92%	Manufacture and sell components for the automotive industry.
Specialized Motorcycles (Private) Limited (SMPL)	28 September 2004	100%	100%	Acquire, deal in, purchase, import, sales, supply and export motorcycles and auto parts. The operations have been ceased from 1 July 2015.
Hi-Tech Alloy Wheels Limited (HAWL)	13 January 2017	80%	80%	It will manufacture alloy wheels of various specifications and sell them to local car assemblers. Commercial production has not yet started.
Associate				
Treet Corporation Limited	22 January 1977	2.86%	2.86%	Manufacture and sale of razors, razor blades and other trading activities

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

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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

For the six months period ended 31 December 2022

This condensed interim consolidated financial information does not include all the information and disclosures required in the annual financial statements and should therefore be read in conjunction with the annual audited consolidated financial statements of the Parent Company as at and for the year ended 30 June 2022. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last financial statements.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Key estimates and judgments

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

In preparing the condensed interim consolidated financial information, the significant judgments made by the management in applying the Parent Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2022. The Parent Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2022.

3. PROPERTY, PLANT AND EQUIPMENT

Operating property, plant and equipment
Capital work-in-progress

	31 December 2022 (Un-audited)	30 June 2022 (Audited)
	(Rupees)	
	785,044,303	786,520,790
	4,466,546,362	4,483,825,023
	5,251,590,665	5,270,345,813

3.1 The following acquisitions and disposals have been made during six months period ended 31 December 2022.

	For the six months period ended			
	31 December 2022		31 December 2021	
	Acquisitions at cost	Disposals at book value	Acquisitions at cost	Disposals at book value
	(Rupees)			
Building on leasehold land	81,970	-	1,365,002	-
Plant and machinery	14,299,684	-	9,319,447	-
Tools and equipment	1,260,780	-	404,487	-
Furniture, fittings and office equipment	450,410	-	2,988,326	-
Vehicles	-	3,518,500	35,440,000	18,155,850
	16,092,844	3,518,500	49,517,262	18,155,850

4. CONTINGENCIES AND COMMITMENTS

4.1 Contingencies

There is no change in the status of contingencies as disclosed under note 17 of the annual consolidated financial statements of the Company for the year ended 30 June 2022.

4.2 Commitments

Commitments in respect of letters of credit amounted to Rs. 252 million (30 June 2022: Rs. 628 million).

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

For the six months period ended 31 December 2022

5. COST OF REVENUE	For the six months period ended		For the three months period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	(Rupees)			
Raw materials and components consumed	1,962,198,764	2,415,743,912	964,158,643	1,218,186,972
Ancillary materials consumed	66,384,126	107,081,400	24,146,652	60,392,654
Manufacturing Expenses				
Salaries, wages and other employee benefits	254,701,601	312,761,298	117,275,450	155,031,000
Toll manufacturing	38,689,446	56,545,635	26,787,004	31,283,131
Depreciation	31,707,978	37,814,594	12,276,251	22,793,916
Gas, power and water	40,147,462	38,588,006	15,918,759	21,006,564
Others	52,380,929	50,431,962	27,854,833	29,651,579
Manufacturing cost	2,446,210,306	3,018,966,807	1,188,417,592	1,538,345,816
Opening stock of work-in-process	106,545,556	71,111,109	142,646,374	89,258,948
Impact of recording revenue overtime	62,780,211	106,513,130	62,812,637	106,513,130
Closing stock of work-in-process	(62,780,210)	(106,513,130)	(62,780,210)	(106,513,130)
	106,545,557	71,111,109	142,678,801	89,258,948
Opening stock of finished goods	-	-	-	-
Impact of recording revenue overtime	81,169,163	84,337,361	81,169,163	84,337,361
Closing stock of finished goods	(40,186,637)	-	(40,186,637)	-
	40,982,526	84,337,361	40,982,526	84,337,361
	2,593,738,389	3,174,415,277	1,372,078,919	1,711,942,125

6. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Transactions and balances with related parties are disclosed below:

	31 December 2022	30 June 2022
	(Rupees)	
Investment in Treet Corporation Limited		
Ordinary shares: 4,837,958 shares (30 June 2022: 4,837,958 shares)	78,474,019	138,518,754
Other receivable - Treet Corporation Limited	1,150,380	1,150,380
Provident fund - balance at the end of the period / year	9,099,535	4,318,920
Employee benefits - gratuity - balance at the end of the period / year	(34,222,294)	(35,100,894)
First Treet Manufacturing Modaraba		
Purchase of batteries	143,959	163,884
IGI General Insurance Limited		
Purchase of services	5,275,672	5,598,646

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

7. DATE OF AUTHORIZATION


This un-audited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on 28 February 2023.

8. GENERAL

8.1 All figures, except for the 30th June 2022, appearing in this condensed interim consolidated financial statements are un-audited.

8.2 The amounts have been rounded off to nearest rupee.


Chief Financial Officer


Chief Executive









Director










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