

Director's Report

The Directors of your Company take pleasure in presenting their report together with the Audited Financial Statements and Auditor's Report thereon for the year ended June 30, 2021.

Financial Results

The financial results of your Company for the year ended June 30, 2021, under review are summarized as follows:

Particular	2020-21	2019-20
	Rs. in '000'	
Loss Before Tax	(141,751)	(296,278)
Loss After Tax	(118,472)	(303,098)
Total comprehensive loss for the year	(117,648)	(301,666)
Net Assets	711,647	829,324

Loss per Share

After-tax, the basic loss per share is Rs. 2.15 (2020: Rs. 5.51 per share).

Dividend

The Board of Directors did not recommend any dividend.

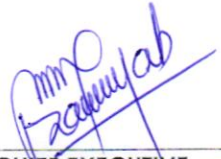
	2021	2020
	----- (Rs. in '000') -----	
Profits available for appropriation	161,676	279,324
- Proposed Dividend	Nil	Nil
Un-appropriated profits carried forward	161,676	279,324

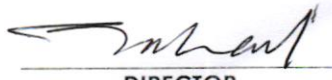
Auditors

The present Auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants retire and are eligible, offer themselves for re-appointment for 2021-22.

Future Outlook

The Company is reframing and rationalizing the assets with the existing operations and profitability expected from its casting business and increasing investments activities. Management is also in the process of disposing of the lead recycling plant and related equipment.


 CHIEF EXECUTIVE


 DIRECTOR

September 30, 2021

Atlas Metals (Private) Limited

Registered Office: 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600 Ph: 35369474

Factory: Plot No. 347-A, Shed No. 1, 15th Miles, National Highway, Landhi, Karachi Ph: 35016921-24

Email: aml@aml.atlas.pk Website: www.atlasmetals.com.pk

ATLAS METALS (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ATLAS METALS (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Atlas Metals (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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 forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' 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.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises of the Directors' Report (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.

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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.

Auditors' 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 auditors' 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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- 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Shinwong Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 30 SEP 2021

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
ASSETS			
Non-current assets			
Property, plant and equipment	6	219,288,367	959,543,332
Long term deposits		4,395,300	3,928,800
		<u>223,683,667</u>	<u>963,472,132</u>
Current assets			
Stores, spares and loose tools	7	21,100,243	60,137,435
Stock-in-trade	8	12,409,206	12,438,549
Trade debts	9	7,126,105	5,576,008
Loans, advances, deposits and other receivables	10	54,664	9,350,160
Short term investments	11	222,878,576	-
Taxation - net		287,363,012	568,777,439
Bank balances	12	9,439,924	11,560,007
		<u>560,371,730</u>	<u>667,839,598</u>
Non-current assets classified as held for sale	13	410,000,000	-
Total assets		<u><u>1,194,055,397</u></u>	<u><u>1,631,311,730</u></u>

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ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 75,000,000 (2020: 75,000,000) ordinary shares of Rs.10 each		<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up capital 55,000,000 (2020: 55,000,000) ordinary shares of Rs.10 each fully paid in cash	14	550,000,000	550,000,000
Revenue reserves - unappropriated profit		<u>161,676,018</u>	<u>279,323,633</u>
Total equity		711,676,018	829,323,633
Liabilities			
Non current liabilities			
Compensated absences	15	5,670,919	8,054,027
Deferred taxation	16	54,223,375	84,269,462
		<u>59,894,294</u>	<u>92,323,489</u>
Current liabilities			
Loan from the Holding Company	17	240,000,000	500,000,000
Trade and other payables	18	182,485,085	119,694,118
Short term borrowings	19	-	89,970,490
		<u>422,485,085</u>	<u>709,664,608</u>
Total liabilities		482,379,379	801,988,097
Contingencies and commitments	20		
Total equity and liabilities		<u>1,194,055,397</u>	<u>1,631,311,730</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Financial Officer

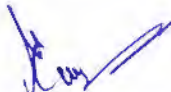

Chief Executive


Director

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020 -----
Turnover - net	21	151,535,962	339,935,202
Cost of sales	22	(234,154,844)	(575,199,912)
Gross loss		(82,618,882)	(235,264,710)
Administrative and distribution expenses	23	(76,549,060)	(30,956,399)
Other expenses	24	(8,712,859)	(542,975)
Other income	25	27,089,213	9,727,963
Loss from operations		(140,791,588)	(257,036,121)
Finance costs	26	(959,859)	(39,240,622)
Loss before taxation		(141,751,447)	(296,276,743)
Taxation	27	23,279,129	(6,821,262)
Loss after taxation		(118,472,318)	(303,098,005)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation	18.1.5	824,703	1,431,707
Total comprehensive loss		(117,647,615)	(301,666,298)

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive


Director

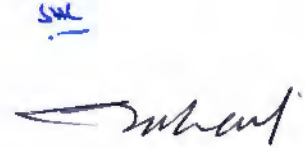
ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Revenue reserves	
		Unappropriated profit	Total
		----- Rupees -----	
Balance as at July 1, 2019	550,000,000	580,989,931	1,130,989,931
Total comprehensive loss for the year ended June 30, 2020			
Loss for the year	-	(303,098,005)	(303,098,005)
Other comprehensive income	-	1,431,707	1,431,707
	-	(301,666,298)	(301,666,298)
Balance as at June 30, 2020	550,000,000	279,323,633	829,323,633
Total comprehensive loss for the year ended June 30, 2021			
Loss for the year	-	(118,472,318)	(118,472,318)
Other comprehensive income	-	824,703	824,703
	-	(117,647,615)	(117,647,615)
Balance as at June 30, 2021	550,000,000	161,676,018	711,676,018

The annexed notes from 1 to 36 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive


Director

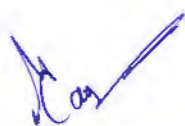
ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020
	----- Rupees -----	
Cash flows from operating activities		
Loss before taxation	(141,751,447)	(296,276,743)
Adjustments for non cash charges and other items:		
Depreciation	56,720,330	103,845,399
Provision for gratuity	782,312	888,023
(Reversal) / provision for compensated absences	(709,715)	545,980
Provision for slow moving inventories - net	30,100,811	20,574,903
Provision for doubtful advances	8,158,359	-
Fair value gain in investment in mutual funds	(2,981,580)	-
Gain on disposal of operating fixed assets	(7,157,984)	(150,776)
Impairment of operating fixed assets	-	9,053,132
Impairment of non-current assets held for sale	55,494,451	-
Mark-up on running finance facilities	862,735	39,209,137
Mark-up / interest on deposit accounts	(881,971)	-
Dividend income	(5,761,171)	-
	134,626,577	173,965,798
Cash flows before working capital changes	(7,124,870)	(122,310,945)
Changes in working capital:		
Decrease / (increase) in current assets		
- Stores, spares and loose tools	2,659,721	4,930,277
- Stock-in-trade	6,306,003	324,825,136
- Trade debts	(1,550,097)	358,422,586
- Loans, advances, deposits and other receivables	1,137,137	126,876,230
	8,552,764	815,054,229
Increase / (decrease) in trade and other payables	66,475,010	(86,773,510)
	75,027,774	728,280,719
Cash generated from operations	67,902,904	605,969,774
Income taxes refund received / (taxes paid)	274,647,469	(5,041,942)
Finance cost paid	(2,624,092)	(63,287,437)
Compensated absences and gratuity paid	(3,553,688)	(1,641,324)
Long term deposits - net	(466,500)	1,606,600
Net cash generated from operating activities - carried forward	335,906,093	537,605,671

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 ----- Rupees -----	2020 -----
Net cash generated from operating activities - brought forward		335,906,093	537,605,671
Cash flows from investing activities			
Payments for property, plant and equipment		(6,347,685)	(1,641,558)
Sale proceeds from disposal of:			
- property, plant and equipment		71,545,853	20,372,726
- non-current asset held for sale		160,000,000	-
Profit on deposit accounts received		881,971	-
Short term investments acquired		(219,896,996)	-
Dividend received		5,761,171	-
Net cash generated from investing activities		11,944,314	18,731,168
Cash flows from financing activities			
Loan (repaid) / obtained from Holding Company		(260,000,000)	500,000,000
Net increase in cash and cash equivalents		87,850,407	1,056,336,839
Cash and cash equivalents at beginning of the year		(78,410,483)	(1,134,747,322)
Cash and cash equivalents at end of the year	28	9,439,924	(78,410,483)

The annexed notes from 1 to 36 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive



Director

ATLAS METALS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 Legal status and operations

Atlas Metals (Private) Limited (the Company) was incorporated in Pakistan as a Private Limited Company on September 18, 2012 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The principal activity of the Company is to manufacture parts for batteries. The registered office of the Company is situated at 2nd floor, Federation House, Shahrah-e-Firdousi, Clifton, Karachi, Pakistan.

The geographical location and address of the factory of the Company is 15th mile, National Highway, Landhi, Karachi.

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 (the Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provision of and directives issued under the Act.

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 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and staff retirement benefit - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.

2.3 Functional and presentation currency

These financial statements have been presented in Pakistani rupee, which is the Company's functional and presentation currency.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards and amendments to approved accounting standard effective in current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2020:

- (a) Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' is applicable on accounting periods beginning on or after January 1, 2020. The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS. In addition, the IASB has also issued guidance on how to make materiality judgements when preparing their general purpose financial statements in accordance with IFRS. Refined definition of materiality - information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2020 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2020 and have not been early adopted by the Company:

- (a) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendment is not expected to have material impact on the Company's financial statements.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' will be applicable on accounting periods beginning on or after January 1, 2023. The IASB has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 'Financial Instruments'; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

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

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

The estimates and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgments made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgments are:

- (i) Estimate of useful lives and residual values of property, plant & equipment - note 5.2
- (ii) Estimation of current and deferred tax - notes 5.9 & 5.10
- (iii) Estimate of payables & receivables in respect of employees' retirement benefit - note 5.11
- (iv) Provision for doubtful debts - note 5.15

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Going concern

The Company has incurred loss before tax Rs.141,751 thousands (2020: Rs.296,277 thousands). These financial statements have been prepared under going concern assumption as the Company is reframing the operations and expects profitability in future from its parts casting and investment business based on the financial projections prepared by the management. Also the management is in process of disposing its recycling business and related equipment. Further the Holding Company of the Company have confirmed their intent to provide financial support to the Company to enable it to continue as a going concern.

5.2 Property, plant and equipment

5.2.1 Owned assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to the statement of profit or loss using the reducing balance method. Depreciation on additions during the year is charged from the month when the asset is available for use whereas, depreciation on disposals is not charged in the month in which the disposal takes place.

Major renewals and improvements for assets are capitalized and the assets so replaced, if any, are retired. Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Assets' residual values, useful lives and method of depreciation are reviewed and adjusted, if appropriate at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Gains or losses on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is charged to statement of profit or loss.

5.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and consists of expenditure incurred and advances made in respect of operating fixed assets in the course of their acquisition, erection, construction and installation. The assets are transferred to relevant category of operating fixed assets when they are available for use.

5.3 Stores, spares & loose tools

Stores, spares and loose tools are stated at lower of cost and net realizable value. The cost of stores, spares and loose tools is based on weighted average cost. Items-in-transit are stated at cost accumulated up to the reporting date. The Company reviews the carrying amounts of stores, spares and loose tools on an on-going basis and provision is made for obsolescence if there is any change in usage pattern and physical form. Impairment is also made for slow moving items, if any.

5.4 Stock-in-trade

Stock-in-trade is valued at lower of cost and net realizable value. Cost of raw materials and components represent invoice values plus other charges incurred thereon. Cost of inventory is based on weighted average cost. Cost in relation to work-in-process and finished goods represent direct cost of raw materials, wages and appropriate manufacturing overheads. Goods in transit are valued at cost accumulated up to the reporting date.

The Company reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

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

5.5 Impairment of assets

An assessment is made at each reporting date to determine whether there is any indication of impairment or reversal of previous impairment, including items of property, plant and equipment and intangible assets. In the event that an asset's carrying amount exceeds its recoverable amount, the carrying amount is reduced to recoverable amount and an impairment loss is recognized in the statement of profit or loss. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of amortization or depreciation), had no impairment losses been recognized for the asset in prior years. Reversal of impairment loss is restricted to the original cost of the asset.

5.6 Provisions

Provisions, if any are recognized when:

- a) the Company has a present obligation (legal or constructive) as a result of past events;
- b) it is probable that an outflow of resources will be required to settle the obligation; and
- c) a reliable estimate of the amount can be made.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

5.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets**Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortized cost (debt instruments)

This category is the most relevant to the Company. The Company measures financial assets at amortized cost if both of the following conditions are met:

- The financial assets are held within a business model with the objective to hold financial 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

Financial assets at amortized cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

The Company's financial assets at amortized cost includes trade receivables, loan to employees, other receivables and bank balances.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have been expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company applies a simplified approach in calculating ECLs.

Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and net of directly attributable transaction costs.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When 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 the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Company's statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

5.8 Revenue recognition

Revenue is recognized at a point in time at which a customer obtains control of the promised goods and the Company satisfies the performance obligation. Therefore, sales are recorded on dispatch of goods to customers which generally coincides with physical delivery of goods to customer, i.e. when the significant risks and reward of ownership have been transferred to the customer.

- Profit on bank deposits and other income are accounted for on accrual basis.
- Dividend income is recognized when the right to receive such payment is established.

5.9 Taxation

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any. As of the reporting date, taxable loss of the Company amounted to Rs.1,060,687 thousand (2020: Rs.872,124 thousand).

5.10 Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes using statement of financial position liability method. It is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable temporary differences, while deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax losses, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, carry forward of unused tax losses can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

5.11 Staff retirement benefits

5.11.1 Defined benefit plan

The Company operates a funded gratuity scheme for its permanent employees. The Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuations were carried out at June 30, 2021. The amounts arising as a result of re-measurements are recognized in other comprehensive income in the periods in which they occur. All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

5.11.2 Defined contribution plan

The Company operates a recognized provident fund for its permanent employees. Equal monthly contributions are made to the fund at the rate of 11% by the employees and the Company in accordance with the rules of the scheme.

Employees are given option to transfer the complete amount or any portion thereof standing to credit of his accumulated balance in the Fund, to any of the Voluntary Pension Schemes managed by the Atlas Asset Management Company Limited, an associated company under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund by a request to the Trustees of fund, in writing.

As of the reporting date, no eligible employee falls under provident fund as all the eligible employees have opted to transfer the complete balance to voluntary pension schemes managed by the Atlas Management Company Limited.

5.12 Compensated absences

The Company provides a facility to its eligible employees for accumulating their annual earned leave under an unfunded scheme. Accruals are made to cover the obligation under the scheme on annual basis and are charged to the statement of profit or loss. Accrual for compensated absences is calculated on the basis of one month's gross salary. The amount of liability recognized in the statement of financial position is calculated by the Company using the above basis as the difference in liability is not expected to be material using the Projected Unit Credit Method.

5.13 Foreign currency translation

Transactions in foreign currencies are translated into Pakistani Rupee at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the reporting date. Exchange gains and losses are recognized in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

5.14 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivables and bank balances as at the reporting date. These are stated at amortized cost less impairment, if any.

5.15 Trade debts and other receivables and related impairment

Trade debts and other receivables shall be classified as financial assets at amortized cost according to IFRS 9.

Trade debts are initially recognized 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.

5.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost and are defined as cash in hand, cash at banks and short term highly liquid investments, that are readily convertible to known amounts of cash and subject to insignificant risk of change in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand and balances in bank net of short term running finance, if any.

5.17 Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

5.18 Trade and other payables

Liabilities for trade and other payables are carried at original invoice amount / cost, which approximate is the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

5.19 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognized in the financial statements in the year in which these are approved. However, if these are approved after the reporting date but before the financial statements are authorized for issue they are disclosed to the notes to the financial statements.

6 PROPERTY, PLANT AND EQUIPMENT

		2021	2020
	Note	----- Rupees -----	
Operating fixed assets	6.1	200,507,621	870,789,114
Capital work-in-progress	6.4	18,780,746	88,754,218
		<u>219,288,367</u>	<u>959,543,332</u>

6.1 Operating fixed assets

	Lease- hold improvements	Plant and machinery	Office equip- ments	Computers	Furniture and fixtures	Vehicles	Electric fittings	Gas installations	Computerised weighbridge	Generators	Laboratory equipment	Moulds	Total
	Rupees												
At July 1, 2019													
Revaluation / cost	557,312,956	661,266,244	18,864,573	6,783,714	21,170,309	69,442,833	41,309,738	34,476,533	3,497,000	29,573,192	24,269,497	3,518,186	1,471,484,775
Accumulated depreciation	103,483,145	299,067,799	2,239,991	3,483,023	1,456,084	19,831,610	8,131,650	12,310,282	1,180,064	12,970,368	4,593,631	469,091	469,216,738
Net book value	453,829,811	362,198,445	16,624,582	3,300,691	19,714,225	49,611,223	33,178,088	22,166,251	2,316,936	16,602,824	19,675,866	3,049,095	1,002,268,037
Year ended June 30, 2020													
Opening net book value	453,829,811	362,198,445	16,624,582	3,300,691	19,714,225	49,611,223	33,178,088	22,166,251	2,316,936	16,602,824	19,675,866	3,049,095	1,002,268,037
Additions	-	-	-	-	-	343,761	-	-	-	-	-	1,297,797	1,641,558
Disposals													
- cost	-	-	280,821	363,351	594,000	25,963,778	3,406,847	-	-	-	-	-	30,608,797
- accumulated depreciation	-	-	(68,527)	(259,450)	(49,129)	(9,888,736)	(141,005)	-	-	-	-	-	(10,386,847)
	-	-	212,294	103,901	544,871	16,095,042	3,265,842	-	-	-	-	-	20,221,950
Impairment charge	-	9,053,132											9,053,132
Depreciation charge	45,382,981	36,219,844	1,648,469	964,839	1,921,011	7,911,181	3,089,437	2,216,625	231,694	1,660,282	1,967,587	631,449	103,845,399
Closing net book value	408,446,830	316,925,469	14,763,819	2,231,951	17,248,343	25,948,761	26,822,809	19,949,626	2,085,242	14,942,542	17,708,279	3,715,443	870,789,114
At June 30, 2020													
Revaluation / cost	557,312,956	661,266,244	18,583,752	6,420,363	20,576,309	43,822,816	37,902,891	34,476,533	3,497,000	29,573,192	24,269,497	4,815,983	1,442,517,536
Accumulated depreciation / impairment	148,866,126	344,340,775	3,819,933	4,188,412	3,327,966	17,874,055	11,080,082	14,526,907	1,411,758	14,630,650	6,561,218	1,100,540	571,728,422
Net book value	408,446,830	316,925,469	14,763,819	2,231,951	17,248,343	25,948,761	26,822,809	19,949,626	2,085,242	14,942,542	17,708,279	3,715,443	870,789,114
Year ended June 30, 2021													
Opening net book value	408,446,830	316,925,469	14,763,819	2,231,951	17,248,343	25,948,761	26,822,809	19,949,626	2,085,242	14,942,542	17,708,279	3,715,443	870,789,114
Additions	-	-	-	215,000	-	6,131,500	-	-	-	-	-	-	6,346,500
Disposals													
- cost	-	93,294,211	2,419,741	1,880,993	2,146,987	29,507,581	-	-	-	-	13,298,586	-	142,548,099
- accumulated depreciation	-	(58,281,674)	(1,082,329)	(1,137,059)	(617,045)	(13,983,604)	-	-	-	-	(3,059,704)	-	(78,161,415)
	-	35,012,537	1,337,412	743,934	1,529,942	15,523,977	-	-	-	-	10,238,882	-	64,386,684
Transferred to non-current assets held for sale													
- cost	317,460,226	489,280,123	12,590,895	-	17,305,374	-	33,708,554	21,733,392	1,100,000	-	9,316,672	-	902,495,236
- accumulated depreciation	(64,363,326)	(252,559,814)	(1,936,519)	-	(3,146,539)	-	(11,297,444)	(9,755,197)	(260,604)	-	(3,654,814)	-	(346,974,257)
	253,096,900	236,720,309	10,654,376	-	14,158,835	-	22,411,110	11,978,195	839,396	-	5,661,858	-	555,520,979
Depreciation charge	27,494,361	17,053,516	820,683	661,030	894,458	3,674,293	1,502,748	1,364,531	164,346	1,494,255	853,021	743,088	56,720,330
Closing net book value	127,855,569	28,139,107	1,951,348	1,041,987	665,108	12,881,991	2,908,951	6,606,900	1,081,500	13,448,287	954,518	2,972,355	200,507,621
At June 30, 2021													
Revaluation / cost	239,852,730	78,691,910	3,573,116	4,754,370	1,123,948	20,446,735	4,194,337	12,743,141	2,397,000	29,573,192	1,654,239	4,815,983	403,820,701
Accumulated depreciation	111,997,161	50,552,803	1,621,768	3,712,383	458,840	7,564,744	1,285,386	6,136,241	1,315,500	16,124,905	699,721	1,643,628	203,313,080
Net book value	127,855,569	28,139,107	1,951,348	1,041,987	665,108	12,881,991	2,908,951	6,606,900	1,081,500	13,448,287	954,518	2,972,355	200,507,621
Depreciation rate (% per annum)	10	10	10	30	10	20	10	10	10	10	10	20	

6.2 Allocation of depreciation charge:	Note	2021	2020
		----- Rupees -----	
Cost of sales	22	55,058,870	101,204,389
Administrative and distribution expenses	23	1,661,460	2,641,010
		56,720,330	103,845,399

6.3 Details of operating fixed assets disposed-off during the year:

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain / (loss)	Mode of disposal	Sold / transferred to
----- Rupees -----							
Items having net book value exceeding Rs.500,000 each							
Plant and machinery							
	13,134,003	8,168,136	4,965,867	4,700,000	(265,867)	Negotiation	RIE Metals (Private) Limited, Raaziq Logistic Centre, 15 KM Multan Road, Iqbal Town, Lahore, Punjab
	67,350,556	42,993,207	24,357,349	34,000,000	9,642,651	Negotiation	
	5,784,467	2,623,075	3,161,392	1,850,000	(1,311,392)	Negotiation	
	4,482,306	2,853,017	1,629,289	1,923,000	293,711	Negotiation	
	90,751,332	56,637,435	34,113,897	42,473,000	8,359,103		
Furniture and Fixtures	1,000,200	180,662	819,538	750,000	(69,538)	Negotiation	Atlas Battery Limited, a related party
Laboratory Equipment	13,298,586	3,059,704	10,238,882	10,120,288	(118,594)	Negotiation	First Habib Modarba, 5th Floor HBZ Plaza, (Hirani Centre), I.I.Chundrigar Road, Karachi.
Office equipment	1,512,900	622,026	890,874	257,500	(633,374)	Negotiation	Shehryar Air Condition, Shop#1, Sector-D, Shamim Masjid Road, Bhattai Colony, Korongi Crossing, Karachi.
Vehicles							
	2,649,806	1,208,312	1,441,494	1,295,023	(146,471)	Negotiation	Atlas Engineering (Private) Limited, a related party
	2,330,364	807,859	1,522,505	1,028,050	(494,455)	Negotiation	Atlas Engineering (Private) Limited, a related party
	1,142,971	320,032	822,939	822,939	-	Company policy	Atlas Autos (Private) Limited, a related party
	1,770,885	1,178,512	592,373	592,373	-	Negotiation	Atlas Autos (Private) Limited, a related party
	985,694	417,058	568,636	568,636	-	Company policy	Mr. Anwar Ahmed Khan (Ex-Employee)
	2,056,414	833,103	1,223,311	1,000,000	(223,311)	Negotiation	M Younus Brothers, Marium Deewan Square, Plot G, K 1/28, Kharadar, Karachi.
	2,163,776	1,267,646	896,130	854,701	(41,429)	Negotiation	
	4,599,874	2,038,664	2,561,210	2,478,632	(82,578)	Negotiation	
	1,941,407	1,028,584	912,823	1,275,000	362,177	Negotiation	SA Industrial & Commercial Co., 269/A Jalil Town, Gujranwala
	2,328,000	1,122,820	1,205,180	1,205,180	-	Negotiation	Zhenfa Pakistan New Energy Co.(Private) Ltd., a related party
	2,355,000	1,604,749	750,251	750,251	-	Company policy	Mr. Zafaryab Ali (Chief Executive Officer)
	4,977,975	2,123,543	2,854,432	2,906,331	51,899	Negotiation	First Habib Modarba, 5th Floor HBZ Plaza, (Hirani Centre), I.I.Chundrigar Road, Karachi.
	29,302,165	13,950,882	15,351,284	14,777,116	(574,168)		
	135,865,183	74,450,709	61,414,475	68,377,904	6,963,429		
Items having net book value upto Rs.500,000 each							
	6,682,915	3,709,521	2,973,394	3,167,949	194,555		Various
June 30, 2021	142,548,098	78,160,230	64,387,869	71,545,853	7,157,984		
June 30, 2020	30,608,797	10,386,847	20,221,950	20,372,726	150,776		

6.4 Capital work-in-progress	6.4.1	2021	2020
		----- Rupees -----	
Plant and machinery		18,780,746	88,754,218

	Note	2021 ----- Rupees -----	2020
6.4.1 Movement of capital work-in-progress			
Balance as at beginning of the year		88,754,218	88,754,218
Transferred to non-current assets held for sale	13.1	(69,973,472)	-
Balance as at end of the year		<u>18,780,746</u>	<u>88,754,218</u>
7 STORES, SPARES AND LOOSE TOOLS			
In hand		106,073,714	108,733,435
Provision for slow moving stores	8.1	(84,973,471)	(48,596,000)
		<u>21,100,243</u>	<u>60,137,435</u>
8 STOCK-IN-TRADE			
Raw material - in hand		12,409,206	17,194,894
Finished goods		-	1,520,315
		<u>12,409,206</u>	<u>18,715,209</u>
Provision for slow moving raw material	8.1	-	(6,276,660)
		<u>12,409,206</u>	<u>12,438,549</u>
8.1 Movement of provision for slow moving inventories			
		Stores, spares & loose tools	Stock-in-trade
		2021 2020	2021 2020
		----- Rupees -----	----- Rupees -----
Opening balance		48,596,000 -	6,276,660 34,297,757
Provision made		36,377,471 48,596,000	- 4,933,405
Provision reversed		- -	(6,276,660) (32,954,502)
Ending balance		<u>84,973,471</u> <u>48,596,000</u>	<u>-</u> <u>6,276,660</u>
8.2 Raw material costing Rs.Nil (2020: Rs.13,433 thousand) were carried at their net realizable value of Rs.Nil (2020:Rs.7,156 thousand).			
	Note	2021 ----- Rupees -----	2020
9 TRADE DEBTS - unsecured			
Considered good	9.1 & 9.2	<u>7,126,105</u>	<u>5,576,008</u>
9.1 This includes balance due from the associated companies as follows:			
Atlas Battery Limited		<u>7,126,105</u>	-
Shirazi Trading Company (Private) Limited		<u>-</u>	<u>295,051</u>
9.2 The ageing of trade debts is as follows:			
		Associated companies	Others
		2021 2020	2021 2020
		----- Rupees -----	----- Rupees -----
Not past due		7,126,105 295,051	- 528,203
Past due later than 90 days		- -	- 4,752,754
		<u>7,126,105</u> <u>295,051</u>	<u>-</u> <u>5,280,957</u>
Provision for doubtful debts		- -	- -
		<u>7,126,105</u> <u>295,051</u>	<u>-</u> <u>5,280,957</u>

- 9.3 The maximum amount receivable from related parties at any time during the year calculated by reference to month end balances is as follows:

	Note	2021 ----- Rupees -----	2020
Shirazi Trading Company (Private) Limited		295,051	295,051
Atlas Battery Limited		10,081,691	6,636,850
Atlas Engineering (Private) Limited		530,033	-
Atlas DID (Private) Limited		220,555	-
Atlas Autos (Private) Limited		-	50,028,020
Atlas Global FZE		-	74,019,401

10 LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES

Loan to employees - considered good	10.1	48,682	131,563
Advances to suppliers		7,813,104	8,279,604
Trade deposits		345,255	345,255
Other receivable		5,982	593,738
		8,213,023	9,350,160
Less: provision for doubtful advances	24	8,158,359	-
		54,664	9,350,160

- 10.1 This represents interest free loan to employees for the purchase of motor vehicles in accordance with the Company's policy. These loans are secured against the outstanding balance of compensated absences and gratuity and are recoverable in monthly installments.

11 SHORT TERM INVESTMENTS - At fair value

through profit or loss

2021 2020

--- Number of units ---

Related parties

152,948.17	-	Atlas Money Market Fund	77,372,960	-
98,441.47	-	Atlas Income Fund	51,441,625	-
61,896.49	-	Atlas Stock Market Fund	42,589,708	-
509,042.07	-	Atlas Sovereign Fund	51,474,283	-
			222,878,576	-

12 BANK BALANCES

Current accounts		207,883	1,487,176
Deposit accounts	12.1	9,232,041	10,072,831
		9,439,924	11,560,007

- 12.1 These carry profit at the rate upto 5.6% (2020: 11.38%) per annum.

13	NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE	Note	2021 ----- Rupees -----	2020 -----
	Transferred from operating fixed asset	6.1	555,520,979	-
	Transferred from capital work-in-progress	6.4.1	69,973,472	-
	Less: impairment loss charged during the year		55,494,451	-
	Carrying value before disposal	13.1	570,000,000	-
	Less: disposal during the year	13.2	160,000,000	-
	Carrying value at end of the year		410,000,000	-

13.1

The Company has discontinued its business relating to the recycling of ferrous and non-ferrous metals due to an incident in preceding years. The management of the Company intended to dispose-off the plant and has classified the above assets mainly plant and machinery & related equipment and leasehold improvements as held for sale. The Company through external surveyor M/s. Surval conducted valuation exercises of these assets, which resulted in values aggregating Rs.570 million and consequently the Company recorded an impairment loss Rs.55.494 million. The Company during the year, after approval in Extra Ordinary General Meeting, have entered in memorandum of understanding with prospective buyer to dispose off these assets.

13.2 These represent leasehold improvements relating to building. These sold to M/s. Atlas Autos (Private) Limited, a related party at a price of Rs.160 million based on above mentioned valuation report.

14 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

14.1 Shirazi Investments (Private) Limited and its nominees hold 100% ordinary shares of the Company as at June 30, 2021 and 2020.

15	COMPENSATED ABSENCES	Note	2021 ----- Rupees -----	2020 -----
	Accrual for compensated absences	15.1	5,670,919	8,054,027
15.1	Accrual for compensated absences - movement in liability:			
	Balance as at beginning of the year		8,054,027	9,149,371
	(Reversal) / charge for the year		(709,715)	545,980
	Payments made during the year		(1,673,393)	(1,641,324)
	Balance as at end of the year		5,670,919	8,054,027

16 DEFERRED TAXATION

This comprises of the following:

Deferred tax liability on taxable temporary differences:

Accelerated tax depreciation 55,867,942 86,544,870

Deferred tax asset on deductible temporary differences:

Provisions (1,644,567) (2,275,408)

54,223,375 84,269,462

- 16.1** As at June 30, 2021, the Company has unused tax losses aggregating Rs.1,060,687 thousand (2020: Rs.872,124 thousand). Deferred tax asset on un-used losses has not been recognized on prudent basis.

17 LOAN FROM THE HOLDING COMPANY

This represents interest free loan obtained from Shirazi Investments (Private) Limited, the Holding Company for meeting working capital requirement and repayable on demand. The Company during the year, repaid Rs.260 million.

18 TRADE AND OTHER PAYABLES

	Note	2021 ----- Rupees -----	2020 -----
Trade creditors		31,161,129	34,576,474
(Receivable) / payable to staff retirement benefit fund	18.1.4	(42,391)	1,880,295
Accrued liabilities		19,535,730	33,862,511
Sales tax payable		5,793,163	3,158,746
Withholding tax payable		645,257	713,228
Provisions	18.2	43,095,720	43,095,720
Advance against sale of non-current assets held for sale	13.1	81,000,000	-
Other liabilities		1,296,477	2,407,144
		<u>182,485,085</u>	<u>119,694,118</u>

18.1 Payable to staff retirement benefit fund

- 18.1.1** As stated in note 5.11.2, the Company operates an approved funded gratuity scheme for its staff who completes the qualifying period of service.

- 18.1.2** Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, 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.

- 18.1.3** The latest actuarial valuation of the scheme as at June 30, 2021 was carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the scheme as per the actuarial valuation are as follows:

	Note	2021 ----- Rupees -----	2020 -----
18.1.4 Reconciliation			
Present value of defined benefit obligation	18.1.7	8,941,160	12,664,745
Fair value of plan assets	18.1.8	(12,285,803)	(11,884,968)
Liability transferable to other group companies		3,302,252	1,100,518
		<u>(42,391)</u>	<u>1,880,295</u>

18.1.5 Movement in liability:

Balance as at beginning of the year		1,880,295	2,423,979
Charge for the year in statement of profit or loss	18.1.6	782,312	888,023
Actuarial gain charged to other comprehensive income		(824,703)	(1,431,707)
Contributions made during the year		(1,880,295)	-
Balance as at end of the year		<u>(42,391)</u>	<u>1,880,295</u>

	2021	2020
	----- Rupees -----	
18.1.6 Charge for the year:		
Current service cost	674,693	912,308
Interest cost - net	107,619	(24,285)
	<u>782,312</u>	<u>888,023</u>
18.1.7 Movement in defined benefit obligation:		
Balance as at beginning of the year	12,664,745	12,794,792
Current service cost	674,693	912,308
Interest cost	1,085,208	1,853,807
Asset recognized in respect of transferees	(3,190,176)	(997,952)
Benefits paid during the year	(2,279,706)	-
Actuarial gain charged to other comprehensive income	(13,604)	(1,898,210)
Balance as at end of the year	<u>8,941,160</u>	<u>12,664,745</u>
18.1.8 Movement in fair value of plan assets:		
Balance as at beginning of the year	11,884,968	15,415,158
Interest income on plan assets	977,589	1,878,092
Contributions made during the year	1,880,295	-
Benefits paid during the year	(2,279,706)	-
Transfer of assets in respect of transferees	(988,442)	(4,941,779)
Actuarial gain / (loss) charged to other comprehensive income	811,099	(466,503)
Balance as at end of the year	<u>12,285,803</u>	<u>11,884,968</u>
	2021	2020
	Percentage	Percentage
18.1.9 Principal actuarial assumptions:		
Discount rate	10.00%	8.50%
Expected per annum rate of increase in		
- first year	10.00%	5.00%
- long term	9.00%	7.50%
Demographic assumptions		
- Mortality rates (for death in service)	SLIC	SLIC
- Rates of employee turnover	(2001-05) - 1	(2001-05) - 1
	Moderate	Moderate

18.1.10 Sensitivity analysis for actuarial assumptions

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

		Impact on defined benefit obligation	
Change in assumptions		Increase in assumptions	Decrease in assumptions
		----- Rupees -----	
Discount rate	1.00%	8,299,378	9,646,212
Long term salaries	1.00%	9,602,265	8,326,330

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 recognized 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.

18.1.11 Based on actuary's advice, the expected charge for the year ending June 30, 2022 amounts to Rs.314 thousand.

18.1.12 The weighted average duration of the gratuity scheme is 7.18 years. Expected maturity analysis of undiscounted retirement benefit plans:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- Rupees -----				
As at June 30, 2021	<u>365,635</u>	<u>399,203</u>	<u>1,191,375</u>	<u>28,250,704</u>	<u>30,206,917</u>

18.1.13 Plan assets comprise the following:

	2021		2020	
	Rupees	%	Rupees	%
Debt	5,734,173	47%	6,328,071	53%
Mutual funds	6,494,184	53%	5,473,473	46%
Cash	57,446	0%	83,424	1%
	<u>12,285,803</u>	<u>100%</u>	<u>11,884,968</u>	<u>100%</u>

18.1.14 The investments out of fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the rules formulated for this purpose.

18.2 Provisions

	Opening balance	Charge for the year	Payments made during the year	Closing balance
	----- (Rupees) -----			
Gas infrastructure development cess	21,407,650	-	-	21,407,650
OGRA gas tariff difference	21,688,070	-	-	21,688,070
June 30, 2021	<u>43,095,720</u>	<u>-</u>	<u>-</u>	<u>43,095,720</u>
Gas infrastructure development cess	21,407,650	-	-	21,407,650
OGRA gas tariff difference	21,688,070	-	-	21,688,070
June 30, 2020	<u>43,095,720</u>	<u>-</u>	<u>-</u>	<u>43,095,720</u>

19	SHORT-TERM BORROWINGS - secured	Note	2021 ----- Rupees -----	2020
	Banking companies			
	Running finance facilities utilized under mark-up arrangements	19.1	-	89,970,490

- 19.1 These are under mark-up arrangements and are secured by way of first pari-passu joint hypothecation of stocks and book debts of the Company to an extent of 7.228 billion. The rate of mark-up on these finances ranges from 3 months KIBOR plus 0.35% to 1 month KIBOR plus 0.5% per annum (2020: 3 months KIBOR plus 0.35% to 1 months KIBOR plus 0.5% per annum). These facilities were expired during the year and have not been renewed by the Company.

20 CONTINGENCIES AND COMMITMENTS

20.1 Contingencies

20.1.1 Sales tax

- a) Deputy Commissioner Inland Revenue (DCIR), Enforcement-I, Medium Tax Office, Karachi served show cause notice dated September 28, 2020 pertaining to tax period July 2017 to June 2019, stating that the Company has claimed inadmissible input tax on the purchases from M/s. Denar Industries (Private) Limited, who was involved in claiming input tax against fake invoices amounting to Rs.39,156,459. The Company submitted its response stating that the said supplier was neither blacklisted nor blocked by FBR at the time of input claim and that subsequent blacklisting of a supplier could not deprive the registered person of its right of claim of input tax. Further, the Company has complied with all the requirements as required under Sales Tax Act, 1990 for claim of input tax. DCIR on November 25, 2020, raised the demand against the notice amounting Rs.39,156,459. The Company has filed an appeal before Commissioner Inland Revenue (Appeals) [CIR(A)] which was decided against the Company on February 24, 2021. The Company has filed an appeal before Appellate Tribunal Inland Revenue (the Tribunal) which is pending adjudication. However, the Tribunal has issued stay order against the aforesaid demand.

20.2 Commitments

There were no know commitments at June 30, 2021 and June 30, 2020.

21	TURNOVER-NET	2021 ----- Rupees -----	2020
	Gross sales		
	- Local	177,372,578	129,731,917
	- Export	-	229,183,486
	Less: sales tax	(25,836,616)	(18,980,201)
		<u>151,535,962</u>	<u>339,935,202</u>

22	COST OF SALES	Note	2021	2020
			----- Rupees -----	-----
	Raw material consumed	22.1	69,665,754	375,230,446
	Stores, spares and loose tools consumed	22.2	950,069	6,237,645
	Staff salaries, wages and other benefits	22.3	3,759,201	42,084,696
	Utilities	22.4	1,763,390	5,405,236
	Repair and maintenance		639,572	855,465
	Insurance	22.5	3,783,387	7,885,304
	Legal and professional charges		2,830,000	3,366,925
	Travelling and conveyance		-	1,599,001
	Cartage		216,917	864,157
	Health, safety and environmental costs		39,250	150,290
	Depreciation	6.2	55,058,870	101,204,389
	Provision for impairment of non-current assets held for sale / operating fixed asset	13 & 6.1	55,494,451	9,053,132
	Provision for slow moving stores, spares and loose tools	8.1	36,377,471	48,596,000
	Reversal of provision for slow moving raw materi	8.1	(6,276,660)	(28,021,097)
	Others including lead extraction cost		8,332,857	1,645,864
	Cost of goods manufactured		232,634,529	576,157,453
	Finished goods - opening		1,520,315	562,774
	Finished goods - closing	8	-	(1,520,315)
			<u>234,154,844</u>	<u>575,199,912</u>
22.1	Raw material consumed			
	Opening - raw material		17,194,894	342,977,571
	Purchases		64,880,066	49,447,769
	Closing - raw material	8	(12,409,206)	(17,194,894)
			<u>69,665,754</u>	<u>375,230,446</u>
22.2	Stores, spares and loose tools consumed			
	Opening - stores, spares and loose tools		108,733,435	113,663,712
	Purchases		566,265	1,307,368
	Consumables sold during the year		(2,275,917)	-
	Closing - stores, spares and loose tools	7	(106,073,714)	(108,733,435)
			<u>950,069</u>	<u>6,237,645</u>
22.3	Includes charge of Rs.75 thousand and reversal of Rs.732 thousand (2020: charge Rs.9,646 thousand and Rs.1,328 thousand) in respect of provision for gratuity and accrual for compensated absences, respectively.			
22.4	Includes Rs.849 thousand (2020: Rs.4,561 thousand) paid to Atlas Engineering Limited – a related party in respect of reimbursement of utilities.			
22.5	Represents amount paid to Atlas Insurance Limited - a related party.			

23	ADMINISTRATIVE AND DISTRIBUTION EXPENSES	Note	2021	2020
			----- Rupees -----	-----
	Staff salaries, wages and other benefits	23.1	33,522,117	26,036,502
	Legal and professional charges		38,669,691	280,074
	Communication		754,141	1,342,834
	Travelling and conveyance		1,617,251	282,177
	Printing and stationery		73,432	142,776
	Depreciation	6.2	1,661,460	2,641,010
	Miscellaneous		250,968	231,026
			<u>76,549,060</u>	<u>30,956,399</u>
23.1	Includes Rs.782 thousand and Rs.22 thousand (2020: Rs.488 thousand and Rs.782 thousand) in respect of provision for gratuity and reversal for compensated absences, respectively.			
24	OTHER EXPENSES	Note	2021	2020
			----- Rupees -----	-----
	Provision for doubtful advances	10	8,158,359	-
	Auditors' remuneration	24.1	554,500	542,975
			<u>8,712,859</u>	<u>542,975</u>
24.1	Auditors' remuneration			
	Statutory audit fee		500,000	500,000
	Out of pocket expenses		54,500	42,975
			<u>554,500</u>	<u>542,975</u>
25	OTHER INCOME			
	Income from financial assets:			
	Profit on deposit accounts		881,971	1,284,411
	Dividend income		5,761,171	-
	Fair value gain in investment in mutual funds		2,981,580	-
	Income from non-financial assets:			
	Scrap sales		3,126,619	8,292,776
	Gain on disposal of:			
	operating fixed assets		7,157,984	150,776
	low value assets and others		7,179,888	-
			<u>17,464,491</u>	<u>8,443,552</u>
			<u>27,089,213</u>	<u>9,727,963</u>
26	FINANCE COSTS			
	Mark-up on running finance facilities		862,735	29,431,290
	Profit on islamic financing		-	9,777,847
	Bank charges		97,124	31,485
			<u>959,859</u>	<u>39,240,622</u>
27	TAXATION			
	Current		6,726,178	4,751,511
	Prior		40,780	-
	Deferred		(30,046,087)	2,069,751
			<u>(23,279,129)</u>	<u>6,821,262</u>

28 CASH AND CASH EQUIVALENTS

	2021	2020
	----- Rupees -----	
Bank balances	9,439,924	11,560,007
Short term running finance	-	(89,970,490)
	<u>9,439,924</u>	<u>(78,410,483)</u>

29 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks i.e. credit risk, liquidity risk and market risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

29.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The Company seeks to minimize the credit risk exposure by dealing mostly with regular and permanent parties who pay on due dates.

The table below provides the analysis of the credit quality of financial assets on the basis of external credit rating or the historical information about counter party default rates.

	Note	2021	2020
		----- Rupees -----	
Long term deposits		4,395,300	3,928,800
Trade debts	9	7,126,105	5,576,008
Advances to suppliers	10	7,813,104	8,279,604
Trade deposits	10	345,255	345,255
Other receivables	10	5,982	593,738
Bank balances	12	9,439,924	11,560,007
		<u>29,125,670</u>	<u>30,283,412</u>

29.1.1 Bank balances - rating

The credit quality of Company's bank balances can be assessed with reference to the external credit ratings as follows:

Banks	Rating		
	agency	short term	long term
Habib Bank Limited	JCR-VIS	A1+	AAA
Dubai Islamic Bank Pakistan Limited	JCR-VIS	A1+	AA
National Bank of Pakistan	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Bank Al-Falah Limited	PACRA	A1+	AA+
Allied Bank Limited	PACRA	A1+	AAA
Samba Bank Limited	JCR-VIS	A1	AA
Soneri Bank Limited	PACRA	A1+	AA-
Meezan Bank Limited	JCR-VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+

Mutual funds	Agency	Rating
Atlas Money Market Fund	PACRA	AA+(f)
Atlas Income Fund	PACRA	AA-(f)
Atlas Sovereign Fund	PACRA	AA-(f)

29.1.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Company applies the prudent risk management policies by maintaining sufficient cash and bank balances and by keeping committed credit lines. Table below summarizes the maturity profile of the Company's financial liabilities at the following reporting dates based on contractual undiscounted payments.

Carrying amount	On demand	Maturity up to one year	Maturity more than one year
-----------------	-----------	-------------------------	-----------------------------

-----Rupees-----

June 30, 2021

Loan from the Holding Company	240,000,000	240,000,000	-	-
Trade and other payables	176,046,665	43,095,720	132,950,945	-
	416,046,665	283,095,720	132,950,945	-
Carrying amount	On demand	Maturity up to one year	Maturity more than one year	

-----Rupees-----

June 30, 2020

Loan from the Holding Company	500,000,000	500,000,000	-	-
Trade and other payables	115,822,144	43,095,720	72,726,424	-
Short-term running finance	89,970,490	-	89,970,490	-
	705,792,634	543,095,720	162,696,914	-

29.1.3 Market risk

Market risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in market variables such as interest rate, foreign exchange rates and equity prices.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in the market interest rates. The Company manages its interest rate risk by placing its excess funds in deposit accounts in banks. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term borrowings. All the borrowings of the Company are obtained in the functional currency. The analysis is made based on the assumption that all other variables remain constant.

	(Increase) / decrease in interest rates %	Effect on loss before tax Rupees
June 30, 2021	+1%	(92,320)
	-1%	92,320
June 30, 2020	+1%	(798,977)
	-1%	798,977

29.2 Fair value of financial instrument

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances, trade deposits, loans and other receivables. Financial liabilities consist of trade and other payables and short-term running finance. The fair values of financial instruments are not materially different from their carrying values.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

The following table presents the Company's financial assets that are measured at fair value at June 30, 2021.

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Assets - Recurring fair value measurement	----- Rupees -----			
Financial assets at fair value through profit or loss				
Short term investments	<u>222,878,576</u>	<u>-</u>	<u>-</u>	<u>222,878,576</u>

29.3 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2021. The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and accumulated losses. The Company has obtained sponsor loan from holding company and short term borrowings, and accordingly the gearing ratio of the Company as at June 30, 2021 is as follows:

	Note	2021	2020
		----- Rupees -----	
Loan from the Holding Company	17	240,000,000	500,000,000
Short term borrowings	19	-	89,970,490
Bank deposits	12	(9,232,041)	(10,072,831)
		<u>230,767,959</u>	<u>579,897,659</u>
Shareholder's equity		<u>711,676,018</u>	<u>829,323,633</u>
Gearing ratio		<u>24%</u>	<u>41%</u>

30 TRANSACTIONS WITH RELATED PARTIES

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

30.1 Name and nature of relationship**a) The Holding Company - 100% Shareholding**

- Shirazi Investments (Private) Limited

b) Associated Companies - Common Directorship with Nil Shareholdings

- Atlas Asset Management Limited

- Atlas Insurance Limited

- Atlas Autos (Private) Limited

- Atlas Power Limited

- Atlas Energy Limited

- Shirazi Trading Company (Private) Limited

- Atlas Engineering (Private) Limited

- Atlas GCI (Private) Limited

- Atlas Foundation

- Zhenfa Pakistan New Energy Company Limited

- Atlas DID (Private) Limited

c) Associated Companies - Group Companies

- Atlas Honda Limited

- Honda Atlas Power Product (Private) Limited

- Atlas Hitec (Private) Limited

- Atlas Global, FZE, Jebel Ali, UAE

- Honda Atlas Cars (Pakistan) Limited

- Atlas Worldwide General Trading LLC, Dubai

- Atlas Battery Limited

- Atlas Venture Limited

30.2 Transactions with related parties

		2021	2020
Relationship Nature of transactions		----- Rupees -----	-----
Holding Company	Sponsor loan	-	500,000,000
	Repayment of sponsor loan	260,000,000	-
	Sale of operating fixed assets	627,000	-
	Receipt under group taxation	101,866,231	-
	Purchase of goods and services	192,846	-
Associated entities / other related parties	Sale of goods	65,335,404	333,048,682
	Purchase of goods and services	44,661	4,605,267
	Sale of operating fixed assets	181,156,419	17,092,944
	Purchase of operating fixed assets	4,783,500	415,875
	Purchase of investment	219,896,996	-
	Dividend received	5,761,171	-
	Expense reimbursement	10,534,038	-
	Commission paid	197,832	-
	Scrap sales	3,176,918	1,918,673
	Contribution to retirement benefit funds	1,317,496	2,089,920
	Insurance claim received	-	115,952,000
	Insurance premium	4,941,758	9,859,907
Key management personnel	Managerial remuneration	8,214,900	9,850,956
	House rent allowance	3,696,705	4,432,920
	Cost of living allowance	1,232,235	1,477,644
	Utilities	821,490	985,092
	Bonus	3,491,331	2,442,214
	Retirement benefits	903,639	1,083,612
	Medical	82,268	140,000

- 30.3 The related parties' status of outstanding receivables and payables, if any, as at June 30, 2021 are disclosed in the respective notes to these financial statements.
- 30.4 All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

31 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2021			2020		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Managerial remuneration	8,214,900	-	1,394,868	7,468,092	-	6,771,120
House rent allowance	3,696,705	-	627,691	3,360,637	-	3,047,004
COLA & utilities	2,053,725	-	348,717	1,867,021	-	1,692,792
Bonus	3,491,331	-	592,821	1,851,463	-	1,678,675
Retirement benefits	903,639	-	153,435	821,490	-	744,816
Medical and others	1,280,826	-	230,464	70,000	-	235,000
	<u>19,641,126</u>	<u>-</u>	<u>3,347,996</u>	<u>15,438,703</u>	<u>-</u>	<u>14,169,407</u>
Number	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>	<u>4</u>

- 31.1 In addition, the Chief Executive is provided with free use of Company maintained car and membership at club.
- 31.2 No amount has been paid or is payable by the Company on account of remuneration of Directors for the year.

32 CORRESPONDING FIGURES

Certain corresponding figures have been reclassified for better presentation. However, there are no material reclassifications to report.

33 NUMBER OF EMPLOYEES

The number of employees as on the date of the financial statements were 14 (2020: 31) and average number of employees during the year were 8 (2020: 23). All factory workers are hired on contract basis.

34 CAPACITY AND PRODUCTION

The production capacity of the plant cannot be determined as this depends upon the relative proportion of various types of lead products produced.

35 GENERAL

Figures presented in these financial statements have been rounded off to the nearest rupee, unless otherwise stated.

36 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 30, 2021 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive



Director