Atlas Autos

DIRECTORS' REPORT

The Directors of your company take pleasure in presenting their report along with the annual audited financial statements and Auditor's Report thereon for the year ended June 30, 2022.

Economic Overview

This year has indeed, been a challenging one. Pakistan has faced a lengthy and perilous commodity 'super cycle', which has resulted in high manufacturing costs. Since global demand for goods is unwavering, it has resulted in abnormally high prices. As a net importer, Pakistan has been severely affected. High inflation on account of fuel and commodity prices, an ever-depreciating rupee and concerns in supply chain logistics have hindered economic prosperity. Despite subsidies provided by the government, energy and agriculture prices have also gone to unprecedented levels. Since local industry was unable to absorb such high costs, the consumer has borne the brunt of it in terms of high-priced products.

Overview of Company's affairs

Despite such economic conditions, there has been a strong demand in the automobile sector. Our production team rose to the challenge and ensured a continuous supply of parts for our customers. The timely execution of Cost Reduction projects, such as Carburetor CG – 125, helped alleviate some cost pressures. The company also decided to set up an 800kW solar project to help mitigate the rising cost of utilities. To match higher volumes, we have added additional capacity in our Die Casting section. To gain additional business, we have added more machines in our polymer section, and have invested in state-of-the-art machinery in our tool and die section. This ensures availability of high quality, localized parts for Atlas group companies.

Sales in the Lubricant sector improved significantly due to continuous network expansion and improved focus on oil change shops and various sales promotions.

Resultantly, the Company recorded the profit before tax of Rs. 1,245 million.

Atlas Autos

Financial Results

The standalone financial results of your company for the year ended June 30, 2022 under review are summarized as follows:

	2022	2021
	----------(Rs. In "000")----------	
Profit before taxation	1,245,467	1,264,644
Taxation	(402,023)	(390,180)
Profit after taxation	**843,444**	**874,464**
Other comprehensive income		
(Loss)/Gain on remeasurement of staff retirement	(14,291)	8,981
Impact of deferred taxation	4,144	(2,604)
	(10,147)	6,377
Total comprehensive income	**833,297**	**880,841**

Dividend and Appropriations

The Board of Directors has recommended a final cash dividend of Rs. 1 per share. This is in addition to an interim dividend of Rs. 3.0 per share declared in November 2021.

	2022	2021
	----------(Rs. In "000")----------	
Profit available for appropriation	4,847,449	4,314,152
Appropriations:		
Interim Dividend	(300,000)	(300,000)
Final Cash Dividend (Proposed)	(100,000)	-
	4,447,449	**4,014,152**

Earnings per share

Basic earnings per share after tax is Rs. 8.4 per share (2021: Rs. 8.7)

Atlas Autos (Private) Limited
Head Office & Karachi Plant: 15th Mile, National Highway, Landhi, Karachi. **Ph:** (92-21) 35016921-4, 35015527, **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: 1-McLeod Road, Lahore. **Ph:** (92-42) 7225015-17, 7233515-17 **Fax:** (92-42) 7233518
Islamabad Office: Islamabad Corporate Center Plot # 784/785, Gohlra Road Islamabad. **Ph:** (92-51) 5495921-7 **Fax:** (92-51) 5195928
Multan Office: Azmat Wasti Road, Multan. **Ph:** (92-61) 111-112-411, 4570413-14 **Fax:** (92-61) 4541690
Rahimyar Khan Office: Makhdoom Altaf Road, West Sadiq Canal Bank, Rahimyar Khan. **Ph:** (068) 5883415-19 **Fax:** (068) 5883414
Hyderabad Office: 2nd Floor, Dawood Centre, Autobhan Road, Hyderabad. **Ph:** (022) 3411361-9 **Fax:** (022) 34113670

Atlas Autos

Board of Directors

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

Auditors Appointment

The retiring auditors M/s ShineWing Hameed Chaudhri & Co. Chartered Accountants, being eligible, offered themselves for re-appointment. The Board of Directors has recommended their re-appointment as auditors of the Company for the year 2022 - 23.

Future Outlook

The coming year shall be a challenging one, as sustained economic recovery looks difficult. The world shall continue to slowly absorb and adjust to high commodity prices, and Pakistan is no different. Due to high fiscal constraints and tough measures required by international lenders, the Government has introduced a harsh budget for FY 22/23. The rupee will continue its downward trend towards further devaluation, leading to more pressure on input costs. Having survived the challenge of COVID, we must now face increased costs in petrol and gas, and by extension freight costs. On the manufacturing front, it is imperative for us to combat this via localization projects such as Pridor Clutch, Ignition coil CG – 125, and reinforcing the 3 R's principle to improve shop-floor efficiency. The company shall also look to further invest in solar, and seek other avenues to deal with rising energy costs. For the lubricants section, we must delve further into unchartered territory and double down on market research to find ways to become the customers preferred choice. We are hopeful that we shall achieve our targets for FY 22/23.

For and on behalf of the

Board of Directors

ATLAS AUTOS (PRIVATE) LIMITED

Chief Executive Officer

Director

ATLAS AUTOS (PRIVATE) LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2022

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **Atlas Autos (Private) Limited** (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, 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, 2022 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.

SHL

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; 05 OCT 2022

UDIN : AR202210105o9zlyfSnK

ATLAS AUTOS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		---- Rupees in '000 ----	
ASSETS			
Non current assets			
Property, plant and equipment	5	**3,234,903**	3,037,428
Intangible assets	6	**13,951**	10,554
Long term investments	7	**1,071,000**	1,071,000
Long term deposits		**55,388**	26,440
Long term loans and advances	8	**15,214**	11,110
		4,390,456	4,156,532
Current assets			
Stores, spares and loose tools	9	**206,086**	171,783
Stock-in-trade	10	**1,754,835**	840,498
Trade debts	11	**220,479**	578,110
Loans and advances	12	**31,441**	17,005
Deposits, prepayments and other receivables	13	**736,518**	607,878
Short term investments	14	**1,440,263**	1,234,207
Taxation - net		**574,312**	852,876
Bank balances	15	**1,509,156**	1,000,791
		6,473,090	5,303,148
Total assets		**10,863,546**	9,459,680

SHC

Chief Executive Officer | **Director**

ATLAS AUTOS (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

	Note	2022	2021
		---- Rupees in '000 ----	
EQUITY AND LIABILITIES			
Share capital and reserve			
Share capital	16	1,000,000	1,000,000
Capital reserve - under scheme of merger / amalgamation	17	61,598	61,598
Revenue reserves - unappropriated profit		4,547,449	4,014,152
Total equity		5,609,047	5,075,750
Liabilities			
Non current liabilities			
Lease liabilities	18	306,464	335,819
Long term loans	19	634,684	791,582
Deferred income - government grant	20	70,879	3,881
Compensated absences	21	97,543	99,133
Deferred taxation	22	86,498	70,332
		1,196,068	1,300,747
Current liabilities			
Current portion of long term loans	19	263,069	324,225
Current portion of lease liabilities	18	29,170	24,467
Current portion of deferred income - government grant	20	16,579	7,168
Trade and other payables	23	3,738,947	2,701,813
Accrued mark-up		10,666	25,510
		4,058,431	3,083,183
Total liabilities		5,254,499	4,383,930
Contingencies and commitments	25		
Total equity and liabilities		10,863,546	9,459,680

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer **Director**

ATLAS AUTOS (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022	2021
		---- Rupees in '000 ----	
Sales	26	23,050,809	18,670,921
Cost of sales and services	27	(20,971,997)	(16,938,955)
Gross profit		2,078,812	1,731,966
Administrative and general expenses	28	(561,283)	(387,458)
Other income	29	179,246	163,132
Other expenses	30	(303,262)	(95,684)
Profit from operations		1,393,513	1,411,956
Impairment of operating fixed asset	5.3	-	(30,000)
Finance cost	31	(148,046)	(117,312)
Profit before taxation		1,245,467	1,264,644
Taxation	32	(402,023)	(390,180)
Profit after taxation		843,444	874,464
Other comprehensive (loss) / income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		(14,291)	8,981
Impact of deferred tax		4,144	(2,604)
Other comprehensive income for the year - net of tax		(10,147)	6,377
Total comprehensive income		833,297	880,841

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer **Director**

ATLAS AUTOS (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Share capital	Capital reserve - under scheme of merger / amalgamation	Revenue reserve unappro-priated profit	Total
	------------------- Rupees in '000 -------------------			
Balance as at July 1, 2020	1,000,000	61,598	3,433,311	4,494,909
Interim cash dividend for the year ended June 30,2021 at the rate of Rs.3 per share	-	-	(300,000)	(300,000)
Total comprehensive loss for the year ended June 30, 2021				
Profit for the year	-	-	874,464	874,464
Other comprehensive income	-	-	6,377	6,377
	-	-	880,841	880,841
Balance as at June 30, 2021	**1,000,000**	**61,598**	**4,014,152**	**5,075,750**
Transaction with owners recognised directly in equity				
Interim cash dividend for the year ended June 30, 2021 at the rate of Rs.3 per share	-	-	(300,000)	(300,000)
Total comprehensive income for the year ended June 30, 2022				
Profit for the year	-	-	843,444	843,444
Other comprehensive loss	-	-	(10,147)	(10,147)
	-	-	833,297	833,297
Balance as at June 30, 2022	**1,000,000**	**61,598**	**4,547,449**	**5,609,047**

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Director

ATLAS AUTOS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---- Rupees in '000 ----	
Cash flows from operating activities		
Profit before taxation	**1,245,467**	1,264,644
Adjustments for non cash charges and other items:		
Depreciation and amortisation	**411,950**	348,630
Provision for compensated absences	**9,078**	16,176
Provision for gratuity	**8,462**	8,386
(Reversal) / provision for expected credit loss	**(13,359)**	837
Provison / (reversal) for slow moving stock - net	**27,449**	(14,158)
Gain on sale of investments at fair value through profit or loss	**(29,033)**	(1,265)
Fair value gain on investments at fair value through profit or loss	**(4,145)**	(5,819)
Impairment of operating fixed asset	**-**	30,000
Gain on disposal non-current assets held for sale	**-**	(19,154)
Loss / (gain) on disposal of operating fixed assets	**209,927**	(51,170)
Mark-up accrued on long term loans	**103,825**	92,950
Mark-up accrued on short term finances	**21,166**	2,331
Interest on lease liabilities	**27,029**	28,693
Mark-up / interest on saving accounts and term deposit receipts	**(17,316)**	(33,131)
Dividend income	**(100,189)**	(34,815)
Cash flows before working capital changes	**1,900,311**	1,633,135
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**(34,303)**	(49,288)
Stock-in-trade	**(941,786)**	154,126
Trade debts	**370,990**	(196,248)
Loans and advances	**(14,436)**	5,668
Deposits, prepayments and other receivables	**(128,640)**	(24,548)
Increase in current liabilities		
Trade and other payables	**1,022,381**	698,137
	274,206	587,847
Cash generated from operations	**2,174,517**	2,220,982
Income tax paid	**(103,149)**	(272,548)
Compensated absences and gratuity paid	**(18,668)**	(18,424)
Long term deposits	**(28,948)**	(7,500)
Long term loans and advances - net	**(4,104)**	(720)
Net cash generated from operating activities - carried forward	**2,019,648**	1,921,790

ATLAS AUTOS (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	---- Rupees in '000 ----	
Net cash generated from operating activities - brought forward	**2,019,648**	1,921,790
Cash flows from investing activities		
Payments for property, plant and equipment	**(853,348)**	(231,465)
Payment for intangible asset	**(7,960)**	(6,755)
Sale proceeds from disposal of property, plant and equipment	**38,559**	159,819
Sale proceeds from disposal of non current asset held for sale	-	23,790
Profit on saving accounts and deposits received	**17,316**	32,631
Short term investment acquired	**(1,022,116)**	(1,502,123)
Proceeds from sale of short term investment	**849,238**	275,000
Dividend received	**100,189**	34,815
Net cash used in investing activities	**(878,122)**	(1,214,288)
Cash flows from financing activities		
Lease rental paid	**(51,681)**	(48,932)
Long term loan obtained	**268,574**	140,244
Long term loan repaid	**(410,219)**	(86,228)
Mark-up paid	**(139,835)**	(113,499)
Dividend paid	**(300,000)**	(300,000)
Net cash used in financing activities	**(633,161)**	(408,415)
Net increase in cash and cash equivalents	**508,365**	299,087
Cash and cash equivalents at beginning of the year	**1,000,791**	701,704
Cash and cash equivalents at end of the year	**1,509,156**	1,000,791

The annexed notes 1 to 40 form an integral part of these financial statements.

Chief Executive Officer

Director

ATLAS AUTOS (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND OPERATIONS

Atlas Autos (Private) Limited (the Company) is a private limited company incorporated in Pakistan on March 16, 2011, under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is a wholly owned subsidiary of Shirazi Investments (Private) Limited. The registered office is situated at Federation House, Shara-e-Firdousi, Clifton, Karachi. The Company is engaged in the manufacturing, processing and trading of automotive parts, components, accessories, tools and dies including trading of automotive & logistic services. 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.

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; 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 valuese 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, 2021:

(a) Amendments to IFRS 16 'Leases' is applicable on accounting periods beginning on or after June 1, 2020 and April 1, 2021. Under IFRS 16, rent concessions often met the definition of a lease modification, unless they were envisaged in the original lease agreement. The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19-related rent concessions that reduce lease payments due on or before June 30, 2021. The Board has extended the practical expedient by 12 months – i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022. This optional exemption gives timely relief to lessees and enables them to continue providing information about their leases that is useful to investors. The amendment does not affect lessors.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2021 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on July 1, 2021 and have not been early adopted by the Company:

(a) Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' are applicable for accounting periods beginning on or after January 1, 2022. Under IAS 37, a contract is 'onerous' when the unavoidable costs of meeting the contractual obligations – i.e. the lower of the costs of fulfilling the contract and the costs of terminating it – outweigh the economic benefits. The amendments clarify that the 'costs of fulfilling a contract' comprise both the incremental costs – e.g. direct labour and materials; and an allocation of other direct costs – e.g. an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract. The amendment is not expected to have material impact on the Company's financial statements.

(b) Annual improvements 2018 are applicable for annual periods beginning on or after January 1, 2022. These amendments include changes from the 2018-2020 cycle of annual improvements project that mainly affect following standards:

(i) Amendment to IFRS 1 'First-time Adoption of International Financial Reporting Standards', simplifies the application of IFRS 1 for a subsidiary that becomes a first-time adopter of IFRS later than its parent – i.e. if a subsidiary adopts IFRS later than its parent and applies, then a subsidiary may elect to measure cumulative translation differences for all foreign operations at amounts included in the consolidated financial statements of the parent, based on the parent's date of transition to IFRS.

(ii) Amendment to IFRS 9 'Financial Instruments', clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

(iii) Amendment to IFRS 16 'Leases' Illustrative Example 13, removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

(iv) Amendment to IAS 41 'Agriculture', removes the requirement to exclude cash flows for taxation when measuring fair value, thereby aligning the fair value measurement requirements in IAS 41 with those in IFRS 13 'Fair Value Measurement'.

(c) Amendment to IAS 16 'Property, Plant and Equipment' is applicable on accounting periods beginning on or after January 1, 2022. The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss. The amendments apply retrospectively, but only to items of 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) Amendment 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 amendment requires that a right to defer settlement must have substance and exist at the end of the reporting period.

(e) Amendment to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2023. The amendment includes requiring companies to disclose their material accounting policies rather than their significant accounting policies, clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed and also clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

(f) Amendments to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' are applicable on accounting periods beginning on or after January 1, 2023. The International Accounting Standards Board (the Board) has issued amendments to end diversity in treatment of accounting estimates and clarified how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates. Developing an accounting estimate includes both selecting a measurement technique (estimation or valuation technique) – e.g. an estimation technique used to measure a loss allowance for expected credit losses when applying IFRS 9 'Financial Instruments'; and – choosing the inputs to be used when applying the chosen measurement technique – e.g. the expected cash outflows for determining a provision for warranty obligations when applying IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'. The effects of changes in such inputs or measurement techniques are changes in accounting estimates.

(g) Amendments to IAS 12, 'Income taxes' will be applicable on accounting periods beginning on or after January 1, 2023. The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision.

There are 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.

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) Lease term and discount rate for calculation of lease liabilities - note 4.1(b)

(iii) Provision for doubtful debts - note 4.8

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

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

4. SUMMARY OF 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.

4.1 Property, plant and equipment

a) Owned assets

Property, plant and equipment except for capital work-in-progress are stated at cost less accumulated depreciation and impairment loss if any. Capital work-in-progress is stated at cost accumulated up to the reporting date less accumulated impairment loss if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

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.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

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.

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.

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 11% 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 funded gratuity scheme for its 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**

Employees' entitlement to annual leaves is recognised when they accrue to the employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees upto the reporting date.

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.

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 fc. 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 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.

4.20 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.

4.21 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2022	2021
		--- Rupees in '000 ---	
Operating fixed assets	5.1	**2,784,023**	2,640,260
Capital work-in-progress	5.5	**164,544**	69,927
Right of use asset	5.8	**286,336**	327,241
		3,234,903	3,037,428

5.1 Operating fixed assets

	Leasehold improvements	Plant and machinery	Dies and jigs	Factory equipment	Computers and accessories	Furniture and fixtures	Motor vehicles	Total
	Rupees in '000							
At July 1, 2020								
Cost	1,098,710	1,642,139	94,765	24,337	15,044	42,192	130,006	3,047,193
Accumulated depreciation	72,569	473,909	77,562	5,699	8,378	14,116	34,424	686,657
Net book value	**1,026,141**	**1,168,230**	**17,203**	**18,638**	**6,666**	**28,076**	**95,582**	**2,360,536**
Year ended June 30, 2021								
Opening net book value	1,026,141	1,168,230	17,203	18,638	6,666	28,076	95,582	2,360,536
Additions	222,725	335,034	58,251	43,102	2,580	1,841	59,002	722,535
Disposals								
- cost	-	122,396	6,528	602	312	-	31,671	161,509
- accumulated depreciation	-	(39,767)	(2,448)	(111)	(113)	-	(10,421)	(52,860)
	-	82,629	4,080	491	199	-	21,250	108,649
Transferred to non-current assets held for sale								
- cost	-	123,918	-	-	-	-	-	123,918
- accumulated depreciation	-	-	-	-	-	-	-	-
	-	123,918	-	-	-	-	-	123,918
Depreciation charge	58,244	174,061	30,849	5,026	3,268	8,383	24,331	304,162
Impairment charge (note 5.3)	30,000	-	-	-	-	-	-	30,000
Closing net book value	**1,160,622**	**1,246,574**	**40,525**	**56,223**	**5,779**	**21,534**	**109,003**	**2,640,260**
At June 30, 2021								
Cost	1,321,435	1,854,777	146,488	66,837	17,312	44,033	157,337	3,608,219
Accumulated depreciation	160,813	608,203	105,963	10,614	11,533	22,499	48,334	967,959
Net book value	**1,160,622**	**1,246,574**	**40,525**	**56,223**	**5,779**	**21,534**	**109,003**	**2,640,260**
Year ended June 30, 2022								
Opening net book value	1,160,622	1,246,574	40,525	56,223	5,779	21,534	109,003	2,640,260
Additions	121,123	425,829	52,546	24,701	7,431	11,273	115,828	758,731
Disposals (note 5.4)								
- cost	103,196	230,057	92,130	-	1,437	-	58,179	484,999
- accumulated depreciation	(19,425)	(141,248)	(52,350)	-	(670)	-	(22,820)	(236,513)
	83,771	88,809	39,780	-	767	-	35,359	248,486
Depreciation charge	70,965	204,586	37,472	8,546	3,461	9,903	31,549	366,482
Closing net book value	**1,127,009**	**1,379,008**	**15,819**	**72,378**	**8,982**	**22,904**	**157,923**	**2,784,023**
At June 30, 2022								
Cost	1,339,362	2,050,549	106,904	91,538	23,306	55,306	214,986	3,881,951
Accumulated depreciation	212,353	671,541	91,085	19,160	14,324	32,402	57,063	1,097,928
Net book value	**1,127,009**	**1,379,008**	**15,819**	**72,378**	**8,982**	**22,904**	**157,923**	**2,784,023**
Depreciation rate (% per annum)	**5**	**10**	**50**	**10**	**25**	**20**	**20**	

5.2 Depreciation charge has been allocated as follows:

	Note	2022	2021
		--- Rupees in '000 ---	
Cost of goods manufactured	**27.1**	**337,265**	281,435
Administrative and general expenses	**28**	**29,217**	22,727
		366,482	304,162

5.3 The Company during the preceeding year through external surveyor M/s. Surval conducted valuation exercise of its Aluminium plant which resulted in value of Rs.47,523 thousand and consequently the Company recorded an impairment of Rs.30,000 thousand.

5.4 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							
Leasehold improvements							
	47,059	(6,863)	40,196	178	(40,018)	Negotiation	Obaid & Sons, Plot No.1-B, Industrial Home Area Khayaban-e-Muhammad, Malir, Karachi.
	23,042	(5,156)	17,886	132	(17,754)	Negotiation	
	14,278	(3,195)	11,083	82	(11,001)	Negotiation	
	7,514	(1,681)	5,833	43	(5,790)	Negotiation	
	4,396	(984)	3,412	25	(3,387)	Negotiation	
	3,098	(693)	2,405	18	(2,387)	Negotiation	
	2,284	(511)	1,773	13	(1,760)	Negotiation	
	1,525	(341)	1,184	9	(1,175)	Negotiation	
	103,196	(19,424)	83,772	500	(83,272)		
Plant & Machinery							
	52,562	(32,851)	19,711	193	(19,518)	Negotiation	Azeem Traders, Office No. R-38, Block-A, Khayaban-e-Muhammad, Malir, Karachi
	11,869	(9,495)	2,374	26	(2,348)	Negotiation	
	11,657	(1,749)	9,908	94	(9,814)	Negotiation	
	9,281	(2,707)	6,574	62	(6,512)	Negotiation	
	8,773	(5,337)	3,436	34	(3,402)	Negotiation	
	7,431	(4,521)	2,910	28	(2,882)	Negotiation	
	7,159	(2,088)	5,071	48	(5,023)	Negotiation	
	6,551	(5,241)	1,310	14	(1,296)	Negotiation	
	6,097	(4,877)	1,220	13	(1,207)	Negotiation	
	5,934	(1,731)	4,203	40	(4,163)	Negotiation	
	5,451	(3,816)	1,635	16	(1,619)	Negotiation	
	5,279	(3,696)	1,583	15	(1,568)	Negotiation	
	4,751	(3,326)	1,425	14	(1,411)	Negotiation	
	4,604	(3,223)	1,381	14	(1,367)	Negotiation	
	4,178	(1,492)	2,686	25	(2,661)	Negotiation	
	4,099	(2,494)	1,605	16	(1,589)	Negotiation	
	3,871	(2,710)	1,161	11	(1,150)	Negotiation	
	3,826	(3,061)	765	8	(757)	Negotiation	
	3,418	(2,393)	1,025	10	(1,015)	Negotiation	
	3,223	(2,256)	967	9	(958)	Negotiation	
	3,223	(2,256)	967	9	(958)	Negotiation	
	3,145	(2,516)	629	7	(622)	Negotiation	
	2,900	(2,248)	652	6	(646)	Negotiation	
	2,500	(729)	1,771	17	(1,754)	Negotiation	
	2,235	(652)	1,583	15	(1,568)	Negotiation	
	1,704	(454)	1,250	12	(1,238)	Negotiation	
	1,252	(334)	918	9	(909)	Negotiation	
	1,250	(625)	625	6	(619)	Negotiation	
	890	(237)	653	6	(647)	Negotiation	
	2,270	(1,003)	1,267	342	(925)		Tradex intenational, Plot No.672, Super General Godown SITE, Karachi.
	191,383	(110,118)	81,265	1,119	(80,146)		
Dies and jig							
	15,612	(12,359)	3,253	63	(3,190)	Negotiation	Azeem Traders, Office No. R-38, Block-A, Khayaban-e-Muhammad, Malir, Karachi
	15,291	(12,106)	3,185	62	(3,123)	Negotiation	
	10,814	(8,561)	2,253	44	(2,209)	Negotiation	
	6,025	(1,255)	4,770	92	(4,678)	Negotiation	
	5,407	(1,127)	4,280	83	(4,197)	Negotiation	
	4,300	(358)	3,942	76	(3,866)	Negotiation	
	4,200	(350)	3,850	74	(3,776)	Negotiation	
	4,200	(175)	4,025	78	(3,947)	Negotiation	
	3,549	(2,958)	591	11	(580)	Negotiation	
	3,075	(1,794)	1,281	25	(1,256)	Negotiation	
	2,914	(1,214)	1,700	33	(1,667)	Negotiation	
	2,814	(938)	1,876	36	(1,840)	Negotiation	
	2,348	(196)	2,152	42	(2,110)	Negotiation	
	1,671	(139)	1,532	30	(1,502)	Negotiation	
	82,220	(43,530)	38,690	749	(37,941)		

Vehicles							
	3,357	(336)	3,021	3,021	-	Company Policy	Usman Khan (Ex-employee)
	2,641	(1,577)	1,064	1,064	-	Company Policy	Atlas DID (Private) Limited, a related party
	2,468	(1,436)	1,032	1,032	-	Company Policy	Adeel Safdar (Key management personnel)
	2,352	(1,405)	947	947	-	Company Policy	Atlas DID (Private) Limited, a related party
	1,860	(934)	926	926	-	Company Policy	Usman Khan (Ex-employee)
	1,745	(465)	1,280	1,280	-	Company Policy	Atlas DID (Private) Limited, a related party
	1,645	(164)	1,481	1,481	-	Company Policy	Atlas Honda Limited, a related party
	1,406	(247)	1,159	1,159	-	Company Policy	Ali Ameen (Employee)
	1,378	(418)	960	960	-	Company Policy	Shoaib Saleem (Key management personnel)
	1,355	(271)	1,084	1,084	-	Company Policy	Habib Ur Rehman (Ex Key management personnel)
	1,300	(616)	684	684	-	Company Policy	Soban Jhanzaib (Employee)
	1,250	(733)	517	517	-	Company Policy	Fahad Kirmani (Employee)
	1,213	(525)	688	688	-	Company Policy	Burhan Uddin (Employee)
	1,147	(38)	1,109	1,109	-	Company Policy	Ehsan-ul-Haq (Key management personnel)
	1,079	(368)	711	711	-	Company Policy	Ahmad Nisar Zaman (Key management personnel)
	1,042	(535)	507	507	-	Company Policy	Syed Adeel Ahmed (Employee)
	977	(188)	789	789	-	Company Policy	Atlas Honda Limited, a related party
	823	(198)	625	625	-	Company Policy	Sikandar Ali (Employee)
	2,568	(1,360)	1,208	1,208	-	Company Policy	Shirazi Trading Company (Private) Limited, a related party
	1,745	(484)	1,261	1,261	-	Company Policy	Zain Ul Abedeen (Ex-employee)
	1,745	(262)	1,483	1,483	-	Company Policy	Irfan Nawaz (Ex-employee)
	1,537	(553)	984	984	-	Company Policy	Atlas Engineering (Private) Limited
	1,398	(429)	969	969	-	Company Policy	Iqra Arshad (Ex-employee)
	1,200	(636)	564	564	-	Company Policy	Asif Siddiqui (Employee)
	917	(359)	558	558	-	Company Policy	Imran Shafqat (Employee)
	867	(340)	527	527	-	Company Policy	Jamil Shakoor (Employee)
	41,015	(14,877)	26,138	26,138	-		
	417,814	**(187,949)**	**229,865**	**28,506**	**(201,359)**		
Items having net book value upto Rs.500,000 each	**67,185**	**(48,564)**	**18,621**	**10,053**	**(8,568)**		Various
June 30, 2022	**484,999**	**(236,513)**	**248,486**	**38,559**	**(209,927)**		
June 30, 2021	161,509	(52,860)	108,649	159,819	51,170		

5.5	**Capital work-in-progress**	**Note**	**2022**	2021
			--- Rupees in '000	**---**
	Leasehold improvements		**17,930**	1,933
	Plant and machinery		**49,129**	14,056
	Dies and jigs		**78,553**	18,527
	Factory equipment		**2,547**	731
	Electric and gas fittings	**5.6**	**1,499**	23,948
	Motor vehicles	**5.6**	**14,190**	6,441
	Furniture and fixtures		**696**	-
	Computer software		**-**	4,291
			164,544	69,927

5.6 Includes advance of Rs. 9,995 thousand made to Honda Atlas Cars (Pakistan) Limited and Rs. 182 thousand made to Atlas Honda Limited - a related party for purchase of vehicle. (2021: Rs.20,000 thousand advance payment made to Atlas Energy (Private) Limited - a related party for installation of solar panels).

5.7 Capital work-in-progress includes Rs.27,110 thousand (2021: Rs.25,215 thousand) representing advance payments made to suppliers for procurement / construction of operating fixed assets.

5.8	**Right of use asset**	**Note**	**2022**	2021
			--- Rupees in '000	**---**
	Balance at beginning of the year		**327,241**	219,255
	Effect of lease modification	**18**	**-**	148,891
	Depreciation charged during the year	**27**	**(40,905)**	(40,905)
	Net book value at end of the year		**286,336**	327,241

5.8.1 Depreciation expense relating to right of use asset - properties of Rs.40,905 thousand (2021: Rs.40,905 thousand) has been charged in 'Cost of sales', and Nil in 'Administrative and general expenses'.

6. INTANGIBLE ASSETS

	Note	2022	2021
		--- Rupees in '000 ---	
These represent computer software licenses.			
Year ended June 30, 2022			
Net book value at beginning of the year		**10,554**	7,362
Addition		**7,960**	6,755
Less: amortisation charge	27.1	**4,563**	3,563
Net book value at end of the year		**13,951**	10,554
At June 30, 2022			
Cost		**31,087**	23,127
Less: accumulated amortisation		**17,136**	12,573
Net book value		**13,951**	10,554
Amortisation rate (% per annum)		**20**	20

7. LONG TERM INVESTMENTS - unquoted

	Note	2022	2021
Subsidiary Companies			
Atlas DID (Private) Limited			
72,000,000 (2021: 72,000,000) ordinary shares of Rs.10 each - **cost**	7.1	**720,000**	720,000
Equity held: 60% (2021: 60%)			
Break-up value per share on the basis of un-audited financial statements Rs.10.70 (2021: Rs.10.55)			
Associated Companies			
Atlas Hitec (Private) Limited			
29,100,000 (2021: 29,100,000) ordinary shares of Rs.10 each - **cost**	7.2	**291,000**	291,000
Equity held: 44.77% (2021: 44.77%)			
Break-up value per share on the basis of un-audited financial statements Rs.17.97 (2021: Rs.17.52)			
Atlas GCI (Private) Limited			
6,000,000 (2021: 6,000,000) ordinary shares of Rs.10 each - **cost**	7.3	**60,000**	60,000
Equity held: 20% (2021: 20%)			
Break-up value per share on the basis of un-audited financial statements Rs.9.16 (2021: Rs.9.69)			
		1,071,000	1,071,000

7.1 The Company during the preceding year 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.

7.2 Atlas Hitec (Private) Limited 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.

7.3 The Company, on January 22, 2020, has acquired 20% shareholding of Atlas GCI (Private) Limited, Associated Company. 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.

8. LONG TERM LOANS AND ADVANCES

	Note	2022	2021
		--- Rupees in '000 ---	
Considered good			
Loans and advances to:			
Related parties - Key Management Personnel		**2,017**	-
Other employees		**23,975**	18,186
	8.1	**25,992**	18,186
Less: amounts due within one year and shown under current assets	12		
Related parties - Key Management Personnel		**591**	-
Other employees		**10,187**	7,076
		10,778	7,076
		15,214	11,110

8.1 These represent interest free loans and advances provided to employees as per the terms of employment. Loans aggregating Rs.17,861 thousand (2021: Rs.11,146 thousand) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments. These loans are secured against respective motorcycles and employees' vested retirement benefits. Employees advances are recoverable over a period of eighteen to twenty four months.

8.2 The maximum amount of loans and advances to the key management personnel outstanding at the end of any month during the year ended June 30, 2022 was Rs.2,653 thousand (2021: Rs.3,162 thousand).

8.3 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.

9. STORES, SPARES AND LOOSE TOOLS

	Note	2022	2021
		--- Rupees in '000 ---	
Consumable stores		**26,202**	31,198
Maintenance spares		**83,802**	81,095
Loose tools		**102,737**	66,145
Less: provision for slow moving stores	10.1	**6,655**	6,655
		206,086	171,783

10. STOCK-IN-TRADE

	Note	2022	2021
Raw materials and components			
- in hand		**1,003,936**	417,040
- held with vendors		**235,148**	132,404
		1,239,084	549,444
Finished goods		**503,376**	220,088
Items in transit		**84,545**	115,687
		1,827,005	885,219
Less: provision for slow moving stock	10.1	**72,170**	44,721
		1,754,835	840,498

10.1 Movement of provision for slow moving inventories

	Stores, spares & loose tools		Stock-in-trade	
	2022	2021	**2022**	2021
	---------- Rupees in '000 ----------			
Balance at beginning of the year	**6,655**	6,655	**44,721**	58,879
Provision made / (reversed) during the year - net	-	-	**27,449**	(14,158)
Balance at end of the year	**6,655**	6,655	**72,170**	44,721

11. TRADE DEBTS - Unsecured

	Note	2022	2021
		--- Rupees in '000 ---	
Consider good			
Associated Companies	11.1	**68,448**	30,317
Others		**152,031**	547,793
		220,479	578,110
Consider doubtful - others		**15,468**	28,827
		235,947	606,937
Less: provision for expected credit loss	11.3	**15,468**	28,827
		220,479	578,110

11.1 Includes Rs.Nil (2021: Rs.1,155 thousand), Rs.68,070 thousand (2021: Rs.29,008 thousand) and Rs.378 thousand (2021: 154 thousand) due from Atlas Honda Limited, Atlas Battery Limited and Atlas Power Limited, respectively.

11.2 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.1,705,897 thousand (2021: Rs.1,230,800 thousand).

11.3 Provision for expected credit loss

	2022	2021
	--- Rupees in '000 ---	
Balance at beginning of the year	**28,827**	27,990
(Reversal) / charge for the year	**(13,359)**	837
Balance at end of the year	**15,468**	28,827

11.4 At June 30, 2022, trade debts aggregating to Rs.6,000 thousand (2021: Rs.7,296 thousand) were past due but not impaired. The ageing analysis of these trade debts are as follows:

	Note	2022	2021
		--- Rupees in '000 ---	
Past due within 30 days		**3,836**	2,446
Past due beyond 30 days but not later than 60 days		**1,543**	2,703
Past due beyond 60 days but not later than 90 days		**256**	843
Past due later than 90 days		**365**	1,304
		6,000	7,296

12. LOANS AND ADVANCES

	Note	2022	2021
Considered good			
Current portion of long term loans and advances to key management personnel and other employees	8	**10,778**	7,076
Advances to employees		**1,638**	909
Advances to suppliers - unsecured		**19,025**	9,020
		31,441	17,005

13. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2022	2021
		--- Rupees in '000 ---	
Trade deposits		**5,533**	2,143
Margin against letter of credits		**205,625**	142,905
Other receivable - net		**304**	168
Prepayments	13.1	**3,019**	16,783
Accrued mark-up		-	500
Sales tax refundable - net		**522,037**	445,379
		736,518	607,878

13.1 Include prepaid insurance of Rs. Nil (2021: 13,201 thousands) to Atlas Insurance Limited, a related party.

14. SHORT TERM INVESTMENTS - at fair value through profit or loss

2022	2021		Note	2022	2021
-- Number of units --		**Related parties**		--- Rupees in '000 ---	
-	1,569,590	Atlas Income Fund		-	820,205
2,638,972	818,385	Atlas Money Market Fund		**1,339,297**	414,002
201,933	-	Atlas Liquid Fund		**100,966**	-
				1,440,263	1,234,207

15. BANK BALANCES

Balances with banks in:	Note	2022	2021
- current accounts		**13,514**	112,033
- saving accounts	15.1	**1,475,642**	778,758
- term deposit receipts	15.2	**20,000**	110,000
		1,509,156	1,000,791

15.1 Saving accounts carry profit ranging up to 12.26% (2021: 5.5%) per annum.

15.2 Term deposit receipts of Rs.20,000 thousand (2021: Rs.10,000 thousand) are under lien with the bank against a bank guarantee issued on behalf of the Company. Includes Nil (2021: Rs.100,000 thousand placed on roll over basis in Habib Metro Bank Limited at a mark-up rate of 6.60%).

16. SHARE CAPITAL

	2022	2021
	---- Rupees in '000 ----	
16.1 Authorised capital		
265,000,000 (2021: 265,000,000) ordinary shares of Rs.10 each	**2,650,000**	2,650,000
16.2 Issued, subscribed and paid-up capital		
100,000,000 (2021: 100,000,000) ordinary shares of Rs.10 each issued as fully paid in cash	**1,000,000**	1,000,000

16.3 Shirazi Investments (Private) Limited and its nominees hold 100% ordinary shares of the Company as at June 30, 2022 and 2021.

17. CAPITAL RESERVE - UNDER SCHEME OF MERGER / AMALGAMATION

The Board of Directors of the Company approved a Scheme of Arrangement (the Scheme) on May 17, 2019 for merger / amalgamation of Atlas Die Casting (Private) Limited and Atlas Aluminium (Private) Limited (the Subsidiary Companies) with and into the Company. The Subsidiary Companies were wholly owned subsidiaries of the Company. At June 1, 2019, the Company filed a petition in the Honourable High Court of Sindh to this effect under sections 279 to 283 and 285 of the Companies Act, 2017 which were duly approved Honourable High Court of Sindh on October 24, 2019, effective from July 1, 2019 resultingly all the business, functions, operations, assets, liabilities and obligations, rights to execute deeds, contracts, legal proceedings, judgments etc. of the Subsidiary Companies were transferred to and vested in the Company.

18. LEASE LIABILITIES

	Note	2022	2021
		---- Rupees in '000 ----	
Balance at beginning of the year		**360,286**	231,634
Effect of lease modification		-	148,891
Interest accrued	31	**27,029**	28,693
Repaid / adjusted during the year		**(51,681)**	(48,932)
		335,634	360,286
Current portion grouped under current liabilities		**(29,170)**	(24,467)
Balance at end of the year		**306,464**	335,819

18.1 These represent lease contract for use of land and have estimated lease terms of 9 years. These are discounted using incremental borrowing rate (7.9%) of the Company. The whole of the leased property is under the ownership of Atlas Engineering (Private) Limited, a related party.

18.2 The future minimum lease payments to which the Company is committed under the agreements will be due as follows:

Particulars	Upto one year	From one to five years	Over five years	Total 2022
	-------------- Rupees in '000 --------------			
Minimum lease payments	53,947	244,146	140,962	439,055
Finance cost allocated to future periods	(24,777)	(69,254)	(9,390)	(103,421)
Present value of minimum lease payments	29,170	174,892	131,572	335,634

19. LONG TERM LOAN - Secured

	Note	2022	2021
		---- Rupees in '000 ----	
Term finance	19.2	**238,981**	437,500
Demand finance	19.3	**400,000**	500,000
Salary loan	19.4	**54,978**	164,934
Temporary Economic Refinance Facility (TERF)	19.5	**224,996**	24,422
Renewable Energy Refinancing Facility	19.6	**66,256**	-
	19.1	**985,211**	1,126,856
Adjustment pertaining to fair value of loan at below market interest rate	19.7	**(87,458)**	(11,049)
		897,753	1,115,807
Current portion		**(263,069)**	(324,225)
		634,684	791,582

19.1 Movement in long term loan at face value

	2022	2021
Balance at beginning of the year	**1,126,856**	1,072,840
Loan obtained during the year	**268,574**	140,244
Loan re-paid during the year	**(410,219)**	(86,228)
	985,211	1,126,856

19.2 The Company had obtained term finance amounting Rs.500,000 thousand from Allied Bank Limited for the purpose of strategic investments. The loan carries mark-up at the rate of 3 months KIBOR plus 0.6% and is secured against first pari passu hypothecation charge on existing and future plant & machinery with 25% margin and equitable mortgage against land with 25% margin. This loan is for five years from the date of disbursement (November 28, 2018) and is repayable in 16 quarterly instalments with grace period of one year. The principal repayments have been further deferred for twelve months inline with the State Bank of Pakistan's BPRD Circular letter No. 13 of 2020 dated March 26, 2020. Resultantly the revised maturity date is November 28, 2024 as compare to its previous maturity of November 28, 2023. The Company during the year repaid Rs.198,519 thousand.

19.3 The Company has obtained demand finance amounting Rs.500,000 thousand from National Bank of Pakistan for the purpose of strategic investments. The loan carries mark-up at the rate of 6 months KIBOR plus 0.95% and is secured against first pari passu by the way of hypothecation on existing and future plant & machinery and equipment with 25% margin amounting to Rs.666,667 thousands. This loan is for six and half years from the date of disbursement (December 20, 2019) and is repayable in 10 semi-annual equal instalments with grace period of one and half year. The Company during the year repaid Rs.100,000 thousand.

19.4 This represents long term loan received from Habib Bank Limited under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin limited to Rs.243,000 thousands. Mark-up is chargeable at 1.0% per annum. The principal is repayable in eight quarterly instalments starting from January 2021. The Company during the year repaid Rs.109,956 thousand.

19.5 This represents loan received from Allied Bank Limited under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan 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% bps per annum. The loan is for ten years with a grace period of two years and is repayable in thirty two quarterly instalments.

19.6 This represents long term loan received from Habib Bank Limited 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.1,744 thousand.

	Note	2022	2021
		---- Rupees in '000 ----	
19.7 Adjustment pertaining to fair value of loan at below market interest rate			
Difference of fair value of loan and loan received		**101,697**	22,372
Less: amortisation of loan		**14,239**	11,323
		87,458	11,049

20. DEFERRED INCOME - GOVERNMENT GRANT

	Note	2022	2021
Balance at beginning of the year		**11,049**	10,672
Grant recognised on loan at below market interest rate	20.1	**90,648**	11,700
Less: released to statement of profit or loss		**14,239**	11,323
		87,458	11,049
Less : current portion		**16,579**	7,168
		70,879	3,881

20.1 The Company recognised government grant on loan at below market interest rate received - (note 19.5 and 19.6) in accordance with IAS - 20 'Accounting for government grants and disclosure of government assistance'.

21. COMPENSATED ABSENCES

	2022	2021
	---- Rupees in '000 ----	
Balance at beginning of the year	**99,133**	85,200
Add: provision for the year	**9,078**	16,176
Less: payments made during the year	**10,668**	2,243
Balance at end of the year	**97,543**	99,133

21.1 Includes liability in respect of key management personnel aggregating to Rs.26,128 thousand (2021: Rs.32,073 thousand).

22. DEFERRED TAXATION - Net

	2022	2021
	---- Rupees in '000 ----	
The liability for deferred tax comprises temporary differences relating to:		
Accelerated tax depreciation and amortization	**159,063**	130,280
Lease liabilities - net	**(14,296)**	(9,583)
Provision for doubtful debts	**(4,486)**	(8,360)
Provision for compensated absences	**(28,287)**	(28,748)
Provision for gratuity	**(4,567)**	(288)
Provision for slow moving stock	**(20,929)**	(12,969)
	86,498	70,332

22.1 Movement in deferred taxation

	Accelerated tax depreciation & amortisation	Lease liabilities - net	Provision for doubtful debts	Provision for compensated absences	Provision for gratuity	Provision for slow moving stock	Minimum tax recoupable	Total
	---- Rupees in 000 ----							
At July 1, 2020	105,473	(3,590)	(8,117)	(24,708)	(5,153)	(17,075)	(282,152)	(235,322)
Charge / (credited) to:								
Profit and loss account	24,807	(5,993)	(243)	(4,040)	2,261	4,106	282,152	303,050
Other comprehensive income	-	-	-	-	2,604	-	-	2,604
	24,807	(5,993)	(243)	(4,040)	4,865	4,106	282,152	305,654
At June 30, 2021	**130,280**	**(9,583)**	**(8,360)**	**(28,748)**	**(288)**	**(12,969)**	-	**70,332**
Charged / (credited) to:								
Profit and loss account	**28,783**	**(4,713)**	**3,874**	**461**	**(135)**	**(7,960)**	-	**20,310**
Other comprehensive income	-	-	-	-	**(4,144)**	-	-	**(4,144)**
	28,783	**(4,713)**	**3,874**	**461**	**(4,279)**	**(7,960)**	-	**16,166**
At June 30, 2022	**159,063**	**(14,296)**	**(4,486)**	**(28,287)**	**(4,567)**	**(20,929)**	-	**86,498**

23. TRADE AND OTHER PAYABLES

	Note	2022	2021
		---- Rupees in '000 ----	
Trade payables			
- Associated Companies		**1,644**	-
- Others		**1,641,760**	1,085,836
Accrued liabilities		**717,432**	516,743
Royalty payable		**134,462**	266,798
Additional custom duty		**360,991**	376,312
Contract liabilities - advances from customers		**553,358**	171,680
Retention money		**789**	789
Workers' profit participation fund	**23.1**	**69,425**	68,527
Workers' welfare fund		**25,386**	25,796
Payable to staff retirement benefit fund - gratuity	**23.2.4**	**15,747**	994
Sindh government infrastructure fee	**23.3**	**210,165**	178,690
Others	**23.4**	**7,788**	9,648
		3,738,947	2,701,813

23.1 Workers' profit participation fund

	Note	2022	2021
Balance at beginning of the year		**68,527**	623
Add: allocation for the year	**30**	**66,807**	67,884
Add: interest on funds utilised in the Company's business	**31**	**2,618**	20
		137,952	68,527
Less: payments made during the year		**68,527**	-
Balance at end of the year		**69,425**	68,527

23.2 Payable to staff retirement benefit fund

23.2.1 As stated in note 4.13.2, the Company operates an approved funded gratuity scheme for its staff who completes the qualifying period of service.

23.2.2 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.

23.2.3 The latest actuarial valuation of the scheme as at June 30, 2022 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:

23.2.4 **Reconciliation**	2022	2021
	--- Rupees in '000 ---	
Present value of defined benefit obligation	**143,045**	140,030
Fair value of plan assets	**(134,128)**	(132,790)
Payable to / receivable (from) related parties in respect of transferees	**6,830**	(6,246)
Net liability at end of the year	**15,747**	994

	2022	2021
23.2.5 Movement in the present value of defined benefit obligation	**--- Rupees in '000 ---**	
Balance at beginning of the year	**140,030**	121,770
Current service cost	**8,482**	7,488
Interest cost	**13,188**	10,351
Re-measurement on obligation	**4,758**	1,521
Benefits paid	**(14,648)**	(3,975)
Amount recognised in respect of transfers between related parties	**(8,765)**	2,875
Balance at end of the year	**143,045**	140,030
23.2.6 Movement in the fair value of plan assets		
Balance at beginning of the year	**132,790**	117,267
Contributions	**8,000**	16,181
Benefits paid	**(14,648)**	(3,975)
Interest income	**13,208**	9,453
Re-measurement	**(9,534)**	10,502
Asset in respect of intergroup transfers / fund transferred	**4,312**	(16,638)
Balance at end of the year	**134,128**	132,790
23.2.7 Plan assets comprise of:		
Fixed income instruments	**37,564**	61,977
Mutual funds	**95,781**	70,192
Cash	**783**	621
	134,128	132,790
23.2.8 Expense recognised in the statement of profit or loss		
Current service cost	**8,482**	7,488
Net interest cost	**(20)**	898
	8,462	8,386
23.2.9 Re-measurement recognised in other comprehensive income		
Loss from change in financial assumptions	**2,053**	2,351
Gain from change in demographic assumptions	**(1,590)**	-
Experience loss / (gain)	**4,294**	(830)
Loss / (gain) on re-measurement of plan assets	**9,534**	(10,502)
	14,291	(8,981)
23.2.10 Net liability recognised		
Balance at beginning of the year	**994**	17,770
Charge for the year	**8,462**	8,386
Contributions	**(8,000)**	(16,181)
Re-measurement recognised in other comprehensive income	**14,291**	(8,981)
Balance at end of the year	**15,747**	994

23.2.11 **Actuarial assumptions used**

	2022	2021
Discount rate - per annum	**13.50%**	10.00%
Expected rate of increase in future salaries		
- first year	**12.00%**	10.00%
- long term	**12.50%**	9.00%
Demographic assumptions		
- Mortality rates (for death in service)	**SLIC (2001-05) - 1**	SLIC (2001-05) - 1
- Rates of employee turnover	**Light**	Moderate

23.2.12 **Sensitivity analysis for actuarial assumptions**

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

		Impact on defined benefit obligation	
	Change in assumptions	**Increase in assumption**	**Decrease in assumption**
		--- Rupees in '000 ---	
Discount rate	1.00%	130,155	158,012
Long term salaries	1.00%	157,315	130,522

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.

23.2.13 Based on actuary's advice, the expected charge for the year ending June 30, 2023 amounts to Rs.11,673 thousand.

23.2.14 The weighted average duration of the gratuity scheme is 9.69 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 in '000				
As at June 30, 2022	4,982	16,685	35,144	3,725,458	3,782,269

23.3 This 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.

23.4 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.7,731 thousand (2021: Rs.7,242 thousand).

24. SHORT TERM FINANCES - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregated to Rs.2,600,000 thousand (2021: Rs.2,600,000 thousand) and are secured against pari passu hypothecation charge over the Company's stock-in-trade and trade debts to the extent of Rs.3,469,000 thousand (2021: Rs.3,469,000 thousand). During the year these finance facilities carry mark-up at the rates ranging from 10.65% to 10.79% (2021:7.45%. to 7.94%). These facilities are expiring on various dates by January 16, 2023.

The facilities for opening letters of credit as at June 30, 2022 aggregated to Rs.2,122,500 thousand (2021: Rs.2,122,500 thousand) of which unutilized balance at year-end aggregated to Rs.1,406,586 thousand (2021: Rs.1,071,766 thousand). These facilities are secured by lien on import documents and are expiring on various dates up to January 16, 2023.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 There was no significant litigation against the Company as at June 30, 2022 and June 30, 2021.

25.1.2 Guarantees aggregating Rs.264,141 thousand (2021: Rs.209,049 thousand) have been issued by a commercial bank on behalf of the Company to Collector of Customs, Excise & Taxation Department, Government of Sindh, SSGC LPG (Private) Limited and Sui Northern Gas Pipelines

25.2 Commitments

25.2.1 Commitments outstanding for letters of credit relating to capital expenditure and stock-in-trade as at June 30, 2022 aggregated to Rs.715,914 thousand (2021: Rs.1,080,734 thousand).

25.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2022 aggregated to Rs.2,427 thousand (2021: Nil).

26. SALES - Net

	Note	**2022**	2021
		--- Rupees in '000 ---	
Local sales			
- manufacturing activity		**19,497,524**	15,297,835
- trading and services		**7,787,058**	6,798,623
		27,284,582	22,096,458
Less:			
- sales tax		**4,125,129**	3,346,112
- discounts		**108,644**	79,425
		4,233,773	3,425,537
		23,050,809	18,670,921

27. COST OF SALES AND SERVICES

	Note	**2022**	2021
Opening stock of finished goods		**220,088**	137,909
Cost of goods manufactured and service provided	**27.1**	**13,564,261**	12,414,920
Purchased during the year		**7,691,024**	4,606,214
		21,255,285	17,021,134
Less: closing stock of finished goods		**503,376**	220,088
		20,971,997	16,938,955

		Note	2022	2021
27.1	**Cost of goods manufactured and services provided**	**Note**	**--- Rupees in '000 ---**	
	Raw materials and components consumed	**27.2**	**10,813,318**	10,209,696
	Stores consumed		**352,067**	303,726
	Direct labour	**27.3**	**345,984**	276,947
	Salaries and other benefits	**27.3**	**504,104**	388,529
	Travelling and conveyance		**1,530**	4,916
	Light, heat and water		**344,139**	223,642
	Repair and maintenance		**186,971**	130,538
	Rent, rates and taxes		**2,459**	2,644
	Royalty	**27.4**	**479,149**	464,302
	Insurance		**47,259**	39,907
	Canteen		**49,649**	39,897
	Vehicle running expenses		**16,149**	12,577
	Depreciation related to operating fixed assets	**5.2**	**337,265**	281,435
	Depreciation related to right of use assets	**5.8.1**	**40,905**	40,905
	Amortisation	**6**	**4,563**	3,563
	Provision / (reversal) for slow moving stock	**10.1**	**27,449**	(14,158)
	Others		**11,301**	5,854
			13,564,261	12,414,920
	Work in process at the year end		-	-
			13,564,261	12,414,920
27.2	**Raw materials and components consumed**			
	Opening stock		**549,444**	888,960
	Add: purchases during the year		**11,502,958**	9,870,180
			12,052,402	10,759,140
	Less: closing stock		**1,239,084**	549,444
			10,813,318	10,209,696

27.3 Direct labour and Salaries & other benefits include Rs.36,948 thousand (2021: Rs.37,710 thousand) in respect of staff retirement benefits.

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

i) Hitachi 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) Atsumitec Company Ltd. - 4-6-1 Takaokanishi Naka-ku, Hamamatsu-shi Shizuoka Prefecture, Japan

iv) Toyo Denso Company Limited, 10-4, 2-Chome, Shinbashi Minato-ku, Tokyo, Japan.

v) Yamada Manufacturing Co., Ltd., 1262-2, Koubayashi, Isesaki, Gunma, 379-2206, Japan.

28. ADMINISTRATIVE AND GENERAL EXPENSES

	Note	2022	2021
		--- Rupees in '000 ---	
Salaries and other benefits	28.1	**225,752**	185,170
Travelling, conveyance and entertainment		**26,390**	20,038
Repairs and maintenance		**4,831**	3,353
Depreciation	5.2	**29,217**	22,727
Provision for expected credit loss	11.3	**(13,359)**	837
Legal and professional charges		**5,466**	9,555
Utilities		**12,377**	11,911
Advertisement and sales promotion		**97,010**	64,046
Freight and forwarding		**26,934**	13,361
Printing & stationery and rates & taxes		**3,292**	2,128
Insurance		**36,610**	31,614
Vehicle running expense		**14,043**	7,889
Donation	28.2	**72,646**	-
Others		**20,074**	14,829
		561,283	387,458

28.1 Salaries and other benefits include Rs.11,860 thousand (2021: Rs.14,040 thousand) in respect of staff retirement benefits.

28.2 Donation of 72,646 thousand (2021: Rs.Nil) 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

	2022	2021
	--- Rupees in '000 ---	
Income from financial assets		
Mark-up / interest on saving accounts and term deposit receipts	**17,316**	33,131
Dividend income	**4,716**	-
Income from investments in related parties		
Gain on sale of investments at fair value through profit or loss	**29,033**	1,265
Fair value gain on investments at fair value through profit or loss	**4,145**	5,819
Dividend income	**95,473**	34,815
Income from assets other than financial assets		
Gain on disposal of property, plant and equipment and non-current asset held for sale	-	70,324
Others	**28,563**	17,778
	179,246	163,132

30. OTHER EXPENSES

	Note	2022	2021
		--- Rupees in '000 ---	
Workers' profit participation fund	23.1	**66,807**	67,884
Workers' welfare fund			
- current year		**25,386**	25,796
- prior year		**(1,506)**	(644)
		23,880	25,152
Auditors' remuneration			
- statutory audit fee		**1,850**	1,850
- certifications and others		**619**	619
- out of pocket expenses		**179**	179
		2,648	2,648
Loss on disposal of property, plant and equipment		**209,927**	-
		303,262	95,684

31. FINANCE COST

	Note	2022	2021
Mark-up / amortisation on long term loans		**103,825**	92,950
Mark-up on short term finances		**21,166**	2,331
Interest on lease liabilities		**27,029**	28,693
Interest on workers' profit participation fund	23.1	**2,618**	20
Bank and other financial charges		**7,647**	4,641
Government grant		**(14,239)**	(11,323)
		148,046	117,312

32. TAXATION

	2022	2021
Current tax		
Current tax	**383,895**	364,129
Minimum tax recouped	**-**	(279,026)
Adjustments for current tax of prior year	**(2,182)**	2,027
	381,713	87,130
Deferred tax - Origination and reversal of temporary differences	**20,310**	303,050
	402,023	390,180

32.1 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.

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

	2022	2021
	--- Rupees in '000 ---	
Profit before taxation	**1,245,467**	1,264,644
Tax at the applicable rate of 29%	**361,185**	366,747
Tax effect of:		
- amount not deductible for tax purposes	**228,815**	130,659
- amount deductible for tax purposes but not taken to the statement of profit or loss	**(209,558)**	(108,183)
- income not subject to tax / income subject to final tax regime / tax credits	**(47,458)**	(25,094)
Super tax on high earning persons	**50,911**	-
Prior years' tax charge	**(2,182)**	2,027
Minimum tax recouped	**-**	(279,026)
Deferred taxation	**20,310**	303,050
	402,023	390,180

33. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	Chief Executive Officer		**Executives**	
	2022	2021	**2022**	2021
	--- Rupees in '000 ---		**--- Rupees in '000 ---**	
Managerial remuneration	**16,243**	14,633	**76,316**	78,811
House rent and utilities	**6,356**	5,726	**29,863**	30,839
Bonus	**8,804**	5,588	**41,368**	29,829
Retirement benefits	**1,554**	1,400	**7,300**	7,538
Medical and others	**170**	221	**2,724**	2,032
	33,127	27,568	**157,571**	149,049
Number of persons	**1**	1	**35**	28

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

33.2 No remuneration has been paid or is payable by the Company to other Directors for the year.

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 Engineering (Private) Limited	Atlas Metals (Private) Limited
Atlas Honda Limited	Shirazi Trading Company (Private) Limited
Atlas Battery Limited	Honda Atlas Cars Pakistan Limited
Atlas Insurance Limited	Atlas Power Limited
Atlas Foundation	Atlas Global, FZE, Jebeal Ali, UAE
Atlas Asset Management Limited	Atlas Energy Limited

e) Associated companies under common management / group companies

Atlas Worldwide General Trading LLC, Dubai

f) Directors

Mr. Aamir H. Shirazi	Mr. Saquib H. Shirazi
Mr. Frahim Ali Khan	Mr. Bashir Makki
Mr. Suhail Ahmed	

g) Key management personnel

Mr. Muhammad Noman Khan	Mr. Misbah Uddin Ahmed
Mr. Muhammad Ehsan Ul Haq	Mr. Muhammad Irfan
Mr. Fahad Masood	Mr. Muhammad Shoaib
Mr. Ahmad Nisar Zaman	Mr. Muhammad Tahir Naseem
Mr. Adeel Safdar	Mr. Sajid Saleem

	2022	2021
34.2 Transactions with related parties	**--- Rupees in '000 ---**	
The Holding Company		
Dividend paid	**300,000**	300,000
Receipt under group taxation	**336,586**	-
Sales of		
- goods and services	**7,359**	7,857
- operating fixed assets	-	1,656
Subsidiary Companies		
Sales of		
- goods and services	**31,070**	43,196
- operating fixed assets	**4,904**	-
Purchases of goods and services	-	9
Purchases of operating fixed assets	**1,570**	-
Reimbursement claimed	**3,290**	1,053
Associated Companies		
Sales of		
- goods and services	**20,044,083**	15,703,906
- operating fixed assets	**5,474**	11,655
- non-current asset held for sale	-	30,640
Purchases of		
- goods and services	**1,355,400**	2,076,259
- operating fixed assets	**306,151**	181,443
Sale of units in mutual funds	**849,238**	275,000
Purchase of units in mutual funds	**940,889**	1,475,000
Dividend received	**85,808**	30,029
Commission paid	**7,716**	81
Insurance premium paid	**102,454**	123,298
Lease rental paid	**53,657**	50,957
Reimbursement for utilities and shared services	**93,993**	63,688
Donation paid	**12,646**	-
Other related parties		
Contributions paid to:		
- gratuity funds	**8,000**	16,181
- pension schemes	**26,537**	21,382
Key management personnel		
- salaries and other employment benefits	**91,572**	116,617
- sale of vehicles / laptop under company policy	**5,141**	61

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.3,258,753 thousand (2021: Rs.2,860,786 thousand) as at June 30, 2022. Out of the total financial assets credit risk is concentrated in trade debts, short term investment and deposits with banks as they constitute 97.27% (2021: 98.33%) of the total financial assets.

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

	2022	2021
	---- Rupees in '000 ----	
Long term deposits	**55,388**	26,440
Long term loans and advances	**15,214**	11,110
Trade debts	**220,479**	578,110
Loans and advances	**12,416**	7,985
Deposits and other receivables	**5,837**	2,143
Short term investments	**1,440,263**	1,234,207
Bank balances	**1,509,156**	1,000,791
	3,258,753	2,860,786

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	A-1+	AAA
Habib Metropolitan Bank Limited	PACRA	A-1+	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	A-1+	AAA

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty, in meeting obligation associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2022, the Company had Rs.2,600,000 thousand available borrowings limits from banks / financial institutions and of bank balances Rs.1,509,156 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	Contrac-tual cash flows	Maturity upto one year	Maturity more than one year
	------------------ Rupees in '000 ------------------			
June 30, 2022				
Long term loans	**897,753**	**1,213,689**	**364,627**	**849,062**
Lease liabilities	**335,634**	**439,055**	**53,947**	**385,108**
Trade and other payables	**3,738,947**	**3,738,947**	**3,738,947**	**-**
Accrued mark-up	**10,666**	**10,666**	**10,666**	**-**
	4,983,000	**5,402,357**	**4,168,187**	**1,234,170**
	Carrying amount	Contrac-tual cash flows	Maturity upto one year	Maturity more than one year
	------------------ Rupees in '000 ------------------			
June 30, 2021				
Long term loans	1,115,807	1,321,224	415,246	905,978
Lease liabilities	360,286	490,617	51,378	439,239
Trade and other payables	2,701,813	2,701,813	2,701,813	-
Accrued mark-up	25,510	25,510	25,510	-
	4,203,416	4,539,164	3,193,947	1,345,217

(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, 2022			June 30, 2021		
	Rupees	**Japanese Yen**	**US Dollar**	Rupees	Japanese Yen	US Dollar
	-- Amount in '000 --			-- Amount in '000 --		
Trade and other payables	**126,317**	**76,254**	**55**	294,727	202,406	600

Exchange rate of 1.5083 (2021: 1.4324) for Rupee to Japanese Yen and 206.00 for Rupee to US dollar (2021 :158.30) has been applied.

At June 30, 2022, 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.6,315 thousand (2021: Rs.13,340 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, 2022, the Company's interest bearing borrowings aggregated to Rs.897,753 thousand (2021: Rs.1,15,807 thousand).

At June 30, 2022, if the interest rates on the Company's borrowings had been 1% higher / (lower) with all other variables held constant, the calculated post-tax profit for the year would have been Rs.8,978 thousand (2021: Rs.11,158 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, 2022.

	June 30, 2022			
	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	**1,440,263**	**-**	**-**	**1,440,263**

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:

	2022	2021
	--- Rupees in '000 ---	
Total borrowings	**1,233,387**	1,476,093
Bank balances	**1,509,156**	1,000,791
Net debt	**(275,769)**	475,302
Total equity	**5,609,047**	5,075,750
Total capital	**5,333,278**	5,551,052
Gearing ratio	**0%**	9%

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

	2022	2021
	Numbers	
Total number of employees	**574**	517
Average number of employees	**573**	482

38. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation, the effect of which is not material.

39. NON-ADJUSTING EVENT AFTER REPORTING DATE

The Board of Directors, in their meeting held on September 12, 2022 have proposed final cash dividend of Re.1.0 per share amounting to Rs.100,000 thousand for approval of the members at the Annual General Meeting of the Company.

These financial statements do not reflect the proposed appropriation, which will be accounted for in the statement of changes in equity as appropriation from unappropriated profit for the year ending June 30, 2023.

40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on September 12, 2022 by the Board of Directors of the Company.

Chief Executive Officer **Director**