Atlas Engineering

DIRECTORS' REPORT

The Directors of your company are pleased to present their report along with the Annual Audited Financial Statements for the year ended June 30, 2025.

Operating Results

The operating results of the Company are summarized as follows:

	Year Ended June 30, 2025	Year Ended June 30, 2024
	---------- Rupees in '000'	----------
Profit before income and final taxes	4,880,920	228,919
Taxes and levies	(1,753,619)	(27,503)
Profit for the year	**3,127,301**	**201,416**
Other Comprehensive Gain / (Loss)		
Gain / (Loss) on remeasurement of staff retirement	(10,727)	620
Impact of Deferred Tax	2,092	(180)
Surplus on revaluation of Land	-	7,847
	(8,635)	8,287
Total Comprehensive Income	**3,118,666**	**209,703**

Dividends and Appropriations

The Board of Directors has recommended a final cash dividend of Rs. NIL per share (2024: Rs. NIL per share final cash dividend). The Interim dividends of Rs. 2,000 million (Rs. 21.4 per share) were declared and paid during the year.

Accordingly, the following appropriation has been made.

	Year Ended June 30, 2025	Year Ended June 30, 2024
	---------- Rupees in '000'	----------
Profit available for appropriation	9,169,282	728,064
Appropriations:		
Cash dividend	(2,000,000)	-
Unappropriated profit carried forward	**7,169,282**	**728,064**

Atlas Engineering (Private) Limited

Head Office & Karachi Plant: 15th Mile, National Highway, Landhi, Karachi. **Ph:** (92-21) 35016921-4, 35015527, 35001482-5, **UAN:** 111-111-235, **Fax:** (92-21) 35011709
Sheikhupura Plant: 26/27 km. LHR-SKP Road, Sheikhupura. **Ph:** (92-42) 7222222, (92-563) 406501-8, **Fax:** (92-563) 406009
Lahore Office: 1st Floor, 28-Mozang Road, Lahore. **Ph:** (92-42) 36361191-96
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Earnings Per Share

The Basic earnings per share after tax is Rs. 33.45 (2024: Rs. 8.48).

Holding Company

Shirazi Investments (Private) Limited, incorporated in Pakistan, is the holding company of Atlas Engineering (Private) Limited owning 100% shares of the Company.

Board of Directors

The Board comprises of two Executive and three Non-Executive directors. All the non-executive directors are independent from the management.

Macroeconomic Review

The country's economy showed continued growth momentum in the Financial Year (FY) 2024-25, supported by strengthened macroeconomic fundamentals and fiscal management. The country witnessed improved external sector performance, GDP grew by 2.68% whereas inflation has eased steadily. The ongoing IMF programs and updated credit ratings have increased policy credibility and investors sentiments, with the stock market achieving highest ever index during the year (KSE surpassing 140K points).

The government remains committed to structural reforms focused on tax harmonization, stable energy pricing, while also advancing climate action through dedicated initiatives to lay the foundation for inclusive and sustainable growth. The Monetary Policy Committee (MPC) has decided to maintain the policy rate at 11% as compared to 20.5% in June 2024, citing potential inflation risks. The inflation rate in May stood at 3.5%.

Large Scale Manufacturing (LSM) showed an annual growth of 2.3%. Overall, 12 of 22 sectors witnessed positive growth during this period, including Textile, Wearing Apparel, Petroleum products, Beverages, Pharmaceuticals and Automobile. The external account position continued to improve during July - May FY 2025 on account of rising remittances and exports and the current account posted a $1.8 billion surplus.

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Atlas Engineering

Overview of Company's affairs

During the year, the Company remained firmly focused on delivering production excellence while maintaining optimal input costs through continuous process improvement and enhancements in workforce productivity. The strategic investments made in recent years have begun to yield measurable gains in operational efficiency and cost effectiveness. Our emphasis on localization, prudent management of material and energy resources, including phased solarization with the Go Green initiative and strengthened in-house capabilities such as Die Manufacturing Heat Treatment Furnaces and Capacity Enhancement in Polymer Division has further enabled seamless alignment with our customers' operational objectives and cost effectiveness. Better inventory management in coordination with group Companies and resourcing of Raw material has played a vital role in Stock Planning. During the year two delegates from Asian Honda visited AIP premises to conduct and confirm our ESG (Environment, Social and Governance) audit through Genba as per international guidelines and presented an impeccable result.

Moreover, sales of bikes has improved resulting in an increase in Parts Manufacturing revenue during the year by 27%. The Lubes business has shown promising results of 22% growth including export to Afghanistan during the year. Energy optimization cost-efficient electricity use with maximum solar utilization and resource management has resulted in Cost Reduction to achieve optimum results. Cash and Inventory Management have been the core areas to manage cashflows and enhance liquidity throughout the year.

Our primary focus is to establish the ATLAS brand as a leader in innovation and quality products, capitalizing on its unique capabilities and market insights to distinguish itself from competitors. We initiated a program titled "Atlas Mayar" to encourage associates to bring up fresh ideas and explore the areas of improvement within the Organization which yielded encouraging responses regarding quality, productivity, safety and Cost reduction initiatives.

Merger / Amalgamation of Atlas Autos (Private) Limited with and into Atlas Engineering (Private) Limited

Through the order dated October 25, 2024, passed by the High Court of Sindh at Karachi, the Atla Autos (Private) Limited stands merged with and into Atlas Engineering (Private) Limited from the effective date of July 1, 2024.

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On the strategic front, the consolidation has resulted in unifying parts manufacturing companies at Atlas Industrial Park, further promoting sustained growth and stability moving forward. The merger has resulted in operational and strategic synergies, including streamlined operations, and efficiency. It has also strengthened our financial foundation, supporting long-term growth and investment goals. providing stability and facilitating future expansion of the business.

Under the Scheme, (i) all business, operations, assets, unappropriated profits, liabilities, rights, benefits, contracts, legal proceedings and obligations of AAPL were transferred to and vested in the Company effective from July 1, 2024; (ii) in consideration of the amalgamation, the Company issued and allotted 69,780,000 shares to the shareholders of AAPL; and (iii) AAPL stood dissolved without winding up upon issuance and allotment of the aforesaid shares. Since both AAPL and the Company are entities under common control, the merger has been accounted for as a common control transaction.

Future Outlook

The government targets a 3% GDP growth rate, contingent upon macroeconomic stability, effective implementation of structural reforms with stable interest rates, and favorable external conditions. Achieving and sustaining this growth will depend on sound economic management, supportive policy frameworks, and adequate foreign exchange inflows. Additionally, a stable geopolitical environment—strengthened through diplomatic engagement, regional collaboration, and most importantly internal security improvements remains essential for unlocking Pakistan's full economic and strategic potential.

Inflation is projected to rise to 5–7%, driven primarily by increases in energy and food prices. However, a buildup in foreign exchange reserves and currency stability is expected to reinforce the effectiveness of fiscal policy measures.

As we step into the new financial year, we must prepare ourselves to embrace the evolving landscape. Our focus will remain on accelerating automation and investing in strategic segments for sustainable growth.

Atlas Engineering (Private) Limited

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We are committed to embedding artificial intelligence (AI) into every functional domain, enabling us to take smarter decisions through data-driven insights.

Alongside this, we continue to invest in business growth and human capital, whilst deepening our commitment to responsible business practices. We further plan outsourcing in Polymer, High Pressure Die Casting and Cast-Iron Foundry and ATDMC to focus on core functionalities and strengthening the manufacturing eco system. We encourage all associates to renew their commitment to personal and professional growth by embracing our core belief: **"Organization Development Through Self Development"**. In line with our Founder's principle of 3Rs (Respect, Recognition, Reward).

On behalf of the Board of Directors

Chairman

ATLAS ENGINEERING (PRIVATE) LIMITED

Chief Executive Officer

Karachi: ______________

Atlas Engineering (Private) Limited

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ATLAS ENGINEERING (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATLAS ENGINEERING (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Atlas Engineering (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2025, 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, comprising material accounting policy information 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, 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

SHC

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.

SHC

- 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.

Shinewing Hameed Chaudhri & Co

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

Date: September 9, 2025
UDIN: AR202510105dNOA4fgKR

ATLAS ENGINEERING (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		---- Rupees in '000 ----	
ASSETS			
Non current assets			
Property, plant and equipment	5	**8,836,938**	5,544,053
Intangible assets	6	**27,468**	-
Long term investments	7	**1,071,000**	-
Long term loans and advances	8	**24,144**	262
Long term deposits	9	**20,154**	7,266
		9,979,704	5,551,581
Current assets			
Stores, spares and loose tools	10	**340,323**	17,859
Stock-in-trade	11	**1,676,762**	108,094
Trade debts	12	**272,090**	-
Loans and advances	13	**26,095**	1,880
Deposits, prepayments and other receivables	14	**366,439**	51,122
Short term investments	15	**6,889,603**	962,515
Taxation - net		**-**	30,597
Cash and bank balances	16	**702,142**	65,118
		10,273,454	1,237,185
Total assets		**20,253,158**	6,788,766

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman | **Chief Executive Officer**

ATLAS ENGINEERING (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025	2024
		---- Rupees in '000 ----	
EQUITY AND LIABILITIES			
Share capital and reserve			
Share capital	17	934,665	236,865
Capital reserve			
- arisen upon scheme of arrangement	1.1	363,798	-
- surplus on revaluation of leasehold land	18	4,945,371	4,945,371
		5,309,169	4,945,371
Revenue reserves - unappropriated profit		7,082,641	728,064
Total equity		13,326,475	5,910,300
Liabilities			
Non current liabilities			
Long term loans	19	259,597	124,813
Deferred income - government grant	20	49,628	29,112
Compensated absences	21	148,934	11,475
Deferred taxation	22	249,980	16,922
		708,139	182,322
Current liabilities			
Current portion of long term loans	19	59,501	24,402
Current portion of deferred income - government grant	20	21,139	9,825
Trade and other payables	23	6,102,896	661,069
Taxation - net		34,160	-
Unclaimed dividend		848	848
		6,218,544	696,144
Total liabilities		6,926,683	878,466
Contingencies and commitments	25		
Total equity and liabilities		20,253,158	6,788,766

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman **Chief Executive Officer**

ATLAS ENGINEERING (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		---- Rupees in '000 ----	
Sales	26	36,888,701	2,237,651
Cost of sales and services	27	(30,867,687)	(2,009,324)
Gross profit		6,021,014	228,327
Administrative and general expenses	28	(1,905,803)	(209,306)
Other income	29	1,090,704	238,775
Other expenses	30	(302,733)	(21,202)
Profit from operations		4,903,182	236,594
Finance costs	31	(21,659)	(7,675)
Profit before income and final taxes		4,881,523	228,919
Final taxes	32.1	(24,251)	(10,296)
Profit before income tax		4,857,272	218,623
Income tax			
Current tax - for the year including super taxes	32.2	(1,771,156)	(33,297)
- for the prior years / minimum tax recouped		11,178	42,686
Deferred tax		(56,634)	(26,596)
		(1,816,612)	(17,207)
Profit for the year		3,040,660	201,416
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		(10,727)	620
Impact of deferred tax		2,092	(180)
Surplus on revaluation of leasehold land		-	7,847
Other comprehensive (loss) / income for the year - net of tax		(8,635)	8,287
Total comprehensive income		3,032,025	209,703

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman

Chief Executive Officer

ATLAS ENGINEERING (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2025

		Capital reserves		Revenue reserve	
	Share capital	Arisen upon scheme of arrange-ment (note 1.1)	Surplus on revaluati-on of leasehold land	Unappro-priated profit	Total
	------------------- Rupees in '000 -------------------				
Balance as at July 1, 2023	236,865	-	4,937,524	526,208	5,700,597
Total comprehensive income for the year ended June 30, 2024					
Profit for the year	-	-	-	201,416	201,416
Other comprehensive income	-	-	7,847	440	8,287
	-	-	7,847	201,856	209,703
Balance as at June 30, 2024	**236,865**	**-**	**4,945,371**	**728,064**	**5,910,300**
Amount recognised pursuant to the Scheme of Arrangement - note 1.1	697,800	363,798	-	5,322,552	6,384,150
Transaction with owners recognised directly in equity					
First interim cash dividend at the rate of Rs.10.00 per share	-	-	-	(1,000,000)	(1,000,000)
Second interim cash dividend at the rate of Rs.10.00 per share	-	-	-	(1,000,000)	(1,000,000)
Total comprehensive income for the year ended June 30, 2025					
Profit for the year	-	-	-	3,040,660	3,040,660
Other comprehensive loss	-	-	-	(8,635)	(8,635)
	-	-		3,032,025	3,032,025
Balance as at June 30, 2025	**934,665**	**363,798**	**4,945,371**	**7,082,641**	**13,326,475**

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman **Chief Executive Officer**

ATLAS ENGINEERING (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		---- Rupees in '000 ----	
Cash flows from operating activities			
Profit before income and final taxes		**4,881,523**	228,919
Adjustments for non cash charges and other items:			
Depreciation and amortisation		**545,928**	81,556
Provision for compensated absences	**21**	**26,339**	3,053
Provision for gratuity	**23.3.8**	**41,264**	12,810
Provision / (reversal) for expected credit loss	**12.4**	**5,946**	(1,558)
(Reversal) / provision for slow moving inventory - net	**11.1**	**(5,137)**	179
Gain on sale of investments at fair value through profit or loss	**29**	**(456,911)**	(27,120)
Fair value gain on investments at fair value through profit or loss	**29**	**(15,765)**	(3,906)
Loss on disposal of operating fixed assets	**5.3**	**41,816**	4,871
Gain on derecognition of lease liability pursuant to the Scheme of Arrangement (note 1.1)	**29**	**(66,898)**	-
Mark-up accrued on long term loans	**31**	**33,948**	15,834
Mark-up accrued on short term finances	**31**	**2,161**	268
Bank and other financial charges	**31**	**7,876**	1,581
Mark-up / interest on saving accounts and term deposit receipts	**29**	**(343,752)**	(35,118)
Dividend income	**29**	**(161,676)**	(68,638)
Cash flows before working capital changes		**4,536,662**	212,731
(Increase) / decrease in current assets:			
Stores, spares and loose tools		**(49,992)**	28,568
Stock-in-trade		**(328,494)**	61,605
Trade debts		**(26,401)**	1,558
Loans and advances		**25,691**	3,042
Deposits, prepayments and other receivables		**(121,553)**	218,679
Increase in current liabilities			
Trade and other payables		**1,288,285**	146,849
		787,536	460,301
Cash generated from operations		**5,324,198**	673,032
Income taxes paid		**(1,961,693)**	(8,708)
Compensated absences and gratuity paid	**21 & 23.3.10**	**(128,558)**	(8,098)
Long term deposits		**72,500**	-
Long term loans and advances - net		**(3,155)**	35
Net cash generated from operating activities - carried forward		**3,303,292**	656,261

ATLAS ENGINEERING (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025	2024
		---- Rupees in '000 ----	
Net cash generated from operating activities - brought forward		**3,303,292**	656,261
Cash flows from investing activities			
Payments for property, plant and equipment		**(970,970)**	(96,034)
Payments for intangible asset	**6**	**(11,291)**	-
Sale proceeds from disposal of property, plant and equipment	**5.3**	**96,016**	5,178
Profit on saving accounts and deposits received		**343,752**	35,118
Short term investment acquired		**(8,775,795)**	(1,798,300)
Proceeds from sale of short term investment		**7,741,924**	1,159,257
Dividend received	**29**	**161,676**	68,638
Net cash used in investing activities		**(1,414,688)**	(626,143)
Cash flows from financing activities			
Repayment of long term loan		**(59,389)**	(7,063)
Mark-up paid		**(42,924)**	(22,005)
Dividend paid		**(2,000,000)**	-
Net cash used in financing activities		**(2,102,313)**	(29,068)
Net increase in cash and cash equivalents		**(213,709)**	1,050
Cash and cash equivalents at beginning of the year		**65,118**	64,068
Amount recognised pursuant to the Scheme of Arrangement	**1.1**	**850,733**	-
Cash and cash equivalents at end of the year		**702,142**	65,118

The annexed notes 1 to 39 form an integral part of these financial statements.

Chairman **Chief Executive Officer**

ATLAS ENGINEERING (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND OPERATIONS

Atlas Engineering (Private) Limited (the Company) was incorporated in Pakistan as a private limited company in 1963 and was converted into a public listed company in 1966. During the year ended March 31, 2012, the Company was delisted from the relevant stock exchanges. The Company was re-converted into a private limited company with effect from January 5, 2018. The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The Company is engaged in the manufacturing, processing and trading of automotive parts, components, accessories, tools and dies including trading of lubricants & logistic services. The registered office of the Company is situated at 15th Mile, National Highway, Landhi, Karachi, Pakistan. The manufacturing and assembly facilities of the Company are situated at Karachi and Sheikhupura with branches at Lahore, Multan, Islamabad, Rahim Yar Khan and Hyderabad.

1.1 The Scheme of Arrangement - merger of Atlas Autos (Private) Limited with and into the Company

The Board of Directors of the Company, in its meeting held on November 7, 2023, approved the Scheme of Arrangement (the Scheme) for the merger/amalgamation of the entire undertaking of Atlas Autos (Private) Limited (AAPL) with and into the Company under sections 279 to 283 and 285 of the Companies Act, 2017. The Scheme was filed with the Honourable High Court of Sindh, Karachi on November 21, 2023, and was subsequently sanctioned by the Court on October 25, 2024, with effect from July 1, 2024.

Under the Scheme, (i) all business, operations, assets, unappropriated profits, liabilities, rights, benefits, contracts, legal proceedings and obligations of AAPL were transferred to and vested in the Company effective from July 1, 2024; (ii) in consideration of the amalgamation, the Company issued and allotted 69,780,000 shares to the shareholders of AAPL; and (iii) AAPL stood dissolved without winding up upon issuance and allotment of the aforesaid shares.

Since both AAPL and the Company are entities under common control, the merger has been accounted for as a common control transaction. Accordingly, the Company has applied the predecessor accounting method. Under this method, the net assets of AAPL have been included in the Company's financial statements at their carrying values as recorded in AAPL's own financial statements as of July 1, 2024, no goodwill has been recognized, and the results of operations of AAPL have been included in the Company's financial statements prospectively from July 1, 2024.

The corresponding figures for the year ended June 30, 2024 represent only the financial information of the Company, and do not include the financial information of AAPL. Refer to Note 38 for further details on the presentation of corresponding figures.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Act; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions 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 value and staff retirement benefit - gratuity which is measured at the present value of defined benefit obligation net of the fair value of plan assets.

2.3 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.

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, 2024:

(a) IAS 1: Classification of liabilities as Current or non current **Effective date: January 1, 2024**

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 these 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. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liabilty's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) IFRS 16: Sale and leaseback transaction **Effective date: January 1, 2024**

Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2024 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, 2024 and have not been early adopted by the Company:

(a) IAS 21: Lack of exchangeability **Effective date: January 1, 2025**

Amendments to IAS 21 ' The Effects of Changes in Foreign Exchange Rates' is applicable on accounting periods beginning on or after January 1, 2025. The amendments address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.

(b) IFRS 7: Financial Instruments: Disclosures **Effective date: January 1, 2025**
IFRS 9: Financial Instruments

Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' – Classification and Measurement of Financial Instruments is applicable on accounting periods beginning on or after January 1, 2026. The amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).

(c) IFRS 18: Presentation and Disclosure in Financial Statements **Effective date: January 1, 2027**

New standard IFRS 18 'presentation and Disclosure in financial statements' is applicable on accounting periods beginning on or after January 1, 2027. The standard focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. 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.

3.3 Use of estimates and judgements

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

The estimates and judgements 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 recognised 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. Judgements 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 judgements are:

(i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets - notes 4.1 and 4.2

(ii) Provision for doubtful debts - note 4.8

(iii) Estimate of payables and receivables in respect of employees' retirement benefit - note 4.13

(iv) Estimation of current and deferred tax - note 4.16

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies applied in the preparation of these financial statements are set out below.

4.1 Property, plant and equipment

a) Owned assets

Operating fixed assets are stated at cost less accumulated depreciation and any impairment in value except for leasehold land which is stated at revalued amount.

Depreciation is charged to the statement of profit or loss using straight line basis except for vehicles. Depreciation on vehicles is charged to the statement of profit or loss using the reducing balance method. Depreciation is charged at rates stated in note 5.1. Depreciation on additions is charged from the month the asset is available for use while no depreciation is charged in the month in which the asset is disposed off. Assets' residual values, useful lives and methods are reviewed, and adjusted, if appropriate, at each statement of financial position date.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements, if any, are capitalised when it is probable that future economic benefits will flow to the Company.

Increase in the carrying amount arising on revaluation of land is recognised in the statement of comprehensive income and accumulated in surplus on revaluation of leasehold land.

Capital work-in-progress are stated at cost less accumulated impairment losses, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under this head. These are transferred to specific assets as and when these assets are available for use.

Disposal of an asset is recognised when significant risk and rewards, incidental to the ownership of the asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of the asset with the realised sales proceeds and are recognised in the statement of profit or loss.

b) Right of use assets and related liabilities

The Company leases land for production and related facilities. 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. 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 amounts of the right of use assets are 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 the 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 losses, if any. Intangible assets are amortised using the straight-line method over their estimated useful lives. Amortisation is charged at the rate stated in note 6.

Amortisation on additions is charged from the month following in which an asset is put to use and on deletions up to the month immediately preceding the deletion.

Useful lives of intangible assets are reviewed at each reporting date and adjusted if the impact of amortisation is significant.

4.3 Impairment of non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised as an expense in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. The value in use is ascertained through discounting of the estimated future cash flows using a discount rate that reflects the current market assessment of the time value of money and the risk specific to the assets. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation if no impairment loss had been recognised.

4.4 Investments in Subsidiary and Associated Companies

Investments in Subsidiary and Associated Companies are carried at cost less impairment if any. Impairment losses are recognised as an expense. At each reporting date, the Company reviews the carrying amounts of investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If any such indication exists, the carrying amount of the investments is adjusted to the extent of impairment loss which is recognised as an expense in the statement of profit or loss.

4.5 Stores, spares and loose tools

Stores, spares and loose tools are stated at cost which is based on weighted average cost less provision for obsolescence, if any. Items-in-transit is stated at cost comprising of invoice value plus other charges accumulated up to the reporting date.

4.6 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realisable value. The cost of materials and components represents invoice values plus other charges incurred thereon. The cost of inventory is based on weighted average cost. Goods-in-transit is 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 realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

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

4.7 Loans and advances

These are stated at amortised cost less impairment, if any.

4.8 Trade debts and other receivables and related impairment

Trade debts and other receivables shall be 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 Financial assets

The classification of financial assets is determined upon initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

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.

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 basis.

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.

Financial assets at amortised cost

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 the statement of profit or loss.

4.10 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 or loss.

Financial instruments carried on the statement of financial position includes deposits, loans & advances, trade debts, other receivables, bank balances and trade & other payables. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at amortised cost. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.11 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.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at amortized cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks including term deposit receipts.

4.13 Retirement and other service benefits

The Company has following plans for its employees:

4.13.1 Defined contribution plan

The Company operates defined contribution plan for its permanent employees through voluntary pension schemes managed by Atlas Asset Management Limited, an Associated Company, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

Equal monthly contributions at the rate of 9% for workers and 11% for management staff of the basic salary are made to the scheme both by the Company and the employees.

4.13.2 Defined benefit plan - Gratuity

The Company operates an approved unfunded gratuity scheme for non management staff and funded gratuity scheme for its management staff who completes the qualifying period of service. The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. Contribution under the scheme is made on the basis of actuarial valuation.

The amount arising as a result of re-measurements is 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 is recognised immediately in the statement of profit or loss.

4.13.3 Compensated absences

Provisions are made to cover the obligations under the scheme on accrual basis and are charged to the statement of profit or loss. Provision for compensated absences is calculated on the basis of one month's gross salary. The Company's liability under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuation were carried out at June 30, 2025.

4.14 Trade and other payables

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

4.15 Interest / mark-up bearing loans and borrowings

Interest / mark-up bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on accrual basis.

4.16 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, 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.

The Company designate the amount calculated on taxable income using the notified tax rate as an income tax within the scope of IAS 12 'Income Taxes' and recognise it as current income tax expense. Any excess over the amount designated as income tax, is then recognised as a levy falling under the scope of IFRIC 21/IAS 37.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at 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 statement of financial position 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 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.

4.17 Foreign currency translations

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year-end foreign exchange rates. Non-monetary assets and liabilities are translated using the exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to the statement of profit or loss.

4.18 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 good 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 sales automotive parts 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.

4.19 Other income

Rental income on land and buildings from related parties is recognised as revenue on a straight line basis over the term of the respective lease arrangements.

Mark-up on bank accounts, return on short term investments and other income is recognised on accrual basis.

4.20 Ijarah rentals

Ijarah payments under an ijarah arrangement are recognised as an expense in the statement of profit or loss on a straight line basis over the Ijarah terms unless another systematic basis is representative of the time pattern of the user's benefit.

4.21 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.

4.22 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.

4.23 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	2025	2024
		--- Rupees in '000 ---	
Operating fixed assets	**5.1**	**8,647,331**	5,544,053
Capital work-in-progress	**5.5**	**189,607**	-
		8,836,938	5,544,053

5.1 Operating fixed assets

	Leasehold land	Building on leasehold land	Plant and machinery	Dies, jigs & other equipments	Factory equipment	Computer & other IT related equipments	Furniture and fixtures	Motor vehicles	Total
	Rupees in '000								
At July 1, 2023									
Cost / revaluation	5,000,653	190,792	487,851	54,808	-	10,907	481	44,095	5,789,587
Accumulated depreciation	-	(78,814)	(121,501)	(37,826)	-	(6,096)	(186)	(13,387)	(257,810)
Net book value	**5,000,653**	**111,978**	**366,350**	**16,982**	**-**	**4,811**	**295**	**30,708**	**5,531,777**
Year ended June 30, 2024									
Opening net book value	5,000,653	111,978	366,350	16,982	-	4,811	295	30,708	5,531,777
Revaluation / additions	7,847	42,000	9,318	36,909	-	-	-	7,807	103,881
Disposals									
- cost	-	-	3,669	41,545	-	10,907	481	5,736	62,338
- accumulated depreciation	-	-	(1,126)	(41,545)	-	(6,636)	(194)	(2,788)	(52,289)
	-	-	2,543	-	-	4,271	287	2,948	10,049
Depreciation charge	-	(13,648)	(37,014)	(23,548)	-	(540)	(8)	(6,798)	(81,556)
Closing net book value	**5,008,500**	**140,330**	**336,111**	**30,343**	**-**	**-**	**-**	**28,769**	**5,544,053**
At June 30, 2024									
Cost / reavaluation	5,008,500	232,792	493,500	50,172	-	-	-	46,166	5,831,130
Accumulated depreciation	-	(92,462)	(157,389)	(19,829)	-	-	-	(17,397)	(287,077)
Net book value	**5,008,500**	**140,330**	**336,111**	**30,343**	**-**	**-**	**-**	**28,769**	**5,544,053**
Year ended June 30, 2025									
Opening net book value	5,008,500	140,330	336,111	30,343	-	-	-	28,769	5,544,053
Amount recognised pursuant to the Scheme of Arrangement - note 1.1									
Cost	-	1,361,471	2,735,895	204,335	127,000	45,503	58,396	276,971	4,809,571
Accumulated depreciation	-	(344,303)	(1,137,822)	(163,427)	(40,690)	(22,602)	(50,802)	(87,844)	(1,847,490)
Net book value	-	1,017,168	1,598,073	40,908	86,310	22,901	7,594	189,127	2,962,081
Additions	-	41,391	459,759	107,335	27,839	14,576	8,346	149,245	808,491
Disposals (note 5.3)									
- cost	-	1,740	47,681	170,404	26,262	35,748	28,577	129,597	440,009
- accumulated depreciation	-	(501)	(36,701)	(158,310)	(12,101)	(23,939)	(26,434)	(44,191)	(302,177)
	-	1,239	10,980	12,094	14,161	11,809	2,143	85,406	137,832
Depreciation charge	-	(78,511)	(315,091)	(60,630)	(12,787)	(7,762)	(3,059)	(51,622)	(529,462)
Closing net book value	**5,008,500**	**1,119,139**	**2,067,872**	**105,862**	**87,201**	**17,906**	**10,738**	**230,113**	**8,647,331**
At June 30, 2025									
Cost / reavaluation	5,008,500	1,633,914	3,641,473	191,438	128,577	24,331	38,165	342,785	11,009,183
Accumulated depreciation	-	(514,775)	(1,573,601)	(85,576)	(41,376)	(6,425)	(27,427)	(112,672)	(2,361,852)
Net book value	**5,008,500**	**1,119,139**	**2,067,872**	**105,862**	**87,201**	**17,906**	**10,738**	**230,113**	**8,647,331**
Depreciation rate (% per annum)	**-**	**5**	**10**	**50**	**10**	**25 / 33**	**20**	**20**	

5.2 Depreciation charge has been allocated as follows:

	Note	2025	2024
		--- Rupees in '000 ---	
Cost of goods manufactured and services provided	**27.1**	**482,678**	77,651
Administrative and general expenses	**28**	**46,784**	3,905
		529,462	81,556

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

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain/ (loss)	Method of disposal	Sold / transferred to
	------------------	Rupees in '000	------------------				
Items having net book value exceeding Rs.500,000 each							
Plant & Machinery							
	3,327	(2,356)	971	1,010	39	Insurance Claim	Atlas Insurance Limited, a related party
Dies and jig							
	8,870	(7,022)	1,848	63	(1,785)	Negotiation	D-Tech Waste Solutions,Plot # 3, Sector 10L,Orangi Town,Karachi
	2,472	(824)	1,648	18	(1,630)		
	2,353	(1,176)	1,177	17	(1,160)		
	2,248	(1,124)	1,124	16	(1,108)		
	2,035	(1,018)	1,017	14	(1,003)		
	3,393	(2,403)	990	24	(966)		
	1,925	(963)	962	14	(948)		
	1,738	(869)	869	12	(857)		
	1,646	(823)	823	12	(811)		
	1,604	(802)	802	11	(791)		
	1,070	(535)	535	7	(528)		
	29,354	(17,559)	11,795	208	(11,587)		
Vehicles							
	7,680	-	7,680	7,680	-	Company Policy	Atlas Honda Limited, a related party
	5,485	-	5,485	5,485	-	Company Policy	Atlas Honda Limited, a related party
	3,104	(52)	3,052	3,052	-	Company Policy	Atlas Insurance Limited, a related party
	3,009	-	3,009	3,009	-	Company Policy	Atlas Honda Limited, a related party
	4,022	(2,272)	1,750	1,750	-	Company Policy	Shirazi Investments (Private) Limited, a related party
	1,546	-	1,546	1,546	-	Company Policy	Shirazi Investments (Private) Limited, a related party
	1,655	(737)	918	918	-	Company Policy	Atlas Hitec (Private) Limited, a related party
	1,655	(875)	780	780	-	Company Policy	Atlas Honda Limited, a related party
	1,335	(738)	597	597	-	Company Policy	Atlas Honda Limited, a related party
							Employees of the Company
	3,357	(1,526)	1,831	1,831	-	Company Policy	Mr. Shoaib Saleem (Key Management Personnel)
	5,949	(1,815)	4,134	4,134	-	Company Policy	Mr. Tahir Naseem
	5,497	(2,095)	3,402	3,402	-	Company Policy	Mr. Adeel Safdar
	3,009	-	3,009	3,009	-	Company Policy	Mr. Aleem Shaikh
	2,612	(544)	2,068	2,068	-	Company Policy	Ms. Afia Saeed
	3,267	(1,204)	2,063	2,063	-	Company Policy	Mr. Murtaza Uddin Qureshi
	2,027	-	2,027	2,027	-	Company Policy	Ms. Yasmin Sultan
	3,158	(1,204)	1,954	1,954	-	Company Policy	Mr. Abdullah Irfan
	1,816	-	1,816	1,816	-	Company Policy	Mr. Asif Riaz
	3,270	(2,084)	1,186	1,186	-	Company Policy	Mr. Zeeshan Haris
	2,263	(1,124)	1,139	1,139	-	Company Policy	Mr. Sajid Saleem
	1,730	(838)	892	892	-	Company Policy	Mr. Sajjad Tariq
	1,434	(547)	887	887	-	Company Policy	Mr. Farhan Khurshid
	2,467	(1,655)	812	812	-	Company Policy	Mr. Imran Khan
	2,467	(1,655)	812	812	-	Company Policy	Mr. Sarwar Naseem
	1,745	(1,025)	720	720	-	Company Policy	Mr. Mubashir Fareed
	769	(75)	694	694	-	Company Policy	Mr. Abdul Rehman
	1,335	(645)	690	690	-	Company Policy	Mr. Shoaib Sharif
	1,335	(645)	690	690	-	Company Policy	Ms. Sana Gul
	1,395	(716)	679	679	-	Company Policy	Mr. Hassan Mansoor
	1,113	(436)	677	677	-	Company Policy	Mr. Syed Faizan Ali
	1,335	(672)	663	663	-	Company Policy	Mr. Muhammad Zohaib Arain
	1,433	(806)	627	627	-	Company Policy	Mr. Adil Iqbal
	1,433	(806)	627	627	-	Company Policy	Mr. Abdul Moiz Tahir
	1,406	(812)	594	594	-	Company Policy	Mr. Asif Ameer
	1,745	(1,171)	574	574	-	Company Policy	Mr. Faizan Ur Rub
	1,398	(831)	567	567	-	Company Policy	Mr. Waseem Shafi
	1,398	(843)	555	555	-	Company Policy	Mr.Omer Akram
							Ex-employees of the Company
	10,320	(1,840)	8,480	8,480	-	Company Policy	Mr. Mujahid Ul Mulk
	6,653	(3,034)	3,619	3,619	-	Company Policy	Mr. Noman Khan
	6,448	(3,097)	3,351	3,351	-	Company Policy	Mr. Sadaqat Ali Khan
	6,103	(3,041)	3,062	3,062	-	Company Policy	Mr. Sadaqat Ali Khan
	1,718	(29)	1,689	1,689	-	Company Policy	Mr.Shakeel Ahmed Qureshi
	1,382	(349)	1,033	1,033	-	Company Policy	Mr.Talha Ahsun Siddiqui
	124,278	(41,838)	82,440	82,440	-		
	156,959	**(61,753)**	**95,206**	**83,658**	**(11,548)**		
Items having net book value upto Rs.500,000 each	**283,050**	**(240,424)**	**42,626**	**12,358**	**(30,268)**		
June 30, 2025	**440,009**	**(302,177)**	**137,832**	**96,016**	**(41,816)**		
June 30, 2024	62,338	(52,289)	10,049	5,178	(4,871)		

5.4 As a result of the Scheme of Arrangement (note 1.1), the Company revised its depreciation for building on leasehold land and plant & machinery from the reducing balance method to the straight-line method, based on the reassessed useful lives of the assets. This change has been accounted for as a change in accounting estimate in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and applied prospectively. This change has resulted in an increase in depreciation charge for the year by Rs.9,259 thousand.

	Note	**2025**	2024
5.5 Capital work-in-progress		**--- Rupees in '000 ---**	
Building on leasehold land	**5.7**	**181,848**	-
Dies and jigs	**5.7**	**3,400**	-
Motor vehicles		**4,359**	-
		189,607	-

5.6 Movement in capital work-in-progress

	Note	**2025**	2024
Amount recognised pursuant to the Scheme of Arrangement	**1.1**	**27,128**	-
Additions during the year		**189,607**	-
Transferred to operating fixed assets		**(27,128)**	-
Balance at end of the year		**189,607**	-

5.7 Capital work-in-progress includes Rs.185,248 thousand representing advance payments made to suppliers for procurement / construction of operating fixed assets.

	Note	**2025**	2024
6. INTANGIBLE ASSETS		**--- Rupees in '000 ---**	
These represent computer software licenses.			
Year ended June 30, 2025			
Amount recognised pursuant to the Scheme of Arrangement	**1.1**		
Cost		**56,197**	-
Less: accumulated amortisation		**23,554**	-
Net book value		**32,643**	-
Additions during the year		**11,291**	-
Less: amortisation charge for the year	**27.1**	**16,466**	-
Net book value at end of the year		**27,468**	-
At June 30, 2025			
Cost		**67,488**	-
Less: accumulated amortisation		**40,020**	-
Net book value		**27,468**	-
Amortisation rate (% per annum)		**33.33**	-

		Note	2025	2024
7.	**LONG TERM INVESTMENTS** - unquoted		--- Rupees in '000 ---	
	Subsidiary Companies			
	Atlas DID (Private) Limited			
	72,000,000 ordinary shares of Rs.10 each - **cost**	7.1.1	720,000	-
	Equity held: 60%			
	Break-up value per share on the basis of un-audited financial statements Rs.12.88			
	Associated Companies			
	Atlas Hitec (Private) Limited			
	29,100,000 ordinary shares of Rs.10 each - **cost**	7.1.2	291,000	-
	Equity held: 44.77%			
	Break-up value per share on the basis of un-audited financial statements Rs.21.67			
	Atlas GCI (Private) Limited			
	6,000,000 ordinary shares of Rs.10 each - **cost**	7.1.3	60,000	-
	Equity held: 20%			
	Break-up value per share on the basis of un-audited financial statements Rs.15.08			
			1,071,000	-

7.1 Following investments recognised pursuant to the Scheme of Arrangement (note 1.1):

7.1.1 AAPL during the year 2021 acquired 60% shareholding of Atlas DID (Private) Limited (ADID). ADID is a private limited company incorporated in Pakistan on July 22, 2019, under the Companies Act, 2017. ADID is engaged in the manufacturing, processing and trading of automotive parts, components, accessories and tools.

7.1.2 AAPL acquired 44.47% shareholding of Atlas Hitec (Private) Limited (AHTL). AHTL was incorporated in Pakistan as a private limited company on September 13, 2012 and its principal activity is to manufacture and sale any kind of automobile parts and allied products.

7.1.3 AAPL, on January 22, 2020, has acquired 20% shareholding of Atlas GCI (Private) Limited. AGCI is a private limited company incorporated in Pakistan on August 6, 2019, under the Companies Act, 2017. AGCI is engaged in the manufacturing of parts for electric components of two-wheeler vehicles.

		Note	2025	2024
8.	**LONG TERM LOANS AND ADVANCES**		--- Rupees in '000 ---	
	Considered good			
	Loans and advances to employees other than key management personnel	8.1	47,168	1,651
	Less: amounts due within one year and shown under current assets	13	23,024	1,389
			24,144	**262**

8.1 These represent loans and advances provided to employees as per the terms of employment. These carry mark-up upto 1% per month (2024: 1%). Loans aggregating Rs.30,931 thousand (2024: Rs.15 thousand) are provided for purchase of motorcycles and are repayable in equal monthly instalments over a period of maximum 48 months. These loans are secured against respective motorcycles and employees' vested retirement benefits. Employees advances are recoverable over a period of maximum 24 months.

8.2 The carrying values of these loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.

	Note	2025	2024
		--- Rupees in '000 ---	
9. LONG TERM DEPOSITS			
Considered good - unsecured and interest-free			
Security deposits for:			
- Utilities		**13,939**	1,051
- others		**6,215**	6,215
		20,154	7,266
10. STORES, SPARES AND LOOSE TOOLS			
Consumable stores		**104,180**	4,848
Maintenance spares		**92,583**	2,895
Loose tools		**189,954**	19,165
Less: provision for slow moving stores	**11.1**	**46,394**	9,049
		340,323	17,859
11. STOCK-IN-TRADE			
Raw materials and components			
- in hand		**1,119,786**	48,755
- held with vendors		**23,501**	-
		1,143,287	48,755
Work in process		-	15,876
Finished goods - in hand		**616,425**	12,797
Items in transit		**1,127**	39,578
		1,760,839	117,006
Less: provision for slow moving stock	**11.1**	**84,077**	8,912
		1,676,762	108,094

11.1 Movement of provision for slow moving inventories

	Stores, spares & loose tools		Stock-in-trade	
	2025	2024	**2025**	2024
	---------------- Rupees in '000 ----------------			
Balance at beginning of the year	**9,049**	10,326	**8,912**	7,456
Amount recognised pursuant to the Scheme of Arrangement - note 1.1	**33,389**	-	**84,258**	-
Provision made during the year - net	**3,956**	-	-	1,456
Provision adjusted during the year	-	(1,277)	**(9,093)**	-
Balance at end of the year	**46,394**	9,049	**84,077**	8,912

12. TRADE DEBTS

	Note	2025	2024
		--- Rupees in '000 ---	
Consider good			
Local- unsecured			
Associated Companies	12.1	227,008	-
Others		34,905	-
		261,913	-
Export- secured	12.2	10,177	-
Consider doubtful - others		5,946	13,209
		278,036	13,209
Less: provision for expected credit loss	12.4	5,946	-
Less: balance written off		-	13,209
		272,090	-

12.1 Includes Rs.218,349 thousand (2024: Nil), and Rs.8,659 thousand (2024: Nil) due from Atlas Battery Limited and Honda Atlas Cars (Pakistan) Limited, respectively.

12.2 This include receivable against sales made to Atlas Global FZE, a related party amounting to Rs.10,144 thousand.

12.3 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.2,263,148 thousand (2024: Rs.5,808 thousand).

12.4 Provision for expected credit loss

	2025	2024
	--- Rupees in '000 ---	
Balance at beginning of the year	-	14,767
Amount recognised pursuant to the Scheme of Arrangement (note 1.1)	2,500	-
Provision / (reversal) for the year	3,446	(1,558)
Written off during the year	-	(13,209)
Balance at end of the year	5,946	-

12.5 At June 30, 2025, trade debts aggregating to Rs.18,471 thousand (2024: Nil) were past due but not impaired. The ageing analysis of these trade debts are as follows:

	Note	2025	2024
		--- Rupees in '000 ---	
Past due within 30 days		6,634	-
Past due beyond 30 days but not later than 60 days		2,176	-
Past due beyond 60 days but not later than 90 days		1,376	-
Past due later than 90 days		8,285	-
		18,471	-

13. LOANS AND ADVANCES

	Note	2025	2024
Considered good			
Current portion of long term loans and advances	8	23,024	1,389
Advances to employees - unsecured		-	13
Advances to suppliers - unsecured		3,071	478
		26,095	1,880

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2025	2024
		--- Rupees in '000 ---	
Trade and other deposits		**5,083**	-
Margin against letters of credit		**13,571**	1,670
Margin against letters of guarantee	**14.1**	**241,485**	38,685
Other receivable - net		**8,434**	180
Prepayments		**10,584**	-
Sales tax refundable - net		-	769
Accrued mark-up		**87,282**	9,818
		366,439	51,122

14.1 This includes term deposits of Rs.100,948 thousand (2024: Rs.22,825 thousand) placed on roll over basis with commercial banks at a mark-up rate upto 16.00% (2024: 19.50%) and are under lien with the banks against bank guarantees issued on behalf of the Company.

15. SHORT TERM INVESTMENTS

	Note	2025	2024
		--- Rupees in '000 ---	
Investment in mutual funds - at fair value through profit or loss	**15.1**	**4,324,608**	697,517
Investment in treasury bill - at amortised cost	**15.2**	**2,564,995**	264,998
		6,889,603	962,515

15.1 Investments in mutual funds - at fair value through profit or loss

2025	2024			
-- Number of units --		**Related parties**		
5,840,164	189,513	Atlas Money Market Fund	**2,993,524**	96,849
549,418	-	Atlas Liquid Fund	**275,487**	-
1,952,540	1,138,771	Atlas Income Fund	**1,033,393**	600,668
216,208	-	Atlas Sovereign Fund	**22,204**	-
			4,324,608	697,517

15.2 These have maturity upto 349 days (2024: 306 days) from respective date of acquisition and carry markup ranging from 11.80% to 12.05% (2024: 19.9% per annum).

16. CASH AND BANK BALANCES

	Note	2025	2024
		--- Rupees in '000 ---	
Cash at bank in:			
- current accounts		**28,143**	21,992
- saving accounts	**16.1**	**645,745**	43,091
- Foreign currency accounts	**16.2**	**3,052**	-
- term deposit receipts	**16.3**	**25,202**	-
Cash in hand		-	35
		702,142	65,118

16.1 Saving accounts carry profit ranging up to 9.5% (2024: 20.5%) per annum.

16.2 Foreign currency accounts include US Dollars 10,763.

16.3 Term deposit receipt (TDR) have maturity upto 182 days from date of acquisition and carries mark-up at the rate of 5.50% per annum.

17. SHARE CAPITAL

	2025	2024
	---- Rupees in '000 ----	
17.1 Authorised capital		
305,000,000 (2024: 40,000,000) ordinary shares of Rs.10 each	**3,050,000**	400,000
17.2 Issued, subscribed and paid-up capital		
23,686,454 (2024: 23,686,454) ordinary shares of Rs.10 each issued as fully paid in cash	**236,865**	236,865
69,780,000 (2024: Nil) ordinary shares of Rs.10 each issued pursuant to the Scheme of Arrangement (note 1.1)	**697,800**	-
	934,665	236,865

17.3 Shirazi Investments (Private) Limited and its nominees hold 100% ordinary shares of the Company as at June 30, 2025 and 2024.

18. SURPLUS ON REVALUATION OF LEASEHOLD LAND

	Note	2025	2024
		---- Rupees in '000 ----	
Surplus on revaluation of leasehold land	**18.1**	**4,945,371**	4,945,371

18.1 The latest revaluation of leasehold land was carried out in June 18, 2024 by M/s. Tri Star International Consultant (Private) Limited resulting in surplus amounting Rs.7,850 thousand which is credited to surplus on revaluation of leasehold land. Had the land been carried at cost, it would have been carried Rs.63,130 thousand. Forced sale value of the land at the time of revaluation was Rs.4,006,800 thousand.

19. LONG TERM LOANS - Secured	Note	2025	2024
		---- Rupees in '000 ----	
Temporary Economic Refinance Facility (TERF)	**19.2**	**180,782**	-
Islamic Temporary Economic Refinance Facility (ITERF)	**19.3**	**163,750**	188,152
Renewable Energy Refinancing Facility	**19.4**	**45,333**	-
	19.1	**389,865**	188,152
Adjustment pertaining to fair value of loan at below market interest rate	**19.5**	**(70,767)**	(38,937)
		319,098	149,215
Current portion grouped under current liabilities		**(59,501)**	(24,402)
		259,597	124,813

19.1 Movement in long term loan at face value

	2025	2024
Balance at beginning of the year	**188,152**	195,215
Amount recognised pursuant to the Scheme of Arrangement (note 1.1)	**261,102**	-
Loan re-paid during the year	**(59,389)**	(7,063)
	389,865	188,152

19.2 This represents loan received from Allied Bank Limited by AAPL (recognised pursuant to the Scheme of Arrangement - merger of Atlas Autos (Private) Limited with and into the Company note 1.1) under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan for the purpose to finance / retire letter of credits for CAPEX / BMR related activities and project. 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 for ten years with a grace period of two years and is repayable in thirty two quarterly instalments. The Company during the year repaid Rs.28,013 thousand.

19.3 This represents diminishing musharakah loan received from Meezan Bank Limited under Islamic Temporary Economic Refinance Facility (ITERF) introduced by State Bank of Pakistan to finance CAPEX of the Company. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin amounting to Rs.200,000 thousand in favour of the Bank. Mark-up is chargeable at SBP rate (1%) plus 2% bps per annum. The loan is for ten years with a grace period of two years and is repayable in thirty two quarterly instalments starting from October 2023. The Company during the year repaid Rs.24,402 thousand (2024: Rs.7,063 thousand).

19.4 This represents long term loan received from Habib Bank Limited by AAPL (recognised pursuant to the Scheme of Arrangement - merger of Atlas Autos (Private) Limited with and into the Company note 1.1) under Renewable Energy Refinancing Facility of an amount upto the equivalent of Rs.68,000 thousands, introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over all present and future plant and machinery and equipment of the company with 25% margin. Mark-up is chargeable at SBP rate (2%) plus 1% per annum. The loan is for ten years with a grace period of three months and is repayable in forty quarterly instalments starting from April 2022. The Company during the year repaid Rs.6,974 thousand.

	2025	2024
19.5 Adjustment pertaining to fair value of loan at below market interest rate	**---- Rupees in '000 ----**	
Difference of fair value of loan and loan received	**94,490**	48,945
Amortisation of loan	**(23,723)**	(10,008)
	70,767	38,937

20. DEFERRED INCOME - GOVERNMENT GRANT

Balance at beginning of the year	**38,937**	48,945
Amount recognised pursuant to the Scheme of Arrangement (note 1.1)	**55,553**	-
Released to the statement of profit or loss	**(23,723)**	(10,008)
	70,767	38,937
Current portion - grouped under current liabilities	**(21,139)**	(9,825)
	49,628	29,112

20.1 The Company recognised government grant on loan at below market interest rate received - (note 19.2, 19.3 and 19.4) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

21. COMPENSATED ABSENCES	**2025**	2024
	---- Rupees in '000 ----	
Balance at beginning of the year	**11,475**	16,520
Amount recognised pursuant to the Scheme of Arrangement (note 1.1)	**118,147**	-
Add: provision for the year	**26,339**	3,053
Payments made during the year	**(7,027)**	(8,098)
Balance at end of the year	**148,934**	11,475

21.1 Includes liability in respect of key management personnel aggregating to Rs.12,242 thousand (2024: Nil).

22. DEFERRED TAXATION - Net

	2025	2024
	---- Rupees in '000 ----	
The liability for deferred tax comprises temporary differences relating to:		
Accelerated tax depreciation and amortization allowances	**353,315**	31,327
Provision for expected credit loss	**(2,319)**	-
Provision for compensated absences	**(58,084)**	(3,328)
Provision for gratuity	**(10,142)**	(5,868)
Provision for slow moving stock	**(32,790)**	(5,209)
	249,980	16,922

22.1 Movement in deferred taxation

	Accelerated tax depreciation & amortisation	Lease liabilities - net	Provision for expected credit loss	Provision for compensa-ted absences	Provision for gratuity	Provision for slow moving stock	Total
	Rupees in 000						
At July 1, 2023	5,297	-	(4,282)	(4,791)	(1,067)	(5,011)	(9,854)
Charged / (credited) to:							
Statement of profit or loss	26,030	-	4,282	1,463	(4,981)	(198)	26,596
Other comprehensive income	-	-	-	-	180	-	180
	26,030	-	4,282	1,463	(4,801)	(198)	26,776
At June 30, 2024	**31,327**	-	-	**(3,328)**	**(5,868)**	**(5,209)**	**16,922**
Amount recognised pursuant to the Scheme of Arrangement (note 1.1)	**329,338**	**(31,059)**	**(2,522)**	**(55,831)**	**(21,332)**	**(40,078)**	**178,516**
(Credited) / charged to:							
Statement of profit or loss	**(7,350)**	**31,059**	**203**	**1,075**	**19,150**	**12,497**	**56,634**
Other comprehensive loss	-	-	-	-	**(2,092)**	-	**(2,092)**
	(7,350)	**31,059**	**203**	**1,075**	**17,058**	**12,497**	**54,542**
At June 30, 2025	**353,315**	-	**(2,319)**	**(58,084)**	**(10,142)**	**(32,790)**	**249,980**

23. TRADE AND OTHER PAYABLES

	Note	2025	2024
		---- Rupees in '000 ----	
Trade payables		**2,078,999**	79,981
Bills payable		**6,108**	6,961
Accrued liabilities		**2,183,637**	240,894
Royalty payable		**283,126**	10,960
Contract liabilities - advances from customers		**76,570**	-
Retention money		**789**	-
Workers' profit participation fund	**23.1**	**152,935**	10,071
Workers' welfare fund	**23.2**	**100,702**	4,578
Payable to staff retirement benefit fund - gratuity	**23.3.4**	**52,011**	20,234
Provision	**23.4**	**1,106,031**	283,200
Accrued markup		**1,619**	558
Sales tax payable - net		**39,459**	-
Others	**23.5**	**20,910**	3,632
		6,102,896	661,069

		Note	2025	2024
23.1	**Workers' profit participation fund**		---- Rupees in '000 ----	
	Balance at beginning of the year		**10,071**	-
	Add: amount recognised pursuant to the Scheme of Arrangement (note 1.1)		**83,789**	-
	Add: allocation for the year	**30**	**152,142**	10,071
	Add: interest on funds utilised in the Company's business	**31**	**1,397**	-
			247,399	10,071
	Less: payments made during the year		**94,464**	-
	Balance at end of the year		**152,935**	10,071
23.2	**Workers' welfare fund**			
	Balance at beginning of the year		**4,578**	-
	Amount recognised pursuant to the Scheme of Arrangement (note 1.1)		**53,667**	-
	Charge for the year		**100,702**	4,578
	Adjustment for prior year		**(1,077)**	-
			99,625	4,578
			157,870	4,578
	Less: payments made during the year		**57,168**	-
			100,702	4,578

23.3 Payable to staff retirement benefit fund

23.3.1 As stated in note 4.13.2, the Company has established two separate funded gratuity schemes for its management and non management staff, who completes qualifying period of service.

23.3.2 Plan assets held in trust are governed by local regulations which mainly include 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.

23.3.3 The latest actuarial valuation of the scheme as at June 30, 2025 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	2025 Management	2025 Non-Management	2024 Management	2024 Non-Management
		-----Rupees in '000-----			
23.3.4 Reconciliation					
Present value of defined benefit obligation	**23.3.5**	**588,888**	**6,523**	29,898	5,028
Fair value of plan assets	**23.3.6**	**(440,747)**	-	(15,406)	-
		148,141	**6,523**	14,492	5,028
Payable to related parties in respect of transferees		**(102,653)**	**-**	714	-
Net liability at end of the year		**45,488**	**6,523**	15,206	5,028

		2025		2024	
		Management	Non-Management	Management	Non-Management
23.3.5 Movement in the present value of defined benefit obligation	**Note**	Rupees in '000			
Balance at beginning of the year		**29,898**	**5,028**	28,256	4,363
Amount recognised pursuant to the Scheme of Arrangement	**1.1**	**320,028**	**-**	-	-
Current service cost		**23,803**	**618**	1,568	569
Past service cost		**-**	**-**	9,646	-
Interest cost		**50,163**	**733**	3,663	704
Re-measurement on obligation		**61,004**	**1,472**	3,682	(608)
Benefits paid		**(1,382)**	**(1,328)**	(14,360)	-
Amount recognised in respect of transfers between related parties		**105,374**	**-**	(2,557)	-
Balance at end of the year		**588,888**	**6,523**	29,898	5,028
23.3.6 Movement in the fair value of plan assets					
Balance at beginning of the year		**15,406**	**-**	27,546	-
Amount recognised pursuant to the Scheme of Arrangement	**1.1**	**207,150**			
Contributions		**120,203**	**-**	-	-
Benefits paid		**(1,382)**	**-**	(14,360)	-
Interest income		**34,053**	**-**	3,340	-
Re-measurement		**51,748**	**-**	3,694	-
Asset in respect of intergroup transfers / fund transferred		**13,569**	**-**	(4,814)	-
Balance at end of the year	**23.3.7**	**440,747**	**-**	15,406	-
23.3.7 Plan assets comprise of:					
Fixed income instruments		**1,760**	**-**	974	-
Mutual funds		**433,888**	**-**	14,424	-
Cash		**5,099**	**-**	8	-
		440,747	**-**	15,406	-
23.3.8 Expense recognised in the statement of profit or loss					
Current service cost		**23,803**	**618**	1,568	569
Past service cost		**-**	**-**	9,646	-
Net interest cost		**16,110**	**733**	323	704
		39,913	**1,351**	11,537	1,273
23.3.9 Re-measurement recognised in other comprehensive income					
Loss / (gain) from change in financial assumptions		**61,004**	**1,471**	3,682	(608)
(Gain) / loss on re-measurement of plan assets		**(51,748)**	**-**	(3,694)	-
		9,256	**1,471**	(12)	(608)

		2025		2024	
		Management	**Non-Management**	Management	Non-Management
23.3.10 **Net liability recognised**	**Note**	-----Rupees in '000-----			
Balance at beginning of the year		**15,206**	**5,028**	3,681	4,363
Amount recognised pursuant to the Scheme of Arrangement	**1.1**	**101,316**	**-**	-	-
Charge for the year	**23.3.8**	**39,913**	**1,351**	11,537	1,273
Contributions / payments		**(120,203)**	**(1,328)**	-	-
Re-measurement recognised in other comprehensive income	**23.3.9**	**9,256**	**1,471**	(12)	(608)
Balance at end of the year		**45,488**	**6,523**	15,206	5,028
23.3.11 **Actuarial assumptions used**					
Discount rate - per annum		**11.75%**	**11.75%**	14.75%	14.75%
Expected rate of increase in future salaries					
- first year		**12.00%**	**6.00%**	15.00%	15.00%
- long term		**11.75%**	**12.75%**	13.75%	13.75%
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		**Light**	**Heavy**	Moderate	Heavy

23.3.12 **Sensitivity analysis for actuarial assumptions**

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

	Impact on defined beneift obligation - Management			**Impact on defined beneift obligation - Non Management**		
	Change in assumption	**Increase in assumption**	**Decrease in assumption**	**Change in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate	1.00%	(40,008)	46,455	0.50%	6,232	(6,840)
Future salary increase	1.00%	43,189	(37,872)	0.50%	6,820	(6,247)

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.

23.3.13 Based on actuary's advice, the expected contribution and expense for the year ending June 30, 2026 to management and non-management gratuity plans will be Rs.46,079 thousand and Rs.1,811 thousand respectively.

23.3.14 The weighted average duration of management and non-management gratuity is 7.30 years and 9.30 years respectively. 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 in '000** -----				
Management staff	20,521	228,919	178,452	2,070,061	2,497,953
Non-management staff	699	875	2,066	161,766	165,406
	21,220	**229,794**	**180,518**	**2,231,827**	**2,663,359**

23.4 Provisions

		Balance at beginning of the year	Amount recognized pursuant to the Scheme of Arrangement (Note 1.1)	Adjustment / charge for the year	Payments during the year	Balance at end of the year
		----------	---------- Rupees in '000	----------	----------	----------
Gas Infrastructure Development Cess		168,503	25,545	-	-	194,048
OGRA gas tariff difference		69,260	-	-	-	69,260
Sindh Infrastructure Development Cess	**23.4.1**	45,437	315,375	120,920	-	481,732
Additional custome duty		-	360,991	-	-	360,991
2025		**283,200**	**701,911**	**120,920**	**-**	**1,106,031**
2024		236,228	-	161,536	(114,564)	283,200

23.4.1 Represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001 and later. The levy of infrastructure fee is disputed and various companies had filed appeals before the High Court of Sindh (SHC) and also had obtained stay from the SHC. The SHC, on June 4, 2021, upheld the infrastructure levy by declaring it within competence of provincial legislature. The Company has filed an appeal before the Honourable Supreme Court of Pakistan to challenge this judgement, which is pending adjudication.

23.5 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.20,896 thousand (2024: Rs.3,625 thousand).

24. SHORT TERM FINANCES - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs. 3,772,000 thousand (2024: Rs.772,000 thousand) and are secured against pari passu hypothecation charge over the Company's stock-in-trade and trade debts to extent of Rs. 5,600,670 thousand.The rate of these mark up facilities ranged from 1 month kibor + 1.50% to 6 months kibor + 0.5% (2024: 1 month kibor + 1.5% to 3 month kibor + 0.20%).

The facilities for opening letters of credit as at June 30, 2025 aggregated to Rs.6,344,000 thousand (2024: Rs.844,000 thousand) of which unutilized balance at year-end aggregated to Rs.4,290,520 thousand (2024: Rs.771,330 thousand). These facilities are secured by lien on import documents and are expiring on various dates up to April 30, 2026.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 Various cases have been filed against the Company by some former employees for reinstatement of service and are pending in different courts of Pakistan. The management is confident that outcome of these cases will be in favour of the Company and hence no provision is made in these financial statements.

25.1.2 Guarantees aggregating Rs.567,267 thousand (2024: Rs.136,690 thousand) have been issued by commercial banks on behalf of the Company to Collector of Customs, Excise & Taxation Department, Government of Sindh, Sui Southern Gas Company Limited and Sui Northern Gas Pipelines Limited.

25.2 Commitments

25.2.1 Commitments outstanding for letters of credit relating to capital expenditure and stock-in-trade as at June 30, 2025 aggregated to Rs.2,053,480 thousand (2024: Rs.72,667 thousand).

25.2.2 The Company has entered into Ijarah arrangements for vehicles with bank. Aggregate commitments for these ijarah arrangements as at June 30, 2025 are as follow:

	2025	2024
	--- Rupees in '000	**---**
Not later than one year	**92,903**	8,610
Later than one year and not later than five years	**101,825**	9,086
	194,728	17,696

	Note	2025	2024
26. SALES - Net		--- Rupees in '000 ---	
Local sales			
- manufacturing activity		**31,928,121**	2,640,428
- trading and services		**12,389,313**	-
		44,317,434	2,640,428
Export sales		**35,330**	-
		44,352,764	2,640,428
Less:			
- sales tax		**7,073,578**	402,777
- discounts		**390,485**	-
		7,464,063	402,777
		36,888,701	2,237,651

	Note	2025	2024
27. COST OF SALES AND SERVICES			
Opening stock of finished goods		**12,797**	40,136
Add: stock recognised pursuant to the Scheme of Arrangement	1.1	**525,276**	-
Cost of goods manufactured and service provided	27.1	**23,494,440**	1,981,985
Add: purchased during the year		**7,451,599**	-
		31,471,315	1,981,985
Less: closing stock of finished goods		**616,425**	12,797
		30,867,687	2,009,324

	Note	2025	2024
27.1 Cost of goods manufactured and services provided			
Raw materials and components consumed	27.2	**17,526,568**	737,862
Stores consumed		**898,968**	131,723
Direct labour	27.3	**1,175,537**	303,447
Salaries and other benefits	27.3	**1,038,436**	102,831
Travelling, conveyance and entertainment		**14,215**	274
Utilities	27.5	**850,700**	402,674
Repair and maintenance		**394,547**	122,860
Rent, rates and taxes		**1,387**	886
Ijara rentals		**53,581**	14,562
Royalty	27.4	**733,172**	21,097
Insurance		**77,691**	11,644
Canteen expenses		**158,722**	43,430
Vehicle running expenses		**40,068**	4,300
Depreciation related to operating fixed assets	5.2	**482,678**	77,651
Amortisation	6	**16,466**	-
(Reversal) / provision for slow moving inventories - net	11.1	**(5,137)**	179
Others		**52,717**	15,316
		23,510,316	1,990,736
Work-in-process adjustment		**(15,876)**	(8,751)
		23,494,440	1,981,985

27.2 Raw materials and components consumed	**Note**	**2025**	2024
		--- Rupees in '000 ---	
Opening stock		**48,755**	130,657
Add: stock recognised pursuant to the Scheme of Arrangement	**1.1**	**789,661**	-
Add: purchases during the year		**17,831,439**	655,960
		18,669,855	786,617
Less: closing stock		**1,143,287**	48,755
		17,526,568	737,862

27.3 Direct labour and Salaries & other benefits include Rs.109,361 thousand (2024: Rs.16,426 thousand) in respect of staff retirement benefits.

27.4 Royalty charged in current year financial statement pertains to following companies;

i) Astemo Ltd., Shin-Otemachi Building, 2-1, Otemachi 2-chome, Tokyo, 100-0004, Japan. *(Formally Showa Corporation, Japan and Keihin Corporation, Japan.)*

ii) F.C.C Co. Ltd - 7000-36, Nakagawa, Hosoe-cho Kita-ku, Hamammatsu-shi, Shizouka-ken, Japan.

iii) Motherson Atsumetic Automotive System Company Limited 4-6-1 Takaokanishi, Chuo-ku Hamamtsu City, Shizuoka Prefecture, 433-8118 Japan.

iv) Toyo Denso Co. Ltd, 1053 Ohtagaya, Tsurugashima City, Saitama Pref 350-2280, Japan.

v) Yamada Manufacturing Co., Ltd., 1296-2, Koubayashi, Isesaki, Gunma, 379-2206, Japan.

vi) Honda Foundry Limited - 1620 Matoba, Kawago, Saitama, Japan.

27.5 Includes reimbursement of expenses received by the Company on account of expenses incurred during the year on behalf of related parties.

28. ADMINISTRATIVE AND GENERAL EXPENSES	**Note**	**2025**	2024
		--- Rupees in '000 ---	
Salaries and other benefits	**28.1**	**780,594**	151,804
Travelling, conveyance and entertainment		**87,838**	938
Repairs and maintenance		**34,430**	25,593
Depreciation	**5.2**	**46,784**	3,905
Legal and professional charges		**23,162**	6,648
Utilities		**62,173**	-
Advertisement and sales promotion		**200,008**	-
Freight and forwarding		**69,761**	3,810
Printing & stationery		**3,609**	1,026
Rent, rates and taxes		**36,076**	1,366
Ijarah rentals		**53,867**	3,836
Insurance		**74,532**	2,075
Vehicle running expense		**44,644**	2,764
Donation	**28.2**	**321,618**	3,804
Others		**66,707**	1,737
		1,905,803	209,306

28.1 Salaries and other benefits include Rs.34,125 thousand (2024: Rs.5,497 thousand) in respect of staff retirement benefits.

28.2 Donation of Rs.321,618 thousand (2024: Rs.3,665 thousand) charged in these financial statements pertains to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi (the Foundation), Mr. Frahim Ali Khan, Director of the Company is also Director of the Foundation.

29. OTHER INCOME

	Note	2025	2024
		--- Rupees in '000 ---	
Income from financial assets			
Mark-up / interest on saving accounts, treasury bills, and term deposit receipts		**343,752**	35,118
Reversal for expected credit loss	**12.4**	**-**	1,558
Mark-up interest on long term loan	**8.1**	**29**	15
Exchange gain		**325**	76
Income from investments in related parties			
Gain on sale of investments at fair value through profit or loss		**456,911**	27,120
Fair value gain on investments at fair value through profit or loss		**15,765**	3,906
Dividend income		**161,676**	68,638
Income from assets other than financial assets			
Rental income from related parties		**45,348**	102,344
Gain on derecognition of lease liabilities		**66,898**	-
		1,090,704	238,775

30. OTHER EXPENSES

	Note	2025	2024
Workers' profit participation fund	**23.1**	**152,142**	10,071
Workers' welfare fund			
- current year		**100,702**	4,578
- prior year		**(1,077)**	-
	23.2	**99,625**	4,578
Auditors' remuneration			
- statutory audit fee		**3,700**	1,255
- certifications and others		**1,275**	262
- out of pocket expenses		**729**	165
		5,704	1,682
Provision for expected credit loss	**23.1**	**3,446**	-
Loss on disposal of property, plant and equipment	**5.3**	**41,816**	4,871
		302,733	21,202

31. FINANCE COST

	Note	2025	2024
Mark-up / amortisation on long term loans		**33,948**	15,834
Government grant release		**(23,723)**	(10,008)
		10,225	5,826
Mark-up on short term finances		**2,161**	268
Interest on workers' profit participation fund	**23.1**	**1,397**	-
Bank and other financial charges		**7,876**	1,581
		21,659	7,675

32. LEVIES AND INCOME TAXATION

32.1 This represents final tax paid under sections 150 of the Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37.

32.2 Reconciliation of current tax charged as per tax laws for the year, with current tax recognised in the statement of profit or loss account, is as follows:

	2025	2024
	--- Rupees in '000 ---	
Current tax liability for the year as per applicable tax laws	**1,795,407**	43,593
Portion of current tax liability as per tax laws, representing income tax under IAS 12	**(1,771,156)**	(33,297)
Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37	**(24,251)**	(10,296)
	-	-

32.3 The returns of the Company is filed under group taxation in term of section 59AA of the Income Tax Ordinance, 2001. Further separate returns of the Company also filed in compliance with the provision of Rule 231D for record purposes only.

32.4 Relationship between tax expense and accounting profit for the year is as follows:

	2025	2024
	--- Rupees in '000 ---	
Profit before taxation	**4,881,523**	228,919
Tax at the applicable rate of 29%	**1,415,642**	66,387
Tax effect of:		
- amount not deductible for tax purposes	**290,507**	31,163
- amount deductible for tax purposes but not taken to the statement of profit or loss	**(287,913)**	(43,661)
- income not subject to tax / income subject to final tax regime / tax credits	**(117,520)**	(10,296)
Super tax on high earning persons	**494,691**	-
	1,795,407	43,593

33. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		**Directors**		**Executives**	
	2025	2024	**2025**	2024	**2025**	2024
	--- Rupees in '000 ---		**--- Rupees in '000 ---**		**--- Rupees in '000 ---**	
Managerial remuneration	**27,241**	15,911	33,412	-	**223,331**	16,173
House rent and utilities	**10,660**	7,541	13,074	-	**87,391**	7,734
Bonus	**20,135**	10,755	29,849	-	**161,909**	10,436
Retirement benefits	**2,606**	7,776	3,196	-	**21,362**	2,061
Medical and others	**562**	2,827	1,006	-	**7,549**	6,349
	61,204	44,810	**80,537**	-	**501,542**	42,753
Number of persons	**1**	1	**2**	-	**71**	6

33.1 The Chief Executive Officer and director is provided with free use of the Company maintained vehicles and telephones at residence. Certain executives are also provided with the Company's vehicles in accordance with terms of employment.

34. RELATED PARTIES

Related parties comprise of the Holding Company, Subsidiary Companies, Associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties on mutually agreed terms. Amounts due from and to related parties are shown under receivables and payables. Detail of major related parties with whom the Company have transacted along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

34.1 Name and nature of relationship

a) The Holding Company

Shirazi Investments (Private) Limited - 100% shares held in the Company

b) Subsidiary Company

Atlas DID (Private) Limited - 60% shares held by the Company

c) Associated Companies due to significant influence

Atlas Hitec (Private) Limited - 44.77% shares held by the Company

Atlas GCI (Private) Limited - 20% shares held by the Company

d) Associated Companies due to common directorship

Atlas Honda Limited
Atlas Battery Limited
Atlas Solar Limited
Atlas Insurance Limited
Atlas Foundation
Atlas Global FZE
Atlas Metals (Private) Limited
Shirazi Trading Company (Private) Limited
Honda Atlas Cars (Pakistan) Limited
Atlas Power Limited
Atlas Asset Management Limited
SFM Global FZE

e) Associated Companies under common management / group Companies

Atlas Worldwide General Trading LLC, Dubai

f) Directors

Mr. Aamir H. Shirazi
Mr. Frahim Ali Khan
Mr. Suhail Ahmed
Mr. Saquib H. Shirazi
Mr. Afaq Ahmed

g) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the entity. The company considers its Chief Executive, Directors and Chief financial officer to be its key management personnel.

34.2 Transactions with related parties

	2025	2024
	--- Rupees in '000 ---	
The Holding Company		
Dividend paid	**2,000,000**	-
Receipt under group taxation	-	264,664
Payment under group taxation	**75,000**	-
Purchase of		
- goods and services	**25,564**	4,450
- operating fixed assets	**9,465**	-
Sales of operating fixed assets	**3,107**	-
Subsidiary Company		
Sales of		
- goods and services	**67,731**	-
Lease rentals received	**23,617**	-
Reimbursement claimed	**186,023**	-

	2025	2024
Associated Companies	**--- Rupees in '000 ---**	
Sales of		
- goods and services	**33,015,750**	2,237,652
- operating fixed assets	**20,226**	931
Purchases of		
- goods and services	**982,384**	84,669
- operating fixed assets	**266,579**	64,726
Sale of units in mutual funds	**7,741,924**	215,000
Purchase of units in mutual funds	**7,475,797**	595,000
Dividend received	**161,676**	68,638
Commission paid	**26,046**	-
Insurance claim received	**6,404**	-
Insurance premium paid	**235,463**	22,013
Lease rental received	**21,730**	102,344
Reimbursement for utilities and shared services	**127,834**	610,220
Donation paid	**113,556**	1,875
Other related parties		
Contributions paid to:		
- gratuity funds	**101,317**	-
- pension schemes	**53,194**	12,119
Key management personnel		
- salaries and other employment benefits	**167,601**	50,612
- sale of vehicles / laptop under company policy	**1,862**	-

35. FINANCIAL RISK MANAGEMENT

35.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign exchange risk, interest rate risk and price risk).

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.

The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

(a) Credit risk

Credit risk represents the risk of financial loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. Credit risk mainly arises from deposits, loans and advances, trade debts, other receivables and balances with banks.

The carrying amount of financial assets represents the maximum credit exposure. The financial assets exposed to credit risk amounted to Rs.8,199,730 thousand (2024: Rs.1,077,063 thousand) as at June 30, 2025. Out of the total financial assets credit risk is concentrated in trade debts, short term investment and deposits with banks as they constitute 95.94% (2024: 96.68%) of the total financial assets.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2025	2024
	---- Rupees in '000 ----	
Long term deposits	**20,154**	7,266
Long term loans and advances	**24,144**	262
Trade debts	**272,090**	-
Loans and advances	**23,024**	1,402
Deposits and other receivables	**268,573**	40,535
Short term investments	**6,889,603**	962,515
Bank balances	**702,142**	65,083
	8,199,730	1,077,063

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 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. Accordingly, management does not expect any counter party to fail in meeting their obligations.

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

	Rating		
Banks	**agency**	**short term**	**long term**
Habib Bank Limited	JCR-VIS	A1+	AAA
Habib Metropolitan Bank Limited	PACRA	A1+	AA+
National Bank of Pakistan	PACRA	A1+	AAA
Allied Bank Limited	PACRA	A1+	AAA
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
Meezan Bank Limited	JCR-VIS	A1+	AAA
Faysal Bank Limited	JCR-VIS	A1+	AA+
Bank Al-Falah Limited	PACRA	A1+	AAA
MCB Islamic Bank Limited	PACRA	A1	AAA
Bank Al-Habib Limited	PACRA	A1+	AAA
MCB Bank Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Bank Makramah Limited	JCR-VIS	Un-rated	Un-rated
Dubai Islamic Bank Pakistan Ltd	JCR-VIS	AA	A1+

(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, 2025, the Company had Rs.3,772,000 thousand available borrowings limits from banks / financial institutions and of bank balances Rs.702,142 thousand.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying amount	**Contractual cash flows**	**Maturity upto one year**	**Maturity more than one year**
	Rupees in '000			
June 30, 2025				
Long term loans	**319,098**	**260,200**	**39,845**	**220,355**
Trade and other payables	**6,101,277**	**6,101,277**	**6,101,277**	**-**
Accrued mark-up	**1,619**	**1,619**	**1,619**	**-**
Unclaimed dividend	**848**	**848**	**848**	**-**
	6,421,994	**6,363,096**	**6,142,741**	**220,355**

	Carrying amount	Contrac-tual cash flows	Maturity upto one year	Maturity more than one year
	Rupees in '000			
June 30, 2024				
Long term loans	149,215	205,200	29,773	175,427
Trade and other payables	640,277	640,277	640,277	-
Accrued mark-up	558	558	558	-
Unclaimed dividend	848	848	848	-
	790,898	846,883	671,456	175,427

(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.

Foreign exchange risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company's exposure to foreign exchange risk at the reporting date is as follows:

	June 30, 2025			June 30, 2024			
	Rupees	**Japanese Yen**	**US Dollar**	Rupees	Japanese Yen	US Dollar	Euro
	-- Amount in '000 --			-- Amount in '000 --			
Trade and other payables	**163,670**	**81,126**	**14**	6,960	713	-	19

Exchange rate of 1.9701(2024: 1.7305) for Rupee to Yen, 284.1 (2024: 278.80) for Rupee to USD and 332.83 (2024: 298.41) for Rupee to Euro.

At June 30, 2025, if the Rupee had strengthened / weakened by 5% against Japanese Yen / US dollar with all other variables held constant, profit before taxation for the year would have been higher / (lower) by Rs.8,183 thousand mainly as a result of foreign exchange gain / (loss) on translation of foreign 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 loans and short term borrowings. Borrowings issued at variable rates expose the Company to cash flow risk and borrowings issued at fixed rate expose the Company to fair value interest rate risk. At June 30, 2025, the Company's interest bearing borrowings aggregated to Rs.205,549 thousand (2024: Rs.149,215 thousand).

At June 30, 2025, 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.2,055 thousand (2024: Rs.1,492 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 currently has no exposure to such risk.

35.2 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 estimated fair value of all financial assets and liabilities is considered not significantly different from book values as the items are either short - term in nature or periodically re-priced.

IFRS 7, 'Financial Instruments Disclosures' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- 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 following table presents the Company's financial assets that are measured at fair value at June 30, 2025.

	June 30, 2025			
	Level 1	Level 2	Level 3	Total
Assets - Recurring fair value measurement	----------- Rupees in '000 -----------			
Financial assets at fair value through profit or loss				
Short term investments	4,324,608	-	-	4,324,608

35.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year. The Company monitors capital on the basis of gearing ratio calculated as follows:

	2025	2024
	--- Rupees in '000 ---	
Total borrowings	**319,098**	149,215
Cash and bank balances	**702,142**	65,118
Net debt	**(383,044)**	84,097
Total equity	**13,326,475**	5,910,300
Total capital	**12,943,431**	5,994,397
Gearing ratio	**0%**	1%

36. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as it depends upon the relative proportion of various types of products manufactured by the Company.

37. NUMBER OF EMPLOYEES

	2025	2024
	Numbers	
Total number of employees	**791**	108
Average number of employees	**790**	115

38. CORRESPONDING FIGURES

The amalgamation of Atlas Autos (Private) Limited (AAPL) with and into the Company became effective on July 1, 2024 pursuant to the Scheme of Arrangement sanctioned by the Honourable High Court of Sindh, Karachi. Accordingly, the assets, liabilities and operations of AAPL have been incorporated in these financial statements from July 1, 2024.

The corresponding figures presented for the year ended June 30, 2024 represent the standalone results and financial position of the Company prior to the Scheme of Arrangement and therefore do not include the results and balances of AAPL. Consequently, the current year's figures are not directly comparable with those of the prior year.

For the purpose of better understanding, had the amalgamation been effective from the beginning of the comparative period, the combined results of the Company and AAPL for the year ended June 30, 2024 would have been as follows:

	2025	2024
	--- Rupees in '000 ---	
Sales	**36,888,701**	29,256,049
Gross profit	**6,021,014**	3,420,650
Profit before income and final taxes	**4,881,523**	2,855,615
Profit for the year	**3,040,660**	1,862,248

Above pro forma figures are presented for illustrative purposes only and do not represent the actual results of the combined operations.

39. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 9, 2025 by the Board of Directors of the Company.

Chairman **Chief Executive Officer**