

Atlas Battery Limited

D-181, Central Avenue, S.I.T.E., Karachi-75730

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THE ATLAS WAY

ANNUAL REPORT 2020

ABOUT THE COVER

The Atlas Group pays tribute to its late Founder Chairman Mr. Yusuf H. Shirazi – a man of high principles and business acumen. The foundation of Atlas Group was laid in the year 1962 by Mr. Shirazi when "Shirazi Investments (Private) Limited" was formed with an initial capital of Rs. 500,000 and 3 men. By following the principles of **The Atlas Way** as articulated by the late Chairman, Atlas Group is known for its strong values and professionalism. The Group is amongst the largest tax payers and employers in the country. We are committed to upholding the legacy of our beloved founder as we forge ahead with renewed zeal and commitment.

A hand is seen at the bottom center, releasing a glowing paper lantern into the sky. The lantern is made of crumpled paper and has a small flame at the bottom. The sky is a mix of blue and orange, suggesting a sunset or sunrise. The text 'SURVIVAL AND REBIRTH' is overlaid on the lantern.

SURVIVAL AND REBIRTH

Our Covid-19 management is based on deep reflection, analysis and thoughtful leadership. During this time we have communicated clearly and constantly to ensure all associates are given direction and support in a time of unprecedented uncertainty. After all, our human resource is the most precious asset that always requires careful nurturing.

HEALTH | SAFETY | ENVIRONMENT

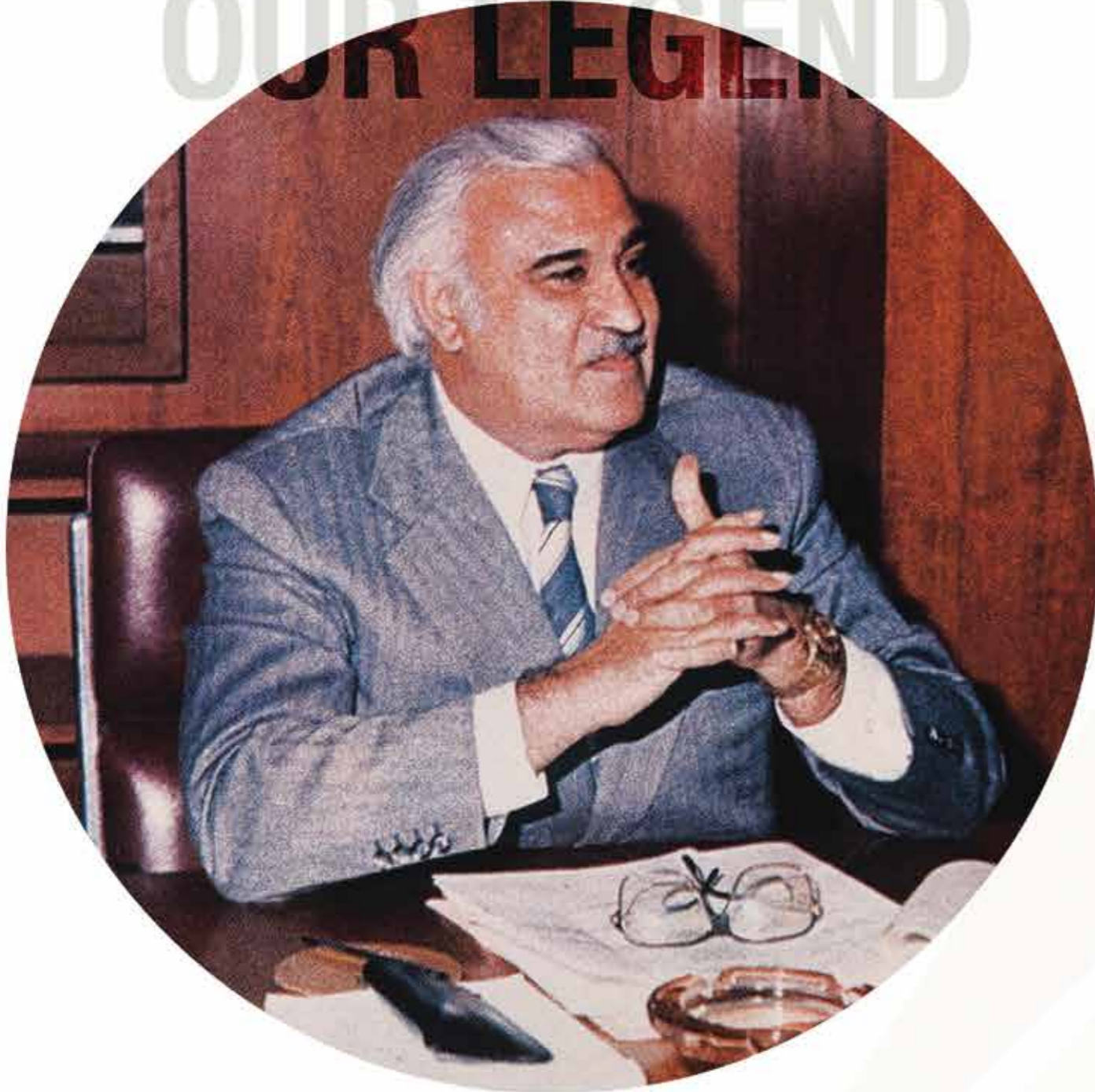


PAVING THE WAY TOWARDS ENVIRONMENTAL EFFICIENCY AND SUSTAINABILITY

Atlas Battery has achieved significant HSE milestones with the goal to strive for continuous improvement. The company's performance rests greatly on its focus towards safety to eliminate incidents, injuries and other hazards at the workplace.

Atlas Battery consciously ensures its associates' health by improving hygiene standards and reducing the environmental impact. All this has resulted in paving the path towards operational excellence.

REMEMBERING OUR LEGEND



October 20, 2019 will be remembered as the sad day when Mr. Yusuf H. Shirazi, the Founder and Chairman of Atlas Group, left for his heavenly abode.

Mr. Shirazi was a visionary with unique business acumen. He will be long remembered as one of the most successful first generation entrepreneurs of Pakistan. After working briefly in public and private sector as a professional, he embarked on a long and distinguished career in private enterprise where he set up numerous successful companies in the field of engineering, finance, trading and power generation. In particular, his collaboration with Honda Japan paved the way for establishment of the Auto Industry in Pakistan. He touched countless lives by providing inspiring vision, defining new careers and creating numerous opportunities.

His legacy of professional management, integrity and 'Pakistan first' mantra will continue to inspire generations. Through his entrepreneurial zeal and perseverance, he managed to build enduring joint ventures with world-renowned foreign companies such as Honda, GS Yuasa, MAN, TOTAL and Bank of Tokyo (MUFG), Asian Development Bank, DEG and IFC.

Mr. Shirazi was highly respected as a patriot, industrialist, author and philanthropist. In recognition of his services, he was decorated with the Sitara-e-Essar and Sitara-e-Imtiaz by the Government of Pakistan. He was also bestowed National Awards by the Government of Japan.

At Atlas Battery, we will continue to draw inspiration from his extraordinary life and be guided by his principles of the ATLAS WAY – a source of guidance for all our future endeavors. While we mourn his passing, we will celebrate his life with the goal to continue making his beloved Atlas Group stronger – Generation after Generation.

TABLE OF CONTENTS

CORPORATE INFORMATION

Ownership, Operating Structure and Relationship with Group Companies	01
Vision, Mission and Values	04
Strategic Objectives	05
Quality, Health, Safety and Environment (QHSE) Policy, and ISO Integrated Management System	07
Position within the Value Chain	08
Journey of Success	09
Geographical Presence	11
Organizational Chart	12
Company Information	13

SHAREHOLDER INFORMATION

Notice of Annual General Meeting	17
Information for Shareholders	21
Principle Business Activities, International Certifications and Brands	23
Capital Structure	24
Pattern of Shareholding	25
Board of Directors	27
Major Events during the Year	29
Media Gallery	31
Financial Calendar	32
Business Model	35

FINANCIAL HIGHLIGHTS

Financial Highlights	39
Statement of Value Addition	40
Analysis of Financial Statements	41
Liquidity Management and Cash Flow Strategy	48
Forward Looking Statement	49
Six Years at a Glance	51
Analysis of Prospects of Company	54
Segmental Review of Business	54
Share Price Sensitivity Analysis	55
DuPont Analysis	57
Quarterly Performance Analysis	58

CORPORATE GOVERNANCE

Chairman's Review	61
Directors' Report	65
Directors' Report (Urdu)	75
Chairman's Review (Urdu)	79
Code of Conduct	80
CEO Message on Sustainability Report	83
Sustainability	84
Corporate Governance	98
Factors Effecting External Environment (Risk and Opportunity Report)	108
PESTEL	111
Competitive Landscape and Marketing Position – SWOT Analysis	112
Report of the Audit Committee	113
Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	117
Review Report to the Members on the Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019	119

FINANCIAL STATEMENTS

Auditors' Report to the Members on the Audit of the Financial Statements	120
Statement of Financial Position	125
Statement of Profit or Loss and Other Comprehensive Income	127
Statement of Changes in Equity	128
Statement of Cash Flows	129
Notes to the Financial Statements	131

OTHERS INFORMATION

Glossary of Terms	167
Atlas Group Companies	168
Product Types and their Application	169
Our Valued OEM Customers	171
Letter to Shareholders for Remuneration of Chief Executive and Company Secretary	172
Letter to Shareholders for Providing Copy of CNIC	173
Dividend Mandate Form	174
Proxy Form	176

OWNERSHIP, OPERATING STRUCTURE AND RELATIONSHIP WITH GROUP COMPANIES

ABOUT US - PROFILE OF THE COMPANY

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in the manufacturing and sale of automotive and motorcycle batteries, and their allied products. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E., Karachi, with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan.

The Company signed a technical collaboration agreement with Japan Storage Battery Co. Ltd., Japan in 1969 (now known as GS Yuasa Corporation) for production and sale of Japanese quality batteries in Pakistan. Atlas Battery started production in 1969 with the genesis of the brand “AGS” – “A” for Atlas and “GS” for Genzo Shimadzu (the founder of Japan Storage Battery Co. Ltd., Japan).

Our journey of over five decades reflects our focus on superior quality and product innovation and encapsulated in our tagline “Baat Hai Quality Ki”. With continuous focus on Japanese technology products, we have introduced various products such as high quality low maintenance hybrid battery, maintenance free battery and deep cycle battery.

The Company manufactures a wide range of polypropylene batteries suitable for passenger cars, heavy vehicles, motorcycles, construction equipment as well as stationary and industrial applications including gensets, solar electric panels and uninterruptible power supply (UPS) equipment.

The Company has a successful track record of growth by focusing on HSE, selling superior quality products, investing in engineering and development of products and enhancing the after sales service network for consumer education.

GROUP STRUCTURE

The pioneer of Pakistan’s industry, Late Mr. Yusuf H. Shirazi, laid the foundation of Atlas in 1962 with the establishment of Shirazi Investments (Private) Limited with a capital of half a million rupees and three men doing business in trading shares and real estate. The Atlas motto coined by him, ‘organization development through self-development’, has been the essence of success for Atlas over decades.

Today Atlas is a diversified group dealing in engineering, power generation, financial services and trading. It consists of 18 companies of which 4 are quoted on the Pakistan Stock Exchange (enlisted at the end of the report). Atlas shareholders’ equity and assets stand over US\$ 2 billion and annual sales nearing US\$ 3 billion.

With an aggressive focus on development, Atlas is firmly established as the technology and knowledge leader in Pakistan. Having institutionalized its values and management structure, providing a sense of active participation at every level, Atlas is driven by the ambition of making Pakistan self-sufficient and prosperous generation after generation.





VISION

A leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international market.

MISSION

Ensuring customer satisfaction through the highest degree of quality and service with innovation and dynamic management while meeting stakeholders' expectations and serving as a model corporate citizen.

VALUES

- Quality
- Transparency
- Integrity
- Meritocracy
- Excellence
- Safety

STRATEGIC OBJECTIVES

The Company is determined to follow its key strategic objectives and gauge the performance against certain parameters laid down by the Company. They are regularly monitored and will remain relevant in measuring ongoing progress.

OBJECTIVES	STRATEGY	RESOURCE ALLOCATION PLAN	INDICATORS	ACTUAL RESULTS	TIMELINE
<p>Associates To develop, update and enhance our associates' skills, knowledge and creative potential.</p>	<ul style="list-style-type: none"> • Create enjoyable work environment • Educate and train associates. • Learning and development opportunities • Dedicate responsibilities with empowerment • Succession planning 	<p>Human Capital The Company has human capital with adequate skills and experience who have been inducted through a formal process. The associates are well versed and educated in respect of their field of work.</p>	<ul style="list-style-type: none"> • Man days of training and number of associates trained • Number of successors • Employee turnover and feedback on surveys 	<p>Altogether 328 associates benefited from internal trainings while 60 associates enhanced their skill set through external training programs / conferences / workshops during the year.</p>	Short to long term
<p>Consumer Dedicated to provide highest level of satisfaction to our consumers and value for their money.</p>	<ul style="list-style-type: none"> • Provide the best quality batteries • Provide latest and innovative products • Provide after sales service and expeditious claims settlement • Build brand equity • Train associates, consumers and dealers 	<p>Social & Relationships Capital The Company believes in long term relationship with its customers. The Company is highly emphasized to provide after sales service to its customers through after sales service network throughout the country.</p>	<ul style="list-style-type: none"> • Quality products • After sales service • Warranty claims settlement • Market share • Value growth 	<ul style="list-style-type: none"> • Reduction in claim expense by 30%. • Total of 130 man days spent on training during the year provided to dealers and OEMs. 	Long term
<p>Quality / Technology / Innovation To maintain an edge over competitors in terms of quality of products and services meeting the Japanese standards of excellence. To develop a support model and technical infrastructure that strikes the appropriate balance between value for their money, centralized and decentralized supports and satisfies the diverse needs of the Company. Driven for innovation and continuous improvement.</p>	<ul style="list-style-type: none"> • Invest in new products • Consolidate market share • International certifications to meet quality standards • Investment in research and development • Introduce updated technology 	<p>Intellectual Capital</p> <ul style="list-style-type: none"> • Product development capabilities • Knowledge, system, and procedures • High quality products 	<ul style="list-style-type: none"> • Quality control assurance and quality audits. • International certifications • Number of Training sessions • Process re-engineering • New products 	<ul style="list-style-type: none"> • The Company has technical collaboration agreement with GS Yuasa since 1969. • Technologically advanced products launched during the year. • Company possesses numerous process certifications, details of which are on next page. 	Long term

OBJECTIVES	STRATEGY	RESOURCE ALLOCATION PLAN	INDICATORS	ACTUAL RESULTS	TIMELINE
<p>Corporate Governance and Success To safeguard shareholders' interest through a healthy and viable business, that regularly pays satisfactory dividends and adds value to their investment. Committed to the principles of good Corporate Governance by managing and supervising the Company responsibly with proper internal controls, risk management and efficient and effective operations. To recognize that Leadership, Empowerment and Accountability are essential for corporate success.</p>	<ul style="list-style-type: none"> • Drive business growth and profitability initiatives through operational efficiency • Clear strategy and direction from dynamic Board of Directors • Encourage ideas from bottom to top level • Job rotation and career development • Succession planning 	<p>Social & Relationships Customers, regulators, communities & other Stakeholder's relationship with the Company.</p> <p>Manufactured Capital Company's state of the art manufacturing facilities & diversified product portfolio</p> <p>Financial Capital The Company's share capital and accumulated reserves</p>	<ul style="list-style-type: none"> • Earnings per share • Market price per share • Return on equity • Dividend per share • Compliance with Code of Corporate Governance • Ensure practice of Code of Conduct at all levels • Operations structured under appropriate policies and SOPs • Associates' turnover 	<ul style="list-style-type: none"> • The Company has Rs.4.1 billion of fixed assets at year end constituting 52.8% of total assets of the Company. • The Company has Rs.4.1 billion as reserves at year end depicting positive and healthy financial status. • Long term loan of Rs.676 million as at year end. • Short term running finance stood at Rs.71 million at year end compared to previous year's Rs.1,408 million. 	Short to Long term

RELATIONSHIP BETWEEN COMPANY'S RESULTS AND MANAGEMENT'S OBJECTIVES

The management has set objectives after detailed analysis and consideration which includes various factors such as market conditions, economic affairs of local and international markets, prevailing industry norms, operations, available resources, financial capacity, liquidity, historical experiences and customer demand.

The Company focuses on superior quality, product innovation, HSE improvement and initiatives for highest level of customer satisfaction.

SOURCES OF INFORMATION AND ASSUMPTIONS USED FOR FORECASTS

Following prudent strategic management practices, budgeting and forecasting is done considering historic trends including sales, cost patterns, capacity, potential customers, etc. Evaluating the skills and capabilities of the human resource, training needs are identified and adequate trainings are provided accordingly. These trainings help in equipping personnel with the necessary capabilities and management skills in achieving Company's objectives, leading to stable financial position.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE) POLICY

Atlas Battery Limited fosters superior technologies and innovations through strict compliance of its Quality Management System meet the needs and expectations of its customers.

The Company recognizes its responsibilities for the Health, Safety and Environment (HSE) of its associates and assets. The ultimate objective of the management is to promote good health, high level of safety and mitigate environmental issues related to the business activities.

In the recent times, when COVID-19 pandemic has taken over the world, the Company has shown great responsibility and has aligned its HSE policies to the larger welfare of its associates and society as a whole. The Company has invested and took all necessary initiatives including but not limited to installation of wash basins, pass through gates, provision of surgical masks and gloves, etc.

ISO INTEGRATED MANAGEMENT SYSTEM

Atlas Battery Limited will continue to manufacture high quality Lead Acid, low maintenance Hybrid, Deep Cycle and Maintenance Free batteries. For that purpose, all business functions / relevant processes and systems of the Company have been designed, improved and aligned as per guidelines of the following standards:

ISO 9001:2015	Quality Management System
ISO 14001:2015	Environment Management System
OHSAS 18001:2007	Occupational Health & Safety Management System
ISO 50001:2011	Energy Management System

The above systems provide us the means to regulate, validate and trace all processes associated with product, research, design manufacturing, logistics, sale and after sale services.

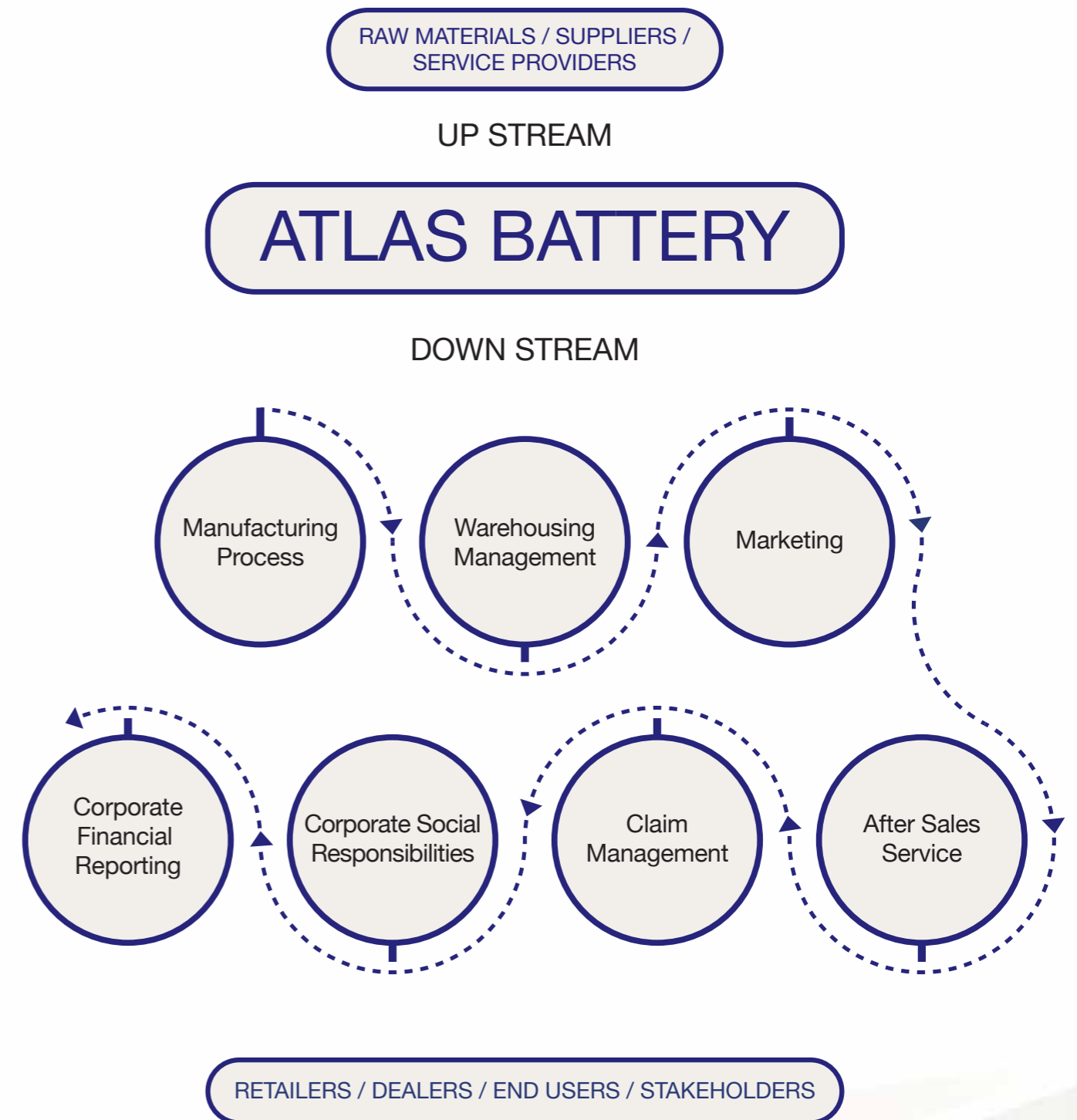
The Company has a state of art quality lab equipped with latest measuring equipments for ascertaining the performance of our batteries through chemical and electrical testing. Our in-house laboratory performs timely, accurate and cost-effective testing that ensures every product, from raw materials to finished batteries, meet all quality requirements.

The Company is continuously investing in the infrastructure and equipment necessary to ensure manufacturing of quality products and its safe delivery as per customers' requirement and specifications.



POSITION WITHIN THE VALUE CHAIN

Our value chain's ability helps in delivering quality products to end consumers. This comprises of quality inputs, production, supply chain, logistics, marketing, sales, after sales services and corporate financial reporting. These processes result in healthy relationship with customers, dealers and suppliers, efficient warehouse management and strong bonding with stakeholders.

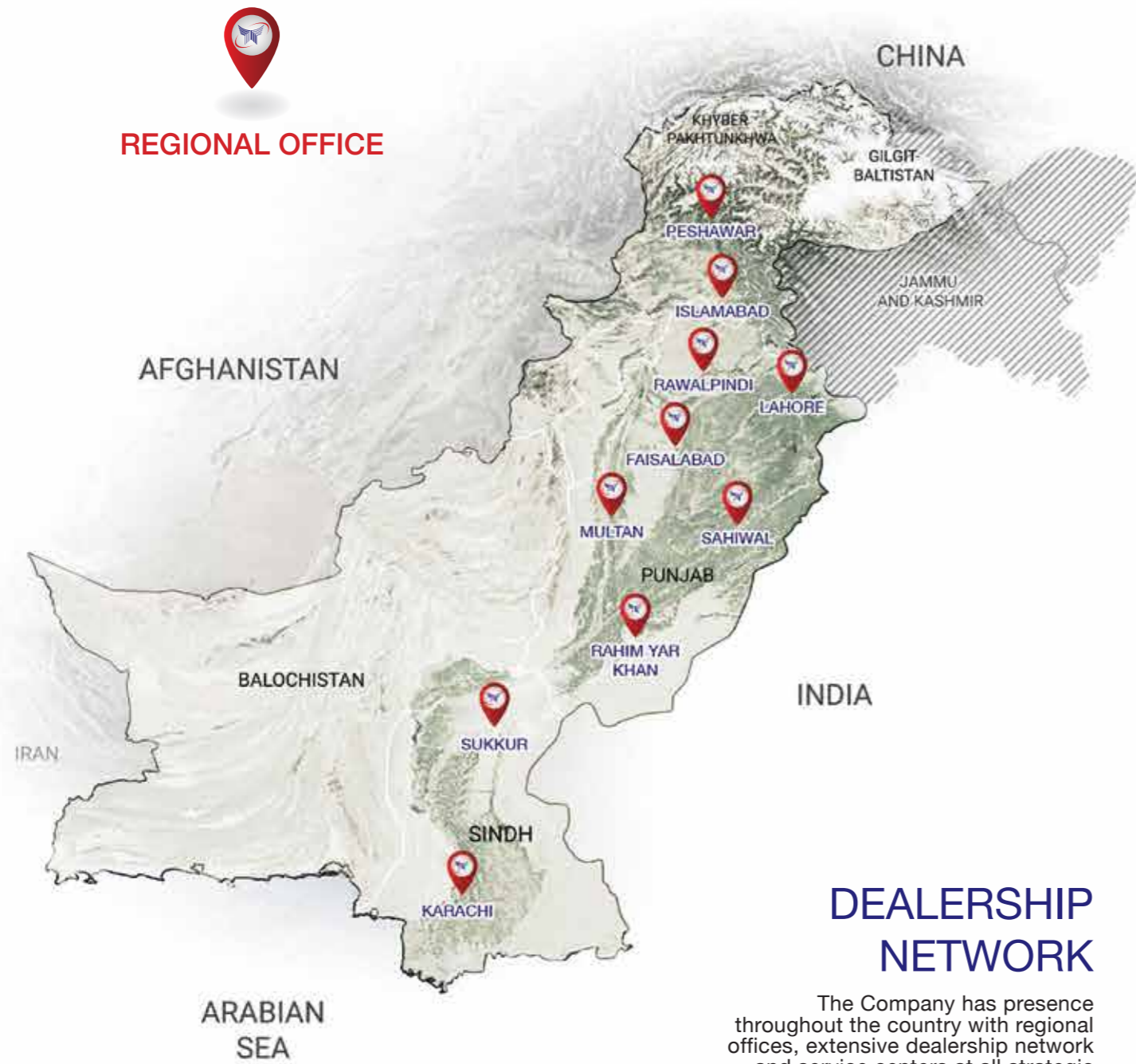


JOURNEY OF SUCCESS

1966	Incorporation of the Company
1968	Public floatation of shares
1969	Technical collaboration with Japan Storage Battery Co. Ltd., Japan
1969	Automotive batteries production started
1974	Motorcycle batteries production started
1979	Nominated for KSE Top 25 Companies
1981	Nominated for KSE Top 25 Companies
1984	Plant expansion
1986	Introduced polypropylene batteries
1988	Joint Venture established with Japan Storage Battery Co. Ltd., Japan with 10% equity injection
1990	Joint Venture was strengthened with Japan Storage Battery Co. Ltd., Japan with further 5% equity injection
1994	PSI Certification (Quality) for automotive batteries
1996	Export of motorcycle batteries
1998	Export of automotive batteries
1998	PSI Certification (Quality) for motorcycle batteries
1999	2nd plant expansion with automatic assembly line
2000	ISO – 9002 Certification
2000	Best Presented Annual Report Awards – ICAP and ICMAP
2001	Best Presented Annual Report Awards – ICAP and ICMAP
2003	ISO – 9001 – 2000 E
2006	World Quality Commitment – Paris 2006 Gold
2008	Awarded Brand of the Year Award by the Prime Minister of Pakistan for being No. 1 in Consumer Preference
2009	Crossed the one million production milestone in automotive batteries segment
2011	Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2007-08 and 2008-09)
2012	Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2009-10) for the third year consecutively

2012	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)
2013	Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2010-11) for the fourth year consecutively
2013	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)
2013	First battery manufacturer to launch company branded distilled water
2014	Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2011-12) for the fifth year consecutively
2015	ISO – 9001:2008 certification on quality management system
2015	Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2012-13) for the sixth year consecutively
2015	First battery manufacturer to launch "Hybrid" battery under the brand name “Atlas”
2016	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)
2016	Most popular brand in Pakistan declared by PakWheels.com
2017	Company announced six months free warranty for conventional automotive batteries and one year for hybrid batteries
2017	Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2013-14 and 2014-15) for the seventh and eighth year consecutively
2017	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)
2017	Best Corporate Report Awards (2015) – ICAP and ICMAP
2017	ISO – 9001:2015 Certification on Quality Management System
2018	Joint 1st Position – Best Corporate Report Awards (2016) – ICAP and ICMAP
2018	Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2015-16) for the ninth year consecutively
2018	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)
2018	ISO 14001:2015 Certification on Environment Management System
2018	OHSAS 18001:2007 Certification on Occupational Health & Safety Management System
2018	Best Corporate Report Awards (2017) – ICAP and ICMAP
2019	Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2016-17) for the tenth year consecutively
2019	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)
2020	ISO 50001:2011 Certification on Energy Management System
2020	Awarded the “Corporate Excellence Certificate” by the Management Association of Pakistan (MAP)

GEOGRAPHICAL PRESENCE

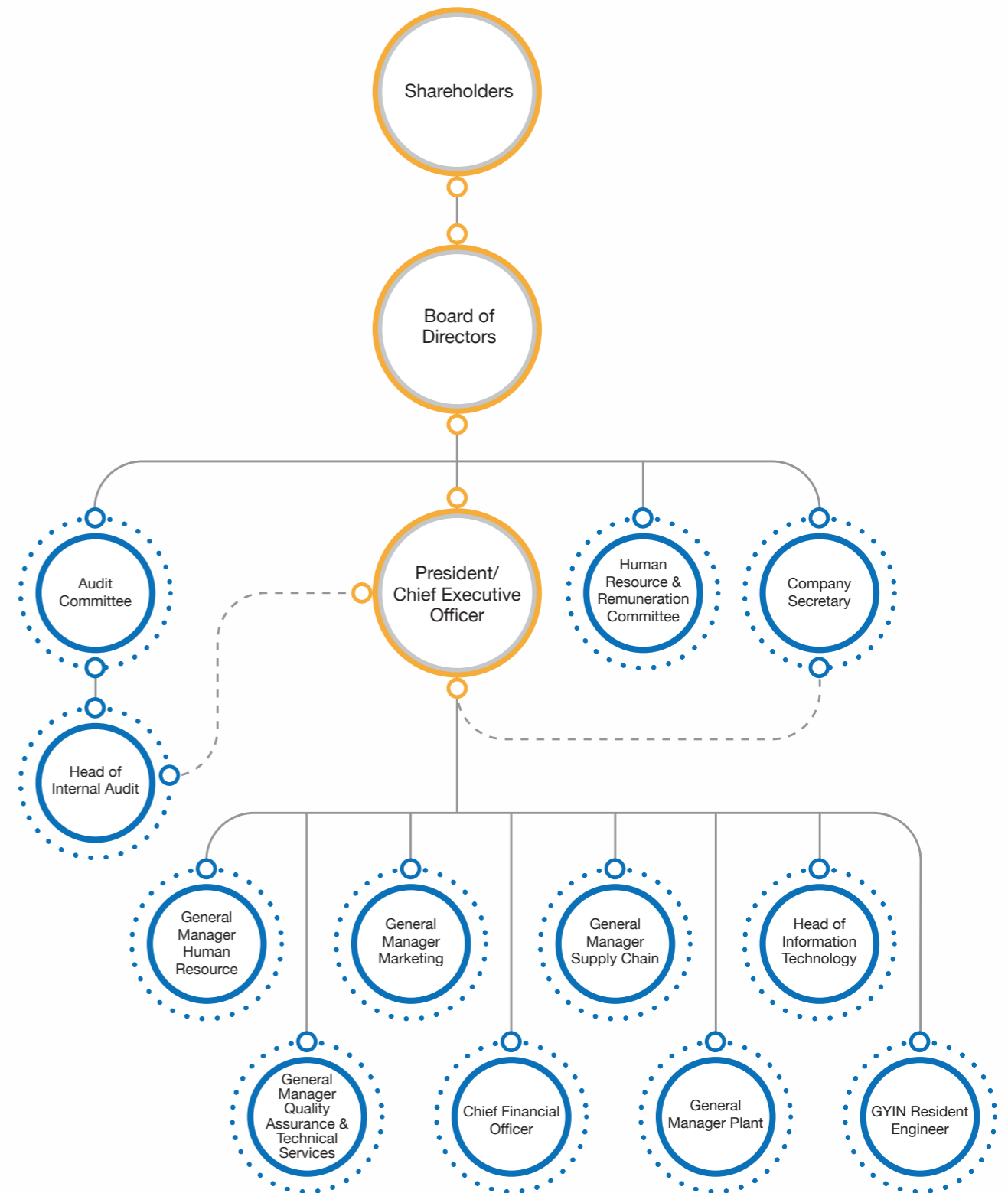


DEALERSHIP NETWORK

The Company has presence throughout the country with regional offices, extensive dealership network and service centers at all strategic locations.

There are 230 dealers and their network profile is available on our website www.abl.atlas.pk

ORGANIZATION CHART



COMPANY INFORMATION

Board of Directors

Aamir H. Shirazi
Chairman

Azam Faruque
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Mehreen Amin
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Abdullah Zaheer
Company Secretary

Audit Committee

Azam Faruque
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Faiz Ullah Ghazi
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Mehreen Amin
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Ahmar Waheed
General Manager Human Resource

Mansoor Jamil Khan
General Manager Quality Assurance
& Technical Services

Mohsin Khan
General Manager Marketing

Rizwan Ahmed
Chief Financial Officer

Sheikh Adeel-ur-Rehman
General Manager Supply Chain

Tehseen Raza
General Manager Plant

Muhammad Asher Ahmad
Head of Information Technology

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accounts

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

EY Ford Rhodes
Chartered Accountants

Bankers

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road, Karachi
Tel: (021) 32424826 & 32469573
Fax: (021) 32424835
E-mail: shares@hmaconsultants.com.pk

Registered Office & Factory

D-181, Central Avenue, S.I.T.E.,
Karachi-75730
Tel: (021) 32567990-94
Fax: (021) 32564703

Karachi Sales Office

4-C, Khayaban-e-Tanzeem, Tauheed Commercial,
Phase V, D.H.A., Karachi
Tel: (021) 35877911-15
Fax: (021) 35877916

Karachi Service Center

PPI Building, Near Sindh Secretariat, Karachi
Tel: (021) 32636057 & 32626478

Sukkur Sales Office and Service Center

Pak Memon Cooperative Housing Society Limited,
Opposite Abad Wheat Godown, Shikarpur Road,
Sukkur
Tel: (071) 5806124-26

Lahore Sales Office

Plaza No. 68/1, XX-Block, Khayaban-e-Iqbal,
Phase 3, D.H.A., Lahore
Tel: (042) 37186388-90

Lahore Service Center

U-STORE-3, Moaza Maraka, Multan Road, Lahore

Faisalabad Sales Office and Service Center

54 Chenab Market, Madina Town, Faisalabad
Tel: (041) 8713127

Multan Sales Office

Azmat Wasti Road, Chowk Dera Adda,
Multan-60000
Tel: (061) 4548017

Multan Service Center

Shop No. 17, Khilji Arcade, Near Railway Station,
Multan
Tel: (061) 4548020

Peshawar Sales Office and Service Center

First Floor, Zeenat Plaza, G.T. Road, Peshawar
Tel: (091) 2262485

Islamabad Sales Office

Plot No. 784/785, Islamabad Corporate Center,
Golra Road, Islamabad
Tel: (051) 5495638 & 5495788

Rawalpindi Service Center

New Naralla Market, Shop No. 3, IJP Road, Near
Metro Bus Station, Rawalpindi
Tel: (051) 4856515

Rahim Yar Khan Sales Office and Service Center

Makhdoom Altaf Road, West Sadiq, Canal Bank,
Near City School, Rahim Yar Khan
Tel: (068) 5883415-7 & (068) 5888068

Sahiwal Sales Office and Service Center

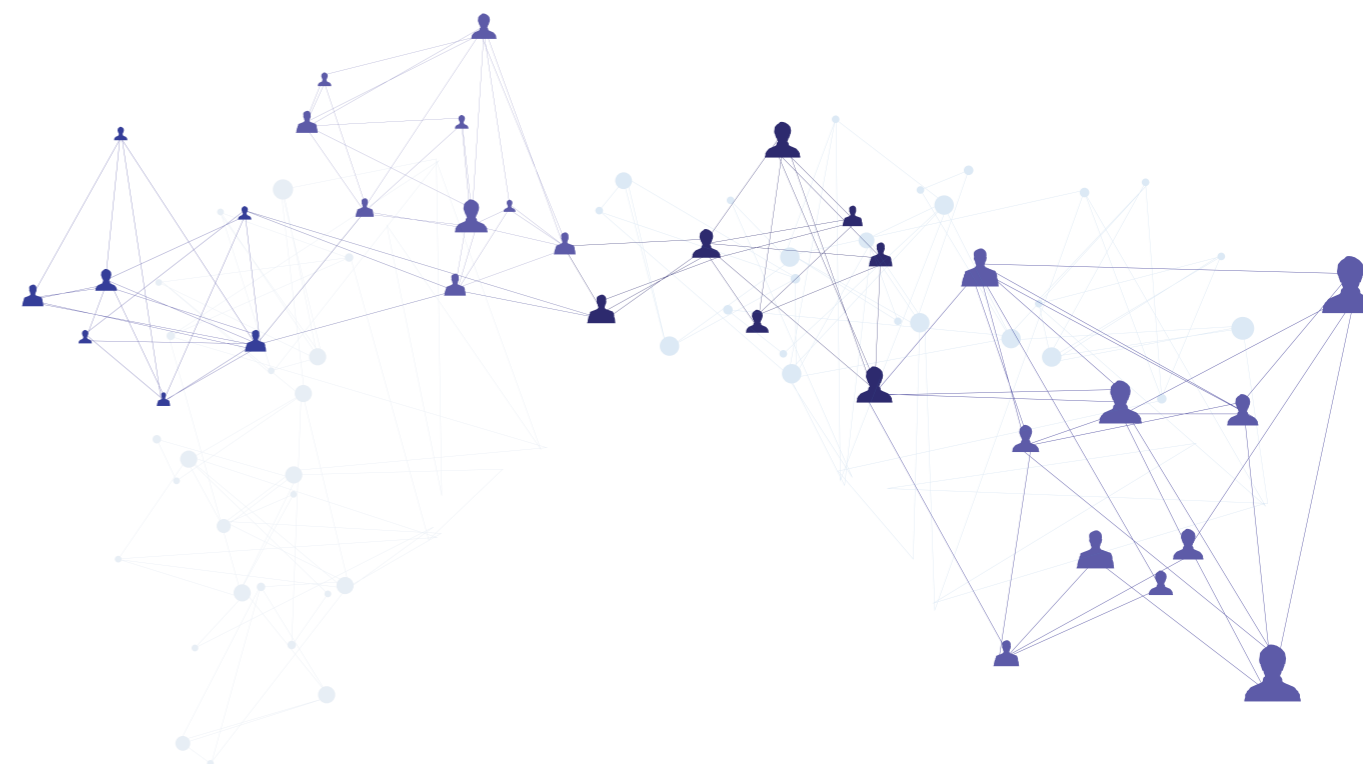
Plot No. 449-1, Ice Factory, Main G.T. Road, Near
Pakpattan Chowk, Sahiwal
Tel: (040) 4400445 & 4400545

Company Website

www.abl.atlas.pk

Email Address

abl@abl.atlas.pk



RESOLVED TO FORGE AHEAD



The Covid-19 pandemic brought forth a unique set of challenges to all stakeholders in particular to our dedicated workforce. Not only did the pandemic impact supply chain, it affected our customers' mobility in terms of accessibility. But we were quick to learn and adapt to the new normal by making informed, decisive and timely operational decisions.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (“AGM”) of the shareholders of Atlas Battery Limited (“the Company”) will be held at 9:30 a.m. on Tuesday, September 29, 2020 at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi to transact the following business.

Ordinary Business:

1. To confirm Minutes of Extraordinary General Meeting held on May 20, 2020.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2020 together with the Chairman’s Review, Directors’ and Auditors’ Reports, thereon.
3. To appoint auditors and fix their remuneration for the year ending June 30, 2021. The present auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

Other Business:

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

BY ORDER OF THE BOARD



Karachi: September 08, 2020

Company Secretary

NOTES:

1. Coronavirus Contingency Planning for Annual General Meeting of Shareholders

Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan (“SECP”) in terms of its Circular No.5 of 2020 issued on March 17, 2020 and Pakistan Stock Exchange Limited (“PSX”) through its notice Ref: PSX/N-372 dated March 19, 2020 has advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP’s directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies.

Accordingly, the Company has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. Those members who are willing to attend and participate in the AGM are requested to register themselves by sending an email along with following particulars and valid copy of both sides of Computerized National Identity Card (CNIC) at investor.relations@abl.atlas.pk with subject of 'Registration for AGM' not less than 48 hours before the time of the meeting:

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	Cell No.	Email Address

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 9:20 a.m. on the date of AGM till the end of the meeting.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address investor.relations@abl.atlas.pk.

Members are therefore, encouraged to attend the AGM through video link or by consolidating their attendance through proxies.

2. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from September 15, 2020 to September 29, 2020 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi before the close of business on September 14, 2020 will be considered in time to attend and vote at the meeting.

3. Participation in General Meeting

A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend, act and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company or at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi or through email at investor.relations@abl.atlas.pk not less than 48 hours before the time of the meeting. A proxy form is attached in the last portion of this report.

4. Guidelines to the General Meeting for CDC Account Holders

Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy, must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.

5. Change of Address

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

6. Submission of CNIC or Passport

Members are requested to provide by mail or fax, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.

7. E-Dividend (Mandatory)

As per Section 242 of Companies Act, 2017 it is mandatory for the public listed companies to pay cash dividend to its shareholders only through electronic mode, directly into bank account designated by the entitled shareholders. Therefore, all shareholders are requested to provide their valid bank account details (if it is not provided earlier) in the "Dividend Mandate Form", attached in the last portion of this report at the earliest. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

8. Unclaimed Dividend

As per provisions of Section 244 of the Companies Act, 2017 any dividend and / or share certificate which are remained unclaimed or unpaid for a period of three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed / unpaid amounts with the Federal Government as per the directives to be issued by SECP from time to time.

9. Annual Audited Accounts through E-mail / CD / DVD / USB

Pursuant to the SECP Notification vide SRO 470(1)/2016 dated May 31, 2016, the Company in the Extra Ordinary General Meeting held on May 19, 2017, obtained the approval of the shareholders to circulate the annual audited accounts through electronic medium, i.e. through CD / DVD / USB at their registered address instead of transmitting hard copies. Accordingly, the Company has sent its Annual Report 2020 in the form of CD. Financial statements have also been placed on Company's website.

Shareholders may request the Company Secretary or share registrar of the Company for transmitting the hard copy of annual audited accounts by filing a 'Standard Request Form' available on Company's website and the same will be provided at his / her registered address, free of cost, within one week of receipt of request.

Members are hereby informed that pursuant to SECP Notification vide SRO 787(1)/2014 dated September 8, 2014, and under Section 223(6) of the Companies Act, 2017 circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above requirements, soft copies of the Annual Report 2020 are being emailed to those members who opted to receive such communication via email. Other members who wish to receive the Annual Report 2020 via email may file an application as per the form provided on the Company's website in compliance with the subject SRO.

10. E-Voting

Members can exercise their right to poll subject to meeting the requirement of Section 143 to 145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

11. Zakat Declaration (CZ-50)

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs. 10 each) and will be deposited within the prescribed period with the relevant authority. In case of claiming exemption, please submit your Zakat Declaration under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981, CZ-50

Form with our Share Registrar. Physical shareholders are requested to submit the said declaration to our Share Registrar in the proper manner. The Shareholders must write Atlas Battery Limited's name and their respective Folio Number or CDS Account Number on Zakat Declarations at relevant place.

12. Deposit of Physical Shares in CDC Accounts

As per section 72 of the Companies Act, 2017 every existing Company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017.

The shareholders having physical shareholding may please be open CDC sub-account with any of the brokers or investors account directly with CDC to place their physical shares into scrip less form.

For any query / information, the investors may contact the Company and / or the Share Registrar at the following:

Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730

Tel: (021) 32567990-4

Fax: (021) 32564703

Share Registrar

M/s. Hameed Majeed Associates (Private) Limited,
Karachi Chambers, Hasrat Mohani Road, Karachi.

Tel: (021) 32424826 & 32412754

Fax: (021) 32424835

Information for Shareholders

Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730
Tel: (021) 32567990-4
Fax: (021) 32564703

Share Registrar

M/s. Hameed Majeed Associates (Private) Limited
Karachi Chambers, Hasrat Mohani Road, Karachi.
Tel: (021) 32424826 & 32412754
Fax: (021) 32424835

Listing on Stock Exchange

Atlas Battery Limited is listed on Pakistan Stock Exchange Limited (PSX).

Listing Fee

The annual listing fee for the financial year 2019-20 has been paid within the prescribed time limit.

Stock Symbol

The stock symbol for dealing in equity shares of Atlas Battery Limited at PSX is 'ATBA'.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) regulations and the listing requirements.

Share Transfer System

Physical share transfers received by the Company's Share Registrar are registered within 15 days from the date of receipt, provided the documents are completed in all respects.

Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2020 to September 29, 2020 (both days inclusive).

Copy of Computerized National Identification Number (CNIC) or National Tax Number (NTN)

The shareholders are informed that as per sub Clause 9(i) of Regulation 4 of Companies (Distribution of Dividends) Regulations 2017, the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide copy of their Computerized National Identity Card (in case of individual) or National Tax Number (in case of other than individual) or Passport (in case of foreign individual) shareholder.

The shareholders are requested to provide the above documents by mail to the Company Secretary, unless it has already been provided. The members while sending above documents must quote their respective folio number. Shareholders are also requested to immediately notify the change of address, if any.

Dividend Mandate (Mandatory)

As per Section 242 of Companies Act, 2017 the payment of cash dividend through electronic mode has become mandatory. Therefore, all shareholders are advised to provide valid bank account details (if it is not provided earlier) in the "Dividend Mandate Form", attached in the last portion of this report and also available on Company's website, enable the Company to transfer your cash dividend into your bank account. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

Annual General Meetings

Pursuant to Section 132 of the Companies Act, 2017 Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having nationwide circulation.

Proxies

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another member as his / her proxy to attend and vote on his / her behalf. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who ought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be submitted at the registered office of the Company not less than 48 hours before the meeting.

Website

Updated information regarding the Company can be accessed at www.abl.atlas.pk. The website contains latest financial results of the Company together with Company's profile and product range, etc.

Principal Business Activities

Industry

The Company is involved in manufacturing and marketing of automotive, motorcycle and industrial batteries for domestic and international market and falls in the category of automobiles parts and accessories industry.

Markets

The Company serves various segments including Original Equipment Manufacturers (OEMs), domestic appliances, industrial equipment and second hand transportation market through a wide range of dealers' network. Major usage of batteries includes vehicles, motorcycles, heavy vehicles including tractors, buses, UPS – Uninterrupted Power Supply units, Solar Panels and Gensets etc.

Legal Framework

The Company is incorporated under the Companies Act, 2017. It is listed on Pakistan Stock Exchange Limited (PSX) under the listing regulations. The Company adheres to all laws and regulations, as applicable in Pakistan.

Products and their Applications

The Company is specialized in manufacturing of automotive, motorcycle and industrial batteries. The Company's products are mainly categorized in light, medium and heavy batteries for automotive, motorcycle batteries and distill water. The detailed application of product types and their applications are enlisted in "Others" section of this report.

International Certifications

Standard	Description	Certified By	Certified Since
ISO 9001:2015	Quality Management System	Bureau Veritas	2017
ISO 14001:2015	Environment Management System	Bureau Veritas	2018
OHSAS 18001:2007	Occupation Health & Safety Management System	Bureau Veritas	2018
ISO 50001:2011	Energy Management System	Bureau Veritas	2020

Brands

- Atlas
- AGS

Capital Structure

The paid-up capital of the Company stands at Rs.243.6 million represented by 24.36 million shares of Rs.10/- each. The balance sheet footing stands at Rs.7.84 billion and net worth of Rs.4.95 billion.

The Company is a subsidiary of Shirazi Investments (Private) Limited which holds 58.86% shareholding. Another major shareholder of the Company is GS Yuasa International Limited – Japan who holds 15.00% shareholding.

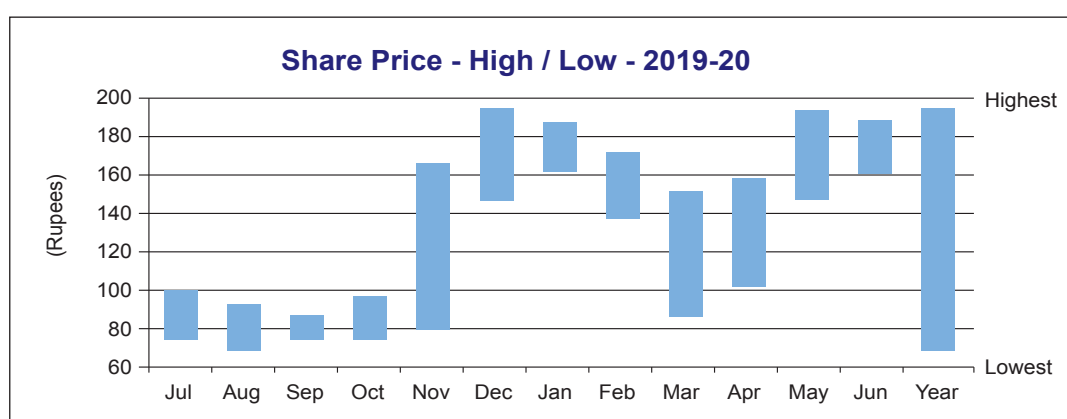
Market Capitalization, Share Price and Volume Data

Atlas Battery share reached at a record high of Rs.194.80 on December 18, 2019 at Pakistan Stock Exchange Limited (PSX). The market capitalization at that instant was Rs.4.75 billion.

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Pakistan Stock Exchange Limited (PSX) during the financial year ended June 30, 2020.

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of Shares Traded	Market Capitalization in Value* (Rs. in bln)
Jul	99.40	74.00	77.10	97,800	2.42
Aug	92.66	68.44	78.52	87,800	2.26
Sep	86.59	74.37	76.60	62,400	2.11
Oct	96.89	74.50	85.05	395,000	2.36
Nov	165.67	80.01	165.67	1,229,900	4.04
Dec	194.80	146.88	181.53	1,085,700	4.75
Jan	188.02	162.42	166.19	380,000	4.58
Feb	172.00	137.00	141.92	365,400	4.19
Mar	151.40	86.51	102.12	188,500	3.69
Apr	157.99	102.00	152.94	404,800	3.85
May	193.95	147.50	170.68	611,300	4.72
June	188.85	161.00	168.06	789,000	4.60
Year	194.80	68.44	168.06	5,697,600	4.75

* Based on highest price



Inadequacy in the Capital Structure and Plans to address such Inadequacies

The capital structure is adequate for the foreseeable future. In case of any inadequacy identified, the Company has avenue of issuance of right shares and / or term finance debts.

Shares held by Directors / Sponsors / Executives

Details of shares held by Directors / Sponsors / Executives are given in Pattern of Shareholding.

Pattern of Shareholding

As at June 30, 2020

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
685	1	100	24,257	0.10%
557	101	500	160,648	0.66%
281	501	1,000	225,093	0.92%
404	1,001	5,000	946,920	3.90%
60	5,001	10,000	435,702	1.80%
23	10,001	15,000	275,477	1.13%
13	15,001	20,000	224,006	0.92%
7	20,001	25,000	148,377	0.61%
8	25,001	30,000	220,427	0.90%
1	30,001	35,000	34,193	0.14%
2	35,001	40,000	72,340	0.30%
3	40,001	45,000	126,132	0.52%
3	45,001	50,000	135,144	0.55%
2	50,001	55,000	108,370	0.44%
2	60,001	65,000	123,770	0.51%
3	65,001	70,000	210,000	0.86%
1	70,001	75,000	71,400	0.29%
1	85,001	90,000	87,091	0.36%
1	115,001	120,000	118,100	0.48%
1	135,001	140,000	137,620	0.56%
1	145,001	150,000	150,000	0.62%
1	150,001	155,000	152,922	0.63%
1	335,001	340,000	336,792	1.38%
1	420,001	425,000	424,788	1.74%
1	445,001	450,000	447,820	1.84%
1	455,001	460,000	455,730	1.87%
1	510,001	515,000	514,220	2.11%
1	3,650,001	3,655,000	3,653,925	15.00%
1	14,335,001	14,340,000	14,338,412	58.86%
2,067			24,359,676	100.00%

The slabs representing nil holding have been omitted.

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, Chief Executive and their spouse and minor children	7	20	0.00%
Associated companies, undertakings & related parties (Note 1)	4	18,864,945	77.44%
NIT and ICP	5	6,232	0.03%
Banks, DFIs & NBFCs	3	8,448	0.03%
Insurance Companies	2	26,465	0.11%
Modarabas and Mutual Funds	8	101,400	0.41%
Public Sector Companies & Corporations	1	336,792	1.38%
General Public			
Local	2,007	4,412,337	18.12%
Foreign	-	-	-
Others:			
Joint Stock Companies	28	598,164	2.46%
Trustee of Iftikhar Shirazi Family Trust	1	1	-
Trustees Al-Bader Welfare Trust	1	4,872	0.02%
	2,067	24,359,676	100.00%

Note:

1. Following shareholders are shown under Associated Companies category:

Atlas Foundation	447,820	1.84%
Atlas Insurance Limited	424,788	1.74%
GS Yuasa International Limited - Japan	3,653,925	15.00%
Shirazi Investments (Private) Limited	14,338,412	58.86%

Pattern of Shareholding as at June 30, 2020

Information required under the Code of Corporate Governance

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, Chief Executive and their spouse and minor children			
Mr. Aamir H. Shirazi	1	1	-
Mr. Ali H. Shirazi	1	1	-
Mr. Azam Faruque	1	14	-
Mr. Bashir Makki	1	1	-
Mr. Frahim Ali Khan	1	1	-
Ms. Mehreen Amin	1	1	-
Mr. Toru Furuya	1	1	-
	7	20	0.00%
Associated Companies, Undertakings and Related Parties			
Atlas Foundation	1	447,820	1.84%
Atlas Insurance Limited	1	424,788	1.74%
GS Yuasa International Limited - Japan	1	3,653,925	15.00%
Shirazi Investments (Private) Limited	1	14,338,412	58.86%
	4	18,864,945	77.44%
NIT and ICP			
Investment Corporation of Pakistan	4	2,146	0.01%
IDBL - (ICP Unit)	1	4,086	0.02%
	5	6,232	0.03%
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies and Modarabas			
	5	34,913	0.14%
Mutual Funds			
AFC Umbrella Fund	1	53,900	0.22%
CDC - Trustee First Capital Mutual Fund	1	2,000	0.01%
Axis Global Limited - MF	1	100	-
Intermarket Securities Limited - MF	1	1,000	-
MRA Securities Limited - MF	1	36,500	0.15%
Mohammad Munir Mohammad Ahmed Khanani Securities Ltd. - MF	1	1,400	0.01%
N. U. A. Securities (Private) Limited - MF	1	5,500	0.02%
Trust Securities & Brokerage Limited - MF	1	1,000	-
	8	101,400	0.41%
Public Sector Companies & Corporations			
State Life Insurance Corporation of Pakistan	1	336,792	1.38%
General Public	2,007	4,412,337	18.12%
Others	30	603,037	2.48%
	<u>2,067</u>	<u>24,359,676</u>	<u>100.00%</u>
Shareholders holding 5% or more voting interest			
GS Yuasa International Limited - Japan	1	3,653,925	15.00%
Shirazi Investments (Private) Limited	1	14,338,412	58.86%

BOARD OF DIRECTORS



Mr. Aamir H. Shirazi

Mr. Aamir H. Shirazi is the President of Atlas Group. He graduated from Claremont McKenna College and attended the OPM at the Harvard Business School. He has over 35 years of corporate management experience. He has to his credit, work experience in Honda America, besides working at various positions in Atlas Group, including serving as the Chief Executive of Atlas Honda Limited for eleven years.

He is currently Chairman of Atlas Battery, Honda Atlas Cars, Atlas Honda, Atlas Engineering and Atlas Autos. He also serves on the Boards of Shirazi Investment (Group Holding Company), Shirazi Trading, and Murree Brewery Company Limited.

He is a member of the Board of Governors, Lahore University of Management Science and member Syndicate, University of Engineering & Technology. He was also appointed as a Professional Director on the Board of Lahore Stock Exchange for two consecutive terms by the Securities & Exchange Commission of Pakistan.

He has been serving the Honorary Consul General of Japan in Lahore, since 2002 and is the Patron-in-Chief, Pakistan Japan Cultural Association, Lahore.



Mr. Azam Faruque

Mr. Azam Faruque is a graduate in Electrical Engineering and Computer Sciences from the Princeton University, U.S.A. and an MBA (High Honours) from the University of Chicago, Booth School of Business, U.S.A. He is the Chief Executive of Cherat Cement Company Limited. He currently serves on the Board of the State Bank of Pakistan, and has served on the Boards of National Bank of Pakistan, Atlas Asset Management Limited, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member of the National Commission of Science and Technology and National Committee of the Aga Khan Foundation. Presently, he is on the Board of Directors of Faruque (Private) Limited, Greaves Pakistan (Private) Limited, Indus Motor Company Limited, International Industries Limited and Madian Hydro Power Limited. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Bashir Makki

Mr. Bashir Makki is an MBA from IBA, Karachi and has over 38 years of corporate management experience. He formerly worked with ICI Pakistan Limited for 22 years, which also included 2 years of secondment with ICI Malaysia Holdings.

He is a member of the Group's Executive Committee and holds the position of Group Director for Human Resources & HSE. Presently, he serves on the Board of Atlas Autos (Private) Limited, Atlas Engineering (Private) Limited, Atlas Power Limited and Shirazi Trading Company (Private) Limited.

Mr. Makki is a certified trainer and has over the years conducted several organizational development programs. He has also attended executive development programs at Harvard Business School, U.S.A. and Ashridge College in the U.K. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Frahim Ali Khan

Mr. Frahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, U.S.A., Financial Management Program at Stanford University, U.S.A. and General Management Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Asset Management Limited, Atlas D.I.D. (Private) Limited, Atlas Engineering (Private) Limited, Atlas Power Limited, Atlas Energy Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited, Shirazi Investments (Private) Limited, Zhenfa Pakistan and Atlas Foundation. Earlier, he has also served on the boards of Atlas Honda Limited and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and former Atlas Investment Bank Limited.



Ms. Mehreen Amin

Ms. Mehreen Amin has over 30 years of both local and international work experience in the areas of I.T., and Human Resource and Administration. She has worked in different related capacities in G.D. Searle U.K, Shell Pakistan Limited, Reckitt Benckiser Pakistan, ABN Amro Pakistan and Faysal Bank Pakistan. She has been the member on the Board of Governors of Pakistan Society of Training and Development, Member Executive Council of Indus Valley School of Art and Architecture and member on the Board of Pakistan Society of Human Resource Management.



Mr. Toru Furuya

Mr. Toru Furuya specializes in chemistry and has a career working at battery design, quality assurance and quality control departments in Japan. He has also experience working at PT. Trimitra Baterai Prakasa (TBP), one of the affiliate companies of GS Yuasa International Limited in Indonesia. He is a 'Certified Director' from the University of Lahore.



Mr. Ali H. Shirazi

Mr. Ali H. Shirazi graduated with a BA from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is member of the Group Executive Committee, responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Foundation, Atlas Insurance Limited, Atlas Global FZE, Atlas Venture Limited, Oyster International Holdings Limited, SF Global Holdings Limited, Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Techlogix International Limited, National Management Foundation (sponsoring body of LUMS) and Cherat Packaging Limited. Previously he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL). He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.

Major Events during the Year

July 2019

- Annual Sales and Marketing Conference 2018-19 was held on July 13, 2019 in Karachi.

August 2019

- Board of Directors in its meeting held on August 26, 2019 approved the audited annual accounts for the year ended June 30, 2019.

September 2019

- Annual General Meeting was held on September 27, 2019 where audited annual financial statements for the year ended June 30, 2019 were approved by the shareholders along with appointment of external auditors, M/s. ShineWing Hameed Chaudhri & Co. for the year ending 2020.

October 2019

- Sad demise of founder of Atlas Group, Mr. Yusuf H. Shirazi on October 20, 2019.
- Meeting of Board of Directors was held on October 22, 2019 to consider and approve the quarterly accounts for the quarter ended September 30, 2019.
- Corporate Briefing Session held on October 28, 2019 at Karachi to brief the investors / analyst about the Company's financial performance for the year ended June 30, 2019.

January 2020

- Half yearly sales conference 2019-20 was held on January 10, 2020 in Bhurban.

February 2020

- Meeting of Board of Directors was held on February 24, 2020 to consider and approve the half yearly accounts for the half year ended December 31, 2019.

March 2020

- Company awarded with "Certificate of Excellence" by the Management Association of Pakistan on March 09, 2020.

April 2020

- Meeting of Board of Directors was held on April 23, 2020 to consider and approve the quarterly accounts for the period ended March 31, 2019.

May 2020

- Extraordinary General Meeting was held on May 20, 2020 for Election of Directors.

June 2020

- Meeting of Board of Directors was held on June 23, 2020 to consider and approve the Annual Budget for FY 2020-21.

Major Events during the Year



Media Gallery

Advertisement

Social Media

- Digital campaigns were executed on all social mediums, COVID-19 Awareness, Ramadan Recharge, Mobile Application and MF Battery Campaign.

Radio Shots

- AGS and Atlas Hybrid radio advertisements were aired on all major radio channels throughout the year.

Sponsorships and Live Programs

- Sponsored brand activity and free battery checkup campaign at Pakwheels Auto Show in all major cities of the country.
- Brand activation and free check-up activity conducted during road shows all across the country.

Print Media

- Placement of weekly print advertisement in leading newspapers including Jang and The News.

Model Shops

- During the year, the Company built 22 model shops throughout country with a view to standardize all dealer shops. Chief Executive Officer honored the inauguration ceremony of various model shops.

Consumer Awareness Program

- After Sales team carried out various training and preventive maintenance programs throughout the year in all major cities of the country. These programs were attended by large number of dealers, retailers, technicians of OEMs and end users.

Others

- Table calendars and Ramadan schedule calendars were distributed nationwide.
- Newly designed shop boards were installed at dealers' shops nationwide.

Financial Calendar

The Company's financial year starts on July 01 and ends on June 30 of subsequent year.

Financial results will be announced as per the following tentative schedule:

Annual General Meeting	Last week of September, 2020
1st quarter ending September 30, 2020	Last week of October, 2020
Half year ending December 31, 2020	Last week of February, 2021
3rd quarter ending March 31, 2021	Last week of April, 2021
Year ending June 30, 2021	Last week of August, 2021

Media Gallery



Media Gallery



Business Model

We act legally and ethically. Moreover, we focus on delivering on a defined Vision and Mission statements. The Atlas Way is our ethos and ensures sustainable business success while winning the trust and confidence of all stakeholders.

Atlas Culture

- Corporate Governance
- Respect, Recognition and Reward (3Rs)
- Value of time
- Recruitment and career advancement based on integrity, merit, experience and skills
- Education and training of staff and descendants
- Self-reliance
- Leading by example
- Humility and excellence
- Living with one's means, saving for the future and donating for good cause
- To be happy and healthy

Atlas Systems

- Management by Objectives (MBO) to align activities agreed Company goals
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company
- Inducting and retaining competent and skilled staff – right man for the right job
- Using BCG model for strategic direction
- Creating value through implementation of internal controls (SOPs and policy manuals)
- Management development to produce performers, organization builders and strategists
- Active participation in management meetings for continuous performance improvement
- Ensuring accuracy and control performance improvement
- Ensuring accuracy and control of information / data through efficient MIS
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention

Good Governance

We are committed to:

- act ethically and promote corporate culture from top to bottom for every associate. We encourage honesty and professionalism in our acts to provide long-term benefits to all stakeholders as a group as well as individually.
- safeguard shareholders' interest through a healthy and viable business, that regularly pays satisfactory dividends and adds value to their investment.
- recognize that Leadership, Empowerment and Accountability are essential for corporate success.

Strengthen Customer Relationships

We believe in strong customer relationships by ensuring quality of product, quality of management, quality of network, product innovation and after sales service. Simplified claim settlement is also integral to the Company's vision to win and build long term co-operation with customers.

Customers' Interaction Development

Our major customers are companies and dealers within the transportation or genset industries. The reliability and productivity of the products are important and in many cases crucial to the customers' business operations. An expansive and effective Sales and Service network along with customers' education are of vital importance for the Company.

The ultimate goal of the Company is, to be regarded as number one in customer satisfaction, in terms of both quality products and superior services.

A High-Performing Organization – Committed Associates

The Company's vision is to become a leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international markets. A deciding factor in fulfilling this vision is our associates' knowledge and skills. The Company is committed to investing, training, educating and motivating people. Our support to educational initiatives stems from the idea of strengthening individuals, families and ultimately society through better provision of education.

Attracting and Retaining Competence

The Company's aim is to offer challenging opportunities and unique company culture that helps us to attract and retain the best people. By engaging associates, who are willing to take an active part in the Company's development and future, the Company will succeed in pursuing its strategies.

Succession Planning

The Company ensures implementation of succession planning. This is done by development of successors for all key positions across the organization.

Trainings and Academic Partner Program

The Company is involved in a comprehensive series of programs with academic institutions to educate and train associates. On job trainings and technical trainings are given strong emphasis. One such example is the Diploma Program conducted by the Institute of Business Administration (IBA) exclusively for Atlas Group associates.

The cooperation with universities is also important for creating relationships with students and potential associates to secure access to future competence.

Developing Talents

Every manager is responsible for assessing and developing talent in the organization by encouraging creativity and independence among our associates.

A career development program is operated by Company on the basis of a consistent Performance Management Review Process. It provides the Company with a structured approach to nurturing talent for management and leadership roles.

State of Art Information Technology Infrastructure

The Company enjoys state of the art information technology infrastructure to meet the growing needs of the business. This includes innovations and improvements in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, etc.). We are also aligning business and IT to attain full benefit in a significant and persistent way for data management through ERP and striving for a paperless environment. Further, we are focused on B2C (Business to Customer) system, Business Continuity Plan (BCP), Business Process Reengineering (BPR), B2B (Business to Business) system, CMS (Claim Management System), WMS (Warehouse Management System), IT Security and Safety, HCM Cloud and superior communication environment.

The Company has successfully implemented material resource planning (MRP) module of Oracle EBS. Developing a comprehensive dashboard of management information system (MIS) comprising of operational and non-operational divisional reporting is in progress.



RESILIENCE

IN THE FACE OF ADVERSITY



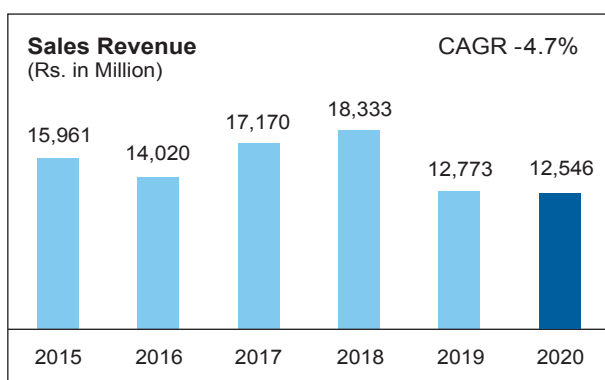
Adversity came in different shapes and forms this year. However, the Atlas Way has taught us to show resilience and strength of character in times of adversity. We managed operational and pandemic related challenges through strong communication, coordination and collaboration.

Financial Highlights

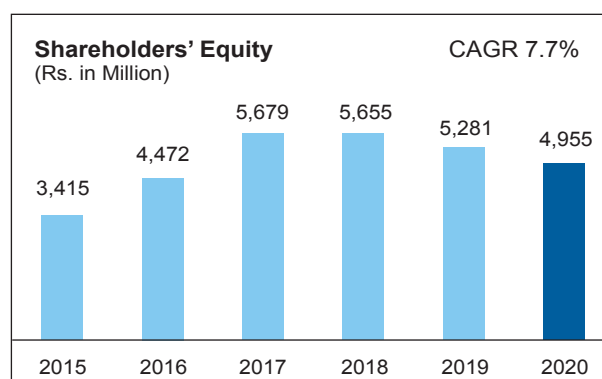
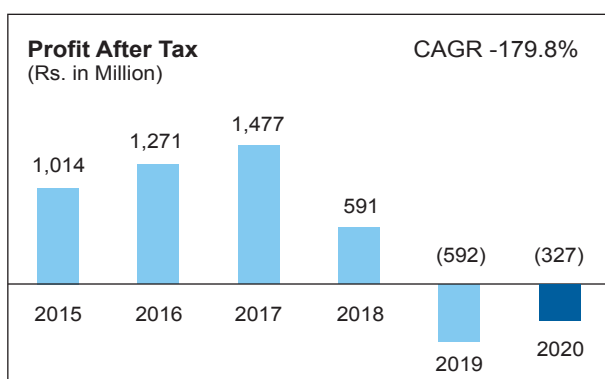
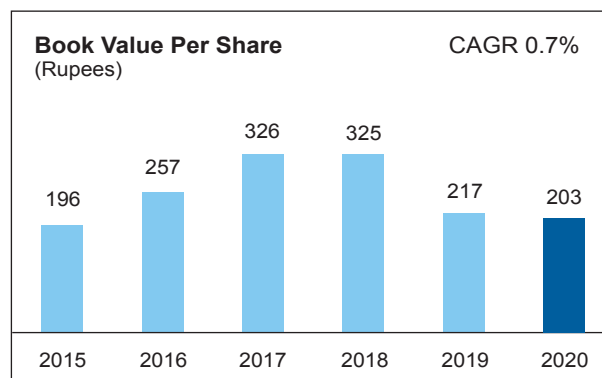
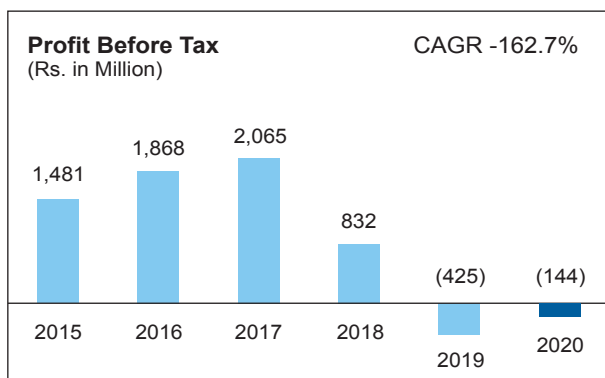
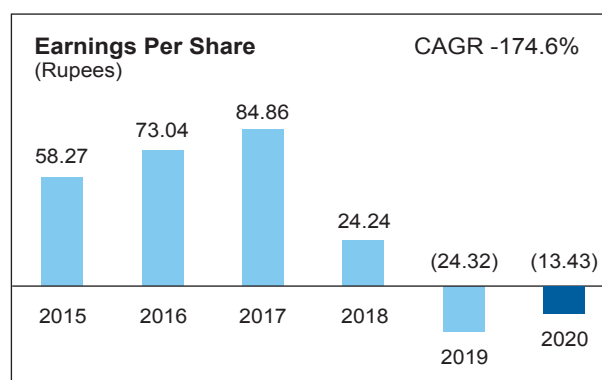
Sales	12,546	12,773	-1.8%	-
Gross Profit	879	267	229.7%	+
Operating Profit / (Loss)	204	(212)	-196.7%	-
Loss Before Tax	(144)	(425)	-66.1%	-
Loss After Tax	(327)	(592)	-44.8%	-
Loss Per Share - Basic & Diluted (Rupees)	(13.43)	(24.32)	-44.8%	-
Shareholders' Equity including Revaluation Reserve	4,955	5,281	-6.2%	-
Book Value Per Share (Rupees)	203	217	-6.2%	-
Property, Plant & Equipment	4,139	3,925	5.5%	+

	----- (Rupees in Million) -----			
	2020	2019	%	+/-
Sales	12,546	12,773	-1.8%	-
Gross Profit	879	267	229.7%	+
Operating Profit / (Loss)	204	(212)	-196.7%	-
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Book Value Per Share (Rupees)	203	217	-6.2%	-
Property, Plant & Equipment	4,139	3,925	5.5%	+

Business Growth



Shareholder Value Accretion



Statement of Value Addition

Wealth Generated:

Sales including Sales Tax
Other Income

Wealth distributed:

Cost of Material & Services

To Employees

Salaries & other related costs

To Government

Taxes
Workers' Profit Participation Fund
Workers' Welfare Fund

To Providers of Capital

Dividend to Shareholders
Finance Cost

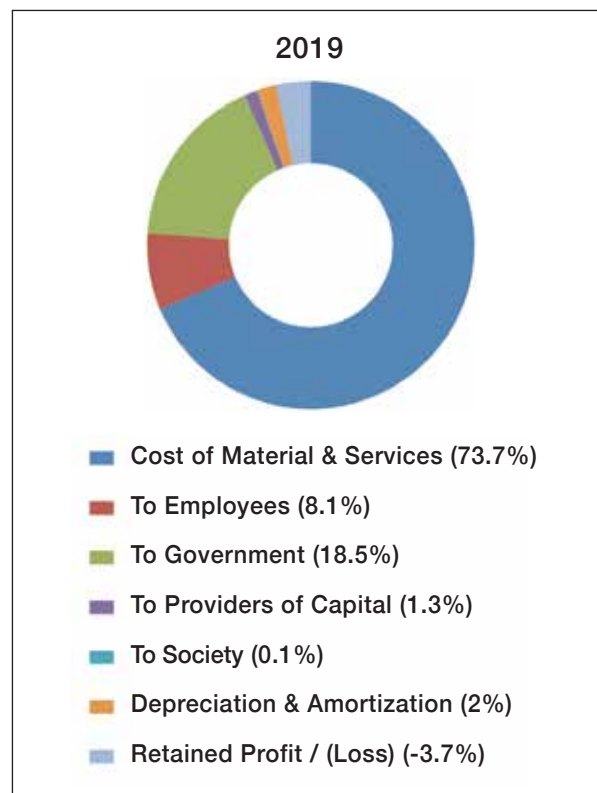
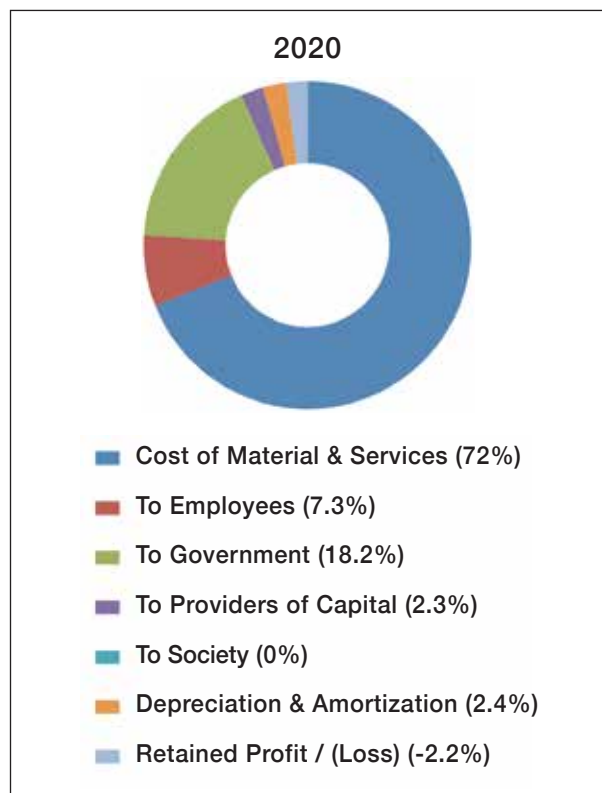
To Society

Donation

Retained in the Business

For replacement of Fixed Assets:
Depreciation & Amortization
To provide for Growth: Retained Profit / (Loss)

Year ended June 30			
2020		2019	
(Rs. in '000)	% age	(Rs. in '000)	% age
15,035,485	99.8	15,466,186	97.6
32,601	0.2	385,464	2.4
<u>15,068,086</u>	<u>100.0</u>	<u>15,851,650</u>	<u>100.0</u>
10,834,012	72.0	11,681,090	73.7
1,100,056	7.3	1,290,562	8.1
2,745,387	18.2	2,933,187	18.5
-	-	-	-
-	-	526	-
<u>2,745,387</u>	<u>18.2</u>	<u>2,933,713</u>	<u>18.5</u>
-	-	-	-
348,496	2.3	213,222	1.3
<u>348,496</u>	<u>2.3</u>	<u>213,222</u>	<u>1.3</u>
-	-	8,321	0.1
367,234	2.4	317,205	2.0
(327,099)	(2.2)	(592,463)	(3.7)
<u>40,135</u>	<u>0.2</u>	<u>(275,258)</u>	<u>(1.7)</u>
<u>15,068,086</u>	<u>100.0</u>	<u>15,851,650</u>	<u>100.0</u>



Analysis of Financial Statements

Balance Sheet

(Rupees in '000)

PARTICULARS	2020	2019	2018	2017	2016	2015
Assets						
Non Current Assets						
Property, plant and equipment	4,139,386	3,924,958	3,591,257	3,158,027	2,672,742	1,994,955
Intangible assets	-	160	1,002	1,467	4,883	10,743
Investments	-	-	-	-	-	-
Long term loans	2,049	1,289	1,759	1,303	1,152	1,103
Long term deposits	18,683	20,281	20,401	16,777	14,647	13,777
Total non current assets	4,160,118	3,946,688	3,614,419	3,177,574	2,693,424	2,020,578
Current Assets						
Stores, spares and loose tools	215,326	225,331	218,914	191,896	182,314	110,788
Stock-in-trade	1,999,313	1,760,092	2,689,010	1,706,859	1,889,810	1,608,783
Trade debts	692,998	1,096,449	1,754,311	364,642	119,477	131,810
Loans and advances	8,647	4,887	13,835	5,234	5,561	27,727
Deposits and prepayments	9,861	24,400	16,890	18,231	6,457	11,361
Investments	138,268	127,055	861,921	2,464,851	1,558,861	918,737
Other receivables	2,446	8,399	6,685	3,893	8,840	8,913
Sales tax receivable - net	-	-	31,739	-	-	-
Taxation - net	567,622	594,968	547,349	349,166	196,036	481,100
Cash and bank balances	45,507	423,649	381,180	14,873	45,257	78,318
Total current assets	3,679,988	4,265,230	6,521,834	5,119,645	4,012,613	3,377,537
Total Assets	7,840,106	8,211,918	10,136,253	8,297,219	6,706,037	5,398,115
Equity and Liabilities						
Share Capital and Reserves						
Share capital	243,597	243,597	173,998	173,998	173,998	173,998
General reserve	5,037,500	5,037,500	4,697,500	3,827,500	2,827,500	2,027,500
Accumulated (loss) / profit	(915,479)	(589,274)	589,307	1,483,462	1,276,794	1,019,277
Surplus on revaluation of leasehold land	4,365,618	4,691,823	5,460,805	5,484,960	4,278,292	3,220,775
	589,186	589,186	193,886	193,886	193,886	193,886
Total equity	4,954,804	5,281,009	5,654,691	5,678,846	4,472,178	3,414,661
Non Current Liabilities						
Lease liabilities	358,677	-	-	-	-	-
Long term borrowings	551,405	-	-	-	-	-
Deferred income - government grant	6,181	-	-	-	-	-
Staff retirement benefits	69,515	69,345	72,813	79,868	65,359	60,226
Deferred taxation	237,131	246,580	251,028	254,932	216,880	208,181
Total non current liabilities	1,222,909	315,925	323,841	334,800	282,239	268,407
Current Liabilities						
Trade and other payables	1,195,743	1,037,880	1,643,053	1,305,112	1,172,431	893,670
Sales tax payable - net	175,968	87,717	-	65,270	18,057	86,647
Accrued mark-up	34,891	43,385	20,259	4,623	4,392	8,384
Current portion of lease liabilities	30,151	-	-	-	-	-
Current maturity of long term borrowings	106,506	-	-	-	-	-
Current portion of deferred income - government grant	11,931	-	-	-	-	-
Short term borrowings	71,297	1,408,152	2,459,687	882,770	735,989	709,763
Unclaimed dividend	35,906	37,850	34,722	25,798	20,751	16,583
Total current liabilities	1,662,393	2,614,984	4,157,721	2,283,573	1,951,620	1,715,047
Total Equity and Liabilities	7,840,106	8,211,918	10,136,253	8,297,219	6,706,037	5,398,115

Analysis of Financial Statements

Balance Sheet

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2020	2019	2018	2017	2016	2015	2020/ 2019	2019/ 2018	2018/ 2017	2017/ 2016	2016/ 2015
	----- Percentage -----						----- Percentage -----				
Assets											
Non Current Assets											
Property, plant and equipment	52.8	47.8	35.4	38.1	39.9	37.0	5.5	9.3	13.7	18.2	34.0
Intangible assets	-	-	-	-	0.1	0.2	(100.0)	(84.0)	(31.7)	(70.0)	(54.5)
Investments	-	-	-	-	-	-	-	-	-	-	-
Long term loans	-	-	-	-	-	-	59.0	(26.7)	35.0	13.1	4.4
Long term deposits	0.2	0.2	0.2	0.2	0.2	0.3	(7.9)	(0.6)	21.6	14.5	6.3
Total non current assets	53.0	48.0	35.6	38.3	40.2	37.5	5.4	9.2	13.7	18.0	33.3
Current Assets											
Stores, spares and loose tools	2.7	2.7	2.2	2.3	2.7	2.1	(4.4)	2.9	14.1	5.3	64.6
Stock-in-trade	25.5	21.4	26.5	20.6	28.2	29.8	13.6	(34.5)	57.5	(9.7)	17.5
Trade debts	8.8	13.4	17.3	4.4	1.8	2.4	(36.8)	(37.5)	381.1	205.2	(9.4)
Loans and advances	0.1	0.1	0.1	0.1	0.1	0.5	76.9	(64.7)	164.3	(5.9)	(79.9)
Deposits and prepayments	0.1	0.3	0.2	0.2	0.1	0.2	(59.6)	44.5	(7.4)	182.3	(43.2)
Investments	1.8	1.5	8.5	29.7	23.2	17.0	8.8	(85.3)	(65.0)	58.1	69.7
Other receivables	-	0.1	0.1	-	0.1	0.2	(70.9)	25.6	71.7	(56.0)	(0.8)
Sales tax receivable - net	-	-	0.3	-	-	-	-	(100.0)	100.0	-	-
Taxation - net	7.2	7.2	5.4	4.2	2.9	8.9	(4.6)	8.7	56.8	78.1	(59.3)
Cash and bank balances	0.8	5.3	3.8	0.2	0.7	1.4	(89.3)	11.1	2,462.9	(67.1)	(42.2)
Total current assets	47.0	52.0	64.4	61.7	59.8	62.5	(13.7)	(34.6)	27.4	27.6	18.8
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	(4.5)	(19.0)	22.2	23.7	24.2
Equity and Liabilities											
Share Capital and Reserves											
Share capital	3.1	3.0	1.7	2.1	2.6	3.2	-	40.0	-	-	-
General reserve	64.3	61.3	46.3	46.1	42.2	37.6	-	7.2	22.7	35.4	39.5
Accumulated (loss) / profit	(11.7)	(7.2)	5.8	17.9	19.0	18.9	(55.4)	(200.0)	(60.3)	16.2	25.3
	55.7	57.1	53.8	66.1	63.8	59.7	(7.0)	(14.1)	(0.4)	28.2	32.8
Surplus on revaluation of leasehold land	7.5	7.2	1.9	2.3	2.9	3.6	-	203.9	-	-	-
Total equity	63.2	64.3	55.7	68.4	66.7	63.3	(6.2)	(6.6)	(0.4)	27.0	31.0
Non Current Liabilities											
Lease liabilities	4.6	-	-	-	-	-	100.0	-	-	-	-
Long term borrowings	7.0	-	-	-	-	-	100.0	-	-	-	-
Deferred income - government grant	0.1	-	-	-	-	-	100.0	-	-	-	-
Staff retirement benefits	0.9	0.8	0.7	1.0	1.0	1.1	0.2	(4.8)	(8.8)	22.2	8.5
Deferred taxation	3.0	3.0	2.5	3.1	3.2	3.9	(3.8)	(1.8)	(1.5)	17.5	4.2
	15.6	3.8	3.2	4.1	4.2	5.0	287.1	(2.4)	(3.3)	18.6	5.2
Current Liabilities											
Trade and other payables	13.8	12.7	16.3	15.7	17.4	16.5	15.2	(36.8)	25.9	11.3	31.2
Sales tax payable - net	2.2	1.1	-	0.8	0.3	1.6	100.6	100.0	(100.0)	261.5	(79.2)
Accrued mark-up	0.4	0.5	0.2	0.1	0.1	0.2	(19.6)	114.2	338.2	5.3	(47.6)
Current portion of lease liabilities	0.4	-	-	-	-	-	100.0	-	-	-	-
Current maturity of long term borrowings	1.4	-	-	-	-	-	100.0	-	-	-	-
Current portion of deferred income - government grant	0.2	-	-	-	-	-	100.0	-	-	-	-
Short term borrowings	0.9	17.1	24.3	10.6	11.0	13.1	(94.9)	(42.8)	178.6	19.9	3.7
Unclaimed dividend	0.5	0.5	0.3	0.3	0.3	0.3	(5.1)	9.0	34.6	24.3	25.1
Total current liabilities	21.2	31.9	41.1	27.5	29.1	31.7	(36.4)	(37.1)	82.1	17.0	13.8
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0	(4.5)	(19.0)	22.2	23.7	24.2

Comments on Six Years' Balance Sheet

Property, Plant and Equipment

The increasing trend in property, plant and equipment over the years is mainly due to gradual capacity expansion to meet the growing demand of the batteries. However, in the current year no major increase was made due to business environment.

Stock-in-trade

The increasing trend in stock-in-trade is in line with increase in cost of goods sold over the years except in last year where Company liquidated its finished goods stock.

Investments

Considering the deteriorating capital market conditions, the investments were liquidated and have decreased over last few years.

Taxation

The contribution to national exchequer has sizably decreased since 2017 due to Company's deteriorating profitability along with losses leading the Company to turnover tax. The current taxation charge is in line with turnover.

Long term loans

Long term loans obtained during the year to meet financial obligations for capital expenditures and State Bank of Pakistan's refinance scheme for payment of salaries and wages of employees and workers.

Trade and other payables

The increase in trade and other payables over last year mainly comprise of trade creditors and accrued liabilities which are part of normal course of business.

Short term borrowings

Short term borrowings during last 6 years are in line with working capital requirement. Except for current year, capacity expansion was backed mainly through funds generated from business.

Analysis of Financial Statements

Profit and Loss Account

(Rupees in '000)

PARTICULARS	2020	2019	2018	2017	2016	2015
Sales	12,546,152	12,773,113	18,332,861	17,169,908	14,019,507	15,961,413
Cost of sales	(11,667,365)	(12,506,602)	(16,330,483)	(14,205,436)	(11,272,034)	(13,583,708)
Gross profit	878,787	266,511	2,002,378	2,964,472	2,747,473	2,377,705
Distribution cost	(487,020)	(598,645)	(721,325)	(606,223)	(438,088)	(449,347)
Administrative expenses	(181,626)	(221,352)	(245,055)	(305,430)	(287,940)	(246,501)
Other income	32,601	385,464	73,988	249,161	95,577	91,526
Other expenses	(38,261)	(43,546)	(160,045)	(168,613)	(176,961)	(145,997)
Profit / (loss) from operations	204,481	(211,568)	949,941	2,133,367	1,940,061	1,627,386
Finance cost	(348,496)	(213,222)	(117,845)	(68,170)	(71,875)	(146,675)
(Loss) / profit before tax	(144,015)	(424,790)	832,096	2,065,197	1,868,186	1,480,711
Taxation	(183,084)	(167,673)	(241,502)	(588,571)	(597,359)	(466,787)
(Loss) / profit after tax	(327,099)	(592,463)	590,594	1,476,626	1,270,827	1,013,924

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2020	2019	2018	2017	2016	2015	2020/ 2019	2019/ 2018	2018/ 2017	2017/ 2016	2016/ 2015
	----- Percentage -----						----- Percentage -----				
Sales	100.0	100.0	100.0	100.0	100.0	100.0	(1.8)	(30.3)	6.8	22.5	(12.2)
Cost of sales	(93.0)	(97.9)	(89.1)	(82.7)	(80.4)	(85.1)	(6.7)	(23.4)	15.0	26.0	(17.0)
Gross profit	7.0	2.1	10.9	17.3	19.6	14.9	229.7	(86.7)	(32.5)	7.9	15.6
Distribution cost	(3.9)	(4.7)	(3.9)	(3.5)	(3.1)	(2.8)	(18.6)	(17.0)	19.0	38.4	(2.5)
Administrative expenses	(1.4)	(1.7)	(1.3)	(1.8)	(2.1)	(1.5)	(17.9)	(9.7)	(19.8)	6.1	16.8
Other income	0.3	3.0	0.4	1.5	0.7	0.6	(91.5)	421.0	(70.3)	160.7	4.4
Other expenses	(0.3)	(0.3)	(0.9)	(1.0)	(1.3)	(0.9)	(12.1)	(72.8)	(5.1)	(4.7)	21.2
Profit / (loss) from operations	1.7	(1.6)	5.2	12.5	13.8	10.3	196.7	(122.3)	(55.5)	10.0	19.2
Finance cost	(2.8)	(1.7)	(0.6)	(0.4)	(0.5)	(0.9)	63.4	80.9	72.9	(5.2)	(51.0)
(Loss) / profit before tax	(1.1)	(3.3)	4.6	12.1	13.3	9.4	66.1	(151.1)	(59.7)	10.5	26.2
Taxation	(1.5)	(1.3)	(1.3)	(3.4)	(4.3)	(2.9)	9.2	(30.6)	(59.0)	(1.5)	28.0
(Loss) / profit after tax	(2.6)	(4.6)	3.3	8.7	9.0	6.5	44.8	(200.3)	(60.0)	16.2	25.3

Comments on Six Years' Profit and Loss Account

Sales

Sales has witnessed cumulative average decline rate of 4.7% over last 6 years mainly on account of decrease demand in the replacement segment, both in locally manufactured and imported used vehicle categories. Demand for heavy and medium sized batteries used in Uninterruptible Power Supply (UPS) units and generators has also seen sizeable decline.

Cost of Sales

Cost of sales remained almost consistent except the current and last financial year. The fluctuation in international commodity prices results in variation of slight increase and decrease in cost of sales over the preceding four years. However, in current financial year, a significant increase was observed in raw material prices resulting in increase of cost of sales to sales percentage.

Gross Profit

Current year's gross profit margin jumped to 7.0% as against last year's 2.1% mainly due to decline in cost of sales. Prior to that, gross profit margin remained in double digit.

Distribution Cost and Administrative Expenses

Distribution cost and administrative expenses remained under control and were consistent with the proportion to the sales in last six years.

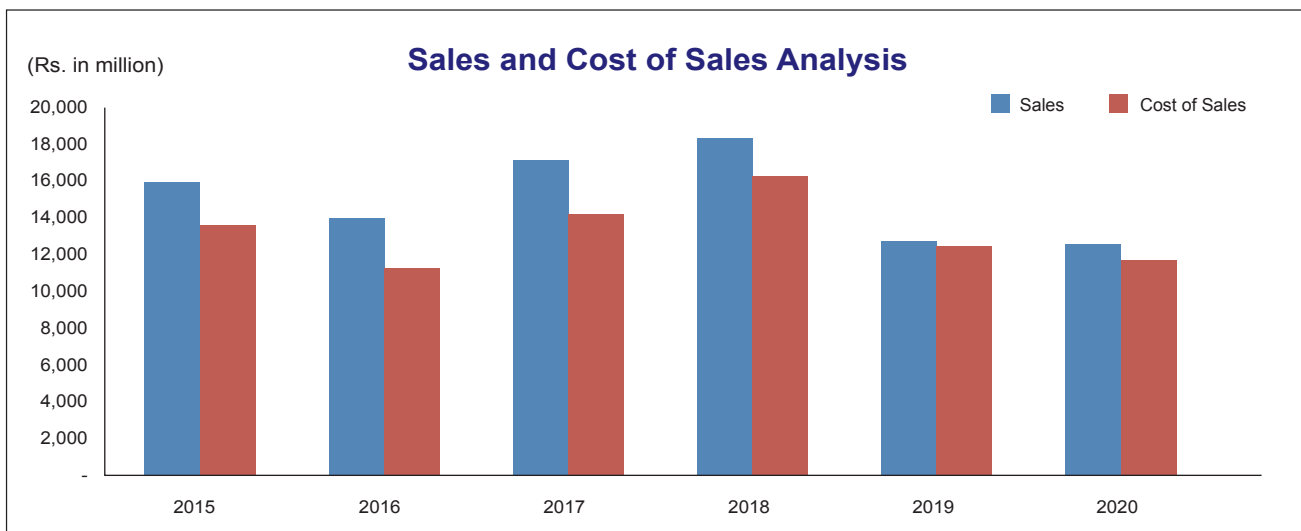
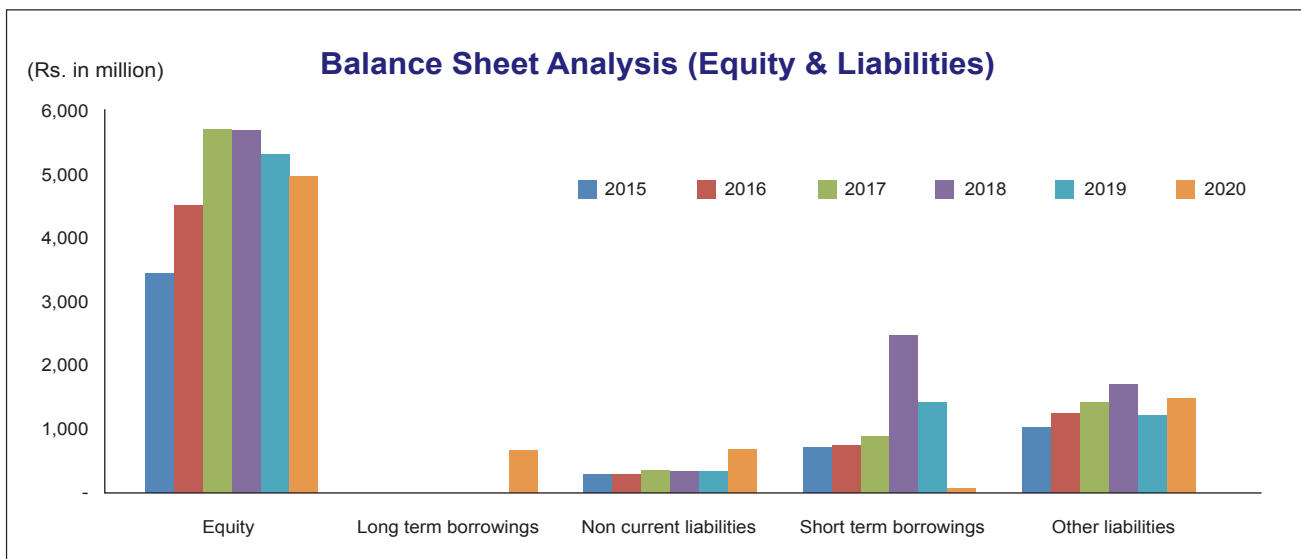
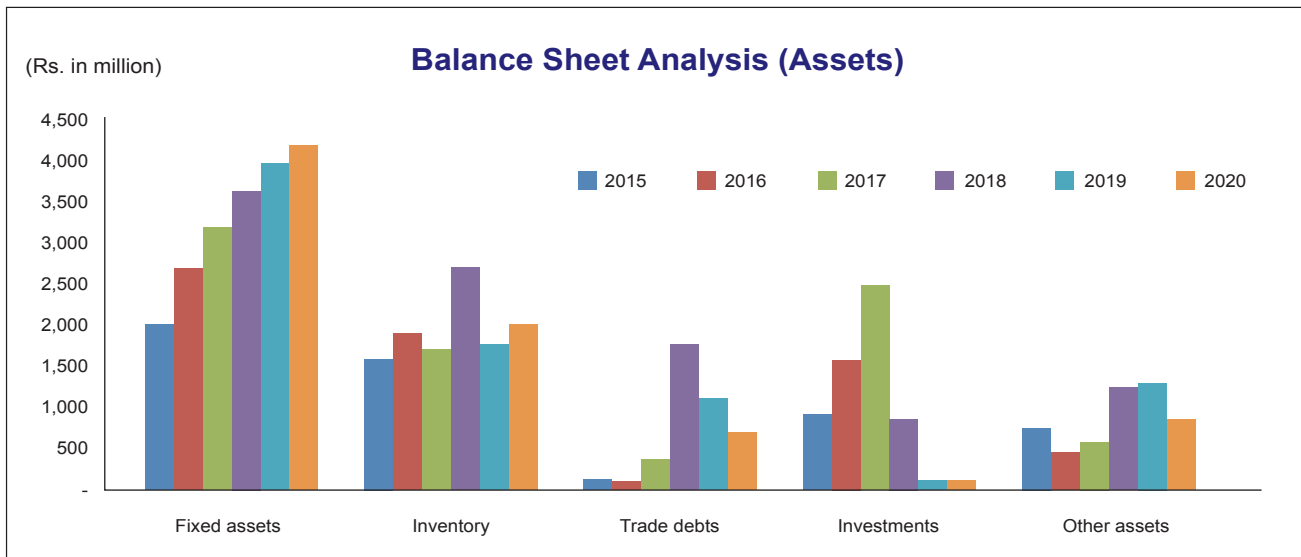
Finance Cost

Finance cost is directly correlated to borrowings. During the current year, finance cost has increased due to increased level of running finance utilization and high interest rates during first six months of the fiscal year.

Profit After Taxation

Company's loss after taxation (PAT) during current year is reduced from previous year's loss. Conversion of preceding years' profits into losses were mainly due to decline in sales and increase in major raw material prices.

Analysis of Balance Sheet and Profit & Loss Account



Analysis of Financial Statements

Cash Flow Statements

(Rupees in '000)

PARTICULARS	2020	2019	2018	2017	2016	2015
Cash flow from:						
- operating activities	519,380	437,193	(1,458,876)	1,525,082	1,600,463	1,898,513
- investing activities	(159,104)	827,681	848,334	(1,437,598)	(1,455,121)	(742,731)
- financing activities	(738,418)	(1,222,405)	976,849	(117,868)	(178,403)	(1,083,553)
Increase / (decrease) in cash & cash equivalents	(378,142)	42,469	366,307	(30,384)	(33,061)	72,229

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2020	2019	2018	2017	2016	2015	2020/ 2019	2019/ 2018	2018/ 2017	2017/ 2016	2016/ 2015
	----- Percentage -----						----- Percentage -----				
Cash flow from:											
- operating activities	(137.4)	1,029.4	(398.3)	(5,019.3)	(4,840.9)	2,628.5	18.8	130.0	(195.7)	(4.7)	(15.7)
- investing activities	42.1	1,948.9	231.6	4,731.4	4,401.3	(1,028.3)	(119.2)	(2.4)	159.0	1.2	(95.9)
- financing activities	195.3	(2,878.3)	266.7	387.9	539.6	(1,500.2)	39.6	(225.1)	928.8	33.9	83.5
Increase / (decrease) in cash & cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	(990.4)	(88.4)	1,305.6	8.1	(145.8)

Free Cash Flows

(Rupees in '000)

PARTICULARS	2020	2019	2018	2017	2016	2015
(Loss) / profit before tax	(144,015)	(424,790)	832,096	2,065,197	1,868,186	1,480,711
Adjustment for non-cash items	732,754	202,363	445,730	141,744	240,114	249,615
Working capital changes	(69,359)	659,620	(2,736,702)	(681,859)	(507,837)	168,187
	519,380	437,193	(1,458,876)	1,525,082	1,600,463	1,898,513
Less: Capital expenditure	(207,885)	(636,972)	(774,584)	(793,782)	(923,053)	(735,138)
Free cash flows	311,495	(199,779)	(2,233,460)	731,300	677,410	1,163,375

Liquidity Management and Cash Flow Strategy

Liquidity and Cash Flow Analysis

Net decrease in cash flow stood at Rs.378 million for the year ended June 30, 2020 as compared to net increase of Rs.42 million during last year. Brief analysis of cash flows for the year is presented below:

Operating Activities

The net cash generated from operations stood at Rs.519 million as against Rs.437 million generated during last year. This amount is after adjustment of finance cost of Rs.302 million and income tax of Rs.166 million.

Investing Activities

The cash flows used in investing activities was Rs.159 million as compared to Rs.828 million generated during last year which included net redemption in mutual funds of Rs.739 million.

Financing Activities

The Company has obtained long term loans in the current year amounting to Rs.676 million. Short term borrowings are decreased by 94.9%.

Ratios

Cash flows from operations to sales ratio increased to 4.1% as compared to 3.4% of last year. The financial leverage ratio at 0.2 times reduced from last year's 0.3 times whereas interest coverage ratio increased from negative 0.1 times to positive 0.6 times.

Liquidity Management and Financing Arrangements

The Company believes in financing through cash generation from operations. The working capital requirement is fulfilled through short term running finance from reputable banks. Long term funding requirement is met through obtaining long term loans from reputable banks.

Short term running finance stood at Rs.71 million at year end compared to previous year's Rs.1,408 million. Letters of credit lines up to Rs.1,550 million are available against lien on shipping documents. Long term loans stood at Rs.676 million at year end as compared to nil from previous year.

The treasury department comprises of skilled and experienced staff to handle day to day treasury function. The team is proficient and fully capable of managing Company's needs of financing, working capital adequacy and investments portfolio. The brief objectives of the team are:

- Manage all aspects of in-house investment portfolios including recommending investment policies.
- Identify strategies to drive additional value from surplus cash.
- Assist in identifying measures to evaluate credit quality, impact on finance costs and collateral requirements.
- Evaluate opportunities to manage or generate value from collections and analyze Company expenditure and spending patterns.
- Identify alternative funding sources.
- Forecast daily cash requirements and execute daily financing decisions.
- Prepare and monitor Company's various cash flow forecasts and perform financial modeling.
- Utilize low cost financing line primarily and save finance cost, as much as possible.

Strategy to Overcome Liquidity Problem

As stated above, the Company has been generating funds through own operations. The Company has short term running finance arrangements up to Rs.3.9 billion in case of liquidity needs. Long term loans have also been obtained to balance the borrowing mix. A combination of multiple measures are taken to manage liquidity which include debtors inventory turnover, turnover, creditors turnover, etc.

Debt Payments

The Company has currently short term running finance of Rs.71 million and long term loan of Rs.676 million. The short term running finance is hypothecated against stocks and receivables and these are settled through daily routine operations. The long term loan is hypothecated against plant and machinery. The interest is paid as and when due.

There was no default in payment of debts during the year.

Forward Looking Statement

Analysis on Last Fiscal Year's Forward Looking Disclosures

The country has been hit by a significant economic slowdown due to COVID-19 pandemic coupled with an already challenging IMF program. Load shedding has drastically reduced affecting the demand of medium and heavy size batteries. To bring in requisite innovation in light of changing industry dynamics, maintenance free batteries were launched in FY 2019-20 for vehicles.

Future Prospects

The pandemic has caused slowdown in economic activity and increased uncertainty. It is anticipated that during FY 2020-21, economic growth will further slow down due to weak currency and surging cost of utilities. The government has introduced necessary reforms – lowering of interest rates and liquidity stimulus – to curb impact of the pandemic.

The battery industry will face another challenging year ahead as competition will be tough due to surplus capacity on one hand and stagnant market size on the other. This will further extend due to post COVID-19 uncertainties. Power sector receivables and uptick in utility costs are deteriorating at an alarming rate. The devaluation of Pak Rupee is still a perennial challenge that will increase cost of doing business.

The Company has invested significantly to improve 5S, HSE, information technology and engineering & development to enhance business efficiency. This will help to meet the need for innovative products and lead the market not only in quality but technological advancement as well. Curbing costs, maintaining high quality of product and services for improved market penetration will remain focus of the Company. The improvement in human resource capabilities and value addition for shareholders is also the Company's prime focus. The Company will continue to focus on productivity and efficiency while meeting customers' desire for superior quality by following the principles of "The Atlas Way":

Business Rationale of Major Capital Expenditures during the year and for those planned for next year

Major capital expenditure and projects during the year included HSE, increase in productivity, bar code scanning system and waste water treatment plant. These all were in line with Company's strategic objectives of upgrading HSE up to international level, enhanced productivity to a competitive level in the industry and saving resources.

Capital expenditures and projects planned for next year are to meet both the objectives of consolidating the core business activities and improvement in HSE. The Company is looking forward to invest more in HSE for controlling air emission and saving scarce resources. The Company will also continue to invest in improving processes and make it as efficient as possible to achieve high quality product with minimal wastage and claims.

Source of Information and Assumptions Used for Projections / Forecasts

The projections and forecasts depends subjective assumptions and analyses comprising of historical trends, current conditions and expected future developments as well as other factors supposed to be applicable and suitable in the conditions. The market growth rates and data of automotive sector in PAMA, are also key factors in estimations. Further, macroeconomic indicators are also taken into account to ensure that factors which are beyond the Company's control are also measured while illustrating up the plan of the Company. Sensitivity analysis is also carried out to determine the impact of changes in assumptions on the financial performance of the Company.

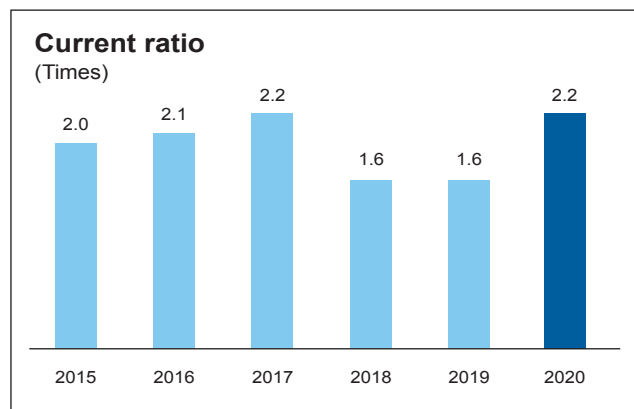
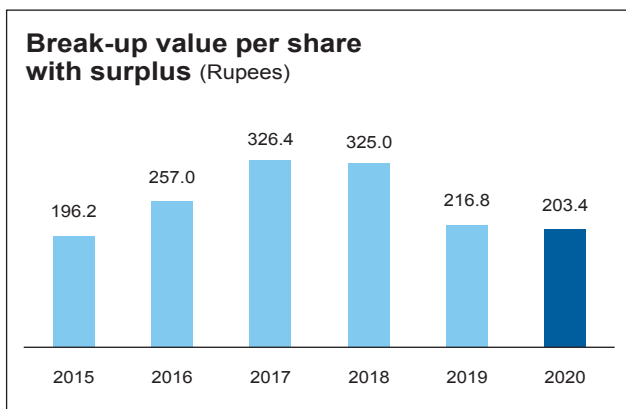
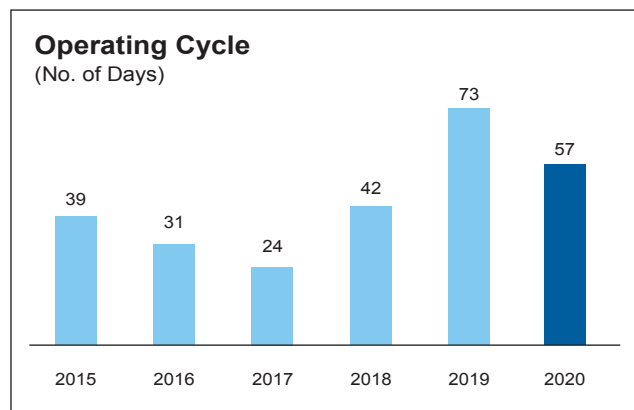
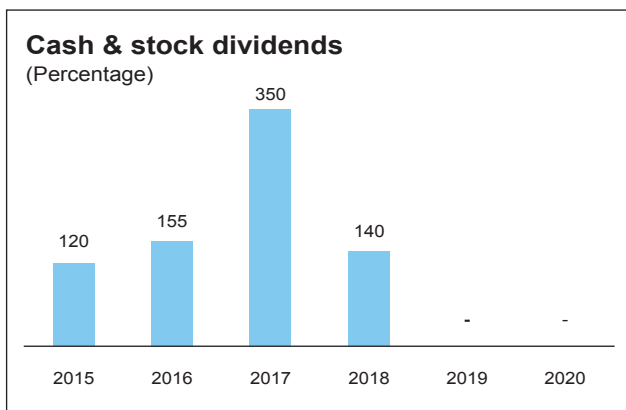
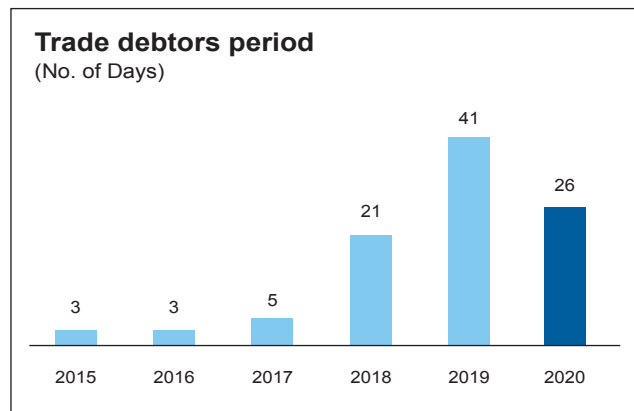
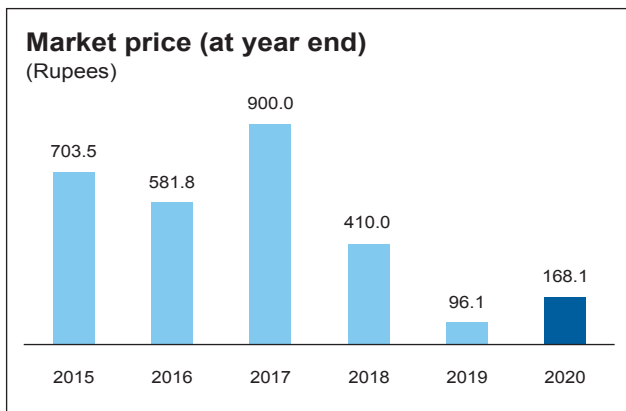
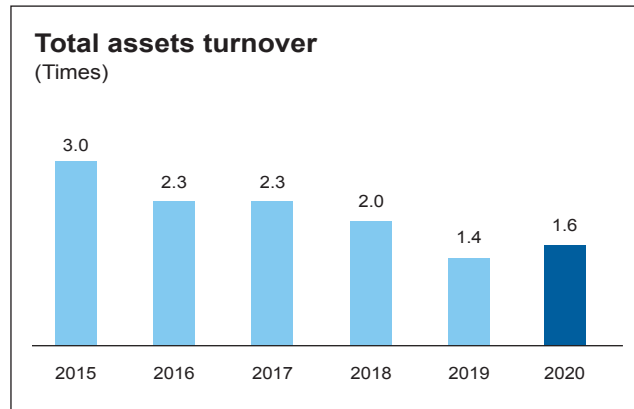
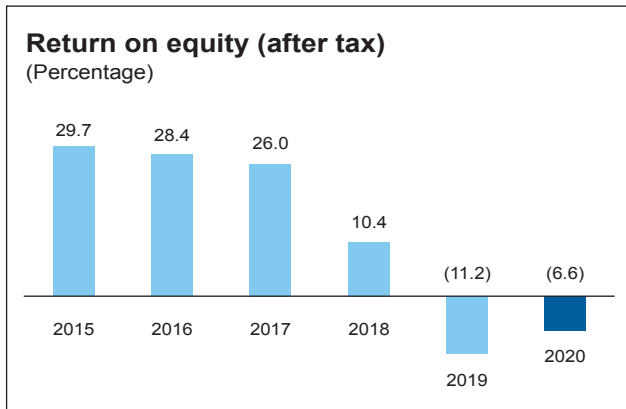
Significant Plans and Decisions

As compared to the Company's strategy of restructuring its balance sheet in previous year, this year Company remained focused on consolidation of balance sheet as well as curbing costs with launching of new innovative products including deep cycle batteries, specifically made for solar panels and UPS and maintenance free batteries for vehicles.

Six Years at a Glance

YEARS		2020	2019	2018	2017	2016	2015
Profitability Ratios							
Gross profit	(%)	7.0	2.1	10.9	17.3	19.6	14.9
Profit before tax	(%)	(1.1)	(3.3)	4.6	12.1	13.3	9.4
Profit after tax	(%)	(2.6)	(4.6)	3.3	8.7	9.0	6.5
Return on capital employed	(%)	3.3	(3.8)	15.9	35.5	40.8	44.2
Earnings before interest, tax, depreciation & amortization (EBITDA)	(Rs. in million)	571.7	105.6	1,245.3	2,395.6	2,149.9	1,788.7
EBITDA Margin	(%)	4.6	0.8	6.8	14.0	15.3	11.2
Operating leverage	(%)	11,067.3	403.2	(819.0)	44.3	(157.9)	137.2
Return to Shareholders							
Return on equity - before tax	(%)	(2.9)	(8.0)	14.7	36.4	41.8	43.4
Return on equity - after tax	(%)	(6.6)	(11.2)	10.4	26.0	28.4	29.7
Return on assets	(%)	(4.2)	(7.2)	5.8	17.8	19.0	18.8
Earnings per share (basic)	(Rs.)	(13.43)	(24.32)	33.94	84.86	73.04	58.27
Earnings per share (diluted)	(Rs.)	(13.43)	(24.32)	24.24	84.86	73.04	58.27
Price earning ratio	(Times)	(12.5)	(3.9)	12.1	10.6	8.0	12.1
Price to book ratio	(Times)	0.8	0.4	1.3	2.8	2.3	3.6
Market price - at year end	(Rs.)	168.1	96.1	410.0	900.0	581.8	703.5
Market price - highest during the year	(Rs.)	194.8	495.0	890.0	1,005.0	839.0	965.0
Market price - lowest during the year	(Rs.)	68.4	61.9	370.0	590.0	535.0	441.0
Break-up value per share without surplus on revaluation	(Rs.)	179.2	192.6	313.8	315.2	245.9	185.1
Break-up value per share with surplus on revaluation	(Rs.)	203.4	216.8	325.0	326.4	257.0	196.2
Dividend							
Cash dividend	(%)	-	-	100.0	350.0	155.0	120.0
Stock dividend	(%)	-	-	40.0	-	-	-
Dividend yield	(%)	-	-	3.4	3.9	2.7	1.7
Dividend cover	(Times)	-	-	2.4	2.4	4.7	4.9
Dividend pay out	(%)	-	-	41.2	41.2	21.2	20.6
Plough back ratio	(%)	-	-	58.8	58.8	78.8	79.4
Dividend yield (Cash)	(%)	-	-	2.4	3.9	2.7	1.7
Dividend cover (Cash)	(Times)	-	-	3.4	2.4	4.7	4.9
Dividend pay out (Cash)	(%)	-	-	29.5	41.2	21.2	20.6
Plough back ratio (Cash)	(%)	-	-	70.5	58.8	78.8	79.4
Asset Utilization							
Total assets turnover	(Times)	1.6	1.4	2.0	2.3	2.3	3.0
Fixed assets turnover	(Times)	3.1	3.4	5.4	5.9	6.0	9.4
Inventory turnover	(Times)	5.6	5.1	6.8	7.2	5.9	6.2
Trade debts turnover	(Times)	14.0	9.0	17.3	70.9	111.6	116.4
Trade creditors turnover	(Times)	10.4	9.3	11.1	11.5	10.9	15.6
Capital employed turnover	(Times)	2.1	2.2	3.1	3.2	3.3	4.9
Operating Cycle							
Inventory holding period	(No. of Days)	66	71	54	51	61	59
Trade debts collection period	(No. of Days)	26	41	21	5	3	3
Trade creditors payment period	(No. of Days)	(35)	(39)	(33)	(32)	(33)	(23)
Operating cycle	(No. of Days)	57	73	42	24	31	39
Liquidity / Leverage							
Current ratio	(Times)	2.2	1.6	1.6	2.2	2.1	2.0
Quick ratio	(Times)	0.9	0.9	0.9	1.4	1.0	1.0
Cash to current liabilities	(Times)	0.0	0.2	0.1	0.0	0.0	0.0
Cash flow from operations to sales	(%)	4.1	3.4	(8.0)	8.9	11.4	11.9
Financial leverage ratio	(Times)	0.2	0.3	0.4	0.2	0.2	0.2
Long term debt to equity (book value)	(Times)	0.1	-	-	-	-	-
Long term debt to equity (market value)	(Times)	0.2	-	-	-	-	-
Total liabilities to equity	(Times)	0.6	0.6	0.8	0.5	0.5	0.6
Interest coverage ratio	(Times)	0.6	(1.0)	8.1	31.3	27.0	11.1

Six Years at a Glance



Comments on Ratios

Profitability

Gross profit as a percentage of revenue stands at 7.0% as compared to 2.1% last year. Increase in gross profit margin was mainly due to cost control measures. Company incurred loss after tax of Rs.327 million as compared to loss of Rs.592 million last year.

Return to Shareholders and Dividend

The loss per share stood at Rs.13.43 per share as compared to loss of Rs.24.32 per share last year. This decrease was a result of decrease in net losses. Company's break-up value per share stood at Rs.203.4 at year end as compared to Rs.216.8 of last year.

Operating cycle

Operating cycle has decreased over the last year due to decrease in inventory holding and collection period.

Liquidity / Leverage

The liquidity ratios of this year improved over the previous year whereas financial leverage and total liabilities to equity ratios are remained near last year position.

Analysis of Prospects of the Company

Prospects

The Company's vision lets it focus on expanding market reach, automation, HSE (health, safety & environment) and quality of products. This is achieved by continuous investments, curbing costs, sustaining profits, stable return to shareholders, succession planning and satisfied employees. The Company has started a web portal to sell batteries online. The Company is also providing after sales services at their doorsteps along with guidance / customer service through various mediums which may include battery check-up and handling workshops, social media platforms, dedicated helpline, etc.

Financial Measures

Company's targets are dependent on various controllable and uncontrollable factors. These factors include international price of raw materials, fluctuation in foreign currency rates, taxation regime, availability of skilled workforce and resources, etc. The impact and sensitivity of their fluctuation is considered while setting targets and budgets.

The prices of raw material in international market are utilized for effective inventory management. The planned capital expenditure of Rs.526 million will be mainly utilized on upgrading HSE up to international level and process optimization.

The ongoing sustainability of profits will depend on mix of increased sales, reduced costs and good governance for which senior management along with associates are committed to deliver.

Non-Financial Measures

Various non-financial measures and indicators are used in lieu of financial measures to gauge the performance of the Company and set new targets and objectives. Few of the non-financial measures which the Company uses are described below:

- Employee engagement and satisfaction;
- Quality of products and customer satisfaction;
- After sales service and convenient way of claim settlement;
- Stakeholders engagement;
- Health, Safety and Environment;
- Transparency and Accountability;
- Corporate Social Responsibility;
- Good governance practices;
- SWOT analysis; and
- Share price sensitivity analysis.

The Board of Directors is responsible to formulize strategy and set direction for the Company, and Chief Executive Officer (CEO) and management are responsible to implement those strategies in the Company and evaluate results there against.

Change of Prospects and Performance Measures over the period

There is no significant change in prospects and performance measures over prior period.

Segmental Review of Business

Market Segment

The Company serves various segments including Original Equipment Manufacturers (OEMs), domestic appliances, industrial equipments and replacement market through a wide range of dealers' network. The list of our major OEM customers is placed at the end of this report.

Battery industry in Pakistan is divided into two major segments; organized and un-organized sectors. The organized sector is meeting about 90% of the market demand; rest is being met by the un-organized sector and imports.

Operating Segment

On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

Share Price Sensitivity Analysis

The share price is positively correlated with Company's financial performance. The factors that influence the Company's performance can also be reasonably expected to impact its share price. Following are the few factors prevailing in current business environment that management considers to be sensitive to the Company's performance and which may affect its share price.

Key Sensitivities	Sensitivity Index
<p>Demand of automobiles</p> <p>Agriculture is the backbone of our country's economy. The agriculture based rural areas consume a significant portion of motorcycle and heavy vehicles production of the country, thereby leading to high demand of batteries. Therefore, the Company's performance is strongly linked with the performance of agriculture sector.</p> <p>Also the industrial sector serves Pakistan's economy with a sizeable base. In turn, the demand of heavy machineries and vehicles increases demand of batteries.</p>	<p>High</p>
<p>Demand of alternative sources of electricity</p> <p>The crisis in electricity generation and distribution showed significant improvement during the year. This has led to decrease usage of batteries. However, alternative sources of electricity including generators solar power panels, etc. may lead to increase usage of batteries.</p>	<p>High</p>
<p>Political stability</p> <p>Unstable political climate coupled with the law and order situation disrupts business processes, transportation facilities and supply chain of the Company.</p>	<p>Moderate</p>
<p>Plant operations</p> <p>Stable plant operations allow for higher production and lower per unit cost and wastage. Therefore, smooth operations will add to profitability of the Company which can positively affect share price. Issues at production facilities negatively affect the financial performance of the Company and therefore, may also affect the share price.</p>	<p>Low</p>
<p>Exchange rate fluctuations</p> <p>The Company is involved in imports of plant, machinery and raw materials and is exposed to foreign currencies exchange rate fluctuations. The depreciation in Pak Rupee affects the performance of Company which is partially countered by cost controls measures taken by the Company and partially by increase product pricing in the market.</p>	<p>Moderate</p>
<p>Dividend per share</p> <p>The consistent payout of dividends will reflect the expectations of investors and this affects share price.</p>	<p>Moderate</p>

Key Sensitivities	Sensitivity Index
<p>Economic trends</p> <p>The events surrounding a specific industry or company make investors watch various economic indicators and general trends that signal changes in the economy. International oil prices put significant impacts on commodities market, thus prices of raw materials are correlated therewith.</p>	<p>High</p>
<p>Investor sentiment</p> <p>Investor sentiment or confidence can cause the market to go up or down, which can cause stock prices to rise or fall. The general direction which may be bullish or bearish may affect the value of a stock.</p>	<p>Moderate</p>
<p>Interest rate</p> <p>State Bank of Pakistan raised the interest rate from 12.25% to 13.25% in July 2020. However, due to outbreak of COVID-19, it gradually reduced the interest rate to 7.00% by the end of June 2020; a decrease of 5.25% last June end.</p>	<p>High</p>

DU PONT ANALYSIS

(Rupees in Million)



Quarterly Performance Analysis

PARTICULARS	2020					2020 / 2019				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
	----- (Rupees in '000) -----					----- (Percentage) -----				
Sales	3,515,789	3,131,270	3,127,444	2,771,649	12,546,152	118%	115%	100%	70%	98%
Cost of sales	(3,296,530)	(2,918,338)	(2,774,228)	(2,678,269)	(11,667,365)	112%	99%	92%	75%	93%
Gross profit	219,259	212,932	353,216	93,380	878,787	491%	-90%	321%	27%	330%
Distribution cost	(142,009)	(134,132)	(128,829)	(82,050)	(487,020)	97%	102%	83%	50%	81%
Administrative expenses	(45,642)	(40,222)	(44,916)	(50,846)	(181,626)	72%	69%	94%	99%	82%
Other income	6,417	7,417	9,048	9,719	32,601	43%	2%	194%	29%	8%
Other expenses	(4,252)	(2,469)	(9,087)	(22,453)	(38,261)	65%	12%	368%	171%	88%
Profit / (loss) from operations	33,773	43,526	179,432	(52,250)	204,481	-21%	-38%	-199%	-34%	-97%
Finance cost	(45,367)	(92,324)	(106,987)	(103,818)	(348,496)	94%	182%	159%	220%	163%
(Loss) / profit before tax	(11,594)	(48,798)	72,445	(156,068)	(144,015)	6%	29%	-46%	-150%	34%
Taxation	(44,787)	(49,572)	(50,378)	(38,347)	(183,084)	182%	101%	123%	72%	109%
(Loss) / profit after tax	(56,381)	(98,370)	22,067	(194,415)	(327,099)	24%	46%	-11%	-379%	55%
Basic (loss) / earnings per share - Rupees	(2.31)	(4.04)	0.91	(7.99)	(13.43)					

RETURN TO THE
PAVED PATH
OF EXCELLENCE



With the will to not only survive but thrive, Atlas Battery resumed post lockdown operations with renewed vigour and determination. Efficient operational management initiatives and robust decision making ensured smooth scaling of operations.

Chairman's Review

I am pleased to present to you the 54th Annual Report of your Company for the year ended June 30, 2020 together with the Auditors' Report.

Macroeconomic Overview

The emergence of COVID-19 has caused major disruptions to economic activity around the world including Pakistan. The country's economy demonstrated its worst performance in 68 years, posting a negative growth of 0.38% in FY 2019-20. The drop in domestic and global demand compounded the strain on the economy. Monetary and fiscal policy interventions, such as interest rate reduction, payroll financing, announcement of stimulus package, have been made to ensure liquidity to cushion growth and employment. On the fiscal front, weak collections and higher expenditure in Q4 of FY 2019-20 mainly due to COVID-19 related developments resulted in a fiscal deficit of 9.5% of GDP. Keeping in view the unprecedented economic situation, the federal budget 2020-21 was presented without imposing any new taxes.

Despite challenging conditions, the outlook for external sector broadly remained stable. The current account deficit narrowed down by 70%. This was due to contraction in trade deficit for the second consecutive year to USD 23.2 billion on the back of 19% reduction in imports. Exports, which were struggling even before, fell to a four-year low of USD 21.4 billion, down by 6.8%. However, home remittances proved to be a silver lining as they reached an all-time high of USD 2.4 billion in June 2020, closing FY 2019-20 with a total of USD 23.1 billion. These remittances along with other external and capital inflows helped foreign exchange reserves to close at USD 11.2 billion. Resultantly, Pak Rupee remained relatively stable against dollar and closed at Rs.168. With an improved inflation outlook but an increased downside risk to growth, SBP further reduced the policy rate to 7% in its recent Monetary Policy Statement.

The agriculture sector, which has not been much affected directly by the coronavirus or lockdown, recorded growth of 2.67% during the year. This represents a significant surge from last year's dismal 0.6%. Except cotton and sugarcane, positive growth was observed in all other important crops. However, challenges due to the locust outbreak that started to emerge in the later part of 2019, climate change and untimely rains kept production in this sector far below its potential.

Large Scale Manufacturing (LSM) is estimated to record a decline of 2.6% during the outgoing fiscal year. Even before the pandemic, the industrial output was depressed on account of measures undertaken for macroeconomic stabilization. Cost structures of businesses were adversely affected while consumers struggled to preserve their purchasing power. During the last quarter, the pandemic further intensified the economic woes as any recovery in the sector was hampered due to lockdown of businesses.

Review of Automobile Industry

Automobile production dropped significantly mainly due to COVID-19, hike in electricity prices which also contributed in higher cost of production, higher interest rates in first eight months of FY 2019-20 and devaluation of Pak Rupee which hold the potential buyers from purchases. Sale of locally manufactured cars witnessed a decline of 53.5% in FY 2019-20 to 96,455 units as against 207,630 units sold in FY 2018-19. Tractors segment witnessed decrease of 35.1% to 32,727 units as against 50,405 units last year. Sale of trucks and buses also dropped by 46.1% over last year. Sales of motorcycles and three wheelers (of assemblers, who are registered with PAMA) during FY 2019-20 decreased by 23.1% with sales of 1,370,005 units as against 1,781,959 units during same period last year.

Battery Industry

The battery industry had been enjoying substantial growth in last decade owing largely to electricity shortage. Thus, consistent growth created an opportunity for capacity enhancement. However, from the year 2018-19 the market started to face drastic decline and severe competition due to improved electricity supply and resultant over capacity.

The year 2020-21 will bring unprecedented uncertainty and challenges. Business norms are likely to change. The battery industry will face continued competition in replacement market due to surplus capacity on one hand and shrinking market size on the other. This has further extended due to post COVID-19 impacts on the economy and society at large. The demand for batteries is correlated with growth in automotive sector and the power shortage in the country. Reduction in solar panels cost, their usage particularly in off-grid areas has propelled the demand of medium and small size batteries.

Battery industry in Pakistan is divided into two major segments; organized and un-organized sectors. The organized sector is meeting about 90% of the market demand; rest is being met by the un-organized sector and imports. Your Company has a significant market share and is determined to increase it further by not compromising on quality, introducing innovative products and providing meaningful after sales service.

Operating Results

During the FY 2019-20, your Company achieved sales of Rs. 12.5 billion as compared to Rs.12.8 billion in FY 2018-19, down by 1.8%. This was mainly due to outbreak of COVID-19 in Pakistan which adversely affected the sales in the replacement market. However, decrease in cost of sales was 6.7% from Rs. 12.5 billion to Rs. 11.7 billion resulting in gross profit of Rs. 879 million as compared to Rs. 267 million during last year, up 229.7%.

Operating expenses stood at Rs. 669 million, decreased by Rs. 151 million as compared to Rs.820 million in the last year. Resultantly, your Company achieved profit from operations of Rs. 204 million as compared to loss from operations of Rs.212 million during last year. Finance cost increased to Rs.348 million from Rs.213 million.

The loss before tax for FY 2019-20 was Rs. 144 million as compared to loss of Rs.425 million in last year. After providing Rs.183 million for taxation, the loss after tax of your Company stood at Rs. 327 million as compared to loss of Rs.592 million last year. Loss per share was Rs. 13.43 as compared to loss per share of Rs.24.32 for the last year.

Performance of the Board

The Board of Directors of your Company complies with all relevant rules and regulations. The Board comprises of well-known business professionals who add real value to the Board through their expertise, experience and strong value system. The Board has laid down policies and procedures that ensure a professional corporate environment which promotes timely disclosure, accountability, high ethical standards, compliance with applicable laws, regulations and corporate governance.

During the year under review, the Board has effectively discharged its responsibility towards the Company and participated in all strategic affairs diligently. All quarterly, half yearly and annual financial results were thoroughly reviewed and Board extended its guidance to the management on regular basis. The Board also played a key role in monitoring of management performance and focus on major risk areas. Board members also reviewed and approved the Company's financial budget for FY 2020-21 and capital expenditures requirement.

The Audit Committee and Human Resource & Remuneration Committee have discharged their responsibilities as per relevant laws throughout the year. The Board carefully monitors their performance on periodic basis.

Contribution to National Exchequer

Your Company contributed Rs.2.7 billion towards the National Exchequer on account of various government levies, taxes and import duties during the year under review. Payment of these taxes is 21.9% of net sales value of the Company, which shows the Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen. The total contribution to the exchequer by Atlas Group Companies including your Company is Rs.55 billion. This makes Atlas one of the highest taxpayers in the country.

Cash Flows

During the year, cash generation from operations by your Company was Rs.519 million as against cash generation of Rs.437 million last year. This was mainly due to recovery of trade debts. In order to improve the borrowing mix, your company has obtained long term loans of Rs.676 million.

Information Technology

There is no denying that technology is changing the face of manufacturing, and continued innovation will help to propel the industry forward into the future. Your Company is well equipped with state of the art information technology infrastructure. Your Company is committed to staying up-to-date in technological advancements with vision to automate manufacturing processes for enhanced productivity and quality. Your Company is taking full advantage of ERP data management and system, and striving for a paperless environment. Your Company is focused on improving business flow through development and implementation of

following programs and processes:

- Business to Customer (B2C)
- Business Continuity Plan (BCP)
- Business Process Reengineering (BPR)
- Business to Business (B2B)
- Plant Data Automation
- Claim Management System (CMS)
- Warehouse Management System (WMS)
- Data Security Management

Your Company has invested time and resources to technology transformation through 3Ds: Digital, Data, Direct. This includes online sales, digital marketing through social media, dealers' stock management through dashboard, warehouse management through barcode implementation and building customer relationship through engagement.

Human Resource Development

Your Company always follows the Atlas Group motto / philosophy "Organization Development through Self Development" and made substantial investments for the development of its associates to ensure that a continuous learning environment exist within the Company. During the year, initiatives were taken to ensure that associates' commitment to the organization is enhanced and they actively contribute to the achievement of individual and business goals.

A corporate culture is maintained, which encourages creativity, independence and strengthening of technical and leadership skills. Throughout the year, in-house, external and foreign trainings have been conducted which covered areas including Quality Control & Management, Productivity Improvement, Occupational Health and Safety, Leadership & Core Management, Supply Chain and Marketing / Brand related conferences. Altogether 328 associates benefited from in-house trainings, while 60 associates enhanced their skill set through external training programs / conferences / workshops. Furthermore, selected young and potential associates were sent to attend foreign training organized by AOTS, Japan.

Your Company has structured Performance Management System that ensures associates performance is fairly recognized and enriched career paths are developed for the talented associates. We have a zero-tolerance policy for unethical business practices and individual behavior.

Health, Safety and Environment (HSE)

Your Company is continuously investing substantial resources to improve the working conditions for its associates to maintain a healthy, safe and comfortable working environment. State of the art Waste Water Treatment Plant, designed by GS Yuasa (JV Partner) was installed in the factory premises, which is another milestone towards the betterment of the society. Your Company has acquired ISO 14001:2015 Certification on Environment Management System (EMS) and OHSAS 18001:2007 Certification on Occupational Health & Safety Management System, which are testimony to the management's commitment towards HSE. In addition, your Company has also acquired ISO 50001:2011 Certification on Energy Management System (EnMS) which will help to improve energy performance and ensure that related legislative and regulatory requirements are met. Associates' training and awareness sessions have been regularly conducted to achieve the ultimate goal of "zero incidents and zero injuries".

With the unanticipated outbreak of COVID-19, your Company has taken timely and proactive HSE measures for its associates to combat COVID-19. Specific SOPs related to social distancing, essential hygiene and health checks were developed and implemented prior to lockdown. Moreover, infrared thermometer, sanitizing gates, handwashing basins at the entrance and PPEs have already been installed / procured subsequent to your Company's HSE policies for the safeguard of its associates and enabling it to resume business operation with due preparation. Moreover, awareness campaigns and use of different social media platforms remained operational for disseminating best practices related to COVID-19 to our stakeholders.

To strengthen the efforts aimed towards maintaining the well-being of associates, numerous training sessions were organized on HSE by engaging internal and external expertise, ensuring its sequential implementation, incorporating all shops / departments.

Analysis on Last Fiscal Year's Forward Looking Disclosures

The country has been hit by a significant economic slowdown due to COVID-19 pandemic coupled with an already challenging IMF program. Load shedding has drastically reduced affecting the demand of medium and heavy size batteries. To bring in requisite innovation in light of changing industry dynamics, maintenance free batteries were launched in FY 2019-20 for vehicles.

Future Prospects

The pandemic has caused slowdown in economic activity and increased uncertainty. It is anticipated that during FY 2020-21, economic growth will further slow down due to weak currency and surging cost of utilities. The government has introduced necessary reforms – lowering of interest rates and liquidity stimulus – to curb impact of the pandemic.

The battery industry will face another challenging year ahead as competition will be tough due to surplus capacity on one hand and stagnant market size on the other. This will further extend due to post COVID-19 uncertainties. Power sector receivables and uptick in utility costs are deteriorating at an alarming rate. The devaluation of Pak Rupee is still a perennial challenge that will increase cost of doing business.

Your Company has invested significantly to improve 5S, HSE, information technology and engineering & development to enhance business efficiency. This will help to meet the need for innovative products and lead the market not only in quality but technological advancement as well. Curbing costs, maintaining high quality of product and services for improved market penetration will remain focus of your Company. The improvement in human resource capabilities and value addition for shareholders is also your Company's prime focus. I assure you that your Company will continue to focus on productivity and efficiency while meeting customers' desire for superior quality by following the principles of "The Atlas Way":

ہمیں نیا زمانہ، نئے صبح و شام پیدا کر

(Always strive for new horizon)

Acknowledgements

On behalf of the Board of Directors of your Company, I take this opportunity to acknowledge and appreciate the devoted and sincere services of all associates and management staff of all cadres of the Company.

During the year, Mr. Ariful Islam retired from the Board of your Company in the month of May 2020. Ms. Mehreen Amin was elected as new member of the Board in elections held in May 2020. We would like to place on record the valuable contributions made by Mr. Ariful Islam during his tenure as member of Board. Ms. Mehreen Amin has over 30 years of work experience in the areas like I.T., Human Resource and Administration in different capacities.

I would like to thank our JV Partners GS Yuasa International Limited; Japan, Board of Directors, shareholders, bankers, vendors and customers for their continuous support and guidance. I also thank Mr. Ali H. Shirazi; President and Chief Executive of your Company and the management team for their dedication and commitment to achieve sustained growth year after year.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive

Karachi: August 25, 2020

Directors' Report

The Directors of the Company take pleasure in presenting the Directors' Report together with the Company's audited annual financial statements for the year ended June 30, 2020. The Directors' Report, prepared under Section 227 of the Companies Act, 2017 will be put forward to the members at the 54th Annual General Meeting of the Company to be held on September 29, 2020.

Operating Results

The operating results of the Company are summarized as follows:

	2020	2019
	----- (Rupees in '000) -----	
Loss before tax	(144,015)	(424,790)
Less: Provision for taxation:		
Current year	190,616	175,973
Prior year	2,282	(4,882)
Deferred	(9,814)	(3,418)
	183,084	167,673
Loss after taxation	(327,099)	(592,463)

Reason for Loss

The loss is mainly due to change in sales mix in replacement market coupled with depressed economic conditions. These include inflationary impacts on costs of raw materials and devaluation of currency. Further, the significant decrease in demand has caused non absorption of overheads.

Subsequent Appropriations

There is no subsequent appropriation by the Company for the year under review.

Loss Per Share

The basic and diluted loss per share after tax is Rs. 13.43 (2019: Rs.24.32).

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the performance and effectiveness of the Board, performance of the Company for the year ended June 30, 2020 and future prospects. The Directors endorse the contents of the Chairman's review.

Board of Directors and its Committees

Board of Directors

The Board comprises of one executive and six non-executive directors. All the Directors keenly take interest in the proper stewardship of the Company's affairs. The non-executive directors are independent of the management of the Company.

Audit Committee

Audit Committee assists the Board of Directors in discharging their responsibilities in accordance with the Corporate Governance and Financial Reporting frame work.

The Committee consists of three members all of whom are non-executive directors. The Chairman of the Committee is an independent director.

As required by the Code 2019, Audit Committee also met with external auditors and Head of Internal Audit in the absence of management. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended all the four meetings held during the year, by invitation.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee also assists the Board of Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies and practices within the Company. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel.

The Committee consists of three members all of whom are non-executive directors. The Chairman of the Committee is an independent director.

Meeting of the Board and its Committees

During the year, five meetings of Board of Directors (BOD), four meetings of Audit Committee (AC) and one meeting of Human Resource and Remuneration Committee (HRRC) were held. The attendance of the Directors and the number of their directorship in listed companies, including Atlas Battery Limited, is as follows:

Sr. No.	Name of Directors	Directorship	Status	Executive Director	Committee Members		Attendance		
					AC	HRRC	BOD	AC	HRRC
1.	Mr. Yusuf H. Shirazi	-	Passed away on October 20, 2019	No	-	-	1/1	-	-
2.	Mr. Aamir H. Shirazi	4	Appointed on October 22, 2019 and Elected w.e.f. May 21, 2020	No	-	-	3/3	-	-
3.	Mr. Ariful Islam	2	Retired on May 20, 2020	No	-	-	4/4	-	-
4.	Mr. Azam Faruque	4	Re-elected w.e.f. May 21, 2020	No	√	-	5/5	4/4	1/1
5.	Mr. Bashir Makki	1	Re-elected w.e.f. May 21, 2020	No	√	√	4/5	3/4	0/1
6.	Mr. Fahim Ali Khan	2	Re-elected w.e.f. May 21, 2020	No	√	√	5/5	4/4	1/1
7.	Ms. Mehreen Amin	1	Elected on May 21, 2020	No	-	√	1/1	-	-
8.	Mr. Toru Furuya	1	Re-elected w.e.f. May 21, 2020	No	-	-	5/5	-	-
9.	Mr. Ali H. Shirazi	3	Re-elected w.e.f. May 21, 2020	Yes	-	-	4/5	-	-

On May 20, 2020 the existing Directors stood retired and offered themselves for re-election except for Mr. Ariful Islam. The Directors were re-elected in Extraordinary General Meeting (EOGM) held on May 20, 2020 for a period of next three years commencing from May 21, 2020. Ms. Mehreen Amin also got elected in said EOGM for a period of next three years commencing from May 21, 2020.

Leaves of absence were granted to those Directors who could not attend some of the Board meetings.

Directors' Training Program

Four directors are certified Directors whereas two directors meet the criteria of exemption under clause 20(2) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019") and are accordingly exempted from directors' training program. Remaining Director will acquire the required directors' training certification within the time specified in the Code 2019. Details are as follows:

Sr. No.	Name of Directors	Institution	Year
1.	Mr. Aamir H. Shirazi	Exempt	Not Applicable
2.	Mr. Azam Faruque	Pakistan Institute of Corporate Governance	2009-2010
3.	Mr. Bashir Makki	Pakistan Institute of Corporate Governance	2014-2015
4.	Mr. Frahim Ali Khan	Exempt	Not Applicable
5.	Mr. Toru Furuya	University of Lahore	2015-2016
6.	Mr. Ali H. Shirazi	Pakistan Institute of Corporate Governance	2013-2014

Board's Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed Board Evaluation Questionnaire has been formulated which is circulated amongst directors for their feedback every year and compiled results are presented in the Board meeting for review and appropriate action, thereon. The key areas of evaluation are as under:

- (a) Composition of the Board and its effectiveness;
- (b) Structuring of Board's committees and their role;
- (c) Vision / Mission planning and establishing a corporate environment;
- (d) Access to the information and risk monitoring;
- (e) Performance of duties and responsibilities;
- (f) Relationship with the management;
- (g) Role of the Chairman and assessment of own performance.

Statement of Directors' Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan (SECP) and the Code 2019 for the following matters:

- (a) The financial statements, prepared by the management of the Company, present its state of affairs including the results of its operations, cash flows and changes in equity, fairly.
- (b) Proper books of accounts have been maintained by the Company.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

- (e) The system of internal control and mitigation of risk are sound in design and have been effectively implemented and monitored.
- (f) There are no doubts upon the Company's ability to continue as going concern.
- (g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

The Corporate Governance Practices

The Board of Directors of the Company is committed to the principles of good corporate governance. This is promoted across the Company through senior management. The stakeholders expect that the Company is managed and supervised responsibly and proper internal controls and risk management policy and procedures are in place for efficient and effective operations of the Company, safeguarding of assets, compliance with laws and regulations and proper financial reporting in accordance with International Financial Reporting Standards.

The brief report on risk and opportunity duly endorsed by the Board of Directors, covering measures to mitigate risk is annexed in this report.

Donation

The Company has a policy to donate 1% of its prior year's profit before tax to a charitable institution. However, due to loss before tax last year, it has not donated any amount during the current year.

Contribution to National Exchequer

The Company contributed Rs.2.7 billion towards the National Exchequer on account of various government levies, taxes and import duties in the year under review. Payment of these taxes is 21.8% of net sales value of the Company which shows Company's positive attitude towards economic development as a good responsible corporate citizen.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc. The Code encourages honesty, integrity and openness in conduct of Company's operations. The Code guides interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

The Code is reviewed annually and any changes therein are approved by the Board. The Code is communicated to all associates and is available on the Company's website at www.abl.atlas.pk/code-of-conduct. The responsibility for day to day implementation and monitoring of Code is delegated to the senior management.

Management Committee

The Management Committee comprises of senior management headed by Chief Executive Officer (CEO), who 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.

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

The Company will not pay any remuneration to independent directors except fees for attending the meetings of the Board and its committees. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee.

Employees' Retirement Benefits

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognized provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz. Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members have the option to opt for either of two above mentioned defined contribution plans.

The Company also operates non-contributory gratuity fund scheme for its management employees.

The value of investment, based on their respective un-audited accounts as at June 30, 2020 is as follows:

	<u>Rupees in Million</u>
– Provident Fund	115.6
– Gratuity Fund	84.3

Operating & Financial Data

Operating and financial data and key ratios of the Company for the last six years are annexed.

Safeguarding of Records

The Company places due emphasis for storage and safe custody of its financial records. The Company is using Oracle ERP system for recording its financial information. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix. A record retention policy is also in place for proper documentation and their tracking.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2020 is annexed.

The Directors, executives and their spouse and minor children have made no transactions of the Company's shares during the year, except those reported in pattern of shareholding.

Executives mean Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and other executives (as defined by the Board).

Material Changes

There have been no material changes since June 30, 2020 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Sustainability Report

Sustainability Report, an integral part of this annual report, besides highlighting various activities carried out by the Company, has also covered measures taken with regards to Health, Safety and Environment, and Corporate Social Responsibility.

Statement of Value Addition and Distribution, and Risk Opportunity Report

The "Statement of Value Addition" and "Risk Opportunity Report" are annexed to this report.

Statutory Auditor of the Company

The present Auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee has recommended their re-appointment as Auditors of the Company for the year ending June 30, 2021.

Communication

Communication with the shareholders is given a high priority. Annual, half yearly and quarterly reports are distributed amongst shareholders within the time specified in the Companies Act, 2017. The Company also has a web site, www.abl.atlas.pk containing up to date information on Company's activities, financial reports and notices / announcements.

For and on behalf of the
BOARD OF DIRECTORS



Azam Faruque
Director

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 25, 2020

شیر ہولڈنگ کا پیٹرن

30 جون 2020 کے مطابق شیر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

اس سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے رفیق حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا ہے۔ سوائے اس کے جو حصص داران کے پیٹرن میں درج ہیں۔

ایگزیکٹو سے مراد چیف ایگزیکٹو، چیف فنانشل آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکریٹری اور دیگر ایگزیکٹوز شامل ہیں (بورڈ کی وضاحت کے مطابق)

مواد میں تبدیلی

30 جون 2020 سے اس رپورٹ کی تیاری تک مواد میں کسی قسم کی قابل ذکر تبدیلی نہیں کی گئی ہے اور اس مدت کے دوران کمپنی نے کوئی معاہدہ نہیں کیا ہے۔ جس سے کمپنی کی مالی حالت پر منفی اثرات مرتب ہو سکتے ہیں۔

سسٹین ایبلٹی رپورٹ

سسٹین ایبلٹی رپورٹ سالانہ رپورٹ کا حصہ ہے اور اس سالانہ رپورٹ کے اندر آگے شامل کیا گیا ہے۔ کمپنی کی جانب سے انجام دی گئی مختلف سرگرمیوں کے علاوہ، صحت، حفاظت، ماحول اور کارپوریٹ سماجی ذمہ داری سے متعلق بھی اقدامات کا احاطہ کیا گیا ہے۔

اسٹیٹمنٹ برائے ویلیو ایڈیشن اور ڈسٹری بیوشن اور خطرے سے بچاؤ پر رپورٹ

اس رپورٹ کے ساتھ 'اسٹیٹمنٹ آف ویلیو ایڈیشن اور خطرے سے بچاؤ کی رپورٹ' منسلک ہے۔

کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز، میسرز سائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اپنے عہدے کی معیاد پوری کر چکے ہیں اور بر بنائے اہلیت خود کو تقرری کے لیے دوبارہ پیش کر رہے ہیں۔ کمپنی کی آڈٹ کمیٹی نے ان کی 30 جون 2021 کو مکمل ہونے والے سال کے لیے بطور کمپنی کے آڈیٹرز دوبارہ تقرری کی تجویز دی ہے۔

مراسلات

حصص داران کے ساتھ روابط اور بات چیت کو بہت ترجیح دی گئی ہے۔ کمپنیز ایکٹ 2017 میں واضح کردہ وقت کے مطابق انہیں سالانہ، ششماہی اور سہ ماہی رپورٹس ارسال کی گئی ہیں۔ کمپنی کی اپنی ویب سائٹ www.abl.atlas.pk ہے۔ جہاں کمپنی کی تمام تر سرگرمیاں، مالیاتی گوشوارے اور نوٹس / اعلانات وغیرہ موجود ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے

علی ایچ شیرازی
پریذیڈنٹ / چیف ایگزیکٹو

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے

اعظم فاروق
ڈائریکٹر

کراچی: 25 اگست 2020

اس ضابطہ کا جائزہ ہر سال لیا جاتا ہے اور بورڈ کی منظوری سے تبدیلیاں کی جاتی ہیں۔ اس ضابطہ کے بارے میں تمام ایسوسی ایٹس کو آگاہ کیا جاتا ہے اور یہ کمپنی کی ویب سائٹ www.abl.atlas.pk/code-of-conduct پر بھی دستیاب ہے۔ اس ضابطے کے روزمرہ بنیادوں پر عمل درآمد اور جائزے کا عمل سنٹیئر مینجمنٹ کے سپرد ہے۔

انتظامی کمیٹی

انتظامی کمیٹی سنٹیئر مینجمنٹ پر مشتمل ہے جس کے سربراہ چیف ایگزیکٹو ہیں جو اس بات کو یقینی بناتے ہیں کہ بہترین اور ہموار فیصلہ سازی کو ممکن بنانے کے لیے کمپنی میں باقاعدہ نظام بنایا جائے اور اسے لاگو کیا جائے۔ یہ آپریشننگ سطح پر چیف ایگزیکٹو کے لیے مشاورت کا کام انجام دیتے ہوئے کاروباری امور اور دیگر کارپوریٹ افیئرز میں سفارشات مہیا کرتی ہے۔ یہ طویل المدت منصوبہ بندی کا جائزہ لینے، کمپنیل اور اخراجات کی بجٹ سازی اور کاروباری امور کی قیادت سنبھالتی ہے۔ یہ کمیٹی انجام دیئے جانے والے امور کی مناسبت سے تشکیل دی جاتی ہے اور ہر ماہ منعقدہ اجلاس میں مقرر کردہ اہداف سے کارکردگی کا جائزہ لیتی ہے۔ چیف ایگزیکٹو بھی اس بات کو یقینی بناتے ہیں کہ بورڈ کی جانب سے دیئے جانے والے تمام فیصلے اور ہدایات مناسب طریقے سے مطلع کیے جائیں اور ان پر عملدرآمد ہو۔

ڈائریکٹرز کے معاوضے کی اہم خصوصیات

بورڈ آف ڈائریکٹرز نے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضوں کے لیے پالیسی کی منظوری دی ہے جو ان کی کمپنی میں ذمہ داریوں پر منحصر ہے۔ یہ معاوضے ان ذمہ داریوں اور ماہرانہ صلاحیتوں سے مشروط ہیں جو کمپنی کے امور کو کامیابی کے ساتھ انجام دینے اور اس کی قدر میں اضافے کی حوصلہ افزائی کے لیے درکار ہیں۔

کمپنی خود مختار ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت کی فیس کے علاوہ کسی قسم کے معاوضے کی ادائیگی نہیں کرے گی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے انسانی وسائل اور معاوضے کی کمیٹی کی تجویز کے مطابق بورڈ کی جانب سے منظور کیے جائیں گے۔

ملازمین کو سبکدوشی پر ملنے والے فوائد

کمپنی اپنے ملازمین کے لیے مندرجہ ذیل میں سے کسی ایک طریقے کے مطابق واضح کردہ شرائط داری کا پلان پیش کرتی ہے۔

- تسلیم شدہ پرووڈنڈ فنڈ؛ یا
 - رضا کارانہ پنشن سسٹم قواعد 2005 یعنی اٹلس پنشن فنڈ اور اٹلس پنشن اسلامک فنڈ کے تحت رضا کارانہ پنشن اسکیمیں جو کہ اٹلس ایسیٹ مینجمنٹ لمیٹڈ (متعلقہ پارٹی) کے زیر انتظام ہیں۔
- تمام نئے آنے والے ملازمین کو صرف رضا کارانہ پنشن اسکیم کی پیش کش کی جاتی ہے۔ تاہم ایسے ملازمین جنہیں پرووڈنڈ فنڈ کا اختیار بھی حاصل ہے انہیں اختیار حاصل ہے کہ وہ مندرجہ بالا میں بیان کردہ کسی بھی اسکیم کا حصہ بن سکتے ہیں۔

کمپنی اپنے مینجمنٹ ملازمین کے لیے نان کنفرمی بیوٹری گریجویٹ فنڈ اسکیم بھی پیش کرتی ہے۔

انویسٹمنٹ کی مالیت غیر پڑتا ہوا شدہ اکاؤنٹس کی بنیاد پر مورخہ 30 جون 2020 تک مندرجہ ذیل ہے۔

روپے بلین میں

115.6 پرووڈنڈ فنڈ

84.3 گریجویٹ فنڈ

آپریٹنگ اور مالیاتی ڈیٹا

گزشتہ چھ سالوں کا آپریٹنگ اور مالیاتی ڈیٹا اور کمپنی کے کلیدی تناسب اس رپورٹ کے ساتھ منسلک ہیں۔

کمپنی ریکارڈز کی حفاظت

کمپنی اپنے مالیاتی ریکارڈز کی اسٹوریج اور محفوظ بنانے پر بہت توجہ مرکوز رکھتی ہے۔ کمپنی مالیاتی معلومات کو محفوظ رکھنے کے لیے اوریکل ای آر پی سسٹم استعمال کر رہی ہے۔ الیکٹرونک دستاویزات تک رسائی کے لیے جامع نظام تشکیل دیا گیا ہے جس تک رسائی کے لیے خفیہ ہندسے درکار ہیں۔ ریکارڈز کو برقرار رکھنے کے لیے پالیسی تشکیل دی گئی ہے تاکہ دستاویزات کی حفاظت اور دوبارہ رسائی کو یقینی بنایا جاسکے۔

بورڈ کی کارکردگی کا جائزہ

بورڈ کے کردار کی نگرانی اور اور اس کی موثریت کا اندازہ ایک مستقل عمل ہے، جس کی تشخیص خود بورڈ کی جانب سے کی جاتی ہے۔ بورڈ کی جانچ پڑتال کے بارے میں ایک تفصیلی سوالنامہ مرتب کیا گیا ہے جو، ہر سال اُن کے اُن کے تاثرات کے لیے ڈائریکٹرز کے درمیان گردش کیا جاتا ہے اور بعد ازاں مرتب شدہ نتائج بورڈ کے اجلاس میں، اس پر نظر ثانی اور مناسب کارروائی کے لیے پیش کیے جاتے ہیں۔ جانچ پڑتال کے اہم شعبے مندرجہ ذیل ہیں:

- (الف) بورڈ کی تشکیل اور اس کی موثریت
 (ب) بورڈ کی کمیٹیوں کی حدود و خال سازی اور ان کے کردار
 (ج) وژن/میشن کی منصوبہ بندی اور کارپوریٹ ماحول کی تشکیل
 (د) معلومات تک رسائی اور خطرات کا جائزہ
 (ه) فرائض اور ذمہ داریوں کی کارکردگی
 (ی) کمپنی کی انتظامیہ سے تعلقات

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز کی جانب سے سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور کوڈ 2019 کے مطابق مندرجہ ذیل معاملات کے لیے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کے بیان واضح کیے جا رہے ہیں۔

- (الف) کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، آپریٹنگ نتائج، پیسے کے بہاؤ اور ایکویٹی میں تبدیلی کی نشاندہی کر رہے ہیں۔
 (ب) کمپنی کی جانب سے اکاؤنٹس کی کتب باقاعدہ درست انداز میں مرتب کی گئی ہیں۔
 (ج) مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا متواتر استعمال اور اکاؤنٹنگ کا تخمینہ معقول اور دانشمندانہ فیصلے کے مطابق کیا گیا ہے۔
 (د) مالیاتی گوشوارے کی تیاری میں ایسے بین الاقوامی فنانشل رپورٹنگ اسٹینڈرز کے استعمال کو یقینی بنایا گیا ہے، جو پاکستان میں لاگو کیے گئے ہیں۔
 (ه) اندرونی کنٹرول نظام بہترین اور موثر انداز میں مرتب اور لاگو کرتے ہوئے اس کی مانیٹرنگ کی جاتی ہے۔
 (ی) کمپنی کی اہلیت بطور ایک جاری و ساری ادارے کے ہر قسم کے شکوک و شبہات سے بالاتر ہے۔
 (ے) جیسا کہ لسٹنگ ریگولیشنز میں وضاحت کی گئی ہے، کارپوریٹ گورننس کی اعلیٰ اقدار کو اپنانے میں کوئی کوتاہی نہیں کی گئی۔

کارپوریٹ گورننس کے طریقے

کمپنی کے بورڈ آف ڈائریکٹرز بہترین کارپوریٹ گورننس پر عمل پیرا ہونے کے لیے پرعزم ہیں۔ ایسا یقینی بنانے کے لیے کمپنی کے اعلیٰ منتظمین سرگرم عمل ہیں۔ اسٹیک ہولڈرز اس بات کی توقع رکھتے ہیں کہ کمپنی کو مناسب نگرانی میں کامیابی کے ساتھ آگے بڑھایا جائے، اس سلسلے میں کمپنی کے امور کو چلانے کے لیے مستعد اور موثر اندرونی کنٹرول اور رسک مینجمنٹ پالیسیاں اپنائی جائیں، اثاثہ جات کی حفاظت کی جائے، قوانین اور ریگولیشنز کی تعمیل کی جائے اور بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرز کے مطابق مالیاتی گوشوارے پیش کیے جائیں۔
 بورڈ آف ڈائریکٹرز کی جانب سے رسک اور آپریٹنگ پر مختصر رپورٹ، جو کہ متوقع خطرات کو محدود کرنے کے اقدامات کا احاطہ کرتی ہے وہ اس رپورٹ کے ساتھ منسلک ہے۔

عطیات

کمپنی کی پالیسی ہے کہ وہ اپنے گزشتہ سال کے قبل از ٹیکس منافع کا 1 فیصد حصہ خیراتی اداروں کو دیتی ہے چونکہ گزشتہ سال کمپنی نے کسی قسم کا قبل از ٹیکس منافع نہیں کمایا، اس لیے رواں سال عطیہ کی مد میں رقم نہیں دی گئی۔

قومی خزانے میں ادائیگی

کمپنی نے زیر جائزہ سال کے دوران حکومتی خزانے میں بطور ٹیکس اور دیگر درآمدی ڈیوٹیوں کی مد میں 2.7 ارب روپے ادا کیے۔ یہ ٹیکس ادائیگی کمپنی کی فروخت کا 21.86 فیصد ہے، جو کہ کمپنی کی معاشی ترقی میں حصہ داری اور بطور ذمہ دار سماجی ادارہ ایک مثبت تاثر قائم کرتی ہے۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق متعدد اخلاقی اقدار سے متعلق راہنما اصول واضح کرتا ہے جس میں مفادات کا تحفظ، ملازمین کے حقوق اور دھوکہ دہی سے تحفظ وغیرہ شامل ہیں۔ یہ ضابطہ کمپنی کے امور کی ادائیگی کے لیے دیانت داری، سالمیت اور کشادگی کی حوصلہ افزائی کرتا ہے۔ یہ تمام اسٹیک ہولڈرز کو قانون کی سخت پابندی پر کاربند رکھتا ہے۔ یہ ضابطہ اخلاق اسٹیک ہولڈرز بشمول صارفین، سپلائرز، حصص داران اور شراکت داروں کے ساتھ تعلقات کے لیے راہنما اصول بھی واضح کرتا ہے۔

انسانی وسائل اور معاوضے کی کمیٹی

انسانی وسائل اور معاوضے کی کمیٹی کمپنی میں انسانی وسائل سے متعلق پالیسیوں اور طریقہ کار کے متواتر جائزے اور اطلاق کے لیے اپنی ذمہ داریاں نبھاتے ہوئے بورڈ آف ڈائریکٹرز کی معاونت کرتی ہے۔ یہ کمیٹی کمپنی کے لیے سالانہ اہم انسانی وسائل کے انتخاب، جانچ، معاوضے اور اہم انتظامی منتظمین کی جانشینی کے لیے بورڈ کو معاونت فراہم کرتی ہے۔

یہ کمیٹی تین اراکین پر مشتمل ہے جس میں سب نان ایگزیکٹو ڈائریکٹرز ہیں۔ اس کمیٹی کا چیئرمین ایک خود مختار ڈائریکٹر ہے۔

بورڈ کے اجلاس اور اس کی کمیٹیاں

اس سال کے دوران، بورڈ آف ڈائریکٹرز (BOD) کے پانچ اجلاس، آڈٹ کمیٹی (AC) کے چار اجلاس اور انسانی وسائل اور معاوضے کی کمیٹی (HRRC) کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری اور تمام لسٹڈ کمپنیوں میں انکی ڈائریکٹرز کی تعداد بشمول ایٹس بیٹری لمیٹڈ مندرجہ ذیل ہے۔

حاضری			کمیٹی کی رکنیت		ایگزیکٹو ڈائریکٹر	اسٹیٹس	ڈائریکٹر شپ	ڈائریکٹر کے نام	نمبر شمار
HRRC	AC	BOD	HRRC	AC					
-	-	1/1	-	-	نہیں	20 اکتوبر 2020 کو وفات	-	جناب یوسف ایچ شیرازی	1
-	-	3/3	-	-	نہیں	22 اکتوبر 2020 کو مقرر منتخب، اطلاق 21 مئی 2020	4	جناب عامر ایچ شیرازی	2
-	-	4/4	-	-	نہیں	20 مئی 2020 کو ریٹائرمنٹ	2	جناب عارف الاسلام	3
1/1	4/4	5/5	-	√	نہیں	دوبارہ منتخب، اطلاق 21 مئی 2020	4	جناب اعظم فاروق	4
0/1	3/4	4/5	√	√	نہیں	دوبارہ منتخب، اطلاق 21 مئی 2020	1	جناب بشیر کبلی	5
1/1	4/4	5/5	√	√	نہیں	دوبارہ منتخب، اطلاق 21 مئی 2020	2	جناب فراہیم علی خان	6
-	-	1/1	√	-	نہیں	منتخب، اطلاق 21 مئی 2020	1	محترمہ مہرین امین	7
-	-	5/5	-	-	نہیں	دوبارہ منتخب، اطلاق 21 مئی 2020	1	جناب تور فورویا	8
-	-	4/5	-	-	ہاں	دوبارہ منتخب، اطلاق 21 مئی 2020	3	جناب علی ایچ شیرازی	9

20 مئی 2020 کو موجودہ ڈائریکٹرز اپنے عہدوں سے ریٹائر ہوئے اور سوائے جناب عارف الاسلام کے، سب نے خود کو دوبارہ انتخاب کے لیے پیش کیا۔ ڈائریکٹرز کا چناؤ 20 مئی 2020 کو منعقدہ کمپنی کے غیر معمولی اجلاس عام میں آئندہ آنے والے تین سالوں کی مدت کے لیے ہوا، اس مدت کا آغاز 21 مئی 2020 سے ہے۔ محترمہ مہرین امین بھی اس غیر معمولی اجلاس عام میں آئندہ تین سالہ مدت کے لیے بطور ڈائریکٹر منتخب ہوئیں ہیں، اس مدت کا آغاز 21 مئی 2020 سے موثر ہے۔

غیر حاضری کی اجازت ان ڈائریکٹرز کو دی گئی تھی جو کچھ بورڈ اجلاس میں شرکت نہیں کر سکے۔

ڈائریکٹرز کے تربیتی پروگرام

چار ڈائریکٹرز پہلے ہی سند یافتہ ڈائریکٹرز ہیں جبکہ دو ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 ("کوڈ 2019") کے کلاز (2020) کے تحت مستثنیٰ کے معیار پر پورا اترتے ہیں۔ باقی رہ جانے والے ڈائریکٹرز مقررہ مدت میں یہ سند حاصل کر لیں گے۔ تفصیلات مندرجہ ذیل ہیں۔

سال	ادارہ	ڈائریکٹر کے نام	نمبر شمار
N/A	مستثنیٰ	جناب عامر ایچ شیرازی	1
2009-10	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	جناب اعظم فاروق	2
2014-15	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	جناب بشیر کبلی	3
N/A	مستثنیٰ	جناب فراہیم علی خان	4
2015-16	یونیورسٹی آف لاہور	جناب تور فورویا	5
2013-14	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	جناب علی ایچ شیرازی	6

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2020 کو ختم شدہ سال کے لیے ڈائریکٹرز رپورٹ، کمپنی کی پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹ کے ہمراہ پیش کر رہے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 کے مطابق تیار کی گئی ہے جو کہ 29 ستمبر 2020 کو کمپنی کی 54 ویں سالانہ عام اجلاس میں اراکین کو پیش کی جائے گی۔

2019 2020
----- (روپے '000 میں) -----

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کی مختصر تفصیل مندرجہ ذیل ہے:

2019	2020	نقصان قبل از ٹیکس
(424,790)	(144,015)	محصولات کے لیے فراہمی
175,973	190,616	موجودہ سال
(4,882)	2,282	گزشتہ سال
(3,418)	(9,814)	موخر / ملتوی
167,673	183,084	
(592,463)	(327,099)	نقصان بعد از ٹیکس

نقصان کی وجہ

یہ نقصان بنیادی طور پر دباؤ کا شکار معاشی صورت حال کے ساتھ تبدیل ہوتی مارکیٹ میں خرید و فروخت میں اتار چڑھاؤ کے باعث ظاہر ہوا جو کہ خام مال کی قیمتوں میں اضافہ اور روپے کی قدر میں کمی کا سبب بنا۔ کاروباری اخراجات پورے نہ ہونے کی وجہ طلب میں نمایاں کمی ہے۔

مابعد تصرفات

زیر جائزہ سال کے لیے کمپنی کی جانب سے کوئی مابعد تصرفات پیش نہیں کئے گئے ہیں۔

نقصان فی حصص

بعد از ٹیکس بنیادی اور diluted نقصان فی حصص 13.43 روپے ہے (24.32 روپے: 2019)۔

چیئر مین کا جائزہ

چیئر مین کا جائزہ سالانہ رپورٹ میں شامل ہے جو کہ 30 جون 2020 کو ختم شدہ سال میں کمپنی کی کارکردگی اور مستقبل کے امکانات کا احاطہ کرتا ہے۔ ڈائریکٹرز اس جائزے کے مندرجات کی توثیق کرتے ہیں۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیز

بورڈ آف ڈائریکٹرز

بورڈ ایک ایگزیکٹو ڈائریکٹر اور چھ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ تمام ڈائریکٹرز پوری جانفشانی سے کمپنی کے معاملات میں گہری دلچسپی رکھتے ہیں۔ نان ایگزیکٹو ڈائریکٹرز کمپنی کی انتظامیہ سے خود مختار ہیں۔

آڈٹ کمیٹی

آڈٹ کمیٹی کارپوریٹ گورننس اور فنانشیل رپورٹنگ فریم ورک کے مطابق اپنی ذمہ داریاں نبھاتے ہوئے بورڈ آف ڈائریکٹرز کو معاونت فراہم کرتی ہے۔

یہ کمیٹی تین اراکین پر مشتمل ہے جو سب نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے چیئر مین خود مختار ڈائریکٹرز ہیں۔

کوڈ 2019 کے مطابق، آڈٹ کمیٹی نے مینجمنٹ کی غیر حاضری میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ سے ملاقات کی۔ چیف ایگزیکٹو آفیسر اور چیف فنانشیل آفیسر نے سال کے دوران منعقد چاروں اجلاسوں میں، مدعو کیے جانے پر شرکت کی۔

تحفظ کے کلچر کو مضبوط بنانے کے لیے صحت، تحفظ اور ماحول کے حوالے سے بشمول بیرونی ترقیاتی پروگرام / ترقیاتی اداروں میں متعدد ٹریننگ سیشنز کا انعقاد کیا گیا۔ جو کہ قدم بہ قدم اپنے اقدامات کی عمل داری اور تمام شاپس اور محکموں کے تعاون کو یقینی بناتے ہیں۔

گزشتہ مالی سال طے کیے جانے والے آئندہ کے لائحہ عمل کا تجزیہ

ملک کو پہلے ہی آئی ایم ایف کی جانب سے مشکلات سے بھرپور پروگرام کا سامنا تھا جبکہ COVID-19 کے سبب بڑے پیمانے پر معاشی سست روی نے اسے مزید بڑھا دیا ہے۔ بجلی کی فراہمی میں بہتری نے درمیانی اور بھاری بیٹریوں کی طلب میں خاصی کمی کر دی ہے لہذا صنعت کو تبدیل کرنے کی حرکیات کی روشنی میں مطلوبہ جدت لانے کی غرض سے مالی سال 2019-20 میں گارڈیوں کے لیے مینیٹی ننس فری بیٹریاں متعارف کروائی گئیں ہیں۔

مستقبل کے خدو خال

عالمی وبائی مرض معاشی سرگرمیوں میں سست روی اور غیر یقینی صورتحال میں اضافے کا سبب بنا ہے۔ توقع کی جارہی ہے کہ مالی سال 2020-21 کے دوران روپے کی قدر میں کمی اور یوٹیلٹی کے نرخوں میں مزید اضافے سے معاشی ترقی میں مزید کمی ہوگی۔ حکومت نے وبائی مرض سے پیدا ہونے والے منفی معاشی اثرات کو روکنے کے لیے سود کی شرح کو کم کرنے اور لیکویڈٹی محرکات کی ضروری اصلاحات متعارف کروائی ہیں۔

بیٹری کی صنعت کو ایک اور مشکلات سے بھرپور سال کا سامنا کرنا پڑے گا کیونکہ ایک جانب فاضل صلاحیت اور دوسری جانب مارکیٹ کے حجم میں طاری جمود ہے۔ جس میں COVID-19 کے بعد پیدا ہونے والی غیر یقینی صورتحال سے مزید توسیع ہوگی۔ بجلی کے شعبے کے اجبات اور یوٹیلٹی کی قیمتوں میں بے پناہ اضافہ خطرناک صورتحال کی نشاندہی کر رہے ہیں۔ پاکستانی روپے کی قدر میں کمی ایک جاری رہنے والا مسئلہ ہے جس سے کاروباری لاگت میں مزید اضافہ ہوگا۔

آپ کی کمپنی نے کاروباری کارکردگی کو بڑھانے کے لیے HSE، 5S، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈیولپمنٹ کو بہتر بنانے میں بڑے پیمانے پر سرمایہ کاری کی ہے۔ اس سے جدید مصنوعات کی ضرورت کو پورا کرنے میں مدد ملے گی اور مارکیٹ کو نہ صرف معیار بلکہ تکنیکی اعتبار سے بھی ترقی کرنے میں معاونت حاصل ہوگی۔ آپ کی کمپنی کی توجہ کا مرکز لاگت کو کم کرنا اور مزید نئی مارکیٹ میں رسائی کرتے ہوئے پروڈکٹس اور خدمات کے اعلیٰ ترین معیار کو برقرار رکھنا رہے گا۔ افرادی قوت کی صلاحیتوں میں بہتری اور حصص یافتگان کے لیے قدر میں اضافہ بھی آپ کی کمپنی کی اولین ترجیح ہے۔ میں آپ کو یقین دلاتا ہوں کہ آپ کی کمپنی "The Atlas Way" کے اصولوں پر عمل پیرا ہوتے ہوئے صارفین کو مطلوب اعلیٰ معیار کے لیے توقعات کو پورا کرتے ہوئے ہمیشہ بہترین کارکردگی کے لیے کوشاں رہے گی۔

۴ نیا زمانہ، نئے صبح و شام پیدا کر


(Always strive for new horizon)


اظہار تشکر

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی اہم پر تمام ایسوسی ایٹس اور ہر سطح کے مینجمنٹ اسٹاف کا شکریہ ادا کرنا چاہوں گا، جنہوں نے مستقل مزاجی، انتھک محنت اور لگن کے ساتھ اپنی ذمہ داریاں نبھائیں۔

اس سال مئی 2020 کے دوران جناب عارف الاسلام آپ کی کمپنی کے بورڈ سے ریٹائر ہوئے۔ مئی 2020 کو ہونے والے انتخاب میں محترمہ مہرین امین بطور نئی رکن منتخب ہوئیں۔ ہم اس موقع پر جناب عارف الاسلام کی کمپنی کے بورڈ میں بطور رکن طویل شمولیت اور گراں قدر خدمات کا تہہ دل سے شکریہ ادا کرتے ہیں اور محترمہ مہرین امین کو بورڈ میں شمولیت پر خوش آمدید کہتے ہیں، آپ انفارمیشن ٹیکنالوجی، ہیومن ریسورس اور ایڈمنسٹریشن کے مختلف شعبوں میں اعلیٰ عہدوں پر خدمات انجام دے چکی ہیں۔

میں اس موقع پر اپنے جوائنٹ ونچر پارٹنرز GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بیہکار، فروخت کار (ویڈرز) اور صارفین کو ان کی مسلسل حمایت اور رہنمائی پر تہہ دل سے شکریہ ادا کرتا ہوں۔ میں آپ کی کمپنی کے صدر اور چیف ایگزیکٹو آفیسر جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا دلجمعی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔


علی ایچ شیرازی
پریزیڈنٹ / چیف ایگزیکٹو


عامر ایچ شیرازی
چیئرمین

کراچی: 25 اگست 2020

انفارمیشن ٹیکنالوجی

اس حقیقت سے انکار نہیں کیا جاسکتا ہے کہ ٹیکنالوجی نہایت تیزی کے ساتھ مینوفیکچرنگ کا انداز بدل رہی ہے اور مسلسل جدت ہی انڈسٹری کو مستقبل میں آگے کی جانب بڑھانے میں کلیدی کردار ادا کرے گی۔ آپ کی کمپنی جدید ترین انفارمیشن ٹیکنالوجی انفراسٹرکچر سے لیس ہے۔ پیداوار کو بڑھانے اور معیار کو بہتر بنانے کے لیے آپ کی کمپنی مینوفیکچرنگ پروسس کو خود کار بنانے کے عزم کے ساتھ ٹیکنالوجی کی دنیا میں ہونے والی جدید ترین تبدیلیوں کے ساتھ ہم آہنگ ہے۔ آپ کی کمپنی ای آر پی (ERP) ڈیٹا مینجمنٹ اور سسٹم سے مکمل طور پر مستفید ہو رہی ہے اور غیر کاغذی ماحول کے لیے کوشاں ہے۔ آپ کی کمپنی درج ذیل پروگرامز اور طریق عمل کی تخلیق اور عملی نفاذ کے ذریعے کاروباری عمل کو بہتر بنانے پر توجہ مرکوز کیے ہوئے ہے:

- صارفین کے ساتھ کاروبار (B2C)
- بزنس پروسس ری انجینئرنگ (BPR)
- پلانٹ کے ڈیٹا کی خود کاری
- گودام کے انتظام کا نظام (WMS)
- کاروباری تسلسل کا منصوبہ (BCP)
- کاروبار سے کاروبار (B2B)
- حق مطالبہ کی تکمیل کا پلان (CMS)
- ڈیٹا کے تحفظ کا انتظام

آپ کی کمپنی نے 3Ds یعنی Digital, Data, Direct کے ذریعے انفارمیشن ٹیکنالوجی میں وقت اور وسائل کی سرمایہ کاری کی ہے۔ اس میں آن لائن سٹور، ڈیجیٹل مارکیٹنگ بذریعہ سوشل میڈیا، ڈیلیوری بورڈ کے ذریعے ڈیلرز کے اسٹاک کا انتظام، بارکوڈ نظام کے نفاذ سے گودام کا انتظام اور مراسم بڑھانے کے ذریعے صارفین کے ساتھ تعلقات استوار کرنا جیسے عوامل شامل ہیں۔

افراد کی قوت کا فروغ

آپ کی کمپنی ہمیشہ اعلیٰ گروپ کے اس اصول/ فلسفے پر عمل کرتی ہے کہ "ادارے کی ترقی بذریعہ شخصی فروغ و ترقی" اور کمپنی سیکھنے، سکھانے کی مسلسل فضا کو برقرار رکھنے کے لیے اور اپنے شرکائے کار کی صلاحیتوں کے فروغ کے لیے خاطر خواہ سرمایہ کاری کو بروئے کار لاتی ہے۔ پورے سال کے دوران ادارے سے شرکائے کار کی والہانہ وابستگی میں اضافے اور انفرادی اور کاروباری، مقاصد کی تکمیل کے لیے ان کے فعال کردار کو یقینی بنانے کے لیے پیشتر اقدامات عمل میں لائے گئے۔

ایک موزوں کاروباری ماحول کو برقرار رکھا گیا جو کہ تخلیقی عمل، آزادی اور تکنیکی مہارتوں اور قائدانہ صلاحیتوں کو مضبوط بنانے کی حوصلہ افزائی کرتا ہے۔ سال بھر کے دوران، کمپنی کے اندر اور کمپنی کے باہر کئی تربیتی پروگرام منعقد کیے گئے، جن میں کوالٹی کنٹرول، صحت و تحفظ، صارفین کو فراہم کردہ سروس اور ان کی تعلیم، قائدانہ صلاحیتوں، انتظام کاری کی بنیادی صلاحیتوں کے حصول اور مصنوعات کی مارکیٹنگ/ برانڈ سے متعلقہ کانفرنسوں کے حوالے سے تربیت دی گئی۔ کمپنی کے اندر منعقدہ تربیتی پروگرامز سے مجموعی طور پر 328 اراکین عملہ مستفید ہوئے جبکہ 60 اراکین نے خارجی طور پر منعقدہ تربیتی پروگرامز/ کانفرنسز/ ورکشاپس کے ذریعے اپنی صلاحیتوں میں اضافہ کیا۔ مزید یہ کہ منتخب ہونے والے جوان اور باصلاحیت ایسوسی ایٹس کو AOTS جاپان کے زیر اہتمام غیر ملکی تربیت میں شرکت کے لیے بھیجا گیا تھا۔

آپ کی کمپنی میں کارکردگی کے انضباط و انتظام کے جائزے کا قاعدہ طریقہ کار موجود ہے، جو اس بات کو یقینی بناتا ہے کہ ملازمین کی کارکردگی کو بھرپور طور پر سراہا جائے اور باصلاحیت ملازمین کے لیے اپنے شعبے میں ترقی کے بہترین مواقع پیدا کیے جائیں۔ ہم غیر اخلاقی کاروباری سرگرمیوں یا انفرادی رویوں کو ذرہ برابر بھی برداشت نہ کرنے کی پالیسی پر عمل پیرا ہیں۔

صحت، تحفظ اور ماحول (HSE)

آپ کی کمپنی اپنے ملازمین کے لیے صحت مند، محفوظ اور آرام دہ ماحول کی فراہمی کے ذریعے کام کی فضا کو بہتر بنانے کے لیے مختلف وسائل میں مسلسل سرمایہ کاری کر رہی ہے۔ فیکٹری کے اندر (JV Partner) GS Yuasa کے ڈیزائن کردہ "آلودہ پانی کو صاف کرنے والے پلانٹ" کی تنصیب کی گئی ہے جو کہ کمپنی کی جانب سے معاشرے کی بہتری کی جانب اٹھایا جانے والا ایک اہم سنگ میل ہے۔ آپ کی کمپنی نے انوائزمنٹ مینجمنٹ سسٹم (EMS) کی ISO 14001:2015 سرٹیفیکیشن اور آکیوشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم کی OHSAS 18001:2007 سرٹیفیکیشن حاصل کی ہے، جو کہ کمپنی کی صحت، تحفظ اور ماحول کے حوالے سے کی جانے والی کاوشوں کا مظہر ہیں۔ اس کے ساتھ ہی، آپ کی کمپنی نے ISO 50001:2011 انرجی مینجمنٹ سسٹم (EnMS) سرٹیفیکیشن بھی حاصل کر لی ہے، جو کہ انرجی پر فارمنس کو بہتر بنانے میں مدد دینے کے ساتھ، اس بات کو یقینی بنائے گی کہ تمام متعلقہ قانونی اور ریگولیٹری ضروریات مکمل کی جائیں۔ "عادات اور زنجی ہونے کے صفر امکانات" کے حتمی مقصد کی تکمیل کے لیے اپنے ساتھ کام کرنے والوں کی تربیت اور آگاہی سیشنز کا قاعدہ سے منعقد کیے جاتے ہیں۔

COVID-19 کی غیر متوقع وباء کے ساتھ، آپ کی کمپنی نے اپنے ایسوسی ایٹس کو COVID-19 سے بچانے کے لیے بروقت اور فعال HSE اقدامات کیے۔ لاک ڈاؤن سے پہلے معاشرتی دوری، ضروری حفظان صحت اور صحت کی جانچ سے متعلق مخصوص SOPs تیار کی گئیں اور ان پر عمل درآمد بھی کیا گیا۔ مزید برآں انفرائیڈ تھرمامیٹر، جراثیم کش دروازے، داخلی دروازوں پر ہاتھ دھونے والے مینن، اور PPEs پہلے سے ہی انسٹال/ خرید لیے گئے تاکہ کمپنی کی HSE پالیسی کے مطابق مناسب تیاری کے ساتھ ایسوسی ایٹس کی حفاظت کو یقینی بناتے ہوئے کاروباری امور کا دوبارہ آغاز کیا جاسکے۔ مزید یہ کہ آگاہی ہم اور مختلف سوشل میڈیا پلیٹ فارم کا استعمال کرتے ہوئے ہمارے اسٹیک ہولڈرز کو COVID-19 سے متعلق درست معلومات فراہم کی گئیں۔

ہوئی ہے۔ بیٹری کی طلب کا تعلق آٹوموبائل انڈسٹری میں نمو اور ملک میں بجلی کی قلت سے ہوتا ہے۔ سولر پینلز کی لاگت میں کمی، خاص طور پر آف گریڈ علاقوں میں ان کے استعمال سے درمیانی اور چھوٹی سازی کی بیٹریوں کی مانگ بڑھ رہی ہے۔

پاکستان میں بیٹری کی صنعت کو دو بڑے حصوں میں تقسیم کیا گیا ہے۔ منظم اور غیر منظم شعبے۔ منظم شعبہ مارکیٹ کی طلب کا 90% فیصد پورا کر رہا ہے باقی کی طلب غیر منظم شعبہ اور درآمدات مل کر پوری کر رہے ہیں۔ آپ کی کمپنی نمایاں مارکیٹ شیئر رکھتی ہے اور کمپنی معیار پر سمجھوتہ نہ کرنے، مسلسل جدید مصنوعات متعارف کروانے اور بہترین بعد از فروخت سروس مہیا کر کے، اس میں مزید بہتری کا عزم واردہ رکھتی ہے۔

آپریٹنگ نتائج

مالی سال 2019-20 میں آپ کی کمپنی نے 12.5 بلین روپے کی فروخت کی جس کو مالی سال 2018-19 کی 12.8 بلین روپے کی فروخت کے مقابلے میں 1.8 فیصد کم ہیں۔ اس کی اہم وجہ پاکستان میں COVID-19 کا پھیلاؤ ہے، جس نے متبادل مارکیٹ میں فروخت کو بری طرح سے متاثر کیا ہے۔ تاہم، فروخت کی لاگت 6.7 فیصد کمی کے ساتھ 12.5 بلین روپے سے کم ہو کر 11.7 بلین روپے رہی، جس کے نتیجے میں مجموعی منافع 879 بلین روپے رہا، جو کہ گزشتہ سال کے 267 بلین روپے کے مقابلے میں 229.7 فیصد زیادہ ہے۔

آپریٹنگ اخراجات 669 بلین روپے رہے جو کہ گزشتہ سال کے 820 بلین روپے کے مقابلے میں 151 بلین روپے کم ہیں۔ اس کے نتیجے میں آپ کی کمپنی نے آپریشنز سے 204 بلین روپے منافع حاصل کیا جبکہ گزشتہ سال کی اسی مدت کے دوران آپریشنز سے ہونے والے نقصانات 212 بلین روپے تھے۔ فنانس کی لاگت گزشتہ سال 213 بلین روپے تھی، جو کہ اس سال بڑھ کر 348 بلین روپے ہو گئی۔

مالی سال 2019-20 میں قبل از ٹیکس نقصان 144 بلین روپے رہا جبکہ گزشتہ سال 425 بلین روپے نقصان ریکارڈ کیا گیا تھا۔ 183 بلین روپے کی ٹیکس ادائیگیوں کے بعد، آپ کی کمپنی کا نقصان بعد از ٹیکس 327 بلین روپے پر موجود ہے جو کہ گزشتہ سال 592 بلین روپے کا نقصان تھا۔ فی حصص نقصان 13.43 روپے رہا ہے جبکہ گزشتہ سال فی حصص نقصان 24.32 روپے تھا۔

بورڈ کی کارکردگی

کمپنی کا بورڈ آف ڈائریکٹرز تمام متعلقہ اصول و ضوابط کی پاسداری کرتا ہے۔ بورڈ نامور کاروباری شخصیات پر مشتمل ہے جو اپنی پیش بہا مہارت، تجربے اور مضبوط اقدار و اطوار کی بدولت بورڈ کی قدر میں اضافہ کرتے ہیں۔ بورڈ نے پالیسیوں اور طریقہ عمل کے قواعد و ضوابط طے کر رکھے ہیں جو کہ پیشہ ورانہ کاروباری فضا کو یقینی بناتے ہوئے حقائق کے بروقت اظہار، جوابدہی، اعلیٰ اخلاقی معیار، مروجہ قوانین، قواعد و ضوابط اور کاروباری عملداری کی تعمیل کو فروغ دیتے ہیں۔

متذکرہ سال کے دوران بورڈ نے کمپنی کے لیے اپنی ذمہ داریوں کو موثر انداز میں نبھایا اور تمام کلیدی اہمیت کے حامل معاملات میں انتہائی فعال انداز میں شرکت کی ہے۔ تمام سہ ماہی، ششماہی اور سالانہ مالیاتی نتائج پر پوری طرح غور و خوض کے ساتھ نظر ثانی کی گئی اور بورڈ نے انتظامیہ کو باقاعدگی سے راہنمائی اور مشاورت فراہم کی۔ بورڈ نے انتظامیہ کی کارکردگی کی نگرانی اور مکمل بڑے کاروباری خطرات سے تحفظ میں اہم کردار ادا کیا۔ بورڈ کے اراکین نے مالی سال 2020-21 کے لیے کمپنی کے مالیاتی بجٹ اور سرمایہ جاتی اخراجات کی ضروریات کا جائزہ لے کر ان کی بھی منظوری دی۔

آڈٹ کمیٹی اور انسانی وسائل اور مشاہرے کی کمیٹی نے پورے سال متعلقہ قوانین کے تحت اپنی تمام ذمہ داریاں نبھائیں۔ بورڈ نے نہایت ذمہ داری کے ساتھ ان کی کارکردگی کا وقتاً فوقتاً جائزہ لیا۔

قومی خزانے میں اضافے کے لیے کردار

آپ کی کمپنی نے متذکرہ سال کے دوران مختلف نوعیت کے سرکاری محصولات، ٹیکس اور درآمدی ڈیوٹیوں کی مدد میں قومی خزانے میں 2.7 بلین روپے کا اضافہ کیا۔ ان محصولات کی ادائیگی، کمپنی کی فروخت کا 21.9 فیصد ہے جو کہ کمپنی کی معاشی ترقی میں حصہ داری اور بطور ذمہ دار سماجی ادارہ ایک مثبت تاثر قائم کرتی ہے۔ اٹلس گروپ کمپنیز بشمول آپ کی کمپنی کی جانب سے قومی خزانے میں مجموعی طور پر جمع کردہ رقم 55 بلین روپے سے زیادہ ہے۔ یہ بات اٹلس گروپ کو ملک کے چند سب سے زیادہ ٹیکس ادا کرنے والے اداروں کی صف میں کھڑا کرتی ہے۔

قدر میں اضافہ کرتی روپے کی آمدورفت

سال کے دوران، آپ کی کمپنی نے اپنی عمل کاری کی مدد میں 519 بلین روپے نقد حاصل کیے جبکہ گزشتہ سال 437 بلین روپے نقد حاصل کیے تھے۔ اس کی بڑی وجہ تجارتی قرضوں کی بازیابی ہے۔ قرضوں کے کس کو بہتر بنانے کے لیے آپ کی کمپنی نے 676 بلین روپے کے طویل المدتی قرضے حاصل کیے ہیں۔

چیمپین کی جانب سے ایک جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2020 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کی 54 ویں سالانہ رپورٹ مع آڈیٹڈ رپورٹ پیش کر رہا ہوں۔

میکرو اکنامک جائزہ

COVID-19 پھیلنے سے معاشی سرگرمیوں میں پیدا ہونے والی رکاوٹوں نے پوری دنیا سمیت پاکستان کو بھی متاثر کیا ہے۔ ملکی معیشت نے گزشتہ 68 سالوں کے مقابلے میں بدترین کارکردگی کا مظاہرہ کیا اور اس طرح مالی سال 2019-20 میں ترقی کی رفتار منفی 0.38 فیصد رہی۔ ملکی اور غیر ملکی سطح پر طلب میں کمی نے معیشت پر دباؤ کو بڑھایا۔ مانیٹری اور مالیاتی پالیسی میں مداخلت جیسے کہ شرح سود میں کمی، بے رول فنڈنگ اور دیگر مصارف کے لیے اعلان کردہ پیکیج نے ترقی اور ملازمتوں میں سیلاب کو یقینی بنایا۔ مالیاتی محاذ پر مالی سال 2020 کی چوتھی سہ ماہی میں کم وصولیوں اور زیادہ اخراجات بوجہ COVID-19 سے متعلقہ اخراجات کے نتیجے میں شرح نمو کے اندر 9.5 فیصد کا مالیاتی خسارہ ریکارڈ کیا گیا۔ غیر معمولی معاشی صورتحال کو مد نظر رکھتے ہوئے وفاقی بجٹ 2020-21 نئے ٹیکس عائد کے بغیر پیش کیا گیا۔

تمام تر مشکلات کے باوجود، بیرونی شعبہ وسیع پیمانے پر مستحکم رہا۔ کرنٹ اکاؤنٹ خسارہ 70 فیصد کم ہو گیا، جس کی وجہ لگاتار دوسرے سال بھی تجارتی خسارے میں 23.2 بلین ڈالر کی کمی ہے اور اس کا سبب درآمدات میں 19 فیصد کمی ہے۔ ملکی برآمدات جو کہ پہلے ہی کٹکٹش کا شکار تھیں وہ 6.8 فیصد کمی کے ساتھ چار سال کی کم ترین سطح 21.4 بلین ڈالر پر آگئیں۔ تاہم اس موقع پر ترسیلات زر امید کی روشن کرن ثابت ہوئی اور اس میں اب تک کا سب سے نمایاں اضافہ دیکھنے میں آیا۔ یہ ترسیلات زر جون 2020 میں 2.4 بلین ڈالر رہیں اور اس طرح مالی سال 2020 کے اختتام تک مجموعی ترسیلات زر 23.1 بلین ڈالر پر پہنچ گئیں۔ ان ترسیلات زر کے ساتھ دیگر بیرونی اور کپٹل انفلو ز نے زرمبادلہ کے ذخائر کو 11.2 بلین ڈالر کی سطح پر رکھنے میں مدد کی۔ جس کے نتیجے میں پاکستانی روپے کی قدر امریکی ڈالر کے مقابلے میں مستحکم رہتے ہوئے 168 روپے پر بند ہوئی۔ افراط زر میں بہتری لیکن شرح ترقی کی رفتار میں کمی کے بڑھتے ہوئے خطرات کے ساتھ اسٹیٹ بینک آف پاکستان نے اپنی حالیہ مانیٹری پالیسی اسٹیٹمنٹ میں پالیسی ریٹ کو مزید کم کر کے 7 فیصد مقرر کر دیا۔

زرعی شعبہ کرونا وائرس اور لاک ڈاؤن سے براہ راست زیادہ متاثر نہیں ہوا لہذا اس سال کے دوران اس شعبے میں 2.67 فیصد ترقی ریکارڈ کی گئی۔ یہ گزشتہ سال کے 0.6 فیصد مایوس کن اضافے کے مقابلے میں ایک امید افزاء اضافے کو ظاہر کرتا ہے۔ کپاس اور گنے کے علاوہ تمام دیگر اہم فصلوں میں اضافہ دیکھا گیا۔ تاہم سال 2019 کے آخر میں ٹیڈی دل کے حملوں، موسمی تغیرات اور بے موقع بارشوں کے سبب اس شعبے میں پیداوار اصل صلاحیت اور گنجائش سے کم رہی۔

اختتام پذیر سال میں بڑے پیمانے پر مینوفیکچرنگ کے شعبے میں تنزلی کا تخمینہ 2.6 فیصد لگایا گیا ہے۔ عالمی وباء سے پہلے بھی صنعتی شعبے کی پیداوار میکرو اکنامک استحکام کے لیے اٹھائے جانے والے اقدامات کے سبب مایوس کن تھی۔ کاروباری لاگت کا ڈھانچہ بری طرح متاثر ہوا جبکہ صارفین اپنی قوت خرید کو برقرار رکھنے کے لیے جدوجہد کر رہے ہیں۔ اس آخری سہ ماہی کے دوران وبائی امراض نے معاشی پریشانیوں کو مزید بڑھا دیا ہے کیونکہ اس شعبے کو کاروباری لاک ڈاؤن کے باعث بھی رکاوٹوں کا شدید سامنا کرنا پڑا ہے۔

آٹوموبائل انڈسٹری کا جائزہ

COVID-19 کے سبب آٹوموبائل پروڈکشن میں بڑے پیمانے پر کمی واقع ہوئی، بجلی کی قیمتوں میں اضافے نے بھی پروڈکشن کی لاگت میں اضافے کے اسباب پیدا کیے، مالی سال 2019-20 کے ابتدائی آٹھ ماہ کے دوران شرح سود میں اضافے اور پاکستانی روپے کی قدر میں کمی نے بھی صارفین کو خریدی سے روک رکھا۔ مالی سال 2019-20 میں مقامی سطح پر تیار گاڑیوں کی فروخت 96,455 یونٹس رہی جو کہ مالی سال 2018-19 میں فروخت ہونے والے 207,630 یونٹس کے مقابلے میں 53.5% کم ہے۔ ٹریکٹر کے شعبے میں 35.1 فیصد کمی دیکھی گئی اور گزشتہ سال کے 50,405 یونٹس کے مقابلے میں اس سال صرف 32,727 یونٹس فروخت ہوئے۔ گزشتہ سال کی نسبت ٹرکوں اور بسوں کی فروخت میں بھی 46.1 فیصد کمی واقع ہوئی۔ مالی سال 2019-20 کے دوران موٹرسائیکلز اور تین پہیوں والی گاڑیوں (PAMA کے ساتھ رجسٹرڈ اسمبلرز) کی فروخت گزشتہ سال کی اسی مدت کے دوران 1,781,959 یونٹس کے مقابلے میں 23.1 فیصد کمی کے ساتھ 1,370,005 یونٹس رہی۔

بیٹری انڈسٹری

گزشتہ دہائی کے دوران لوڈ شیڈنگ میں بے پناہ اضافے کے سبب بیٹری کی صنعت میں بڑے پیمانے پر ترقی کا مشاہدہ کیا گیا۔ جس کے سبب صلاحیتوں کے مواقع پیدا ہوئے۔ تاہم سال 2018-19 سے بجلی کی فراہمی میں بہتری اور متعدد بیٹری ساز کمپنیوں کی مارکیٹ میں آمد سے مارکیٹ کو زوال اور مسابقت کا سامنا کرنا پڑا۔

سال 2020-21 اپنے ساتھ غیر یقینی صورتحال اور مشکلات لائے گا۔ کاروباری معیارات میں بدلاؤ آنے کا بھی امکان ہے۔ ایک جانب فاضل صلاحیتوں اور دوسری جانب مارکیٹ کے حجم کے سکڑنے کی وجہ سے بیٹری کی صنعت کو متبادل مارکیٹ میں مستقل مسابقت کا سامنا کرنا پڑے گا۔ معیشت اور معاشرے پر COVID-19 کے بعد کے اثرات کی وجہ سے اس میں مزید توسیع

Code of Conduct



Standard of Conduct

Atlas Battery Limited conducts its operations with honesty, integrity and openness, and with respect for human rights and interests of the employees. It respects the legitimate interests of all those with whom it has relationships.

Obeying the Law

Atlas Battery Limited is committed to comply with the laws and regulations of Pakistan.

Human Capital

Atlas Battery Limited is committed to create the working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Company.

It recruits, employs and promotes employees on the sole basis of the qualifications and abilities needed for the work to be performed.

It is committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labor.

It is committed to working with employees to develop and enhance each individual's skills and capabilities.

It respects the dignity of the individual and the right of employees to freedom of association.

It will maintain good communications with employees through company based information and consultation procedures.

Discrimination and Harassment

Atlas Battery Limited prohibits discrimination of employees and ensures equal opportunity for employment, compensation, development and advancement for all individuals. It prohibits harassment based on categories of race, color, religion, sex, national origin, age or disability.

It does not tolerate workplace violence including threats, threatening behaviour, harassment, intimidation, assaults or similar conduct.

It has a zero tolerance policy with respect to personal and / or sexual harassment. Personal / sexual harassment in any form is strictly prohibited and may become ground for immediate dismissal without notice or pay in lieu of notice.

Weapons and Drugs

Atlas Battery Limited does not allow any employee to carry firearms or other weapons, unless obtaining prior permission.

The employees must not distribute, possess or use illegal or unauthorized drugs or alcohol on any premises of Atlas Battery Limited or in connection with its business.

Consumers

Atlas Battery Limited is committed to providing branded products and services, which consistently offer value in terms of price and quality. Products and services will be accurately and properly labeled, advertised and communicated.

Shareholders

Atlas Battery Limited will conduct its operations in accordance with principles of good corporate governance. It will provide timely, regular and reliable information on its activities, structure, financial situation and performance to all the shareholders.

Trading in Own Shares

Atlas Battery Limited discourages employees and their families from trading in shares of the Company or advice others in trading of its shares. However, if any employee or his / her family intends to sell or buy or take any position in the shares of the Company, then he / she should notify in writing to the Company Secretary.

Business Partners

Atlas Battery Limited is committed to establishing mutually beneficial relations with its suppliers, customers and business partners.

In its business dealings, it expects its partners to adhere to business principles consistent with its own.

Community Involvement

Atlas Battery Limited strives to be a trusted corporate citizen and, as an integral part of society, to fulfill its responsibilities to the societies and communities in which it operates.

Public Activities

Atlas Battery Limited is encouraged to promote and defend its legitimate business interests.

It will co-operate with government and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations, which may affect legitimate business interests.

It neither supports political parties nor contributes to the funds of groups whose activities are to promote party interests.

The Environment

Atlas Battery Limited is committed to making continuous improvements in the management of environmental impact and to the longer-term goal of developing a sustainable business. It will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Health, Safety and Environment

Atlas Battery Limited strives to provide a safe, healthy and clean working environment. It also strives to prevent any wasteful use of natural resources (including water) and is committed to help in improving the environment. It tries to reduce, replace, recycle or regenerate articles consumed in its operations.

Innovation

Atlas Battery Limited makes innovations to meet consumer needs. It respects the concerns of consumers and of society. It works on the basis of sound research, applying high quality standards.

Competition

Atlas Battery Limited believes in fair competition and supports development of appropriate competition laws. Atlas Battery Limited and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

Atlas Battery Limited does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment, which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Its accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All Atlas Battery Limited employees are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to the Company. They must not seek gain for themselves or others through misuse of their positions.

Company Resources

All the assets of Atlas Battery Limited (both tangible and intangible) shall be deployed for the purpose of conducting the business for which they are duly authorized for. None of these should be misused or diverted for any personal use or benefit.

Fraud, Theft or Illegal Activities

Atlas Battery Limited employees shall be alert and vigilant with respect to frauds, thefts or illegal activity committed within the office. If any such activity comes to their attention, they must immediately report the same to the Head of Human Resource or Head of Internal Audit.

It has set its priority not to become implicated, in any way, with individuals or firms involved in criminal and other associated activities and employees are expected to exercise maximum caution in this regard.

Books and Records

Atlas Battery Limited employees must act in good faith, not to misrepresent material facts in books and records or in any internal or external correspondence, memoranda or communication of any type, including telephone or electronic communications.

Its records should be maintained in such a way that they are in full compliance with all rules, laws and regulations. Adequate precautions should be taken to protect them from falling into wrong hands, which could harm its business interests. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix.

Confidentiality

Atlas Battery Limited employees come across a number of confidential information which may take many forms. They must take proper care of such information and ensure that it is not misused in any way which is detrimental to its business or used for own commercial benefit. Employees must exercise care to avoid disclosing non-public, internal, secret or proprietary information to unauthorized persons, either within or outside the Company during employment or afterwards.

Compliance – Monitoring – Reporting

Compliance with business principles is an essential element in business success. The Board of Directors of Atlas Battery Limited is responsible for ensuring that these principles are communicated to, and understood and observed by, all employees.

Day-to-day responsibility is delegated to the senior management. They are responsible for implementing these principles, if necessary, through more detailed guidance tailored to local needs.

Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by Audit Committee of the Board.

Any breach of the Code must be reported in accordance with the procedures specified by the management.

The Board of Atlas Battery Limited expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles.

Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

CEO Message on Sustainability Report

COVID-19 has posed an exogenous shock to the global and national economy. However, the Company has pleasingly pivoted fast to counter the immediate challenges of HSE, liquidity and supply chain. Specific SOPs, requisite hygienic equipment and regular awareness sessions were put in place to safeguard all our associates. Our response has been proactive and timely as well. It is an ongoing process to show vigilance in following SOPs and update them promptly with the changing circumstances.

The late Chairman's vision of thriving Generation after Generation are fundamentally expressed in 'ATLAS CULTURE' and 'ATLAS SYSTEMS'. The report entails our approach to sustainability which is focused on the same. The Report also covers measures taken by the Company towards corporate governance, environment, financial sustainability, people, quality, health and safety, technology, customer, business ethics and corruption.

The Company's extensive focus on Sustainability measures over the years have been fruitful so far. The vision of the Board and management is clear in continuing to emphasize and work on Sustainability in coming years. The Report is based on interviews and surveys conducted with various stakeholders and identification of issues that need to be addressed. The data presented in this section is generated by various functional departments which is reviewed by the management and approved by the Board of Directors.

The manufacturing of quality products in an environment friendly manner is our aim which helps our customers to get maximum utility of our products.

Corporate Social Responsibility (CSR)

"The greatest threat to our planet is the belief that someone else will save it." – Robert Swan.

The 'new normal' demands each and every individual to take precautions not only for themselves but for the community at large. The importance of CSR is now more important than ever. We continuously work hard towards implementing CSR, sound governance, best management practices and high economic and social practices in our day-to-day business activities. Through various activities including donations, collaborated events with non-profit organizations and intense measures to improve the environment, we are striving to serve our stakeholders and community at large responsibly.

We work closely with our customers and partners specifically GS Yuasa, Japan to bring technological innovations, foresee change and adapt accordingly. We welcome competition, always remain prepared for business challenges and want to grow not only as a company while safeguarding the interests of the industry as well.

Thank you for taking the time to review this report. We are pleased to share and welcome your feedback and involvement.



Ali H. Shirazi
President / Chief Executive

Karachi: August 25, 2020

Sustainability

APPROACH TO SUSTAINABILITY

The Company's framework is a product of the Atlas Group's fundamental business doctrine, the 'ATLAS WAY'. It comprises of the principles of 'ATLAS CULTURE' and 'ATLAS SYSTEMS'. These are a set of rules and procedures which have sustained the test of time and proved to be at the heart of the Company's success.

The principles of the 'ATLAS WAY' cover all departments, operations, activities and aspects of our business and provide ideal guidelines for their progressive development. It teaches us to pursue operational and financial results while maintaining environmental quality, workplace safety and social responsibility.

Atlas Culture

- Corporate Governance
- Respect, Recognition and Reward (3Rs)
- Value of time
- Recruitment and career advancement based on integrity, merit, experience and skills
- Education and training of staff and descendants
- Self-reliance
- Leading by example
- Humility and excellence
- Living within one's means, saving for the future and donating for good cause
- To be happy and healthy

Atlas Systems

- Management by Objectives (MBO) to align activities agreed company goals
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company
- Inducting and retaining competent and skilled staff – right man for the right job
- Using BCG model for strategic direction
- Creating value through implementation of internal controls (SOPs and policy manuals)
- Management development to produce performers, organization builders and strategists
- Active participation in management meetings for continuous performance improvement
- Ensuring accuracy and control performance improvement
- Ensuring accuracy and control of information / data through efficient MIS
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention

Environment

The management has over the years improved its operations in such a way to reduce negative impacts of its business activities on the environment by consuming less energy and fuel, produce less waste, recycling water, etc. The Company has successfully achieved certification of ISO 9001:2015 – Quality Management System, ISO 14001:2015 – Environment Management System, OHSAS 18001:2007 – Occupation Health & Safety Management System and ISO 50001:2011 – Energy Management System; all from Bureau Veritas.

Material

The Company with its intense research and assistance of GS Yuasa works on procurement of raw materials and development of new formulae and applications with the aim of low impact on environment. Materials having high impact on the environment are monitored in pursuance of the Company's environmental policy.

Atlas Hybrid was launched few years back with combination of lead and calcium plates with plastic envelop protection giving battery long life and protection. This has paved the way for introducing same technology in other variants of battery in coming years. The Company has launched deep cycle battery with long back up time, ideally suitable for solar panels and UPS. The Company has also introduced Battery Tonic distilled battery water, with specific battery grade TDS to increase life of battery.

Very recently, the Company has launched open top maintenance free battery which has been made with calcium plates and PE envelop protection giving battery long life and protection.

Energy saving measures and energy conservation

To conserve energy, 100 KW solar panels are used which reduced reliance on conventional electrical energy and resulted in cost savings as well as contribution to improvement of environment. Dedicated electricity lines for uninterrupted supply of electricity have been installed which resulted in significant reduction of associated greenhouse gas emissions from generators.



The Company promotes the use of energy efficient products and reduction of energy use in operations. Installation of LED lights at shop floors have contributed in energy conservation.

Extensive training and its related training materials are disseminated to associates encouraging them to conserve energy by switching off extra electrical appliances when not used and / or during breaks. The signboards around the factory premises have also been placed to emphasize associates energy conservation.

Water

The Company acknowledges the fact that water is an increasingly scarce and critical global resource. In turn, the associates are educated through periodic on job training and materials emphasizing to reduce water usage. The Company has installed a state of art, the GS Yuasa designed, Waste Water Treatment Plant in the factory premise.

The Company also uses Reverse Osmosis Plant to desalinate water and convert brackish / sea water to clean water which is then used in our manufacturing process and ancillary activities.



Air

The Company has invested significant resource during last few years on controlling air emission. Various measures are taken for the reduction in air pollution which includes;

- Minimize use of gensets and alternate energy resources, thus reducing gas emissions to a sizeable portion.
- Plantation of trees outside the factory premises creating a green belt.
- Dust collectors.
- Spot cooling system.
- Dust scrubbers.
- Fresh air ventilation and circulation system.



Biodiversity

The factory is located in SITE industrial area, with high biodiversity value and has significant impact on nature. The Company makes continuous efforts to minimize the harmful impact of discharges and ensures safe disposal of emissions. Efforts for conservation of biodiversity are undertaken and initiatives are carried out. A green belt of approximately 35,570 square feet opposite the factory premises was developed and is being maintained by the Company.

Society

The Company plays an active role in contributing to the society by conducting different CSR activities with the aim to serve the society.

Compliance of Environmental Legislation

The Company is committed to comply with environmental legislations applicable to all of its Company's products and operations. It maintains a system which identifies prevailing and new applicable environmental legislation and includes them to the audit checklists of respective departments as a guideline and for periodic review.

The Company has obtained compliance certification of ISO 9001:2015, ISO: 14001:2015, OHSAS 18001:2007 and ISO 50000:2011. This will enable the Company to stay ahead of its competitors in environmental compliance.

Further, the factory waste is disposed to the vendors with EPA approval and are compliant with relevant environment regulations.

Financial Health

Our focus is to deliver the best quality batteries with high level of sustainability, efficient manufacturing process and high operating efficiency. As we gain financial strength, we invest in future products, our people, our communities and society.

People and Industrial Relations

Human Capital

The Atlas Culture emphasizes talent acquisition and its management based on integrity, merit, experience and skill-set. We continuously invest in our associates, strengthen their technical capabilities, leadership skills and behavioral aspects to make our human capital a competitive advantage. Our optimum goal is to Recruit, Retain and Retire.

We show respect to our associates and treat them fairly by positively influencing their lives. We teach and encourage them to serve their Country and Company in the most ethical ways and become socially responsible citizens. We strongly believe that our associates are our strength and their motivation and development is the backbone of a sustainable and competitive Company.

The Company is actively engaged in acquiring talent by using different channels like social media, recruitment consultants and liaison with a prestigious academic institution of the country to reach out to talented individuals and dedicated professionals and bring quality human resources on board.

Succession Planning

The Company realizes that for long term business continuity, future leadership has to be developed through effective succession planning. For this purpose, the Company develops successors for all key positions across the organization as part of succession planning. Individual Development Plans (IDPs) are prepared to indicate existing and required competencies, learning and development plans, performance expectation and career progression of each individual. This also contributes towards the retention of potential employees within the Company.

Based on the importance of succession planning activity, the Company reviews the whole process annually to keep it aligned with the ongoing changes in the business scenario.

Career & Organization Development

The Company acknowledges its high performers by providing personal as well as career development opportunities to comply with Atlas Group's motto 'Organizational Development through Self Development'. Identification of high performers is made through the Performance Management Review Process that fairly evaluates employees' performance and leads to improved career paths for potential associates. Corporate culture is promoted by encouraging creativity and innovation among our associates. The process provides as a platform to associates for their self-evaluation followed by evaluation of their performance and achievement of individual objectives by their supervisors and a one-on-one appraisal meeting with them. It leads to the establishment of a vision for personal development and a detailed training plan to achieve it, accompanied by setting their future objectives.

IT Integration with Human Resources

The Company has invested in an ERP system to move forward towards integration and digital transformation of various human resource functions. In order to revolutionize with the digital world's best practices, implementation of Oracle HCM Cloud is in progress which comprises of seven modules of HR processes including core HR, recruitment, training, goal & performance, absence management, profile and career development.

Trainings

The Atlas Culture specifically emphasizes upon the education and training of staff and descendants. The development of associates' abilities are achieved through various means such as on the job trainings including, in-house and external trainings, education program, financial support for higher education, etc. Technical trainings as well as soft skills trainings have been arranged during the year such as Maintenance Management, Finance Act 2019, Industrial Energy Management, Emotional Intelligence, Material Management & Warehousing, Productions Operations Management, Security Firewall, Supply Chain, Marketing, etc. to name a few. Apart from this, the Company is part of a comprehensive program with Institute of Business Administration (IBA), through which the Diploma Program is conducted exclusively for Atlas Group associates which helps in preparing young and potential leaders for the changing business environment / upcoming challenges.

The Company conducted various in-house trainings and nominated associates for external trainings covering the areas of production, engineering, quality control, leadership, core management skill development and various specialized departmental trainings including supply chain management, treasury, corporate affairs, taxation, etc. Altogether 328 personnel benefited from in-house trainings, while 60 personnel enhanced their skills set through external training programs excluding 4 associates who attended foreign trainings organized by AOTS, Japan.

For the in-house trainings, the Company has a Training Centre with all associated facilities. A specially designed curriculum has been developed based on the existing processes of the plant. These training sessions are conducted by a pool of internal trainers as well as associates within the Company to enhance their presentation skills and to promote teamwork. The classroom trainings are followed by practical training sessions at the shop floor. Human Resource division plays a vital role in the skills enhancement program of associates and promotes a learning culture among them. 73 industry specific on-job training were conducted in which 1,012 associates were trained.

Human Resources division facilitates and records all such trainings to monitor skills enhancement at the shop floor with the ultimate goal to enhance productivity and ensure quality production.

Likewise, to create awareness on health and safety and strengthen safety culture, specific training sessions on HSE topics conducted throughout the year.





Employer Branding

In view of promoting employer branding, besides engineering students, the Company has a formal internship program for business management students, placed within different divisions of the Company wherein, interns are required to work on real-time projects, hence contributing to their professional exposure and development.

The Company also invites students from various institutions on industrial visits to the plant that provide them practical insights into the real working environment of the industry. A liaison has been maintained with the relevant universities so that they continue to develop professionals / talent who are not only competent but also familiar with our organization's practices, systems and structure.



Human Rights

Human rights of fellow workers and communities where we operate are respected and part of our business culture as stated in Atlas Culture; 'Humility and Excellence'. We focus on four areas across our activities where respect for human rights is particularly critical to the way we operate: labor conditions, communities, supply chains and security.

Workforce

We intend to remain an attractive employer of a diverse group of associates who feel sufficiently challenged to pursue their personal development. By creating job opportunities, sourcing from local suppliers, and paying taxes and royalties, etc. we help in building local economies. We plan to be a part of the community for decades to come with long term plan and vision.

We encourage our associates to strive for education and where possible, we assist our associates to pursue education at all levels. The Company provides competitive remuneration packages and a good environment to work-in, to increase the quality of work and satisfaction resulting in long-term employability and synergy affecting the Company's performance. Following is service matrix, which indicates employee retention for longer service:

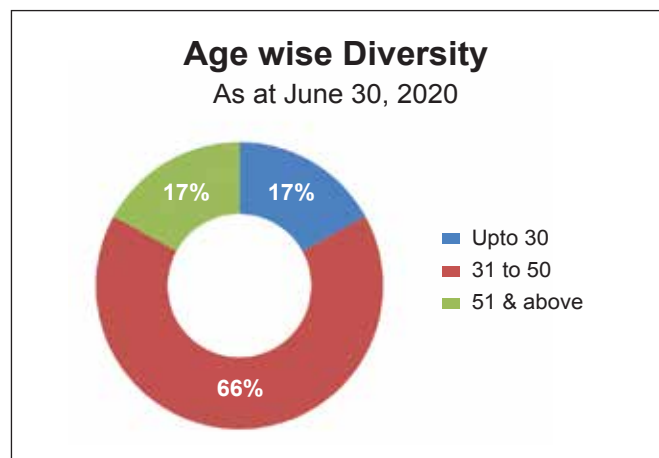
5 to 10Years	11 to 20 Years	20 Years & Above
85 (29%)	31 (10%)	45 (15%)

Supporting Diversity and Equal Opportunities

A good mix of experienced and youthful associates is very essential to good human resources and ultimately Company's growth.

Workplace diversity fosters mutual respect amongst associates whether working as groups and / or teams comprising of co-workers with varied work styles, or colleagues who represent different cultures or generations, a synergistic work environment becomes the norm. To us, diversity and equal opportunities are more than just following the rules.

Further, it has been a big challenge for the entire industry to attract women in numbers. The Atlas Group has a long-term ambition to increase the number of women in executive teams, while taking into account all other important diversity parameters.



Employee Engagement

The Company encourages work and life balance, and strictly emphasizes to follow stipulated working hours and avoidance of late sittings. This has helped our associates to avoid unnecessary stress, pay appropriate attention when needed and to keep themselves away from health problems.

The true reflection of our 3Rs – Respect, Recognition and Reward is depicted through Long Service Awards distributed among associates, various events and activities which included farewells for retiring associates during the year and management and associate retreats including movie nights and overnight stay at recreational clubs.



In order to acknowledge the individual and collective efforts for demonstrating the best practices in the areas of HSE, 5S and general discipline, a “Quarterly Award Ceremony” is organized on the 1st day of every quarter.

Physical activities and integration of sports into work-life, help in maintaining health and well being of employees moreover, influences Team building, motivation and engagement across the organization. Keeping the same in view, ABL Human Resource Division organized a Cricket Tournament on February 01, 2020 at the Little Master Hanif Muhammad Cricket Ground. The event was also graced by the presence of the Honorable CEO.

To keep our associates well informed about overall activities in the Company, HR e-Newsletter is issued on quarterly basis.

Communication with Labor

The Company encourages a working environment, which promotes associates to work without fear of intimidation, reprisal or harassment. The associates’ union rights are respected and they are allowed to join unions and engage in collective bargaining as permitted by applicable laws in the country.

Hajj Facility

Every year, the Company sends one of its associates for Hajj through ballot and bears all expenses pertaining to this religious offering.

HSE Policy and Workplace Safety

HSE Steering Committee, headed by Chief Executive provides guidelines for maintaining / improving HSE culture at the Company and HSE Working Committee ensures its implementation.

The focus and direction of these Committees is mitigation of risk to the minimal level by carrying out business and operational activities in such a way to ensure the safety of its employees and other persons for whom it is responsible, and at the same time the risk to the environment. The Company strives to provide a safe and healthy working environment for its associates and acts positively to prevent injury, ill health, environmental harm arising from its operations.

We consider the fact that safety precedes everything. We believe that all injuries are preventable and can be avoided if due care is taken before hand. We have established “zero incidents” as our goal and doing our best to achieve the goal. We follow-up and investigate all incidents to address their root causes. We encourage the reporting of ‘Near-Miss’ events which enable us to learn the causes and through rectification, bring improvement.

We are committed to:

- Protect and strive for improvement of the safety, health and security of our people at all times.
- Provide appropriate information, training and resources to all associates and other interested parties to enable them to meet their HSE responsibilities, implementing all the necessary measures for the prevention, protection from hazards to associates and the property.
- Protect the environment and preventing pollution by continually improving resource utilization and waste management.
- Provide associates with the familiarization of Company’s HSE policy and practices.

During the year, various activities were conducted and initiatives taken in relation to implementing and enduring workplace safety and to educate associates about health and safety. These activities and initiatives included:

- Development of SOPs to ensure business continuity in the presence of COVID-19. Conducted various awareness sessions on SOPs and placed the SOPs at prominent places to ensure its understanding and compliance.
- Preparation for resumption of business operations after lock down in compliance of Company as well as Government SOPs.



- Successfully conducted Integrated Management System Audit comprised of (ISO 14001:2015 & OHSAS 18001:2007) for head office, and zonal offices at Karachi, Lahore and Islamabad through Bureau Veritas.
- Emergency Evacuation Drills at various offices were conducted. These drills provided an opportunity to practice emergency procedures in a simulated but safe environment.

Administration

To ensure that our associates stay healthy, positive and contribute well to the achievement of organization's objectives, the Company has spacious canteen with all associated services. The dining hall of the canteen serves around 460 people at a time that includes serving breakfast, lunch, dinner and tea to all associates.

Centralized time management system, time machines are installed at factory, all regional and zonal offices.

Acquired licenses of different administrative support services to comply HSE certification.

First Aid Room

The Company has an in house First Aid Room to accommodate associates' daily health care needs, and also for any emergency situation occurring at the factory premises. The in-house First Aid Room is operated by qualified paramedics, who are available for 24 hours, 7 days a week. An ambulance is also in service at factory premises to cater any emergency situation.

Technology and Innovation

Outbreak of COVID-19 had posted new challenges for technology to which the Company has responded strongly. Work from home became essential to adhere social distancing. The Company fully utilized its technological advancement enabling associates to work from home. Most of the meetings were held virtually by getting assistance from video link facility. The Company is well poised to benefit from such technological advancement in coming months as well.

With the rapid change and advancement of technology, we realize the importance to keep ourselves aligned to advancements in technology. The focus is on process automation and paperless environment to not only increase synergies but also as part of global environment protection and reduced cost while maintaining high quality.

State of the Art Information Technology Infrastructure

The Company enjoys a state of the art information technology infrastructure to meet the growing needs of the business. This includes innovations and improvements in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, etc.). We are also aligning business and IT to attain full advantage in a significant and persistent way for data management through ERP and striving for a paperless environment. Further, we are focused on B2C (Business to Customer), Business Continuity Plan (BCP), Business Process Reengineering (BPR), B2B (Business to Business) system, CMS (Claim Management System), WMS (Warehouse Management System), IT Security and Safety, HCM Cloud and superior communication environment.

The Company has successfully implemented material resource planning (MRP) module of Oracle EBS. Developing a comprehensive dashboard of management information system (MIS) comprising of operational and non-operational divisional reporting is in progress.

Disaster Recovery Planning

The Company has a comprehensive Disaster Recovery Plan to cater any disaster emergency situation. The Company also engaged a professional firm for an independent review of its Disaster Recovery Planning & Business Continuity Plan and identified the points of improvements.

Technology Transformation

The Company has invested time and resources to technology transformation through 3Ds: Digital, Data, Direct. This includes online sales, digital marketing through social media, dealers' stock management through dashboard, warehouse management through barcode implementation and building customer relationship through engagement.

Quality Assurance of Products / Services

Quality Management System

The Company is committed to the manufacturing of high quality of batteries covering range of products in the category of:

- Lead acid batteries for vehicles
- Low maintenance hybrid batteries for vehicles
- Open top maintenance FREE batteries for vehicles
- Deep cycle batteries for solar panels and UPS

The Quality Management System demonstrates Company's ability to provide quality products, meet customer needs, improvement of the processes and continuous monitoring on consistent basis.

In-House Laboratory Testing and Quality Improvement

The Company has built a new state of art, quality assurance lab, equipped with sophisticated measuring and testing appliances / machines to ensure performance of batteries through chemical and electrical testing procedures. In order to enhance battery electrical testing facility, the Company has recently acquired latest computerized machines.

QCC Shaheen Circle

For continual improvement in the product, processes and culture of the organization, Company uses Japanese tools, like Quality Control Circle (QCC) and Kaizen. The Company has developed a structure of Shaheen Circle and organizes a convention annually based on the extensive exercise of competition held among cross functional teams of the Company's associates.

Customer

Customer Satisfaction

Customer satisfaction is always our top priority. During the years, the Company has taken various initiatives in order to satisfy customers' needs, which included introducing a Service section to meet the growing needs of our customers, their training of battery handling and preventive maintenance, mobile van, free battery checkup service, etc. We believe, customer service and service levels continues to be an area for improvement, which we will work on constantly. In addition to this, the Company has also taken an initiative of free home battery check-up service activity.

Prioritize Customer Needs

To meet the customer needs is our top priority and helps us in improving our products and services accordingly besides innovation of new products with advance technology, accordingly to their utility and benefit.

Dissemination of Information and Advertisements

All activities related to advertising and sales promotion are adhered to comply with the applicable laws as well as business ethics and code of conduct which are monitored in-house. The marketing activities during the year are summarized in media section.

Consumer Protection Measures

The Company not only believes in high quality products but also keenly focuses on after sales service and to build long term relationship with the consumers. To attain confidence of its consumers, the Company's representative including Chief Executive regularly visit to dealers' showroom and meet with customers. On the other hand dealers, retailers and OEMs technicians training on battery specs and handling method are part of our business practices.

We believe in giving transparency of what we offer, fair treatment and effective complaint system to consumers. We educate our consumers by giving them battery management tips, safety tips and tips to select type of battery, etc. We also meet our dealers regularly to enable two way communication to obtain their suggestions, to have feedback of market reputation of our products, to educate them with the use of technology which includes our B2C system, etc.

Battery Capacity

The Company displays capacity of batteries expressed in 'Ampere Hour(s)' (AH) and "Voltage" (V) on all products, their packaging, warranty cards, instructional manuals and other advertisement material to enable the customers in making better buying decision according to their need.



Battery Management and Safety Tips

Tips for battery management and safety are provided in each battery pack and also available on Company's website.

How to Select a Battery and FAQs

Tips regarding how to select a battery and FAQs are also placed on our website for consumer guidance.

Adherence to Laws, Standards and Voluntary Codes for Communication

The Company is committed to the generally agreed ethical codes for marketing its products. When preparing marketing communication and advertising material, the legislative and regulatory compliance of the content is always checked and confirmed before publication. The Company ensures that advertisements must be clear and concise, portray business ethics and in simple language which is used at large by general public.

Fines and Sanctions

There have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.

Market Share

Battery industry in Pakistan is divided into two major segments; organized and un-organized sectors. The organized sector is meeting about 90% of the market demand; rest is being met by the un-organized sector and imports. Exact market share cannot be determined / ascertained as there is no official association of battery industry through which data is compiled and published publicly.

Dealers' Network

We continuously focus on expanding our dealer network and improve efficiency of existing dealers by conducting auto electrician workshops, providing incentive schemes for improving their trade and B2C networking, etc.

In this context, following activities were conducted during the year:

July 2019

- Retailers get together was held in Chillas and Mir Pur Mathelo on July 17 and 24, 2019 respectively.
- Factory visit of dealers and retailers of Lahore was arranged on July 28, 2019.
- Battery care and maintenance awareness training sessions conducted for technicians across Pakistan including OEM's / dealers / sub-dealers staff.

August 2019

- Dealers / retailers meetings were held in Karachi, Wah Cantt and Lahore on August 7, 29 and 30, 2019 respectively.
- Battery care and maintenance awareness training sessions conducted for Atlas Honda's 3S / 5S warranty dealers in Lahore region.
- Participated in battery checkup campaign at Honda Atlas Cars's 3S dealerships in Islamabad and Lahore regions.

September 2019

- Dealers / retailers meetings were held in Rawalpindi, Karachi and Faisalabad on September 5, 21 and 25, 2019 respectively.
- New sub dealer was inaugurated in Hyderabad on September 4, 2019.
- Service department conducted 63 trainings during the month of September 2019. 407 participants / technicians across the Pakistan were covered during training sessions.
- GMM and MM visited Johannesburg (South Africa) from September 15 to 25, 2019 to represent the Company at Automechanika 2019 and to explore the South African and Sub-Saharan battery market.

October 2019

- Dealers / retailers meetings were arranged in Karachi, Sukkur, Peshawar and Hyderabad on October 8, 18, 23 and 25, 2019 respectively.
- Factory visit of Gujranwala and Sheikhpura retailers was organized on October 24, 2019.
- Sponsorship of Pak Wheels Auto Show in Sialkot and Islamabad.

November 2019

- Dealers / retailers meetings were arranged in Karachi, Hyderabad and Quetta on November 5, 15 and 21, 2019 respectively.
- Factory visit of dealers / retailers were arranged for Mirpur Mathelo, Peshawar (twice), Sialkot and Sahiwal on November 7, 12, 24, 26 and 27, 2019 respectively.
- Sponsorship of Pak Wheels Auto Show in Faisalabad and Lahore were held on November 17 and 24, 2019 respectively. Brand activation and free battery checkups were conducted at the auto shows.

December 2019

- Retailers meetings were arranged in Dargai, Hangu, Multan, Karachi, Lahore, Rawalpindi, Attock, Larkana, Abbotabad, Shaikhpura, Kamoki, Okara, Muzaffarabad and Faisalabad in December 2019.
- Sponsorship of Pak Wheels Auto Shows held in Peshawar and Karachi on December 9 and 22, 2019 respectively. Brand activation and free battery checkups were conducted at the auto shows.
- Battery care and maintenance awareness training sessions conducted for technicians across Pakistan including OEM's / dealers / sub-dealers staff.

January 2020

- Foreign scheme announcement event was held in Rawalpindi on January 30, 2020.
- New dealers were inaugurated by CEO in Rawalpindi and AJK on January 11 and 29, 2020 respectively.
- Half yearly sales and marketing conference was held on January 10, 2020 at Bhurban.

February 2020

- Sponsorship of Pak Wheels Auto Show held in Multan on February 7, 2020 and Kisan Dost Mela held from February 14 to 16, 2020. Brand activation and free battery checkups were conducted during the events.
- Foreign scheme announcement events were held in Lahore, Multan and Karachi on February 3, 4 & 5, 2020 respectively.
- Retailers meeting and training session was conducted in Karachi on February 25, 2020.
- Battery care and maintenance awareness training sessions conducted for Atlas Honda's 3S dealers, in Lahore and Faisalabad regions.

March 2020

- Pak Wheels Auto Show was held on March 8, 2020 in Gujranwala. Battery checkups and brand activation was conducted at the Auto Show.
- Road Show activities were executed in 14 cities from March 3 to 17, 2020.
- Factory visit of Lahore Zone retailers was organized on March 6, 2020.
- Battery care and maintenance awareness training sessions conducted for technicians across Pakistan including OEM's / dealers / sub-dealers staff.

April 2020, May 2020 and June 2020

- Service department conducted online awareness sessions for dealers on nation wide basis.





Corporate Affiliations

The Company is affiliated with:

- Karachi Chamber of Commerce & Industry (KCCI)
- Management Association of Pakistan (MAP)
- Pakistan Institute of Management (PIM)
- Employees Federation of Pakistan
- SITE Association
- Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM)

Supply Chain Management

The Company has a separate division for supply chain function with suitable and skilled resources which integrates with other business units for effective management of Company's operations. It encompasses production planning, material procurement, logistics, warehousing and store supplies management. It also manages vendors and suppliers and in built that code of conduct and business ethics are followed.

Composition of local versus imported materials

The Company procures its raw materials form local as well as foreign sources. The composition of local and imported material for the year ended June 30, 2020 is as follows:

Raw materials procured	% of total raw materials
Locally	88.2%
Imported	11.8%

As indicated above the imported material is less than 12% of total raw materials requirement, therefore, it does not have any significant impact on profitability due to foreign exchange fluctuations.

Contribution to National Exchequer

During the year under review, the Company contributed over Rs.2.7 billion to the national exchequer on account of various government levies, taxes and import duties. The Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen is clearly reflected from the above statistics. Together with other Atlas Group Companies, the total contribution to the exchequer is Rs.55 billion. This makes Atlas one of the highest taxpayer in the country.

Statement of Charity Account

The Company has adopted Atlas Group policy to donate 1% of its prior year's profit before tax to a charitable institution. However, due to loss before tax last year, it has not donated any amount during the current year.

Pandemic Recovery Plan

Survival and rebirth

Saving and Investing our way out of Crisis

- Double Down on HSE in light of COVID-19 Pandemic.
- Cost Down to meet lower Break Even.
- Product Innovation (Re-prioritize for growth; future focus for “new normal”).
- Technology Transformation (3Ds: Digital, Data, Direct).

Resolve, Resilience, Return, Reform

Resolve

- Address the immediate challenges that COVID-19 represents to the workforce, customers and partners.

Resilience

- Address near-term cash management challenges and broader resiliency issues.

Return

- Create a detailed plan to return the business back to scale (whatever the new scale might look like) quickly. Robust not Optimal decision making.

Re-imagination, Reform, Reinvent

- Re-imagine the “next normal” – amongst profound uncertainty charting new path to ensure strategic resilience and agility.

Corporate Governance

The term 'Corporate Governance' refers to a system of Company's management that focuses on responsibility, transparency and sustainable value creation. It encompasses the management and monitoring system of the Company, including its organization, business principles and guidelines, as well as internal and external control and monitoring mechanisms.

The governance and control of Atlas Battery Limited is carried out through number of corporate bodies. At the general meetings, the shareholders can exercise their voting rights as mentioned in statutory laws.

The Board of Directors is ultimately responsible for organization and monitoring of the Company's operations. The duties of the Board are partly exercised through Audit Committee and Human Resource and Remuneration Committee.

In addition, the Board is responsible to appoint the Chief Executive Officer ("CEO") of the Company. The CEO is in-charge of the daily management of the Company in accordance with guidelines and instructions provided by the Board.

Division of responsibilities and duties between the shareholders, the Board and the CEO are regulated inter alia by the Companies Act, 2017, the Company's Articles of Association and the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019").

1. Shareholders and General Meetings

Shareholders

As on June 30, 2020, the Company had 2,067 shareholders according to the share register. The Company's share registrar is Hameed Majeed Associates (Private) Limited.

Investors' Grievances / Feedbacks

The Company believes in protecting the interest of its investors. It acknowledges its responsibility to inform shareholders, analysts and investors timely and fully about material developments that are relevant to the Company, its management, operations and financial situation as well as its future prospects. The policy is devised to establish guidelines for communicating with shareholders, analysts, investors and other stakeholders for their understanding of entity's business, governance, financial performance and prospects. A well defined structure for governance and management which provides specific authority and responsibility for policy implementation is in line with the policy.

Company Secretary has been designated as the person responsible for handling investor grievances and feedbacks. The mechanism is summarized below:

- A designated email address has been created namely investor.relations@abl.atlas.pk to facilitate investors in submitting their queries, grievances and feedbacks.
- In addition to the aforementioned email address, complaints and suggestions can also be received in writing, duly addressed to the Company Secretary.
- All queries, grievances and feedbacks are resolved and communicated to the investors on timely basis after due verification procedures.

Stakeholders' Engagement

The stakeholders' expectations are carefully understood by the Company and responded to as a responsible manufacturer, marketer, employer and corporate citizen. The engagement serves the purpose to actively engage with stakeholders, know their expectations, build a relationship with them and respond appropriately with the aim to win their loyalty with the Company.

Stakeholders	Interests and Expectations	Engagement Methods	How We Respond
Government and regulatory bodies	<ul style="list-style-type: none"> • Generate economic growth through revenues, taxes and fees. • Provide fair and transparent competitive trading conditions. 	<ul style="list-style-type: none"> • Regulatory reporting • Conferences • Dialogues 	<ul style="list-style-type: none"> • Tax payments • Trade policy • Pollution control • Energy saving measures • Employment • Social and economic development
Dealers and consumers	<ul style="list-style-type: none"> • Provide innovative partnerships for sustainable growth • Provide quality products at good value • Prompt after sales service • Competitive prices 	<ul style="list-style-type: none"> • Site visits • Questionnaires • Dealers related events • Sales conferences • Service and warranty centers • Website • B2B • Customer satisfaction survey 	<ul style="list-style-type: none"> • Product quality and safety • Business ethics • Human rights • Renewable technology • Service at doorstep • Research
Associates	<ul style="list-style-type: none"> • Backbone of our success • A safe and best possible working environment 	<ul style="list-style-type: none"> • Meetings • Employee survey • Appraisal interviews • Training programs • Employee union • Employee newsletter • Key Result Areas (KRA) 	<ul style="list-style-type: none"> • Worker health and safety • Job security • Working conditions • Career development • Remuneration and rewards
Suppliers, vendors and service providers	<ul style="list-style-type: none"> • Secure delivery of goods and quality products and services • Meet responsible sourcing requirements • Provide fair access to business opportunities and appropriate payment conditions 	<ul style="list-style-type: none"> • Dialogue • Regular engagement with local management on-site 	<ul style="list-style-type: none"> • Operational excellence • Ethical business practices • Compliance of tax laws • On time payments
Shareholders and investors	<ul style="list-style-type: none"> • Generate sustainable growth and shareholders' return • Improve shareholders capital • Improve financial performance 	<ul style="list-style-type: none"> • Interim and annual reports • Meetings • Website 	<ul style="list-style-type: none"> • Corporate governance • Business performance • Corporate responsibility • Timely reporting
Local community and neighbourhood	<ul style="list-style-type: none"> • Provide support for local economic development • Build trust with local communities 	<ul style="list-style-type: none"> • Workshops • CSR • Internships and management trainee programs 	<ul style="list-style-type: none"> • Community engagement processes • Environment pollution control • Job security • Social investment
Banks	<ul style="list-style-type: none"> • Negotiations of rates • Smooth trade facilities 	<ul style="list-style-type: none"> • Meetings • Interim and annual reports • Financial analysis • Forecast and projections 	<ul style="list-style-type: none"> • Better relationship • Minimal fees • Higher deposits • Higher number of operations / transactions • Suitable trade facilities
Media	<ul style="list-style-type: none"> • Raise awareness of products • Raise awareness of safety tips and operational use of products 	<ul style="list-style-type: none"> • Press releases • Website • Social media • TVC • Radio 	<ul style="list-style-type: none"> • Industry challenges and developments • Healthy, safety and environmental issues
Industry partners	<ul style="list-style-type: none"> • Improve business practices • Build capacity within organization and drive peer approaches 	<ul style="list-style-type: none"> • Active involvement in organizations and associations e.g. PSX, ICAP, MAP, etc. 	<ul style="list-style-type: none"> • Long term industry challenges • Human rights • Health and safety

General Meeting of Shareholders

An Extraordinary General Meeting (EOGM) of Shareholders is convened wherein the Board of Directors considers any matter requiring the approval of Company's shareholders in general meeting, or if the shareholders who control one tenth shareholding demand in writing for the consideration of a certain issue.

The Annual General Meeting (AGM) decides on, among other things, the adoption of the financial statements contained therein, the distribution of profits and the discharge of the Members of Board and the CEO from liability. In addition, the AGM elects the Members of the Board and the auditors, and decides on the remuneration paid to the auditors. The AGM, furthermore, may decide on, amendments to the Articles of Association, share issues, etc. as required by laws and regulations prevailing in the country.

Atlas Battery Limited's Annual General Meeting 2019-20 was held on September 27, 2019 in Karachi. The shareholders adopted inter alia the following resolutions:

Ordinary Business

- Minutes of the Extraordinary General Meeting held on December 19, 2018 be and are hereby confirmed and signed.
- Annual Audited Accounts for the year ended June 30, 2019 along with the Chairman's Review, Directors' and Auditors' Reports thereon be and are hereby adopted.
- Retiring Auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants being eligible, be and are hereby re-appointed as Company's Auditors for the year ending June 30, 2020 for an audit fee of Rs.1,320,000/-.

Special Business

- Sale of generator and its accessories to M/s. Atlas Engineering (Private) Limited, an associated company, for an amount of Rs. 21.88 million.
- Directors are empowered to authorize any officer of the Company or any of the directors to take all necessary actions for the purpose to give effect to the above sale of generator.
- Article 81A of the Articles of Association of the Company be amended.
- Secretary of the Company or any one of the Director be and is hereby authorized to take all necessary actions for the purpose to give effect to the above resolution for alteration in the Articles of Association of the Company and make necessary filings and complete legal formalities as may be required to implement the aforesaid resolution.

Issues discussed in last AGM

The overall performance of the Company including Company's growth, industry growth, capex incurred during the year, financial costs, future prospects, etc. were discussed by the shareholders.

Atlas Battery Limited's Extraordinary General Meeting was held on May 20, 2020 in Karachi. The shareholders adopted inter alia the following resolutions:

Ordinary Business

- Minutes of the Annual General Meeting held on September 27, 2019 be and are hereby confirmed and signed.

Special Business

- Candidates be and are hereby declared as elected as Directors of the Company for a period of three years commencing from May 21, 2020.

Presence of Chairman of Audit Committee at the General Meetings

Mr. Azam Faruque, Chairman Audit Committee was present in Annual General Meeting held during the year to respond to any queries from the shareholders.

Encouraging minority shareholders to attend general meetings

The Company's management aims to encourage minority shareholders to attend general meetings. Accordingly, the Company sent notice of its general meetings to all shareholders in addition to these notice being published in Urdu and English newspapers. The

Company ensures that there is dedicated timeslot for questions and answers session in its general meetings so that the minority shareholders, in particular, can engage with the Board of Directors, and raise any queries that they may have with regards to the Company's performance. This encourages a healthy attendance from the minority shareholders in the Company's meetings.

Corporate Briefing Session

The Company conducted a Corporate Briefing Session (CBS) for shareholders / investors / analysts in Karachi on October 28, 2019 to brief the financial performance for the year ended June 30, 2019. The idea of briefing is to keep the shareholders, investors, fund managers and research analysts, and shareholders informed about the Company's performance.

2. Board of Directors

The Board's Responsibilities

The Board of Directors is responsible for the appropriate arrangement of the Company's administration and operations. The Board consists of minimum of seven members elected by a General Meeting of shareholders. The Board elects a Chairman among its members. The Board's tasks and responsibilities are determined primarily by the Companies Act, 2017, the Company's Articles of Association, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other legislation and regulations applicable to the Company. It is the responsibility of the Board of Directors to act in the interests of the Company and all of its stakeholders.

The Board responsibilities include but are not limited to:

- devise overall corporate and business strategies and gives direction to the Company's management;
- oversee the performance of the management periodically;
- ensure that professional standards and corporate values are put in place in the form of Code of Conduct;
- define and review vision and mission of the Company and evaluate performance there against;
- ensure the system of corporate governance exist;
- review the internal controls and risk management policies and approve its governance structure and code of conduct;
- recommend the matters to be dealt with by a General Meeting and to ensure that the decisions made by a General Meeting are appropriately implemented;
- approve policies, large business agreements, investments decision and declaration of dividend, etc.;
- directs and supervises the Company's executive management;
- appoint and dismiss the CEO, decides CEO's remuneration and other benefits; and
- monitor the financial reporting process and the efficiency and strength of the Company's internal control, internal auditing and risk management and compliance systems.

The Board discharges its responsibilities through their meetings including quarterly meetings which include approval of budgetary planning and business strategy. The Board has constituted various committees for the performance of their functions.

Composition of the Board of Directors

The General Meeting confirmed that the Board of Directors shall have seven members.

The profile of Members of the Board is presented at the start of this report.

Directors' Qualification

The Board members have diversified experience and are qualified professional. They are well conversant of the laws and business practices in Pakistan. They have ample experience from various sectors and brought in their expertise and knowledge to the Company. They are also well aware of the importance of mandatory trainings and evaluation as per the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Roles and Responsibilities of Chairman

The Board determines its working procedures and reviews these procedures as required. The working procedures describe the Chairman's specific role and tasks, as well as responsibilities delegated to the committees appointed by the Board. The Chairman's role is primarily to guide long term strategic planning for the Company including:

- Presiding over the Board and ensuring that all relevant information has been made available to the Board;
- Defining the Company's philosophy and objectives;
- Safeguarding shareholders' interest in the Company;
- Responsible for building the Company's image nationally and internationally;
- Ensuring the appropriate recording and circulation of the minutes of the Board to directors and officers entitled to attend Board meetings;
- Major spokesman of the Company, responsible for liaison with the senior most levels of Federal and Provincial Governments;
- Overseeing the Company's macro approaches and public relations in the broadest sense, including its relations with public organization and other companies; and
- Commitments and de-commitment of strategic investments.

Conflicts of Interest

Directors have a duty to avoid a situation in which they have or can have a direct or indirect interest which conflicts, with the interests of the Company. In this regard, the directors have undertaken that they will comply with the related provisions of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and rules and regulations of SECP and stock exchange and Company's Code of Conduct.

Board's Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed Board Evaluation Questionnaire has been formulated which is circulated amongst directors for their feedback every year and compiled results are presented in the Board meeting for review and appropriate action, thereon.

Remuneration of the Board of Directors

The Board has an approved formal policy for remuneration of executive and non-executive directors. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition by them.

The Company will not pay any remuneration to independent directors except fees for attending the meetings of the Board and its committees. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee.

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, it is ensured that no directors take part in deciding their own remuneration.

For information on remuneration of directors and CEO in 2019-20, please refer to the financial statements.

Formal Orientation at Directors' Induction

Every director upon joining is provided with an orientation presentation. CEO briefs new directors about the Company operation, industry dynamics, organization structure and other significant matters.

Security Clearance of Foreign Director

Every foreign Director who is on the Board of the Company is required to submit documents which are then submitted to Ministry of Interior for security clearance.

Board meetings

There were five Board meetings held during the year. All of them were held inside Pakistan.

Independent Directors

Mr. Azam Faruque and Ms. Mehreen Amin are serving as independent Directors. They meet the criteria of independence as notified under Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

Representation of Female Director on the Board

The Company is fully compliant to the requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019 to have at least one female member on Board.

Matters Delegated to the Management

The strategies and policies approved by the Board are implemented by Management primarily. The routine business operations of the Company are also the responsibility of management in accordance with the strategies, vision, mission and direction given by the Board from time to time. Any changes in business environment and significant matters are updated to the Board regularly. Management also prepares financial statements that fairly present the financial position of the Company in accordance with the applicable accounting standards and legal requirements.

3. Chief Executive Officer (CEO)

The CEO handles the operational management of the Company in accordance with direction set by the Board. He is responsible to the Board of Directors for fulfilling the targets, plans and goals that the Board sets. The CEO is responsible for ensuring that the Company's accounting is in compliance with the law and that financial management has been arranged in a reliable manner. The CEO forms the Functional Committees and Management Teams and delegates to its members the necessary powers for carrying out their responsibilities.

The management team consists of the following functional heads:

- Marketing
- Plant
- Supply Chain
- Quality Assurance & Technical Services
- Human Resource
- Information Technology
- Finance

Roles and Responsibilities of CEO

The CEO is responsible for all matters pertaining to the operations of the Company. His responsibilities include:

- To formulate Company's objectives in conjunction with the strategy approved by the Board;
- To lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy;
- To build and maintain amicable relations with governmental departments, trade associations, regulatory bodies, customers, suppliers and sales offices;
- To ensure the achievement of agreed productivity and profitability targets;
- To ensure that the chain of command is clear in the Company to facilitate the maintenance of discipline, ambit of all managers is clearly defined to ensure accountability;
- To prepare for the approval of the Board annual forecast of plans for productions, sales, profit, revenue and capital expenditure, manpower which fit into the long term business objectives and the overall strategic direction of the Company;
- To ensure that necessary coordination exists between various divisions of the Company to achieve smooth and effective operations;
- Maintain a regular review of duties and functions of the staff to ensure that there is no duplication of efforts in office methods and procedures and that all operations are carried out efficiently and economically;
- To ensure that the Company's interest and assets are properly protected and maintained and all the required government obligations are compiled;
- To chalk out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole;
- To ensure that proper succession planning for all level of hierarchy exist in the Company and is constantly updated;
- To pay all government dues, on or before due dates and obtain all refunds due from the government;
- To prepare and present personally to the Board of Directors following reports / details:
 - ▶ annual business plan, cash flow projections, forecasts and strategic plan;
 - ▶ budgets including capital, manpower and overhead budgets, along with variance analyses;
 - ▶ quarterly operating results of the Company as a whole and in terms of its operating divisions or business segments;
 - ▶ promulgation or amendment to a law, rule or regulation, enforcement of an accounting standard and such other matters as may affect the company;

- To ensure that any show cause, demand or prosecution notice received from revenue or regulatory authorities are properly responded to;
- To resolve disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the listed company;
- To ensure that open, progressive and game free atmosphere is created among associates giving them a sense of participation and providing them with an opportunity to give their best;
- To ensure that every associate is treated equally as an individual regardless of designation, career development is purely on merit basis and each associate is helped to develop pride of performance through continuous study and training so as to form a team in which all levels of associates work together with common goals to strengthen the position of the Company;
- To ensure effective internal controls and management information systems are in place;
- To ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- To ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
- To keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that the CEO and management of the Company are adequately informed;
- To ensure the integrity of all public disclosure by the Company;
- In concert with the Chairman, to develop Board meeting agendas;
- To request that special meetings of the Board be called when appropriate;
- In concert with the Chairman, to determine the date, time and location of the general meeting of shareholders and to develop the agenda for the meeting; and
- To sit on committees of the Board where appropriate as determined by the Board.

CEO Performance Review

The performance of the CEO is formally appraised through the evaluation system which is based on achieving quantitative and qualitative targets, set at beginning of the year. It includes performance of the business, accomplishment of objectives with reference to profits, organization building, succession planning and corporate success. The Human Resource and Remuneration Committee appraise the performance of CEO along with the determination of remuneration which is then recommended to Board for their approval, on annual basis.

4. Committees of the Board

To ensure objective control, the Board has established Audit Committee and Human Resource and Remuneration Committee to oversee relevant areas of the Company's operations.

Audit Committee

This Committee reviews the financial and internal reporting process, the system of internal controls, management of risks and the internal and external audit processes. An independent internal audit function reports to the Committee regarding risks and internal controls across the organization. The Audit Committee receives reports from external auditors on any accounting matter that might be regarded as critical. The Committee consists of three members. All members of the Committee are non-executive directors. The Chairman of the Committee is an independent director. The detailed Charter of the Audit Committee developed in accordance with the Code of Corporate Governance is contained in the listing regulations of the stock exchange which is summarize below:

- determination of appropriate measures to safeguard the Company's assets;
- review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- review of preliminary announcements of results prior to publication;
- facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- review of management letter issued by external auditors and management's response thereto;
- ensuring coordination between the internal and external auditors of the Company;
- review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- consideration of major findings of internal investigations and management's response thereto;
- ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;

- (k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (l) determination of compliance with relevant statutory requirements;
- (m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- (n) consideration of any other issue or matter as may be assigned by the Board of Directors.

The Audit Committee has reviewed the quarterly, half yearly and annual financial statements, besides the internal audit plan, material audit findings and recommendations of the internal auditor.

Report of the Audit Committee is annexed with this report.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in Company's human resource policies and procedures and their periodic review. The Committee consists of three members. All members of the Committee are non-executive directors. The Chairman of the Committee is an independent director.

The Committee is responsible for:

- (a) carry out evaluation of the Board of Directors;
- (b) recommending human resource management and remuneration policies to the Board;
- (c) recommending to the Board the selection, evaluation, compensation and succession planning of the CEO;
- (d) recommending to the Board the selection, evaluation, compensation of CFO, Company Secretary and Head of Internal Audit; and
- (e) consideration and approval on recommendations of CEO on such matters for key management positions, who report directly to CEO.

5. Auditors

The Company's auditor is an auditing firm which fulfills general competency requirements and also complies with relevant legal independence requirements guaranteeing the execution of an independent and reliable audit. They are also compliant with the Code of Corporate Governance and other applicable laws and regulations. The performance, cost and independence of the external auditor is reviewed by the Audit Committee and recommended to the Board. Annual General Meeting then elects the auditor to audit the accounts for the financial year and the auditor's duties ceases at the close of the subsequent Annual General Meeting. The auditor's duty is to audit financial statements and give reasonable assurance that the financial statements give a true and fair view of the Company's operations and result as well as its financial position. The Company's auditor presents the audit report required by law to the Company's shareholders in connection with the annual financial statements and reports regularly to the Board of Directors.

6. Compliance and Integrity Management

All directors and associates are required to comply with all applicable laws and regulations.

Code of Conduct

The Code emphasizes on honesty, integrity and openness in conduct of Company's operations. It strictly abides all stakeholders to follow the laws and regulations. It also promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights and grievance, fraud, etc. The Code guides interactions with all stakeholders, including consumers, employees, suppliers, shareholders and partners.

The Code is disseminated to all associates and is placed on Company's website. It is reviewed annually and any changes therein are approved by the Board.

The Company investigates all alleged breaches of Code and applies appropriate measures when complaints turn out to be substantiated. An open dialogue is promoted on integrity with a formal "Whistle Blowing Policy". The associates of the Company are encouraged to report their views on bad processes and unethical practices through such policy. These mechanisms are part of the complaints procedure and are described in our Code of Conduct. In 2019-20, no alleged breaches of the Code of Conduct were reported.

IT Governance Policy

IT Governance Policy of the Company is monitored and updated periodically. The policy deals with the use of information and its delegation and authority, security and modes and mediums of dissemination, etc. The Company's focus is on strong processes and systems in order to protect the stakeholders' data and create awareness about the importance of data protection and privacy through IT Governance Policy, which is summarized below:

- Members of Management Committee are responsible for required compliance in their respective functional areas, at all locations; and
- The Head of IT is responsible for its implementation, maintaining compliance and for suggesting new areas as per technology enhancement.

Records Retention and Safety Policy

The Company is striving to become paperless in coming years, by getting all the records scanned and uploaded on servers for later use and retrieval. The Company has an efficient Record Management System to safeguard records of the Company from the time such records are conceived through to their eventual disposal.

A team known as Record Management Committee is made specifically for the purpose of implementation of record management policy.

The policy covers several aspects which include:

- Having Centralized Record Room with proper shelves, fire resistant lockers, etc.;
- Full time dedicated record keeper who is responsible to maintain Centralized Record Room in proper manner;
- Centralized electronics record facility;
- Retention of electronic mail policy;
- Compliance on Records Retention Policy;
- Records retention period;
- Mode of retention; and
- Records disposal.

Whistle Blower Policy

The Company values an open dialog on integrity and responsibility with its associates. The Company is committed to provide a fair environment to its employees. The Company investigates all alleged breaches of Code and applies appropriate measures when complaints turn out to be substantiated. The associates of the Company are encouraged to report their views on processes and practices to their manager. These reporting mechanisms are part of the complaints procedure and are described in our Code of Conduct.

This policy applies to recruitment and selection, terms and conditions of employment including pay and benefits, communications, training, promotion, transfer and every other aspect of employment.

Violations reported through the whistle blower procedure are investigated by internal audit function. Information regarding any incident is reported to the Audit Committee. Reports include measures taken, details of the responsible Company function and the status of any investigation. In 2019-20, no alleged breaches of the Code of Conduct were reported.

Business Ethics and Anti-Corruption Measures

Our Code of Conduct states our principles for good business ethics with underlying values to conduct business operations with honesty, integrity and openness, and with respect for human rights and interest of the associates. The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc.

All forms of corruption whether directly or indirectly are discouraged that include but not limited to bribery, kickbacks, payoff, etc. The stern action is taken against personnel found in these mal-practices. It is the responsibility of all associates to ensure that none of Company's associates engage in practices which infringe legal or regulatory requirements. Any associate engaging in business practices which infringe legal or regulatory requirements are subjected to disciplinary action which may lead to dismissal and personal criminal or civil liability.

The associates are encouraged to report any infringement or suspected infringement of legal or regulatory requirements involving associates of the Company.

Related Parties

Related parties comprise of the Holding Company, Associated Companies, directors of the Company, companies in which directors are interested, key management personnel, post employment benefit plans and close members of the families of the directors and key management personnel.

The Company has an updated list of related parties and complete record as required by Companies Act, 2017 and directives issued by SECP from time to time.

Governance Practices Exceeding Legal Requirements

The Company is dedicated to implement best practices towards governance exceeding legal requirements which includes following:

- Best reporting practices recommended by ICAP;
- Adaptation of Pakistan Stock Exchange Top 25 Companies Criteria; and
- Implementation of strict HSE practices to attain international certifications such as ISO, OHSAS, EME, etc.

Unreserved Compliance of IFRS issued by IASB

Company's financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standard comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

Factors Effecting External Environment

Risk and Opportunity Report

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 the Board has implemented and reviewed business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders.

Efforts by the Board for Risk Tolerance

The Company's Board is responsible for providing strategic oversight and is also responsible for ensuring that sound risk management and internal control system is in place. The Company has enough expertise to ensure that an appropriate control environment is established and maintained covering the Company's operations, strategy, finances, reporting and compliance activities. Internal and external auditors also play their roles with respect to risk management. These risks include strategic, operational and financial failures, market disruptions, environmental disasters and regulatory violations.

The following report covers Company's risk assessment; identified risks; adopted mitigating factors and actions in place, duly endorsed by the Board of Directors.

External Sources:







Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Market To be market leader in battery industry.	Strategic Commercial	Continued inflation reducing customer purchasing power. Variation in raw materials and other input costs led by oil prices causing uncertainty.	■	Enhance internal efficiencies to provide the right product at the right price
Catastrophic To minimize catastrophic risk and loss of assets	Financial	The financial loss to the Company if a natural disaster causes disruption of operations	■	The Company has a Business Continuity Plan and Disaster Recovery Plan in place to ensure that minimum disruptions occur due to unforeseen disasters.
Credit Risk To minimize credit risk.	Financial	The financial loss to the Company if a customer fails to meet its contractual obligation arising from trade receivables.	■	In certain situations, the Company extends credit after due consideration of factors which includes market sentiments, seasonal effects, etc. A comprehensive credit policy is already in place.
Investment To maximize returns on investments.	Financial	Adverse stock market developments may affect revaluation of assets.	■	The Company has investment in mutual funds and maintains diversified portfolio to mitigate risk.
Socio-political situation To operate in a stable market with least volatility and low occurrence of unforeseen variables.	Commercial	Compliance of new and existing laws and regulations. Political uncertainty may affect business volume.	■	A team of qualified and experienced professional in the management team ensures compliance with all laws, rules and regulations.

Sensitivity


■ High

■ Medium



■ Low

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Technology To evolve technologically in order to manufacture products of high quality.	Operational	Technology shift may render production process obsolete and cost inefficient.		Constant process of balancing, modernization and up gradation of production facilities.
Operations To ensure continuity of operations without disruptions.	Operational	The on-going energy crisis. Vendors' operational / financial constraints and their deteriorating quality standards. Disruptions due to data loss from operational failures or natural disasters.	  	Company operations have an alternative energy source. Continuous assessment of all vendors in terms of quality, operational and financial capacities. An IT related business continuity plan is in place for ensuring efficient recovery of information systems for successful resumption of business functions.
Finance To be financially strong and perform up to the expectations of all stakeholders.	Financial	Devaluation of Pak Rupee against foreign currencies and rising interest rates may adversely affect Company's financial performance. Increase production capacity leading to high material and supplies' orders and costs making liquidity and cash flows stressed.	 	Foreign currency exposure and financing facilities are monitored by the Treasury department. Derivatives such as forward covers, currency options and interest rates swaps are used for hedging against currency devaluation when considered necessary, as and when deemed feasible. Liquidity is monitored by the Treasury department in cooperation with Supply Chain division. Further, cash management facilities from various banks have been availed for quick realization of sales revenue.

Internal Sources:

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Internal Controls To have strong internal controls leading to sound and stable Company	Operational	The Company may be exposed to financial irregularities resulting in qualitative and quantitative losses in the absence of effective internal controls.		Internal controls covering areas of governance, management, policies and procedures, compliance with laws and regulations etc. are in place. Internal Audit department monitors the compliance of internal controls.

Sensitivity  High  Medium  Low

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Human Resource Recruitment and career advancement based on integrity, merit, experience and skills.	Operational	Qualified and competent staff may not be available in sufficient numbers. Operations may be subject to fraudulent activities.		Well-structured procedures for recruitment, training, compensation, periodic appraisals and succession planning have been implemented to ensure staff retention and continued operation.
Health and Safety To ensure health and safety of associates at workplace.	Operational	Injuries due to workplace accidents.		Safety is top priority and an effective working environment is enforced. Medical and health insurance policies are in place for all associates. Adequate trainings are provided to associates along with drills conducted.

Sensitivity  High  Medium  Low

Risk Categories

Strategic Risk: These risks are related to the business environment including the industry and are beyond Company's control.

Commercial Risks: These risks emanate from commercial substance of the organization and involve decisions which may affect Company's position in the market.

Operational Risks: These risks are related to Company's internal operations, administrative procedures and daily affairs.

Financial Risks: These risks are related with financial matters including profitability, financing, liquidity and credit.

Key Sources of Uncertainty

- Increasing commodities prices may impact raw materials and other input costs.
- Extending credit to the customers.
- Widening gap of trade balance and increase current account deficit.
- Inflation prevailing in the country and budgeted for the upcoming years.
- Pak Rupee parity against foreign currencies.
- Interest rate fluctuations.
- Stock market fluctuations.
- Political uncertainty, and law and order situation may affect business volume.
- Energy supply in country.

Approach adopted by Management

The management considers various factors including but not limited to all departments authority levels, best practices, and all applicable laws and regulations to mitigate the risks stated above.

PESTEL

Factors	Organization's Response
Political Political uncertainty and inconsistent policies	Discussion / suggestions proposed to relevant authorities
Economic Increasing labor costs, high interest rates, inflation and low growth rate	Cost cutting initiatives by effective resource management
Social Corporate Social Responsibility (CSR) increasing attention in healthcare, charity and donation, safe and healthy environment	Active participation in CSR activities
Technological Technological obsolescence and its advancements	Investment in technological advancement projects
Legal New laws and regulations	Ensures compliance of all laws and regulations
Environmental Increased need for environmental protection and resource conservation	Investments in environment friendly and protection equipment

Seasonality of Business

The Company's principal business is to sell batteries to urban and rural markets. Demand from rural market is based upon various crop seasons while demand from urban markets is non-seasonal. The seasonality is managed through credit sales, inventory management and supply chain planning.

Competitive Landscape and Market Positioning – SWOT Analysis

Strengths

- Visionary Board of Directors
- Support of Atlas Group
- JV with GS Yuasa, world No. 2 Japanese battery manufacturer
- TC from GYIN, associated company of GS Yuasa
- Quality leader in domestic market
- Market leader in OEMs and MCB sector

Weaknesses

- Limited range of product in arsenal i.e. MF, tubular and industrial batteries
- Wastage and claims are higher than International Standards
- 5 S need more focus
- Benefit from market leadership in motorcycle OEM segment not fully capitalized in replacement market

Strategies

- Product Innovation: Calcium Alloy MF Batteries, DC Batteries, MF for Motorcycles and product line for Solar Application
- Utilize GYIN for process improvement and automation
- Reduce wastage and claims as per international standards
- Efficient procurement resourcing
- Decisive cost cutting measures to reduce the break-even point
- Market leader through focusing volumes and nation-wise exclusive network
- Create barrier to entry through environmentally compliant plants
- Retain skilled workforce

Opportunities

- Need of MF battery is emerging
- Improving financial performance
- Oracle EBS provide platform for introducing industry best practices in our organization
- Technology support from GYIN to be fully capitalized
- OEM now demanding MF
- 3Ds: Digital, Data, Direct
- Export avenues

Threats

- Power crisis seems over, reducing demand for heavy batteries
- Market contraction due to COVID-19
- Increased competition due to surplus industry capacity
- Volatile lead prices
- Influx of cheap imported batteries through Afghan Transit Trade
- Reduction in present import duty (50%) on finished batteries
- Suspension of business operation of lead smelters due to non compliance of environmental laws
- Withdrawal of SROs on import of raw materials at zero rate

Report of the Audit Committee

The Audit Committee comprises of 3 non-executive directors and Chairman of the Committee is an independent director. The Audit Committee consists of financially literate personnel as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Code 2019”). The Audit Committee reports the following after an annual review of the Company’s operations:

- Four meetings of the Audit Committee were held during the year 2019-20 and presided by the Chairman, attendance of which is as follows:

Sr. No.	Name of Directors	Independent Director	Executive Director	Attendance
1.	Mr. Azam Faruque	Yes	No	4/4
2.	Mr. Bashir Makki	No	No	3/4
3.	Mr. Frahim Ali Khan	No	No	4/4

As required by the Code 2019, Audit Committee also separately met with external auditors without the representation of management. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended all the meetings held during the year, by invitation.

- The Audit Committee appointed a secretary of the Committee who is Head of Internal Audit. The secretary circulated the minutes of meetings of the Audit Committee to all members, directors, CEO and CFO prior to the next meeting of the Board.
- The Audit Committee reviewed quarterly, half yearly and annual financial statements of the Company and recommended to the Board for approval.
- The Audit Committee reviewed preliminary announcements of results prior to publication.
- The Audit Committee reviewed the internal audit reports.
- The Company’s Code of Conduct has been disseminated and placed on Company’s website.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2020 which present fairly the state of affairs, results of operations, changes in equity and cash flows of the Company.
- The CEO and the CFO have endorsed the financial statements of the Company before presented to the Audit Committee and Board of Directors. They acknowledge their responsibility for true and fair presentation of the Company’s financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholders’ needs.
- The Audit Committee has reviewed the related party transactions and recommended to the Board for approval.
- The Company’s system of internal controls is designed to mitigate and eliminate the risk of not achieving business objectives, and can provide reasonable assurance against material misstatement or loss.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company’s shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.

- Ascertained that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- The appraisal of Head of Internal Audit was jointly done by the Chairman of the Audit Committee and CEO.
- None of the staff and management has reported to the Committee concerns during the year about impropriety in financial and other matters.
- The Annual Report is fair, balance and understandable and provides Company's performance and strategy to shareholders.
- Evaluation of the Board performance which also included members of the Audit Committee was carried out separately.
- The Committee has discharged its duties according to its terms of reference.

Internal Audit

- The Board has effectively implemented the internal control framework through an in-house Internal Audit function, which is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- Internal Audit facilitate a risk assessment process in each key business area and support function to review the significant risks facing its operations and to record the relevant controls and any actions in place to mitigate the risks and safeguarding the assets of the Company. The materiality of the risk is measured based on financial and non-financial criteria, and the probability of the risk arising is also mapped. The detailed assessments are then consolidated to provide input into the Company's risk assessment. This process also enables Internal Audit to engage with senior management throughout the business on risk monitoring and management.
- Audit Committee has reviewed the findings of internal audit and management's response thereto. Further, it approved the internal audit plan for 2020-21.
- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.
- Head of Internal Audit has direct access to the Audit Committee.

External Audit

- The statutory auditors of the Company, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2020 and review of the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the year ended June 30, 2020.
- The Auditors have been allowed direct access to the Audit Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured.
- The Audit Committee has reviewed and discussed points of improvements highlighted by the external auditors.
- The Audit Committee has reviewed the Management Letter of 2018-19 which was issued within 30 days of the date of the Auditors' Report on financial statements as required under the listing regulations and discussed with the external auditors and management.
- The Audit Committee reviewed performance, cost and independence of the external auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants and has recommended to the Board their reappointment for the year ending June 30, 2021.

REINVENTING THE FUTURE OF BUSINESS



Atlas Battery plans to tackle future challenges through innovative technology. We hope to anticipate the new normal with strategic resilience and insightful planning, keeping our sights on taking Atlas Battery to new heights.

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

Name of the Company: Atlas Battery Limited
Year Ended: June 30, 2020

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 7 as per the following
 - a. Male: 6
 - b. Female: 1
2. The composition of Board is as follows:
 - a) Independent Directors: 2
 - b) Non-executive Directors: 4
 - c) Executive Director: 1
3. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board. At present, the Board includes:

Sr. No.	Name of Directors	Category		
		Independent (2)	Non-Executive (4)	Executive (1)
1.	Mr. Aamir H. Shirazi		√	
2.	Mr. Azam Faruque	√		
3.	Mr. Bashir Makki		√	
4.	Mr. Frahim Ali Khan		√	
5.	Ms. Mahreen Amin (Elected w.e.f. May 21, 2020)	√		
6.	Mr. Toru Furuya		√	
7.	Mr. Ali H. Shirazi			√

Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not rounded up as one.

4. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company;
5. 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;
6. The Board has developed a Vision and Mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of significant policies along with their date of approval is maintained by the Company;
7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provision of the Companies Act, 2017 (the Act) and the Regulations;
8. 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
9. The Board has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations;
10. Four directors are Certified Director and two directors meet the criteria of exemption and are accordingly exempted from directors' training program. Remaining Director will acquire the required directors' training certification within the time specified in the Regulations;

11. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
12. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
13. The Board has formed Committees comprising of members given below:
 - a) Audit Committee
 - Mr. Azam Faruque – Chairman
 - Mr. Bashir Makki – Member
 - Mr. Frahim Ali Khan – Member
 - b) Human Resource and Remuneration Committee
 - Ms. Mehreen Amin – Chairman
 - Mr. Bashir Makki – Member
 - Mr. Frahim Ali Khan – Member
14. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance;
15. The frequency of meetings of the Committee were as per following:
 - (a) Audit Committee – quarterly
 - (b) Human Resource and Remuneration Committee – on required basis
16. The Board has set-up an effective internal audit function;
17. 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 and their 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 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;
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act and the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
19. We confirm that all other requirement of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

For and on behalf of the
BOARD OF DIRECTORS



Azam Faruque
Director

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 25, 2020

Independent Auditor's Review Report to the Members of Atlas Battery 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 Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Atlas Battery Limited (the Company) for the year ended June 30, 2020, 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 requires 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, 2020.

Shiny Hamid Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 25, 2020

a member firm of *ShineWing* International

Independent Auditor's Report to the Members of Atlas Battery Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Atlas Battery Limited (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the 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 purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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, 2020 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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:

S.No. Key Audit Matter

How the matter was addressed in our audit

1. Adoption of IFRS 16 - 'Leases'

Refer note 2.3.1(a) to the financial statements. The Company has adopted IFRS 16 'Leases' on July 1, 2019. Under the requirement of IFRS 16, the Company recognized right of use assets (note 5.9) and lease liabilities (note 20) for certain lease payments - i.e. these leases are on the statement of financial position. The application of this standard requires management to make judgements, estimates and assumptions with regard to lease term and discount rate for calculation of lease liabilities and consequently considered as a key audit matter.

Our audit procedures in respect of these areas included:

Obtained an understanding of the Company's processes and related controls for lease accounting, including those relating to assessment of discount rates, lease term and extension options and considered their appropriateness;

On a sample basis, tested the lease data by comparing the lease agreement with related IFRS 16 lease calculations;

Tested, on a sample basis, the calculation of right of use asset and lease liabilities by performing recalculations and tracing the terms with relevant supporting documents; and

We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.

2. Stock-in-trade

Refer notes 4.7 and 11 to the financial statements, the Company has stock-in-trade aggregating Rs. 1,999,313 thousand comprising raw materials, finished goods and work in progress. We identified this area as a key audit matter because stock-in-trade constitutes 25.50% of the total assets of the Company as at June 30, 2020 and determining an appropriate write down as a result of net realizable value (NRV) involves management judgement and estimation.

Our audit procedures in respect of this area included:

Observation of physical inventory count procedures and compared on a sample basis, physical count with valuations sheets;

Compared on a sample basis specific purchases and directly attributable cost with underlying supporting documents;

Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and

We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017.

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 the Company's Annual Report for 2020, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 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 statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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).

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

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 25, 2020

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2020

	Note	2020 ----- (Rupees in '000) -----	2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,139,386	3,924,958
Intangible assets	6	-	160
Investments	7	-	-
Long term loans	8	2,049	1,289
Long term deposits	9	18,683	20,281
		4,160,118	3,946,688
Current assets			
Stores, spares and loose tools	10	215,326	225,331
Stock-in-trade	11	1,999,313	1,760,092
Trade debts	12	692,998	1,096,449
Loans and advances	13	8,647	4,887
Deposits and prepayments	14	9,861	24,400
Investments	15	138,268	127,055
Other receivables	16	2,446	8,399
Taxation - net		567,622	594,968
Bank balances	17	45,507	423,649
		3,679,988	4,265,230
Total assets		7,840,106	8,211,918



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer


STATEMENT OF FINANCIAL POSITION


AS AT JUNE 30, 2020

	Note	2020 ----- (Rupees in '000) -----	2019
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 50,000,000 (2019: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	18	243,597	243,597
Revenue reserves			
General reserve		5,037,500	5,037,500
Accumulated loss		(915,479)	(589,274)
		4,122,021	4,448,226
Capital reserve			
Surplus on revaluation of leasehold land	19	589,186	589,186
Total equity		4,954,804	5,281,009
Liabilities			
Non current liabilities			
Lease liabilities	20	358,677	-
Long term borrowings	21	551,405	-
Deferred income - government grant	22	6,181	-
Staff retirement benefits	23	69,515	69,345
Deferred taxation	24	237,131	246,580
		1,222,909	315,925
Current liabilities			
Trade and other payables	25	1,195,743	1,037,880
Sales tax payable - net		175,968	87,717
Accrued mark-up		34,891	43,385
Current portion of lease liabilities	20	30,151	-
Current maturity of long term borrowings	21	106,506	-
Current portion of deferred income - government grant	22	11,931	-
Short term borrowings	26	71,297	1,408,152
Unclaimed dividend		35,906	37,850
		1,662,393	2,614,984
Total liabilities		2,885,302	2,930,909
Contingencies and commitments	27		
Total equity and liabilities		7,840,106	8,211,918

The annexed notes 1 to 47 form an integral part of these financial statements.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 ----- (Rupees in '000) -----	2019
Sales	28	12,546,152	12,773,113
Cost of sales	29	(11,667,365)	(12,506,602)
Gross profit		878,787	266,511
Distribution cost	30	(487,020)	(598,645)
Administrative expenses	31	(181,626)	(221,352)
Other income	32	32,601	385,464
Other expenses	33	(38,261)	(43,546)
Profit / (loss) from operations		204,481	(211,568)
Finance cost	34	(348,496)	(213,222)
Loss before taxation		(144,015)	(424,790)
Taxation	35	(183,084)	(167,673)
Loss for the year		(327,099)	(592,463)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Surplus on revaluation of land		-	395,300
Re-measurement of staff retirement benefit obligation		1,259	(3,551)
Impact of deferred tax		(365)	1,030
Other comprehensive income for the year - net of tax		894	392,779
Total comprehensive loss for the year		(326,205)	(199,684)
----- Rupees -----			
Loss per share - basic and diluted	36	(13.43)	(24.32)

The annexed notes 1 to 47 form an integral part of these financial statements.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive


Rizwan Ahmed
Chief Financial Officer


STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserve	Unappropriated profit / (accumulated loss)	Surplus on revaluation of leasehold land	
----- (Rupees in '000) -----					
Balance as at July 1, 2018	173,998	4,697,500	589,307	193,886	5,654,691
Transfer to general reserve	-	340,000	(340,000)	-	-
Transaction with owners, recognised directly in equity					
Cash dividend for the year ended June 30, 2018 at the rate of Rs.10 per share	-	-	(173,998)	-	(173,998)
Bonus shares issued for the year ended June 30, 2018 in ratio of 2 shares for every 5 shares held	69,599	-	(69,599)	-	-
Total comprehensive income for the year ended June 30, 2019					
Loss for the year	-	-	(592,463)	-	(592,463)
Other comprehensive (loss) / income	-	-	(2,521)	395,300	392,779
	-	-	(594,984)	395,300	(199,684)
Balance as at June 30, 2019	243,597	5,037,500	(589,274)	589,186	5,281,009
Total comprehensive loss for the year ended June 30, 2020					
Loss for the year	-	-	(327,099)	-	(327,099)
Other comprehensive income	-	-	894	-	894
	-	-	(326,205)	-	(326,205)
Balance as at June 30, 2020	243,597	5,037,500	(915,479)	589,186	4,954,804

The annexed notes 1 to 47 form an integral part of these financial statements.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive


Rizwan Ahmed
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Loss before taxation	(144,015)	(424,790)
Adjustments for non-cash charges and other items:		
Depreciation	367,074	316,363
Amortisation	160	842
Provision for gratuity	7,208	4,754
Provision for compensated leave absences	4,148	10,865
Gain on sale of investments at fair value through profit or loss	(10)	(4,450)
Dividend income	(15,316)	(15,955)
Fair value gain on investments at fair value through profit or loss	(287)	(98)
Gain on disposal of operating fixed assets	(8,682)	(327,076)
Provision for doubtful debts	29,963	3,896
Finance cost	348,496	213,222
	588,739	(222,427)
Changes in working capital:		
Decrease / (increase) in current assets		
- Stores, spares and loose tools	10,005	(6,417)
- Stock-in-trade	(239,221)	928,918
- Trade debts	373,488	653,966
- Loans and advances	(3,760)	8,948
- Deposits and prepayments	14,539	(7,510)
- Other receivables	5,953	(1,714)
- Sales tax receivable - net	-	-
	161,004	1,576,191
Increase / (decrease) in current liabilities		
- Trade and other payables	161,262	(599,411)
- Sales tax payable - net	88,251	119,456
	249,513	(479,955)
	410,517	1,096,236
Cash generated from operations	999,256	873,809
Finance cost paid	(301,836)	(190,096)
Income taxes paid (including tax deducted at source)	(165,552)	(218,710)
Gratuity paid	(9,387)	(13,891)
Compensated leave absences paid	(3,939)	(14,509)
Long term loans - net	(760)	470
Long term deposits - net	1,598	120
Net cash generated from operating activities - carried forward	519,380	437,193


STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020

	2020	2019
	----- (Rupees in '000) -----	
Net cash generated from operating activities - brought forward	519,380	437,193
Cash flows from investing activities		
Payments for property, plant and equipment	(207,885)	(636,972)
Proceeds from sale of property, plant and equipment	44,380	709,284
Payments for investments	(13,019)	(133,676)
Proceeds from sale of investments	2,104	873,090
Dividend received	15,316	15,955
Net cash (used in) / generated from investing activities	(159,104)	827,681
Cash flows from financing activities		
Lease rentals paid	(75,642)	-
Long term borrowings obtained	657,911	-
Government grant - net	18,112	-
Short term borrowings - net	(1,336,855)	(1,051,535)
Dividend paid	(1,944)	(170,870)
Net cash used in financing activities	(738,418)	(1,222,405)
Net (decrease) / increase in cash and cash equivalents	(378,142)	42,469
Cash and cash equivalents at beginning of year	423,649	381,180
Cash and cash equivalents at end of year	45,507	423,649

The annexed notes 1 to 47 form an integral part of these financial statements.


Aamir H. Shirazi
 Chairman


Ali H. Shirazi
 President / Chief Executive


Rizwan Ahmed
 Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sale of automotive and motorcycle batteries & allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan.

The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% of issued, subscribed and paid-up capital of the Company as at June 30, 2020.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These 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 comprise:

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

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

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

2.3 New and amended standards and interpretations

2.3.1 Standards, amendments to approved accounting standards effective in the current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2019:

- (a) The Company has adopted IFRS 16 'Leases' from July 1, 2019. IFRS 16 'Leases' primarily affects the accounting by lessees and results in the recognition of almost all leases on statement of financial position. The standard removes distinction between operating and finance leases and requires recognition of an asset (the right of use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases. The accounting by lessors does not significantly changed. Some differences may arise as a result of the new guidance on the definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has applied IFRS 16 using the modified retrospective approach. Under this approach, the cumulative effect of initial application to be recognized in retained earnings at July 1, 2019. Accordingly, the comparative information presented for 2019 has not been restated - i.e. it is presented as previously reported under IAS 17 and related interpretations. The details of the changes in accounting policies are disclosed below:

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all of the risks and rewards of ownership. Under IFRS 16 the Company recognizes right of use assets and lease liabilities for leases - i.e. these leases are on the statement of financial position. On initial application, the Company has also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets'). Some lease contracts of the Company are extendable through mutual agreement between the Company and the lessor or cancellable by both parties immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that such contracts are short-term in nature. The Company recognizes the lease payments associated with these leases as an expense in statement of profit or loss.

The accounting policies relating to Company's right of use asset and related lease liabilities are disclosed in note 4.1(b), details pertaining to right of use assets are disclosed in note 5.9 and related leases are disclosed in note 20.

- (b) Amendment to IAS 12, 'Income taxes', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.
- (c) Amendment to IAS 23 'Borrowing Costs', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.
- (d) The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

2.3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2019 and have not been early adopted by the Company:

- (a) Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is applicable on accounting periods beginning on or after January 1, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS. Refined definition of materiality - Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.
- (b) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020. Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19 related rent concessions that reduce lease payments due on or before June 30, 2021. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors. The amendment not expected to have material impact on the Company's financial statements.
- (c) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendment not expected to have material impact on the Company's financial statements.
- (d) Annual improvements 2018 applicable for annual periods beginning on or after January 1, 2022. These amendments include changes from the 2018-2020 cycle of annual improvements project that mainly affect following standards:
 - (i) Amendments to IFRS 1 'First-time Adoption of International Financial Reporting Standards, simplifies the application of IFRS 1 for a subsidiary that becomes a first time adopter of IFRS Standards later than its parent – i.e. if a subsidiary adopts IFRS Standards later than its parent and applies, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS Standards.
 - (ii) Amendment to IFRS 9 'Financial Instruments', clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.
 - (iii) Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
 - (iv) Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 Fair Value Measurement.

- (e) Amendment to IAS 16 'Property, plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments. The amendment not expected to have material impact on the Company's financial statements.
- (f) Amendments to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.

There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

- 3.1** These financial statements have been prepared under the historical cost convention except for leasehold land which is stated at the revalued amount, investments which are carried at fair value and certain employee retirement benefits which are measured at present value of defined benefit obligation less fair value of plan assets.
- 3.2** The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets [note 4.1 and 4.2]
- (ii) Lease term and discount rate for calculation of lease liabilities [notes 4.1(b)]
- (iii) Provision for doubtful debts [note 4.8]
- (iv) Estimate of payables and receivables in respect of employees' retirement benefits [note 4.11]
- (v) Estimation of current and deferred tax [note 4.13]
- (vi) Estimate of provisions and warranty [note 4.14 and 4.15]

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

4.1 Property, plant and equipment

a) Owned assets

Operating fixed assets except for leasehold land are stated at cost less accumulated depreciation and impairment loss, if any. Leasehold land is stated at revalued amount. Capital work-in-progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

Depreciation

Depreciation is charged to statement of profit or loss on the reducing balance basis except for computers and accessories. Depreciation on computers and accessories is charged to statement of profit or loss on a straight-line basis. Depreciation is charged at the rates stated in note 5.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the statement of profit or loss.

Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of leasehold land", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of operating fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on operating fixed assets relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders.

b) Right of use assets and related liabilities

The Company generally leases regional offices, ware houses and related properties. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments 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. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities were discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any, and represent the cost of software licenses and ERP implementation cost.

The costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

Subsequent expenditure

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the straight-line method over a period of two years.

The assets' useful lives are reviewed, at each reporting date, and adjusted if the impact on amortisation is significant.

4.3 Financial assets

4.3.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through other comprehensive income

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognised in profit or loss.

(c) Financial assets at fair value through profit or loss

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

All equity instruments are to be classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

4.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

After initial recognition, an entity shall measure a financial asset at fair value or amortised cost.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within 'Other income / other expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognised in other comprehensive income with only dividend income recognised in profit or loss.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through profit or loss or where entity elects to measure at financial liability, under fair value option.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the statement of profit and loss.

4.5 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realizable value. The cost of inventory is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated upto the reporting date.

4.7 Stock-in-trade

These are valued at lower of cost and net realizable value.

The cost in relation to raw materials in hand, packing materials and components has been calculated on a weighted average basis and represents invoice values plus other charges paid thereon.

The cost in relation to work-in-process and finished goods represents direct cost of materials, wages and appropriate manufacturing overheads.

Raw materials held in custom bonded warehouse and stock-in-transit are valued at cost comprising of invoice value plus other charges accumulated upto the reporting date.

Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.8 Trade debts and other receivables and related impairment

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9.

Trade debts are initially recognised at original invoice amount which is the fair value of the consideration to be received in future and subsequently measured at cost less provision for doubtful debts. The Company uses simplified approach for measuring the expected credit losses for all trade and other receivables including contract assets based on lifetime expected credit losses. The Company has estimated the credit losses using a provision matrix where trade receivables are grouped based on different customer attributes along with historical, current and forward looking assumptions. Debts considered irrecoverable are written off.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortised cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks and cheques in hand.

4.10 Share capital

Ordinary shares are classified as equity and recognised at their face value.

4.11 Employees' benefits

The Company has following plans for its employees:

4.11.1 Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the profit and loss account when it is due.

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognised provident fund (the Fund); or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund / scheme, both by the Company and the employees. The Fund is a separate legal entity and its assets are being held separately under the control of its trustees.

4.11.2 Defined benefit plans

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in current and prior periods that benefit is discounted to determine its present value.

The Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. Contributions under the schemes are made on the basis of actuarial valuation. The valuations of both schemes are carried out annually by an independent expert, using the "Projected Unit Credit Method" with the latest valuation being carried out as on June 30, 2020.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past service cost, if any, are recognised immediately in profit and loss account.

4.11.3 Employees compensated leave absences

Employees' entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees upto the reporting date.

4.12 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximates fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.15 Warranty

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated based on past experience / history of the level of repairs and replacements.

4.16 Revenue recognition

The Company recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company recognises revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognise revenue when the entity satisfies a performance obligation

The Company manufactures and sale automotive & motorcycle batteries and allied products. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are dispatched to customers.

4.17 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. The benefit of a government loan at a below-market rate of interest is treated as a government grant. Government grants relating to costs are deferred and recognised in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.19 Foreign currency transactions and translation

The foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of the transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss account with other income / other operating expenses.

4.20 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

4.21 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

4.22 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

	Note	2020 ----- (Rupees in '000) -----	2019
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,691,097	3,352,171
Capital work-in-progress	5.7	93,489	572,787
Right of use assets	5.9	354,800	-
		<u>4,139,386</u>	<u>3,924,958</u>

5.1 Operating fixed assets

	Leasehold land (note 19)	Buildings on leasehold land	Plant and machinery	Office equipment	Computers and accessories	Furniture and fixtures	Air condi- tioners	Vehicles	Total
----- (Rupees in '000) -----									
As at July 1, 2018									
Revaluation / cost	516,440	1,005,571	2,901,057	14,878	57,042	59,021	20,691	149,801	4,724,501
Accumulated depreciation	-	210,082	1,062,431	4,544	45,314	11,478	6,219	50,007	1,390,075
Net book value	<u>516,440</u>	<u>795,489</u>	<u>1,838,626</u>	<u>10,334</u>	<u>11,728</u>	<u>47,543</u>	<u>14,472</u>	<u>99,794</u>	<u>3,334,426</u>
Year ended June 30, 2019									
Opening net book value	516,440	795,489	1,838,626	10,334	11,728	47,543	14,472	99,794	3,334,426
Revaluations / additions	395,300	120,482	131,259	579	8,969	10,792	5,458	43,477	716,316
Disposals									
- cost	322,140	-	60,384	-	268	78	81	42,290	425,241
- accumulated depreciation	-	-	(26,846)	-	(141)	(69)	(39)	(15,938)	(43,033)
	<u>322,140</u>	<u>-</u>	<u>33,538</u>	<u>-</u>	<u>127</u>	<u>9</u>	<u>42</u>	<u>26,352</u>	<u>382,208</u>
Depreciation charge	-	83,377	193,566	1,057	8,111	5,388	1,656	23,208	316,363
Closing net book value	<u>589,600</u>	<u>832,594</u>	<u>1,742,781</u>	<u>9,856</u>	<u>12,459</u>	<u>52,938</u>	<u>18,232</u>	<u>93,711</u>	<u>3,352,171</u>
At June 30, 2019									
Revaluation / cost	589,600	1,126,053	2,971,932	15,457	65,743	69,735	26,068	150,988	5,015,576
Accumulated depreciation	-	293,459	1,229,151	5,601	53,284	16,797	7,836	57,277	1,663,405
Net book value	<u>589,600</u>	<u>832,594</u>	<u>1,742,781</u>	<u>9,856</u>	<u>12,459</u>	<u>52,938</u>	<u>18,232</u>	<u>93,711</u>	<u>3,352,171</u>
Year ended June 30, 2020									
Opening net book value	589,600	832,594	1,742,781	9,856	12,459	52,938	18,232	93,711	3,352,171
Additions	-	489,318	138,061	112	10,534	3,918	1,849	43,391	687,183
Disposals									
- cost	-	-	43,039	-	10,418	-	44	31,572	85,073
- accumulated depreciation	-	-	(22,472)	-	(9,381)	-	(30)	(17,492)	(49,375)
	<u>-</u>	<u>-</u>	<u>20,567</u>	<u>-</u>	<u>1,037</u>	<u>-</u>	<u>14</u>	<u>14,080</u>	<u>35,698</u>
Depreciation charge	-	94,961	179,616	1,004	9,153	5,395	1,866	20,564	312,559
Closing net book value	<u>589,600</u>	<u>1,226,951</u>	<u>1,680,659</u>	<u>8,964</u>	<u>12,803</u>	<u>51,461</u>	<u>18,201</u>	<u>102,458</u>	<u>3,691,097</u>
At June 30, 2020									
Revaluation / cost	589,600	1,615,371	3,066,954	15,569	65,859	73,653	27,873	162,807	5,617,686
Accumulated depreciation	-	388,420	1,386,295	6,605	53,056	22,192	9,672	60,349	1,926,589
Net book value	<u>589,600</u>	<u>1,226,951</u>	<u>1,680,659</u>	<u>8,964</u>	<u>12,803</u>	<u>51,461</u>	<u>18,201</u>	<u>102,458</u>	<u>3,691,097</u>
Depreciation rate (% per annum)		<u>10</u>	<u>10 - 20</u>	<u>10</u>	<u>30 - 33</u>	<u>10</u>	<u>10</u>	<u>20</u>	

5.2 Leasehold land of the Company is located at D-181, S.I.T.E. Karachi with an area of 2.68 acres.

5.3 Had the leasehold land been recognised under the cost model, the carrying amount of leasehold land would have been Rs.414 thousand (2019: Rs.414 thousand).

	Note	2020 ----- (Rupees in '000) -----	2019
5.4 Depreciation charge has been allocated as follows:			
Cost of goods manufactured	29.1	282,500	286,470
Distribution cost	30	12,950	13,406
Administrative expenses	31	17,109	16,487
		<u>312,559</u>	<u>316,363</u>

5.5 Plant and machinery includes certain dies and moulds having cost aggregating Rs.142,479 thousand (2019: Rs.120,856 thousand) and net book value of Rs.84,787 thousand (2019: Rs.71,863 thousand) which are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company. Detail of vendors are as follows:

Vendor Name	2020		2019	
	Cost	Net Book Value	Cost	Net Book Value
----- (Rupees in '000) -----				
A.R Enterprises	1,188	532	1,188	591
Al Huda Plastics	3,406	1,466	3,406	1,629
Atlas Aluminium (Private) Limited - a related party	-	-	17,610	14,468
Diwan Plastic Industries	18,859	8,772	18,859	9,747
Industrial Technical Services	5,067	3,631	2,244	1,081
Malta Auto Industries (Private) Limited	3,265	1,897	3,265	2,108
Precision Polymers (Private) Limited	50,185	24,867	50,185	27,630
Polymer Engineering Products	25,601	14,841	23,268	14,274
N H Enterprises	691	237	691	263
Nobel Enterprises	140	65	140	72
Atlas Metals (Private) Limited - a related party	1,525	1,512	-	-
Atlas Autos (Private) Limited - a related party	32,552	26,967	-	-
	<u>142,479</u>	<u>84,787</u>	<u>120,856</u>	<u>71,863</u>

5.6 The details of operating fixed assets disposed during the year are as follows:

Particular of Assets	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain	Mode of disposal	Particular of buyers
----- (Rupees in '000) -----							
Assets having net book value exceeding Rs. 500,000 each							
Plant and machinery							
Generator	36,649	18,432	18,217	21,885	3,668	Negotiation	Atlas Engineering (Private) Limited, a related party
Generator	3,933	2,352	1,581	1,763	182	Negotiation	Shirazi Investments (Private) Limited, the Holding Company
	40,582	20,784	19,798	23,648	3,850		
Laboratory Equipment							
Atomic Absorption Spectrometer	1,996	1,422	574	1,785	1,211	Trade-in	Perkin Elmer Singapore PTE Ltd, 80 Raffles Place # 32-01 UOB Plaza 1, Singapore.
Vehicles							
	1,174	548	626	626	-	Company Policy	Atlas Autos (Private) Limited, a related party
	1,169	577	592	592	-	Company Policy	Mr. Mohammad Ibrahim, Ex-employee
	1,991	1,142	849	849	-	Company Policy	Atlas Power Limited, a related party
	732	224	508	518	10	Company Policy	Mr. M. Omar Sharif, Ex-employee
	1,300	291	1,009	1,009	-	Company Policy	Atlas Autos (Private) Limited, a related party
	1,300	291	1,009	1,009	-	Company Policy	Mr. Adil Hayat, Ex-employee
	1,174	631	543	543	-	Company Policy	Mr. Muhammad Arif, Employee
	2,122	1,337	785	785	-	Company Policy	Mr. Qasim Imran, Key management personnel
	2,122	1,337	785	785	-	Company Policy	Mr. Ahmar Waheed, Key management personnel
	2,122	1,337	785	785	-	Company Policy	Mr. Mansoor Jamil, Key management personnel
	2,418	1,731	687	2,300	1,613	Negotiation	M/s. Dawn Convertec (Private) Limited, Plot A/1, S.I.T.E, Karachi
	2,416	1,741	675	2,350	1,675	Negotiation	
	2,493	1,729	764	764	-	Company Policy	Mr. Ali H. Shirazi, Key management personnel
	2,122	1,368	754	754	-	Company Policy	Mr. Rizwan Ahmed, Key management personnel
	2,328	1,088	1,240	1,240	-	Company Policy	Mr. Mohsin Khan, Key management personnel
	26,983	15,372	11,611	14,909	3,298		
Various assets having net book value upto Rs.500,000 each							
	15,512	11,797	3,715	4,038	323		
2020	85,073	49,375	35,698	44,380	8,682		
2019	425,241	43,033	382,208	709,284	327,076		

	Note	2019	Additions	Transfers	2020
----- (Rupees in '000) -----					
5.7 Capital work-in-progress					
Buildings on leasehold land		396,102	23,583	(413,647)	6,038
Plant and machinery		168,096	49,636	(136,261)	81,471
Computers and accessories		2,078	4,770	(3,289)	3,559
Furniture and fixtures		3,040	-	(3,040)	-
Air conditioners		1,453	-	(1,453)	-
Vehicles		-	41,453	(41,332)	121
Intangible asset		2,018	490	(208)	2,300
	5.8	572,787	119,932	(599,230)	93,489

5.8 Includes Rs.121 thousand advance made to Atlas Honda Limited, a related party for purchase of vehicle (2019: Rs.52,185 thousand advance payment made to Atlas Global FZE, a related party, for purchase of plant & machinery).

	Note	2020 ----- (Rupees in '000) -----	2019
5.9 Right of use assets			
Transition effect on initial application	5.9.1	409,315	-
Depreciation charged during the year	5.9.2	(54,515)	-
Net book value at end of the year		354,800	-

5.9.1 Right-of-use assets include Rs.299,140 thousand recognised against assets rented from related parties.

5.9.2 Depreciation expense relating to right of use asset - properties of Rs.44,749 thousand has been charged in 'Cost of sales', Rs.7,113 thousand in 'Distribution cost' and Rs.2,653 thousand in 'Administrative expenses'.

	Software licenses	ERP implementation cost	Total
	----- (Rupees in '000) -----		
6. INTANGIBLE ASSETS			
As at July 1, 2018			
Cost	23,067	7,400	30,467
Accumulated amortisation	(22,065)	(7,400)	(29,465)
Net book value	1,002	-	1,002
Year ended June 30, 2019			
Opening net book value	1,002	-	1,002
Amortisation charge	(842)	-	(842)
Closing net book value	160	-	160
At June 30, 2019			
Cost	23,067	7,400	30,467
Accumulated amortisation	(22,907)	(7,400)	(30,307)
Net book value	160	-	160
Year ended June 30, 2020			
Opening net book value	160	-	160
Amortisation charge	(160)	-	(160)
Closing net book value	-	-	-
At June 30, 2020			
Cost	23,067	7,400	30,467
Accumulated amortisation	(23,067)	(7,400)	(30,467)
Net book value	-	-	-
Amortisation rate (% per annum)	50	50	

6.1 Intangible assets as at June 30, 2020 include items having an aggregate cost of Rs.30,467 thousand (2019: Rs.28,517 thousand) that have been fully amortised and still in use of the Company.

	Note	2020 ----- (Rupees in '000) -----	2019
6.2 Amortisation charge has been allocated as follow			
Distribution cost	30	160	175
Administrative expenses	31	-	667
		160	842

	Note	2020 ----- (Rupees in '000) -----	2019
7. INVESTMENTS			
Available for sale - Unquoted			
Arabian Sea Country Club Limited		1,000	1,000
100,000 ordinary shares of Rs.10 each - cost		1,000	1,000
Less: Impairment in the value of investment		-	-
8. LONG TERM LOANS			
Considered good - secured			
Related parties - Key management personnel		1,583	-
Loans to employees - others		3,637	2,716
		5,220	2,716
Recoverable within one year -			
Key management personnel		(1,000)	-
Others		(2,171)	(1,427)
	13	(3,171)	(1,427)
		2,049	1,289

8.1 These represent interest-free loans to executives and other employees as per terms of employment. These loans are provided for the purchase of motorcycle and other specified reasons. Loans aggregating Rs.2,003 thousand (2019: Rs.2,019 thousand) are provided for the purchase of motorcycles and are repayable in monthly instalments over a period of forty-eight months for management staff and fifty-four months for non-management staff. Other loans are recoverable over a period of twelve to twenty four months. These loans are secured by the registration of motorcycles in the name of the Company and employees vested retirement benefits.

8.2 The maximum amount outstanding at the end of any month during the year ended June 30, 2020 from key management personnel (related party) aggregated to Rs.2,000 thousand (2019: Nil)

8.3 The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.

	Note	2020 ----- (Rupees in '000) -----	2019
9. LONG TERM DEPOSITS			
Considered good - unsecured and interest-free			
Security deposits for:			
- utilities		4,019	4,019
- rent agreements		10,351	11,949
- others		4,313	4,313
		18,683	20,281
10. STORES, SPARES AND LOOSE TOOLS			
Maintenance spares			
- in hand		111,461	119,645
- in transit		282	-
Consumables stores		102,909	105,309
Loose tools		674	377
		215,326	225,331
11. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		898,221	557,726
- with third parties	11.1	22,470	31,924
		920,691	589,650
Work-in-process		751,225	695,094
Finished goods		327,271	474,704
Items in transit		126	644
		1,999,313	1,760,092

11.1 Includes raw materials amounting to Rs.2,667 thousand (2019: Rs.Nil) held with Atlas Autos (Private) Limited - an Associated Company and Rs.Nil (2019: Rs.9,825 thousand) held with Atlas Aluminium (Private) Limited - an Associated Company, for further processing into parts to be supplied to the Company.

11.2 Stock-in-trade and trade debts upto a maximum amount of Rs.5,801,020 thousand (2019: Rs.5,534,020 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 25).

	Note	2020 ----- (Rupees in '000) -----	2019
12. TRADE DEBTS - Unsecured			
Consider good			
Associated Companies:			
Atlas Honda Limited		51,498	59,524
Honda Atlas Cars (Pakistan) Limited		17,265	15,026
Others		624,235	1,021,899
		<u>692,998</u>	<u>1,096,449</u>
Consider doubtful			
Others		43,807	13,844
		<u>736,805</u>	<u>1,110,293</u>
Provision for doubtful debts	12.1	<u>(43,807)</u>	<u>(13,844)</u>
		<u>692,998</u>	<u>1,096,449</u>
12.1 Provision for doubtful debts			
Balance at beginning of the year		13,844	9,948
Provision for the year - net		29,963	3,896
		<u>43,807</u>	<u>13,844</u>

	Associated Companies		Others	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
12.2 The ageing of trade debts at June 30, is as follows:				
Less than 30 days	59,658	61,845	305,778	455,665
31 - 180 days	8,001	12,467	286,645	562,147
181 days to 365 days	1,104	238	44,110	6,379
Over one year	-	-	31,509	11,552
	<u>68,763</u>	<u>74,550</u>	<u>668,042</u>	<u>1,035,743</u>
Provision for doubtful debts	-	-	(43,807)	(13,844)
	<u>68,763</u>	<u>74,550</u>	<u>624,235</u>	<u>1,021,899</u>

12.3 Trade debts which are past due beyond one year have been impaired and fully provided for.

12.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.108,402 thousand (2019: Rs.147,060 thousand).

	Note	2020 ----- (Rupees in '000) -----	2019
13. LOANS AND ADVANCES			
Considered good and interest-free			
Secured			
Current portion of long term loans to employees	8	3,171	1,427
Unsecured			
Loans to staff other than executives	13.1	30	107
Advances to suppliers, contractors and others	13.2	5,446	3,353
		<u>8,647</u>	<u>4,887</u>

13.1 These represent interest-free welfare loans and salary advance provided to employees in accordance with the Company's policy and have maturities upto ten months.

13.2 Includes advances to suppliers, contractors and others amounting Rs.72 thousand (2019: Nil) paid to Atlas Honda Limited - an Associated Company against purchase of motorcycle for employee.

	2020 ----- (Rupees in '000) -----	2019 ----- (Rupees in '000) -----
14. DEPOSITS AND PREPAYMENTS		
Considered good and unsecured		
Deposits and margins - interest-free	3,428	17,277
Prepayments	6,433	7,123
	9,861	24,400

15. INVESTMENTS - at fair value through profit or loss

2020 ----- (Number of units) -----	2019 ----- (Number of units) -----	Related parties	2020 ----- (Rupees in '000) -----	2019 ----- (Rupees in '000) -----
-	5	Atlas Stock Market Fund	-	2
-	4,127	Atlas Money Market Fund	-	2,075
		Others	-	2,077
1,350,883	1,223,815	HBL Money Market Fund	138,268	124,978
			138,268	127,055

15.1 1,350,883 units of HBL Money Market Fund valuing Rs.138,268 thousand (2019: 1,223,815 units of HBL Money Market Fund valuing Rs.124,978 thousand) are under lien of a commercial bank against guarantees aggregating Rs.115,711 thousand (2019: Rs.105,711 thousand) issued in favour of Sui Southern Gas Co. Ltd., Pakistan State Oil Co. Ltd. and Excise & Taxation Department, Government of Sindh on behalf of the Company.

	Note	2020 ----- (Rupees in '000) -----	2019 ----- (Rupees in '000) -----
16. OTHER RECEIVABLES			
Considered good and unsecured			
Insurance claim receivable	16.1	129	6,082
Sales tax paid under protest		2,317	2,317
		2,446	8,399

16.1 Represents receivable from Atlas Insurance Limited, a related party.

17. BANK BALANCES

Balances with banks on current accounts		35,095	34,253
Cheques-in-hand	17.1	10,412	389,396
		45,507	423,649

17.1 Represents banking instruments received by the Company from dealers at regional offices in respect of sales but not deposited in the Company's bank account till reporting date.

18. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2020 ----- (Number of Shares) -----	2019 ----- (Number of Shares) -----		2020 ----- (Rupees in '000) -----	2019 ----- (Rupees in '000) -----
1,300,000	1,300,000	Ordinary shares of Rs.10 each fully paid in cash	13,000	13,000
23,059,676	23,059,676	Ordinary shares of Rs.10 each issued as fully paid bonus shares	230,597	230,597
24,359,676	24,359,676		243,597	243,597

18.1 Movement in issued, subscribed and paid-up capital

2020	2019		2020	2019
----- (Number of Shares) -----			----- (Rupees in '000) -----	
24,359,769	17,399,769	Balance at beginning of the year	243,597	173,998
-	6,959,907	Ordinary shares of Rs.10 each issued as fully paid bonus shares	-	69,599
<u>24,359,676</u>	<u>24,359,676</u>	Balance at end of the year	<u>243,597</u>	<u>243,597</u>

18.2 Ordinary shares of the Company held by the associated companies as at June 30,

	2020	2019
	----- (Number of shares) -----	
Shirazi Investments (Private) Limited	14,338,412	14,338,412
GS Yuasa International Limited - Japan	3,653,925	3,653,925
Atlas Foundation	447,820	447,820
Atlas Insurance Limited	424,788	424,788
	<u>18,864,945</u>	<u>18,864,945</u>

18.3 The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets.

19. SURPLUS ON REVALUATION OF LEASEHOLD LAND

An independent revaluation of the Company's leasehold land at D-181, Central Avenue, S.I.T.E., Karachi was performed by M/s. Surval on June 30, 2008 and that revaluation exercise resulted in appraisal a surplus of Rs.173,786 thousand over the book value of Rs.414 thousand. This leasehold land has been again revalued on July 16, 2014 & June 21, 2019 by MYK Associates (Private) Limited & Pee Dee & Associates respectively, Independent Valuers, based on present market value for similar plots in the vicinity (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 and are mentioned in note 38.2.

The latest revaluation exercise resulted in surplus of Rs.395,300 thousand over the book value of Rs.194,300 thousand. At the time of latest revaluation, forced sale value of the land was ranging from Rs.442,200 thousand to Rs.471,680 thousand.

	Note	2020	2019
		----- (Rupees in '000) -----	
Impact of initial application of IFRS 16	20.1	409,316	-
Interest accrued		55,154	-
Repaid / adjusted during the year		(75,642)	-
		<u>388,828</u>	<u>-</u>
Current portion grouped under current liabilities		(30,151)	-
Balance at end of the year		<u>358,677</u>	<u>-</u>

20.1 These represents lease contracts for regional sales offices and factory and have estimated lease terms between 3 to 17 years. These are discounted using incremental borrowing rate (14%) of the Company. These includes Rs.279,166 thousand due to Shirazi Investments (Private) Limited, the Holding Company.

The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

Particulars	Upto one year	From one to five years	Over five years	Total 2020
----- Rupees in '000 -----				
Minimum lease payments	81,755	349,074	243,144	673,973
Finance cost allocated to future periods	(51,604)	(148,462)	(85,079)	(285,145)
Present value of minimum lease payments	<u>30,151</u>	<u>200,612</u>	<u>158,065</u>	<u>388,828</u>

	Note	2020 ----- (Rupees in '000) -----	2019
21. LONG TERM BORROWINGS			
Term loan	21.1	500,000	-
Loan under refinance scheme for payment of wages and salaries	21.2	176,023	-
Adjustment pertaining to fair value of loan at below market interest rate	21.3	(18,112)	-
		<u>657,911</u>	<u>-</u>
Current maturity		(106,506)	-
		<u>551,405</u>	<u>-</u>

21.1 The Company has obtained term loan amounting Rs.500,000 thousand from Allied Bank Limited for the purpose of balance sheet re-profiling. The loan carries mark-up at the rate of 6 months KIBOR plus 0.6% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This loan is for five years from the date of disbursement (November 27, 2019) and is repayable in 8 equal bi-annual instalments with a grace period of one year.

21.2 This represents long term loan received from Habib Bank Limited under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. According to conditions of the Scheme, the Company after availing this loan will not to lay off their workers / employees at least during three months from the date of first disbursement (May 19, 2020) except in case of any disciplinary action. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin limited to Rs.248,000 thousands. Mark-up is chargeable at 1.0% per annum. The principal is repayable in eight quarterly instalments starting from January 2021.

	Note	2020 ----- (Rupees in '000) -----	2019
21.3 Adjustment pertaining to fair value of loan at below market interest rate			
Difference of fair value of loan and loan received		19,194	-
Amortisation of loan		1,082	-
		<u>18,112</u>	<u>-</u>

22. DEFERRED INCOME - GOVERNMENT GRANT

Grant recognised on loan at below market interest rate

22.1

19,194
1,082

-
-

Current portion

18,112
11,931

-
-

6,181

-

22.1 The Company recognised government grant on below market interest loan received - (note 21.2) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

	Note	2020 ----- (Rupees in '000) -----	2019
23. STAFF RETIREMENT BENEFITS			
Provision for gratuity	23.1	1,590	1,629
Compensated leave absences	23.2	67,925	67,716
		<u>69,515</u>	<u>69,345</u>

23.1 Provision for gratuity

23.1.1 As stated in note 4.11.2, the Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff.

23.1.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust deed of the Plan. Responsibility for governance of the Plan, including investment decisions and contributions schedules lies with the Board of Trustees. The Company appoints the trustees.

23.1.3 The latest actuarial valuations of the Schemes as at June 30, 2020 were carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the Schemes as per the actuarial valuations are as follows:

	Management		Non - management		Total	
	2020	2019	2020	2019	2020	2019
	----- (Rupees in '000) -----					
23.1.4 Balance sheet reconciliation						
Present value of defined benefit obligation at June 30 - note 22.1.5	89,854	84,064	1,590	1,629	91,444	85,693
Fair value of plan assets at June 30 - note 22.1.6	(84,290)	(78,524)	-	-	(84,290)	(78,524)
Receivable from related parties in respect of transferees	42	3,465	-	-	42	3,465
Liability at end of the year	5,606	9,005	1,590	1,629	7,196	10,634
Payable within next twelve months	(5,606)	(9,005)	-	-	(5,606)	(9,005)
	-	-	1,590	1,629	1,590	1,629
23.1.5 Movement in the present value of defined benefit obligation						
Balance at beginning of the year	84,064	123,938	1,629	1,453	85,693	125,391
Benefits paid	(7,343)	(10,933)	(382)	-	(7,725)	(10,933)
Current service cost	6,180	6,381	85	50	6,265	6,431
Interest cost	11,825	7,811	205	131	12,030	7,942
Re-measurements on obligation	(2,562)	(4,002)	53	(5)	(2,509)	(4,007)
Receivable recognised in respect of transfers	(2,310)	(39,131)	-	-	(2,310)	(39,131)
Balance at end of the year	89,854	84,064	1,590	1,629	91,444	85,693
23.1.6 Movement in the fair value of plan assets						
Balance at beginning of the year	78,524	108,727	-	-	78,524	108,727
Contributions	9,005	13,891	-	-	9,005	13,891
Benefits paid	(7,343)	(10,933)	-	-	(7,343)	(10,933)
Interest income	11,087	9,618	-	-	11,087	9,618
Re-measurements	(1,250)	(7,558)	-	-	(1,250)	(7,558)
Amount transferred (to) / from other group companies	(5,733)	(35,221)	-	-	(5,733)	(35,221)
Balance at end of the year	84,290	78,524	-	-	84,290	78,524
23.1.7 Expense recognised in profit and loss account						
Current service cost	6,180	6,381	85	50	6,265	6,431
Net interest cost	738	(1,808)	205	131	943	(1,677)
	6,918	4,573	290	181	7,208	4,754
23.1.8 Re-measurements recognised in other comprehensive income						
Gain arising from change in financial assumptions	(666)	(3,304)	(10)	(66)	(676)	(3,370)
Experience gain	(1,896)	(698)	-	-	(1,896)	(698)
Loss on re-measurement of plan assets	1,250	7,558	63	61	1,313	7,619
Net re-measurements	(1,312)	3,556	53	(5)	(1,259)	3,551
23.1.9 Net liability recognised						
Balance at beginning of the year	9,005	14,767	1,629	1,453	10,634	16,220
Charge for the year	6,918	4,573	290	181	7,208	4,754
Contributions made during the year	(9,005)	(13,891)	(382)	-	(9,387)	(13,891)
Re-measurements recognised in other comprehensive income	(1,312)	3,556	53	(5)	(1,259)	3,551
Recognised liability as at June 30	5,606	9,005	1,590	1,629	7,196	10,634
Payable within next twelve months	(5,606)	(9,005)	-	-	(5,606)	(9,005)
	-	-	1,590	1,629	1,590	1,629

	Management		Non - management		Total	
	2020	2019	2020	2019	2020	2019
----- (Rupees in '000) -----						
23.1.10 Plan assets comprise of:						
Debt securities	44,880	45,295	-	-	44,880	45,295
Equity Instrument	-	-	-	-	-	-
Mutual funds - units	38,819	32,139	-	-	38,819	32,139
Cash and cash equivalent	591	1,090	-	-	591	1,090
	<u>84,290</u>	<u>78,524</u>	<u>-</u>	<u>-</u>	<u>84,290</u>	<u>78,524</u>

	Management		Non-Management	
	2020	2019	2020	2019
----- (% per annum) -----				
23.1.11 Actuarial assumptions used				
Discount rate at June 30	8.50%	14.25%	8.50%	14.25%
Expected rate of increase in future salaries - first year	10.00%	6.00%	10.00%	6.00%
- long term	7.50%	13.25%	7.50%	13.25%
Demographic assumptions				
- Mortality rates (for death in service)	SLIC	SLIC	SLIC	SLIC
	(2001-05)-1	(2001-05)-1	(2001-05)-1	(2001-05)-1
- Rates of employee turnover	Moderate	Moderate	Moderate	Moderate

23.1.12 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
		----- (Rupees in '000) -----	
Discount rate		<u>84,209</u>	<u>99,728</u>
Increase in future salaries		<u>99,267</u>	<u>84,475</u>
Withdrawal rates : light		<u>90,227</u>	
Withdrawal rates : heavy		<u>92,383</u>	

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

23.1.13 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

23.1.14 Based on actuary's advice, the expected contribution and expense for the year ending June 30, 2021 to management and non-management gratuity plans will be Rs.7,016 thousand and Rs.220 thousand respectively.

23.1.15 The weighted average duration of management and non management gratuity is 7.96 years and 5.72 years respectively. Expected maturity analysis of undiscounted retirement benefit plans:

	Less than a year	Between 1-2 years	Between 2-5 years	Between 5-20 years	Total
	----- (Rupees in '000) -----				
As at June 30, 2020					
Management staff	3,342	3,526	43,302	283,055	333,225
Non-management staff	187	47	946	3,200	4,380
Total	<u>3,529</u>	<u>3,573</u>	<u>44,248</u>	<u>286,255</u>	<u>337,605</u>

	2020 ----- (Rupees in '000) -----	2019
23.2 Compensated leave absences		
Balance at beginning of the year	67,716	71,360
Provision for the year	4,148	10,865
	<hr/>	<hr/>
Encashed during the year	71,864 (3,939)	82,225 (14,509)
	<hr/>	<hr/>
Balance at end of the year	<u>67,925</u>	<u>67,716</u>

23.2.1 Includes liability in respect of key management personnel aggregating to Rs.16,682 thousand (2019: Rs.20,333 thousand).

	2020 ----- (Rupees in '000) -----	2019
24. DEFERRED TAXATION - Net		
The liability for deferred tax comprises temporary differences relating to:		
Accelerated tax depreciation	312,653	306,715
Tax amortisation	31	147
Lease liabilities - net	(9,868)	-
Provision for impairment of available-for-sale investments	(290)	(290)
Provision for doubtful debts	(12,704)	(4,015)
Provision for gratuity	(2,088)	(3,085)
Provision for compensated leave absences	(19,698)	(19,638)
Provision for warranty	(30,905)	(33,254)
	<hr/>	<hr/>
	<u>237,131</u>	<u>246,580</u>

24.1 As at June 30, 2020, the Company has unused tax losses aggregating Rs.888,883 thousand (2019: Rs.704,824 thousand). Deferred tax asset on un-used losses has not been recognised on prudent basis.

	Note	2020 ----- (Rupees in '000) -----	2019
25. TRADE AND OTHER PAYABLES			
Trade creditors	25.1	194,989	249,546
Accrued liabilities	25.1	663,736	508,717
Provision for warranty	25.2	106,570	114,670
Contract liabilities - customers advances and credit balances		130,019	65,330
Provision for gratuity	23.1	5,606	9,005
Sindh government infrastructure fee	25.3	82,912	76,431
Withholding taxes		5,170	6,931
Other liabilities	25.4	6,741	7,250
		<hr/>	<hr/>
		<u>1,195,743</u>	<u>1,037,880</u>

25.1 Trade creditors and accrued liabilities include Rs.138,456 thousand (2019: Rs.170,860 thousand) pertaining to related parties.

	Note	2020 ----- (Rupees in '000) -----	2019
25.2 Provision for warranty			
Balance at beginning of the year		114,670	104,201
Provision for the year	29.1	437,232	622,062
		<hr/>	<hr/>
Payments made during the year		551,902 (445,332)	726,263 (611,593)
		<hr/>	<hr/>
Balance at end of the year		<u>106,570</u>	<u>114,670</u>

- 25.3** This represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The levy of infrastructure fee is disputed and various companies have filed appeals before the High Court of Sindh (the Court) which are pending adjudication. During the pendency of these appeals, an interim arrangement has been agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 have been returned and bank guarantees have been furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment is made against the balance amount.

The Company, during the year ended June 30, 2014, also filed an appeal in the Court and became a party to subject controversy raised through various appeals. The Court, through its interim order, dated April 3, 2014 has granted the above-mentioned interim relief to the Company and directed to take up the petition along with identical petitions on the next date of hearing. As at June 30, 2020, the Company has provided bank guarantees amounting Rs.90,000 thousand (2019: Rs.80,000 thousand) in favour of The Director Excise and Taxation, Government of Sindh for releasing the consignments imported from time to time and for the purpose of carriage of such goods by road within the province of Sindh. The management believes that the chances of success in the petition are in the Company's favour.

- 25.4** Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.5,849 thousand (2019: Rs.6,016 thousand).

2020
----- (Rupees in '000) -----

26. SHORT TERM BORROWINGS - Secured

Running finances / musharakah	26.1	61,906	1,408,152
Demand Finance	26.2	9,391	-
		71,297	1,408,152

- 26.1** Running finance / musharakah facilities available from various banks under mark-up arrangements aggregate to Rs.3,900,000 thousand (2019: Rs.4,000,000 thousand). During the year these finance facilities carry mark-up at the rates ranging from 8.83% to 15.81% (2019: 7.02% to 13.29%) per annum.
- 26.2** Demand finance facilities aggregating Rs.3,900,000 thousand (2019: Rs.4,000,000 thousand) are also available to the Company from various banks as sub-limits of the above mentioned running finance / musharakah facilities. These facilities carry mark-up at the rates ranging from 9.17% to 14.56% (2019: 7.00% to 13.00%) per annum.
- 26.3** FE-25 facilities aggregating Rs.1,580,000 thousand (2019: Rs.2,680,000 thousand) are available from various banks as sub-limits of above mentioned running finance / musharakah facilities. The Company has not utilised these facility during the year.
- 26.4** The above-mentioned finance facilities are secured against joint pari passu hypothecation charge on stock-in-trade and trade debts and are expiring on various dates upto December 31, 2020.
- 26.5** The facilities for opening letters of credit and guarantees as at June 30, 2020 aggregated to Rs.1,680,000 thousand (2019: Rs.1,830,000 thousand) of which the amount remained unutilised at year end aggregated to Rs.1,394,210 thousand (2019: Rs.1,576,516 thousand). These facilities are secured by joint pari passu hypothecation charge on stock-in-trade and trade debts and lien on import documents.

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

- 27.1.1** The Company received notice from the Directorate of Intelligence and Investigation, FBR, Lahore in which it had been alleged that the Company purchased goods from certain suppliers who were registered with Regional Tax Offices, but were fake and issued sales tax invoices to the Company on the basis of which the Company claimed input tax adjustment amounting to Rs.29.066 million which according to them was illegal / inadmissible. The name of the Company along with 135 companies and other individuals had therefore been included as an accused person in the First Information Report (FIR) No.04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation, FBR, Lahore. The Company has, therefore, filed a Constitutional Petition in the Honourable Lahore High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has granted stay order and advised the concerned authorities to restrain from further proceeding with the matter. Further, the Court has quashed the criminal proceedings initiated against the Company as being unconstitutional, violative of fundamental rights and ultra vires the Sales Tax Act, 1990 (the Act). The FBR against the orders of the Court has filed an appeal in Honourable Supreme Court of Pakistan, which is pending for hearing.

27.1.2 Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2013 passed an order dated September 30, 2014 under section 161 / 205 of the Income Tax Ordinance, 2001 on account of non-deduction of tax on freight & forwarding charges and discounts allowed to dealers. DCIR through this order created an aggregate demand of Rs.206.534 million including additional tax. An appeal was filed before the CIR(A) on October 22, 2014 against the above order. The Company paid the demand of Rs.0.1 million which pertains to a tax deduction on freight charges and filed a stay application on October 27, 2014 before Commissioner Inland Revenue (Appeals) [CIR(A)] against the recovery of balance of the demand. The stay against recovery of demand was granted by the CIR(A) on October 27, 2014 subject to partial payment of Rs.50 million which was paid on October 29, 2014. Pursuant to above appeal, CIR(A), on March 31, 2015, passed an order under section 129 of the Ordinance and granted relief in respect of issue of non-deduction of tax amounting Rs.108.867 million on discounts allowed on invoices. However, CIR(A) remanded back the issue of non-deduction of tax aggregating Rs.59.509 million on additional trade discounts by directing the DCIR to re-examine the issue based on the nature of discount. The CIR has filed an appeal on April 18, 2015 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which has been heard and the order in this regard is awaited.

27.1.3 The Company received a show cause notice dated June 27, 2016 from Assistant Commissioner Enforcement-II, Punjab Revenue Authority (PRA), Government of Punjab for proceeding against the Company for alleged violation of various sections of Punjab Sales Tax on Services Act, 2012 (the Act) read with Punjab Sales Tax on Services (Specific Provisions) Rules, 2012 (the Rules) and demanded tax on account of Punjab sales tax on franchises services aggregating Rs.55.443 million. Further, penalties aggregating Rs.2.962 million has also been charged.

The Company against the abovementioned show cause notice filed a petition on July 15, 2016 before the High Court of Sindh (the Court) on the basis that PRA has no jurisdiction to issue such notice. The Company is engaged in manufacturing of automotive batteries and owing to its technical assistance agreement with technology supplier it pays technical fees to them and in respect of such technical services the Company is making regular payments of Sindh Sales Tax to the Sindh Revenue Board. Further, the Company's factory premises as well as all production and entire operations are in province of Sindh, therefore PRA has no jurisdiction to demand any sales tax on franchise fees on the basis of purported apportionment of the same. The Court, through its interim order dated July 15, 2016 issued notices to concerned persons / representatives and suspended the operations of abovementioned show cause notice.

27.1.4 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2015 passed an order dated January 22, 2016 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of withholding tax on various expenses and created a demand of Rs.56.449 million, including default surcharge and penalty. The Company filed a rectification application on February 11, 2016 against the aforesaid order pursuant to which the DCIR passed a rectified order dated February 22, 2016 under section 221 / 161 / 205 of the Ordinance. As a result of the rectified order, the total demand of Rs.56.449 million identified in the original order was reduced to Rs.0.398 million inclusive of default surcharge and penalty.

While passing the rectified order, the DCIR created an additional demand of Rs.81.593 million including default surcharge and penalty on account of non-deduction of tax on discounts allowed to dealers. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on March 10, 2016 against the rectified order and challenged the aggregate demand of Rs.81.991 million. Pursuant to this appeal, CIR(A) passed an order dated June 8, 2016 under section 129 of the Ordinance and granted relief to the Company on aggregate demand of Rs.81.991 million. The Commissioner Inland Revenue (CIR) filed an appeal on August 5, 2016 against the above mentioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). ATIR on July 30, 2019 has remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. The tax department has initiated the remand back proceedings and the Company has submitted the relevant information.

27.1.5 The Additional Commissioner Enforcement-III (Assessing Officer), Punjab Revenue Authority (PRA), Government of Punjab issued a show cause notice to the Company and alleged that the Company has failed to withhold and deposit the Punjab Sales Tax on advertisement services. The Company responded that some of the service providers do not have their registered office in the territorial jurisdiction of Punjab and in most of the cases, services were not completely consumed in Punjab only rather were electronically transmitted throughout Pakistan. Further, the Company had withheld sales tax from all the payments made against said services and has deposited either to Federal Board of Revenue (FBR) or Sindh Revenue Board (SRB), therefore, demand raised by PRA would tantamount to double jeopardy for the Company. However, the Assessing Officer did not consider the arguments of the Company and passed an order dated May 22, 2017 under section 14 & 19 of Punjab Sales Tax on Services Act 2012 read with Punjab Sales Tax on Services (Withholding) Rules 2012 & 2015 and created an impugned demand of Rs.4.327 million including penalty.

The Company filed an appeal before Commissioner (Appeal), PRA, Lahore on June 23, 2017 against the aforementioned demand who also upheld the order of the Assessing Officer on October 3, 2017. The Company then filed an appeal before Appellate Tribunal, PRA, Lahore on November 23, 2017. The Appellate Tribunal has granted a stay against demand on November 29, 2017. The main appeal is pending before the Appellate Tribunal.

27.1.6 Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi, for the tax year 2016 passed an order dated November 30, 2017 under section 161 / 205 of the Income Tax Ordinance, 2001 on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) rent paid to Atlas Foundation, (iii) cartage & octroi expenses, (iv) repair and maintenance expenses and (v) entertainment expenses. ACIR through the order created an aggregate demand of Rs.200.172 million including default surcharge and penalty. The Company filed an appeal before [CIR(A)] on December 20, 2017 against (i) and (ii), where as tax levied for (iii), (iv) and (v) were not contested in appeal. The Company paid the demand of Rs.1.5 million in light of directions given by [CIR(A)] on December 22, 2017 while granting stay from recovery proceedings which duly covers the balance tax demand Rs.1.221 million in respect of issues not contested in appeals. Pursuant to the appeal, [CIR(A)], on January 22, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of both issues contested i.e. (i) trade discount allowed to dealers and (ii) rent paid to Atlas Foundation. The department has filed an appeal on April 23, 2018 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). ATIR on July 30, 2019 has remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh while no decision was given in respect of levy of tax payment of rent. The tax department has initiated the remand back proceedings and the Company has submitted the relevant information.

27.1.7 Assistant / Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2017 passed an order dated October 24, 2018 under section 161 / 205 of the Ordinance on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) sales promotion, (iii) travelling, (iv) repair and maintenance expenses, (v) water charges, (vi) cartages and (vii) local purchase. DCIR through the order created an aggregate demand of Rs.266.079 million including default surcharge and penalty. The Company filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on November 13, 2018 against (i) and (ii), where as tax levied for (iii), (iv), (v), (vi) and (vii) were not contested in appeal. The Company paid the demand of Rs.1.441 million on November 19, 2018 in respect of issues not contested in appeals. Pursuant to the appeal, CIR(A), on December 20, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of issue contested at (ii) sales promotion and upheld the decision of DCIR in respect of issue contested at (i) trade discount allowed to dealers. The Company has filed an appeal on December 31, 2018 against the abovementioned order of CIR(A) in respect of issue at (i) trade discount allowed to dealers before the Appellate Tribunal Inland Revenue (ATIR). Moreover, the company has obtained stay from the Sindh High Court against the demand confirmed by CIR(A). ATIR on July 30, 2019 has remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. The tax department has initiated the remand back proceedings and the Company has submitted the relevant information.

27.1.8 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi conducted sales tax investigative audit for the period from July 2013 to June 2018 and passed an order dated November 14, 2019 with respect to (i) input tax claims against purchases from certain suppliers whose status was subsequently found as blacklisted / suspended on FBR web portal, (ii) input tax claims against purchases which were alleged to be inadmissible as per Sales Tax Act, 1990 (Act) & (iii) non-payment of extra tax on sales. DCIR, through abovementioned order raised an aggregate demand of Rs.49.041 million (including default surcharge and penalty of Rs.18.297 million).

The Company paid Rs.2.557 (including default surcharge and penalty of Rs.0.708 million) being amount not contested and filed an appeal on December 11, 2019 before Commissioner Inland Revenue Appeals CIR(A) under section 45(B) of the Act against the above order for remaining amount. Pursuant to the appeal, the CIR(A), through his order dated December 30, 2019, granted partial relief to the Company in respect of the above mentioned points by disallowing demand to the tune of Rs.11.154 million and remanded back the allegations involving sales tax to the tune of Rs.17.741 million (both without default surcharge and penalty). Further, CIR(A) also order the DCIR to re-work the amount of default surcharge and penalty after giving effect of appeal order. However, the CIR has filed an appeal on February 20, 2020 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

27.1.8 Outstanding bank guarantees

Guarantees aggregating Rs.115,711 thousand (2019: Rs.105,711 thousand) are issued by a commercial bank on behalf of the Company to Sui Southern Gas Co. Ltd., Pakistan State Oil Co. Ltd. and Excise and Taxation Department, Government of Sindh.

	2020	2019
	----- (Rupees in '000) -----	
27.2 Commitments		
27.2.1 Commitments in respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	155,994	130,042
- capital expenditure	14,086	17,731
	170,080	147,773
	170,080	147,773

27.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2020 aggregated to Rs.35,582 thousand (2019: Rs.58,675 thousand).

	Note	2020 ----- (Rupees in '000) -----	2019
28. SALES - Net			
Local sales			
- manufacturing activity		16,539,378	17,766,254
- trading activity		474,331	339,013
		17,013,709	18,105,267
Export sales		-	42,350
		17,013,709	18,147,617
Less:			
- sales tax		2,489,333	2,693,073
- discounts		1,978,224	2,681,431
		4,467,557	5,374,504
		12,546,152	12,773,113
29. COST OF SALES			
Opening stock of finished goods		474,704	1,411,039
Cost of goods manufactured	29.1	11,192,151	11,315,268
Purchases during the year		327,781	254,999
		11,519,932	11,570,267
Closing stock of finished goods		(327,271)	(474,704)
		11,667,365	12,506,602
29.1 Cost of goods manufactured			
Opening stock of work-in-process		695,094	687,340
Raw materials and components consumed	29.2	8,500,089	8,254,734
Salaries, wages and benefits	29.3	915,186	1,092,315
Stores consumed		220,020	226,692
Light, heat and water		582,634	469,029
Insurance		21,292	28,593
Rent, rates and taxes		7,123	71,517
Repair and maintenance		40,919	65,312
Royalty and technical fee	29.4	135,102	141,189
Cartage		7,708	14,726
Travelling, conveyance and entertainment		28,137	23,564
Postage and telephone		3,583	4,032
Printing and stationery		2,940	2,421
Vehicle running		1,448	1,816
Depreciation related to operating fixed assets	5.4	282,500	286,470
Depreciation related to right of use assets	5.9.2	44,749	-
Free replacement	25.2	437,232	622,062
Other expenses		17,620	18,550
		11,943,376	12,010,362
Closing stock of work-in-process		(751,225)	(695,094)
		11,192,151	11,315,268
29.2 Raw materials and components consumed			
Opening stock		589,650	511,277
Purchases during the year		8,831,130	8,333,107
		9,420,780	8,844,384
Closing stock		(920,691)	(589,650)
		8,500,089	8,254,734

- 29.3 Salaries, wages and benefits include Rs.3,491 thousand (2019: Rs.2,907 thousand) and Rs.9,778 thousand (2019: Rs.10,035 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.
- 29.4 Royalty charged in these financial statement pertains to GS Yuasa International Limited having registered office at 1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520 Japan.

	Note	2020 ----- (Rupees in '000) -----	2019
30. DISTRIBUTION COST			
Salaries and benefits	30.1	69,813	71,167
Travelling, conveyance and entertainment		41,261	35,678
Vehicle running		343	438
Rent, rates and taxes		25,028	29,327
Advertisement and sales promotion		81,517	148,686
Repair and maintenance		1,692	3,955
Light, heat and water		3,794	3,890
Freight and forwarding		208,704	237,876
Printing and stationery		509	719
Postage and telephone		6,632	6,259
Depreciation related to operating fixed assets	5.4	12,950	13,406
Depreciation related to right of use assets	5.9.2	7,113	-
Amortisation	6.2	160	175
Services charges		-	270
Insurance		27,274	45,145
Newspapers, magazines and subscription others		230	1,654
		<u>487,020</u>	<u>598,645</u>

- 30.1 Salaries and benefits include Rs.1,295 thousand (2019: Rs.541 thousand) and Rs.2,855 thousand (2019: Rs.3,132 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

31. ADMINISTRATIVE EXPENSES

Directors' meeting fee		750	650
Salaries and benefits	31.1	115,057	127,080
Travelling, conveyance and entertainment		7,662	10,909
Rent and rates		-	2,265
Repair and maintenance		1,898	2,863
Light, heat and water		888	1,079
Insurance		2,142	4,224
Legal and professional charges		4,037	10,538
Fee and subscription		20,451	28,018
Postage and telephone		1,913	2,103
Printing and stationery		2,087	1,752
Vehicle running		1,377	939
Training expense		3,602	3,457
Depreciation related to operating fixed assets	5.4	17,109	16,487
Depreciation related to right of use assets	5.9.2	2,653	-
Amortisation	6.2	-	667
Donation	31.2	-	8,321
		<u>181,626</u>	<u>221,352</u>

- 31.1 Salaries and benefits include Rs.2,476 thousand (2019: Rs.1,306 thousand) and Rs.6,178 thousand (2019: Rs.6,408 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

- 31.2 Donation of Rs.Nil thousand (2019: Rs.8,321 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi (the Foundation). Mr. Ali H. Shirazi, President / Chief Executive of the Company and Mr. Frahim Ali Khan, Director of the Company are Directors of the Foundation.

	Note	2020 ----- (Rupees in '000) -----	2019
32. OTHER INCOME			
Income from financial assets			
Dividend income		15,298	12,167
Fair value gain on investments at fair value through profit or loss - net		287	98
Income from investments in related parties			
Dividend income		18	3,788
Gain on sale of investments at fair value through profit or loss - net		10	4,450
Income from assets other than financial assets			
Scrap sales		8,306	12,062
Commission income		-	25,823
Gain on disposal of operating fixed assets		8,682	327,076
		<u>32,601</u>	<u>385,464</u>
33. OTHER EXPENSES			
Provision for doubtful debts	12.1	29,963	3,896
Workers' welfare fund (prior year adjustment)		-	526
Auditors' remuneration	33.1	2,075	1,955
Exchange loss - net	33.2	6,223	37,169
		<u>38,261</u>	<u>43,546</u>
33.1 Auditors' remuneration			
Remuneration in respect of auditors' services for:			
- statutory audit		1,320	1,200
- half yearly review		175	175
- review of compliance with Code of Corporate Governance		85	85
- audits of retirement funds and workers' profit participation fund		115	115
- certifications for payment of royalty, dividend and others		355	355
- out of pocket expenses		25	25
		<u>2,075</u>	<u>1,955</u>
33.2 Represents exchange loss arising on revaluation of actual currency.			
34. FINANCE COST			
Mark-up / amortisation on:			
- lease liabilities		55,154	-
- long term borrowings		40,638	-
- running finances / musharakah		217,252	198,648
- demand finances		30,299	8,303
Government grant		(1,082)	-
		<u>342,261</u>	<u>206,951</u>
Bank and other financial charges		6,235	6,271
		<u>348,496</u>	<u>213,222</u>
35. TAXATION			
Current tax			
Current tax on profits for the year		190,616	175,973
Adjustments for current tax of prior years		2,282	(4,882)
		<u>192,898</u>	<u>171,091</u>
Deferred tax -			
Origination and reversal of temporary differences		(9,814)	(3,418)
		<u>183,084</u>	<u>167,673</u>
35.1 No numeric tax rate reconciliation for the current year and preceding year is given in the financial statements, as provision made primarily represents minimum tax due under section 113 of the Income Tax Ordinance, 2001 (the Ordinance) and tax deducted under section 150 and 153 of the Ordinance.			

	2020	2019
	----- (Rupees in '000) -----	
36. LOSS PER SHARE		
36.1 Basic loss per share		
Net loss for the year	(327,099)	(592,463)
	-- Number of shares --	
Weighted average ordinary shares in issue	24,359,676	24,359,676
	----- Rupees -----	
Loss per share	(13.43)	(24.32)
36.2 Diluted earnings per share		

No figures for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

37. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, directors of the Company, companies in which directors are interested, key management personnel (members of the Management Committee of the Company), post employment benefit plans and close members of the families of the directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties at mutually agreed terms and conditions. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

37.1 Name and nature of relationship

a) The Holding Company

Shirazi Investments (Private) Limited - 58.86% shares held in the Company

b) Associated Company - significant influence

GS Yuasa International Limited, Japan - 15% shares held in the Company

c) Associated Companies - common directorship

Atlas Honda Limited

Atlas Insurance Limited

Honda Atlas Cars Pakistan Limited

Atlas Asset Management Limited

Atlas Autos (Private) Limited

Atlas Metals (Private) Limited

Shirazi Trading Company (Private) Limited

Atlas Foundation

Atlas Power Limited

Atlas Engineering (Private) Limited

Atlas GCI (Private) Limited

Atlas Energy Limited

Zhenfa Pakistan New Energy Co. (Pvt.) Ltd

Atlas Venture Limited

Oyster International Holdings Limited, Dubai

Murree Brewery Company Limited

SF Global Holdings Limited, Dubai

Madian Hydro Power Limited

Atlas Global, FZE, Jebel Ali, UAE

Techlogix International Ltd.

d) Associated companies - Under common management and control

Atlas Worldwide General Trading LLC, Dubai

Atlas DID (Private) Limited

Honda Atlas Power Products (Private) Limited

Atlas Hitech (Private) Limited

	2020 ----- (Rupees in '000) -----	2019
37.2 Transactions with related parties		
The Holding Company		
Lease rental paid	59,905	59,905
Dividend paid	-	102,417
Reimbursement of expenses	-	1,189
Sales of operating fixed assets	3,241	650,000
Bonus shares issued	-	40,967
Sale of goods	13	-
Associated companies		
Sales of:		
- goods	645,777	978,799
- operating fixed assets	24,398	5,069
Purchases of:		
- goods and services	177,955	6,222,642
- operating fixed assets	34,377	83,393
Service charges / lease rental paid	10,381	13,782
Reimbursement of expenses	4,130	4,422
Expenses charged	766	157
Insurance premium	78,168	123,449
Insurance claims	11,533	20,885
Purchase of units in mutual funds	15	5,276
Sale of units in mutual funds	2,103	755,031
Dividend received	18	3,788
Dividend paid	-	32,332
Commission income	-	25,823
Bonus shares issued	-	12,933
Royalty and technical fee	135,102	141,189
Donation paid	-	8,417
Contribution to pension funds	13,307	13,684
Other related parties		
Contributions paid to:		
- gratuity funds	9,005	13,891
- provident fund	5,504	5,891
Salaries and other short term employment benefits to key management personnel	75,197	102,138
Sale of operating fixed asset under Company policy	5,115	4,219

The related party status of outstanding balances as at June 30, 2020 is included in 'Capital work-in-progress - note 5.7', 'Stock-in-trade - note 11.1', 'Trade debts - note 12', 'Loans and advances - note 13.2', 'Investments note - 15', 'Other receivables note - 16.1' and 'Trade and other payables - note 24.1' respectively. These are settled in ordinary course of business.

38. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year in respect of remuneration, including certain benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Directors					
	Chief Executive		Others		Executives	
	2020	2019	2020	2019	2020	2019
	----- (Rupees in '000) -----					
Managerial remuneration	18,331	18,331	-	-	55,320	67,885
House rent and utilities	-	6,416	-	-	38,724	47,519
Ex gratia	2,673	-	-	-	13,718	4,500
Retirement benefits	2,830	2,550	-	-	8,447	7,720
Medical and others	446	615	-	-	2,260	3,698
	<u>24,280</u>	<u>27,912</u>	<u>-</u>	<u>-</u>	<u>118,469</u>	<u>131,322</u>
Number of persons	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>27</u>	<u>30</u>

38.1 The Chief Executive and Director are provided with free use of the Company maintained cars and telephones at residences. Certain executives are also provided with the Company's vehicles.

38.2 Remuneration to other directors

Aggregate amount charged in these financial statements for meeting fee to three (2019: two) non-executive directors was Rs.750 thousand (2019: Rs.650 thousand).

39. FINANCIAL RISK MANAGEMENT

39.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk). The Company overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's Board of Directors 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.

(a) Credit risk

Credit risk represents the risk of accounting loss being caused if counterparty fails to perform as contracted or discharge an obligation. Credit risk arises from loans, trade deposits, trade debts, loans & advances, investments, other receivables and deposits with banks & financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure. The financial assets exposed to credit risk aggregated to Rs.904,263 thousand (2019: Rs.1,693,616 thousand) as at June 30, 2020 and are as follows:

	2020 ----- (Rupees in '000) -----	2019 -----
Long term loans	2,049	1,289
Long term deposits	18,683	20,281
Trade debts	692,998	1,096,449
Loans and advances	3,201	1,534
Deposits and margins	3,428	17,277
Investments	138,268	127,055
Other receivables	129	6,082
Bank balances	45,507	423,649
	904,263	1,693,616
	904,263	1,693,616

Out of the total financial assets credit risk is concentrated in investments in mutual fund securities, trade debts and deposits with banks as they constitute 96.96% (2019: 97.27%) of the total financial assets.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties.

All the trade debts at the reporting date represent domestic parties.

The maximum exposure to credit risk for trade debts at the reporting date by type of customer are as follows:

	2020		2019	
	%	Rupees in '000	%	Rupees in '000
Original Equipment Manufacturers and Institutions	1.85	12,805	5.34	58,533
Associated Companies	9.92	68,763	6.80	74,550
Dealers and others	88.23	611,430	87.86	963,366
	100	692,998	100	1,096,449
	100	692,998	100	1,096,449

The credit quality of loans, advances, deposits and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred.

The credit quality of Company's bank balances and investments in mutual funds securities can be assessed with reference to the external credit ratings as follows:

Name of Bank	Rating			2020	2019
	agency	short-term	long-term	---(Rupees in '000)---	
MCB Bank Limited	PACRA	A-1+	AAA	3,970	4,043
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	100	100
Habib Bank Limited	JCR-VIS	A-1+	AAA	27,144	25,257
Meezan Bank Limited	JCR-VIS	A-1+	AA+	3,875	4,852
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	2	1
National Bank of Pakistan	PACRA	A1+	AAA	4	-
				<u>35,095</u>	<u>34,253</u>

Mutual funds	Agency	Rating	2020	2019
			---(Rupees in '000)---	
Atlas Stock Market Fund	PACRA	AM2+	-	2
Atlas Money Market Fund	PACRA	AA+(f)	-	2,075
HBL Money Market Fund	JCR-VIS	AA(f)	138,268	124,978
			<u>138,268</u>	<u>127,055</u>

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty, in meeting obligation associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2020, the Company had Rs.3,900,000 thousand available borrowings limits from banks / financial institutions and of bank balances Rs.35,095 thousand.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying Amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
	------(Rupees in '000)-----			
June 30, 2020				
Lease liabilities	388,828	673,973	81,755	592,218
Long term borrowings	657,911	787,388	120,724	666,664
Trade and other payables	977,206	977,206	977,206	-
Accrued mark-up	34,891	34,891	34,891	-
Short term borrowings	71,297	72,713	72,713	-
Unclaimed dividend	35,906	35,906	35,906	-
	<u>2,166,039</u>	<u>2,582,077</u>	<u>1,323,195</u>	<u>1,258,882</u>
June 30, 2019				
Trade and other payables	887,114	887,114	887,114	-
Accrued mark-up	43,385	43,385	43,385	-
Short term borrowings	1,408,152	1,450,547	1,450,547	-
Unclaimed dividend	37,850	37,850	37,850	-
	<u>2,376,501</u>	<u>2,418,896</u>	<u>2,418,896</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2020.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (U.S. Dollar). Currently, the Company's foreign exchange risk is restricted to the amounts payable to foreign entities. The Company's exposure is as follows:

	2020		2019	
	Rupees in '000	U.S. Dollars	Rupees in '000	U.S. Dollars
Balance sheet exposure				
Trade and other payables	13,500	80,000	13,160	80,000

Exchange rate of Rs.168.75 (2019: 164.50) for US Dollar to Rupee has been applied.

At June 30, 2020, if the Rupee had weakened / strengthened by 5% against U.S. Dollars with all other variables held constant, the recalculated post-tax profit for the year would have been Rs.675 thousand (2019: Rs.658 thousand) higher / (lower), mainly as a result of foreign exchange gain / (loss) on translation of U.S. Dollar denominated financial liabilities.

Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates.

The Company's interest rate exposure arises from long term and short term borrowings. Borrowings issued at variable rates expose the Company to cash flow risk and borrowing issued at fixed rate expose the Company to fair value interest rate risk. At June 30, 2020, the Company's interest bearing borrowings aggregated to Rs.747,320 thousand (2019: Rs.1,408,152 thousand).

At June 30, 2020, if the interest rates on the Company's borrowings had been 1% higher / (lower) with all other variables held constant, the calculated post-tax profit for the year would have been Rs.7,473 thousand (2019: Rs.14,082 thousand) lower / higher mainly as a result of higher / (lower) interest expense on floating rate borrowings.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk because of investments in mutual fund securities amounting to Rs.138,268 thousand (2019: Rs.127,055 thousand) and classified at fair value through profit or loss. The Company is not exposed to commodity risk.

At June 30, 2020, if fair value (Net Asset Value) had been 1% higher / lower with all other variables held constant, the post-tax loss for the year would have Rs.1,383 thousand (2019: Rs.1,271 thousand) (lower) / higher as a result of gain / (loss) on investments classified as at fair value through profit or loss.

39.2 Fair value measurement of financial instruments

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. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The Company's financial assets measured at fair value comprise only of level 1 financial assets amounting to Rs.138,268 thousand (2019: Rs.127,055 thousand).

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

39.3 Financial instruments by categories

	As at June 30, 2020			As at June 30, 2019		
	Amortised Cost	At fair value through profit and loss	Total	Amortised Cost	At fair value through profit and loss	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Financial assets as per statement of financial position						
Long term loans	2,049	-	2,049	1,289	-	1,289
Long term deposits	18,683	-	18,683	20,281	-	20,281
Trade debts	692,998	-	692,998	1,096,449	-	1,096,449
Loans and advances	3,201	-	3,201	1,534	-	1,534
Deposits and prepayments	3,428	-	3,428	17,277	-	17,277
Investments	-	138,268	138,268	-	127,055	127,055
Bank balances	45,507	-	45,507	423,649	-	423,649
	<u>765,866</u>	<u>138,268</u>	<u>904,134</u>	<u>1,560,479</u>	<u>127,055</u>	<u>1,687,534</u>

Financial liabilities as per statement of financial position

	Financial liabilities at amortised cost	
	2020	2019
	----- Rupees in '000 -----	
Long term loan including current maturity	657,911	-
Trade and other payables	977,206	887,114
Accrued mark-up	34,891	43,385
Short term borrowings	71,297	1,408,152
Unclaimed dividend	35,906	37,850
	<u>1,777,211</u>	<u>2,376,501</u>

39.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2020	2019
	----- (Rupees in '000) -----	
Total borrowings	1,118,036	1,408,152
Bank balances	(45,507)	(423,649)
Net debt	1,072,529	984,503
Total Equity	4,954,804	5,281,009
Total Capital	<u>6,027,333</u>	<u>6,265,512</u>
Gearing ratio	<u>18%</u>	<u>16%</u>

40. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as this depends upon the relative proportion of various types of automotive and motorcycle batteries produced.

41. ENTITY-WIDE INFORMATION

These financial statements have been prepared on the basis of the single reportable segment.

41.1 Information about products

Sales of battery and allied products represent 96.77% (2019: 97.73%) of the total revenue of the Company.

41.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2020 are located in Pakistan.

All of the Company's sales relate to customers in Pakistan other than export sales amounting to Rs.Nil (2019: Rs.42,350 thousand) made to Afghanistan.

41.3 Information about customers

The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

42. IMPACT OF COVID-19 (CORONAVIRUS)

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has effected the production and sale volumes of the Company due to closure of plant during the lock down period. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on the financial statements. Further, as per relaxation given by Authorities, the Company have resumed its operations with effect from May 12, 2020 with all precautionary measures aimed at preventing pandemic spread.

43. NUMBER OF EMPLOYEES

Total number of employees

Average number of employees

	----- Numbers -----	
	2020	2019
Total number of employees	296	306
Average number of employees	296	321

44. PROVIDENT FUND RELATED DISCLOSURES

44.1 The following information is based on unaudited financial statements of the Fund for the year ended June 30, 2020:

	2020	2019
	----- (Rupees in '000) -----	
Size of the Fund - Total Assets	124,200	149,507
Cost of investments made	106,210	70,773
Percentage of investments made	93.04%	96.08%
Fair value of investments	115,552	143,649

44.2 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.

45. SHAHRIAH SCREENING DISCLOSURE

	----- 2020 -----		----- 2019 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- (Rupees in '000) -----			
Short term investments	138,268	-	127,055	-
Bank balances	31,220	3,875	29,401	4,852
Accrued mark-up	34,636	255	38,504	4,881
Short term borrowings	61,906	9,391	1,295,546	112,606
Revenue	-	12,546,152	-	12,773,113
Other income				
a) Dividend income	15,316	-	11,814	4,141
b) Gain / (loss) on sale of investments at fair value through profit or loss	10	-	(1,667)	6,215
c) Fair value gain / (loss) on investments at fair value through profit or loss	287	-	-	-
d) Others including exchange gain on actual currency	-	16,988	-	364,961
Mark-up on running finances / musharaka	217,252	-	133,865	64,783
Mark-up on demand finances	776	29,523	8,016	287
Mark-up on long term loan	40,638	-	-	-
Mark-up on lease liabilities	55,154	-	-	-

46. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation the effect of which is not material.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 25, 2020 by the Board of Directors of the Company.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer

REIMAGINING THE WORLD FOR ATLAS



Atlas Battery will reimagine the future and ensure our objectives align with the changing needs of our stakeholders. Our hope for the future is to embrace technological advancements to remain the battery manufacturer of choice.

GLOSSARY OF TERMS

AGS	Atlas Genzo Shimadzu	IFAC	International Federation of Accounting
ATL	Active Taxpayer List	IFRS	International Financial Reporting Standards
B2C	Business to Consumer	IT	Information Technology
BCP	Business Continuity Plan	LUMS	Lahore University of Management Sciences
BPR	Business Process Re-engineering	MAP	Management Association of Pakistan
CDC	Central Depository Company	MC	Management Committee
CDS	Central Depository System	NAV	Net Asset Value
CEO	Chief Executive Officer	NBFC	Non-Banking Financial Institution
CFO	Chief Financial Officer	NCCPL	National Clearing Company Pakistan Limited
CGLS	Corporate Governance Leadership Skills	NGO	Non Governmental Organization
CIR (A)	Commissioner Inland Revenue (Appeals I)	NIT	National Investment Trust
CMS	Claim Management System	OEM	Original Equipment Manufacturer
CNIC	Computerized National Identity Card	PAMA	Pakistan Automotive Manufacturers Association
CSR	Corporate Social Responsibility	PAT	Profit After Taxation
DCIR	Deputy Commissioner Inland Revenue	PBT	Profit Before Taxation
DFI	Development Financial Institution	PICG	Pakistan Institute of Corporate Governance
DI&I	Directorate General - Intelligence and Investigation	PKR	Pakistan Rupee
DPS	Dividend Per Share	PRA	Punjab Revenue Authority
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization	PSX	Pakistan Stock Exchange
ERP	Enterprise Resource Planning	PUC	Projected Unit Cost
FBR	Federal Board of Revenue	SRB	Sindh Revenue Board
GDP	Gross Domestic Product	QCC	Quality Control Circle
GIKEST	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	UK	United Kingdom
HR	Human Resource	UPS	Uninterruptible Power Supply
IBA	Institute of Business Administration	USA	United States of America
ICP	Investment Corporation of Pakistan	WMS	Warehouse Management System
		WPPF	Workers' Profit Participation Fund
		WWF	Workers' Welfare Fund

 Shirazi Investments 1962

 Atlas Honda 1962

 Atlas Battery 1966

 Shirazi Trading 1975

 Atlas Insurance 1980*

 Atlas Engineering 1981*


HONDA Honda Atlas Cars 1992

HONDA Honda Atlas Power Product 1997

 Atlas Asset Management 2002

 Atlas Power 2007

 Atlas World Wide 2007

 Atlas Venture 2008

 Atlas Autos 2011

 Atlas Hitec 2012

 Atlas Global FZE 2015

 Atlas Energy 2016

 Atlas DID 2019

 Atlas GCI 2019

Product Types and their Application

Product Type			20 HR Capacity (AH)	Applications
Light Batteries (12 Volts)				
CGR 30	7PL	CGR30	24	CNG Rickshaw
GR 46	9PL	NS40SR	30	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)
GL 48	9PL	NS40ZL 9PL	35	Suzuki Mehran, Daihatsu Cuore, Kia Classic, All CNG converted vehicles (800cc to 1000cc)
GL 50	11PL	NS40ZL 11PL	38	All types of vehicles (800cc to 1300cc)
CNG 60	11PL	N40	45	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc)
GR 65	13PL	NS60	45	
GL 65	13PL	NS60L	45	
GR 70	9PL	N50	50	
80D26R	11PL	N50Z	60	Honda Accord, Honda CRV, Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedes Benz, Willys Jeeps, MF375 Tractors, Hyundai, Daewoo (2000cc to 6000cc)
GR 85	13PL	N70 EXTRA	70	
GL 85	13PL	N70 EXTRA L	70	
Medium Batteries (12 Volts)				
GR 87	11PL	NS70	60	Toyota Hi-Ace, Mercedes Benz, Isuzu Bus JCR 520zz, Massey Ferguson Tractors, MF-210 Cruiser, Toyota Hi-Lux, Nissan Diesel Pick-up, Ford 1910 Tractor (2000cc to 6000cc)
GR 95	13PL	N70Z	75	
GR 100	15PL	N85P	80	
GL 100	15PL	N85L	80	
6FT120	15PL	6FT15	85	
N125	17PL	N100S	100	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)
GX 132	17PL		100	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
GX 135	19PL	N100	105	
Heavy Batteries (12 Volts)				
GX 165	21PL	N120S	120	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
GX 175	23PL	N140	140	Ford Tractor 3610 and 46
GL 190	23PL	GL190	150	Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors
195G51F	25PL		160	
GX 200 F	27PL	N190Z	175	
GX 260 F	33PL	N200	220	Heavy Generators and Ships
SP Batteries (12 Volts)				
SP 35 R	5PL		20	Generators
SP 50 L	9PL		30	Suzuki Van / Pick-up, Subaru Van / Pick-up (Old Models) (600cc to 800cc)
SP 55 L	9PL		35	Suzuki Mehran, Daihatsu Cuore, Kia Classic, All CNG converted vehicles (800cc to 1000cc)
SP 65 L	11PL		38	All types of vehicles (800cc to 1300cc)
SP 75 L	13PL		45	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc)
SP 80	9PL		50	
SP 100 R	11PL		60	Toyota Hi-Ace, Mercedes Benz, Isuzu Bus JCR 520zz, Massey Ferguson Tractors, MF-210 Cruiser, Toyota Hi-Lux, Nissan Diesel Pick-up, Ford 1910 Tractor (2000cc to 6000cc)
SP 130	15PL		85	
SP 140	17PL		100	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
SP 145	17PL		100	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
SP 150	19PL		105	
SP 160	19PL		105	
SP 180	21PL		120	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
SP 195	23PL		140	Ford Tractor 3610 and 46
SP 210	23PL		150	Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors
SP 250	27PL		175	
Hybrid Batteries (12 Volts)				
HB 46 L	9PL	Hybrid	30	All types of vehicles (2000cc to 6000cc)
HB 50	11PL	Hybrid	38	
HB 65	13PL	Hybrid	45	
HB 65 (Thin Pole)	13PL	Hybrid	45	
HB 100 L	15PL	Hybrid	80	

Product Types and their Application

Product Type		20 HR Capacity (AH)	Applications	
Maintenance Free Batteries (12 Volts)				
MF 50 L	9PL	Maintenance Free	All types of vehicles (2000cc to 6000cc)	
MF 65 L	11PL	Maintenance Free		
Deep Cycle Batteries (12 Volts)				
DC 50	9PL	Deep Cycle	Solar Panels and UPS	
DC 110	11PL	Deep Cycle		
DC 175	15PL	Deep Cycle		
DC 220	23PL	Deep Cycle		
Agri Batteries (12 Volts)				
Agri 140	17PL		100	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)
Agri 145	19PL		105	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
Agri 170	21PL		120	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
Motorcycle Battery (12 Volts)				
GM2.53C2 CLASSIC			2.5 (10 HR)	Honda CD70, CG125, all Japanese and Chinese motorcycles
SP 5			2.5 (10 HR)	
Battery Tonic				
Battery Tonic	1000 ML			Distilled water for all types of batteries

OUR VALUED OEM CUSTOMERS

HONDA ATLAS CARS (PAKISTAN) LIMITED



INDUS MOTOR COMPANY LIMITED



PAK SUZUKI MOTOR COMPANY LIMITED



MASTER MOTOR CORPORATION (PRIVATE) LIMITED



FUSO MASTER MOTORS (PRIVATE) LIMITED



DAEWOO PAK MOTORS (PRIVATE) LIMITED



PM AUTO INDUSTRIES (PRIVATE) LIMITED



SIGMA MOTORS (PRIVATE) LIMITED



ATLAS HONDA LIMITED



AS AUTO INDUSTRY



September 08, 2020

To: All Shareholders of the Company

Remuneration of Chief Executive and Company Secretary
Information under Section 213 of the Companies Act, 2017.

It is to inform you that the Board has approved the remuneration for the following, for the year ending June 30, 2020.

1. Chief Executive at Rs. 32.57 million.
2. Company Secretary at Rs. 1.81 million.

Bonus, retirement benefits and other facilities are provided in accordance with Company's rules.

Yours truly,
For Atlas Battery Limited



Abdullah Zaheer
Company Secretary

September 08, 2020

To: All Shareholders of the Company

Copy of Computerized National Identification Number - CNIC or National Tax Number – NTN

The shareholders are informed that as per Sub Clause 9(i) of Regulation 4 of Companies (Distribution of Dividends) Regulations, 2017 the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide copy of their Computerized National Identity Card (in case of individual) or National Tax Number (in case of other than individual) or Passport (in case of foreign individual) shareholder.

The shareholders are therefore requested to provide the above documents by mail to the Company Secretary at following address, unless it has already been provided. The members while sending above documents must quote their respective folio number.

**The Company Secretary
Atlas Battery Limited
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial, Phase V, DHA
Karachi**

Shareholders are also requested to immediately notify the change of address, if any.

Yours truly,
For Atlas Battery Limited



Abdullah Zaheer
Company Secretary

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The Company Secretary,
Atlas Battery Limited,
4-C, Khayaban-e-Tanzeem, Tauheed Commercial,
Phase V, D.H.A,
Karachi.

PROXY FORM

I / We _____
of _____
being member(s) of Atlas Battery Limited holding _____ ordinary shares
as per Folio No. _____ and / or CDC Account No. _____ hereby appoint

of _____
Folio No. _____ and / or CDC Account No. _____ or failing him
/ her _____
of _____
Folio No. _____ and / or CDC Account No. _____ as my / our
proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the
Company to be held at 9:30 a.m. on Tuesday, September 29, 2020 at 2nd Floor, Federation House,
Sharaf Firdousi, Clifton, Karachi or via video link, as the case may be and at every adjournment thereof.

Signed this _____ day of _____, 2020.

Witness:

Signature _____

Name _____

CNIC or Passport No. _____



Signature of
Member(s)

Note:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend, act and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company or at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi or through email at investor.relations@abl.atlas.pk not less than 48 hours before the time of the meeting.
- CDC shareholders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

The Company Secretary,
Atlas Battery Limited,
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial,
Phase V, D.H.A,
Karachi.

AFFIX
POSTAGE

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درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری
اٹلس بیٹری لمیٹڈ،
4-C خیابان تنظیم، توحید کمرشل،
فیز ۷، ڈی ایچ اے، کراچی

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