Atlas Metals

Director's Report

The Directors of your company are pleased to present their report together with the Audited Financial Statements and Auditor's Report thereon for the year ended June 30, 2020.

Business Review

The company has recorded net sales of Rs.340 million compared to Rs.5,472 million in previous year, down by 93.8% as main business of lead recycling remained suspended during the year. The loss during the year is mainly due to unabsorbed fixed cost and realization of aluminium scrap inventory at loss. Impairment on plant and machinery, inventory and stores amounting Rs.63 million have been provided in the accounts. The company performed satisfactorily to reduce short term borrowings and to reduce cash loss through manpower and working capital management. Finance cost recorded at Rs.39 million with decrease of 86% over the corresponding year. Resultantly, the company has recorded loss before tax of Rs.296 million compared to Rs.1,008 million in the prior year

The financial statements prepared by the management of the Company present its state of affairs fairly, the results of its operations, cash flows and changes in equity. The financial results of your company are summarized as follows:

Particular	2019-20	2018-19
	Rs. in '000'	
Loss Before Tax	(296,278)	(1,008,402)
Loss After Tax	(303,098)	(1,066,280)
Total comprehensive loss for the year	(301,666)	(1,066,962)
Net Assets	829,324	1,130,990

Loss per Share

Basic loss per share after tax is Rs. 5.51 per share (2019: Rs. 19.39 per share).

Dividend

The Board of Directors did not recommend any dividend.

	2020	2019
	------(Rs. in '000')-----	
Profits available for appropriation	279,324	580,990
- Proposed Dividend	Nil	Nil
Un-appropriated profits carried forward	279,324	580,990

Auditors

The present Auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants retire and being eligible, offer themselves for re-appointment for the year 2020-21.

CHIEF EXECUTIVE

DIRECTOR

September 28, 2020

Atlas Metals (Private) Limited

Registered Office: 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi-75600 **Ph:** 35369474
Factory: Plot No. 347-A, Shed No. 1, 15th Miles, National Highway, Landhi, Karachi **Ph:** 35002310-5
Fax: 35002320 **Email:** aml@atlasmetals.com.pk **Website:** www.atlasmetals.com.pk

ATLAS METALS (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2020

ShineWing Hameed Chaudhri & Co.
Chartered Accountants,
5TH Floor, Karachi Chambers,
Hasrat Mohani Road, Karachi
Phones: 32412754, 32411474
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ShineWing PAKISTAN

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Atlas Metals (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2020, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

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

Basis for Opinion

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

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.

- 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).

OTHER MATTER

The financial statements of the Company for the year ended June 30, 2019 were audited by another firm of Chartered Accountants whose report dated October 25, 2019, expressed an unmodified opinion there on.

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

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI;

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020	2019
		-------- Rupees --------	
ASSETS			
Non-current assets			
Property, plant and equipment	6	**959,543,332**	1,091,022,255
Long-term deposits		**3,928,800**	5,535,400
		963,472,132	1,096,557,655
Current assets			
Stores, spares and loose tools	7	**60,137,435**	113,663,712
Stock-in-trade	8	**12,438,549**	309,242,588
Trade debts	9	**5,576,008**	363,998,594
Loans, advances, deposits and other receivables	10	**9,350,160**	136,226,390
Taxation - net		**568,777,439**	568,487,008
Bank balances	11	**11,560,007**	865,429
		667,839,598	1,492,483,721
Total assets		**1,631,311,730**	2,589,041,376

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	2020	2019
		----- Rupees -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital 75,000,000 (2019: 75,000,000) ordinary shares of Rs.10 each		750,000,000	750,000,000
Issued, subscribed and paid-up capital 55,000,000 (2019: 55,000,000) ordinary shares of Rs.10 each fully paid in cash	12	550,000,000	550,000,000
Revenue reserve - unappropriated profit		279,323,633	580,989,931
Total equity		829,323,633	1,130,989,931
Liabilities			
Non current liabilities			
Staff retirement benefits	13	8,054,027	9,149,371
Deferred taxation	14	84,269,462	82,199,711
		92,323,489	91,349,082
Current liabilities			
Loan from the Holding Company	15	500,000,000	-
Trade and other payables	16	119,694,118	231,089,612
Short-term borrowings	17	89,970,490	1,135,612,751
		709,664,608	1,366,702,363
Total liabilities		801,988,097	1,458,051,445
Contingencies and commitments	18		
Total equity and liabilities		1,631,311,730	2,589,041,376

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** **Director**

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		--------------- Rupees	--------------
Turnover-net	19	**339,935,202**	5,472,428,031
Cost of sales	20	**(575,199,912)**	(6,270,854,023)
Gross loss		**(235,264,710)**	(798,425,992)
Administrative and distribution expenses	21	**(30,956,399)**	(66,693,640)
Other expenses	22	**(542,975)**	(1,484,058)
Other income	23	**9,727,963**	136,892,487
Finance costs	24	**(39,240,622)**	(278,690,452)
Loss before taxation		**(296,276,743)**	(1,008,401,655)
Taxation	25	**(6,821,262)**	(57,878,073)
Loss for the year		**(303,098,005)**	(1,066,279,728)

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** **Director**

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		---------------- Rupees	----------------
Loss for the year		**(303,098,005)**	(1,066,279,728)
Other comprehensive income / loss			
Actuarial gain / (loss) recognized during the year	**16.2.5**	**1,431,707**	(681,936)
Total comprehensive loss for the year		**(301,666,298)**	(1,066,961,664)

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** **Director**

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Revenue reserves	Total
		Unappropriated profit	
	---------- Rupees ----------		
Balance as at June 30, 2018	550,000,000	1,647,951,595	2,197,951,595
Loss for the year	-	(1,066,279,728)	(1,066,279,728)
Other comprehensive loss	-	(681,936)	(681,936)
Total comprehensive loss for the year	-	(1,066,961,664)	(1,066,961,664)
Balance as at June 30, 2019	**550,000,000**	**580,989,931**	**1,130,989,931**
Loss for the year	-	(303,098,005)	(303,098,005)
Other comprehensive income	-	1,431,707	1,431,707
Total comprehensive loss for the year	-	(301,666,298)	(301,666,298)
Balance as at June 30, 2020	**550,000,000**	**279,323,633**	**829,323,633**

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** **Director**

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		------------- Rupees -------------	
Cash flows from operating activities			
Loss before taxation		**(296,276,743)**	(1,008,401,655)
Adjustments for:			
Depreciation		**103,845,399**	105,250,428
Gain on disposal of operating fixed assets		**(150,776)**	(4,498)
Provision for gratuity		**888,023**	1,742,043
Accrual for compensated absences		**545,980**	1,781,887
Exchange gain		-	(2,128,594)
Operating fixed assets written off due to fire		-	120,472,251
Insurance claim		-	(115,952,000)
Provision for impairment of operating fixed asset		**9,053,132**	100,203,358
Provision for slow moving raw material		**20,574,903**	34,297,757
Finance cost		**39,209,137**	277,265,854
		173,965,798	522,928,486
		(122,310,945)	(485,473,169)
Changes in working capital:			
Decrease / (increase) in current assets			
- Stores, spares and loose tools		**4,930,277**	(10,135,369)
- Stock-in-trade		**324,825,136**	2,932,002,310
- Trade debts		**358,422,586**	241,411,754
- Loans, advances, deposits and other receivables		**126,876,230**	13,208,766
		815,054,229	3,176,487,461
Decrease in current liabilities			
- Trade and other payables		**(86,773,510)**	(396,540,391)
		728,280,719	2,779,947,070
Cash generated from operations:		**605,969,774**	2,294,473,901
Income taxes paid		**(5,041,942)**	(39,753,585)
Finance cost paid		**(63,287,437)**	(293,223,530)
Compensated absences paid		**(1,641,324)**	(5,615,018)
Contributions to gratuity fund		-	(2,654,168)
Long-term deposits - net		**1,606,600**	-
Net cash generated from operating activities:		**537,605,671**	1,953,227,600

ATLAS METALS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020	2019
		------------- Rupees -------------	
Cash flows from investing activities			
Additions to operating fixed assets		**(1,641,558)**	(109,490,273)
Additions to capital work-in-progress		**-**	(11,833,980)
Proceeds against disposal of long term investments		**-**	700,000,000
Proceeds against disposal of operating fixed assets		**20,372,726**	19,021,131
Net cash generated from investing activities		**18,731,168**	597,696,878
Cash flows from financing activities			
Loan obtained from Holding Company		**500,000,000**	-
Net increase in cash and cash equivalents		**1,056,336,839**	2,550,924,478
Cash and cash equivalents at the beginning of the year		**(1,134,747,322)**	(3,685,671,800)
Cash and cash equivalents at the end of the year	**26**	**(78,410,483)**	(1,134,747,322)

The annexed notes from 1 to 35 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive** **Director**

ATLAS METALS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

1 Legal status and operations

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

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

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

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

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for staff gratuity which is stated at present value.

2.3 Functional and presentation currency

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

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

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

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

(a) Amendment to IAS 12, 'Income taxes', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits – i.e. in profit or loss, OCI or equity.

(b) Amendment to IAS 23 'Borrowing Costs', as part of the annual improvements 2017 applicable for annual periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2019 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

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

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

(b) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' is applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract.

(c) Amendment to IAS 16 'Property, plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of PPE made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

(d) Amendments to IAS 1 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of this amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period.

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

4 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

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

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

(i) Estimate of useful lives and residual values of property, plant & equipment - note 5.2

(ii) Estimation of current and deferred tax - notes 5.9 & 5.10

(iii) Estimate of payables & receivables in respect of employees' retirement benefit - note 5.11

(iv) Provision for doubtful debts - note 5.15

5 SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Going concern

The Company has incurred loss before tax Rs.296,277 thousands (2019: Rs.1,008,402 thousands). As reported in preceding year financials, an incident has affected Company's major product i.e. recycling of ferrous and non-ferrous metals which ultimately resulted in significant decrease in revenue of the Company. These financial statements have been prepared under going concern assumption as the Company is reframing the operations and expects profitability in future from its parts casting business based on the financial projections prepared by the management. Also the management is assessing various options for more viable solution of its recycling business and related equipment. Further the Holding Company of the Company have confirmed their intent to provide financial support to the Company to enable it to continue as a going concern.

5.2 Property, plant and equipment

5.2.1 Owned assets

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

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

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

5.2.2 Capital work-in-progress

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

5.3 Stores, spares & loose tools

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

5.4 Stock-in-trade

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

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

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

5.5 Impairment of assets

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

5.6 Provisions

Provisions, if any are recognized when:

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

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

5.7 Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortized cost (debt instruments)

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

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

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

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

Derecognition

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

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

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

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

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

Impairment of financial assets

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

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

Financial liabilities at fair value through profit or loss

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

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

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

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

Offsetting of financial instruments

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

5.8 Revenue recognition

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

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

5.9 Taxation

The charge for current taxation is based on taxable income at the current rate of taxation after taking into account applicable tax credit, rebates and exemption available, if any. As of the reporting date, taxable loss of the Company amounted to Rs.872,124 thousand (2019: Rs.740,588 thousand).

5.10 Deferred tax

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

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

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

5.11 Staff retirement benefits

5.11.1 Defined benefit plan

The Company operates a funded gratuity scheme for its permanent employees. The Company's obligation under the scheme is determined through actuarial valuations carried out under the "Projected Unit Credit Method". The latest actuarial valuations were carried out at June 30, 2020. The amounts arising as a result of re-measurements are recognized comprehensive income in the periods in which they occur. All past service costs are recognized at the earlier of when the amendment or curtailment occurs and when the Company has recognized related restructuring or termination benefits.

5.11.2 Defined contribution plan

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

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

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

5.12 Compensated absences

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

5.13 Foreign currency translation

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

5.14 Loans and receivables

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

5.15 Trade debts and other receivables and related impairment

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

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

5.16 Cash and cash equivalents

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

5.17 Trade and other payables

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

5.18 Dividend and appropriation to reserves

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

6 PROPERTY, PLANT AND EQUIPMENT

	Note	2020	2019
		------------- Rupees -------------	
Operating fixed assets	6.1	**870,789,114**	1,002,268,037
Capital work-in-progress	6.4	**88,754,218**	88,754,218
		959,543,332	1,091,022,255

Atlas Metals (Private) Limited

6.1 Operating fixed assets

	Lease-hold improvements	Plant and machinery	Office equip-ments	Comp
At July 1, 2018				
Revaluation / cost	298,766,687	693,484,038	6,641,226	4,17
Accumulated depreciation	76,806,889	167,744,511	1,774,216	2,83
Net book value	**221,959,798**	**525,739,527**	**4,867,010**	**1,34**
Year ended June 30, 2019				
Opening net book value	221,959,798	525,739,527	4,867,010	1,34
Additions	258,546,269	81,915,835	12,770,382	3,01
Disposals				
- cost	-	-	-	17
- accumulated depreciation	-	-	-	(3
	-	-	-	13
Written-off				
- cost	-	114,133,629	547,035	241
- accumulated depreciation	-	(22,416,329)	(137,056)	(18
	-	91,717,300	409,979	5
Impairment charge	-	100,203,358	-	
Depreciation charge	26,676,256	53,536,259	602,831	877
Closing net book value	**453,829,811**	**362,198,445**	**16,624,582**	**3,30**
At June 30, 2019				
Revaluation / cost	557,312,956	661,266,244	18,864,573	6,78
Accumulated depreciation / impairment	103,483,145	299,067,799	2,239,991	3,48
Net book value	**453,829,811**	**362,198,445**	**16,624,582**	**3,30**
Year ended June 30, 2020				
Opening net book value	453,829,811	362,198,445	16,624,582	3,30
Additions	-	-	-	
Disposals				
- cost	-	-	280,821	36
- accumulated depreciation	-	-	(68,527)	(25
	-	-	212,294	10
Depreciation charge	45,382,981	36,219,844	1,648,469	964
Impairment	-	9,053,132		
Closing net book value	**408,446,830**	**316,925,469**	**14,763,819**	**2,231**
At June 30, 2020				
Revaluation / cost	557,312,956	661,266,244	18,583,752	6,420
Accumulated depreciation	148,866,126	344,340,775	3,819,933	4,188
Net book value	**408,446,830**	**316,925,469**	**14,763,819**	**2,231**
Depreciation rate (% per annum)	10	10	10	30

6.1.1 During the year, the Company recognized a provision for impairment of plant and machinery amounting to Rs.9,053 thousand (2019: Rs.100,203 thousand). The valuation was carried out by an independent valuer i.e. Surval. Forced sale value as per the latest available valuation report of plant and machinery as of the reporting date is Rs.316,925 thousand (2019: Rs. 362,200 thousand).

	2020	2019
6.2 Allocation of depreciation charge:	------------- Rupees	-------------
Cost of sales	**101,204,389**	102,185,465
Administrative and distribution expenses	**2,641,010**	3,064,963
	103,845,399	105,250,428

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

Particulars of assets	Cost	Accumulated depreciation	Net book value	Sales proceeds	Gain	Mode of disposal	Sold / transferred to
	------------	Rupees	------------				
Items having net book value exceeding Rs.500,000 each							
Electric Fittings							
Cables	3,406,847	(141,005)	3,265,842	4,339,795	1,073,953	Negotiation	Atlas Autos (Private) Limited, a related party
Furniture and fixtures							
Lockers for staff	594,000	(49,129)	544,871	544,871	-	Negotiation	Atlas Engineering (Private) Limited, a related party
Vehicles							
	1,250,000	(383,334)	866,666	866,666	-	Company Policy	Atlas Autos (Private) Limited, a related party
	840,000	(126,000)	714,000	714,000	-	Company Policy	Atlas Autos (Private) Limited, a related party
	1,410,000	(94,000)	1,316,000	1,316,000	-	Company Policy	Atlas Hitec (Private) Limited, a related party
	2,420,500	(1,559,327)	861,173	1,871,000	1,009,827	Negotiation	Mr. Waseem Mirza, Block 10A, Gulshan, Karachi
	4,511,925	(2,908,326)	1,603,599	1,850,000	246,401	Negotiation	Wahid Metals (Pvt.) Limited, Mouza Kotla Abu-Al-Fateh Industrial Estate, Multan
	7,904,898	(2,204,589)	5,700,309	5,000,000	(700,309)	Negotiation	Atlas DID (Private) Limited, a related party
	4,977,975	(1,641,626)	3,336,349	1,734,505	(1,601,844)	Negotiation	Atlas Engineering (Private) Limited, a related party
	23,315,298	(8,917,202)	14,398,096	13,352,171	(1,045,925)		
	27,316,145	**(9,107,336)**	**18,208,809**	**18,236,837**	**28,028**		
Items having net book value upto Rs.500,000 each	3,292,652	(1,279,511)	2,013,141	2,135,889	122,748		Various
June 30, 2020	**30,608,797**	**(10,386,847)**	**20,221,950**	**20,372,726**	**150,776**		
June 30, 2019	24,434,377	(5,417,744)	19,016,633	19,021,131	4,498		

	2020	2019
6.4 Capital work-in-progress	------------- Rupees	-------------
Plant and machinery	**88,754,218**	88,754,218
6.4.1 Movement of capital work-in-progress		
Balance as at beginning of the year	**88,754,218**	394,197,171
Advances for capital expenditures	-	11,833,980
Transferred to operating fixed assets	-	(317,276,933)
Balance as at end of the year	**88,754,218**	88,754,218

7	**STORES, SPARES AND LOOSE TOOLS**	Note	**2020**	2019
			Rupees	
	In hand		**108,733,435**	113,663,712
	Less: provision for slow moving stores	**8.2**	**(48,596,000)**	-
			60,137,435	113,663,712
8	**STOCK-IN-TRADE**			
	Raw material - in hand		**17,194,894**	342,977,571
	Finished goods		**1,520,315**	562,774
			18,715,209	343,540,345
	Provision for slow moving raw material	**8.2**	**(6,276,660)**	(34,297,757)
			12,438,549	309,242,588

8.1 As of reporting date, raw material costing Rs.13,433 thousand (2019: Rs.342,980 thousand) were carried at their net realizable value of Rs.7,156 thousand (2019: Rs.308,680 thousand).

8.2	**Movement of provision for slow moving inventories**	**Stores, spares & loose tools**		**Stock-in-trade**	
		2020	2019	**2020**	2019
		Rupees			
	Opening balance	-	-	**34,297,757**	-
	Provision made	**48,596,000**	-	**4,933,405**	34,297,757
	Provision reversed	-	-	**(32,954,502)**	-
	Ending balance	**48,596,000**	-	**6,276,660**	34,297,757

9	**TRADE DEBTS - unsecured**	Note	**2020**	2019
			Rupees	
	Considered good	**9.1 & 9.2**	**5,576,008**	363,998,594

9.1 This includes balance due from the associated companies as follows:

Shirazi Trading Company (Private) Limited	**295,051**	-
Atlas Battery Limited	-	3,591,626
Atlas Engineering (Private) Limited	-	1,702,350
Atlas Global FZE	-	72,634,032

9.2 The ageing of trade debts is as follows:

	Associated companies		Others	
	2020	2019	**2020**	2019
	Rupees			
Not past due	-	77,928,008	-	2,448,635
Past due within 30 days	-	-	-	283,621,951
Past due beyond 30 days but not later than 60 days	**295,051**	-	**528,203**	-
Past due beyond 60 days but not later than 90 days	-	-	-	-
Past due later than 90 days	-	-	**4,752,754**	-
	295,051	77,928,008	**5,280,957**	286,070,586
Provision for doubtful debts	-	-	-	-
	295,051	77,928,008	**5,280,957**	286,070,586

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

	Note	2020	2019
		Rupees	
Shirazi Trading Company (Private) Limited		**295,051**	-
Atlas Battery Limited		**6,636,850**	516,102,458
Atlas Engineering (Private) Limited		-	1,804,519
Atlas Autos (Private) Limited		**50,028,020**	88,916,880
Atlas Global FZE		**74,019,401**	72,634,032

10 LOANS, ADVANCES, DEPOSITS AND OTHER RECEIVABLES

	Note	2020	2019
Loan to employees - considered good	10.1	**131,563**	510,700
Advances to suppliers		**8,279,604**	19,418,435
Insurance claim receivable		-	115,952,000
Trade deposits		**345,255**	345,255
Other receivable		**593,738**	-
		9,350,160	136,226,390

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

11 BANK BALANCES

	Note	2020	2019
		Rupees	
Current accounts		1,487,176	88,047
Deposit accounts	11.1	10,072,831	777,382
		11,560,007	865,429

11.1 These carry profit at the rate ranging from 6.53% to 11.38% (2019: 4.6% to 10.38%) per annum.

12 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

12.1 Shirazi Investments (Private) Limited and its nominees hold 100% ordinary shares of the Company as at June 30, 2020 and 2019.

13 STAFF RETIREMENT BENEFITS

	Note	2020	2019
		Rupees	
Accrual for compensated absences	13.1	8,054,027	9,149,371

13.1 Accrual for compensated absences - movement in liability:

	2020	2019
Balance as at beginning of the year	9,149,371	12,982,502
Charge for the year	545,980	1,781,887
Payments made during the year	(1,641,324)	(5,615,018)
Balance as at end of the year	8,054,027	9,149,371

14 DEFERRED TAXATION

This comprises of the following:

	2020	2019
Deferred tax liability on taxable temporary differences:		
Accelerated tax depreciation	86,544,870	94,691,786
Deferred tax asset on deductible temporary differences:		
Provision	(2,275,408)	(12,492,075)
	84,269,462	82,199,711

14.1 As at June 30, 2020, the Company has unused tax losses aggregating Rs.872,124 thousand (2019: Rs.740,588 thousand). Deferred tax asset on un-used losses has not been recognized on prudent basis.

15 LOAN FROM THE HOLDING COMPANY

This represents interest free loan obtained from Shirazi Investments (Private) Limited, the Holding Company for meeting working capital requirement and repayable on demand.

16 TRADE AND OTHER PAYABLES

	Note	2020	2019
		Rupees	
Trade creditors		34,576,474	75,775,731
Amount due to related parties	16.1	-	4,317,905
Payable to staff retirement benefit fund	16.2.4	1,880,295	2,423,979
Accrued liabilities		33,862,511	89,770,209
Sales tax payable		3,158,746	2,500,115
Withholding tax payable		713,228	9,241,061
Provisions	16.3	43,095,720	43,095,720
Workers' Profits Participation Fund	16.4	-	-
Workers' Welfare Fund	16.5	-	1,928,731
Other liabilities		2,407,144	2,036,161
		119,694,118	231,089,612

		2020	2019
16.1	**Represents amount payable to the following related parties:**	------------- Rupees	-------------
	Atlas Insurance Limited	-	4,271,205
	Shiraz Trading Company (Private) Limited	-	46,700
		-	4,317,905

16.2 Payable to staff retirement benefit fund

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

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

16.2.3 The latest actuarial valuation of the scheme as at June 30, 2020 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:

16.2.4 Reconciliation	Note	2020	2019
		------------- Rupees	-------------
Present value of defined benefit obligation	**16.2.7**	**12,664,745**	12,794,792
Fair value of plan assets	**16.2.8**	**(11,884,968)**	(15,415,158)
Liability transferable to other group companies		**1,100,518**	5,044,345
		1,880,295	2,423,979
16.2.5 Movement in liability:			
Balance as at beginning of the year		**2,423,979**	2,654,168
Charge for the year in statement of profit or loss	**16.2.6**	**888,023**	1,742,043
Actuarial (gain) / loss charged to other comprehensive income		**(1,431,707)**	681,936
Contributions made during the year		-	(2,654,168)
Balance as at end of the year		**1,880,295**	2,423,979
16.2.6 Charge for the year:			
Current service cost		**912,308**	1,174,434
Past service cost		-	158,776
Interest cost - net		**(24,285)**	408,833
		888,023	1,742,043
16.2.7 Movement in defined benefit obligation:			
Balance as at beginning of the year		**12,794,792**	15,175,811
Current service cost		**912,308**	1,174,434
Past service cost		-	158,776
Interest cost		**1,853,807**	1,486,113
Asset recognized in respect of transferees		**(997,952)**	(4,475,616)
Benefits paid during the year		-	(569,308)
Actuarial gain charged to other comprehensive income		**(1,898,210)**	(155,418)
Balance as at end of the year		**12,664,745**	12,794,792

	2020	2019
16.2.8 Movement in fair value of plan assets:	---------- Rupees ----------	
Balance as at beginning of the year	**15,415,158**	10,350,777
Interest income on plan assets	**1,878,092**	1,077,280
Contributions made during the year	**-**	2,654,168
Benefits paid during the year	**-**	(569,308)
Transfer of assets in respect of transferees	**(4,941,779)**	2,739,595
Actuarial loss charged to other comprehensive income	**(466,503)**	(837,354)
Balance as at end of the year	**11,884,968**	15,415,158

	2020 Percentage	2019 Percentage
16.2.9 Principal actuarial assumptions:		
Discount rate	**8.50%**	14.25%
Expected per annum rate of increase in		
- first year	**5.00%**	10.00%
- long term	**7.50%**	13.25%
Demographic assumptions		
- Mortality rates (for death in service)	**SLIC (2001-05) - 1**	SLIC (2001-05) - 1
- Rates of employee turnover	**Moderate**	Moderate

16.2.10 Sensitivity analysis for actuarial assumptions

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

		Impact on defined benefit obligation	
	Change in assumptions	**Increase in assumptions**	**Decrease in assumptions**
		------------- Rupees -------------	
Discount rate	1.00%	11,762,395	13,667,529
Long term salaries	1.00%	13,604,400	11,801,351

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

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

16.2.11 Based on actuary's advice, the expected charge for the year ending June 30, 2021 amounts to Rs.782 thousand.

16.2.12 The weighted average duration of the gratuity scheme is 7.12 years. Expected maturity analysis of undiscounted retirement benefit plans:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
		------------	Rupees	------------	
As at June 30, 2020	465,624	1,918,525	2,984,223	34,256,510	39,624,882

16.2.13 Plan assets comprise the following:

	2020		2019	
	Rupees	**%**	Rupees	%
Debt	**6,328,071**	**53%**	8,891,948	58%
Mutual funds	**5,473,473**	**46%**	6,309,292	41%
Equity instruments	**-**	**0%**	-	0%
Cash	**83,424**	**1%**	213,918	1%
	11,884,968	**100%**	15,415,158	100%

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

16.3 Provisions

	Opening Balance	Charge for the year	Payments made during the year	Closing Balance
	----(Rupees)----			
Gas infrastructure development cess	**21,407,650**	-	-	**21,407,650**
OGRA gas tariff difference	**21,688,070**	-	-	**21,688,070**
June 30, 2020	**43,095,720**	-	-	**43,095,720**
Gas infrastructure development cess	19,229,489	2,178,161	-	21,407,650
OGRA gas tariff difference	19,654,334	2,033,736	-	21,688,070
June 30, 2019	38,883,823	4,211,897	-	43,095,720

	Note	2020	2019
16.4 Workers' Profits Participation Fund		---- Rupees ----	
Balance as at beginning of the year		-	31,147,265
Amount paid during the year		-	(31,147,265)
Balance as at end of the year		-	-
16.5 Workers' Welfare Fund			
Balance as at beginning of the year		**1,928,731**	13,370,752
		1,928,731	13,370,752
Amount paid / adjusted during the year		**(1,928,731)**	(11,442,021)
Balance as at end of the year		-	1,928,731
17 SHORT-TERM BORROWINGS - secured			
Banking companies			
Running finance facilities utilized under mark-up arrangements	**17.1**	**89,970,490**	799,581,913
Money market facilities utilized under mark-up arrangements	**17.1**	-	13,674
Islamic financing	**17.2**	-	336,017,164
		89,970,490	1,135,612,751

17.1 These are under mark-up arrangements and are secured by way of first pari-passu joint hypothecation of stocks and book debts of the Company. The rate of mark-up on these finances ranges from 3 months KIBOR plus 0.35% to 1 month KIBOR plus 0.5% per annum (2019: 3 months KIBOR plus 0.1% to 3 months KIBOR plus 0.5% per annum). These facilities expire on various dates, latest by December 31, 2020. The aggregate facilities from various banks amounted to Rs.400,000 thousand (2019: Rs.4,000,000 thousand) of which Rs.310,030 thousand (2019: Rs.3,200,400 thousand) remain unutilized as at the reporting date. Facilities amounting Rs.3,600,000 thousand were expired during the year.

17.2 The aggregate facilities for Istisna, Murabaha and Musharika finance available from various banks amounting Rs.1,400 million were expired during the year.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Sales tax

a) On 13 June 2018, the Additional Commissioner Inland Revenue (ACIR) issued a show cause notice against the Company for the tax period from July 2016 to June 2017, stating that the Company has claimed excess input tax on purchases of "78-b-Reclaimed Lead" at the rate of 17% instead of 5% amounting to Rs. 140,555,962. The Company submitted its response dated June 30, 2018 stating that the purchases were of "lead scrap" instead of "78-b-Reclaimed Lead" which is subject to 17% sales tax. During the year on 28 September 2019, ACIR raised the demand against the notice amounting Rs.140,555,962 along with default surcharge and penalty. The Company has filed appeal before Commissioner IR Appeals where the case is decided in favor of the company against the order no. 03, dated January 30, 2020.

b) On 3 September 2018, the Additional Commissioner Inland Revenue (ACIR) issued a show cause notice against the Company for the tax period from May 2015 to February 2018, stating that the Company has claimed inadmissible input tax on the purchases from Al-Mustafa Recycling Pvt. Ltd., who was involved in claiming input tax against fake invoices amounting to Rs. 32,474,357. The Company submitted its response dated September 27, 2018 stating that the said supplier was neither blacklisted nor blocked by FBR at the time of input claim and that subsequent blacklisting of a supplier could not deprived the registered person of its right of claim of input tax. Further the company has complied with all the requirements as required under Sales Tax Act, 1990 for claim of input tax. On 18 January 2019, ACIR raised the demand against the notice amounting Rs.32,474,357. The company has filed appeal before Commissioner IR Appeals where the case is decided in favor of the company against the order no. 12, dated February 02, 2020.

c) On 6 February 2019, the Additional Commissioner Inland Revenue (ACIR) issued a show cause notice against the Company for the tax period from February 2014 to September 2017, stating that the Company has claimed inadmissible input tax on the purchases from certain suspended / blacklisted suppliers amounting to Rs. 117,269,444. The Company submitted its response dated February 27, 2019 stating that the said suppliers ware neither blacklisted nor suspended by FBR at the time of input claim and that subsequent blacklisting of a supplier could not deprived the registered person of its right of claim of input tax. Further the company has complied with all the requirements as required under Sales Tax Act, 1990 for claim of input tax. On 28 May 2019, ACIR raised the demand against the notice amounting Rs.135,974,289 along with default surcharge and penalty. The company has filed appeal before Commissioner IR Appeals where the case is decided in favor of the company against the order no. 01, dated March 03, 2020.

18.2 Commitments	**Note**	**2020**	2019
		------------- **Rupees**	-------------
Letter of credit availed		-	-
Limit	**18.2.1**	**500,000,000**	2,100,000,000

18.2.1 The aforesaid letter of credit facility is secured by way of lien over import documents.

		Note	2020	2019
			------------- Rupees	-------------
19	**TURNOVER-NET**			
	Gross sales			
	- Local		**129,731,917**	6,148,153,053
	- Export		**229,183,486**	217,770,300
	Less: sales tax		**(18,980,201)**	(893,495,322)
			339,935,202	5,472,428,031
20	**COST OF SALES**			
	Raw material consumed	20.1	**375,230,446**	4,758,949,936
	Stores, spares and loose tools consumed	20.2	**6,237,645**	118,861,131
	Staff salaries, wages and other benefits	20.3	**42,084,696**	116,097,392
	Utilities	20.4	**5,405,236**	83,254,211
	Rent	20.5	**-**	97,333,977
	Repair and maintenance		**855,465**	23,577,224
	Insurance	20.6	**7,885,304**	53,064,050
	Legal and professional charges		**3,366,925**	70,276,998
	Travelling and conveyance		**1,599,001**	5,287,069
	Cartage		**864,157**	61,931,643
	Health, safety and environmental costs		**150,290**	7,395,141
	Depreciation	6.2	**101,204,389**	102,185,465
	Provision for impairment of operating fixed assets	6.1	**9,053,132**	100,203,358
	Operating fixed assets written off due to fire		**-**	120,472,251
	Provision for slow moving stores, spares and loose tools		**48,596,000**	-
	(Reversal) / provision for slow moving raw material		**(28,021,097)**	34,297,757
	Others		**1,645,864**	5,921,653
			576,157,453	5,759,109,256
	Work-in-process - opening		**-**	185,650,739
	Work-in-process - closing		**-**	-
	Cost of goods manufactured		**576,157,453**	5,944,759,995
	Finished goods - opening		**562,774**	326,656,802
	Finished goods - closing	8	**(1,520,315)**	(562,774)
			575,199,912	6,270,854,023
20.1	**Raw material consumed**			
	Opening - raw material		**342,977,571**	2,522,143,384
	Purchases		**49,447,769**	2,579,784,123
	Closing - raw material	8	**(17,194,894)**	(342,977,571)
			375,230,446	4,758,949,936

20.2 **Stores, spares and loose tools consumed**	Note	2020	2019
		------------- Rupees	-------------
Opening - stores, spares and loose tools		**113,663,712**	91,266,325
Purchases		**1,307,368**	141,258,518
Closing - stores, spares and loose tools	7	**(108,733,435)**	(113,663,712)
		6,237,645	118,861,131

20.3 Includes Rs.9,646 thousand and Rs.1,328 thousand (2019: Rs.784 thousand and Rs.2,708 thousand) in respect of provision for gratuity and accrual for compensated absences, respectively.

20.4 Includes Rs.4,561 thousand (2019: Rs.40,820 thousand) paid to Atlas Engineering Limited – a related party in respect of reimbursement of utilities.

20.5 Includes Rs. Nil (2019: Rs.77,145 thousand) paid to Atlas Engineering Limited – a related party.

20.6 Represents amount paid to Atlas Insurance Limited - a related party.

21 **ADMINISTRATIVE AND DISTRIBUTION EXPENSES**	Note	2020	2019
		------------- Rupees	-------------
Staff salaries, wages and other benefits	21.1	**26,036,502**	43,548,306
Freight charges		-	9,262,939
Legal and professional charges		**280,074**	4,266,713
Communication		**1,342,834**	2,403,999
Travelling and conveyance		**282,177**	933,012
Printing and stationery		**142,776**	228,470
Depreciation	6.2	**2,641,010**	3,064,963
Miscellaneous		**231,026**	2,985,238
		30,956,399	66,693,640

21.1 Includes Rs.488 thousand and Rs.782 thousand (2019: Rs.958 thousand and Rs.927 thousand) in respect of provision for gratuity and reversal for compensated absences, respectively.

22 **OTHER EXPENSES**	Note	2020	2019
		------------- Rupees	-------------
Auditors' remuneration	22.1	**542,975**	1,484,058

22.1 **Auditors' remuneration**			
Statutory audit fee		**500,000**	900,000
Interim review fee		-	482,349
Out of pocket expenses		**42,975**	101,709
		542,975	1,484,058

		2020	2019
		------------- Rupees -------------	
23	**OTHER INCOME**		
	Income from financial assets:		
	Profit on deposit accounts	**1,284,411**	138,384
	Income from non-financial assets:		
	Scrap sales	**8,292,776**	18,669,011
	Exchange gain	-	2,128,594
	Insurance claim	-	115,952,000
	Gain on disposal of assets	**150,776**	4,498
		8,443,552	136,754,103
		9,727,963	136,892,487
24	**FINANCE COSTS**		
	Mark-up on:		
	- running finance facilities	**29,431,290**	56,311,893
	- money market facilities	-	152,047,341
	Profit on Islamic financing	**9,777,847**	68,906,620
	Bank charges	**31,485**	1,424,598
		39,240,622	278,690,452
25	**TAXATION**		
	Current	**4,751,511**	63,706,068
	Deferred	**2,069,751**	(5,827,995)
		6,821,262	57,878,073
26	**CASH AND CASH EQUIVALENTS**		
	Bank balances	**11,560,007**	865,429
	Short-term running finance	**(89,970,490)**	(1,135,612,751)
		(78,410,483)	(1,134,747,322)

27 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

27.1 Credit risk

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

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

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

	Note	2020	2019
		Rupees	
Long term deposits		**3,928,800**	5,535,400
Trade debts	9	**5,576,008**	363,998,594
Advances to supplier	10	**8,279,604**	19,418,435
Insurance claim receivable	10	**-**	115,952,000
Trade deposits	10	**345,255**	345,255
Other receivables	10	**593,738**	-
Bank balances	11	**11,560,007**	865,429
		30,283,412	506,115,113

27.1.1 Bank balances - rating

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

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

27.1.2 Liquidity risk

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

	Carrying amount	On demand	Maturity up to one year	Maturity more than one year
	Rupees			
June 30, 2020				
Loan from the Holding Company	**500,000,000**	**500,000,000**	-	-
Trade and other payables	**115,822,144**	**43,095,720**	**72,726,424**	-
Short-term running finance	**89,970,490**	-	**89,970,490**	-
	705,792,634	**543,095,720**	**162,696,914**	-

	Carrying amount	On demand	Maturity up to one year	Maturity more than one year
	---Rupees---			
June 30, 2019				
Trade and other payables	219,348,436	43,095,720	176,252,716	-
Short-term running finance	1,135,612,751	-	1,135,612,751	-
	1,354,961,187	43,095,720	1,311,865,467	-

27.1.3 Market risk

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

(i) Interest rate risk

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

	(Increase) / decrease in interest rates %	Effect on loss before tax Rupees
June 30, 2020	**+1%**	**(798,977)**
	-1%	**798,977**
June 30, 2019		
	+1%	(11,348,354)
	-1%	11,348,354

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates. It mainly arises when receivables and payables exist due to transactions in foreign currency. As of the reporting date the Company is not materially exposed to foreign currency risk.

The following is the foreign currency exposure as at the reporting date:

	2020	2019
Trade receivable - USD	-	453,963

The following significant exchange rates have been applied at reporting dates:

	2020	2019
Exchange rate - USD	-	160.05

The following table demonstrates the sensitivity to a reasonably possible change in the US Dollar exchange rates, with all other variables held constant, of the Company's loss before tax and the Company's equity.

	Change in USD rates %	Effect on loss before tax Rupees	Effect on equity Rupees
June 30, 2020	**± 10**	**-**	**-**
June 30, 2019	± 10	7,265,678	7,265,678

27.2 Fair value of financial instrument

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

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

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

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

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

As of the reporting date, the Company does not have any financial assets carried at fair value that required categorization in Level 1, Level 2 and Level 3.

27.3 Capital management

The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business sustain future development of the business and maximize shareholders value. No changes were made in the objectives, policies or processes during the year ended June 30, 2020. The Company manages its capital structure and makes adjustment to it in the light of changes in economic conditions. The Company monitors capital using a debt equity ratio, which is net debt divided by total capital plus net debt. Equity comprises of share capital and accumulated losses. The Company has obtained sponsor loan from holding company and short term borrowings, and accordingly the gearing ratio of the Company as at June 30, 2020 is as follows:

	Note	2020	2019
		Rupees	
Loan from the Holding Company	15	**500,000,000**	-
Short-term borrowings	17	**89,970,490**	1,135,612,751
Bank deposits	11	**(10,072,831)**	(777,382)
		579,897,659	1,134,835,369
Shareholder's equity		**829,323,633**	1,130,989,931
Gearing ratio		**41%**	50%

28 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of the Holding Company, Associated Companies, directors of the Company, companies in which directors are interested, key management personnel (members of the Management Committee of the Company), post employment benefit plans and close members of the families of the directors and key management personnel. Detail of related parties (with whom the Company has transacted) along with relationship and transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

28.1 Name and nature of relationship

a) The Holding Company - 100% Shareholding

- Shirazi Investments (Private) Limited

b) Associated Companies - Common Directorship with Nil Shareholdings

- Atlas Asset Management Limited
- Atlas Autos (Private) Limited
- Atlas Battery Limited
- Atlas Engineering (Private) Limited
- Atlas Foundation
- Atlas Insurance Limited
- Atlas Power Limited
- Shirazi Trading Company (Private) Limited
- Atlas GCI (Private) Limited
- Atlas DID (Private) Limited

c) Associated Companies - Group Companies

- Atlas Honda Limited
- Atlas Worldwide General Trading [L.L.C] (incorporated in Dubai, UAE)
- Atlas Global FZE (incorporated in Dubai, UAE)
- Honda Atlas Power Product (Private) Limited
- Honda Atlas Cars (Pakistan) Limited
- Atlas Hitec (Private) Limited

28.2 Transactions with related parties

Relation-ship	Nature of transactions	2020	2019
		------------- Rupees	-------------
Holding Company	Sponsor loan	500,000,000	-
Associated entities / other related parties	Sale of goods	333,048,682	5,749,857,489
	Purchase of goods and services	4,605,267	229,478,292
	Sale of operating fixed assets	17,092,944	17,538,403
	Purchase of operating fixed assets	415,875	26,014,479
	Sale of investment	-	700,000,000
	Rent paid during the year	-	77,144,579
	Scrap sales	1,918,673	-
	Contribution to retirement benefit funds during the year	2,089,920	6,078,284
	Insurance claim received	115,952,000	-
	Insurance premium	9,859,907	77,185,487
Key management personnel	Managerial remuneration	9,850,956	8,275,437
	House rent allowance	4,432,920	3,723,940
	Cost of living allowance	1,477,644	1,241,317
	Utilities	985,092	827,547
	Bonus	2,442,214	-
	Retirement benefits	1,083,612	910,302
	Medical	140,000	125,000

28.3 The related parties' status of outstanding receivables and payables, if any, as at June 30, 2020 are disclosed in the respective notes to these financial statements.

28.4 All the transactions with related parties are entered into at agreed terms duly approved by the Board of Directors of the Company.

29 REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	2020			2019		
	Chief Executive	Directors	Executives	Chief Executive	Directors	Executives
	(Rupees)					
Managerial remuneration	7,468,092	-	6,771,120	7,468,092	-	8,105,826
House rent allowance	3,360,637	-	3,047,004	3,360,637	-	3,647,628
COLA & utilities	1,867,021	-	1,692,792	1,867,021	-	2,026,456
Bonus	1,851,463	-	1,678,675	-	-	-
Retirement benefits	821,490	-	744,816	821,490	-	891,641
Medical	70,000	-	235,000	70,000	-	305,000
	15,438,703	-	14,169,407	13,587,240	-	14,976,551
Number	1	2	4	1	5	5

29.1 In addition, the Chief Executive is provided with free use of Company maintained car and membership at club.

29.2 No amount has been paid or is payable by the Company on account of remuneration of Directors for the year.

30. IMPACT OF COVID-19 (CORONAVIRUS)

The spread of Covid-19 as a pandemic and consequently imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) has effected the production and sale volumes of the Company due to closure of plant during the lock down period. Due to this, management has assessed the accounting implications of these developments on these financial statements, however, according to management's assessment, there is no significant accounting impact of the effects of COVID-19 on the financial statements. Further, as per relaxation given by Authorities, the Company have resumed its operations with effect from May 20, 2020 with all precautionary measures aimed at preventing pandemic spread.

31 CORRESPONDING FIGURES

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

32 NUMBER OF EMPLOYEES

The number of employees as on the date of the financial statements were 14 (2019: 31) and average number of employees during the year were 23 (2019: 42). All factory workers are hired on contract basis.

33 CAPACITY AND PRODUCTION

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

34 GENERAL

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

35 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on 28 SEP 2020 by the Board of Directors of the Company.

Chief Financial Officer **Chief Executive** **Director**