



# Perfect For Every Condition

Annual Report 2022

# ABOUT THE COVER

AGS provides robust, reliable and resilient performance for diverse terrains in the most extreme weather conditions.





AGS  
SP-Tall 2000  
12V 180AH (20HR)  
Long Service  
Maintenance Free

AGS Hybrid  
12V 45AH (20HR)  
Maintenance Free

Battery  
Ion-C

AGS  
MAINTENANCE FREE  
12V 30AH (20HR)  
CLASS A  
CCA 500A

MAINTENANCE FREE  
AGS  
MF-SOL  
100 30AH (20HR) FLUZZ  
100 30AH (20HR)

AGS  
12V 30AH (20HR)  
Maintenance Free

AGS  
SP-100  
12V 30AH (20HR)  
Maintenance Free

AGS  
GX-200F  
12V 175AH (20HR)  
Maintenance Free  
بهرت و چگونگی استفاده

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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. The Company 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 is proud of its successful journey of development and manufacturing a diversified range of products for more than five decades. The product range varies from conventional batteries to innovative low-maintenance hybrid, maintenance free and deep cycle batteries. Today, AGS is the nation's preferred choice not only for automotives and motorcycles but also for gensets, construction equipment, uninterrupted power supply (UPS) equipment and solar panels. Our extensive battery knowledge, vast experience and state-of-the-art manufacturing facility enable us to consistently meet the customers' demand. The Company's continued focus on HSE, unmatched after sales service and Japanese technology, is the true reflection of its tagline **بات ھے کو الٹی کی ...**

## ABOUT THE GROUP

The foundation of Atlas Group was laid down by our late Chairman, Mr. Yusuf H. Shirazi in 1962 when Shirazi Investments (Private) Limited was formed with a capital of half a million rupees. The Atlas motto coined by him, 'Organization Development through Self-development', has been the mantra of success for Atlas since inception.

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 its diversified presence and specifically through 4 companies listed on the Pakistan Stock Exchange Limited. Atlas shareholders' equity stands at over US\$ 2 billion, assets at over US\$ 2 billion and annual sales nearing US\$ 3 billion.

Atlas with its focus on development, has 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. Atlas plays a leading role as a responsible corporate citizen promoting professional education, contributing to health facilities, helping law enforcement agencies and improving the standard of life.

# GROUP SHAREHOLDING

The following is 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 Foundation was incorporated in 1986 as not for profit organization. The Foundation has played its role in promoting 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 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 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 that exceed customer expectations.

## Excellence

We continuously pursue operational efficiencies and process improvements.

## Meritocracy

To recruit on merit; reward and recognise on performance.

## Integrity

To embrace and promote strong ethical and moral principles.

## Transparency

To promote a culture of openness of communication, coordination and collaboration with internal and external stakeholders.

## Safety

Committed to providing a safe working environment for our associates.





# QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE) POLICY

Atlas Battery Limited (the company) 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.

## ISO INTEGRATED MANAGEMENT SYSTEM

All business functions / relevant processes and systems of the Company have been designed, improved and aligned as per guidelines of the following international standards:

Standard	Description	Certified By	Certified Since
ISO 9001	Quality Management System	Bureau Veritas	2000
ISO 14001	Environment Management System	Bureau Veritas	2018
ISO 45001	Occupation Health & Safety Management System	Bureau Veritas	2021
ISO 50001	Energy Management System	Bureau Veritas	2020

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



# 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	Quality Management System	Bureau Veritas	2000
ISO 14001	Environment Management System	Bureau Veritas	2018
ISO 45001	Occupation Health & Safety Management System	Bureau Veritas	2021
ISO 50001	Energy Management System	Bureau Veritas	2020

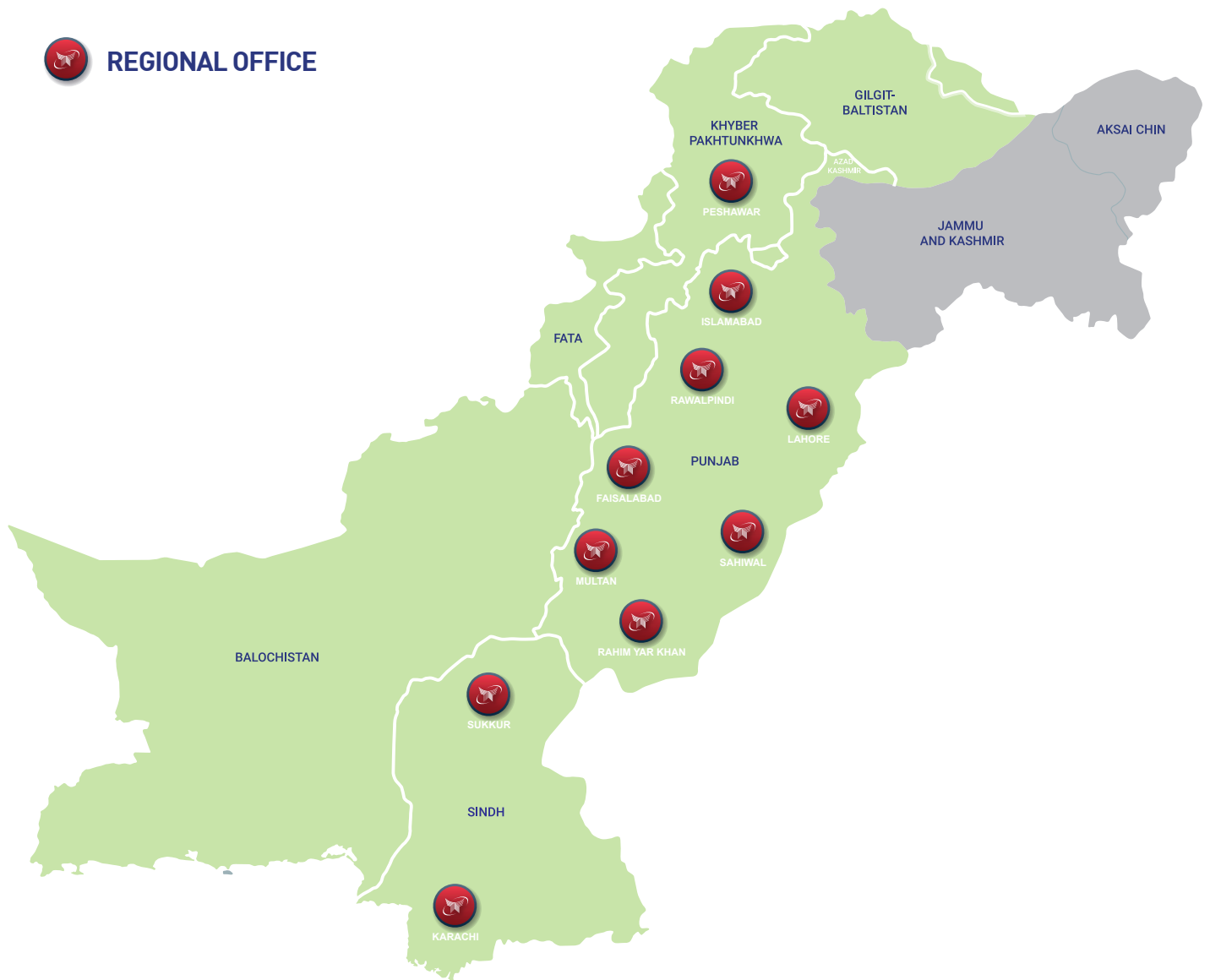
# BRANDS

The Company sells its products under the following brand names:

- Atlas
- AGS

# GEOGRAPHICAL PRESENCE

 REGIONAL OFFICE

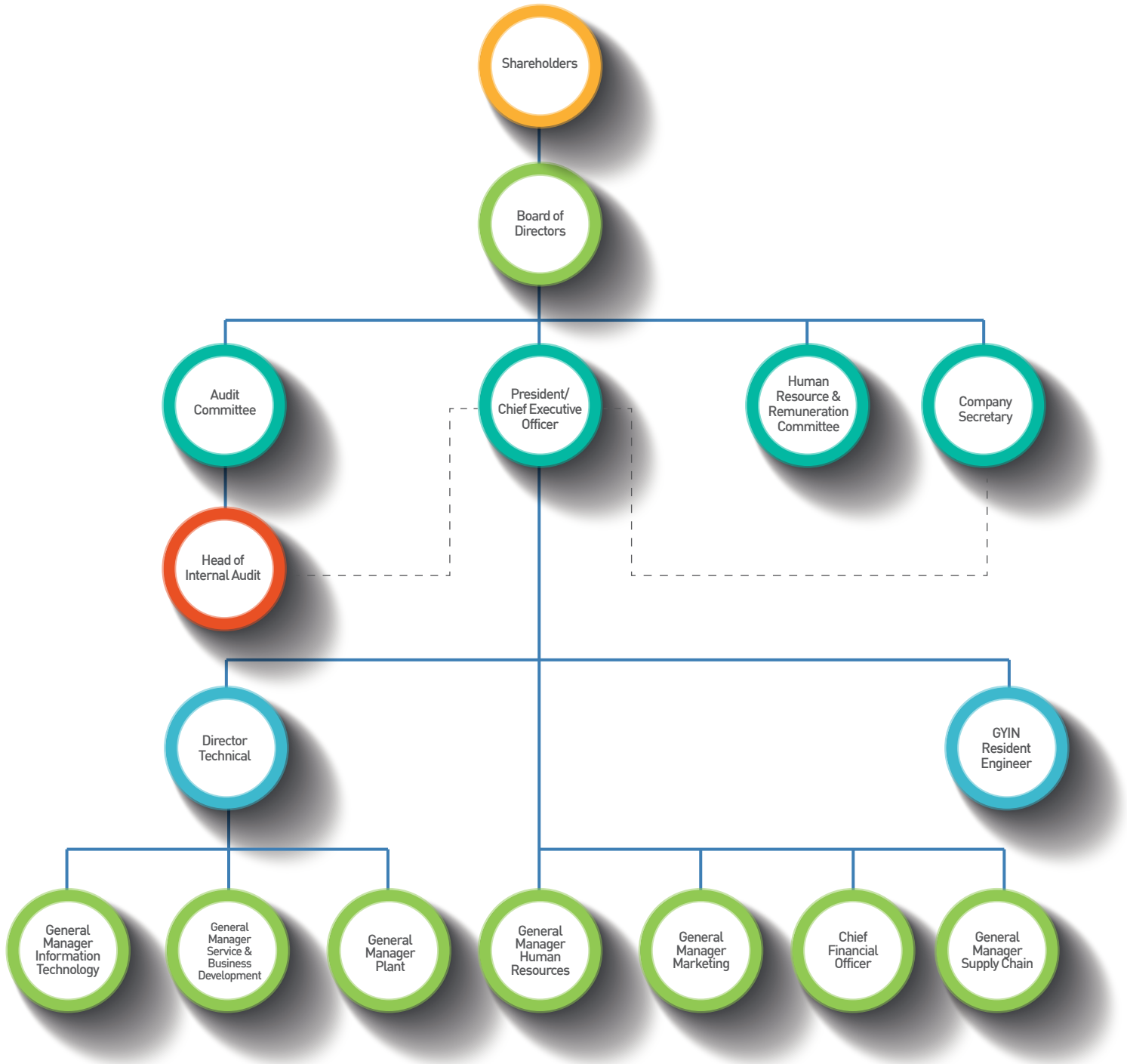


## DEALERSHIP NETWORK

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

There are 280 dealers and their network profile is available on our website [www.abl.atlas.pk](http://www.abl.atlas.pk)

# ORGANIZATION 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

Mansoor Jamil Khan  
Director Technical

Ahmar Waheed  
General Manager Human Resources

Iftikhar ul Islam  
General Manager Marketing

Muhammad Asher Ahmad  
General Manager  
Information Technology

Muhammad Rafi  
General Manager Service &  
Business Development

Rizwan Ahmed  
Chief Financial Officer

Sheikh Adeel-ur-Rehman  
General Manager Supply Chain

Tehseen Raza  
General Manager Plant

## Auditors

ShineWing Hameed Chaudhri & Co.  
Chartered Accountants

## Legal Advisors

Agha Faisal, Barrister at Law  
Mohsin Tayebaly & Co.

## Tax Advisors

EY Ford Rhodes  
Chartered Accountants

## Bankers

Allied Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
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  
UAN: 111-247-225  
Fax: (021)-32564703

## Karachi Sales Office

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

#### Karachi Service Center

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

#### Sukkur Sales Office and Service Center

Pak Memon  
Cooperative Housing Society,  
Opposite Government  
Wheat Godown,  
Shikarpur Bypass, Sukkur  
Tel: (071) 5806124-26

#### Lahore Sales Office

Plaza No. 68/1,  
XX-DHA Lahore Cantt.,  
Phase 3, D.H.A., Lahore  
Tel: (042) 37186388-91

#### Lahore Service Center

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

#### Faisalabad Sales Office and Service Center

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

#### Multan Sales Office

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

#### Multan Service Center

Plot No. 109-110,  
Multan Industrial Estate,  
Phase II, 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

Ground Floor, 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

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](http://www.abl.atlas.pk)

#### Email Address

[abl@abl.atlas.pk](mailto: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.

Objectives	Nature	Strategy	Resource Allocation Plan	KPIs	Actual Results
To provide highest level of satisfaction to our customers and value for their money.	Short to long term	<ul style="list-style-type: none"> <li>Deploying state-of-the-art manufacturing facilities with latest technology for enhanced quality</li> <li>Providing expeditious after sales services and claim settlements</li> <li>Train associates, consumers and dealers</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual Capital</li> <li>Social &amp; Relationship Capital</li> </ul>	<ul style="list-style-type: none"> <li>Claim Settlement Period</li> <li>Warranty Claim Expense</li> <li>Market share</li> <li>Value growth</li> </ul>	<ul style="list-style-type: none"> <li>Total of 854 training sessions during the year provided to dealers and OEMs.</li> </ul>
To expand sales of the Company in all segments	Short to long term	<ul style="list-style-type: none"> <li>Market penetration through expansion in dealership network</li> <li>Providing quality after sales services</li> <li>Maintaining international product quality standards</li> <li>Promoting Brand Equity</li> </ul>	All Capitals	<ul style="list-style-type: none"> <li>Sales and profitability</li> <li>Market share</li> </ul>	<ul style="list-style-type: none"> <li>Achieved sales of Rs.25.0 billion, higher by 25.4%</li> <li>Achieved profitability of Rs.689 million, down by 23.1%</li> </ul>
To be committed to good corporate citizenship and compliance with laws and regulations	Short to long term	<ul style="list-style-type: none"> <li>Deployment of strong internal control framework</li> <li>Hiring of team of qualified and experienced staff to ensure compliance with laws</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Intellectual Capital</li> <li>Financial Capital</li> </ul>	<ul style="list-style-type: none"> <li>Number of compliances</li> <li>Reporting Awards</li> </ul>	<ul style="list-style-type: none"> <li>No non-compliances were reported during the year</li> <li>16th Employers' Federation of Pakistan best practices award on Occupational, Safety and Health</li> </ul>
To ensure workplace health and safety.	Short to long term	<ul style="list-style-type: none"> <li>Creating healthy work environment complying with all SOPs and best practices</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Manufactured Capital</li> <li>Financial Capital</li> <li>Social and Relationship Capital</li> </ul>	<ul style="list-style-type: none"> <li>Number of accidents</li> <li>Employee turnover and feedback on surveys</li> </ul>	<ul style="list-style-type: none"> <li>No major accidents took place</li> </ul>



Objectives	Nature	Strategy	Resource Allocation Plan	KPIs	Actual Results
<p>To recruit and retain the best people and provide adequate training.</p> <p>To recognize that Leadership, Empowerment and Accountability are essential for corporate success</p>	Short to long term	<ul style="list-style-type: none"> <li>Hiring staff on merit basis</li> <li>Training and education</li> <li>Succession planning of potential associates</li> <li>Job rotation and career development</li> <li>Encourage ideas from bottom to top</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Financial Capital</li> </ul>	<ul style="list-style-type: none"> <li>Man days of training</li> <li>Number of successors</li> </ul>	<ul style="list-style-type: none"> <li>Altogether 430 and 86 associates benefited from internal trainings and external training/conferences, respectively during the year.</li> </ul>
To ensure optimum cost levels	Short to long term	<ul style="list-style-type: none"> <li>Cost efficiencies through effective resourcing</li> <li>Process innovations for reduction in wastages and rejections</li> <li>Energy Efficient Measures</li> </ul>	<ul style="list-style-type: none"> <li>Manufactured Capital</li> <li>Human Capital</li> <li>Financial Capital</li> </ul>	<ul style="list-style-type: none"> <li>Reduction in wastages</li> <li>Use of Renewable Energy</li> <li>Water recycling for resource savings</li> </ul>	<ul style="list-style-type: none"> <li>Solar capacity upto 400 KW.</li> <li>Increased use of recycled water</li> </ul>

### Relationship between Company's Results and Management's Objectives

The management has set objectives after detailed analysis and consideration which includes numerous 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.

### Significant changes in Management Objectives and Strategies

There have been no significant changes in objectives and strategies of the Company as compared to previous year.

# 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

## HOW WE CREATE VALUE FOR OUR STAKEHOLDERS?

### OUR CAPITALS INPUT

**Financial**  
Stable Financial Position

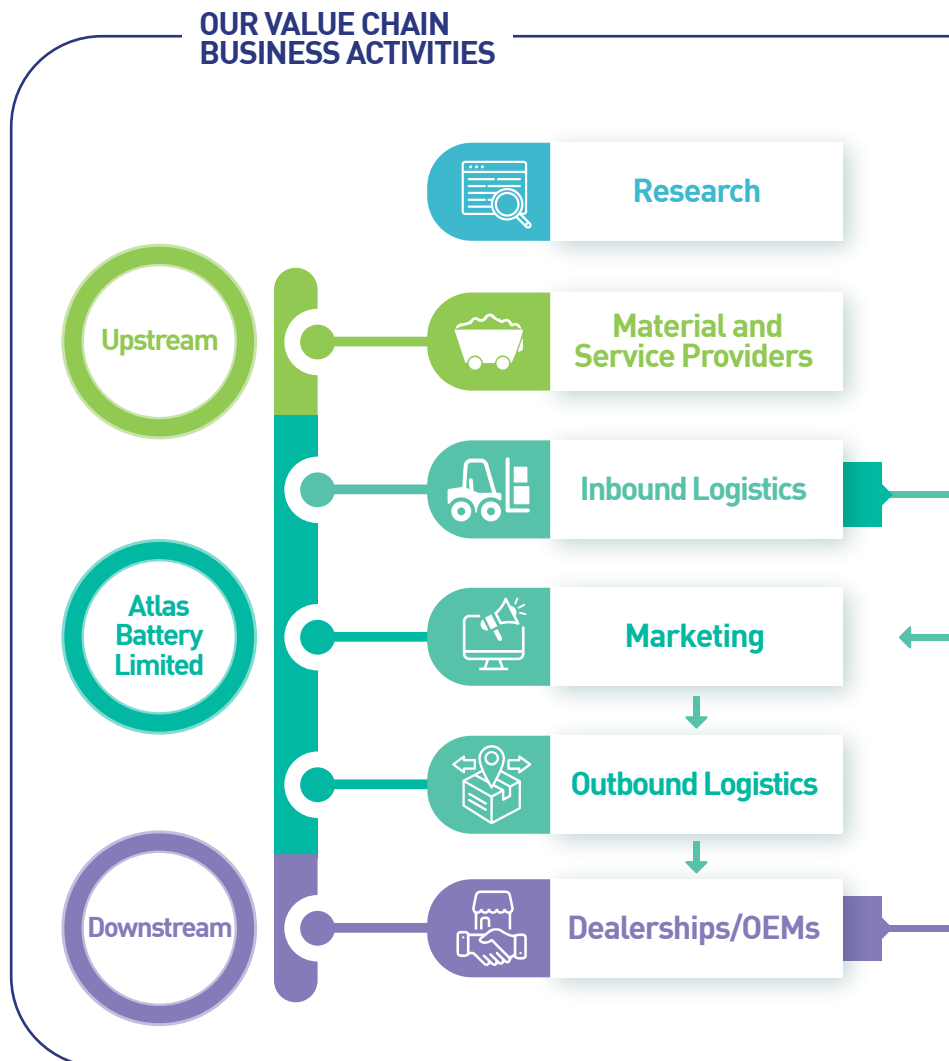
**Intellectual**  
Partnership with GS Yuasa  
Atlas Way  
Technical Expertise  
Brand Equity  
Diversified Product Mix

**Human**  
Strong Corporate Governance  
Highly Proficient Workforce

**Manufactured**  
Advanced Manufacturing Facility  
ERP & MIS

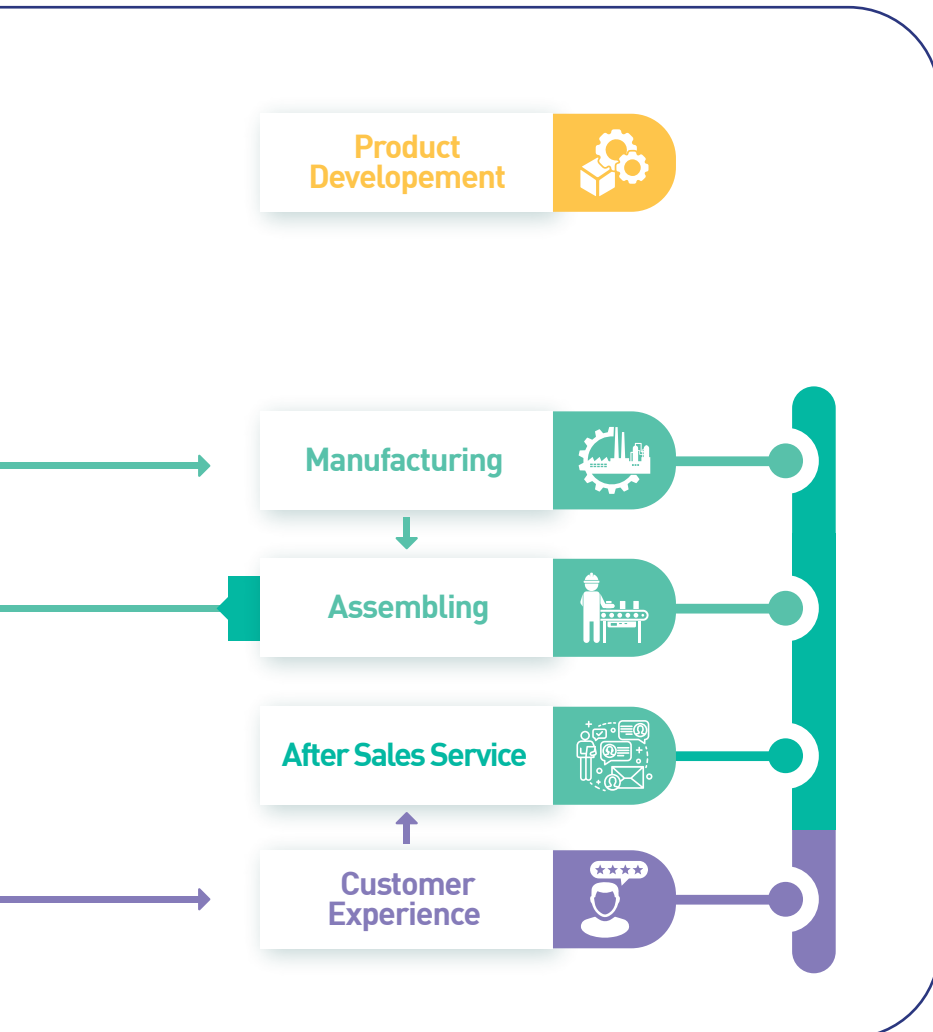
**Social and Relationship**  
Brand Loyalty  
Relationship with Customers,  
Suppliers , Communities and  
other Stake holders

**Natural**  
Material  
Renewable And  
Non Renewable  
Energy



## 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 2022 OUTCOMES

### Customers

Satisfied Customers | Millions

### Investors

Returns to Investors | Sustainable  
Return On Equity | 11%  
Dividend Payout Ratio | 60.9%

### Employees

Workforce | Highly Motivated  
Training attended | 516 associates  
Wealth Distributed | 5.6%

### Partners

Wealth Distributed | 71.1%  
Collaboration with vendors to provide quality products to our valued customers.

### Communities

Uplifting standards of communities through various initiatives

### Governing Bodies and Regulations

Wealth Distributed | 18.3%  
Contribute towards growth of Pakistan through direct and indirect taxes.

# RELIABLE PERFORMANCE WITH LOW MAINTENANCE

AGS batteries are technologically advanced and manufactured to be compatible with the Pakistani environment; they are also equipped with built-in safety features to make your journey safe and sound.





# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (“AGM”) of the shareholders of Atlas Battery Limited (“the Company”) will be held at 9:30 a.m. on Thursday, September 29, 2022 at 2nd Floor, Federation House, Sharaf Firdousi, Clifton, Karachi, and / or online through Zoom to transact the following business:

## Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 29, 2021.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2022 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 125% (Rs.12.50 per share) for the year ended June 30, 2022 as recommended by the Board of Directors.
4. To appoint auditors and fix their remuneration for the year ending June 30, 2023. 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 @ 25% (1 bonus share for every 4 shares held) for the year ended June 30, 2022 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.70,034,060/- out of Company’s profit be capitalized for issuing 7,003,406 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, 2022 @ 25% in the proportion of 1 ordinary share of Rs.10/- each for every 4 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



Abdullah Zaheer  
Company Secretary

Karachi: September 08, 2022

## NOTES:

### 1. Participation via physical or through video conferencing facility

The Company encourages 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 also. 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](mailto: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](mailto: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, 2022 to September 29, 2022 (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, 2022 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 or through email at [investor.relations@abl.atlas.pk](mailto: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

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 by mail, fax or email to the Company Secretary or Share Registrar, unless it has been provided earlier.

## 7. E-Dividend

As per Section 242 of the 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 to the Company Secretary / Share Registrar 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 before book closure.

## 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 2022 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 2022 are being emailed to those members who opted to receive such communication via email. Other members who wish to receive the Annual Report 2022 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 to the Company Secretary / Share Registrar. 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 shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the SECP, within a period not exceeding four years from the commencement of the Companies Act, 2017 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 / 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,
UAN: 111-247-225	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, 2022 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 @ 25% for the year ended June 30, 2022 and thereby capitalize a sum of Rs.70,034,060. 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  
UAN: 111-247-225  
Fax: (021) 32564703

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## Share Registrar

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

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## Listing on Stock Exchange

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

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## Listing Fee

The annual listing fee for the financial year 2022-23 has been paid within the prescribed time limit.

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## Stock Symbol

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

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## 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 @ 125% (Rs.12.50 per share) and bonus shares issue @ 25% for the year ended June 30, 2022 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting.

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## 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.

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## Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2022 to September 29, 2022 (both days inclusive).

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## Annual General Meetings

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

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## 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.

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## 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, 2022
1st quarter ending September 30, 2022	Last week of October, 2022
Half year ending December 31, 2022	Last week of February, 2023
3rd quarter ending March 31, 2023	Last week of April, 2023
Year ending June 30, 2023	Last week of August, 2023

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## Website

Updated information about the Company can be accessed at [www.abl.atlas.pk](http://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.280.1 million represented by 28.01 million shares of Rs.10/- each. The balance sheet footing stands at Rs.10.8 billion and net worth of Rs.6.2 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.

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## 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.

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## Shares held by Directors / Sponsors / Executives

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

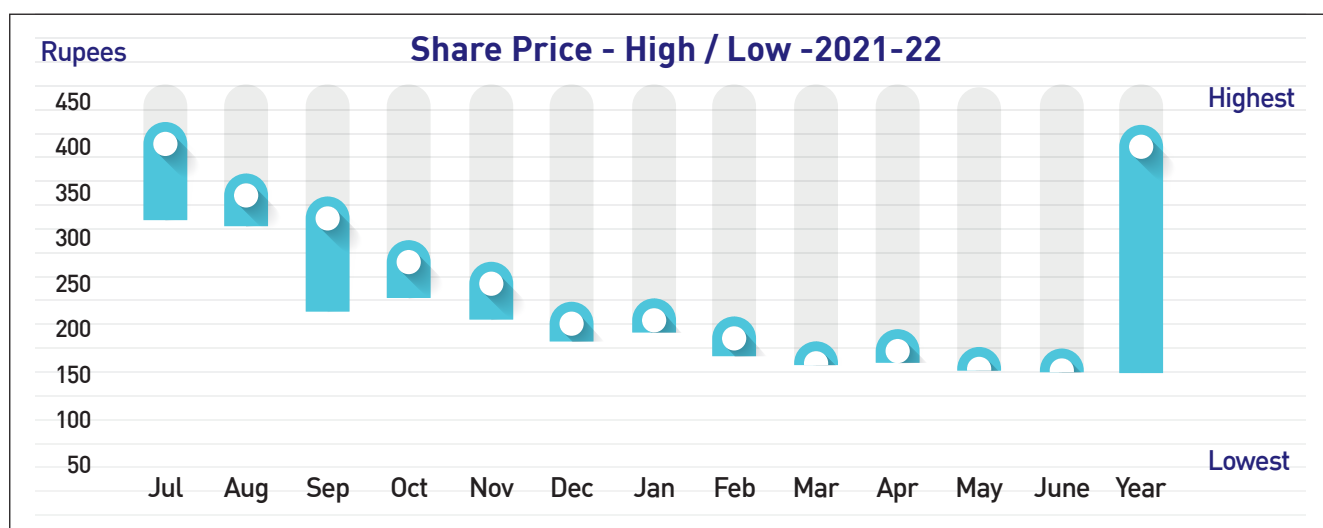
# Market Capitalization, Share Price and Volume Data

During the year, the highest share price of the Company recorded at Pakistan Stock Exchange (PSX) was Rs.422 on July 08, 2021. The market capitalization at that instant was Rs.10.28 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, 2022.

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of Shares Traded	Market Capitalization in Value * (Rs. in bln)
Jul	422.00	318.50	334.81	2,428,400	10.28
Aug	359.99	305.61	334.26	827,000	8.77
Sep	341.99	218.00	240.19	423,000	9.58
Oct	287.70	225.00	228.32	326,100	8.06
Nov	262.00	210.00	220.54	439,600	7.34
Dec	227.67	185.00	207.90	326,300	6.38
Jan	229.10	195.00	200.35	427,900	6.42
Feb	209.87	169.00	176.27	237,200	5.88
Mar	184.00	158.00	173.17	175,400	5.15
Apr	195.09	162.00	174.55	186,100	5.47
May	178.00	151.02	163.99	95,200	4.99
June	176.66	150.13	171.91	409,500	4.95
Year	422.00	150.13	171.91	6,301,700	10.28

\* Based on highest price



# Statement of Value Addition

## Wealth Generated:

Sales including Sales Tax  
Other Income

## Wealth distributed:

Cost of Material & Services

## To Employees

Salaries & other related costs

## To Government

Taxes  
Workers' Profit Participation Fund  
Workers' Welfare Fund

## To Providers of Capital

Dividend to Shareholders  
Finance Cost

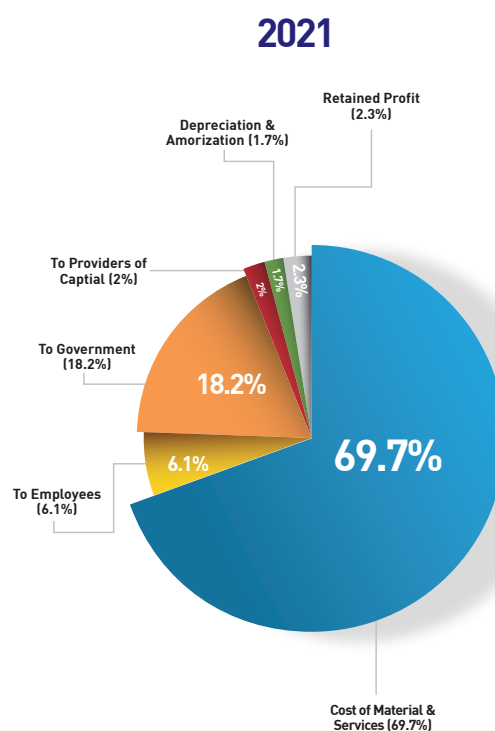
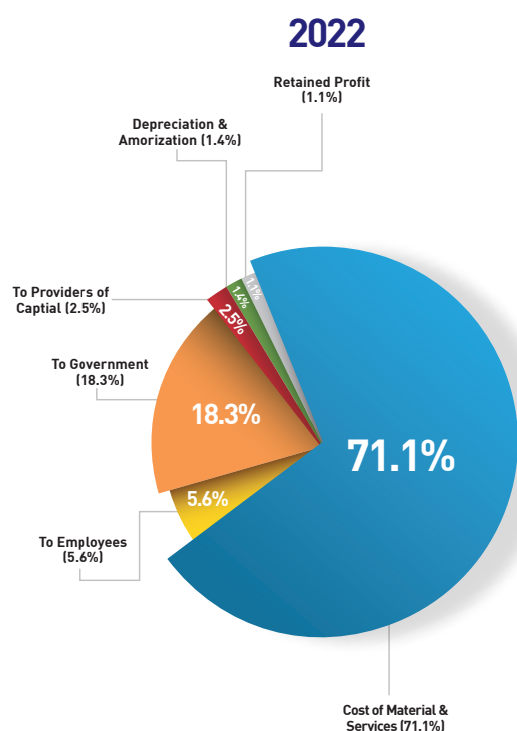
## To Society

Donation

## Retained in the Business

For replacement of Fixed Assets:  
Depreciation & Amortization  
To provide for Growth: Retained Profit

Year ended June 30			
2022		2021	
(Rs. in '000)	% age	(Rs. in '000)	% age
29,839,989	99.9	23,775,378	99.8
34,747	0.1	50,722	0.2
<b>29,874,736</b>	<b>100.0</b>	<b>23,826,100</b>	<b>100.0</b>
21,229,740	71.1	16,614,082	69.7
1,677,299	5.6	1,455,240	6.1
5,373,390	18.0	4,233,646	17.8
61,190	0.2	64,233	0.3
24,950	0.1	25,390	0.1
<b>5,459,530</b>	<b>18.3</b>	<b>4,323,269</b>	<b>18.2</b>
350,170	1.2	341,036	1.4
389,439	1.3	138,416	0.6
<b>739,609</b>	<b>2.5</b>	<b>479,452</b>	<b>2.0</b>
11,950	-	-	-
417,341	1.4	399,119	1.7
339,267	1.1	554,938	2.3
<b>756,608</b>	<b>2.5</b>	<b>954,057</b>	<b>4.0</b>
<b>29,874,736</b>	<b>100.0</b>	<b>23,826,100</b>	<b>100.0</b>



# Pattern of Shareholding

AS AT JUNE 30, 2022

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
795	1	100	28,112	0.10%
780	101	500	214,840	0.77%
347	501	1,000	253,610	0.91%
546	1,001	5,000	1,208,812	4.32%
82	5,001	10,000	598,999	2.14%
21	10,001	15,000	258,669	0.92%
17	15,001	20,000	301,561	1.08%
6	20,001	25,000	134,822	0.48%
5	25,001	30,000	129,755	0.46%
5	30,001	35,000	158,088	0.56%
2	45,001	50,000	94,758	0.34%
5	50,001	55,000	259,526	0.93%
2	60,001	65,000	124,625	0.44%
1	65,001	70,000	69,310	0.25%
3	80,001	85,000	243,110	0.87%
1	100,001	105,000	100,154	0.36%
1	130,001	135,000	130,815	0.47%
1	155,001	160,000	158,263	0.56%
1	170,001	175,000	172,500	0.62%
1	175,001	180,000	175,860	0.63%
1	385,001	390,000	387,310	1.38%
1	485,001	490,000	488,506	1.74%
1	510,001	515,000	514,994	1.84%
1	520,001	525,000	524,089	1.87%
1	591,001	595,000	591,353	2.11%
1	4,200,001	4,205,000	4,202,013	15.00%
1	16,485,001	16,490,000	16,489,173	58.86%
<b>2,629</b>			<b>28,013,627</b>	<b>100.00%</b>

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	1,171	0.00%
Associated companies, undertakings & related parties (Note 1)	4	21,694,686	77.44%
NIT and ICP	5	2,702	0.01%
Banks, DFIs & NBFCs	1	3,635	0.01%
Insurance Companies	2	30,434	0.11%
Modarabas and Mutual Funds	4	118,135	0.42%
Public Sector Companies & Corporations	1	387,310	1.38%
<b>General Public</b>			
Local	2,575	5,137,025	18.35%
Foreign	-	-	-
<b>Others:</b>			
Joint Stock Companies	27	627,226	2.24%
Trustees of Pakistan Human Development Fund	1	5,700	0.02%
Trustee of Iftikhar Shirazi Family Trust	1	1	-
Trustees Al-Bader Welfare Trust	1	5,602	0.02%
	<b>2,629</b>	<b>28,013,627</b>	<b>100.00%</b>

## Note:

1. Following shareholders are shown under Associated Companies category:

Atlas Foundation	514,994	1.84%
Atlas Insurance Limited	488,506	1.74%
GS Yuasa International Limited - Japan	4,202,013	15.00%
Shirazi Investments (Private) Limited	16,489,173	58.86%
	<b>21,694,686</b>	<b>77.44%</b>

# Pattern of Shareholding

AS AT JUNE 30, 2022

## Information required under the Code of Corporate Governance

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
<b>Directors, Chief Executive and their spouse and minor children</b>			
Mr. Aamir H. Shirazi	1	1	-
Mr. Ali H. Shirazi	1	1	-
Mr. Azam Faruque	1	16	-
Mr. Bashir Makki	1	1	-
Mr. Fahd Kamal Chinoy	1	1,150	-
Ms. Mehreen Amin	1	1	-
Mr. Toru Furuya	1	1	-
	7	1,171	0.00%
<b>Associated Companies, Undertakings and Related Parties</b>			
Atlas Foundation	1	514,994	1.84%
Atlas Insurance Limited	1	488,506	1.74%
GS Yuasa International Limited - Japan	1	4,202,013	15.00%
Shirazi Investments (Private) Limited	1	16,489,173	58.86%
	4	21,694,686	77.44%
<b>NIT and ICP</b>			
Investment Corporation of Pakistan	4	2,466	0.01%
IDBL - (ICP Unit)	1	236	-
	5	2,702	0.01%
<b>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies and Modarabas</b>			
	3	34,069	0.12%
<b>Mutual Funds</b>			
	4	118,135	0.42%
<b>Public Sector Companies &amp; Corporations</b>			
State Life Insurance Corporation of Pakistan	1	387,310	1.38%
<b>General Public</b>			
	2,575	5,137,025	18.35%
<b>Others</b>			
	30	638,529	2.28%
	<u>2,629</u>	<u>28,013,627</u>	<u>100.00%</u>

### Shareholders holding 5% or more voting interest

GS Yuasa International Limited - Japan	1	4,202,013	15.00%
Shirazi Investments (Private) Limited	1	16,489,173	58.86%

# BOARD OF DIRECTORS



## Mr. Aamir H. Shirazi

Chairman

Mr. Aamir H. Shirazi is the President of Atlas Group. He graduated from the Claremont McKenna College and attended the OPM from the Harvard Business School. He has over 37 years of corporate management experience. He has to his credit, work experience in Honda – America. Besides working at various positions in Atlas Group, he has also served as the Chief Executive of Atlas Honda Limited for eleven years.

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

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



## Mr. Azam Faruque

Director

Mr. Azam Faruque is a graduate in Electrical Engineering and Computer Sciences from the Princeton University, U.S.A. and completed his MBA with high Honors from the University of Chicago, Booth School of Business, U.S.A. He is the Chief Executive of Cherat Cement Company Limited. Apart from the time he has spent in the cement industry, he has also served as a member on the Boards of State Bank of Pakistan, National Bank of Pakistan and Oil & Gas Development Company Limited. He was a member of the Board of Governors of the GIK Institute, Member of the National Commission of Science and Technology and also a member of the National Committee of the Aga Khan Foundation. Mr. Azam Faruque has served on the Board of the Privatization Commission of the Government of Pakistan, Madian Hydro Power Limited, Atlas Insurance Limited, Atlas Asset Management Limited and was Chairman of KPK Oil and Gas Development Company Limited. Presently, he is a member of the Board of Directors of Faruque (Private) Limited, Greaves Pakistan (Private) Limited, Unicol Limited, Indus Motor Company Limited, International Industries Limited, Cherat Cement Company Limited, Habib University Foundation and State Bank of Pakistan. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



## Mr. Bashir Makki

Director

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

Director

Mr. Fahd K. Chinoy holds a MBA from INSEAD (France) and a Bachelor of Arts in Economics and Political Science from the University of Pennsylvania, USA. He is currently CEO of 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 the Amir Sultan Chinoy Foundation and serves on the Board of Advisors for NOWPDP. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and has previously served on the Board of Focus Humanitarian Assistance Pakistan.



## Ms. Mehreen Amin

Director

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

Director

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

President / Chief Executive

Mr. Ali H. Shirazi graduated with a BA from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He is on the Board of Atlas Asset Management Limited, Atlas Insurance Limited, National Management Foundation (sponsoring body of LUMS), National Foods Limited, Cherat Packaging Limited, Pakistan Cables Limited and Pakistan Society for Training and Development (President). 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 TO 1978



## 1979 TO 1988



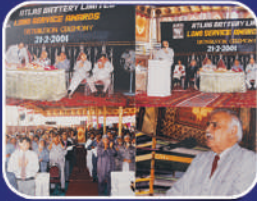
## 1989 TO 1998



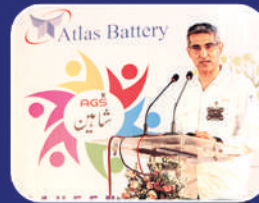
- 1966 Incorporation of the Company
- 1968 Public floatation of shares
- 1969 Technical collaboration with Japan Storage Battery Co. Ltd., Japan
- 1969 Automotive batteries production started
- 1974 Motorcycle batteries production started
- 1979 Nominated for KSE Top 25 Companies
- 1981 Nominated for 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

- 2009 of Pakistan for being No. 1 in Consumer Preference
- 2009 Crossed the one million production milestone in automotive batteries segment
- 2011 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2007-08 and 2008-09)
- 2012 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2009-10) for the third year consecutively
- 2012 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP)
- 2013 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2010-11) for the fourth year consecutively
- 2013 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP)
- 2013 First battery manufacturer to launch company branded distilled water
- 2014 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2011-12) for the fifth year consecutively
- 2015 ISO - 9001:2008 certification on quality management system
- 2015 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2012-13) for the sixth year consecutively
- 2015 First battery manufacturer to launch "Hybrid" battery under the brand name "Atlas"
- 2016 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP)

## 1999 TO 2008



## 2009 TO 2018



## 2019 TO 2022



- 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 Best Corporate Report Awards (2020) – ICAP and ICMAP
- 2022 16th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health

# MAJOR EVENTS DURING THE YEAR

## July 2021

Annual Sales and Marketing Conference 2020-21 was held on July 27, 2021 via Zoom

## August 2021

Meeting of Board of Directors was held on August 26, 2021 to consider and approve the audited annual accounts for the year ended June 30, 2021 and final cash dividend at Rs.4/- per share i.e. 40% (in addition to first interim cash dividend at Rs.10/- per share i.e. 100%) and stock dividend @ 15% for the year ending June 30, 2021.

## September 2021

Annual General Meeting was held on September 29, 2021 where audited annual financial statements, final cash dividend at Rs.4/- per share i.e. 40% (in addition to first interim cash dividend at Rs.10/- per share i.e. 100%) and stock dividend @ 15% for the year ending June 30, 2021 were approved by the shareholders.

## October 2021

- Meeting of Board of Directors was held on October 28, 2021 to consider and approve the quarterly accounts for the quarter ended September 30, 2021.
- Corporate Briefing Session was held on October 29, 2021 via Zoom to brief the investors / analyst about the Company's financial performance for the year ended June 30, 2021.

## January 2022

Half yearly sales conference 2021-22 was held on January 07, 2022 in Bhurban.



## February 2022

Meeting of Board of Directors was held on February 22, 2022 to consider and approve the half yearly accounts for the half year ended December 31, 2021.

## April 2022

Meeting of Board of Directors was held on April 27, 2022 to consider and approve the quarterly accounts for the period ended March 31, 2022.

## May 2022

Received 16th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health.



## June 2022

- Meeting of Board of Directors was held on June 23, 2022 to consider and approve the Annual Budget for Financial Year 2022-23.
- Team consisting of Marketing and Technical department staff visited Istanbul (Turkey) from June 2 to 5, 2022 to represent the Company at Automechanika 2022.



# MEDIA GALLERY

## Advertisement

### Social Media

- Mobile app TVC was launched on all digital platforms such as Facebook, Youtube, Instagram etc.
- New Jingle on mobile app was launched on various radio channels including FM 89, 107.4 and 105.

### Radio & Print Media Activities

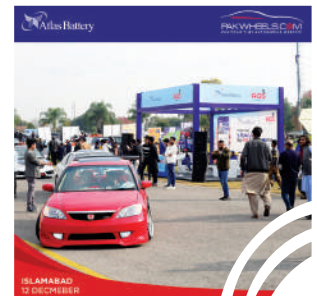
- Various advertisement activities of the Company's products were aired through print media and radio.

### Sponsorships and Live Programs

- Sponsored brand activity and free battery checkup campaign at Pakwheels Auto Show in Islamabad and Karachi.
- Sponsored brand activity and free battery checkup campaign at Kissan Dost Mela at Nawaz Sharif University Multan.
- Brand activation and free check-up activity conducted during road shows all across the country.

### Model Shops

- The Company built 33 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.



# STRONG AND DURABLE PRODUCTS TO POWER MEDIUM SIZED VEHICLES

Our medium sized batteries are trusted by millions of nationwide customers, including OEMs. They are known for their reliable strength, strong durability, and premium efficiency.





# KEY FINANCIAL & NON-FINANCIAL PERFORMANCE MEASURES

## FINANCIAL CAPITAL

Net Sales  
Rs. 25,029 million

Gross Profit  
Rs. 2,721 million

Profit After Tax  
Rs. 689 million

Capital Expenditure  
Rs. 762 million

Total Assets  
Rs. 10,798 million

Net Equity  
Rs. 6,194 million

Earning Per Share  
Rs. 24.61

Dividend Per Share  
Rs. 12.50

Breakup Value Per Share  
Rs. 221.1

Wealth Distributed  
Rs. 21.2 billion

Return on Equity  
11.1 %

Operating Cycle  
52 days

## MANUFACTURED CAPITAL

Product Portfolio  
100+ SKUs

## INTELLECTUAL CAPITAL

Governance  
Strong

Brand Equity  
Top Class

Manufacturing Experience  
Over 50 Years

## SOCIAL AND RELATIONSHIP CAPITAL

Dealerships  
280

Vendors  
76

## HUMAN CAPITAL

Employees  
346

Trainings Attended  
516 Associates

## Methods & Assumptions Used in Compiling the Indicators

Key performance indicators demonstrate how effectively a Company is achieving its business objectives. The management regularly analyses its market positioning, competitors and general market conditions while compiling its indicators. The management analyses sales, gross profit, profit after tax and earnings per share on a 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

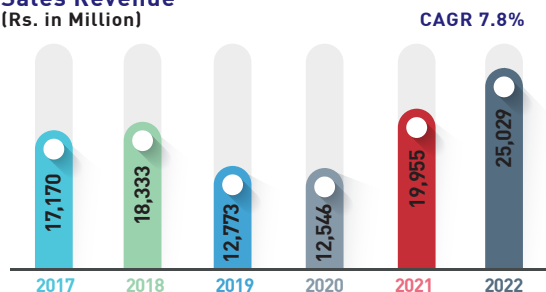
Sales	25,029	19,955	25.4%	+
Gross Profit	2,721	2,281	19.3%	+
Operating Profit	1,527	1,333	14.5%	+
Profit Before Tax	1,138	1,195	-4.8%	-
Profit After Tax	689	896	-23.1%	-
Earnings Per Share - Basic & Diluted (Rupees)	24.61	31.98	-23.1%	-
Shareholders' Equity	6,194	5,609	10.4%	+
Book Value Per Share (Rupees)	221	230	-4.0%	-
Property, Plant & Equipment	4,349	3,952	10.0%	+

---- Rupees in Million ----

2022	2021	%	+ / -
25,029	19,955	25.4%	+
2,721	2,281	19.3%	+
1,527	1,333	14.5%	+
1,138	1,195	-4.8%	-
689	896	-23.1%	-
24.61	31.98	-23.1%	-
6,194	5,609	10.4%	+
221	230	-4.0%	-
4,349	3,952	10.0%	+

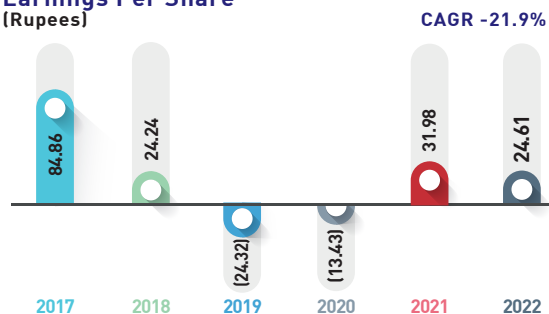
## Business Growth

### Sales Revenue (Rs. in Million)

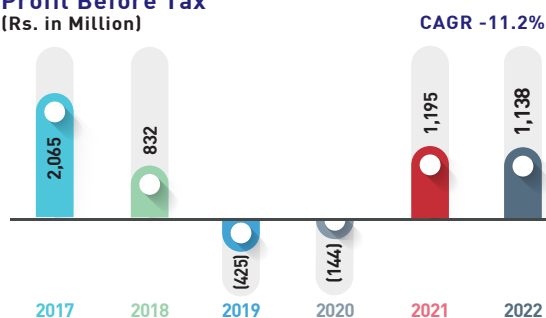


## Shareholder Value Accretion

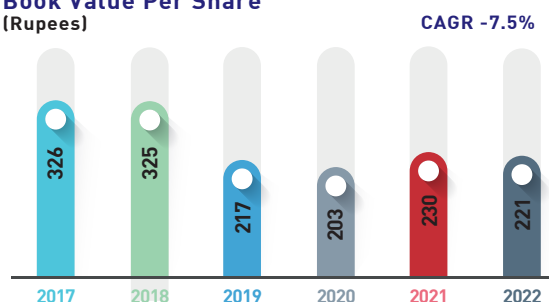
### Earnings Per Share (Rupees)



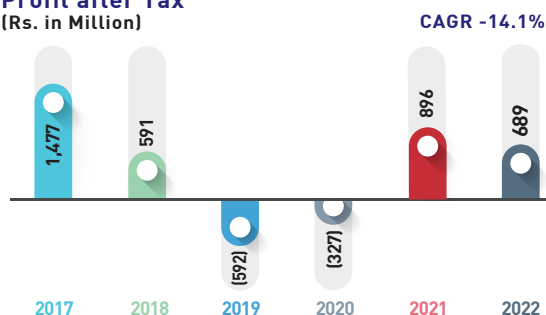
### Profit Before Tax (Rs. in Million)



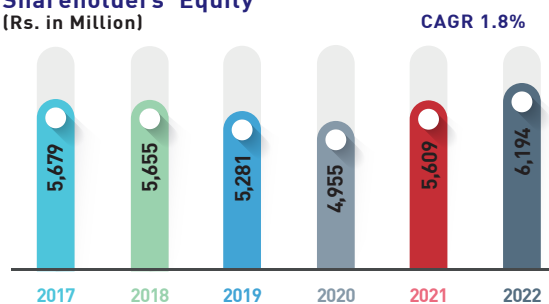
### Book Value Per Share (Rupees)



### Profit after Tax (Rs. in Million)



### Shareholders' Equity (Rs. in Million)



# Analysis of Financial Statements

## Statement of Financial Position

(Rupees in '000)

Particulars	2022	2021	2020	2019	2018	2017
<b>Assets</b>						
<b>Non Current Assets</b>						
Property, plant and equipment	4,349,246	3,952,397	4,139,386	3,924,958	3,591,257	3,158,027
Intangible assets	5,670	3,929	-	160	1,002	1,467
Investments	-	-	-	-	-	-
Long term loans	2,636	1,897	2,049	1,289	1,759	1,303
Long term deposits	23,338	20,388	18,683	20,281	20,401	16,777
Total non current assets	4,380,890	3,978,611	4,160,118	3,946,688	3,614,419	3,177,574
<b>Current Assets</b>						
Stores, spares and loose tools	307,914	259,332	215,326	225,331	218,914	191,896
Stock-in-trade	4,621,550	3,912,393	1,999,313	1,760,092	2,689,010	1,706,859
Trade debts	850,036	1,092,145	692,998	1,096,449	1,754,311	364,642
Loans and advances	17,895	19,970	8,647	4,887	13,835	5,234
Deposits and prepayments	58,834	39,779	9,861	24,400	16,890	18,231
Investments	207,150	146,364	138,268	127,055	861,921	2,464,851
Accrued mark-up	-	302	-	-	-	-
Other receivables	2,460	2,983	2,446	8,399	6,685	3,893
Sales tax receivable - net	-	29,674	-	-	31,739	-
Taxation - net	128,810	209,017	567,622	594,968	547,349	349,166
Cash and bank balances	222,325	189,113	45,507	423,649	381,180	14,873
Total current assets	6,416,974	5,901,072	3,679,988	4,265,230	6,521,834	5,119,645
<b>Total Assets</b>	<b>10,797,864</b>	<b>9,879,683</b>	<b>7,840,106</b>	<b>8,211,918</b>	<b>10,136,253</b>	<b>8,297,219</b>
<b>Equity and Liabilities</b>						
<b>Share Capital and Reserves</b>						
Share capital	280,136	243,597	243,597	243,597	173,998	173,998
General reserve	5,037,500	5,037,500	5,037,500	5,037,500	4,697,500	3,827,500
Accumulated profit / (loss)	287,061	(261,198)	(915,479)	(589,274)	589,307	1,483,462
	5,604,697	5,019,899	4,365,618	4,691,823	5,460,805	5,484,960
Surplus on revaluation of leasehold land	589,186	589,186	589,186	589,186	193,886	193,886
Total equity	6,193,883	5,609,085	4,954,804	5,281,009	5,654,691	5,678,846
<b>Non Current Liabilities</b>						
Lease liabilities	343,275	319,547	358,677	-	-	-
Long term borrowings	224,516	411,652	551,405	-	-	-
Deferred income - government grant	29,482	11,724	6,181	-	-	-
Staff retirement benefits	91,625	83,047	69,515	69,345	72,813	79,868
Deferred taxation	193,687	215,492	237,131	246,580	251,028	254,932
	882,585	1,041,462	1,222,909	315,925	323,841	334,800
<b>Current Liabilities</b>						
Trade and other payables	2,652,728	1,692,228	1,195,743	1,037,880	1,643,053	1,305,112
Sales tax payable - net	74,423	-	175,968	87,717	-	65,270
Accrued mark-up	59,654	16,119	34,891	43,385	20,259	4,623
Current portion of lease liabilities	50,530	39,130	30,151	-	-	-
Current maturity of long term borrowings	216,633	308,252	106,506	-	-	-
Current portion of deferred income - government grant	7,151	13,623	11,931	-	-	-
Short term borrowings	568,366	1,083,666	71,297	1,408,152	2,459,687	882,770
Dividend payable	51,155	36,539	-	-	-	-
Unclaimed dividend	40,756	39,579	35,906	37,850	34,722	25,798
Total current liabilities	3,721,396	3,229,136	1,662,393	2,614,984	4,157,721	2,283,573
<b>Total Equity and Liabilities</b>	<b>10,797,864</b>	<b>9,879,683</b>	<b>7,840,106</b>	<b>8,211,918</b>	<b>10,136,253</b>	<b>8,297,219</b>

# Analysis of Financial Statements

## Statement of Financial Position

Particulars	Vertical Analysis						Horizontal Analysis				
	2022	2021	2020	2019	2018	2017	2022 / 2021	2021 / 2020	2020 / 2019	2019 / 2018	2018 / 2017
	-----Percentage-----						-----Percentage-----				
<b>Assets</b>											
<b>Non Current Assets</b>											
Property, plant and equipment	40.3	40.0	52.8	47.8	35.4	38.1	10.0	(4.5)	5.5	9.3	13.7
Intangible assets	0.1	-	-	-	-	-	44.3	100.0	(100.0)	(84.0)	(31.7)
Investments	-	-	-	-	-	-	-	-	-	-	-
Long term loans	-	-	-	-	-	-	39.0	(7.4)	59.0	(26.7)	35.0
Long term deposits	0.2	0.2	0.2	0.2	0.2	0.2	14.5	9.1	(7.9)	(0.6)	21.6
Total non current assets	40.6	40.2	53.0	48.0	35.6	38.3	10.1	(4.4)	5.4	9.2	13.7
<b>Current Assets</b>											
Stores, spares and loose tools	2.9	2.6	2.7	2.7	2.2	2.3	18.7	20.4	(4.4)	2.9	14.1
Stock-in-trade	42.8	39.6	25.5	21.4	26.5	20.6	18.1	95.7	13.6	(34.5)	57.5
Trade debts	7.9	11.1	8.8	13.4	17.3	4.4	(22.2)	57.6	(36.8)	(37.5)	381.1
Loans and advances	0.2	0.2	0.1	0.1	0.1	0.1	(10.4)	130.9	76.9	(64.7)	164.3
Deposits and prepayments	0.5	0.4	0.1	0.3	0.2	0.2	47.9	303.4	(59.6)	44.5	(7.4)
Investments	1.9	1.5	1.8	1.5	8.5	29.7	41.5	5.9	8.8	(85.3)	(65.0)
Accrued mark-up	-	-	-	-	-	-	(100.0)	100.0	-	-	-
Other receivables	-	-	-	0.1	0.1	-	(17.5)	22.0	(70.9)	25.6	71.7
Sales tax receivable - net	-	0.3	-	-	0.3	-	(100.0)	100.0	-	(100.0)	100.0
Taxation - net	1.2	2.1	7.2	7.2	5.4	4.2	(38.4)	(63.2)	(4.6)	8.7	56.8
Cash and bank balances	2.0	2.0	0.8	5.3	3.8	0.2	17.6	315.6	(89.3)	11.1	2,462.9
Total current assets	59.4	59.8	47.0	52.0	64.4	61.7	8.7	60.4	(13.7)	(34.6)	27.4
<b>Total Assets</b>	100.0	100.0	100.0	100.0	100.0	100.0	9.3	26.0	(4.5)	(19.0)	22.2
<b>Equity and Liabilities</b>											
<b>Share Capital and Reserves</b>											
Share capital	2.6	2.5	3.1	3.0	1.7	2.1	15.0	-	-	40.0	-
General reserve	46.7	51.0	64.3	61.3	46.3	46.1	-	-	-	7.2	22.7
Accumulated profit / (loss)	2.7	(2.6)	(11.7)	(7.2)	5.8	17.9	209.9	71.5	(55.4)	(200.0)	(60.3)
	52.0	50.9	55.7	57.1	53.8	66.1	11.6	15.0	(7.0)	(14.1)	(0.4)
Surplus on revaluation of leasehold land	5.5	6.0	7.5	7.2	1.9	2.3	-	-	-	203.9	-
Total equity	57.5	56.9	63.2	64.3	55.7	68.4	10.4	13.2	(6.2)	(6.6)	(0.4)
<b>Non Current Liabilities</b>											
Lease liabilities	3.2	3.2	4.6	-	-	-	7.4	(10.9)	100.0	-	-
Long term borrowings	2.1	4.2	7.0	-	-	-	(45.5)	(25.3)	100.0	-	-
Deferred income - government grant	0.3	0.1	0.1	-	-	-	151.5	89.7	100.0	-	-
Staff retirement benefits	0.8	0.8	0.9	0.8	0.7	1.0	10.3	19.5	0.2	(4.8)	(8.8)
Deferred taxation	1.8	2.2	3.0	3.0	2.5	3.1	(10.1)	(9.1)	(3.8)	(1.8)	(1.5)
	8.2	10.5	15.6	3.8	3.2	4.1	(15.3)	(14.8)	287.1	(2.4)	(3.3)
<b>Current Liabilities</b>											
Trade and other payables	24.3	17.0	15.2	12.7	16.3	15.7	56.8	41.5	15.2	(36.8)	25.9
Sales tax payable - net	0.7	-	2.2	1.1	-	0.8	100.0	(100.0)	100.6	100.0	(100.0)
Accrued mark-up	0.6	0.2	0.4	0.5	0.2	0.1	270.1	(53.8)	(19.6)	114.2	338.2
Current portion of lease liabilities	0.5	0.4	0.4	-	-	-	29.1	29.8	100.0	-	-
Current maturity of long term borrowings	2.0	3.1	1.4	-	-	-	(29.7)	189.4	100.0	-	-
Current portion of deferred income - government grant	0.1	0.1	0.2	-	-	-	(47.5)	14.2	100.0	-	-
Short term borrowings	5.3	11.0	0.9	17.1	24.3	10.6	(47.6)	1,419.9	(94.9)	(42.8)	178.6
Dividend payable	0.5	0.4	-	-	-	-	40.0	100.0	-	-	-
Unclaimed dividend	0.4	0.4	0.5	0.5	0.3	0.3	3.0	10.2	(5.1)	9.0	34.6
Total current liabilities	34.3	32.6	21.2	31.9	41.1	27.5	15.2	94.2	(36.4)	(37.1)	82.1
<b>Total Equity and Liabilities</b>	100.0	100.0	100.0	100.0	100.0	100.0	9.3	26.0	(4.5)	(19.0)	22.2

# 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.

## **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 are not made except to the extent where required.

## **Taxation**

The contribution to national exchequer has decreased since 2017 due to Company's deteriorating profitability along with losses leading the Company to turnover tax. The current taxation charge is on normal taxable business income.

## **Long term loans**

Long term loan of Rs.500 million was obtained during 2019-20 to meet financial obligations for capital expenditures. The 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, and Temporary Economic Refinance Facility (TERF) from SBP amounting to Rs.74 million. During the year principal repayments were made amounting to Rs.349 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	2022	2021	2020	2019	2018	2017
Sales	25,029,244	19,955,087	12,546,152	12,773,113	18,332,861	17,169,908
Cost of sales	(22,308,266)	(17,673,951)	(11,667,365)	(12,506,602)	(16,330,483)	(14,205,436)
Gross profit	2,720,978	2,281,136	878,787	266,511	2,002,378	2,964,472
Distribution cost	(806,068)	(651,508)	(487,020)	(598,645)	(721,325)	(606,223)
Administrative expenses	(303,686)	(256,665)	(181,626)	(221,352)	(245,055)	(305,430)
Other income	34,747	50,722	32,601	385,464	73,988	249,161
Other expenses	(118,870)	(90,225)	(38,261)	(43,546)	(160,045)	(168,613)
Profit / (loss) from operations	1,527,101	1,333,460	204,481	(211,568)	949,941	2,133,367
Finance cost	(389,439)	(138,416)	(348,496)	(213,222)	(117,845)	(68,170)
Profit / (loss) before tax	1,137,662	1,195,044	(144,015)	(424,790)	832,096	2,065,197
Taxation	(448,225)	(299,070)	(183,084)	(167,673)	(241,502)	(588,571)
Profit / (loss) after tax	689,437	895,974	(327,099)	(592,463)	590,594	1,476,626

Particulars	Vertical Analysis						Horizontal Analysis				
	2022	2021	2020	2019	2018	2017	2022 / 2021	2021 / 2020	2020 / 2019	2019 / 2018	2018 / 2017
	-----Percentage-----						-----Percentage-----				
Sales	100.0	100.0	100.0	100.0	100.0	100.0	25.4	59.1	(1.8)	(30.3)	6.8
Cost of sales	(89.1)	(88.6)	(93.0)	(97.9)	(89.1)	(82.7)	26.2	51.5	(6.7)	(23.4)	15.0
Gross profit	10.9	11.4	7.0	2.1	10.9	17.3	19.3	159.6	229.7	(86.7)	(32.5)
Distribution cost	(3.2)	(3.3)	(3.9)	(4.7)	(3.9)	(3.5)	23.7	33.8	(18.6)	(17.0)	19.0
Administrative expenses	(1.2)	(1.3)	(1.4)	(1.7)	(1.3)	(1.8)	18.3	41.3	(17.9)	(9.7)	(19.8)
Other income	0.1	0.3	0.3	3.0	0.4	1.5	(31.5)	55.6	(91.5)	421.0	(70.3)
Other expenses	(0.5)	(0.5)	(0.3)	(0.3)	(0.9)	(1.0)	31.7	135.8	(12.1)	(72.8)	(5.1)
Profit / (loss) from operations	6.1	6.6	1.7	(1.6)	5.2	12.5	14.5	552.1	196.7	(122.3)	(55.5)
Finance cost	(1.6)	(0.7)	(2.8)	(1.7)	(0.6)	(0.4)	181.4	(60.3)	63.4	80.9	72.9
Profit / (loss) before tax	4.5	5.9	(1.1)	(3.3)	4.6	12.1	(4.8)	929.8	66.1	(151.1)	(59.7)
Taxation	(1.8)	(1.5)	(1.5)	(1.3)	(1.3)	(3.4)	49.9	63.4	9.2	(30.6)	(59.0)
Profit / (loss) after tax	2.7	4.4	(2.6)	(4.6)	3.3	8.7	(23.1)	373.9	44.8	(200.3)	(60.0)

# Comments on Six Years' Statement of Profit and Loss

## Sales

Sales have witnessed a cumulative average increase of 7.8% in the last 6 years as the demand for heavy and medium sized batteries for UPS, solar and generators have started to gain momentum after a decline witnessed during 2018-19 and 2019-20.

## Cost of Sales

Cost of sales remained almost consistent except for 2018-19 and 2019-20. 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 as compared to last year.

## Gross Profit

Current year's gross profit margin decreased to 10.9% as against last year's 11.4% mainly due to increase 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 the sales during last six years.

## Finance Cost

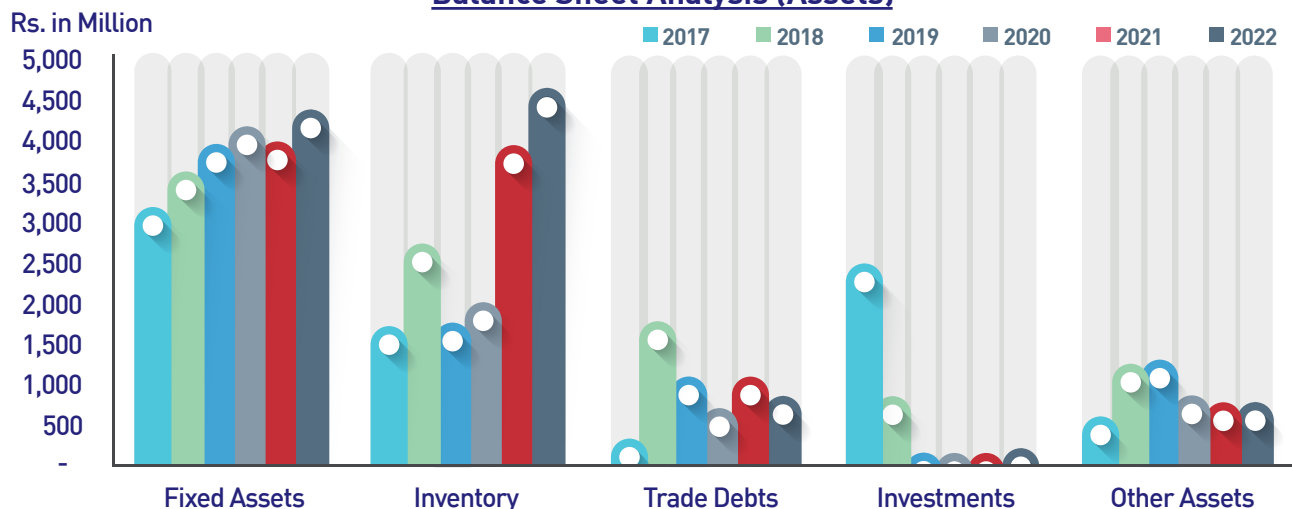
Finance cost is directly correlated to borrowings. During the current year, increase in interest rates besides higher financing requirements has led to significant increase in finance costs.

## Profit After Taxation

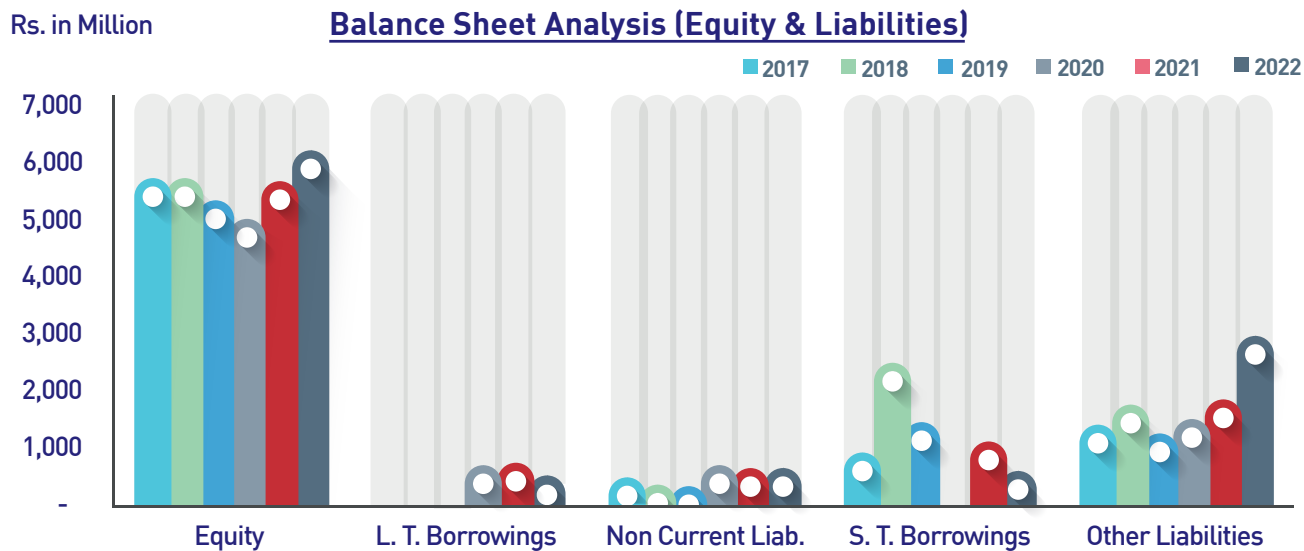
The increased finance costs and surge in raw material prices decline the profit after tax as compare to last year.

# Analysis of Financial Statements

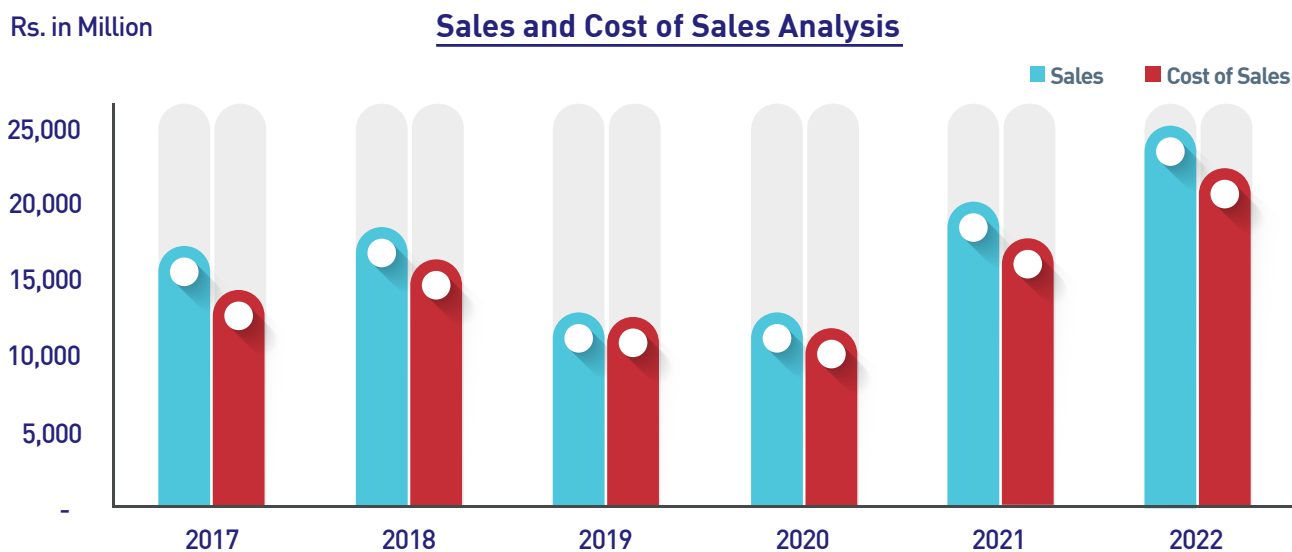
## Balance Sheet Analysis (Assets)



## Balance Sheet Analysis (Equity & Liabilities)



## Sales and Cost of Sales Analysis



# Analysis of Financial Statements

## Statement of Cash Flows

(Rupees in '000)

Particulars	2022	2021	2020	2019	2018	2017
Cash flow from:						
- operating activities	1,777,558	(452,660)	519,380	437,193	(1,458,876)	1,525,082
- investing activities	(781,537)	(200,192)	(159,104)	827,681	848,334	(1,437,598)
- financing activities	(962,809)	796,458	(738,418)	(1,222,405)	976,849	(117,868)
Increase / (decrease) in cash & cash equivalents	33,212	143,606	(378,142)	42,469	366,307	(30,384)

Particulars	Vertical Analysis						Horizontal Analysis				
	2022	2021	2020	2019	2018	2017	2022 / 2021	2021 / 2020	2020 / 2019	2019 / 2018	2018 / 2017
	-----Percentage-----						-----Percentage-----				
Cash flow from:											
- operating activities	5,352.2	(315.2)	(137.4)	1,029.4	(398.3)	(5,019.3)	492.7	(187.2)	18.8	130.0	(195.7)
- investing activities	(2,353.2)	(139.4)	42.1	1,948.9	231.6	4,731.4	(290.4)	(25.8)	(119.2)	(2.4)	159.0
- financing activities	(2,899.0)	554.6	195.3	(2,878.3)	266.7	387.9	(220.9)	207.9	39.6	(225.1)	928.8
Increase / (decrease) in cash & cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	(76.9)	138.0	(990.4)	(88.4)	1,305.6

## Free Cash Flows

(Rupees in '000)

Particulars	2022	2021	2020	2019	2018	2017
Profit / (loss) before tax	1,137,662	1,195,044	(144,015)	(424,790)	832,096	2,065,197
Adjustment for non-cash items	797,649	527,270	732,754	202,363	445,730	141,744
Working capital changes	(157,753)	(2,174,974)	(69,359)	659,620	(2,736,702)	(681,859)
	1,777,558	(452,660)	519,380	437,193	(1,458,876)	1,525,082
Less: Capital expenditure	(754,887)	(233,438)	(207,885)	(636,972)	(774,584)	(793,782)
Free cash flows	1,022,671	(686,098)	311,495	(199,779)	(2,233,460)	731,300



# Direct Cash Flow Statement

Particulars	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	25,464,017	19,548,443
Less: Cash paid to:		
Suppliers / service providers and employees	(23,010,631)	(19,724,781)
Workers funds	(90,038)	-
Sales tax payable / (receivable) - net	104,097	(205,642)
Finance cost paid	(292,780)	(105,584)
Income taxes paid / (receipt)	(386,882)	37,119
Retirement benefits	(6,839)	(9,908)
Loans, deposits and other income - net	(3,386)	7,693
	(23,686,459)	(20,001,103)
<b>Net cash generated from / (used in) operating activities</b>	1,777,558	(452,660)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditures	(754,887)	(233,438)
Proceeds from sale of operating fixed assets	19,750	22,941
Additions in intangible assets	(4,125)	(4,424)
Payment for investments	(61,823)	(517,654)
Proceeds from sale of investments	432	511,617
Dividend received	19,116	20,766
<b>Net cash used in investing activities</b>	(781,537)	(200,192)
<b>Net cash generated / (used) before financing activities</b>	996,021	(652,852)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(98,394)	(81,755)
Long term borrowings obtained	81,568	256,221
Long term borrowings paid	(349,037)	(186,992)
Short term borrowings - net	(515,300)	1,012,369
Dividend paid	(81,646)	(203,385)
<b>Net cash (used in) / generated from financing activities</b>	(962,809)	796,458
<b>Net increase / (decrease) in cash and cash equivalents</b>	33,212	143,606
Cash and cash equivalents - at beginning of the year	189,113	45,507
<b>Cash and cash equivalents - at end of the year</b>	222,325	189,113

# Liquidity Management and Cash Flow Strategy

## Liquidity and Cash Flow Analysis

An increase of Rs.33 million was witnessed in cash generated from various activities of the Company as compared to net increase of Rs.144 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.1,778 million as against Rs.453 million utilized 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.782 million as compared to Rs.200 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.82 million and repaid loan tranches amounting to Rs.349 million. The Company also paid dividend of Rs.82 million during the year. Further, the Company obtained net short term borrowings of Rs.515 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.568 million at year end compared to previous year's Rs.1,084 million. Letters of credit lines up to Rs.1,650 million are available against lien on shipping documents. Long term loans stood at Rs.478 million at year end as compared to Rs.745 million during previous year.

## Strategy to Overcome Liquidity Problem

The Company has short term running finance arrangements up to Rs.6.6 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.569 million and long term loan of Rs.478 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.

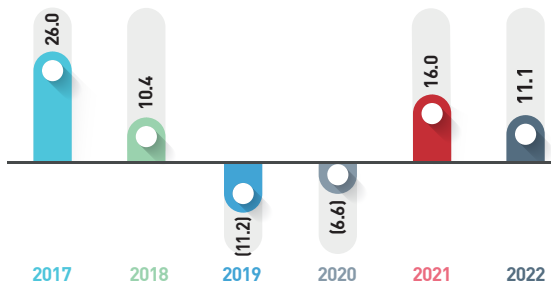
There was no default in payment of debts during the year.

# Financial Ratios

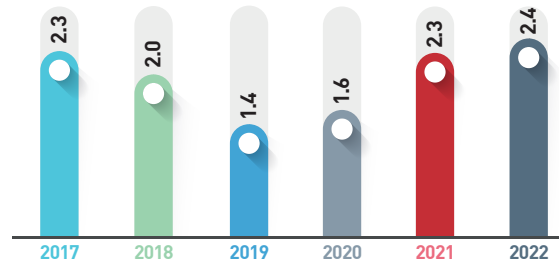
Particulars	2022	2021	2020	2019	2018	2017
<b>Profitability Ratios</b>						
Gross profit (%)	10.9	11.4	7.0	2.1	10.9	17.3
Profit before tax (%)	4.5	5.9	(1.1)	(3.3)	4.6	12.1
Profit after tax (%)	2.7	4.4	(2.6)	(4.6)	3.3	8.7
Return on capital employed (%)	21.6	20.1	3.3	(3.8)	15.9	35.5
Earnings before interest, tax, depreciation & amortization (EBITDA) (Rs. in million)	1,944	1,733	572	106	1,245	2,396
EBITDA Margin (%)	7.8	8.7	4.6	0.8	6.8	14.0
Operating leverage (%)	57.1	934.9	11,067.3	403.2	(819.0)	44.3
<b>Return to Shareholders</b>						
Return on equity - before tax (%)	18.4	21.3	(2.9)	(8.0)	14.7	36.4
Return on equity - after tax (%)	11.1	16.0	(6.6)	(11.2)	10.4	26.0
Return on assets (%)	6.4	9.1	(4.2)	(7.2)	5.8	17.8
Earnings per share (basic) (Rs.)	24.61	36.78	(13.43)	(24.32)	33.94	84.86
Earnings per share (diluted) (Rs.)	24.61	31.98	(13.43)	(24.32)	24.24	84.86
Price earning ratio (Times)	7.0	8.6	(12.5)	(3.9)	12.1	10.6
Price to book ratio (Times)	0.8	1.4	0.8	0.4	1.3	2.8
Market price - at year end (Rs.)	171.9	315.9	168.1	96.1	410.0	900.0
Market price - highest during the year (Rs.)	422.0	320.0	194.8	495.0	890.0	1,005.0
Market price - lowest during the year (Rs.)	150.1	168.5	68.4	61.9	370.0	590.0
Break-up value per share:						
- without surplus on revaluation (Rs.)	200.1	206.1	179.2	192.6	313.8	315.2
- with surplus on revaluation (Rs.)	221.2	230.3	203.4	216.8	325.0	326.4
<b>Dividend</b>						
Cash dividend (%)	125.0	140.0	-	-	100.0	350.0
Stock dividend (%)	25.0	15.0	-	-	40.0	-
Cash & stock dividend (%)	150.0	155.0	-	-	140.0	350.0
Dividend yield (%)	8.7	4.9	-	-	3.4	3.9
Dividend cover (Times)	1.6	2.4	-	-	2.4	2.4
Dividend pay out (%)	60.9	42.1	-	-	41.2	41.2
Plough back ratio (%)	39.1	57.9	-	-	58.8	58.8
Dividend yield (cash) (%)	7.3	4.4	-	-	2.4	3.9
Dividend cover (cash) (Times)	2.0	2.6	-	-	3.4	2.4
Dividend pay out (cash) (%)	50.8	38.1	-	-	29.5	41.2
Plough back ratio (cash) (%)	49.2	61.9	-	-	70.5	58.8
<b>Asset Utilization</b>						
Total assets turnover (Times)	2.4	2.3	1.6	1.4	2.0	2.3
Fixed assets turnover (Times)	6.0	4.9	3.1	3.4	5.4	5.9
Inventory turnover (Times)	4.9	5.5	5.6	5.1	6.8	7.2
Trade debts turnover (Times)	25.8	22.4	14.0	9.0	17.3	70.9
Trade creditors turnover (Times)	10.3	12.2	10.4	9.3	11.1	11.5
Capital employed turnover (Times)	3.6	3.1	2.1	2.2	3.1	3.2
<b>Operating Cycle</b>						
Inventory holding period (No. of Days)	74	66	66	71	54	51
Trade debts collection period (No. of Days)	14	16	26	41	21	5
Trade creditors payment period (No. of Days)	(36)	(30)	(35)	(39)	(33)	(32)
Operating cycle (No. of Days)	52	52	57	73	42	24
<b>Liquidity / Leverage</b>						
Current ratio (Times)	1.7	1.8	2.2	1.6	1.6	2.2
Quick ratio (Times)	0.4	0.5	0.9	0.9	0.9	1.4
Cash to current liabilities (Times)	0.1	0.1	0.0	0.2	0.1	0.0
Cash flow from operations to sales (%)	7.1	(2.3)	4.1	3.4	(8.0)	8.9
Weighted average cost of debt (pre-tax) (%)	7.0	6.1	5.9	-	-	-
Financial leverage ratio (Times)	0.2	0.3	0.2	0.3	0.4	0.2
Long term debt to equity (book value) (Times)	0.1	0.1	0.1	-	-	-
Long term debt to equity (market value) (Times)	0.1	0.1	0.2	-	-	-
Total liabilities to equity (Times)	0.7	0.8	0.6	0.6	0.8	0.5
Interest coverage ratio (Times)	3.9	9.6	0.6	(1.0)	8.1	31.3

# Six Years Analysis of Financial Ratios

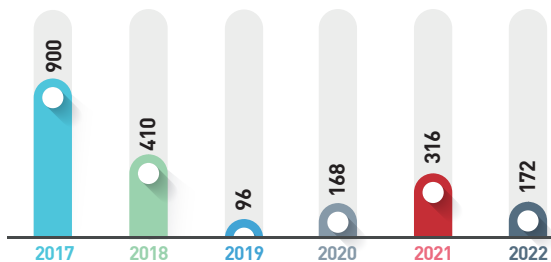
**Return on equity (after tax)**  
(Percentage)



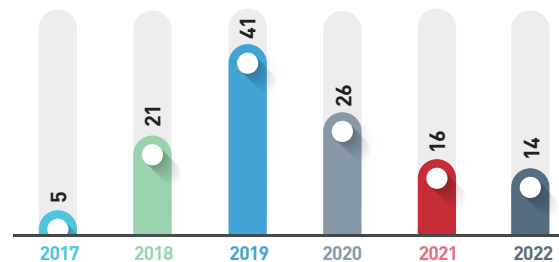
**Total assets turnover**  
(Times)



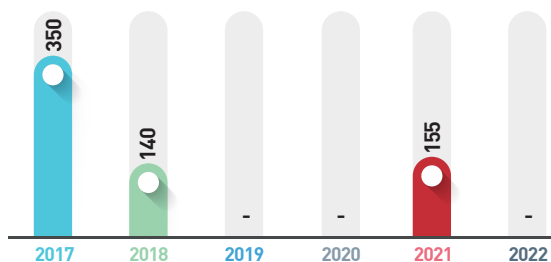
**Market Price (at year end)**  
(Rupees)



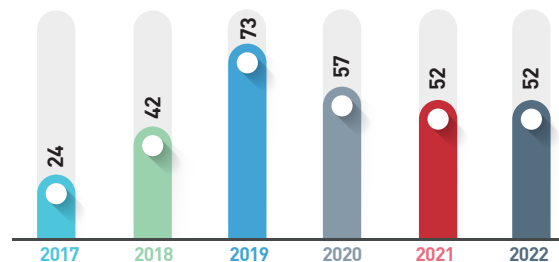
**Trade debtors period**  
(No. of Days)



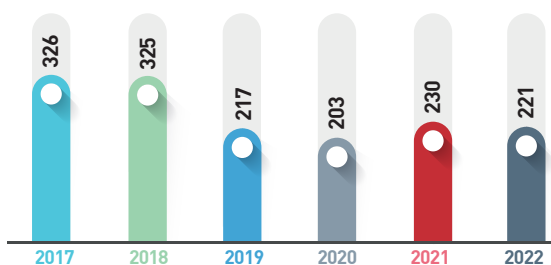
**Cash & stock dividends**  
(Percentage)



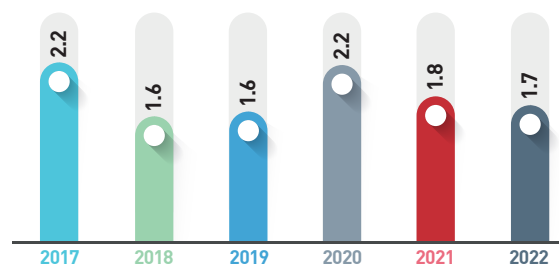
**Operating cycle**  
(No. of Days)



**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 10.9% as compared to 11.4% last year. Decrease in gross profit margin was mainly due to increase in cost of sales. Company earned profit after tax of Rs.689 million as compared to profit after tax of Rs.896 million last year.

## Return to Shareholders and Dividend

The earnings per share stood at Rs.24.61 per share as compared to Rs.31.98 per share last year. Likewise, company's break-up value per share stood at Rs.221.1 at year end as compared to Rs.230.3 of last year.

## Operating cycle

Operating cycle is same as of last year.

## Liquidity / Leverage

The liquidity ratios are slightly down 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

The demand for batteries surged post lock down. In particular, heavy and medium sized batteries witnessed significant growth due to hot weather conditions, lack of electricity transmission and preference for cost efficient renewable energy alternatives.

## Future Prospects

The country witnessed growth prospects and improved business sentiments during this year. However, driven by rising global commodity prices coupled with political instability, economic indicators have started showing signs of weakness in last quarter of the year under review. The volatile geopolitical situation may further aggravate supply chain bottlenecks.

Keeping in view the current socio-political and economic situation and shortage of electricity, the demand for your Company's products is expected to remain on track. However, with the rising cost pressures, maintaining market share as well as ensuring reasonable margins will be a challenge. The management is focused on managing costs, maintaining high quality of products and services and improving market penetration. Smart investments to improve 5S, HSE, information technology and engineering & development will also be focus in order to enhance business efficiency. This will also help improve technology and development of new products. 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' demand 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 and effluent water treatment plant / recycling plant. These all were in line with Company's strategic objectives of upgrading HSE up to international standards, product innovation and enhanced productivity. The Company realizes the significance of continuous investment and innovation for delivering sustainable value to its shareholders. The Company will continue to invest for improvement in productivity, HSE and maximize utility savings.

## Source of Information and Assumptions Used for Projections / Forecasts

The projections and forecasts depend on 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

The prime focus is on curbing costs and launching of new innovative products including Maintenance Free, SP tall and deep cycle batteries, specifically made for vehicles, solar panels and UPS.

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 keeping our products available according to the customers' demand. A seasonal slowdown in demand is usually observed in the winter as demand of heavy batteries slows down.

# 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 raw materials which forms 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



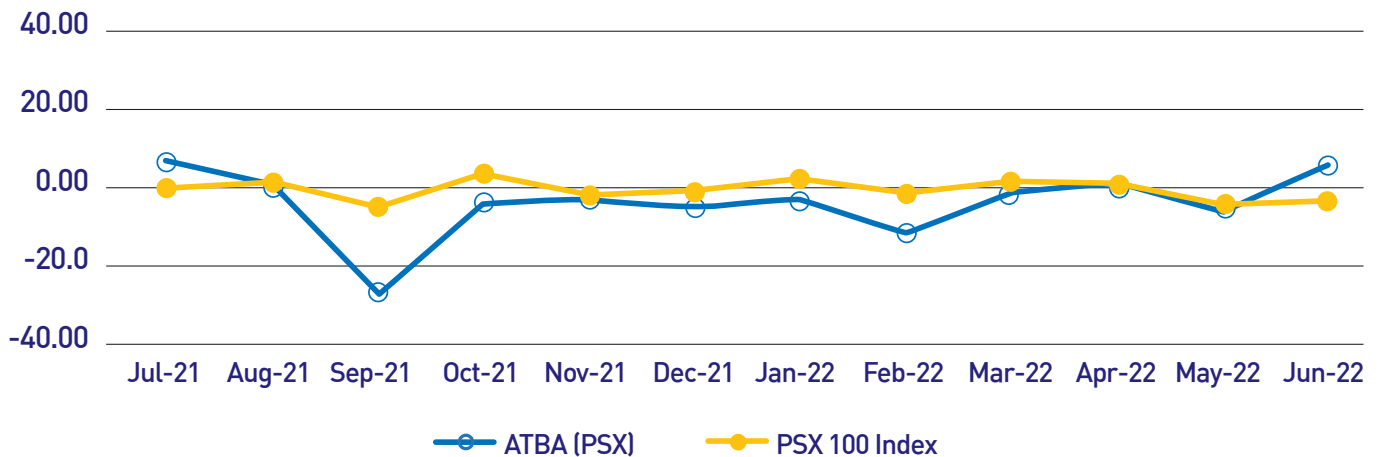
Investor sentiment or confidence can cause the market to go up or down, which can cause stock prices to rise or fall. The general direction which may be bullish or bearish may affect the value of a stock.

### Interest Rates



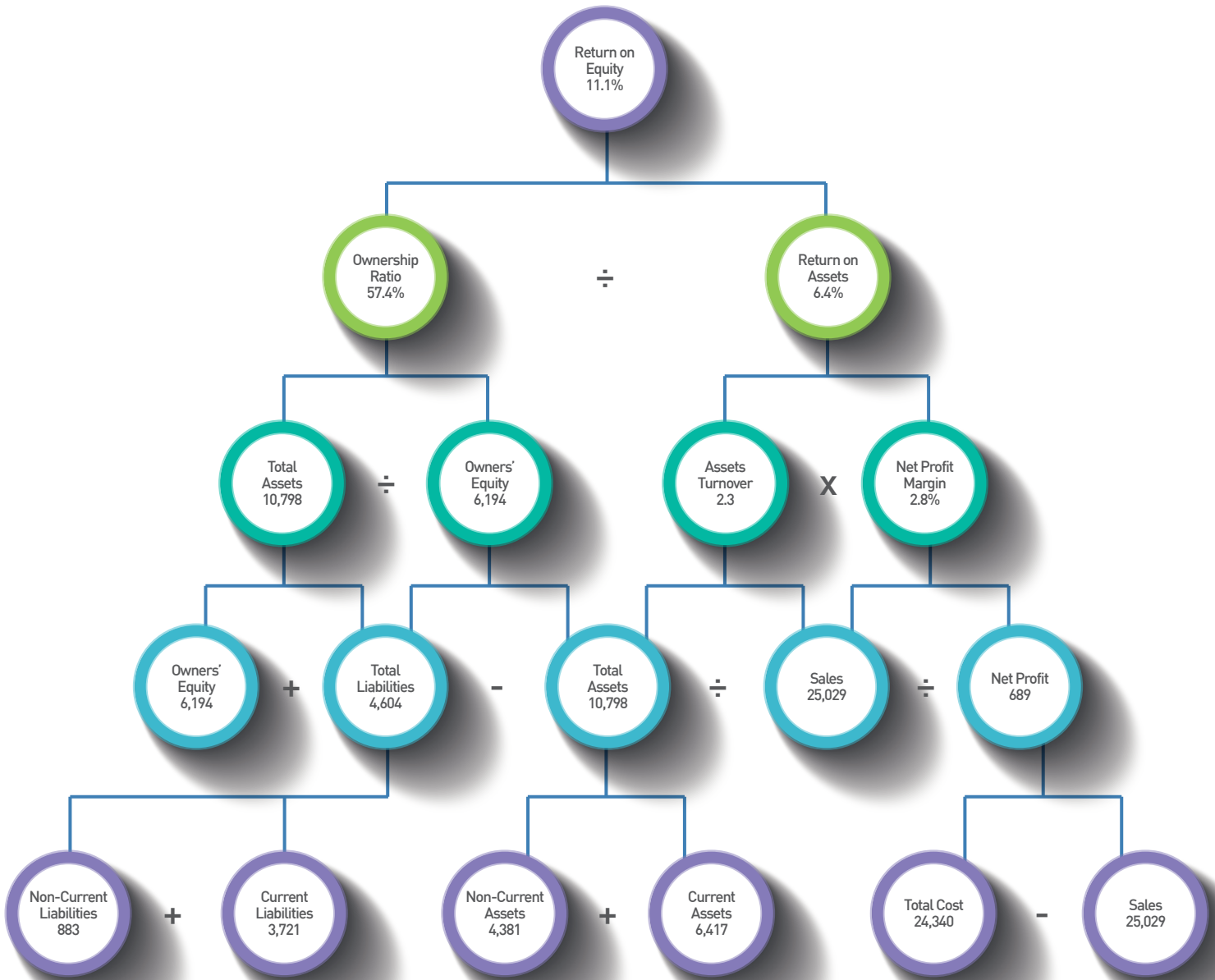
Change in interest rates by SBP directly affects investor's decisions correlatively share price.

## Sensitivity Index



# DUPONT ANALYSIS

Rupees in Million

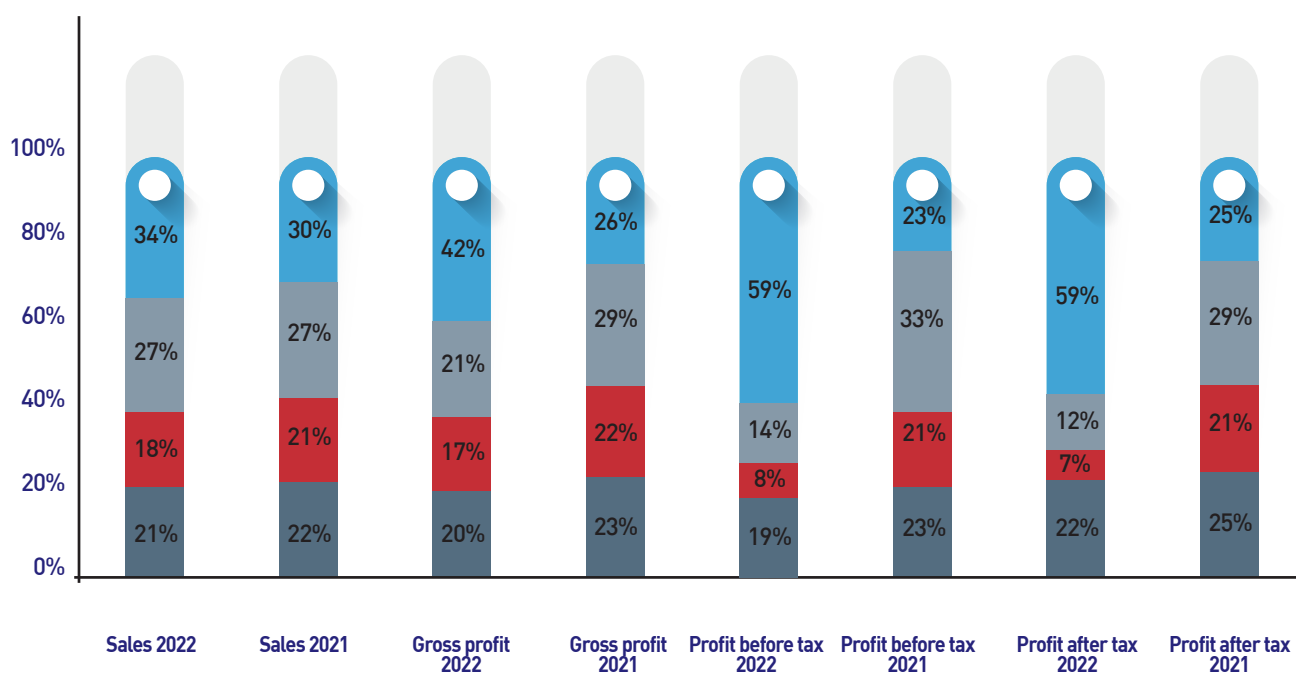


# Quarterly Performance Analysis

Particulars	2022					2022 / 2021				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
	-----Rupees in '000-----					----- (Percentage %) -----				
Sales	5,293,116	4,545,984	6,655,292	8,534,852	25,029,244	19.6	6.3	22.7	46.4	25.4
Cost of sales	(4,752,845)	(4,070,797)	(6,071,253)	(7,413,371)	(22,308,266)	21.8	7.7	27.6	41.7	26.2
Gross profit	540,271	475,187	584,039	1,121,481	2,720,978	2.9	(3.8)	(12.1)	87.7	19.3
Distribution cost	(172,773)	(192,605)	(194,385)	(246,305)	(806,068)	18.7	24.8	14.9	35.0	23.7
Administrative expenses	(71,772)	(73,893)	(67,127)	(90,894)	(303,686)	19.5	29.9	5.8	19.2	18.3
Other income	5,871	10,429	7,066	11,381	34,747	(65.8)	(34.0)	(53.7)	357.1	(31.5)
Other expenses	(41,066)	(20,405)	(15,985)	(41,414)	(118,870)	36.3	31.9	(37.0)	115.4	31.7
Profit from operations	260,531	198,713	313,608	754,249	1,527,101	(14.9)	(29.8)	(25.7)	134.2	14.5
Finance cost	(42,782)	(106,122)	(154,407)	(86,128)	(389,439)	39.3	197.5	364.3	122.0	181.4
Profit before tax	217,749	92,591	159,201	668,121	1,137,662	(21.0)	(62.6)	(59.0)	135.9	(4.8)
Taxation	(63,619)	(41,619)	(73,069)	(269,918)	(448,225)	17.9	(28.0)	(44.4)	381.9	49.9
Profit after tax	154,130	50,972	86,132	398,203	689,437	(30.5)	(73.1)	(66.5)	75.2	(23.1)
Basic earnings per share - (Rupees)	5.50	1.82	3.07	14.22	24.61					
<b>Profitability Ratios (%)</b>										
Gross profit	10.2	10.5	8.8	13.1	10.9					
Profit before tax	4.1	2.0	2.4	7.8	4.5					
Profit after tax	2.9	1.1	1.3	4.7	2.7					

## Quarterly Performance Analysis

■ 1st Qtr. ■ 2nd Qtr. ■ 3rd Qtr. ■ 4th Qtr.



# EXTRAORDINARY BATTERIES FOR EXTRAORDINARY VEHICLES

AGS provides heavy vehicles the strength they need for diverse terrains and weather conditions to ensure a powerful driving force.





# Chairman's Review

I am pleased to present the 56th Annual Report of your Company for the year ended June 30, 2022 together with the Auditors' Report.

## The Economy

The economy is currently undergoing a severe correction, triggered by both internal and external factors. Although, revival of domestic activities remained on track during the preceding quarter, the deteriorating balance of payment position and surging inflation necessitated a tighter fiscal stance and tightening of monetary policy. The GDP growth of nearly 6%, therefore, appears unrealistic for ensuing quarters. On the external front, the current account deficit for FY-22 stood at USD 17.4 billion as compared to USD 2.8 billion last year. It was primarily driven by higher trade deficit as growth in imports picked up sharply by 32.8%. The rise in imports was due to a significant surge in global commodity (food and energy) prices on account of geopolitical situation and higher machinery imports under Temporary Economic Refinance Facility. The trade deficit was partially offset by workers' remittances, which was recorded at USD 31.2 billion, up by 6.1% as compared to the last year. Import led pressures, along with concerns of approaching debt repayments, caused decline in PKR which lost value to close at PKR 206 / USD by June 30, 2022, touching a peak of Rs.240 to a USD in July 2022. The recent withdrawal of energy and fuel subsidies and significant increase in food and commodity prices caused inflation to reach a 14-year high of 21.3% in June 2022. To curb inflation, the Central bank has raised the policy rate to 15%, an increase of 800 basis points since September 2021.

Revenue collections for the year stood at Rs.6.1 trillion, a healthy growth of 29.1% over last year, driven by broad based and above target increase in tax collections. Going forward, in an attempt to narrow the fiscal deficit, the Government through Finance Act, 2022 has proposed imposition of further taxes and withdrawal of certain tax credits. Fiscal containment measures deployed by the Central bank, inflows from China and the conclusion of Agreement with IMF are expected to provide much needed respite to the external position.

During the last quarter of FY-22, the agriculture sector recorded a steady growth of 4.4% with encouraging production of major crops. The growth is mainly driven by a comfortable input situation due to better supply of improved seeds, agriculture credit, fertilizers, and insecticides / pesticides. Moreover, surge in prices of agricultural products and timely subsidies have contributed to surplus liquidity with improved farm incomes. Thus, demand for consumer durables remained buoyant especially in the rural areas.

Large Scale Manufacturing (LSM) represents nearly 80% of the Country's total manufacturing, accounting for approximately 11% of national output. During the year, LSM grew by an encouraging 13.0% as major sectors posted an increase in output as compared to 2.7% last year. The expansion of LSM also appeared to be broad based with 17 out of 22 sectors of LSM witnessing growth. Looking ahead, growth is expected to moderate on the back of monetary tightening and fiscal consolidation, helping to close the positive output gap and diminish demand-side pressures. This will pave the way for higher growth on a more sustainable basis.

## Review of Automobile Industry

Automobile sector rebounded during the year which is attributable mainly to stability in macroeconomic environment and the dilution of the effects of the pandemic, enhancing the purchasing power of customers. With a range of new entrants, the automobile industry was well positioned for further expansion before the current political and economic instability. Despite a significant price increase, sale of locally manufactured cars witnessed a growth of 54.9% in FY-22 to 234,180 units as against 151,182 units sold in FY-21. Similarly, the tractors segment witnessed

an increase of 15.8% to 58,947 units as against 50,920 units last year, while the sales of trucks and buses also increased by 49.5% over last year. However, the sales of motorcycles and three wheelers (of assemblers, who are registered with PAMA) during FY-22 decreased by 4.3% with sales of 1,821,885 units as against 1,903,932 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 healthy growth. Likewise, the country experienced 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 maintaining quality, introducing innovative products and providing meaningful after sales service.

## Operating Results

During FY-22, your Company achieved sales of Rs.25.0 billion as compared to Rs.19.9 billion in FY- 21, up 25.4%. This increase was mainly due to demand of batteries in the replacement market. Cost of sales was registered at Rs.22.3 billion as compared to Rs.17.7 billion, up 26.2% consistent with improvement in sales mix and volume. This resulted in gross profit of Rs.2,721 million as compared to Rs.2,281 million during last year, up 19.3%.

Operating expenses stood at Rs.1,110 million as compared to Rs.908 million, up 22.2%. The operating profit increased to Rs.1,527 million as compared to Rs.1,333 million of last year. Finance cost increased to Rs.389 million from Rs.138 million owing to increase in mark-up rates and working capital requirement.

Profit before tax stood at Rs.1,138 million as compared to Rs.1,195 million last year. After providing Rs.448 million for taxation including Rs.122 million for super tax, the profit after tax stood at Rs.689 million as compared to Rs.896 million of last year. Earnings per share stood at Rs.24.61 as compared to Rs.31.98 of last year.

## Contribution to National Exchequer

Your Company contributed Rs.5.4 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 21.5% 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 generated from operations by your Company was Rs.1,778 million as against net cash used in operation of Rs.453 million last year. This deviation was mainly due to decrease in trade debts and increase in trade & other payables.

## Future Prospects

The country witnessed growth prospects and improved business sentiments during the year. However, driven by rising global commodity prices coupled with political instability, economic indicators have started showing signs of weakness in last quarter of the year under review. The volatile geopolitical situation may further aggravate supply chain bottlenecks.

Keeping in view the current socio-political and economic situation and shortage of electricity, the demand for your Company's products is expected to remain modest. However, with rising cost pressures, maintaining market share as well as ensuring reasonable margins will remain a challenge. Smart investments to improve HSE, production process, information technology and engineering & development will be focused to enhance business efficiency. Moreover, improvement in human resource capabilities through regular trainings and skills enhancement programs will continue as regular features.

Capitalizing 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. For achieving these objectives, the "Atlas Way" will continue to remain the guiding principles of your Company's business philosophy.

عزیمیاں نمایاں ارم دیکھتے ہیں  
(We foresee bright prospects)

## 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.

I would also 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.



Amir H. Shirazi  
Chairman

Karachi: August 29, 2022



# 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, 2022. The Directors' Report, prepared under Section 227 of the Companies Act, 2017 will be put forward to the members at the 56th Annual General Meeting of the Company to be held on September 29, 2022.

## Operating Results

The operating results of the Company are summarized as follows:

	<b>2022</b>	2021
	<b>---Rupees in '000'---</b>	
Profit before tax	1,137,662	1,195,044
Less: Provision for taxation:		
Current year	469,132	307,327
Prior year	(2,043)	14,159
Deferred	(18,864)	(22,416)
	447,225	299,070
Profit after taxation	689,437	895,974

## Dividends and Appropriations

The directors have recommended a cash dividend of Rs. 12.50 per share (2021: Rs. 14.00 per share) and bonus shares at the rate of 25% (2021: 15%). Accordingly, the following appropriations have been made:

	<b>2022</b>	2021
	<b>---Rupees in '000'---</b>	
Appropriations		
Interim Cash Dividend @ Nil% (2021: 100%)	-	243,597
Final Cash Dividend @ 125% (2021: 40%)	350,170	97,439
Reserve for Issuance of Bonus Shares @ 25% (2021: 15%)	70,034	36,539
Total	420,204	377,575

## Earnings Per Share

The basic and diluted earnings per share after tax is Rs.24.61 (2021: Rs.31.98 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, 2022 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 frame work.

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

As required by the 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	√	-	4/5	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	√	-	5/5	4/4	-
5.	Ms. Mehreen Amin	1	Elected w.e.f. May 21, 2020	No	-	√	3/5	-	1/1
6.	Mr. Toru Furuya	1	Re-elected w.e.f. May 21, 2020	No	-	-	4/5	-	-
7.	Mr. Ali H. Shirazi	5	Re-elected w.e.f. May 21, 2020	Yes	-	√	5/5	-	1/1

## 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. During the year, Company has donated Rs.12.0 million to Atlas Foundation.

## Contribution to National Exchequer

The Company contributed Rs.5.4 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 21.5% 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](http://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. For information on remuneration of directors and CEO, please refer notes to financial statements.

## 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, 2022 is as follows:

Particulars	Rupees in Million
– Provident Fund	119.6
– Gratuity Fund	99.7

## 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, 2022 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, 2022 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, 2023. Subsequently, Board of Directors has recommended re-appointment as Auditors of the Company and their remuneration for the year ending June 30, 2023.

## 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](http://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 29, 2022

30 جون 2022 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، کمپنی کی جانب سے کی جانے والی مختلف سرگرمیوں کو اجاگر کرنے کے علاوہ، صحت، تحفظ، ماحولیات اور کارپوریٹ سماجی ذمہ داریوں کے حوالے سے اٹھائے گئے اقدامات کا بھی احاطہ کیا گیا ہے۔

### اسٹیٹمنٹ برائے ویلویو ایڈیشن اور ڈسٹری بیوشن اور خطرے سے بچاؤ پر رپورٹ

اس رپورٹ کے ساتھ 'اسٹیٹمنٹ آف ویلویو 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 شائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اپنے عہدے کی میعاد پوری کر چکے ہیں اور بر بنائے اہلیت 30 جون 2023 کو ختم ہونے والے سال کے لیے خود کو تفریق کے لیے دوبارہ پیش کر رہے ہیں۔ کمپنی کی آڈٹ کمیٹی نے ان کی 30 جون 2023 کو مکمل ہونے والے سال کے لیے بطور کمپنی آڈیٹرز دوبارہ تقرری اور ان کے معاوضے کی تجویز دی ہے، بعد میں بورڈ آف ڈائریکٹرز نے ان کی 30 جون 2023 کو مکمل ہونے والے سال کے لیے بطور کمپنی آڈیٹرز دوبارہ تقرری اور ان کے معاوضے کی تجویز دی ہے۔

### مراصلات

حصص داران سے روابط اور بات چیت کمپنی کی اولین ترجیح ہے۔ کمپنی نے 2017 میں واضح کردہ وقت کے مطابق انہیں سالانہ، ششماہی اور سہ ماہی رپورٹس ارسال کی گئی ہیں۔ کمپنی کی اپنی ویب سائٹ [www.abl.atlas.pk](http://www.abl.atlas.pk) ہے۔ جہاں کمپنی کی تمام سرگرمیاں، مالیاتی گوشوارے اور نوٹس/اعلانات وغیرہ موجود ہیں

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے



علی اسج شیرازی  
پریذیڈنٹ / چیف ایگزیکٹو

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے



اعظم فاروق  
ڈائریکٹر

کراچی: 29 اگست 2022

## 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 کمیٹی 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 امور میں سفارشات مہیا کرتی ہے۔ یہ طویل المدت منصوبہ بندی کا جائزہ لینے، کیپٹل اور اخراجات کی بجٹ سازی اور کاروباری امور کی قیادت سمجھاتی ہے۔ یہ کمیٹی انجام دیئے جانے والے امور کی مناسبت سے تشکیل دی جاتی ہیں 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 معاوضے کی اہم خصوصیات

بورڈ آف ڈائریکٹرز نے کمیٹی کے معاملات میں ان کی ذمہ داری کے لحاظ سے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لیے ایک پالیسی کی منظوری دی ہے۔ یہ معاوضہ ان کی ذمہ داریوں اور مہارت کے مطابق ہے جو کامیابی کے ساتھ کمیٹی کی قیادت اور ان سے کمیٹی کی قدر میں اضافے کی حوصلہ افزائی کے لیے درکار ہے۔

کمیٹی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ کوئی معاوضہ ادا نہیں کرتی، ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی منظوری بورڈ کے ذریعے دی جاتی ہے جیسا کہ انسانی وسائل اور معاوضہ کمیٹی نے تجویز کی ہے۔ ڈائریکٹرز اور سی ای او کے معاوضے کی معلومات کے لیے براہ کرم مالیاتی گوشواروں کے نوٹس کا جائزہ لیں۔

## ملازمین کو سبکدوشی پر ملنے والے فوائد

کمیٹی 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
  - رضا کارانہ پنشن سسٹم قواعد 2005 یعنی اٹلس پنشن فنڈ اور اٹلس پنشن اسلامک فنڈ کے تحت رضا کارانہ پنشن اسکیمیں جو کہ اٹلس ایسٹ 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۔

کمیٹی اپنے مینجمنٹ ملازمین کے لیے نان کنٹریبیوٹری گریجویٹ فنڈ اسکیم بھی پیش کرتی ہے۔

انویسٹمنٹ کی مالیت غیر پڑتا ہوا شدہ اکاؤنٹس کی بنیاد پر مورخہ 30 جون 2022 تک مندرجہ ذیل ہے۔

تفصیلات	روپے بلین میں
پروویڈنڈ فنڈ	119.6
گریجویٹ فنڈ	99.7

## آپریٹنگ اور مالیاتی ڈیٹا

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

## کمیٹی ریکارڈز کی حفاظت

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

## شیئر ہولڈنگ کا پیٹرن

30 جون 2022 کے مطابق شیئر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔ اس سال کے دوران ڈائریکٹرز، ایگزیکٹو اور ان کے رفیق حیات اور نایاب بچوں نے کمیٹی 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 ایفیسر، ہیڈ آف انٹرنل آڈٹ، کمیٹی سیکریٹری اور دیگر ایگزیکٹوز شامل ہیں (بورڈ کی وضاحت کے مطابق)۔

## 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 ان 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 کمیٹیوں کی جدو جلد اور ان کے کردار
- (ج) وژن / مشن کی منصوبہ بندی اور کارپوریٹ ماحول کی تشکیل
- (د) معلومات تک رسائی اور خطرے 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 آف پاکستان اور کوڈ 2019 کے مطابق مندرجہ ذیل معاملات کے لیے کارپوریٹ اینڈ فنانشیل 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 باقائدہ درست انداز میں مرتب کی گئی ہے۔
- (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 فنانشیل 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 مانٹرنگ کی جاتی ہے۔
- (ی) کمپنی کی اہلیت بطور ایک جاری و ساری ادارے کے ہر قسم کے شکوک و شبہات سے بالاتر ہے۔
- (ے) جیسا کہ لسٹنگ ریگولیشنز میں وضاحت کی گئی ہے، کارپوریٹ گورننس کی اعلیٰ اقدار کو اپنانے میں کوئی کوتاہی نہیں کی گئی۔

## کارپوریٹ گورننس کے طریقے

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

## عطیات

کمپنی کی پالیسی ہے کہ وہ اپنے گزشتہ سال کے قبل از ٹیکس منافع کا ایک فیصد حصہ خیراتی اداروں کو دیتی ہے۔ رواں سال کمپنی نے ٹیکس فاؤنڈیشن کو 12.0 ملین روپے عطیہ دیئے۔

## قومی خزانے میں ادائیگی

کمپنی نے زیر جائزہ سال کے دوران حکومتی خزانے میں بطور محصولات اور دیگر درآمدی ڈیوٹیوں کی مدد میں 5.4 ملین روپے ادا کیے۔ یہ ٹیکس ادائیگی کمپنی کی فروخت کا 21.5 فیصد 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 کوشاں کاری کی حوصلہ افزائی کرتا ہے۔ یہ ضابطہ اخلاق اسٹیک ہولڈرز بشمول صارفین، سپلائرز، حصص داران اور شرکاء داروں کے ساتھ تعلقات کے لیے راہنما اصول بھی واضح کرتا ہے۔

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](http://www.abl.atlas.pk/code-of-conduct) پر بھی دستیاب ہے۔ اس ضابطہ کے روزمرہ بنیادوں پر عمل درآمد اور جائزے کا عمل سنٹیورٹی مینجمنٹ کے سپرد ہے۔



لکھنئیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 ("دی کوڈ 2019") کی درکار ضروریات کے مطابق آڈٹ کمیٹی نے مینجمنٹ کی غیر جانبری میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ سے ملاقات کی۔ چیف ایگزیکٹو آفیسر اور چیف فنانس آفیسر نے سال کے دوران منعقد چاروں اجلاسوں میں، مدعو کیے جانے پر شرکت کی۔

### انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ کمیٹی اپنی 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 کمیٹی کے لیے سالانہ انسانی وسائل کے انتخاب، جانچ، معاوضے اور اہم انتظامی منتظمین کی جانشینی کے لیے بورڈ کو معاونت فراہم کرتی ہے۔

کمیٹی تین ممبران پر مشتمل ہے جن میں سے ایک ایگزیکٹو ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئر مین ایک خود مختار ڈائریکٹر ہے۔

### بورڈ اور اس کی کمیٹیوں کا اجلاس

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

نمبر شمار	ڈائریکٹرز کے نام	ڈائریکٹرشپ	ایٹیش	کمیٹی کی رکنیت		حاضری	
				ایگزیکٹو ڈائریکٹر	AC	HRRC	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
3	جناب بشیر علی	1	دوبارہ منتخب، اطلاق 21 مئی 2020	نہیں	✓	✓	4/4
4	جناب فہد کے چنائے	2	منتخب، اطلاق 10 مارچ 2021	نہیں	✓	-	4/4
5	محترمہ مہرین امین	1	منتخب، اطلاق 21 مئی 2020	نہیں	✓	-	3/5
6	جناب تور فورویا	1	دوبارہ منتخب، اطلاق 21 مئی 2020	نہیں	-	-	4/5
7	جناب علی ایچ شیرازی	5	دوبارہ منتخب، اطلاق 21 مئی 2020	ہاں	✓	-	5/5

### ڈائریکٹرز کے ترقیاتی پروگرام

چھ ڈائریکٹرز پہلے ہی سند یافتہ ڈائریکٹرز ہیں جبکہ ایک ڈائریکٹر کوڈ 2019 کی شق 20(2) کے تحت استثنیٰ کے معیار پر پورا اترتے ہیں اور اس کے مطابق ڈائریکٹرز کے ترقیاتی پروگرام سے مستثنیٰ ہے۔ جس کی 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 علی	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 فورویا	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 2022 کو ختم شدہ سال کے لیے ڈائریکٹرز رپورٹ، کمپنی کی پڑتال شدہ سالانہ 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 2022 کو کمپنی کی 56 ویں سالانہ عام اجلاس میں اراکین کو پیش کی جائے گی۔

### آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کی مختصر تفصیل مندرجہ ذیل ہے:

2021	2022	
----- (روپے '000 میں) -----		
1,195,044	1,137,662	قبل از ٹیکس منافع
		محصولات کے لیے فراہمی:
307,327	469,132	موجودہ سال
14,159	(2,043)	پچھلے سال
(22,416)	(18,864)	موخر
299,070	447,225	
895,974	689,437	بعد از ٹیکس منافع

### ڈیویڈنڈز اور تصرفات

ڈائریکٹرز نے 12.50 روپے فی شیئر (2021: 14.00 روپے فی شیئر) کیس ڈیویڈنڈ اور بونس شیئرز بحساب 25 فیصد (2021: 15%) کی تجویز دی ہے۔ اسی طرح مندرجہ ذیل تصرفات بھی کی گئی ہیں۔

2021	2022	
----- (روپے '000 میں) -----		
243,597	-	تصرفات
		عبوری کیس ڈیویڈنڈ بحساب Nil% (2021: 100%)
97,439	350,170	فائل کیس ڈیویڈنڈ بحساب 125% (2021: 40%)
36,539	70,034	بونس شیئرز کے اجراء کے لیے ذخائر 25% (2021: 15%) کے اجراء کے لیے مختص
377,575	420,204	ٹوٹل

### فی حصص آمدنی

بعد از ٹیکس بنیادی اور ڈائیویڈنڈ آمدنی فی حصص 24.61 روپے (سال 2021: 31.98 روپے فی حصص) رہی۔

### چیئر مین کا جائزہ

چیئر مین کا جائزہ سالانہ رپورٹ میں شامل ہے جو کہ 30 جون 2022 کو ختم شدہ سال میں کمپنی کی کارکردگی اور مستقبل کے امکانات کا احاطہ کرتا ہے۔ ڈائریکٹرز اس جائزے کی مندرجات کی توثیق کرتے ہیں۔

### بورڈ آف ڈائریکٹرز اور اس کی کمیٹی

#### بورڈ آف ڈائریکٹرز

بورڈ میں ایک ایگزیکٹو ڈائریکٹر، چار نان ایگزیکٹو ڈائریکٹرز اور دو خود مختار ڈائریکٹرز شامل ہیں۔

### 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 ممبران پر مشتمل ہے، جو سب نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کا چیئر مین ایک خود مختار ڈائریکٹر ہے۔

موجودہ سماجی و سیاسی اور اقتصادی صورتحال کے ساتھ ساتھ بجلی کی کمی کو مد نظر رکھتے ہوئے، آپ کی کمپنی کی مصنوعات کی مانگ درمیانی رہنے کی امید ہے تاہم، بڑھتی ہوئی لاگت کے دباؤ کے ساتھ، مارکیٹ شیئر کو برقرار رکھنے کے لیے مناسب مارجن کو یقینی بنانا ایک چیلنج رہے گا۔ HSE، پیداواری عمل، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈیولپمنٹ کو بہتر بنانے کے لیے سرمایہ کاری پر توجہ مرکوز کی جائے گی تاکہ کاروبار کی کارکردگی کو بہتر بنایا جاسکے۔ مزید یہ کہ، تربیت اور مہارتوں میں اضافے کے پروگراموں کے ذریعے انسانی وسائل کی صلاحیتوں میں بہتری کا قاعدہ طور پر جاری رہے گی۔

بے مثال معیار اور بعد از فروخت سروس کا فائدہ اٹھاتے ہوئے، آپ کی کمپنی نئے علاقوں اور برآمدی منڈیوں کی تلاش کے ذریعے مارکیٹ میں بہتر رسائی کے لیے کوششیں جاری رکھے گی۔ لاگت کو کم کرنا اور مصنوعات کے اعلیٰ معیار کو برقرار رکھنا آپ کی کمپنی کی توجہ کا مرکز رہے گا۔ ان مقاصد کے حصول کے لیے ’ٹلس وے‘ آپ کی کمپنی کے کاروباری فلسفے کے لیے مشعل راہ کے طور پر برقرار رہے گا۔

## عُ خیاباں خیاباں اِرم دیکھتے ہیں

(We foresee bright prospects)

### اظہار تشکر:

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی ایماء 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۔

میں اس موقع پر اپنے جوائنٹ ویٹھر پارٹنر GS Yuasa انٹرنیشنل لمیٹڈ جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بیکار، 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 بھی دلجمعی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔



عامر ایچ شیرازی

چیئر مین

کراچی: 29 اگست 2022

بسوں کی فروخت میں بھی گزشتہ سال کے مقابلے میں 49.5 فیصد اضافہ ہوا۔ تاہم، مالی سال 2022 کے دوران موٹر سائیکلوں اور تین پہیوں (آسمبلرز، جو PAMA کے ساتھ رجسٹرڈ ہیں) کی فروخت میں 4.3 فیصد کمی واقع ہوئی جس میں 1,821,885 یونٹس کی فروخت ہوئی جو کہ گزشتہ سال کی اسی مدت کے دوران 1,903,932 یونٹس تھیں۔

## بیٹری کی صنعت

بیٹری کی صنعت کا تعلق آٹوموٹیو شعبے کی ترقی، بجلی کی کمی اور توانائی کے بڑھتے ہوئے ٹیرف سے ہے۔ آٹوموٹیو شعبے میں اضافے کی وجہ سے اس صنعت نے پائیدار ترقی کا مشاہدہ کیا۔ اسی طرح ملک میں بجلی کی قلت کے باعث بھاری اور درمیانے سائز کی بیٹریوں کی طلب میں اضافہ ہوا۔ دوسری طرف، خاص طور

پر آف گرڈ علاقوں میں سولر پنل کی طلب میں خاطر خواہ اضافہ دیکھا گیا جس نے درمیانے اور چھوٹے سائز کی بیٹریوں کی مانگ میں مزید اضافہ کیا ہے۔ پاکستان میں بیٹری کی صنعت کو دو بڑے حصوں، منظم اور غیر منظم شعبوں میں تقسیم کیا گیا ہے۔ منظم شعبہ مارکیٹ کی طلب کا تقریباً 90 فیصد حصہ پورا کر رہا ہے، باقی غیر منظم شعبہ اور درآمدات مل کر پورا کر رہے ہیں۔ آپ کی کمپنی مارکیٹ میں نمایاں شیئر رکھتی ہے اور معیار کو برقرار رکھنے، جدید مصنوعات متعارف کروانے اور بعد از فروخت سروس فراہم کر کے اس میں مزید بہتری کا عزم رکھتی ہے۔

## آپریٹنگ نتائج

مالی سال 2022 کے دوران، آپ کی کمپنی نے 25.4 فیصد اضافے کے ساتھ مالی سال 2021 میں 19.9 بلین روپے کے مقابلے میں 25.0 بلین روپے کی فروخت حاصل کی ہے۔ یہ اضافہ بنیادی طور پر متبادل مارکیٹ میں بیٹریوں کی طلب کی وجہ سے ہے۔ فروخت کی لاگت 17.7 بلین روپے کے مقابلے میں 22.3 بلین روپے درج کی گئی، جو کہ سیکلز کس اور حجم میں بہتری کے ساتھ 26.2 فیصد زیادہ ہے۔ اس نتیجے میں 2,721 بلین روپے کا مجموعی منافع ہوا جو کہ گزشتہ سال کے دوران 2,281 بلین روپے کے مقابلے میں 19.3 فیصد زیادہ ہے۔

آپریٹنگ اخراجات 22.2 فیصد بڑھ کر 908 بلین روپے کے مقابلے میں 1,110 بلین روپے رہے۔ آپریٹنگ منافع گزشتہ سال کے 1,333 بلین روپے کے مقابلے میں بڑھ کر 1,527 بلین روپے ہو گیا۔ سود کی شرح اور ورکنگ کیپٹل کی ضرورت میں اضافے کی وجہ سے مالیاتی لاگت 138 بلین روپے سے بڑھ کر 389 بلین روپے ہو گئی۔

قبل از ٹیکس منافع 1,138 بلین روپے رہا جو گزشتہ سال اسی مدت کے دوران 1,195 بلین روپے تھا۔ ٹیکس کے لیے 448 بلین روپے فراہم کرنے کے بعد جس میں سپرنٹیکس کے لیے 122 بلین روپے شامل ہیں، بعد از ٹیکس منافع گزشتہ سال کے 896 بلین روپے کے مقابلے میں 689 بلین روپے رہا۔ فی حصص آمدنی 24.61 روپے رہی جو کہ گزشتہ سال فی حصص آمدنی 31.98 روپے تھی۔

## قومی خزانے میں اضافے کے لیے کردار

آپ کی کمپنی نے متذکرہ سال کے دوران مختلف نوعیت کے سرکاری محصولات، ٹیکس اور درآمدی ڈیوٹیوں کی مد میں قومی خزانے میں 5.4 بلین روپے کا اضافہ کیا۔ ان ٹیکس کی ادائیگی کمپنی کی فروخت 21.56 فیصد ہے۔ اٹلس گروپ کمپنیز بشمول آپ کی کمپنی کی جانب سے قومی خزانے میں مجموعی طور پر جمع کردہ رقم 55 بلین روپے ہے جو اٹلس گروپ کو ملک کے سب سے زیادہ ٹیکس دہندگان میں سے ایک بنا دیتا ہے۔

## قدر میں اضافہ کرتی روپے کی آمدورفت

سال کے دوران، آپ کی کمپنی نے عمل کاری کی مد میں 1,778 بلین روپے حاصل کیے جبکہ گزشتہ سال عمل کاری کی مد میں 453 بلین روپے خرچ کیے تھے جس کی بنیادی وجہ قابل وصول رقم میں کمی اور کاروباری اور دیگر ادائیگیوں میں اضافہ ہے

## مستقبل کے خدوخال

ملک میں سال کے دوران ترقی کے امکانات اور بہتر کاروباری سرگرمیوں میں بہتری دیکھنے میں آئی ہے۔ تاہم، سیاسی عدم استحکام کے ساتھ عالمی اجناس کی قیمتوں میں اضافے کی وجہ سے، اقتصادی اشاریوں نے سال کی آخری سہ ماہی میں مندی کے آثار دکھانا شروع کر دیے ہیں۔ مزید یہ کہ غیر مستحکم جغرافیائی سیاسی صورتحال سپلائی چین کی رکاوٹوں کو مزید بڑھا سکتی ہے۔

## چیمبرین کا جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کی 56 ویں سالانہ رپورٹ مع آڈیٹرز رپورٹ پیش کر رہا ہوں۔

### معیشت

معیشت اس وقت اندرونی و بیرونی دباؤ کے باعث شدید کشمکش سے گزر رہی ہے۔ اگرچہ گزشتہ سہ ماہی کے دوران ملکی سرگرمیوں کی بحالی ہموار رہی لیکن ادائیگیوں میں عدم توازن کی صورتحال اور بڑھتی ہوئی مہنگائی، خسارے اور افراط زر کے تیزی سے اضافے کی وجہ سے مانیٹری پالیسی کو مستحکم کرنے اور مالیاتی موقف کو مضبوط کرنے کی ضرورت پیش آئی۔ جس کے باعث آنے والی سہ ماہیوں کے لیے تقریباً 6 فیصد کی شرح نمو غیر مستحکم معلوم ہوتی ہے۔ بیرونی محاذ پر مالی سال 2022 کے لیے کرنٹ اکاؤنٹ خسارہ گزشتہ سال کے 2.8 بلین امریکی ڈالر کے مقابلے میں 17.4 بلین امریکی ڈالر رہا، یہ بنیادی طور پر وسیع تجارتی خسارے کے باعث پیش آیا کیونکہ درآمدات میں تیزی سے 32.8 فیصد اضافہ ہوا۔ درآمدات میں اضافہ جو پوٹیلیم کل صورتحال اور عارضی اقتصادی فنانس (TERF) سہولت کے تحت مشینری کی اعلیٰ درآمدات کے باعث عالمی اجناس بالخصوص (خوراک اور توانائی) کی قیمتوں میں نمایاں اضافے کی وجہ سے ہوا اور تجارتی خسارے کو جزوی طور پر تزیلات زر سے پورا کیا گیا، جو گزشتہ سال کے مقابلے میں 6.1 فیصد اضافے کے ساتھ 31.2 بلین امریکی ڈالر ریکارڈ کیا گیا۔ درآمدی دباؤ، قرض کی بروقت ادائیگی کے خدشات کے ساتھ پاکستانی روپے کی قدر میں کمی کا باعث بنی جس کی قیمت 30 جون 2022 تک 206 روپے فی امریکی ڈالر پر بند ہوئی اور جولائی 2022 میں 240 امریکی ڈالر کی بلند ترین سطح کو چھو گئی تھی۔ توانائی کی حالیہ ادائیگی اور ایندھن پر سبسڈی کے ساتھ خوراک اور اشیاء کی قیمتوں میں نمایاں اضافے کی وجہ سے جون 2022 میں افراط زر 14 سال کی بلند ترین سطح 21.3 فیصد تک پہنچ گئی۔ مرکزی بینک کی جانب سے حال ہی میں اس افراط زر کی روک تھام کے لیے مرکزی بینک نے پالیسی ریٹ کو بڑھا کر 15 فیصد کر دیا ہے جو کہ ستمبر 2021 سے اب تک 800 پيس پوائنٹس کے اضافے کو ظاہر کرتا ہے۔

رواں سال کے دوران محصولات کی وصولی 6.1 ٹریلین روپے رہی جو کہ گزشتہ سال کے مقابلے میں 29.1 فیصد کی مستحکم نمو ہے جو ٹیکس وصولیوں میں وسیع بنیادوں پر اور ہدف سے زائد اضافے کی وجہ سے ہے۔ مزید برآں، مالیاتی خسارے کو کم کرنے کی جدوجہد میں حکومت نے حال ہی میں فنانس ایکٹ 2022 کو منظور کیا جس میں ٹارگٹڈ سیگمنٹس پر مزید ٹیکس لگانے اور مخصوص ٹیکس کریڈٹس واپس لینے کی تجویز دی گئی ہے۔ مرکزی بینک کی جانب سے حال ہی میں مالیاتی روک تھام کے لیے بغور اقدامات کے ساتھ چیلن سے آنے والی درآمد اور آئی ایم ایف کے ساتھ اسٹاف لیول معاہدے کے حالیہ اختتام سے توقع کی جاتی ہے کہ بیرونی سطح پر وقتی راحت مل پائے گی۔

مالی سال 2022 کی آخری سہ ماہی کے دوران، زراعت کے شعبے نے بڑی فصلوں کی حوصلہ افزائی اور اس کے ساتھ 4.4 فیصد کی مستحکم نمو ریکارڈ کی گئی ہے۔ یہ ترقی، بنیادی طور پر بہتر بیجوں، زراعتی قرضوں، کھادوں اور کیڑے مارا دواؤں کی بہتر فراہمی کی وجہ سے ایک مثبت ان پٹ کی صورتحال سے چلتی ہے مزید برآں، زراعتی مصنوعات کی قیمتوں میں اضافے اور بروقت سبسڈیز نے بہتر زراعتی آمدنی کے ساتھ اضافی لیکویڈیٹی میں اہم حصہ ڈالا ہے۔ اس طرح صارفین کے بہتر مصنوعات کی مانگ میں خصوصاً دیہی علاقوں میں اضافہ دیکھنے میں آیا۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) ملک کی کل مینوفیکچرنگ کے تقریباً 80 فیصد کی نمائندگی کرتی ہے، جو کہ ملکی پیداوار کا تقریباً 11 فیصد ہے۔ سال کے دوران ایل ایس ایم میں 13.0 فیصد تک کا اضافہ دیکھنے میں آیا جو کہ گزشتہ سال 2.7 فیصد تھا۔ LSM کی توسیع بھی وسیع پیمانے پر دکھائی دیتی ہے جس میں LSM کے 17 سے 22 شعبوں میں ترقی کا مشاہدہ کیا جا رہا ہے مزید برآں سخت مانیٹری پالیسی اور مالیاتی استحکام کے باعث ترقی میں اعتدال آنے کی توقع ہے، جس سے پیداوار کے مثبت فرق کو ختم کرنے اور ڈیمانڈ سائڈ پر دباؤ کو کم کرنے میں مدد ملے گی یہ زیادہ بہتر بنیادوں پر اعلیٰ ترقی کی راہ ہموار کرے گی۔

### آٹوموبائل انڈسٹری کا جائزہ

آٹوموبائل کا شعبہ سال کے دوران ترقی کی راہ پر گامزن رہا جس کی بنیادی وجہ میکرو اکنامک ماحول میں استحکام اور وبائی امراض کے اثرات کو کم کرنے کے ساتھ ساتھ صارفین کی قوت خرید کا بڑھنا ہے۔ نئی پیشکشوں کی ایک وسیع رینج کے ساتھ، آٹوموبائل انڈسٹری موجودہ سیاسی اور اقتصادی عدم استحکام سے پہلے مزید توسیع کے لیے ایک بہتر صورتحال میں تھی۔ قیمتوں میں نمایاں اضافے کے باوجود، سال 2022 میں مقامی طور پر تیار کردہ کاروں کی فروخت 54.9 فیصد اضافے سے 234,180 یونٹس تک پہنچ گئی جبکہ مالی سال 2021 میں فروخت ہونے والے 151,182 یونٹس تھے۔ اسی طرح ٹریڈرز کے سیگمنٹ میں گزشتہ سال کے 50,920 یونٹس کے مقابلے میں 15.8 فیصد اضافے سے 58,947 یونٹس فروخت ہوئے ہیں جبکہ ٹرکوں اور

# 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 9th Sustainability Report of Atlas Battery Limited which demonstrates Company's efforts towards Environmental, Social and Governance (ESG) initiatives. The report confirms our commitment to continue serving our country, community and society at large through our sustainability initiatives.

Economic environment and in turn business environment remains in a state of constant change, hence, the Company proactively promotes initiatives towards technology and sustainability based innovations. We firmly believe that energy storage has a strong potential to reduce green-house gas emissions by efficiently storing electricity generated from both conventional and renewable energy sources.

We are committed to reduce our environmental impact and conserving our resources. Specifically, utilization of water recycling and waste water treatment plants has enabled us to reduce our water usage and carbon footprint significantly. 450 KW solar power also provides the environment friendly renewable energy. The Company has an Energy Management System to ensure optimum usage of energy.

Our approach takes a more ambitious, strategic view on Sustainability, by empowering our organization to generate positive impacts financially, socially and environmentally.

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 2021-22 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 29, 2022

# 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.



Goals	Description	Page No
03 Good health and well-being 	GOAL 3: Good Health and Well-being	87
04 Quality education 	GOAL 4: Quality Education	84
06 Clean water and sanitation 	GOAL 6: Clean Water and Sanitation	82
07 Affordable and clean energy 	GOAL 7: Affordable and Clean Energy	82
09 Industry, innovation and infrastructure 	GOAL 9: Industry, Innovation and Infrastructure	89,90
11 Sustainable cities and communities 	GOAL 11: Sustainable Cities and Communities	83
12 Responsible consumption and production 	GOAL 12: Responsible Consumption and Production	81
13 Climate action 	GOAL 13: Climate Action	82,83

## 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"> <li>• Corporate Governance</li> <li>• Respect, Recognition and Reward (3Rs)</li> <li>• Value of time</li> <li>• Recruitment and career advancement based on integrity, merit, experience and skills</li> <li>• Education and training of staff and descendants</li> <li>• Self-reliance</li> <li>• Leading by example</li> <li>• Humility and excellence</li> <li>• Living with one's means, saving for the future and donating for good cause</li> <li>• To be happy and healthy</li> </ul>	<ul style="list-style-type: none"> <li>• Management by Objectives (MBO) to align activities agreed towards Company goals</li> <li>• Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company</li> <li>• Inducting and retaining competent and skilled staff-right man for the right job</li> <li>• Using BCG model for strategic direction</li> <li>• Creating value through implementation of internal controls (SOPs and policy manuals)</li> <li>• Management development to produce performers, organization builders and strategists</li> <li>• Active participation in management meetings for continuous performance improvement</li> <li>• Ensuring accuracy and control performance improvement</li> <li>• Ensuring accuracy and control of information / data through efficient MIS</li> <li>• Judicious sharing of profitability between employee bonuses, dividend payout and profit retention.</li> </ul>

### Environment

The Company has invested over the years to improve its operations in such a way to reduce negative impacts of its business activities on the environment by consuming less energy and fuel, produce less waste, recycling water, etc. The Company has successfully achieved certification of ISO 9001 – Quality Management System, ISO 14001 – Environment Management System, ISO 45001 – Occupation Health & Safety Management System and ISO 50001 – Energy Management System; all from Bureau Veritas.

### Material

Procurement of raw materials, development of new formulae and applications with the aim of low impact on environment is done with intense research by Quality department and Supply Chain with the assistance of GS Yuasa, Japan.

The Company has launched deep cycle battery with long back up time, ideally suitable for solar panels and UPS. 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 launched SP Tall battery to cater heavy battery market. The Company also has Battery Tonic distilled battery water, with specific battery grade TDS to increase life of battery.

## Energy saving measures and energy conservation



The Company strongly believes in environmental conservation and has therefore undertaken 450 KW solar panels which will reduce our carbon footprint and improve energy efficiency to reduce reliance on conventional electrical energy and result in cost savings. Dedicated electricity lines for uninterrupted supply of electricity have been installed which resulted in significant reduction of associated greenhouse gas emissions from generators. This has also contributed to improvement in environment.



The Company has installed LED lights at shop floors which 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 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 taken various measures over the years for the reduction in air pollution and control air emissions which includes;

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



## Biodiversity



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

## Society



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

## Compliance of Environmental Legislation

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

The Company has obtained compliance certification of ISO 9001, ISO 14001, ISO 45001 and ISO 50001. This will enable the Company to stay ahead of its competitors in environmental compliance.

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

## Financial Health

Our 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" is the guiding principle for talent acquisition and its management at ABL, which emphasizes on integrity, merit, experience and skill-set as core competencies. 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 the importance of succession planning and believes in development of potential talent to acquire future leadership roles. 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



Education and training of staff is the hallmark of the 'Atlas Culture'. The development of associates' abilities is achieved through various means such as on the job trainings, coaching and mentoring, in-house and external trainings, education programs, financial support for higher education, etc. Technical trainings as well as soft skills trainings have been arranged during the year such as Leadership, Data Analytics, Information Security Management, Industrial Energy Management, Occupational Health and Safety, Supply Chain & Logistics, Power of Self-Management, Labour Laws & Industrial Relations and The 'Atlas Way'. Apart from this, the Company is part of a comprehensive program of Atlas Group with Institute of Business Administration (IBA) and Lahore University of Management Sciences (LUMS), 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 430 personnel benefited from in-house trainings, while 86 personnel enhanced their skills set through external training programs.





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 Resources division plays a vital role in the skills enhancement program of associates and promotes a learning culture.



We believe that frequent trainings and awareness sessions are crucial for developing and strengthening HSE culture at workplace. In order to create awareness on health and safety, specific training sessions on HSE topics conducted throughout the year. Aside from focusing on developing the skill-set of associates, various HSE trainings were 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
128 (37%)	37 (11%)	45 (13%)

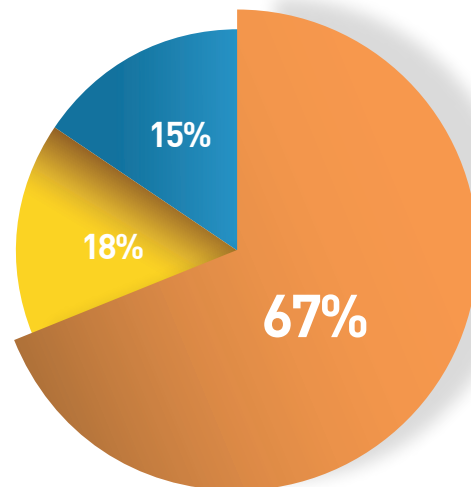
## Supporting Diversity and Equal Opportunities

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, 2022

- Upto 30%
- 31 - 50
- 51 & above



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.

#### *Hajj Facility*

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

## HSE Policy and Workplace Safety



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

The focus and direction of these Committees is mitigation of risk to the 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.

#### *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 and time machines are installed at factory, all regional and zonal offices.

We ensure statutory compliance as per applicable laws with HSE certifications.

#### *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.

#### *COVID-19 Management*

In order to make sure safety of its employees during COVID-19, the Company introduced protocols like safe distancing, mask compliance, medical screenings and vaccination campaigns at all locations.

Following things were done for constraining the spread of COVID-19:

- Development, implementation and compliance monitoring of a procedure on precautionary measures against COVID-19.
- Awareness campaigns were frequently arranged to extend the knowledge about virus and its repercussions after contracting it.
- Through a stringent monitoring mechanism at departmental level, mandatory compliance of basic preventive measures including frequent washing of hands, social distancing, use of masks, vaccinations, monitoring of COVID-19 related symptoms and quarantine / isolation of employees suspected of infection.
- Minimization of physical contact in office premises and maximum utilization of tools like MS Teams / Zoom for meetings and presentations.
- Organization of vaccination campaigns both administering Mandatory and Booster dose at head office to facilitate vaccination of employees. Administrative measures have taken to make sure active participation of employees in COVID-19 vaccination program.

## Technology and Innovation



COVID-19 pandemic has undeniably proved the importance of technology. The Company is well equipped with state of the art information technology infrastructure and is committed to staying up-to-date in technological advancements. The Company fully utilized its technological advancement enabling associates to work from home, where necessary. 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.

## Entity Resource Planning (ERP)

### *- Management and Integration of Core Business Processes*

The Company uses Oracle for its centralized data management needs. This helps Company to perform better and manage core business processes including finance, human resources and supply chain by provision of easy and real time access to information in decision making.

### *- Effective Implementation and Continuous Updation*

The updation of ERP system is of key importance and Company timely upgrades its ERP system.

### *- User Trainings*

Regular trainings are provided to associates to ensure that they use ERP system in efficient and effective manner.

### *- Risk Factors on ERP Projects*

Regular system audits of ERP are being carried out. Appropriate testing is done before transporting any changes to live system which minimizes the chances of errors.

### *- System Security and Access to Sensitive Data*

User rights are assigned on need basis. Whenever new rights are being assigned to a user, the need is being first assessed by the concerned Department Head. The request is then jointly reviewed by System Administrator. Finally, the request is approved by Head of IT.

### *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 /Product Development / Services



### Quality Management System

The company is going to be established as pioneer in value added energy storage technology and 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.

Our Service team has preserved hard to develop standardized charging areas, be judicious in claims management, maintain customer satisfaction through online claims management system and customer support.

### 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. Our in-house laboratory performs timely, accurate and cost-effective testing that ensures every product, from raw materials to finished batteries, meet all quality requirements.

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

Superior quality of our batteries has been validated by our prestige OEM customers. Low OEM claims ratio coupled with new batteries development has enhanced our reputation as the vendor of choice. Operationally, we look into process optimization through process automation and various improvements.

### 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. QCC as the bottom up approach has caused to harness the skills and ingenuity of our associates.

The journey of Shaheen Circle has proved to be impressive for providing solutions of:

- Cost saving
- Quality & productivity enhancement
- Process improvement
- Safer environment and work place



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

### *Battery Capacity*

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

### *Battery Management and Safety Tips*

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

### *How to Select a Battery and FAQs*

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

### *Adherence to Laws, Standards and Voluntary Codes for Communication*

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

### *Fines and Sanctions*

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

## Market Share

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

## Dealers' Network

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

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

- Sponsored brand activity and free battery checkup campaign at Pakwheels Auto Show in Islamabad and Karachi.
- Sponsored brand activity and free battery checkup campaign at Kissan Dost Mela at Nawaz Sharif University Multan.
- Brand activation and free check-up activity conducted during road shows all across the country.
- Dealers' meetings were held and retailers get together were arranged.
- Battery care and maintenance awareness training sessions conducted for technicians across Pakistan including OEM's, dealers and sub-dealers staff.
- Foreign trip of dealers to Lebanon and Jordan during the month of December 2021 and to Sri Lanka and Maldives during the month of March 2022.



## Sustainable Competitive Advantage

The following are the key resources and capabilities of the Company which provide sustainable competitive advantage:

Key Resources / Capabilities	Value Created by Business	Stakeholders
Powerful Brand	Increases brand recognition	Consumers
Quality	Improves customer loyalty to the brand	Consumers
Exclusive Dealers Network	Higher advertising effectiveness on customers	Consumers
Renewable Energy	Lowering carbon footprint	Local community and neighborhood
Waste Water Recycling	Reduce demands and stress on water supply	Local community and neighborhood
Corporate Governance / Awards	Good reputation and recognition	Shareholders
ISO Certifications	Gives business a competitive advantage	Shareholders
Highly Skilled Labour	Improved innovation and creativity	Consumer
People Asset	Gives business a competitive advantage	Company
Strategy Asset	Optimizing asset lifecycle	Consumer

## 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, 2022 is as follows:

Raw materials procured	% of total raw materials
Locally	84%
Imported	16%

As indicated above the imported material is 16% 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.5.4 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.

# 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 organizing 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, 2022, the Company had 2,629 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. Further, policy ensures that grievances notified by the shareholders are handled and resolved efficiently; and record is maintained along with respective actions taken for resolution.

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

### *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, 2021 via Zoom. The shareholders adopted inter alia the following resolutions:

#### *Ordinary Business*

- That the minutes of the Annual General Meeting held on September 20, 2020 be and are hereby confirmed.
- That the Audited Annual Accounts for the year ended June 30, 2021 along with the Chairman's Review, Directors' and Auditors' Reports thereon be and are hereby adopted.
- That final cash dividend at the rate of 40% (Rs.4 per share) for the year ended June 30, 2021 be and is hereby approved for payment to those shareholders of the Company, whose names shall appear in the register of the members at the close of business on September 14, 2021. This is in addition to 100% (Rs.10 per share) interim cash dividend already paid.
- 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, 2022 as recommended by the Audit Committee for an audit fee of Rs.1,550,000/-.

#### *Special Business*

- 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 share 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.
- 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.

#### *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 consider them an integral part of the Company. The Company sends the 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 29, 2021 to brief the financial performance for the year ended June 30, 2021. 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 professional. They are well conversant of the laws and business practices in Pakistan. They have ample experience from various sectors and brought in their expertise and knowledge to the Company. They are also well aware of the importance of mandatory trainings and evaluation as per the Code 2019.

### *Roles and Responsibilities of Chairman*

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 meeting to the 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 broad 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 (Group Holding Company), Shirazi Trading and Murree Brewery. He is also member of the Board of Governors of Lahore University of Management Science and member Syndicate, University of Engineering & Technology, Lahore.

He has been serving the Honorary Consul General of Japan in Lahore and is the Patron-in-Chief of 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 directors do not take part in deciding their own remuneration.

For information on remuneration of directors and CEO in 2021-22, please refer to the financial statements.

#### *Retention of Board Meeting fees*

Board meeting fees earned by the executive directors against their services as non executive directors in other companies are retained by them.

#### *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.

### *Information related to Executive Director serving as Non-Executive Director in other Companies.*

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
- Service and Business Development
- Human Resource
- Information Technology
- Finance

### *Roles and Responsibilities of CEO*

The CEO is responsible for reporting the Company's performance to the Board of Directors. He is also responsible for all matters pertaining to the operations of the Company under direction of the Board of Directors. His responsibilities include:

- To plan, formulate and implement strategic policies;
- To build and maintain amicable relations with governmental departments, trade associations and regulatory bodies;
- To ensure the achievement of productivity and profitability targets and that the Company operates efficiently;

- To ensure that the chain of command in the Company is clear to facilitate the maintenance of discipline, the roles and duties of all managers clearly define their functions to ensure accountability;
- To ensure that necessary coordination exists between various divisions of the Company to achieve smooth and effective operations;
- To 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 complied with in a timely manner;
- 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 date 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;
  - Reviewing performance against budgets / targets, revenue and capital expenditure, profits, administration, commercial, personnel and other matters of importance to the Company;
- To ensure that open and progressive 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 his designation; career development is on merit basis and each associate is helped to develop his 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 welfare and training of the staff in accordance with the Company's policy and government regulations which are applicable from time to time;
- To maintain close liaison with the government, customers, suppliers and sales offices;
- To ensure proper functioning of the Management Committee of the Company of which he is the Chairman;
- To be responsible for publicity of the Company's products consistent with the Company's image and with a view to maximizing sales; and
- To ensure that the Company operates with minimum staffing and paperwork.

#### *CEO Performance Review*

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

## **4. Committees of the Board**

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

#### *Audit Committee*

This Committee reviews the financial and internal reporting process, the system of internal controls, management of risks and the internal and external audit processes. An independent internal audit function reports to the Committee regarding risks and internal controls across the organization. The Audit Committee receives reports from external auditors on any accounting matter that might be regarded as critical. The Committee consists of three members. All members of the Committee are non-executive directors. The Chairman of the Committee is an independent director. The detailed Charter of the Audit Committee is developed in accordance with the Code 2019 as contained in the listing regulations of the stock exchange which is summarize below:

- (a) determination of appropriate measures to safeguard the Company's assets;
- (b) review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- (c) review of preliminary announcements of results prior to publication;
- (d) 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);
- (e) review of management letter issued by external auditors and management's response thereto;
- (f) ensuring coordination between the internal and external auditors of the Company;
- (g) 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;
- (h) consideration of major findings of internal investigations and management's response thereto;
- (i) ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- (j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- (k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (l) determination of compliance with relevant statutory requirements;
- (m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
- (n) consideration of any other issue or matter as may be assigned by the Board of Directors.

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

Report of the Audit Committee is annexed with this report.

#### *Human Resource and Remuneration Committee*

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

- carry 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 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". 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 2021-22, no alleged breaches of the Code of Conduct were reported.

### *IT Governance Policy and Cybersecurity*

#### *- Enforcement of Legal and Regulatory Implications of Cyber Risks*

Information Technology (IT) governance is an integral part of corporate governance framework to ensure the alignment of IT strategy with business strategy, optimization of IT resources and effective IT risk management implementation.

The Company realizes the importance of cyber security and oversees the progress made by the Company in respect of evaluation of cyber risks and designing countermeasures thereof. The IT department of the Company continuously strives to adopt best practices around the industry.

Assessment of IT related risk is carried out by IT department of the Company. No such instances were reported during the year.

#### *- IT Governance*

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.

#### *- Cyber Security Awareness and Education*

Cyber security risks awareness and prevention sessions are conducted on a regular basis. High level of participation is ensured and feedback surveys are circulated to get a better picture of outcome of these trainings. In addition to that, awareness relating to emerging cyber threats is circulated to all users via emails.

#### *- Early Warning System*

The Company's IT department follows 'End Point Detection and Response Framework' to gather and analyze information relating to security threats from computer workstations and other endpoints with the goal of finding security breaches as they happen and facilitating a quick response to discovered or potential threats.



### *- Business Continuity Planning*

In view of critical risks such as suspension of critical operations due to natural disasters, cyber attacks and other contingencies, the Company realizes the need to have an effective Business Continuity Plan (BCP) in place. BCP is a comprehensive framework that defines how the Company needs to respond to and recover from business disruptions in case of a disaster, enabling the Company to continue to support constituents and stakeholders alike.

### *- Disaster Recovery Plan*

This includes scenario analysis to identify and address various types of contingency scenarios, which may be caused by system faults, hardware malfunction, operating errors or security incidents and total incapacitation of the primary data center. It also includes implementation of replication, rapid backup and recovery capabilities at the individual system or application level. The Company has deployed both on-site and off-site backup facilities to enable the restoration of critical systems and resumption of business operations in case of disruption at the primary site.

### *- Trainings*

Timely and adequate trainings are provided to IT staff and other staff of IT Governance, cyber security threats and precautions.

### *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 Centralized Record Room in proper manner;
- Centralized electronics record facility;
- Retention of electronic mail policy;
- Compliance on Records Retention Policy;
- Records retention period;
- Mode of retention; and
- Records disposal.

### *Whistle Blower Policy*

The Company values an open dialog on integrity and responsibility with its associates. The Company is committed to provide a fair environment to its employees. The Company investigates all alleged breaches of Code 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 blower procedure are investigated by internal audit function. Information regarding any incident is reported to the Audit Committee. Reports include measures taken, details of the responsible Company function and the status of any investigation. In 2021-22, no alleged breaches of the Code of Conduct were reported.

### *Business Ethics and Anti-Corruption Measures*

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

All forms of corruption whether directly or indirectly are discouraged that include but not limited to bribery, kickbacks, payoff, etc. 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.

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

### *Related Parties*

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

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

### *Disclosure of Directors Interest in Significant Contracts and Arrangements*

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporate bodies. This is in pursuance with Section 205 of the Companies Act, 2017, which also requires Directors to disclose all material interests. We use this information to help us maintain an updated list of related parties. Any conflict of interest relating to members of Board of Directors is managed as per provisions of the Companies Act, 2017 and rules and regulations of SECP and Pakistan Stock Exchange.

All the directors are bound by applicable laws and regulations to disclose their interest in significant contracts and arrangements with the Company.

### *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 standards 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 Risks	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
<b>Market</b> 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.
<b>Catastrophic</b> 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.
<b>Credit Risk</b> 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.	Identification of high risk clients and take preemptive actions.
<b>Socio-Political Situation</b> 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.
<b>Technology</b> 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.

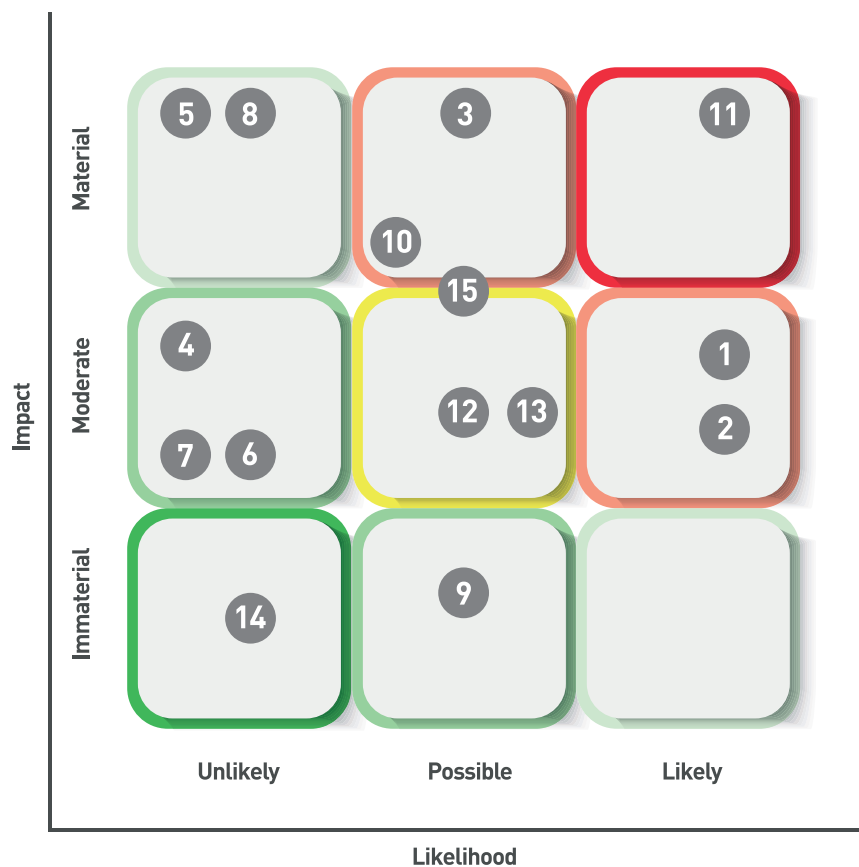
Objectives	Major Business Risks	Risk S. No.	Risk Category	Mitigating Factors / Actions in Place	Opportunities
<b>Operations</b> To ensure continuity of operations without disruptions	The on-going energy crisis may affect operational targets	8	Operational	The Company has developed alternate source of 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.
<b>Finance</b> 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 organization to effectively manage its cash flows.

*Internal Sources:*

Objectives	Major Business Risks	Risk S. No.	Risk Category	Mitigating Factors / Actions in Place	Opportunities
<b>Internal Controls</b> 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
<b>Human Resource</b> 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.
<b>Health and Safety</b> 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.

### The Potential Impact and Likelihood of Our Key Risks



# ENVIRONMENTAL ANALYSIS - PESTEL



## Organization's Response

While coping with the negative macroeconomic indicators and unsupportive government measures, the Company is striving to achieve 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 surging interest and exchange rates, curbing costs while maintaining high quality of product will remain the focus of the Company.

# SWOT ANALYSIS

## STRENGTHS

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

## WEAKNESSES

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

## STRATEGIES

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

## OPPORTUNITIES

- Power crises seems to stay in summer season, demand for heavy batteries will prevail
- Need of MF battery is emerging; focus will be on its capitalization
- Stabilizing financial performance
- Oracle EBS provide platform for introducing industry best practices in our organization
- Technology support from GYIN to be fully capitalized
- OEM now demanding MF
- 3Ds: Digital, Data, Direct
- Export avenues

## THREATS

- Commodities super cycle and inflation
- Increased competition due to surplus industry capacity
- Volatile lead prices
- Influx of cheap imported batteries through Afghan Transit Trade
- Reduction in present import duty (50%) on finished batteries
- Suspension of business operation of lead smelters due to non compliance of environmental laws
- Withdrawal of SROs on import of raw materials at zero rate



# Competitive Landscape and Market Positioning

## Threat of New Competitions

- Chinese manufacturers may consider manufacturing in Pakistan as part of CPEC.

## Bargaining Power of Customers

- 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.

## Competitive Intensity of Competitive Rivalry

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

# Legislative and Regulatory Environment

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.

# Political Environment

During the year, share price was impacted by the Company's financial and operational performance; in addition to various external factors including economic and political environment of the country, government's policies, stakeholders' sentiments and macroeconomic indicators, etc.

# 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 2021-22 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	No	No	4/4

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

- The Audit Committee appointed a secretary of the Committee who is Head of Internal Audit. The secretary circulated the minutes of meetings of the Audit Committee to all members, directors, CEO and CFO prior to the next meeting of the Board.
- The Audit Committee reviewed quarterly, half yearly and annual financial statements of the Company and recommended to the Board for approval.
- The Audit Committee reviewed preliminary announcements of results prior to publication.
- The Audit Committee reviewed the internal audit reports.
- The Company’s Code of Conduct has been disseminated and placed on Company’s website.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2022 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 2022-23.
- 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 along with his team, without CFO 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, 2022 and review of the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the year ended June 30, 2022.
- 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 2020-21 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, 2023.

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

Name of the Company: Atlas Battery Limited  
Year Ended: June 30, 2022

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;
- 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 meets 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 the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all other requirement of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with.

For and on behalf of the  
BOARD OF DIRECTORS



Aamir H. Shirazi  
Chairman

Karachi: August 29, 2022

# 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, 2022, 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, 2022.



SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI; 29 AUG 2022

UDIN: CR202210104apn8T0fhF

# SUSTAINABLE CHOICES FOR A BETTER TOMORROW

Atlas Battery is contributing to the use of renewable energy with our ever reliable energy storage products.







# 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, 2022, 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, 2022 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 Matter

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 is the Key Audit Matter:

S.No. Key Audit Matter	How the matter was addressed in our audit
<p><b>1. Contingencies</b></p> <p>Refer note 27.1 to the financial statements which describes various tax related litigations pending before taxation authorities and Courts of law, the ultimate outcome of which cannot presently be determined. Management has engaged independent legal consultants on these matters. We identified this area as a key audit matter due to the magnitude of amount involved, inherent uncertainties with respect to the outcome of matters and significance of these contingencies in relation to Company's financial statements.</p>	<p>We performed following audit procedures in respect of this area:</p> <p>Obtained and discussed documents relating to these litigations with the legal department to understand the management's view point and obtained management's assessment regarding their implications on the Company;</p> <p>Sought and assessed confirmations from the Company's external legal advisors for their views on the pending matters; and</p> <p>We also considered the adequacy of the related disclosures in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).</p>

### 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 2022, 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 Osman Hameed Chaudhri.



SHINewing HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI; 29 AUG 2022

UDIN : AR202210104zQLm0xNvU

# Statement of Financial Position

AS AT JUNE 30, 2022

	Note	2022 ----- Rupees in '000 -----	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	4,349,246	3,952,397
Intangible assets	6	5,670	3,929
Investments	7	-	-
Long term loans	8	2,636	1,897
Long term deposits	9	23,338	20,388
		4,380,890	3,978,611
<b>Current assets</b>			
Stores, spares and loose tools	10	307,914	259,332
Stock-in-trade	11	4,621,550	3,912,393
Trade debts	12	850,036	1,092,145
Loans and advances	13	17,895	19,970
Deposits and prepayments	14	58,834	39,779
Investments	15	207,150	146,364
Accrued mark-up		-	302
Other receivables	16	2,460	2,983
Sales tax receivable - net		-	29,674
Taxation - net		128,810	209,017
Bank balances	17	222,325	189,113
		6,416,974	5,901,072
<b>Total assets</b>		<b>10,797,864</b>	<b>9,879,683</b>



**Aamir H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Rizwan Ahmed**  
Chief Financial Officer

# Statement of Financial Position

AS AT JUNE 30, 2022

	2022	2021
	----- Rupees in '000 -----	
<b>EQUITY AND LIABILITIES</b>		
<b>Share capital and reserves</b>		
Authorised capital 50,000,000 (2021: 50,000,000) ordinary shares of Rs.10 each	500,000	500,000
Issued, subscribed and paid-up capital	280,136	243,597
Revenue reserves		
General reserve	5,037,500	5,037,500
Un-appropriated profit / (accumulated losses)	287,061	(261,198)
	5,324,561	4,776,302
Capital reserve		
Surplus on revaluation of leasehold land	589,186	589,186
<b>Total equity</b>	<b>6,193,883</b>	<b>5,609,085</b>
<b>Liabilities</b>		
<b>Non current liabilities</b>		
Lease liabilities	343,275	319,547
Long term borrowings	224,516	411,652
Deferred income - government grant	29,482	11,724
Staff retirement benefits	91,625	83,047
Deferred taxation	193,687	215,492
	882,585	1,041,462
<b>Current liabilities</b>		
Trade and other payables	2,652,728	1,692,228
Sales tax payable - net	74,423	-
Accrued mark-up	59,654	16,119
Current portion of lease liabilities	50,530	39,130
Current maturity of long term borrowings	216,633	308,252
Current portion of deferred income - government grant	7,151	13,623
Short term borrowings	568,366	1,083,666
Dividend payable	51,155	36,539
Unclaimed dividend	40,756	39,579
	3,721,396	3,229,136
<b>Total liabilities</b>	<b>4,603,981</b>	<b>4,270,598</b>
<b>Contingencies and commitments</b>	27	
<b>Total equity and liabilities</b>	<b>10,797,864</b>	<b>9,879,683</b>

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, 2022

	Note	2022 ---- Rupees in '000 ----	2021
Sales	28	25,029,244	19,955,087
Cost of sales	29	(22,308,266)	(17,673,951)
<b>Gross profit</b>		2,720,978	2,281,136
Distribution cost	30	(806,068)	(651,508)
Administrative expenses	31	(303,686)	(256,665)
Other income	32	34,747	50,722
Other expenses	33	(118,870)	(90,225)
<b>Profit from operations</b>		1,527,101	1,333,460
Finance cost	34	(389,439)	(138,416)
<b>Profit before taxation</b>		1,137,662	1,195,044
Taxation	35	(448,225)	(299,070)
<b>Profit for the year</b>		689,437	895,974
<b>Other comprehensive (loss) / income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement of staff retirement benefit obligation		(10,141)	2,681
Impact of deferred tax		2,941	(777)
<b>Other comprehensive (loss) / income for the year - net of tax</b>		(7,200)	1,904
<b>Total comprehensive income for the year</b>		682,237	897,878
----- Rupees -----			
Re-stated			
<b>Earnings per share - basic and diluted</b>	36	24.61	31.98

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, 2022

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	(Accumulated losses) / un-appropriated profit	Surplus on revaluation of leasehold land	
----- Rupees in '000 -----					
Balance as at July 1, 2020	243,597	5,037,500	(915,479)	589,186	4,954,804
<b>Transaction with owners, recognised directly in equity</b>					
Interim cash dividend for the year ended June 30, 2021 at the rate of Rs.10 per share	-	-	(243,597)	-	(243,597)
<b>Total comprehensive income for the year ended June 30, 2021</b>					
Profit for the year	-	-	895,974	-	895,974
Other comprehensive income	-	-	1,904	-	1,904
	-	-	897,878	-	897,878
<b>Balance as at June 30, 2021</b>	243,597	5,037,500	(261,198)	589,186	5,609,085
<b>Transaction with owners, recognised directly in equity</b>					
Final cash dividend for the year ended June 30, 2021 at the rate of Rs.4 per share	-	-	(97,439)	-	(97,439)
Bonus shares issued for the year ended June 30, 2021 in ratio of 3 shares for every 20 shares held	36,539	-	(36,539)	-	-
<b>Total comprehensive income for the year ended June 30, 2022</b>					
Profit for the year	-	-	689,437	-	689,437
Other comprehensive loss	-	-	(7,200)	-	(7,200)
	-	-	682,237	-	682,237
<b>Balance as at June 30, 2022</b>	280,136	5,037,500	287,061	589,186	6,193,883

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, 2022

	2022	2021
	---- Rupees in '000 ----	
<b>Cash flows from operating activities</b>		
Profit before taxation	1,137,662	1,195,044
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	414,957	398,624
Amortisation	2,384	495
Provision for gratuity	8,215	7,235
Provision for compensated leave absences	10,923	17,535
Gain on sale of investments at fair value through profit or loss	(2)	(1,713)
Dividend income	(19,116)	(20,766)
Mark-up income	(1)	(9,548)
Fair value gain on investments at fair value through profit or loss	605	(346)
Gain on disposal of operating fixed assets	(847)	(1,139)
Operating fixed assets written off	4,576	-
Reversal in provision for doubtful debts	(13,484)	(1,523)
Finance cost	389,439	138,416
	<u>1,935,311</u>	<u>1,722,314</u>
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(48,582)	(44,006)
- Stock-in-trade	(709,157)	(1,913,080)
- Trade debts	255,593	(397,624)
- Loans and advances	2,075	(11,323)
- Deposits and prepayments	(19,055)	(29,918)
- Other receivables	523	(537)
- Sales tax receivable - net	-	(205,642)
	(518,603)	(2,602,130)
Increase in current liabilities		
- Trade and other payables	946,640	497,836
- Sales tax payable - net	104,097	-
	1,050,737	497,836
	<u>532,134</u>	<u>(2,104,294)</u>
<b>Cash generated from / (used in) operations</b>	2,467,445	(381,980)
Finance cost paid	(292,780)	(105,584)
Mark-up received	303	9,246
Income taxes paid (including tax deducted at source) / receipts	(386,882)	37,119
Gratuity paid	(4,255)	(5,766)
Compensated leave absences paid	(2,584)	(4,142)
Long term loans - net	(739)	152
Long term deposits - net	(2,950)	(1,705)
	<u>1,777,558</u>	<u>(452,660)</u>
<b>Net cash generated from / (used in) operating activities - carried forward</b>	1,777,558	(452,660)

# Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---- Rupees in '000 ----	
<b>Net cash generated from / (used in) operating activities - brought forward</b>	1,777,558	(452,660)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(754,887)	(233,438)
Proceeds from sale of property, plant and equipment	19,750	22,941
Payments for intangible assets	(4,125)	(4,424)
Payments for investments	(61,823)	(517,654)
Proceeds from sale of investments	432	511,617
Dividend received	19,116	20,766
<b>Net cash used in investing activities</b>	(781,537)	(200,192)
<b>Cash flows from financing activities</b>		
Lease rentals paid	(98,394)	(81,755)
Long term borrowings obtained	81,568	256,221
Long term borrowings repaid	(349,037)	(186,992)
Short term borrowings - net	(515,300)	1,012,369
Dividend paid	(81,646)	(203,385)
<b>Net cash (used in) / generated from financing activities</b>	(962,809)	796,458
<b>Net increase in cash and cash equivalents</b>	33,212	143,606
Cash and cash equivalents at beginning of year	189,113	45,507
<b>Cash and cash equivalents at end of year</b>	222,325	189,113

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, 2022

## 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, 2022.

## 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, 2021:

- (a) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. 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. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. 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, 2021 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, 2021 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.
- (g)** Amendments to IAS 12, 'Income taxes' will be applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

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, 2022.

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	2022 --- Rupees in '000 ---	2021
Operating fixed assets	5.1	3,976,438	3,586,533
Capital work-in-progress	5.7	58,174	65,579
Right of use assets	5.9	314,634	300,285
		<u>4,349,246</u>	<u>3,952,397</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 -----									
<b>At July 1, 2020</b>									
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	589,600	1,226,951	1,680,659	8,964	12,803	51,461	18,201	102,458	3,691,097
<b>Year ended June 30, 2021</b>									
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	589,600	1,131,651	1,636,007	11,252	9,491	49,076	18,339	141,117	3,586,533
<b>At June 30, 2021</b>									
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	589,600	1,131,651	1,636,007	11,252	9,491	49,076	18,339	141,117	3,586,533
<b>Year ended June 30, 2022</b>									
Opening net book value	589,600	1,131,651	1,636,007	11,252	9,491	49,076	18,339	141,117	3,586,533
Additions	-	401,156	274,377	3,345	11,059	6,647	1,789	63,919	762,292
Disposals									
- cost	-	-	1,781	291	373	-	251	32,711	35,407
- accumulated depreciation	-	-	(1,008)	(31)	(83)	-	(151)	(15,231)	(16,504)
	-	-	773	260	290	-	100	17,480	18,903
Written off									
- cost	-	7,657	-	-	-	-	-	-	7,657
- accumulated depreciation	-	(3,081)	-	-	-	-	-	-	(3,081)
	-	4,576	-	-	-	-	-	-	4,576
Depreciation charge	-	117,856	179,659	1,375	8,454	5,238	1,950	34,376	348,908
Closing net book value	589,600	1,410,375	1,729,952	12,962	11,806	50,485	18,078	153,180	3,976,438
<b>At June 30, 2022</b>									
Revaluation / cost	589,600	2,037,456	3,461,758	21,874	80,441	83,154	31,433	243,182	6,548,898
Accumulated depreciation	-	627,081	1,731,806	8,912	68,635	32,669	13,355	90,002	2,572,460
Net book value	589,600	1,410,375	1,729,952	12,962	11,806	50,485	18,078	153,180	3,976,438
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 (2021: Rs.414 thousand).

5.4 Depreciation charge has been allocated as follows:	Note	2022	2021
		--- Rupees in '000 ---	
Cost of goods manufactured	29.1	311,527	312,284
Distribution cost	30	17,184	14,212
Administrative expenses	31	20,197	17,613
		348,908	344,109

5.5 Plant and machinery includes certain dies and moulds having cost aggregating Rs.164,502 thousand (2021: Rs.147,778 thousand) and net book value of Rs.89,174 thousand (2021: Rs.81,430 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	2022		2021	
	--- Rupees in '000 ---		--- Rupees in '000 ---	
	Cost	Net Book Value	Cost	Net Book Value
A.R Enterprises	1,188	431	1,188	479
Al Huda Plastics	3,406	1,187	3,406	1,319
Diwan Plastic Industries	18,859	7,105	18,859	7,895
Industrial Technical Services	5,067	2,941	5,067	3,268
Malta Auto Industries (Private) Limited	3,265	1,537	3,265	1,707
Precision Polymers (Private) Limited	64,202	33,034	55,484	27,502
Polymer Engineering Products	25,601	12,021	25,601	13,357
N H Enterprises	691	192	691	213
Nobel Enterprises	140	52	140	58
Atlas Autos (Private) Limited - a related party	42,083	30,674	34,077	25,632
	<u>164,502</u>	<u>89,174</u>	<u>147,778</u>	<u>81,430</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
----- Rupees in '000 -----							
<b>Assets having net book value exceeding Rs.500,000 each</b>							
<b>Plant and machinery</b>							
Generator	1,052	534	518	1,200	682	Negotiation	M/s. Razzaq Brothers, Street # 22, Block-D, Shershah, SITE, Karachi.
<b>Vehicles</b>							
	1,745	367	1,378	1,378	-	Company Policy	Ms. Eerab Ekhtlaq, Ex-employee
	1,335	-	1,335	1,335	-	Company Policy	Mr. Mian Said Kamal, Ex-employee
	1,433	207	1,226	1,226	-	Company Policy	Mr. Shabeeb M. Khan, Employee
	1,433	207	1,226	1,226	-	Company Policy	Mr. Muhammad Tasleem, Employee
	1,234	206	1,028	1,028	-	Company Policy	M/s. Atlas Honda Limited, a related party
	2,328	1,363	965	965	-	Company Policy	Mr. Adeel-ur-Rehman, Key management personnel
	2,330	1,382	948	948	-	Company Policy	Mr. Tehseen Raza, Key management personnel
	2,215	1,279	936	936	-	Company Policy	Mr. Muhammad Ayaz, Ex-employee
	2,205	1,332	873	873	-	Company Policy	Mr. Muhammad Rafi, Employee
	1,250	714	536	536	-	Company Policy	Mr. Shiraz Ahmed, Employee
	1,250	724	526	526	-	Company Policy	Mr. Muhammad Tariq, Employee
	1,250	724	526	526	-	Company Policy	Mr. Mirza Khurram Baig, Employee
	1,250	734	516	516	-	Company Policy	Mr. Sarfarazuddin, Employee
	<u>21,258</u>	<u>9,239</u>	<u>12,019</u>	<u>12,019</u>	<u>-</u>		
<b>Various assets having net book value upto Rs.500,000 each</b>							
	13,097	6,731	6,366	6,531	165		
<b>2022</b>	<u>35,407</u>	<u>16,504</u>	<u>18,903</u>	<u>19,750</u>	<u>847</u>		
2021	<u>49,363</u>	<u>27,561</u>	<u>21,802</u>	<u>22,941</u>	<u>1,139</u>		

**5.7 Capital work-in-progress**

	2022		2021	
	--- Rupees in '000 ---		--- Rupees in '000 ---	
Buildings on leasehold land	17,886	14,993		
Plant and machinery	25,240	42,232		
Computers and accessories	293	-		
Furniture and fixtures	420	686		
Air conditioners	-	258		
Vehicles	12,574	2,736		
Intangible asset	1,761	4,674		
	<u>58,174</u>	<u>65,579</u>	5.8	

5.8 Includes advance payments to related parties amounting to Rs.1,421 thousand (2021: Rs.1,296 thousand) to Atlas Honda Limited, Rs.6,481 thousand to Honda Atlas Cars (Pakistan) Limited for purchase of vehicles and Rs.150 thousand (2021: Nil) to Integration Xperts (Private) Limited for development of software.

5.9	Right of use assets	Note	2022 --- Rupees in '000 ---	2021
	Balance at beginning of the year		300,285	354,800
	Addition during the year	5.9.1	80,398	-
	Depreciation charged during the year	5.9.2	(66,049)	(54,515)
	Net book value at end of the year		314,634	300,285

5.9.1 Right of use assets include Rs.35,074 thousand (2021:Nil) recognised against assets rented from related parties.

5.9.2 Depreciation expense relating to right of use asset of Rs.48,228 thousand has been charged in 'Cost of sales', Rs.15,168 thousand in 'Distribution cost' and Rs.2,653 thousand in 'Administrative expenses'.

## 6. INTANGIBLE ASSETS

	Software licenses	ERP implementation cost	Total
	----- Rupees in '000 -----		
<b>At July 1, 2020</b>			
Cost	23,067	7,400	30,467
Accumulated amortisation	(23,067)	(7,400)	(30,467)
Net book value	-	-	-
<b>Year ended June 30, 2021</b>			
Opening net book value	-	-	-
Additions	4,424	-	4,424
Amortisation charge	(495)	-	(495)
Closing net book value	3,929	-	3,929
<b>At June 30, 2021</b>			
Cost	27,491	7,400	34,891
Accumulated amortisation	(23,562)	(7,400)	(30,962)
Net book value	3,929	-	3,929
<b>Year ended June 30, 2022</b>			
Opening net book value	3,929	-	3,929
Additions	4,125	-	4,125
Amortisation charge	(2,384)	-	(2,384)
Closing net book value	5,670	-	5,670
<b>At June 30, 2022</b>			
Cost	31,616	7,400	39,016
Accumulated amortisation	(25,946)	(7,400)	(33,346)
Net book value	5,670	-	5,670
Amortisation rate (% per annum)	50	50	

6.1 Intangible assets as at June 30, 2022 include items having an aggregate cost of Rs.30,467 thousand (2021: 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	2022 --- Rupees in '000 ---	2021
	Cost of sales	29	1,512	378
	Distribution cost	30	700	117
	Administrative expenses	31	172	-
			2,384	495

## 7. INVESTMENTS

**Available for sale** - Unquoted

Arabian Sea Country Club Limited

100,000 ordinary shares of Rs.10 each - cost

Less: impairment in the value of investment

	1,000	1,000
	1,000	1,000
	-	-

**8. LONG TERM LOANS**

**Note**      **2022**      2021  
**---- Rupees in '000 ----**

**Considered good** - secured

Related parties - key management personnel

Loans to employees - others

-	583
5,747	4,234
5,747	4,817

Recoverable within one year -

Key management personnel

Others

-	(583)
(3,111)	(2,337)
(3,111)	(2,920)
2,636	1,897

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**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.2,996 thousand (2021: Rs.2,136 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, 2022 from key management personnel (related party) aggregated to Rs.500 thousand (2021: Rs.1,500 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**

**Note**      **2022**      2021  
**---- Rupees in '000 ----**

**Considered good** - unsecured and interest-free

Security deposits for:

- utilities

- rent agreements

- others

4,019	4,019
11,307	8,350
8,012	8,019
23,338	20,388

**10. STORES, SPARES AND LOOSE TOOLS**

Maintenance spares

- in hand

- in transit

Consumables stores

Loose tools

148,667	137,464
4,955	4,733
153,506	116,467
786	668
307,914	259,332

**11. STOCK-IN-TRADE**

Raw materials and components:

- in hand

- with third parties

2,935,122	2,389,029
52,899	39,613

11.1

Work-in-process

Finished goods

Items in transit

2,988,021	2,428,642
1,205,366	917,455
374,579	375,120
53,584	191,176
4,621,550	3,912,393

**11.1** Includes raw materials amounting to Rs.1,349 thousand (2021: Rs.834 thousand) held with Atlas Autos (Private) Limited - a related party.

**11.2** Stock-in-trade and trade debts upto a maximum amount of Rs.9,401,354 thousand (2021: Rs.5,801,020 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 26).

12. TRADE DEBTS - Unsecured	Note	2022 ---- Rupees in '000 ----	2021
<b>Considered good</b>			
Related parties:			
Atlas Honda Limited		125,076	93,954
Honda Atlas Cars (Pakistan) Limited		13,881	20,046
Others		711,079	978,145
		<u>850,036</u>	<u>1,092,145</u>
<b>Considered doubtful</b>			
Others		28,800	42,284
		878,836	1,134,429
Provision for expected credit loss	12.1	(28,800)	(42,284)
		<u>850,036</u>	<u>1,092,145</u>
<b>12.1 Provision for expected credit loss</b>			
Balance at beginning of the year		42,284	43,807
Reversal in provision for expected credit loss		(13,484)	(1,523)
Balance at end of the year		<u>28,800</u>	<u>42,284</u>

12.2 The ageing of trade debts at June 30, is as follows:	Related parties		Others	
	2022	2021	2022	2021
	----- Rupees in '000 -----			
Less than 30 days	134,109	98,212	605,144	728,044
31 - 180 days	4,848	15,788	103,631	254,094
181 days to 365 days	-	-	6,053	6,837
Over one year	-	-	25,051	31,454
	<u>138,957</u>	<u>114,000</u>	<u>739,879</u>	<u>1,020,429</u>
Provision for expected credit loss	-	-	(28,800)	(42,284)
	<u>138,957</u>	<u>114,000</u>	<u>711,079</u>	<u>978,145</u>

12.3 Trade debts which are past due beyond one year have been impaired and fully provided for.

12.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.140,409 thousand (2021: Rs.138,905 thousand).

13. LOANS AND ADVANCES	Note	2022 ---- Rupees in '000 ----	2021
<b>Considered good and interest-free</b>			
<b>Secured</b>			
Current portion of long term loans to employees	8	3,111	2,920
<b>Unsecured</b>			
Loans to staff other than executives	13.1	310	126
Advances to suppliers, contractors and others	13.2	14,474	16,924
		<u>17,895</u>	<u>19,970</u>

13.1 These represent interest-free welfare loans and salary advance provided to employees in accordance with the Company's policy and have maturities upto ten months.

13.2 Includes advances to suppliers, contractors and others amounting Rs.538 thousand (2021: Rs.134 thousand) paid to Atlas Honda Limited - a related party against purchase of motorcycle for employee.

14. DEPOSITS AND PREPAYMENTS	2022 ---- Rupees in '000 ----	2021
<b>Considered good and unsecured</b>		
Deposits and margins - interest-free	11,497	5,049
Prepayments	47,337	34,730
	<u>58,834</u>	<u>39,779</u>

14.1 Includes Rs.34,413 thousand (2021: Rs.27,075 thousand) prepaid insurance to Atlas Insurance Limited, a related party.

15. INVESTMENTS - at fair value through profit or loss

-- Number of units --	2022	2021
2,015,333	1,426,569	HBL Money Market Fund
	<u>207,150</u>	<u>146,364</u>



**15.1** 2,015,333 units of HBL Money Market Fund valuing Rs.207,150 thousand (2021: 1,426,569 units of HBL Money Market Fund valuing Rs.146,364 thousand) are under lien of a commercial bank against guarantees aggregating Rs.169,360 thousand (2021: Rs.119,360 thousand) issued in favour of Sui Southern Gas Co. Ltd. and Excise & Taxation Department, Government of Sindh on behalf of the Company.

**16. OTHER RECEIVABLES**

		2022	2021
	Note	---- Rupees in '000 ----	
<b>Considered good and unsecured</b>			
Insurance claim receivable	16.1	143	666
Sales tax paid under protest		2,317	2,317
		<u>2,460</u>	<u>2,983</u>

**16.1** Represents receivable from Atlas Insurance Limited, a related party.

**17. BANK BALANCES**

		2022	2021
	Note	---- Rupees in '000 ----	
Balances with banks on current accounts		29,527	31,760
Cheques-in-hand	17.1	192,798	157,353
		<u>222,325</u>	<u>189,113</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**

	2022	2021		2022	2021
	---Number of shares---			---- Rupees in '000 ----	
1,300,000	1,300,000		Ordinary shares of Rs.10 each fully paid in cash	13,000	13,000
26,713,627	23,059,676		Ordinary shares of Rs.10 each issued as fully paid bonus shares	267,136	230,597
<u>28,013,627</u>	<u>24,359,676</u>			<u>280,136</u>	<u>243,597</u>

**18.1 Movement in issued, subscribed and paid-up capital**

	2022	2021		2022	2021
	---Number of shares---			---- Rupees in '000 ----	
24,359,676	24,359,676		Balance at beginning of the year	243,597	243,597
3,653,951	-		Ordinary shares of Rs.10 each issued as fully paid bonus shares	36,539	-
<u>28,013,627</u>	<u>24,359,676</u>		Balance at end of the year	<u>280,136</u>	<u>243,597</u>

**18.2 Ordinary shares of the Company held by the related parties as at June 30,**

	2022	2021
	-- Number of shares --	
Shirazi Investments (Private) Limited	16,489,173	14,338,412
GS Yuasa International Limited - Japan	4,202,013	3,653,925
Atlas Foundation	514,994	447,821
Atlas Insurance Limited	488,506	424,788
	<u>21,694,686</u>	<u>18,864,946</u>

**18.3** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets.

**19. SURPLUS ON REVALUATION OF LEASEHOLD LAND**

An independent revaluation of the Company's leasehold land at D-181, Central Avenue, S.I.T.E., Karachi was performed by M/s. Surval on June 30, 2008 and that revaluation exercise resulted in appraisal a surplus of Rs.173,786 thousand over the book value of Rs.414 thousand. This leasehold land has been again revalued on July 16, 2014 & June 21, 2019 by MYK Associates (Private) Limited & Pee Dee & Associates respectively, Independent Valuers, based on present market value for similar plots in the vicinity (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 and are mentioned in note 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	2022 ---- Rupees in '000 ----	2021
Balance at beginning of the year		358,677	388,828
Additions during the year	20.1	80,398	-
Interest accrued		53,124	51,604
Repaid / adjusted during the year		(98,394)	(81,755)
		393,805	358,677
Current portion grouped under current liabilities		(50,530)	(39,130)
Balance at end of the year		343,275	319,547

**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 of the Company. These includes Rs.247,473 thousand (2021: Rs.250,377 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	97,343	349,392	158,277	605,012
Finance cost allocated to future periods	(46,813)	(101,354)	(63,040)	(211,207)
Present value of minimum lease payments	50,530	248,038	95,237	393,805

## 21. LONG TERM BORROWINGS

	Note	2022 ---- Rupees in '000 ----	2021
Term loan	21.1	312,500	437,500
Loan under refinance scheme for payment of wages and salaries	21.2	90,806	262,561
Temporary economic refinance facility (TERF)	21.3	37,843	19,843
		441,149	719,904
Current maturity		(216,633)	(308,252)
		224,516	411,652

### 21.1 Term loan

Balance at beginning the year		437,500	500,000
Loan obtained during the year	21.1.1	40,784	32,866
Loan re-paid / adjusted during the year		(165,784)	(95,366)
Balance at end of the year		312,500	437,500

The Company had 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.40,784 thousand (2021: 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	2022 ---- Rupees in '000 ----	2021
Loan amount received from bank	21.2.1	91,633	274,886
Adjustment pertaining to fair value of loan at below market interest rate	21.2.2	(827)	(12,325)
		90,806	262,561

**21.2.1 Loan amount received from bank**

	2022	2021
	---- Rupees in '000 ----	
Balance at beginning the year	274,886	176,023
Loan obtained during the year	-	190,489
Loan re-paid during the year	(183,253)	(91,626)
Balance at end of the year	<u>91,633</u>	<u>274,886</u>

This represents long term loan received during the preceeding years 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.

	2022	2021
	---- Rupees in '000 ----	
<b>21.2.2 Adjustment pertaining to fair value of loan at below market interest rate</b>	<b>Note</b>	
Balance at beginning of the year	12,325	18,112
Difference of fair value of loan and loan received	-	14,536
Amortisation of loan	11,498	20,323
Balance at end of the year	<u>827</u>	<u>12,325</u>

**21.3 Temporary economic refinance facility (TERF)**

Loan amount received from bank	21.3.1	73,650	32,866
Adjustment pertaining to fair value of loan at below market interest rate	21.3.2	(35,807)	(13,023)
		<u>37,843</u>	<u>19,843</u>

**21.3.1 Loan amount received from bank**

Balance at beginning the year	32,866	-
Loan obtained during the year	40,784	32,866
Balance at end of the year	<u>73,650</u>	<u>32,866</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.

	2022	2021
	---- Rupees in '000 ----	
<b>21.3.2 Adjustment pertaining to fair value of loan at below market interest rate</b>	<b>Note</b>	
Balance at beginning of the year	13,023	-
Difference of fair value of loan and loan received	26,129	13,093
Amortisation of loan	3,345	70
	<u>35,807</u>	<u>13,023</u>

**22. DEFERRED INCOME - GOVERNMENT GRANT**

Balance at beginning of the year	25,347	18,112
Grant recognised on loan at below market interest rate	22.1	26,129
Less: released to statement of profit or loss		14,843
		<u>36,633</u>
Less: current portion		7,151
		<u>29,482</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

		2022	2021
	Note	---- Rupees in '000 ----	
Provision for gratuity	23.1	1,968	1,729
Compensated leave absences	23.2	89,657	81,318
		<u>91,625</u>	<u>83,047</u>

### 23.1 Provision for gratuity

**23.1.1** As stated in note 4.11.2, the Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff.

**23.1.2** Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, the Companies Act, 2017, Income Tax Rules, 2002 and Rules under the Trust Deed of the Plan. Responsibility for governance of the Plan, including investment decisions and contributions schedules lies with the Board of Trustees. The Company appoints the trustees.

**23.1.3** The latest actuarial valuations of the Schemes as at June 30, 2022 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	
	2022	2021	2022	2021	2022	2021
<b>23.1.4 Balance sheet reconciliation</b>	----- Rupees in '000 -----					
Present value of defined benefit obligation at June 30 - note 23.1.5	118,764	100,396	1,968	1,729	120,732	102,125
Fair value of plan assets at June 30 - note 23.1.6	(99,722)	(94,511)	-	-	(99,722)	(94,511)
Receivable from to related parties in respect of transferees	(926)	(1,630)	-	-	(926)	(1,630)
Liability at end of the year	18,116	4,255	1,968	1,729	20,084	5,984
Payable within next twelve months	(18,116)	(4,255)	-	-	(18,116)	(4,255)
	-	-	1,968	1,729	1,968	1,729
<b>23.1.5 Movement in the present value of defined benefit obligation</b>						
Balance at beginning of the year	100,396	89,854	1,729	1,590	102,125	91,444
Benefits paid	(2,440)	(7,759)	-	(160)	(2,440)	(7,919)
Current service cost	7,419	6,562	133	88	7,552	6,650
Interest cost	10,219	7,772	177	131	10,396	7,903
Re-measurements on obligation	3,371	3,682	(71)	80	3,300	3,762
Recognised in respect of transfers	(201)	285	-	-	(201)	285
Balance at end of the year	118,764	100,396	1,968	1,729	120,732	102,125
<b>23.1.6 Movement in the fair value of plan assets</b>						
Balance at beginning of the year	94,511	84,290	-	-	94,511	84,290
Contributions	4,255	5,606	-	-	4,255	5,606
Benefits paid	(2,440)	(7,759)	-	-	(2,440)	(7,759)
Interest income	9,733	7,318	-	-	9,733	7,318
Re-measurements	(6,840)	6,443	-	-	(6,840)	6,443
Amount transferred to other group companies	503	(1,387)	-	-	503	(1,387)
Balance at end of the year	99,722	94,511	-	-	99,722	94,511
<b>23.1.7 Expense recognised in statement of profit or loss</b>						
Current service cost	7,419	6,562	133	88	7,552	6,650
Net interest cost	486	454	177	131	663	585
	<u>7,905</u>	<u>7,016</u>	<u>310</u>	<u>219</u>	<u>8,215</u>	<u>7,235</u>

	Management		Non-management		Total	
	2022	2021	2022	2021	2022	2021
<b>23.1.8 Re-measurements recognised in other comprehensive income</b>	----- Rupees in '000 -----					
Loss arising from change in financial assumptions	2,779	3,476	45	59	2,824	3,535
Experience loss / (gain)	592	206	(108)	20	484	226
Gain due to change in demographic assumption	-	-	(7)	-	(7)	-
Loss / (gain) on re-measurement of plan assets	6,840	(6,443)	-	-	6,840	(6,443)
Net re-measurements	<u>10,211</u>	<u>(2,761)</u>	<u>(70)</u>	<u>80</u>	<u>10,141</u>	<u>(2,681)</u>
<b>23.1.9 Net liability recognised</b>						
Balance at beginning of the year	4,255	5,606	1,729	1,590	5,984	7,196
Charge for the year	7,905	7,016	310	219	8,215	7,235
Contributions made during the year	(4,255)	(5,606)	-	(160)	(4,255)	(5,766)
Re-measurements recognised in other comprehensive income	10,211	(2,761)	(70)	80	10,141	(2,681)
Recognised liability as at June 30	18,116	4,255	1,969	1,729	20,085	5,984
Payable within next twelve months	(18,116)	(4,255)	-	-	(18,116)	(4,255)
	<u>-</u>	<u>-</u>	<u>1,969</u>	<u>1,729</u>	<u>1,969</u>	<u>1,729</u>
<b>23.1.10 Plan assets comprise of:</b>						
Debt securities	27,929	44,111	-	-	27,929	44,111
Equity instrument - mutual funds units	71,211	49,958	-	-	71,211	49,958
Cash and cash equivalent	582	442	-	-	582	442
	<u>99,722</u>	<u>94,511</u>	<u>-</u>	<u>-</u>	<u>99,722</u>	<u>94,511</u>

	Management		Non-management	
	2022	2021	2022	2021
<b>23.1.11 Actuarial assumptions used</b>	----- % per annum -----			
Discount rate at June 30	13.25%	10.00%	13.25%	10.00%
Expected rate of increase in future salaries - first year	13.00%	12.00%	13.00%	12.00%
- long term	12.25%	9.00%	12.25%	9.00%
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	Light	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		111,930	130,750
Increase in future salaries		<u>130,171</u>	<u>112,283</u>
Withdrawal rates : light		<u>119,099</u>	
Withdrawal rates : heavy		<u>122,066</u>	

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the statement of financial position.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- 23.1.13** The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.
- 23.1.14** Based on actuary's advice, the expected contribution and expense for the year ending June 30, 2023 to management and non-management gratuity plans will be Rs.10,830 thousand and Rs.411 thousand respectively.
- 23.1.15** The weighted average duration of management and non management gratuity is 7.80 years and 5.18 years respectively. Expected maturity analysis of undiscounted retirement benefit plans:

<b>At June 30, 2022</b>	<b>Less than a year</b>	<b>Between 1 - 2 years</b>	<b>Between 2 - 5 years</b>	<b>Between 5 - 20 years</b>	<b>Total</b>
	----- Rupees in '000 -----				
Management staff	7,051	12,068	44,860	624,920	688,899
Non-management staff	26	353	1,030	9,960	11,369
Total	<u>7,077</u>	<u>12,421</u>	<u>45,890</u>	<u>634,880</u>	<u>700,268</u>

<b>23.2 Compensated leave absences</b>	<b>2022</b>	<b>2021</b>
	---- Rupees in '000 ----	
Balance at beginning of the year	81,318	67,925
Provision for the year	10,923	17,535
	<u>92,241</u>	<u>85,460</u>
Encashed during the year	(2,584)	(4,142)
Balance at end of the year	<u>89,657</u>	<u>81,318</u>

- 23.2.1** Includes liability in respect of key management personnel aggregating to Rs.24,354 thousand (2021: Rs.21,598 thousand).

<b>24. DEFERRED TAXATION - Net</b>	<b>2022</b>	<b>2021</b>
	---- Rupees in '000 ----	
The liability for deferred tax comprises temporary differences relating to:		
Accelerated tax depreciation	310,501	306,033
Tax amortisation	345	82
Lease liabilities - net	(22,960)	(16,934)
Provision for impairment of available-for-sale investments	(290)	(290)
Provision for doubtful debts	(8,352)	(12,262)
Provision for gratuity	(5,824)	(1,735)
Provision for compensated leave absences	(26,001)	(23,582)
Provision for warranty	(53,732)	(35,820)
	<u>193,687</u>	<u>215,492</u>

<b>25. TRADE AND OTHER PAYABLES</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
		---- Rupees in '000 ----	
Trade creditors	25.1	609,871	177,443
Accrued liabilities	25.1	1,306,624	1,062,245
Provision for warranty	25.2	185,285	123,518
Contract liabilities - customers advances and credit balances		300,179	120,999
Provision for gratuity	23.1	18,116	4,255
Workers' profit participation fund (the Fund)		61,190	64,233
Workers' welfare fund		24,535	25,390
Sindh government infrastructure fee	25.4	130,533	102,479
Withholding taxes		4,977	4,665
Other liabilities	25.5	11,418	7,001
		<u>2,652,728</u>	<u>1,692,228</u>

- 25.1** Trade creditors and accrued liabilities include Rs.332,293 thousand (2021: Rs.267,592 thousand) pertaining to related parties.

25.2	Provision for warranty	Note	2022	2021
			---- Rupees in '000 ----	
	Balance at beginning of the year		123,518	106,570
	Provision for the year	29.1	731,727	465,884
			855,245	572,454
	Payments made during the year		(669,960)	(448,936)
	Balance at end of the year		185,285	123,518

**25.3** Revenue aggregating Rs.92,876 thousand (2021: 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 has filed a review in the Supreme Court of Pakistan, which is pending adjudication.

As at June 30, 2022, the Company has provided bank guarantees amounting Rs.150,000 thousand (2021: Rs.100,000 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.9,152 thousand (2021: Rs.6,010 thousand).

## **26. SHORT TERM BORROWINGS - Secured**

	Note	2022	2021
		---- Rupees in '000 ----	
Running finances / musharakah	26.1	568,366	783,666
Demand Finance	26.2	-	300,000
		568,366	1,083,666

**26.1** Running finance / musharakah facilities available from various banks under mark-up arrangements aggregated to Rs.6,600,000 thousand (2021: Rs.3,900,000 thousand). During the year, these finance facilities carried mark-up at the rates ranging from 7.65% to 16.30% (2021: 7.45% to 9.53%) per annum.

**26.2** Demand finance / musawammah / murabaha / istisna / tijarah facilities aggregating Rs.6,000,000 thousand (2021: 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 7.5% to 10.84% (2021: 7.52% to 11.94%) per annum.

**26.3** FE-25 facilities aggregating Rs.1,480,000 thousand (2021: Rs.1,480,000 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 May 31, 2023.

**26.5** The facilities for opening letters of credit and guarantees as at June 30, 2022 aggregated to Rs.1,850,000 thousand (2021: Rs.1,580,000 thousand) of which the amount remained unutilised at year end aggregated to Rs.1,151,530 thousand (2021: Rs.978,674 thousand). These facilities are secured against 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 (the Ordinance) 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 Commissioner Inland Revenue (Appeals) [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 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 Commissioner Inland Revenue (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 above mentioned 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 had 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 adjudication. The Company has obtained stay order from Honourable High Court of Sindh on August 06, 2021 against the recovery of the aforesaid demand.

- 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 (the Ordinance) 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 Commissioner Inland Revenue (Appeals) [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 of 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 had 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 Income Tax the Ordinance, 2001 (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 adjudication. The Company has obtained stay order from Honourable High Court of Sindh on August 06, 2021 against the recovery of the aforesaid demand.

- 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 Income Tax 2001 (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 had 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 had obtained stay from the High Court of Sindh against the demand confirmed by CIR(A). ATIR on July 30, 2019 had 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 adjudication. The Company has obtained stay order from Honourable High Court of Sindh on August 06, 2021 against the recovery of the aforesaid demand.

- 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 the Sales Tax Act, 1990 (the 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 Commissioner Inland Revenue (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 filed a rectification application for the apparent errors in the order and also filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on February 19, 2021.

Pursuant to the appeal, CIR(A) on April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by deleting the demand in respect of various expenditures, remanded back the issues on disallowances of tax credits and certain expenditures and upheld the demand related to additions pertaining to non-deduction of withholding tax on additional discounts. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) in respect of issues confirmed by CIR(A), which is pending for hearing.

**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 under section 11(2) of the 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 filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021. Pursuant to the appeal, the CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.5.645 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 07, 2022 in respect of issues confirmed by CIR(A), which is pending for hearing.

**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 under section 11(2) of the 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 filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021. Pursuant to the appeal, the CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.4.382 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 07, 2022 in respect of issues confirmed by CIR(A), which is pending for hearing.

**27.1.12** Assistant / Deputy Commissioner Inland Revenue (DCIR), Unit-4, Audit-1, Large Taxpayers' Office, Karachi conducted income tax audits for the tax years 2016, 2018, 2019 & 2020 and accordingly, passed orders dated July 29, 2021 under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) and created demand of Rs.2.597 billion, Rs.3.746 billion, Rs.2.963 billion and Rs.2.225 billion, respectively for the said tax years. The significant issues alleged in these orders are disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts, add backs of additional discounts and disallowance of certain expenditures. The Company filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on August 23, 2021. Pursuant to the appeals, CIR(A) on April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by remanded back various issues including disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts and disallowance of certain expenditures for fresh verification and upheld the demands in respect of other issues which significantly involves the add backs on additional discounts. The Company has filed appeals before the Appellate Tribunal Inland Revenue (ATIR) in respect of the issues confirmed by the CIR(A), which is pending for hearing.

#### **27.1.13 Outstanding bank guarantees**

Guarantees aggregating Rs.169,360 thousand (2021: Rs.119,360 thousand) are issued by a commercial bank on behalf of the Company to Sui Southern Gas Co. Ltd., and Excise and Taxation Department, Government of Sindh.

#### **27.2 Commitments**

**2022**                      2021  
---- Rupees in '000 ----

**27.2.1** Commitments in respect of letters of credit / contract relating to:

- raw materials, stores, spares and loose tools	303,903	415,229
- capital expenditure	225,198	66,737
	529,101	481,966

**27.2.2** Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2022 aggregated to Rs.21,905 thousand (2021: Rs.32,685 thousand).

<b>28. SALES - Net</b>	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>---- Rupees in '000 ----</b>	
Local sales			
- manufacturing activity		32,306,890	25,654,638
- trading activity		859,719	663,713
		33,166,609	26,318,351
Export sales		119,625	136,236
		33,286,234	26,454,587
Less:			
- sales tax		4,810,745	3,820,291
- discounts		3,446,245	2,679,209
		8,256,990	6,499,500
		<u>25,029,244</u>	<u>19,955,087</u>
<b>29. COST OF SALES</b>			
Opening stock of finished goods		375,120	327,271
Cost of goods manufactured	29.1	21,656,761	17,274,923
Purchases during the year		650,964	446,877
		22,307,725	17,721,800
Closing stock of finished goods		(374,579)	(375,120)
		<u>22,308,266</u>	<u>17,673,951</u>
<b>29.1 Cost of goods manufactured</b>			
Opening stock of work-in-process		917,455	751,225
Raw materials and components consumed	29.2	17,177,590	13,750,384
Salaries, wages and benefits	29.3	1,397,589	1,189,187
Stores consumed		482,205	375,331
Light, heat and water		1,292,164	935,117
Insurance		57,047	43,635
Rent, rates and taxes		17,524	7,584
Repair and maintenance		88,010	65,977
Royalty and technical fee	29.4	266,652	206,803
Cartage		16,036	10,938
Travelling and conveyance		31,183	15,987
Postage and telephone		5,235	4,557
Printing and stationery		4,814	3,807
Vehicle running		2,399	2,405
Depreciation related to operating fixed assets	5.4	311,527	312,284
Depreciation related to right of use assets	5.9.2	48,228	44,749
Amortization	6.2	1,512	378
Free replacement	25.2	731,727	465,884
Other expenses		13,230	6,146
		22,862,127	18,192,378
Closing stock of work-in-process		(1,205,366)	(917,455)
		<u>21,656,761</u>	<u>17,274,923</u>
<b>29.2 Raw materials and components consumed</b>			
Opening stock		2,428,642	920,691
Purchases during the year		17,736,969	15,258,335
		20,165,611	16,179,026
Closing stock		(2,988,021)	(2,428,642)
		<u>17,177,590</u>	<u>13,750,384</u>

**29.3** Salaries, wages and benefits include Rs.4,372 thousand (2021: Rs.3,722 thousand) and Rs.12,462 thousand (2021: Rs.10,786 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**

		2022	2021
	Note	---- Rupees in '000 ----	
Salaries and benefits	30.1	94,907	92,594
Travelling, conveyance and entertainment		90,184	47,957
Vehicle running		2,769	877
Rent, rates and taxes		15,509	19,537
Advertisement and sales promotion		147,387	119,945
Repair and maintenance		2,591	9,930
Light, heat and water		6,993	4,559
Freight and forwarding		307,032	262,757
Printing and stationery		991	721
Postage and telephone		5,637	6,101
Depreciation related to operating fixed assets	5.4	17,184	14,212
Depreciation related to right of use assets	5.9.2	15,168	7,113
Amortisation	6.2	700	117
Insurance		98,321	64,830
Newspapers, magazines and subscription others		695	258
		<u>806,068</u>	<u>651,508</u>

**30.1** Salaries and benefits include Rs.1,278 thousand (2021: Rs.1,086 thousand) and Rs.3,472 thousand (2021: Rs.3,073 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

**31. ADMINISTRATIVE EXPENSES**

		2022	2021
	Note	---- Rupees in '000 ----	
Directors' meeting fee		1,550	800
Salaries and benefits	31.1	184,803	173,459
Travelling and conveyance		9,003	5,449
Repair and maintenance		1,300	6,893
Light, heat and water		1,229	1,072
Insurance		5,452	4,586
Legal and professional charges		14,545	14,471
Fee and subscription		42,165	20,859
Postage and telephone		2,126	2,217
Printing and stationery		4,561	4,552
Vehicle running		330	604
Training expense		1,650	1,437
Depreciation related to operating fixed assets	5.4	20,197	17,613
Depreciation related to right of use assets	5.9.2	2,653	2,653
Amortisation		172	-
Donation		11,950	-
		<u>303,686</u>	<u>256,665</u>

**31.1** Salaries and benefits include Rs.2,565 thousand (2021: Rs.2,428 thousand) and Rs.7,650 thousand (2021: Rs.6,286 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

**32. OTHER INCOME**

		2022	2021
	Note	---- Rupees in '000 ----	
<b>Income from financial assets</b>			
Dividend income		19,112	9,118
Fair value gain on investments at fair value through profit or loss - net		-	346
Mark-up / interest on savings deposit accounts, and term deposit receipts		1	9,548
<b>Income from investments in related parties</b>			
Dividend income		4	11,648
Gain on sale of investments at fair value through profit or loss - net		2	1,713
<b>Income from assets other than financial assets</b>			
Scrap sales		14,463	9,146
Exchange gain - net		-	8,064
Gain on disposal of operating fixed assets	5.6	847	1,139
Others		318	-
		<u>34,747</u>	<u>50,722</u>

<b>33. OTHER EXPENSES</b>	<b>Note</b>	<b>2022</b> ---- Rupees in '000 ----	2021
Reversal in provision for expected credit loss	12.1	(13,484)	(1,523)
Workers' profit participation fund		61,190	64,233
Workers' welfare fund		24,950	25,390
Operating fixed asset written off	5.1	4,576	-
Auditors' remuneration	33.1	2,468	2,125
Exchange loss - net	33.2	38,565	-
Fair value loss on investments at fair value through profit or loss - net		605	-
		<u>118,870</u>	<u>90,225</u>
<b>33.1 Auditors' remuneration</b>			
Remuneration in respect of auditors' services for:			
- statutory audit		1,550	1,425
- 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	135
- certifications for payment of royalty, dividend and others		454	266
- out of pocket expenses		69	39
		<u>2,468</u>	<u>2,125</u>
<b>33.2</b> Represents exchange loss arising on revaluation of actual currency.			
<b>34. FINANCE COST</b>			
Mark-up / amortisation on:			
- lease liabilities		53,124	51,604
- long term borrowings		57,610	63,992
- running finances / musharakah		252,472	32,539
- demand finances		29,110	84
- workers' profit participation fund		132	-
Government grant		(14,843)	(20,470)
		<u>377,605</u>	<u>127,749</u>
Bank and other financial charges		11,834	10,667
		<u>389,439</u>	<u>138,416</u>
<b>35. TAXATION</b>			
<b>Current tax</b>			
Current tax on profits for the year		469,132	307,327
Adjustments for current tax of prior years		(2,043)	14,159
		467,089	321,486
<b>Deferred tax</b>			
Origination and reversal of temporary differences		(18,864)	(22,416)
		<u>448,225</u>	<u>299,070</u>

**35.1** No numeric tax rate reconciliation for the 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. Relationship between tax expense and accounting profit for the year is as follows:

	<b>June 30, 2022</b> Rupees in '000
Profit before taxation	1,137,662
Tax at the applicable rate of 29%	329,922
Tax effect of:	
- expenses not deductible for tax purposes	524,662
- expenses deductible for tax purposes but not taken to profit and loss account	(499,627)
- income not subject to tax / income subject to final tax regime / tax credits	(7,690)
Adjustments in respect of prior years	(2,043)
Super tax on high earning persons	121,865
Deferred taxation	(18,864)
<b>Tax charge</b>	<u>448,225</u>

<b>36. EARNINGS PER SHARE</b>	<b>2022</b>	<b>2021</b>
	<b>---- Rupees in '000 ----</b>	
<b>36.1 Basic earnings per share</b>		
Net profit for the year	<u>689,437</u>	<u>895,974</u>
	<b>-- Number of shares --</b>	
		Re-stated
Weighted average ordinary shares in issue	<u>28,013,627</u>	<u>28,013,627</u>
	<b>----- Rupees -----</b>	
		Re-stated
Earnings per share	<u>24.61</u>	<u>31.98</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 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 Global, FZE, Jebeal Ali, UAE

##### **d) Associated companies - Group companies**

Atlas Energy Limited	Atlas Metals (Private) Limited
Integration Xperts (Private) Limited	

##### **e) Directors**

Mr. Aamir H. Shirazi	Mr. Ali H. Shirazi
Mr. Azam Faruque	Mr. Bashir Makki
Mr. Fahd K. Chinoy	Ms. Mehreen Amin
Mr. Toru Furuya	

##### **f) Key Management Personnel**

Mr. Mansoor Jamil Khan	Mr. Ahmar Waheed
Mr. Mohsin Khan	Mr. Muhammad Asher Ahmad
Mr. Rizwan Ahmed	Mr. Sheikh Adeel-ur-Rehman
Mr. Tehseen Raza	

<b>37.2 Transactions with related parties</b>	<b>2022</b>	2021
	<b>--- Rupees in '000 ---</b>	
<b>The Holding Company</b>		
Lease rental paid	72,771	65,310
Service charges paid	21,142	16,179
Dividend paid	57,354	143,384
Bonus share issued	21,508	-
<b>Associated companies</b>		
Sales of:		
- goods	1,385,525	1,080,079
- operating fixed assets	1,161	622
Purchases of:		
- goods	594,540	659,459
- operating fixed assets	77,819	51,390
- intangible asset	4,125	-
- consumables / services	19,049	18,062
Lease rental paid	2,275	2,068
Reimbursement of expenses	2,045	-
Expenses charged	58	1,260
Insurance premium	196,985	196,440
Insurance claims	11,469	13,210
Purchase of units in mutual funds	432	509,904
Sale of units in mutual funds	434	511,617
Dividend received	4	11,648
Dividend paid	3,490	8,726
Royalty and technical fee	268,729	207,386
Contribution to pension funds	18,059	14,801
Dividend payable	51,155	36,539
Bonus shares issued	6,790	-
Donation paid	11,950	-
Bonus fraction donated	96	-

<b>Other related parties</b>	<b>2022</b>	2021
	<b>--- Rupees in '000 ---</b>	
Contributions paid to:		
- gratuity funds	4,255	5,606
- provident fund	5,525	5,344
Salaries and other short term employment benefits to key management personnel		
	120,099	114,090
Sale of operating fixed asset under Company policy	1,913	1,045

The related party status of outstanding balances as at June 30, 2022 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		2022	2021
	2022	2021	2022	2021		
----- Rupees in '000 -----						
Managerial remuneration	21,264	19,156	-	-	74,228	59,024
House rent and utilities	14,884	13,409	-	-	51,959	41,317
Bonus	10,995	13,840	-	-	38,385	42,644
Retirement benefits	2,339	2,107	-	-	8,165	6,229
Medical and others	983	518	-	-	-	721
	<u>50,465</u>	<u>49,030</u>	<u>-</u>	<u>-</u>	<u>172,737</u>	<u>149,935</u>
Number of persons	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>28</u>

**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 four (2021: three) non-executive directors was Rs.1,550 thousand (2021: Rs.800 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, 2022 aggregated to Rs.1,320,546 thousand (2021: Rs.1,458,668 thousand) and are as follows:

	2022	2021
	---- Rupees in '000 ----	
Long term loans	2,636	1,897
Long term deposits	23,338	20,388
Trade debts	850,036	1,092,145
Loans and advances	3,421	3,046
Deposits and margins	11,497	5,049
Investments	207,150	146,364
Other receivables	143	666
Bank balances	222,325	189,113
	1,320,546	1,458,668

Out of the total financial assets, credit risk is concentrated in investments in mutual fund securities, trade debts and deposits with banks as they constitute 96.89% (2021: 97.88%) 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:

	2022		2021	
	%	Rupees in '000	%	Rupees in '000
Original Equipment Manufacturers and Institutions	10.18	86,538	5.52	60,337
Associated Companies	16.35	138,957	10.44	114,000
Dealers and others	73.47	624,541	84.04	917,808
	100	850,036	100	1,092,145

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		2022	2021
		Short term	Long term	---- Rupees in '000 ----	
MCB Bank Limited	PACRA	A-1+	AAA	-	4,169
Habib Metropolitan Bank Limited	PACRA	A-1+	AA+	200	100
Habib Bank Limited	JCR-VIS	A-1+	AAA	24,293	23,651
Meezan Bank Limited	JCR-VIS	A-1+	AAA	5,033	3,825
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	-	2
National Bank of Pakistan	PACRA	A1+	AAA	1	12
				<u>29,527</u>	<u>31,760</u>
<b>Mutual funds</b>		<b>Agency</b>	<b>Rating</b>		
HBL Money Market Fund		JCR-VIS	AA+(f)	<u>207,150</u>	<u>146,364</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, 2022, the Company had Rs.6,600,000 thousand available borrowings limits from banks / financial institutions and of bank balances Rs.29,527 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 -----				
<b>June 30, 2022</b>				
Lease liabilities	393,805	605,012	97,343	507,669
Long term borrowings	441,149	555,561	258,257	297,304
Trade and other payables	2,203,900	2,203,900	2,203,900	-
Accrued mark-up	59,654	59,654	59,654	-
Short term borrowings	568,366	801,283	801,283	-
Dividend payable	51,155	51,155	51,155	-
Unclaimed dividend	40,756	40,756	40,756	-
	<u>3,758,785</u>	<u>4,317,321</u>	<u>3,512,348</u>	<u>804,973</u>
----- Rupees in '000 -----				
<b>June 30, 2021</b>				
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>

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, 2022.

**(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:

	2022		2021	
	Rupees in '000	U.S. Dollars	Rupees in '000	U.S. Dollars
<b>Balance sheet exposure</b>				
Trade and other payables	24,033	116,667	12,664	80,000

Exchange rate of Rs.206.00 (2021: 158.30) for US Dollar to Rupee has been applied.

At June 30, 2022, 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.1,202 thousand (2021: Rs.658 thousand) higher / (lower), mainly as a result of foreign exchange gain / (loss) on translation of U.S. Dollar denominated financial liabilities.

## Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates.

The Company's interest rate exposure arises from long term and short term borrowings. Borrowings issued at variable rates expose the Company to cash flow risk and borrowing issued at fixed rate expose the Company to fair value interest rate risk. At June 30, 2022, the Company's interest bearing borrowings aggregated to Rs.880,866 thousand (2021: Rs.1,521,166 thousand).

At June 30, 2022, 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.8,809 thousand (2021: Rs.15,212 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.207,150 thousand (2021: Rs.146,364 thousand) and classified at fair value through profit or loss. The Company is not exposed to commodity risk.

At June 30, 2022, 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.2,072 thousand (2021: Rs.1,464 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.207,150 thousand (2021: Rs.146,364 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, 2022			At June 30, 2021		
	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 -----		
<b>Financial assets as per statement of financial Position</b>						
Long term loans	2,636	-	2,636	1,897	-	1,897
Long term deposits	23,338	-	23,338	20,388	-	20,388
Trade debts	850,036	-	850,036	1,092,145	-	1,092,145
Loans and advances	3,421	-	3,421	3,046	-	3,046
Deposits and prepayments	11,497	-	11,497	5,049	-	5,049
Investments	-	207,150	207,150	-	146,364	146,364
Bank balances	222,325	-	222,325	189,113	-	189,113
	<u>1,113,253</u>	<u>207,150</u>	<u>1,320,403</u>	<u>1,311,638</u>	<u>146,364</u>	<u>1,458,002</u>

#### Financial liabilities as per statement of financial Position

	Financial liabilities at amortised cost	
	2022	2021
	----- Rupees in '000 -----	
Long term borrowings including current maturity	441,149	719,904
Trade and other payables	2,203,900	1,464,495
Accrued mark-up	59,654	16,119
Short term borrowings	568,366	1,083,666
Dividend payable	51,155	36,539
Unclaimed dividend	40,756	39,579
	<u>3,364,980</u>	<u>3,360,302</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:

	<b>2022</b>	2021
	<b>--- Rupees in '000 ---</b>	
Total borrowings	1,403,320	2,162,247
Bank balances	(222,325)	(189,113)
Net debt	1,180,995	1,973,134
Total Equity	6,193,883	5,609,085
Total Capital	7,374,878	7,582,219
Gearing ratio	16%	26%

#### 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 97.06% (2021: 97.16%) of the total revenue of the Company.

##### 41.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2022 are located in Pakistan.

All of the Company's sales relate to customers in Pakistan other than export sales amounting to Rs.119,625 thousand (2021: Rs.136,236 thousand) made to Afghanistan.

##### 41.3 Information about customers

The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

#### 42. NUMBER OF EMPLOYEES

	<b>2022</b>	2021
Total number of employees	346	337
Average number of employees	344	310

#### 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, 2022:

	<b>2022</b>	2021
	<b>--- Rupees in '000 ---</b>	
Size of the Fund - Total Assets	121,199	125,403
Cost of investments made	95,804	103,552
Percentage of investments made	98.68%	94.23%
Fair value of investments	119,600	118,170

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

	----- 2022 -----		----- 2021 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
----- Rupees in 000 -----				
Short term investments	207,150	-	146,364	-
Bank balances	29,527	-	31,760	-
Accrued mark-up	34,068	25,586	15,305	814
Lease liabilities	393,805	-	358,677	-
Long term borrowings including current portion	441,149	-	719,904	-
Short term borrowings	182,048	386,318	1,046,501	37,165
Revenue	-	25,029,244	-	19,955,087
Other income				
a) Dividend income	19,116	-	20,766	-
b) Gain on sale of investments at fair value through profit or loss	2	-	1,713	-
c) Fair value gain on investments at fair value through profit or loss	-	-	346	-
d) Mark-up income	1	-	9,099	449
e) Others including exchange gain on actual currency	-	15,628	-	18,349
Mark-up on running finances / musharaka	148,355	104,117	32,539	-
Mark-up on demand finances	29,110	-	63	21
Mark-up on long term borrowings	57,610	-	63,992	-
Mark-up on lease liabilities	53,124	-	51,604	-

#### 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 THE REPORTING PERIOD

The Board of Directors, in their meeting held on August 29, 2022, (i) proposed a final cash dividend of Rs.12.50 per share amounting to Rs. 350,170 thousand and (ii) proposed bonus shares at the rate of 25 in proportion of one ordinary share for every four shares held amounting to Rs. 70,034 thousand for approval of the members at the Annual General Meeting to be held on September 29, 2022.

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, 2023.

#### 47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 29, 2022 by the Board of Directors of the Company.



**Aamir H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Rizwan Ahmed**  
Chief Financial Officer

# PROVIDING IDEAL POWER TO TWO-WHEELERS

AGS provides strength and endurance  
for your motorcycles.





# 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
 Atlas Honda	1962
 Atlas Battery	1966
 Shirazi Trading	1975
 Atlas Insurance	1980*
 Atlas Engineering	1981*
<b>HONDA</b> Honda Atlas Cars	1992
<b>HONDA</b> 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
<b>Light Batteries (12 Volts)</b>				
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	
<b>Medium Batteries (12 Volts)</b>				
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	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)
N125	17PL	N100S	100	
GX 132	17PL		100	
GX 135	19PL	N100	105	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
<b>Heavy Batteries (12 Volts)</b>				
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	
<b>SP Batteries (12 Volts)</b>				
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 70 CNG	11PL		45	
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	
<b>Washi Batteries (12 Volts)</b>				
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	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 110	13PL	75		
WS 115	15PL	80		
WS 135	15PL	85	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)	
WS 150	17PL	100		
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 Sets, Road Rollers and Belarus Tractors	
WS 260	27PL	175	Heavy Generators and Ships	
WS 270	33PL	220		
<b>Hybrid Batteries (12 Volts)</b>				
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	
<b>Maintenance Free Batteries (12 Volts)</b>				
MF 46 R	9PL	Maintenance Free	30	All types of vehicles (1000cc to 1800cc)
MF 46 L	9PL	Maintenance Free	30	
MF 50 L	11PL	Maintenance Free	38	
MF 65 L	13PL	Maintenance Free	45	
<b>Deep Cycle Batteries (12 Volts)</b>				
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 1800	7 PL	Deep Cycle	140	
SP Tall 2000	9PL	Deep Cycle	180	
SP Tall 2500	11PL	Deep Cycle	210	
<b>Agri Batteries (12 Volts)</b>				
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)
<b>Motorcycle Battery (12 Volts)</b>				
GM2.53C2 CLASSIC		2.5 (10 HR)	Honda CD70, CG125, all Japanese and Chinese motorcycles	
SP 5		2.5 (10 HR)		
<b>Battery Tonic</b>				
Battery Tonic	1000 ML		Distilled water for all types of batteries	

# Our Valued OEM Customers

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HONDA ATLAS CARS (PAKISTAN) LIMITED



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INDUS MOTOR COMPANY LIMITED



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PAK SUZUKI MOTOR COMPANY LIMITED



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MASTER MOTOR CORPORATION (PRIVATE) LIMITED



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FUSO MASTER MOTORS (PRIVATE) LIMITED



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PM AUTO INDUSTRIES (PRIVATE) LIMITED



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SIGMA MOTORS LIMITED



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ATLAS HONDA LIMITED





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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 at 9:30 a.m. on Thursday, September 29, 2022 at 2nd Floor,  
Federation House, Sharae Firdousi, Clifton, Karachi and / or online through Zoom and at every adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022.

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](mailto: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 ممبر (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 جمعرات بتاریخ 29 ستمبر 2022 بوقت صبح 9:30 بجے بمقام دوسری  
منزل، فیڈریشن ہاؤس، شاہراہ فرودسی، کانٹن، کراچی اور بذریعہ زوم لنک اور اس کے کسی ملتی شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط کیے گئے ہیں سال 2022 کے \_\_\_\_\_ ماہ اور \_\_\_\_\_ تاریخ کو۔

گواہ:

دستخط: \_\_\_\_\_

نام: \_\_\_\_\_

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: \_\_\_\_\_

درست رقم  
کاٹکٹ چسپاں کریں

رکن کے دستخط

نوٹ:

- کمپنی کے عام اجلاس میں شرکت اور ووٹ کا حقدار رکن اپنی شرکت اور ووٹ کے لیے پراکسی مقرر کرنے کا حقدار ہے۔ کوئی بھی شخص جو کمپنی کا رکن نہیں ہے اسے بطور پراکسی مقرر نہیں کیا جاسکتا سوائے اس شخص کے جسے کوئی ادارہ رکن ہونے پر مقرر کرے۔ پراکسیز کے موثر ہونے کے لیے لازمی ہے کہ وہ کمپنی کے رجسٹرڈ آفس یا شیئرز رجسٹر اری میسرز جمید جمید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیئرمین، حسرت موہانی روڈ، کراچی یا کمپنی کے رجسٹرڈ ای میل [investor.relations@abl.atlas.pk](mailto:investor.relations@abl.atlas.pk) پر ہر شدہ اور دستخط کے ساتھ اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔

- سی ڈی سی شیئرز 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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Website: [www.abl.atlas.pk](http://www.abl.atlas.pk)