



POWERING THE NATION





POWERING THE NATION

Driven by deep-rooted trust of the nation since decades, Atlas Battery has remained steadfast in its unwavering commitment of 'Powering the Nation' to pursue their aspirations through expanded product offerings, enhanced distribution reach and unparallel after sales customer service. Keeping the customers at the forefront, the Company has rolled out a spectrum of products, ranging from conventional batteries, to hybrid batteries and maintenance free batteries. With cutting-edge, innovative and long-lasting energy storage solutions, Atlas Battery takes pride in being quality leader in the battery industry of Pakistan.



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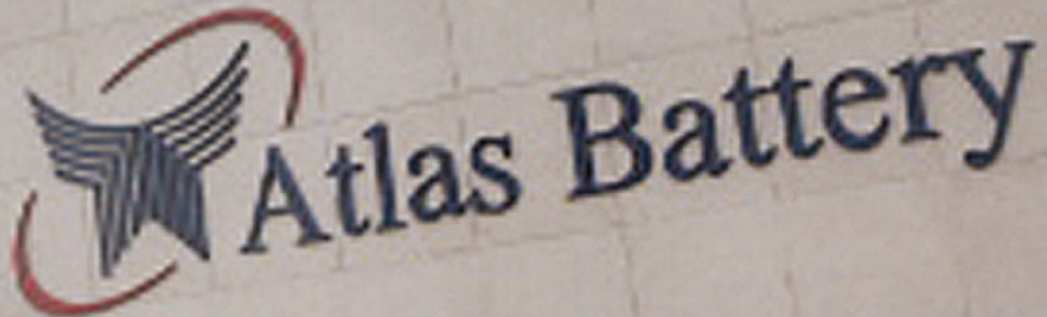
Operating Structure, Ownership and Relationship with Group Companies

About 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 manufacturing and sale of automotive, motorcycle and energy storage 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 is a constituent entity of Atlas Group.

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).

The Company boasts a successful journey of development and manufacturing a diversified range of products for more than five decades. Our product range varies from conventional batteries to innovative low-maintenance hybrid batteries, maintenance free batteries and deep cycle batteries. Today, AGS batteries are the nation's preferred choice for automobiles including motorcycles but also for gensets, construction equipment, uninterruptible power supply (UPS) equipment and solar panels. With state-of-the-art manufacturing facility, continued focus on HSE, unmatched after sales service and Japanese technology, the Company takes pride in delivering quality products which reflects our tagline "بات ہے کوالٹی کی..."



About the Group

The foundation of Atlas Group was laid down by Mr. Yusuf H. Shirazi in 1962 when Shirazi Investments (Private) Limited was formed with a capital of half a million rupees and two associates by his side 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 manufacturing, power generation, trading and financial services. The Group embodies the spirit of development as it endeavors to fuel the growth of Pakistan's economy through 19 companies, 4 of which are quoted on the Pakistan Stock Exchange. Atlas shareholders' equity stands at over US\$ 2 billion, assets at over US\$ 2.5 billion and annual sales approaching US\$ 3 billion.

With an aggressive focus on development, Atlas is firmly established as the technology and knowledge leader in Pakistan. The Group has harmonized professional management and institutionalized the Group shareholding to build businesses that last generation after generation. Atlas is driven by the ambition of making Pakistan self-sufficient and prosperous, and playing a leading role as a responsible corporate citizen promoting centres of professional education, contributing to health facilities, helping law enforcement agencies and improving the standard of life.



Group Shareholding

The following are the details of shareholdings by group companies:



Shirazi Investments (Private) Limited [SIL] was incorporated in 1962 and is the holding company of Atlas Group. SIL holds 58.86% of the shares of Atlas Battery Limited. Besides being holding company of Atlas Group, it is engaged in the businesses of real estate, warehousing and investments in capital markets.



Atlas Insurance Limited is engaged in general insurance and takaful business. The company was founded by Sir Muhammad Iqbal in 1934 and was acquired by Atlas Group in 1980. Atlas Insurance holds 1.74% shares of Atlas Battery Limited.



Atlas Foundation was incorporated in 1986 as not for profit organization. The Foundation has played its role in promoting centers of professional education, contributing to health facilities, helping law enforcement agencies and improving the quality of life. Atlas Foundation holds 1.84% shares of Atlas Battery Limited.



Atlas Battery Limited is engaged in the manufacturing and sale of automotive and motorcycle batteries and their allied products. The company has technical collaboration with GS Yuasa Japan.

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.

Core Values



Quality

To deliver quality products which exceeds customer's expectations.



Meritocracy

To foster meritocracies in hiring, rewarding and promoting the best people based on their merit.



Transparency

To promote a culture of openness in communication with internal and external stakeholders.



Excellence

To continuously pursue operational efficiencies and process improvements.



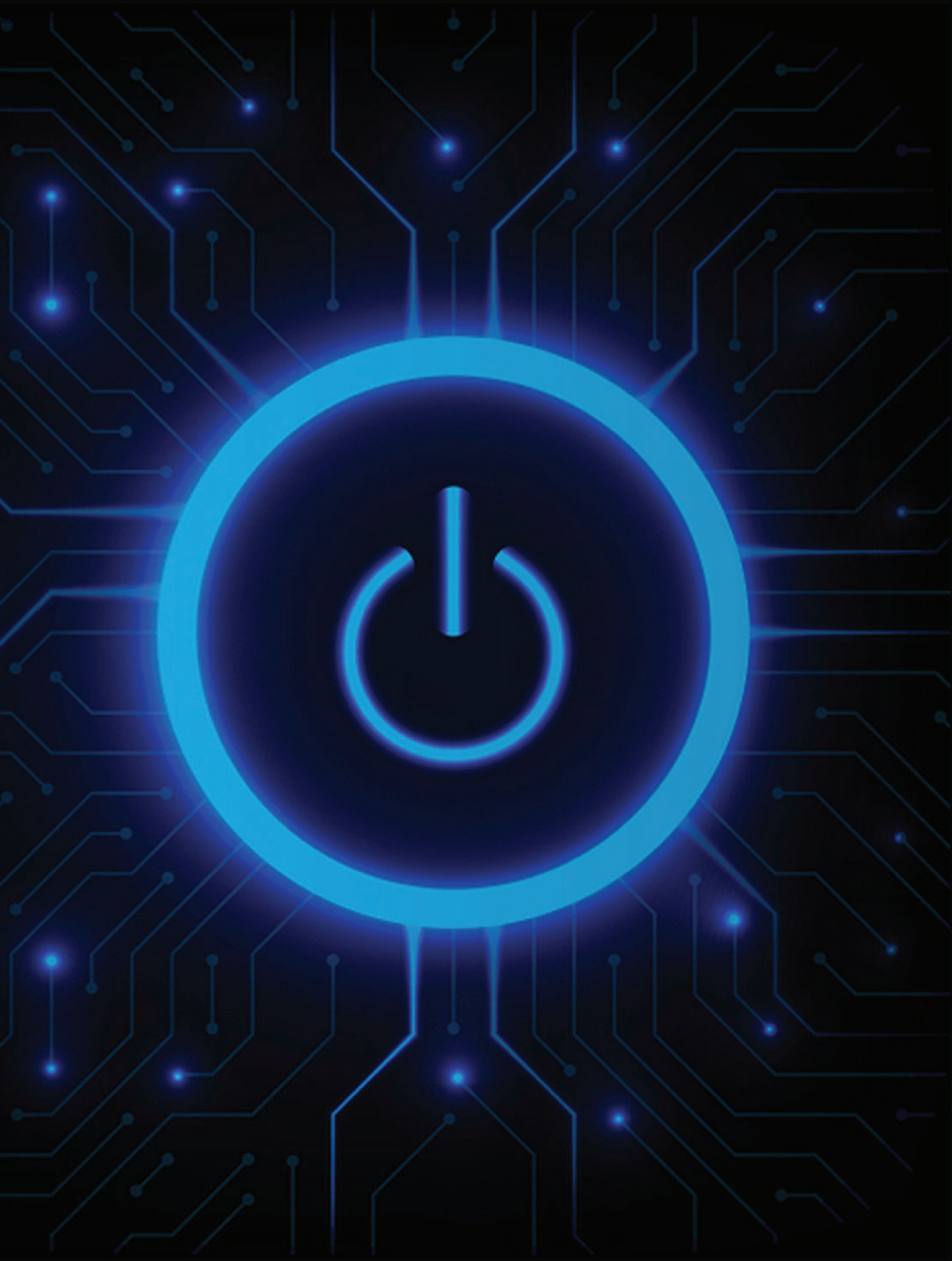
Integrity

To believe in following strong ethical and moral principles.



Safety

Committed to providing safe working environment to our associates and products to our customers.



Quality, Health, Safety and Environment (QHSE) Policy

Atlas Battery Limited fosters superior technologies and innovations through strict compliance of its Quality Management System to 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 taken all necessary initiatives for enhancement of health safety protocols to ensure safety and well being of its associates and society.

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
ISO 45001:2018	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 sales services.

The Company has a state of art quality laboratory equipped with latest equipment 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 standards.

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.



Principal Business Activities

Industry

The Company is engaged 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 replacement market through nationwide dealership network. Major usage of batteries includes vehicles, motorcycles, heavy vehicles including tractors, buses and energy backup solution such as UPS (Uninterrupted Power Supply equipment), solar panels and gensets etc.

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, energy storage batteries and distilled water. The detailed application of product types and their applications are enlisted in "Other Information" 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
ISO 45001:2018	Occupation Health & Safety Management System	Bureau Veritas	2021
ISO 50001:2011	Energy Management System	Bureau Veritas	2020

Brands

The Company sells its products under the following brand names:

- Atlas
- AGS

Geographical Presence



REGIONAL OFFICE

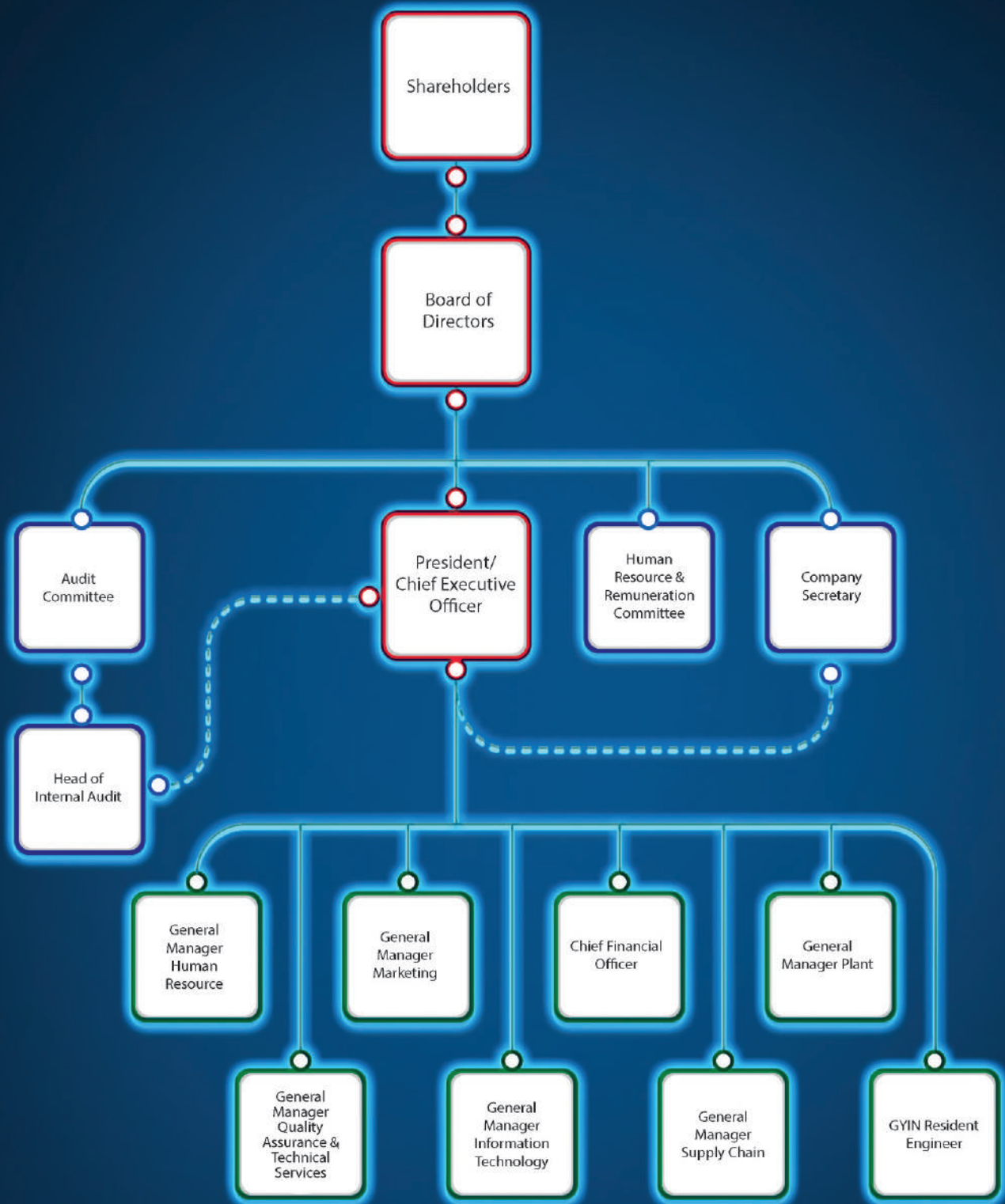


DEALERSHIP NETWORK

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

There are 261 dealers and their network profile is available on our website www.abl.atlas.pk

Organizational Chart



- Functional reporting
- - - - - Administrative reporting

Company Information

Board of Directors

Aamir H. Shirazi
Chairman

Azam Faruque
Director

Bashir Makki
Director

Fahd K. Chinoy
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

Fahd K. Chinoy
Member

Faiz Ullah Ghazi
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Mehreen Amin
Chairperson

Ali H. Shirazi
Member

Bashir Makki
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

Muhammad Asher Ahmad
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer

Sheikh Adeel-ur-Rehman
General Manager Supply Chain

Tehseen Raza
General Manager Plant

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accounts

Legal Advisors

Agha Faisal, Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisors

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
UAN: 111-247-225

Karachi Sales Office

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

Karachi Service Center

PPI Building, Near Sindh Secretariat, Opposite Income
Tax Office, Karachi
Tel: (021) 32636057 & 32626478

Sukkur Sales Office and Service Center

Pak Memon Cooperative Housing Society Limited,
Shop # 1-2-3, 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) 37186388-91

Lahore Service Center

25-KM, Near Shamshad House, Opposite Hussaini
Darbar, Multan Road, Maraka, Lahore
Tel: (042) 35479004-5

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

Plot No. 109-110, Multan Industrial Estate, Phase II,
Opposite CocaCola Factory, Multan.
Tel: (061) 6538715-8

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

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.

	1	2	3
OBJECTIVES	To provide highest level of satisfaction to our customers and value for their money.	To expand sales of the Company in all segments	To be committed to good corporate citizenship and compliance with laws and regulations
NATURE	Short to long term	Short to long term	Short to long term
STRATEGY	<ul style="list-style-type: none"> • Deploying state-of-the-art manufacturing facilities with latest technology for enhanced quality • Providing expeditious after sales services and claim settlements • Train associates, consumers and dealers 	<ul style="list-style-type: none"> • Market penetration through expansion in dealership network • Providing quality after sales services • Maintaining international product quality standards • Promoting Brand Equity 	<ul style="list-style-type: none"> • Deployment of strong internal control framework • Hiring team of qualified and experienced staff to ensure compliance with laws
RESOURCE ALLOCATION PLAN	<ul style="list-style-type: none"> • Intellectual Capital • Social & Relationships Capital 	All Capitals	<ul style="list-style-type: none"> • Human Capital • Intellectual Capital • Financial Capital
KPIs	<ul style="list-style-type: none"> • Claim Settlement Period • Warranty Claim Expense • Market share • Value growth 	<ul style="list-style-type: none"> • Sales and profitability • Market Share 	<ul style="list-style-type: none"> • Number of compliances • Reporting Awards
ACTUAL RESULTS	<ul style="list-style-type: none"> • Reduction in claims by 28%. • Total of 672 training sessions during the year provided to dealers and OEMs. 	<ul style="list-style-type: none"> • Achieved sales of Rs. 19.9 billion higher by 59.1% • Achieved Profitability of Rs. 896 million higher by 374% 	<ul style="list-style-type: none"> • No non-compliances were reported during the year • 17th Annual Environment Excellence Award 2020 – NFEH (National Forum for Environment and Health) • 15th Employers' Federation of Pakistan best practices award on Occupational, Safety and Health • 8th Employer of the Year Award 2020 Medium National Companies Emerald Category by Employers' Federation of Pakistan.

OBJECTIVES	<p style="text-align: center;">4</p> <p>To ensure workplace health and safety.</p>	<p style="text-align: center;">5</p> <p>To recruit and retain the best people and provide training. To recognize that Leadership, Empowerment and Accountability are essential for corporate success.</p>	<p style="text-align: center;">6</p> <p>To ensure optimum cost levels</p>
NATURE	Short to long term	Short to long term	Short to long term
STRATEGY	Creating healthy work environment complying with all SOPs and best practices	<ul style="list-style-type: none"> • Hiring staff on merit basis • Training and education • Succession planning of potential associates • Job rotation and career development • Encourage ideas from bottom to top 	<ul style="list-style-type: none"> • Cost efficiencies through effective resourcing • Process innovations for reduction in wastages and rejections • Energy Efficient Measures
RESOURCE ALLOCATION PLAN	<ul style="list-style-type: none"> • Human Capital • Manufactured Capital • Financial Capital • Social and Relationship Capital 	<ul style="list-style-type: none"> • Human Capital • Financial Capital 	<ul style="list-style-type: none"> • Manufactured Capital • Human Capital • Financial Capital
KPIs	<ul style="list-style-type: none"> • Number of accidents • Employee turnover and feedback on surveys 	<ul style="list-style-type: none"> • Man days of training • Number of successors 	<ul style="list-style-type: none"> • Reduction in Wastages • Use of Renewable Energy • Water recycling for resource savings
ACTUAL RESULTS	<ul style="list-style-type: none"> • No major accidents took place • Necessary precautions initiated in the pretext of COVID outbreak 	<ul style="list-style-type: none"> • Altogether 472 associates benefited from internal trainings and external training / conferences respectively during the year. 	<ul style="list-style-type: none"> • Reduction in wastage ratio by 36%. • Solar capacity upto 100 KW. • Recycled water

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.

Business Model

The Company is guided by sustainability framework which is a product of Atlas Group's fundamental business doctrine "The Atlas Way" which comprises of the principles of "ATLAS CULTURE" and "ATLAS SYSTEMS".

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

Guided by these principles which covers all aspects of the business, the Company makes continuous efforts of creating value for all stakeholders.

How We Create Value for Our Stakeholders?

OUR CAPITALS

Financial

Stable Financial Position

Intellectual

Partnership with GS Yuasa
Atlas Ways
Technical Expertise
Brand Equity
Diversified Product Mix

Human

Strong Corporate Governance
Highly Proficient Workforce

Manufactured

Advanced Manufacturing Facility
ERP & MIS

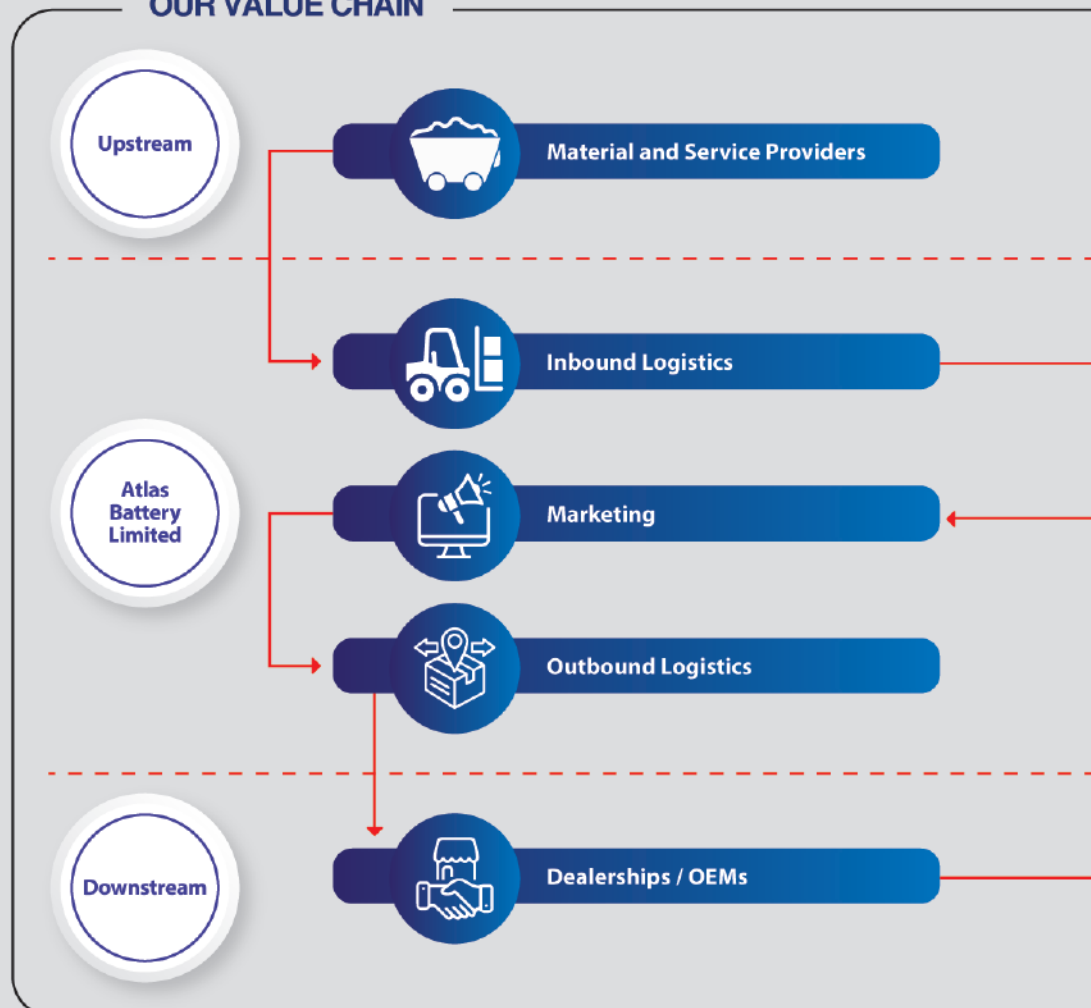
Social and Relationship

Brand Loyalty
Relationship with Customers,
Suppliers, Communities and
other Stake holders

Natural

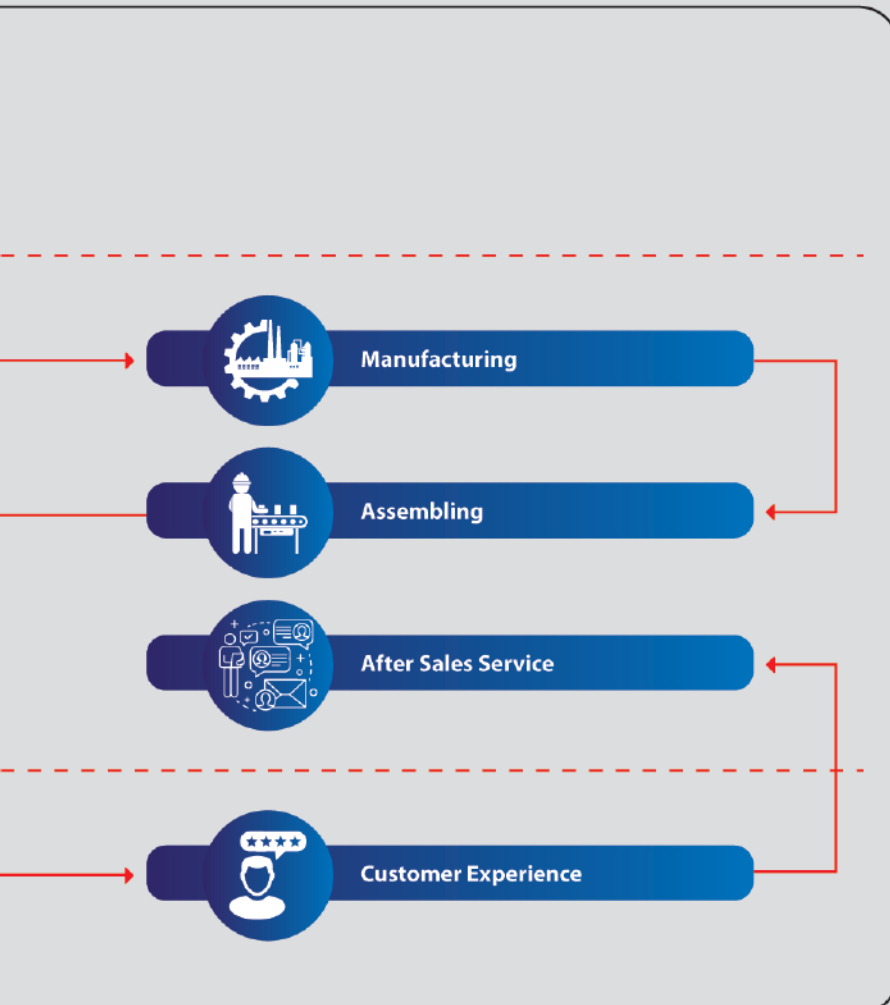
Material
Renewable And Non
Renewable Energy

OUR VALUE CHAIN



ATLAS SYSTEMS

- Management by Objectives (MBO) to align activities towards 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.



VALUE CREATED IN 2021

Customers

Satisfied Customers	Millions
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Investors

Returns to Investors	Sustainable
Return On Equity	16%
Dividend Payout Ratio	42.1%

Employees

Workforce	Highly Motivated
Training attended	472 associates
Wealth Distributed	6%

Partners

Wealth Distributed	69.7%
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Collaboration with vendors to provide quality products to our valued customers.

Communities

Uplifting standards of communities through various initiatives

Governing Bodies and Regulators

Wealth Distributed	18.2%
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Contribute towards growth of Pakistan through direct and indirect taxes

GIVING THE NATION FREEDOM TO MOVE

Our light and medium batteries are trusted by millions of nationwide customers including OEMs. The automotive industry is in transition, the end product is increasingly propelled by technology and focused on high efficiency. Batteries manufactured by us are carefully designed to offer the best performance for all types of vehicles, with emphasis for one self-start and extended life.





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 online through Zoom at 9:30 a.m. on Wednesday, September 29, 2021 to transact the following business.

Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 29, 2020.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2021 together with the Chairman’s Review, Directors’ and Auditors’ Reports, thereon.
3. To consider and approve the payment of final cash dividend at the rate of 40% (Rs.4 per share) for the year ended June 30, 2021 as recommended by the Board of Directors. This is in addition to 100% (Rs.10 per share) interim cash dividend already paid.
4. To appoint auditors and fix their remuneration for the year ending June 30, 2022. The present auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

Special Business:

5. To consider and approve the bonus shares issue @ 15% (3 bonus shares for every 20 shares held) for the year ended June 30, 2021 as recommended by the Board of Directors.

In order to give effect to the aforesaid, if thought fit, pass with or without modification the following resolutions as Special Resolution:

- 5.1 RESOLVED “that a sum of Rs.36,539,510/- out of Company’s profit be capitalized for issuing 3,653,951 fully paid ordinary shares of Rs.10/- each as bonus shares to be allotted to those shareholders of the Company, whose names shall appear in the register of members at the close of business on September 14, 2021 @ 15% in the proportion of 3 ordinary shares of Rs.10/- each for every 20 ordinary shares held by a shareholder. The said shares shall rank pari passu with the existing shares of the Company as regards future dividend and in all other respects.”
- 5.2 FURTHER RESOLVED “that all the fractional bonus shares shall be combined and the Directors be and are hereby authorized to combine and sell the fractional shares so combined in the stock market and pay the proceeds of sales thereof, when realized, to a charitable institution approved under the Income Tax Ordinance, 2001”.
- 5.3 FURTHER RESOLVED “that the directors be and are hereby authorized to give effect to the foregoing resolutions and in this regard to do or cause to be done all acts, deeds and things that may be necessary or required.”

A statement under Section 134(3) of the Companies Act, 2017 pertaining to the Special Business referred to above is annexed to this Notice of Meeting.

Other Business:

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

BY ORDER OF THE BOARD



Company Secretary

Karachi: September 08, 2021

NOTES:

1. Coronavirus Contingency Planning for Annual General Meeting (AGM)

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 dated March 17, 2020, Circular No. 10 dated April 01, 2020, Circular No.33 dated November 05, 2020, Circular No. 4 dated February 15, 2021, Circular No. 6 dated March 04, 2021 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, 2021 to September 29, 2021 (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, 2021 will be considered in time for determination of entitlement of shareholders to cash dividend and bonus shares, and 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. For the convenience of the shareholders, a proxy form is attached in the last portion of the Annual 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 entities should bring Board of Directors’ resolution / Power of Attorney with specimen signature of the person nominated to attend and vote on behalf of the corporate entity.

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

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 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. Withholding Income Tax on Dividend

The latest Active Taxpayers List (ATL) available at Federal Board of Revenue (FBR) website would be considered to determine the status of filer or non-filer and tax will be deducted accordingly at the prescribed rates. All shareholders are advised to take necessary action for inclusion of their names in ATL, to avoid higher rate of tax deduction. To claim exemption of withholding income tax on dividend amount, valid exemption certificate is required to be submitted at either of the below given addresses, before book closure. Further, in respect of joint shareholders, their shareholding will be treated as equal for tax deduction purposes unless ratio / share (if any) is intimated by the shareholder to the Company Secretary / Share Registrar.

10. 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 2021 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 also 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 2021 are being emailed to those members who opted to receive such communication via email. Other members who wish to receive the Annual Report 2021 via email may file an application as per the form provided on the Company's website in compliance with the subject SRO.

11. 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.

12. 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, Zakat Declaration CZ-50 Form under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981 shall be submitted at either of the below given addresses. The shareholders must write Atlas Battery Limited's name and their respective Folio Number or CDS Account Number on Zakat Declarations.

13. Deposit of Physical Shares in CDC Accounts

As per Section 72 of the Companies Act, 2017 every existing company is 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 i.e. May 31, 2017.

In order to comply with the directives, the physical shareholders are once again requested to convert their shares into book-entry form by opening 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	Share Registrar
D-181, Central Avenue, S.I.T.E., Karachi-75730	M/s. Hameed Majeed Associates (Private) Limited,
Tel: (021) 32567990-4	Karachi Chambers, Hasrat Mohani Road, Karachi.
Fax: (021) 32564703	Tel: (021) 32424826 & 32412754
	Fax: (021) 32424835

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement is annexed to the Notice of the Annual General Meeting of Atlas Battery Limited to be held on September 29, 2021 at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

ITEM NO. 5 OF THE AGENDA

The Board of Directors has recommended to the members of the Company to declare dividend by way of issue of fully paid bonus shares @ 15% for the year ended June 30, 2021 and thereby capitalize a sum of Rs. 36,539,510. The Directors have also recommended that all the fractional bonus shares shall be combined and the Directors be and are hereby authorized to combine and sell the fractional shares so combined in the stock market and pay the proceeds of sales thereof, when realized, to a charitable institution approved under the Income Tax Ordinance, 2001.

The Directors are not interested in this business except as shareholders of the Company.

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 2020-21 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.

Dividend and Bonus Shares Announcement

The Board of Directors has recommended a final cash dividend @ 40% (Rs.4 per share) and bonus shares issue @ 15% for the year ended June 30, 2021 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting. This is in addition to 100% (Rs.10 per share) interim cash dividend already paid by the Company, taking the total cash distribution for the year to 140% (Rs.14 per share).

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, 2021 to September 29, 2021 (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 to 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.

Withholding of Tax & Zakat on Dividend

As per Section 150 of the Income Tax Ordinance, 2001 income tax is deductible at source on the amount of dividend paid by the Company at prescribed rates, where applicable.

In the light of clarification from Federal Board of Revenue, all shareholders who intend to seek exemption from withholding of income tax on payment of dividend under clause 47B of Part – IV of the Second Schedule of the Income Tax Ordinance, 2001 are requested to provide the valid Exemption Certificate under section 159(1) of the Income Tax Ordinance, 2001 duly issued by the concerned Commissioner of Inland Revenue in order to claim the said exemption.

Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction of zakat.

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 published 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.

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, 2021
1st quarter ending September 30, 2021	Last week of October, 2021
Half year ending December 31, 2021	Last week of February, 2022
3rd quarter ending March 31, 2022	Last week of April, 2022
Year ending June 30, 2022	Last week of August, 2022

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.

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.9.88 billion and net worth of Rs.5.6 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.

Adequacy of the Capital Structure

The capital structure is adequate for the foreseeable future. In case of any inadequacy identified, the Company has sufficient avenues, such as issuance of right shares and / or obtaining term financing.

Shares held by Directors / Sponsors / Executives

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

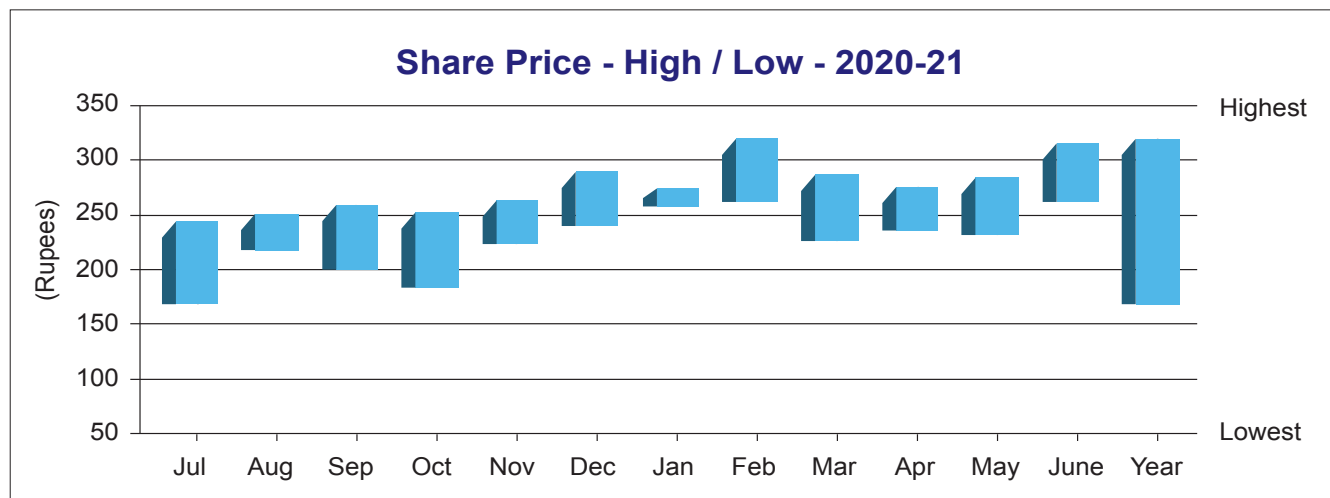
Market Capitalization, Share Price and Volume Data

During the year, the highest share price of the Company recorded at Pakistan Stock Exchange (PSX) was Rs.319.99 on February 18, 2021. The market capitalization at that instant was Rs.7.79 billion.

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on PSX during the financial year ended June 30, 2021.

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of Shares Traded	Market Capitalization in Value * (Rs. in bln)
Jul	244.00	168.52	231.82	1,489,000	5.94
Aug	251.50	218.10	227.09	1,017,100	6.13
Sep	259.00	200.00	202.94	1,014,800	6.31
Oct	252.00	183.10	241.98	932,100	6.14
Nov	263.50	223.24	242.38	495,600	6.42
Dec	290.00	240.10	266.27	904,000	7.06
Jan	274.89	258.00	264.39	262,300	6.70
Feb	319.99	262.00	278.39	867,200	7.79
Mar	287.00	226.01	244.50	457,000	6.99
Apr	276.00	235.36	249.36	393,600	6.72
May	283.80	231.25	261.17	265,200	6.91
June	315.94	261.31	315.94	692,600	7.70
Year	319.99	168.52	315.94	8,790,500	7.79

* Based on highest price



Statement of Value Addition

Wealth Generated:

Sales including Sales Tax
Other Income

To Vendors

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

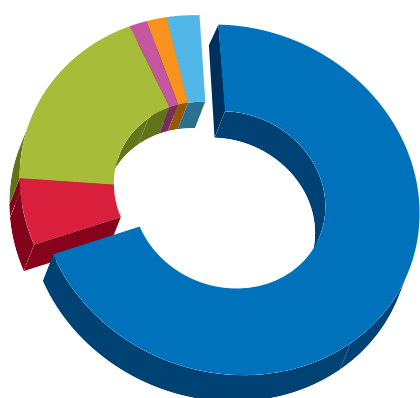
Retained in the Business

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

Year ended June 30

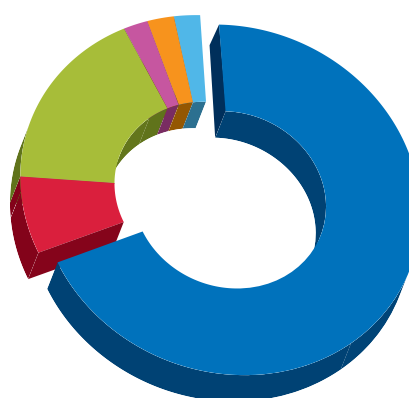
2021		2020	
(Rs. in '000)	% age	(Rs. in '000)	% age
23,775,378	99.8	15,035,485	99.8
50,722	0.2	32,601	0.2
23,826,100	100.0	15,068,086	100.0
16,614,082	69.7	10,834,012	72.0
1,455,240	6.1	1,100,056	7.3
4,233,646	17.8	2,745,387	18.2
64,233	0.3	-	-
25,390	0.1	-	-
4,323,269	18.2	2,745,387	18.2
341,035	1.4	-	-
138,416	0.6	348,496	2.3
479,451	2.0	348,496	2.3
-	-	-	-
399,119	1.7	367,234	2.4
554,939	2.3	(327,099)	(2.2)
954,058	4.0	40,135	0.2
23,826,100	100.0	15,068,086	100.0

2021



- Cost of Material & Services (69.7%)
- To Employees (6.1%)
- To Government (18.2%)
- To Providers of Capital (2.0%)
- Depreciation & Amortization (1.7%)
- Retained Profit / (Loss) (2.3%)

2020



- Cost of Material & Services (72%)
- To Employees (7.3%)
- To Government (18.2%)
- To Providers of Capital (2.3%)
- Depreciation & Amortization (2.4%)
- Retained Profit / (Loss) (-2.2%)

Pattern of Shareholding

AS AT JUNE 30, 2021

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
675	1	100	23,747	0.10%
514	101	500	155,196	0.64%
292	501	1,000	239,485	0.98%
405	1,001	5,000	957,686	3.94%
56	5,001	10,000	395,908	1.64%
33	10,001	15,000	409,032	1.68%
14	15,001	20,000	239,004	0.98%
7	20,001	25,000	149,475	0.61%
6	25,001	30,000	163,306	0.67%
2	35,001	40,000	76,300	0.31%
4	40,001	45,000	168,932	0.69%
4	45,001	50,000	184,144	0.76%
2	50,001	55,000	108,370	0.44%
1	60,001	65,000	60,270	0.25%
2	65,001	70,000	140,000	0.57%
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	447,821	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%
2,030			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	1,019	0.00%
Associated companies, undertakings & related parties (Note 1)	4	18,864,946	77.44%
NIT and ICP	5	2,352	0.01%
Banks, DFIs & NBFCs	1	3,161	0.01%
Insurance Companies	2	26,465	0.11%
Modarabas and Mutual Funds	1	53,900	0.22%
Public Sector Companies & Corporations	1	336,792	1.38%
General Public			
Local	1,982	4,476,744	18.39%
Foreign	-	-	-
Others:			
Joint Stock Companies	25	589,424	2.42%
Trustee of Iftikhar Shirazi Family Trust	1	1	-
Trustees Al-Bader Welfare Trust	1	4,872	0.02%
	2,030	24,359,676	100.00%

Note:

1. Following shareholders are shown under Associated Companies category:

Atlas Foundation	447,821	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%
	18,864,946	77.44%

Pattern of Shareholding

AS AT JUNE 30, 2021

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. Fahd K. Chinoy	1	1,000	-
Ms. Mehreen Amin	1	1	-
Mr. Toru Furuya	1	1	-
	7	1,019	0.00%
Associated Companies, Undertakings and Related Parties			
Atlas Foundation	1	447,821	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	18,864,946	77.44%
NIT and ICP			
Investment Corporation of Pakistan	4	2,146	0.01%
IDBL - (ICP Unit)	1	206	-
	5	2,352	0.01%
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies and Modarabas			
	3	29,626	0.12%
Mutual Funds			
AFC Umbrella Fund	1	53,900	0.22%
Public Sector Companies & Corporations			
State Life Insurance Corporation of Pakistan	1	336,792	1.38%
General Public			
	1,982	4,476,744	18.39%
Others			
	27	594,297	2.44%
	<u>2,030</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 has over 36 years of corporate management experience. He has to his credit, work experience in Honda – America. Besides working at various positions in Atlas Group, he also served as the Chief Executive of Atlas Honda.

He is currently the Chairman of Honda Atlas Cars (Pakistan) Limited, Atlas Honda, Atlas Battery, Atlas Engineering, and Atlas Autos. He serves on the Boards of Shirazi Investments, Shirazi Trading and Murree Brewery. He was appointed as a Director on the Board of Lahore Stock Exchange for two consecutive terms by the Securities & Exchange Commission of Pakistan.

He is currently a member of the Board of Governors of Lahore University of Management Science and University of Engineering & Technology, Lahore. He serves as an Honorary Consul General of Japan and is the Patron-in-Chief of Pakistan Japan Cultural Association in Lahore.

He graduated from the Claremont McKenna College and completed his OPM from the Harvard Business School.



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, Unicol Limited, Indus Motor Company Limited, International Industries Limited, Madian Hydro Power Limited and Habib University Foundation. 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 40 years of diverse corporate management experience. He formerly worked with ICI Pakistan Limited for 22 years, which also included 2 years of secondment with ICI Malaysia Holdings, where he was actively involved in commercial and financial audits of ICI companies based in the Asia Pacific region.

He served in Atlas group for more than 17 years and was Director Group HR & HSE and a member of the Group Executive Committee. He is now operating a management consultancy firm, which specializes primarily in offering HR related services to corporate clients. He also serves on the Boards of Atlas Autos (Private) Limited, Atlas Power Limited and Shirazi Trading Company (Private) Limited.

He has also attended executive development programs at Harvard Business School, U.S.A. and Ashridge College in the U.K and is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Fahd K. Chinoy

Mr. Fahd K. Chinoy is an MBA from INSEAD (France) and has a Bachelor of Arts in Economics and Political Science from the University of Pennsylvania, USA. He is currently CEO of Pakistan Cables Limited and prior to this, he headed various departments including Sales, Marketing, Supply Chain and Informational Technology at Pakistan Cables Limited.

Mr. Fahd K. Chinoy has previously served in the banking industry, having worked with TD Securities in New York and Toronto as an Associate in various departments including Loan Syndications and Corporate Banking. He is currently also a Director of Focus Humanitarian Assistance Pakistan and the Amir Sultan Chinoy Foundation. He also serves on the Board of Advisors for NOWPDP and is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



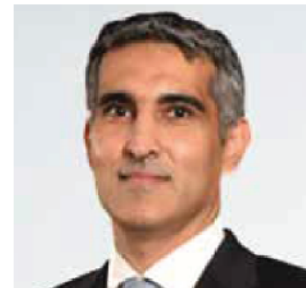
Ms. Mehreen Amin

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. She is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



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. During this period he worked for the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He serves on the Board of Atlas Asset Management Limited, Atlas Insurance Limited, Naymat Collateral Management Company Limited, National Management Foundation (sponsoring body of LUMS), Cherat Packaging Limited, Pakistan Cables Limited, Pakistan Society for Training and Development (President) and Young President Organization-Pakistan (YPO). 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.

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

**1966
TO 1978**



**1979
TO 1988**



**1989
TO 1998**



**1999
TO 2008**



**2009
TO 2018**



**2019
TO 2021**





- 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)
- 2020** Best Corporate Report Awards – Certificate of Merit (2019) – ICAP and ICMAP
- 2021** 17th Annual Environment Excellence Award 2020 – NFEH (National Forum for Environment and Health)
- 2021** 15th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health
- 2021** 8th Employer of the Year Award 2020 Medium National Companies Emerald Category by Employers' Federation of Pakistan
- 2021** Joint 4th Position - Best Corporate Report Awards (2020) - ICAP and ICMAP

Major Events during the Year

July 2020

- Annual Sales and Marketing Conference 2019-20 was held on July 17, 2020 via Zoom.

August 2020

- Meeting of Board of Directors was held on August 25, 2020 to consider and approve the audited annual accounts for the year ended June 30, 2020.

September 2020

- Annual General Meeting was held on September 29, 2020 where audited annual financial statements for the year ended June 30, 2020 were approved by the shareholders.
- Received 17th Annual Environment Excellence Award 2020 from NFEH (National Forum for Environment and Health).



October 2020

- Meeting of Board of Directors was held on October 27, 2020 to consider and approve the quarterly accounts for the quarter ended September 30, 2020.
- Corporate Briefing Session was held on October 23, 2020 at Karachi to brief the investors / analyst about the Company's financial performance for the year ended June 30, 2020.

- Received 15th Employers' Federation of Pakistan 'Best Practices Award' on Occupational, Safety and Health.



February 2021

- Meeting of Board of Directors was held on February 20, 2021 to consider and approve the half yearly accounts for the half year ended December 31, 2020.
- Half yearly sales conference 2020-21 was held on February 04, 2021 via Zoom.

March 2021

- Received 8th 'Employer of the Year Award 2020' Medium National Companies Emerald Category by Employers' Federation of Pakistan.



April 2021

- Meeting of Board of Directors was held on April 26, 2021 to consider and approve the quarterly accounts for the period ended March 31, 2021 and approval of interim cash dividend.

June 2021

- Meeting of Board of Directors was held on June 24, 2021 to consider and approve the Annual Budget for Financial Year 2021-22.

Media Gallery

Advertisement

Social Media

- Digital campaigns in respect of COVID-19 Awareness, Ramadan Recharge, Mobile Application and Maintenance Free Battery were held on social media.
- Sparkistan Season 3 videos (Theme: COVID Heroes) were launched. In addition, a Digital Video Campaign 'Bachpan ka Spark' was launched.

Radio & Print Media Activities

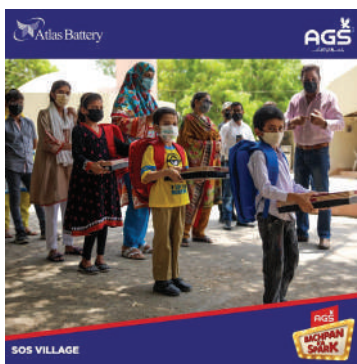
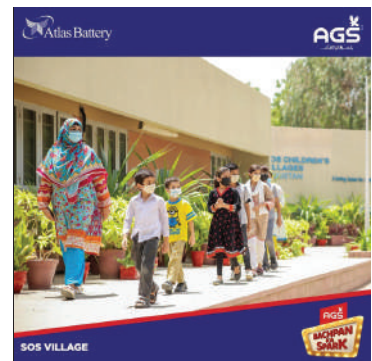
- Various advertisement activities of the Company's products were aired through print media and radio.

Model Shops

- The Company built 41 model shops throughout the country with a view to standardize dealerships. CEO honored the inauguration ceremony of various model shops.

Consumer Awareness Program

- Various training and preventive maintenance programs held throughout the year. These programs were attended by large number of dealers, retailers, technicians of OEMs and end users.



PEAK PERFORMANCE MINIMAL MAINTENANCE

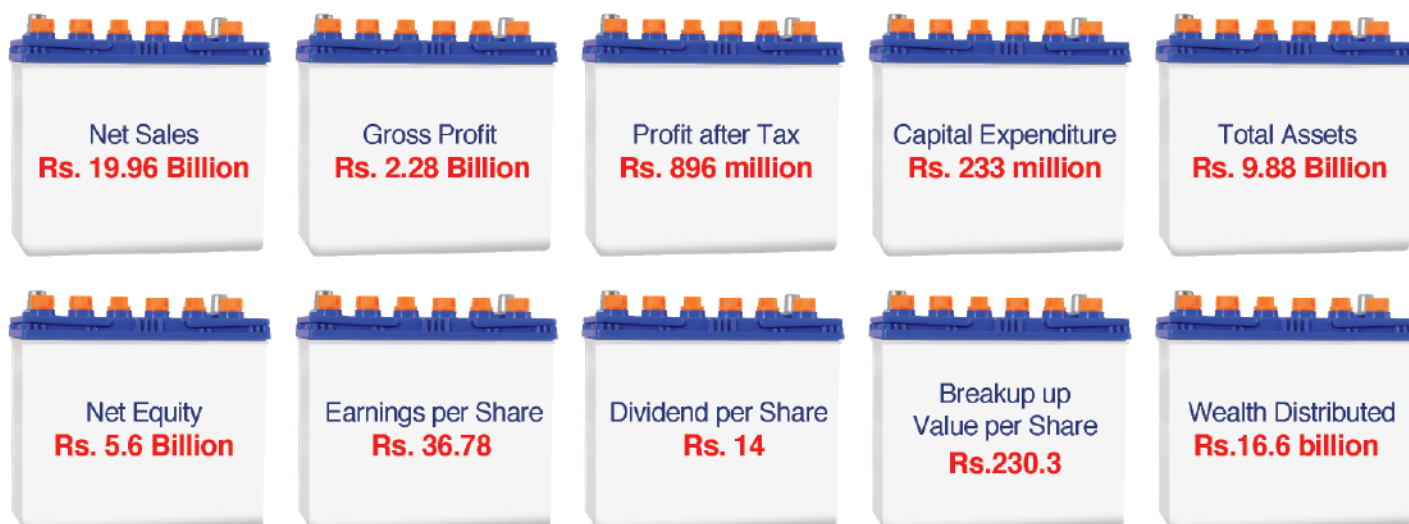
Atlas Battery offers low and maintenance free batteries for high end vehicles to provide the power it requires to ensure a smooth running and efficient performance.





Key Financial & Non-Financial Performance Measures

FINANCIAL CAPITAL



SOCIAL AND RELATIONSHIP CAPITAL

MANUFACTURED CAPITAL



HUMAN CAPITAL

INTELLECTUAL CAPITAL



Methods & Assumptions Used in Compiling the Indicators

Key performance indicators effectively reflect the Company's performance. The Company analyses its market positioning, competitors and general market conditions while compiling its indicators. The Company analyses sales, gross profit, profit after tax and earnings per share on regular basis to gauge its performance. These are basic indicators of Company's financial performance and profitability. Dividend identifies the amount allocated out of profit for paying cash dividends to shareholders.

Changes in the Indicators

There were no significant changes in the financial and non-financial indicators as compared to previous years.

Explanation of Changes in Performance over the Period

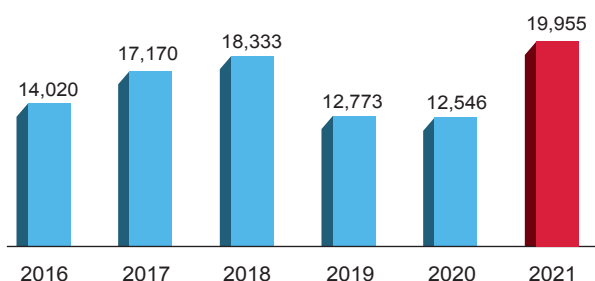
Changes in performance against prior years; including the analysis of financial statements and the vertical and horizontal analysis of statement of financial position, statement of profit or loss and statement of cash flows have been appropriately explained in the relevant sections of this report.

Financial Highlights

	----- Rupees in Million -----			
	2021	2020	%	+/-
Sales	19,955	12,546	59.1%	+
Gross Profit	2,281	879	159.6%	+
Operating Profit	1,333	204	552.1%	+
Profit / (Loss) Before Tax	1,195	(144)	929.8%	+
Profit / (Loss) After Tax	896	(327)	373.9%	+
Earnings / (Loss) Per Share - Basic & Diluted (Rupees)	36.78	(13.43)	373.9%	+
Shareholders' Equity	5,609	4,955	13.2%	+
Book Value Per Share (Rupees)	230	203	13.2%	+
Property, Plant & Equipment	3,952	4,139	-4.5%	-

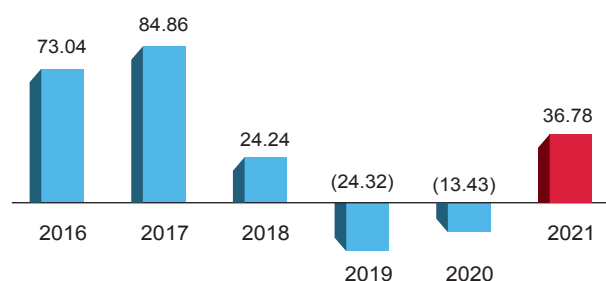
Business Growth

Sales Revenue (Rs. in Million) CAGR 7.3%

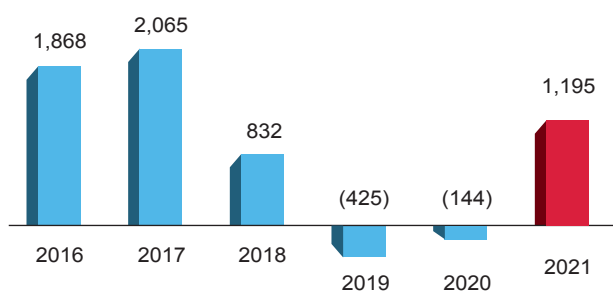


Shareholder Value Accretion

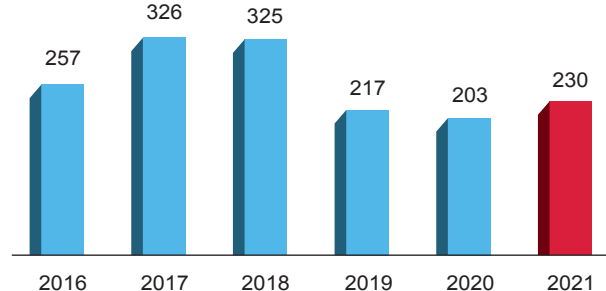
Earnings Per Share (Rupees) CAGR -12.8%



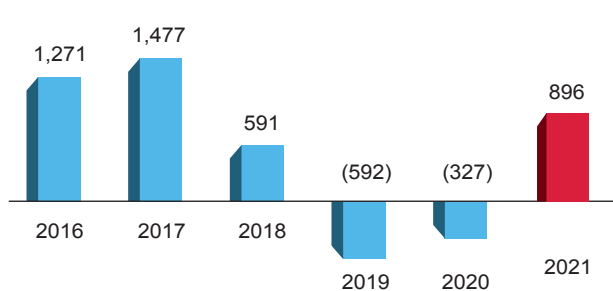
Profit Before Tax (Rs. in Million) CAGR -8.5%



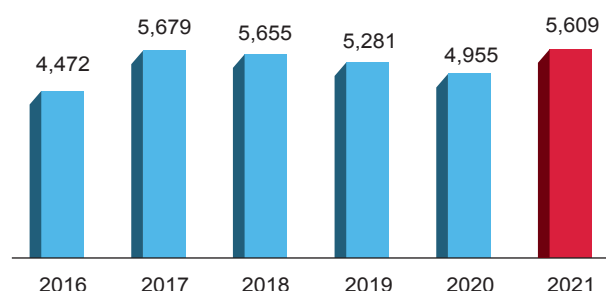
Book Value Per Share (Rupees) CAGR -2.2%



Profit After Tax (Rs. in Million) CAGR -6.8%



Shareholders' Equity (Rs. in Million) CAGR 4.6%



Analysis of Financial Statements

Statement of Financial Position

(Rupees in '000)

Particulars	2021	2020	2019	2018	2017	2016
Assets						
Non Current Assets						
Property, plant and equipment	3,952,397	4,139,386	3,924,958	3,591,257	3,158,027	2,672,742
Intangible assets	3,929	-	160	1,002	1,467	4,883
Investments	-	-	-	-	-	-
Long term loans	1,897	2,049	1,289	1,759	1,303	1,152
Long term deposits	20,388	18,683	20,281	20,401	16,777	14,647
Total non current assets	3,978,611	4,160,118	3,946,688	3,614,419	3,177,574	2,693,424
Current Assets						
Stores, spares and loose tools	259,332	215,326	225,331	218,914	191,896	182,314
Stock-in-trade	3,912,393	1,999,313	1,760,092	2,689,010	1,706,859	1,889,810
Trade debts	1,092,145	692,998	1,096,449	1,754,311	364,642	119,477
Loans and advances	19,970	8,647	4,887	13,835	5,234	5,561
Deposits and prepayments	39,779	9,861	24,400	16,890	18,231	6,457
Investments	146,364	138,268	127,055	861,921	2,464,851	1,558,861
Accrued mark-up	302	-	-	-	-	-
Other receivables	2,983	2,446	8,399	6,685	3,893	8,840
Sales tax receivable - net	29,674	-	-	31,739	-	-
Taxation - net	209,017	567,622	594,968	547,349	349,166	196,036
Cash and bank balances	189,113	45,507	423,649	381,180	14,873	45,257
Total current assets	5,901,072	3,679,988	4,265,230	6,521,834	5,119,645	4,012,613
Total Assets	9,879,683	7,840,106	8,211,918	10,136,253	8,297,219	6,706,037
Equity and Liabilities						
Share Capital and Reserves						
Share capital	243,597	243,597	243,597	173,998	173,998	173,998
General reserve	5,037,500	5,037,500	5,037,500	4,697,500	3,827,500	2,827,500
Accumulated (loss) / profit	(261,198)	(915,479)	(589,274)	589,307	1,483,462	1,276,794
Surplus on revaluation of leasehold land	5,019,899	4,365,618	4,691,823	5,460,805	5,484,960	4,278,292
Total equity	5,609,085	4,954,804	5,281,009	5,654,691	5,678,846	4,472,178
Non Current Liabilities						
Lease liabilities	319,547	358,677	-	-	-	-
Long term borrowings	411,652	551,405	-	-	-	-
Deferred income - government grant	11,724	6,181	-	-	-	-
Staff retirement benefits	83,047	69,515	69,345	72,813	79,868	65,359
Deferred taxation	215,492	237,131	246,580	251,028	254,932	216,880
Total non current liabilities	1,041,462	1,222,909	315,925	323,841	334,800	282,239
Current Liabilities						
Trade and other payables	1,692,228	1,195,743	1,037,880	1,643,053	1,305,112	1,172,431
Sales tax payable - net	-	175,968	87,717	-	65,270	18,057
Accrued mark-up	16,119	34,891	43,385	20,259	4,623	4,392
Current portion of lease liabilities	39,130	30,151	-	-	-	-
Current maturity of long term borrowings	308,252	106,506	-	-	-	-
Current portion of deferred income	-	-	-	-	-	-
- government grant	13,623	11,931	-	-	-	-
Short term borrowings	1,083,666	71,297	1,408,152	2,459,687	882,770	735,989
Unpaid dividend	36,539	-	-	-	-	-
Unclaimed dividend	39,579	35,906	37,850	34,722	25,798	20,751
Total current liabilities	3,229,136	1,662,393	2,614,984	4,157,721	2,283,573	1,951,620
Total Equity and Liabilities	9,879,683	7,840,106	8,211,918	10,136,253	8,297,219	6,706,037

Analysis of Financial Statements

Statement of Financial Position

Particulars	Vertical Analysis						Horizontal Analysis				
	2021	2020	2019	2018	2017	2016	2021 / 2020	2020 / 2019	2019 / 2018	2018 / 2017	2017 / 2016
	-----Percentage-----						-----Percentage-----				
Assets											
Non Current Assets											
Property, plant and equipment	40.0	52.8	47.8	35.4	38.1	39.9	(4.5)	5.5	9.3	13.7	18.2
Intangible assets	-	-	-	-	-	0.1	100.0	(100.0)	(84.0)	(31.7)	(70.0)
Investments	-	-	-	-	-	-	-	-	-	-	-
Long term loans	-	-	-	-	-	-	(7.4)	59.0	(26.7)	35.0	13.1
Long term deposits	0.2	0.2	0.2	0.2	0.2	0.2	9.1	(7.9)	(0.6)	21.6	14.5
Total non current assets	40.2	53.0	48.0	35.6	38.3	40.2	(4.4)	5.4	9.2	13.7	18.0
Current Assets											
Stores, spares and loose tools	2.6	2.7	2.7	2.2	2.3	2.7	20.4	(4.4)	2.9	14.1	5.3
Stock-in-trade	39.6	25.5	21.4	26.5	20.6	28.2	95.7	13.6	(34.5)	57.5	(9.7)
Trade debts	11.1	8.8	13.4	17.3	4.4	1.8	57.6	(36.8)	(37.5)	381.1	205.2
Loans and advances	0.2	0.1	0.1	0.1	0.1	0.1	130.9	76.9	(64.7)	164.3	(5.9)
Deposits and prepayments	0.4	0.1	0.3	0.2	0.2	0.1	303.4	(59.6)	44.5	(7.4)	182.3
Investments	1.5	1.8	1.5	8.5	29.7	23.2	5.9	8.8	(85.3)	(65.0)	58.1
Accrued mark-up	-	-	-	-	-	-	100.0	-	-	-	-
Other receivables	-	-	0.1	0.1	-	0.1	22.0	(70.9)	25.6	71.7	(56.0)
Sales tax receivable - net	0.3	-	-	0.3	-	-	100.0	-	(100.0)	100.0	-
Taxation - net	2.1	7.2	7.2	5.4	4.2	2.9	(63.2)	(4.6)	8.7	56.8	78.1
Cash and bank balances	2.0	0.8	5.3	3.8	0.2	0.7	315.6	(89.3)	11.1	2,462.9	(67.1)
Total current assets	59.8	47.0	52.0	64.4	61.7	59.8	60.4	(13.7)	(34.6)	27.4	27.6
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	26.0	(4.5)	(19.0)	22.2	23.7
Equity and Liabilities											
Share Capital and Reserves											
Share capital	2.5	3.1	3.0	1.7	2.1	2.6	-	-	40.0	-	-
General reserve	51.0	64.3	61.3	46.3	46.1	42.2	-	-	7.2	22.7	35.4
Accumulated (loss) / profit	(2.6)	(11.7)	(7.2)	5.8	17.9	19.0	71.5	(55.4)	(200.0)	(60.3)	16.2
	50.9	55.7	57.1	53.8	66.1	63.8	15.0	(7.0)	(14.1)	(0.4)	28.2
Surplus on revaluation of leasehold land	6.0	7.5	7.2	1.9	2.3	2.9	-	-	203.9	-	-
Total equity	56.9	63.2	64.3	55.7	68.4	66.7	13.2	(6.2)	(6.6)	(0.4)	27.0
Non Current Liabilities											
Lease liabilities	3.2	4.6	-	-	-	-	(10.9)	100.0	-	-	-
Long term borrowings	4.2	7.0	-	-	-	-	(25.3)	100.0	-	-	-
Deferred income - government grant	0.1	0.1	-	-	-	-	89.7	100.0	-	-	-
Staff retirement benefits	0.8	0.9	0.8	0.7	1.0	1.0	19.5	0.2	(4.8)	(8.8)	22.2
Deferred taxation	2.2	3.0	3.0	2.5	3.1	3.2	(9.1)	(3.8)	(1.8)	(1.5)	17.5
	10.5	15.6	3.8	3.2	4.1	4.2	(14.8)	287.1	(2.4)	(3.3)	18.6
Current Liabilities											
Trade and other payables	17.0	15.2	12.7	16.3	15.7	17.4	41.5	15.2	(36.8)	25.9	11.3
Sales tax payable - net	-	2.2	1.1	-	0.8	0.3	(100.0)	100.6	100.0	(100.0)	261.5
Accrued mark-up	0.2	0.4	0.5	0.2	0.1	0.1	(53.8)	(19.6)	114.2	338.2	5.3
Current portion of lease liabilities	0.4	0.4	-	-	-	-	29.8	100.0	-	-	-
Current maturity of long term borrowings	3.1	1.4	-	-	-	-	189.4	100.0	-	-	-
Current portion of deferred income											
- government grant	0.1	0.2	-	-	-	-	14.2	100.0	-	-	-
Short term borrowings	11.0	0.9	17.1	24.3	10.6	11.0	1,419.9	(94.9)	(42.8)	178.6	19.9
Unpaid dividend	0.4	-	-	-	-	-	100.0	-	-	-	-
Unclaimed dividend	0.4	0.5	0.5	0.3	0.3	0.3	10.2	(5.1)	9.0	34.6	24.3
Total current liabilities	32.6	21.2	31.9	41.1	27.5	29.1	94.2	(36.4)	(37.1)	82.1	17.0
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0	26.0	(4.5)	(19.0)	22.2	23.7

Comments on Six Years' Statement of Financial Position

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 recent couple of years 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. This year the inventory is high due to excess demand in market.

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 loan of Rs.500 million was obtained during 2019-20 to meet financial obligations for capital expenditures. Also, Company availed facility offered by State Bank of Pakistan's (SBP) refinance scheme for payment of salaries and wages of employees and workers during COVID-19 period amounting to Rs.367 million. During the year principal repayments were made amounting to Rs.187 million. The Company availed Temporary Economic Refinance Facility from SBP amounting to Rs.33 million.

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.

Analysis of Financial Statements

Statement of Profit and Loss

(Rupees in '000)

Particulars	2021	2020	2019	2018	2017	2016
Sales	19,955,087	12,546,152	12,773,113	18,332,861	17,169,908	14,019,507
Cost of sales	(17,673,951)	(11,667,365)	(12,506,602)	(16,330,483)	(14,205,436)	(11,272,034)
Gross profit	2,281,136	878,787	266,511	2,002,378	2,964,472	2,747,473
Distribution cost	(651,508)	(487,020)	(598,645)	(721,325)	(606,223)	(438,088)
Administrative expenses	(256,665)	(181,626)	(221,352)	(245,055)	(305,430)	(287,940)
Other income	50,722	32,601	385,464	73,988	249,161	95,577
Other expenses	(90,225)	(38,261)	(43,546)	(160,045)	(168,613)	(176,961)
Profit / (loss) from operations	1,333,460	204,481	(211,568)	949,941	2,133,367	1,940,061
Finance cost	(138,416)	(348,496)	(213,222)	(117,845)	(68,170)	(71,875)
Profit / (loss) before tax	1,195,044	(144,015)	(424,790)	832,096	2,065,197	1,868,186
Taxation	(299,070)	(183,084)	(167,673)	(241,502)	(588,571)	(597,359)
Profit / (loss) after tax	895,974	(327,099)	(592,463)	590,594	1,476,626	1,270,827

Particulars	Vertical Analysis						Horizontal Analysis				
	2021	2020	2019	2018	2017	2016	2021 / 2020	2020 / 2019	2019 / 2018	2018 / 2017	2017 / 2016
	-----Percentage-----						-----Percentage-----				
Sales	100.0	100.0	100.0	100.0	100.0	100.0	59.1	(1.8)	(30.3)	6.8	22.5
Cost of sales	(88.6)	(93.0)	(97.9)	(89.1)	(82.7)	(80.4)	51.5	(6.7)	(23.4)	15.0	26.0
Gross profit	11.4	7.0	2.1	10.9	17.3	19.6	159.6	229.7	(86.7)	(32.5)	7.9
Distribution cost	(3.3)	(3.9)	(4.7)	(3.9)	(3.5)	(3.1)	33.8	(18.6)	(17.0)	19.0	38.4
Administrative expenses	(1.3)	(1.4)	(1.7)	(1.3)	(1.8)	(2.1)	41.3	(17.9)	(9.7)	(19.8)	6.1
Other income	0.3	0.3	3.0	0.4	1.5	0.7	55.6	(91.5)	421.0	(70.3)	160.7
Other expenses	(0.5)	(0.3)	(0.3)	(0.9)	(1.0)	(1.3)	135.8	(12.1)	(72.8)	(5.1)	(4.7)
Profit / (loss) from operations	6.6	1.7	(1.6)	5.2	12.5	13.8	552.1	196.7	(122.3)	(55.5)	10.0
Finance cost	(0.7)	(2.8)	(1.7)	(0.6)	(0.4)	(0.5)	(60.3)	63.4	80.9	72.9	(5.2)
Profit / (loss) before tax	5.9	(1.1)	(3.3)	4.6	12.1	13.3	929.8	66.1	(151.1)	(59.7)	10.5
Taxation	(1.5)	(1.5)	(1.3)	(1.3)	(3.4)	(4.3)	63.4	9.2	(30.6)	(59.0)	(1.5)
Profit / (loss) after tax	4.4	(2.6)	(4.6)	3.3	8.7	9.0	373.9	44.8	(200.3)	(60.0)	16.2

Comments on Six Years' Statement of Profit and Loss

Sales

Sales have witnessed a cumulative average increase of 7.3% in the last 6 years as the demand for heavy and medium sized batteries for UPS, solar panels and generators have started to gain momentum after a decline witnessed during 2018-19 and 2019-20.

Cost of Sales

Cost of sales in relation to sales remained almost consistent except for last couple of years. The fluctuation in international commodity prices results in variation of slight increase and decrease in cost of sales specially during pandemic. However, in current financial year, a significant increase was observed in raw material prices. Further, volume benefit resulted in better absorption of fixed overheads resulting in decrease in cost of sales as a percentage of sales.

Gross Profit

Current year's gross profit margin increased to 11.4% as against last year's 7.0% mainly due to volumetric growth and decline in cost of sales.

Distribution Cost and Administrative Expenses

Distribution cost and administrative expenses remained under control and have been consistent with the proportion to sales during last six years.

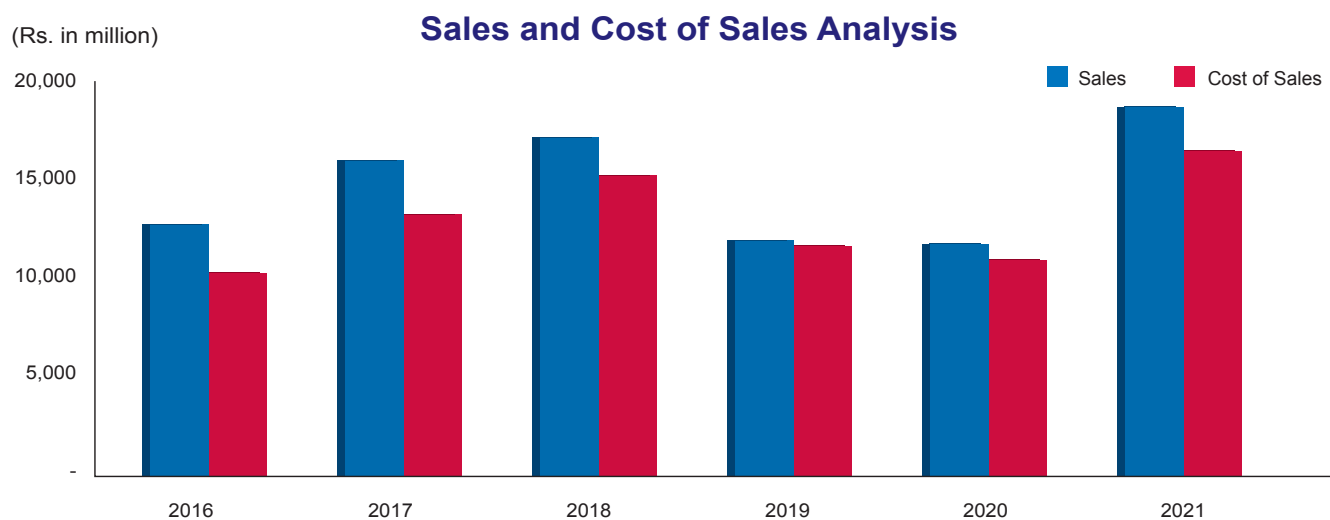
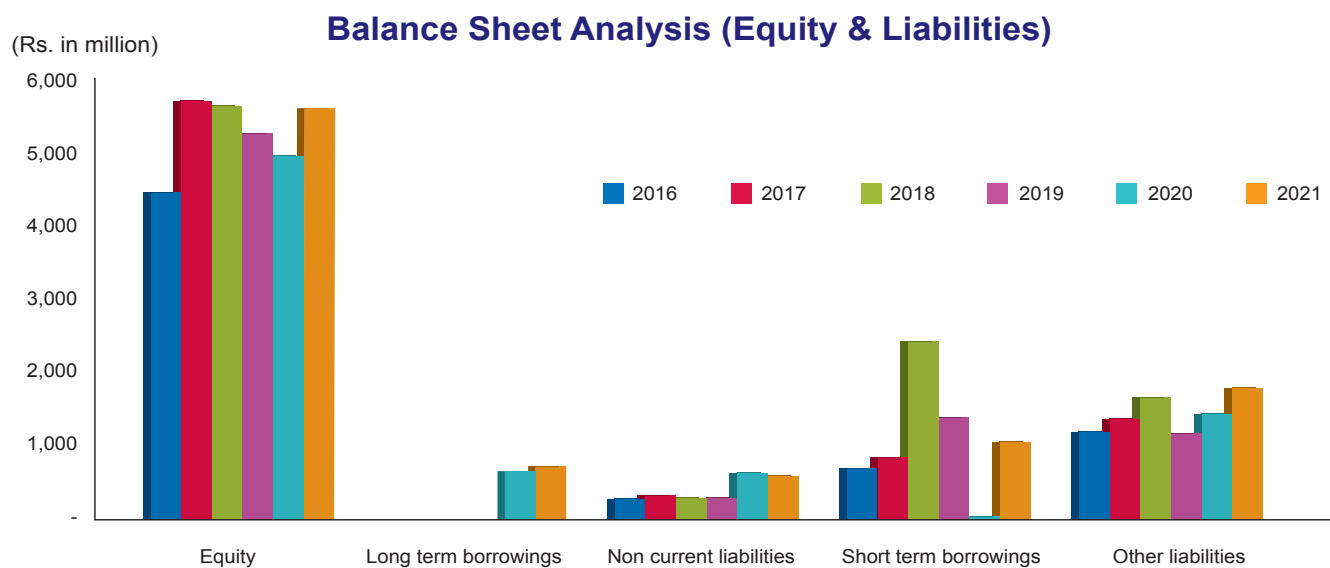
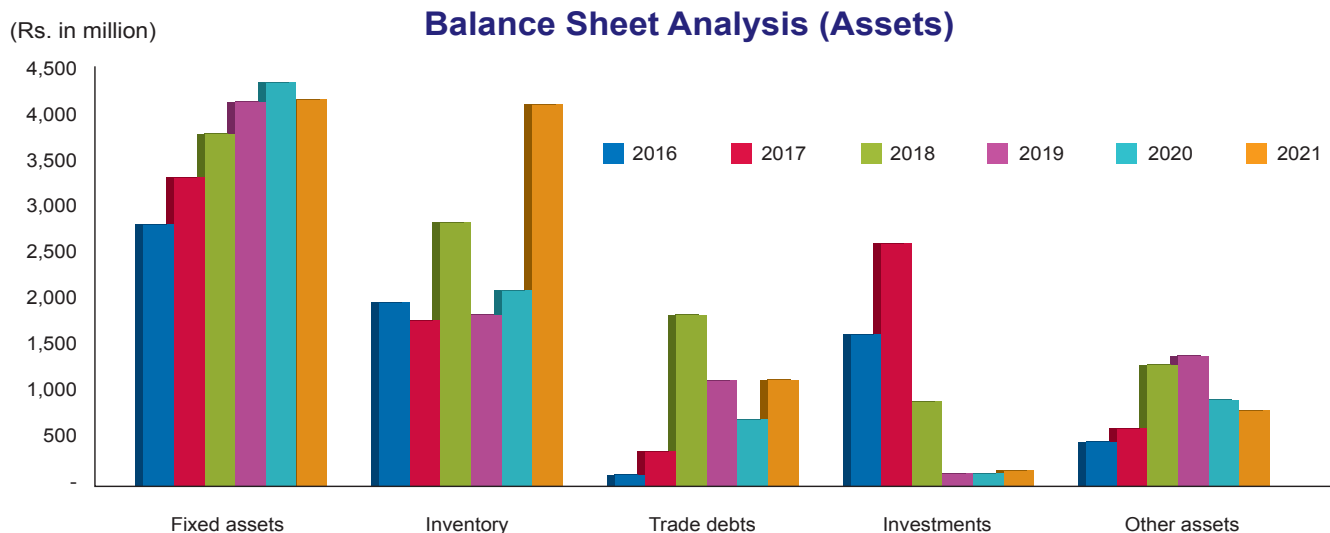
Finance Cost

Finance cost is directly correlated to borrowings. During the current year, finance cost has decreased due to low running finance utilization and stable interest rates.

Profit After Taxation

Company has recovered and posted a profit after taxation (PAT) after two consecutive years of losses. Conversion into profits were mainly due to increase in sales volume.

Analysis of Financial Statements



Analysis of Financial Statements

Statement of Cash Flows

(Rupees in '000)

Particulars	2021	2020	2019	2018	2017	2016
Cash flow from:						
- operating activities	(452,180)	519,380	437,193	(1,458,876)	1,525,082	1,600,463
- investing activities	(200,672)	(159,104)	827,681	848,334	(1,437,598)	(1,455,121)
- financing activities	796,458	(738,418)	(1,222,405)	976,849	(117,868)	(178,403)
Increase / (decrease) in cash & cash equivalents	143,606	(378,142)	42,469	366,307	(30,384)	(33,061)

Vertical Analysis

Horizontal Analysis

Particulars	2021	2020	2019	2018	2017	2016	2021 / 2020	2020 / 2019	2019 / 2018	2018 / 2017	2017 / 2016
	-----Percentage-----						-----Percentage-----				
Cash flow from:											
- operating activities	(314.9)	(137.4)	1,029.4	(398.3)	(5,019.3)	(4,840.9)	(187.1)	18.8	130.0	(195.7)	(4.7)
- investing activities	(139.7)	42.1	1,948.9	231.6	4,731.4	4,401.3	(26.1)	(119.2)	(2.4)	159.0	1.2
- financing activities	554.6	195.3	(2,878.3)	266.7	387.9	539.6	207.9	39.6	(225.1)	928.8	33.9
Increase / (decrease) in cash & cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	138.0	(990.4)	(88.4)	1,305.6	8.1

Free Cash Flows

(Rupees in '000)

Particulars	2021	2020	2019	2018	2017	2016
Profit / (loss) before tax	1,195,044	(144,015)	(424,790)	832,096	2,065,197	1,868,186
Adjustment for non-cash items	530,542	732,754	202,363	445,730	141,744	240,114
Working capital changes	(2,177,766)	(69,359)	659,620	(2,736,702)	(681,859)	(507,837)
	(452,180)	519,380	437,193	(1,458,876)	1,525,082	1,600,463
Less: Capital expenditure	(238,343)	(207,885)	(636,972)	(774,584)	(793,782)	(923,053)
Free cash flows	(690,523)	311,495	(199,779)	(2,233,460)	731,300	677,410

Liquidity Management and Cash Flow Strategy

Liquidity and Cash Flow Analysis

An increase of Rs.144 million was witnessed in cash generated from various activities of the Company as compared to net decrease of Rs.378 million during last year. Brief analysis of cash flows for the year is presented below:

Operating Activities

The net cash flow utilized in operations stood at Rs.452 million as against Rs.519 million generated during last year. This is line with increase in trade debts and inventory built up to cater future demand.

Investing Activities

The cash flows used in investing activities was Rs.200 million as compared to Rs.159 million used during last year. This is mainly attributable to the capital expenditure incurred during the year.

Financing Activities

During the year, the Company obtained long term loans of Rs.249 million and repaid loan tranches amounting to Rs.187 million. The Company also paid dividend of Rs.203 million during the year. Further, the Company obtained net short term borrowings of Rs.1,012 million to cater working capital requirement.

Liquidity Management and Financing Arrangements

The day to day treasury function is dealt with skilled and experienced staff 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.

Working capital and long term funding requirements are met through borrowings from reputable banks.

Short term running finance stood at Rs.1,084 million at year end compared to previous year's Rs.72 million. Letters of credit lines up to Rs.1,550 million are available against lien on shipping documents. Long term loans stood at Rs.745 million at year end as compared to Rs.676 million during previous year.

Strategy to Overcome Liquidity Problems

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 inventory turnover, debtors turnover, creditors turnover, etc.

Debt Payments

The Company has currently short term running finance of Rs.1,084 million and long term loan of Rs.745 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.

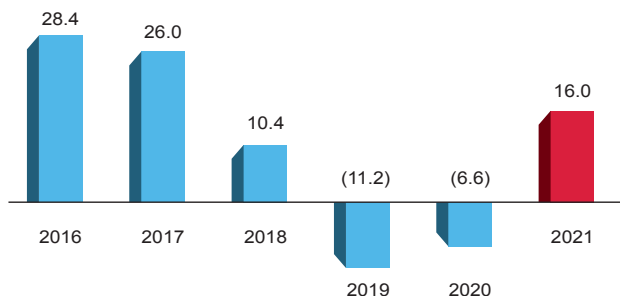
Financial Ratios

Particulars		2021	2020	2019	2018	2017	2016
Profitability Ratios							
Gross profit	(%)	11.4	7.0	2.1	10.9	17.3	19.6
Profit before tax	(%)	5.9	(1.1)	(3.3)	4.6	12.1	13.3
Profit after tax	(%)	4.4	(2.6)	(4.6)	3.3	8.7	9.0
Return on capital employed	(%)	20.1	3.3	(3.8)	15.9	35.5	40.8
Earnings before interest, tax, depreciation & amortization (EBITDA)	(Rs. in million)	1,732.6	571.7	105.6	1,245.3	2,395.6	2,149.9
EBITDA Margin	(%)	8.7	4.6	0.8	6.8	14.0	15.3
Operating leverage	(%)	934.9	11,067.3	403.2	(819.0)	44.3	(157.9)
Return to Shareholders							
Return on equity - before tax	(%)	21.3	(2.9)	(8.0)	14.7	36.4	41.8
Return on equity - after tax	(%)	16.0	(6.6)	(11.2)	10.4	26.0	28.4
Return on assets	(%)	9.1	(4.2)	(7.2)	5.8	17.8	19.0
Earnings per share (basic)	(Rs.)	36.78	(13.43)	(24.32)	33.94	84.86	73.04
Earnings per share (diluted)	(Rs.)	36.78	(13.43)	(24.32)	24.24	84.86	73.04
Price earning ratio	(Times)	8.6	(12.5)	(3.9)	12.1	10.6	8.0
Price to book ratio	(Times)	1.4	0.8	0.4	1.3	2.8	2.3
Market price - at year end	(Rs.)	315.9	168.1	96.1	410.0	900.0	581.8
Market price - highest during the year	(Rs.)	320.0	194.8	495.0	890.0	1,005.0	839.0
Market price - lowest during the year	(Rs.)	168.5	68.4	61.9	370.0	590.0	535.0
Break-up value per share without surplus on revaluation	(Rs.)	206.1	179.2	192.6	313.8	315.2	245.9
Break-up value per share with surplus on revaluation	(Rs.)	230.3	203.4	216.8	325.0	326.4	257.0
Dividend							
Cash dividend	(%)	140.0	-	-	100.0	350.0	155.0
Stock dividend	(%)	15.0	-	-	40.0	-	-
Cash & stock dividend	(%)	155.0	-	-	140.0	350.0	155.0
Dividend yield	(%)	4.9	-	-	3.4	3.9	2.7
Dividend cover	(Times)	2.4	-	-	2.4	2.4	4.7
Dividend pay out	(%)	42.1	-	-	41.2	41.2	21.2
Plough back ratio	(%)	57.9	-	-	58.8	58.8	78.8
Dividend yield (Cash)	(%)	4.4	-	-	2.4	3.9	2.7
Dividend cover (Cash)	(Times)	2.6	-	-	3.4	2.4	4.7
Dividend pay out (Cash)	(%)	38.1	-	-	29.5	41.2	21.2
Plough back ratio (Cash)	(%)	61.9	-	-	70.5	58.8	78.8
Asset Utilization							
Total assets turnover	(Times)	2.3	1.6	1.4	2.0	2.3	2.3
Fixed assets turnover	(Times)	4.9	3.1	3.4	5.4	5.9	6.0
Inventory turnover	(Times)	5.5	5.6	5.1	6.8	7.2	5.9
Trade debts turnover	(Times)	22.4	14.0	9.0	17.3	70.9	111.6
Trade creditors turnover	(Times)	12.2	10.4	9.3	11.1	11.5	10.9
Capital employed turnover	(Times)	3.1	2.1	2.2	3.1	3.2	3.3
Operating Cycle							
Inventory holding period	(No. of Days)	66	66	71	54	51	61
Trade debts collection period	(No. of Days)	16	26	41	21	5	3
Trade creditors payment period	(No. of Days)	(30)	(35)	(39)	(33)	(32)	(33)
Operating cycle	(No. of Days)	52	57	73	42	24	31
Liquidity / Leverage							
Current ratio	(Times)	1.8	2.2	1.6	1.6	2.2	2.1
Quick ratio	(Times)	0.5	0.9	0.9	0.9	1.4	1.0
Cash to current liabilities	(Times)	0.1	0.0	0.2	0.1	0.0	0.0
Cash flow from operations to sales	(%)	(2.3)	4.1	3.4	(8.0)	8.9	11.4
Weighted average cost of debt (pre-tax)	(%)	5.9	4.2	-	-	-	-
Financial leverage ratio	(Times)	0.3	0.2	0.3	0.4	0.2	0.2
Long term debt to equity (book value)	(Times)	0.1	0.1	-	-	-	-
Long term debt to equity (market value)	(Times)	0.1	0.2	-	-	-	-
Total liabilities to equity	(Times)	0.8	0.6	0.6	0.8	0.5	0.5
Interest coverage ratio	(Times)	9.6	0.6	(1.0)	8.1	31.3	27.0

Six Years Analysis of Financial Ratios

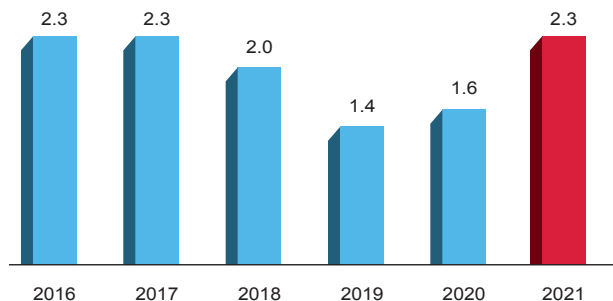
Return on equity (after tax)

(Percentage)



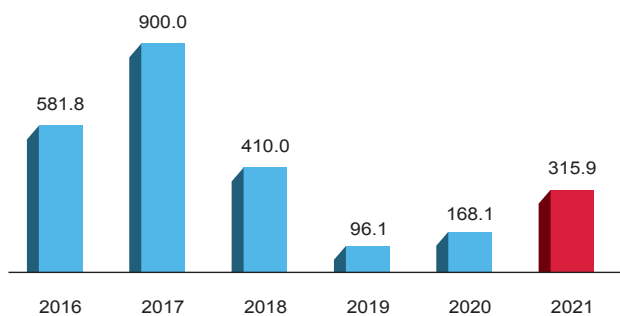
Total assets turnover

(Times)



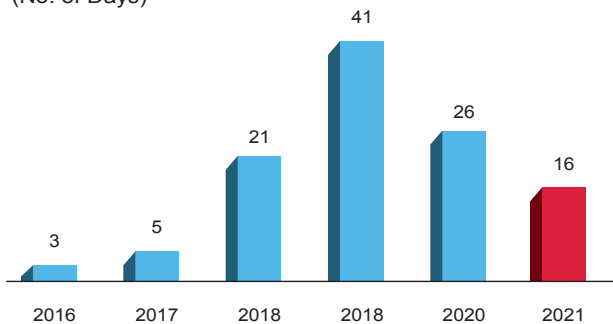
Market price (at year end)

(Rupees)



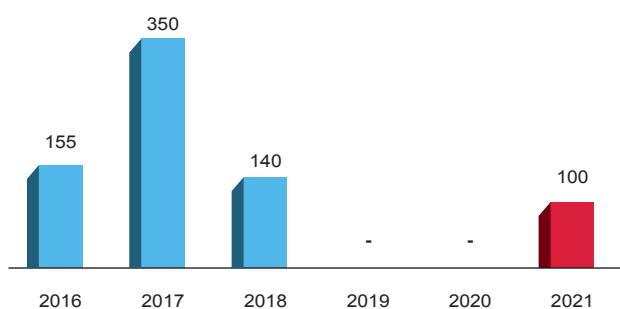
Trade debtors period

(No. of Days)



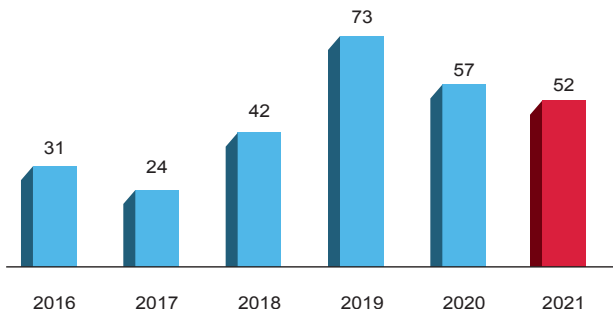
Cash & stock dividends

(Percentage)



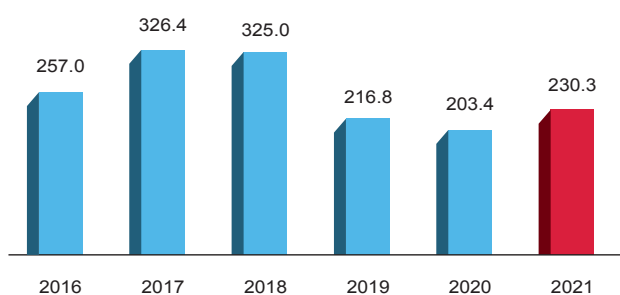
Operating Cycle

(No. of Days)



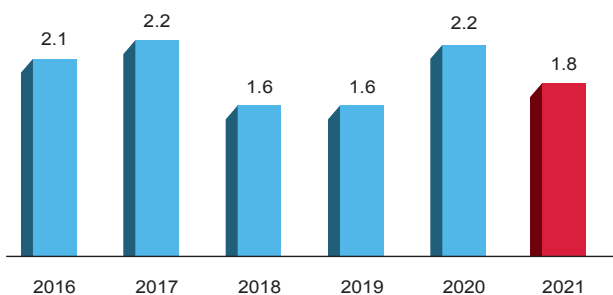
Break-up value per share

(with surplus) (Rupees)



Current ratio

(Times)



Comments on Financial Ratios

Profitability

Gross profit as a percentage of revenue stands at 11.4% as compared to 7.0% last year. Increase in gross profit margin was mainly due to increase in sales and cost control measures. Company earned profit after tax of Rs.895 million as compared to loss of Rs.327 million last year.

Return to Shareholders and Dividend

The earnings per share stood at Rs.36.78 per share as compared to loss of Rs.13.43 per share last year in line with increase in profitability of the Company. Likewise, company's break-up value per share stood at Rs.230.3 at year end as compared to Rs.203.4 of last year.

Operating cycle

Operating cycle has improved over the last year due to decrease in collection period.

Liquidity / Leverage

The liquidity ratios improved over the years. However, this year current ratio decreased due to increase in stock-in-trade, trade debts, trade creditors and borrowings. There is no significant change in prospects and performance measures over prior period.

Forward Looking Statement

Analysis on Last Fiscal Year's Forward Looking Disclosures

As stated in the last year's forward looking statement, uncertainty prevailed in the market owing to the outbreak of COVID-19. However, the demand for batteries was quick to recover post lock down. In particular, heavy and medium sized batteries witnessed significant growth amid hot weather conditions, lack of electricity transmission infrastructure and preference for cost efficient renewable energy alternatives.

Future Prospects

With improved economic fundamentals and much needed government reforms to provide economic stimulus, the future outlook seems encouraging. However, inflation, exchange rate devaluation and lead prices will continue to pose threat to input costs of the Company.

The Company will continue to focus on process improvements, 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 through regular trainings and skills enhancement programs are planned for next year. 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 effluent 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 depend on 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.

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 equipment 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.

Seasonality of Business

The Company's principal business is to sell batteries to urban and rural markets. Apart for electricity shortage, 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.

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.

Demand for Automobiles



Agriculture is the backbone of our country's economy. Almost 62% of the country's population is based in rural areas and is linked with agriculture for their livelihood. A large customer base of motorcycle and heavy vehicles is available in rural areas. Therefore, the Company's performance is strongly linked with the performance of agriculture sector.

All the industrial sector serves Pakistan's economy with a sizeable base. In turn, the demand of heavy machineries and vehicles increases the demand of batteries.

Demand for Alternative Energy



Power shortages are directly linked with usage of alternatives such as generators and UPS. Further, use of renewable sources i.e. solar power panels etc. may lead to increase usage of batteries.

Political Stability



Unstable political climate coupled with the law and order situation disrupts business processes, transportation facilities and supply chain of the Company.

Plant Operations



Stable plant operations allow for higher production and lower per unit cost and wastage. Disruptions in production, including by way of Act of God, may negatively impact financial performance and share prices.

Economic Trends



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.

Exchange Rate Fluctuations



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.

Material Prices



Lead, polypropylene, polymion paper etc. are the major raw materials major proportion of the total cost incurred by the Company every year. Therefore, variation in the material prices directly affects the gross profit of the Company which in turn may affect the share price.

Investor Sentiment



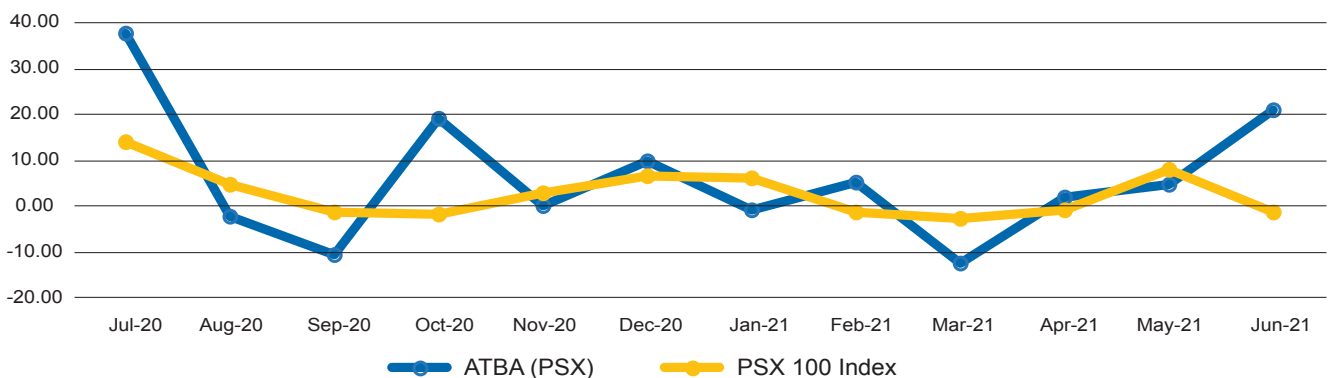
Investor sentiment or confidence can cause the market to go up or down, which can cause stock prices to rise or fall. The general direction which may be bullish or bearish may affect the value of a stock.

Interest Rates



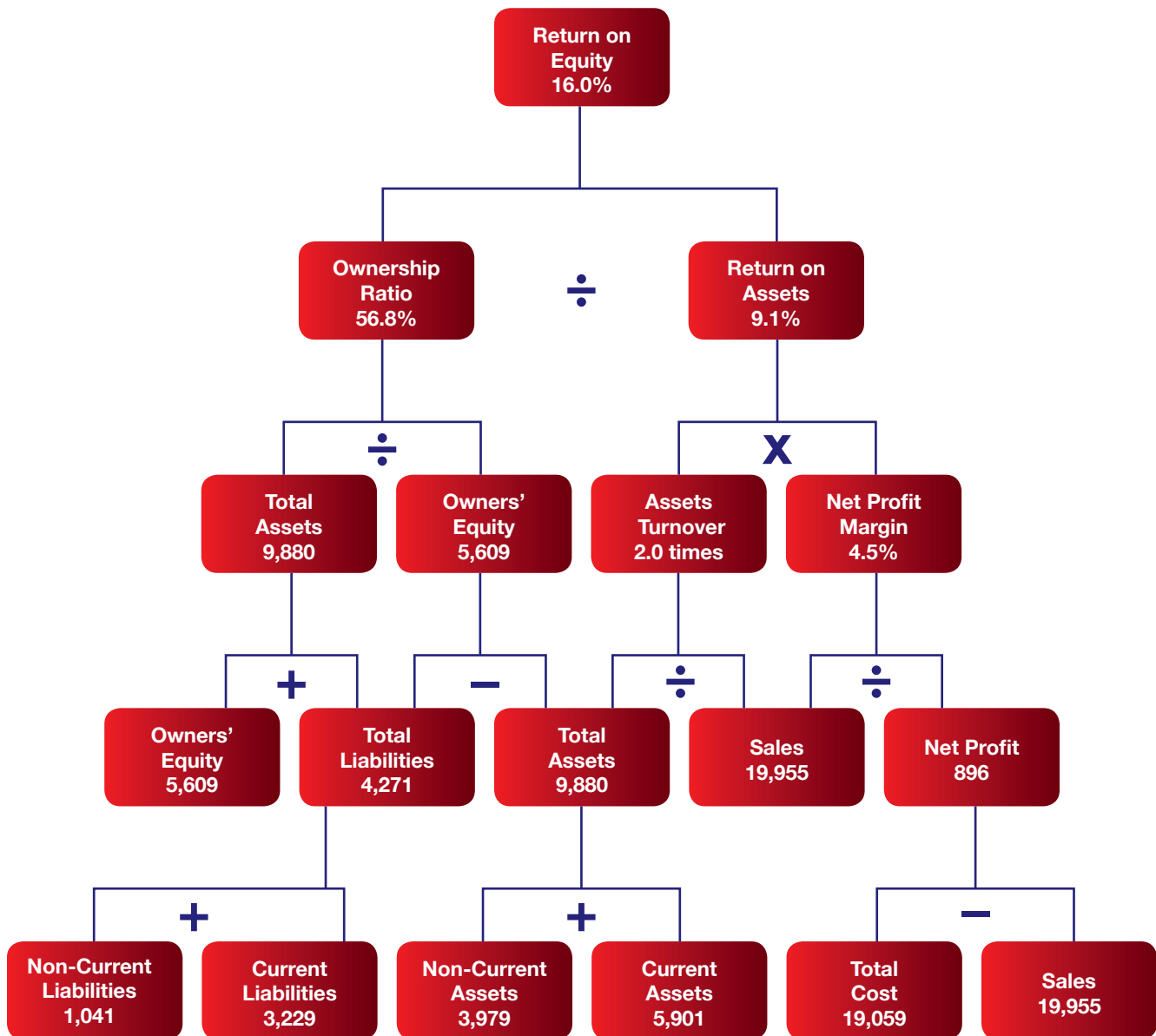
Change in interest rates by SBP directly affects investor's decisions correlatively share price.

Sensitivity Index



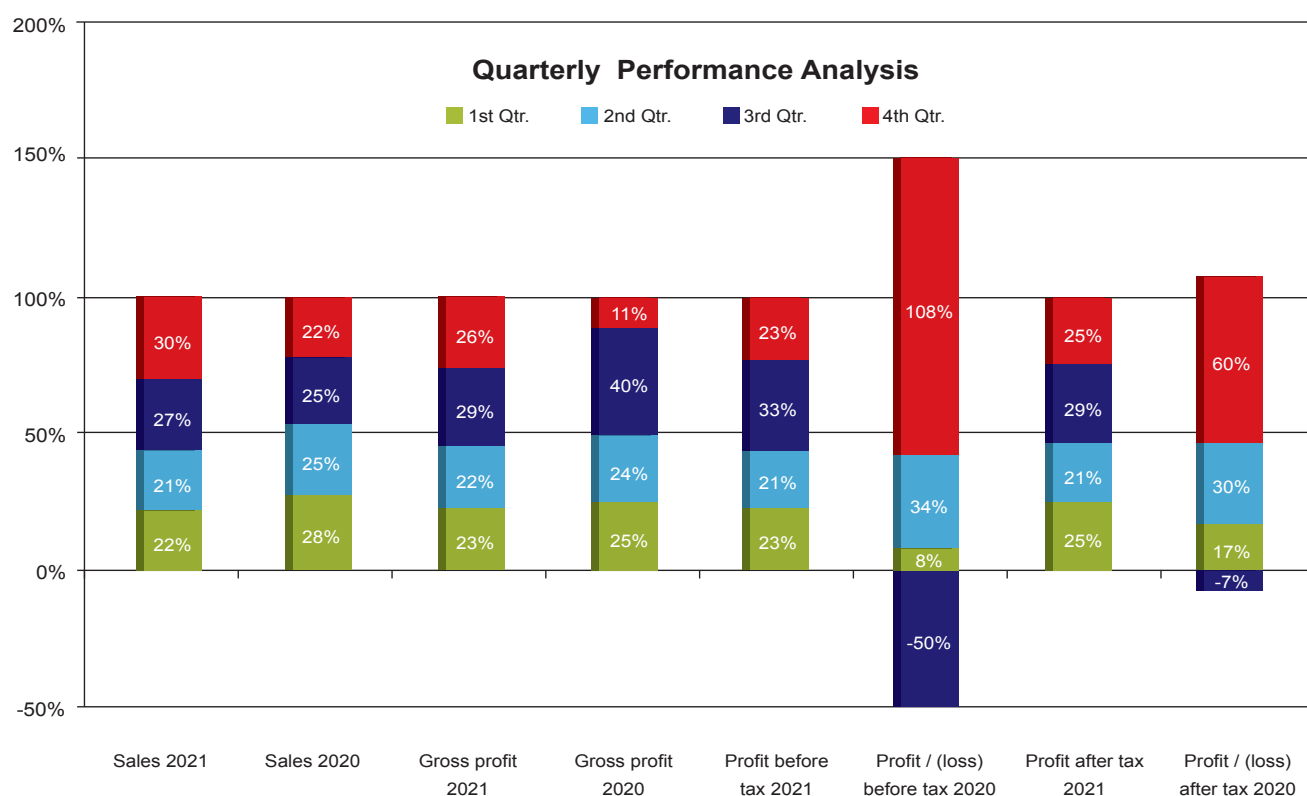
Du Pont Analysis

Rupees in Million



Quarterly Performance Analysis

Particulars	2021					2021 / 2020					
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	
	-----Rupees in '000-----						------(Percentage)-----				
Sales	4,426,882	4,275,078	5,423,972	5,829,155	19,955,087	126%	137%	173%	210%	159%	
Cost of sales	(3,902,041)	(3,781,043)	(4,759,214)	(5,231,653)	(17,673,951)	118%	130%	172%	195%	151%	
Gross profit	524,841	494,035	664,758	597,502	2,281,136	239%	232%	188%	640%	260%	
Distribution cost	(145,510)	(154,345)	(169,178)	(182,475)	(651,508)	102%	115%	131%	222%	134%	
Administrative expenses	(60,062)	(56,873)	(63,471)	(76,259)	(256,665)	132%	141%	141%	150%	141%	
Other income	17,164	15,812	15,256	2,490	50,722	267%	213%	169%	26%	156%	
Other expenses	(30,130)	(15,474)	(25,392)	(19,229)	(90,225)	709%	627%	279%	86%	236%	
Profit from operations	306,303	283,155	421,973	322,029	1,333,460	907%	651%	235%	616%	652%	
Finance cost	(30,704)	(35,669)	(33,254)	(38,789)	(138,416)	68%	39%	31%	37%	40%	
Profit before tax	275,599	247,486	388,719	283,240	1,195,044	2377%	507%	537%	181%	830%	
Taxation	(53,950)	(57,788)	(131,325)	(56,007)	(299,070)	120%	117%	261%	146%	163%	
Profit after tax	221,649	189,698	257,394	227,233	895,974	393%	193%	1166%	117%	274%	
Basic earnings per share - Rupees	9.10	7.79	10.57	9.32	36.78						



THE STRENGTH TO POWER HEAVY VEHICLES

Our diverse range of heavy batteries are carefully designed to handle extreme conditions with ease. Hence providing heavy vehicles the support they need to boost a solid start and become a powerful driving force on roads.





Chairman's Review

I am pleased to present the 55th Annual Report of your Company for the year ended June 30, 2021 together with the Auditors' Report.

Macroeconomic Overview

Economic activity has largely normalized with improvement in the overall business environment. The fallout of the pandemic has been well contained. Resultantly, the economy has witnessed a "V-shaped" recovery on the back of targeted fiscal and monetary measures. The GDP growth rate of 3.9% for FY-21 exceeded all internal and external projections. Fiscal deficit was contained to 7.1% of GDP as compared to 8.1% during the last year. This was in part due to healthy growth of 18% in FBR net tax revenue collection, which stood at Rs.4.7 trillion. The headline inflation was recorded at 8.9% mainly driven by supply side shocks of food, impact of energy tariff hikes and increasing commodity prices.

On the external front, current account registered a nominal deficit of USD 1.9 billion. The remittances exhibited a phenomenal growth of 27.0% and stood at USD 29.4 billion. This was due to supportive policy measures and travel restrictions which increased the use of formal channels for remittances. Inflows of USD 500 million from IMF, issuance of a USD 2.5 billion Eurobond and encouraging response of over USD 1 billion inflow into Roshan Digital initiative also helped the foreign exchange reserves reach a five-year high level of USD 24.4 billion, up by 29.2% as compared to last year. On the other hand, trade deficit has widened by 33.4% to USD 28.2 billion in FY-21. Exports did show an encouraging growth of 13.7% but imports picked up sharply by 23.2% on account of economic recovery and rising international commodity prices. Reflecting the increasing pressure, PKR depreciated by 6.2% as compared to last year. On the monetary front, SBP continued its accommodative policy by maintaining discount rate at 7%. The positive momentum echoed in the country's capital markets, as the PSX-100 index improved to 47,356 points in June 2021, an increase of 37.6% as compared to last year.

The agriculture sector recorded a steady growth of 2.8% with the production of major crops – wheat, rice and maize – rising to record highs and that of sugar cane to its second highest level on record. However, the cotton crop suffered mainly due to decline in sown area, heavy monsoon rain and pest attacks. Agriculture Transformation Plan introduced by the government has incentivised the farmers and helped boost output. Moreover, the surge in prices of agricultural products and timely subsidies have contributed to surplus liquidity with improved farm income. Thus, demand for consumer durables remained upbeat in rural areas.

Large Scale Manufacturing (LSM) showed an exceptional growth of 14.6% in comparison to a contraction of 10.2% of last year. This was on account of an encouraging pickup in economic activity driven by various supportive policy measures introduced by the government and SBP. The strong rebound is reflected in strong growth recorded in multiple high-frequency indicators across all segments, including sale of fast-moving consumer goods, POL products, automobiles, cement and textiles. However, on account of high demand and global supply chain disruptions, raw material supply has become increasingly constrained and prices are on the rise. Thus, forcing businesses to resort to price increases.

Review of Automobile Industry

Automobile sector witnessed a broad-based recovery from last year which is attributable mainly to stability in macroeconomic environment, the dilution of the effects of the pandemic, and lower interest rates, enhancing the purchasing power of customers. With a range of new entrants, the automobile industry is well positioned for further expansion. Sale of locally manufactured cars witnessed a growth of 56.7% in FY-21 to 151,182 units as against 96,455 units sold in FY-20. Similarly, the tractors segment witnessed an increase of 54.9% to 50,685 units as against 32,727 units last year while the sales of trucks and buses also increased by 19.2% over last year. Moreover, the sales of motorcycles and three wheelers (of assemblers, who are registered with PAMA) during FY-21 increased by 39.0% with sales of 1,903,932 units as against 1,370,005 units during same period last year.

Battery Industry

The battery industry is correlated with the growth of automotive sector, electricity shortfall and rising energy tariff. Owing to increase in automotive sector, the industry witnessed a robust recovery after experiencing a downside in the last couple of years. Similarly, the country experienced significant power shortages; owing to which the demand for heavy and medium sized batteries increased. On the other hand, a substantial increase was witnessed in solar panels specially in off-grid areas which further augmented the demand for medium and small sized 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 FY-21, your Company achieved sales of Rs.19.9 billion as compared to Rs.12.5 billion in FY-20, up 59.1% owing to overall increase in market size. Cost of sales was registered at Rs.17.7 billion as compared to Rs.11.7 billion, up 51.5% consistent with improvement in sales mix and volume. The increase in volume and consequently better absorption of fixed costs resulted in gross profit of Rs.2,281 million as compared to Rs.879 million during last year, up 159.6%.

Operating expenses stood at Rs.908 million, an increase of Rs.240 million over last year. Resultantly, your Company achieved operating profit of Rs.1,333 million as compared to operating profit of Rs.204 million during last year. At the same time, finance cost decreased to Rs.138 million from Rs.348 million.

Profit before tax was Rs.1,195 million as compared to loss of Rs.144 million last year. After providing Rs.299 million for taxation, the profit after tax of your Company stood at Rs.896 million as compared to loss of Rs.327 million in last year. Earnings per share stood at Rs.36.78 as compared to loss per share of Rs.13.43 during 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 disclosures, 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 the 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-22 and capital expenditures requirement.

The Audit Committee and Human Resource & Remuneration Committee have similarly 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.4.2 billion towards the National Exchequer on account of various government levies, taxes and import duties during the year under review. Payment of these taxes amounts to 21.2% of net sales value of the Company. The total contribution to the exchequer by Atlas Group Companies including your Company is Rs.55 billion. This makes Atlas Group one of the highest taxpayers in the country.

Cash Flows

During the year, the net cash used in operations by your Company was Rs.453 million as against net cash generation of Rs.519 million last year. This deviation was mainly due to increase in stock-in-trade and trade debts. In order to improve the borrowing mix, your company has obtained long term loans of Rs.249 million.

Information Technology

Current pandemic has undeniably proved the importance of technology. Your Company is well equipped with state of the art information technology infrastructure and is committed to staying up-to-date in technological advancements. Your Company is focused on automating the manufacturing processes for enhanced productivity and quality while taking full advantage of Oracle ERP. 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)
- Environment Management System (EMS)
- 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 dashboards and warehouse management through barcode implementation.

Human Resource Development

Your Company believes in Atlas Group's principles of "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 and external trainings have been conducted which covered areas including Project Management, Energy Management, Occupational Health and Safety, Sustaining a KAIZEN Culture, Supply Chain & Logistics, Employment Laws & Industrial Relations and The Atlas Way. Altogether 412 associates benefited from in-house trainings, while 60 associates enhanced their skill set through external training programs / conferences / workshops / webinars. This year, the focus was on exploring more virtual trainings and webinars to develop an e-learning culture.

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 Society. Your Company has acquired ISO 14001 Certification on Environment Management System (EMS) and ISO 45001 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 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".

With the unanticipated outbreak of COVID-19, your Company has continued timely and proactive HSE measures for its associates to combat COVID-19. Specific SOPs related to social distancing, essential hygiene and health

checks were enforced to ensure smooth business operations. Moreover, infrared thermometer, sanitizing gates, hand-washing basins at the entrance and PPEs were installed for the safeguarding of its associates enabling it to continue business operations with due compliance. Moreover, awareness campaigns and use of different social media platforms remained operational for disseminating best practices related to COVID-19 to our stakeholders.

Future Prospects

With the much needed stabilization and structural reforms, supported by measures announced in the Federal Budget, accommodative monetary conditions and disbursements under the SBP's TERF facility for investment and other refinance facilities, a further uptick in large scale manufacturing is expected. However, the recent upward trend witnessed in foreign exchange will increase the cost of doing business. Moreover, the persistent rise in inflation due to recent energy tariff hikes, rising food prices and potential expansionary policies are likely to keep a check on buying power of consumers. On the other hand, the uncertainty created by the on-going fourth COVID-19 wave in Pakistan and the global spread of new variants warrants continued supportive measures by the Government. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability and advancing structural reforms while maintaining social cohesion.

In so far as your Company's outlook is concerned, it has entered FY-21-22 with encouraging performance indicators. With the growth in automobile sector, rise in energy prices, increased demand for generators and UPS, the demand for batteries is most likely to remain upbeat. Moreover, your Company, keeping its customers at the forefront, is committed to proliferate its product line-up and bring new quality variants for improved customers' experience.

The Company is committed to achieving sustainable and scalable growth through continuous innovations, process improvement and effective use of information technology. Capitalising on unmatched quality and after sales service, your Company will continue to strive for improved market penetration by exploring new territories and export markets. Curbing costs and maintaining high quality of product will remain the focus of your Company. The improvement in human resource capabilities and value addition for shareholders is also equally important. For achieving these objectives, the "Atlas Way" will continue to remain the guiding principles of your Company's business philosophy.

قدم زمین پہ نظر آسماں پہ رکھ
(Follow your goals with determination)

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. Frahim Ali Khan resigned from the Board of your Company in the month of March 2021. We would like to place on record the valuable contributions made by Mr. Frahim Ali Khan during his tenure as member of Board. In his place, we warmly welcome Mr. Fahd K. Chinoy on the Board. Mr. Fahd K. Chinoy is CEO of Pakistan Cables Limited and prior to this, he headed various departments including Sales, Marketing, Supply Chain and Informational Technology at Pakistan Cables Limited.

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 / 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

Karachi: August 26, 2021

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, 2021. The Directors' Report, prepared under Section 227 of the Companies Act, 2017 will be put forward to the members at the 55th Annual General Meeting of the Company to be held on September 29, 2021.

Operating Results

The operating results of the Company are summarized as follows:

	2021 ---Rupees in '000'---	2020
Profit / (loss) before tax	1,195,044	(144,015)
Less: Provision for taxation:		
Current year	307,327	190,616
Prior year	14,159	2,282
Deferred	(22,416)	(9,814)
	299,070	183,084
Profit / (loss) after taxation	895,974	(327,099)

Dividends and Appropriations

The directors have recommended a final cash dividend of Rs. 4 per share (2020: Rs. Nil per share) in addition to Rs.10 per share interim cash dividend already paid and bonus shares at the rate of 15% (2020: Nil). Accordingly, the following appropriations have been made:

	2021 ---Rupees in '000'---	2020
Appropriations		
Interim Cash Dividend @ 100% (2020 : Nil)	243,597	-
Proposed Final Cash Dividend @ 40% (2020 : Nil)	97,439	-
Reserve for Issuance of Bonus Shares @ 15% (2020: Nil)	36,540	-
Total	377,576	-

Earnings / (Loss) Per Share

The basic and diluted earnings per share after tax is Rs.36.78 (2020: loss of Rs.13.43 per share).

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, 2021 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, four non-executive directors and two independent directors.

Audit Committee

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

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 Listed Companies (Code of Corporate Governance) Regulations, 2019 ("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, of whom one is executive and two 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. Aamir H. Shirazi	4	Elected w.e.f. May 21, 2020	No	-	-	5/5	-	-
2.	Mr. Azam Faruque	4	Re-elected w.e.f. May 21, 2020	No	√	-	5/5	4/4	-
3.	Mr. Bashir Makki	1	Re-elected w.e.f. May 21, 2020	No	√	√	5/5	4/4	1/1
4.	Mr. Fahd K. Chinoy	2	Appointed on March 10, 2021	No	√	-	2/2	1/1	-
5.	Mr. Frahim Ali Khan	N/A	Resigned on March 10, 2021	No	-	-	3/3	3/3	1/1
6.	Ms. Mehreen Amin	1	Elected w.e.f. May 21, 2020	No	-	√	5/5	-	1/1
7.	Mr. Toru Furuya	1	Re-elected w.e.f. May 21, 2020	No	-	-	5/5	-	-
8.	Mr. Ali H. Shirazi	4	Re-elected w.e.f. May 21, 2020	Yes	-	√	5/5	-	-

Directors' Training Program

Six directors are certified directors whereas one director meet the criteria of exemption under clause 20(2) of the Code 2019 and is accordingly exempted from directors' training program. 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	2009-10
3.	Mr. Bashir Makki	Pakistan Institute of Corporate Governance	2014-15
4.	Mr. Fahd K. Chinoy	Pakistan Institute of Corporate Governance	2017-18
5.	Ms. Mehreen Amin	Pakistan Institute of Corporate Governance	2020-21
6.	Mr. Toru Furuya	University of Lahore	2015-16
7.	Mr. Ali H. Shirazi	Pakistan Institute of Corporate Governance	2013-14

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 Code 2019.

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.

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.4.2 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 21.2% of net sales value of the Company.

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. It contains guidelines for interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

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

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 does not pay any remuneration to directors except fees for attending the meetings of the Board and its committees. Remuneration of executive and non-executive directors is 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, 2021 is as follows:

Particulars	Rupees in Million
– Provident Fund	118.2
– Gratuity Fund	94.5

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, 2021 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, 2021 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 and Opportunity Report

The "Statement of Value Addition" and "Risk and Opportunity Report" are annexed to this report. Risk and Opportunity Report is duly endorsed by Board of Directors.

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 and their remuneration for the year ending June 30, 2022. Subsequently, Board of Directors has recommended re-appointment as Auditors of the Company and their remuneration for the year ending June 30, 2022.

Communication

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 26, 2021

شیر ہولڈنگ کا پیٹرن

30 جون 2021 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 فنانس، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکریٹری اور دیگر ایگزیکٹوز شامل ہیں (بورڈ کی وضاحت کے مطابق)

مواد میں تبدیلی

30 جون 2021 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۔

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

اس رپورٹ کے ساتھ 'ایسٹیمٹ آف ویلیو ایڈیشن' اور 'خطرے سے بچاؤ' کی رپورٹ منسلک ہے اور اسے بورڈ آف ڈائریکٹرز کی جانب سے تائید حاصل ہے۔

کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز، میسرز شائونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اپنے عہدے کی معیاد پوری کر چکے ہیں اور برائے اہلیت 30 جون 2022 کو ختم ہونے والے سال کے لیے خود کو تفری کے لیے دوبارہ پیش کر رہے ہیں۔ کمپنی کی آڈٹ کمیٹی نے ان کی 30 جون 2022 کو مکمل ہونے والے سال کے لیے بطور کمپنی کے آڈیٹر دوبارہ تقرری اور ان کے معاوضے کی تجویز دی ہے، بعد میں بورڈ آف ڈائریکٹرز نے ان کی 30 جون 2022 کو مکمل ہونے والے سال کے لیے بطور کمپنی کے آڈیٹر دوبارہ تقرری اور ان کے معاوضے کی تجویز دی ہے۔

مراصلات

حصص داران سے روابط اور بات چیت کمپنی کی اولین ترجیح ہے کمینیز 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.pak 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: 26 اگست 2021

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 سینئر منتظمین 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 آپریٹنگ 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، کمپنٹل 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 ماہانہ 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 ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت کی فیس کے علاوہ کسی قسم کے معاوضے کی ادائیگی نہیں کرتی ہے۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے انسانی وسائل اور معاوضے کی کمیٹی کی تجویز کے مطابق بورڈ کی جانب سے منظور کیے گئے ہیں۔

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 پروویڈنڈ 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 پروویڈنڈ 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 کنٹری بیوٹری گریجویٹ فنڈ اسکیم بھی پیش کرتی ہے۔

انویسٹمنٹ کی مالیت غیر پڑتال شدہ اکاؤنٹس کی بنیاد پر مورخہ 30 جون 2021 تک مندرجہ ذیل ہے۔

تفصیلات	روپے ملین میں
پروویڈنڈ فنڈ	118.2
گریجویٹ فنڈ	94.5

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۔ ایکٹروٹک 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 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 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
- (ے) چیئرمین کا کردار اور خود اپنی کارکردگی کا جائزہ

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز کی جانب سے سیکورٹیز 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 اکیویٹی 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 کا 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 اسٹیک 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 پر عزم 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، اتنا شجاعت کی حفاظت کی جائے، قوانین اور ریگولیشنز کی تعمیل کی جائے اور بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرز کے مطابق مالیاتی گوشوارے پیش کیے جائیں۔

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 4.2 ارب روپے ادا کیے۔ یہ ٹیکس ادائیگی کمپنی کی فروخت کا 21.2 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 کثرت 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۔

لٹیکینیٹرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 ("دی کوڈ 2019") کی درکار ضروریات 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 فنانسئل آفیسر نے سال کے دوران منعقد چاروں اجلاسوں میں، مدعو کیے جانے پر شرکت کی۔

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 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 ایک ایگزیکٹو ڈائریکٹرز اور دو نان ایگزیکٹو ڈائریکٹرز ہیں۔ اس کمیٹی کی چیئر پرسن 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 ڈائریکٹرشپس کی تعداد بشمول اٹلس بیٹری لمیٹڈ مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹرز کے نام	ڈائریکٹرشپ	اسٹیٹس	ایگزیکٹو ڈائریکٹر	کمیٹی کی رکنیت		حاضری		
					HRRC	AC	HRRC	AC	BOD
1	جناب عامر ایچ شیرازی	4	منتخب، اطلاق 21 مئی 2020	نہیں	-	-	-	5/5	-
2	جناب اعظم فاروق	4	دوبارہ منتخب، اطلاق 21 مئی 2020	نہیں	-	-	4/4	5/5	-
3	جناب بشیر کی	1	دوبارہ منتخب، اطلاق 21 مئی 2020	نہیں	-	1/1	4/4	5/5	-
4	جناب فہد کے چنائے	2	منتخب 10 مارچ 2021	نہیں	-	-	1/1	2/2	-
5	جناب فراہم علی خان	N/A	مستعفی 10 مارچ 2021	نہیں	-	1/1	3/3	3/3	-
6	محترمہ مہرین امین	1	منتخب، اطلاق 21 مئی 2020	نہیں	-	1/1	-	5/5	-
7	جناب تور فوریا	1	دوبارہ منتخب، اطلاق 21 مئی 2020	نہیں	-	-	-	5/5	-
8	جناب علی ایچ شیرازی	4	دوبارہ منتخب، اطلاق 21 مئی 2020	ہاں	-	-	-	5/5	N/A

ڈائریکٹرز کے تربیتی پروگرام

چھ ڈائریکٹرز پہلے ہی سند یافتہ ڈائریکٹرز ہیں جبکہ ایک ڈائریکٹر کوڈ 2019 کی شق (2) کے تحت مستثنیٰ کے معیار پر پورا اترتے ہیں اور اس کے مطابق ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں۔ تفصیلات درج ذیل ہیں۔

نمبر شمار	ڈائریکٹرز کے نام	ادارہ	سال
1	جناب عامر ایچ شیرازی	مستثنیٰ	N/A
2	جناب اعظم فاروق	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2009-10
3	جناب بشیر کی	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2014-15
4	جناب فہد کے چنائے	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2017-18
5	محترمہ مہرین امین	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2020-21
6	جناب تور فوریا	یونیورسٹی آف لاہور	2015-16
7	جناب علی ایچ شیرازی	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2013-14

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2021 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 2021 کو کمپنی کی 55 ویں سالانہ عام اجلاس میں اراکین کو پیش کی جائے گی۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کی مختصر تفصیل مندرجہ ذیل ہے:

2020	2021	
----- (روپے '000 میں) -----		
(144,015)	1,195,044	منافع / (نقصان) قبل از ٹیکس
190,616	307,327	محصولات کے لیے فراہمی
2,282	14,159	موجودہ سال
(9,814)	(22,416)	گزشتہ سال
183,084	299,070	موخر ملتوی
(327,099)	895,974	منافع / (نقصان) بعد از ٹیکس

ڈیویڈنڈز اور تصرفات:

ڈائریکٹرز نے فی شیئر 4 روپے فائنل کیش ڈیویڈنڈ (2020: فی شیئر NIL)، اس کے ساتھ 10 روپے فی شیئر عبوری کیش ڈیویڈنڈ جو پہلے دیا جا چکا ہے اور بونس شیئرز بحساب 15 فیصد (2020: NIL) کی تجویز دی ہے۔ اسی طرح مندرجہ ذیل تصرفات بھی کی گئی ہیں۔

2020	2021	
----- (روپے '000 میں) -----		
-	243,597	عبوری کیش ڈیویڈنڈ بحساب 100% (2020: NIL)
-	97,439	تجویز کردہ فائنل کیش ڈیویڈنڈ بحساب 4 روپے (2020: NIL)
-	36,540	بونس شیئرز کے اجراء کے لیے ذخائر 15 فیصد (2020: NIL) کے اجراء کے لیے مختص
-	377,576	ٹوٹل

آمدنی / (نقصان) فی حصص

بعد از ٹیکس بنیادی اور diluted آمدنی فی حصص 36.78 روپے (سال 2020: 13.43 روپے نقصان فی حصص) رہی۔

چیئر مین کا جائزہ

چیئر مین کا جائزہ سالانہ رپورٹ میں شامل ہے جو کہ 30 جون 2021 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 کمیٹی

بورڈ آف ڈائریکٹرز

بورڈ ایک ایگزیکٹو ڈائریکٹر، چار نان ایگزیکٹو ڈائریکٹرز اور دو خود مختار ڈائریکٹرز پر مشتمل ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی کارپوریٹ گورننس اور فنانشل 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 ڈائریکٹر ہیں۔

والے بیسن، 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 مہم اور مختلف سوشل میڈیا پلیٹ فارم کا استعمال کرتے ہوئے ہمارے اسٹیک ہولڈرز کو COVID-19 سے متعلق بہترین پریکٹسز کی معلومات فراہم کی گئیں۔

مستقبل کے خدوخال

استحکام اور ساختی اصلاحات کے ساتھ جو کہ وقت کی ضرورت تھے، وفاقی بجٹ میں اعلان کردہ اقدامات، معاون مالیاتی حالات اور سرمایہ کاری اور دیگر ری فنانس کے لیے اسٹیٹ بینک کی TERF سہولت کی مدد سے بڑے پیمانے پر مینوفیکچرنگ میں مزید اضافہ متوقع ہے۔ تاہم، زرمبادلہ میں حالیہ اضافے کے رجحان سے کاروبار کرنے کی لاگت میں اضافہ ہوگا۔ مزید برآں، حالیہ توانائی کے نرخوں میں اضافے، خوراک کی بڑھتی ہوئی قیمتوں اور ممکنہ توسیعی پالیسیوں کی وجہ سے افراط زر میں مسلسل اضافے سے صارفین کی قوت خرید متاثر ہوگی۔ دوسری طرف، پاکستان میں جاری چوتھی کوویڈ 19 لہر کی وجہ سے پیدا ہونے والی غیر یقینی صورتحال اور نئی اقسام کے عالمی پھیلاؤ نے حکومت کو معاون اقدامات کرنا ضروری ہیں۔ چنانچہ معیشت کو سہارا دینے، قرضوں کی ادائیگی کو یقینی بنانے اور سماجی ہم آہنگی کو برقرار رکھتے ہوئے ساختی اصلاحات کو آگے بڑھانے کے درمیان مناسب توازن قائم کرنے کی ضرورت ہے۔

جہاں تک آپ کی کمپنی کے خدوخال کا تعلق ہے، اس نے سال 2021-22 کا آغاز مثبت انداز میں کیا ہے۔ آٹوموبائل سیکٹر میں ترقی، توانائی کی قیمتوں میں اضافے، جزیٹرز اور پو پی ایس کی مانگ میں اضافے کے ساتھ، بیٹریوں کی مانگ میں اضافے کا امکان ہے۔ مزید یہ کہ، آپ کی کمپنی، اپنے گاہکوں کو مد نظر رکھتے ہوئے، اپنی مصنوعات کی لائن اپ کو بڑھانے اور بہتر صارفین کے تجربے کے لیے نئی معیاری بیٹریاں لانے کے لیے پرعزم ہے۔

کمپنی مسلسل جدتوں، عمل میں بہتری اور انفارمیشن ٹیکنالوجی کے موثر استعمال کے ذریعے پائیدار اور وسیع پیمانے پر ترقی حاصل کرنے کے لیے پرعزم ہے۔ بے مثال معیار اور بعد از فروخت سروس کا فائدہ اٹھاتے ہوئے، آپ کی کمپنی نئے علاقوں اور برآمدی منڈیوں کی تلاش کر کے مارکیٹ میں بہتر رسائی کے لیے کوشش جاری رکھے گی۔ اخراجات کو روکنا اور اعلیٰ معیار کو برقرار رکھنا آپ کی کمپنی کی توجہ کا مرکز رہے گا۔ شیئر ہولڈرز کے لیے ویلیو ایڈیشن اور انسانی صلاحیتوں کی بہتری بھی اتنی ہی اہم ہے۔ ان مقاصد کے حصول کے لیے، "ٹلس وے" آپ کی کمپنی کے کاروباری فلسفے کے لیے مشعل راہ کے طور پر برقرار رہے گا۔

قدم زمین پر نظر آسمان پر رکھ

(Follow your goals with determination)

اظہار تشکر

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی ایما، 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 مارچ 2021 میں، جناب فراہیم علی خان آپ کی کمپنی کے بورڈ سے مستعفی ہوئے ہیں۔ ہم جناب فراہیم علی خان کی جانب سے کمپنی کی ترقی کے لیے اٹھائے جانے والے اقدامات کو ہمیشہ یاد رکھیں گے۔ ان کی جگہ ہم جناب فہد کے چنائے کو بورڈ میں خوش آمدید کہتے ہیں۔ جناب فہد کے چنائے پاکستان کیمپو لمیٹیڈ کے چیف ایگزیکٹو آفیسر ہیں، آپ اس سے قبل پاکستان کیمپو لمیٹیڈ میں سیلز، مارکیٹنگ، سپلائی چین اور انفارمیشن ٹیکنالوجی سمیت مختلف شعبوں میں بطور سربراہ خدمات انجام دے چکے ہیں۔

میں اس موقع پر اپنے جوائنٹ و پیئر پارٹنرز IGS Yuasa انٹرنیشنل لمیٹیڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بینکار، فروخت کار (وینڈرز) اور صارفین کو ان کی مسلسل حمایت اور رہنمائی پر تہ 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۔



عامر ایچ شیرازی
چیئرمین

کراچی: 26 اگست 2021

انفارمیشن ٹیکنالوجی

بلاشبہ موجودہ عالمی وبائی مرض نے ٹیکنالوجی کی اہمیت کو موثر انداز میں ثابت کر دیا ہے۔ 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 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)

• کاروباری تسلسل کا منصوبہ (BCP)

• بزنس پروسس ری انجینئرنگ (BPR)

• کاروبار سے کاروبار (B2B)

• پلانٹ کے ڈیٹا کی آٹومیشن

• کلیم مینجمنٹ سسٹم (CMS)

• گودام کے انتظام کا نظام (WMS)

• ماحولیاتی انتظام کا نظام (EMS)

• 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 سیلز، ڈیجیٹل مارکیٹنگ بذریعہ سوشل میڈیا، ڈیٹا بورڈ کے ذریعے ڈیلرز کے اسٹاک کی پوزیشن اور بار کوڈ نظام کے نفاذ سے گودام کا انتظام جیسے عوامل شامل ہیں۔

انفرادی قوت کا فروغ

آپ کی کمپنی ہمیشہ اٹلس گروپ کے اصول/ فلسفے "ادارے کی ترقی بذریعہ شخصی فروغ و ترقی" پر عمل کرتی ہے اور کمپنی ڈویلپمنٹ کی مسلسل فضاء کو برقرار رکھنے کے لیے اور اپنے ملازمین کی صلاحیتوں کے فروغ کے لیے خاطر خواہ سرمایہ کاری کو بروئے کار لاتی ہے۔ پورے سال کے دوران ادارے سے ملازمین کی واہانہ وابستگی میں اضافے اور انفرادی اور کاروباری مقاصد کی تکمیل کے لیے ان کے فعال کردار کو یقینی بنانے کے لیے متعدد اقدامات عمل میں لائے گئے۔

کمپنی میں ایک کارپوریٹ کلچر برقرار رکھا جاتا ہے جو تخلیقی صلاحیتوں، آزادی اور تکنیکی اور قائدانہ صلاحیتوں کو مضبوط بنانے کی حوصلہ افزائی کرتا ہے۔ پورے سال کے دوران، کمپنی کے اندر اور کمپنی کے باہر کئی ترقیاتی پروگرام منعقد کیے گئے، جن میں پراجیکٹ مینجمنٹ، انرجی مینجمنٹ، پیشہ ورانہ صحت اور حفاظت، KAIZEN کلچر کو برقرار رکھنے، سپلائی چین اور لاجسٹکس، ایمپلائمنٹ کے قوانین اور صنعتی تعلقات اور اٹلس وے شامل ہیں۔ مجموعی طور پر 412 ایسوسی ایٹس نے اندرون ملک ٹریننگ سے فائدہ اٹھایا، جبکہ 60 ایسوسی ایٹس نے بیرونی ترقیاتی پروگراموں/ کانفرنسوں/ ورکشاپس/ وہی ناز کے ذریعے اپنی مہارت کو بڑھایا۔ اس سال ای لرننگ کلچر کو فروغ دینے کے لیے ورچوئل ٹریننگز اور وہی ناز پر توجہ مرکوز رکھی گئی۔

آپ کی کمپنی میں کارکردگی کے انضباط و انتظام کے جائزے کا باقاعدہ 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 فضاء کو بہتر بنانے کے لیے مختلف وسائل میں مسلسل سرمایہ کاری کر رہی ہے۔ فیکٹری کے اندر GS Yuasa (JV Partner) کے ڈیزائن کردہ "آلودہ پانی کو صاف کرنے والے پلانٹ" کی تنصیب کی گئی ہے جو 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 سرٹیفیکیشن اور آکیوپیشنل ہیلتھ اینڈ سیفٹی مینجمنٹ سسٹم کی ISO 45001 سرٹیفیکیشن حاصل کی ہے، جو 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 5001 انرجی مینجمنٹ سسٹم (EnMS) سرٹیفیکیشن بھی حاصل کر لی ہے، جو کہ انرجی پر فائمنس کو بہتر بنانے میں مدد دینے کے ساتھ، اس بات کو یقینی بنائے گی کہ تمام متعلقہ قانونی اور ریگولیٹری ضروریات مکمل کی جائیں۔ "حادثات اور زخمی ہونے کے صفر امکانات" کے حتمی مقصد کی تکمیل کے لیے اپنے ساتھ کام کرنے والوں کی تربیت اور آگاہی سیشنز باقاعدگی 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۔ معاشرتی دوری، ضروری حفظان و صحت اور صحت کی جانچ سے متعلق مخصوص SOPs تیار کی گئیں اور ان پر عمل درآمد بھی کیا گیا۔ مزید برآں انفرارڈ تھرمامیٹرز، جراثیم کش دروازے، داخلی دروازوں پر ہاتھ دھونے

بیٹری انڈسٹری

بیٹری انڈسٹری کا تعلق آٹوموٹو سیکٹر کی ترقی، بجلی کے بحران اور بڑھتے ہوئے توانائی کے نرخ سے ہے۔ آٹوموٹو سیکٹر میں اضافے کی وجہ سے، انڈسٹری میں پچھلے دو سالوں میں گراؤٹ کے بعد مستحکم بحالی دیکھنے میں آئی۔ اسی طرح، ملک کو بجلی کی نمایاں قلت کا سامنا کرنا پڑا۔ جس کی وجہ سے بھاری اور درمیانے سائز کی بیٹریوں کی مانگ میں اضافہ ہوا۔ دوسری طرف، خاص طور پر آف گرڈ علاقوں میں سولر پینلز میں خاطر خواہ اضافہ دیکھنے میں آیا جس نے درمیانے اور چھوٹے سائز کی بیٹریوں کی مانگ کو مزید بڑھایا۔

پاکستان میں بیٹری کی صنعت کے دو بڑے حصے ہیں۔ 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 و ارادہ رکھتی ہے۔

آپریٹنگ نتائج

مالی سال 2021 میں آپ کی کمپنی نے 19.9 بلین روپے کی فروخت کیں جو کہ مالی سال 2020 کی 12.5 بلین روپے کی فروخت کے مقابلے میں 59.1 فیصد زیادہ ہیں اور اس کی اہم وجہ مجموعی طور پر مارکیٹ کے حجم میں اضافہ ہے۔ فروخت کی لاگت 17.7 بلین روپے رہی جو کہ گزشتہ سال کی 11.7 بلین روپے کے مقابلے میں 51.5 فیصد زیادہ ہے اور اس کا سبب سیلز کس اور حجم میں بہتری ہے۔ حجم میں اضافے اور فکسڈ لاگت کی بہتر جاذبیت کے نتیجے میں مجموعی منافع 2,281 بلین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کے 879 بلین روپے کے مقابلے میں 159.6 فیصد زیادہ ہے۔

آپریٹنگ اخراجات 908 بلین روپے رہے جو کہ گزشتہ سال کے مقابلے میں 240 بلین روپے زیادہ ہیں۔ اس کے نتیجے میں آپ کی کمپنی نے آپریٹنگ سے 1,333 بلین روپے منافع حاصل کیا جبکہ گزشتہ سال کی اسی مدت کے دوران آپریٹنگ سے ہونے والا منافع 204 بلین روپے تھا۔ اسی طرح فنانس کی لاگت 348 بلین روپے سے کم ہو کر 138 بلین روپے ہو گئی۔

قبل از ٹیکس منافع 1,195 بلین روپے رہا جو کہ گزشتہ سال 144 بلین روپے نقصان تھا۔ 299 بلین روپے کے ٹیکس اخراجات کے بعد، آپ کی کمپنی کا بعد از ٹیکس منافع 896 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 327 بلین روپے نقصان تھا۔ آمدنی فی حصص 36.78 روپے رہی جبکہ گزشتہ سال کی اسی مدت کے دوران نقصان فی حصص 13.43 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 بہامہارت، 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 فضا کو یقینی بناتے ہوئے حقائق کے بروقت اظہار، جوابدہی، اعلیٰ اخلاقی معیار، مرد و چوتوا مین، 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 کیا گیا اور بورڈ نے انتظامیہ کو باقاعدگی سے راہنمائی اور مشاورت فراہم کی۔ بورڈ نے انتظامیہ کی کارکردگی کی نگرانی اور ممکنہ بڑے کاروباری خطرات سے تحفظ میں اہم کردار ادا کیا۔ بورڈ کے اراکین نے مالی سال 2022 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 معاوضے 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 ڈیویڈنڈ کی مدد میں قومی خزانے میں 4.2 بلین روپے کا اضافہ کیا۔ ان محصولات کی ادائیگی، کمپنی کی فروخت 21.26 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 نیٹ 453 بلین روپے نقد خرچ کیے جبکہ گزشتہ سال 519 بلین روپے نقد حاصل کیے تھے۔ اس کی بڑی وجہ کاروباری قابل وصول رقم اور اسٹاک کا بڑھانا ہے۔ قرضوں کے کس کو بہتر بنانے کے لیے آپ کی کمپنی نے 249 بلین روپے کے طویل المدتی قرضے حاصل کیے ہیں۔

چیئر مین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2021 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کی 55 ویں سالانہ رپورٹ مع آڈیٹڈ رپورٹ پیش کر رہا ہوں۔

میکرو اکنامک جائزہ

معاشی سرگرمیاں بڑے پیمانے پر کاروباری ماحول میں بہتری کے ساتھ معمول پر آگئی ہیں۔ عالمی وبائی مرض کی تمام تر تباہ کاریوں کے باوجود اس پر کافی حد تک قابو پایا جا چکا ہے۔ جس کے نتیجے میں معیشت نے "نیچے سے اوپر" کی جانب سفر کا آغاز کر دیا ہے اور اس کا سبب کارآمد مالی اور معاشی اقدامات ہیں۔ مالیاتی سال 2021 میں شرح نمو کا گروتھ ریٹ 3.9 فیصد کے ساتھ تمام اندرونی اور خارجی تخمینوں سے تجاوز کر گیا ہے۔ تجارتی خسارہ شرح نمو کا 7.1 فیصد رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 8.1 فیصد تھا۔ یہ جزوی طور پر ایف بی آر کی جانب سے ٹیکس ریونیو کی وصولی میں 18 فیصد اضافے کی وجہ سے ہے جو کہ اس وقت 4.7 ٹریلین روپے پر موجود ہیں۔ ہیڈ لائن افراط زر کی شرح 8.9 فیصد ریکارڈ کی گئی جو بنیادی طور پر ایشیائے خورد و نوش کی سپلائی میں درپیش مسائل، توانائی کے نرخ میں اضافے کے اثرات اور اجناس کی قیمتوں میں اضافے کے سبب ہے۔

بیرونی محاذ پر کرنٹ اکاؤنٹ میں 1.9 بلین ڈالر کا معمولی خسارہ ریکارڈ کیا گیا۔ ترسیلات زر میں 27.0 فیصد کا غیر معمولی شاندار اضافہ دیکھا گیا جو کہ 29.4 بلین ڈالر کی بلند سطح پر پہنچ گئیں۔ اس کی وجہ معاون پالیسی اقدامات اور سفری پابندیوں کے سبب قانونی ذرائع کا استعمال ہے۔ آئی ایم ایف کی جانب سے 500 ملین ڈالر کی فراہمی، 2.5 بلین ڈالر کے یورو بانڈز کا اجراء اور روشن ڈیجیٹل اکاؤنٹ کی حوصلہ افزاء پذیرائی کے سبب 1 بلین ڈالر سے زائد کے محصولات نے زرمبادلہ کے ذخائر کو 29.2 فیصد اضافے کے ساتھ گزشتہ پانچ سال کی بلند ترین سطح 24.4 بلین ڈالر پر پہنچا دیا ہے۔ دوسری جانب مالی سال 2021 میں تجارتی خسارہ 33.4 فیصد اضافے کے ساتھ 28.2 بلین ڈالر رہا۔ برآمدات میں 13.7 فیصد حوصلہ افزاء اضافہ ہوا۔ تاہم اقتصادی بحالی اور بین الاقوامی اجناس کی قیمتوں میں اضافے کی وجہ سے درآمدات میں 23.2 فیصد اضافہ ریکارڈ کیا گیا ہے۔ بڑھتے ہوئے دباؤ کے باعث پاکستانی روپے کی قدر ڈالر کے مقابلے میں پچھلے سال کے برخلاف 6.2 فیصد کم ہوئی۔ مالیاتی محاذ پر، اسٹیٹ بینک آف پاکستان نے اپنی سازگار پالیسی کو برقرار رکھتے ہوئے ڈسکاؤنٹ ریٹ کو 7 فیصد کی سطح پر برقرار رکھا۔ پاکستان کی کسٹم مارکیٹ میں مثبت رجحان رواں دواں رہا اور PSX 100 انڈیکس جون 2021 کے اختتام تک 47,356 پوائنٹس پر پہنچ گیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 37.6 فیصد اضافے کو ظاہر کرتا ہے۔

زراعت کے شعبے میں 2.8 فیصد کی مستحکم نمو ریکارڈ کی گئی جس کی وجہ بڑی فصلوں یعنی گندم، چاول اور کئی کی پیداوار میں اضافہ ہے۔ تاہم، کپاس کی فصل بنیادی طور پر ہوائی کے علاقوں میں کمی، مون سون کی تیز بارش اور کیرٹوں کے حملوں کی وجہ سے متاثر ہوئی ہے۔ حکومت کے ذریعہ متعارف کروائے گئے زراعت میں تبدیلی کے منصوبے نے کسانوں کو حوصلہ افزائی اور پیداوار کو بڑھانے میں مدد فراہم کی ہے۔ مزید یہ کہ زرعی مصنوعات کی قیمتوں میں اضافے اور بروقت سبسڈی کا شکار کی بہتر آمدنی اور اضافی لیکویڈیٹی میں معاون ثابت ہوئی۔ اس طرح، دیہی علاقوں میں صارفین کی ایشیائے ضرورت کے لیے طلب پائیدار رہی۔

بڑے پیمانے پر مینوفیکچرنگ نے پچھلے سال کے 10.2 فیصد سکڑنے کے مقابلے میں اس سال 14.6 فیصد کی غیر معمولی ترقی کی ہے۔ یہ معاشی سرگرمی میں حوصلہ افزاء اضافے کی وجہ سے تھا جو حکومت اور اسٹیٹ بینک کے ذریعہ متعارف کرائے گئے مختلف معاون پالیسی اقدامات کے ذریعہ کارفرما ہے۔ مضبوط معاشی بحالی کی عکاسی تمام طبقات کے بیشتر اعداد و شمار میں نمایاں نظر آئی۔ جس میں صارفین کے روزمرہ استعمال کی اشیاء، POL مصنوعات، آٹوموبائل، سینٹ اور ٹیکسٹائل کی فروخت شامل ہے۔ تاہم اضافی طلب اور عالمی سپلائی چین کی رکاوٹوں کی وجہ سے، خام مال کی فراہمی میں رکاوٹوں کا سامنا ہے جس کی وجہ سے قیمتیں بڑھ رہی ہیں اور پختہ کاروباری ادارے قیمتوں میں اضافے کا سہارا لینے پر مجبور ہیں۔

آٹوموبائل انڈسٹری کا جائزہ

میکرو اکنامک ماحول میں مجموعی طور پر آنے والے استحکام، عالمی وبائی مرض کے اثرات میں کمی، شرح سود میں کمی اور صارفین کی قوت خرید میں ہونے والے اضافے کے سبب آٹوموبائل سیکٹر نے گزشتہ سال کے مقابلے میں رواں برس بڑے پیمانے پر بحالی کا مشاہدہ کیا۔ نیز نی کمپنیوں کی آمد سے آٹوموبائل انڈسٹری مزید توسیع کے لیے کوشاں ہے۔ مالی سال 2021 میں مقامی سطح پر تیار گاڑیوں کی فروخت 151,182 یونٹس رہی جو کہ مالی سال 2020 میں فروخت ہونے والے 96,455 یونٹس کے مقابلے میں 56.7 فیصد زیادہ ہے۔ اسی طرح ٹریکٹر کے شعبے میں 54.9 فیصد اضافہ دیکھا گیا اور گزشتہ سال کے 32,727 یونٹس کے مقابلے میں اس سال 50,685 یونٹس فروخت ہوئے، اس کے علاوہ گزشتہ سال کی نسبت ٹرکوں اور بسوں کی فروخت میں 19.2 فیصد اضافہ دیکھا گیا۔ مزید یہ کہ مالی سال 2021 کے دوران موٹر سائیکلز اور تین پہیوں والی گاڑیوں (PAMA کے ساتھ رجسٹرڈ اسمبلرز) کی فروخت گزشتہ سال کی اسی مدت کے دوران 1,370,005 یونٹس کے مقابلے میں 39.0 فیصد اضافے کے ساتھ 1,903,932 یونٹس رہی۔

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.

Complying with the Laws

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's Message on Sustainability

I am pleased to present the 8th Sustainability Report of Atlas Battery Limited which provides an insight of Environmental, Social, and Governance (ESG) initiatives and performance in 2020-21. The report confirms our commitment to continue serving our community and society at large.

We have a strong track record of improving our products and process and are committed to continue manufacturing long-lasting batteries as our contribution to the ecosystem. We firmly believe that batteries have a strong potential to reduce green-house gas emissions by efficiently storing electricity generated from both conventional and renewable energy sources.

While continuing to grow, we are ever mindful of the profound impact we can have on our planet. We remained focused on reducing our environmental impact and conserving our resources. Specifically, full of utilization of water recycling and waste water treatment plants has enabled us to reduce our water usage and carbon footprint significantly. Also, installation of additional 350 KW solar power is in process to maximize the use of renewable energy. The Company has an Energy Management System to ensure optimum usage of energy.

Despite a year full of challenges in the midst of the pandemic, our goal remained to be industry leader through an evolving and sustainable business model. We remained steadfast in our values and seized the change as an opportunity. We were quick to adapt to the 'new normal' and implemented international best practices with respect to health and safety not only in our organization but throughout the value chain. We provided an enabling environment to our valued customers to enjoy delivery of our products at their doorsteps while keeping safety protocols intact. During this time, the commitment of our associates to manufacture products that enable mobility was inspiring.

Our continued efforts in sustainability, particularly in areas of innovation and strong stakeholder relationships with our industry partners has enabled us to successfully navigate through this crisis.

Finally, we would like to acknowledge our joint venture partner GS Yuasa Japan, employees, stakeholders, business partners and associates for their continued support in making 2020-21 a year of accomplishment.

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 26, 2021

Sustainability

SUSTAINABILITY DEVELOPMENT GOALS

At the United Nations General Assembly in September 2015, the Sustainable Development Goals (SDGs) were adopted for the purpose of establishing a sustainable society across the world through community development, environmental protection and inclusive economic growth. The timeline for these UN SDGs runs from 2016 until 2030. As a responsible corporate citizen, we aim to take account the relevant SDGs in how we run our business by prioritizing actions on the goals where our business activities can have the biggest impact.

SUSTAINABLE DEVELOPMENT GOALS



Goals	Goals Description	Page No.
	GOAL 3: Good Health and Well-being	89
	GOAL 4: Quality Education	86
	GOAL 6: Clean Water and Sanitation	84
	GOAL 7: Affordable and Clean Energy	84
	GOAL 9: Industry, Innovation and Infrastructure	90, 91
	GOAL 11: Sustainable Cities and Communities	85, 93
	GOAL 12: Responsible Consumption and Production	83
	GOAL 13: Climate Action	84, 85

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	ATLAS SYSTEMS
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Management by Objectives (MBO) to align activities agreed towards 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 Company has over the years improved its operations 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, ISO 45001:2018 – Occupation Health & Safety Management System and ISO 50001:2011 – Energy Management System; all from Bureau Veritas.

Material

The Company's Quality department along with Supply Chain department conducts intense research with assistance of GS Yuasa, Japan on procurement of raw materials, development of new formulae and applications with the aim of lowering impact on environment.

Atlas Hybrid was launched few years back with combination of lead and calcium plates having 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. Also, the Company has launched deep cycle battery with long back up time, ideally suitable for solar panels and UPS. Further, the



Company has launched open top and sealed maintenance free battery which has been made with calcium plates and PE envelop protection giving battery long life and protection. The Company has also introduced Battery Tonic distilled battery water, with specific battery grade TDS to increase life of battery.

Energy saving measures and energy conservation



To reduce reliance on conventional electrical energy, 100 KW solar panels are used which results in cost savings and conservation of energy. Dedicated electricity lines for uninterrupted supply of electricity have been installed which resulted in significant reduction of associated greenhouse gas emissions from generators. This have also contributed to improvement in environment.



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 (WWTP) in the factory premise.

The Company has also installed and Water Recycling Plant (WRP) which comprises of Ultra Filtration Unit and Reverse Osmosis Unit. The Company uses WRP to convert output water of WWTP to process and recover waste water into usable water.



Air



The Company has invested significant resource during last few years on controlling air emissions. 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. During the year social events were conducted at non-profit organizations for distribution of Eidi and gifts during Ramadan in Karachi, Lahore and Islamabad / Rawalpindi.



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, ISO 45001:2018 and ISO 50001:2011. This will enable the Company to stay ahead of its competitors in environmental compliance.

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

Financial Health

Our main concentration is to bring the best quality batteries with high level of sustainability, effective 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 competitive advantage and their motivation and development is the backbone of a sustainable and progressive 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 Project Management, Energy Management, Occupational Health and Safety, sustaining a KAIZEN Culture, Supply Chain & Logistics, Employment Laws & Industrial Relations and 'The Atlas Way' 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 412 personnel benefited from in-house trainings, while 60 personnel enhanced their skills set through external training programs including 6 associates who attended webinars 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. Human Resources division facilitates 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. Aside from focusing on developing the skill-set of associates, various HSE trainings are organized to ensure the well-being of associates and to maintain a safe and healthy working environment.



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, 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:

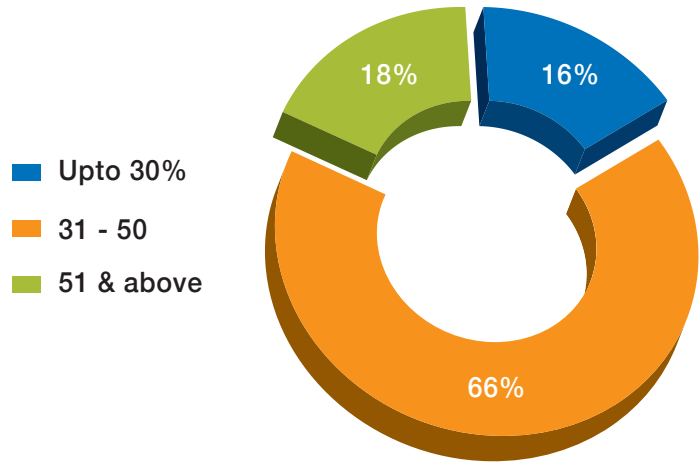
5 to 10 Years	11 to 20 Years	20 Years & Above
119 (29%)	32 (10%)	46 (15%)

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.

Age-wise Diversity As at June 30, 2021



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.



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.

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.

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 acceptable 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 & ISO 45001:2018) 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.

We have 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



The Company is well equipped with state of the art information technology infrastructure and is committed to staying up-to-date in technological advancements.

Current pandemic has undeniably proved the importance of technology. 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.

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. 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), EnMS (Environment 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 dashboards, and warehouse management through barcode implementation.

With the fast change and advancement of technology, we understand 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.

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
- Maintenance free batteries for vehicles
- Deep cycle and Tall SP 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 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

The Company believes that true success is Customer satisfaction. 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 tutorials of battery handling and preventive maintenance, mobile van, free battery checkup service, online ordering systems, etc.

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 focuses on after sales service and building long term relationship with the consumers. To attain confidence of its consumers, the Company's representative including CEO regularly visit to dealers' showroom. 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 transparency in what we offer, fair treatment and effective complaint system to consumers. We educate our consumers by imparting them battery management, safety and 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, Battery care and maintenance awareness training sessions were conducted for technicians across Pakistan including OEM's, dealers and sub-dealers staff.



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 (EFP)
- 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, 2021 is as follows:

Raw materials procured	% of total raw materials
Locally	80%
Imported	20%

As indicated above the imported material is 20% 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.4.2 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 taxpayers 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

COVID-19 Response Strategy

The efforts undertaken by the Company in response to the pandemic are summarized as under:

Monitoring of COVID-19 Statistics

COVID-19 cases are being daily monitored by Administration Department and the same are being reported to top management for taking proactive countermeasures for broad manifestation. In addition to this, weekly COVID-19 update of the country is also shared with the management.

Developing of COVID-19 Protocols

Following the advice released by World Health Organization (WHO), Center for Disease Control (CDC), local government authorities and international best practices, ABL established and implemented a range of precautionary measures across the plant and regional offices, from stringent sanitation and cleaning protocols to workplace distancing, temperature checks and travel restrictions. With the objective of protecting staff and aligning ourselves with the Government SOPs, work from home (WFH) policy was introduced. Further, significant steps were also taken to safeguard associates who attended office which included operating split shifts in plants and the regional offices, dealers shop, warehouses etc. A summary of protocols implemented by ABL are enumerated below:

Temperature Controls over Entry into Premises
Mandatory WFH for staff over 50 years of age or with underlying health conditions
On-site Medical Examination of Suspected Associates
Compulsory use of masks, gloves & sanitizers
Re-laying out of offices and production facilities
Implementing Staggered shift to maintain social distance
Restrictions on Visitors
Ensure less than 50% staff attendance through WFH Policy
Periodic disinfection of premises
Medical Assistance to affected associates
Compliance of Legal Requirements

Stakeholders' Engagement

Awareness campaign for COVID-19 was launched on social media in order to ensure the social wellbeing of our customers. Further, regular sessions were conducted with associates inculcating the importance of embracing safety precautions.

Compliance with COVID-19 Protocols

Our administration / HSE teams conduct audits of the workplace to ensure compliance with SOPs formulated in this regard. Further, external audits by government authorities and Atlas Group were also conducted during the period and steps taken by the Company were widely appreciated.

Vaccination Drive

The health, safety and wellbeing of our employees has always been the key priority. Atlas Battery, in collaboration with Town Health Office, Government of Sindh organized the vaccination drive for its associates.

SPARKISTAN 3.0

Sparkistan 3.0 is a platform by Atlas Battery which celebrates unsung heroes, selfless individuals who represent the best of who we can be. 13 heroes, who devoted themselves for fighting against COVID-19 were identified and efforts imparted by them for helping the needy were praised.

Strengthening IT Infrastructure

During the lockdown, the Company's IT team responded quickly to the changing needs and provided an enabling environment for associates to work remotely. Physical meetings and training were replaced through advanced connectivity through digital means.



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 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, 2021, the Company had 2,030 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 • Corporate briefings 	<ul style="list-style-type: none"> • Corporate governance • Business performance • Corporate responsibility • Timely reporting
Local community and neighborhood	<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 and the distribution of profits. 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 was held on September 29, 2020 in Karachi. The shareholders adopted inter alia the following resolutions:

Ordinary Business

- The minutes of the Extraordinary General Meeting held on May 20, 2020 be and are hereby confirmed.
- The Audited Annual Accounts for the year ended June 30, 2020 along with the Chairman's Review, Directors' and Auditors' Reports thereon be and are hereby adopted.
- The 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, 2021 at an audit fee of Rs.1,425,000/-.

Issues Discussed in Last AGM

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

Encouraging Minority Shareholders to Attend General Meetings

The Company values all shareholders equally and considers them an integral part of the Company. The Company sends notice of 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 via video link on October 23, 2020 to brief the financial performance for the year ended June 30, 2020. 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 Code 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.;
- direct and supervise the Company's executive management;
- appoint and dismiss the CEO, decide 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 in shareholder information part of this report.

Directors' Qualification

The Board members have diversified experience and are qualified professionals. They are well conversant with 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 Code 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.

Significant Commitments of the Chairman

Mr. Aamir H. Shirazi, Chairman Atlas Battery Limited is also Chairman of Honda Atlas Cars, Atlas Honda, Atlas Engineering and Atlas Autos. He also serves on the Boards of Shirazi Investments (Private) Limited (Group Holding Company), Shirazi Trading Company and Murree Brewery Company Limited. He is also member of the Board of Governors, Lahore University of Management Science and member Syndicate, University of Engineering & Technology.

Further, 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.

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 Code 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 does 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 is 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 Code 2019, it is ensured that no directors take part in deciding their own remuneration.

For information on remuneration of Directors and CEO in 2021-21, 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 the Code 2019.

Representation of Female Director on the Board

The Company is fully compliant to the requirement of the Code 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.

Companies in which the Executive Director is serving as Non-Executive Director

In addition to being the Chief Executive of Atlas Battery Limited, Mr. Ali H. Shirazi holds Non-Executive Directorship on the Board of the seventeen companies.

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 form 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 be participant in the committees of the Board where appropriate as determined by the Board.

CEO Performance Review

The performance of the CEO is formally appraised through an 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 is developed in accordance with the Code 2019 as 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;
- 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, of whom one is executive and two are non-executive directors. The Chairman of the Committee is an independent director.

The Committee is responsible for:

- carrying out evaluation of the Board of Directors;
- recommending human resource management and remuneration policies to the Board;
- recommending to the Board the selection, evaluation, compensation and succession planning of the CEO;
- recommending to the Board the selection, evaluation, compensation of CFO, Company Secretary and Head of Internal Audit; and
- 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 2019 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. The auditor is elected in Annual General Meeting 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" (detail below). 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 2020-21, 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 General Manager Information Technology 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 through digitalization of records. 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 records 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 dialogue 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 of Conduct 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 blowing 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 2020-21, 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 which include but not limited to bribery, kickbacks, payoff, etc. Stern action is taken against personnel found in these mal-practices. It is the responsibility of all associates to ensure that they are not engaged 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.

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 / ICMAP;
- 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 Affecting External Environment

Risk and Opportunity Report

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code 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.

Risk Categories	Risk Description
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.

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

Sensitivity of risks

High		Risks that are highly likely to occur and could materially impact Company's ability to reach its business objectives
Medium		Risks that remain at tolerable levels but could impact the business unless monitored and managed
Low		Risks that unlikely to materialize and unlikely to materiality impact Company's business

External Sources:

Objectives	Major Business Risks	Risk S. No.	Risk Category	Mitigating Factors / Actions in Place	Opportunities
Market To be market leader in battery industry	Continued inflation reducing customer purchasing power.	1	Strategic	The Company mitigates the risk through continuous cost down activities.	Cost controls with efficient production to make available right price products.
	Variation in raw materials and other input costs led by oil prices causing uncertainty.	2	Commercial	The Company mitigates the risk through multiple resourcing and advance booking options.	Exploration of hedging and forward booking options.
Catastrophic To minimize catastrophic risk and loss of assets	Financial loss to the Company if a natural disaster causes disruption of operations	3	Financial	The Company has a Business Continuity Plan and Disaster Recovery Plan in place to ensure that minimum disruptions occur due to unforeseen disasters.	It enables the organization to have strong risk management policies in place.
Credit Risk To minimize credit risk	The financial loss to the Company if a customer fails to meet its contractual obligation arising from trade receivables.	4	Financial	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 which is approved by the Board.	Identification of high risk clients and take preemptive actions.
Socio-Political Situation To operate in a stable market with least volatility and low occurrence of unforeseen variables	Evolving regulatory landscape and compliance with new laws and regulations is a challenge.	5	Commercial	A team of qualified and experienced professional in the management team ensures compliance with all laws, rules and regulations.	It enables smooth operations and operate in a stable market with least volatility.
	Political uncertainty may affect business volume.	6	Commercial	The Company continues to closely monitor political and macroeconomic conditions. Further, in order to avoid, risk of disruptions, we have a strong supplier base and multiple avenues for selling our products.	It enables the organization to have strong risk management policies in place.
Technology To evolve technologically in order to manufacture products of high quality	Technology shift may render production process obsolete and cost inefficient.	7	Operational	Constant process of balancing, modernization and up gradation of production facilities.	Identification of obsolete technology for timely investment to bring in new products.

Objectives	Major Business Risks	Risk S. No.	Risk Category	Mitigating Factors / Actions in Place	Opportunities
Operations To ensure continuity of operations without disruptions	The on-going energy crisis may affect operational targets	8	Operational	The Company has developed alternate source of energy to cater any production loss.	Development of alternate source helps to bring down cost of overheads and carbon footprint.
	Vendors' operational / financial constraints and their deteriorating quality standards.	9	Operational	The Company continuously monitors operational, quality and operational capabilities.	It enables the organization to have strong risk management policies in place.
	Disruptions due to data loss from operational failures or natural disasters.	10	Operational	An IT related business continuity plan is in place for ensuring efficient recovery of information systems for successful resumption of business functions.	It enables the Company to have an evolving Business Continuity Plan.
Finance To be financially strong and perform up to the expectations of all stakeholders	Devaluation of Pak Rupee against foreign currencies and rising interest rates may adversely affect Company's financial performance.	11	Financial	Foreign currency exposure and financing facilities are monitored through a dedicated team of professionals who continuously explore ways and means to reduce the exposure.	It ensures that the organization has appropriate hedging measures in place.
	Increase production capacity leading to high material and supplies' orders and costs making liquidity and cash flows stressed.	12	Financial	Liquidity is monitored by the Treasury department in coordination with Supply Chain division. To support working capital needs, sufficient borrowing lines are in place.	It enables the Company to effectively manage its funds.

Internal Sources:

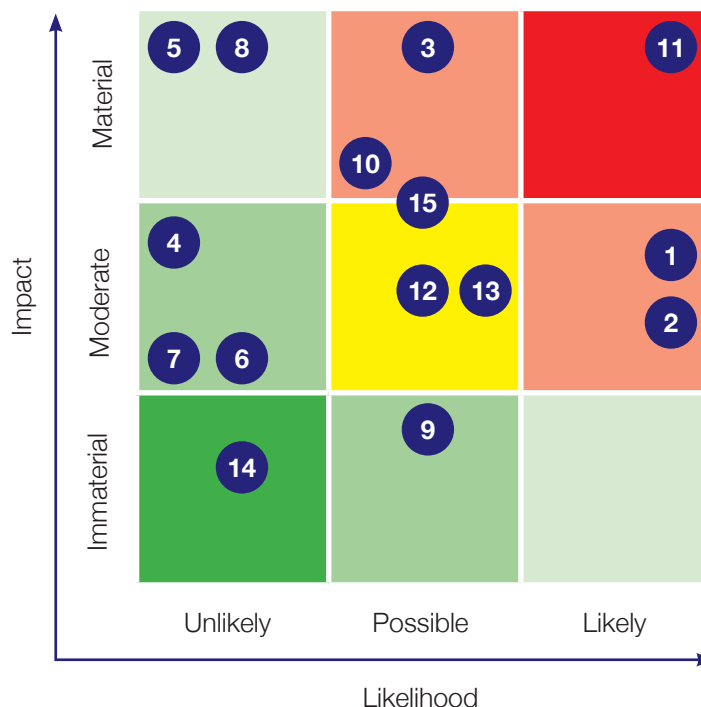
Objectives	Major Business Risks	Risk S. No.	Risk Category	Mitigating Factors / Actions in Place	Opportunities
Internal Controls To have strong internal controls leading to sound and stable Company	The Company may be exposed to financial irregularities resulting in qualitative and quantitative losses in the absence of effective internal controls.	13	Operational	Internal controls covering areas of governance, management, policies and procedures, compliance with laws and regulations, etc. are in place. There is an Internal Audit department which continuously monitors the compliance of internal controls.	An effective Internal Audit enables us to identify current and future risks in advance.

Objectives	Major Business Risks	Risk S. No.	Risk Category	Mitigating Factors / Actions in Place	Opportunities
Human Resource Recruitment and career advancement based on integrity, merit, experience and skills	Qualified and competent staff may not be available in sufficient numbers.	14	Operational	Well-structured procedures for recruitment, training, compensation, periodic appraisals and succession planning have been implemented to ensure staff retention and continued operation.	Hiring competent staff helps us to generate ideas and strategies which become our critical success factors.
Health and Safety To ensure health and safety of associates at workplace	Injuries due to workplace accidents.	15	Operational	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.	Creating a safe and healthy working environment increases motivation and productivity of workforce.

Risk Ranking

Based on the above identification of risk impact and likelihood of the risk is mapped as under.

The Potential Impact and Likelihood of Our Key Risks



Environmental Analysis - PESTEL



Organization's Response

While capitalizing on the positive macroeconomic indicators and supportive government measures, the Company is committed to achieving sustainable and scalable growth through increased market penetration and expansion in untapped markets. Further, the Company will continue to explore new avenues for exports. In order to mitigate the impact of rising costs due to inflation and exchange rates, curbing costs while maintaining high quality of product will remain the focus of the Company.

Competitive Landscape and Market Positioning

Threat of New Entrants

- Battery industry attracts new manufacturers due to supportive government policies.
- Chinese manufacturers may consider manufacturing in Pakistan as part of CPEC.

Bargaining Power of Buyers

- High quality products.
- Surplus industry capacity.

Threat of Substitute Products & Services

- Many substitutes available at lower prices.

Bargaining Power of Suppliers

- Possible disruption of industry through technological changes in battery storage.
- Volatile lead prices.
- Limited suppliers of lead.

Rivalry amongst Existing Competitors

- Large number of competitors in the market with diverse range of products at competitive pricing.
- Credit terms offered by all market participants.

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 2020-21 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	4/4
3.	Mr. Fahd K. Chinoy (appointed on March 10, 2021)	No	No	1/1
4.	Mr. Frahim Ali Khan (retired on March 10, 2021)	No	No	3/3

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, 2021 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 2021-22.
- 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.
- Audit Committee met with Head of Internal Audit without the Chief Financial Officer and external Auditors being present.
- 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, 2021 and review of the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the year ended June 30, 2021.
- 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 2019-20 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, 2022.

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

Name of the Company: Atlas Battery Limited

Year Ended: June 30, 2021

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

- The total number of directors are 7 as per the following:

(a)	Male	6
(b)	Female	1

- The composition of Board is as follows:

(a)	Independent Directors	2
(b)	Non-Executive Directors	4
(c)	Executive Director	1

- 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. Fahd K. Chinoy		√	
5.	Ms. Mehreen Amin	√		
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.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 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 the significant policies along with their date of approval or updating 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 Board;
9. The Board has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations;
10. Six directors are Certified Director and one director meet the criteria of exemption and is accordingly exempted from directors' training program;
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. Fahd K. Chinoy	Member

(b) Human Resource and Remuneration Committee

•	Ms. Mehreen Amin	Chairperson
•	Mr. Ali H. Shirazi	Member
•	Mr. Bashir Makki	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 all 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 the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
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 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



Aamir H. Shirazi
Chairman

Karachi: August 26, 2021

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, 2021, 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, 2021.

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Dated: August 26, 2021

SUSTAINABLE BACKUP SOLUTIONS

Atlas Battery offers its users a range of batteries for gensets, solar panels and UPS. Manufactured with advanced technology, our batteries are compatible with Pakistan's varying temperatures and landscapes and are preferred by millions of Pakistanis for their power backup solutions.





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, 2021, 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, 2021 and of the profit 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 Matters

1. Stock-in-trade

Refer notes 4.7 and 11 to the financial statements, the Company has stock-in-trade aggregating Rs.3,912,393 thousand comprising raw materials, finished goods, work in progress and stock in transit. We identified this area as a key audit matter because as at June 30, 2021, stock-in-trade constitutes 39.60% of the total assets of the Company and determining an appropriate valuation as a result of net realizable value (NRV) involves management judgement and estimation.

2. Trade debts

Refer note 4.8 and 12 to the financial statements, the Company has trade debts aggregating Rs.1,092,145 thousand. An estimate for provision for doubtful debts aggregating Rs.42,284 thousand has been recognised using projected credit loss model. We identified this area as key audit matter because trade debts represent a significant balance for the Company and estimating the recoverable amount involves inherent uncertainty.

How the matter was addressed in our audit

We performed following audit procedures in respect of this area:

Observed / attended physical inventory count procedures and compared physical count results with valuations sheets on a sample basis;

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

On a sample basis, obtained supporting documents relating to stock in transit for assessing its valuation;

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 (XIX of 2017).

We performed following audit procedures in respect of this area:

Obtained the approved credit policy and credit limits of individual dealers and compared with dealer balances as at June 30, 2021, to assess the Company's compliance of individual dealers' credit limits;

Sought external confirmations from the selected debtors of their balances that remained outstanding at the year end and compared replies to the request;

Performed subsequent check of selected debtor balances to review recovery from respective debtors after the year end;

Assessed the reasonableness of expected credit loss model (provision matrix) used by management to estimate that the doubtful debts are appropriate and ensured that the same is applied consistently; 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 (XIX of 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 2021, 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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 26, 2021

a member firm of *ShineWing* International

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- Rupees in '000 -----	2020
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,952,397	4,139,386
Intangible assets	6	3,929	-
Investments	7	-	-
Long term loans	8	1,897	2,049
Long term deposits	9	20,388	18,683
		3,978,611	4,160,118
Current assets			
Stores, spares and loose tools	10	259,332	215,326
Stock-in-trade	11	3,912,393	1,999,313
Trade debts	12	1,092,145	692,998
Loans and advances	13	19,970	8,647
Deposits and prepayments	14	39,779	9,861
Investments	15	146,364	138,268
Accrued mark-up		302	-
Other receivables	16	2,983	2,446
Sales tax receivable - net		29,674	-
Taxation - net		209,017	567,622
Bank balances	17	189,113	45,507
		5,901,072	3,679,988
Total assets		9,879,683	7,840,106



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	2021 ----- Rupees in '000 -----	2020
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 50,000,000 (2020: 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 losses		(261,198)	(915,479)
		4,776,302	4,122,021
Capital reserve			
Surplus on revaluation of leasehold land	19	589,186	589,186
Total equity		5,609,085	4,954,804
Liabilities			
Non current liabilities			
Lease liabilities	20	319,547	358,677
Long term borrowings	21	411,652	551,405
Deferred income - government grant	22	11,724	6,181
Staff retirement benefits	23	83,047	69,515
Deferred taxation	24	215,492	237,131
		1,041,462	1,222,909
Current liabilities			
Trade and other payables	25	1,692,228	1,195,743
Sales tax payable - net		-	175,968
Accrued mark-up		16,119	34,891
Current portion of lease liabilities	20	39,130	30,151
Current maturity of long term borrowings	21	308,252	106,506
Current portion of deferred income - government grant	22	13,623	11,931
Short term borrowings	26	1,083,666	71,297
Dividend payable		36,539	-
Unclaimed dividend		39,579	35,906
		3,229,136	1,662,393
Total liabilities		4,270,598	2,885,302
Contingencies and commitments	27		
Total equity and liabilities		9,879,683	7,840,106

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, 2021

	Note	2021 ---- Rupees in '000 ----	2020
Sales	28	19,955,087	12,546,152
Cost of sales	29	(17,673,951)	(11,667,365)
Gross profit		2,281,136	878,787
Distribution cost	30	(651,508)	(487,020)
Administrative expenses	31	(256,665)	(181,626)
Other income	32	50,722	32,601
Other expenses	33	(90,225)	(38,261)
Profit from operations		1,333,460	204,481
Finance cost	34	(138,416)	(348,496)
Profit / (loss) before taxation		1,195,044	(144,015)
Taxation	35	(299,070)	(183,084)
Profit / (loss) for the year		895,974	(327,099)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		2,681	1,259
Impact of deferred tax		(777)	(365)
Other comprehensive income for the year - net of tax		1,904	894
Total comprehensive income / (loss) for the year		897,878	(326,205)
----- Rupees -----			
Earnings / (loss) per share - basic and diluted	36	36.78	(13.43)

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, 2021

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	Accumulated losses	Surplus on revaluation of leasehold land	
----- Rupees in '000 -----					
Balance as at July 1, 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	<u>243,597</u>	<u>5,037,500</u>	<u>(915,479)</u>	<u>589,186</u>	<u>4,954,804</u>
Transaction with owners, recognised directly in equity					
Interim cash dividend for the year ended June 30, 2021 at the rate of Rs.10 per share	-	-	(243,597)	-	(243,597)
Total comprehensive income for the year ended June 30, 2021					
Profit for the year	-	-	895,974	-	895,974
Other comprehensive income	-	-	1,904	-	1,904
	-	-	897,878	-	897,878
Balance as at June 30, 2021	<u>243,597</u>	<u>5,037,500</u>	<u>(261,198)</u>	<u>589,186</u>	<u>5,609,085</u>

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, 2021

	2021	2020
	---- Rupees in '000 ----	
Cash flows from operating activities		
Profit / (loss) before taxation	1,195,044	(144,015)
Adjustments for non-cash charges and other items:		
Depreciation	398,624	367,074
Amortisation	495	160
Provision for gratuity	7,235	7,208
Provision for compensated leave absences	17,535	4,148
Gain on sale of investments at fair value through profit or loss	(1,713)	(10)
Dividend income	(20,766)	(15,316)
Mark-up income	(9,548)	-
Fair value gain on investments at fair value through profit or loss	(346)	(287)
Gain on disposal of operating fixed assets	(1,139)	(8,682)
(Reversal) / provision for doubtful debts	(1,523)	29,963
Finance cost	138,416	348,496
	1,722,314	588,739
Changes in working capital:		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(44,006)	10,005
- Stock-in-trade	(1,913,080)	(239,221)
- Trade debts	(397,624)	373,488
- Loans and advances	(11,323)	(3,760)
- Deposits and prepayments	(29,918)	14,539
- Other receivables	(537)	5,953
- Sales tax receivable - net	(205,642)	-
	(2,602,130)	161,004
Increase in current liabilities		
- Trade and other payables	497,836	161,262
- Sales tax payable - net	-	88,251
	497,836	249,513
	(2,104,294)	410,517
Cash (used in) / generated from operations	(381,980)	999,256
Finance cost paid	(105,584)	(301,836)
Mark-up received	9,246	-
Income taxes receipts / paid (including tax deducted at source)	37,119	(165,552)
Gratuity paid	(5,766)	(9,387)
Compensated leave absences paid	(4,142)	(3,939)
Long term loans - net	152	(760)
Long term deposits - net	(1,705)	1,598
Net cash (used in) / generated from operating activities - carried forward	(452,660)	519,380

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	---- Rupees in '000 ----	
Net cash (used in) / generated from operating activities - brought forward	(452,660)	519,380
Cash flows from investing activities		
Payments for property, plant and equipment	(233,438)	(207,885)
Proceeds from sale of property, plant and equipment	22,941	44,380
Payments for intangible assets	(4,424)	-
Payments for investments	(517,654)	(13,019)
Proceeds from sale of investments	511,617	2,104
Dividend received	20,766	15,316
Net cash used in investing activities	(200,192)	(159,104)
Cash flows from financing activities		
Lease rentals paid	(81,755)	(75,642)
Long term borrowings obtained	256,221	676,023
Long term borrowings repaid	(186,992)	-
Short term borrowings - net	1,012,369	(1,336,855)
Dividend paid	(203,385)	(1,944)
Net cash generated from / (used in) financing activities	796,458	(738,418)
Net increase / (decrease) in cash and cash equivalents	143,606	(378,142)
Cash and cash equivalents at beginning of year	45,507	423,649
Cash and cash equivalents at end of year	189,113	45,507

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, 2021

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, 2021.

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, 2020:

- (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 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, 2020 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, 2020 and have not been early adopted by the Company:

- (a) 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 is not expected to have material impact on the Company's financial statements.
- (b) Annual improvements 2018 are 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 later than its parent – i.e. if a subsidiary adopts IFRS 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.
 - (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'.
- (c) 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 property, plant and equipment 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.
- (d) 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.
- (e) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendments include requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.
- (f) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The IASB has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 'Financial Instruments'; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

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 judgements, 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 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.

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.

b) Right of use assets and related liabilities

The Company generally leases regional offices, warehouses 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 are 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.

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 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.

(c) 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.

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 Retirement and other service benefits obligations

The Company has following plans for its employees:

4.11.1 Defined contribution plans

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 plans 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, and 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, 2021.

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 of 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 sells 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 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2021 --- Rupees in '000 ---	2020
Operating fixed assets	5.1	3,586,533	3,691,097
Capital work-in-progress	5.7	65,579	93,489
Right of use assets	5.9	300,285	354,800
		<u>3,952,397</u>	<u>4,139,386</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 conditioners	Vehicles	Total
----- Rupees in '000 -----									
At July 1, 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)
	-	-	20,567	-	1,037	-	14	14,080	35,698
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>
Year ended June 30, 2021									
Opening net book value	589,600	1,226,951	1,680,659	8,964	12,803	51,461	18,201	102,458	3,691,097
Additions	-	28,586	133,399	3,251	4,312	2,998	2,022	86,779	261,347
Disposals									
- cost	-	-	11,191	-	416	144	-	37,612	49,363
- accumulated depreciation	-	-	(8,133)	-	(416)	(50)	-	(18,962)	(27,561)
	-	-	3,058	-	-	94	-	18,650	21,802
Depreciation charge	-	123,886	174,993	963	7,624	5,289	1,884	29,470	344,109
Closing net book value	<u>589,600</u>	<u>1,131,651</u>	<u>1,636,007</u>	<u>11,252</u>	<u>9,491</u>	<u>49,076</u>	<u>18,339</u>	<u>141,117</u>	<u>3,586,533</u>
At June 30, 2021									
Revaluation / cost	589,600	1,643,957	3,189,162	18,820	69,755	76,507	29,895	211,974	5,829,670
Accumulated depreciation	-	512,306	1,553,155	7,568	60,264	27,431	11,556	70,857	2,243,137
Net book value	<u>589,600</u>	<u>1,131,651</u>	<u>1,636,007</u>	<u>11,252</u>	<u>9,491</u>	<u>49,076</u>	<u>18,339</u>	<u>141,117</u>	<u>3,586,533</u>
Depreciation rate (% per annum)		10	10 - 20	10	30 - 33	10	10	20	

5.2 Leasehold land of the Company is located at D-181, Central Avenue, 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 (2020: Rs.414 thousand).

5.4 Depreciation charge has been allocated as follows:	Note	2021	2020
		--- Rupees in '000 ---	
Cost of goods manufactured	29.1	312,284	282,500
Distribution cost	30	14,212	12,950
Administrative expenses	31	17,613	17,109
		<u>344,109</u>	<u>312,559</u>

5.5 Plant and machinery includes certain dies and moulds having cost aggregating Rs.147,778 thousand (2020: Rs.142,479 thousand) and net book value of Rs.81,430 thousand (2020: Rs.84,787 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	2021		2020	
	--- Rupees in '000 ---		--- Rupees in '000 ---	
	Cost	Net Book Value	Cost	Net Book Value
A.R Enterprises	1,188	479	1,188	532
Al Huda Plastics	3,406	1,319	3,406	1,466
Diwan Plastic Industries	18,859	7,895	18,859	8,772
Industrial Technical Services	5,067	3,268	5,067	3,631
Malta Auto Industries (Private) Limited	3,265	1,707	3,265	1,897
Precision Polymers (Private) Limited	55,484	27,502	50,185	24,867
Polymer Engineering Products	25,601	13,357	25,601	14,841
N H Enterprises	691	213	691	237
Nobel Enterprises	140	58	140	65
Atlas Metals (Private) Limited - a related party	-	-	1,525	1,512
Atlas Autos (Private) Limited - a related party	34,077	25,632	32,552	26,967
	<u>147,778</u>	<u>81,430</u>	<u>142,479</u>	<u>84,787</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	Particulars of buyers
Assets having net book value exceeding Rs.500,000 each							
Plant and machinery							
Wheel loader	4,264	2,377	1,887	2,025	138	Negotiation	International Metals (Private) Limited, Plot # N1 SITE Area, Kotri, Jamshoro, Sindh
Fork lifter	4,191	3,485	706	1,000	294	Negotiation	Has Transport, Alhamd center, 4th Floor, M.A. Jinnah Road, Karachi.
	8,455	5,862	2,593	3,025	432		
Vehicles							
	3,749	367	3,382	4,056	674	Negotiation	Vava Cars Pakistan (Private) Limited, The Hive M.A. Tabba Foundation Building, Gizri, Clifton.
	2,213	1,069	1,144	1,144	-	Company Policy	Mr. Yousuf Ali, Ex-employee
	2,217	1,172	1,045	1,045	-	Company Policy	Mr. M. Asher, Key management personnel
	1,656	893	763	763	-	Company Policy	Mr. Sami Ahmed, Employee
	1,656	893	763	763	-	Company Policy	Mr. Noman Iqbal, Employee
	1,250	568	682	682	-	Company Policy	Mr. Saqib Mahmood, Employee
	1,641	1,081	560	560	-	Company Policy	Mr. Rizwan Jamil, Employee
	1,641	1,108	533	533	-	Company Policy	Mr. Saqib Khan, Employee
	1,500	986	514	514	-	Company Policy	Mr. Faiz Ullah Ghazi, Employee
	795	293	502	502	-	Insurance claim	Atlas Insurance Limited, a related party
	18,318	8,430	9,888	10,562	674		
Various assets having net book value upto Rs.500,000 each							
	22,590	13,269	9,321	9,354	33		
2021	<u>49,363</u>	<u>27,561</u>	<u>21,802</u>	<u>22,941</u>	<u>1,139</u>		
2020	<u>85,073</u>	<u>49,375</u>	<u>35,698</u>	<u>44,380</u>	<u>8,682</u>		

5.7	Capital work-in-progress	Note	2020	Additions	Transfers	2021
			----- Rupees in '000 -----			
	Buildings on leasehold land		6,038	42,289	(33,334)	14,993
	Plant and machinery		81,471	38,319	(77,558)	42,232
	Computers and accessories		2,283	-	(2,283)	-
	Furniture and fixtures		-	751	(65)	686
	Air conditioners		-	366	(108)	258
	Vehicles		121	88,979	(86,364)	2,736
	Intangible asset		3,576	2,543	(1,445)	4,674
		5.8	<u>93,489</u>	<u>173,247</u>	<u>(201,157)</u>	<u>65,579</u>

5.8 Includes Rs.1,296 thousand advance made to Atlas Honda Limited, a related party for purchase of vehicle (2020: Rs.121 thousand advance payment made to Atlas Honda Limited, a related party for purchase of vehicle).

5.9	Right of use assets	Note	2021	2020
			--- Rupees in '000 ---	
	Balance at beginning of the year		354,800	-
	Transition effect on initial application	5.9.1	-	409,315
	Depreciation charged during the year	5.9.2	(54,515)	(54,515)
	Net book value at end of the year		<u>300,285</u>	<u>354,800</u>

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 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'.

6. INTANGIBLE ASSETS

	Software licenses	ERP implementation cost	Total
	----- Rupees in '000 -----		
At July 1, 2019			
Cost	23,067	7,400	30,467
Accumulated amortisation	(22,907)	(7,400)	(30,307)
Net book value	<u>160</u>	<u>-</u>	<u>160</u>
Year ended June 30, 2020			
Opening net book value	160	-	160
Amortisation charge	(160)	-	(160)
Closing net book value	<u>-</u>	<u>-</u>	<u>-</u>
At June 30, 2020			
Cost	23,067	7,400	30,467
Accumulated amortisation	(23,067)	(7,400)	(30,467)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>
Year ended June 30, 2021			
Opening net book value	-	-	-
Additions	4,424	-	4,424
Amortisation charge	(495)	-	(495)
Closing net book value	<u>3,929</u>	<u>-</u>	<u>3,929</u>
At June 30, 2021			
Cost	27,491	7,400	34,891
Accumulated amortisation	(23,562)	(7,400)	(30,962)
Net book value	<u>3,929</u>	<u>-</u>	<u>3,929</u>
Amortisation rate (% per annum)	<u>50</u>	<u>50</u>	

6.1 Intangible assets as at June 30, 2021 include items having an aggregate cost of Rs.30,467 thousand (2020: Rs.30,467 thousand) that have been fully amortised and still in use of the Company.

6.2	Amortisation charge has been allocated as follows:	Note	2021	2020
			--- Rupees in '000 ---	
	Cost of sales	29	378	-
	Distribution cost	30	117	160
			<u>495</u>	<u>160</u>

	Note	2021 --- Rupees in '000 ---	2020
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		-	-
		<u> </u>	<u> </u>
8. LONG TERM LOANS			
Considered good - secured			
Related parties - key management personnel		583	1,583
Loans to employees - others		4,234	3,637
		<u> </u>	<u> </u>
		4,817	5,220
Recoverable within one year -			
Key management personnel		(583)	(1,000)
Others		(2,337)	(2,171)
	13	<u> </u>	<u> </u>
		(2,920)	(3,171)
		<u> </u>	<u> </u>
		1,897	2,049
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.2,136 thousand (2020: Rs.2,003 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, 2021 from key management personnel (related party) aggregated to Rs.1,500 thousand (2020: Rs.2,000 thousand).		
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.		
9. LONG TERM DEPOSITS		2021	2020
	Note	--- Rupees in '000 ---	
Considered good - unsecured and interest-free			
Security deposits for:			
- utilities		4,019	4,019
- rent agreements		8,350	10,351
- others		8,019	4,313
		<u> </u>	<u> </u>
		20,388	18,683
10. STORES, SPARES AND LOOSE TOOLS			
Maintenance spares			
- in hand		137,464	111,461
- in transit		4,733	282
Consumables stores		116,467	102,909
Loose tools		668	674
		<u> </u>	<u> </u>
		259,332	215,326
11. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		2,389,029	898,221
- with third parties	11.1	39,613	22,470
		<u> </u>	<u> </u>
		2,428,642	920,691
Work-in-process		917,455	751,225
Finished goods		375,120	327,271
Items in transit		191,176	126
		<u> </u>	<u> </u>
		3,912,393	1,999,313

- 11.1** Includes raw materials amounting to Rs.834 thousand (2020: Rs.2,667 thousand) held with Atlas Autos (Private) Limited - a related party.
- 11.2** Stock-in-trade and trade debts upto a maximum amount of Rs.5,801,020 thousand (2020: Rs.5,801,020 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 26).

12. TRADE DEBTS - Unsecured

	Note	2021 --- Rupees in '000 ---	2020
Considered good			
Related parties:			
Atlas Honda Limited		93,954	51,498
Honda Atlas Cars (Pakistan) Limited		20,046	17,265
Others		978,145	624,235
		1,092,145	692,998
Considered doubtful			
Others		42,284	43,807
Provision for expected credit loss	12.1	1,134,429 (42,284)	736,805 (43,807)
		1,092,145	692,998
12.1 Provision for expected credit loss			
Balance at beginning of the year		43,807	13,844
(Reversal) / provision for expected credit loss		(1,523)	29,963
Balance at end of the year		42,284	43,807

12.2 The ageing of trade debts at June 30, is as follows:

	Related parties		Others	
	2021	2020	2021	2020
	----- Rupees in '000 -----			
Less than 30 days	98,212	59,658	728,044	305,778
31 - 180 days	15,788	8,001	254,094	286,645
181 days to 365 days	-	1,104	6,837	44,110
Over one year	-	-	31,454	31,509
	114,000	68,763	1,020,429	668,042
Provision for expected credit loss	-	-	(42,284)	(43,807)
	114,000	68,763	978,145	624,235

- 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.138,905 thousand (2020: Rs.108,402 thousand).

13. LOANS AND ADVANCES

	Note	2021 --- Rupees in '000 ---	2020
Considered good and interest-free			
Secured			
Current portion of long term loans to employees	8	2,920	3,171
Unsecured			
Loans to staff other than executives	13.1	126	30
Advances to suppliers, contractors and others	13.2	16,924	5,446
		19,970	8,647

- 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.134 thousand (2020: Rs.72 thousand) paid to Atlas Honda Limited - a related party against purchase of motorcycle for employee.

14. DEPOSITS AND PREPAYMENTS		2021	2020
		--- Rupees in '000 ---	
Considered good and unsecured			
Deposits and margins - interest-free		5,049	3,428
Prepayments		34,730	6,433
		<u>39,779</u>	<u>9,861</u>
15. INVESTMENTS - at fair value through profit or loss			
2021	2020		
-- Number of units --		Others	
1,426,569	1,350,883	HBL Money Market Fund	146,364
			<u>138,268</u>
15.1	1,426,569 units of HBL Money Market Fund valuing Rs.146,364 thousand (2020: 1,350,883 units of HBL Money Market Fund valuing Rs.138,268 thousand) are under lien of a commercial bank against guarantees aggregating Rs.119,360 thousand (2020: Rs.115,711 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.		
16. OTHER RECEIVABLES		2021	2020
		--- Rupees in '000 ---	
Considered good and unsecured			
Insurance claim receivable		666	129
Sales tax paid under protest		2,317	2,317
		<u>2,983</u>	<u>2,446</u>
16.1	Represents receivable from Atlas Insurance Limited, a related party.		
17. BANK BALANCES			
Balances with banks on current accounts		31,760	35,095
Cheques-in-hand		157,353	10,412
		<u>189,113</u>	<u>45,507</u>
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		2021	2020
---Number of shares---		---- Rupees in '000 ----	
1,300,000	1,300,000	Ordinary shares of Rs.10 each fully paid in cash	
23,059,676	23,059,676	13,000	13,000
		Ordinary shares of Rs.10 each issued as fully paid bonus shares	
<u>24,359,676</u>	<u>24,359,676</u>	<u>230,597</u>	<u>230,597</u>
		<u>243,597</u>	<u>243,597</u>
18.1 Ordinary shares of the Company held by the related parties as at June 30,		2021	2020
		---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		447,821	447,820
Atlas Insurance Limited		424,788	424,788
		<u>18,864,946</u>	<u>18,864,945</u>
18.2	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 39.2.

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.

20. LEASE LIABILITIES

	Note	2021 --- Rupees in '000 ---	2020
Balance at beginning of the year		388,828	-
Impact of initial application of IFRS 16	20.1	-	409,316
Interest accrued		51,604	55,154
Repaid / adjusted during the year		(81,755)	(75,642)
		358,677	388,828
Current portion grouped under current liabilities		(39,130)	(30,151)
Balance at end of the year		319,547	358,677

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.250,377 thousand (2020: 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
	----- Rupees in '000 -----			
Minimum lease payments	85,915	359,923	146,381	592,219
Finance cost allocated to future periods	(46,785)	(117,636)	(69,121)	(233,542)
Present value of minimum lease payments	39,130	242,287	77,260	358,677

21. LONG TERM BORROWINGS

	Note	2021 --- Rupees in '000 ---	2020
Term loan	21.1	437,500	500,000
Loan under refinance scheme for payment of wages and salaries	21.2	262,561	157,911
Temporary economic refinance facility (TERF)	21.3	19,843	-
		719,904	657,911
Current maturity		(308,252)	(106,506)
		411,652	551,405

21.1 Term loan

Balance at beginning the year		500,000	-
Loan obtained during the year	21.1.1	32,866	500,000
Loan re-paid / adjusted during the year		(95,366)	-
Balance at end of the year		437,500	500,000

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.

21.1.1 This represents Rs.32,866 thousand of loan under Temporary Economic Refinance Facility (note 21.3) treated as term loan till approval by State Bank of Pakistan.

21.2 Loan under refinance scheme for payment of wages and salaries	Note	2021 ---- Rupees in '000 ----	2020
Loan amount received from bank	21.2.1	274,886	176,023
Adjustment pertaining to fair value of loan at below market interest rate	21.2.2	(12,325)	(18,112)
		<u>262,561</u>	<u>157,911</u>
21.2.1 Loan amount received from bank			
Balance at beginning the year		176,023	-
Loan obtained during the year		190,489	176,023
Loan re-paid during the year		(91,626)	-
Balance at end of the year		<u>274,886</u>	<u>176,023</u>

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. 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.

21.2.2 Adjustment pertaining to fair value of loan at below market interest rate	Note	2021 ---- Rupees in '000 ----	2020
Balance at beginning of the year		18,112	-
Difference of fair value of loan and loan received		14,536	19,194
Amortisation of loan		20,323	1,082
Balance at end of the year		<u>12,325</u>	<u>18,112</u>
21.3 Temporary economic refinance facility (TERF)			
Loan amount received from bank		32,866	-
Adjustment pertaining to fair value of loan at below market interest rate	21.3.1	(13,023)	-
		<u>19,843</u>	<u>-</u>

This represents loan received from Allied Bank Limited under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan for the purpose to finance CAPEX requirements. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin. Mark-up is chargeable at SBP rate (1%) plus 0.80% per annum. The loan is re-payable in ten years with a grace period of two years and is repayable in sixteen semi-annual instalments.

21.3.1 Adjustment pertaining to fair value of loan at below market interest rate	Note	2021 ---- Rupees in '000 ----	2020
Difference of fair value of loan and loan received		13,093	-
Amortisation of loan		70	-
		<u>13,023</u>	<u>-</u>

22. DEFERRED INCOME - GOVERNMENT GRANT	Note	2021 ---- Rupees in '000 ----	2020
Balance at beginning of the year		18,112	-
Grant recognised on loan at below market interest rate	22.1	27,705	19,194
Less: released to statement of profit or loss		20,470	1,082
		<u>25,347</u>	<u>18,112</u>
Less: current portion		13,623	11,931
		<u>11,724</u>	<u>6,181</u>

22.1 The Company recognised government grant on loan obtained at below market interest rates - (note 21.2 and 21.3) in accordance with IAS - 20 'Accounting for Government Grants and Disclosure of Government Assistance'.

23. STAFF RETIREMENT BENEFITS

	2021	2020
Note	---- Rupees in '000 ----	
Provision for gratuity	1,729	1,590
Compensated leave absences	81,318	67,925
	83,047	69,515

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, 2021 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	
	2021	2020	2021	2020	2021	2020
23.1.4 Balance sheet reconciliation	----- Rupees in '000 -----					
Present value of defined benefit obligation at June 30 - note 23.1.5	100,396	89,854	1,729	1,590	102,125	91,444
Fair value of plan assets at June 30 - note 23.1.6	(94,511)	(84,290)	-	-	(94,511)	(84,290)
(Receivable) from / payable to related parties in respect of transferees	(1,630)	42	-	-	(1,630)	42
Liability at end of the year	4,255	5,606	1,729	1,590	5,984	7,196
Payable within next twelve months	(4,255)	(5,606)	-	-	(4,255)	(5,606)
	-	-	1,729	1,590	1,729	1,590
23.1.5 Movement in the present value of defined benefit obligation						
Balance at beginning of the year	89,854	84,064	1,590	1,629	91,444	85,693
Benefits paid	(7,759)	(7,343)	(160)	(382)	(7,919)	(7,725)
Current service cost	6,562	6,180	88	85	6,650	6,265
Interest cost	7,772	11,825	131	205	7,903	12,030
Re-measurements on obligation	3,682	(2,562)	80	53	3,762	(2,509)
Recognised in respect of transfers	285	(2,310)	-	-	285	(2,310)
Balance at end of the year	100,396	89,854	1,729	1,590	102,125	91,444
23.1.6 Movement in the fair value of plan assets						
Balance at beginning of the year	84,290	78,524	-	-	84,290	78,524
Contributions	5,606	9,005	-	-	5,606	9,005
Benefits paid	(7,759)	(7,343)	-	-	(7,759)	(7,343)
Interest income	7,318	11,087	-	-	7,318	11,087
Re-measurements	6,443	(1,250)	-	-	6,443	(1,250)
Amount transferred to other group companies	(1,387)	(5,733)	-	-	(1,387)	(5,733)
Balance at end of the year	94,511	84,290	-	-	94,511	84,290
23.1.7 Expense recognised in statement of profit or loss						
Current service cost	6,562	6,180	88	85	6,650	6,265
Net interest cost	454	738	131	205	585	943
	7,016	6,918	219	290	7,235	7,208

	Management		Non-management		Total	
	2021	2020	2021	2020	2021	2020
23.1.8 Re-measurements recognised in other comprehensive income	----- Rupees in '000 -----					
Loss / (gain) arising from change in financial assumptions	3,476	(666)	59	(10)	3,535	(676)
Experience loss / (gain)	206	(1,896)	-	-	206	(1,896)
(Gain) / loss on re-measurement of plan assets	(6,443)	1,250	20	63	(6,423)	1,313
Net re-measurements	<u>(2,761)</u>	<u>(1,312)</u>	<u>80</u>	<u>53</u>	<u>(2,681)</u>	<u>(1,259)</u>
23.1.9 Net liability recognised						
Balance at beginning of the year	5,606	9,005	1,590	1,629	7,196	10,634
Charge for the year	7,016	6,918	219	290	7,235	7,208
Contributions made during the year	(5,606)	(9,005)	(160)	(382)	(5,766)	(9,387)
Re-measurements recognised in other comprehensive income	(2,761)	(1,312)	80	53	(2,681)	(1,259)
Recognised liability as at June 30	4,255	5,606	1,729	1,590	5,984	7,196
Payable within next twelve months	<u>(4,255)</u>	<u>(5,606)</u>	<u>-</u>	<u>-</u>	<u>(4,255)</u>	<u>(5,606)</u>
	<u>-</u>	<u>-</u>	<u>1,729</u>	<u>1,590</u>	<u>1,729</u>	<u>1,590</u>
23.1.10 Plan assets comprise of:						
Debt securities	44,111	44,880	-	-	44,111	44,880
Equity instrument - mutual funds units	49,958	38,819	-	-	49,958	38,819
Cash and cash equivalent	442	591	-	-	442	591
	<u>94,511</u>	<u>84,290</u>	<u>-</u>	<u>-</u>	<u>94,511</u>	<u>84,290</u>

	Management		Non-management	
	2021	2020	2021	2020
23.1.11 Actuarial assumptions used	----- % per annum -----			
Discount rate at June 30	10.00%	8.50%	10.00%	8.50%
Expected rate of increase in future salaries - first year	12.00%	10.00%	12.00%	10.00%
- long term	9.00%	7.50%	9.00%	7.50%
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (2001-05)-1	SLIC (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 assumption	Decrease in assumption
	---- Rupees in '000 ----		
Discount rate		94,225	111,163
Increase in future salaries		110,656	94,523
Withdrawal rates : light		100,698	
Withdrawal rates : heavy		103,239	

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, 2022 to management and non-management gratuity plans will be Rs.7,904 thousand and Rs.309 thousand respectively.

23.1.15 The weighted average duration of management and non management gratuity is 8.3 years and 5.55 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
At June 30, 2021					
----- Rupees in '000 -----					
Management staff	3,738	9,322	41,126	366,504	420,690
Non-management staff	52	55	1,046	5,313	6,466
Total	3,790	9,377	42,172	371,817	427,156

	2021	2020
	---- Rupees in '000 ----	
Balance at beginning of the year	67,925	67,716
Provision for the year	17,535	4,148
	85,460	71,864
Encashed during the year	(4,142)	(3,939)
Balance at end of the year	81,318	67,925

23.2.1 Includes liability in respect of key management personnel aggregating to Rs.21,598 thousand (2020: Rs.16,682 thousand).

	2021	2020
	---- Rupees in '000 ----	
The liability for deferred tax comprises temporary differences relating to:		
Accelerated tax depreciation	306,033	312,653
Tax amortisation	82	31
Lease liabilities - net	(16,934)	(9,868)
Provision for impairment of available-for-sale investments	(290)	(290)
Provision for doubtful debts	(12,262)	(12,704)
Provision for gratuity	(1,735)	(2,088)
Provision for compensated leave absences	(23,582)	(19,698)
Provision for warranty	(35,820)	(30,905)
	215,492	237,131

24.1 As at June 30, 2021, the Company has unused tax losses aggregating Rs.671,417 thousand (2020: Rs.888,883 thousand). Deferred tax asset on un-used losses has not been recognised on prudent basis.

	Note	2021	2020
		---- Rupees in '000 ----	
Trade creditors	25.1	177,443	194,989
Accrued liabilities	25.1	1,062,245	663,736
Provision for warranty	25.2	123,518	106,570
Contract liabilities - customers advances and credit balances		120,999	130,019
Provision for gratuity	23.1	4,255	5,606
Workers' profit participation fund (the Fund)		64,233	-
Workers' welfare fund		25,390	-
Sindh government infrastructure fee	25.4	102,479	82,912
Withholding taxes		4,665	5,170
Other liabilities	25.5	7,001	6,741
		1,692,228	1,195,743

25.1 Trade creditors and accrued liabilities include Rs.267,592 thousand (2020: Rs.138,456 thousand) pertaining to related parties.

25.2	Provision for warranty	Note	2021	2020
			---- Rupees in '000 ----	
	Balance at beginning of the year		106,570	114,670
	Provision for the year	29.1	465,884	437,232
			572,454	551,902
	Payments made during the year		(448,936)	(445,332)
	Balance at end of the year		123,518	106,570

25.3 Revenue aggregating Rs.124,761 thousand has been recognised for preceding year contract liabilities - advance from customers and credit.

25.4 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 (SHC). 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 SHC and became a party to subject controversy raised through various appeals. The SHC, 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. The SHC on June 4, 2021, has validated the levy of infrastructure fee and ordered encashment of bank guarantees after 90 days from the date of order. The Company is in process of filing a review in the Supreme Court of Pakistan.

As at June 30, 2021, the Company has provided bank guarantees amounting Rs.100,000 thousand (2020: Rs.90,000 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.

25.5 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.6,010 thousand (2020: Rs.5,849 thousand).

26. SHORT TERM BORROWINGS - Secured

	Note	2021	2020
		---- Rupees in '000 ----	
Running finances / musharakah	26.1	783,666	61,906
Demand Finance	26.2	300,000	9,391
		1,083,666	71,297

26.1 Running finance / musharakah facilities available from various banks under mark-up arrangements aggregated to Rs.3,900,000 thousand (2020: Rs.3,900,000 thousand). During the year, these finance facilities carried mark-up at the rates ranging from 7.45% to 9.53% (2020: 8.83% to 15.81%) per annum.

26.2 Demand finance facilities aggregating Rs.3,900,000 thousand (2020: Rs.3,900,000 thousand) are also available to the Company from various banks as sub-limits of the above mentioned running finance / musharakah facilities. These facilities carried mark-up at the rates ranging from 7.52% to 11.94% (2020: 9.17% to 14.56%) per annum.

26.3 FE-25 facilities aggregating Rs.1,480,000 thousand (2020: Rs.1,580,000 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, 2021.

26.5 The facilities for opening letters of credit and guarantees as at June 30, 2021 aggregated to Rs.1,580,000 thousand (2020: Rs.1,680,000 thousand) of which the amount remained unutilised at year end aggregated to Rs.978,674 thousand (2020: Rs.1,394,210 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 other companies and 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 Office, 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 (ATIR). ATIR on January 25, 2021 has upheld the order of CIR(A) and remanded back the issue for fresh verification.
- 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. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.121.735 million including default surcharge and penalty. The Company has filed an appeal before CIR(A) on July 19, 2021 which is pending for hearing.

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 had 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, PRA, Lahore has also upheld the order of the Commissioner (Appeal), PRA, Lahore on November 23, 2020. However, contrary to the factual position, the Appellate Tribunal, PRA, Lahore made an inadvertent error that the Company had not provided any proof of payments of withholding tax on services made to FBR and / or SRB; whereas in actual the proofs of payments were duly submitted and acknowledged by Commissioner (Appeals), PRA, Lahore as also mentioned in his order dated October 3, 2017.

The Company has filed a rectification application before the Appellate Tribunal, PRA, Lahore on January 15, 2021 for said correction in its order which is pending for hearing. The Company has also filed a petition before Honourable Lahore High Court on January 20, 2021 for grant of stay from coercive actions and to declare the order of Appellate Tribunal, PRA, Lahore illegal and unlawful, which is pending for hearing.

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. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and payment of rent, and created a demand of Rs.266.060 million including default surcharge and penalty. The Company has filed an appeal before CIR(A) on July 19, 2021 which is pending for hearing.

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. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.333.955 million including default surcharge and penalty. The Company has filed an appeal before CIR(A) on July 19, 2021 which is pending for hearing.

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.

27.1.9 Additional Commissioner Inland Revenue (ACIR), Audit-II, Range-D, Large Taxpayers' Office, Karachi, for the tax year 2018 passed an order dated January 28, 2021 under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) which inter alia included (i) additions pertaining to non-deduction of withholding tax on trade discount, (ii) disallowance of warranty expense and (iii) disallowance of certain tax credits. The ACIR through the order created an aggregate demand of Rs.658.995 million. The Company has filed rectification application for the apparent errors in the order and also filed appeal before the learned Commissioner of Inland Revenue (Appeals) [CIR(A)] for which hearing is pending. The Company has obtained stay on April 26, 2021 from Honourable High Court of Sindh against the recovery of aforesaid demand.

27.1.10 Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2018 to June 2019 and passed an order dated June 29, 2021 u/s 11(2) of Sales Tax Act, 1990 (the Act) and created demand of Rs.1.649 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021 which is pending for hearing. However, CIR(A) has issued stay order against the aforesaid demand.

27.1.11 Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2019 to June 2020 and passed an order dated June 30, 2021 u/s 11(2) of Sales Tax Act, 1990 (the Act) and created demand of Rs.1.669 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021 which is pending for hearing. However, CIR(A) has issued stay order against the aforesaid demand.

27.1.12 Outstanding bank guarantees

Guarantees aggregating Rs.119,360 thousand (2020: Rs.115,711 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.

27.2 Commitments	2021	2020
	---- Rupees in '000 ----	
27.2.1 Commitments in respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	415,229	155,994
- capital expenditure	66,737	14,086
	<u>481,966</u>	<u>170,080</u>
27.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2021 aggregated to Rs.32,685 thousand (2020: Rs.35,582 thousand).		

28. SALES - Net	2021	2020
	---- Rupees in '000 ----	
Local sales		
- manufacturing activity	25,654,638	16,539,378
- trading activity	663,713	474,331
	<u>26,318,351</u>	<u>17,013,709</u>
Export sales	136,236	-
	<u>26,454,587</u>	<u>17,013,709</u>
Less:		
- sales tax	3,820,291	2,489,333
- discounts	2,679,209	1,978,224
	<u>6,499,500</u>	<u>4,467,557</u>
	<u>19,955,087</u>	<u>12,546,152</u>

29. COST OF SALES	Note	2021	2020
		---- Rupees in '000 ----	
Opening stock of finished goods		327,271	474,704
Cost of goods manufactured	29.1	17,274,923	11,192,151
Purchases during the year		446,877	327,781
		17,721,800	11,519,932
Closing stock of finished goods		(375,120)	(327,271)
		<u>17,673,951</u>	<u>11,667,365</u>
29.1 Cost of goods manufactured			
Opening stock of work-in-process		751,225	695,094
Raw materials and components consumed	29.2	13,750,384	8,500,089
Salaries, wages and benefits	29.3	1,189,187	915,186
Stores consumed		375,331	220,020
Light, heat and water		935,117	582,634
Insurance		43,635	21,292
Rent, rates and taxes		7,584	7,123
Repair and maintenance		65,977	40,919
Royalty and technical fee	29.4	206,803	135,102
Cartage		10,938	7,708
Travelling, conveyance and entertainment		15,987	28,137
Postage and telephone		4,557	3,583
Printing and stationery		3,807	2,940
Vehicle running		2,405	1,448
Depreciation related to operating fixed assets	5.4	312,284	282,500
Depreciation related to right of use assets	5.9.2	44,749	44,749
Amortization	6.2	378	-
Free replacement	25.2	465,884	437,232
Other expenses		6,146	17,620
		18,192,378	11,943,376
Closing stock of work-in-process		(917,455)	(751,225)
		<u>17,274,923</u>	<u>11,192,151</u>
29.2 Raw materials and components consumed			
Opening stock		920,691	589,650
Purchases during the year		15,258,335	8,831,130
		16,179,026	9,420,780
Closing stock		(2,428,642)	(920,691)
		<u>13,750,384</u>	<u>8,500,089</u>

29.3 Salaries, wages and benefits include Rs.3,722 thousand (2020: Rs.3,491 thousand) and Rs.10,786 thousand (2020: Rs.9,778 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.

30. DISTRIBUTION COST	Note	2021 ---- Rupees in '000 ----	2020
Salaries and benefits	30.1	92,594	69,813
Travelling, conveyance and entertainment		47,957	41,261
Vehicle running		877	343
Rent, rates and taxes		19,537	25,028
Advertisement and sales promotion		119,945	81,517
Repair and maintenance		9,930	1,692
Light, heat and water		4,559	3,794
Freight and forwarding		262,757	208,704
Printing and stationery		721	509
Postage and telephone		6,101	6,632
Depreciation related to operating fixed assets	5.4	14,212	12,950
Depreciation related to right of use assets	5.9.2	7,113	7,113
Amortisation	6.2	117	160
Insurance		64,830	27,274
Newspapers, magazines and subscription others		258	230
		651,508	487,020

30.1 Salaries and benefits include Rs.1,086 thousand (2020: Rs.1,295 thousand) and Rs.3,073 thousand (2020: Rs.2,855 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

31. ADMINISTRATIVE EXPENSES	Note	2021 ---- Rupees in '000 ----	2020
Directors' meeting fee		800	750
Salaries and benefits	31.1	173,459	115,057
Travelling, conveyance and entertainment		5,449	7,662
Repair and maintenance		6,893	1,898
Light, heat and water		1,072	888
Insurance		4,586	2,142
Legal and professional charges		14,471	4,037
Fee and subscription		20,859	20,451
Postage and telephone		2,217	1,913
Printing and stationery		4,552	2,087
Vehicle running		604	1,377
Training expense		1,437	3,602
Depreciation related to operating fixed assets	5.4	17,613	17,109
Depreciation related to right of use assets	5.9.2	2,653	2,653
		256,665	181,626

31.1 Salaries and benefits include Rs.2,428 thousand (2020: Rs.2,476 thousand) and Rs.6,286 thousand (2020: Rs.6,178 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

32. OTHER INCOME	Note	2021 ---- Rupees in '000 ----	2020
Income from financial assets			
Dividend income		9,118	15,298
Fair value gain on investments at fair value through profit or loss - net		346	287
Mark-up / interest on savings deposit accounts, and term deposit receipts		9,548	-
Income from investments in related parties			
Dividend income		11,648	18
Gain on sale of investments at fair value through profit or loss - net		1,713	10
Income from assets other than financial assets			
Scrap sales		9,146	8,306
Exchange gain		8,064	-
Gain on disposal of operating fixed assets	5.6	1,139	8,682
		50,722	32,601

33. OTHER EXPENSES	Note	2021	2020
		---- Rupees in '000 ----	
(Reversal) / provision for expected credit loss	12.1	(1,523)	29,963
Workers' profit participation fund		64,233	-
Workers' welfare fund		25,390	-
Auditors' remuneration	33.1	2,125	2,075
Exchange loss - net	33.2	-	6,223
		<u>90,225</u>	<u>38,261</u>
33.1 Auditors' remuneration			
Remuneration in respect of auditors' services for:			
- statutory audit		1,425	1,320
- half yearly review		175	175
- review of compliance with Code of Corporate Governance		85	85
- audits of retirement funds and workers' profit participation fund		135	115
- certifications for payment of royalty, dividend and others		266	355
- out of pocket expenses		39	25
		<u>2,125</u>	<u>2,075</u>
33.2	Represents exchange loss arising on revaluation of actual currency.		
34. FINANCE COST			
Mark-up / amortisation on:			
- lease liabilities		51,604	55,154
- long term borrowings		63,992	40,638
- running finances / musharakah		32,539	217,252
- demand finances		84	30,299
Government grant		(20,470)	(1,082)
		<u>127,749</u>	<u>342,261</u>
Bank and other financial charges		10,667	6,235
		<u>138,416</u>	<u>348,496</u>
35. TAXATION			
Current tax			
Current tax on profits for the year		307,327	190,616
Adjustments for current tax of prior years		14,159	2,282
		<u>321,486</u>	<u>192,898</u>
Deferred tax -			
Origination and reversal of temporary differences		(22,416)	(9,814)
		<u>299,070</u>	<u>183,084</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.		

36. EARNINGS / (LOSS) PER SHARE	2021	2020
	---- Rupees in '000 ----	
36.1 Basic earnings / (loss) per share		
Net profit / (loss) for the year	<u>895,974</u>	<u>(327,099)</u>
	-- Number of shares --	
Weighted average ordinary shares in issue	<u>24,359,676</u>	<u>24,359,676</u>
	----- Rupees -----	
Earnings / (loss) per share	<u>36.78</u>	<u>(13.43)</u>

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 Foundation
Shirazi Trading Company (Private) Limited	Atlas Engineering (Private) Limited
Atlas Power Limited	Atlas Venture Limited
Zhenfa Pakistan New Energy Co. (Pvt.) Ltd	Murree Brewery Company Limited
Oyster International Holdings Limited, Dubai	Madian Hydro Power Limited
SF Global Holdings Limited, Dubai	Techlogix International Limited
Atlas Global, FZE, Jebeal Ali, UAE	Pakistan Cables Limited

d) Associated companies - Group companies

Atlas Worldwide General Trading LLC, Dubai	Atlas DID (Private) Limited
Atlas GCI (Private) Limited	Atlas Metals (Private) Limited
Atlas Hitech (Private) Limited	Atlas Energy Limited
Honda Atlas Power Product (Private) Limited	

37.2 Transactions with related parties	2021	2020
	--- Rupees in '000 ---	
The Holding Company		
Lease rental paid	81,489	59,905
Dividend paid	143,384	-
Sales of operating fixed assets	-	3,241
Sale of goods	-	13
Associated companies		
Sales of:		
- goods	1,080,079	645,777
- operating fixed assets	622	24,398
Purchases of:		
- goods	659,459	177,955
- operating fixed assets	51,390	34,377
- consumables / services	18,062	-
Service charges / lease rental paid	2,068	10,381
Reimbursement of expenses	-	4,130
Expenses charged	1,260	766
Insurance premium	196,440	78,168
Insurance claims	13,210	11,533
Purchase of units in mutual funds	509,904	15
Sale of units in mutual funds	511,617	2,103
Dividend received	11,648	18
Dividend paid	8,726	-
Royalty and technical fee	207,386	135,102
Contribution to pension funds	14,801	13,307
Dividend payable	36,539	-
Other related parties		
Contributions paid to:		
- gratuity funds	5,606	9,005
- provident fund	5,344	5,504
Salaries and other short term employment benefits to key management personnel	114,090	75,197
Sale of operating fixed asset under Company policy	1,045	5,115

The related party status of outstanding balances as at June 30, 2021 is included in 'Capital work-in-progress - note 5.8', 'Stock-in-trade - note 11.1', 'Trade debts - note 12', 'Loans and advances - note 13.2', 'Other receivables note - 16.1' and 'Trade and other payables - note 25.1' 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 -----				Executives	
	Chief Executive		Others		2021	2020
	2021	2020	2021	2020		
	----- Rupees in '000 -----					
Managerial remuneration	19,156	18,331	-	-	59,024	55,320
House rent and utilities	13,409	-	-	-	41,317	38,724
Bonus	13,840	-	-	-	42,644	-
Ex gratia	-	2,673	-	-	-	13,718
Retirement benefits	2,107	2,830	-	-	6,229	8,447
Medical and others	518	446	-	-	721	2,260
	49,030	24,280	-	-	149,935	118,469
Number of persons	1	1	-	-	28	30

38.1 The Chief Executive is 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 (2020: two) non-executive directors was Rs.800 thousand (2020: Rs.750 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 as at June 30, 2021 aggregated to Rs.1,458,668 thousand (2020: Rs.904,263 thousand) and are as follows:

	2021	2020
	---- Rupees in '000 ----	
Long term loans	1,897	2,049
Long term deposits	20,388	18,683
Trade debts	1,092,145	692,998
Loans and advances	3,046	3,201
Deposits and margins	5,049	3,428
Investments	146,364	138,268
Other receivables	666	129
Bank balances	189,113	45,507
	<u>1,458,668</u>	<u>904,263</u>

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 97.88% (2020: 96.96%) 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:

	2021		2020	
	%	Rupees in '000	%	Rupees in '000
Original Equipment Manufacturers and Institutions	5.52	60,337	1.85	12,805
Associated Companies	10.44	114,000	9.92	68,763
Dealers and others	84.04	917,808	88.23	611,430
	<u>100</u>	<u>1,092,145</u>	<u>100</u>	<u>692,998</u>

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	Agency	Rating		2021	2020
		Short term	Long term	---- Rupees in '000 ----	
MCB Bank Limited	PACRA	A-1+	AAA	4,169	3,970
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	100	100
Habib Bank Limited	JCR-VIS	A-1+	AAA	23,651	27,144
Meezan Bank Limited	JCR-VIS	A-1+	AAA	3,825	3,875
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	2	2
National Bank of Pakistan	PACRA	A1+	AAA	12	4
				<u>31,760</u>	<u>35,095</u>

Mutual funds	Agency	Rating	2021	2020
			---- Rupees in '000 ----	
HBL Money Market Fund	JCR-VIS	AA+(f)	<u>146,364</u>	<u>138,268</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, 2021, the Company had Rs.3,900,000 thousand available borrowings limits from banks / financial institutions and of bank balances Rs.31,760 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, 2021				
Lease liabilities	358,677	592,219	85,915	506,304
Long term borrowings	719,904	820,019	340,794	479,225
Trade and other payables	1,464,495	1,464,495	1,464,495	-
Accrued mark-up	16,119	16,119	16,119	-
Short term borrowings	1,083,666	1,104,887	1,104,887	-
Dividend payable	36,539	36,539	36,539	-
Unclaimed dividend	39,579	39,579	39,579	-
	<u>3,718,979</u>	<u>4,073,857</u>	<u>3,088,328</u>	<u>985,529</u>

	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>

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, 2021.

(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:

	2021		2020	
	Rupees in '000	U.S. Dollars	Rupees in '000	U.S. Dollars
Balance sheet exposure				
Trade and other payables	12,664	80,000	13,500	80,000

Exchange rate of Rs.158.30 (2020: 168.75) for US Dollar to Rupee has been applied.

At June 30, 2021, 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.658 thousand (2020: Rs.675 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, 2021, the Company's interest bearing borrowings aggregated to Rs.1,521,166 thousand (2020: Rs.747,320 thousand).

At June 30, 2021, 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.15,212 thousand (2020: Rs.7,473 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.146,364 thousand (2020: Rs.138,268 thousand) and classified at fair value through profit or loss. The Company is not exposed to commodity risk.

At June 30, 2021, 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.1,464 thousand (2020: Rs.1,383 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.146,364 thousand (2020: Rs.138,268 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

	At June 30, 2021			At June 30, 2020		
	Amortised Cost	At fair value through profit or loss	Total	Amortised Cost	At fair value through profit or loss	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Financial assets as per statement of financial position						
Long term loans	1,897	-	1,897	2,049	-	2,049
Long term deposits	20,388	-	20,388	18,683	-	18,683
Trade debts	1,092,145	-	1,092,145	692,998	-	692,998
Loans and advances	3,046	-	3,046	3,201	-	3,201
Deposits and prepayments	5,049	-	5,049	3,428	-	3,428
Investments	-	146,364	146,364	-	138,268	138,268
Bank balances	189,113	-	189,113	45,507	-	45,507
	<u>1,311,638</u>	<u>146,364</u>	<u>1,458,002</u>	<u>765,866</u>	<u>138,268</u>	<u>904,134</u>
Financial liabilities at amortised cost						
	2021		2020			
	----- Rupees in '000 -----					
Long term borrowings including current maturity	719,904		657,911			
Trade and other payables	1,464,495		977,206			
Accrued mark-up	16,119		34,891			
Short term borrowings	1,083,666		71,297			
Dividend payable	36,539		-			
Unclaimed dividend	39,579		35,906			
	<u>3,360,302</u>		<u>1,777,211</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 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:

	2021	2020
	--- Rupees in '000 ---	
Total borrowings	2,162,247	1,118,036
Bank balances	(189,113)	(45,507)
Net debt	1,973,134	1,072,529
Total Equity	5,609,085	4,954,804
Total Capital	7,582,219	6,027,333
Gearing ratio	26%	18%

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 97.16% (2020: 96.77%) of the total revenue of the Company.

41.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2021 are located in Pakistan.

All of the Company's sales relate to customers in Pakistan other than export sales amounting to Rs.136,236 thousand (2020: Rs.Nil) 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. NUMBER OF EMPLOYEES

	Numbers	
	2021	2020
Total number of employees	337	296
Average number of employees	310	296

43. PROVIDENT FUND RELATED DISCLOSURES

43.1 The following information is based on unaudited financial statements of the Fund for the year ended June 30, 2021:

	2021	2020
	--- Rupees in '000 ---	
Size of the Fund - Total Assets	125,403	124,200
Cost of investments made	103,552	106,210
Percentage of investments made	94.23%	93.04%
Fair value of investments	118,170	115,552

43.2 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.

44. SHAHRIAH SCREENING DISCLOSURE

	----- 2021 -----		----- 2020 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- Rupees in 000 -----			
Short term investments	146,364	-	138,268	-
Bank balances	31,760	-	31,220	3,875
Accrued mark-up	15,305	814	34,636	255
Lease liabilities	358,677	-	388,828	-
Long term borrowings including current portion	719,904	-	657,911	-
Short term borrowings	1,083,666	-	61,906	9,391
Revenue	-	19,955,087	-	12,546,152
Other income				
a) Dividend income	20,766	-	15,316	-
b) Gain on sale of investments at fair value through profit or loss	1,713	-	10	-
c) Fair value gain on investments at fair value through profit or loss	346	-	287	-
d) Mark-up income	9,099	449	-	-
e) Others including exchange gain on actual currency	-	18,349	-	16,988
Mark-up on running finances / musharaka	32,539	-	217,252	-
Mark-up on demand finances	63	21	776	29,523
Mark-up on long term borrowings	63,992	-	40,638	-
Mark-up on lease liabilities	51,604	-	55,154	-

45. 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.


46. EVENT AFTER REPORTING PERIOD


The Board of Directors, in their meeting held on August 26, 2021, (i) proposed a final cash dividend of Rs. 4.0 per share amounting to Rs. 97,439 thousand and (ii) proposed bonus shares at the rate of 15% in proportion of three ordinary shares for every twenty shares held amounting to Rs. 36,540 thousand for approval of the members in Annual General Meeting to be held on September 29, 2021.

These financial statements do not reflect the proposed appropriations, which will be accounted for in the statement of changes in equity as appropriations from unappropriated profit in the year ending June 30, 2022.

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 26, 2021 by the Board of Directors of the Company.


Aamir H. Shirazi
 Chairman


Ali H. Shirazi
 President / Chief Executive


Rizwan Ahmed
 Chief Financial Officer

THE PERFECT CHOICE FOR MOTORCYCLES

AGS Batteries unleashes maximum strength to become the best fit for your motorcycle's sublime performance, making commuting easier in tough traffic conditions and rural terrains.





Glossary of Terms

AGS	Atlas Genzo Shimadzu	IFRS	International Financial Reporting Standards
ATL	Active Taxpayer List	IT	Information Technology
B2C	Business to Consumer	LUMS	Lahore University of Management Sciences
BCP	Business Continuity Plan	MAP	Management Association of Pakistan
BPR	Business Process Re-engineering	MC	Management Committee
CDC	Central Depository Company	NAV	Net Asset Value
CDS	Central Depository System	NBFC	Non-Banking Financial Company
CEO	Chief Executive Officer	NCCPL	National Clearing Company of Pakistan Limited
CFO	Chief Financial Officer	NGO	Non Governmental Organization
CGLS	Corporate Governance Leadership Skills	NIT	National Investment Trust
CIR (A)	Commissioner Inland Revenue (Appeals I)	OEM	Original Equipment Manufacturer
CMS	Claim Management System	PAMA	Pakistan Automotive Manufacturers Association
CNIC	Computerized National Identity Card	PAT	Profit After Taxation
CSR	Corporate Social Responsibility	PBT	Profit Before Taxation
DCIR	Deputy Commissioner Inland Revenue	PICG	Pakistan Institute of Corporate Governance
DFI	Development Financial Institution	PKR	Pakistan Rupee
DI&I	Directorate General – Intelligence and Investigation	PRA	Punjab Revenue Authority
DPS	Dividend Per Share	PSX	Pakistan Stock Exchange
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization	PUC	Projected Unit Cost
ERP	Enterprise Resource Planning	SRB	Sindh Revenue Board
FBR	Federal Board of Revenue	QCC	Quality Control Circle
GDP	Gross Domestic Product	UK	United Kingdom
GIKEST	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	UPS	Uninterruptible Power Supply
HR	Human Resource	USA	United States of America
IBA	Institute of Business Administration	WMS	Warehouse Management System
ICP	Investment Corporation of Pakistan	WPPF	Workers' Profit Participation Fund
IFAC	International Federation of Accounting	WWF	Workers' Welfare Fund



Atlas Group Companies

*Year of Establishment /
Acquisition**

 Shirazi Investments	1962
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 Atlas Honda	1962
---	------

 Atlas Battery	1966
---	------

 Shirazi Trading	1975
---	------

 Atlas Insurance	1980*
---	-------

 Atlas Engineering	1981*
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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
---	------

 Atlas Zhenfa	2020
--	------

Product Types and their Application

Product Type			20 HR Capacity (AH)	Application
Light Batteries (12 Volts)				
CGR 40	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 Coure, 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	Heavy Generators and Ships
GX 260 F	33PL	N200	220	
SP Batteries (12 Volts)				
SP 35 R	5PL		20	Generators
SP 50L	9PL		30	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)
SP 55 L	9PL		35	Suzuki Mehran, Daihatsu Coure, 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	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 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)
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	

Product Type		20 HR Capacity (AH)	Application	
Washi Batteries (12 Volts)				
WS 45 R	5PL	20	Generators	
WS 50	7PL	24	CNG Rickshaw	
WS 55 R	9PL	30	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)	
WS 65 L	9PL	35	Suzuki Mehran, Daihatsu Coure, Kia Classic, All CNG converted vehicles (800cc to 1000cc)	
WS 70	11PL	45	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc)	
WS 80 L	13PL	45		
WS 90	9PL	50		
WS 110	13PL	75	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)	
WS 115	15PL	80		
WS 135	15PL	85		
WS 150	17PL	100	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)	
WS 160	17PL	100	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)	
WS 165	19PL	105		
WS 180	19PL	105		
WS 195	21PL	120	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)	
WS 220	23PL	140	Ford Tractor 3610 and 46	
WS 230	23PL	150	Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator	
WS 260	27PL	175	Sets, Road Rollers and Belarus Tractors	
WS 270	33PL	220	Heavy Generators and Ships	
Hybrid Batteries (12 Volts)				
HB 46 R	9PL	Hybrid	30	All types of vehicles (1000cc to 1800cc)
HB 46 L	9PL	Hybrid	30	
HB 50	11PL	Hybrid	38	
HB 65	13PL	Hybrid	45	
HB 65 (Thin Pole)	13PL	Hybrid	45	
HB 100 R	15PL	Hybrid	80	
HB 100 L	15PL	Hybrid	80	
Maintenance Free Batteries (12 Volts)				
MF 50 L	9PL	Maintenance Free	38	All types of vehicles (1000cc to 1800cc)
MF 65 L	11PL	Maintenance Free	45	
Deep Cycle Batteries (12 Volts)				
DC 50	9PL	Deep Cycle	30	Solar Panels and UPS
DC 110	11PL	Deep Cycle	75	
DC 175	15PL	Deep Cycle	100	
DC 220	23PL	Deep Cycle	165	
SP Tall 2000	9PL	Deep Cycle	180	
SP Tall 2500	11PL	Deep Cycle	210	
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 LIMITED



ATLAS HONDA LIMITED



AS AUTO INDUSTRY



September 08, 2021

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

The Company Secretary,
Atlas Battery Limited,
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial, Phase V, DHA,
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 online through Zoom at 9:30 a.m. on Wednesday, September
29, 2021 and at every adjournment thereof.

Signed this _____ day of _____, 2021.

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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کمپنی سیکریٹری
اٹلس بیٹری لمیٹڈ
4-C، خیابان تنظیم،
توحید کمرشل، فیز 7، ڈی ایچ اے،
کراچی۔

پراکسی فارم

میں / ہم _____
ضلع _____
بجائیت نمبر (ز) اٹلس بیٹری لمیٹڈ اور حق ملکیت رکھتے ہوئے _____
نمبر _____ اور ایسی ڈی سی اکاؤنٹ نمبر _____ انہیں نامزد کرتا کرتے ہوں
ضلع _____
فولیو نمبر _____ اور ایسی ڈی سی اکاؤنٹ نمبر _____ یا ایسا نہیں ہونے کی
صورت میں محترم / محترمہ _____
ساکن _____
فولیو نمبر _____ اور ایسی ڈی سی اکاؤنٹ نمبر _____ کو بطور
ہمارا / میرا پراکسی مقرر کرنا کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے سالانہ عام اجلاس منعقدہ بروز بدھ جمعہ بتاریخ 29 ستمبر 2021 بوقت صبح 9:30 بجے بذریعہ زوم
لنک اس کے کسی ملٹوی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط کیے گئے ہیں سال 2021 کے _____ ماہ اور _____ تاریخ کو۔

گواہ:

دستخط: _____

نام: _____

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: _____

درست رقم
کا کٹ چسپاں کریں

رکن کے دستخط

نوٹ:

- پراکسیز کے موثر ہونے کے لیے لازمی ہے کہ وہ کمپنی کے رجسٹرڈ آفس یا شیئر رجسٹرار میسرز جمید مجید ایسوسی ایٹس (پرائیوٹ) لمیٹڈ، کراچی جیمیز، حسرت موہانی روڈ، کراچی کو موہر شدہ اور دستخط کے ساتھ اجلاس سے کم از کم 48 گھنٹے قبل بذریعہ ڈاک یا ای میل investor.relations@abl.atlas.pk پر وصول ہو جائیں۔
- سی ڈی سی شیئر ہولڈرز اور ان کی پراکسیز سے درخواست کی جاتی ہے کہ کمپنی کو جمع کروانے سے قبل اس پراکسی فارم کے ساتھ اپنا کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی نقل جمع کروائیں۔

درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری
اٹلس بیٹری لمیٹڈ،
4-C خیابان تنظیم، توحید کمرشل،
فیز 7، ڈی ایچ اے، کراچی

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Atlas Battery Limited

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Fax: (92-21) 32564703

UAN: 111-247-225

E-mail: abl@abl.atlas.pk

Website: www.abl.atlas.pk