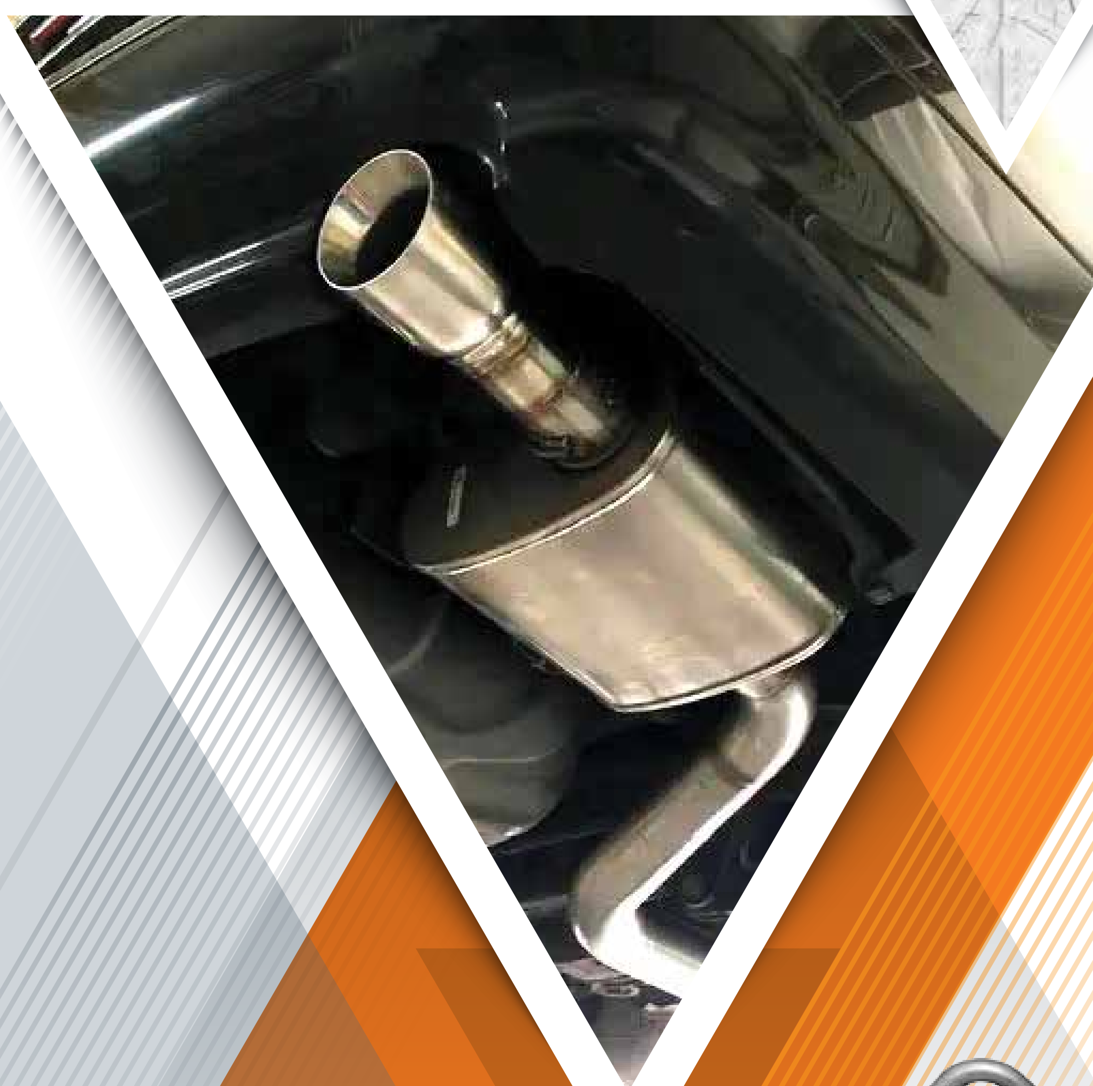
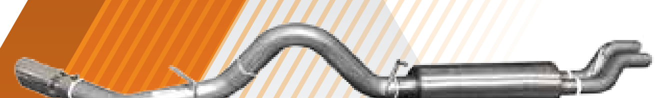
Loads Limited

Manufacturers of

Exhaust Systems, Radiators &
Sheet Metal Components





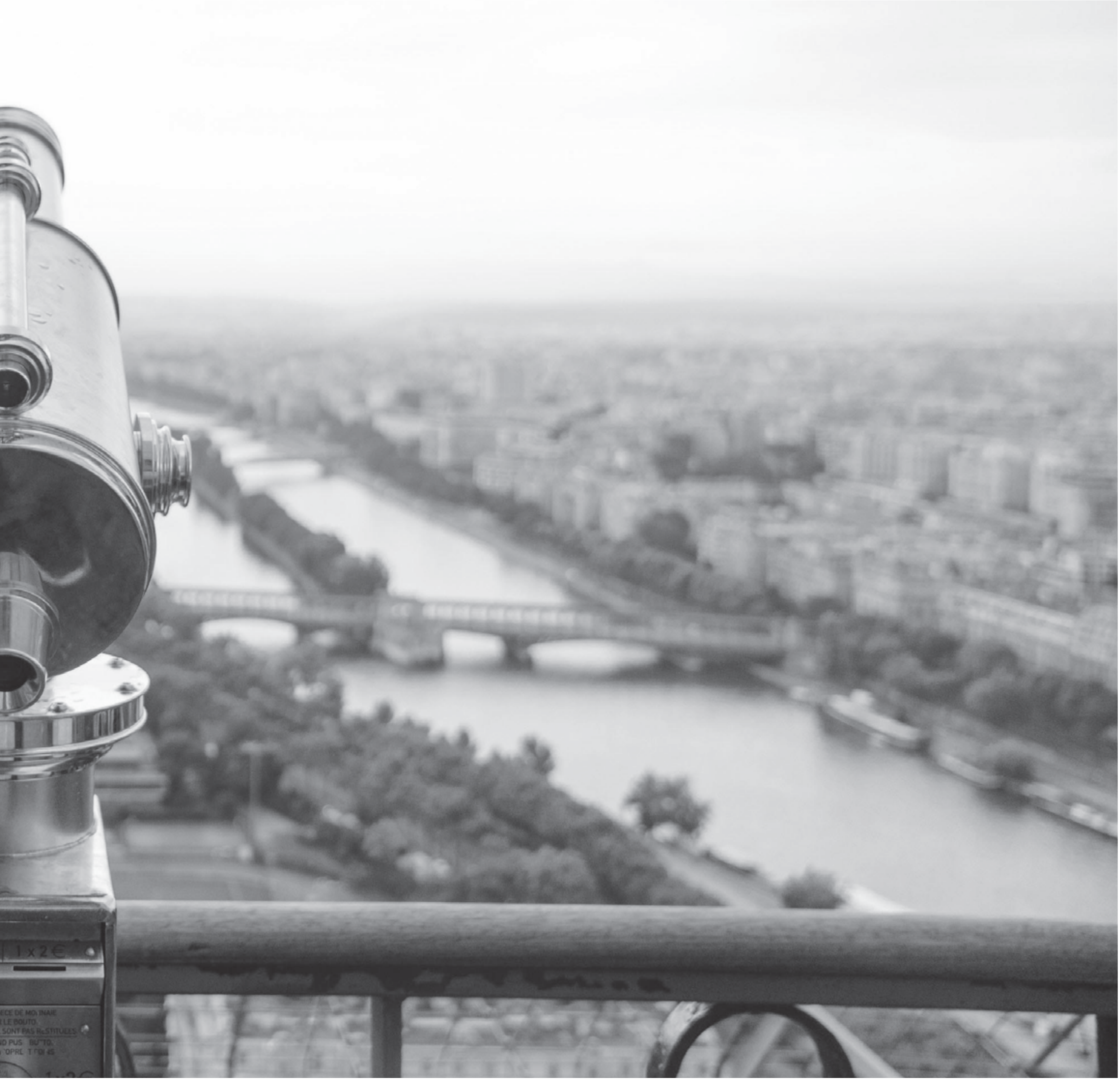
Innovation in MOTION

annual report 2023

CONTENTS

VISION

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



MISSION

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

COMPANY INFORMATION

Board of Directors

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

* 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
Bank Islami Pakistan Ltd.
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. 23, Sector 19
Korangi Industrial Area, Karachi
Tel: +92-21-35065001-5, +92-302-8674683-9
Fax: +92-21-35057453-54
E-mail: inquiry@loads-group.pk

Shares Registrar
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	2023	2022	2021	2020	2019
Sales	4,493,834	7,791,955	4,717,228	2,778,630	5,709,735
Gross profit	770,037	947,440	498,954	52,269	637,179
Profit / (loss) before taxation	(1,714,557)	155,799	90,298	(717,684)	60,441
Profit / (loss) after taxation	(1,798,365)	(86,255)	(3,558)	(646,728)	(56,560)
Shareholders' Equity	2,165,936	3,947,967	4,066,984	3,097,422	3,576,135
Non - Current Assets	4,350,816	5,430,108	5,591,579	5,108,376	4,883,817
Total Assets	6,844,619	9,112,445	8,404,048	7,807,183	7,722,887
Total Liabilities	4,678,683	5,164,478	4,337,065	4,709,760	4,146,751
Current Assets	2,493,804	3,682,337	2,812,469	2,698,807	2,839,070
Current Liabilities	3,752,669	3,838,253	3,011,010	2,959,951	3,897,965
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	151,250	151,250

Important Ratios	2023	2022	2021	2020	2019
Profitability					
Gross Profit	17%	12%	11%	2%	11%
Profit / (Loss) before Taxation	-38%	2%	2%	-26%	1%
(Loss) / Profit after Taxation	-40.0%	-1.1%	-0.1%	-23%	-1%
Return to Equity					
Return on Equity before Tax	-79%	4%	2%	-23%	2%
Return on Equity after Tax	-83.0%	-2.2%	-0.1%	-21%	-2%
Earning per Shares	0.29	0.29	0.29	(3.24)	(0.35)
Liquidity / Leverage					
Current Ratio	0.66	0.96	0.93	0.91	0.73
Break-up Value per Share	8.62	15.71	16.19	20.48	23.64
Total Liabilities to Equity	2.16	1.31	1.07	1.52	1.16

% Change	2023	2022	2021	2020	2019
Sales	-42%	65%	70%	-51%	17%
Gross Profit	-19%	90%	855%	-92%	22%
Profit before Taxation	-1200%	73%	-113%	-1287%	-75%
Profit after Taxation	1985%	2324%	-99%	-1043%	-135%
Shareholders' Equity	-45%	-3%	31%	-13%	-2%
Non - Current Assets	-20%	-3%	9%	5%	112%
Total Assets	-25%	8%	8%	1%	38%
Total Liabilities	-9%	19%	-8%	14%	114%
Current Assets	-32%	31%	4%	-5%	-14%
Current Liabilities	-2%	27%	2%	-24%	112%
Cash Dividend	0%	0%	0%	0%	0%
Stock Dividend	0%	0%	0%	0%	0%
P/E Ratio	-1	1942	74.52	-4.29	-43.17

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 Shah, 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 – Chief Executive & 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 Pakistan Steel Mill as well as Treet Corporation Limited and its subsidiaries.

Syed Sheharyar Ali – Non-Executive Director

Syed Shaharyar 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.

Mr. Muhammad Mohtashim Aftab – Non-Executive Director

Mr. Muhammad Mohtashim Aftab is a qualified accountant from Institute of Cost and Management Accountants of Pakistan (ICMAP). He joined Treet Group of Companies as Chief Financial Officer in November 2019. He has vast experience and exposure in strategic planning, industry analysis, financial/economic analysis & project evaluation, treasure management, international trade and international trade finance. His expertise also lies in financial and non-financial reporting, tax management, financial restructuring (including debt/equity, restructuring/balance sheet repositioning & capital restructuring), financial engineering and corporate affairs.

He started his career with A.F. Ferguson & Co. Chartered Accountants as Consultants for 2 years and then joined Kot Addu Power Company Limited and reached the position of Chief Financial Officer and worked there for more than 23 years.

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.

Ms. Rozina Muzammil – Independent Director

Ms. Rozina Muzammil is a Fellow Member of two prestigious accounting bodies of Pakistan namely: Institute of Cost and Management Accountants of Pakistan (ICMAP), and Pakistan Institute of Public Finance Accountants (PIPFA). She is Certified Director from Executive Development Centre-Lahore School of Accountancy. She holds a Master of Business Administration (MBA) Degree. She has completed many training programs which include Leadership Course from Mckinsey Academy (U.S.A), Human Capital Management and Training Needs Analysis/Assessment. She has to her credit a diversified experience of 20 years at executive level in Corporate Governance & Management, Teaching & Training, Auditing, Finance, Costing and Budgeting. She has served as General Manager Finance in FMCG industry and worked as Executive Director at Pakistan Institute of Public Finance Accountants (PIPFA). Currently she is working as Chief Human Resource Officer (CHRO) at The Institute of Bankers Pakistan since December 2015.

She is a PhD Scholar (pursuing specialization in HRM) from Asia e University, Malaysia and authored a book on Accounting, titled Fundamentals of Accounting, published by an HEC recognized University in 2014.She remained associated with Karachi University Business School (KUBS), ICMAP, Muhammad Ali Jinnah University (MAJU), and KASBIT, as visiting Faculty for MBA/MPhil programs.

She is an Independent Director at Loads Limited and Chairperson of its Human Resource Committee. She has been an HR Expert for recruitment of MTO Batches at House Building Finance Company Limited (HBFCL) since March 2018. She was awarded various Certificates of Excellence and High Achiever Awards and had the rare distinction of being the youngest female FCMA in Pakistan. She has held various honorary positions at ICMAP such as Chairperson Examination & Administration Committee, Chairperson Corporate Relations and Communication Committee, Founder Member and Convener of CMA Women's Forum and Member Karachi Branch Council from 2015 to February 2019.

CHAIRMAN’S REVIEW

I am pleased to present the audited annual accounts of the Loads Group for the year ended June 30, 2023.

The Pakistan Economy

During this fiscal year, Pakistan's economy faced complex and multiple challenges, due to the commodity shock from the Ukraine war, spill over from the severe impacts of last year’s floods, an uncertain political environment, and a sharp increase in inflation. There was significant depreciation of the currency and depletion of forex reserves by 40%.

The State Bank responded by raising interest rates and the Government imposed administrative restrictions on imports thereby raising spiraling inflation. However, these fiscal and monetary measures created severe supply chain disruptions leading to contraction of GDP to 0.29%, and a decline of 10.2% in large scale manufacturing sector.

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. 4,494 million, which decreased by 42% over previous year’s sales of Rs. 7,791 million, due to downturn in auto industry on account of import restrictions by the Central Bank because of shortage of foreign exchange.

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, October 3, 2023

چیئرمین کا جائزہ:

مجھے 30 جون 2023 کو ختم ہونے والے سال کے لیے لوڈز گروپ کے آڈٹ شدہ سالانہ اکاؤنٹس پیش کرتے ہوئے خوشی ہو رہی ہے۔

پاکستان کی معیشت

اس مالی سال کے دوران، پاکستان کی معیشت کو پیچیدہ اور متعدد چیلنجوں کا سامنا کرنا پڑا، جس میں یوکرائن کی جنگ سے اجناس کے جھٹکے، گزشتہ سال کے سیلاب کے شدید اثرات، غیر یقینی سیاسی ماحول، اور افراطِ زر میں تیزی سے اضافہ ہوا۔ کرنسی کی قدر میں نمایاں کمی اور غیر ملکی زرمبادلہ کے ذخائر میں 40 فیصد کمی واقع ہوئی۔

اسٹیٹ بینک نے جواب میں شرح سود میں اضافہ کیا اور حکومت نے درآمدات پر انتظامی پابندیاں عائد کر دیں جس سے مہنگائی میں اضافہ ہوا۔ تاہم، ان مالی اور مالیاتی اقدامات نے سپلائی چین میں شدید رکاوٹیں پیدا کیں جس کی وجہ سے جی ڈی پی 0.29 فیصد تک سکڑ گیا، اور بڑے پیمانے پر مینوفیکچرنگ سیکٹر میں 10.2 فیصد کی کمی ہوئی۔

بورڈ کی کارکردگی

بورڈ نے اس کے اسٹریٹجک امور میں کمپنی کی موثر رہنمائی کرتے ہوئے اپنے فرائض اور ذمہ داریاں پوری تندہی 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 معیار کو یقینی بنانے کے لیے بھی پر عزم ہے۔

بورڈ نے اپنی خود تشخیص کی اور عالمی بہترین طریقوں کے مطابق مزید بہتری کے لیے ممکنہ شعبوں کی نشاندہی کی۔ بنیادی توجہ اسٹریٹجک ترقی، کاروباری مواقع، رسک مینجمنٹ، بورڈ کی تشکیل اور انتظامیہ کو نگرانی فراہم کرنے پر رہی۔

لوڈز گروپ کی فروخت

گروپ کی خالص سیلز ریونیو 4,494 ملین روپے کو چھو گئی، جو کہ گزشتہ سال کی 7,791 ملین روپے کی فروخت کے مقابلے میں 42 فیصد کم ہوئی جس کی وجہ زرمبادلہ کی کمی کی وجہ سے مرکزی بینک کی جانب سے درآمدی پابندیوں کی وجہ سے آٹو انڈسٹری میں مندی ہے۔

اعتراف

میں اپنی طرف سے اور آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے کمپنی کے تمام کیڈرز کے ملازمین کی مخلصانہ اور مخلصانہ خدمات کا اعتراف کرتا ہوں۔

میں اپنے شیئر ہولڈرز، قابل قدر کسٹمرز (معروف اور جنرل ایکویپمنٹ مینوفیکچررز) اور بینکرز کا مسلسل تعاون کے لیے ان کا بھی مشکور ہوں۔

سید شاہد علی

چیئرمین

کراچی، 3 اکتوبر، 2023

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, 2023.

OPERATING AND FINANCIAL RESULTS

	Rupees in million			
	2023		2022	
	Loads	Consolidated	Loads	Consolidated
Sales	4,494	4,494	7,791	7,791
Gross Profit	732	770	810	947
Operating Profit/ (Loss)	(1,174)	(868)	852	678
Share of Profit/(Loss) in associate	-	4	-	(8)
Provision for impairment against associated company	-	(66)	-	(22)
Profit/(Loss) before Taxation	(1,772)	(1,715)	471	156
Profit/(Loss) after Taxation	(1,256)	(1,798)	267	(86)
Earnings/(Loss) per share (EPS) – basic & diluted	Rs. (5.00)	Rs. (5.39)	Rs. 1.06	Rs. 0.005

BUSINESS REVIEW

Company Results

The Company recorded decrease in Operating Profit by Rs 2,026 million on account of decline in sales revenue by 42% due to downturn in auto industry on account of import restrictions by the State Bank of Pakistan because of paucity of foreign exchange. Further, company has also booked impairment of equity investment & markup recoverable from associated company, Hi-Tech Alloy Wheels Limited (HAWL), of Rs. 859 million and Rs.1,345 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.

Profit before Tax decreased by 476% over previous period and Profit after Tax reduced from Rs. 267 million to a loss of Rs. 1,256 million, due to downturn in auto sector and impairment impacts. Consequently, current period has reported loss of Rs. 5.00 per share, as against previous period's earning of Re. 1 per share.

Group Results

The group has recorded sales of Rs. 4,494 million for the year ended June 30, 2023, registering a decline of Rs. 3,297 million over previous year. The decrease is mainly due to downturn in auto industry on account of restrictions on imports imposed by the State Bank due to paucity of exchange reserves. During the year, the company has booked impairment on HAWL assets amounting to Rs.1,199 million, due to delay in commencement of operations.

Consolidated accounts registered Loss before Tax of Rs. 1,715 million, as against previous year's Profit before Tax of Rs. 156 million. Loss after Taxation was Rs. 1,798 million, compared to Rs. 86 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, 2023 decreased from 279,267 units to 126,879 (-55%) over previous year. Honda, Suzuki and Toyota sales declined by 57%, 57% & 58% respectively during the year.

(b) Heavy Commercial Vehicles

Heavy vehicle volumes decreased from previous year's 6,498 units to 3,836 units, registering a decline of 41%.

(c) Tractors

The tractor industry's sales decreased by 48% from previous year's 58,947 units to 30,942 units, with decline of 47% in volumes of our customer, Millat Tractors.

COMPANY'S SALES PERFORMANCE

The overall sales of the group declined by 42%. The Company's product-wise performance for the year is analyzed below:

Products	Sales (Rs. in millions)		
	2023	2022	(+/-)%
Exhaust Systems	2,694	4,620	-42%
Sheet Metal Components	1,403	2,202	-36%
Radiators	397	969	-59%
Total	**4,494**	**7,791**	**-42%**

Comments on performance of various product groups are given below:

(a) **Exhaust Systems** : Sales of exhaust systems declined by 42% on account of fall in sales of all three major customers, Pak Suzuki, Honda and Toyota by 57%, 57% and 58% respectively.

(b) **Sheet Metal Components** : The group has registered a decline of 36%, as compared to corresponding year, mainly due to decrease in overall volumes of all our customers.

(c) **Radiators** : Sales of radiators decreased by 59%, reflecting decline in sales of pickups and vans of Pak Suzuki by 73% and 64% respectively.

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 risk arising from our customers' demand and capacity utilization create risk of loss of business and related margins. These risks are addressed 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. Loads 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 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 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. 1,301 million (2022: Rs. 2,280 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 market instability, liquidity crunch, rising interest rates and soaring inflation, the Directors have not proposed any dividend for the year ended June 30, 2023.

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		**Composition**	
Male	6	Independent Directors	2
Female	1	Non-Executive Directors	3
		Executive Directors	2

ATTENDANCE OF BOARD MEETINGS

The Board of Directors of your company has met four (4) times during the year 2022-23 and the attendance at each of these meetings is as follows: -

Name of Director	Designation	05 Oct 22	26 Oct 22	28 Feb 23	28 Apr 23	2022 - 2023
Syed Shahid Ali	Chairman	A	P	P	A	2/4
Mr. Munir K. Bana	Chief Executive	P	P	P	P	4/4
Syed Sheharyar Ali	Non-Executive Director	A	P	P	P	3/4
Mr. M. Z. Moin Mohajir	Independent Director	P	p	P	P	4/4
Mr. M. Mohtashim Aftab	Non-Executive Director	P	P	P	P	4/4
Mr. Shamim A. Siddiqui	Executive Director	P	P	P	P	4/4
Ms. Rozina Muzammil	Independent Director	P	P	P	P	4/4
Quorum at Meetings		**5/7**	**7/7**	**7/7**	**6/7**	

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

DIRECTORS' TRAINING PROGRAM

Five directors are certified Directors whereas two directors meet the criteria of exemption under clause 20(2) of the Code 2019 and is accordingly exempted from directors' training program and their details are as follows:

S. No	Name of Directors	Institution	Year
1	Syed Shahid Ali	Exempted by SECP	Not Applicable
2	Mr. Munir K. Bana	Exempted by SECP	Not Applicable
3	Syed Sheharyar Ali	Pakistan Institute of Corporate Governance	2022
4	Mr. M. Z. Moin Mohajir	Pakistan Institute of Corporate Governance	2019
5	Mr. M. Mohtashim Aftab	Pakistan Institute of Corporate Governance	2015
6	Mr. Shamim A. Siddiqui	Institute of Cost and Management Accountants of Pakistan	2017
7	Ms. Rozina Muzammil	University of Lahore	2015

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, 2023.

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.

CHAIRMAN'S REVIEW

The accompanied Chairman's review deals with the performance of the company for the year ended June 30, 2023 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 substance of concern 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 annexed to this report.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding as at June 30, 2023 required under section 227(2)(f) of the Companies Act, 2017 is annexed to this report.

EXTERNAL AUDITORS

M/s. Yousuf Adil Chartered Accountants have completed their annual audit of the Company for the year ended June 30, 2023 and have issued unqualified report.

They retire and being eligible, have offered themselves for re-appointment for the year ending June 30, 2024. The Board of Directors, on the recommendation of Board Audit Committee, have recommended their re-appointment for the year ending June 30, 2024.

FUTURE OUTLOOK

The auto sector in the country is facing serious decline. The industry was faced with exceptional devaluation, rising inflation and tightened fiscal measures, resulting in lower production and sales.

The impact of various economic challenges resulted in 40% production losses. This trend has forced the company to reduce the number of production days. The seismic devaluation in PAK rupee has soared the cost of raw materials and reduced profits. As a result, the Company has made prudent financial and human resource management decisions to face these challenges.

Going forward, risks of domestic slowdown in growth, inflationary pressures, high cost of borrowing, uncertainties in the domestic business environment, coupled with the ongoing monetary tightening measures, pose a threat to business demand, as well as profitability in the short to medium-term. 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

Munir K. Bana Chief Executive	**MZ Moin Mohajir** Director

Karachi: October 3, 2023

وہ ریٹائر ہو رہے ہیں اور اہل ہیں، انہوں نے 30 جون 2024 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی پیشکش کی ہے۔ بورڈ آف ڈائریکٹرز نے، بورڈ آڈٹ کمیٹی کی سفارش پر، 30 جون 2024 کو ختم ہونے والے سال کے لیے ان کی دوبارہ تقرری کی سفارش کی ہے۔

مستقبل کا آؤٹ لک

ملک میں آٹو سیکٹر شدید زوال کا شکار ہے۔ صنعت کو غیر معمولی قدر میں کمی، بڑھتی ہوئی افراط زر اور سخت مالیاتی اقدامات کا سامنا تھا، جس کے نتیجے میں پیداوار اور فروخت کم ہوئی۔

مختلف اقتصادی چیلنجوں کے اثرات کے نتیجے میں 40 فیصد پیداواری نقصان ہوا۔ اس رجحان نے کمپنی کو پیداواری دنوں کی تعداد کم کرنے پر مجبور کر دیا ہے۔ پاک روپے کی قدر میں کمی نے خام مال کی قیمتوں میں اضافہ اور منافع کو کم کر دیا ہے۔ نتیجے کے طور پر، کمپنی نے ان چیلنجوں کا سامنا کرنے کے لیے مالی اور انسانی وسائل کے انتظام کے سمجھدار فیصلے کیے ہیں۔

آگے بڑھتے ہوئے، ترقی میں گھریلو سست روی کے خطرات، افراط زر کے دباؤ، قرض لینے کی بلند قیمت، گھریلو کاروباری ماحول میں غیر یقینی صورتحال، جاری مالیاتی سختی کے اقدامات کے ساتھ، کاروباری طلب کے ساتھ ساتھ مختصر سے درمیانی مدت میں منافع کے لیے خطرہ ہے۔ تاہم، کمپنی پائیدار قدر کی فراہمی اور موجودہ گاہکوں اور سپلائرز کے ساتھ تعلقات کو مضبوط بنانے میں مصروف ہے۔

تسلیمات

بورڈ تمام ملازمین کا شکریہ ادا کرنا چاہتا ہے کہ وہ سال بھر کے دوران مسلسل تعاون اور سخت محنت کریں۔ ہم اپنے صارفین کی مسلسل سرپرستی کے لیے ان کا شکریہ ادا کرنا چاہتے ہیں اور آنے والے سالوں میں ان کے ساتھ ایک نتیجہ خیز تعلقات کے منتظر ہیں۔

منیر کے بانا
چیف ایگزیکیٹو

ایم زیڈ معین مہاجر
ڈائریکٹر

کراچی: 03 اکتوبر 2023

حساب کتاب کا گروہ یا لوگ

آڈٹ کمیٹی چار نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں دو آزاد ڈائریکٹرز بھی شامل ہیں جن میں سے ایک کمیٹی کا چیئرمین ہے۔ سال کے دوران، آڈٹ کمیٹی نے مالیاتی گوشواروں، اندرونی آڈٹ رپورٹس، کارپوریٹ گورننس کی ضروریات کے بہترین طریقوں کی تعمیل اور دیگر متعلقہ امور کا جائزہ لینے کے لیے چار میٹنگیں کیں۔ ان ملاقاتوں میں 30 جون 2023 کو ختم ہونے والے سال کے آڈٹ کی تکمیل سے پہلے اور بعد میں بیرونی آڈیٹرز کے ساتھ ملاقاتیں شامل تھیں۔

انسانی وسائل اور معاوضے کی کمیٹی

بورڈ کی ہیومن ریسورسز اینڈ ریمونریشن کمیٹی (HR&R) پانچ ممبران پر مشتمل ہے۔ HR&R کی چیئرپرسن ایک آزاد ڈائریکٹر ہیں۔ کمیٹی نے سال کے دوران ایک اجلاس منعقد کیا تاکہ کمیٹی کے ٹرمز آف ریفرنس کے تحت آنے والے معاملات پر بحث اور منظوری دی جا سکے۔

ڈائریکٹرز کا معاوضہ

کمپنی نے کمپنیز ایکٹ، 2017 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے مطابق اپنے ڈائریکٹرز کے معاوضے کے لیے ایک شفاف طریقہ کار وضع کیا ہے (مالیاتی بیانات کے نوٹ 41 میں رپورٹ کیا گیا ہے)۔

چیئرمین کا جائزہ

چیئرمین کا جائزہ 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کی کارکردگی اور مستقبل کے نقطہ نظر سے متعلق ہے۔ ڈائریکٹرز جائزے کے مندرجات کی توثیق کرتے ہیں۔

کارپوریٹ بریفنگ سیشن

کمپنی نے سال کے دوران ایک کارپوریٹ بریفنگ سیشن کیا۔

مالیاتی گوشوارے

کمپنی کے آڈیٹرز میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس نے کمپنی کے مالیاتی گوشواروں کا آڈٹ کیا اور ممبران کو نااہلی رپورٹ جاری کی ہے۔

حفاظت، صحت اور ماحولیات

ہم اپنے مینوفیکچرنگ کے عمل سے منسلک صحت اور حفاظت کے خطرات کا فعال طور پر انتظام کر رہے ہیں اور کام کے دوران حادثات یا چوٹوں کے خطرے کو کم کرنے اور ان پر قابو پانے کے لیے کام کر رہے ہیں۔ ابھی تک کوئی بڑا حادثہ پیش نہیں آیا اور نہ ہی کوئی بڑا جانی نقصان ہوا ہے۔ تمام ملازمین پلانٹ میں حفاظتی آلات سے لیس ہیں یعنی یونیفارم، جوتے، ہیلمٹ، ایئر پلگ اور دستانے، فائر فائٹنگ سسٹم نصب کیا گیا ہے اور گھر میں فائر فائٹنگ اور سیفٹی کی تربیت باقاعدگی سے کی جاتی ہے۔

ماحولیات کا تحفظ اولین تشویش ہے، فطرت کے تحفظ اور کام کی جگہوں پر صاف ستھرا ماحول برقرار رکھنے کے لیے ہر اقدام اٹھایا جا رہا ہے۔ کمپنی تشویشناک مادے کے استعمال کی مکمل حوصلہ شکنی کرتی ہے اور اس بات کو یقینی بناتی ہے کہ تیار کردہ تمام مصنوعات مضر صحت مواد سے پاک ہوں۔

ہم ماحولیاتی معیارات میں دیے گئے تمام قابل اطلاق قوانین، ضوابط اور شرائط کی تعمیل کرتے ہیں۔ ہم ماحولیاتی نظام، طریقہ کار، بہترین طریقوں اور ملازمین، ٹھیکیداروں، سپلائرز اور صارفین کے درمیان ماحولیاتی تحفظ کی مشترکہ ذمہ داری کے بارے میں مناسب تربیت اور آگاہی کو یقینی بناتے ہیں۔ ماحولیاتی کارکردگی کا باقاعدگی سے جائزہ لیں اور آڈٹ کریں اور مسلسل بہتری کے حصول کے لیے اہداف مقرر کریں۔

کمپنی پہلے ہی بین الاقوامی ماحولیاتی معیارات پر پورا اترنے کے لیے ماحولیات کی بین الاقوامی سرٹیفیکیشن ISO-14001 حاصل کر چکی ہے اور بین الاقوامی ایجنسی کی طرف سے اسے دوبارہ سرٹیفکیٹ کیا گیا ہے۔

کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کا بیان

"کارپوریٹ گورننس کے کوڈ کے ساتھ تعمیل کا بیان" (CCG) اس رپورٹ کے ساتھ منسلک ہے۔

شیئر ہولڈنگ کا پیٹرن

کمپنیز ایکٹ، 2017 کے سیکشن 227(2)(f) کے تحت 30 جون 2023 تک شیئر ہولڈنگ کے پیٹرن کو ظاہر کرنے والا بیان اس رپورٹ کے ساتھ منسلک ہے۔

بیرونی آڈیٹرز

میسرز یوسف عادل چارٹرڈ اکاؤنٹنٹس نے 30 جون 2023 کو ختم ہونے والے سال کے لیے کمپنی کا اپنا سالانہ آڈٹ مکمل کر لیا ہے اور نااہلی رپورٹ جاری کر دی ہے۔

بورڈ کی تشکیل

بورڈ کی تشکیل لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی ضروریات کے مطابق ہے، جو ذیل میں دی گئی ہیں:

ٹوٹل نمبر آف ڈائریکٹرز		کمپوزیشن	
مرد	6	آزاد ڈائریکٹرز	2
خواتین	1	نان ایگزیکٹیو ڈائریکٹرز	3
		ایگزیکٹیو ڈائریکٹرز	2

بورڈ کے اجلاسوں میں شرکت

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز نے سال 2022-23 کے دوران چار (4) بار ملاقات کی ہے اور ان میں سے ہر ایک میٹنگ میں حاضری حسب ذیل ہے:-

ڈائریکٹر کے نام	عہدہ	05 اکتوبر 2022	26 اکتوبر 2022	28 فروری 2023	28 اپریل 2023	2022-2023
سید شاہد علی	چیئرمین	A	P	P	A	2/4
منیر کے بانا	چیف ایگزیکٹیو	P	P	P	P	4/4
سید شہریار علی	نان ایگزیکٹیو ڈائریکٹر	A	P	P	P	3/4
ایم زیڈ معین مہاجر	آزاد ڈائریکٹر	P	p	P	P	4/4
ایم مہتشم آفتاب	نان ایگزیکٹیو ڈائریکٹر	P	P	P	P	4/4
شمیم اے صدیقی	ایگزیکٹیو ڈائریکٹر	P	P	P	P	4/4
روزینہ مزمل	آزاد ڈائریکٹر	P	P	P	P	4/4
	اجلاسوں میں شرکت	5/7	7/7	7/7	6/7	

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

ڈائریکٹرز کا تربیتی پروگرام

پانچ ڈائریکٹرز سرٹیفائیڈ ڈائریکٹرز ہیں جبکہ دو ڈائریکٹرز کوڈ 2019 کی شق 20(2) کے تحت استثنیٰ کے معیار پر پورا اترتے ہیں اور اس کے مطابق ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں اور ان کی تفصیلات درج ذیل ہیں:

سیریل نمبر	ڈائریکٹرز کے نام	انسٹی ٹیوشن	سال
۱۔	سید شاہد علی	SECP کی طرف سے مستثنیٰ	قابل اطلاق نہیں
۲۔	جناب منیر کے بانا	SECP کی طرف سے مستثنیٰ	قابل اطلاق نہیں
۳۔	سید شہریار علی	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2022
۴۔	جناب ایم۔ زیڈ۔ معین مہاجر	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2019
۵۔	جناب ایم مہتشم آفتاب	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2015
۶۔	جناب شمیم اے صدیقی	انسٹی ٹیوٹ آف کاسٹ اینڈ مینجمنٹ اکاؤنٹس آف پاکستان	2017
۷۔	مس روزینہ مزمل	یونیورسٹی آف لاہور	2015

انتظامی کمیٹی

انتظامی کمیٹی سینئر مینجمنٹ پر مشتمل ہوتی ہے جس کی سربراہی چیف ایگزیکٹو آفیسر (CEO) کرتی ہے، جو اس بات کو یقینی بناتی ہے کہ کمپنی میں ایک مناسب نظام تیار اور لاگو کیا جائے جو تیز اور مناسب فیصلہ سازی کے قابل ہو۔ یہ آپریٹنگ سطح پر CEO کے لیے مشاورتی صلاحیت میں کام کرتا ہے، کاروبار اور دیگر کارپوریٹ امور سے متعلق سفارشات فراہم کرتا ہے۔ یہ طویل مدتی منصوبوں، سرمائے اور اخراجات کے بجٹ کی ترقی اور کاروباری منصوبوں کی ذمہ داری کا جائزہ لینے اور آگے بڑھانے کے لیے ذمہ دار ہے۔ کمیٹی کو ایک فنکشنل بنیادوں پر منظم کیا جاتا ہے اور مقررہ اہداف کے خلاف ہر تقریب کی کارکردگی کا جائزہ لینے کے لیے ماہانہ میٹنگ ہوتی ہے۔ سی ای او اس بات کو بھی یقینی بناتا ہے کہ بورڈ کی طرف سے دیے گئے تمام فیصلوں اور ہدایات کو صحیح طریقے سے بتایا جائے اور ان پر عمل درآمد کیا جائے۔

مواصلات

کمپنی شیئر ہولڈرز کے ساتھ رابطے کی اہمیت پر توجہ مرکوز کرتی ہے۔ سالانہ، ششماہی اور سہ ماہی رپورٹیں کمپنیز ایکٹ 2017 میں بیان کردہ وقت کے اندران میں تقسیم کی جاتی ہیں۔ کمپنی کی سرگرمیوں کو اس کی ویب سائٹ www.loads-group.pk پر بروقت اپ ڈیٹ کیا جاتا ہے۔

ریکارڈز کی حفاظت

کمپنی اپنے مالیاتی ریکارڈوں کو ذخیرہ کرنے اور محفوظ رکھنے پر بہت زیادہ زور دیتی ہے۔ کمپنی اپنی مالی معلومات کو ریکارڈ کرنے کے لیے SAP کا استعمال کر رہی ہے۔ الیکٹرانک دستاویزات تک رسائی ERP-SAP سسٹم میں پاس ورڈ سے محفوظ ایک جامع اجازت کے میٹرکس کے نفاذ کے ذریعے محفوظ کی گئی ہے۔

اندرونی آڈٹ

لوڈز گروپ کا ایک آزاد اندرونی آڈٹ فنکشن ہے۔ اندرونی آڈٹ کا سربراہ بورڈ آڈٹ کمیٹی (BAC) کو فعال طور پر رپورٹ کرتا ہے۔ سالانہ اندرونی آڈٹ کے منصوبے BAC کو منظوری کے لیے خطرے کی تشخیص کی بنیاد پر تیار کیے جاتے ہیں۔ انٹرنل آڈٹ فنکشن کمپنی کے اندر ایک آزاد تشخیصی سرگرمی ہے جو اکاؤنٹنگ، مالیاتی، اور آپریشنل مضمرات پر زور دینے کے ساتھ آپریشنز کے مسلسل جائزے میں مصروف ہے، اور تمام محکموں کے لیے انتظامی کنٹرول اور ویلیو ایڈیشن کے طور پر کام کرتی ہے۔

اندرونی آڈٹ کے طریقہ کار کی رہنمائی آزادی، معروضیت اور قدر میں اضافے کے اصولوں سے ہوتی ہے اور ان طریقہ کار کے نتائج آپریشنل کارکردگی، منافع کی حفاظت اور کمپنی کے بہترین مفادات ہیں۔

انسانی وسائل

کمپنی کے ہیومن ریسورس ("HR") ڈیپارٹمنٹ کی سرگرمیاں مستقبل کے لیے ٹیلنٹ کی تعمیر پر مرکوز ہیں۔ HR ڈیپارٹمنٹ انتہائی باصلاحیت اور سرشار ملازمین کو راغب کرنے، تیار کرنے، حوصلہ افزائی کرنے اور برقرار رکھنے کی کوشش کرتا ہے جو کمپنی کی کامیابی کو یقینی بنانے کے لیے پرعزم ہیں۔ محکمہ کمپنی کے ملازمین کی متعدد ضروریات کا انتظام کرنے کے ساتھ ساتھ ملازمین کے تعلقات، پے رول، فوائد اور تربیت کو سنبھالنے کا ذمہ دار ہے۔

HR ڈیپارٹمنٹ HR مینجمنٹ، افرادی قوت کی منصوبہ بندی، تربیت اور ترقی اور ملازمین کے معاوضے اور فوائد کے ذریعے کمپنی کی کارکردگی کو بڑھانے میں مدد کرتا ہے۔

کمپنیاں (کارپوریٹ سماجی ذمہ داری) جنرل آرڈر، 2009

کمپنیز (کارپوریٹ سماجی ذمہ داری) جنرل آرڈر، 2009 کے لحاظ سے، آپ کی کمپنی نے موجودہ مالی سال کے دوران درج ذیل شعبوں میں تعاون کیا:

(i) توانائی کا تحفظ: قابل تجدید توانائی پر سوئچ کرنے کے منصوبے مراحل میں جاری ہیں، ہیڈ آفس میں شمسی توانائی پہلے سے نصب ہے۔

(ii) معیار اور ماحولیاتی انتظام کے نظام: ISO9001 اور ISO14001 سرٹیفکیشنز، جو پہلے کمپنی نے حاصل کیے تھے، ہر سال تجدید ہوتے رہتے ہیں۔

(iii) کاروباری اخلاقیات: سال بھر تمام کاروباری معاملات میں سخت اخلاقیات کی پیروی کی گئی۔

(iv) قومی خزانے میں شراکت: گروپ نے 1,301 ملین روپے (2022: 2,280 ملین روپے) مجموعی طور پر انکم ٹیکس، سیلز ٹیکس اور دیگر حکومتی محصولات کی ادائیگی کے لیے اپنی تمام ذمہ داریوں کو پورا کیا۔

منافع بخش اور اختصاص (ڈیویڈنڈ اور اپروپریشن):

آپ کی کمپنی اپنے شیئر ہولڈر کی قدر بڑھانے اور طویل مدتی مدت میں پائیدار منافع فراہم کرنے دونوں کے لیے پرعزم ہے۔ تاہم، مارکیٹ میں عدم استحکام، لیکویڈیٹی کی کمی، بڑھتی ہوئی شرح سود اور بڑھتی ہوئی افراط زر کی وجہ سے، ڈائریکٹرز نے 30 جون 2023 کو ختم ہونے والے سال کے لیے کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔

کارپوریٹ گورننس

ہم سمجھتے ہیں کہ کارپوریٹ گورننس کے معیارات کو قائم کرنا اور برقرار رکھنا کاروبار کی کامیابی اور پائیداری کے لیے ضروری ہے۔ بورڈ تسلیم کرتا ہے کہ گڈ گورننس صرف قواعد وضوابط کی تعمیل سے زیادہ ہے۔ یہ ثقافت، رویے اور ہم اپنا کاروبار کیسے کرتے ہیں اس کے بارے میں ہے اور اس لیے بورڈ اس بات کو یقینی بنانے کے لیے پرعزم ہے کہ کمپنی کی اقدار اور اعلیٰ معیارات اوپر سے مرتب ہوں اور پوری کمپنی میں سرایت کر جائیں۔ ہم دیانتداری کے لیے پرعزم ہیں، بہترین درجے کی کارپوریٹ گورننس رکھتے ہیں اور ہمارا بورڈ شیئر ہولڈرز اور اپنے تمام اسٹیک ہولڈرز کو صحیح اور سچی معلومات فراہم کرنے کے لیے تشکیل دیا گیا ہے۔ دیانتداری اور جوابدہی ہمارے ہر کام کا مرکز ہے اور ہمیں یقین ہے کہ ہمارے مضبوط گورننس فریم ورک کے ساتھ، یہ بورڈ کو کمپنی کی صحیح سمت میں رہنمائی کرنے کی اجازت دیتا ہے کیونکہ ہم اپنی حکمت عملی پر عمل پیرا ہوتے ہوئے اس بات کو یقینی بناتے ہیں کہ اچھی حکمرانی کے اصولوں اور طریقوں پر عمل کیا جائے۔

انفارمیشن ٹیکنالوجی

کمپنی کا خیال ہے کہ کاروباری چیلنجوں سے نمٹنے کے لیے کاروباری تبدیلی کے لیے انفارمیشن ٹیکنالوجی (IT) ضروری ہے۔ کمپنی نے اپنے آپریشنل اور اسٹریٹجک مقاصد کو حاصل کرنے کے لیے انفارمیشن ٹیکنالوجی کے وسائل کے موثر استعمال کے لیے خود کو ہم آہنگ کیا ہے۔ ہم نے مؤثر رسک مینجمنٹ، وسائل کی اصلاح اور فائدہ کے حصول کے لیے آئی ٹی حکمت عملی کو کاروباری حکمت عملی کے ساتھ ہم آہنگ کرتے ہوئے آئی ٹی گورننس پر توجہ مرکوز کی۔ آئی ٹی اسٹیئرنگ کمیٹی آئی ٹی میں سرمایہ کاری پر زیادہ سے زیادہ منافع حاصل کرنے کے لیے اسٹریٹجک سمت اور سرمایہ کاری کے مؤثر حل فراہم کرتی ہے۔ لوڈ مسلسل بدلتے کاروباری ماحول میں موثر اور بروقت فیصلہ سازی کے قابل بنانے کے لیے جدید ترین آئی ٹی ٹیکنالوجیز اور بنیادی ڈھانچے کو لاگو کرنے کے امکانات کو تلاش کرتا ہے۔ انفارمیشن سسٹمز کمپنی کے طویل مدتی مقاصد کو پورا کرنے کے لیے تیار کیے گئے ہیں اور ان کا انتظام پیشہ ورانہ عملے کی ٹیم کے ذریعے کیا جاتا ہے۔

اندرونی مالیاتی کنٹرول

کمپنی کے اندر ہر سطح پر مضبوط اندرونی کنٹرول کا نظام قائم اور نافذ کیا گیا ہے۔ اندرونی کنٹرول کا نظام کمپنی کے مقاصد کی کامیابیوں اور آپریشنل تاثیر اور قابل اعتماد مالیاتی رپورٹنگ اور قوانین کے ضوابط اور پالیسیوں کی تعمیل کو یقینی بنانے کے لیے ڈیزائن میں درست ہے۔

اندرونی تجارت

کمپنی کی اندرونی تجارت سے متعلق پالیسی ہے۔ مالیاتی نتائج کے اعلان سے پہلے کمپنی کی طرف سے بند مدت کا اعلان کیا جاتا ہے۔ ڈائریکٹرز اور ایگزیکٹوز کو صرف بند ادوار کے باہر کمپنی کی سیکیورٹیز میں تجارت کرنے کی اجازت ہے۔

متعلقہ فریقوں کے لین دین

یہ کمپنی کی پالیسی ہے کہ اس بات کو یقینی بنائے کہ متعلقہ فریقوں کے ساتھ داخل ہونے والے تمام لین دین کی لمبائی پوری ہونی چاہیے۔ تاہم، غیر معمولی حالات میں، کمپنی بازو کی لمبائی کے لین دین کے علاوہ کسی دوسرے لین دین میں داخل ہو سکتی ہے، جو روانگی کے لیے اس کے منطقی اور مالی اثرات کا جواز پیش کرنے کے بعد بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کی منظوری سے مشروط ہے۔

کارپوریٹ مالیاتی رپورٹنگ

کمپنی کی انتظامیہ کی طرف سے تیار کردہ مالیاتی بیانات اس کی حالت، اس کے آپریشنز کے نتائج، کیش فلو اور ایکویٹی میں ہونے والی تبدیلیوں کو پیش کرتے ہیں۔ مالیاتی گوشواروں کے ساتھ ان کے نوٹس کمپنیز ایکٹ 2017 کے مطابق بنائے گئے ہیں۔ مالیاتی بیانات کی تیاری میں پاکستان میں لاگو ہونے والے بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے۔ IFRS 9 اور IFRS 15 کو اپنانے کی وجہ سے ہونے والی تبدیلی کے علاوہ مالیاتی بیانات کی تیاری میں اکاؤنٹنگ پالیسیوں کا مسلسل اطلاق کیا گیا ہے۔

سی ای او کی کارکردگی کا جائزہ

سی ای او کی کارکردگی کا باضابطہ طور پر تشخیصی نظام کے ذریعے جائزہ لیا جاتا ہے جو مقداری اور کوالٹیٹیو تجزیہ پر مبنی ہوتا ہے۔ اس میں کاروبار کی کارکردگی، منافع کے حوالے سے مقاصد کی تکمیل، تنظیم سازی، جانشینی کی منصوبہ بندی اور کارپوریٹ کی کامیابی شامل ہے۔

وسل بلونگ کی پالیسی

کمپنی پالیسیوں، کنٹرولز، قابل اطلاق ضوابط سے انحراف یا ضابطہ اخلاق کی خلاف ورزی کے خلاف الرٹس کے لیے ایک شفاف اور موثر وِسل بلونگ میکانزم وضع کر کے احتساب اور دیانتداری کو یقینی بناتی ہے۔ یہ پالیسی کمپنی سے وابستہ تمام افراد اور اس کے تحت نتائج کے خوف کے بغیر اعتماد کے ساتھ انکشافات کی دفعات پر لاگو ہوتی ہے۔

آٹوموٹو انڈسٹری کا جائزہ

ملک کی آٹو انڈسٹری کی فروخت کا سیکٹر وار تجزیہ ذیل میں دیا گیا ہے:

(a) مسافر کاریں/ہلکی کمرشل گاڑیاں (LCVs)/جیپیں (SUVs)

30 جون 2023 کو ختم ہونے والے سال کے لیے کاروں، وینز، LCVs اور SUVs کی فروخت گزشتہ سال کے مقابلے 279,267 یونٹس سے کم ہو کر 126,879 (%55-) ہو گئی۔ سال کے دوران ہونڈا، سوزوکی اور ٹویوٹا کی فروخت میں بالترتیب %57، %57 اور %58 کی کمی واقع ہوئی۔

(b) بھاری تجارتی گاڑیاں

بھاری گاڑیوں کا حجم پچھلے سال کے 6,498 یونٹس سے کم ہو کر 3,836 یونٹس رہ گیا، جس میں 41 فیصد کی کمی ریکارڈ کی گئی۔

(c) ٹریکٹر

ٹریکٹر انڈسٹری کی فروخت گزشتہ سال کے 58,947 یونٹس سے 48 فیصد کم ہو کر 30,942 یونٹس رہ گئی ہے اور ہمارے کسٹمر ملت ٹریکٹرز کے حجم میں 47 فیصد کمی واقع ہوئی ہے۔

کمپنی کی سیلز پرفارمنس

گروپ کی مجموعی فروخت میں 42 فیصد کمی واقع ہوئی۔ سال کے لیے کمپنی کی مصنوعات کے لحاظ سے کارکردگی کا تجزیہ ذیل میں کیا گیا ہے:

مصنوعات	فروخت (روپے ملین میں)		
	2023	2022	(+/-)%
ایگزاسٹ سسٹم	2,694	4,620	-42%
شیٹ میٹل کے اجزاء	1,403	2,202	-36%
ریڈی ایٹرز	397	969	-59%
ٹوٹل	**4,494**	**7,791**	**-42%**

مختلف پروڈکٹ گروپس کی کارکردگی پر تبصرے ذیل میں دیئے گئے ہیں:

(a) ایگزاسٹ سسٹمز:

تینوں بڑے صارفین پاک سوزوکی، ہونڈا اور ٹویوٹا کی فروخت میں بالترتیب %57، %57 اور %58 کی کمی کی وجہ سے ایگزاسٹ سسٹمز کی فروخت میں %42 کی کمی واقع ہوئی۔

(b) شیٹ میٹل کے اجزاء:

گروپ نے اسی سال کے مقابلے میں %36 کی کمی درج کی ہے، جس کی بنیادی وجہ ہمارے تمام صارفین کے مجموعی حجم میں کمی ہے۔

(c) ریڈی ایٹرز:

ریڈی ایٹرز کی فروخت میں 59 فیصد کمی واقع ہوئی، جو پاک سوزوکی کی پک اپ اور وین کی فروخت میں بالترتیب 73 فیصد اور 64 فیصد کمی کو ظاہر کرتی ہے۔

مادی تبدیلیاں یا کمٹمنٹس

کمپنی کے مالی سال کے اختتام جس سے بیلنس شیٹ کا تعلق ہے اور رپورٹ کی تاریخ کے درمیان کمپنی کی مالی پوزیشن کو متاثر کرنے والی کوئی مادی تبدیلیاں اور وعدے نہیں ہوئے ہیں۔

رسک مینجمنٹ

رسک مینجمنٹ کے عمل میں اسٹریٹجک، مالی، آپریشنل، قانونی اور بیرونی خطرات کی نشاندہی اور کمپنی کی کارکردگی پر منفی اثرات کو کم کرنے کے لیے مناسب اقدامات کو یقینی بنانا شامل ہے۔ ہمارے صارفین کی طلب اور صلاحیت کے استعمال سے پیدا ہونے والا اسٹریٹجک خطرہ کاروبار اور متعلقہ مارجن کے نقصان کا خطرہ پیدا کرتا ہے۔ یہ خطرات سٹریٹجک کاروباری صف بندی کے ذریعے حل کیے جاتے ہیں اور اس کے اثرات کو اچھی طرح سے حل کیا جاتا ہے۔

کمپنی کی مصنوعات کی مانگ میں کمی کا اس کے منافع پر منفی اثر پڑ سکتا ہے جس کی وجہ آٹو انڈسٹری میں متوقع نمو سے کم فروخت کا حجم ہے۔ دیگر عوامل قدرتی آفات/ بیماریاں اور زرمبادلہ کی نقل و حرکت ہیں، یعنی PKR کی قدر میں کمی، جو درآمدات کی قیمتوں کو بڑھاتی ہے اور کمپنی کے منافع کو متاثر کرتی ہے۔

شیئر ہولڈرز کو ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2023 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		2022	
	لوڈز	مجموعی	لوڈز	مجموعی
فروخت	4,494	4,494	7,791	7,791
کل منافع	732	770	810	947
آپریٹنگ منافع/ (نقصان)	(1,174)	(868)	852	678
ایسوسی ایٹ میں منافع/ (نقصان) کا حصہ	-	4	-	(8)
ایسوسی ایٹ کے خلاف نقص کے لئے فراہمی	-	(66)	-	(22)
ٹیکس سے پہلے منافع/ (نقصان)	(1,772)	(1,715)	471	156
ٹیکس کے بعد منافع/ (نقصان)	(1,256)	(1,798)	267	(86)
آمدنی/ (نقصان) فی شیئر EPS، بنیادی اور کمزور	Rs. (5.00)	Rs. (5.39)	Rs. 1.06	Rs. 0.005

کاروباری جائزہ

کمپنی کے نتائج

اسٹیٹ بینک آف پاکستان کی جانب سے زرمبادلہ کی کمی کی وجہ سے درآمدی پابندیوں کی وجہ سے آٹو انڈسٹری میں مندی کی وجہ سے سیلز ریونیو میں 42 فیصد کمی کے باعث کمپنی کے آپریٹنگ منافع میں 2,026 ملین روپے کی کمی ریکارڈ کی گئی۔ مزید برآں، کمپنی نے اپنے آپریشنز کے آغاز میں تاخیر کی وجہ سے متعلقہ کمپنی، ہائی ٹیک الائے وہیلز لمیٹڈ (HAWL) سے بالترتیب 859 ملین روپے اور 1,345 ملین روپے کی ایکویٹی سرمایہ کاری اور مارک اپ کی وصولی کی خرابی بھی بک کی ہے۔ کمپنی نے گزشتہ کئی سالوں میں HAWL میں بہت زیادہ سرمایہ کاری کی ہے، لیکن پلانٹ کے شروع ہونے میں مختلف عوامل، خاص طور پر CoVID-19 اور آٹو سیکٹر میں مندی کی وجہ سے تاخیر ہوئی ہے۔

آٹو سیکٹر میں مندی اور خرابی کے اثرات کی وجہ سے ٹیکس سے پہلے کا منافع گزشتہ مدت کے مقابلے میں 476 فیصد کم ہوا اور ٹیکس کے بعد منافع 267 ملین روپے سے کم ہو کر 1,256 ملین روپے کا نقصان ہوا۔ نتیجتاً، موجودہ مدت میں 5.00 روپے فی حصص کا نقصان ہوا ہے جبکہ گزشتہ مدت کی فی حصص 1 روپے کی کمائی تھی۔

گروپ کے نتائج

گروپ نے 30 جون 2023 کو ختم ہونے والے سال میں 4,494 ملین روپے کی فروخت ریکارڈ کی ہے، جو پچھلے سال کے مقابلے میں 3,297 ملین روپے کی کمی درج کی ہے۔ یہ کمی بنیادی طور پر زرمبادلہ کے ذخائر کی کمی کی وجہ سے اسٹیٹ بینک کی جانب سے درآمدات پر عائد پابندیوں کی وجہ سے آٹو انڈسٹری میں مندی ہے۔

کنسولیڈیٹڈ اکاؤنٹس نے ٹیکس سے پہلے 1,715 ملین روپے کا نقصان درج کیا، جو کہ پچھلے سال کے منافع سے پہلے 156 ملین روپے تھا۔ ٹیکسیشن کے بعد کا نقصان 1,798 ملین روپے رہا جو کہ پچھلے سال 86 ملین روپے تھا۔

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21- 3454 1314
www.yousufadil.com

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 of **Loads Limited** (the Company) for the year ended June 30, 2023 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 of Directors' 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, 2023.

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: October 4, 2023
UDIN: CR202310099n1Dr7sNIY

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulation, 2019

Name of company	Loads Limited
Year ending	June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven as per the following:
   a. Male 6
   b. Female 1

2. The composition of board is as follows:

Independent Directors	Mr. M. Z. Moin Mohajir Mrs. Rozina Muzammil
Executive Directors	Mr. Munir K. Bana Mr. Shamim A. Siddiqui
Non-Executive Directors	Syed Shahid Ali Syed Sheharyar Ali Mr. M. Mohtashim Aftab

   * Regulation 6 (1) of the CCG Regulations stipulates that it is mandatory for each listed company to have at least two or one-third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 members, one-third works out to 2.33 persons. The fraction contained in such one-third is not rounded up as one as the Company has enough experienced and well reputed Independent Directors on the Board who perform and carry out their responsibilities diligently.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board remained fully compliant the provision with regard to their training program. Two member of the Board have the prescribed qualifications and experience required for exemption from training program of Directors pursuant to Regulation 19(2) of the CCG. Six members of the Board have already completed the Director's Training Program.

10. There were no new appointments of Chief Financial Officer and Company Secretary. Head of Internal Audit was appointed during the year and all such appointments including heir remuneration and terms and conditions of employment are duly approved by the Board;

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below. The Board Audit Committee and the Board Human Resource & Compensation Committee are chaired by independent director:

a. **Audit Committee**

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

b. **Human Resources & Remuneration Committee**

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

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 of the committee were as per following:

Committee	Frequency of meetings
a. Audit Committee	Quarterly
b. HR and Remuneration Committee	Annually

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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP 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 the requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation with respect to compliance with non-mandatory requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 is specified below:

S. No.	Requirement	Explanation	Regulation No
1	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 effectiveness of risk management procedures and present a report to the Board.	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.	30
2	The Board may constitute a separate committee, designed as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	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.	29

For and on behalf of the Board

Munir K. Bana
Chief Executive

MZ Moin Mohajir
Director

October 03, 2023
Karachi

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21-3454 1314
www.yousufadil.com

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, 2023, 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 a summary of significant accounting policies 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, 2023 and of the loss, 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 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.	**Revenue Recognition** Refer notes 5.15 & 28 to the unconsolidated financial statements which shows Company's revenue for the year ended 30 June 2023 was Rs. 4,493.83 million.	Our procedures amongst others, included the following: • Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls of revenue recognition;

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Sr. No.	Key audit matters	How the matters were addressed in our audit
	The Company's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products"). 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.	• 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.
2.	**Impairment and expected credit loss (ECL) in subsidiary - Hi-Tech Alloy Wheels Limited (HAWL)** Refer note 8.1 and 26.1.1 to the unconsolidated financial statements which shows a gross investment and loan receivable (including markup) balance of Rs. 859.96 million and Rs. 2,947.16 respectively. During the year, an impairment of Rs. 859.96 million and aggregate ECL adjustment of Rs. 1,345.01 million against investment and loan to HAWL has been charged in the financial statements. Considering the quantitative impact of the above mentioned impairment and involvement of management's judgement and assumptions in determining such impact, we consider the impairment of HAWL as a key audit matter.	Our procedures amongst others, included the following: • Evaluated the appropriateness of the Company's accounting policies for the valuation of investment in subsidiary and financial assets, including their compliance with applicable accounting standards. • Evaluated the appropriateness of Company's process regarding impairment assessment i.e management involved a valuation expert, to assist them in assessing the appropriateness of the recoverable amount. • Obtained the valuation reports of management expert and evaluated the reasonableness of the assumptions and inputs used by management expert in determining the fair values/recoverable amount including consideration of market data, valuation methodologies and impact of other factors. • Engaged our own valuation expert to assess the reasonableness and accuracy of the fair values/ recoverable amount determined by the management expert. • Reviewed the calculation of impairment of investment and ECL impact on loan and markup receivable to check the accuracy of the amount recognized in financial statements and checked the Board approvals. • Assessed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with the applicable financial reporting standards.

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 30 June 2023 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.

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;

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).

Other Matter

The unconsolidated financial statements for the year ended June 30, 2022 were audited by another firm of chartered accountants who expressed an unmodified opinion on the financial statements on October 7, 2022.

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

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: October 4, 2023
UDIN: AR202310099KzP6XxNYk

Financial statements (Unconsolidated)

Unconsolidated Statement of Financial Position

As at 30 June 2023

	Note	2023	2022
		(Rupees)	
ASSETS			
Non-current assets			
Property, plant and equipment	6	**752,501,724**	581,106,660
Intangible assets	7	**1,504,305**	2,879,505
Long-term investments	8	**376,587,215**	1,301,133,954
Long-term loans	11	**5,943,868**	7,644,157
Deferred tax assets	21	**593,795,682**	-
		1,730,332,794	1,892,764,276
Current assets			
Stores, spares and loose tools	29.2	**47,488,133**	39,966,825
Stock-in-trade	9	**1,054,302,685**	1,618,931,498
Trade debts - net	10	**424,653,384**	909,494,124
Loans and advances	12	**88,419,311**	215,251,284
Deposits, prepayments and other receivables	13	**131,980,166**	19,596,020
Due from related parties	26.1	**2,580,326,357**	3,252,222,264
Taxation - net	14	**360,391,679**	279,797,568
Short-term investments	15	**792,172**	922,505
Cash and bank balances	16	**14,594,247**	11,719,932
		4,702,948,134	6,347,902,020
Assets held for sale	17	**54,181,224**	-
		4,757,129,358	6,347,902,020
Total assets		**6,487,462,152**	8,240,666,296
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		**(124,505,375)**	(50,689,879)
Unappropriated profit		**(487,694,513)**	767,973,738
		2,970,365,545	4,299,849,292
LIABILITIES			
Non-current liabilities			
Long-term loans	23	**228,096,764**	240,869,432
Lease liabilities	20.1	**24,331,998**	23,828,164
Deferred tax liabilities	21	-	3,011,200
Defined benefit obligation - net	22	**29,052,445**	35,100,894
		281,481,207	302,809,690
Current liabilities			
Current maturity of lease liabilities	20.1	**7,001,267**	6,500,095
Current portion of long-term loans	23	**173,389,039**	370,637,176
Current portion of deferred grant	24	-	242,701
Short-term borrowings	25	**1,878,992,218**	2,224,673,253
Due to related parties	26.2	**254,800,890**	142,716,321
Trade and other payables	27	**811,034,606**	836,279,196
Unclaimed dividend		**3,527,781**	3,527,781
Accrued mark-up and profit		**106,869,599**	53,430,791
		3,235,615,400	3,638,007,314
Total equity and liabilities		**6,487,462,152**	8,240,666,296
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		(Rupees)	
Revenue - net	28	**4,493,834,371**	7,791,955,309
Cost of sales	29	**(3,760,959,084)**	(6,981,076,054)
Gross profit		**732,875,287**	810,879,255
Administrative, selling and general expenses	30	**(260,192,073)**	(258,535,659)
		472,683,214	552,343,596
ECL against loan to subsidiary HAWL	26.1.1	**(1,345,011,583)**	-
Provision for impairment of investment in HAWL	8.1.3	**(859,960,000)**	-
Other expenses	31	**(5,957,526)**	(34,928,658)
Other income	32	**564,393,889**	335,113,234
Operating (loss) / profit		**(1,173,852,006)**	852,528,172
Finance costs	33	**(598,329,638)**	(381,310,087)
(Loss) / profit before taxation		**(1,772,181,644)**	471,218,085
Taxation	34	**516,513,393**	(204,051,028)
(Loss) / profit for the year		**(1,255,668,251)**	267,167,057
(Loss) / Earnings per share - Basic and diluted	35	**(5.00)**	1.06

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		(Rupees)	
(Loss) / profit for the year		**(1,255,668,251)**	267,167,057
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Change in fair value of equity investments at FVOCI - net of tax		**30,248**	1,654
Investment in associate at FVOCI - net change in fair value - net of tax	8.2.1	**(69,855,580)**	(90,152,666)
Gain on disposal of treet shares		**-**	7,574,125
		(69,825,332)	(82,576,887)
Re-measurement loss on defined benefit obligation - net of tax	22.2.4	**(3,990,164)**	(13,239,493)
Total comprehensive (loss) / income for the year		**(1,329,483,747)**	171,350,677

The annexed notes from 1 to 46 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 2023

	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 2021	2,512,500,000	1,070,065,433	82,731,000	463,202,182	4,128,498,615
Profit for the year	-	-	-	267,167,057	267,167,057
Realized Gain on disposal of investment	-	-	(37,604,499)	37,604,499	-
Change in fair value of equity investments at FVOCI - net of tax	-	-	1,654	-	1,654
Investment in associate at FVOCI - net change in fair value - net of tax	-	-	(90,152,666)	-	(90,152,666)
Gain on disposal of treet shares	-	-	7,574,125	-	7,574,125
Re-measurement (loss) on defined benefit obligation - net of tax	-	-	(13,239,493)	-	(13,239,493)
Other comprehensive loss for the year	-	-	(95,816,380)	-	(95,816,380)
Total comprehensive income for the year ended June 30, 2022	-	-	(133,420,879)	304,771,556	171,350,677
Balance as at 30 June 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)**
Other comprehensive loss for the year	**-**	**-**	**(73,815,496)**	**-**	**(73,815,496)**
Total comprehensive loss for the year ended June 30, 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**

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(1,772,181,644)**	471,218,085
Adjustments for			
Depreciation	6.1	**59,309,700**	71,564,623
Amortisation	7	**1,375,200**	1,246,096
Provision for obsolescence and slow moving stock - net	9.1	**10,392,962**	6,038,204
Finance costs	33	**545,729,731**	309,215,659
Finance lease charges	33	**5,353,710**	2,658,343
ECL against loan to subsidiary HAWL		**1,345,011,583**	-
Provision for impairment of investment in HAWL		**859,960,000**	-
Current service costs	22.2.3	**5,666,506**	16,314,747
Gain on disposal of property, plant and equipment	32	**(65,387,115)**	(3,381,635)
Dividend income	32	**(26,244)**	(4,898,968)
Government grant income	32	**(242,701)**	(3,456,285)
Mark-up income on loan to employees	32	**(527,067)**	(1,730,045)
Mark-up income on loan to subsidiaries	32	**(478,227,520)**	(307,382,893)
Unrealized loss on re-measurement of investment classified as at FVTPL	32 & 15.1	**160,582**	4,701
		516,367,683	557,410,632
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(7,521,308)**	17,688,104
Stock-in-trade		**554,235,851**	(237,934,944)
Trade debts - net		**484,840,740**	(433,190,388)
Loans and advances		**128,532,262**	(104,467,332)
Due from related parties		**(332,213,789)**	(6,728,718)
Deposits, prepayments and other receivables		**(112,384,146)**	22,538,520
		715,489,610	(742,094,758)
(Decrease) / Increase in current liabilities			
Due to related parties		**(142,716,321)**	(61,628,196)
Trade and other payables		**(25,244,590)**	507,687,204
		(167,960,911)	446,059,008
Cash generated from operating activities		**1,063,896,382**	261,374,882
Finance costs paid		**(487,247,332)**	(289,693,302)
Contributions paid to defined benefit plan	22.2.2	**(8,512,000)**	(5,510,000)
Mark-up received from loans to employees		**527,067**	1,730,045
Income tax paid - net		**(173,349,560)**	(294,025,632)
Net cash generated from / (used in) operating activities		**395,314,557**	(326,124,007)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment and intangibles		**(311,139,373)**	(67,607,277)
Proceeds from disposal of property, plant and equipment		**103,177,000**	11,146,333
Proceed from disposal of investment		**-**	205,632,853
Dividend income received		**26,244**	4,898,968
Net cash (used in) / generated from investing activities		**(207,936,129)**	154,070,877
CASH FLOWS FROM FINANCING ACTIVITIES			
Rental payments against lease liabilities	19	**(15,885,204)**	(8,281,510)
Long term loans obtained during the year - net	37	**(210,263,506)**	151,297,491
Markup received from related parties		**-**	21,170,617
Loan from director		**250,000,000**	-
Short term borrowing obtained		**(290,737,599)**	1,051,034,518
Loans to subsidiary companies		**137,325,633**	(370,843,706)
Net cash (used in) / generated from financing activities		**(129,560,676)**	844,377,410
Net increase in cash and cash equivalents		**57,817,752**	672,324,280
Cash and cash equivalents at beginning of the year		**(1,161,918,803)**	(1,834,243,083)
Cash and cash equivalents at end of the year	16.1	**(1,104,101,051)**	(1,161,918,803)

The annexed notes from 1 to 46 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 2023

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.

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

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

Name of the Companies	Incorporation date	Effective holding % 2023	Effective holding % 2022	Principle line of business
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	**2.85%**	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 38.3.1.

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.

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. USE OF JUDGMENTS AND ESTIMATES

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 and commitments (note 18); and
- Provision for taxation (note 34).

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

4.1.1 The following standards, amendments and interpretations are effective for the year ended June 30, 2023. 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 IFRS 3 'Business Combinations' - Reference to the conceptual framework.
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract.
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).

4.1.2 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.

	Effective from accounting period beginning on or after
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	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 IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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 17 – Insurance Contracts

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computations adopted in applied 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, freehold 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 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 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 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 acquired or capitalised 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.

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 Impairment

5.4.1 Financial assets

In accordance with IFRS-9 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.

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.

Based on the management assessment no ECL was required since the Company'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 unconsolidated financial statement.

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 through OCI.

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.

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.

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:

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 25.

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.

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 false 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.

5.23 Trade debts and other receivables

These are initially stated at fair value and subsequently measured at amortized cost less provision for any uncollectible amounts. Refer note 5.4 for a description of the Company's impairment 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	2023	2022
		(Rupees)	
Operating assets	6.1	**649,005,230**	549,624,886
Capital work-in-progress	6.2	**103,496,494**	31,481,774
		752,501,724	581,106,660

6.1 Operating assets

	2023													
	Cost							Accumulated depreciation						Net book value as at June 30, 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	Annual Rate	As at 1 July 2022	For the year	Transfer from leased assets	(Disposals)	Non-current assets classified as held for sale	As at 30 June 2023	
	(Rupees)						%	(Rupees)						
Owned														
Freehold land (note 6.1.1)	25,080,000	-	-	-	-	25,080,000	-	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	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)	-	681,522,479	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	1,483,415,107		888,462,740	59,309,700	-	(71,865,873)	41,496,690	834,409,877	649,005,230

	2022												
	Cost						Accumulated depreciation						Net book value as at 30 June 2022
	As at 1 July 2021	Additions / transfers	Transfer from leased assets	(Disposals)	As at 30 June 2022	Annual Rate	As at 1 July 2021	For the year	Transfer from leased assets	(Disposals)	As at 30 June 2022	
	(Rupees)					%	(Rupees)						
Owned													
Freehold land (note 6.1.1)	25,080,000	-	-	-	25,080,000	-	-	-	-	-	-	25,080,000
Leasehold land (note 6.1.1)	1,089,774	-	-	-	1,089,774	-	-	-	-	-	-	1,089,774
Building on leasehold land	90,790,497	3,797,643	-	-	94,588,140	5	35,854,868	2,847,535	-	-	38,702,403	55,885,737
Plant and machinery (note 6.1.4)	743,253,470	24,196,719	-	-	767,450,189	10 - 20	397,605,888	38,463,588	-	-	436,069,476	331,380,713
Tools and equipment	344,417,698	27,637,043	-	-	372,054,741	10 - 35	287,750,623	15,880,046	-	-	303,630,669	68,424,072
Furniture, fittings and office equipment	49,849,876	3,390,343	-	-	53,240,219	10 - 30	37,511,286	3,393,458	-	-	40,904,744	12,335,475
Vehicles	99,360,831	66,700	-	(20,743,810)	78,683,721	20	71,341,415	4,304,764	-	(14,090,895)	61,555,284	17,128,437
Right of use assets												
Vehicles	5,864,842	42,184,000	-	(2,148,000)	45,900,842	20	1,960,936	6,675,232	-	(1,036,004)	7,600,164	38,300,678
	1,359,706,988	101,272,448	-	(22,891,810)	1,438,087,626		832,025,016	71,564,623	-	(15,126,899)	888,462,740	549,624,886

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. Leasehold land is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi which represents total area of 8,888.88 square yards.

	2023	2022
6.1.2 Carrying amount of temporary idle properties of the company	(Rupees)	
Freehold land	**25,080,000**	25,080,000

6.1.3 Land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 1,251.76 million (2022: Rs. 984.76 million) obtained from JS Bank Limited, Al Baraka Bank and Pak Kuwait Investment Company Pvt Ltd (note 23).

6.1.4 Plant and machinery are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 1,201 million and Rs. 520 million (2022: Rs. 801 million and Rs. 920 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.

	Note	2023	2022
6.1.6 The depreciation charge for the year has been allocated as follows:		(Rupees)	
Cost of sales	29	**51,681,915**	64,491,487
Administrative, selling and general expenses	30	**7,627,785**	7,073,136
		59,309,700	71,564,623

6.1.7 **Details of property, plant and equipment disposed off**

	2023							
Asset	**Original cost**	**Accumulated depreciation**	**Net book value**	**Sale proceeds**	**Gain / (loss) on disposal**	**Particulars of buyer**	**Mode of disposal**	**Relationship with buyer**
Owned	(Rupees)							
Vehicles								
Suzuki Bolan CU-4503	**680,000**	**588,383**	**91,617**	**642,878**	**551,261**	Hassan Muhammad	Negotiation	Third party
Suzuki Mehran BFG-254	**688,000**	**460,991**	**227,009**	**954,451**	**727,442**	Hassan Muhammad	Negotiation	Third party
Suzuki Pick-Up KU-3881	**648,920**	**521,573**	**127,347**	**746,736**	**619,389**	Hassan Muhammad	Negotiation	Third party
Suzuki Alto AVU-489	**732,000**	**489,223**	**242,777**	**798,664**	**555,887**	Asif	Company Policy	Employee
Toyota Corolla BFS-573	**1,842,500**	**1,234,557**	**607,943**	**3,276,705**	**2,668,762**	Rasool Bukhsh	Negotiation	Third party
Master Truck JU-5221	**1,623,500**	**1,480,265**	**143,235**	**1,511,943**	**1,368,708**	Muhammad Talha	Negotiation	Third party
Master Truck JU-0520	**1,895,000**	**1,494,830**	**400,170**	**1,745,623**	**1,345,453**	Muhammad Talha	Negotiation	Third party
Plant and machinery	**101,545,838**	**65,596,051**	**35,949,787**	**93,500,000**	**57,550,213**	Asian Salvaging Company	Negotiation	Third party
	109,655,758	**71,865,873**	**37,789,885**	**103,177,000**	**65,387,115**			

		Note	2023	2022
			(Rupees)	
6.2	**Capital work-in-progress**			
	Tools and equipment	6.2.1	**103,496,494**	31,481,774
			103,496,494	31,481,774

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

	2023	2022
Balance at beginning of the year	**31,481,774**	35,070,946
Additions during the year	**322,675,873**	97,683,276
Transferred to property, plant and equipment	**(250,661,153)**	(101,272,448)
Balance at end of the year	**103,496,494**	31,481,774

7. INTANGIBLE ASSETS

2023

	Cost				**Useful**	**Amortisation**				**Net book**
	As at 1 July 2022	**Additions**	**(Disposals)**	**As at 30 June 2023**	**life**	**As at 1 July 2022**	**For the year**	**(Disposals)**	**As at 30 June 2023**	**value as at 30 June 2023**
	(Rupees)				**(Years)**	**(Rupees)**				
Computer software and licenses	**20,101,755**	**-**	-	**20,101,755**	**3**	**17,222,250**	**1,375,200**	-	**18,597,450**	**1,504,305**

2022

	Cost				Useful	Amortisation				Net book
	As at 1 July 2021	Additions	(Disposals)	As at 30 June 2022	life	As at 1 July 2021	For the year	(Disposals)	As at 30 June 2022	value as at 30 June 2022
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	15,976,154	4,125,601	-	20,101,755	3	15,976,154	1,246,096	-	17,222,250	2,879,505

7.1 At 30 June 2023, the cost of fully amortised intangible amounted to Rs. 15.98 million (2022: Rs. 15.98 million).

7.2 The amortisation charge for the year has been allocated to administrative, selling and general expenses (note 30).

7.3 Computer software relates to SAP business license.

		Note	2023	2022
8.	**LONG - TERM INVESTMENTS**		(Rupees)	
	Investments in subsidiary companies - unquoted	8.1	**1,184,960,000**	1,184,960,000
	Less: Provision for impairment in SMPL	8.1.4.1	**(25,000,000)**	(25,000,000)
	Less: Provision for impairment in HAWL	8.1.3	**(859,960,000)**	-
	Net investments in subsidiary companies		**300,000,000**	1,159,960,000
	Investments in associate at FVOCI - quoted			
	Treet Corporation Limited	8.2	**76,587,215**	141,173,954
			376,587,215	1,301,133,954

8.1 Investments in subsidiary companies

2023	2022		Note	**2023**	2022	**2023**	2022
(Number of shares)		**Unquoted**		**(% of holding)**		**(Rupees)**	
17,500,000	17,500,000	Specialized Autoparts Industries (Private) Limited (SAIL) (Chief Executive - Munir K. Bana)	8.1.1	**91%**	91%	**175,000,000**	175,000,000
7,500,000	7,500,000	Multiple Autoparts Industries (Private) Limited (MAIL) (Chief Executive - Munir K. Bana)	8.1.2	**92%**	92%	**75,000,000**	75,000,000
85,996,000	85,996,000	Hi Tech Alloy Wheels Limited (HAWL) (Chief Executive - Munir K. Bana)	8.1.3	**80%**	80%	**859,960,000**	859,960,000
7,500,000	7,500,000	Specialized Motorcycles (Private) Limited (SMPL) (Chief Executive - Munir K. Bana)	8.1.4	**100%**	100%	**75,000,000**	75,000,000
						1,184,960,000	1,184,960,000

8.1.1 As at 30 June 2023, the break-up value of SAIL was Rs. 10.77 per share (2022: Rs. 22.09 per share).

8.1.2 As at 30 June 2023, the break-up value of MAIL was Rs. 14.62 per share (2022: Rs. 22.51 per share).

8.1.3 As at 30 June 2023, the operations of HAWL has not been commenced and the assets mainly comprise of fixed assets such as land, building and plant and machinery. The Company has engaged an independent valuer for the purpose of determination of fair values of HAWL's fixed assets and accordingly an impairment adjustment has been made in the accounts of HAWL resulting in negative book value of Rs. 16.93 per share. Accordingly, full impairment of Rs. 859.96 million in the value of investment has been recorded in these financial statements.

Moreover, expected credit loss (ECL) against loan of Rs. 422.6 million and the markup receivable of Rs. 922.42 million has been recorded for year ended 30 June 2023 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 2023, amounted to Rs. 52 million (2022: Rs.86.47 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:

		2023	2022
		(Rupees)	
Net equity	Rupees	**51,821,899**	86,466,704
Current ratio	Times	**3.91**	6.73
Cash flows - increase / (decrease)	Rupees	**143,581**	(46,840)

8.1.5 Summarised financial information based on latest available audited financial statements for the year ended 30 June 2023 of the subsidiaries are as follows:

	2023				2022			
	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	**144.00**	**52.00**	**-**	**3,324.00**	299.00	103.00	-	4,790.00
Current assets	**1,006.00**	**224.00**	**70.00**	**218.00**	1,071.00	346.00	101.00	480.00
Non-current liabilities	**-**	**-**	**-**	**644.00**	11.00	6.00	-	1,023.00
Current liabilities	**875.60**	**125.00**	**18.00**	**5,125.00**	643.00	162.00	15.00	4,025.00
Net assets	**274.40**	**151.00**	**52.00**	**(2,227.00)**	716.00	280.99	86.00	222.00
Share of net assets	**249.70**	**138.92**	**52.00**	**(1,781.60)**	651.56	258.51	86.00	177.60
Carrying amount	**(175.00)**	**(75.00)**	**(50.00)**	**-**	(175.00)	(75.00)	(50.00)	(859.96)
	74.70	**63.92**	**2.00**	**(1,781.60)**	476.56	183.51	36.00	(682.36)
Statement of profit or loss - extracts								
Revenue	**289.00**	**127.00**	**-**	**-**	468.00	163.00	-	-
Profit / (loss) after tax	**(442.00)**	**(130.00)**	**(35.00)**	**(2,449.00)**	71.00	28.00	5.00	(448.00)
Total comprehensive income	**(442.00)**	**(130.00)**	**(35.00)**	**(2,449.00)**	71.00	28.00	5.00	(448.00)
Statement of cash flows - extracts								
Operating activities	**324.60**	**70.08**	**(3.65)**	**(27.87)**	100.00	49.00	(3.00)	(21.00)
Investing activities	**(4.28)**	**(2.37)**	**-**	**-**	(9.00)	(2.00)	-	-
Financing activities	**(323.02)**	**(68.07)**	**3.80**	**21.62**	(82.00)	(45.00)	3.00	14.00
Net cash flows	**(2.70)**	**(0.36)**	**0.15**	**(6.25)**	9.00	2.00	-	(7.00)
Opening cash and cash equivalents	**8.95**	**4.55**	**0.36**	**3.05**	-	3.00	-	10.00
Closing cash and cash equivalents	**6.25**	**4.19**	**0.51**	**(3.20)**	9.00	5.00	-	3.00
Total cash and cash equivalents of the group				**7.75**				17.00

**due to cross holdings.*

8.2 Investments in associate - at FVOCI

2023	2022		Note	2023	2022
(Number of shares)				(Rupees)	
		Quoted			
4,837,958	4,837,958	Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)		**76,587,215**	141,173,954

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

	Note	2023	2022
Market value of investments		**76,587,215**	141,173,954
Less : Cost of investments	8.2.2	**(194,514,939)**	(194,514,939)
Fair value reserve		**(117,927,724)**	(53,340,985)
Add: Realized gain on disposal of investment		**-**	37,604,499
Less: Unrealized gain / (loss) on re-measurement of investments at beginning of the year		**53,340,985**	(82,520,101)
Unrealized loss on re-measurement of investments for the year		**(64,586,739)**	(98,256,587)

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

	2023	2022
Carrying amount at the beginning of the year	**194,514,939**	357,344,940
Disposals during the year	**-**	(162,830,001)
Carrying amount at the end of the year	**194,514,939**	194,514,939

8.2.3 This includes 4,400,000 shares (2022: 4,400,000 shares) having an aggregate market value of Rs. 76.58 million (2022: 141.173 million), which have been pledged with the financial institution as security against borrowing facilities. All other shares are kept in the Central Depository Company (CDC) account of the Company.

8.2.4 The Company's holding in associate of 2.85% (2022: 2.85%) is considered associate by virtue of common directorship i.e. (3 directors are common out of 7 directors).

8.2.5 Summarised financial information based on audited annual consolidated financial statements for the year ended 30 June 2023 and 30 June 2022 is as follows:

	2023	2022
	(Rupees in '000')	
Statement of Financial Position		
Non-current assets	**17,821,644**	18,057,790
Current assets	**9,300,403**	7,275,237
Non-current liabilities	**(4,400,532)**	(2,528,650)
Current liabilities	**(12,866,933)**	(13,124,813)
Net assets	**9,854,582**	9,679,564
Effective holding (percentage)	**2.85%**	2.85%
Share of net assets	**280,856**	275,868

	2023	2022
	(Rupees in '000')	
Statement of Profit or Loss		
Revenue	**23,352,714**	15,789,923
Loss after tax from continuing operations	**28,385**	(292,786)
Other comprehensive income / (loss) from continuing operations - net of tax	**(73,162)**	(26,578)
Total comprehensive income / (loss)	**(44,777)**	(319,364)
Share of total comprehensive income / (loss)	**(1,276)**	(9,102)

9. STOCK-IN-TRADE

	Note	2023	2022
		(Rupees)	
Raw materials and components	9.2 & 9.3	**972,975,395**	1,544,914,809
Work-in-process		**105,801,677**	106,545,556
Finished goods		**18,447,442**	-
		1,097,224,514	1,651,460,365
Provision for obsolescence and slow moving stock	9.1	**(42,921,829)**	(32,528,867)
		1,054,302,685	1,618,931,498

9.1 Provision for obsolescence and slow moving stock

	Note	2023	2022
Opening balance		**32,528,867**	26,490,663
Charge for the year	29.1	**17,192,512**	12,659,549
Consumed during the year		**(6,799,550)**	(6,621,345)
Closing balance		**42,921,829**	32,528,867

9.2 This includes raw materials in transit and in possession of Company's subsidiaries as at 30 June 2023 amounting to Rs.288 million (2022: Rs. 522 million) and Rs. 337 million (2022: Rs. 438 million) respectively.

9.3 Raw materials held with toll manufacturers as at 30 June 2023 amounted to Rs. 19.4 million (2022: Rs. 107 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 601 million and Rs. 1,712 million (2022: Rs. 667 million and Rs. 1,978 million) respectively. These charges are against different financing facilities obtained from various banks (note 25).

10. TRADE DEBTS - NET

	Note	2023	2022
		(Rupees)	
Unsecured			
Considered good		**424,653,384**	909,494,124
		424,653,384	909,494,124

11. LONG - TERM LOANS

	Note	2023	2022
Long term portion of loan to employee	12.2	**5,943,868**	7,644,157

		Note	2023	2022
12.	**LOANS AND ADVANCES**		(Rupees)	
	Unsecured - considered good			
	Advance to suppliers	12.1	**61,166,804**	148,233,907
	Loans to employees - considered good and unsecured	12.2	**5,987,431**	35,573,874
	Loans to workers - considered good and unsecured	12.3	**7,963,239**	30,139,317
	Advance salaries		**13,301,837**	1,304,186
			88,419,311	215,251,284

12.1 This includes advance amounting to Rs. Nil (2022: Rs. 40.6 million) given to clearing agents for payment of clearing charges and other import related expenses to be incurred upon receipt of import consignment.

		Note	2023	2022
12.2	**Loans to employees**		(Rupees)	
	Loans to employees	12.2.1	**11,931,299**	43,218,031
	Less: Long term portion	11	**(5,943,868)**	(7,644,157)
	Current portion of loans to employees		**5,987,431**	35,573,874

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

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

		Note	2023	2022
13.	**DEPOSITS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES**		(Rupees)	
	Margin deposits	13.1	**110,586,046**	4,169,620
	Receivable from Provident Fund		**16,233,600**	4,318,920
	Trade and other deposits		**1,840,000**	1,840,000
	Prepayments		**1,455,499**	3,220,534
	Other receivables		**1,865,021**	6,046,946
			131,980,166	19,596,020

13.1 This represents margin deposits with banks against various letters of credit issued by banks on behalf of the Company.

		Note	2023	2022
14.	**TAXATION - NET**		(Rupees)	
	Opening advance tax		**279,797,568**	162,738,194
	Advance tax paid during the year		**173,349,560**	294,025,632
	Provision for taxation	34	**(92,755,449)**	(176,966,258)
	Closing advance tax		**360,391,679**	279,797,568
15.	**SHORT - TERM INVESTMENTS**			
	Equity securities - at fair value through profit or loss (FVTPL)	15.1	**746,572**	907,153
	Equity securities - at fair value through other comprehensive income (FVOCI)	15.2	**45,600**	15,352
			792,172	922,505

15.1 Equity securities - mandatory at FVTPL

2023	2022	Name of investee company	2023 Carrying value	2023 Market value	2023 Unrealised gain / (loss)	2022 Market value
(Number of shares)		Ordinary shares - Quoted	(Rupees)			
1	1	Agriautos Industries Limited	134	62	(72)	134
1	1	Al-Ghazi Tractors Limited *	390	254	(136)	390
1	1	Atlas Battery Limited	172	204	32	172
1	1	Atlas Honda Limited	378	257	(121)	378
1	1	The General Tyre & Rubber Company of Pakistan Limited	34	20	(14)	34
1	1	Honda Atlas Cars (Pakistan) Limited	195	92	(103)	195
1	1	Thal Limited *	270	162	(108)	270
230	230	Baluchistan Wheels Limited	17,480	15,180	(2,300)	17,480
315	315	Ghandhara Nissan Limited	18,705	11,460	(7,245)	18,705
300	300	Hino Pak Motors Limited	92,160	56,175	(35,985)	92,160
200	200	Indus Motor Company Limited	228,882	188,648	(40,234)	228,882
1,171	592	Millat Tractors Limited	516,573	457,053	(59,520)	516,573
63	63	Oil & Gas Development Company Limited	4,956	4,914	(42)	4,956
127	127	Pak Suzuki Motor Company Limited	26,824	12,090	(14,734)	26,824
			907,153	746,572	(160,582)	907,153

* 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 Equity securities - at FVOCI

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

2023	2022	Name of investee company	2023 Cost	2023 Market value	2023 Unrealised gain	2022 Market value
(Number of shares)			(Rupees)			
		Ordinary shares - Quoted				
152	152	ZIL Limited	5,330	45,600	40,270	15,352
			5,330	45,600	40,270	15,352

15.2.1 Equity securities - at FVOCI - net change in fair value investments

	2023	2022
	(Rupees)	
Market value of investments	45,600	15,352
Less : Cost of investments	(5,330)	(5,330)
	40,270	10,022
Less: Unrealized gain on re-measurement of investments at beginning of the year	(10,022)	(8,368)
Unrealized gain on re-measurement of investments for the year	30,248	1,654

		Note	2023	2022
			(Rupees)	
16.	**CASH AND BANK BALANCES**			
	Cash in hand		**187,250**	1,663,182
	Cash at banks			
	- in current accounts		**5,738,072**	6,217,235
	- in saving accounts	16.2	**8,668,925**	3,839,515
			14,594,247	11,719,932
16.1	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	16	**14,594,247**	11,719,932
	Short term borrowings	25	**(1,118,695,298)**	(1,173,638,735)
			(1,104,101,051)	(1,161,918,803)

16.2 These carry markup at the rate ranging from 12.25% - 19.5% (2022: 5.5% - 12.25%) per annum.

		Note	2023	2022
			(Rupees)	
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 28 April 2023, the Board of Directors in their meeting decided to sell the properties mentioned above as for meeting working capital requirements due to the higher interest rate on borrowings. The above decisions have been approved by the shareholders in the extraordinary general meeting held on 30 May 2023 under section 183 (3) of Companies Act, 2017. Accordingly, sale of the properties above mentioned was classified as asset held for sale. The sale of assets mentioned above is expected to be completed within a year from date of classification.

17.2 The company hired an independent valuer for the determination of the fair values of the assets classified as held for sale. The valuations performed by the valuer are based on market information. The fair value are based on the valuation performed by Tristar International (Pvt) Limited. The fair values of the above assets fall under level 3 "Valuation Techniques" of fair value hierarchy. Accordingly, the assets classified as held for sale are recorded at their carrying amounts as their fair values less cost to sell were higher than the carrying amounts at the date of classification. Accordingly, a qualitative disclosure of sensitivity has not been presented in these unconsolidated financial statements.

18. **CONTINGENCIES AND COMMITMENTS**

18.1 **Contingencies**

For certain tax matters, refer to note 34.2

18.1.1 The company has issued Corporate gaurantees, on behalf of its subsidiary company namely Hi-Tech Alloy Wheels Limited, amounting to Rs.1,180 million (current outstanding: Rs. 1,077 million) to Bank of Punjab, MCB bank Limited and JS Bank Limited.

		2023	2022
		(Rupees)	
18.2	**Commitments**		
18.2.1	Guarantees issued by banks on behalf of the Company	**710,749**	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)	**89,350,440**	627,972,442

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 (2022: Rs. 0.3 million) and 12.375 million (2022: 25.9 million) respectively.

19. SHARE CAPITAL

19.1 Authorised share capital

Authorised share capital comprises of 400,000,000 (2022: 400,000,000) ordinary shares of Rs. 10 each.

19.2 Issued, subscribed and paid-up capital

2023	2022		2023	2022
(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:

	2023		2022	
Shareholders	**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	**8,818,103**	**3.51%**	8,379,151	3.33%
Others	**116,393,101**	**46.33%**	116,832,053	46.50%
	251,250,000	**100%**	251,250,000	100%

20. LEASE LIABILITIES

	Note	2023 (Rupees)	2022 (Rupees)
Opening balance		**30,328,259**	1,749,826
Addition during the year		**11,536,500**	34,201,600
Interest accrued during the year	33	**5,353,710**	2,658,343
Repayment of lease liabilities		**(15,885,204)**	(8,281,510)
Closing balance	20.1	**31,333,265**	30,328,259

20.1 Breakup of lease liabilities

	Note	2023	2022
Lease Liabilities	20	**31,333,265**	30,328,259
Less: Current maturity		**(7,001,267)**	(6,500,095)
		24,331,998	23,828,164

	2023			2022		
	Minimum lease payments	**Interest**	**Present value minimum lease payments**	Minimum lease payments	Interest	Present value minimum lease payments
	(Rupees)			(Rupees)		
Less than one year	**12,651,156**	**5,649,889**	**7,001,267**	10,856,244	4,356,149	6,500,095
One to five years	**31,285,014**	**6,953,016**	**24,331,998**	29,123,392	5,295,228	23,828,164
	43,936,170	**12,602,905**	**31,333,265**	39,979,636	9,651,377	30,328,259

	Note	2023	2022
21. DEFERRED TAX ASSETS - NET		(Rupees)	
Taxable temporary differences		**83,753,110**	71,661,012
Deductible temporary differences		**(677,548,792)**	(68,649,812)
	21.1	**(593,795,682)**	3,011,200

21.1 Analysis of change in deferred tax

Deferred tax is recognised in accordance with the policy stated in note 5.12 of the financial statement. Breakup and treatment of deferred tax balances are as follows:

	2023				2022			
	Balance at 1 July 2022	**Recognized in profit or loss**	**Recognized in other comprehensive income**	**Balance at 30 June 2023**	Balance at 1 July 2021	Recognized in profit or loss	Recognized in other comprehensive income	Balance at 30 June 2022
	(Rupees)				(Rupees)			
Taxable temporary differences								
- Accelerated tax depreciation	**71,661,012**	**12,092,098**	**-**	**83,753,110**	55,684,837	15,976,175	-	71,661,012
Deductible temporary differences								
- Provision for obsolescence and slow moving stock	**(10,734,526)**	**(1,712,804)**	**-**	**(12,447,330)**	(7,682,292)	(3,052,234)	-	(10,734,526)
- Unrealised gain on investments	**(5,257,163)**	**(46,568)**	**5,268,841**	**(34,890)**	2,898,910	(52,152)	(8,103,921)	(5,257,163)
- Lease liability	**(10,008,325)**	**921,678**	**-**	**(9,086,647)**	(507,450)	(9,500,875)	-	(10,008,325)
- Provision against leave encashment	**(945)**	**945**	**-**	**-**	(57,007)	56,062	-	(945)
- Carry forward of tax losses	**-**	**-**	**-**	**-**	(42,604,735)	42,604,735	-	-
- Remeasurement of defined benefit liability	**(15,618,328)**	**-**	**7,193,119**	**(8,425,209)**	(9,097,384)	-	(6,520,944)	(15,618,328)
- Intangibles	**1,675**	**(864,632)**	**-**	**(862,957)**	(833,584)	835,259	-	1,675
- Provision for Bonus	**(18,782,200)**	**18,782,200**	**-**	**-**	-	(18,782,200)		(18,782,200)
- Provision for impairment against investment in subsidiaries	**(8,250,000)**	**(248,388,400)**		**(256,638,400)**	(7,250,000)	(1,000,000)	-	(8,250,000)
	(68,649,812)	**(231,307,581)**	**12,461,960**	**(287,495,433)**	(65,133,542)	11,108,595	(14,624,865)	(68,649,812)
- Expected credit loss	**-**	**(390,053,359)**	**-**	**(390,053,359)**	-	-	-	-
	3,011,200	**(609,268,842)**	**12,461,960**	**(593,795,682)**	(9,448,705)	27,084,770	(14,624,865)	3,011,200

21.1.1 Deferred tax asset of Rs.390.05 million has not been recognised in accordance with the company policy as stated in note 5.12.

22. DEFINED BENEFIT OBLIGATION - NET

The actuarial valuation for staff gratuity has been carried out as at June 30, 2023 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:

	2023	2022
	(Percentage)	
22.1 Actuarial assumptions		
Financial assumptions		
- Discount rate	**16.25%**	13.25%
- Discount rate used for interest cost in profit or loss account	**13.25%**	10.00%
- Expected rate of increase in salary level	**0.00%**	12.25%
Demographic assumptions		
- Mortality rate	**SLIC 2001 - 2005 Setback 1 Year**	SLIC 2001 - 2005 Setback 1 Year

	Note	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
		(Rupees)			(Rupees)		
22.2 Amount recognised in the unconsolidated Statement of Financial Position							
Present value of defined benefit obligation	22.2.1	**49,614,633**	**6,463,843**	**56,078,476**	57,313,043	19,549,473	76,862,516
Fair value of plan assets	22.2.2	**(30,964,786)**	**(8,269,576)**	**(39,234,362)**	(32,842,501)	(8,919,121)	(41,761,622)
Payables		**1,712,918**	**10,495,413**	**12,208,331**	-	-	-
Net liability at end of the year		**20,362,765**	**8,689,680**	**29,052,445**	24,470,542	10,630,352	35,100,894
22.2.1 Movement in present value of defined benefit obligation							
Opening balance		**57,313,043**	**19,549,473**	**76,862,516**	40,558,050	15,931,187	56,489,237
Current service costs		**3,258,859**	**759,697**	**4,018,556**	2,296,058	562,604	2,858,662
Past Service Cost (credit)		**-**	**-**	**-**	9,949,508	3,328,506	13,278,014
Interest costs		**7,089,469**	**1,626,321**	**8,715,790**	3,971,288	1,522,914	5,494,202
Benefits due but not paid (payables)		**(1,712,918)**	**(10,495,413)**	**(12,208,331)**	-	-	-
Benefits paid by the plan		**(5,902,322)**	**(4,055,295)**	**(9,957,617)**	(1,690,335)	(1,404,100)	(3,094,435)
Gains and losses arising on plan settlements		**(1,588,338)**	**(41,859)**	**(1,630,197)**	-	-	-
Re-measurements loss / (gain) on obligation		**(8,843,160)**	**(879,081)**	**(9,722,241)**	2,228,474	(391,638)	1,836,836
Closing balance		**49,614,633**	**6,463,843**	**56,078,476**	57,313,043	19,549,473	76,862,516
22.2.2 Movement in the fair value of plan assets							
Opening balance		**32,842,501**	**8,919,121**	**41,761,622**	35,632,006	16,321,521	51,953,527
Interest income		**4,241,900**	**1,195,743**	**5,437,643**	3,728,934	1,587,197	5,316,131
Contribution paid into the plan		**4,246,000**	**4,266,000**	**8,512,000**	5,005,000	505,000	5,510,000
Benefits paid by the plan		**(5,902,322)**	**(4,055,295)**	**(9,957,617)**	(1,690,335)	(1,404,100)	(3,094,435)
Re-measurement gain / (loss) on plan assets		**(4,463,293)**	**(2,055,993)**	**(6,519,286)**	(9,833,104)	(8,090,497)	(17,923,601)
Closing balance		**30,964,786**	**8,269,576**	**39,234,362**	32,842,501	8,919,121	41,761,622
22.2.3 Amounts recognised in the unconsolidated statement of profit or loss							
Current service costs		**3,258,859**	**759,697**	**4,018,556**	2,296,058	562,604	2,858,662
Past Service Cost (credit)		**-**	**-**	**-**	9,949,508	3,328,506	13,278,014
Gains and losses arising on plan settlements		**(1,588,338)**	**(41,859)**	**(1,630,197)**	-	-	-
Interest costs		**7,089,469**	**1,626,321**	**8,715,790**	3,971,288	1,522,914	5,494,202
Interest income		**(4,241,900)**	**(1,195,743)**	**(5,437,643)**	(3,728,934)	(1,587,197)	(5,316,131)
Expense for the year		**4,518,090**	**1,148,416**	**5,666,506**	12,487,920	3,826,827	16,314,747
22.2.4 Amounts recognised in the unconsolidated other comprehensive income							
Re-measurement loss / (gain) on obligation	22.2.4.1	**(8,843,160)**	**(879,081)**	**(9,722,241)**	2,228,474	(391,638)	1,836,836
Re-measurement of fair value of plan assets		**4,463,293**	**2,055,993**	**6,519,286**	9,833,104	8,090,497	17,923,601
Re-measurement loss/ (gain) for the year		**(4,379,867)**	**1,176,912**	**(3,202,955)**	12,061,578	7,698,859	19,760,437

	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
	(Rupees)			(Rupees)		
22.2.4.1 Re-measurement loss / (gain) on obligation						
Loss / (gain) due to change in financial assumptions	(2,443,401)	(482,947)	(2,926,348)	145,401	39,150	184,551
Loss / (gain) due to change in experience adjustments	(6,399,759)	(396,134)	(6,795,893)	2,083,073	(430,788)	1,652,285
	(8,843,160)	(879,081)	(9,722,241)	2,228,474	(391,638)	1,836,836
22.2.5 Net recognized liability / (asset)						
Net liability at beginning of the year	24,470,542	10,630,352	35,100,894	4,926,044	(390,334)	4,535,710
Expense recognised in unconsolidated statement of profit and loss	4,518,090	1,148,416	5,666,506	12,487,920	3,826,827	16,314,747
Contribution paid into the plan	(4,246,000)	(4,266,000)	(8,512,000)	(5,005,000)	(505,000)	(5,510,000)
Re-measurement losses recognised in unconsolidated other comprehensive income	(4,379,867)	1,176,912	(3,202,955)	12,061,578	7,698,859	19,760,437
Net liability / (asset) at end of the year	20,362,765	8,689,680	29,052,445	24,470,542	10,630,352	35,100,894

22.3 Plan assets comprise of the following:

	2023 Management	2023 Non-Management	2022 Management	2022 Non-Management
	(Rupees)		(Rupees)	
Government securities	4,697,005	2,246,394	17,255,611	4,119,622
Equity shares	3,796,633	2,675,725	5,805,560	4,091,542
Others	22,471,148	3,347,457	9,781,330	707,958
	30,964,786	8,269,576	32,842,501	8,919,122

22.4 Sensitivity analysis for actuarial assumptions

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

	2023 Management	2023 Non-Management	2022 Management	2022 Non-Management
	(Rupees)		(Rupees)	
Discount rate +1%	47,549,858	6,202,332	54,742,723	18,822,610
Discount rate -1%	51,936,948	6,743,980	60,216,885	20,326,170
Salary increase +1%	51,985,427	6,751,218	60,247,793	20,333,967
Salary increase -1%	47,472,702	6,191,163	54,671,508	18,802,586

22.5 Expected charge for the year ending June 30, 2024 is Rs. 5.13 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.

22.7 Historical information

	2022	2021	2020	2019	2018
	(Rupees)				
Present value of defined benefit obligation	76,862,516	56,489,237	49,188,866	45,088,642	39,088,649
Fair value of plan assets	(41,761,622)	(51,953,527)	(34,354,450)	(34,621,402)	(44,405,857)
Payables	-	-	1,314,906	-	-
Net liability / (asset)	35,100,894	4,535,710	16,149,322	10,467,240	(5,317,208)

22.8 Gratuity for the year recognised in the unconsolidated profit or loss has been allocated as follows:

	Note	2023	2022
		(Rupees)	
Cost of sales	29.3	**1,148,416**	3,826,827
Administrative, selling and general expenses	30.1	**4,518,090**	12,487,920
		5,666,506	16,314,747

23. LONG - TERM LOANS

	Note	2023	2022
Secured			
Term finance - under SBP refinance scheme for payment of wages and salaries	23.1	**-**	32,056,291
Loan from JS Bank Limited	23.2	**156,750,000**	213,750,000
Loan from Orix Leasing Pakistan Limited	23.3	**54,817,643**	80,903,556
Loan From Pak Gulf Leasing	23.4	**11,855,481**	14,728,760
Pak Kuwait Investment Company (Long Term Loan)	23.5	**124,586,042**	95,911,250
Allied Bank Limited	23.6	**53,476,637**	174,156,751
Less: Current portion		**(173,389,039)**	(370,637,176)
		228,096,764	240,869,432

23.1 In 2020, the Company availed salary refinance facility from JS Bank under the State Bank of Pakistan's (SBP) "Refinance scheme for payment of wages and salaries to the workers and employees of Business concern" due to coronavirus pandemic for a period of two years and six months (inclusive of grace period of six months). In 2020, the Company obtained the loan in two tranches in May 2020 and June 2020. In prior year, the Company has also obtained more two tranches in July 2020 and October 2020. This facility is secured by first hypothecation charge on current and future plant and machinery of the Company situated at Karachi. This facility carries mark-up at concessional rate of 3% per annum. Principal amount is payable in 8 equal quarterly installment and repayment of financing has been started from January 2021.

23.2 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. 57 million together with mark-up thereon. This facility carries mark-up at the rate of 3 months KIBOR plus 2% (2022: 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.

23.3 In 2020, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 30.2 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. 4.1 million (2022: Rs. 12.3 million) together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 4.75% per quarter repayable on monthly basis from the disbursement date.

In prior year, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 80 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. 36.4 million (2022: Rs. 5.8 million) together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 5% per quarter repayable on monthly basis from the disbursement date.

23.4 In prior year, the Company availed long term financing facility from Pak Gulf of Rs. 16.9 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 5 million (2022: Rs. 3.72 million). This facility carried mark-up at 1 year KIBOR plus 3.99% per annum repayable on quarterly basis from the disbursement date.

23.5 In prior year, the Company availed long term financing facility from Pak Kuwait of Rs. 200 million out of which 149.5 million has been availed for cash flow management of the Company. 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. 24.9 million (2022: Rs. 3.77 million). This facility carried mark-up at 3 months KIBOR plus 2% per annum repayable on quarterly basis from the disbursement date.

23.6 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 (2022: 3 month KIBOR plus 1 % per annum).

24. DEFERRED GRANT	Note	**2023**	**2022**
		(Rupees)	
Government grant		-	242,701
Less: Current portion of Government grant		-	(242,701)
	24.1	-	-

24.1 The Institute of Chartered Accountants of Pakistan issued a publication through circular no.11/2020 to clarify accounting of the long term loan (note 22). Accordingly, the Company measured and recognized the loan liability and deferred capital grant in accordance with the said publication and requirements of relevant IFRSs.

25. SHORT-TERM BORROWINGS	Note	**2023**	**2022**
		(Rupees)	
Secured			
Running finance under mark-up arrangements	25.1	**1,118,695,298**	1,173,638,735
Soneri Bank Limited - Local bill discounting		**400,000,000**	385,000,000
SCB - Local Bill Discount		**88,135,339**	222,258,916
Islamic financing	25.2	**272,161,581**	443,775,602
		1,878,992,218	2,224,673,253

25.1 Running finance under mark-up arrangements

JS Bank Limited		**275,836,466**	298,722,492
MCB Bank Limited		**107,894,262**	198,468,699
Askari Bank Limited		**200,000,000**	200,000,000
Habib Metropolitan Bank		**149,874,489**	94,947,788
Bank AL Habib Limited		**65,552,097**	88,512,322
Pak Kuwait Investment Company (Short Term Loan)		**200,000,000**	200,000,000
Soneri Bank Limited		**119,537,984**	92,987,434
	25.1.1	**1,118,695,298**	1,173,638,735

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 1.25% to 3 month KIBOR plus 3% per annum (2022: 01 month KIBOR plus 1.25% to 3 month KIBOR plus 1.50% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 1,109 million (2022: Rs. 1,270 million) out of which Rs. 56.2 million (2022: 96.36 million) remained unavailed at the reporting date.

	Note	2023	2022
		(Rupees)	
25.2 Islamic financing			
Istisna facility	25.2.1	**272,161,581**	443,775,602

25.2.1 This represents Islamic finance facilities available from Al Baraka Bank (Pakistan) Limited and MCB Islamic Bank having aggregate limits of Rs. 300 million (2022: Rs 505 million), 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 (2022: 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75% 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 2023 amounted to Rs. 1,150 million (2022: Rs. 2,555 million) out of which Rs. 740 million (2022: Rs. 2,497 million) remained unutilized at the reporting date.

25.4 Unavailed facilities

The Company has unavailed Islamic financing facilities from Al-Baraka and MCB Islamic of Istisna and Murabaha having aggregate limits of Rs. 300 million. The facilities pertaining to Al-Baraka Bank limited are secured by a pari-passu charge over present and future current assets of the company amounting to Rs. 267 million. Facility pertaining to MCB Islamic is secured by ranking charge over present and future current assets of the company amounting to Rs. 333 million. These facilities carry mark-up ranging from 3 months KIBOR plus 2% to 6 months KIBOR plus 3.5%.

	Note	2023	2022
		(Rupees)	
26. DUE FROM / (TO) RELATED PARTIES			
Due from related parties	26.1	**2,580,326,357**	3,252,222,264
Due to related parties	26.2	**(254,800,890)**	(142,716,321)

26.1 Due from related parties

	Note	2023	2022
Unsecured - Considered good			
Loan to HAWL (net)	26.1.1	**1,602,144,579**	2,039,529,541
Mark-up receivable on loan to HAWL	26.1.1	**-**	530,883,572
Loan to SAIL	26.1.2	**350,664,263**	410,664,263
Loan to MAIL	26.1.2	**46,372,788**	109,872,788
Loan to SMPL	26.1.2	**9,874,000**	8,904,000
Mark-up receivable from SAIL, MAIL and SMPL	26.1.2	**199,845,936**	113,157,098
Other receivables from related parties	26.1.3	**40,372,726**	39,211,002
SAIL - against toll manufacturing	26.1.4	**299,964,849**	-
MAIL - against toll manufacturing	26.1.4	**31,087,216**	-
		2,580,326,357	3,252,222,264

26.1.1 The Company entered into three loan agreements with HAWL dated 25 December 2017, 10 April 2019 and 5 October 2020 for meeting working capital and other requirements. During the year, the Company has recovered loans amounting to Rs. 14.7 million. 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% (2022: 6 month KIBOR per annum plus 3%). 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	2023	2022
		(Rupees)	
Loan to HAWL		**2,024,733,908**	2,039,529,541
Expected credit loss		**(422,589,329)**	-
		1,602,144,579	2,039,529,541
Mark-up receivable on loan to HAWL		**922,422,254**	530,883,572
Expected credit loss		**(922,422,254)**	-
		-	530,883,572

26.1.2 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 2023, the Company has provided loan amounting to Rs. 350.664 (2022: Rs. 410.66 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 (2022: 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 60 million in respect of these loans. The maximum amount outstanding during the year was Rs. 411 million (2022: Rs. 529 million).

The Company has two long term loan agreements with MAIL for an amount up to Rs. 300 million. As at 30 June 2023, the Company has provided loan amounting to Rs. 46.37 (2022: 109.87 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 (2022: 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 63.5 million in respect of these loans. The maximum amount outstanding during the year was Rs. 110 million (2022: Rs. 162 million).

On 10 April 2019, the Company entered into a long term loan agreement with SMPL for an amount up to Rs. 50 million and as at 30 June 2023 has provided loan amounting to Rs. 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 (2022 :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. 10.8 million (2022: 8.9 million).

	Note	2023	2022
26.1.3 Due from related parties		(Rupees)	
Advance			
SAIL	26.1.3.1	**30,872,025**	29,710,301
Other receivable			
SMPL		**3,706,788**	3,706,788
HAWL		**5,793,913**	5,793,913
	26.1.3.2	**40,372,726**	39,211,002

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

26.1.3.2 These balance are mark-up free and unsecured.

26.1.3.3 Detailed analysis of due from related parties

Name of related party	Gross amount due	Provision for doubtful debts	Reversal of provision of doubtful debts	Amount due written off	Net amount	Maximum amount outstanding at any time during the year
	2023					
	(Rupees)					
Advance						
SAIL (note 26.1.3.4)	30,872,025	-	-	-	30,872,025	30,872,025
Other receivable						
SMPL	3,706,788	-	-	-	3,706,788	3,706,788
HAWL	5,793,913	-	-	-	5,793,913	5,793,913
	40,372,726	-	-	-	40,372,726	40,372,726

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

26.1.4 These amounts are paid to SAIL and MAIL for toll manufacturing. Maximum outstanding amount during the year was

	Note	2023	2022
26.2 Due to related parties - unsecured		(Rupees)	
Loan from director		250,000,000	-
Mark-up on loan from director		4,800,890	-
SAIL - against toll manufacturing		-	109,800,483
MAIL - against toll manufacturing		-	32,915,838
		254,800,890	142,716,321

27. TRADE AND OTHER PAYABLES

	Note	2023	2022
Trade creditors		339,091,646	482,231,107
Accrued liabilities	27.1	46,732,778	55,026,568
Other liabilities			
Advance from customers	27.2	152,919,693	58,234,184
Mobilization advances	27.3	196,970,642	105,586,724
Workers' Profit Participation Fund	27.4	2,819,269	28,642,932
Provision for bonus		-	56,915,758
Provision for leave encashment		2,864	2,864
Workers' Welfare Fund	27.5	5,796,944	10,329,621
Withholding tax payable		5,397,096	3,719,909
Current portion of Gas Infrastructure Development Cess		868,472	868,472
Security deposit from contractors	27.6	129,000	129,000
Sales Tax Payable		38,562,938	16,141,054
Other payables	27.7	21,743,264	18,451,003
		811,034,606	836,279,196

27.1 This includes salaries and wages amounting Rs. 1.7 million.

27.2 This includes Rs. 14 million (2022: Rs. 44.9 million) received from scrap dealer against future sale of scrap and ancillary items.

27.3 This carries no mark-up.

27.4 Workers' Profit Participation Fund

	Note	2023	2022
		(Rupees)	
Opening balance		**28,642,932**	11,630,341
Charge for the year	31	**-**	24,594,336
Mark-up charged during the year	33	**-**	1,229,327
Less: Payments made during the year		**(25,823,663)**	(8,811,072)
Closing balance		**2,819,269**	28,642,932

27.5 Workers' Welfare Fund

	Note	2023	2022
Opening balance		**10,329,621**	3,555,670
Charge for the year	31	**5,796,944**	10,329,621
Less: Payments made during the year		**(10,329,621)**	(3,555,670)
Closing balance		**5,796,944**	10,329,621

27.6 This represents security deposit received from contractors against provision of services, which are kept in the Company's bank account.

27.7 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.

28. REVENUE - NET

	Note	2023	2022
		(Rupees)	
Local sales	28.1	**5,302,260,756**	9,144,053,719
Less: Sales returns		**(12,006,326)**	(28,227,273)
		5,290,254,430	9,115,826,446
Less: Sales tax		**(796,420,059)**	(1,323,871,137)
		4,493,834,371	7,791,955,309

28.1 This includes scrap sales amounting to Rs. 116 million (2022: Rs. 297.58 million).

29. COST OF SALES

	Note	2023 (Rupees)	2022 (Rupees)
Raw materials and components consumed	29.1	**2,678,456,671**	5,472,290,131
Stores and spares consumed	29.2	**53,233,048**	66,840,226
Manufacturing expenses			
Salaries and wages		**192,086,253**	214,009,837
Other employees' benefits	29.3	**87,066,841**	156,554,844
Provident Fund contribution		**3,074,983**	3,243,091
Toll manufacturing	29.4	**475,963,757**	750,120,238
Depreciation	6.1.6	**51,681,915**	64,491,487
Gas, power and water		**28,335,311**	33,583,692
Travelling and vehicle running costs		**16,336,358**	12,105,867
Insurance		**8,181,401**	7,589,785
Repairs and maintenance		**14,174,051**	17,423,475
Postage, telephone and telex		**-**	141,101
Inward freight and storage charges		**4,197,766**	1,267,071
Conveyance		**4,454,504**	468,151
Rent, rates and taxes		**376,999**	270,191
Printing, stationery and periodicals		**34,090**	45,983
Royalty / technical know-how	29.5	**11,173,568**	18,566,326
General expenses		**1,220,419**	3,287,577
Security services		**834,946**	603,572
Transferred to capital work-in-progress		**(43,857,970)**	(22,477,678)
Manufacturing costs		**855,335,192**	1,261,294,610
Opening stock of work-in-process		**106,545,860**	71,111,109
Impact of recording revenue over time		**105,057,494**	141,980,611
Closing stock of work-in-process	9	**(105,801,677)**	(106,545,860)
Net change in work-in-process		**105,801,677**	106,545,860
Cost of goods manufactured		**3,692,826,588**	6,906,970,827
Opening stock of finished goods		**-**	-
Impact of recording revenue over time		**86,579,938**	74,105,227
Closing stock of finished goods	9	**(18,447,442)**	-
Net change in finished goods		**68,132,496**	74,105,227
		3,760,959,084	6,981,076,054

29.1 Raw materials and components consumed

	Note	2023	2022
Opening balance		**1,544,914,809**	1,342,414,312
Purchases		**2,174,225,286**	5,727,507,582
Less: Purchase returns		**(84,900,541)**	(65,376,503)
		3,634,239,554	7,004,545,391
Closing balance	9	**(972,975,395)**	(1,544,914,809)
Charge for the year - net	9.1	**17,192,512**	12,659,549
		2,678,456,671	5,472,290,131

29.2 Stores and spares consumed

	2023	2022
Opening balance	**39,966,825**	57,654,929
Purchases	**60,754,356**	49,152,122
	100,721,181	106,807,051
Closing balance	**(47,488,133)**	(39,966,825)
	53,233,048	66,840,226

29.3 This includes a sum of Rs. 1.1 million (2022: Rs. 3.8 million) in respect of expense relating to gratuity.

29.4 Toll manufacturing costs	**2023**	**2022**
	(Rupees)	
SAIL	**289,302,292**	468,400,059
MAIL	**126,984,875**	162,605,367
Others	**59,676,590**	119,114,812
	475,963,757	750,120,238

29.5 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**	**2023**	**2022**
			(Rupees)	
Futaba Industrial Co. Limited	Technical Advisor	1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558	**2,578,268**	10,965,495
SNIC Co. Limited	Technical Assistance	1403 Higashihiramatsu, Iwata-shi, Shizuoka-ken, Japan	**8,595,300**	7,600,831
			11,173,568	18,566,326

30. ADMINISTRATIVE, SELLING AND GENERAL EXPENSES	Note	**2023**	**2022**
		(Rupees)	
Salaries and wages		**111,622,778**	114,253,909
Other employees' benefits	30.1	**12,698,023**	36,580,991
Provident Fund contribution		**2,421,557**	2,146,298
Advertising and sales promotion		**26,627,597**	15,666,933
Travelling and vehicle running cost		**13,630,030**	10,368,204
Outward freight		**30,939,090**	34,485,144
Depreciation	6.1.6	**7,627,785**	7,073,136
Amortization	7	**1,375,200**	1,246,096
Legal and professional charges		**23,791,492**	11,430,637
Subscription and certification charges		**5,909,459**	4,492,707
Postage, telephone and telex		**5,888,571**	4,542,323
Conveyance		**1,167,767**	3,948,882
Rent expense		**-**	456,284
Auditors' remuneration	30.2	**4,306,600**	4,392,800
Electricity		**1,200,000**	1,200,000
Repairs and maintenance		**230,485**	336,546
Entertainment		**442,902**	433,625
Printing, stationery and periodicals		**2,964,301**	2,174,108
Insurance		**1,590,557**	503,596
Donation		**23,600**	50,000
General expenses		**5,734,279**	2,753,440
		260,192,073	258,535,659

30.1 This includes a sum of Rs. 4.5 million (2022: Rs. 12 million) in respect of expense relating to gratuity.

		Note	2023	2022
30.2	**Auditor's remuneration**		(Rupees)	
	Audit fee		**1,500,000**	1,421,200
	Other audit services		**1,000,000**	1,000,000
	Interim review		**831,600**	831,600
	Certifications for regulatory purposes		**750,000**	940,000
	Out of pocket expense		**225,000**	200,000
			4,306,600	4,392,800
31.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	27.4	**-**	24,594,336
	Workers' Welfare Fund	27.5	**5,796,944**	10,329,621
	Unrealised loss on re-measurement of investments at fair value through profit or loss	15.1	**160,582**	4,701
			5,957,526	34,928,658
32.	**OTHER INCOME**			
	Income from financial assets			
	Dividend income	32.1	**26,244**	4,898,968
	Mark-up income on loans to employees		**527,067**	1,730,045
	Mark-up income on loans to subsidiaries	26.1	**478,227,520**	307,382,893
	Deferred grant		**242,701**	3,456,285
	Others		**13,183,692**	2,517,261
	Exchange gain		**-**	5,124,802
			492,207,224	325,110,254
	Income from assets other than financial assets			
	Gain on disposal of property, plant and equipment	6.1.7	**65,387,115**	3,381,635
	Reversal of provision against inventory		**6,799,550**	6,621,345
			72,186,665	10,002,980
			564,393,889	335,113,234

32.1 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.

		Note	2023	2022
33.	**FINANCE COSTS**		(Rupees)	
	Mark-up on loans and borrowings		**528,446,326**	301,431,045
	Mark-up on loan from director		**4,800,890**	-
	Exchange loss		**47,098,240**	68,061,099
	Finance lease charges		**5,353,710**	2,658,343
	Bank charges		**12,630,472**	7,784,614
	Unwinding of Gas Infrastructure Development Cess	23	**-**	145,659
	Mark-up on workers' Profit Participation Fund	27.4	**-**	1,229,327
			598,329,638	381,310,087
34.	**TAXATION**			
	Current		**(92,755,449)**	176,966,258
	Deferred	21.1	**609,268,842**	27,084,770
		34.1	**516,513,393**	204,051,028

	2023	2022
	(Rupees)	
34.1 Reconciliation between tax expense and accounting profit		
(Loss) / profit before taxation	**(1,772,181,644)**	471,218,085
Tax at the applicable rate of 29% (2022: 29%)	**513,932,677**	136,653,245
Tax effect of income taxed at lower rate	**551**	102,878
Tax effect of permanent differences	**2,580,165**	67,294,905
	516,513,393	204,051,028

34.2 The returns of income tax have been filed up to and including tax year 2022 (corresponding to financial year ended upto 30 June 2022). These, except for those mentioned in note 18, are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001. 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 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/-	Company & FBR	22 May 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 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 throughits 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.No demand order has been recieved from FBR and commisioner has not challenged the appeal order before appellate tribunal. 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.	Company & FBR	26 April 2021

35. EARNINGS PER SHARE - BASIC AND DILUTED

	2023	2022
	(Rupees)	
(Loss) / profit for the year attributable to ordinary shareholders of the Company	**(1,255,668,251)**	267,167,057
	(Number)	
Weighted average number of ordinary shares - outstanding during the year	**251,250,000**	251,250,000
	(Rupees)	
(Loss) / Earnings per share - basic and diluted	**(5.00)**	1.06

36. TRANSACTIONS WITH RELATED PARTIES

36.1 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 carried out on agreed terms 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 of shareholding	Transactions during the year and year end balances	Note	2023	2022
				-------------(Rupees)-------------	
SAIL	Subsidiary company -	Toll manufacturing	29.4	**289,302,292**	468,400,059
	54% holding (2022:	Payments made during the year		**728,418,089**	579,754,846
	54%)	Mark-up charged during the year		**71,753,760**	55,204,356
		Loan received during the year		**60,000,000**	31,838,848
		Amount (due to) / due from at the year end	26.1	**299,964,849**	(109,800,483)
		Loan due at the year end	26.1	**350,664,263**	410,664,263
		Mark-up receivable at the year end	26.1	**159,681,828**	87,928,068
		Other payable	26.1.3	**30,872,025**	29,710,301

Description of the related parties	Relationship and percentage of shareholding	Transactions during the year and year end balances	Note	2023	2022
				-------------(Rupees)-------------	
MAIL	Subsidiary company -	Toll manufacturing	29.4	**126,984,875**	162,605,367
	60% holding (2022:	Payments made during the year		**203,807,852**	218,028,519
	60%)	Mark-up charged during the year		**13,058,427**	15,332,970
		Loan received during the year		**63,500,000**	29,568,088
		Amount (due to) / due from at the year end	26.1	**31,087,216**	(32,915,838)
		Loan due at the year end	26.1	**46,372,788**	109,872,788
		Mark-up receivable at the year end	26.1	**36,905,189**	23,846,762

Description of the related parties	Relationship and percentage shareholding	Transactions during the year and year end balances	Note	2023	2022
				-------------(Rupees)-------------	
HAWL	Subsidiary company -	Loan due at year end Net of provision of Rs. 422,589,329	26.1	**1,602,144,579**	2,039,529,541
	65.38% holding (2022:	Loan received during the year		**(14,795,633)**	429,470,641
	65.38%)	Mark-up income on loan	32	**391,538,682**	235,904,766
		Mark-up receivable at the year end Net of provision of Rs. 922,422,254	26.1	**-**	530,883,572
SMPL	Subsidiary company -	Loan due at the year end	26.1	**9,874,000**	8,904,000
	100% holding (2022:	Loan disbursed during the year		**(970,000)**	2,780,000
	100%)	Mark-up on loan		**1,876,651**	940,801
		Amount due at the year end	26.1.3	**3,706,788**	3,706,788
		Mark-up receivable at the year end	26.1	**3,258,919**	1,382,268
Syed Shahid Ali shah	Director	Loan due at the year end	26.2	**250,000,000**	-
		Mark-up receivable at the year end	26.2	**4,800,890**	-
Provident fund	Defined contribution plan	Receivable from / (payable to) Provident Fund	13	**16,233,600**	4,318,920
Employee benefits - gratuity	Defined benefit scheme	Expense for the year	22.2.3	**5,666,506**	16,314,747
		Contribution paid during the year	22.2.5	**8,512,000**	5,510,000
		Balance at the year end liability	22.2.5	**(29,052,445)**	(35,100,894)
IGI General Insurance Limited	Common directorship	Payment for services		**5,703,418**	4,671,870
First Treet Manufacturing Modaraba	Common directorship	Purchase of batteries		**218,939**	159,470

36.2 The remuneration of Board of Directors (executive and non-executive) and all members of the Company`s Management Team is disclosed in the note 41 to these unconsolidated financial statements. Certain finance support and administrative services are provided to Group company's free of cost.

37 Reconciliation of movement of equity and liabilities to cash flows arising from financing activities

	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)
Payment / advance given to subsidiaries	-	-	(142,716,321)	-	(142,716,321)
Addition during the year	-	11,536,500	-	-	11,536,500
Loan received from associate	-	-	250,000,000	-	250,000,000
Mark-up payable to associate	-	-	4,800,890	-	4,800,890
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**

	2022				
	Liabilities				
	Long term loan	Lease liabilities	Due to related parties	Unclaimed dividend	Total
	(Rupees)				
Balance as at 1 July 2021	451,758,622	1,749,826	204,344,517	3,527,781	661,380,746
Changes from financing cash flows					
Payment of lease rentals	-	(8,281,510)	-	-	(8,281,510)
Loan adjusted against issue of right shares	-	-	(204,344,517)	-	(204,344,517)
Addition during the year	-	34,201,600	-	-	34,201,600
Proceeds from loans and borrowings - net	151,297,491	-	142,716,321	-	294,013,812
Total changes from financing cash flows	151,297,491	25,920,090	(61,628,196)	-	115,589,385
Liability - related other changes					
Government grant income during the year	(3,456,285)	-	-	-	(3,456,285)
Finance costs charged during the year	-	2,658,343	-	-	2,658,343
Total liability - related other changes	(3,456,285)	2,658,343	-	-	(797,942)
Balance as at 30 June 2022	599,599,828	30,328,259	142,716,321	3,527,781	776,172,189

38. 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.

38.1 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.

38.2 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	2023	2022
		(Rupees)	
Trade debts - net	10	**424,653,384**	909,494,124
Loans	12	**19,894,538**	73,357,348
Deposits and other receivables	13	**114,291,067**	12,056,566
Due from related parties - unsecured	26	**2,580,326,357**	3,252,222,264
Bank balances and term deposit receipts	16	**14,406,997**	10,056,750
		3,153,572,343	4,257,187,052

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**	**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%**

Bank Name	Rating Agency	Short term rating	2022 (Rupees)	(%)
Bank AL Habib Limited	PACRA	A-1+	4,129,031	41.1%
Meezan Bank Limited	JCR-VIS	A-1+	2,188,089	21.8%
National Bank of Pakistan	PACRA	A-1+	456,757	4.5%
Allied Bank Limited	PACRA	A-1+	619,506	6.2%
Bank Alfalah Limited	PACRA	A-1+	808,000	8.0%
MCB Islamic Bank	PACRA	A-1	219,553	2.2%
Habib Bank Limited	VIS	A-1+	627,906	6.2%
Al Baraka Bank (Pakistan) Limited	VIS	A-1	732,443	7.3%
BankIslami Pakistan Limited	PACRA	A-1	275,465	2.7%
			10,056,750	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 90% as at 30 June 2023 (2022: 85.3%).

Impairment losses and past due balances

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

	2023			2022		
	Gross	Impairment	Net	Gross	Impairment	Net
	(Rupees)			(Rupees)		
Less than or equal to 30 days	**347,608,040**	**-**	**347,608,040**	874,495,997	-	874,495,997
More than 30 days but not more than 90 days	**19,522,473**	**-**	**19,522,473**	19,172,103	-	19,172,103
More than 90 days but not more than 180 days	**57,522,872**	**-**	**57,522,872**	15,826,024	-	15,826,024
More than 180 days	**-**	**-**	**-**	-	-	-
	424,653,385	**-**	**424,653,385**	909,494,124	-	909,494,124

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. However, ECL is provided against loan and markup receivable considering negative breakup value of HAWL as at year end. Refer note 8.1.3.

38.3 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

		2023					
	Note	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	1,878,992,218	1,878,992,218	156,582,685	313,165,370	1,409,244,165	-
Trade and other payables	27	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	26	254,800,890	254,800,890	254,800,890	-	-	-
Unclaimed dividend		3,527,781	3,527,781	3,527,781	-	-	-
		3,016,101,202	3,016,101,202	645,270,913	538,120,872	1,580,280,655	252,428,762

		2022					
		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	2,224,673,253	2,224,673,253	185,389,438	370,778,876	1,668,504,942	-
Trade and other payables	27	482,231,107	482,231,107	120,557,777	289,338,664	72,334,666	-
Lease liabilities	20	30,328,259	2,032,878	89,753	179,506	524,829	1,238,790
Accrued mark-up on short-term borrowings		53,430,791	53,430,791	53,430,791	-	-	-
Long-term loans	22	240,869,432	314,411,479	-	-	-	314,411,479
Current portion of long-term loans	22	370,637,176	232,988,869	101,520,275	37,440,026	94,028,568	-
Due to related parties	25	142,716,321	142,716,321	142,716,321	-	-	-
Unclaimed dividend		3,527,781	3,527,781	3,527,781	-	-	-
		3,548,414,120	3,456,012,479	607,232,136	697,737,072	1,835,393,005	315,650,269

38.3.1 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 year ended June 30, 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 it's operations.

38.4 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:

38.4.1 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:

	2023		
	USD	**CNY**	**JPY**
Creditors	**247,375**	**125,304**	**6,816,400**
Net balance sheet exposure	**247,375**	**125,304**	**6,816,400**

	2022		
	USD	CNY	JPY
Creditors	1,736,191	-	177,840,115
Net balance sheet exposure	1,736,191	-	177,840,115

The following significant exchange rates applied during the year:

	Average rate		Balance sheet date rate	
	2023	2022	**2023**	2022
USD to Pak Rupees	**245.25**	181.02	**285.99**	204.50
CNY to Pak Rupees	**35.13**	27.48	**39.67**	30.60
JPY to Pak Rupees	**1.75**	1.47	**1.99**	1.50

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, CNY and JPY at 30 June 2023 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 2022.

	2023		2022	
As at 30 June	**Profit or loss**	**Equity**	Profit or loss	Equity
.	**(Rupees)**		(Rupees)	
Effect of change in USD	**7,074,678**	**7,074,678**	35,505,106	35,505,106
Effect of change in SGD	**4,970,810**	**4,970,810**	-	-
Effect of change in JPY	**1,356,464**	**1,356,464**	26,676,017	26,676,017
Gross exposure	**13,401,952**	**13,401,952**	**62,181,123**	**62,181,123**

The Company does not have any foreign currency borrowings as at 30 June 2023.

38.4.2 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	2023	2022
		(Rupees)	
Variable rate instruments			
Financial assets			
Loan to HAWL	26.1	**1,602,144,579**	2,039,529,541
Loan to SAIL	26.1	**350,664,263**	410,664,263
Loan to MAIL	26.1	**46,372,788**	109,872,788
Loan to SMPL	26.1	**9,874,000**	8,904,000
		2,009,055,630	2,568,970,592
Financial liabilities			
Loan from JS Bank Limited	23	**156,750,000**	213,750,000
Loan from Orix Leasing Pakistan Limited	23	**54,817,643**	80,903,556
Loan from director	26.2	**250,000,000**	-
Short-term borrowings	25	**1,878,992,218**	2,224,673,253
Lease liabilities	20	**31,333,265**	30,328,259
		(362,837,496)	19,315,524
Fixed rate instruments			
Financial assets			
Loans to employees - considered good and unsecured	12.2	**11,931,299**	43,218,031
Loans to workers - considered good and unsecured	12	**7,963,239**	30,139,317
		19,894,538	73,357,348
Financial liabilities			
Term finance - under SBP refinance scheme for payment of wages and salaries	23	**-**	32,056,291
		19,894,538	41,301,057

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 2023				
Cash flow sensitivity - variable rate instruments	**(1,128,375)**	**1,128,375**	**(1,128,375)**	**1,128,375**
As at 30 June 2022				
Cash flow sensitivity - variable rate instruments	193,155	(193,155)	193,155	(193,155)

38.4.3 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 2023, 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 2023. The analysis is based on the assumption that KSE-100 index increased by 10% (2022: 10%) and decreased by 10% (2022: 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:

	2023	2022
	(Rupees)	
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'		
Effect on investments	**773,794**	1,420,965
Effect on profit or loss	**7,466**	9,072
Effect on equity	**773,794**	1,420,965
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'		
Effect on investments	**(773,794)**	(1,420,965)
Effect on profit or loss	**(7,466)**	(9,072)
Effect on equity	**(773,794)**	(1,420,965)

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 2023 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

38.5 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.

39. 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 entity 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 entity may adjust the amount of dividend paid to the shareholders or issue bonus / new shares. The entity 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 entity is as follows:

	2023	2022
	(Rupees)	
Debt	**2,311,811,286**	2,866,508,120
Total equity	**2,970,365,545**	4,299,849,292
Total capital	**5,282,176,831**	7,166,357,412
Gearing ratio	**44:56**	40:60

40. 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 date (i.e. unobservable inputs).

40.1 Fair Value Hierarchy

Fair value less cost to sell as determined by management by engaging professional valuer fall under category of level 3 measurement in the fair value hierarchy. Valuer has based his assessment on market information and the value determined is Rs. 982.22 million for land, Rs. 93.29 million for buildings and Rs. 638.018 million for plant and machinery. 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 financial statements.

40.2 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.

		2023								
		Carrying amount					Fair value			
30 June 2023	Note	**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**
		(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	40.2.1	**-**	**-**	**300,000,000**	**-**	**300,000,000**				
Trade debts - net	40.2.1	**-**	**-**	**424,653,384**	**-**	**424,653,384**				
Loans	40.2.1	**-**	**-**	**19,894,538**	**-**	**19,894,538**				
Deposits and other receivables	40.2.1	**-**	**-**	**114,291,067**	**-**	**114,291,067**				
Due from related parties	40.2.1	**-**	**-**	**2,580,326,357**	**-**	**2,580,326,357**				
Cash and bank balances	40.2.1	**-**	**-**	**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	40.2.1	-	**-**	**-**	**1,878,992,218**	**1,878,992,218**				
Trade and other payables	40.2.1	**-**	-	**-**	**339,091,646**	**339,091,646**				
Lease liabilities	40.2.1	**-**	**-**	**-**	**31,333,265**	**31,333,265**				
Accrued mark-up on short term borrowings	40.2.1	**-**	**-**	**-**	**106,869,599**	**106,869,599**				
Long term loan	40.2.1	**-**	**-**	**-**	**228,096,764**	**228,096,764**				
Current portion of long term loan	40.2.1	**-**	**-**	**-**	**173,389,039**	**173,389,039**				
Due to related parties	40.2.1	**-**	**-**	**-**	**254,800,890**	**254,800,890**				
Unclaimed dividend	40.2.1	**-**	**-**	**-**	**3,527,781**	**3,527,781**				
		-	**-**	**-**	**3,016,101,202**	**3,016,101,202**				

		2022								
		Carrying amount					Fair value			
30 June 2022	Note	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
		(Rupees)								
Financial assets - measured at fair value										
Equity securities		907,153	15,352	-	-	922,505	922,505	-	-	922,505
Equity securities - associate		-	141,173,954	-	-	141,173,954	141,173,954	-	-	141,173,954
Financial assets - not measured at fair value										
Subsidiaries - unlisted shares	40.2.1	-	-	1,159,960,000	-	1,159,960,000				
Trade debts - net	40.2.1	-	-	909,494,124	-	909,494,124				
Loans	40.2.1	-	-	73,357,348	-	73,357,348				
Deposits and other receivables	40.2.1	-	-	12,056,566	-	12,056,566				
Due from related parties	40.2.1	-	-	3,252,222,264	-	3,252,222,264				
Cash and bank balances	40.2.1	-	-	11,719,932	-	11,719,932				
		907,153	141,189,306	5,418,810,234	-	5,560,906,693				
Financial liabilities - not measured at fair value										
Short term borrowings	40.2.1	-	-	-	2,224,673,253	2,224,673,253				
Trade and other payables	40.2.1	-	-	-	482,231,107	482,231,107				
Lease liabilities	40.2.1	-	-	-	30,328,259	30,328,259				
Accrued mark-up on short term borrowings	40.2.1	-	-	-	53,430,791	53,430,791				
Long term loan	40.2.1	-	-	-	240,869,432	240,869,432				
Current portion of long term loan	40.2.1	-	-	-	370,637,176	370,637,176				
Due to related parties	40.2.1	-	-	-	142,716,321	142,716,321				
Unclaimed dividend	40.2.1	-	-	-	3,527,781	3,527,781				
		-	-	-	3,548,414,120	3,548,414,120				

40.2.1 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.

41. 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:

	2023					2022				
	Chief Executive	Executive Director	Non - Executive Directors	Executives	Total	Chief Executive	Executive Director	Non - Executive Directors	Executives	Total
	(Rupees)					(Rupees)				
Managerial remuneration	11,681,010	4,574,700	-	20,402,210	36,657,920	12,538,800	4,644,000	-	22,339,648	39,522,448
Housing and utilities	12,654,427	4,955,925	-	26,302,065	43,912,417	13,583,700	5,031,000	-	29,538,396	48,153,096
Bonus	5,821,875	2,156,250	-	9,788,439	17,766,564	5,062,500	1,875,000	-	5,596,003	12,533,503
Medical	1,134,805	194,583	-	873,867	2,203,255	898,735	169,992	-	1,006,557	2,075,284
Company's contribution to retirement benefits funds	-	457,470	-	1,488,059	1,945,529	-	464,400	-	1,055,579	1,519,979
Meeting fee	-	-	860,000	-	860,000	-	-	1,942,000	-	1,942,000
	31,292,117	12,338,928	860,000	58,854,640	103,345,685	32,083,735	12,184,392	1,942,000	59,536,183	105,746,310
Number of persons	1	1	5	8	15	1	1	5	6	13

41.1 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. 68.4 million (2022: Rs. 72.10 million).

42. PROVIDENT FUND

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

	2023 (Un-audited)	2022 (Audited)
	(Rupees)	
Size of the Fund	47,018,328	61,947,294
Costs of investments made	47,014,150	52,281,204
Amortised cost of investments	47,014,150	53,603,148
Percentage of investments made - based on fair value / amortised cost	100%	86.52%

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

	2023 (Un-audited)	2022 (audited)	2023 (Un-audited)	2022 (audited)
	(Rupees)		(% of the size of the fund)	
Term finance certificates	-	140,000	0.00%	0.23%
Mutual fund units	16,526,805	6,467,516	35.15%	10.43%
Government securities	29,245,926	43,198,765	62.21%	69.66%
Equity securities	1,241,419	4,421,255	2.64%	7.13%
	47,014,150	54,227,536	100%	87.45%

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 2023

43. 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.

44. NUMBER OF EMPLOYEES

	2023	2022
	(Number)	
Total number of employees at reporting date	**382**	733
Total number of factory employees at reporting date	**234**	547
Average number of employees during the year	**558**	714
Average number factory of employees during the year	**391**	570

45. OPERATING SEGMENTS

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

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

45.3 All non-current assets of the Company as at 30 June 2023 are located in Pakistan.

45.4 Sales to four major customers of the Company is around 90% during the year ended 30 June 2023 (2022: 89%).

46. GENERAL

46.1 Authorisation for issue

These unconsolidated financial statements were authorised for issue in the Board of Directors meeting held on October 03, 2023.

Chief Financial Officer | Chief Executive | Director


81%
56%
30%
75%
55%
30%

Financial statements (Consolidated)

YOUSUF ADIL

Yousuf Adil
Chartered Accountants

Cavish Court, A-35, Block 7 & 8
KCHSU, Shahrah-e-Faisal
Karachi-75350
Pakistan

Tel: +92 (0) 21 3454 6494-7
Fax: +92 (0) 21-3454 1314
www.yousufadil.com

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, 2023, and the consolidated statement of profit or loss and other 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 a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at June 30, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

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.	**Revenue Recognition** Refer notes 5.14 & 28 to the consolidated financial statements which shows group's revenue for the year ended 30 June 2023 was Rs. 4,493.83 million. The group's revenue is principally generated from the sale of radiators, exhaust systems and other components for automotive industry (collectively referred as "Products").	Our procedures amongst others, included the following: • Obtained an understanding of the process relating to recognition of revenue and tested the design and operating effectiveness of key controls of revenue recognition; • 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;

Independent Correspondent Firm to
Deloitte Touche Tohmatsu Limited

Sr. No.	Key audit matters	How the matters were addressed in our audit
	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.	• 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.
2.	**Impairment in fixed assets** Refer note 6.2.1.2 to the consolidated financial statements. During the year, an impairment of Rs. 1,199 million has been charged in the accompanying consolidated financial statements which relates to fixed assets of subsidiary Company Hi Tech Alloy Wheels Limited (HAWL). Considering the quantitative impact of the above mentioned impairment and involvement of management's judgement and assumptions in determining such impact, we consider the impairment of fixed assets as a key audit matter.	Our procedures amongst others, included the following: • Evaluated the appropriateness of the Group's accounting policies for the valuation of fixed assets, including their compliance with applicable accounting standards. • Evaluated the appropriateness of Group's process regarding impairment assessment i.e management involved a valuation expert, to assist them in assessing the appropriateness of the recoverable amount. • Obtained the valuation reports of management expert and evaluated the reasonableness of the assumptions and inputs used by management expert in determining the fair values/recoverable amount including consideration of market data, valuation methodologies and impact of other factors. • Engaged our own valuation expert to assess the reasonableness and accuracy of the fair values/ recoverable amount determined by the management expert. • Reviewed the calculation of impairment of fixed assets and their impact on the amount recognized in financial statements and checked the Board approvals. • Assessed the adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable financial reporting standards.

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.

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.

Other Matter

The consolidated financial statements for the year ended June 30, 2022 were audited by another firm of chartered accountant who expressed an unmodified opinion on the financial statements on October 7, 2022.

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

Yousuf Adil
Chartered Accountants

Place: Karachi
Date: October 4, 2023
UDIN: AR202310099YjBnJlG2E

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023	2022
ASSETS		(Rupees)	
Non-current assets			
Property, plant and equipment	6	**4,234,083,958**	5,270,345,813
Intangible assets	7	**1,504,305**	2,879,505
Long-term Investments	8	**87,171,573**	149,238,235
Long-term loans	11	**5,943,868**	7,644,157
Deferred tax assets	22	**22,111,999**	-
		4,350,815,703	5,430,107,710
Current assets			
Stores, spares and loose tools	29.2	**66,676,325**	55,063,066
Stock-in-trade	9	**1,054,302,685**	1,618,931,498
Trade debts - net	10	**424,653,384**	909,494,124
Loans and advances	12	**109,688,024**	253,365,717
Due from related party	36	**1,150,380**	1,150,380
Deposits, prepayments and other receivables	13	**352,970,437**	495,687,252
Taxation - net	14	**398,065,618**	317,350,627
Short-term Investments	15	**792,171**	922,502
Cash and bank balances	16	**31,323,411**	30,371,640
		2,439,622,435	3,682,336,806
Assets held for sale	17	**54,181,224**	-
		2,493,803,659	3,682,336,806
Total assets		**6,844,619,362**	9,112,444,516
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		**(1,787,796)**	(1,818,044)
Accumulated loss / Unappropriated profit		**(1,040,322,294)**	269,956,095
Equity attributable to owners of the Parent Company		**2,540,455,343**	3,850,703,484
Non controlling Interests	20	**(374,519,381)**	110,305,074
		2,165,935,962	3,961,008,558
LIABILITIES			
Non-current liabilities			
Lease liabilities	21.1	**24,331,998**	23,828,164
Defined benefit obligation - net	23	**29,052,445**	35,100,894
Long term loans	24	**872,629,618**	1,229,817,007
Deferred tax liabilities	22	**-**	24,389,285
Gas Infrastructure Development Cess		**-**	47,239
		926,014,061	1,313,182,589
Current liabilities			
Current maturity of lease liabilities	21.1	**7,001,267**	6,500,095
Current portion of long-term loans	24	**517,318,320**	433,625,552
Current portion of deferred grant	25	**-**	424,227
Short-term borrowings	26	**1,883,751,991**	2,226,407,411
Trade and other payables	27	**908,194,157**	1,064,498,286
Due to related party	36	**22,048,871**	22,048,871
Loan from director		**256,800,890**	4,000,000
Unclaimed dividend		**3,527,781**	3,527,781
Accrued mark-up on short-term financing		**154,026,062**	77,221,146
		3,752,669,339	3,838,253,369
Total equity and liabilities		**6,844,619,362**	9,112,444,516
CONTINGENCIES AND COMMITMENTS	18		

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		(Rupees)	
Revenue - net	28	**4,493,834,371**	7,791,955,309
Cost of revenue	29	**(3,723,797,005)**	(6,844,515,665)
Gross profit		**770,037,366**	947,439,644
Administrative, selling and general expenses	30	**(354,777,517)**	(306,958,075)
Impairment of property, plant and equipement	6.2.1	**(1,199,617,638)**	-
Expected credit loss (ECL)	13	**(258,314,275)**	-
Other expenses	31	**(8,341,348)**	(46,401,555)
Other income	32	**183,354,824**	84,734,309
Operating (loss) / profit		**(867,658,588)**	678,814,323
Finance costs	33	**(784,966,470)**	(492,756,160)
Share of profit / (loss) in associate - net	8.1.2	**3,803,800**	(8,370,342)
Provision for impairment in associate	8.1.2	**(65,735,339)**	(21,888,597)
(loss) / profit before taxation		**(1,714,556,597)**	155,799,224
Taxation	34	**(83,808,382)**	(242,054,431)
Loss for the year		**(1,798,364,979)**	(86,255,207)
Profit / (loss) attributable to:			
Owners of the Parent Company		**(1,313,540,524)**	1,194,471
Non-controlling interests	20	**(484,824,455)**	(87,449,678)
		(1,798,364,979)	(86,255,207)
(Loss) / Earning per share - basic and diluted	35	**(5.23)**	0.005

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		(Rupees)	
Loss for the year		**(1,798,364,979)**	(86,255,207)
Other comprehensive income for the year - net of tax			
Items that will not be subsequently reclassified to profit or loss			
Re-measurement (loss) on defined benefit obligation - net of tax	23.2.4	**(3,990,164)**	(13,239,493)
Change in fair value of equity investments at FVOCI - net of tax	15.2.1	**30,248**	1,862
Share of other comprehensive gain / (loss) in associate - net of tax	8.1.2	**7,252,299**	(6,482,421)
Total comprehensive loss for the year		**(1,795,072,596)**	(105,975,259)
Total comprehensive income / (loss) attributable to			
Owners of the Parent Company		**(1,310,248,141)**	(18,525,581)
Non-controlling interests	20	**(484,824,455)**	(87,449,678)
		(1,795,072,596)	(105,975,259)

The annexed notes from 1 to 46 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 2023

	Attributable to owners of the Parent Company						
	Share capital	Capital reserve	Revenue reserves				
	Issued, subscribed and paid up capital	Share premium	Fair value reserve	Unappropriated profit / (loss)	Total	Non controlling interests	Total equity
	(Rupees)						
Balance at 1 July 2021	2,512,500,000	1,070,065,433	(1,819,906)	288,483,538	3,869,229,065	197,754,752	4,066,983,817
Total comprehensive income for the year ended 30 June 2021							
Profit / (loss) for the year	-	-	-	1,194,471	1,194,471	(87,449,678)	(86,255,207)
Re-measurement gain on defined benefit obligation - net of tax	-	-	-	(13,239,493)	(13,239,493)	-	(13,239,493)
Change in fair value of equity investments at	-	-	1,862	-	1,862	-	1,862
Share of other comprehensive loss in associate - net of tax	-	-	-	(6,482,421)	(6,482,421)	-	(6,482,421)
	-	-	1,862	(18,527,443)	(18,525,581)	(87,449,678)	(105,975,259)
Balance at 30 June 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 loss 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**

The annexed notes from 1 to 46 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 2023

	Note	2023	2022
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(1,714,556,597)**	155,799,224
Adjustments for:			
Depreciation	6.1	**75,176,350**	88,083,629
Amortisation	7	**1,375,200**	1,246,096
Provision for obsolescence and slow moving stocks - net	9.1	**10,392,962**	6,038,204
Finance costs	33	**726,976,001**	413,674,579
Finance lease charges	33	**5,353,710**	2,658,343
Provision for gratuity	23.2.3	**5,666,506**	16,314,747
Gain on disposal of property, plant and equipment	32	**(65,387,115)**	(3,381,635)
Share of profit in associate continued - net of tax		**(3,803,800)**	8,370,342
Provision for impairment against associate		**65,735,339**	21,888,597
Impairment of property, plant and equipement		**1,199,617,638**	-
ECL of advances, deposits and other receivable	13	**258,314,275**	-
Reversal of provision unclaimed input tax	32	**(68,135,931)**	-
Mark-up income on saving account	32	**(1,141,875)**	(203,572)
Dividend income	32	**(26,244)**	(4,898,968)
Mark-up income on loans to employees	32	**(560,554)**	(2,241,920)
Income on investment in PIB	32	**(852,877)**	(863,050)
Gain on disposal of investment	32	**-**	(50,323,849)
Government grant	32	**(413,421)**	(8,361,186)
		493,729,567	643,799,581
Working capital changes			
(Increase) / decrease in current assets			
Stores, spares and loose tools		**(11,613,259)**	15,748,834
Stock-in-trade		**554,235,851**	(237,934,944)
Trade debts - net		**484,840,740**	(433,190,388)
Loans and advances		**145,377,982**	(119,878,567)
Deposits, prepayments and other receivables		**(115,597,460)**	16,324,709
		1,057,243,854	(758,930,356)
Increase / (decrease) in current liabilities			
Trade and other payables		**(82,152,116)**	549,547,289
Cash generated from operations		**1,468,821,305**	434,416,514
Contributions paid to defined benefit plan	23.2.2	**(9,541,993)**	(5,510,000)
Mark-up received from loans to employees		**560,554**	2,241,920
Finance cost paid		**(649,757,664)**	(407,541,378)
Income taxes paid - net		**(215,460,402)**	(336,671,767)
Net cash generated from / (used in) operating activities		**594,621,800**	(313,064,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of property, plant and equipment		**(318,966,742)**	(75,227,217)
Proceeds from disposal of property and equipment	6.1.7	**103,177,000**	10,034,550
Proceeds from redemption of investments		**-**	4,921
Proceeds from disposal of investment		**-**	205,632,646
Coupon received on PIB		**852,877**	863,050
Mark-up received on bank deposits		**1,141,875**	203,572
Dividend received		**26,244**	4,898,968
Net cash (used in) / generated from investing activities		**(213,768,746)**	146,410,481
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments against finance lease obligation	21	**(15,885,204)**	(8,281,510)
Loans obtained / (repaid) to directors		**252,800,890**	4,000,000
Long term loans obtained from banking company	37	**53,592,000**	438,073,276
Proceeds from Invoice bill discounting		**(290,737,598)**	1,051,034,518
Loan repaid to banking company	37	**(327,753,549)**	(643,367,948)
Net cash (used in) / generated from financing activities		**(327,983,461)**	841,458,336
Net increase in cash and cash equivalents		**52,869,593**	674,804,106
Cash and cash equivalents at beginning of the year		**(1,145,001,253)**	(1,819,805,359)
Cash and cash equivalents at end of the year	16.2	**(1,092,131,660)**	(1,145,001,253)

The annexed notes from 1 to 46 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 2023

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.

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

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

Name of the Companies	Incorporation date	Effective holding %		Principle line of business
		2023	**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	**2.85%**	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.

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 38.3.1.

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:

- 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 34).

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

4.1 New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2023

4.1.1 The following standards, amendments and interpretations are effective for the year ended June 30, 2023. 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 IFRS 3 'Business Combinations' - Reference to the conceptual framework.

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use.

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract.

Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41).

4.1.1.2 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.

	Effective from accounting period
- Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies.	January 01, 2023
- Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
- Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
- Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023
- Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2024
- Amendments to IFRS 16 ' Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024

	Effective from accounting period
- Amendments to IAS 7 'Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
- Amendments to IFRS 10 and 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 01, 2024

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 17 – Insurance Contracts

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

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 favourable 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 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 asset's 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 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.

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

In accordance with IFRS-9 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.

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.

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.

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.

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 26.4.

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.

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 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 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.

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	2023	2022
		(Rupees)	
Operating assets	6.1	**875,297,990**	786,520,790
Capital work-in-progress	6.2	**3,358,785,968**	4,483,825,023
		4,234,083,958	5,270,345,813

6.1 Operating assets

2023

	Cost						Annual rate	Accumulated depreciation						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	As at 30 June 2023	
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	-	-	-	-	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 6.1.4)	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

2022

	Cost						Annual rate	Accumulated depreciation						Net book value as at 30 June 2022
	As at 1 July 2021	Additions / transfers	Transfer from leased assets	(Disposals)	Non-current assets classified as held for sale	As at 30 June 2022		As at 1 July 2021	For the year	Transfer from leased assets	(Disposal)	Non-current assets classified as held for sale	As at 30 June 2022	
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	-	-	-	-	19,703,315	-	60,252	60,252	-	-	-	120,504	19,582,811
Building on leasehold land	332,782,387	4,472,339	-	-	-	337,254,726	5	111,939,441	11,455,684	-	-	-	123,395,125	213,859,601
Plant and machinery (note 6.1.5)	833,488,072	31,343,690	-	-	-	864,831,762	10 - 20	442,368,717	43,993,484	-	-	-	486,362,201	378,469,561
Tools and equipment	313,214,865	28,268,983	-	-	-	341,483,848	10 - 35	255,419,506	16,176,025	-	-	-	271,595,531	69,888,317
Furniture, fittings and office equipment	68,192,857	7,794,603	-	-	-	75,987,460	10 - 30	48,702,274	5,165,044	-	-	-	53,867,318	22,120,142
Vehicles	99,388,819	66,700	-	(20,743,810)	-	78,711,709	20	70,137,012	4,557,908	-	(14,090,895)	-	60,604,025	18,107,684
Leased														
Vehicles	5,864,842	42,184,000	-	-	-	48,048,842	20	1,960,936	6,675,232	-	-	-	8,636,168	39,412,674
	1,697,715,157	114,130,315	-	(20,743,810)	-	1,791,101,662		930,588,138	88,083,629	-	(14,090,895)	-	1,004,580,872	786,520,790

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. Currently, this plot of land is not being used. Leasehold land is situated at Plot No. 23, Sector 19, Korangi Industrial Area, Karachi which represents total area of 8,888.88 square yards.

6.1.2 Carrying amount of temporary idle property of the Group.

	2023	2022
	(Rupees)	
Freehold land	**25,080,000**	25,080,000

6.1.3 Land and buildings are subject to a first equitable mortgage against the running finance facility of Rs. 1,251.76 million (2022: Rs. 984.76 million) obtained from JS Bank Limited, Al Baraka Bank and Pak Kuwait Investment Company Pvt Ltd (note 26.1).

6.1.4 Plant and machinery are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 1,201 million and Rs. 520 million (2022: Rs. 801 million and Rs. 920 million) respectively. These charges are against different financing facilities obtained from various banks (note 26.1).

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:

	Note	2023	2022
		(Rupees)	
Cost of sales	29	**64,279,177**	77,532,663
Administrative, selling and general expenses	30	**10,897,173**	10,550,965
		75,176,350	88,083,628

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	2023							
	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss) on disposal	Particulars of the purchaser	Mode of disposal	Relationship with the purchaser
Owned	(Rupees)							
Vehicles								
Suzuki Bolan CU-4503	680,000	588,383	91,617	642,878	551,261	Hassan Muhammad	Negotiation	Third party
Suzuki Mehran BFG-254	688,000	460,991	227,009	954,451	727,442	Hassan Muhammad	Negotiation	Third party
Suzuki Pick-Up KU-3881	648,920	521,573	127,347	746,736	619,389	Hassan Muhammad	Negotiation	Third party
Suzuki Alto AVU-489	732,000	489,223	242,777	798,664	555,887	Asif	Company Policy	Employee
Toyota Corolla BFS-573	1,842,500	1,234,557	607,943	3,276,705	2,668,762	Rasool Bukhsh	Negotiation	Third party
Master Truck JU-5221	1,623,500	1,480,265	143,235	1,511,943	1,368,708	Muhammad Talha	Negotiation	Third party
Master Truck JU-0520	1,895,000	1,494,830	400,170	1,745,623	1,345,453	Muhammad Talha	Negotiation	Third party
Plant and machinery	101,545,838	65,596,051	35,949,787	93,500,000	57,550,213	Asian Salvaging Company	Negotiation	Third party
	109,655,758	71,865,873	37,789,885	103,177,000	65,387,115			

6.2 Capital work-in-progress

	Note	2023	2022
		(Rupees)	
Plant and machinery		**3,084,692,890**	3,084,692,890
Building and construction work		**1,370,213,887**	1,367,650,359
Tools and equipment		**103,496,829**	31,481,774
	6.2.1	**4,558,403,606**	4,483,825,023
Provision for impairment of HAWL	6.2.1.1	**(1,199,617,638)**	-
		3,358,785,968	4,483,825,023

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

	Note	2023	2022
Balance at beginning of the year		**4,483,825,023**	4,488,526,521
Additions during the year		**330,353,242**	99,694,096
Transferred to operating property, plant and equipment		**(255,774,659)**	(104,395,594)
Provision for impairment of HAWL	6.2.1.1	**(1,199,617,638)**	-
Balance at end of the year		**3,358,785,968**	4,483,825,023

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6.2.1.1 As at June 30, 2023, 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 impaiment
	(Rupees)			
Building	1,415,278,727	(819,302,083)	595,976,644	819,302,083
Plant & Machinery	3,065,150,394	(2,461,509,400)	603,640,994	2,461,509,400
	4,480,429,121	**(3,280,811,483)**	**1,199,617,638**	**3,280,811,483**

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

2023

	Cost				Useful life	Amortisation				Net book value as at 30 June 2023
	As at 1 July 2022	**Addition**	**(Disposals)**	**As at 30 June 2023**		**As at 1 July 2022**	**For the year**	**(Disposals) June 2023**	**As at 30 June 2023**	
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	**21,654,365**	**-**	-	**21,654,365**	**3**	**18,774,864**	**1,375,200**	-	**20,150,060**	**1,504,305**

2022

	Cost				Useful life	Amortisation				Net book value as at 30 June 2022
	As at 1 July 2021	Addition	(Disposals)	As at 30 June 2022		As at 1 July 2021	For the year	(Disposals)	As at 30 June 2022	
	(Rupees)				(Years)	(Rupees)				
Computer software and licenses	17,528,764	4,125,601	-	21,654,365	3	17,528,764	1,246,096	-	18,774,864	2,879,505

7.1 At 30 June 2023, 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 30).

7.3 Computer software relates to SAP business license.

8. LONG-TERM INVESTMENTS

	Note	2023	2022
		(Rupees)	
Investment in associate - listed (Treet Corporation Limited)	8.1	**76,587,215**	138,518,754
Investment in Pakistan Investment Bond (PIB)		**10,584,358**	10,719,481
		87,171,573	149,238,235

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".

2023	2022		2023	2022
(Number of shares)			(Rupees)	
		Quoted		
4,837,958	4,837,958	Treet Corporation Limited (Chief Executive Officer - Syed Shahid Ali)	**76,587,215**	138,518,754

8.1.2 Market value of investment in associate is as follows:

	Note	2023	2022
		(Rupees)	
Quoted			
Treet Corporation Limited	8.1.3	**76,587,215**	138,518,754

8.1.3 This includes 4,837,958 shares (2022: 4,837,958 shares) which have been pledged with the financial institution as security against borrowing facilities. All other shares are kept in the Central Depository Company (CDC) account of the Company.

8.1.4 Treet Corporation Limited is considered associate by virtue of common directorship i.e. (3 Directors are common out of 7 Directors). The Group has direct share holding in associate of 2.77% (2022: 2.77%) and effective share holding (due to cross holding) of 2.85% (2022: 2.85%).

8.1.5 Summarised financial information based on audited annual financial statements for the year ended 30 June 2023 and 30 June 2022 is as follows:

	2023	2022
Direct holding	**2.77%**	2.77%
Effective holding	**2.85%**	2.85%
	(Rupees in 000)	
Non-current assets	**17,821,644**	18,057,790
Current assets	**9,300,403**	7,275,237
Non-current liabilities	**(4,400,532)**	(2,528,650)
Current liabilities	**(12,866,933)**	(13,124,813)
Net assets (100%)	**9,854,582**	9,679,564
Group share of net assets	**280,855**	276,835
Negative goodwill *	**(204,268)**	(138,316)
Carrying amount of interest in associate	**76,587**	138,519

* 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.

Financial highlights of Treet Corporation Limited	Note	2023	2022
		(Rupees in 000)	
Revenue - net		**23,352,714**	15,789,923
Loss after tax (100%)		**28,385**	(292,786)
Other comprehensive loss from continuing operations - net of tax		**(73,162)**	(26,578)
Total comprehensive loss for the year (100%)		**(44,777)**	(319,364)
Share of total comprehensive loss		**(1,281)**	(9,134)
Loss after tax (2023: 2.85% 2022: 2.85%)		**812**	(8,374)
Other comprehensive income (2023: 2.85% 2022: 2.85%)		**(2,092)**	(760)
Group's share of total comprehensive loss (2023: 2.85% 2022: 2.85%)		**(1,280)**	(9,134)

9. STOCK-IN-TRADE

	Note	2023	2022
Raw material and components	9.2 & 9.3	**972,975,395**	1,544,914,809
Work-in-process		**105,801,677**	106,545,556
Finished goods		**18,447,442**	-
		1,097,224,514	1,651,460,365
Provision for obsolescence and slow moving stocks	9.1	**(42,921,829)**	(32,528,867)
		1,054,302,685	1,618,931,498

9.1 Provision for obsolescence and slow moving stocks

	Note	2023	2022
		(Rupees)	
Opening balance		**32,528,867**	26,490,663
Charge for the year	29.1	**17,192,512**	12,659,549
Reversal during the year		**(6,799,550)**	(6,621,345)
Closing balance		**42,921,829**	32,528,867

9.2 This includes raw materials in transit and in possession of Company's subsidiaries as at 30 June 2023 amounting to Rs. 288 million (2022: Rs. 522 million) and Rs. 337 million (2022: Rs. 438 million) respectively.

9.3 Raw materials held with toll manufacturers as at 30 June 2023 amounted to Rs. 19.4 million (2022: Rs. 107 million).

9.4 Inventories are subject to ranking charge and first pari passu hypothecation charge of maximum Rs. 601 million and Rs. 1,712 million (2022: Rs. 667 million and Rs. 1,978 million) respectively. These charges are against different financing facilities obtained from various banks (note 26.1).

10. TRADE DEBTS - NET

	Note	2023	2022
		(Rupees)	
Unsecured			
Considered good		**424,653,384**	909,494,124
		424,653,384	909,494,124

11. LONG-TERM LOANS

Long term portion of loan to employees	12.2	**5,943,868**	7,644,157

12. LOANS AND ADVANCES

Unsecured - considered good			
Advance to suppliers	12.1	**63,590,684**	149,614,967
Loans to employees	12.2	**7,066,348**	39,969,934
Loans to workers	12.3	**12,155,752**	55,481,455
Advance salaries		**26,750,206**	8,299,361
Advance against various expense		**125,034**	-
		109,688,024	253,365,717

12.1 This includes advance amounting to Rs. Nil (2022: Rs. 40.6 million) given to clearing agents for payment of clearing charges and other import related expenses to be incurred upon receipt of import consignment.

12.2 Loans to employees

	Note	2023	2022
		(Rupees)	
Loans to employees	12.2.1	**13,010,216**	47,614,091
Less: long-term portion		**(5,943,868)**	(7,644,157)
Current portion of loans to employees		**7,066,348**	39,969,934

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

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

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2023	2022
		(Rupees)	
Unclaimed input sales tax	13.1	**229,759,136**	225,113,709
Trade and other deposits		**4,970,145**	4,970,145
Prepayments - provident fund		**16,296,720**	4,382,040
Prepayments		**2,850,625**	6,003,681
Receivable from employees		**450,080**	310,223
Margin deposit	13.2	**110,586,046**	10,516,566
Advance against land and construction	13.3&13.4	**244,159,939**	244,143,888
PIB income receivable		**247,000**	247,000
Other receivables		**1,965,021**	-
		611,284,712	495,687,252
Expected Credit Loss			
Advances		**(28,051,939)**	-
Deposits		**(100,000)**	-
Advance to employee		**(340,080)**	-
Receivable from PF		**(63,120)**	-
Sales tax receivable		**(229,759,136)**	-
		(258,314,275)	-
		352,970,437	495,687,252

13.1 This represents input sales tax not claimed due to restriction of input tax to be adjusted up to 90% 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	2023	2022
			(Rupees)	
14.	**TAXATION - NET**			
	Advance tax net of provision		**398,065,618**	317,350,627
15.	**SHORT-TERM INVESTMENTS**			
	Equity securities - at fair value through profit or loss (FVTPL)	15.1	**746,571**	907,150
	Equity securities - at fair value through other comprehensive income (FVOCI)	15.2	**45,600**	15,352
			792,171	922,502
15.1	**Equity securities - mandatory at FVTPL**			
	Ordinary shares	15.1.1	**746,571**	907,150
			746,571	907,150

15.1.1 Ordinary shares - listed

2023	2022	Name of investee company	2023 Carrying value	2023 Market value	2023 Unrealised (loss) / gain	2022 Market value
(Number of shares / certificates)		Ordinary shares - Quoted	(Rupees)			
1	1	Agriautos Industries Limited	**134**	**62**	**(72)**	134
1	1	Al-Ghazi Tractors Limited *	**390**	**254**	**(136)**	390
1	1	Atlas Battery Limited	**172**	**204**	**32**	172
1	1	Atlas Honda Limited	**377**	**257**	**(120)**	377
1	1	The General Tyre & Rubber Company of Pakistan Limited	**34**	**20**	**(14)**	34
1	1	Honda Atlas Cars (Pakistan) Limited	**194**	**92**	**(102)**	194
1	1	Thal Limited *	**269**	**162**	**(107)**	269
230	230	Baluchistan Wheels Limited	**17,480**	**15,180**	**(2,300)**	17,480
315	315	Ghandhara Nissan Limited	**18,705**	**11,460**	**(7,245)**	18,705
300	300	Hino Pak Motors Limited	**92,160**	**56,175**	**(35,985)**	92,160
200	200	Indus Motor Company Limited	**228,882**	**188,648**	**(40,234)**	228,882
1,171	344	Millat Tractors Limited	**516,573**	**457,053**	**(59,520)**	516,573
63	63	Oil & Gas Development Company Limited	**4,956**	**4,914**	**(42)**	4,956
127	127	Pak Suzuki Motor Company Limited	**26,824**	**12,090**	**(14,734)**	26,824
			907,150	**746,571**	**(160,579)**	907,150

* 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 Equity securities - at FVOCI

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

2023	2022	Name of investee company	2023 Cost	2023 Market value	2023 Unrealised gain	2022 Market value
(Number of shares)			----------(Rupees)----------			
		Ordinary shares - Quoted				
152	152	ZIL Limited	**5,330**	**45,600**	**40,270**	15,352

15.2.1 Equity securities at FVOCI - net change in 'fair value investments

	Note	2023 (Rupees)	2022 (Rupees)
Market value of investments		**45,600**	15,352
Less : cost of investments		**(5,330)**	(5,330)
		40,270	10,022
Less: Unrealised loss on re-measurement of investments at beginning of the year		**(10,022)**	(8,368)
Unrealised gain on re-measurement of equity investments at OCI for the year		**30,248**	1,862

16. CASH AND BANK BALANCES

	Note	2023 (Rupees)	2022 (Rupees)
Cash in hand		**873,579**	2,674,276
With banks			
- in current accounts		**29,695,866**	25,609,639
- in savings accounts	16.1	**753,966**	2,087,725
		30,449,832	27,697,364
		31,323,411	30,371,640

16.1 These carry markup at the rate ranging from 12.25% - 19.5% (2022: 5.5% - 12.5%) per annum.

16.2 CASH AND CASH EQUIVALENTS

Cash and Cash equivalents comprise of:

	Note	2023 (Rupees)	2022 (Rupees)
Cash and bank balances	16	**31,323,411**	30,371,640
Short term borrowings	26	**(1,123,455,071)**	(1,175,372,893)
		(1,092,131,660)	(1,145,001,253)

17. ASSET HELD FOR SALE

	Note	2023 (Rupees)	2022 (Rupees)
Leasehold Land	6.1	**1,089,774**	-
Building on leasehold land	6.1	**53,091,450**	-
		54,181,224	-

17.1 On 28 April 2023, the Board of Directors in their meeting decided to sell the properties mentioned above as for meeting working capital requirements due to the higher interest rate on borrowings. The above decisions have been approved by the shareholders in the extraordinary general meeting held on 30 May 2023 under section 183 (3) of Companies Act, 2017. Accordingly, sale of the properties above mentioned was classified as asset held for sale. The sale of assets mentioned above is expected to be completed within a year from date of classification.

17.2 The company hired an independent valuer for the determination of the fair values of the assets classified as held for sale. The valuations performed by the valuer are based on market information. The fair value are based on the valuation performed by Tristar International (Pvt) Limited. The fair values of the above assets fall under level 3 "Valuation Techniques" of fair value hierarchy. Accordingly, the assets classified as held for sale are recorded at their carrying amounts as their fair values less cost to sell were higher than the carrying amounts at the date of classification. 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 unconsolidated financial statements.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

For certain tax matters, refer to note 34.2

Commitments Treet Holdings Limited

Outstanding letters of credit as at 30 June 2023 amounted to Rs. 89.3 million (2022: Rs. 72.71 million).

Outstanding capital commitments as at 30 June 2023 amounted to Rs. 668.5 million (2022: Rs. 174.98 million).

Guarantees given by banks on behalf of the Holding Company in favour of Sui Northern Gas Pipeline Limited and Government Institutions, as at 30 June 2021, amounts to Rs. 7.40 million (2021: Rs. 290.615 million).

Guarantees given by the Holding Company to various financial institutions on behalf of First Treet Manufacturing Modaraba and Renacon Pharma Limited as at 30 June 2023 amounts to Rs. 2,758 million (2022: Rs 2,758 million) and Rs. 444 million (2022: Rs. 444 million) respectively.

	2023	2022
	(Rupees)	
18.2 Commitments		
18.2.1 Guarantees		
Guarantees issued by banks on behalf of the Group	**710,749**	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)	**89,350,440**	627,972,442

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 (2022: Rs. 0.3 million) and 12.375 million (2022: 25.9 million) respectively.

18.2.4 Commitments in respect of capital expenditures

	2023	2022
	(USD)	
Property, plant and equipment	**334,000**	2,494,000

	2023					2022
Description	**Currency**	**Original contract price**	**Amount forego on termination of contract**	**Paid till date**	**Outstanding commitments**	Outstanding commitments
Painting plant for alloy wheels manufacturing	*USD*	-	-	-	-	2,160,000
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 (2022: 400,000,000) ordinary shares of Rs. 10 each.

19.2 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2023	2022		2023	2022
(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:

	2023		2022	
Description of Shareholders	**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	**8,818,103**	**3.51%**	8,379,151	3.33%
Other shareholders	**116,393,101**	**46.33%**	116,832,053	46.50%
	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).

	2023					
	SMPL	**SAIL**	**MAIL**	**HAWL**	**Intra group eliminations**	**Total**
	(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	**(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)**		

	2022					
	SMPL	SAIL	MAIL	HAWL	Intra group eliminations	Total
	(Percentage)					
NCI percentage	0%	9%	8%	20%		
	(Rupees)					
Non current assets	-	298,794,028	103,072,727	4,790,371,441		
Current assets	101,457,434	960,931,697	311,548,756	479,550,976		
Non-current liabilities	-	(10,881,731)	(5,744,751)	(1,023,120,543)		
Current liabilities	(15,029,425)	(532,899,979)	(127,606,262)	(4,025,411,779)		
Net Assets	86,428,009	715,944,015	281,270,470	221,390,095		
Net assets attributable to NCI	-	64,434,961	22,501,638	44,278,019	(20,909,544)	110,305,074
Revenue - net	-	468,400,059	162,605,367	-		
Profit / (loss) for the year	5,228,297	71,476,320	28,038,412	(447,608,365)		
Other comprehensive income (OCI)	-	-	-	-		
Total comprehensive income for the year	5,228,297	71,476,320	28,038,412	(447,608,365)		
Profit / (loss) allocated to NCI	-	6,432,869	2,243,073	(89,521,673)	(6,603,947)	(87,449,678)
Cash flows from operating activities	(2,733,160)	99,667,500	48,779,555	(20,947,031)		
Cash flows from investment activities	-	(9,051,235)	(2,306,757)	185,126		
Cash flows from financing activities (dividends to NCI: nil)	2,780,000	(81,971,526)	(44,491,046)	14,197,151		
Net increase (decrease) in cash and cash equivalents	46,840	8,644,739	1,981,752	(6,564,754)		

21. LEASE LIABILITIES

	2023	2022
	(Rupees)	
Opening balance	**30,328,259**	1,749,826
Addition during the year	**11,536,500**	34,201,600
Financial charges accrued during the year	**5,353,710**	2,658,343
Repayment of lease liabilities	**(15,885,204)**	(8,281,510)
Closing balance	**31,333,265**	30,328,259

21.1 Breakup of lease liabilities

	2023	2022
Lease liability	**31,333,265**	30,328,259
Less: Current maturity	**(7,001,267)**	(6,500,095)
	24,331,998	23,828,164

	2023			2022		
Maturity analysis - contractual undiscounted cash flows:	**Minimum lease payments**	**Interest**	**Present value minimum lease payments**	Minimum lease payments	Interest	Present value minimum lease payments
	(Rupees)			(Rupees)		
Less than one year	**12,651,156**	**5,649,889**	**7,001,267**	10,856,244	4,356,149	6,500,095
One to five years	**31,285,014**	**6,953,016**	**24,331,998**	29,123,392	5,295,228	23,828,164
Total undiscounted lease liabilities at 30 June 2023	**43,936,170**	**12,602,905**	**31,333,265**	39,979,636	9,651,377	30,328,259

22. DEFERRED TAX LIABILITIES / (ASSETS) - NET

	2023	2022
	(Rupees)	
Taxable temporary differences	**53,829,345**	91,777,582
Deductible temporary differences	**(75,941,344)**	(67,388,927)
	(22,111,999)	24,389,285

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

22.1 Analysis of change in deferred tax

Breakup and treatment of deferred tax balances are as follows:

	2023				2022			
	Balance at 1 July 2022	**Recognised in consolidated profit and loss**	**Recognised in consolidated other comprehensive income**	**Balance at 30 June 2023**	Balance at 1 July 2021	Recognised in consolidated profit and loss	Recognised in consolidated other comprehensive income	Balance at 30 June 2022
	------------ (Rupees) ------------				------------ (Rupees) ------------			
Taxable temporary differences								
- Accelerated tax depreciation	**99,615,709**	**(45,786,364)**	**-**	**53,829,345**	84,634,895	14,980,814	-	99,615,709
Deductible temporary differences								
- Provision for unrealised gain on re-measurement of investments	**(1,248,812)**	**1,202,243**	**-**	**(46,569)**	(196,660)	(1,052,152)	-	(1,248,812)
- Finance lease arrangements	**(7,838,127)**	**(1,248,520)**	**-**	**(9,086,647)**	1,662,748	(9,500,875)	-	(7,838,127)
- Share of profit from associated company	**(11,466,177)**	-	**(7,252,299)**	**(18,718,476)**	(7,167,246)	(1,651,182)	(2,647,749)	(11,466,177)
- Intangibles	**1,675**	**(864,632)**	**-**	**(862,957)**	(833,584)	835,259	-	1,675
- Allowance for inventory obsolescence	**(10,734,526)**	**(1,712,804)**	**-**	**(12,447,330)**	(7,682,292)	(3,052,234)	-	(10,734,526)
- Provision for Bonus	**(28,322,129)**	**28,322,129**		**-**	(57,007)	(28,265,122)		(28,322,129)
- Carry forward losses	**-**	**-**	**-**	**-**	(44,209,603)	44,209,603	-	-
- Remeasurement of defined benefit liability	**(15,618,328)**	-	**7,193,119**	**(8,425,209)**	(9,097,384)	-	(6,520,944)	(15,618,328)
- Provision in CWIP	**-**	**(333,885,789)**	**-**	**(333,885,789)**	-	-	-	-
- Provision in loans and advances	**-**	**(74,911,140)**	**-**	**(74,911,140)**	-	-	-	-
- Deferred tax asset restriction	**-**	**382,442,773**	**-**	**- 382,442,773**	-	-	-	-
	24,389,285	**(46,442,104)**	**(59,180)**	**(22,111,999)**	17,053,867	16,504,111	(9,168,693)	24,389,285

22.2 Deferred tax asset of Rs.382.44 million has not been recognised 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 2023 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:

23.1 Actuarial assumptions

	2023	2022
	(Rupees)	
Financial assumptions		
- Discount rate	**16.25%**	13.25%
- Discount rate used for interest cost in profit or loss account	**13.25%**	10.00%
- Expected rate of increase in salary level	**0.00%**	12.25%
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	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
		(Rupees)			(Rupees)		
Present value of defined benefit obligation	23.2.1	**49,614,633**	**6,463,843**	**56,078,476**	57,313,043	19,549,473	76,862,516
Fair value of plan assets	23.2.2	**(30,964,786)**	**(8,269,576)**	**(39,234,362)**	(32,842,501)	(8,919,121)	(41,761,622)
Payables		**1,712,918**	**10,495,413**	**12,208,331**	-	-	-
Net liability at end of the year		**20,362,765**	**8,689,680**	**29,052,445**	24,470,542	10,630,352	35,100,894

23.2.1 Movement in present value of defined benefit obligation

	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
Opening balance	**57,313,043**	**19,549,473**	**76,862,516**	40,558,050	15,931,187	56,489,237
Current service cost	**3,258,859**	**759,697**	**4,018,556**	2,296,058	562,604	2,858,662
Past Service Cost (credit)	**-**	**-**	**-**	9,949,508	3,328,506	13,278,014
Interest costs	**7,089,469**	**1,626,321**	**8,715,790**	3,971,288	1,522,914	5,494,202
Benefits due but not paid (payable)	**(1,712,918)**	**(10,495,413)**	**(12,208,331)**	-	-	-
Benefits paid by the plan	**(5,902,322)**	**(4,055,295)**	**(9,957,617)**	(1,690,335)	(1,404,100)	(3,094,435)
Gains and losses arising on plan settlements	**(1,588,338)**	**(41,859)**	**(1,630,197)**	-	-	-
Re-measurements gain on obligation	**(8,843,160)**	**(879,081)**	**(9,722,241)**	2,228,474	(391,638)	1,836,836
Closing balance	**49,614,633**	**6,463,843**	**56,078,476**	57,313,043	19,549,473	76,862,516

23.2.2 Movement in the fair value of plan assets

	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
Opening balance	**32,842,501**	**8,919,121**	**41,761,622**	35,632,006	16,321,521	51,953,527
Interest income	**4,241,900**	**1,195,743**	**5,437,643**	3,728,934	1,587,197	5,316,131
Contribution paid into the plan	**4,246,000**	**4,266,000**	**8,512,000**	5,005,000	505,000	5,510,000
Benefits paid by the plan	**(5,902,322)**	**(4,055,295)**	**(9,957,617)**	(1,690,335)	(1,404,100)	(3,094,435)
Re-measurements gain / (loss) on plan assets	**(4,463,293)**	**(2,055,993)**	**(6,519,286)**	(9,833,104)	(8,090,497)	(17,923,601)
Closing balance	**30,964,786**	**8,269,576**	**39,234,362**	32,842,501	8,919,121	41,761,622

23.2.3 Amounts recognised in the consolidated profit or loss account

	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
Current service cost	**3,258,859**	**759,697**	**4,018,556**	2,296,058	562,604	2,858,662
Past service cost (credit)	**-**	**-**	**-**	9,949,508	3,328,506	13,278,014
Gains and losses arising on plan settlements	**(1,588,338)**	**(41,859)**	**(1,630,197)**	-	-	-
Interest cost	**7,089,469**	**1,626,321**	**8,715,790**	3,971,288	1,522,914	5,494,202
Interest income	**(4,241,900)**	**(1,195,743)**	**(5,437,643)**	(3,728,934)	(1,587,197)	(5,316,131)
Expense for the year	**4,518,090**	**1,148,416**	**5,666,506**	12,487,920	3,826,827	16,314,747

23.2.4 Amounts recognised in the consolidated other comprehensive income

	Note	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
Re-measurement loss on obligation	23.2.4.1	**(8,843,160)**	**(879,081)**	**(9,722,241)**	2,228,474	(391,638)	1,836,836
Re-measurement of fair value of plan assets		**4,463,293**	**2,055,993**	**6,519,286**	9,833,104	8,090,497	17,923,601
Re-measurement (loss) / gain for the year		**(4,379,867)**	**1,176,912**	**(3,202,955)**	12,061,578	7,698,859	19,760,437

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	Note	2023 Management	2023 Non-Management	2023 Total	2022 Management	2022 Non-Management	2022 Total
		(Rupees)			(Rupees)		
23.2.4.1 Re-measurement (loss) / gain on obligation							
(Loss) / gain due to change in financial assumptions		**(2,443,401)**	**(482,947)**	**(2,926,348)**	145,401	39,150	184,551
(Loss) / gain due to change in experience adjustments		**(6,399,759)**	**(396,134)**	**(6,795,893)**	2,083,073	(430,788)	1,652,285
		(8,843,160)	**(879,081)**	**(9,722,241)**	2,228,474	(391,638)	1,836,836
23.2.5 Net recognized liability / (asset)							
Net liability at beginning of the year		**24,470,542**	**10,630,352**	**35,100,894**	4,926,044	(390,334)	4,535,710
Expense recognised in consolidated statement of profit and loss		**4,518,090**	**1,148,416**	**5,666,506**	12,487,920	3,826,827	16,314,747
Contribution paid into the plan		**(4,246,000)**	**(4,266,000)**	**(8,512,000)**	(5,005,000)	(505,000)	(5,510,000)
Re-measurement (gain) / loss recognised in consolidated other comprehensive income		**(4,379,867)**	**1,176,912**	**(3,202,955)**	12,061,578	7,698,859	19,760,437
Net liability at end of the year		**20,362,765**	**8,689,680**	**29,052,445**	24,470,542	10,630,352	35,100,894

23.3 Plan assets comprise of the following

	2023 Management	2023 Non-Management	2022 Management	2022 Non-Management
	(Rupees)		(Rupees)	
Government securities	**4,697,005**	**2,246,394**	17,255,611	4,119,622
Equity shares	**3,796,633**	**2,675,725**	5,805,560	4,091,542
Others	**22,471,148**	**3,347,457**	9,781,330	707,958
	30,964,786	**8,269,576**	32,842,501	8,919,122

23.4 Sensitivity analysis for actuarial assumptions

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

	2023 Management	2023 Non-Management	2022 Management	2022 Non-Management
	(Rupees)		(Rupees)	
Discount rate +1%	**47,549,858**	**6,202,332**	54,742,723	18,822,610
Discount rate -1%	**51,936,948**	**6,743,980**	60,216,885	20,326,170
Salary increase +1%	**51,985,427**	**6,751,218**	60,247,793	20,333,967
Salary increase -1%	**47,472,702**	**6,191,163**	54,671,508	18,802,586

23.5 Expected charge for the year ending June 30, 2024 is Rs. 5.13 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.

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				
	2022	2021	2020	2019	2018
	(Rupees)				
Present value of defined benefit obligation	76,862,516	56,489,237	50,503,772	45,088,642	39,088,649
Fair value of plan assets	(41,761,622)	(51,953,527)	(34,354,450)	(34,621,402)	(44,405,857)
Net liability / (asset)	35,100,894	4,535,710	16,149,322	10,467,240	(5,317,208)

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

	Note	2023	2022
		(Rupees)	
Cost of revenue	29.3	**1,148,416**	3,826,827
Administrative, selling and general expenses	30.1	**4,518,090**	12,487,920
		5,666,506	16,314,747

24. LONG-TERM LOANS

	Note	2023	2022
Secured			
Term finance - under SBP refinance scheme for payment of wages	24.1	**-**	55,530,107
Loan from JS Bank Limited	24.2	**156,750,000**	213,750,000
Loan from Orix Leasing Pakistan Limited	24.3	**54,817,643**	80,903,556
Demand finance		**988,462,135**	1,028,462,135
Loan from Gulf leasing	24.4	**11,855,481**	14,728,760
Pak Kuwait Investment Company	24.5	**124,586,042**	95,911,250
Allied Bank	24.6	**53,476,637**	174,156,751
Less: Current portion		**(517,318,320)**	(433,625,552)
		872,629,618	1,229,817,007

24.1 In 2020, the Company availed salary refinance facility from JS Bank under the State Bank of Pakistan's (SBP) "Refinance scheme for payment of wages and salaries to the workers and employees of Business concern" due to coronavirus pandemic for a period of two years and six months (inclusive of grace period of six months). In 2020, the Company obtained the loan in two tranches in May 2020 and June 2020. In prior year, the Company has also obtained more two tranches in July 2020 and October 2020. This facility is secured by first hypothecation charge on current and future plant and machinery of the Company situated at Karachi. This facility carries mark-up at concessional rate of 3% per annum. Principal amount is payable in 8 equal quarterly installment and repayment of financing has been started from January 2021.

24.2 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. 57 million together with mark-up thereon. This facility carries mark-up at the rate of 3 months KIBOR plus 2% (2022: 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.

24.3 In 2020, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 30.2 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. 4.1 million (2022: Rs. 12.3 million) together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 4.75% per quarter repayable on monthly basis from the disbursement date.

In prior year, the Company availed long term financing facility from Orix Leasing Pakistan Limited of Rs. 80 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. 36.4 million (2022: Rs. 5.8 million) together with mark-up thereon. This facility carried mark-up at 3 months KIBOR plus 5% per quarter repayable on monthly basis from the disbursement date.

24.4 In prior year, the Company availed long term financing facility from Pak Gulf of Rs. 16.9 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 5 million (2022: Rs. 3.72 million). This facility carried mark-up at 1 year KIBOR plus 3.99% per annum repayable on quarterly basis from the disbursement date.

24.5 In prior year, the Company availed long term financing facility from Pak Kuwait of Rs. 200 million out of which 149.5 million has been availed for cash flow management of the Company. 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. 24.9 million (2022: Rs. 3.77 million). This facility carried mark-up at 3 months KIBOR plus 2% per annum repayable on quarterly basis from the disbursement date.

24.6 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 (2022: 3 month KIBOR plus 1 % per annum).

	Note	2023	2022
		(Rupees)	
25. DEFERRED GRANT			
Government grant		-	424,227
Less: Current portion of Government grant		-	(424,227)
	25.1	-	-

25.1 The Institute of Chartered Accountants of Pakistan issued a publication through circular no.11/2020 to clarify accounting of the long term loan (note 24). Accordingly, the Company measured and recognized the loan liability and deferred capital grant in accordance with the said publication and requirements of relevant IFRSs.

	Note	2023	2022
		(Rupees)	
26. SHORT-TERM BORROWINGS			
Secured			
Running finances under mark-up arrangements	26.1	**1,123,455,071**	1,175,372,893
Soneri Bank Limited - Local bill discounting		**400,000,000**	385,000,000
Standard Chartered Bank - Local bill discounting		**88,135,339**	222,258,916
Islamic financing	26.1.3	**272,161,581**	443,775,602
		1,883,751,991	2,226,407,411

26.1 Running finances under mark-up arrangements

	Note	2023	2022
JS Bank Limited		**275,836,466**	298,722,492
MCB Bank Limited		**107,894,262**	198,468,699
Askari Bank Limited		**200,000,000**	200,000,000
Habib Metropolitan Bank Limited		**149,874,489**	94,947,788
Bank AL Habib Limited		**70,311,870**	90,246,480
Pak Kuwait Investment company		**200,000,000**	200,000,000
Soneri Bank Limited		**119,537,984**	92,987,434
	26.1.2	**1,123,455,071**	1,175,372,893

26.1.2 These facilities have been obtained from various banks for working capital requirements and are secured by charge over current and future assets of the Parent Company and HAWL, pledge of stock, lien over import documents and title of ownership of goods imported under letters of credit. These facilities are expiring on various dates latest by 31 March 2022. The banks have imposed a condition that no objection certificate (NOC) should be obtained or bank dues should be cleared before declaring any dividend.

These facilities carry mark-up at the rate ranging from 01 month KIBOR plus 1.25% to 3 month KIBOR plus 3% per annum (2022: 01 month KIBOR plus 1.25% to 3 month KIBOR plus 1.50% per annum).

The aggregate available short term borrowing facilities amounting to Rs. 1,109 million (2022: Rs. 1,270 million) out of which Rs. 56.2 million (2022: 96.36 million) remained unavailed at the reporting date.

26.1.3 This represents Islamic finance facilities available from Al Baraka Bank (Pakistan) Limited and MCB Islamic Bank having aggregate limits of Rs. 300 million (2022: Rs 505 million), 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 (2022: 1 month KIBOR plus 2% to 3 months KIBOR plus 2.75% per annum) and is repayable maximum within 120 days to 180 days of the disbursement date.

26.2 Facilities available for opening letters of credit / guarantees at 30 June 2023 amounted to Rs. 1,150 million (2022: Rs. 2,555 million) out of which Rs. 740 million (2022: Rs. 2,497 million) remained unutilized at the reporting date.

26.3 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.

26.4 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) (6 August 2018)	Demand Finance (DF)	Five equal yearly installments of Rs.40 Million commencing from 21 November 2021.	- 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%	19.57%	300,000,000	119,946,480
MCB Bank Limited (MCB) (1 June 2018)	Demand Finance (DF)	On yearly basis in arrears for 1 year afte 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 month KIBOR plus 1%	17.99%	868,515,655	868,515,655
Total							**1,168,515,655**	**988,462,135**

27. TRADE AND OTHER PAYABLES	Note	**2023** (Rupees)	**2022** (Rupees)
Trade creditors		**372,194,607**	519,156,777
Accrued liabilities		**86,917,036**	99,520,615
Other liabilities			
Advance from customers	27.6	**152,919,693**	58,234,184
Mobilization advances	27.3	**196,970,642**	105,586,724
Workers' profit participation fund	27.1	**3,003,406**	36,031,538
Provision for compensated absences		**2,864**	2,864
Workers' welfare fund	27.2	**8,816,029**	13,541,822
Withholding tax payable		**9,278,509**	7,457,459
Security deposit from contractors	27.4	**262,000**	262,000
Sales tax payable		**39,310,057**	26,468,617
Payable to provident fund		**8,034,184**	10,451,344
Current portion of Gas Infrastructure Development Cess		**868,472**	868,472
Provision against unclaimed input tax		**-**	74,199,254
Provision for bonus		**-**	89,808,807
Other payables	27.5	**29,616,658**	22,907,809
		908,194,157	1,064,498,286

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

	Note	2023	2022
		(Rupees)	
27.1 Workers' Profit Participation Fund			
Opening balance		**36,031,538**	17,813,913
Charge for the year	31	**-**	33,046,362
Mark-up charged during the year	33	**397,287**	191,249
Less: Payments during the year		**(33,425,419)**	(15,019,986)
Closing balance		**3,003,406**	36,031,538
27.2 Workers' Welfare Fund			
Opening balance		**13,541,822**	11,139,756
Charge for the year	31	**8,117,440**	13,350,492
Less: Payments during the year		**(12,843,233)**	(10,948,426)
Closing balance		**8,816,029**	13,541,822

27.3 This carry mark-up.

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

27.5 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.

27.6 This includes Rs. 14 million (2022:Rs. 44.9 million) received from scrap dealer against future sale of scrap and anciliary items.

28. REVENUE - NET	Note	2023	2022
		(Rupees)	
Local sales	28.1	**5,302,260,756**	9,144,053,719
Less: Sales returns		**(12,006,326)**	(28,227,273)
		5,290,254,430	9,115,826,446
Less: Sales tax		**(796,420,059)**	(1,323,871,137)
		4,493,834,371	7,791,955,309

28.1 This includes scrap sales amounting to Rs. 116 million (2022: Rs. 297.58 million).

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

		Note	2023	2022
			(Rupees)	
29.	**COST OF REVENUE**			
	Raw materials and components consumed	29.1	**2,678,456,671**	5,472,290,131
	Ancillary materials consumed	29.2	**103,091,381**	146,602,146
	Manufacturing expenses			
	Salaries and wages		**358,885,200**	393,346,171
	Other employees' benefits	29.3	**144,990,281**	269,553,427
	Provident fund contribution		**3,074,983**	3,243,091
	Toll manufacturing		**63,667,473**	125,617,550
	Depreciation	6.1.6	**64,279,177**	77,532,663
	Gas, power and water		**64,119,341**	77,352,145
	Travelling and vehicle running cost		**18,174,955**	14,611,527
	Insurance		**12,325,670**	10,841,341
	Repairs and maintenance		**24,877,313**	36,595,969
	Postage, telephone and telex		**2,096,879**	1,147,961
	Inward freight and storage charges		**4,267,266**	1,276,371
	Conveyance		**35,250,868**	30,989,650
	Rent, rates and taxes		**1,923,908**	1,461,308
	Printing, stationery and periodicals		**100,127**	143,494
	Royalty expense	29.4	**11,173,560**	18,566,326
	General expenses		**2,130,803**	4,567,413
	Security services		**834,946**	603,572
	Transferred to capital work-in-progress		**(43,857,970)**	(22,477,678)
	Manufacturing cost		**768,314,780**	1,044,972,301
	Opening stock of work-in-process		**106,545,860**	71,111,109
	Impact of recording revenue over time		**105,057,494**	141,980,611
	Closing stock of work-in-process	9	**(105,801,677)**	(106,545,860)
			105,801,677	106,545,860
	Cost of goods manufactured		**3,655,664,509**	6,770,410,438
	Opening stock of finished goods		**-**	-
	Impact of recording revenue over time		**86,579,938**	74,105,227
	Closing stock of finished goods	9	**(18,447,442)**	-
	Net change in finished goods		**68,132,496**	74,105,227
			3,723,797,005	6,844,515,665
29.1	**Raw materials and components consumed**			
	Opening balance		**1,544,914,809**	1,342,414,312
	Purchases		**2,174,225,286**	5,727,507,582
	Less: Purchase returns		**(84,900,541)**	(65,376,503)
			3,634,239,554	7,004,545,391
	Closing balance	9	**(972,975,395)**	(1,544,914,809)
	Charge for the year	9.1	**17,192,512**	12,659,549
			2,678,456,671	5,472,290,131

29.2	**Stores and spares consumed**	Note	**2023**	**2022**
			(Rupees)	
	Opening inventory		**55,063,066**	70,811,900
	Purchases		**114,704,640**	130,853,312
			169,767,706	201,665,212
	Closing inventory		**(66,676,325)**	(55,063,066)
			103,091,381	146,602,146

29.3 This includes a sum of Rs. 1.1 million (2022: Rs. 3.8 million) in respect of expense relating to gratuity.

29.4 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**	**2023**	2022
			(Rupees)	
Futaba Industrial Co. Limited	Technical Advisor	1, Ochaya, Hashime-Cho, Okazaki-City, Aichi Prefecture, Japan 444-8558	**2,578,260**	10,965,495
SNIC Co. Limited	Technical Assistance	1403 Higashihiramatsu, Iwata-shi, Shizuoka-ken, Japan	**8,595,300**	7,600,831
			11,173,560	18,566,326

30.	**ADMINISTRATIVE, SELLING AND GENERAL EXPENSES**	Note	**2023**	**2022**
			(Rupees)	
	Salaries and wages		**131,516,323**	132,427,867
	Other employees' benefits	30.1	**14,322,542**	40,631,985
	Provident fund contribution		**2,421,557**	2,146,298
	Advertising and sales promotion		**26,627,597**	15,666,933
	Travelling and vehicle running cost		**14,163,065**	10,659,456
	Outward freight		**30,939,090**	34,485,144
	Depreciation	6.1.6	**10,897,173**	10,550,965
	Amortisation	7	**1,375,200**	1,246,096
	Legal and professional charges		**26,505,327**	14,297,842
	Subscripition and certification charges		**5,913,559**	4,496,807
	Postage, telephone and telex		**5,888,571**	4,542,323
	Conveyance		**1,167,767**	3,948,882
	Auditor's remuneration	30.2	**7,141,600**	7,542,800
	Electricity		**13,773,523**	2,686,182
	Repairs and maintenance		**300,555**	348,892
	Entertainment		**525,144**	462,174
	Printing, stationery and periodicals		**2,988,451**	2,181,858
	Insurance		**5,805,421**	5,729,002
	Donation		**23,600**	50,000
	Commission expense		**-**	63,047
	Rent expense		**6,112,558**	1,907,932
	Security charges		**2,374,600**	2,844,100
	General expenses		**43,994,294**	8,041,490
			354,777,517	306,958,075

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30.1 This includes a sum of Rs. 4.5 million (2022: Rs. 12 million) in respect of employee benefits - gratuity.

		Note	2023	2022
			(Rupees)	
30.2	**Auditor's remuneration**			
	Audit services			
	Audit fee		**4,000,000**	3,921,200
	Interim review		**831,600**	831,600
	Other audit services		**1,000,000**	1,000,000
	Out of pocket expense		**410,000**	700,000
	Certifications for regulatory purposes		**900,000**	1,090,000
			7,141,600	7,542,800
31.	**OTHER EXPENSES**			
	Workers' Profit Participation Fund	27.1	**-**	33,046,362
	Workers' Welfare Fund	27.2	**8,117,440**	13,350,492
	Others		**223,908**	4,701
			8,341,348	46,401,555
32.	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposit		**-**	31,017
	Dividend income	32.1	**26,244**	4,898,968
	Mark-up income on loans to employees		**560,554**	2,241,920
	Mark-up income on savings accounts		**1,141,875**	203,572
	Government grant		**413,421**	5,770,080
	Income on investment in PIB		**852,877**	863,050
	Reversal of provision unclaimed input tax		**68,135,931**	-
	Gain on disposal of shares		**-**	50,323,849
	Others		**13,261,382**	2,591,106
	Exchange Gain		**-**	5,124,802
			84,392,284	72,048,364
	Income from assets other than financial assets			
	Gain on disposal of property, plant and equipment	6.1.7	**65,387,115**	3,381,635
	Reversal of provision against inventory	9.1	**6,799,550**	6,621,345
	Others		**26,775,875**	2,682,965
			98,962,540	12,685,945
			183,354,824	84,734,309

32.1 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.

33. FINANCE COSTS	Note	2023	2022
		(Rupees)	
Mark-up on bank loans and borrowings		**714,048,744**	413,674,579
Exchange loss		**47,098,240**	68,061,099
Bank charges		**12,927,257**	7,954,303
Finance lease charges		**5,353,710**	2,658,343
Unwinding of Gas Infrastructure Development Cess		**192,385**	216,587
Mark-up on loan from director		**4,800,890**	-
Mark-up on workers' profit participation fund	27.1	**545,244**	191,249
		784,966,470	492,756,160

34. TAXATION

	Note	2023	2022
Current		**130,250,486**	225,550,320
Deferred	22.1	**(46,442,104)**	16,504,111
	34.1	**83,808,382**	242,054,431

34.1 Reconciliation between tax expense and accounting profit

	2023	2022
Profit / (loss) before taxation	**(1,714,556,597)**	155,799,224
Tax at the applicable rate of 29% (2022: 29%)	**497,221,413**	45,181,775
Effect of super tax @ 10%	**(56,300,255)**	56,300,255
Reversal of normal tax	**-**	125,980,970
Tax effect of share of profit from associate	**(7,252,299)**	(1,651,182)
Net effect of expenses not deductible in determining taxable income	**(10,921,427)**	10,921,427
Effect of change in deferred tax rate	**(3,294,619)**	3,294,619
Tax effect of income taxable as FTR	**(102,878)**	102,878
Tax effect of inadmissible items	**(335,541,553)**	1,923,689
	83,808,382	242,054,431

34.2 The returns of income tax have been filed up to and including tax year 2022 (corresponding to financial year ended upto 30 June 2022). 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 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/-	Company & FBR	22 May 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 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 throughits 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.No demand order has been recieved from FBR and commisioner has not challenged the appeal order before appellate tribunal.	Company & FBR	26 April 2021
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. Further, company have filed letter dated 03.06.2022 forwarding details / documents / evidences for determination of pending Income Tax Refund due of Rs.13,238,814/- for Tax year 2019 and requesting for adjustment of demand for tax year 2020.	MAIL & FBR	10 March 2021
Federal Board of Revenue (FBR)	Notice was received on 11.03.2022 for payment of Sindh Companies Profits (Worker's Participation) Fund for 6-years from 2016 to 2021 was issue, which was also responded vide letter dated 05.04.2022 with voluminous details/evidences and on which no further action taken.	MAIL & FBR	10 March 2022

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For the year ended 30 June 2023

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)	Notice was received on 10.03.2022 was issued by officer, SRB for deposit of Sindh Workers Welfare Fund (SWWF) for 6-years from 2016 to 2021 which was responded by letter dated 05.04.2022 which evidences and also attended the proceedings.	MAIL & FBR	10 March 2022
Federal Board of Revenue (FBR)	Show Cause Notice was received on 28.04.2022, proposing rectification u/s.221(2) of alleged mistake of adjustment of refund of Rs.3,157,053/- of prior years against admitted-tax liability for Tax Year 2020 by rectifying Deemed Order u/s.120(1), to which response dated 09.05.2022 has been filed. However, no further action has been taken.	SAIL & FBR	28 April 2022
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 Rs.5,000/- created vide order dated 31.01.2022. Rectification Application dated 29.03.2023 has been filed for short refund determination which is yet pending.	SAIL & FBR	28 April 2022
Federal Board of Revenue (FBR)	Notice was received from SRB on 10.03.2022 for deposit of Sindh Workers Welfare Fund (SWWF) for 6-years from 2016 to 2021 which was responded by letter dated 05.04.2022 with evidences. Similarly, another Notice dated 11.03.2022 for payment of Sindh Companies Profits (Worker's Participation) Fund for 6-years from 2016 to 2021 was also received, which was responded vide letter dated 05.04.2022 with voluminous details/evidences. No further action has been taken by the department.	SAIL & FBR	10 March 2022
Federal Board of Revenue (FBR)	Income Tax Returns e-filed upto and including Tax Year 2022 are presently deemed to havebeen assessed u/s.120 of Income Tax Ordinance, 2001.	SMPL & FBR	2021
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

As of year end, several cases filed against the group 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 consolidated financial statement.

Name of the court, agency or authority	Description of the factual basis of the proceeding and relief sought	Principal parties	Date instituted
Contingencies of the associated Company - Treet Corporation Limited			
Federal Board of Revenue (FBR)	During previous years, the Additional Commissioner of Income Large Taxpayer Unit (LTU) passed an order u/s 12(9A) of Income Tax Ordinance for the assessment year 2000-01, creating an income tax demand of Rs. 12.79 million along with an additional tax of Rs. 2.01 million. The department adjusted the said demand against the income tax refunds of the Holding company for the tax year 2006. 'The Holding company through it tax advisor, filed an appeal before Appellate Tribunal Inland Revenue (ATIR) which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2006
Federal Board of Revenue (FBR)	During the previous years, with respect to the tax year 2009, Additional Commissioner Inland Revenue (ACIR) vide order dated 30-06-2015, 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, adjustment of minimum tax u/s 113 amounting Rs. 3.77 million and allocation of expenses to dividend income. Being aggrieved the Holding company filed an appeal before CIR Appeals (CIR-A) which was decided in favor of the Holding 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) amounting Rs. 20,159,000 which is pending adjudication at the year end. ACIR vide order dated 29 June 2019, u/s 124/129 of Income Tax Ordinance 2001, disallowed minimum tax amounting to Rs 3.77 million. Being aggrieved, the Holding company preferred an appeal before CIR (Appeals), dated 14 October 2019, which is decided in favor of the Holding company during the year, vide order no. 45, dated 30 November 2020. The management and the tax advisor of the Holding company are confident of favorable outcome of the appeal filed by tax department against ATIR; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2004
Federal Board of Revenue (FBR)	During previous years, with respect to the tax year 2017, Additional Commissioner Inland Revenue (ACIR), passed an order dated 30 November 2018, u/s 122(5A) of Income Tax Ordinance 2001, and created an income tax demand of Rs. 11.48 million. The Holding company filed an appeal before Commissioner Inland Revenue (Appeals) which was decided in favor of the Holding company for majority of the matters and case was remanded back to assessing officer. The tax department filed an appeal before ATIR against the order of CIR(A). The Holding 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 Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2018

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)	During previous years, the Deputy Commissioner Inland Revenue (DCIR) passed an order u/s 161/205 and created an income tax demand of Rs. 0.57 million, for tax year 2011. Against the said order, the Holding company filed an appeal before the CIR (Appeals) and got a relief of Rs. 0.21 million. The Holding company has filed a second appeal before the ATIR, with respect to remaining amount of Rs. 0.36 million which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident that the case will be decided in favor of the Holding company, therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2011
Federal Board of Revenue (FBR)	During the year, with respect to the tax year 2015, ACIR passed an order dated 21 April 2021 and created an income tax demand of Rs. 25.35 million. The Holding company has paid Rs 2.53 million (10% of demand), under protest, and recorded the same in advance tax. Being aggrieved the Holding company has preferred an appeal before CIR(A) which is pending adjudication at the year end. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	
Federal Board of Revenue (FBR)	During previous years, with respect to the tax period from July 2013 to June 2018, ACIR, vide order dated 23 May 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 9 January 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 unconsolidated financial statements.	Treet & FBR	2019
Federal Board of Revenue (FBR)	During the year, with respect to the tax period from July 2016 to June 2018, Additional Commissioner-III, Punjab Revenue Authority, Lahore, vide order dated 18 December 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 Holding 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. Being aggrieved, the Holding company has filed an appeal, dated 22 February 2021, before Commissioner (Appeals), Punjab Revenue Authority, Lahore which has been heard on 02 June 2021 and 01 July 2021 and decision is awaited. The management and the tax advisor of the Holding company are confident of favorable outcome of the case; therefore, no provision has been recorded in these consolidated financial statements.	Treet & FBR	2016

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)	During previous years, Assistant Commissioner Inland Revenue (ACIR) passed an order u/s 161/205 and created a tax demand of Rs. 2.18 million. The Holding company deposited the said amount, under protest, to government exchequer and recorded the same in advance tax. The Holding company filed an appeal before the CIR (Appeals) against the order of ACIR on 28 May 2019 which is pending adjudication at the year end.	Treet & FBR	2019

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 CIRAppeals 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 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 but decision awaited. As per the opinion of legal advisor of the Modaraba, a favourable outcome is expected.	First Treet Modaraba & FBR	2017-2018
Federal Board of Revenue (FBR)	For the tax years 2011 and 2012, the Deputy Commissioner Inland Revenue (DCIR) passed orders under sections 161 and 205 of the Income Tax Ordinance, 2001 creating tax demands of Rs. 1.520 million and Rs. 41.364 million respectively. The Modaraba filed appeals against the orders passed by DCIR before Commissioner Inland Revenue CIR (Appeals - II) who decided the matters in favor of the Modaraba by deleting the tax demands. Tax department filed appeals since 07-04-2014 and 15-04-2014 against the decision of CIR (Appeals - II) before Appellate Tribunal Inland Revenue (ATIR) which are pending adjudication. The management and tax advisor of the Modaraba are of the view that favorable outcome is expected in the instant case as the Modaraba is fully compliant of withholding tax provisions.	First Treet Modaraba & FBR	2014

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)	For the tax year 2017, the Inland Revenue Officer (IRO), E & C Unit-VII, Range-II, Zone-VI, CRTO, Lahore, passed orders under sections 161 and 205 of the Income Tax Ordinance, 2001 and arbitrarily created a tax demand of Rs. 1.807 million. The Modaraba filed appeals since 19-04-2018 against the order passed by IRO before Commissioner Inland Revenue (CIR) Appeals, Zone-II, Lahore which is pending adjudication. The management and tax advisor of the Modaraba are of the view that favorable outcome is expected in the instant case as the Modaraba is fully compliant of withholding tax provisions.	First Treet Modaraba & FBR	2018
Federal Board of Revenue (FBR)	For the tax period April 2016 to July 2017, the Assistant Commissioner Inland Revenue (ACIR), E & C Unit - 07, Zone-VI, CRTO, Lahore passed order under section 25 of the Sales Tax Act, 1990 creating a sales tax demand of Rs. 26.067 million along with penalty of Rs. 1.303 million mainly on the issue of inadmissibility of input sales tax and adjustment thereof against illegal claim. The Modaraba filed appeals since 28-07-2020 against the order passed by ACIR before Commissioner Inland Revenue CIR (Appeals), Zone-I, Lahore which is pending adjudication. The management and tax advisor of the Modaraba are of the view that the tax demand will be deleted by appellate authorities based a decision in favor of Registered Person (RP) on this issue by the Lahore High Court, Lahore.	First Treet Modaraba & FBR	2020

34.3 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.

	2023	2022
	(Rupees)	
35. EARNING PER SHARE - BASIC AND DILUTED		
(Loss) / profit for the year attributable to ordinary shareholders of the Company	**(1,313,540,524)**	1,194,471
	(Number)	
Weighted average number of ordinary shares outstanding during the year	**251,250,000**	251,250,000
	(Rupees)	
(Loss) / Earning per share - basic and diluted	**(5.23)**	0.005

35.1 There were no convertible dilutive potential ordinary shares outstanding as at 30 June 2023 and 30 June 2022.

36. TRANSACTIONS WITH RELATED PARTIES

36.1 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	2023	2022
			(Rupees)	
Provident fund	Defined benefit scheme	Receivable from / (Payable to) provident fund	**16,296,720**	4,318,920
Employee benefits - gratuity	Defined contribution plan	Expense for the year	**5,666,506**	16,314,747
		Contribution paid during the year	**8,512,000**	5,510,000
		Balance at the year end liability	**(29,052,445)**	(35,100,894)
Treet Corporation Limited	Associated company by virtue of common directorship	Receivable at the year end	**1,150,380**	1,150,380
IGI General Insurance Limited	Common directorship	Purchase of services	**6,173,577**	5,598,646
		Amount due at the year end	**945,315**	947,629
First Treet Manufacturing Modaraba	Common directorship	Purchase of batteries	**370,970**	163,884
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

36.2 The remuneration to Board of Directors (executive and non-executive) and all members of the Group's Management Team is disclosed in note 41 to these consolidated financial statements.

37 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 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
Balance as at 30 June 2023	**1,389,947,938**	**31,333,265**	**3,527,781**	**1,424,808,984**
Balance as at 1 July 2021	1,845,121,256	1,749,826	3,527,781	1,850,398,863
Changes from financing cash flows				
Proceeds from loans and borrowings	467,930,797	-	-	467,930,797
Repayment of loans	(643,367,948)	-	-	(643,367,948)
Addition to lease	-	34,201,600	-	34,201,600
Payment of finance lease liabilities	-	(8,281,510)	-	(8,281,510)
Total changes from financing cash flows	(175,437,151)	25,920,090	-	(149,517,061)
Liability - related other changes				
Government grant income during the year	(5,770,080)	-	-	(5,770,080)
Finance cost	-	2,658,343	-	2,658,343
Government grant	(471,466)	-	-	(471,466)
Total liability - related other changes	(6,241,546)	2,658,343	-	(3,583,203)
Balance as at 30 June 2022	1,663,442,559	30,328,259	3,527,781	1,697,298,599

38. 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.

38.1 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.

38.2 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:

	Note	2023	2022
		(Rupees)	
Trade debts - net	10	**424,653,384**	909,494,124
Loans	12	**25,165,968**	103,095,546
Deposits and other receivables	13	**116,006,271**	15,796,934
Receivable from Group Company		**1,150,380**	1,150,380
Bank balances and term deposit receipts	16	**30,449,832**	27,697,364
		597,425,835	1,057,234,348

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	2023 (Rupees)	2023 (%)
MCB Islamic Bank Limited	PACRA	A1+	**334,463**	**1.10%**
MCB Bank Limited	PACRA	A1+	**67,520**	**0.20%**
Meezan Bank Limited	VIS	A-1+	**16,703,133**	**54.90%**
Habib Bank Limited	VIS	A-1+	**154,952**	**0.50%**
Bank AL-Habib Limited	PACRA	A-1+	**5,517,186**	**18.10%**
Habib Metropolitan Bank Limited	PACRA	A1+	**20,866**	**0.10%**
The Bank of Punjab	PACRA	A1+	**107,677**	**0.40%**
Askari Bank Limited	PACRA	A1+	**1,263**	**0.00%**
National Bank of Pakistan	PACRA	A-1+	**917,278**	**3.00%**
Al Baraka Bank (Pakistan) Limited	VIS	A-1	**1,403,395**	**4.60%**
Soneri Bank Limited	PACRA	A1+	**78,179**	**0.30%**
BankIslami Pakistan Limited	PACRA	A-1	**4,841,803**	**15.90%**
JS Bank Limited	PACRA	A1+	**302,117**	**1.00%**
			30,449,832	**100%**

Banks	Rating Agency	Short term rating	2022 (Rupees)	2022 (%)
MCB Islamic Bank Limited	PACRA	A-1	250,650	0.9%
MCB Bank Limited	PACRA	A-1	148,440	0.5%
Meezan Bank Limited	JCR	A1+	15,293,784	55.2%
Habib Bank Limited	JCR	A-1+	641,520	2.3%
Bank AL-Habib Limited	PACRA	A1+	8,081,890	29.2%
Habib Metropolitan Bank Limited	PACRA	A1+	20,866	0.1%
The Bank of Punjab	PACRA	A1+	4,684	0.0%
Askari Bank Limited	PACRA	A1+	1,110	0.0%
National Bank of Pakistan	PACRA	A1+	1,366,402	4.9%
Al Baraka Bank (Pakistan) Limited	JCR-VIS	A1	732,443	2.6%
Soneri Bank Limited	PACRA	A-1+	78,178	0.3%
BankIslami Pakistan Limited	PACRA	A1	275,465	1.0%
JS Bank Limited	PACRA	A1+	801,932	2.9%
			27,697,364	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 90% as at 30 June 2023 (2022: 85.3%).

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.

Impairment losses and past due balances

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

	2023			2022		
	Gross	**Impairment**	**Net**	Gross	Impairment	Net
	---------- (Rupees) ----------					
Less than or equal to 30 days	**347,608,040**	**-**	**347,608,040**	874,495,997	-	874,495,997
More than 30 days but not more than 90 days	**19,522,473**	**-**	**19,522,473**	19,172,103	-	19,172,103
More than 90 days but not more than 180 days	**57,522,871**	**-**	**57,522,871**	15,826,024	-	15,826,024
	424,653,384	**-**	**424,653,384**	909,494,124	-	909,494,124

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.

38.3 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.

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:

		2023					
	Note	**Carrying amount**	**Contractual cash flows**	**Less than one month**	**One to three months**	**Three months to one year**	**More than one year**
Financial Liabilities		**(Rupees)**					
Short-term borrowings	**26**	**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	**27**	**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	**36**	**22,048,871**	**(22,048,871)**	**(22,048,871)**	**-**	**-**	**-**
Unclaimed dividend		**3,527,781**	**(3,527,781)**	**(3,527,781)**	**-**	**-**	**-**
		3,856,830,515	**(3,856,830,519)**	**(271,186,944)**	**(396,698,320)**	**(1,978,818,271)**	**(896,961,616)**

		2022					
	Note	Carrying amount	Contractual cash flows	Less than one month	One to three months	Three months to one year	More than one year
Financial Liabilities		(Rupees)					
Short-term borrowings	26	2,226,407,411	(2,226,407,411)	(153,748,065)	(307,496,130)	(1,765,163,216)	-
Long-term loan	24	1,229,817,007	(1,229,817,007)	-	-	-	(1,229,817,007)
Current portion of long- term loan	24	433,625,552	(433,625,552)	(101,520,275)	(48,689,249)	(283,416,028)	-
Trade and other payables	27	618,677,392	(618,677,392)	(178,600,525)	(38,470,944)	(401,605,923)	-
Lease liabilities	21	30,328,259	(30,328,259)	(114,043)	(5,855,700)	(530,352)	(23,828,164)
Accrued mark-up on short-term borrowings		77,221,146	(77,221,146)	(77,221,146)	-	-	-
Due to related party	36	22,048,871	(22,048,871)	(22,048,871)	-	-	-
Unclaimed dividend		3,527,781	(3,527,781)	(3,527,781)	-	-	-
		4,641,653,419	(4,641,653,419)	(536,780,706)	(400,512,023)	(2,450,715,519)	(1,253,645,171)

38.3.1 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 year ended June 30, 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 it's operations.

38.4 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 Group is exposed to all of the three risks which are as follows:

38.4.1 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:

	2023		
	(USD)	**(CNY)**	**(JPY)**
Creditors	**247,375**	**125,304**	**6,816,400**
Net balance sheet exposure	**247,375**	**125,304**	**6,816,400**

	2022		
	(USD)	(CNY)	(JPY)
Creditors	1,736,191	-	177,840,115
Net balance sheet exposure	1,736,191	-	177,840,115

The following significant exchange rates applied during the year:

	Average rate		**Reporting date rate**	
	2023	2022	**2023**	2022
USD to Pak Rupees	**245.25**	181.02	**285.99**	204.50
CNY to Pak Rupees	**35.13**	27.48	**39.67**	30.60
JPY to Pak Rupees	**1.75**	1.47	**1.99**	1.50

Sensitivity Analysis

A 10 percent strengthening of the Rupee against USD, SGD and JPY at 30 June 2023 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 2022.

	2023		2022	
As at 30 June	**Consolidated Profit and loss**	**Consolidated Equity**	Consolidated Profit and loss	Consolidated Equity
	(Rupees)		(Rupees)	
Effect of change in USD	**7,074,678**	**7,074,678**	35,505,106	35,505,106
Effect of change in CNY	**4,949,508**	**4,949,508**	-	-
Effect of change in JPY	**1,356,464**	**1,356,464**	26,676,017	26,676,017
Gross exposure	**13,380,650**	**13,380,650**	62,181,123	62,181,123

The Group does not have any foreign currency borrowings as at 30 June 2023.

38.4.2 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:

	2023	2022
	(Rupees)	
Variable rate instruments		
Financial liabilities		
Short-tem borrowings	**(1,883,751,991)**	(2,226,407,411)
Lease liability	**(31,333,265)**	(30,328,259)
Long-term loans	**(872,629,618)**	(1,229,817,007)
	(2,787,714,874)	(3,486,552,677)
Fixed rate instruments		
Financial assets		
Loan to employees		
Loan to workers	**7,066,348**	39,969,934
	12,155,752	55,481,455
	19,222,100	95,451,389
Financial liabilities		
Term finance - under SBP refinance scheme for payment of wages and salaries	**-**	(55,530,107)
	19,222,100	39,921,282

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 2022.

	Consolidated Profit or loss		Consolidated Profit or loss	
	100 bps increase	100 bps decrease	100 bps increase	100 bps decrease
	(Rupees)		(Rupees)	
As at 30 June 2023				
Cash flow sensitivity - variable rate instruments	**27,877,149**	**(27,877,149)**	**27,877,149**	**(27,877,149)**
As at 30 June 2022				
Cash flow sensitivity - variable rate instruments	34,865,527	(34,865,527)	34,865,527	(34,865,527)

38.4.3 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 2023, 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 2023. The analysis is based on the assumption that KSE-100 index increased by 10% (2022: 10%) and decreased by 10% (2022: 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:

	2023	2022
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'	(Rupees)	
Effect on investments	**7,922**	9,225
Effect on profit or loss	**7,466**	9,072
Effect on equity	**7,922**	9,225
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'		
Effect on investments	**(7,922)**	(9,225)
Effect on statement of profit and loss	**(7,466)**	(9,072)
Effect on equity	**(7,922)**	(9,225)

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 2023 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 2022 is not necessarily indicative of the effect on the Company's assets of future movements in the level of KSE 100 index.

38.4.4 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.

39. 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:

	2023	2022
	(Rupees)	
Debt	**3,305,033,194**	7,841,204,912
Total equity	**2,165,935,962**	3,961,008,558
Total capital	**5,470,969,156**	11,802,213,470
Gearing ratio	**60:40**	71:36

40. 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 date (i.e., unobservable inputs).

40.1 Fair Value Hierarchy

Fair value less cost to sell as determined by management by engaging professional valuer fall under category of level 3 measurement in the fair value hierarchy. Valuer has based his assessment on market information and the value determined is Rs. 2,013.84 million for land, Rs. 1,091.26 million for buildings and Rs. 3,153.69 million for plant and machinery. 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 financial statements.

40.2 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:

		2023									
		Carrying amount						Fair value			
	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		**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	40.2.1	-	-	**424,653,384**	-	-	**424,653,384**				
Loans	40.2.1	-	-	**25,165,968**	-	-	**25,165,968**				
Deposits and other receivables	40.2.1	-	-	**116,006,271**	-	-	**116,006,271**				
Cash and bank balances	40.2.1	-	-	**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	40.2.1	-	-	-	-	**1,883,751,991**	**1,883,751,991**				
Long-term loans	40.2.1					**872,629,618**	**872,629,618**				
Trade and other payables	40.2.1	-	-	-	-	**403,419,096**	**403,419,096**				
Lease liabilities	40.2.1	-	-	-	-	**31,333,265**	**31,333,265**				
Accrued mark-up on short- term borrowings	40.2.1	-	-	-	-	**154,026,062**	**154,026,062**				
Due to related party	40.2.1	-	-	-	-	**22,048,871**	**22,048,871**				
Unclaimed dividend	40.2.1	-	-	-	-	**3,527,781**	**3,527,781**				
		-	-	-	-	**3,370,736,684**	**3,370,736,684**				

		2022									
		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		922,502	15,352	-	-	-	937,854	937,854	-	-	937,854
Pakistan Investment Bond		-	-	10,719,481	-	-	10,719,481	10,719,481	-	-	10,719,481
Financial assets - not measured at fair value											
Trade debts	40.2.1	-	-	909,494,124	-	-	909,494,124				
Loans	40.1.1	-	-	103,095,546	-	-	103,095,546				
Deposits and other receivables	40.1.1	-	-	15,796,934	-	-	15,796,934				
Cash and bank balances	40.1.1	-	-	30,371,640	-	-	30,371,640				
		922,502	15,352	1,069,477,725	-	-	1,070,415,579				
Financial liabilities - not measured at fair value											
Short-term borrowings	40.2.1	-	-	-	-	2,226,407,411	2,226,407,411				
Long-term loans	40.2.1	-	-	-	-	1,229,817,007	1,229,817,007				
Trade and other payables	40.2.1	-	-	-	-	618,677,392	618,677,392				
Lease liabilities	40.2.1	-	-	-	-	30,328,259	30,328,259				
Accrued mark-up on short-term borrowings	40.2.1	-	-	-	-	77,221,146	77,221,146				
Due to related party	40.2.1	-	-	-	-	22,048,871	22,048,871				
Unclaimed dividend	40.2.1	-	-	-	-	3,527,781	3,527,781				
		-	-	-	-	4,208,027,867	4,208,027,867				

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

41. 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:

	2023					2022				
	Chief Executive	**Director**	**Non - Executive Director**	**Executives**	**Total**	Chief Executive	Directors	Non-Executive Director	Executives	Total
	(Rupees)					(Rupees)				
Managerial remuneration	**11,681,010**	**4,574,700**	**-**	**20,402,210**	**36,657,920**	12,538,800	4,644,000	-	22,339,648	39,522,448
Housing and utilities	**12,654,427**	**4,955,925**	**-**	**26,302,065**	**43,912,417**	13,583,700	5,031,000	-	29,538,396	48,153,096
Bonus	**5,821,875**	**2,156,250**	**-**	**9,788,439**	**17,766,564**	5,062,500	1,875,000	-	5,596,003	12,533,503
Medical	**1,134,805**	**194,583**	**-**	**873,867**	**2,203,255**	898,735	169,992	-	1,006,557	2,075,284
Group's Contribution to retirement benefits funds	**-**	**457,470**	**-**	**1,498,004**	**1,955,474**	-	464,400	-	1,055,579	1,519,979
Meeting fee	**-**	**-**	**860,000**	**-**	**860,000**	-	-	1,942,000	-	1,942,000
	31,292,117	**12,338,928**	**860,000**	**58,864,585**	**103,355,630**	32,083,735	12,184,392	1,942,000	59,536,183	105,746,310
Number of persons	**1**	**1**	**5**	**8**	**15**	1	1	5	6	13

41.1 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. 68.4 million (2022: Rs. 72.10 million).

42. PROVIDENT FUND

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

	2023	**2022**
	(Un-audited)	(Audited)
	(Rupees)	
Size of the Fund	**47,018,328**	61,947,294
Costs of investments made	**47,014,150**	52,281,204
Amortised cost of investments	**47,014,150**	53,603,148
Percentage of investments made - based on fair value / amortised cost	**100%**	86.52%

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

	2023	**2022**	**2023**	**2022**
	(Un-audited)	(audited)	(Un-audited)	(audited)
	(Rupees)		(% of the size of the fund)	
Term finance certificates	**-**	140,000	**0.00%**	0.23%
Mutual fund units	**16,526,805**	6,467,516	**35.15%**	10.43%
Government securities	**29,245,926**	43,198,765	**62.21%**	69.66%
Equity securities	**1,241,419**	4,421,255	**2.64%**	7.13%
	47,014,150	54,227,536	**100%**	87.45%

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.

43. 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.

44. NUMBER OF EMPLOYEES

	2023	2022
	(Nubmber)	
Total number of employees at reporting date	**846**	1,496
Total number of factory employees at reporting date	**635**	1,201
Average number of employees during the year	**1,170**	1,429
Average number factory of employees during the year	**918**	1,206

45. OPERATING SEGMENTS

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

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

45.3 All non-current assets of the Group as at 30 June 2023 are located in Pakistan.

46. GENERAL

46.1 Authorisation for issue

These consolidated financial statements were authorised for issue in the Board of Directors meeting held on October 03, 2023.

Chief Financial Officer | Chief Executive | Director

NOTICE OF 43rd ANNUAL GENERAL MEETING OF LOADS LIMITED

Notice is hereby given that the 43rd Annual General Meeting ("AGM") of Loads Limited will be held on Thursday, October 26, 2023 at 11:30 a.m. at Plot No.23, Sector 19, Korangi Industrial Area, 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 May 30, 2023.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Directors' and Auditors' Reports thereon.
3. To appoint external auditors of the company for the year ending June 30, 2024 and to fix their remuneration. M/S Yousaf Adil & Co Chartered Accountants, being eligible, have offered themselves for appointment.

QR CODE

LINK: http://www.loads-group.pk/annual-reports/

Special Business

4. 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, 2023 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, 2024 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.

5. To transact any other business with the permission of Chair.

By Order of the Board

Babar Saleem
Company Secretary

October 5, 2023
Karachi

Notes:

Closure of Share Transfer Books

- The Share Transfer Books of the Company shall remain closed from October 19, 2023 to October 26, 2023 (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 18, 2023 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 18, 2023 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 25, 2023:

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 above-mentioned email address by the close of business hours (5:00 p.m.) on October 25, 2023.
- The login facility will open at 11:15 a.m. enabling the participants to join the proceedings which will start at 11:30 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.

Electronic Transmission of Annual Report

- In compliance with Section 223(6) of the Companies Act, 2017, the Company has electronically transmitted the Annual Report 2023 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 2023 (containing the financial statements), have been dispatched.
- Notwithstanding the above, the Company will provide hard copies of the Annual Report 2023, 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 October 26, 2023.

Agenda item no. 5

5(a) of the Notice - Transactions carried out with associated companies during the year ended June 30, 2023 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, 2023 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, 2023 to be passed as an Ordinary Resolution

The Company shall be conducting transactions with its related parties during the year ending June 30, 2023 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, 2024.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies.

☆ اس سلسلے میں، براہ کرم درج ذیل فارم کو پر کریں اور AGM کے انعقد سے 10 دن پہلے کمپنی کو اس کے رجسٹرڈ پتے پر جمع کرائیں۔ مجموعی طور پر 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبروں کی درخواست/مطالبہ موصول ہونے کے بعد، کمپنی ممبران کو ویڈیو کانفرنس کی سہولت کے مقام کے بارے میں AGM کی تاریخ سے کم از کم پانچ (5) دن پہلے مطلع کرے گی اور اس کے ساتھ اس طرح کی سہولت تک رسائی حاصل کرنے کے لیے ضروری مکمل معلومات فراہم کرے گی۔

میں/ہم میسرز____________________لوڈز لمیٹڈ کا____________کا رکن، کا حامل فولیو نمبر________اور/یا CDC شرکت کنندہ ID اور ذیلی اکاؤنٹ نمبر______________کے مطابق عام حصہ (شیئرز)، اس طرح_____________شہر میں ویڈیو کانفرنس کی سہولت کا انتخاب کریں۔

دستخط ممبر (ممبران)

(مہربانی کر کے کمپنی کا اسٹامپ لگائیں)

(کارپوریٹ ادارے کی صورت میں)

پتے کی تبدیلی:

اراکین سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئرز رجسٹرار، M/S کو فوری طور پر مطلع کریں۔ سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ اپنے رجسٹرڈ ایڈریس میں کسی قسم کی تبدیلی کا۔

کمپنی ایکٹ، 2017 کے سیکشن 134(3) کے تحت بیان

یہ بیان 26 اکتوبر 2023 کو منعقد ہونے والی کمپنی کی سالانہ جنرل میٹنگ میں خصوصی کاروبار سے متعلق مادی حقائق کا تعین کرتا ہے۔

ایجنڈا کا آئٹم نمبر 5

5(a) کا نوٹس - 30 جون 2023 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے گئے لین دین کو ایک عام قرارداد کے طور پر منظور کیا جائے گا۔

متعلقہ کمپنیوں (متعلقہ فریقین) کے ساتھ معمول کے کاروبار میں کیئے گئے لین دین کو بورڈ کے ذریعے منظور کیا جارہا تھا جیسا کہ ہرست شدہ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 کے مطابق سہ ماہی بنیادوں پر آڈٹ کمیٹی نے تجویز کی تھی۔

بورڈ میٹنگ کے دوران ڈائریکٹرز کی طرف سے نشاندہی کی گئی کہ چونکہ کمپنی ڈائریکٹرز کی اکثریت اس/ان لین دین میں دلچسپی رکھتی تھی ان کی مشترکہ ڈائریکٹرشپ اور متعلقہ کمپنیوں میں شیئرز رکھنے کی وجہ سے ڈائریکٹرز کا کورم نہیں بن سکا۔ اس/ان ٹرانزیکشنز کی منظوری کے لیے جن کی جنرل میٹنگ میں شیئر ہولڈرز کی منظوری ہونی ہے۔

مذکورہ بالا کو مدنظر رکھتے ہوئے، متعلقہ کمپنی کے ساتھ 30 جون 2023 کو ختم ہونے والے مالی سال ے دوران کئے گئے لین دین جیسا کہ آڈٹ شدہ مالیاتی بیانات کے متعلقہ نوٹس میں دکھایا گیا ہے، حصص یافتگان کے سامنے ان کے غور اور منظوری/توثیق کے لیے پیش کیا جارہا ہے۔

ڈائریکٹرز اس قرارداد میں ان کی مشترکہ ڈائریکٹرشپ اور متعلقہ کمپنیوں میں کے شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

5(b) کا نوٹس -30 جون 2023 کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کیے گئے لین کے لیے چیف ایگزیکٹو کو اختیار ایک عام قرارداد کے طور پر منظور کیا جائے گا۔

کمپنی 30 جون 2023 کو ختم ہونے والے سال کے دوران اپنی متعلقہ پارٹیوں کے ساتھ لین دین کرے گی جو کہ منظور شدہ پالیسی کے مطابق معمول کے کاروبار میں متعلقہ پارٹیوں کے ساتھ لین دین کے سلسلے میں بازو کی لمبائی کی بنیاد پر کرے گی۔ زیادہ تر ڈائریکٹرز متعلقہ کمپنیوں می مشترکہ ڈائریکٹرشپ کی وجہ سے ان لین دین میں دلچسپی رکھتے ہیں۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 کی دفعات کی تعمیل کرنے کے لیے، شیئر ہولڈرز چیف ایگزیکٹو کو اختیار دے سکتے ہیں کہ وہ متعلقہ کمپنیوں کے ساتھ کیئے گئے لین دین کی منظوری دے اور کاروبار کے معمول کے مطابق کیا جائے۔ 30 جون 2024 کو ختم ہونے والے آئندہ سال کے دوران متعلقہ فریق۔

ڈائریکٹرز متعلقہ کمپنیوں میں اپنی مشترقہ ڈائریکٹرشپ اور شیئر ہولڈنگ کی حد تک قراردادوں میں دلچسپی رکھتے ہیں۔

☆ پراکسی فارم کو دو افراد گواہی دیں جن کے نام، پتے اور CNIC نمبر فارم پر درج ہوں گے۔

☆ جہاں ممکن ہو CNIC کی تصدیق شدہ کاپیاں یا فائدہ اٹھانے والے مالکان کے پاسپورٹ کے شناختی صفحات اور پراکسی کو ای میل کیئے گئے پراکسی فارم کے ساتھ منسلک کیا جانا چاہیے۔

☆ کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی نمونہ دستخط کے ساتھ کمپنی کو پراکسی فارم کے ساتھ جمع کرانا چاہیے۔

☆ فزیکل شکل میں حصص رکھنے والے شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتے کی تبدیلی (اگر کوئی ہیں) کو مطلع کریں اور اپنے CNIC کی کاپی شیئر رجسٹرار کو فراہم کریں۔M/S سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99بی، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی۔

سالانہ رپورٹ کی الیکٹرانک ٹرانسمیشن

☆ کمپلائنس ایکٹ، 2017 کے سیکشن 223 (6) کی تعمیل میں، کمپنی نے سالانہ رپورٹ 2023 کو الیکٹرانک طور پر ای میل کے ذریعے شیئر ہولڈرز کو منتقل کیا ہے جن کے ای میل پتے کمپنی کے شیئر رجسٹرار کے پاس دستیاب ہیں، M/S سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، تاہم ایسے معاملات میں، جہاں کمپنی کے شیئر رجسٹرار کے پاس ای میل ایڈریس دستیاب نہیں ہیں، سالانہ رپورٹ 2023 ڈاؤن لوڈ کرنے کے لیے AGM کے نوٹسز کی پرنٹ شدہ کاپیاں-QR فعال کوڈ/ویب لنک کے ساتھ، (مالی بیانات پر مشتمل)، روانہ کر دیا گیا ہے۔

☆ مذکورہ بالا کے باوجود، کمپنی کسی بھی رکن کو ان کی درخواست پر، ان کے رجسٹرڈ پتے پر، ایسی درخواست موصول ہونے کے ایک (1) ہفتے کے اندر، سالانہ رپورٹ 2023 کی کی ہارڈ کاپیاں فراہم کرے گی۔مزید برآں، اراکین سے درخواست کی جاتی ہے کہ وہ اپنا درست ای میل پتہ (درست CNIC کاپی کے ساتھ) کمپنی کے شیئر رجسٹرار کو فراہم کریں، M/S سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ اگر ممبر کے پاس فزیکل شکل میں حصص ہیں یا ممبر کے متعلقہ شرکت کنندہ/سرمایہ کار اکاؤنٹ سروسز کے پاس، اگر حصص بک انٹری فارم میں رکھے گئے ہیں۔

SRO.787(I)/2014 کے 08 ستمبر 2014 کے نوٹیفکیشن کے مطابق SECP نے کمپنی کے ممبران کو الیکٹرانک 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 نوٹسز کو ای میل کے ذریعے حاصل کرنا چاہتے ہیں۔اس سلسلے میں، اراکین سے درخواست کی جاتی ہے کہ وہ ایک معاری درخواست فارم پر ای میل کے ذریعے اپنی رضامندی ظاہر کریں جو کمپنی کی ویب سائٹ پر دستیاب ہے یعنی http://www.loads-group.pk/annual-reports/، براہ کرم یقینی بنائیں کہ آپ کے ای میل میں اس طرح کے ای میل موصول کرنے کے لیے کافی حقوق اور جگہ دستیاب ہے۔

مزید، یہ کہ ممبر کی ذمہ داری ہے کہ وہ رجسٹرڈ ای میل ایڈریس میں کسی بھی تبدیلی کے بارے میں شیئر ز رجسٹرار کو بروقت اپ ڈیٹ کرے۔

ان ممبران کو نوٹس جنہوں نے CNIC فراہم نہیں کیا ہے۔

SECP کے ذریعے نوٹیفکیشن S.R.O.19 (1)/2014 مورخہ 10 جنوری 2014 نوٹیفکیشن S.R.O831(1)/2012 مورخہ 5 جولای 2012 کے ساتھ پڑھا گیا ہے کہ ڈیویڈنڈ وارنٹ (وارنٹ) میں رجسٹرڈ ممبر یا مجاز شخص کا CNIC نمبر ہونا چاہیے، سوائے نابالغ اور کارپوریٹ اراکین کے معاملے کے۔اس کے مطابق، ایک درست CNIC کی کاپی نہ ملنے کی صورت میں، کمپنی ایس ای سی پی کی ہدایت کی تعمیل کرنے سے قاصر ہوگی اور اس کے لیے ایس ای سی پی کے 13 جولائی 2015 کے حکم کے تحت ایسے شیئر ہولڈرز کے ڈیویڈنڈ وارنٹس کی ترسیل کو روکنے کے لیے مجبور ہوگی۔ شیئر ہولڈرز کو CNIC بھیجتے وقت اپنے متعلقہ فولیو نمبر اور کمپنی کے نام کا حوالہ دینا چاہیے۔

بلا معاوضہ/غیر دعوی شدہ ڈیویڈنڈ اور شیئرز:

☆ کمپنیز ایکٹ، 514 کے سیکشن 244 کی دفعات کے مطابق، کمپنی کی طرف سے جاری کردہ یا ڈیویڈنڈ کا اعلان کردہ کوئی بھی حصص جو اس تاریخ سے تین سال کی مدت تک غیر دعویدار/غیر ادا شدہ رہ گیا ہے جس تاریخ کو یہ واجب الادا اور قابل ادائیگی تھ، ضروری ہے کہ شیئر ہولڈرز کو نا دعوی دائر کرنے کے نوٹس جاری کرنے کے بعد وفاقی حکمت کے کریڈٹ کے لیے سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے جمع کرایا جائے۔ شیئر ہولڈرز سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ غیر دعویٰ شدہ ڈیویڈنڈ اور شیئرز کے لیے ان کے دعوے فوری ور پر درج کیے جائیں۔اگر کوئی دعویٰ درج نہیں کیا جاتا ہے تو، کمپنی کمپنیز ایکٹ 2017 کے سیکشن 244(2) کی فراہمی کے مطابق، جیسا کہ تجویز کیا گیا ہے، غیر دعوی شدہ/ادا شدہ رقم اور حصص وفاقی حکومت کے پاس جمع کرانے کے لیے آگے بڑھے گی۔

سی ڈی سی اکاؤنٹ میں فزیکل شیئرز جمع کرنا:

☆ ایس ای سی پی نے اپنے خط نمبر CSD/ED/Misc/2016-639-640 مورخہ 26 مارچ 2021 کے ذریعے لسٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ کمپنیز ایکٹ 2017 کے سیکشن 72 کی دفعات پر عمل کریں تاکہ ان کے جاری کردہ فزیکل شیئرز کو کتاب میں تبدیل کر دیا جائے۔داخلہ فارم۔

☆ لوڈز لمیٹڈ کے شیئر ہولڈرز جن کے فزیکل فولیو/شیئر سرٹیفکیٹ ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل فارم سے جلد از جلد بک انٹری فارم میں تبدیل کریں۔شیئر ہولڈرز اپنے بروکر سے رابطہ کر سکتے ہیں۔سی ڈی سی شراکت دار یا سی ڈی سی انوسٹر اکاؤنٹ سروس فراہم کردہ سی ڈی سی مین اکاؤنٹ کھولنے اور بعد از اں فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے میں مدد کے لیے۔ یہ شیئر ہولڈرز کو حصص کی محفوظ تحویل سمیت کئی طریقوں سے سہولت فراہم کرے گا۔ڈپلیکیٹ شیئرز وغیرہ کے اجراء کے لیے ضروری رسمی کارروائیوں سے اجتناب، مزید معلومات اور مدد کے لیے، شیئر ہولڈرز ہمارے شیئر رجسٹرار سے رابطہ کر سکتے ہیں، M/S سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، 99بی، ایس ایم سی ایچ ایس، شاہراہ فیصل، کراچی۔

وڈیو کانفرنس کی سہولت کے لیے درخواست۔

SECP کے 2014 کے سرکلر نمبر 10 مورخہ 21 مئی 2014 کے لحاظ سے ایکٹ کے سیکشن 134(1)(b) کے تحت موجودہ دفعات کے ساتھ پڑھا گیا، اگر کمپنی کو جغرافیائی محل وقوع پر رہنے والے 10% یا اس سے زیادہ شیئر ہولڈنگ رکھنے والے ممبران سے درخواست/مطالبہ موصول ہوتا ہے۔میٹنگ کی تاریخ سے کم از کم 10 دن پہلے ویڈیو کانفرنس کے ذریعے میٹنگ میں شرکت کرنا۔کمپنی اس شہر میں ویڈیو کانفرنس کی سہولت کا انتظام کرے گی، اس شہر میں ایسی سہولت کی دستیابی سے مشروط۔

لوڈز کے ۴۳ ویں سالانہ اجلاس کا نوٹس

مطلع کیا ہے کہ لوڈز کا ۴۳ سالانہ اجلاس (اے جی ایم) بروز جمعرات ۲۶ اکتوبر ۲۰۲۳ کو صبح ۱۱:۳۰ بمقام پلاٹ نمبر ۲۳، سیکٹر ۱۹، کورنگی انڈسٹریل ایریا کراچی میں منعقد ہوگا۔ ویڈیو لنک کی سہولت اے جی ایم کاروبار کے لین دین کیلئے منعقد کیا جارہا ہے۔

عام کاروبار:

۱) ۳۰ مئی ۲۰۲۳ کو ہونے والی لوڈز کی غیر معمولی جنرل میٹنگ کے منٹس کی تصدیق۔

۲) ۳۰ جون ۲۰۲۳ کو ختم ہونیوالے سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی بیانات وصول کرنے اور ان پر غور کرنے اپنانے کیلئے ڈائریکٹرز اور آڈیٹرز کی رپورٹس کے ساتھ پیش کی۔

۳) ۳۰ جون ۲۰۲۴ کو ختم ہونے والے سال کیلئے کمپنی کے بیرونی آڈیٹرز کا تقرر کرنا اور ان کے معاوضے کا تعین کرنا میسرز یوسف عادل اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اہل ہونے کے ناطے تقرری کیلئے خود کو پیش کرچکے ہیں۔

QR CODE

LINK: http://www.loads-group.pk/annual-reports/

خصوصی کاروبار:

۴) درج ذیل قراردادوں کو منظور کرنے پر غور کرنا۔

اے) حل کیا گیا کہ ۳۰ جون ۲۰۲۳ کو ختم ہونے والے سال کے دوران متعلقہ کمپنیوں کے ساتھ کاروبار کے معمول کے مطابق کی گئی لین دین کی توثیق اور منظوری دی گئی ہے۔

ب) حل کیا گیا ہے کہ کمپنی کا چیف ایگزیکٹو ۳۰ جون ۲۰۲۴ کو ختم ہونے والے اور آنے والے سال کے دوران تمام لین دین کی منظوری دینے اور متعلقہ کمپنیوں کے ساتھ معمول کے مطابق کاروبار کرنے کا مجاز ہے اور اس سلسلے میں چیف ایگزیکٹو اور اسکے ذریعے کمپنی کی جانب سے اس سلسلے میں مطلوبہ تمام دستاویزات پر دستخط/عمل درآمد کرنے اور کوئی بھی تمام ضروری کاروائی کرنے کا مجاز ہے۔

۵) چیئرمین کی اجازت سے کوئی بھی دوسرا کاروبار کرنا۔

بورڈ کے حکم سے

بابر سلیم

کمپنی سکریٹری

۱۵ اکتوبر ۲۰۲۳

کراچی

نوٹس:

تقسیم شدہ کتب کی بندش

☆ کمپنی کی تقسیم شدہ کی منتقلی کی کتابیں 19 اکتوبر 2023 سے 26 اکتوبر 2023 تک بند رہیں گی۔ (دونوں دن شامل ہیں)۔ کمپنی کے شیئر رجسٹرار کو ترتیب سے موصول ہونے والی فزیکل ٹرانسفرز/ سی ڈی ایس ٹرانزیشن آئی ڈی کی شکل میں۔ M/S سی ڈی سی شیئر رجسٹرار سروسز لمیٹڈ، سی ڈی سی ہاؤس، بلاک بی، ایس ایم سی ایچ، شاہرہ فیصل کراچی، 18 اکتوبر 2023 کو کاروبار کے اختتام تک میٹنگ میں شرکت کرنے اور ووٹ دینے اور منتقلی کرنے والوں کے لیے مذکورہ بالا استحقاق کے لیے بروقت برتاؤ کیا جائے گا۔

سالانہ جنرل میٹنگ میں الیکٹرانک طور پر شرکت اور پراکسیوں کا تقرر

☆ صرف وہی افراد، جن کے نام 18 اکتوبر 2023 کو کمپنی کے ممبران کے رجسٹر میں موجود ہیں، سالانہ جنرل میٹنگ میں شرکت اور ووٹ دینے کے حقدار ہیں۔ سالانہ اجلاس عام کا انعقاد ایس ایس سی پی کی طرف سے 15 فروری 2021 کے سرکلر نمبر 4 آف 2021 کے ذریعے جاری کردہ رہنمائی خطوط کے مطابق کیا جارہا ہے۔

☆ جو شیئر ہولڈرز سالانہ جنرل میٹنگ میں شرکت کرنا چاہتے ہیں ان سے درخواست کی جاتی ہے کہ وہ اپنی تفصیلات نامزد ای میل ایڈریس **co.secy@loads-group.com** پر بھیج کر اپنے آپ کو رجسٹر کرائیں۔ 25 اکتوبر 2023 کو کاروباری اوقات (شام 5:00 بجے) اس کے اختتام تک نیچے دیئے جدول کے مطابق تفصیلات دینا:

شیئر ہولڈر کا نام	شناختی کارڈ نمبر	سی ڈی ایس شرکت کردہ آئی ڈی/ فولیو نمبر:	موبائل نمبر	ای میل ایڈریس

☆ ویبنار کا لنک رجسٹرڈ شیئر ہولڈرز/ پرکسی ہولڈرز کو فراہم کیا جائے گا جنہوں نے تمام درخواست کردہ معلومات فراہم کی ہیں۔ حصص یافتگان کو یہ بھی حوصلہ افزائی کی جاتی ہے کہ وہ AGM کے ایجنڈا آئٹمز سے متعلق اپنے تبصرے/ مشورے مذکورہ ای میل ایڈریس پر 25 اکتوبر 2023 کو کاروباری اوقات کے اختتام تک (شام 5:00 بجے) بھیج دیں۔

☆ لاگ ان کی سہولت صبح 11:15 بجے کھلے گی جس سے شرکاء کاروائی میں شامل ہوسکیں گے جو صبح 11:30 بجے شروع ہوں گے۔

☆ مذکورہ میٹنگ میں شرکت کرنے اور ووٹ دینے کا حقدار ممبر اپنی طرف سے شرکت کرنے اور ووٹ دینے کے لیے ایک پراکسی مقرر کرسکتا ہے۔ کوئی بھی شخص پراکسی کے طور پر کام نہیں کرے گا (سوائے کارپوریشن کے) جب تک کہ وہ اپنے حق میں موجود ہونے اور ووٹ دینے کا حقدار نہ ہو۔ پراکسیوں کی تقرری کے لیے، ذیل میں دکھائے جانے والے پراکسی فارم کی اسکین شدہ/ ہارڈ کاپی، مناسب طریقے سے انجام دی گئی اور گواہی کے ساتھ، متعلقہ معاون دستاویزات اور پراکسی کا ای میل ایڈریس کمپنی سیکریٹری کو **co.secy@loads-group.com** پر بھیجا جانا چاہیے۔ میٹنگ کے وقت سے کم از کم 48 گھنٹے پہلے۔

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2023

No of Shareholders	Shareholdings'Slab			Total Shares Held
983	1	to	100	35,584
963	101	to	500	357,475
1919	501	to	1000	1,526,260
3034	1001	to	5000	7,747,122
882	5001	to	10000	6,765,851
366	10001	to	15000	4,577,311
220	15001	to	20000	3,971,568
136	20001	to	25000	3,166,537
88	25001	to	30000	2,443,182
64	30001	to	35000	2,113,019
63	35001	to	40000	2,406,719
34	40001	to	45000	1,453,271
64	45001	to	50000	3,138,046
22	50001	to	55000	1,160,795
17	55001	to	60000	986,263
16	60001	to	65000	1,013,717
15	65001	to	70000	1,024,941
21	70001	to	75000	1,545,991
9	75001	to	80000	713,735
4	80001	to	85000	329,895
7	85001	to	90000	614,428
6	90001	to	95000	561,863
22	95001	to	100000	2,193,588
7	100001	to	105000	715,902
10	105001	to	110000	1,086,770
5	110001	to	115000	556,865
9	115001	to	120000	1,058,519
3	120001	to	125000	368,749
7	125001	to	130000	895,611
2	130001	to	135000	268,000
1	135001	to	140000	140,000
1	140001	to	145000	142,219
9	145001	to	150000	1,346,181
3	150001	to	155000	460,001
4	155001	to	160000	628,183
5	165001	to	170000	833,066
2	170001	to	175000	344,500
2	180001	to	185000	367,693
9	195001	to	200000	1,791,850
2	200001	to	205000	406,211
2	210001	to	215000	423,128
3	215001	to	220000	656,000
1	225001	to	230000	226,500
1	240001	to	245000	242,500
1	245001	to	250000	249,173
1	250001	to	255000	253,712
1	255001	to	260000	260,000
1	270001	to	275000	270,421
2	280001	to	285000	569,000
1	290001	to	295000	292,000
5	295001	to	300000	1,495,570
3	305001	to	310000	928,600
1	315001	to	320000	319,771
1	320001	to	325000	325,000
1	325001	to	330000	330,000
1	345001	to	350000	350,000
1	390001	to	395000	392,896
1	395001	to	400000	400,000
1	420001	to	425000	421,374
1	430001	to	435000	430,028
1	445001	to	450000	449,818
1	465001	to	470000	468,000
2	495001	to	500000	1,000,000
1	510001	to	515000	514,000
1	520001	to	525000	525,000
1	535001	to	540000	540,000
1	570001	to	575000	574,007
1	585001	to	590000	589,470
1	595001	to	600000	597,895
1	640001	to	645000	640,500
3	680001	to	685000	2,053,500
1	705001	to	710000	709,500
1	730001	to	735000	731,888
1	820001	to	825000	825,000
1	830001	to	835000	830,578
1	870001	to	875000	875,000
1	930001	to	935000	933,847
1	940001	to	945000	941,500
1	1050001	to	1055000	1,051,620
1	1360001	to	1365000	1,365,000
1	1560001	to	1565000	1,565,000
1	1695001	to	1700000	1,700,000
1	1710001	to	1715000	1,711,485
1	1770001	to	1775000	1,772,500
2	1930001	to	1935000	3,870,000
1	2030001	to	2035000	2,032,010
1	2070001	to	2075000	2,072,990
1	2480001	to	2485000	2,484,306
1	2490001	to	2495000	2,491,734
1	2655001	to	2660000	2,657,352
1	2805001	to	2810000	2,809,884
1	3135001	to	3140000	3,135,398
1	4760001	to	4765000	4,762,000
1	5835001	to	5840000	5,837,268
1	31385001	to	31390000	31,387,657
1	94650001	to	94655000	94,651,139
9,106				**251,250,000**

PATTERN OF SHAREHOLDING

AS OF JUNE 30, 2023

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children & Sponsors			
Khadija Wajid Ali	1	142,219	0.06
Munir Karim Bana	1	5,837,268	2.32
Muhammad Zindah Moin Mohajir	1	831	0.00
Shamim Ahmed Siddiqui	1	993	0.00
Sohail Munir Bana	1	2,484,306	0.99
Syed Shahid Ali	1	94,651,139	37.67
Syed Sheharyar Ali	1	308,795	0.12
Rozina Muzammil	1	831	0.00
Mehdi Hasnain	1	500	0.00
Muhammad Mohtashim Aftab	1	42,360	0.02
Associated Companies, undertakings and related parties	7	31,403,044	12.50
NIT and ICP	-	-	-
Banks Development Financial Institutions, Non-Banking Financial Institutions	0	-	-
Insurance Companies	1	45,681	0.02
Modarabas and Mutual Funds	1	941,500	0.37
General Public			
a. Local	8942	90,390,118	35.98
b. Foreign	76	1,102,458	0.44
Foreign Companies	0	-	-
Others	69	23,897,957	9.51
Totals	**9106**	**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

FORM OF PROXY

I/We ____
of_____________________________________ being a Member of Loads Limited and holder(s) of
_________________ Ordinary Shares as per Share Register Folio No. _______________________

For beneficial owners as per CDC List	
CDC Participant ID No. ______________	Sub Account No. __________
CNIC No. □□□□□■□□□□□□□■□	Passport No. ______________

hereby appoint Mr./Mrs./Miss._______________________________ of ________________ or failing him/her Miss/Mrs./ Mr. ____ of _______________ another person on my/our proxy to attend and vote for me/us and my/our behalf at Annual General Meeting of the Company to be held on Thursday, October 26, 2023 at 11:30 a.m. and at every adjournment thereof, if any.

Please affix Rupees Five Revenue Stamp

Signature should agree with the specimen signature registered with the Company)

Signed this _______ day of October 2023

Signature of Shareholder___________________
Signature of Proxy ______________________

1. WITNESS	2. WITNESS
Signature: ______________________________	Signature: ______________________________
Name: _________________________________	Name: _________________________________
Address: ______________________________ ____	Address: ______________________________ ____
CNIC No. or Passport No.___________________	CNIC No. or Passport No.___________________

1. This Proxy Form duly completed and signed, must be received at above mentioned address the Registered Office of the Company, not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. For CDC Account Holders / Corporate Entities in addition to the above the following requirements have to be met.

i. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy forms.

ii. The proxy shall produce his original CNIC or original passport at the time of the meeting.

iii. In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Loads Limited
Plot# 23, Sector 19,
Korangi Industrial Area,
Karachi-74900, Pakistan.

AFFIX
CORRECT
POSTAGE
STAMPS

فارم آف پراکسی

میں / ہم --

جس / جن کا تعلق --- سے ہے،

لوڈز لمیٹڈ کا / کے ممبر ہیں اور رجسٹر فولیو نمبر ------------- کے مطابق ------------- آرڈنری شیئرز کے شیئر ہولڈر (s) ہیں۔

سی ڈی سی لسٹ کے مطابق بینی فیشل اونرز کے لیے
سی ڈی سی میں شرکت کا شناختی نمبر ----------------------- سب اکاؤنٹ نمبر -----------------------
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ----------------------- پاسپورٹ نمبر -----------------------

جناب / محترمہ ------------------ کو، جن کا تعلق ------------------------ سے ہے یا ان کی ناکامی کی صورت میں دوسرے فرد کی حیثیت سے جناب / محترمہ ------------------ کو، جن کا تعلق ------------------ سے ہے جمعرات، 26 اکتوبر، 2023 کو صبح 11:30 بجے منعقد ہونے والے کمپنی کے سالانہ اجلاس عام اور التوا کی صورت میں بعد میں ہونے والے اجلاسوں میں میری / ہماری جانب سے شرکت اور میری / ہماری جانب سے ووٹ دینے کے لیے مقرر کرتا / کرتی / کرتے ہیں۔

براہ کرم اس پر پانچ روپے کا ریونیو ٹکٹ لگائیں

(دستخط، نمونے کے اس دستخط سے ملنے چاہئیں جو کمپنی کے پاس رجسٹرڈ ہیں)

شیئر ہولڈر کے دستخط --------------

دستخط کیے گئے ----- اکتوبر، 2023

پراکسی کے دستخط

1. گواہ
دستخط: ------------------------------
نام: ------------------------------
پتہ: ------------------------------

سی این آئی سی یا پاسپورٹ نمبر ------------------

2. گواہ
دستخط: ------------------------------
نام: ------------------------------
پتہ: ------------------------------

سی این آئی سی یا پاسپورٹ نمبر ------------------

i. بینی فیشل اونرز اور پراکسی کے سی این آئی سی اور پاسپورٹ کی تصدیق شدہ کاپیاں، پراکسی فارم کے ساتھ جمع کرائی جائیں گی۔

ii. اجلاس کے وقت پراکسی اپنا اصل سی این آئی سی یا پاسپورٹ پیش کرے گا۔

iii. کارپوریٹ ادارے کی صورت میں، پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی بمعہ نمونے کے دستخط (اگر یہ پہلے فراہم نہیں کیے گئے) کمپنی کو پیش کرنا ہوں گے۔

1. صحیح طریقے سے پُر اور دستخط شدہ یہ پراکسی فارم، اجلاس شروع ہونے کے وقت سے لازمی طور پر 48 گھنٹے قبل اوپر درج کمپنی کے رجسٹرڈ دفتر کے ایڈریس پر پہنچ جانا چاہیئے۔

2. اگر کوئی ممبر ایک سے زیادہ پراکسی مقرر کرے گا اور کمپنی کو ایک سے زیادہ پراکسی انسٹرومنٹ داخل کرائے جائیں گے، تو اس قسم کے تمام انسٹرومنٹ آف پراکسی ناقابل قبول تصور کیے جایں گے۔

3. سی ڈی سی اکاؤنٹ ہولڈرز / کارپوریٹ ادارے، مذکورہ بالا کے علاوہ درج ذیل تقاضوں کو بھی پورا کریں۔

ڈاک ٹکٹ
یہاں چسپاں کریں

لوڈز لمیٹڈ
پلاٹ نمبر23، سیکٹر19،
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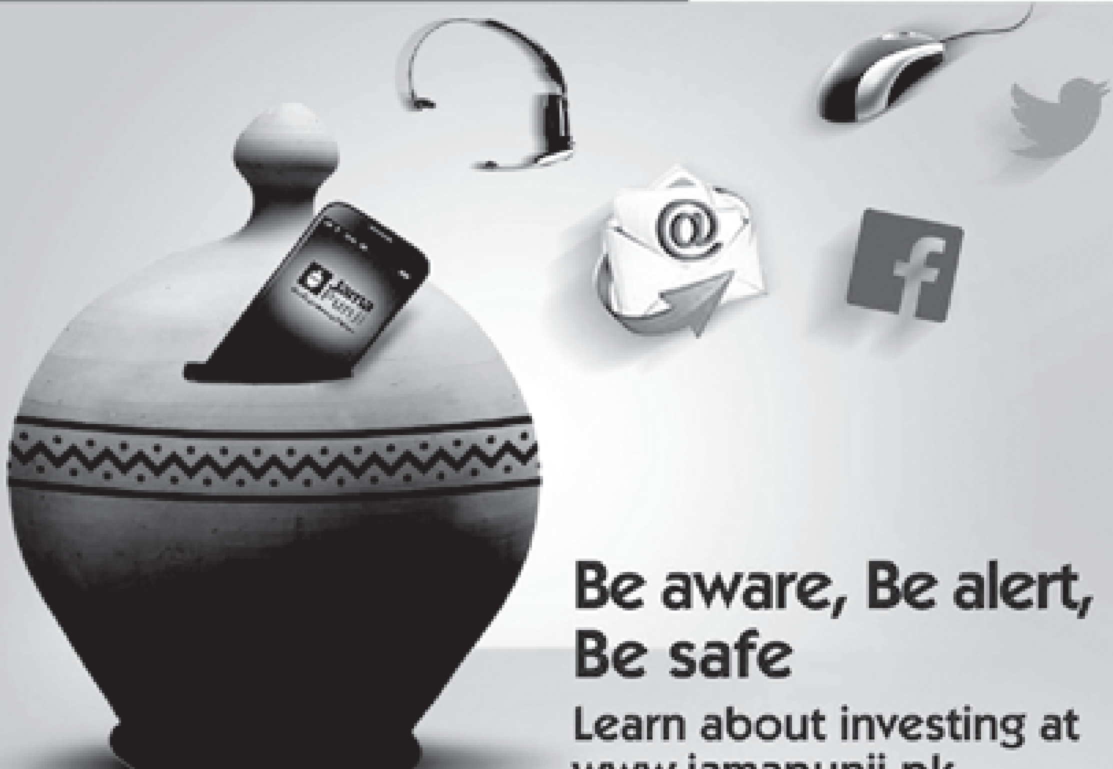

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