



Annual Report

2018

2018

Organisation
development
through
self development



Paving our Way
Towards
Excellence



HEALTH



SAFETY



ENVIRONMENT

Paving our Way Towards Excellence

Atlas Battery has achieved milestones of distinction, charged with continuous self-improvement. The company's performance rests greatly on its attention towards **safety** to minimize incidents, injuries or other hazards at the workplace. Atlas Battery consciously ensures workers' **health**, improving hygiene standards and reducing **environmental** impact. All this has resulted in paving our path towards excellence in quality, production, and performance.







Mr. Nabuo Nasu,
President of Japan Storage Battery,
on a plantation drive with
Mr. Yousuf H. Shirazi at Atlas Battery Factory

Celebrating 50 Years

The journey of a thousand miles begins with a single step. Atlas Group took that first step in 1966 to embark on a momentous journey of countless achievements, learning opportunities, struggle, and success. Fraught with untold obstacles, the path towards excellence wasn't an easy one.

With the most exemplary leadership and undying efforts of our people, we proceeded on this journey and achieved countless milestones until all our endeavors manifested themselves and we began to see Atlas Battery everywhere.

From the first plant expansion in 1984 to making 1.2 million batteries yearly in 2011 and 2012, to achieving yearly production capacity of 2.2 million in 2016-2017, we



AGS | **AGS JAPAN**
SPARK OF UNDYING TRUST

began to accelerate towards better growth and accomplished many production milestones ever since. This year, we are celebrating 50 years of exploring our greatest potential and achieving unprecedented excellence in the process. We are committed to continue along this journey with the same zeal and spirit for years to come.

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Profile

of the Company

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sale of automotive and motorcycle batteries, and their allied products. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Rahim Yar Khan and Sukkur.



About Us

The foundation of the Group was laid with the incorporation of Shirazi Investments (Private) Limited (SIL) in 1962 by Mr. Yusuf H. Shirazi, the Founder of Atlas Group. Today Atlas is a diversified group dealing in engineering, power generation, financial services and trading. It consists of 18 companies of which four are quoted on the Pakistan Stock Exchange.

Atlas Battery Limited was incorporated in 1966 and signed a technical collaboration agreement with Japan Storage Battery Co. Ltd., Japan in 1969 (now known as GS Yuasa Corporation) for production and sale of Japanese quality batteries in Pakistan. Atlas Battery started production in 1969 with the genesis of the brand “AGS” – “A” for Atlas and “GS” for Genzo Shimadzu (the founder of Japan Storage Battery Co. Ltd., Japan). The Company manufactures a wide range of polypropylene batteries suitable for passenger cars, heavy vehicles, motorcycles, construction equipment as well as stationary and industrial applications including gensets, solar electric panels and Uninterruptible Power Supply (UPS) equipments.

Our journey of over 50 years is a reflection of our focus on superior quality and product innovation. With continuous focus on Japanese technology products, we have introduced for the first time in Pakistan a high quality, low maintenance hybrid battery. The tagline “Maintenance Mein Kum aur Performance Mein Dum” succinctly encapsulates the unique selling proposition of the product.

The Company has a successful track record of growth by focusing on HSE, selling superior quality products, investing in engineering and development for product development and enhancing the after sales service network for consumer education.

Group Structure

The pioneer of Pakistan’s industry, Mr. Yusuf H. Shirazi, laid the foundation of Atlas in 1962 with the establishment of Shirazi Investments (Pvt) Limited with a capital of half a million rupees and three men doing business in trading shares and real estate. The Atlas motto coined by him, ‘organization development through self-development’, has been the essence of success for Atlas.

Today, Atlas is a diversified group dealing in manufacturing, power generation, trading and financial services, embodying the spirit of development as it endeavors to fuel the growth of Pakistan’s economy. It comprises of 18 companies, 4 of which are quoted on the Pakistan Stock Exchange. Atlas shareholders equity and assets stand at over 2 billion US dollars and annual sales approaching 3 billion US dollars.

With an aggressive focus on development, Atlas is firmly established as the technology and knowledge leader in Pakistan. Having institutionalized its values and management structure, providing a sense of active participation at every level, Atlas is driven by the ambition of making Pakistan self-sufficient and prosperous generation after generation.





Vision

A leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international market.

Mission

Ensuring customer satisfaction through the highest degree of quality and service with innovation and dynamic management while meeting stakeholders' expectations and serving as a model corporate citizen.

Values

- Transparency
- Integrity
- Safety
- Meritocracy
- Quality
- Excellence

Strategic Objectives

The Company is determined to follow its key strategic objectives and gauge the performance against certain parameters laid down by the Company. They are regularly monitored and will remain relevant in measuring ongoing progress.

Objectives	Indicators
Associates To develop, update and enhance our associates' skills, knowledge and creative potential.	<ul style="list-style-type: none"> Resources allocated to identifying and meeting training needs of associates. Equip them with modern trainings - local and foreign. Dedicate responsibilities with empowerment for confidence building.
Consumer Dedicated to provide highest level of satisfaction to our consumers and value for their money.	<ul style="list-style-type: none"> Quality product. After sales services. Expeditious warranty claims settlement.
Quality To maintain an edge over competitors in terms of quality of products and services meeting the Japanese standards of excellence.	<ul style="list-style-type: none"> Quality control assurance and quality audits. International certification to maintain quality standards. Training sessions for associates on quality production.
Technology To develop a support model and technical infrastructure that strikes the appropriate balance between centralized and decentralized supports and satisfies the diverse needs of the Company.	<ul style="list-style-type: none"> Automation of processes. Investment in information technology. Capex allocation towards improvement of production facilities. B2C and B2B implementation.
Innovation Driven for innovation and continuous improvement.	<ul style="list-style-type: none"> Investment in Research and Development. Process Re-engineering. New Product Development. Introduce updated Technology.
Shareholders To safeguard shareholders' interest through a healthy and viable business, that regularly pays satisfactory dividends and adds value to their investment.	<ul style="list-style-type: none"> Earnings per share. Market price per share. Return on equity. Dividend per share.
Corporate Governance Committed to the principles of good Corporate Governance by managing and supervising the Company responsibly with proper internal controls, risk management and efficient and effective operations.	<ul style="list-style-type: none"> Compliance with Code of Corporate Governance. Ensure ethical practices at all levels. Operations structured under appropriate policies and SOPs. Law abidance.
Corporate Success To recognize that Leadership, Empowerment and Accountability are essential for corporate success.	<ul style="list-style-type: none"> Clear strategy and direction from dynamic Board of Directors. Encourage ideas from bottom to top level. Succession planning. Associates' turnover. Job rotation and career development.

Significant changes from previous periods

There has been no significant change in management's objectives and strategies from previous year.

Relationship between Company's Results and Management's Objectives

The management has set objectives after detailed analysis and consideration which includes various factors such as market conditions, economic affairs of local and international markets, prevailing industry norms, operations, available resources, financial capacity, liquidity, historical experiences and customer demand.

The Company has shown positive growth in top line during the year with optimistic future prospects backed by superior quality, product innovation, HSE improvement and initiatives for highest level of customer satisfaction.

Following the Code of Corporate Governance, providing healthy returns to shareholders and ensuring customer satisfaction are integral to management objectives and are duly reflected in Company's financial performance.



Quality Policy and Management

We will continue to manufacture batteries by fostering superior technologies and innovations through strict compliance of our Quality Management System to meet the needs and expectations of our customers.

Quality Management Process

Atlas Battery Limited will continue to manufacture high quality Lead Acid and low maintenance Hybrid batteries. For that purpose, the Company has already aligned its Quality Management System as per ISO 9001:2015 guidelines. ABL Quality Management System provides us the means to regulate, validate and trace all processes associated with product, research, design, manufacturing, logistics, sales and after sales service.

The Company is equipped with a sophisticated laboratory having latest measuring equipment for testing the performance of our batteries through chemical and electrical testing. Our in-house laboratory performs timely, accurate and cost-effective testing that ensures every product, from raw materials to finished batteries, meet all quality requirements.

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

Journey of Success

- 1966** Incorporation of the Company.
- 1968** Public floatation of shares.
- 1969** Technical collaboration with Japan Storage Battery Co. Ltd., Japan.
- 1969** Automotive batteries production started.
- 1974** Motorcycle batteries production started.
- 1979** Nominated for KSE Top 25 Companies.
- 1981** Nominated for KSE Top 25 Companies.
- 1984** Plant expansion.
- 1986** Introduced polypropylene batteries.
- 1988** Joint Venture established with Japan Storage Battery Co. Ltd., Japan with 10% equity injection.
- 1990** Joint Venture was strengthened with Japan Storage Battery Co. Ltd., Japan with further 5% equity injection.
- 1994** PSI Certification (Quality) for automotive batteries.
- 1996** Export of motorcycle batteries.
- 1998** Export of automotive batteries.
- 1998** PSI Certification (Quality) for motorcycle batteries.
- 1999** 2nd plant expansion with automatic assembly line.
- 2000** ISO – 9002 Certification.
- 2000** Best Presented Annual Report Awards – ICAP and ICMAP.
- 2001** Best Presented Annual Report Awards – ICAP and ICMAP.
- 2003** ISO – 9001 – 2000 E.
- 2006** World Quality Commitment – Paris 2006 Gold.
- 2008** Awarded Brand of the Year Award by the Prime Minister of Pakistan for being No. 1 in Consumer Preference.

- 2009 Crossed the one million production milestone in automotive batteries segment.
- 2011 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2007-08 and 2008-09).
- 2012 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2009-10) for the third year consecutively.
- 2012 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP).
- 2013 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2010-11) for the fourth year consecutively.
- 2013 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP).
- 2013 First battery manufacturer to launch company branded distilled water.
- 2014 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2011-12) for the fifth year consecutively.
- 2015 ISO – 9001: 2008 certification.
- 2015 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2012-13) for the sixth year consecutively.
- 2015 First battery manufacturer to launch "Hybrid" battery under the brand name "Atlas".
- 2016 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP).
- 2016 Most Popular brand in Pakistan declared by PakWheels.com
- 2017 Company announced six months free warranty of conventional automotive batteries and one year for hybrid batteries.
- 2017 Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2013-14 and 2014-15) for the seventh and eighth year consecutively.
- 2017 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP).
- 2017 Best Corporate Report Awards (2015) – ICAP and ICMAP.
- 2017 ISO – 9001:2015 certification on Quality Management System.
- 2018 Joint 1st Position – Best Corporate Report Awards (2016) – ICAP and ICMAP.
- 2018 Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2015-16) for the ninth year consecutively.
- 2018 Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP).
- 2018 ISO 14001: 2015 Certification on Environment Management System.
- 2018 OHSAS 18001:2007 Certification on Occupation Health & Safety Management System.
- 2018 Best Corporate Report Awards (2017) – ICAP and ICMAP.

Performance

at a Glance



Net Sales



Gross Profit



Profit After Tax



Fixed Assets



Total Assets



Net Equity



Earning Per Share



Number of Dealers

Company's Most Significant Resources

The Company's most significant resources include the following:

Human Capital

The Company has human capital with adequate skills and experience, who have been inducted through a formal process. The associates are well versed and educated in respect of their field of work. In addition, the Company arranges various academic and professional courses for its associates including foreign trainings.

Quality of Products

Quality of products is our main strength, which is achieved through quality of people, work and processes. We believe to serve customers through high quality products.

After Sales Service

The Company believes in long term relationship with its customers. To embrace this motive, the Company is highly emphasized to provide after sales service to its customers by increasing after sales service network throughout the country.

Fixed Assets

The Company has Rs.3,591 million of fixed assets as at June 30, 2018, constituting 35.4% of total assets of the Company.

Financial Reserves

The Company has Rs.5,654 million as reserves as at June 30, 2018 depicting positive and healthy financial status.

Shareholders' Value

The shareholders' value is increasing year on year basis which is reflected by healthy return on equity and strong earning per share.

Geographical Presence

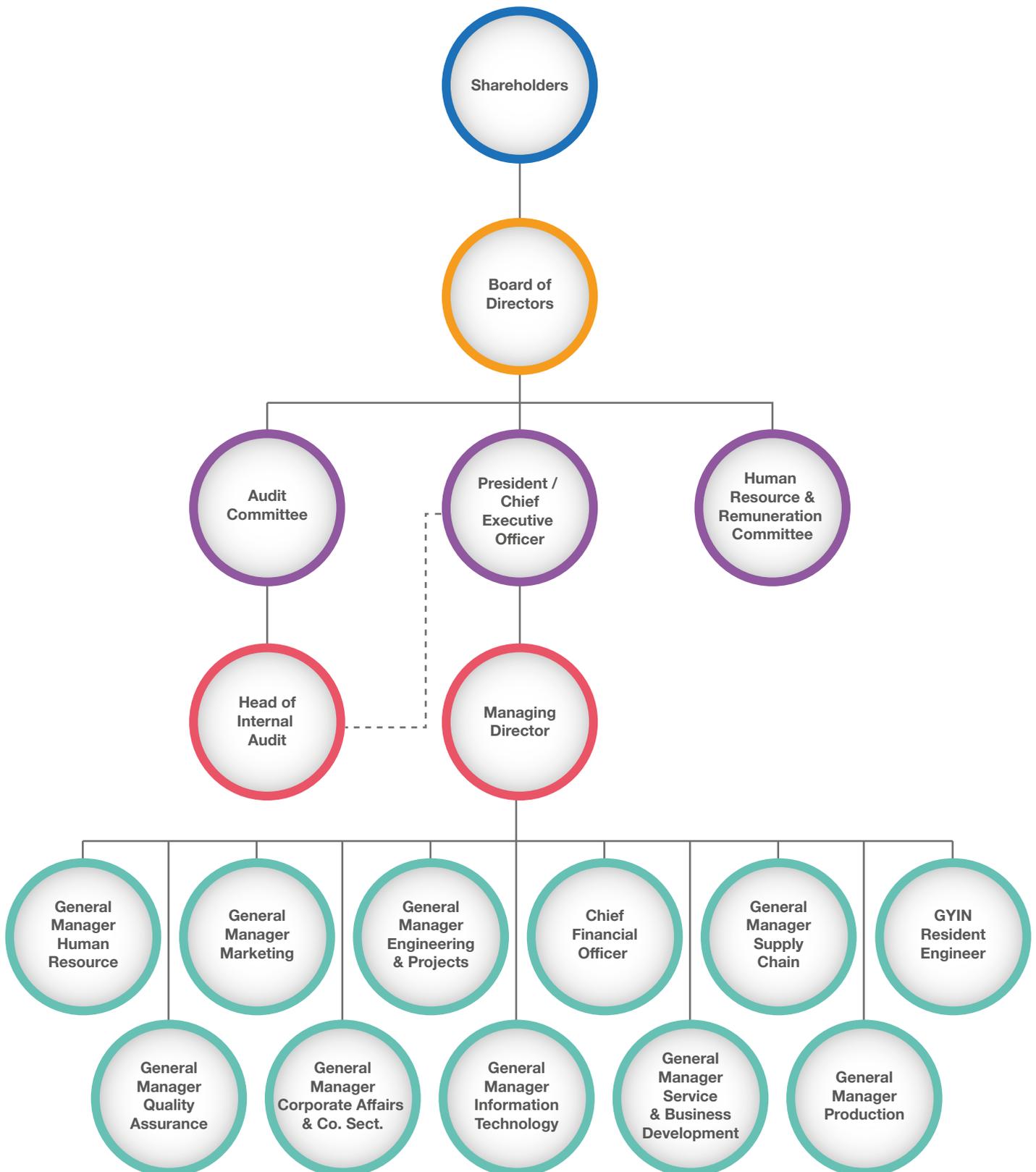


Dealership Network

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

Dealer network profile is available on our website
www.atlasbattery.com.pk

Organization Chart



Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Ariful Islam
Director

Azam Faruque
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Muhammad Iqbal
Company Secretary

Audit Committee

Azam Faruque
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Faiz Ullah Ghazi
Secretary & Head of
Internal Audit

Human Resource and Remuneration Committee

Azam Faruque
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Ahmar Waheed
Secretary



Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Ahmar Waheed
General Manager Human Resource

Mansoor Jamil Khan
General Manager Quality Assurance

Mohsin Khan
General Manager Marketing

Muhammad Iqbal
General Manager Corporate Affairs & Co. Sect.

Nehal Asghar
General Manager Engineering & Projects

Qasim Imran Khan
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer

Malik Nasir Mohyuddin
General Manager Service & Business
Development

Sheikh Adeel-ur-Rehman
General Manager Supply Chain

Tehseen Raza
General Manager Production

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
MUFG Bank Limited
(Formerly The Bank of Tokyo-Mitsubishi UFJ,
Limited) United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited,
Karachi Chambers, Hasrat Mohani Road,
Karachi.

Tel: (021) 32424826 & 32412754

Fax: (021) 32424835

E-mail: shares@hmaconsultants.com.pk

Registered Office & Factory

D-181, Central Avenue, S.I.T.E., Karachi-75730

Tel: (021) 32567990-94 Fax: (021) 32564703

Karachi Office

4-C, Khayaban-e-Tanzeem, Touheed
Commercial, Phave V, D.H.A., Karachi

Tel: (021) 35877911-15 Fax: (021) 35877916

Sukkur Office

F-33/4, Barrage Colony, Workshop Road,
Sukkur

Tel: (071) 5612532 Fax: (071) 5612532

Lahore Office

Plaza No. 68/1, XX-Block, Khayaban-e-Iqbal,
Phase 3, D.H.A, Lahore

Tel: (042) 37186388-90 Fax: (042) 37186391

Faisalabad Office

54-Chenab Market, Madina Town, Faisalabad

Tel: (041) 8713127 Fax: (041) 8726628

Multan Office

Azmat Wasti Road, Chowk Dera Adda,
Multan-60000

Tel: (061) 4548017

Peshawar Office

Ground Floor, Zeenat Plaza, Near General Bus
Stand, G.T. Road, Peshawar

Tel: (091) 2262485

Islamabad Office

Plot No.784/785, Islamabad Corporate Center,
Golra Road, Islamabad.

Tel: (051) 5495638 & (051) 5495788

Rahim Yar Khan

Makhdoom Altaf Road, West Sadiq Canal
Bank, Near City School, Raheem Yar Khan.

Tel: (068) 5883419

Sahiwal Office

Plot No. 449-1, Main GT Road, Near
Pak-Patten Chowk Sahiwal

Tel: (040) 4400545 & (040) 4400445

Company Website

www.atlasbattery.com.pk

Email Address

abl@atlasbattery.com.pk



Our Roadmap to Safety

Atlas Battery ensures safety precautions for all employees. Exercises such as Fire Drills, Evacuation Drill and Safety Week awareness sessions are some of the highlights. Workers are given information on various safety sign boards and emergency procedures. Furthermore, the in-house clinic has been re-modernized to accommodate any sudden accidents or emergency hazards.



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at 9:30 a.m. on Thursday, September 27, 2018 at 2nd Floor, Federation House, Sharaf Firdousi, Clifton, Karachi, to transact the following business:

Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 29, 2017.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2018 together with the Chairman's Review, Directors' and Auditors' Reports, thereon.
3. To consider and approve the Cash dividend at the rate of 100% (Rs. 10 per share) for the year ended June 30, 2018 as recommended by the Board of Directors.
4. To appoint auditors and fix their remuneration for the year ending June 30, 2019. The present auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

Special Business:

To consider and, if thought fit, pass with or without modification the following resolutions as Special Resolution:

5. To consider and approve the bonus shares issue @ 40% (2 bonus shares for every 5 shares held) for the year ended June 30, 2018 as recommended by the Board of Directors.
- 5.1 RESOLVED "that a sum of Rs. 69,599,070/- out of Company's profit be capitalized for issuing 6,959,907 fully paid ordinary shares of Rs.10/- each as bonus shares to be allotted to those shareholders of the Company, whose names shall appear in the register of members at the close of business on September 12, 2018 @ 40% in the proportion of 2 ordinary shares of Rs. 10/- each for every 5 ordinary shares held by a shareholder. The said shares shall rank pari passu with the existing shares of the Company as regards future dividend and in all other respects."
- 5.2 FURTHER RESOLVED "that all the fractional bonus shares shall be combined and the Directors be and are hereby authorized to combine and sell the fractional shares so combined in the stock market and pay the proceeds of sales thereof, when realized, to a charitable institution approved under the Income Tax Ordinance, 2001".
- 5.3 FURTHER RESOLVED "that the Directors be and are hereby authorized to give effect to the foregoing resolutions and in this regard to do or cause to be done all acts, deeds and things that may be necessary or required."
6. To consider and if thought fit to pass the following resolution as special resolution with or without modification to amend its Articles of association of the company.
- 6.1 RESOLVED "that the subject to obtaining the requisite approvals, Articles of Association of the Company be and are hereby altered to bring them in conformity with the Companies Act, 2017 and for that purpose, the revised Articles of Association of the Company, as initiated by the CEO for the purpose of identification, be and are hereby adopted as Articles of Association of the Company, in substitution of and to the exclusion of the existing Articles of Association."
- 6.2 FURTHER RESOLVED "that the Secretary of the Company or any one of the Director be and is hereby authorized to take all necessary actions for the purpose to give effect to the above resolution for alteration in the Articles of Association of the Company and make necessary filings and complete legal formalities as may be required to implement the aforesaid resolution.

A statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Business referred to above is annexed to this Notice of Meeting.

Other Business:

7. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



Karachi: September 06, 2018

Company Secretary

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 13, 2018 to September 27, 2018 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi before the close of business on September 12, 2018 will be considered in time for the purpose of entitlement for cash dividend and bonus shares.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company or at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited not less than 48 hours before the time of the meeting. A proxy form is attached in the last portion of this report.
3. Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
4. Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
5. **Submission of CNIC or Passport**

Members are requested to provide by mail or fax, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.

6. **E-Voting Facility**

As per Section 132(2) of the Companies Act, 2017, the Company will provide the video link facility to those member(s) who hold minimum 10% shareholding of the total paid-up capital and resident of city other than Karachi where Company's Annual General Meeting is to be placed, upon request. Such member(s) should submit request in writing to the Company at least seven days before the date of the meeting.

7. **E-Dividend (Mandatory)**

As per Section 242 of Companies Act, 2017, it is mandatory for the public listed companies to pay cash dividend to its shareholders only through electronic mode, directly into bank account designated by the entitled shareholders. Therefore, all shareholders are requested to provide their valid bank account details (if it is not provided earlier) in the "Dividend Mandate Form", attached in the last portion of this report at the earliest. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

8. Unclaimed Dividend

As per provisions of Sub-Section 2 of Section 244 of the Companies Act, 2017, any dividend and / or share certificate which are remained unclaimed or unpaid for a period of three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed / unpaid amounts with the Federal Government.

9. Withholding Tax on Dividend

As per Finance Act, 2017, following rates are prescribed for deduction of withholding tax on payment of cash dividend by the companies:

For filers of income tax returns	15%
For non-filers of income tax returns	20%

The "Filer" is defined as a taxpayer whose name appears in the Active Tax Payers List (ATL) issued by the FBR from time to time.

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 20%, all the shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

For any query / information, the investors may contact the Company and / or the Share Registrar at the following:

Company's Office 4-C, Khayaban-e-Tanzeem, Tauheed Commercial, Phase V, D.H.A, Karachi. Tel: (021) 35877911-15 Fax: (021) 35877916	Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi. Tel: (021) 32424826 & 32412754 Fax: (021) 32424835
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The corporate electronic shareholders having CDC accounts are required to update their National Tax Numbers (NTN) with their respective participants, whereas corporate physical shareholders should send copy of their NTN certificates to the Company or Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote their respective folio numbers, for identification purpose.

In order to enable the Company to follow the directives of regulators to determine shareholding ratio of the Joint shareholder(s) (where shareholding has not been determined by the Principal shareholder) for deduction of withholding tax on the upcoming cash dividend of the Company, shareholders are requested to furnish the shareholding details of the Principal shareholder and the Joint shareholder(s) in the following manner, to the Company's Share Registrar, enabling the Company to compute withholding tax on each shareholder accordingly. In case of non-receipt of the information by September 12, 2018, then each shareholder will be assumed to have equal proportion of shares and the tax will be deducted accordingly.

Folio No. / CDC Account No.	Total No. of Shares	Principal Shareholder		Joint Shareholder(s)	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

10. Annual Audited Accounts through CD / DVD / USB

Pursuant to the SECP Notification vide SRO 470(1)/2016 dated May 31, 2016, the Company in the Extra Ordinary General Meeting held on May 19, 2017, obtained the approval of the shareholders to circulate the annual audited accounts through electronic medium, i.e. through CD / DVD / USB at their registered address instead of transmitting hard copies. Accordingly, the Company has sent its Annual Report 2018 in the form of CD. Financial statements have also been placed on Company's website at www.atlasbattery.com.pk. However, shareholders may request the Company Secretary or share registrar of the Company for transmitting the hard copy of annual audited accounts by filing a 'Standard Request Form' available on Company's website and the same will be provided at his / her registered address, free of cost, within one week of receipt of request.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017:

This statement is annexed to the Notice of the Annual General Meeting of Atlas Battery Limited to be held on September 27, 2018 at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

ITEM NO. 5 OF THE AGENDA

The Board of Directors has recommended to the members of the Company to declare dividend by way of issue of fully paid bonus shares @ 40% for the year ended June 30, 2018 and thereby capitalize a sum of Rs. 69,599,070/-. The Directors have also recommended that all the fractional bonus shares shall be combined and the Directors be authorized to combine and sell the fractional shares so combined in the stock market and pay the proceeds of sales thereof when realized to a charitable institution approved under the Income Tax Ordinance, 2001.

The Directors are not interested in this business except as shareholders of the Company.

ITEM NO. 6 OF THE AGENDA

In the light of the Companies Act, 2017, the changes are being proposed in the Articles of Association of the Company to bring them in conformity with the Companies Act, 2017.

Soft copy of the comparative statement of proposed amendments is being sent to the members alongwith This Notice.

The Directors are not interested in this business except as shareholders of the Company.

Information for Shareholders

Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730
Tel: (021) 32567990-4
Fax: (021) 32564703

Share Registrar

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

Listing on Stock Exchanges

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

Listing Fee

The annual listing fee for the financial year 2017-18 has been paid within the prescribed time limit.

Stock Symbol

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

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) regulations and the listing requirements.

Share Transfer System

Share transfers received by the Company's Share Registrar are registered within 15 days from the date of receipt, provided the documents are completed in all respects.

Dividend Announcement

The Board of Directors of the Company has proposed a Final Cash Dividend of Rs. 10/- each and Bonus Shares

@ 40% for the year ended June 30, 2018, subject to the approval by the shareholders of the Company at the Annual General Meeting.

Dividend paid for the previous year ended June 30, 2017 was Cash Dividend of Rs.35.00 per share (350%). No Bonus Shares were issued during the year ended June 30, 2017.

Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2018 to September 27, 2018 (both days inclusive).

Dividend Remittance

Dividend declared and approved at the Annual General Meeting will be paid within the statutory time limit of 15 working days from the date of declaration.

(i) For shares held in physical form

To shareholders whose names appear in the members register of the Company after entertaining all requests for transfer of shares lodged with the Company by September 12, 2018 subject to availability of copy of CNIC and valid bank account details for E-dividend.

(ii) For shares held in electronic form

To shareholders whose names appear in the statement of beneficial ownership furnished by CDC at end of business on September 12, 2018 subject to availability of valid bank account details for E-dividend.

Withholding of Tax & Zakat on Dividend

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company, wherever applicable.

Zakat is also deductible at source from the dividend amount at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have submitted an undertaking for non-deduction.

Copy of Computerized National Identification Number – CNIC or National Tax Number – NTN

The shareholders are informed that as per sub Clause 9(i) of Regulation 4 of Companies (Distribution of Dividends) Regulations 2017, the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide copy of their Computerized National Identity Card (in case of individual) or National Tax Number (in case of other than individual) or Passport (in case of foreign individual) shareholder.

The shareholders are requested to provide the above documents by mail to the Company Secretary, unless it has already been provided. The members while sending above documents must quote their respective folio number. Shareholders are also requested to immediately notify the change of address, if any.

Dividend Mandate (Mandatory)

As per Section 242 of Companies Act, 2017 the payment of cash dividend through electronic mode has become mandatory. Therefore, all shareholders are advised to provide valid bank account details (if it is not provided earlier) in the “Dividend Mandate Form”, attached in the last portion of this report, enable the Company to transfer your cash dividend into your bank account. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

Electronic Certificate of Dividend

As per Section 242 of the Companies Act, 2017 together read with sub Clause 9 of Regulation 4 of Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividends to its shareholders only through electronic mode (i.e. transferring into the designated bank account of eligible shareholders) and an electronic certificate showing calculation of dividend amount including number of shares held, total amount, tax and zakat deductions and net amount credited into the designated bank account of the eligible shareholder, shall also be made available to shareholders.

Shareholders are hereby informed that SECP vide its letter No. EMD/MISC/D-II/2009- 1369 dated May 07, 2018 directed Central Depository Company of Pakistan Limited (CDC) to instruct the issuers to manually send the counterfoil information of the first dividend declared and paid by the Company. These counterfoils information shall be send to the registered address of the shareholders of the Company for the year under review only.

Annual General Meetings

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

Proxies

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another member as his / her proxy to attend and vote on his / her behalf. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who ought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be submitted at the registered office of the Company not less than forty eight hours before the meeting.

Website

Updated information regarding the Company can be accessed at www.atlasbattery.com.pk. The website contains latest financial results of the Company together with Company's profile and product range, etc.

Nature of Business

Industry

The Company is involved in manufacturing and marketing of automotive, motorcycle and industrial batteries for domestic and international market and falls in the category of automobiles parts and accessories industry.

Markets

The Company serves various segments including Original Equipment Manufacturers (OEMs), domestic appliances, industrial equipment and second hand transportation market through a wide range of dealers' network. Major usage of batteries includes vehicles, motorcycles, heavy vehicles including tractors, buses, UPS – Uninterrupted Power Supply units, Solar Panels and Gensets etc.

Legal Framework

The Company is incorporated under the Companies Act, 2017 (formerly: Companies Ordinance, 1984). It is listed on Pakistan Stock Exchange Limited (PSX) under the listing regulations. The Company adheres to all laws and regulations, as applicable in Pakistan.

Products and their Applications

The Company is specialized in manufacturing of automotive, motorcycle and industrial batteries. The Company's products are mainly categorized in light, medium and heavy batteries for automotive, motorcycle batteries and distill water. The detailed application of product types and their applications are enlisted in "Others" section of this report.

International Certifications

Standard	Description	Certified By	Certified Since
ISO 9001:2015	Quality Management System	Bureau Veritas	2017
ISO 14001: 2015	Environment Management System	Bureau Veritas	2018
OHSAS 18001:2007	Occupation Health & Safety Management System	Bureau Veritas	2018

Brands

- Atlas
- AGS

Capital Structure

The paid-up capital of the Company stands at Rs.174.0 million represented by 17.40 million shares of Rs.10/- each. The balance sheet footing stands at Rs.10.1 billion and net worth of Rs.5.5billion.

The Company is a subsidiary of Shirazi Investments (Private) Limited who hold 58.86% shareholding after merger of Shirazi Capital (Private) Limited and Shirazi (Private) Limited with and into Shirazi Investments (Private) Limited. Another major shareholder of the Company is GS Yuasa International Limited – Japan by having 15.00% shareholding.

Market Capitalization, Share Price and Volume

Atlas Battery share reached at a record high of Rs.890 on July 04, 2017 at Pakistan Stock Exchange Limited (PSX). The market capitalization at that instant was Rs. 15.49 billion.

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Pakistan Stock Exchange Limited (PSX) during the financial year ended June 30, 2018.

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of shares traded	Market Capitalization in Value* (Rs. in bln)
Jul 17	890.00	780.01	790.00	24,200	15.49
Aug 17	820.00	745.00	820.00	10,200	14.27
Sep 17	810.00	680.00	709.01	29,250	14.09
Oct 17	710.00	543.50	551.64	46,250	12.35
Nov 17	599.80	514.20	540.06	19,900	10.44
Dec 17	535.00	461.00	484.17	38,050	9.31
Jan 18	525.99	475.00	480.75	63,500	9.15
Feb 18	497.50	373.37	373.88	70,450	8.66
Mar 18	420.00	370.00	402.65	108,350	7.31
Apr 18	471.54	395.00	464.21	138,250	8.20
May 18	484.90	413.00	413.06	43,600	8.44
Jun 18	435.00	370.00	410.00	48,200	7.57
Year	890.00	370.00	410.00	640,200	15.49

* Based on highest price



Shares held by Directors / Sponsor / Executives

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

Pattern of Shareholding

As at June 30, 2018

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
662	1	100	20,799	0.12%
346	101	500	96,316	0.55%
155	501	1,000	114,738	0.66%
222	1,001	5,000	481,783	2.77%
49	5,001	10,000	340,734	1.96%
21	10,001	15,000	263,412	1.51%
1	15,001	20,000	16,081	0.09%
2	20,001	25,000	46,266	0.27%
3	25,001	30,000	88,857	0.51%
4	30,001	35,000	129,568	0.74%
2	35,001	40,000	73,700	0.42%
1	40,001	45,000	40,648	0.23%
2	55,001	60,000	117,083	0.67%
1	60,001	65,000	62,208	0.36%
1	75,001	80,000	72,500	0.42%
1	95,001	100,000	98,300	0.56%
2	105,001	110,000	216,152	1.24%
1	110,001	115,000	110,150	0.63%
2	240,001	245,000	483,616	2.78%
1	300,001	305,000	303,420	1.74%
1	315,001	320,000	319,872	1.84%
1	325,001	330,000	325,522	1.87%
1	355,001	360,000	359,074	2.06%
1	365,001	370,000	367,300	2.11%
1	2,605,001	2,610,000	2,609,947	15.00%
1	10,240,001	10,250,000	10,241,723	58.86%
<u>1,485</u>			<u>17,399,769</u>	<u>100.00%</u>

The slabs representing nil holding have been omitted.

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, Chief Executive and their spouse and minor children	7	2,515	0.01%
Associated companies, undertakings & related parties (Note 1)	4	13,474,962	77.44%
NIT and ICP	5	4,453	0.03%
Banks, DFIs & NBFCs	6	119,685	0.69%
Insurance Companies	4	377,978	2.17%
Modarabas and Mutual Funds	4	61,800	0.36%
Public Sector Companies & Corporations	1	240,566	1.39%
General Public			
Local	1,430	2,685,545	15.43%
Foreign	-	-	0.00%
Others:			
Joint Stock Companies	22	428,784	2.46%
Trustee of Iftikhar Shirazi Family Trust	1	1	0.00%
Trustees Al-Bader Welfare Trust	1	3,480	0.02%
	<u>1,485</u>	<u>17,399,769</u>	<u>100.00%</u>

Note:

1. Following shareholders are shown under Associated Companies category:

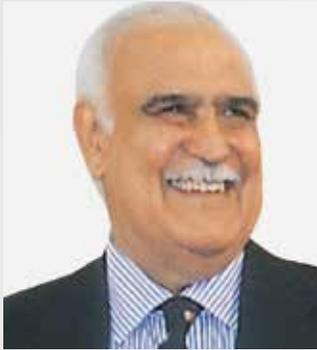
Atlas Foundation	319,872	1.84%
Atlas Insurance Limited	303,420	1.74%
GS Yuasa International Limited - Japan	2,609,947	15.00%
Shirazi Investments (Private) Limited	10,241,723	58.86%

Pattern of Shareholding as at June 30, 2018

Information required under the Code of Corporate Governance

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, Chief Executive and their spouse and minor children			
Mr. Yusuf H. Shirazi & Mrs. Khawar S. Shirazi	1	1	-
Mr. Ariful Islam	1	2,500	0.01%
Mr. Azam Faruque	1	10	-
Mr. Bashir Makki	1	1	-
Mr. Frahim Ali Khan	1	1	-
Mr. Toru Furuya	1	1	-
Mr. Ali H. Shirazi	1	1	-
	7	2,515	0.01%
Associated Companies, Undertakings and Related Parties			
Atlas Foundation	1	319,872	1.84%
Atlas Insurance Limited	1	303,420	1.74%
GS Yuasa International Limited - Japan	1	2,609,947	15.00%
Shirazi Investments (Private) Limited	1	10,241,723	58.86%
	4	13,474,962	77.44%
NIT and ICP			
Investment Corporation of Pakistan	4	1,534	0.01%
IDBL - (ICP Unit)	1	2,919	0.02%
	5	4,453	0.03%
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarabas and Mutual Funds			
	10	497,663	2.86%
Mutual Funds			
AFC Umbrella Fund	1	38,500	0.22%
CDC-Trustee Alhamra Islamic Pension Fund - Equity Sub Fund	1	10,400	0.06%
CDC-Trustee Pakistan Islamic Pension Fund - Equity Sub Fund	1	12,700	0.07%
First Al-Noor Modaraba	1	200	-
	4	61,800	0.35%
Public Sector Companies & Corporations			
State Life Insurance Corporation of Pakistan	1	240,566	1.38%
General Public	1,430	2,685,545	15.44%
Others	24	432,265	2.48%
	<u>1,485</u>	<u>17,399,769</u>	<u>100.00%</u>
Shareholders holding 5% or more voting interest			
GS Yuasa International Limited - Japan	1	2,609,947	15.00%
Shirazi Investments (Private) Limited	1	10,241,723	58.86%

Board of Directors



Mr. Yusuf H. Shirazi
Chairman

Mr. Shirazi is a Law graduate (LLB) with BA (Hons.) and JD (Diploma in Journalism) from Punjab University with role of Honour and AMP Harvard. He served in the financial services of the Central Superior Services of Pakistan for eight years where he authored 50 reports as to how the businesses are carried and tax assessed. He was an instructor in the Finance Services Academy on Law and Accounts. He is the author of seven books including "Aid or Trade" adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on matters – socio – politico – economic.

Mr. Shirazi is the Chairman of Atlas Group, which, among others, has joint ventures with GS Yuasa International, Honda, and MAN to name a few. Mr. Shirazi has been the President of Karachi Chamber of Commerce and Industry for two terms. He has been the founder member of Karachi Stock Exchange, Lahore Stock Exchange and International Chamber of Commerce and Industry. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been a visiting faculty member at National Defense University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College (Chartered University) and Pakistan Institute of Management. Previously, he also served, among others, on the Board of Fauji Foundation, Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology – Space & Upper Atmosphere Research Commission (SUPARCO).

Mr. Shirazi has been awarded Sitara-e-Eisaar and Sitara-e-Imtiaz the top Civilian Awards. Sitara-e-Imtiaz conferred by the Government of Pakistan recognizes individuals who have made an "especially meritorious contribution to the security or national interests of Pakistan, world peace, cultural or other significant public endeavors". Sitara-e-Eisaar Award is in recognition of CSR activities in Pakistan. A distinguished Formanite Award for outstanding achievements as an entrepreneur was awarded by Forman Christian College – University Lahore.

The Government of Japan also acknowledged Mr. Shirazi's contributions to promote economic relationship between the two countries by conferring the Japanese National Award.



Mr. Ariful Islam
Director

Mr. Ariful Islam is a senior banker with over 33 years of experience with various banks in Bahrain and Pakistan. He qualified as a Chartered Accountant from the Institute of Chartered Accountants in England and Wales. He is also a Fellow member of the Institute of Chartered Accountants in Pakistan. He has worked with KPMG (formerly Peat Marwick Mitchell & Co.) prior to his banking career.

Mr. Islam joined Meezan Bank in 1999 as its first Chief Operating Officer and is presently the Deputy CEO & Executive Director of the Bank. He is also the Chairman of the Board of Pakistan's leading Asset Management Company, Al Meezan Investment Management Limited, the largest Shariah compliant mutual fund in the country.



Mr. Azam Faruque
Director

Mr. Azam Faruque is a graduate in Electrical Engineering and Computer Sciences from the Princeton University, U.S.A. and an MBA (High Honours) from the University of Chicago, Booth School of Business, U.S.A. He is the Chief Executive of Cherat Cement Company Limited. He has served as a member on the Boards of the State Bank of Pakistan, National Bank of Pakistan, Oil & Gas Development Company Limited, Privatization Commission of Pakistan, and on the Board of Governors of the GIK Institute. He was also a member of the National Commission of Science and Technology. Presently, he is on the Board of Directors of Faruque (Private) Limited, Greaves Pakistan (Private) Limited, Indus Motor Company Limited, International Industries Limited and Madian Hydro Power Limited. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Bashir Makki
Director

Mr. Bashir Makki is an MBA from IBA, Karachi and has over 36 years of corporate management experience. He formerly worked with ICI Pakistan Limited for 22 years, which also included 2 years of secondment with ICI Malaysia Holdings.

He is a member of the Group's Executive Committee and holds the position of Group Director for Human Resources & HSE. Additionally, he also oversees the Trading Company's operations.

Mr. Makki is a certified trainer and has over the years conducted several organizational development programs. He has also attended executive development programs at Harvard Business School, U.S.A. and Ashridge College in the U.K. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Frahim Ali Khan
Director

Mr. Frahim Ali Khan is a Law graduate from Karachi University. He has also attended Senior Managers' Program at Harvard University, USA, Financial Management Program at Stanford University, USA and General Management Program at Insead University, France.

He has over 50 years of experience in General Management, Finance, Investment and Taxation. He joined the Atlas Group in 1967 and has served in different positions. Currently, his other directorships include Atlas Insurance Limited, Atlas Asset Management Limited, Atlas Engineering Limited, Atlas Power Limited, Atlas Energy Limited, Atlas Hitec (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Shirazi Trading Company (Private) Limited and Atlas Foundation.. Earlier, he has also served on the boards of Atlas Honda Limited and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited, Atlas Asset Management Limited and former Atlas Investment Bank Limited.



Mr. Toru Furuya
Director

Mr. Toru Furuya specializes in chemistry and has a career working at battery design, quality assurance and quality control departments in Japan. He has also experience working at PT. Trimitra Baterai Prakasa (TBP), one of the affiliate companies of GS Yuasa International Limited in Indonesia. He is a 'Certified Director' from the University of Lahore.



Mr. Ali H. Shirazi
President / Chief Executive

Mr. Ali H. Shirazi graduated with a BA from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is member of the Group Executive Committee, responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Engineering Limited, Atlas Insurance Limited, Atlas Metals (Private) Limited, Pakistan Society of Training and Development (President), YPO (Young Professional Organization) and Techlogix International Limited. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

Major Events during the Year

July 2017

- Annual Sales Conference 2016-17 was held on July 01, 2017 at Karachi.

August 2017

- Board of Directors in its meeting held on August 28, 2017 approved the audited annual accounts for the year ended June 30, 2017 and recommended a Final Cash Dividend @ 350% (Rs.35.00 per share) for the year ended June 30, 2017.
- Won the ICAP & ICMAP's Best Corporate Report Awards 2016 with Joint 1st Position in Engineering & Auto Sector on August 25, 2017.

September 2017

- Annual General Meeting was held on September 29, 2017 where audited annual financial statements and cash dividend for the year ended June 30, 2017, were approved by the shareholders along with appointment of external auditors, M/s. ShineWing Hameed Chaudhri & Co. for the year ending 2018.

October 2017

- Meeting of Board of Directors was held on October 23, 2017 to consider and approve the quarterly accounts for the quarter ended September 30, 2017.
- Second stage audit of IMS and OHSAS was completed for all locations in Karachi.

February 2018

- Meeting of Board of Directors was held on February 22, 2018 to consider and approve the half yearly accounts for the half year ended December 31, 2017.
- Company awarded with "Certificate of Excellence" by the Management Association of Pakistan.

March 2018

- MD and GMS&BD visited Munich, Germany, from March 23-29, 2018 to attend Pak Suzuki vendor conference.

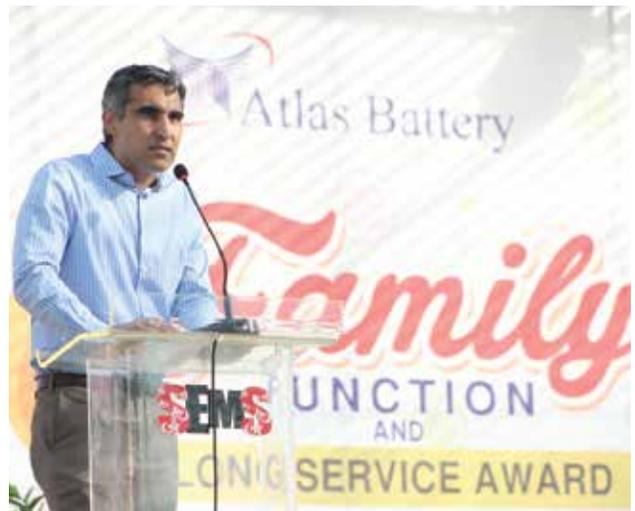
April 2018

- Meeting of Board of Directors was held on April 26, 2018 to consider and approve the quarterly accounts for the period ended March 31, 2018.
- To acknowledge the loyalty and dedication of our employees/associates, Family Function and Long Service Award Ceremony was organized on April 14, 2018 at PAF Museum. Awards Distribution Ceremony was followed by a family gala including several fun activities for children, dinner and musical night.

June 2018

- Meeting of Board of Directors was held on June 21, 2018 to consider and approve the annual budget for FY 2018-19.

Major Events during the Year



Media Gallery

Advertisement

TVC

- TVC of Atlas Battery went on-air on major TV channels.
- Sparkistan song went on-air on leading news and entertainment channels on Independence Day from August 11 to 14, 2017.
- Pakistan Day campaign of Sparkistan II went on-air on major TV Channels from March 21 to 23, 2018.
- AGS TVC was aired on Ten Sports during the complete Pakistan vs. Srilanka and Pakistan vs. West Indies cricket series as part of media sponsorship.

Radio Shots

- AGS and Atlas Hybrid radio advertisements were aired on all major radio channels.
- Sparkistan song was aired on major radio channels on Independence Day from August 11 to 14, 2017.
- Pakistan Day campaign of Sparkistan II was aired on radio channels from March 21 to 23, 2018.

Sponsorships and live programs

- Sponsored brand activation and free battery check-up campaign at Pakwheels Auto show in all major cities of the country throughout the year.
- Brand activation and free battery check-up activity conducted during road shows all across the county.
- Event sponsorship of Special Olympics Pakistan CSR event held on February 18, 2018.
- Comprehensive video tutorials on functioning and maintenance of battery were uploaded on social media and YouTube Channel.
- Event sponsorship of Annual Learning Conference organized by Pakistan Society for Training and Development (PTSD).
- Corporate Social Responsibility (CSR) Campaign, 'Bring Them Back' was carried out in the month of Ramadan.
- On-ground activation was also carried out in old age homes and orphanages in which a total of 14 old age homes and 2 orphanages were visited across Karachi, Lahore, and Islamabad. Gifts were distributed among the residents and iftar was arranged for them.

Print Media

- Ear Panel Ads promoting all brands were published on weekly basis in 7 Newspapers.
- Color Advertisement in sports section of "Jang" and "The News" was published every week.

Media Gallery

Model Shops

- During the year, the Company built 81 model shops throughout country with a view to standardize all dealer shops. Chief Executive Officer honored the inauguration ceremony of various model shops.

Consumer Awareness Program

- After Sales team carried out various training and preventive maintenance programs throughout the year in all major cities of the country. During the programs, numerous dealers, retailers, technicians of OEMs and end users were in attendance.

Others

- 2018 calendars were distributed nationwide.
- Ramadan schedule calendars were distributed nationwide.
- Newly designed shop boards were installed at dealers' shops nationwide.
- Sparkistan digital campaign continued across all digital platforms of the Company.

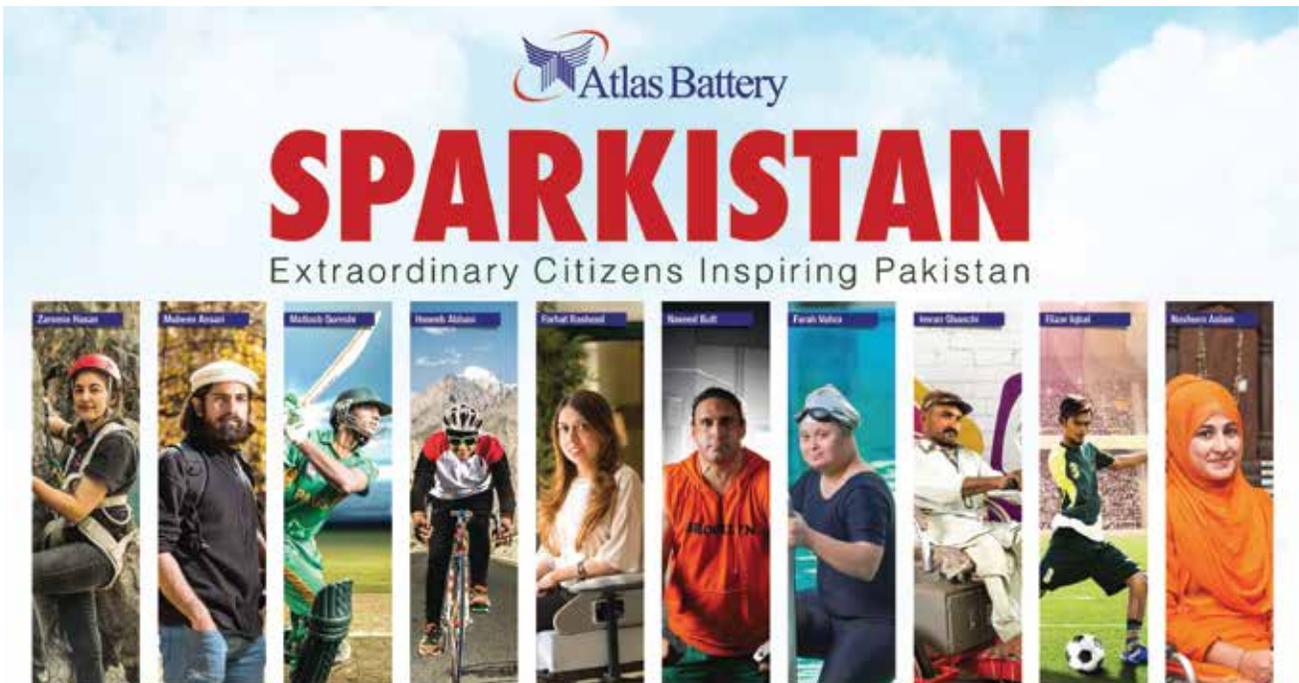
Financial Calendar

The Company's financial year starts on July 01 and ends on June 30 of subsequent year.

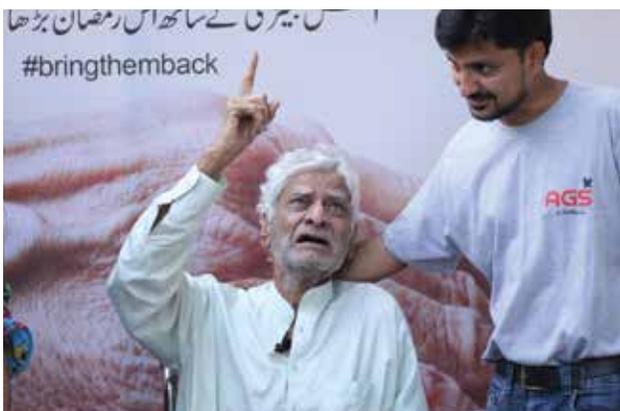
Financial results will be announced as per the following tentative schedule:

Annual General Meeting	Last week of September, 2018
1st quarter ending September 30, 2018	Last week of October, 2018
Half year ending December 31, 2018	Last week of February, 2019
3rd quarter ending March 31, 2019	Last week of April, 2019
Year ending June 30, 2019	Last week of August, 2019

Media Gallery



Media Gallery



Business Model

We act legally and ethically. Moreover, we focus on delivering on a defined Vision and Mission statements. The Atlas Way is our ethos and ensures sustainable business success while winning the trust and confidence of all stakeholders.

Atlas Culture

- Corporate Governance
- Respect, Recognition and Reward (3Rs)
- Recruitment and career advancement based on integrity, merit, experience and skills
- Education and training of staff and descendants
- Self-reliance
- Leading by example
- Humility and excellence
- Living with one's means, saving for the future and donating for good cause
- To be happy and healthy

Atlas Systems

- Management by Objectives (MBO) to align activities agreed Company goals
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company
- Inducting and retaining competent and skilled staff – right man for the right job
- Using BCG model for strategic direction
- Creating value through implementation of internal controls (SOPs and policy manuals)
- Management development to produce performers, organization builders and strategists
- Active participation in management meetings for continuous performance improvement
- Ensuring accuracy and control performance improvement
- Ensuring accuracy and control of information / data through efficient MIS
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention.

Good Governance

We are committed to act ethically and promote corporate culture from top to bottom for every associate. We encourage honesty and professionalism in our acts to provide long-term benefits to all stakeholders as a group as well as individually.

Strengthen customer relationships

We believe in strong customer relationships by ensuring quality of product, quality of management, quality of network, product innovation and after sales service. Simplified claim settlement is also integral to the Company's vision to win and build long term co-operation with customers.

Customers' interaction development

Our major customers are companies and dealers within the transportation or genset industries. The reliability and productivity of the products are important and in many cases crucial to the customers' business operations. An expansive and effective Sales and Service network along with customers' education are of vital importance for the Company.

The ultimate goal of the Company is, to be regarded as number one in customer satisfaction, in terms of both quality products and superior services.

A high-performing organization - committed associates

The Company's vision is to become a leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international markets. A deciding factor in fulfilling this vision is our associates' knowledge and skills. The Company is committed to investing, training, educating and motivating people. Our support to educational initiatives stems from the idea of strengthening individuals, families and ultimately society through better provision of education.

Attracting and retaining competence

The Company's aim is to offer challenging opportunities and unique company culture that helps us attract and retain the best people. By engaging associates, who are willing to take an active part in the Company's development and future, the Company will succeed in pursuing its strategies.

Succession Planning

The Company ensures implementation of succession planning. This is done by development of successors for all key positions across the organization.

Trainings and Academic Partner Program

The Company is involved in a comprehensive series of programs with academic institutions to educate and train associates. On job trainings and technical trainings are given strong emphasis. One such example is the Diploma Program conducted by Institute of Business Administration (IBA) exclusively for Atlas Group associates.

The cooperation with universities is also important for creating relationships with students and potential associates to secure access to future competence.



Developing talents

Every manager is responsible for assessing and developing talent in the organization by encouraging creativity and independence among our associates.

A career development program is operated by Company on the basis of a consistent Performance Management Review Process. It provides the Company with a structured approach to nurturing talent for management and leadership roles.



State of Art Information Technology Infrastructure

The company enjoys state of the art information technology infrastructure to meet the growing needs of the business. This includes innovations and improvements in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, etc.). We are also aligning business and IT to attain full benefit in a significant and persistent way for data management through ERP and striving for a paperless environment. Further, we are focused on **B2C (Business to Customer)** system, **Business Continuity Plan (BCP)**, **Business Process Reengineering (BPR)** and **B2B (Business to Business)** system, IT Security and Safety, HCM Cloud and superior Communication environment.



The Company has successfully implemented material resource planning (MRP) module of Oracle EBS. Developing a comprehensive dashboard of management information system (MIS) comprising of operational and non-operational divisional reporting is in progress.



Driving by nature

Atlas Battery ensures care for the surroundings it operates in. A greenbelt has been made in the vicinity by planting trees to combat climate change. The Company invests in proper hygiene through dust removal and spot cooling. Air ventilation and circulation system in the plants have also been improved.

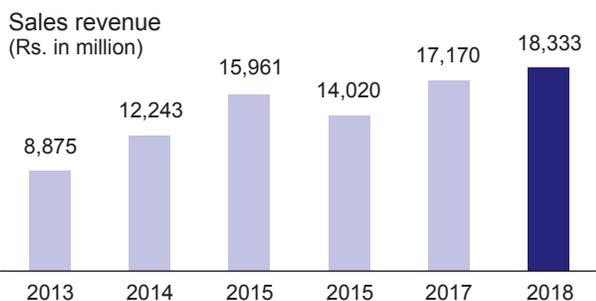


Financial Highlights

Sales	18,332,861	17,169,908	6.8%	+
Gross Profit	2,002,378	2,964,472	-32.5%	-
Operating Profit	949,941	2,133,367	-55.5%	-
Profit before Tax	832,096	2,065,197	-59.7%	-
Profit after Tax	590,594	1,476,626	-60.0%	-
Earnings Per Share - Basic & Diluted (Rupees)	33.94	84.86	-60.0%	-
Shareholders' Equity including Revaluation Reserve	5,654,691	5,678,846	-0.4%	-
Book value per share (Rupees)	325	326	-0.4%	-
Property, Plant & Equipment	3,591,257	3,158,027	13.7%	+

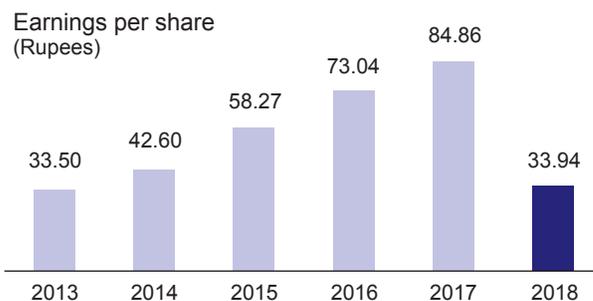
	---- (Rupees in '000) ----			
	2018	2017	%	+/-
Sales	18,332,861	17,169,908	6.8%	+
Gross Profit	2,002,378	2,964,472	-32.5%	-
Operating Profit	949,941	2,133,367	-55.5%	-
Profit before Tax	832,096	2,065,197	-59.7%	-
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Business Growth

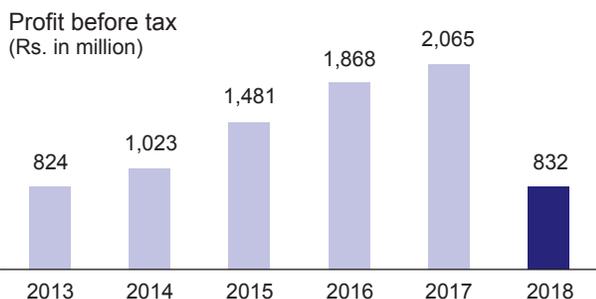


NSV CAGR over 6 years 15.6%

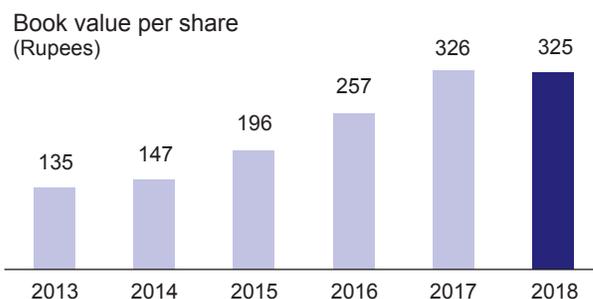
Shareholder Value Accretion



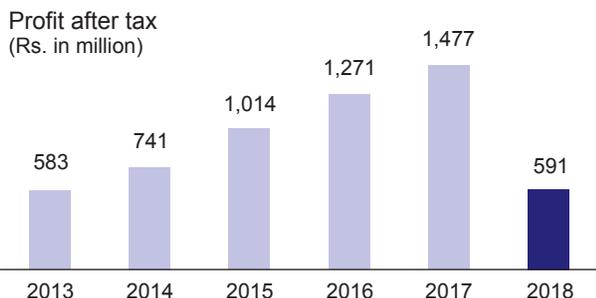
EPS CAGR over 6 years 0.3%



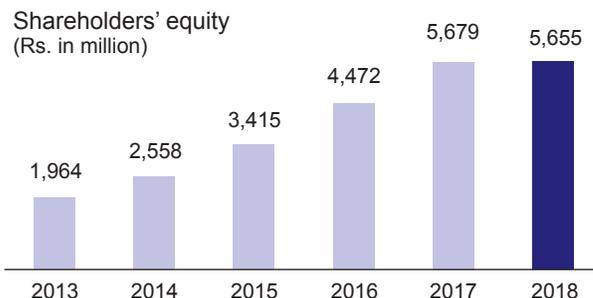
PBT CAGR over 6 years 0.2%



BV CAGR over 6 years 19.1%



CAGR over 6 years 0.3%

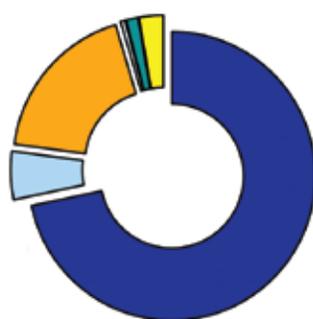


CAGR over 6 years 23.6%

Statement of Value Addition

	Year ended June 30			
	2018		2017	
	(Rs. in '000)	% age	(Rs. in '000)	% age
Wealth Generated:				
Sales including Sales Tax	21,997,157	99.7	20,574,472	98.8
Other Income	73,988	0.3	249,161	1.2
	<u>22,071,145</u>	<u>100.0</u>	<u>20,823,633</u>	<u>100.0</u>
Wealth distributed:				
Cost of Material & Services	15,834,580	71.7	13,657,296	65.5
To Employees				
Salaries & other related costs	1,189,369	5.4	1,146,765	5.5
To Government				
Taxes	3,962,240	18.0	4,050,609	19.5
Workers' Profit Participation Fund	44,632	0.2	110,424	0.5
Workers' Welfare Fund	15,918	0.1	32,853	0.2
	4,022,790	18.3	4,193,886	20.2
To Providers of Capital				
Dividend to Shareholders	173,998	0.8	608,992	2.9
Finance Cost	117,845	0.5	68,170	0.3
	291,843	1.3	677,162	3.2
To Society				
Donation	20,652	0.1	18,682	0.1
Retained in the Business				
For replacement of Fixed Assets:				
Depreciation & Amortization	295,315	1.3	262,208	1.3
To provide for Growth: Retained Profit	416,596	1.9	867,634	4.2
	711,911	3.2	1,129,842	5.5
	<u>22,071,145</u>	<u>100.0</u>	<u>20,823,633</u>	<u>100.0</u>

2018



2017



Analysis of Financial Statements

Balance Sheet

(Rupees in '000)

PARTICULARS	2018	2017	2016	2015	2014	2013
Non Current Assets						
Property, plant and equipment	3,591,257	3,158,027	2,672,742	1,994,955	1,416,705	1,155,854
Intangible assets	1,002	1,467	4,883	10,743	1,117	1,736
Long term loans	1,759	1,303	1,152	1,103	1,227	657
Long term deposits	20,401	16,777	14,647	13,777	13,916	10,555
Total non current assets	3,614,419	3,177,574	2,693,424	2,020,578	1,432,965	1,168,802
Current Assets						
Stores, spares and loose tools	218,914	191,896	182,314	110,788	88,665	57,818
Stock-in-trade	2,689,010	1,706,859	1,889,810	1,608,783	2,551,256	1,477,258
Trade debts	1,754,311	364,642	119,477	131,810	142,345	79,987
Loans and advances	13,835	5,234	5,561	27,727	25,875	3,497
Deposits and prepayments	16,890	18,231	6,457	11,361	6,416	6,446
Investments	861,921	2,464,851	1,558,861	918,737	824,925	711,544
Other receivables	6,685	3,893	8,840	8,913	11,398	4,121
Sales tax receivable - net	31,739	-	-	-	-	-
Taxation - net	547,349	349,166	196,036	481,100	237,060	94,615
Cash and bank balances	381,180	14,873	45,257	78,318	6,089	33,055
Total current assets	6,521,834	5,119,645	4,012,613	3,377,537	3,894,029	2,468,341
Total Assets	10,136,253	8,297,219	6,706,037	5,398,115	5,326,994	3,637,143
Equity and Liabilities						
Share Capital and Reserves						
Share capital	173,998	173,998	173,998	173,998	173,998	144,998
General reserve	4,697,500	3,827,500	2,827,500	2,027,500	1,477,500	1,067,500
Unappropriated profit	589,307	1,483,462	1,276,794	1,019,277	733,068	577,244
Surplus on revaluation of leasehold land	5,460,805	5,484,960	4,278,292	3,220,775	2,384,566	1,789,742
	193,886	193,886	193,886	193,886	173,786	173,786
Total equity	5,654,691	5,678,846	4,472,178	3,414,661	2,558,352	1,963,528
Non Current Liabilities						
Staff retirement benefits	72,813	79,868	65,359	60,226	49,741	45,825
Deferred taxation	251,028	254,932	216,880	208,181	161,015	146,945
Total non current liabilities	323,841	334,800	282,239	268,407	210,756	192,770
Current Liabilities						
Trade and other payables	1,643,053	1,305,112	1,172,431	893,670	846,937	790,211
Sales tax payable - net	-	65,270	18,057	86,647	55,319	53,488
Accrued mark-up	20,259	4,623	4,392	8,384	19,729	11,110
Short term borrowings	2,459,687	882,770	735,989	709,763	1,622,491	616,691
Unclaimed dividend	34,722	25,798	20,751	16,583	13,410	9,345
Total current liabilities	4,157,721	2,283,573	1,951,620	1,715,047	2,557,886	1,480,845
Total Equity and Liabilities	10,136,253	8,297,219	6,706,037	5,398,115	5,326,994	3,637,143

Analysis of Financial Statements

Balance Sheet

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2018	2017	2016	2015	2014	2013	2018/ 2017	2017/ 2016	2016/ 2015	2015/ 2014	2014/ 2013
	----- Percentage -----						----- Percentage -----				
Non Current Assets											
Property, plant and equipment	35.4	38.1	39.9	37.0	26.6	31.8	13.7	18.2	34.0	40.8	22.6
Intangible assets	-	-	0.1	0.2	-	-	(31.7)	(70.0)	(54.5)	861.8	(35.7)
Long term loans	-	-	-	-	-	-	35.0	13.1	4.4	(10.1)	86.8
Long term deposits	0.2	0.2	0.2	0.3	0.3	0.3	21.6	14.5	6.3	(1.0)	31.8
Total non current assets	35.6	38.3	40.2	37.5	26.9	32.1	13.7	18.0	33.3	41.0	22.6
Current Assets											
Stores, spares and loose tools	2.2	2.3	2.7	2.1	1.7	1.6	14.1	5.3	64.6	25.0	53.4
Stock-in-trade	26.5	20.6	28.2	29.8	47.9	40.6	57.5	(9.7)	17.5	(36.9)	72.7
Trade debts	17.3	4.4	1.8	2.4	2.7	2.2	381.1	205.2	(9.4)	(7.4)	78.0
Loans and advances	0.1	0.1	0.1	0.5	0.5	0.1	164.3	(5.9)	(79.9)	7.2	639.9
Deposits and prepayments	0.2	0.2	0.1	0.2	0.1	0.2	(7.4)	182.3	(43.2)	77.1	(0.5)
Investments	8.5	29.7	23.2	17.0	15.5	19.6	(65.0)	58.1	69.7	11.4	15.9
Other receivables	0.1	-	0.1	0.2	0.2	0.1	71.7	(56.0)	(0.8)	(21.8)	176.6
Sales tax receivable - net	0.3	-	-	-	-	-	100.0	-	-	-	-
Taxation - net	5.4	4.2	2.9	8.9	4.5	2.6	56.8	78.1	(59.3)	102.9	150.6
Cash and bank balances	3.8	0.2	0.7	1.4	-	0.9	2,462.9	(67.1)	(42.2)	1,186.2	(81.6)
Total current assets	64.4	61.7	59.8	62.5	73.1	67.9	27.4	27.6	18.8	(13.3)	57.8
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	22.2	23.7	24.2	1.3	46.5
Equity and Liabilities											
Share Capital and Reserves											
Share capital	1.7	2.1	2.6	3.2	3.3	4.0	-	-	-	-	20.0
General reserve	46.3	46.1	42.2	37.6	27.7	29.3	22.7	35.4	39.5	37.2	38.4
Unappropriated profit	5.8	17.9	19.0	18.9	13.8	15.9	(60.3)	16.2	25.3	39.0	27.0
	53.8	66.1	63.8	59.7	44.8	49.2	(0.4)	28.2	32.8	35.1	33.2
Surplus on revaluation of leasehold land	1.9	2.3	2.9	3.6	3.3	4.8	-	-	-	11.6	-
Total equity	55.7	68.4	66.7	63.3	48.1	54.0	(0.4)	27.0	31.0	33.5	30.3
Non Current Liabilities											
Staff retirement benefits	0.7	1.0	1.0	1.1	0.9	1.3	(8.8)	22.2	8.5	21.1	8.5
Deferred taxation	2.5	3.1	3.2	3.9	3.0	4.0	(1.5)	17.5	4.2	29.3	9.6
	3.2	4.1	4.2	5.0	3.9	5.3	(3.3)	18.6	5.2	27.4	9.3
Current Liabilities											
Trade and other payables	16.3	15.7	17.4	16.5	15.8	21.6	25.9	11.3	31.2	5.5	7.2
Sales tax payable - net	-	0.8	0.3	1.6	1.0	1.5	(100.0)	261.5	(79.2)	56.6	3.4
Accrued mark-up	0.2	0.1	0.1	0.2	0.4	0.3	338.2	5.3	(47.6)	(57.5)	77.6
Short term borrowings	24.3	10.6	11.0	13.1	30.5	17.0	178.6	19.9	3.7	(56.3)	163.1
Unclaimed dividend	0.3	0.3	0.3	0.3	0.3	0.3	34.6	24.3	25.1	23.7	43.5
Total current liabilities	41.1	27.5	29.1	31.7	48.0	40.7	82.1	17.0	13.8	(33.0)	72.7
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0	22.2	23.7	24.2	1.3	46.5

Comments on Six Years' Balance Sheet

Property, Plant and Equipment

The increasing trend in property, plant and equipment over the years is mainly due to gradual capacity expansion to meet the growing demand of the batteries.

Stock-in-trade

The increasing trend in stock-in-trade is in line with increase in cost of goods sold over the years.

Investments

In line with strategic decision to invest excess cash flows with long term perspective to earn differential returns. The investments have decreased over last year to meet liquidity requirement during the year.

Taxation

The contribution to national exchequer has size ably increased over the years as a result of increase in sales. The current taxation charge over last year has decreased in line with decrease in profitability.

Trade and other payables

The increase in trade and other payables over last year mainly comprise of trade creditors and accrued liabilities which are part of normal course of business.

Short term borrowings

Short term borrowings during last six years are in line with working capital requirement. Capacity expansion is backed mainly through funds generated from business.

Analysis of Financial Statements

Profit and Loss Account

(Rupees in '000)

PARTICULARS	2018	2017	2016	2015	2014	2013
Sales	18,332,861	17,169,908	14,019,507	15,961,413	12,242,719	8,875,114
Cost of sales	(16,330,483)	(14,205,436)	(11,272,034)	(13,583,708)	(10,621,161)	(7,559,626)
Gross profit	2,002,378	2,964,472	2,747,473	2,377,705	1,621,558	1,315,488
Distribution cost	(721,325)	(606,223)	(438,088)	(449,347)	(292,373)	(235,264)
Administrative expenses	(245,055)	(305,430)	(287,940)	(246,501)	(189,754)	(190,538)
Other income	73,988	249,161	95,577	91,526	109,221	86,309
Other expenses	(160,045)	(168,613)	(176,961)	(145,997)	(99,859)	(91,981)
Profit from operations	949,941	2,133,367	1,940,061	1,627,386	1,148,793	884,014
Finance cost	(117,845)	(68,170)	(71,875)	(146,675)	(126,025)	(59,946)
Profit before tax	832,096	2,065,197	1,868,186	1,480,711	1,022,768	824,068
Taxation	(241,502)	(588,571)	(597,359)	(466,787)	(281,618)	(241,182)
Profit after tax	590,594	1,476,626	1,270,827	1,013,924	741,150	582,886

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2018	2017	2016	2015	2014	2013	2018/ 2017	2017/ 2016	2016/ 2015	2015/ 2014	2014/ 2013
	----- Percentage -----						----- Percentage -----				
Sales	100.0	100.0	100.0	100.0	100.0	100.0	6.8	22.5	(12.2)	30.4	37.9
Cost of sales	(89.1)	(82.7)	(80.4)	(85.1)	(86.8)	(85.2)	15.0	26.0	(17.0)	27.9	40.5
Gross profit	10.9	17.3	19.6	14.9	13.2	14.8	(32.5)	7.9	15.6	46.6	23.3
Distribution cost	(3.9)	(3.5)	(3.1)	(2.8)	(2.4)	(2.7)	19.0	38.4	(2.5)	53.7	24.3
Administrative expenses	(1.3)	(1.8)	(2.1)	(1.5)	(1.5)	(2.1)	(19.8)	6.1	16.8	29.9	(0.4)
Other income	0.4	1.5	0.7	0.6	0.9	1.0	(70.3)	160.7	4.4	(16.2)	26.5
Other expenses	(0.9)	(1.0)	(1.3)	(0.9)	(0.8)	(1.0)	(5.1)	(4.7)	21.2	46.2	8.6
Profit from operations	5.2	12.5	13.8	10.3	9.4	10.0	(55.5)	10.0	19.2	41.7	30.0
Finance cost	(0.6)	(0.4)	(0.5)	(0.9)	(1.0)	(0.7)	72.9	(5.2)	(51.0)	16.4	110.2
Profit before tax	4.6	12.1	13.3	9.4	8.4	9.3	(59.7)	10.5	26.2	44.8	24.1
Taxation	(1.3)	(3.4)	(4.3)	(2.9)	(2.3)	(2.7)	(59.0)	(1.5)	28.0	65.8	16.8
Profit after tax	3.3	8.7	9.0	6.5	6.1	6.6	(60.0)	16.2	25.3	36.8	27.2

Comments on Six Years' Profit and Loss Account

Sales

Sales has witnessed cumulative average growth rate (CAGR) of 15.6% over last 6 years mainly on account of improved demand in the replacement segment, both in locally manufactured and imported used vehicle categories, coupled with continued demand for heavy and medium sized batteries used in Uninterruptible Power Supply (UPS) units and generators due to electricity shortage.

Cost of Sales

Cost of sales remained almost consistent except the current financial year. The fluctuation in international commodity prices results in variation of slight increase and decrease in cost of sales over the last five years. However, in current financial year, a significant increase was observed in raw material prices resulting in increase of cost of sales to sales percentage.

Gross Profit

Except the current financial year, gross profit margin of last five year remained above 13% reflecting sales volumes increase and measures to control costs. Last year, the gross profit margin jumped down to 10.9% due to the surge in cost of sales backed by significant increased rates of raw materials in the international market.

Distribution Cost and Administrative Expenses

Distribution cost and administrative expenses remained under control and were consistent with the proportion to the sales in last six years.

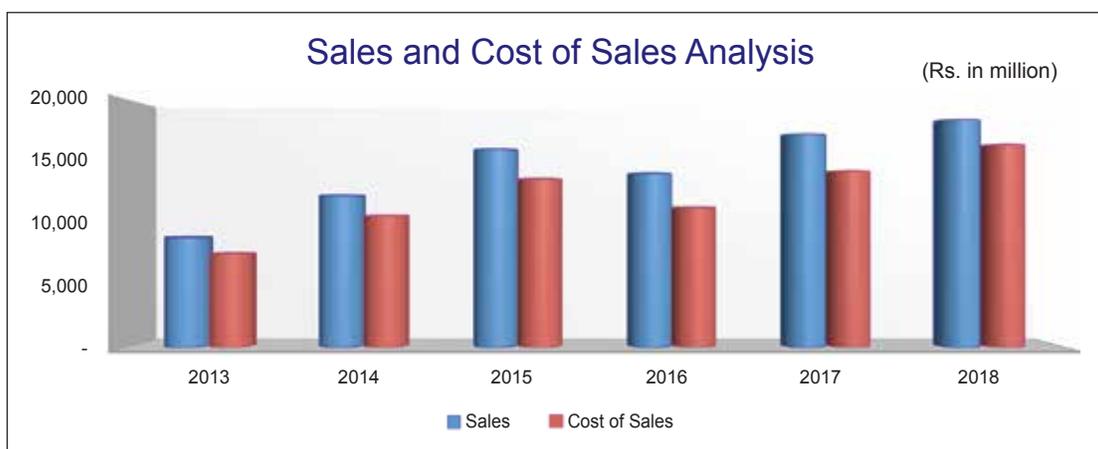
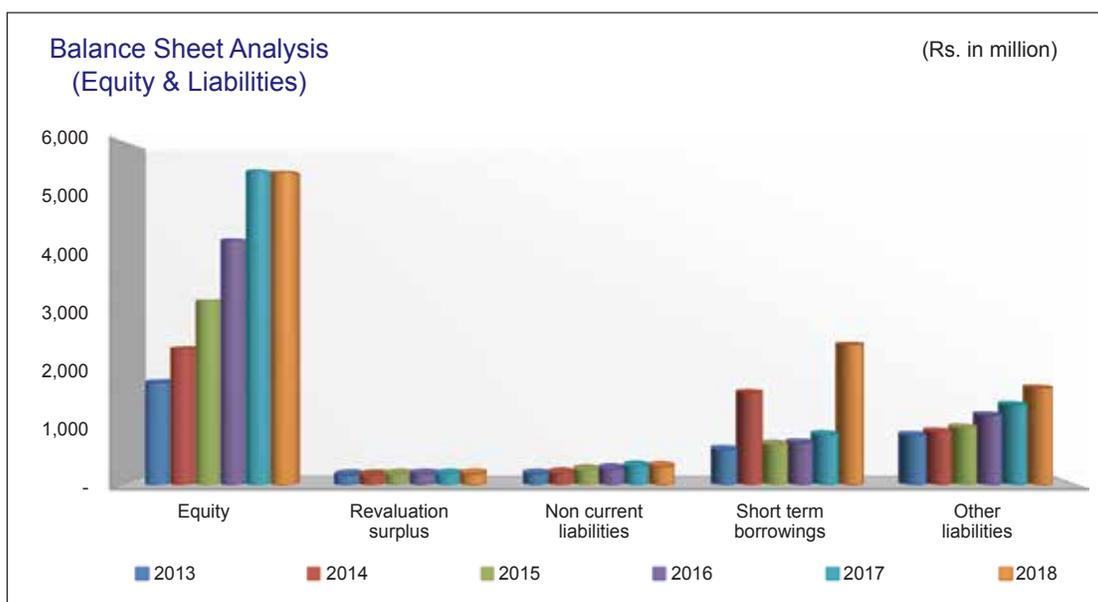
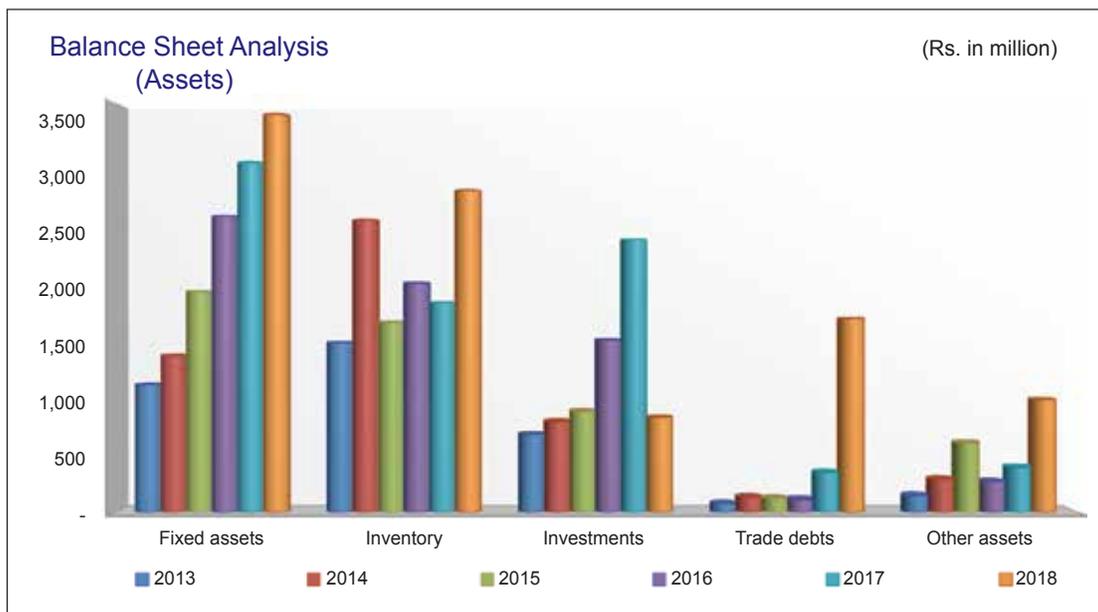
Finance Cost

Finance cost is directly correlated to short term borrowings. During the current year, finance cost has increased due to increased level of running finance utilization. However, effective usage of funded facilities by exercising low rates money market borrowings has absorb finance cost to some extent.

Profit after Taxation

Company's profit after taxation (PAT) is lower than the last five consecutive years due to significant surge in major raw material prices. PAT reported at 60% as against CAGR of 0.3% reported during last five years.

Balance Sheet and Profit & Loss Account Analysis



Analysis of Financial Statements

Cash Flow Statements

(Rupees in '000)

PARTICULARS	2018	2017	2016	2015	2014	2013
Cash flow from:						
- operating activities	(1,458,876)	1,525,082	1,600,463	1,898,513	(473,489)	253,691
- investing activities	848,334	(1,437,598)	(1,455,121)	(742,731)	(418,344)	(352,630)
- financing activities	976,849	(117,868)	(178,403)	(1,083,553)	864,867	83,803
Increase / (decrease) in cash & cash equivalents	366,307	(30,384)	(33,061)	72,229	(26,966)	(15,136)

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2018	2017	2016	2015	2014	2013	2018/ 2017	2017/ 2016	2016/ 2015	2015/ 2014	2014/ 2013
	----- Percentage -----						----- Percentage -----				
Cash flow from											
- operating activities	(398.3)	(5,019.3)	(4,840.9)	2,628.5	1,755.8	(1,676.0)	(195.7)	(4.7)	(15.7)	501.0	(286.6)
- investing activities	231.6	4,731.4	4,401.3	(1,028.3)	1,551.4	2,329.7	159.0	1.2	(95.9)	(77.5)	(18.6)
- financing activities	266.7	387.9	539.6	(1,500.2)	(3,207.2)	(553.7)	928.8	33.9	83.5	(225.3)	932.0
Increase / (decrease) in cash & cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	1,305.6	8.1	(145.8)	367.9	(78.2)

Liquidity Management and Cash Flow Strategy

LIQUIDITY AND CASH FLOW ANALYSIS

Net increase in cash flow stood at Rs. 366 million for the year ended June 30, 2018 as compared to net decrease of Rs.30 million during last year. Brief analysis of cash flows for the year is presented below.

Operating activities

The net cash generated from operations stood at Rs. 1,459 billion as against cash of Rs.1.5 billion generated during last year. This amount is after adjustment of finance cost of Rs. 102 million and income tax of Rs. 441 million.

Investing activities

The cash flows generated from investing activities was Rs. 848 million as comparison to Rs1,438 million used in last year which includes net redemption in mutual funds of Rs.1,544 million.

Financing activities

The Company has no long term loans. Short term borrowings are increase by 178.6%.

Ratios

Cash flows from operations to sales ratio decreased from 8.9% to 8.0. The financial leverage ratio at 0.4 times increased from 0.2 times last year whereas interest coverage ratio decreased to 8.1 from 31.3 times.

Liquidity Management and Financing Arrangements

The Company believes in financing through cash generation from operation rather than long term financing. The working capital requirement is fulfilled through short term running finance from reputable banks.

Short term running finance stood at Rs. 2,460 million at year end compared to prior year's Rs.883 million, whereas, letters of credit lines upto Rs. 1,750 million are available against lien on shipping documents.

The treasury department comprises of skilled and experienced staff to handle day to day treasury function. The team is proficient and fully capable of managing Company's needs of financing, working capital adequacy and investments portfolio. The brief objectives of the team are:

- Manage all aspects of in-house investment portfolios including recommending or benchmarking investment policies and procedures.
- Identify strategies to drive additional value from surplus cash.
- Assist in identifying measures to evaluate credit quality and impact on finance costs, collateral requirements and market liquidity.
- Evaluate opportunities to manage or generate value from collections and analyze Company expenditure and spending patterns.
- Identify alternative funding sources.
- Forecast daily cash requirements and execute daily financing decisions.
- Prepare and monitor Company's various cash flow forecasts and perform financial modeling.
- Utilize low cost financing line primarily and save finance cost, as much as possible.

Strategy to overcome liquidity problem

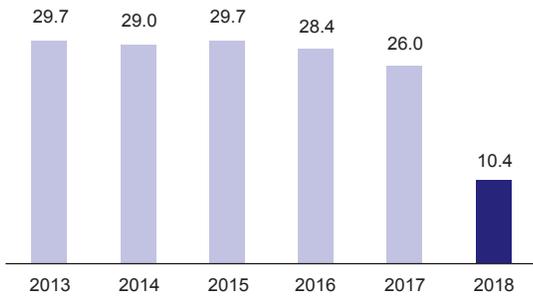
As stated above, the Company has been generating funds through own operations. Further, the Company has short term running finance arrangements upto Rs.3.10 billion in case of liquidity needs. An option to redeem investment in mutual funds is also available to the Company in case of dire need of funds.

Six Years at a Glance

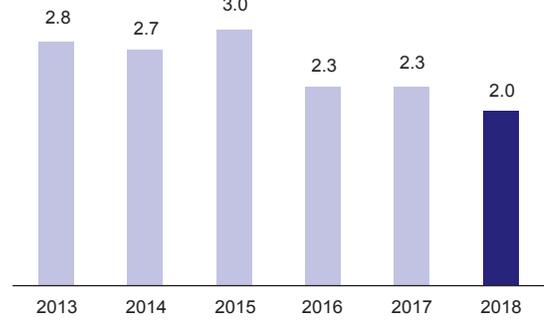
YEARS		2018	2017	2016	2015	2014	2013
Profitability Ratios							
Gross profit	(%)	10.9	17.3	19.6	14.9	13.2	14.8
Profit before tax	(%)	4.6	12.1	13.3	9.4	8.4	9.3
Profit after tax	(%)	3.3	8.7	9.0	6.5	6.1	6.6
Return on capital employed	(%)	15.9	35.5	40.8	44.2	41.5	41.0
Earnings before interest, tax, depreciation & amortization (EBITDA)	(Rs. in million)	1,245.3	2,395.6	2,149.9	1,788.7	1,281.4	993.0
EBITDA Margin	(%)	6.8	14.0	15.3	11.2	10.5	11.2
Operating leverage	(%)	(819.0)	44.3	(157.9)	137.2	78.9	71.3
Return to Shareholders							
Return on equity - before tax	(%)	14.7	36.4	41.8	43.4	40.0	42.0
Return on equity - after tax	(%)	10.4	26.0	28.4	29.7	29.0	29.7
Return on assets	(%)	5.8	17.8	19.0	18.8	13.9	16.0
Earnings per share (basic)	(Rs.)	33.94	84.86	73.04	58.27	42.60	40.20
Earnings per share (diluted)	(Rs.)	33.94	84.86	73.04	58.27	42.60	33.50
Price earning ratio	(Times)	12.1	10.6	8.0	12.1	10.6	8.4
Market price - at year end	(Rs.)	410.0	900.0	581.8	703.5	450.0	338.0
Market price - during the year	(High - Rs.)	890.0	1,005.0	839.0	965.0	479.0	355.0
Market price - during the year	(Low - Rs.)	370.0	590.0	535.0	441.0	288.0	200.0
Break-up value per share without surplus on revaluation	(Rs.)	313.8	315.2	245.9	185.1	137.0	123.4
Break-up value per share with surplus on revaluation	(Rs.)	325.0	326.4	257.0	196.2	147.0	135.4
Dividend							
Cash dividend	(%)	100.0	350.0	155.0	120.0	100.0	100.0
Stock dividend	(%)	40.0	-	-	-	-	20.0
Dividend yield	(%)	3.4	3.9	2.7	1.7	2.2	3.6
Dividend cover	(Times)	2.4	2.4	4.7	4.9	4.3	3.3
Dividend pay out	(%)	41.2	41.2	21.2	20.6	23.5	29.9
Plough back ratio	(%)	58.8	58.8	78.8	79.4	76.5	70.1
Dividend yield (Cash)	(%)	2.4	3.9	2.7	1.7	2.2	3.0
Dividend cover (Cash)	(Times)	3.4	2.4	4.7	4.9	4.3	4.0
Dividend pay out (Cash)	(%)	29.5	41.2	21.2	20.6	23.5	24.9
Plough back ratio (Cash)	(%)	70.5	58.8	78.8	79.4	76.5	75.1
Asset Utilization							
Total assets turnover	(Times)	2.0	2.3	2.3	3.0	2.7	2.8
Fixed assets turnover	(Times)	5.4	5.9	6.0	9.4	9.5	7.8
Inventory turnover	(Times)	6.8	7.2	5.9	6.2	5.1	6.3
Trade debts turnover	(Times)	17.3	70.9	111.6	116.4	110.1	92.3
Trade creditors turnover	(Times)	11.1	11.5	10.9	15.6	13.0	11.6
Capital employed turnover	(Times)	3.1	3.2	3.3	4.9	5.0	4.6
Operating Cycle							
Inventory holding period	(No. of Days)	54	51	61	59	72	58
Trade debts collection period	(No. of Days)	21	5	3	3	3	4
Trade creditors payment period	(No. of Days)	(33)	(32)	(33)	(23)	(28)	(31)
Operating cycle	(No. of Days)	42	24	31	39	47	31
Liquidity / Leverage							
Current ratio	(Times)	1.6	2.2	2.1	2.0	1.5	1.7
Quick ratio	(Times)	0.9	1.4	1.0	1.0	0.5	0.6
Cash to current liabilities	(Times)	0.1	0.0	0.0	0.0	0.0	0.0
Cash flow from operations to sales	(%)	(8.0)	8.9	11.4	11.9	(3.9)	2.9
Financial leverage ratio	(Times)	0.4	0.2	0.2	0.2	0.6	0.3
Total liabilities to equity	(Times)	0.8	0.5	0.5	0.6	1.1	0.9
Interest coverage ratio	(Times)	8.1	31.3	27.0	11.1	9.1	14.7

Six Years at a Glance

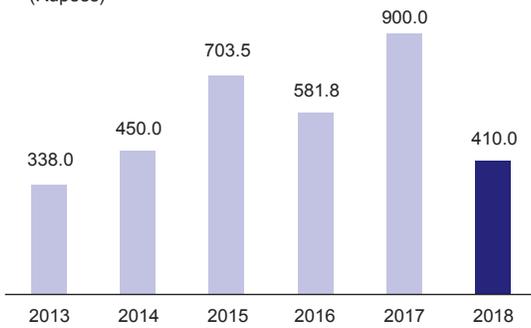
Return on equity - after tax
(Percentage)



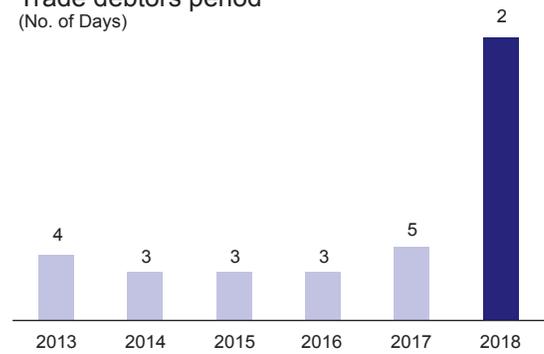
Total assets turnover
(Times)



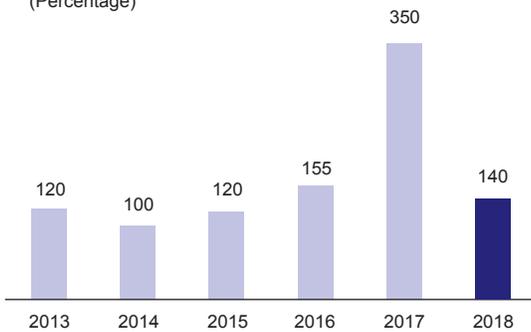
Market price - at year end
(Rupees)



Trade debtors period
(No. of Days)



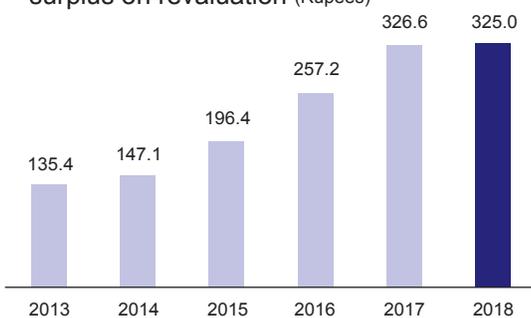
Cash & stock dividends
(Percentage)



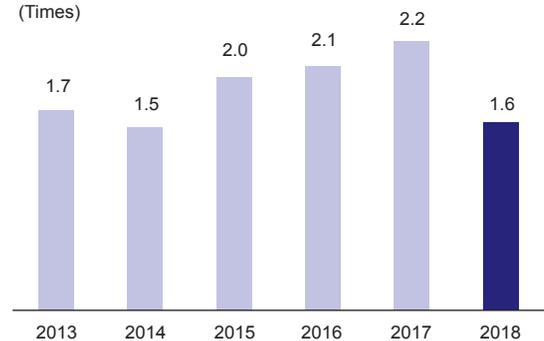
Operating Cycle
(No. of Days)



Break-up value per share with surplus on revaluation
(Rupees)



Current ratio
(Times)



Comments on Ratios

Profitability

Gross profit as a percentage of revenue stands at 10.9% as compare to 17.3% last year. Decline in gross profit margin was mainly due to increased cost of raw materials, internationally and locally. After tax profits by the Company also down by 60% to Rs. 591 million from Rs.1,477 million, last year.

Return to shareholders and dividend

The earnings per share stood at Rs. 33.94 per share as compared to Rs.84.86 per share last year. This decrease was a result of decrease in net profits. This was also reflected in the Company's break-up value per share which stood at Rs. 325.0 at year end as compared to Rs. 326.4 of last year.

Dividend

Last year, Company distributed cash dividend @ 350% among its shareholders. This year, the Company has proposed 100% cash dividend and 40% stock dividend which has resulted in dividend payout of 41.2% and plough back ratio of 70.5% as compared to 41.2% and 58.8%, respectively of previous year.

Operating cycle

Operating cycle has increased over the last year due to increase in inventory holding and trade debts collection period.

Liquidity / Leverage

The liquidity ratios of this year are declined over the previous period.

Analysis of Prospects of the Company

Prospects

The Company's focus is on expanding market reach, realigning of old lines, automation, health, safety & environment and quality of products is in line with its vision. For this purpose, continuous investments have been made with simultaneously curbing costs, sustaining profits, stable return to shareholders, succession planning and satisfied employees. Another, main objective of the Company is to satisfy its customers by providing after sales services at their doorsteps along with guidance / customer service through various mediums which may include battery check-up and handling workshops, social media platforms, dedicated helpline, etc.

Financial Measures

There are various controllable and uncontrollable factors on which Company's targets are dependent. These factors include international price of raw materials, fluctuation in foreign currency rates, taxation regime, availability of skilled workforce and resources, etc. The impact and sensitivity of their fluctuations is considered while setting targets and budgets.

The prices of raw material in international market are utilized for effective inventory management. The planned capital expenditure is of Rs. 1.14 billion will be utilized on upgrading health, safety and environment upto international level and enhanced production capacity to a competitive level in the industry.

The ongoing sustainability of profits will depend on mix of increased sales, reduced costs and good governance for which senior management along with associates are committed to deliver.

Non-Financial Measures

Various non-financial measures and indicators are used in lieu of financial measures to gauge the performance of the Company and set new targets and objectives. Few of the non-financial measures which the Company uses are described below:

- Employee engagement and satisfaction;
- Quality of products and customer satisfaction;
- After sales service and convenient way of claim settlement;
- Stakeholders engagement;
- Health, Safety and Environment;
- Transparency and Accountability;
- Corporate Social Responsibility;
- Good governance practices;
- SWOT analysis; and
- Share price sensitivity analysis.

The Board of Directors is responsible to formulize strategy and set direction for the Company and CEO and management are responsible to implement those strategies in the Company and evaluate results there against.

Change of prospects and performance measures over the period

There is no significant change in prospects and performance measures over prior period.

Share Price Sensitivity Analysis

Key Sensitivities

The share price is positively correlated with Company's financial performance. The factors that influence the Company's performance can also be reasonably expected to impact its share price. Following are the few factors prevailing in current business environment that management considers to be sensitive to the Company's performance and which may affect its share price.

Demand of automobiles



The country's economy is highly dependent on agriculture which is the backbone of our country and employs a significant portion of the population. The agriculture based rural areas consumed a significant portion of motorcycle and heavy vehicles production of the country thereby leading to high demand of batteries. Therefore, the Company's performance is strongly linked with the performance of agriculture sector.

Also the industrial sector serves Pakistan's economy with a sizeable base. In turn, the demand of heavy machineries and vehicles increases demand of batteries.

Demand of alternative sources of electricity



The ongoing crisis in electricity generation and distribution, despite signs of improvement, has prevailed throughout the country giving rise to alternative sources of electricity including generators, UPS, solar power panels, etc. This has led to increase usage of batteries.

Political stability



Unstable political climate coupled with the law and order situation disrupts business processes, transportation facilities and supply chain of the Company.

Plant operations



Stable plant operations allow for higher production and lower per unit cost and wastage. Therefore, smooth operations will add to profitability of the Company which can positively affect share price. Issues at production facilities negatively affect the financial performance of the Company and therefore, may also affect the share price.

Exchange fluctuations



The Company is involved in imports of plant, machinery and raw materials. The Company's exposure in foreign currencies is sensitive to fluctuations in exchange rates. The depreciation in Pak Rupee affects the performance of Company which is partially countered by cost controls measures taken by the Company and partially by increase product pricing in the market.

Dividend per share 

The consistent payout of dividends will reflect the expectations of investors and this affects share price.

Mutual funds 

The Company's liquid investments are placed in open-ended mutual funds. These funds are invested in equity and money market instruments. The fluctuating trends of stock market and interest rates determine the returns on these funds and as a result, also affect the Company's financial performance and thereof the share price.

Economic trends 

The events surrounding a specific industry or company make investors watch various economic indicators and general trends that signal changes in the economy. International oil prices put significant impacts on commodities market, thus prices of raw materials are correlated therewith.

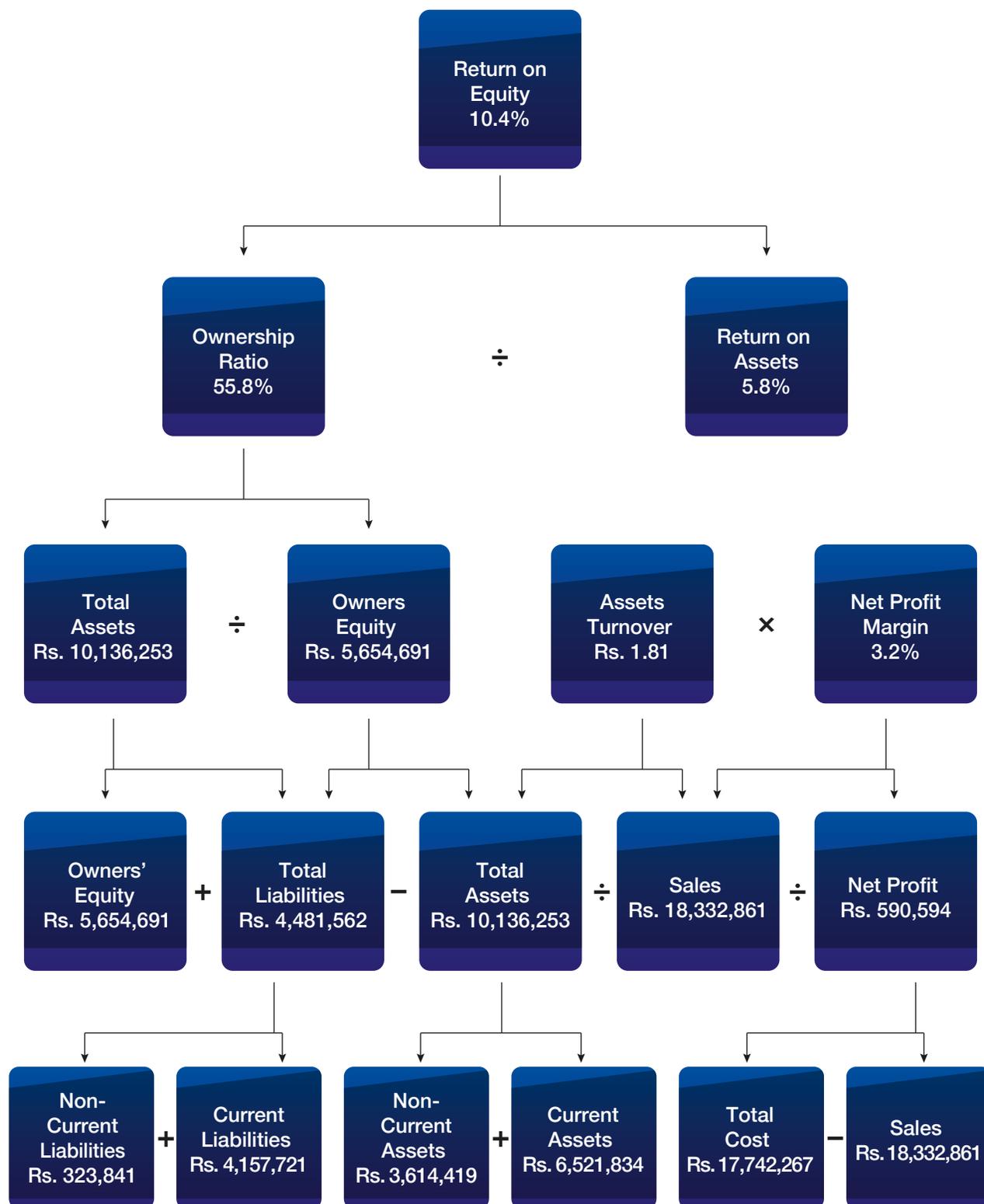
Investor sentiment 

Investor sentiment or confidence can cause the market to go up or down, which can cause stock prices to rise or fall. The general direction that the stock market takes can affect the value of a stock:

- Bull market – a strong stock market where stock prices are rising and investor confidence is growing. It is often tied to economic recovery or an economic boom, as well as investor optimism.
- Bear market – a weak market where stock prices are falling and investor confidence is fading. It often happens when an economy is in recession and unemployment is high, with rising prices.

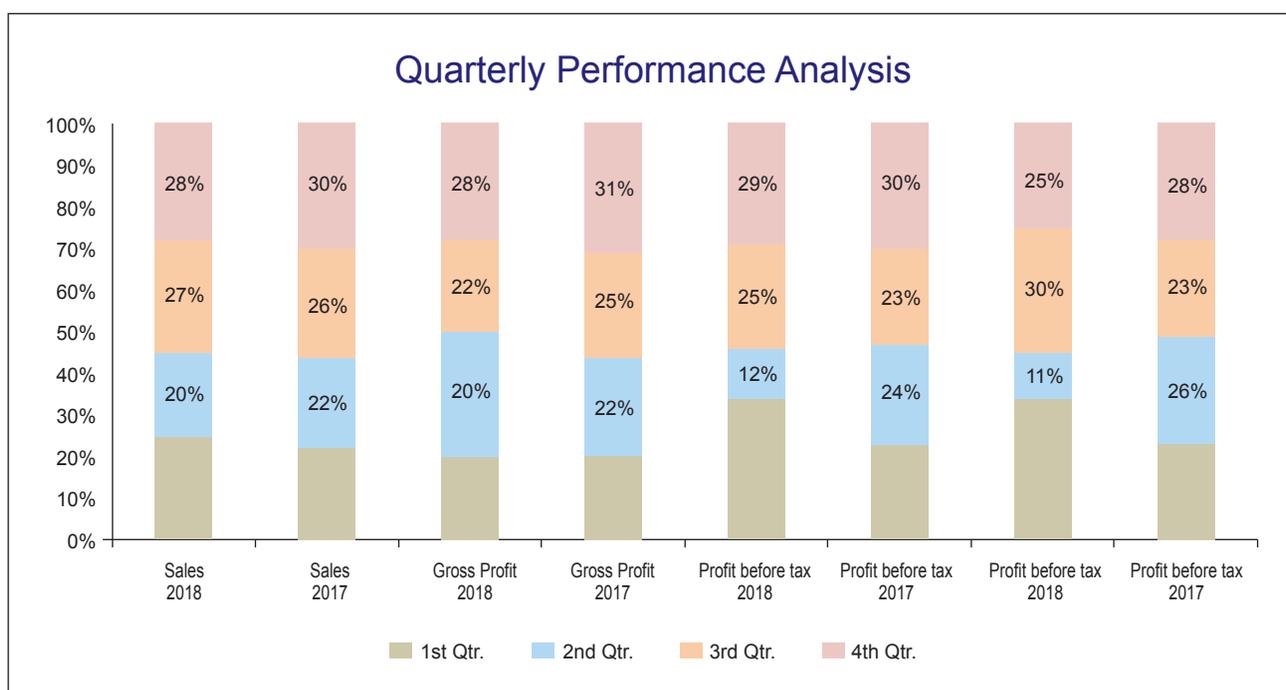
Significance Low  Moderate  High 

Du Pont Analysis



Quarterly Performance Analysis

PARTICULARS	2018					2018 / 2017				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
	----- (Rupees in '000) -----					----- (Percentage) -----				
Sales	4,628,040	3,754,569	5,037,683	4,912,569	18,332,861	124%	98%	113%	95%	107%
Cost of sales	(4,035,807)	(3,354,948)	(4,597,865)	(4,341,863)	(16,330,483)	131%	106%	124%	102%	115%
Gross profit	592,233	399,621	439,818	570,706	2,002,378	89%	62%	58%	64%	68%
Distribution cost	(177,736)	(165,292)	(176,594)	(201,703)	(721,325)	128%	114%	118%	117%	119%
Administrative expenses	(62,711)	(59,101)	(62,613)	(60,630)	(245,055)	85%	70%	77%	91%	80%
Other income	51,621	34,950	(19,370)	6,787	73,988	82%	24%	-66%	38%	29%
Other expenses	(102,460)	(71,578)	60,896	(46,903)	(160,045)	257%	154%	-160%	95%	92%
Profit from operations	300,947	138,600	242,137	268,257	949,941	63%	27%	47%	43%	45%
Finance cost	(17,695)	(35,239)	(35,294)	(29,617)	(117,845)	159%	189%	119%	344%	173%
Profit before tax	283,252	103,361	206,843	238,640	832,096	61%	21%	43%	39%	40%
Taxation	(83,165)	(40,436)	(31,253)	(86,648)	(241,502)	67%	36%	23%	41%	41%
Profit after tax	200,087	62,925	175,590	151,992	590,594	58%	16%	51%	38%	40%
Earnings per share - Basic - Rupees	11.50	3.62	10.09	8.73	33.94					





Always on the Road to Quality

Atlas Battery prides itself on manufacturing quality products and for continuously maintaining these high standards. The manufacturing process ensures strict compliance of Safety Standards which are implemented and monitored on regular basis. Atlas Battery follows Quality Management System as per ISO 9001-2015 Certification.



Chairman's Review

I am pleased to present to you the 52nd Annual Report of your Company for the year ended June 30, 2018 together with the Auditors' Report.

Economy

Pakistan's economy has continued to grow at an impressive pace reaching a 13 year high GDP growth of 5.8%. Improvement in agriculture sector, implementation of CPEC led projects, power generation and strong consumption helped achieve economic growth. CPI Inflation has remained stable at approximately 5% mainly due to muted food and fuel inflation. On the fiscal front, FBR collected taxes worth Rs.3,751 billion during FY 17-18, recording growth of 11.4% as compared to corresponding period last year.

Exports during the current fiscal year were recorded at US\$ 24.8 billion witnessing growth of 12.7% from US\$ 22.0 billion last year, whereas imports showed an upward trend of 14.6% at US\$ 55.8 billion as compared with US\$ 48.7 billion last year. Resultantly, the deficit in balance of trade was US\$ 31.0 billion as against US\$ 26.7 last year, up 16.1%. Workers' remittances received during FY 2017-18 was US\$ 19.6 billion as compare to US\$ 19.3 billion last year, up by 1.5%. With the current account deficit widening and not being fully offset by financial inflows, the foreign exchange reserves fell to US \$ 16.4 billion at the end of FY 2017-18 as compared with US\$ 21.4 billion last year. In view of the emerging economic scenario, the State Bank of Pakistan allowed the Pak Rupee to lose its value by 15.8% against USD from July 01, 2017 till end of FY 2017-18.

Owing to economic concerns, political uncertainty and downgrading of country's credit rating, the performance of the Pakistan Stock Exchange (PSX) remained lackluster as PSX 100 index dropped to 41,911 points by June 2018 end, from its peak of 47,241 points during FY 2017-18, touched on August 04, 2017.

Review of Automobile Industry

Automobile production rose to a record high during FY18, despite domestic capacity constraints. Stability in major commodity prices, no significant change in inflation rate, expanding road network and low interest rate environment have supported automotive sector's growth. Sale of locally manufactured cars witnessed a growth of 16.7% in FY 2017-18 to 216,786 units as against 185,781 units sold in FY 2016-17. Tractors segment witnessed a substantial increase of 28.9 % to 70,887 units as against 54,992 units last year. Trucks and buses had growth of 15.3 % over last year. Sales of motorcycles and three wheelers (of assemblers, who are registered with PAMA) during FY 2017-18 significantly increased by 18.3% with sales of 1,929,613 units as against 1,630,735 units during same period last year.

Battery Industry

The demand for batteries is correlated with growth in automotive sector and the power shortage in the country. With the commissioning of new power plants, the power generation capacity has significantly increased, resulting in reduced load shedding, particularly in urban areas. This has severally affected the demand of heavy and medium sized batteries, used in UPS as a back-up source of electricity. On the other hand, with the reduction in solar panels cost, their usage particularly in off-grid areas has propelled, creating a new segment of battery usage, which has augmented the demand of medium and small size batteries.

Battery industry in Pakistan is divided into two major segments; organized and un-organized sectors. The organized sector is meeting about 90% of the market demand; rest is being met by the un-organized sector and imports. Your Company has a significant market share and is determined to increase it further by not compromising on quality, introducing innovative products and providing meaningful after sales service.

Operating Performance

FY 2017-18 proved to be another successful year for the Company in terms of top line growth. Your Company achieved sales of Rs.18.3 billion as compared to Rs.17.2 billion in FY 2016-17, up 6.8%. This increase was mainly due to a strong push to enhance sales in the replacement market. Significant surge in major material prices forced the cost of sales to grow by 15.0% from Rs.14.2 billion to Rs.16.3 billion resulting in decline in gross profit ratio which stood at 10.9% as compared to 17.3% in last year.

Operating expenses at Rs.966 million increased by 5.9% as compared to Rs.912 million in last year. Net loss from investment in mutual funds stood at Rs.13 million, due to decline in stock market related mutual funds, as compared to net income of Rs.231 million from this avenue in last year. Resultantly, profit from operations decreased to Rs.950 million as compared to Rs.2,133 million last year, down by 55.5%. Finance cost increased to Rs.118 million from Rs.68 million.

Thus, profit before tax of FY 2017-18 was Rs.832 million as compared to Rs.2,065 million in last year, down by 59.7%. After providing Rs.242 million for taxation, the after tax profit of your Company stood at Rs.591 million as compared to Rs.1,477 million, down by 60.0%. Earnings per share was Rs.33.94 as compared to Rs.84.86 in last year.

Performance of the Board

The Board of Directors of the Company complies with all relevant rules and regulations. The Board comprises of well-known business professionals who add real value to the Board through their expertise, experience and strong value systems. The Board has laid down policies and procedures that ensure a professional corporate environment that promotes timely disclosure, accountability, high ethical standards, compliance with applicable laws, regulations and corporate governance.

During the year under review, the Board has effectively discharged its responsibility towards the Company and participated in all strategic affairs diligently. All quarterly, half yearly and annual financial results were thoroughly reviewed and Board extended its guidance to the management on regular basis. The Board also played a key role in monitoring of management performance and focus on major risk areas. Board members also reviewed and approved the Company's financial budget for FY 2018-19 and capital expenditures requirement.

To meet the requirement of the "Listing Companies (Code of Corporate Governance) Regulations, 2007" an Independent Director was appointed as the Chairman of the Audit Committee and Human Resource & Remuneration Committee in March 2018. The Audit Committee and Human Resource & Remuneration Committee have discharged their responsibilities as per relevant laws throughout the year. The Board carefully monitors their performance on periodic basis.

Contribution to National Exchequer

Your Company contributed Rs.4.8 billion towards the National Exchequer on account of various government levies, taxes and import duties during the year under review. Payment of these taxes is 8.1 times more than the net profit after tax of the Company, which shows the Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen. The total contribution to the exchequer by Atlas Group Companies including your Company is over Rs.55 billion. This makes Atlas one of the highest taxpayers in the country constituting 1% of Government's total revenue.

Cash Flows

During the year, cash used in the operations of your Company was Rs.1,459 million as against cash generation of Rs.1,525 million in last year. This was mainly due to funds utilization for working capital, particularly in stocks and trade debts, due to adverse market conditions. In order to meet the growing market demand, your Company continued to invest in capacity expansion.

Information Technology

Your Company is well equipped with state of the art information technology infrastructure. Your Company is committed to staying up-to-date in technological advancements with vision to automate manufacturing processes for enhanced productivity and quality. Your Company is taking full advantage of ERP data management and system and striving for a paperless environment. Your Company is focused on improving business flow through development and implementation of following programs and processes:

- Business to Customer (B2C)
- Business Continuity Plan (BCP)
- Business to Business (B2B)
- Plant Data Automation
- Claim Management System
- Data Security Management

Human Resource Development

Your Company always follow the Atlas Group motto / philosophy “Organization Development through Self Development” and made substantial investments for development of its associates to ensure that a continuous learning environment exist within the Company.

Throughout the year, various initiatives were taken to ensure that associates’ commitment to the organization is enhanced and they actively contribute to the achievement of individual and business goals.

A corporate culture is maintained that encourages creativity, independence and strengthening of technical and leadership skills. Your Company prepares selected young and potential associates by offering them the opportunity to attend the Atlas – IBA Diploma in Business Management, specifically designed for Atlas Group. During the year, several in-house and external trainings were conducted which covered areas of quality control, health and safety, customer service and their education, leadership skills, core management skill development and marketing / brand related conferences. Altogether 393 associates benefited from internal trainings, while 292 associates enhanced their skill set through external training programs / conferences / workshops, amounting to a total of 633 man days spent on training during the year. Six employees (including CEO) were sent to international trainings to countries like USA and Japan.

Your Company has a consistent Performance Management Review Process that ensures employees’ performance is fairly recognized and improved career paths are developed for the talented employees. We have a zero tolerance policy for unethical business practices or individual behavior.

Health, Safety and Environment

Your Company is continuously investing substantial resources to improve working conditions for its associates to provide a healthy, safe and comfortable working environment. State of the art Waste Water Treatment Plant, designed by GS Yuasa (JV Partner), was installed in the factory premises, which is another milestone towards betterment of the society. During the year, your Company acquired ISO 14001:2015 Certification on Environment Management System (EMS) and OHSAS 18001:2007 Certification on Occupation Health & Safety Management System, which are testimony to the management commitment towards HSE Associates’ training and awareness sessions have been regularly conducted to achieve our ultimate goal of “zero incidents and zero injuries”. During the year, your Company conducted series of fire-fighting sessions at plant; 47 participants benefited from the training. Emergency evacuation drills were conducted in two phases at factory. First aid training program was also organized at the plant for 44 participants.

Analysis on Last Fiscal Year's Forward Looking Disclosures

The capacity expansion came on line as per schedule which enabled us to attain increased production leading to growth in sales. The quality standards were maintained which led to decrease in market claims. Engineering and Development was continually conducted to bring in innovations and a new variant of Hybrid battery was launched during the year.

Future Prospects

It is anticipated that in FY 2018-19 economic growth will slow down significantly as a weak currency and tighter monetary policy will suppress the consumption trend. Once the new government is settled and brings necessary reforms in short and medium term, the economy will regain momentum. The fundamentals are still strong and a clear direction by the new government will push the economy towards the sustainable growth path in medium and long term.

The battery industry is likely to have a challenging year ahead as the competition will be tougher as due to capacity expansion by existing battery manufacturers and new entrants. On the other hand, demand of heavy batteries will shrink further due to reduced load shedding, particularly in urban areas. Profitability in future will also be affected due to increase in prices of basic raw materials, devaluation of Pak Rupee and inflationary pressure pushing the manufacturing and operating costs higher.

Notwithstanding the challenges mentioned above, your Company has planned substantial capex in the upcoming year. The investment will not only cater for market demand but improve the 5S and HSE of the Company. Considering the market needs for innovative products, your Company has introduced several new products including Battery Tonic and Atlas Hybrid. Your Company will continue to innovate and remain the market leader not only in quality but technological advancement.

The Management is focused on managing costs, maintaining high quality of product and services for improved market penetration by exploring new territories and export market as well. The improvement in human resource capabilities and value addition for shareholders is also your Company's prime focus. I assure you that your Company will continue to focus on productivity and efficiency while meeting customers' desire for superior quality by following the principles of "The Atlas Way".

جو سئدره يا بنده

(Seek and you shall find)

Acknowledgements

On behalf of the Board of Directors of your Company, I take this opportunity to acknowledge and appreciate the devoted and sincere services of all associates and management staff of all cadres of the Company.

I would like to thank our JV Partners GS Yuasa International Limited; Japan, Board of Directors, shareholders, bankers, vendors, dealers, retailers and valued consumers for their continuous support and guidance. I also thank Mr. Ali H. Shirazi; President / Chief Executive of your Company and the management team for their dedication and commitment to achieve sustained growth year after year.



Yusuf H. Shirazi
Chairman

Karachi: August 28, 2018

Directors' Report

The Directors of the Company take pleasure in presenting directors' report together with the Company's audited annual financial statements for the year ended June 30, 2018. The Directors' report, prepared under section 227 of the Companies Act, 2017 will be put forward to the members at the 52nd Annual General Meeting of the Company to be held on September 27, 2018.

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
Operating Results		
The operating results of the Company are summarized as follows:		
Profit before tax	832,096	2,065,197
Provision for taxation:		
Current year	238,688	564,219
Prior year	4,366	(13,812)
Deferred	(1,552)	38,164
	241,502	588,571
Profit after taxation	590,594	1,476,626

Subsequent Appropriations

The directors have recommended a cash dividend of Rs. 10.00 (2017: Rs.35.00) per share and 40% (2017: Nil) bonus shares. Accordingly the following appropriations have been made:

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
Profit available for appropriation	589,307	1,483,462
Appropriations:		
Transferred to General Reserve	340,000	870,000
Proposed Cash Dividend @ 100% (2017: 350%)	173,998	608,992
Reserve for issue of Bonus Shares @ 40% (2017: Nil)	69,599	-
	583,597	1,478,992
Un-appropriated profit carried forward	5,710	4,470

Earnings Per Share

The basic and diluted earnings per share after tax is Rs. 33.94 (2017: Rs.84.86).

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the performance and effectiveness of the Board, performance of the Company for the year ended June 30, 2018 and future prospects. The Directors endorse the contents of the Chairman's review.

Board of Directors

The Board comprises of one executive and six non-executive directors. All the Directors keenly take interest in the proper stewardship of the Company's affairs. The non-executive directors are independent of the management of the Company.

During the year, five Board meetings were held. The attendance of the Directors and the number of their directorship in listed companies, including Atlas Battery Limited, is as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance	Number of Directorship in listed companies
1.	Mr. Yusuf H. Shirazi	No	5	4	4
2.	Mr. Ariful Islam	No	5	4	2
3.	Mr. Azam Faruque	No	5	3	4
4.	Mr. Bashir Makki	No	5	5	1
5.	Mr. Frahim Ali Khan	No	5	5	2
6.	Mr. Toru Furuya	No	5	4	1
7.	Mr. Ali H. Shirazi	Yes	5	5	2

Leaves of absence were granted to those Directors who could not attend some of the Board meetings.

Directors' Training Program

During the year under review, the Company arranged an orientation presentation to the Board in order to apprise them with the significant changes introduced through the Listed Companies (Code of Corporate Governance) Regulations, 2017. This also covered changes introduced through Companies Act, 2017 with regards to powers of Board of Directors and disclosure requirements in financial statements.

Five directors are certified Directors whereas two directors meet the criteria of exemption under clause 20 (2) of the Listed Companies (Code of Corporate Governance) Regulations, 2017 and are accordingly exempted from directors' training program.

The details of Directors, who have obtained certification under Directors' Training program, are summarized below:

Sr. No.	Name of Directors	Institution	Year
1.	Mr. Yusuf H. Shirazi	Exempt	N/A
2.	Mr. Ariful Islam	Pakistan Institute of Corporate Governance	2014-2015
3.	Mr. Azam Faruque	Pakistan Institute of Corporate Governance	2009-2010
4.	Mr. Bashir Makki	Institute of Cost and Management Accountants of Pakistan	2014-2015
5.	Mr. Frahim Ali Khan	Exempt	N/A
6.	Mr. Toru Furuya	University of Lahore	2015-2016
7.	Mr. Ali H. Shirazi	Pakistan Institute of Corporate Governance	2013-2014

Statement of Directors' Responsibilities

The strategic directions are defined and reviewed by the Board regularly and it sets overall objectives. In light of those objectives, the Chief Executive sets annual plans and performance targets for business which are reviewed by the Board. The Board is dedicated to maintain high standard of good corporate governance. The Company confirms compliance with the provisions set out by the Securities and Exchange Commission of Pakistan and accordingly amended listing rules of the Pakistan Stock Exchange Limited.

Following are the Statements on Corporate and Financial Reporting Framework:

- (a) The financial statements, prepared by the management of the Company, present its state of affairs including the results of its operations, cash flows and changes in equity, fairly.
- (b) Proper books of accounts have been maintained by the Company.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- (e) The system of internal control and mitigation of risk are sound in design and have been effectively implemented and monitored.
- (f) There are no doubts upon the Company's ability to continue as going concern.
- (g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

The Corporate Governance Practices

The Board of Directors of the Company is committed to the principles of good corporate governance. This is promoted across the Company through senior management. The stakeholders expect that the Company is managed and supervised responsibly and proper internal controls and risk management policy and procedures are in place for efficient and effective operations of the Company, safeguarding of assets, compliance with laws and regulations and proper financial reporting in accordance with International Financial Reporting Standards.

The brief report on risk and opportunity duly endorsed by the Board of Directors, covering measures to mitigate risk is annexed in this report.

Donation

The Company has a policy to donate 1% of its prior year's profit before tax to a charitable institution. During the year, Company has donated Rs.20.7 million to Atlas Foundation. Further, the Company has also donated in kind to different non-profit organizations.

Contribution to National Exchequer

The Company contributed Rs.4.8 billion towards the National Exchequer on account of various government levies, taxes and import duties in the year under review. Payment of these taxes is 8.1 times more than the net profit after tax of the Company which shows Company's positive attitude towards economic development as a good responsible corporate citizen.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc. The Code encourages honesty, integrity and openness in conduct of Company's operations. The Code guides interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

The Code is reviewed annually and any changes therein are approved by the Board. The Code is communicated to all associates and is available on the Company's website at www.atlasbattery.com.pk/code-of-conduct. The responsibility for day to day implementation and monitoring of Code is delegated to the senior management.

Audit Committee

Audit Committee assists the Board of Directors in discharging their responsibilities in accordance with the Corporate Governance and Financial Reporting frame work.

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

During the year, four Audit Committee meetings were held and attendance was as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Azam Faruque (appointed as chairman on March 05, 2018)	No	4	4
2.	Mr. Bashir Makki	No	4	4
3.	Mr. Frahim Ali Khan (resigned as chairman on March 05, 2018)	No	4	4

As required by Listed Companies (Code of Corporate Governance) Regulations, 2017, Audit Committee also met with external auditors and Head of Internal Audit in the absence of management. Chief Executive Officer and Chief Financial Officer attended all the four meetings held during the year, by invitation.

During the year, the Board of Directors has approved the revised terms of references for Audit Committee as required by Listed Companies (Code of Corporate Governance) Regulations, 2017 and implemented accordingly by the Audit Committee.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee also assists the Board of Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies and practices within the Company. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel.

The annual evaluation of the Board members was carried out in house by the Human Resource and Remuneration Committee. The key areas of evaluation were as under:

- (a) Composition of the Board and its effectiveness;
- (b) Structuring of Board's committees and their role;
- (c) Vision / Mission planning and establishing a corporate environment;
- (d) Access to the information and risk monitoring;
- (e) Performance of duties and responsibilities;
- (f) Relationship with the management;
- (g) Role of the Chairman and assessment of own performance.

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

During the year, four meetings of Human Resource and Remuneration Committee were held and attendance was as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Azam Faruque (appointed as chairman on March 05, 2018)	No	1	1
2.	Mr. Ali H. Shirazi (resigned as member on March 05, 2018)	Yes	3	3
3.	Mr. Bashir Makki (resigned as chairman on March 05, 2018)	No	4	4
4.	Mr. Frahim Ali Khan	No	4	4

During the year, the Board of Directors has approved the revised terms of references for Human Resource and Remuneration Committee as required by Listed Companies (Code of Corporate Governance) Regulations, 2017 and implemented accordingly by the Human Resource and Remuneration Committee.

Management Committee

The Management Committee comprises of senior management headed by Chief Executive, who ensures that a proper system is developed and implemented across the Company that enable swift and appropriate decision making. It acts in an advisory capacity to the Chief Executive at the operating level, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee is organized on a functional basis and meets monthly to review the performance of each function against set targets. The Chief Executive also ensures that all decisions and directions given by the Board are properly communicated and implemented.

Significant Features of Directors' Remuneration

The Board of Directors has approved a formal policy for remuneration of executive and non-executive directors depending upon their responsibility in affairs of the Company. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition from them.

The Company will not pay any remuneration to independent directors except fees for attending the meetings of the Board and its committees. Remuneration of executive and non-executive directors shall be approved by the Board, as recommended by the Human Resource and Remuneration Committee.

Employees' Retirement Benefits

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognized provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz. Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members have the option to opt for either of two above mentioned defined contribution plans.

The Company also operates non-contributory gratuity fund scheme for its management employees.

The value of investment, based on their respective un-audited accounts as at June 30, 2018 is as follows:

	<u>Rupees in Million</u>
- Provident Fund	157.8
- Gratuity Fund	108.7

Operating & Financial Data

Operating and financial data and key ratios of the Company for the last six years are annexed.

Safeguarding of Records

The Company places due emphasis for storage and safe custody of its financial records. The Company is using Oracle ERP system for recording its financial information. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix. A record retention policy is also in place for proper documentation and their tracking.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2018 is annexed.

The Directors, executives and their spouse and minor children have made no transactions of the Company's shares during the year, except those reported in pattern of shareholding.

Executives mean Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary and other executives (as defined by the Board).

Material Changes

There have been no material changes since June 30, 2018 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Sustainability Report

Sustainability Report, an integral part of this annual report, besides highlighting various activities carried out by the Company, has also covered measures taken with regards to Health, Safety and Environment and Corporate Social Responsibility.

Statement of Value Addition and Distribution and Risk Opportunity Report

The "Statement of Value Addition" and "Risk Opportunity Report" are annexed to this report.

Statutory Auditor of the Company

The present Auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has recommended their re-appointment as Auditors of the Company for the year ending June 30, 2019.

Communication

Communication with the shareholders is given a high priority. Annual, half yearly and quarterly reports are distributed amongst shareholders within the time specified in the Companies Act, 2017. The Company also has a web site, www.atlasbattery.com.pk containing up to date information on Company's activities, financial reports and notices / announcements.

For and on behalf of the
BOARD OF DIRECTORS



Azam Faruque
Director

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 28, 2018

انویسٹمنٹ کی مالیت غیر پڑتا سال شدہ اکاؤنٹس کی بنیاد پر مورخہ 30 جون 2018 تک مندرجہ ذیل ہے۔

روپے بلین میں

157.8	- پروڈکٹ فنڈ
108.7	- گریجویٹ فنڈ

آپریٹنگ اور مالیاتی ڈیٹا

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

کمپنی ریکارڈز کی حفاظت

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

شیر ہولڈنگ کا پیٹرن

30 جون 2018 کے مطابق شیر ہولڈنگ کا پیٹرن اس رپورٹ کے ساتھ منسلک ہے۔

اس سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے رفیق حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا ہے۔ سوائے اس کے جو حصص داران کے پیٹرن میں درج ہیں۔

ایگزیکٹوز سے مراد چیف ایگزیکٹو، چیف فنانس ایڈیٹر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکریٹری اور دیگر ایگزیکٹوز شامل ہیں (بورڈ کی وضاحت کے مطابق)

مواد میں تبدیلی

30 جون 2018 سے اس رپورٹ کی تیاری تک مواد میں کسی قسم کی قابل ذکر تبدیلی نہیں کی گئی ہے اور اس مدت کے دوران کمپنی نے کوئی معاہدہ نہیں کیا ہے۔ جس سے کمپنی کی مالی حالت پر منفی اثرات مرتب ہو سکتے ہیں۔

سٹین ایبلٹی رپورٹ

سٹین ایبلٹی رپورٹ سالانہ رپورٹ کا حصہ ہے اور اس سالانہ رپورٹ کے اندر آگے شامل کیا گیا ہے۔

اسٹینٹ برائے ویلیو ایڈیشن اور ڈسٹری بیوٹن اور خطرے سے بچاؤ پر رپورٹ

اس رپورٹ کے ساتھ 'اسٹینٹ آف ویلیو ایڈیشن' اور 'خطرے سے بچاؤ کی رپورٹ' منسلک ہے۔

کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز، میسرز شائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اپنے عہدے کی معیار پوری کر چکے ہیں اور بنائے الہیت خود کو تقرری کے لیے دوبارہ پیش کر رہے ہیں۔ کمپنی کی آڈٹ کمیٹی نے ان کی 30 جون 2019 کو مکمل ہونے والے سال کے لیے بطور کمپنی کے آڈیٹرز دوبارہ تقرری کی تجویز دی ہے۔

مراسلات

حصص داران کے ساتھ روابط اور بات چیت کو بہت ترجیح دی گئی ہے۔ کمپنی 2017 میں واضح کردہ وقت کے مطابق انہیں سالانہ، ششماہی اور سہ ماہی رپورٹس ارسال کی گئی ہیں۔ کمپنی کی اپنی ویب سائٹ www.atlasbattery.com.pk ہے۔ جہاں کمپنی کی تمام تر سرگرمیاں، مالیاتی گوشوارے اور نوٹس/اعلانات وغیرہ موجود ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے



علی اسحاق شیرازی
پریذیڈنٹ/چیف ایگزیکٹو

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے



اعظم فاروق
ڈائریکٹر

کراچی: 28 اگست 2018

بورڈ اراکین کی سالانہ قدر پیمائی کمیٹی کے اندر ہی انسانی وسائل اور معاوضے کی کمیٹی کے ذریعے انجام دی گئی۔ قدر پیمائی کے اہم نکات درج زیر ہیں:

- الف) بورڈ کی تشکیل اور اس کی موثریت
- ب) بورڈ کی کمیٹیوں کی حدود و خال سازی اور ان کے کردار
- ج) وٹن کی منصوبہ بندی اور کارپوریٹ ماحول کی تشکیل
- د) معلومات تک رسائی اور خطرات کا جائزہ
- ه) فرائض اور ذمہ داریوں کی کارکردگی
- ی) کمیٹی کی انتظامیہ سے تعلقات
- ے) چیئرمین کا کردار اور خود اپنی کارکردگی کا جائزہ

یہ کمیٹی تین اراکین پر مشتمل ہے جس میں سب نان ایگزیکٹو ڈائریکٹرز ہیں۔ اس کمیٹی کا چیئرمین ایک خود مختار ڈائریکٹر ہے۔

اس سال کے دوران انسانی وسائل اور معاوضے کی کمیٹی کے 14 اجلاس منعقد کیے گئے۔ ان اجلاسوں میں اراکین کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹرز کے نام	ایگزیکٹو ڈائریکٹر	قابل اطلاق اجلاسوں کی تعداد	حاضری
1	جناب اعظم فاروق (5 مارچ 2018 کو بطور چیئرمین تقرری)	نہیں	1	1
2	جناب علی ایچ شیرازی (5 مارچ 2018 کو بطور رکن مستعفی)	ہاں	3	3
3	جناب بشیر کی (5 مارچ 2018 کو بطور چیئرمین مستعفی)	نہیں	4	4
4	جناب فراہیم علی خان	نہیں	4	4

سال کے دوران، بورڈ آف ڈائریکٹرز نے لسٹڈ کمپنی (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی تعمیل میں انسانی وسائل اور معاوضے کی کمیٹی کے حوالے سے ترمیم شدہ حوالہ جات کی منظوری دی اور انسانی وسائل اور معاوضے کی کمیٹی نے اس کے مطابق عمل درآمد کیا ہے۔

انتظامی کمیٹی

انتظامی کمیٹی سینئر منتظمین پر مشتمل ہے جس کے سربراہ چیف ایگزیکٹو ہیں جو اس بات کو یقینی بناتے ہیں کہ بہترین اور ہموار فیصلہ سازی کو ممکن بنانے کے لیے کمیٹی میں باقاعدہ نظام بنایا جائے اور اسے لاگو کیا جائے۔ یہ آپریٹنگ سطح پر چیف ایگزیکٹو کے لیے مشاورت کا کام انجام دیتے ہوئے کاروباری امور اور دیگر کارپوریٹ انہرز میں سفارشات مہیا کرتی ہے۔ یہ طویل المدت منصوبہ بندی کا جائزہ لینے، کمپنیل اور اخراجات کی بجٹ سازی اور کاروباری امور کی قیادت سنبھالتی ہے۔ یہ کمیٹی انجام دینے والے امور کی مناسبت سے تشکیل دی جاتی ہے اور ہر ماہ منعقدہ اجلاس میں مقرر کردہ اہداف سے کارکردگی کا جائزہ لیتی ہے۔ چیف ایگزیکٹو بھی اس بات کو یقینی بناتے ہیں کہ بورڈ کی جانب سے دینے والے تمام فیصلے اور ہدایات مناسبت طریقے سے مطلع کیے جائیں اور ان پر عملدرآمد ہو۔

ڈائریکٹرز کے معاوضے کی اہم خصوصیات

بورڈ آف ڈائریکٹرز نے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضوں کے لیے پالیسی کی منظوری دی ہے جو ان کی کمپنی میں ذمہ داریوں پر منحصر ہے۔ یہ معاوضے ان ذمہ داریوں اور ماہرانہ صلاحیتوں سے مشروط ہیں جو کمپنی کے امور کو کامیابی کے ساتھ انجام دینے اور اس کی قدر میں اضافے کی حوصلہ افزائی کے لیے درکار ہیں۔

کمپنی خود مختار ڈائریکٹرز کو بورڈ اور اس کی کمیٹیوں کے اجلاس میں شرکت کی فیس کے علاوہ کسی قسم کے معاوضے کی ادائیگی نہیں کرے گی۔ ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے انسانی وسائل اور معاوضے کی کمیٹی کی تجویز کے مطابق بورڈ کی جانب سے منظور کیے جائیں گے۔

ملازمین کو سبکدوشی پر ملنے والے فوائد

کمپنی اپنے ملازمین کے لیے مندرجہ ذیل میں سے کسی ایک طریقے کے مطابق واضح کردہ شرائط و داری کا پلان پیش کرتی ہے۔

- تسلیم شدہ پروڈنٹس؛ یا
 - رضا کارانہ پینشن سسٹم قوائد 2005 یعنی نلس پینشن فنڈ اور نلس پینشن اسلامک فنڈ کے تحت رضا کارانہ پینشن اسکیمیں جو کہ نلس ایسیٹ منجمنٹ لمیٹڈ (متعلقہ پارٹی) کے زیر انتظام ہیں۔
- تمام نئے آنے والے ملازمین کو صرف رضا کارانہ پینشن اسکیم کی پیشکش کی جاتی ہے۔ تاہم ایسے ملازمین جنہیں پروڈنٹ فنڈ کا اختیار بھی حاصل ہے انہیں اختیار حاصل ہے کہ وہ مندرجہ بالا میں بیان کردہ کسی بھی اسکیم کا حصہ بن سکتے ہیں۔
- کمپنی اپنے منجمنٹ ملازمین کے لیے نان کنٹریبیوٹری گریجویٹ فنڈ اسکیم بھی پیش کرتی ہے۔

کارپوریٹ گورننس کے طریقے

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

بورڈ آف ڈائریکٹرز کی جانب سے رسک اور آپریشنل پر منحصر رپورٹ، جو کہ متوقع خطرات کو محدود کرنے کے اقدامات کا احاطہ کرتی ہے وہ اس رپورٹ کے ساتھ منسلک ہے۔

عطیات

کمپنی کی پالیسی ہے کہ وہ اپنے گزشتہ سال کے قبل از ٹیکس منافع کا ایک فیصد حصہ خیراتی اداروں کو دیتی ہے۔ رواں سال کمپنی نے اٹلس فاؤنڈیشن کو 20.7 ملین روپے عطیہ دیے۔ اس کے علاوہ بھی کمپنی نے مختلف غیر منافع بخش اداروں کو عطیات دیے۔

قومی خزانے میں ادائیگی

کمپنی نے زیر جائزہ سال کے دوران حکومتی خزانے میں بطور ٹیکس اور دیگر درآمدی ڈیوٹیوں کی مدد میں 4.8 ملین روپے ادا کیے۔ یہ ٹیکس ادائیگی کمپنی کے بعد از ٹیکس نیٹ پرافٹ کا 8.1٪ گنا ہے، جو کہ کمپنی کی معاشی ترقی میں حصہ داری اور بطور ذمہ دار سماجی ادارہ ایک مثبت تاثر قائم کرتی ہے۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق متعدد اخلاقی اقدار سے متعلق راہنما اصول واضح کرتا ہے جس میں مفادات کا تحفظ، ملازمین کے حقوق اور دھوکہ دہی سے تحفظ وغیرہ شامل ہیں۔ یہ ضابطہ کمپنی کے امور کی ادائیگی کے لیے دیانت داری، سالمیت اور کشادگی کی حوصلہ افزائی کرتا ہے۔ یہ تمام اسٹیک ہولڈرز کو قانون کی سخت پابندی پر کاربند رکھتا ہے۔ یہ ضابطہ اخلاق اسٹیک ہولڈرز بشمول صارفین، سپلائرز، حصص داران اور شرکاء داروں کے ساتھ تعلقات کے لیے راہنما اصول بھی واضح کرتا ہے۔

اس ضابطہ کا جائزہ ہر سال لیا جاتا ہے اور بورڈ کی منظوری سے تبدیلیاں کی جاتی ہیں۔ اس ضابطہ کے بارے میں تمام ایسوسی ایشن کو آگاہ کیا جاتا ہے اور یہ کمپنی کی ویب سائٹ www.atlasbattery.com.pk/code-of-conduct پر بھی دستیاب ہے۔ اس ضابطے کے روزمرہ بنیادوں پر عمل درآمد اور جائزے کا عمل سنٹر مینجمنٹ کے سپرد ہے۔

آڈٹ کمیٹی

آڈٹ کمیٹی کارپوریٹ گورننس اور فنانشل رپورٹنگ فریم ورک کے مطابق اپنی ذمہ داریاں نبھاتے ہوئے بورڈ آف ڈائریکٹرز کو معاونت فراہم کرتی ہے۔ یہ کمیٹی تین اراکین پر مشتمل ہے جو سب نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کے چیئرمین خود بھی ڈائریکٹر ہیں۔

اس سال کے دوران، آڈٹ کمیٹی کے چار اجلاس منعقد کیے گئے۔ ان اجلاسوں میں اراکین کی حاضری مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹرز کے نام	ایگزیکٹو ڈائریکٹر	قابل اطلاق اجلاسوں کی تعداد	حاضری
1	جناب اعظم فاروق (5 مارچ 2018 کو عہدہ سنبھالا)	نہیں	4	4
2	جناب بشیر کی	نہیں	4	4
3	جناب فراہیم علی خان (5 مارچ 2018 کو مستعفی ہوئے)	نہیں	4	4

لکھنویز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے مطابق، آڈٹ کمیٹی، مینجمنٹ کی غیر حاضری میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ سے ملے۔ چیف ایگزیکٹو آفیسر اور چیف فنانشل آفیسر نے سال کے دوران منعقد چاروں اجلاسوں میں، مدعو کیے جانے پر شرکت کی۔

سال کے دوران، بورڈ آف ڈائریکٹرز نے لکھنویز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کی تعمیل میں آڈٹ کمیٹی کے حوالے سے ترمیم شدہ حوالہ جات کی منظوری دی اور آڈٹ کمیٹی نے اس کے مطابق عمل درآمد کیا۔

انسانی وسائل اور معاوضے کی کمیٹی

انسانی وسائل اور معاوضے کی کمیٹی کمپنی میں انسانی وسائل سے متعلق پالیسیوں اور طریقہ کار کے متواتر جائزے اور اطلاق کے لیے اپنی ذمہ داریاں نبھاتے ہوئے بورڈ آف ڈائریکٹرز کی معاونت کرتی ہے۔ یہ کمیٹی کمپنی کے لیے سالانہ اہم انسانی وسائل کے انتخاب، جانچ، معاوضے اور اہم انتظامی منتظمین کی جانشینی کے لیے بورڈ کو معاونت فراہم کرتی ہے۔

اس سال کے دوران، بورڈ کے پانچ اجلاس منعقد کیے گئے۔ ڈائریکٹرز کی حاضری اور تمام لسٹڈ کمپنیوں میں اگلی ڈائریکٹرشپس کی تعداد بشمول ایس بی سی لمیٹڈ مندرجہ ذیل ہے۔

نمبر شمار	ڈائریکٹرز کے نام	ایگزیکٹو ڈائریکٹر	قابل اطلاق اجلاسوں کی تعداد	حاضری	لسٹڈ کمپنیوں میں ڈائریکٹرشپس کی تعداد
1	جناب یوسف ایچ شیرازی	نہیں	5	4	4
2	جناب عارف الاسلام	نہیں	5	4	2
3	جناب اعظم فاروق	نہیں	5	3	4
4	جناب بشیر کئی	نہیں	5	5	1
5	جناب فراہیم علی خان	نہیں	5	5	2
6	جناب ثور فورویا	نہیں	5	4	1
7	جناب علی ایچ شیرازی	ہاں	5	5	2

غیر حاضری کی اجازت ان ڈائریکٹرز کو دی گئی تھی جو کچھ بورڈ اجلاس میں شرکت نہیں کر سکے تھے۔

ڈائریکٹرز کے تربیتی پروگرام

ڈائریکٹرز کے لیے تعارفی کورسز اور انہیں اپنے عہدے سے متعلق ضرورت کے تحت ذمہ داریاں اور فرائض سے آگاہ کرنے کے لیے کورسز کا انعقاد بورڈ کی جانب سے کیا جاتا ہے۔ نئے آنے والے ڈائریکٹرز کو مناسب اور ضروری تعارف اور مواد مہیا کیا جاتا ہے کہ وہ کمپنی کے امور کے بارے میں آگاہی حاصل کر سکیں۔

پانچ ڈائریکٹرز پہلے ہی سند یافتہ ڈائریکٹرز ہیں جبکہ دو ڈائریکٹرز لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2017 کے کلاز (2)20 کے تحت مستثنیٰ کے معیار پر پورا اترتے ہیں اور اسی لحاظ سے ڈائریکٹرز بینک پروگرام سے مستثنیٰ رکھتے ہیں۔

وہ ڈائریکٹرز جو ڈائریکٹرز بینک پروگرام کے تحت سند یافتہ ہیں ان کے نام مندرجہ ذیل ہیں۔

نمبر شمار	ڈائریکٹرز کے نام	ادارہ	سال
1	جناب یوسف ایچ شیرازی	مستثنیٰ	لاگو نہیں ہے
2	جناب عارف الاسلام	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2014-2015
3	جناب اعظم فاروق	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2009-2010
4	جناب بشیر کئی	انسٹی ٹیوٹ آف کاسٹ منجمنٹ اکاؤنٹنٹس آف پاکستان	2014-2015
5	جناب فراہیم علی خان	مستثنیٰ	لاگو نہیں ہے
6	جناب ثور فورویا	یونیورسٹی آف لاہور	2015-2016
7	جناب علی ایچ شیرازی	پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس	2013-2014

ڈائریکٹرز کی ذمہ داریوں کا بیان

حکمت عملی کا تعین اور جائزہ بورڈ کی جانب سے باقاعدگی سے لیا جاتا ہے اور یہ مجموعی طور پر اہداف مقرر کرتا ہے۔ ان مقاصد کی روشنی میں چیف ایگزیکٹو کاروبار کے لیے سالانہ منصوبہ بندی اور کارکردگی کے اہداف مقرر کرتے ہیں جس کا جائزہ بورڈ لیتا ہے۔ بورڈ، کارپوریٹ گورننس کے اعلیٰ معیار کو قائم رکھنے کے لیے کاربند ہے۔ کمپنی سیکورٹی اینڈ ایکنج کمیونٹی آف پاکستان کی جانب سے طے کردہ دفعات کی تعمیل اور اس کے ساتھ اسٹاک ایکسچینج کے لسٹنگ قواعد کی تعمیل کو یقینی بناتی ہے۔

مندرجہ ذیل میں کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کے بیان واضح کیے جا رہے ہیں۔

الف - کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، آپریٹنگ نتائج، پیسے کے بہاؤ اور ایکویٹی میں تبدیلی کی نشاندہی کر رہے ہیں۔

ب - کمپنی کی جانب سے اکاؤنٹس کی کتب باقاعدہ درست انداز میں مرتب کی گئی ہیں۔

ج - مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا موثر استعمال اور اکاؤنٹنگ کا تخمینہ معقول اور دانشمندانہ فیصلے کے مطابق کیا گیا ہے۔

د - مالیاتی گوشوارے کی تیاری میں ایسے بین الاقوامی فنانشل رپورٹنگ اسٹینڈرز کے استعمال کو یقینی بنایا گیا ہے، جو پاکستان میں لاگو کیے گئے ہیں۔

ہ - اندرونی کنٹرول کا نظام بہترین اور موثر انداز میں مرتب اور لاگو کرتے ہوئے اس کی مانیٹرنگ کی جاتی ہے۔

ی - کمپنی کی اہلیت بطور ایک جاری و ساری ادارے کے ہر قسم کے شکوک و شبہات سے بالاتر ہے۔

ے - جیسا کہ لسٹنگ ریگولیشنز میں وضاحت کی گئی ہے، کارپوریٹ گورننس کی اعلیٰ اقدار کو اپنانے میں کوئی کوتاہی نہیں کی گئی۔

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹرز نہایت مسرت کے ساتھ 30 جون 2018 کو ختم شدہ سال کے لیے ڈائریکٹرز رپورٹ، کمپنی کی پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹ کے ہمراہ پیش کر رہے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنیز ایکٹ 2017 کے سیکشن 227 کے مطابق تیار کی گئی ہے جو کہ 27 ستمبر 2018 کو کمپنی کی 52 ویں سالانہ عام اجلاس میں اراکین کو پیش کی جائے گی۔

2017
----- (روپے '000' میں) -----

2018

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کی مختصر تفصیل مندرجہ ذیل ہے:

2017	2018	
2,065,197	832,096	منافع قبل از ٹیکس
564,219	238,688	محصولات کے لیے فراہمی
(13,812)	4,366	موجودہ سال
38,164	(1,552)	گزشتہ سال
588,571	241,502	موثر اہلتوی
1,476,626	590,594	بعد از ٹیکس منافع
		ما بعد تصرفات
		ڈائریکٹرز نے فی حصص 10 روپے نقد ڈیویڈنڈ کی تجویز دی ہے (35.00 روپے: 2017)۔ اس کے مطابق تصرفات کی تفصیلات مندرجہ ذیل ہیں۔
1,483,462	589,307	تصرفات کے لیے دستیاب منافع
870,000	340,000	تصرفات:
608,992	173,998	عام ذخائر میں منتقلی
-	69,599	تجویز کردہ کیش ڈیویڈنڈ 10 روپے (350 فیصد: 2017)
1,478,992	583,597	پس شیئرز کے اجراء کے لیے ذخائر 40 فیصد (Nil: 2017)
4,470	5,710	غیر تصرف کردہ منافع جو آگے لایا گیا

آمدنی فی حصص

بعد از ٹیکس بنیادی اور diluted آمدنی فی حصص 33.94 روپے ہے (84.86 روپے: 2017)۔

چیئرمین کا جائزہ

چیئرمین کا جائزہ سالانہ رپورٹ میں شامل ہے جو کہ 30 جون 2018 کو ختم شدہ سال میں کمپنی کی کارکردگی اور مستقبل کے امکانات کا احاطہ کرتا ہے۔ ڈائریکٹرز رپورٹ کے مندرجات کی توثیق کرتے ہیں۔

بورڈ آف ڈائریکٹرز

بورڈ ایک عدد ایگزیکٹو ڈائریکٹر اور چھ نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ تمام ڈائریکٹرز پوری جانفشانی سے کمپنی کے معاملات میں گہری دلچسپی رکھتے ہیں۔ نان ایگزیکٹو ڈائریکٹرز کمپنی کی انتظامیہ سے خود مختار ہیں۔

مندرجہ بالا بیان کردہ مشکلات کے باوجود آپ کی کمپنی نے آنے والے سال کیلئے کافی سرمایہ کاری کی منصوبہ بندی کی ہے۔ یہ سرمایہ کاری نہ صرف بازاری طلب کو پورا کرے گی بلکہ کمپنی کے 5S اور HSE کو بھی بہتر بنائے گی۔ مارکیٹ میں جدید اور نئی مصنوعات کی طلب کے پیش نظر، آپ کی کمپنی نے بیٹری ٹانک اور اٹلس ہائبرڈ سمیت کئی نئی مصنوعات متعارف کرائی ہیں۔ آپ کی کمپنی آئندہ بھی نئی اختراعات کو جاری رکھتے ہوئے نہ صرف معیار بلکہ ٹیکنالوجی کے شعبے میں شاندار پیش رفت کی بدولت مارکیٹ میں اولین مقام کی حامل رہے گی۔

تاہم انتظامیہ نئے مواقعوں اور برآمدی بازاری تلاش کی بدولت مارکیٹ میں بہتر طور پر نفع کے لیے لاگت میں کمی، مصنوعات اور خدمات کے اعلیٰ معیار کی برقراری پر توجہ مرکوز کیے ہوئے ہے۔ افرادی قوت کی صلاحیتوں میں اضافے اور حصص یافتگان کے لیے قدر میں اضافہ بھی آپ کی کمپنی کی اولین ترجیح ہے۔ میں آپ کو یقین دلاتا ہوں کہ آپ کی کمپنی صارفین کو مطلوب اعلیٰ ترین معیار پر پورا اترنے کے لیے پیداواریت اور موثر کارکردگی پر توجہ مرکوز کیے رکھے گی اور دی اٹلس وے کے اصولوں پر عمل پیرا ہوگی:

جوستندہ یا بندہ

اظہار تشکر

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی ایماہ پر تمام ایسوسی اٹس اور ہر سطح کے مینجمنٹ اسٹاف کا شکریہ ادا کرنا چاہوں گا جنہوں نے مستقل جمعیت، انتھک محنت اور لگن کے ساتھ اپنی ذمہ داریاں جھماکیں۔

میں اپنے جوائنٹ ڈسٹر پارٹنرز جی ایس ایو اے انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بیکارہ فروخت کار (وینڈرز)، ڈیلرز، پرچون فروشوں اور صارفین کا، ان کی مسلسل حمایت اور رہنمائی پر تہ دل سے شکریہ ادا کرتا ہوں۔ میں آپ کی کمپنی کے صدر/چیف ایگزیکٹو، جناب علی ایچ شیرازی اور انتظامیہ کی ٹیم کا بھی شکر گزار ہوں کہ ان کی پُر خلوص کاوشوں اور والہانہ دہانگی کی بدولت ہم ہرگزرتے سال کے ساتھ ترقی کے نئے افق کو چھونے میں کامیاب ہوئے۔



یوسف ایچ شیرازی
چیئرمین

کراچی: 28 اگست 2018

آپ كى كمپنى هميشه ائلس گروپ كے اس اصول عمل اظلفے پر عمل كرتى هے "اوارے كى ترقى بذريعه شخصى فرور و ترقى"، اوار كمپنى ميں سكهے سكهانے كى مسلسل فضا كو برقرار ركهنے كے ليے اپنے شركائے كار كى صلاحيتوں كے فرور و كے ليے خاطر خواهر سرمايه كارى كو بروئے كار لائى هے۔

پورے سال كے دوران، اوارے سے شركائے كار كى والهاند و انجلى ميں اضافے اوار انفرادى اوار كاروبارى مقاصد كى تحمىل كے ليے ان كے فعال كردار كو يقينى بنانے كے ليے بيشتر اقدامات عمل ميں لائے گئے۔

اىك موزون كاروبارى ماحول كو برقرار ركهنا كيا جو كه تخلىقى عمل، آزادى اوار تحمىل كى مهارتوں اوار قائدانه صلاحيتوں كو مضبوط سے مضبوط تر بنانے كى حوصله افزائى كرتا هے۔ آپ كى كمپنى خاص طور پر ائلس گروپ كے ليے تخلىقى كردو، ائلس۔ آئى بى اے ڈيو مده ان بزنس منجمنٹ ميں اپنے منتخب كردو فوجوان اوار باصلاحيت شركائے كار كو شموليت كا موقع فراهم كے انهيں اعلى ترين صلاحيتوں اوار مهارت سے مزين كرتى هے۔ سال بھر كے دوران، كمپنى ميں اوار كمپنى سے باهر كى ترقى پرى پروگرام منعقد كيے گئے جن ميں كو ائى كنترول، صحت و تحفظ، مصارفين كو فراهم كردو سروس اوار ان كى تعليم، قائدانه صلاحيتوں، انتظام كارى كى بنيادى صلاحيتوں كے حصول اوار مصنوعات كى مار كيتنگ ابراءنڈ سے متعلق كار انفرسوں كے حوالے سے تربيت دى گى۔ كمپنى كے اندر منعقده ترقى پرى پروگرامز سے مجموعى طور پر 393 اراكين عمله مستفيد هوئے جبكه 292 اراكين نے خارى طور پر منعقده ترقى پرى پروگرامز ا كار انفرسوں اوار كشاپس كے ذريعه اپنى صلاحيتوں ميں اضافہ كيا، سال بھر كے دوران ان ترقى پرى پروگراموں پر افراد كے لحاظ سے كام كى مقدار كے 633 دن خرچ كيے گئے۔ چه ملازمين (شمول سى اى او) كو بين الاقوامى تربيت كے حصول كے ليے امركه اوار جاپان جاپان جيسے ممالك ميں بيجها كيا۔

آپ كى كمپنى ميں كار كردگى كے انضباط و انتظام كے جائزے كا باقاعده طريقه كار موجود هے جو اس بات كو يقينى بناتا هے كه ملازمين كى كار كردگى كو بھرپور طور پر سراها جائے اوار باصلاحيت ملازمين كے ليے اپنے شعبے ميں ترقى كے ليے بهتر مواقع پيدا كيے جائیں۔ هم غير اخلاقى كاروبارى سرگرميوں يا انفرادى رويوں كو ذره برابر همى برداشت نہ كرنے كى پاليسى پر عمل بيهر اهيں۔

صحت، تحفظ اوار ماحول

آپ كى كمپنى اپنے ملازمين كے ليے صحت مند، محفوظ اوار آرام ده ماحول كى فراهمى كے ذريعه كام كى فضا كو بهتر بنانے كے ليے مختلف وسائل ميں مسلسل سرمايه كر رهي هے۔ فيكترى كے اندر GS Yuasa (JV Partner) كا بيزائن كردو، گندے پانى كو صاف كرنے كے پلانٹ كى تحصيل كى گى، جو كه كمپنى كى جانب سے سوسائى كى بهترى كى جانب اٹھايا جانے والا اىك اهم مسكبه ميل هے۔ اس سال كے دوران، آپ كى كمپنى نے انوارمنٹ منجمنٹ سستم (EMS) كى ISO 14001:2015 سرٹيفيكيشن اوار آكيوشن، هيلتھ اينڈ سيفتى منجمنٹ سستم كى OHSAS 18001:2017 سرٹيفيكيشن حاصل كى، جو كه كمپنى كى صحت، تحفظ اوار ماحول كے حوالے كى جانے والى واكوشن كا مظهر هیں۔ "حادثات اوار زخمى هوئے كے صفر امكانات" كے حتمى مقصد كى تحمىل كے ليے اپنے ساتھ كام كرنے والوں كى تربيت اوار آگاهى سيشنز باقاعده كى سے منعقد كيے جاتے هیں۔ رواں سال آپ كى كمپنى نے آگ بھانے كى عملى مشقوں كا سلسله متعدد بار منعقد كيا؛ اس ٹريننگ سے 47 افراد مستفيد هوئے۔ فيكترى ميں دو مختلف حصوں ميں بنگامى اخراج كى مشقين كروائى گئیں۔ فيكترى ميں ابتدائى طبعى امداد كى ٹريننگ همى منعقد كى گى، جس سے 44 لوگ مستفيد هوئے۔

گزشتہ مالى سال طے كيے جانے والے آئنده كے لائحہ عمل كا تجزيه

طے شده هدف كے مطابق استعداد ميں وسعت كى تحمىل كى گى، جس كى بدولت هم پيداوار ميں اضافے كے قابل هوئے جس سے فروخت اوار منافع جات ميں اضافہ هوا۔ معيار كے حتمى پيائون كو قائم ركهنا كيا جس كى بدولت مار كيت كلیم ميں كى آئى۔ مصنوعات ميں جدت اوزنت نئے انداز پيدا كرنے كے ليے تخلىقى و تعميرى عمل مسلسل جارى ركهنا كيا اوار دوران سال اىك نئے اور جديد انداز كى باهر ڈيبيرى كو متعارف كرايا كيا۔

مستقبل كے خدوخال

توقع كى جارى هے كه مالى سال 2018-19 ميں روپے كى قدر ميں كى اوزرخت مانئيرى پاليسى طلب كے رجحان كو كم كرى گى، جس كے سبب معاشى ترقى ميں واضح كى واقع هوگى۔ نئى آنے والى حكومت كے انتظامات سنهيانے اوار مختصر اوار درميانى مدت كے ليے ضرورى اصلاحات لانے كے بعد معيشت اپنى رفتار پر واپس آ جائے گى۔ معيشت كے بنيادى عوامل مضبوط هیں اوزرنى حكومت كى جانب سے واضح سمت كا تعين هوئے كے بعد معيشت درميانى اوار طويل مدت كے ليے پائيدار ترقى كے راستے پر گامزن هو جائے گى۔

آگے آنے والا سال بيبرى انطرشى كے ليے خاصى مشكلات لائے گا كيونكه حريف كينياں اپنى صلاحيتوں اوار مچائش ميں اضافہ كر رهي هیں اوزر نئى كينياں همى مار كيت ميں آرهي هیں۔ دوسرى جانب، شهربى علاقوں ميں لوڈ شيڈنگ ميں كى سبب بزرى بيبرىوں كى طلب ميں كى واقع هوئى هے۔ بنيادى خام مال كى قيمتوں ميں اضافے، پاكستانى روپے كى قدر ميں كى اوار افراط زر كا دباؤ پيداوارى اوزر عمل كارى كى لاگت ميں اضافے كا سبب بن رها هے جس كى وجه سے مستقبل ميں منافع پر نءا اثر پڑے گا۔

عمل کاری مصارف، پچھلے سال کے 912 ملین روپے کے مقابلے میں 6.0 فیصد کے اضافے سے 966 ملین روپے ہو گئے۔ میوہل فنڈ میں سرمایہ کاری سے ہونے والا نقد نقصان 13 ملین روپے پر موجود ہے جبکہ گزشتہ سال اسی ایویٹو سے حاصل ہونے والی منافع 231 ملین روپے تھی، اس کی کاسب اسٹاک مارکیٹ سے متعلقہ میوہل فنڈز میں ہونے والی گراؤت ہے۔ اس کے نتیجے میں، آپریشنز سے ہونے والا منافع 55.5 فیصد کی کے ساتھ گزشتہ سال کے 2,133 ملین روپے کے مقابلے میں 950 ملین روپے پر موجود ہے۔ مالیاتی لاگت 68 ملین روپے سے بڑھ کر 118 ملین روپے ہو گئی۔

اسی طرح مالی سال 18-2017 کے دوران قبل از ٹیکس منافع، پچھلے سال کے 2,065 ملین روپے کے مقابلے میں 59.7 فیصد کی کے ساتھ 832 ملین روپے رہا۔ 242 ملین روپے کے ٹیکس ادا ٹیکسوں کے بعد منافع بعد از ٹیکس 591 ملین روپے پر موجود ہے جو کہ گزشتہ سال کے 1,477 ملین روپے کے مقابلے میں 60.0 فیصد کم ہے۔ آمدنی فی حصص گزشتہ سال کی 84.86 روپے کے مقابلے میں 33.94 روپے رہی۔

بورڈ کی کارکردگی

کمپنی کا بورڈ آف ڈائریکٹرز تمام متعلقہ اصول و ضوابط کی پاسداری کرتا ہے۔ بورڈ نامور کاروباری شخصیات پر مشتمل ہے جو اپنی پیش بہا مہارت، تجربے اور لازوال اقدار و اطوار کی بدولت بورڈ کی قدر میں اضافہ کرتے ہیں۔ بورڈ نے پالیسیوں اور طریقہ عمل کے قواعد و ضوابط طے کر رکھے ہیں جو کہ پیشہ ورانہ کاروباری فضا کو یقینی بناتے ہوئے حقائق کے بروقت اظہار، جوابدہی، اعلیٰ اخلاقی معیار، مروجہ قوانین، قواعد و ضوابط اور کاروباری عملداری کی تعمیل کو فروغ دیتے ہیں۔

تذکرہ سال کے دوران، بورڈ نے کمپنی کے لیے اپنی ذمہ داریوں کو مؤثر انداز میں نبھایا اور تمام کلیدی اہمیت کے حامل معاملات میں انتہائی فعال انداز میں شرکت کی ہے۔ تمام سہ ماہی، شش ماہی اور سالانہ مالیاتی نتائج پر پوری غور و خوض کے ساتھ نظر ثانی کی گئی اور بورڈ نے انتظامیہ کو باقاعدگی سے رہنمائی اور مشاورت فراہم کی۔ بورڈ نے انتظامیہ کی کارکردگی کی گہرائی اور ممکنہ بڑے کاروباری خطرات سے تحفظ میں اہم کردار ادا کیا۔ بورڈ کے اراکین نے مالی سال 19-2018 کے لیے کمپنی کے مالیاتی بجٹ اور سرمایہ جاتی اخراجات کی ضروریات کا جائزہ لے کر ان کی منظوری دی۔

"سٹینڈنگ کمیٹی" (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2017 کی ضروریات پوری کرنے کے لیے مارچ 2018 میں ایک خود مختار ڈائریکٹرز کوآڈٹ کمیٹی اور انسانی وسائل اور مشاہرے کی کمیٹی کے لیے بطور چیئر مین تعینات کیا گیا۔ آڈٹ کمیٹی اور انسانی وسائل اور مشاہرے کی کمیٹی نے پورے سال متعلقہ قوانین کے تحت اپنی تمام ذمہ داریاں ادا کیں۔ بورڈ نے نہایت ذمہ داری کے ساتھ ان کی کارکردگی کا وقتاً فوقتاً جائزہ لیا۔

قومی خزانے میں اضافے کے لیے کردار

آپ کی کمپنی نے تذکرہ سال کے دوران، مختلف نوعیت کے سرکاری محصولات، ٹیکس اور درآمدی ڈیوٹیوں کی صورت میں قومی خزانے میں 4.8 بلین روپے کا اضافہ کیا۔ ان محصولات کی ادا سبکی، کمپنی کے بعد از ٹیکس خالص منافع کے مقابلے میں 8.1 گنا زیادہ ہے جو کہ کمپنی کے مثبت انداز فکر و عمل، ہلکی معیشت کے فروغ اور ایک اچھے کاروباری شہری کے طور پر اپنی ذمہ داری نبھانے کا مظہر ہے۔ اٹلس گروپ کمیٹی بشمول اٹلس بیٹریز، کی جانب سے قومی خزانے میں مجموعی جمع کردہ رقم 55 بلین روپے سے زیادہ ہے۔ یہ بات اٹلس کو ملک کے چند سب سے زیادہ ٹیکس ادا کرنے والوں کی صف میں کھڑا کرتی ہے جو کہ حکومت کی مجموعی آمدنی کا 1 فیصد بنتا ہے۔

قدر میں اضافہ کرتی روپے کی آمدورفت

سال کے دوران، آپ کی کمپنی نے اپنی عمل کاری کی مدد میں 1,459 ملین نقد استعمال کیے جبکہ گزشتہ سال 1,525 ملین حاصل کیے تھے۔ اس کی بڑی وجہ فنڈز کا ورکنگ کپٹل بالخصوص اسٹاک اور تجارتی ادھار میں استعمال ہے جو کہ ناموافق بازاری حالات میں ناگزیر تھا۔ غلب میں اضافے کی ضرورت کو پورا کرنے کے لیے آپ کی کمپنی پیداواری استعداد میں اضافے کے لیے کی جانے والی سرمایہ کاری کو جاری رکھے ہوئے ہے۔

انفارمیشن ٹیکنالوجی

آپ کی کمپنی انفارمیشن ٹیکنالوجی کے جدید انفراسٹرکچر سے پوری طرح مزین ہے۔ کمپنی زیادہ پیداوار اور معیار کے حصول کے لیے میٹرو پیچنگ کے طریقے کار کو خود کار بنیادوں پر استوار کرنے کے عزم کے ساتھ ٹیکنالوجی کی دنیا میں ہونے والی ہر پیش رفت سے بہ وقت آگاہ رہنے کے لیے تیار ہے۔ آپ کی کمپنی ای آر پی ڈیٹا مینجمنٹ اور سسٹم سے مکمل طور پر مستفید ہو رہی ہے اور غیر کاغذی ماحول کے لیے کوشاں ہے۔ کمپنی درج ذیل پروگرامز اور طریقے عمل کی تخلیق اور عملی نفاذ کے ذریعے کاروباری عمل کو بہتر بنانے پر توجہ مرکوز کیے ہوئے ہے:

- کاروبار سے صارفین (B2C)
- پلانٹ کے ڈیٹا کی خود کاری
- حق مطالبہ کی تکمیل کا نظام
- کاروباری تسلسل کا منصوبہ (بی بی پی)
- کاروبار سے کاروبار (B2B)
- ڈیٹا کے تحفظ کا انتظام

چیئر مین کی جانب سے ایک جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2018 کو ختم ہونے والے مالی سال کے لیے آپ کی کابینہ کی 52 ویں سالانہ رپورٹ مع آڈیٹری کی رپورٹ پیش کر رہا ہوں۔

معیشت

پاکستانی معیشت میں ترقی کا رجحان برقرار رہا اور شرح نمو تیرہ سال کی بلند ترین سطح 5.8 فیصد پر جا پہنچی۔ زرعی شعبے میں بہتری، CPEC سے متعلقہ پروجیکٹس پر عملدرآمد، بجلی کی پیداوار اور مضبوط کھپت نے معاشی ترقی کے حصول میں معاونت کی۔ CPI افراط زر ایشیائے خورد و نوش اور تیل کی قیمتوں میں سکونت کے سبب تقریباً 5 فیصد کی سطح پر مستحکم رہا۔ مالیاتی محاذ پر، مالی سال 2017-18 میں فیڈرل بورڈ آف ریونیو نے 3,751 بلین روپے کے ٹیکس وصول کیے، جو کہ گزشتہ سال اسی مدت کے مقابلے میں حاصل کردہ ٹیکس سے 11.4 فیصد زیادہ ہیں۔

موجودہ مالی سال کے دوران، برآمدات 12.7 فیصد اضافے کے ساتھ 22.0 بلین ڈالر سے بڑھ کر 24.8 بلین ڈالر ہو گئیں، جبکہ درآمدات 14.6 فیصد اضافے کے رجحان کے ساتھ گزشتہ سال کی 48.7 بلین ڈالر سے بڑھ کر 55.8 بلین ڈالر ہو گئیں۔ جس کے نتیجے میں، تجارتی توازن میں خسارہ گزشتہ سال کے 26.7 بلین ڈالر کے مقابلے میں 16.1 بلین ڈالر کے ساتھ 31.0 بلین ڈالر ہو گیا۔ بیرون ملک سے بھیجی جانے والی ترسیلات زر گزشتہ سال کے 19.3 بلین ڈالر کے مقابلے میں 1.5 فیصد اضافے کے ساتھ 19.6 بلین ڈالر ہو گئیں۔ کرنٹ اکاؤنٹ خسارے میں اضافے کو مالیاتی بہاؤ میں اضافہ متوازن نہیں کر سکا جس کے نتیجے میں زرمبادلہ کے ذخائر مالی سال 2017-18 کے اختتام تک 16.4 بلین ڈالر کی سطح پر آ پہنچے جبکہ گزشتہ سال اسی مدت کے دوران 21.4 بلین ڈالر تھے۔ ابھرتی ہوئی اقتصادی صورتحال کے پیش نظر اسٹیٹ بینک آف پاکستان نے یکم جولائی 2017 تا مئی 2018 کے اختتام تک کے دوران یہ میں امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں 15.8 فیصد کمی کی اجازت دی۔

اقتصادی خدشات، سیاسی عدم استحکام اور ملکی کریڈٹ ریٹنگ میں تنزلی کے سبب پاکستان اسٹاک ایکسچینج کی کارکردگی مایوس کن رہی اور PSX انڈیکس جون 2018 کے اختتام پر کمی کے ساتھ 41,911 پوائنٹس پر آ گیا جبکہ مالی سال 2017-18 میں 04 اگست 2017 کو اپنی بلند ترین سطح 47,241 پوائنٹس پر موجود تھا۔

آٹوموبائل انڈسٹری کا جائزہ

مالی سال 2018 کے دوران مقامی سطح پر محدود پیداواری صلاحیت کے باوجود آٹوموبائل پروڈکشن اپنی بلند ترین سطح پر جا پہنچی۔ اہم تجارتی اشیاء میں استحکام، افراط زر کی شرح میں نمایاں عدم تبدیلی، سڑکوں کے جال میں اضافہ اور کم سودی شرح کی فضا نے آٹوموبائل کے شعبے میں ترقی کی راہ ہموار کی۔ مالی سال 2017-18 میں مقامی سطح پر تیار کی جانے والی کاروں کی فروخت میں 16.7 فیصد اضافہ دیکھا گیا اور مالی سال 2016-17 میں 185,781 پونیش کے مقابلے میں 216,786 پونیش کی فروخت ریکارڈ کی گئی۔ ٹریڈ کٹرز کی فروخت میں، بہت زیادہ اضافہ دیکھا گیا اور گزشتہ سال 54,992 پونیش کے مقابلے میں 28.9 فیصد اضافے سے 70,887 پونیش کی فروخت ریکارڈ کی گئی۔ ٹرکس اور بسوں کی فروخت گزشتہ سال کے مقابلے میں 15.3 فیصد بڑھی۔ موٹر سائیکلوں اور تین پہیوں والی گاڑیوں میں (جن کے پائرس کو جوڑنے والے پی اے ایم اے سے رجسٹرڈ ہیں) مالی سال 2017-18 کے دوران 1,929,613 پونیش کی تعداد میں فروخت کے ساتھ 18.3 فیصد کا نمایاں اضافہ ہوا جبکہ پچھلے سال اسی مدت کے دوران 1,630,735 پونیش فروخت ہوئے تھے۔

بیٹری کی صنعت

بیٹریوں کی طلب کا دار و مدار گاڑیوں کے شعبے کی ترقی اور ملک میں موجود بجلی کے بحران پر ہے۔ نئے پاور پلانٹس کے آغاز سے بجلی کی پیداوار میں خاطر خواہ اضافہ ہوا ہے، جس کے نتیجے میں خاص طور پر شہری علاقوں میں لوڈ شیڈنگ میں کمی واقع ہوئی ہے۔ اس کی وجہ سے بجلی کے بیک اپ کے طور پر استعمال ہونے والے پو پی ایس میں استعمال کی جانے والی بڑی اور درمیانے سائز کی بیٹری کی طلب میں کمی واقع ہوئی۔ دوسری جانب سولر پینل کی قیمتوں میں کمی کے سبب، بطور خاص ان علاقوں میں جہاں ابھی تک بجلی نہیں پہنچی ہے وہاں اس کا استعمال بڑھ گیا، جس سے بیٹری کے استعمال کا ایک نیا باب کھلا ہے جس کی وجہ سے چھوٹی اور درمیانے سائز کی بیٹریوں کی طلب میں اضافہ ہوا ہے۔

پاکستان میں بیٹری کی صنعت دو بڑے حصوں میں تقسیم ہے، منظم اور غیر منظم شعبے۔ منظم شعبہ، بازاری طلب کی تقریباً 90 فیصد ضرورت پورا کرتا ہے جبکہ باقی طلب غیر منظم شعبے اور درآمدات سے پوری ہوتی ہے۔ آپ کی کابینہ مارکیٹ کے ایک بڑے حصے پر اپنی دھڑس رکھتی ہے اور ہم معیار پر عدم سمجھوتے بنتی اور جدید مصنوعات متعارف کرانے اور بعد از فروخت معیاری سروس کی فراہمی کی بدولت اس میں مزید اضافے کے لیے کوشاں ہیں۔

زیر عمل کارکردگی

مالی سال 2017-18 فروخت میں اضافے کے حوالے سے ایک اور کامیاب سال ثابت ہوا۔ آپ کی کابینہ نے مالی سال 2016-17 میں ہونے والی 17.2 بلین روپے کی فروخت کے مقابلے میں 6.8 فیصد اضافے کے ساتھ 18.3 بلین روپے کی فروخت کیں۔ یہ اضافہ تبدیلی کی جانے والی بیٹریوں کی مارکیٹ میں فروخت کے اضافے کے باعث ہوا۔ خام مال کی قیمتوں میں اضافے سے فروخت کی لاگت 15.0 فیصد اضافے کے ساتھ 14.2 بلین روپے سے بڑھ کر 16.3 بلین روپے ہو گئی، جس کے نتیجے میں مجموعی منافع کا تناسب گزشتہ سال کے 17.3 فیصد کے مقابلے میں کم ہو کر 10.9 فیصد پر آ گیا۔

Code of Conduct



Standard of Conduct

Atlas Battery Limited conducts its operations with honesty, integrity and openness, and with respect for human rights and interests of the employees. It respects the legitimate interests of all those with whom it has relationships.

Obeying the Law

Atlas Battery Limited is committed to comply with the laws and regulations of Pakistan.

Human Capital

Atlas Battery Limited is committed to create the working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Company.

It recruits, employs and promotes employees on the sole basis of the qualifications and abilities needed for the work to be performed.

It is committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labor.

It is committed to working with employees to develop and enhance each individual's skills and capabilities.

It respects the dignity of the individual and the right of employees to freedom of association.

It will maintain good communications with employees through company based information and consultation procedures.

Discrimination and Harassment

Atlas Battery Limited prohibits discrimination of employees and ensures equal opportunity for employment, compensation, development and advancement for all individuals. It prohibits harassment based on categories of race, color, religion, sex, national origin, age or disability.

It does not tolerate workplace violence including threats, threatening behaviour, harassment, intimidation, assaults or similar conduct.

It has a zero tolerance policy with respect to personal and / or sexual harassment. Personal / sexual harassment in any form is strictly prohibited and may become ground for immediate dismissal without notice or pay in lieu of notice.

Weapons and Drugs

Atlas Battery Limited does not allow any employee to carry firearms or other weapons, unless obtaining prior permission.

The employees must not distribute, possess or use illegal or unauthorized drugs or alcohol on any premises of Atlas Battery Limited or in connection with its business.

Consumers

Atlas Battery Limited is committed to providing branded products and services, which consistently offer value in terms of price and quality. Products and services will be accurately and properly labeled, advertised and communicated.

Shareholders

Atlas Battery Limited will conduct its operations in accordance with principles of good corporate governance. It will provide timely, regular and reliable information on its activities, structure, financial situation and performance to all the shareholders.

Trading in Own Shares

Atlas Battery Limited discourages employees and their families from trading in shares of the Company or advise others in trading of its shares. However, if any employee or his / her family intends to sell or buy or take any position in the shares of the Company, then he / she should notify in writing to the Company Secretary.

Business Partners

Atlas Battery Limited is committed to establishing mutually beneficial relations with its suppliers, customers and business partners.

In its business dealings, it expects its partners to adhere to business principles consistent with its own.

Community Involvement

Atlas Battery Limited strives to be a trusted corporate citizen and, as an integral part of society, to fulfill its responsibilities to the societies and communities in which it operates.

Public Activities

Atlas Battery Limited is encouraged to promote and defend its legitimate business interests.

It will co-operate with government and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations, which may affect legitimate business interests.

It neither supports political parties nor contributes to the funds of groups whose activities are to promote party interests.

The Environment

Atlas Battery Limited is committed to making continuous improvements in the management of environmental impact and to the longer-term goal of developing a sustainable business. It will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Health, Safety and Environment

Atlas Battery Limited strives to provide a safe, healthy and clean working environment. It also strives to prevent any wasteful use of natural resources (including water) and is committed to help in improving the environment. It tries to reduce, replace, recycle or regenerate articles consumed in its operations.

Innovation

Atlas Battery Limited makes innovations to meet consumer needs. It respects the concerns of consumers and of society. It works on the basis of sound research, applying high quality standards.

Competition

Atlas Battery Limited believes in fair competition and supports development of appropriate competition laws. Atlas Battery Limited and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

Atlas Battery Limited does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment, which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Its accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All Atlas Battery Limited employees are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to the Company. They must not seek gain for themselves or others through misuse of their positions.

Company Resources

All the assets of Atlas Battery Limited (both tangible and intangible) shall be deployed for the purpose of conducting the business for which they are duly authorized for. None of these should be misused or diverted for any personal use or benefit.

Fraud, Theft or Illegal Activities

Atlas Battery Limited employees shall be alert and vigilant with respect to frauds, thefts or illegal activity committed within the office. If any such activity comes to their attention, they must immediately report the same to the Head of Human Resource or Head of Internal Audit.

It has set its priority not to become implicated, in any way, with individuals or firms involved in criminal and other associated activities and employees are expected to exercise maximum caution in this regard.

Books and Records

Atlas Battery Limited employees must act in good faith, not to misrepresent material facts in books and records or in any internal or external correspondence, memoranda or communication of any type, including telephone or electronic communications.

Its records should be maintained in such a way that they are in full compliance with all rules, laws and regulations. Adequate precautions should be taken to protect them from falling into wrong hands, which could harm its business interests. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix.

Confidentiality

Atlas Battery Limited employees come across a number of confidential information which may take many forms. They must take proper care of such information and ensure that it is not misused in any way which is detrimental to its business or used for own commercial benefit. Employees must exercise care to avoid disclosing non-public, internal, secret or proprietary information to unauthorized persons, either within or outside the Company during employment or afterwards.

Compliance – Monitoring – Reporting

Compliance with business principles is an essential element in business success. The Board of Directors of Atlas Battery Limited is responsible for ensuring that these principles are communicated to, and understood and observed by, all employees.

Day-to-day responsibility is delegated to the senior management. They are responsible for implementing these principles, if necessary, through more detailed guidance tailored to local needs.

Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by Audit Committee of the Board.

Any breach of the Code must be reported in accordance with the procedures specified by the management.

The Board of Atlas Battery Limited expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles.

Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

CEO Message on Sustainability

“Sustainability is an obligation and moral responsibility towards Society. It is the responsibility of every person in general and industries in particular, to encourage Economic and Social development, while protecting the environment, to ensure we leave clean and sustainable planet for future generations.”

The Company started to present Sustainability Report few years ago and has evolved through a dynamic process. The preparation of the Report has led us to identify various areas of improvements and measures to be taken. The Report is based on interviews and surveys conducted with various stakeholders and identification of issues that need to be addressed. The data presented in this section is generated by various functional departments which is reviewed by the management and approved by the Board of Directors.

The Report entails our approach to sustainability which is focused on the principles and fundamentals expressed in ATLAS CULTURE and ATLAS SYSTEMS. The Report also covers measures taken by the Company towards corporate governance, environment, financial sustainability, people, quality, health and safety, technology, customer, business ethics and corruption.

The manufacturing of quality products in an environment friendly manner is our aim which help our customers get maximum utility of our products.

Corporate Social Responsibility (CSR)

“A business that makes nothing but money is a poor business.” – Henry Ford

We believe that sustainability helps in managing social and environmental impacts whilst remaining a vital component of shareholder, employee and stakeholder relations. To grow as a Company and corporate citizen of this country, the importance of CSR and its activities should be realized and worked upon vigorously.

We are continuously working towards implementing CSR, sound governance, best management practices and high economic and social practices in our day-to-day business activities.

This year, the CSR campaign, 'Bring Them Back' was carried out in the month of Ramadan, during which the Company's team carried out on-ground activation in old age homes and orphanages.

Sustainability disclosure can serve as a differentiator in competitive industries and foster investor confidence, trust and employees loyalty. Analysts often consider a company's sustainability disclosures in their assessment of management quality and efficiency, and reporting may provide firms better access to capital.

The environmental shift has diminished quality of life which has implicated that CSR is a long term project based initiative. Through various activities including donations, collaborated events with non-profit organizations and intense measures to improve the environment, we are striving to serve to our stakeholders and community at large responsibly.

We work closely with our customers and partners specifically GS Yuasa, Japan to bring technological innovations, foresee change and adapt accordingly. We welcome competition, face tough business challenges and grow not only as a company but overall as an industry.

Thank you for taking the time to review this report. We are pleased to share and welcome your feedback and involvement.



Ali H. Shirazi
President / Chief Executive

Karachi: August 28, 2018

Sustainability

APPROACH TO SUSTAINABILITY

The Company's framework is a product of the Atlas Group's fundamental business doctrine, the 'ATLAS WAY'. It comprises of the principles of "ATLAS CULTURE" and "ATLAS SYSTEMS". These are a set of rules and procedures which have sustained the test of time and proved to be at the heart of the Company's success.

The principles of the 'ATLAS WAY' cover all departments, operations, activities and aspects of our business and provide ideal guidelines for their progressive development. It teaches us to pursue operational and financial results while maintaining environmental quality, workplace safety and social responsibility.

Atlas Culture

- Corporate Governance
- Respect, recognition and reward (3Rs)
- Recruitment and career advancement based on integrity, merit, experience and skills
- Education and training of staff and descendants
- Self-reliance
- Leading by example
- Humility and excellence
- Living within one's means, saving for the future and donating for good cause
- To be happy and healthy

Atlas Systems

- Management by Objectives (MBO) to align activities agreed company goals
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company
- Inducting and retaining competent and skilled staff – right man for the right job
- Using BCG model for strategic direction
- Creating value through implementation of internal controls (SOPs and policy manuals)
- Management development to produce performers, organization builders and strategists
- Active participation in management meetings for continuous performance improvement
- Ensuring accuracy and control performance improvement
- Ensuring accuracy and control of information / data through efficient MIS
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention

Environment

The Company's prime focus is to run operations in a way to reduce negative impacts of its business activities on the environment by consuming less energy and fuel, produce less waste, recycling water etc. The Company has successfully achieved certification of ISO 14001: 2015 – Environment Management System from Bureau Veritas.

Material

The Company with its intense research and assistance of Japanese partner works on procurement of raw materials and development of new formulae and applications with the aim of low impact on environment. Materials having high impact on the environment are monitored in pursuance of the Company's environmental policy.

Over the last few years, Company has introduced new products including Battery Tonic and Atlas Hybrid battery which has opened up new opportunities. Battery Tonic is distilled battery water with specific battery grade TDS to increase life of battery. Atlas Hybrid, a hybrid battery which has been made with combination of lead and calcium plates with plastic envelop protection giving battery long life and protection from rust, etc. The successful launch of hybrid battery has now paved way for introducing same technology in other variants of battery in coming years.



Energy saving measures and energy conservation

The Company installed 100 KW solar panels which reduced reliance on conventional electrical energy and resulted in cost savings as well as contribution to improvement of environment.

The cost of fuel for generators was reduced by installation of dedicated electricity lines for uninterrupted supply of electricity and also resulted in significant reduction of associated greenhouse gas emissions from generators.

The Company promotes the use of energy efficient products and reduction of energy use in operations. Installation of LED lights at shop floors have contributed in energy conservation. In addition, various training materials are disseminated to associates encouraging to conserve energy by switching off extra electrical appliances when not used and / or during breaks. This was actively encouraged more by placing signboards around the factory premises.

Disposal of Lead Scrap

The company disposes off its lead scrap generated during manufacturing process through its associated company, where lead scrap is recycled on a state of the art, European origin, lead recycling plant; thus ensuring an environment friendly disposal of this hazardous waste.

Water

The Company acknowledges the fact that water is an increasingly scarce and critical global resource. In turn, the associates are educated with this fact and trained to reducing water usage.

The Company has invested significant resources and successfully installed a state of art, the GS Yuasa designed, Waste Water Treatment Plant in the factory premises and achieved another milestone towards the betterment of the society. The Company also uses Reverse Osmosis Plant to desalinate water and convert brackish / sea water to clean water which is then used in our manufacturing process.

Air

The Company has invested significant resource during last few years on controlling air emission. Various measures are taken for the reduction in air pollution which includes;

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

Biodiversity

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

Society

The Company plays an active role in contributing to the society by conducting different CSR activities with the aim to serve the society. During the year, various initiatives were taken including but not limited to social events at non-profit organizations, installation of bus queue shelters in major cities during Ramadan, distribution of Eidi and gifts to the orphanages during Ramadan in Karachi, Lahore and Islamabad / Rawalpindi.



Compliance of Environmental Legislation

The Company is committed to comply with environmental legislations applicable to all of its Company's products and operations. It maintains a system which identifies prevailing and new applicable environmental legislation and includes them to the audit checklists of respective departments as a guideline and for periodic review. During the year, the Company obtained compliance certification of EMS 14001:2015 and OHSAS 18001:2007. This will enable the Company to stay ahead of its competitors in environmental compliance. This is the fruit of significant investments made by the Company in health, safety and environment since many years.

Financial Health

Our focus is to deliver the best quality batteries with high level of sustainability, efficient manufacturing process and high operating efficiency. As we gain financial strength, we invest in future products, our people, our communities and society.

People and Industrial Relations

Human Capital

Atlas Culture emphasizes on recruitment and career development based on integrity, merit, experience and skills. We invest in our associates, strengthen their technical capabilities, leadership skills and team work to make Company and society a better place.

We show respect to our associates and treat them fairly by positively influencing their lives. We teach and encourage them to serve the Country and Company in the most ethical ways. We believe that happy associates are the backbone of a sustainable and competitive Company.



Succession Planning

The Company realizes that for long term business continuity, implementation of succession planning is of vital importance. For this purpose, the Company develops successors for all key positions across the organization as part of succession planning. Individual Development Plans (IDPs) are prepared to indicate existing and required competencies, learning and development plans, performance expectation and career progression of each individual. This also contributes towards the retention of potential employees within the Company.

Based on the importance of succession planning activity, the Company reviews the whole process annually to keep it aligned with the ongoing changes in the business scenario.

Career & Organization Development

The Company has a career development program which is operated on the basis of Performance Management Review Process that fairly recognizes employees' performance and helps develop improved career paths for the talented associates. A corporate culture is promoted by encouraging creativity and independence among our associates. Through this program, the associates are required to fill evaluation / performance forms and their supervisors evaluates them on the basis of actual performance delivered and one-on-one interview with their managers. It leads to establishment of a vision for personal development and a detailed training plan to achieve it, accompanied by setting their future objectives.

To reach out to talented students and dedicated professionals, the Company is using different social mediums including LinkedIn, Rozee.pk platform, etc.

The company engaged Mercer to conduct a Desktop study of Total Remuneration Survey so that we could constantly improve on our Compensation Benefit Policies.

IT Integration with Human Resources

The Company has invested in an ERP system which has integrated and helped in various functions of Human Resources including recruitment, trainings, career development, payroll processing etc. Currently implementation of Oracle HCM Cloud having seven modules of HR processes is in process through consultant to further update and strengthen the HRMS.

Trainings

The Atlas Culture specifically emphasizes upon the education and training of staff and descendants. The development of its associates' abilities are achieved through various means such as on the job trainings including in-house and external trainings, education program, financial support for career advancement etc. Technical trainings as well as soft skills trainings have been arranged during the year such as Advanced Management Program, Emotional Intelligence, Effective Managerial Skills, Managing Stress, Influencing & Negotiation Skills, Power of Self-Management, Amplifying Presentation Skills, Leadership Skills etc. to name a few. Apart from this, the Company is part of a comprehensive program with Institute of Business Administration (IBA), through which the Diploma Program is conducted exclusively for Atlas Group associates which helps in preparing young and potential leaders for the changing business environment / upcoming challenges.

The Company conducted various in-house trainings and nominated associates for external trainings covering the areas of production, engineering, quality control, leadership, core management skill development and various specialized departmental trainings including supply chain management, treasury, corporate affairs, taxation etc. Altogether 393 personnel benefited from internal trainings, while 292 personnel enhanced their skills set through external training programs, amounting to a total of 633 man days spent on trainings during the year.

For in-house trainings, the Company has a Training Centre with all associated services. A specially designed curriculum has been developed based on the existing processes of the plant. These training sessions are conducted by a pool of internal trainers as well as associates within the Company to enhance their presentation skills and to promote team work. After classroom training associates are provided practical training sessions at the shop floor. Human Resource division plays an active role in the skills enhancement program of associates and promotes a learning culture among them.

39 industry specific on-job training were conducted in which 457 associates were trained.

Human Resources division facilitates and records all such trainings to monitor skills enhancement at the shop floor with the ultimate goal to enhance productivity and ensure quality production. Despite these formal trainings, associates are encouraged to provide on ground training to subordinates on hand.



To strengthen the safety culture, numerous training sessions were organized on Behaviour Based Safety by engaging an external trainer / training institute, ensuring its step-wise implementation, incorporating all shops / departments.

Employer Branding

In view of promoting employer branding, beside engineering students, the Company introduced a formal internship training program for business management students in which ten (10) interns were placed in different divisions like Production, Engineering & Projects, Marketing, Finance etc. All interns worked on real time projects, hence contributing to their professional development.

The Company also invited Electrical Engineering students from DHA Suffa University and IBA Family Business Diploma students on industrial visits to the plant that provided practical insights into the real working environment of the industry. A liaison has been maintained with the relevant universities so that they continue to develop professionals / talent who are not only competent but also familiar with our organization's practices, systems and structure.

Human Rights

Human rights of fellow workers and communities where we operate are respected and part of our business culture as stated in Atlas Culture: "Humility and Excellence". We focus on four areas across our activities where respect for human rights is particularly critical to the way we operate: labor conditions, communities, supply chains and security.

Workforce

We intend to remain an attractive employer of a diverse group of associates who feel sufficiently challenged to pursue their personal development. By creating job opportunities, sourcing from local suppliers, and paying taxes and royalties etc. We help in building local economies. We plan to be a part of the community for decades to come with long term plan and vision.

We encourage our associates to strive for education and where possible we assist our associates to pursue for education at all levels. The Company provides competitive remuneration packages and a good environment to work in to increase the quality of work and satisfaction resulting in long-term employability and synergy effect to the Company's performance. There are 32 associates who are with the company for more than 25 years now and 53 associates for more than 10 years.

Supporting Diversity and Equal Opportunities

A good mix of experienced and youthful associates is very essential to good human resource and ultimately Company's growth.

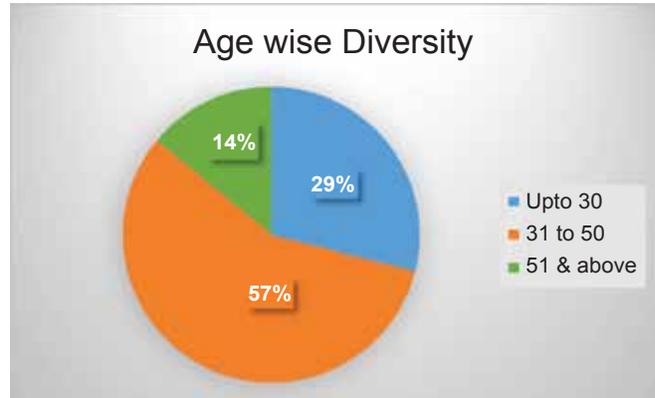
Workplace diversity fosters mutual respect amongst associates whether working as groups and / or teams comprising of co-workers with varied work styles, or colleagues who represent different cultures or generations, a synergistic work environment becomes the norm. To us, diversity and equal opportunities are more than just following the rules.

The age diversity as at June 30, 2018 is as follows:

Further, it has been a big challenge for the entire industry to attract women in numbers. The Atlas Group has a long-term ambition to increase the number of women in executive teams, while taking into account all other important diversity parameters.

Employee Engagement

The Company encourages work and life balance, and strictly emphasizes to follow stipulated working hours and avoidance of late sittings. This has helped our associates to avoid unnecessary stress, pay appropriate attention when needed and to keep themselves away from health problems.



The true reflection of our 3Rs – Respect, Reward and Recognition is depicted through Long Service Awards distributed among associates, various events and activities which included farewells for retiring associates during the year and management and associate retreats including movie nights and overnight stay at recreational clubs.

To acknowledge the loyalty and dedication of our employees/associates, Family Function and Long Service Award Ceremony was organized on April 14, 2018 at PAF Museum. Chairman Atlas Group, Mr. Yusuf H. Shirazi was the chief guest of the event which was well attended by the family members of ABL associates, GEC Members and MC Members of other Group Companies. Long Service Awards Distribution Ceremony was followed by a family gala including several fun activities for children, dinner and musical night.

Initiated the portrayal of overall activities across the company through monthly HR Newsletter started from November 2017.

Achievements

ABL achieved 3rd prize for ‘Best HRM Practices’ in the category of Large National Companies from Australian High Commission to Pakistan, H.E. Margaret Adamson at Annual International HRM Conference hosted by Employers Federation of Pakistan.



Corporate Social Responsibility

Atlas Battery placed a heat stroke camp nearby office during the holy month of Ramadan, which was visited by the senior management of the company.



Communication with labor

The Company encourages a working environment which promotes associates’ to work without fear of intimidation, reprisal or harassment. The associates’ union rights are respected and they are allowed to join unions and engage in collective bargaining as permitted by applicable laws in the country.

Hajj Facility

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



HSE Policy and Workplace Safety

HSE Steering Committee, headed by Chief Executive provides guide lines for maintaining / improving HSE culture at the Company and working committee ensures its implementation.

The focus and direction of the committee is mitigation of risk to the minimal levels by carrying out business and operational activities in such a way to ensure the safety of its employees and other persons for whom it is responsible, and at the same time the risk to the environment. The Company strives to provide a safe and healthy working environment for its employees and acts positively to prevent injury, ill health, damage and loss arising from its operations.



We consider the fact that safety precedes everything. We believe that all injuries are preventable and can be avoided if due care is taken before hand. We have established "zero incidents and zero injuries" as our goal. We follow-up and investigate on all incidents and injuries to address their root causes. We ensure that ‘close-calls’ are reported so that we learn from these near misses and focus on improvement.



We are committed to:

- Protect and strive for improvement of the safety, health and security of our people at all times.
- Ensure that all associates understand their specific HSE responsibilities, implementing all the necessary measures for the prevention, protection from hazards to associates and the property.

- Minimize our impact on the environment through pollution prevention, reduction of natural resource consumption and emissions, and the reduction of waste.
- Provide employees with the familiarization of Company's HSE policy and practices.

During the year, various activities were conducted and initiatives taken in relation to implementing and enduring workplace safety and to educate associates about health and safety. These activities and initiatives included:

- ABL acquired HSE Certification, Integrated Management System comprised of (OHSAS 18001:2007 & ISO 14001:2015)
- Behavior Based Safety (BBS) Program was initiated in order to improve the safety Culture of the Organization and helped in managing a process that creates a safety partnership between management and employees that continually focuses people's attention and actions on theirs, and others daily safety behavior.
- At Source segregation mechanism was introduced for which different color bins were installed and after collection all hazardous waste were treated through 3rd Party Environmental Protection Agency (EPA) approved contractors.
- Secondary containments were installed in order to prevent the land contamination through chemicals subsequently spills kits were made available for timely cleanup of spilled materials.
- In-House HSE Inspection Audits were commenced in order to highlight the issues persist on the shop floor.
- UA/UC reporting mechanism has been introduced which is helping in identifying the real time hazards of the shop floor.
- To promote and reinforce the safety culture, Safety Week was conducted twice at the factory in which different internal and external trainings were conducted. To bring awareness at associates' level, different safety posters / signage were placed in the entire factory, emphasizing on the importance of safety measures to be taken while being at work.
- Emergency evacuation drills were conducted in two phases at factory.
- Dissemination of information regarding health and safety to associates and workers through awareness sessions.
- Installation of dust collectors and scrubbers.
- Conducted series of firefighting training sessions at plant including associates from other offices as well. This was an in-house activity and 47 participants benefited from the training making 23.5 man days.

First aid training program was also organized for 44 participants at the plant through Aman Foundation so that the capability of our people to handle emergency during work could be improved and they can prevent such situations from becoming worse. It was a half day training program thus making 33 man days.

Administration

To ensure that our associates stay healthy, positive and contribute well to the achievement of organization's objectives, the Company has spacious canteen with all associated services. The dining hall of the canteen serves around 460 people at a time that includes serving breakfast, lunch, dinner and tea to all associates.

Centralized Time Management System, Time machines were installed at all regional and zonal offices across Pakistan.

Acquired license of different administrative support services to comply HSE Certification.

ABL II registered as factory under Factories Act.

Medical Facility

The Company has established an in house medical facility to deal with associates' daily health care needs, and also for any emergency situation occurring at the factory premises. The in-house clinic is manned by a qualified doctor, who is available in general shift and paramedics, who are available for 24 hours, 7 days a week. An ambulance is also in service at factory premises to cater any emergency situation.

Technology and Innovation

With the rapid change and advancement of technology, we realize the importance to keep ourselves align with the advancements and continue to innovate and invest in technology. The focus is on process automation and paperless environment to not only increase synergies but also as part of global environment protection and reduced cost while maintaining high quality.

State of Art Information Technology Infrastructure

The Company enjoys a state of the art information technology infrastructure to meet the growing needs of the business. This includes innovations and improvements in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, etc.). We are also aligning business and IT to attain full advantage in a significant and persistent way for data management through ERP and striving for a paperless environment. Further, we are focused on B2C (Business to Customer), Business Continuity Plan (BCP), Business Process Reengineering (BPR), B2B (Business to Business) systems, IT Security and Safety, HCM Cloud and superior Communication environment.

The Company has successfully implemented material resource planning (MRP) module of Oracle EBS. Developing a comprehensive dashboard of management information system (MIS) comprising of operational and non-operational divisional reporting is in progress.

Disaster Recovery Planning

The Company has a comprehensive Disaster Recovery Plan to cater any disaster emergency situation. The Company also engaged a professional firm for an independent review of its Disaster Recovery Planning & Business Continuity Plan and identified the points of improvements.

Quality Assurance of Products / Services

Quality Management System

The Company is committed to the manufacturing of high quality Lead Acid and low maintenance Hybrid batteries. The system has been designed, improved and aligned as per ISO 9001:2015 guidelines. The Quality Management System demonstrates Company's ability to provide quality products, meet customer needs, improvement of the processes and continuous monitoring on consistent basis.

In-House Laboratory Testing and Quality Improvement

The Company has an in-house laboratory equipped with latest measuring equipment for testing the performance of batteries through chemical and electrical testing. Our laboratory is also capable of testing every product, from raw material to finished batteries.

Customer

Customer Satisfaction

Customer satisfaction is always our top priority. During the years, the Company has taken various initiatives in order to satisfy customers' needs, which included developing a Service and Business Development division to meet the growing needs of our customers, their training of battery handling and preventive maintenance, mobile van, free battery checkup service, etc. We believe, customer service and service levels continues to be an area for improvement, which we will work on constantly. In addition to this, the Company has also taken an initiative of free home battery check-up service activity.

Prioritize Customer Needs

To meet the customer needs is our top priority and helps us in improving our products and services accordingly besides innovation of new products with advance technology, accordingly to their utility and benefit.

Dissemination of Information and Advertisements

All activities related to advertising and sales promotion are adhered to comply with the applicable laws as well as business ethics and code of conduct which are monitored in-house. The marketing activities during the year are summarized in media section.

Consumer Protection Measures

The Company not only believes in high quality products but also keenly focuses on after sales service and to build long term relationship with the consumers. To attain confidence of its consumers, the Company's representative including Chief Executive regularly visit to dealers' showroom and meet with customers. On the other hand dealers, retailers and OEMs technicians training on battery specs and handling method are part of our business practices.

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

Battery Capacity

This year, the Company has started to display capacity of batteries expressed in "Ampere Hour(s)" (AH) and "Voltage" (V) on all products, their packaging, warranty cards, instructional manuals and other advertisement material to enable the customers take better buying decision according to their need.

Battery Management and Safety Tips

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

How to select a battery and FAQs

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

Adherence to Laws, Standards and Voluntary Codes for Communication

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

Fines and Sanctions

There have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship except one instance which is mentioned in the audited financial statements as annexed at latter part of this report.

Market Share

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

Dealers' Network

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

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

July 2017

- Dealers' meeting in Karachi held on July 03, 2017 at ABL Karachi office and dealers' get together held on July 06, 2017 for the induction of new Zonal Sales Manager in Islamabad at ABL Islamabad office.

August 2017

- Nationwide installation of shop-boards at dealers' shops.

September 2017

- Dealers' meetings held in Karachi, Lahore, Rawalpindi and Multan Zones on September 6, 14, 15 and 27, 2017 respectively.
- Conducted 21 trainings sessions for AMB commercial dealers and 6 training sessions for OEMs. Total 230 AMB technicians and 160 MCB technicians were trained.

October 2017

- Brand activation and free battery check-up at the Pakwheels Auto Show in Sialkot and Islamabad on October 15 and 29, 2017 respectively.
- Dealers' meetings were held in Karachi (October 06, 2017), Faisalabad (October 17, 2017), Lahore (October 18, 2017) and Rahim Yar Khan (October 20, 2017).

November 2017

- Brand activation and free battery check-up at the Pakwheels Auto Show in Lahore on the November 12, 2017.
- Dealers' meetings were held in Karachi (November 07, 2017), Islamabad (November 21, 2017) and Lahore (November 22, 2017) at Atlas DHA office, Mona hotel Islamabad and PC hotel Lahore respectively.
- Inauguration of 3 model shops at Abbottabad, Mirpur AJK and Chakwal on November 8, 9 and 10, 2017 respectively.

December 2017

- Wall Calendar distribution in all zonal and regional offices for the dealers.
- Dealers / retailers get together arranged at Rawalpindi, Multan, Sahiwal, Lahore and Karachi.
- New dealer development in Battagram Hazara Division and Bajaur Agency.
- B2C training session for Rawalpindi and Lahore dealers held December 22 and 23, 2017 respectively.

January 2018

- Half yearly sales conference 2017-18 was held on January 10, 2018 at Pearl Continental Hotel Bhurban.
- Dealers' meetings were held in Karachi, Rawalpindi, Lahore, Faisalabad and Multan.

February 2018

- Pak Wheels Auto-shows were held in Multan and Bahawalpur on February 9 and 14, 2018 respectively.
- Retailers get together were arranged in Karachi, Okara, Hyderabad, Bahawalpur and Faisalabad.
- Service department conducted 56 trainings of AMB and MCB, attended by 478 technicians nationwide.

March 2018

- Pak Wheels Auto-show was held in Gujranwala on March 11, 2018.
- Road show activation started from March 12, 2018 from Hyderabad covering a total of 42 cities till end of April 2018.
- Service department conducted 49 training programs during the month covering 391 technicians across the country.

April 2018

- Road show activation continued in the month of April 2018, covering a total of 42 cities.
- Dealer meetings were arranged in Islamabad, Lahore, Faisalabad, Karachi, Peshawar, Multan and Rahim Yar Khan.

May 2018

- Ramadan's Calenders were distributed across all dealers and regions.
- Dealers' meetings were arranged in Karachi, Lahore, Faisalabad, Sahiwal, Multan and Rawalpindi.
- Participated in free battery check-up campaign organized by Honda Atlas Cars (Pakistan) Limited at fifteen 3S dealerships showrooms in Karachi, Multan, Islamabad and Lahore regions. Approximately 1,846 vehicles were checked during the activity by service support staff. Six dealers also added in CMS (Claims Management System) network.

June 2018

- Dealers' meetings were arranged in Karachi, Lahore, Peshawar and Sukkur.
- Service team conducted 23 trainings across Pakistan, attended by 70 technicians, including OEMs' and dealers' staff.
- Participated in free battery check-up campaign organized by Honda Cars at 2S dealerships in Karachi, Sukkur, Multan, Islamabad and Lahore regions. Approximately 309 vehicles were checked during the activity from June 25 to 28, 2018.



Corporate Affiliations

The Company is affiliated with:

- Karachi Chamber of Commerce & Industry (KCCI)
- Management Association of Pakistan (MAP)
- Pakistan Institute Of Management (PIM)
- Employees Federation of Pakistan
- SITE Association
- Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM)

Supply Chain Management

The Company has a separate division for supply chain function with suitable and skilled resources which integrates with other business units for effective management of Company's operations. It encompasses production planning, material procurement, logistics, warehousing and store supplies management. It also manages vendors and suppliers and in built that code of conduct and business ethics are followed.

Contribution to National Exchequer

During the year under review, the Company contributed over Rs.4.8 billion to the national exchequer on account of various government levies, taxes and import duties. The Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen is clearly reflected from the above statistics. Together with other Atlas Group Companies, the total contribution to the exchequer is over Rs. 55 billion. This makes Atlas one of the highest taxpayer in the country with 1.0 % of Government's total revenue.

Statement of Charity Account

The Company has adopted Atlas Group policy to donate 1% of its prior year's profit before tax to a charitable institution. During the year, Company has donated Rs.20.7 million to Atlas Foundation. Further, the Company has always supported and played a significant role in CSR activities. This year, Company launched the CSR campaign during Ramadan, by highlighting the importance of taking care of your parents. The campaign also included activation in 14 old age homes, where the team spent time with old age residents and distributed presents. Another part of the Ramadan CSR campaign was activities that were done at orphanages. Another 200 children were given gifts and puppet shows were organized for them. The company also sponsored Special Olympics Pakistan Marathon as the Gold Sponsor. Atlas Battery setup a stall with a magic mirror activity for the special children. CEO and the team participated in the Marathon. In addition, the company sponsored fund raising concert that was organized by Professional Education Foundation.



Corporate Governance

The term “Corporate Governance” refers to a system of Company’s management that focuses on responsibility, transparency and sustainable value creation. It encompasses the management and monitoring system of the Company, including its organization, business principles and guidelines, as well as internal and external control and monitoring mechanisms.

The governance and control of Atlas Battery Limited is carried out through number of corporate bodies. At the general meetings, the shareholders can exercise their voting rights as mentioned in statutory laws.

The Board of Directors is ultimately responsible for organization and monitoring of the Company’s operations. The duties of the Board are partly exercised through Audit Committee and Human Resource and Remuneration Committee.

In addition, the Board is responsible to appoint the CEO of the Company. The CEO is in-charge of the daily management of the Company in accordance with guidelines and instructions provided by the Board.

Division of responsibilities and duties between the shareholders, the Board and the CEO are regulated inter alia by the Companies Act, 2017, the Company’s Articles of Association and the Listed Companies (Code of Corporate Governance) Regulations, 2017.

1. Shareholders and General Meetings

Shareholders

As on June 30, 2018, the Company had 1485 shareholders according to the share register. The Company’s share registrar is Hameed Majeed Associates (Private) Limited.

Investors’ Grievances / Feedbacks

The Company believes in protecting the interest of its investors. It acknowledges its responsibility to inform shareholders, analysts and investors timely and fully about material developments that are relevant to the Company, its management, operations and financial situation as well as its future prospects. The policy is devised to establish guidelines for communicating with shareholders, analysts, investors and other stakeholders for their understanding of entity’s business, governance, financial performance and prospects. A well-defined structure for governance and management which provides specific authority and responsibility for policy implementation is in line with the policy.

Company Secretary has been designated as the person responsible for handling investor grievances and feedbacks. The mechanism is summarized below:

- A designated email address has been created namely abl@atlasbattery.com.pk to facilitate investors in submitting their queries, grievances and feedbacks.
- In addition to the aforementioned email address, complaints and suggestions can also be received in writing, duly addressed to the Company Secretary.
- All queries, grievances and feedbacks are resolved and communicated to the investors on timely basis after due verification procedures.

Stakeholders’ Engagement

The stakeholders’ expectations are carefully understood by the Company and responded to as a responsible manufacturer, marketer, employer and corporate citizen. The engagement serves the purpose to actively engage with stakeholders, know their expectations, build a relationship with them and respond appropriately with the aim to win their loyalty with the Company.

Stakeholder Engagement Process

Stakeholders	Interests and Expectations	Engagement Methods	How We Respond
Government and regulatory bodies	Generate economic growth through revenues, taxes and fees. Provide fair and transparent competitive trading conditions.	Regulatory reporting Conferences Dialogues	Tax payments Trade policy Pollution control Energy saving measures Employment Social and economic development
Dealers and consumers	Provide innovative partnerships for sustainable growth Provide quality products at good value Prompt after sales service Competitive prices	Site visits Questionnaires Dealers related events Sales conferences Service and warranty centers Website B2B Customer satisfaction survey	Product quality and safety Business ethics Human rights Renewable technology Service at doorstep Research
Associates	Backbone of our success A safe and best possible working environment	Meetings Employee survey Appraisal interviews Training programs Employee union Employee newsletter Key Result Areas (KRA)	Worker health and safety Job security Working conditions Career development Remuneration and rewards
Suppliers, vendors and service providers	Secure delivery of goods and quality products and services Meet responsible sourcing requirements Provide fair access to business opportunities and appropriate payment conditions	Dialogue Regular engagement with local management on-site	Operational excellence Ethical business practices Compliance of tax laws On time payments
Shareholders and investors	Generate sustainable growth and shareholders' return Improve shareholders' capital Improve financial performance	Interim and annual reports Meetings Website	Corporate governance Business performance Corporate responsibility Timely reporting
Local community and neighbourhood	Provide support for local economic development Build trust with local communities	Workshops CSR Internships and management trainee programs	Community engagement processes Environment pollution control Job security Social investment
Banks	Negotiations of rates Smooth trade facilities	Meetings Interim and annual reports Financial analysis Forecast and projections	Better relationship Minimal fees Higher deposits Higher number of operations / transactions Suitable trade facilities
Media	Raise awareness of products Raise awareness of safety tips and operational use of products	Press releases Website Social media TVC and Radio	Industry challenges and developments Health, Safety and Environmental issues
Industry partners	Improve business practices Build capacity within our organization and drive peer approaches	Active involvement in organizations and associations e.g. PSX, ICAP, MAP, etc.	Long term industry challenges Human rights Health and safety

General Meeting of Shareholders

An Extraordinary General Meeting (EOGM) of Shareholders is convened wherein the Board of Directors considers any matter requiring the approval of Company's shareholders in general meeting, or if the shareholders who control one tenth shareholding demand in writing for the consideration of a certain issue.

The Annual General Meeting (AGM) decides on, among other things, the adoption of the financial statements contained therein, the distribution of profits and the discharge of the Members of Board and the CEO from liability. In addition, the AGM elects the Members of the Board and the auditors, and decides on the remuneration paid to the auditors. The AGM, furthermore, may decide on, amendments to the Articles of Association, share issues, etc. as required by laws and regulations prevailing in the country.

Atlas Battery Limited's Annual General Meeting 2017-18 was held on September 29, 2017 in Karachi. The shareholders adopted inter-alia the following resolutions:

- Minutes of the Extraordinary General Meeting held on May 19, 2017 be and are hereby confirmed and signed.
- Annual Audited Accounts for the year ended June 30, 2017 along with the Directors' and Auditors' Reports thereon be and are hereby adopted.
- Cash dividend @ 350% (Rs.35.00 per share) be and is hereby approved for payment to those shareholders of the Company, whose names shall appear in the register of members at the close of business on September 14, 2017.
- Secretary of the Company or any one of the Directors be and is hereby authorized to give effect to the foregoing resolutions and in this regard to do or cause to be done all acts, deeds and things that may be necessary or required.
- Retiring Auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants being eligible, be and are hereby re-appointed as Company's Auditors for the year ending June 30, 2018 for an audit fee of Rs.1,200,000/-.

Issues discussed in last AGM

The overall performance of the Company including Company's growth, industry growth, capex incurred during the year, financial costs, future prospects etc. were discussed by the shareholders.

2. Board of Directors

The Board's Responsibilities

The Board of Directors is responsible for the appropriate arrangement of the Company's administration and operations. The Board of Directors consists of minimum of seven members elected by a General Meeting of Shareholders. The Board of Directors elects a Chairman among its members. The Board of Directors' tasks and responsibilities are determined primarily by the Companies Act, 2017, the Company's Articles of Association, the Listed Companies (Code of Corporate Governance) Regulations, 2017 and other legislation and regulations applicable to the Company. It is the responsibility of the Board of Directors to act in the interests of the Company and all of its stakeholders.

The Board responsibilities include but are not limited to:

- devise overall corporate and business strategies and gives direction to the Company's management.
- oversee the performance of the management periodically.
- ensure that professional standards and corporate values are put in place in the form of Code of Conduct.
- define and review vision and mission of the Company and evaluate performance there against.
- ensure the system of corporate governance exist.
- review the internal controls and risk management policies and approve its governance structure and code of conduct.
- recommend the matters to be dealt with by a General Meeting and to ensure that the decisions made by a General Meeting are appropriately implemented.
- approve policies, large business agreements, investments decision and declaration of dividend etc.
- directs and supervises the Company's executive management.
- appoint and dismiss the CEO, decides CEO's remuneration and other benefits and
- monitoring the financial reporting process and the efficiency and strength of the Company's internal control, internal auditing and risk management and compliance systems.

The Board discharges its responsibilities through their meetings including quarterly meetings which include approval of budgetary planning and business strategy. The Board has constituted various committees for the performance of their functions.

Composition of the Board of Directors

The General Meeting confirmed that the Board of Directors shall have seven members.

The personal information of Members of the Board is presented at the start of this report.

Directors' Qualification

The Board members have diversified experience and are qualified professional. They are well conversant of the laws and business practices in Pakistan. They have ample experience from various sectors and brought in their expertise and knowledge to the Company. They are also well aware of the importance of mandatory trainings and evaluation as per the Listed Companies (Code of Corporate Governance) Regulations, 2017.

Roles and Responsibilities of Chairman

The Board determines its working procedures and reviews these procedures as required. The working procedures describe the Chairman's specific role and tasks, as well as responsibilities delegated to the committees appointed by the Board. The Chairman's role is primarily to guide long term strategic planning for the Company including:

- Presiding over the Board and ensuring that all relevant information has been made available to the Board.
- Defining the Company's philosophy and objectives.
- Safeguarding shareholders' interest in the Company.
- Responsible for building the Company's image nationally and internationally.
- Ensuring the appropriate recording and circulation of the minutes of the Board to directors and officers entitled to attend Board meetings.
- Major spokesman of the Company, responsible for liaison with the senior most levels of Federal and Provincial Governments.
- Overseeing the Company's macro approaches and public relations in the broadest sense, including its relations with public organization and other companies and
- Commitments and de-commitments of strategic investments.

Conflicts of Interest

Directors have a duty to avoid a situation in which they have or can have a direct or indirect interest which conflicts, with the interests of the Company. In this regard, the directors have undertaken that they will comply with the related provisions of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2017 and rules and regulations of SECP and stock exchange and Company's Code of Conduct.

Boards Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed Board Evaluation Questionnaire has been formulated which is circulated amongst directors for their feedback every year and compiled results are presented in the Board meeting for review and appropriate action, thereon.

Remuneration of the Board of Directors

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2017, it is ensured that no directors take part in deciding their own remuneration.

For information on remuneration of directors and CEO in 2017-18, please refer to the financial statements.

Formal Orientation at Directors' Induction

Every director upon joining is provided with an orientation presentation. CEO briefs new directors about the Company operation, industry dynamics, organization structure and other significant matters.

Board meetings

There were five Board meetings held during the year. All of them were held inside Pakistan.

3. Chief Executive Officer (CEO)

The CEO handles the operational management of the Company in accordance with direction set by the Board. He is responsible to the Board of Directors for fulfilling the targets, plans and goals that the Board sets. The CEO is responsible for ensuring that the Company's accounting is in compliance with the law and that financial management has been arranged in a reliable manner. The CEO forms the Functional Committees and Management Teams and delegates to its members the necessary powers for carrying out their responsibilities.

The management team consists of the following functional heads:

- Marketing
- Production
- Supply Chain
- Quality Assurance
- Engineering and Projects
- Services and Business Development
- Human Resource
- Information Technology
- Finance
- Corporate Affairs

Roles and Responsibilities of CEO

The CEO is responsible for all matters pertaining to the operations of the Company. His responsibilities include:

- To formulate Company's objectives in conjunction with the strategy approved by the Board.
- To lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy.
- To build and maintain amicable relations with governmental departments, trade associations, regulatory bodies, customers, suppliers and sales offices.
- To ensure the achievement of agreed productivity and profitability targets.
- To ensure that the chain of command is clear in the Company to facilitate the maintenance of discipline, ambit of all managers is clearly defined to ensure accountability.
- To prepare for the approval of the Board annual forecast of plans for productions, sales, profit, revenue and capital expenditure, manpower which fit into the long term business objectives and the overall strategic direction of the Company.
- To ensure that necessary coordination exists between various divisions of the Company to achieve smooth and effective operations.
- Maintain a regular review of duties and functions of the staff to ensure that there is no duplication of efforts in office methods and procedures and that all operations are carried out efficiently and economically.
- To ensure that the Company's interest and assets are properly protected and maintained and all the required government obligations are complied.
- To chalk out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole.
- To ensure that proper succession planning for all level of hierarchy exist in the Company and is constantly updated.
- To pay all government dues, on or before due dates and obtain all refunds due form the government.
- To prepare and present personally to the Board of Directors following reports / details.
 - annual business plan, cash flow projections, forecasts and strategic plan.
 - budgets including capital, manpower and overhead budgets, along with variance analyses.
 - quarterly operating results of the Company as a whole and in terms of its operating divisions or business segments.
 - promulgation or amendment to a law, rule or regulation, enforcement of an accounting standard and such other matters as may affect the company.
- To ensure that any show cause, demand or prosecution notice received from revenue or regulatory authorities are properly responded to.
- To resolve disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the listed company.
- To ensure that open, progressive and game free atmosphere is created among associates giving them a sense of participation and providing them with an opportunity to give their best.
- To ensure that every associate is treated equally as an individual regardless of designation, career development is purely on merit basis and each associate is helped to develop pride of performance through continuous study and training so as to form a team in which all levels of associates work together with common goals to strengthen the position of the Company.

- To ensure effective internal controls and management information systems are in place.
- To ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically.
- To ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business.
- To keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that the CEO and management of the Company are adequately informed.
- To ensure the integrity of all public disclosure by the Company.
- In concert with the Chairman, to develop Board agendas.
- To request that special meetings of the Board be called when appropriate.
- In concert with the Chairman, to determine the date, time and location of the general meeting of shareholders and to develop the agenda for the meeting; and
- To sit on committees of the Board where appropriate as determined by the Board.

CEO Performance Review

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

4. Committees of the Board

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

Audit Committee

This Committee reviews the financial and internal reporting process, the system of internal controls, management of risks and the internal and external audit processes. An independent internal audit function reports to the Committee regarding risks and internal controls across the organization. The Audit Committee receives reports from external auditors on any accounting matter that might be regarded as critical. The detailed Charter of the Audit Committee developed in accordance with the Code of Corporate Governance is contained in the listing regulations of the stock exchange which is summarize below:

- determination of appropriate measures to safeguard the Company's assets.
- review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors
- review of preliminary announcements of results prior to publication.
- facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary).
- review of management letter issued by external auditors and management's response thereto.
- ensuring coordination between the internal and external auditors of the Company.
- review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company.
- consideration of major findings of internal investigations and management's response thereto.
- ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective.
- review of the Company's statement on internal control systems prior to endorsement by the Board of Directors.
- instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
- determination of compliance with relevant statutory requirements.
- monitoring compliance with the best practices of corporate governance and identification of significant violations thereof.
- consideration of any other issue or matter as may be assigned by the Board of Directors.

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

Report of the Audit Committee is annexed with this report.

Human Resource and Remuneration Committee

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

The committee is responsible for:

- i) carry out evaluation of the Board of Directors.
- ii) recommending human resource management and remuneration policies to the Board.
- iii) recommending to the Board the selection, evaluation, compensation and succession planning of the CEO.
- iv) recommending to the Board the selection, evaluation, compensation of CFO, Company Secretary and Head of Internal Audit; and
- v) consideration and approval on recommendations of CEO on such matters for key management positions, who report directly to CEO.

5. Auditors

The Company's auditor is an auditing firm which fulfills general competency requirements and also complies with relevant legal independence requirements guaranteeing the execution of an independent and reliable audit. They are also compliant with the Code of Corporate Governance and other applicable laws and regulations. The performance, cost and independence of the external auditor is reviewed by the Audit Committee and recommended to the Board. Annual General Meeting then elects the auditor to audit the accounts for the financial year and the auditor's duties ceases at the close of the subsequent Annual General Meeting. The auditor's duty is to audit financial statements and give reasonable assurance that the financial statements give a true and fair view of the Company's operations and result as well as its financial position. The Company's auditor presents the audit report required by law to the Company's shareholders in connection with the annual financial statements and reports regularly to the Board of Directors.

6. Compliance and Integrity Management

All directors and associates are required to comply with all applicable laws and regulations.

Code of Conduct

The Code emphasizes on honesty, integrity and openness in conduct of Company's operations. It strictly abides all stakeholders to follow the laws and regulations. It also promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights and grievance, fraud etc. The Code guides interactions with all stakeholders, including consumers, employees, suppliers, shareholders and partners.

The Code is disseminated to all associates and is placed on Company's website. It is reviewed annually and any changes therein are approved by the Board.

The Company investigates all alleged breaches of Code and applies appropriate measures when complaints turn out to be substantiated. An open dialogue is promoted on integrity with a formal "Whistle Blowing Policy". The associates of the Company are encouraged to report their views on bad processes and unethical practices through such policy. These mechanisms are part of the complaints procedure and are described in our Code of Conduct. In 2017-18, no alleged breaches of the Code of Conduct were reported.

IT Governance Policy

IT Governance Policy of the Company is monitored and update periodically. The policy deals with the use of information and its delegation and authority, security and modes and mediums of dissemination etc. The Company's focus is on strong processes and systems in order to protect the stakeholders' data and create awareness about the importance of data protection and privacy through IT Governance Policy, which is summarized below:

- Members of Management Committee are responsible for required compliance in their respective functional areas, at all locations.
- The General Manager IT is responsible for its implementation, maintaining compliance and for suggesting new areas as per technology enhancement.

Records Retention and Safety Policy

The Company is striving to become paperless in coming years, by getting all the records scanned and uploaded on servers for later use and retrieval. The Company has an efficient Record Management System to safeguard records of the Company from the time such records are conceived through to their eventual disposal.

A team known as Record Management Committee is made specifically for the purpose of implementation of record management policy.

The policy covers several aspects which include:

- Having Centralized Record Room with proper shelves, fire resistant lockers, etc.
- Full time dedicated record keeper who is responsible to maintain Centralized Record Room in proper manner.
- Centralized electronics record facility.
- Retention of electronic mail policy.
- Compliance on Records Retention Policy.
- Records retention period.
- Mode of retention.
- Records disposal.

Whistle Blower Policy

The Company values an open dialog on integrity and responsibility with its associates. The Company is committed to provide a fair environment to its employees. The Company investigates all alleged breaches of Code and applies appropriate measures when complaints turn out to be substantiated. The associates of the Company are encouraged to report their views on processes and practices to their manager. These reporting mechanisms are part of the complaints procedure and are described in our Code of Conduct.

This policy applies to recruitment and selection, terms and conditions of employment including pay and benefits, communications, training, promotion, transfer and every other aspect of employment.

Violations reported through the whistle blower procedure are investigated by internal audit function. Information regarding any incident is reported to the Audit Committee. Reports include measures taken, details of the responsible Company function and the status of any investigation. In 2017-18, no alleged breaches of the Code of Conduct were reported.

Business Ethics and Anti-Corruption Measures

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

All forms of corruption whether directly or indirectly are discouraged that include but not limited to bribery, kickbacks, payoff, etc. The stern action is taken against personnel found in these mal-practices. It is the responsibility of all associates to ensure that none of Company's associates engage in practices which infringe legal or regulatory requirements. Any associate engaging in business practices which infringe legal or regulatory requirements are subjected to disciplinary action which may lead to dismissal and personal criminal or civil liability.

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

Risk and Opportunity Report

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2017, the Board of Directors of the Company has implemented and reviewed business risks to ensure that the management maintains a sound system of risk identification, risk management and related systemic and internal controls to safeguard assets, resources, reputation and interest of the Company and shareholders.

The following report covers Company's risk assessment; identified risks; adopted mitigating factors and actions in place, duly endorsed by the Board of Directors.

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Market To be market leader in battery industry.	Strategic Risk Commercial Risk	Continued inflation reducing customer purchasing power. Variation in raw materials and other input costs led by oil prices causing uncertainty.	■	Enhance internal efficiencies to provide the right product at the right price
Credit Risk To minimize credit risk.	Financial Risk	The financial loss to the Company if a customer fails to meet their contractual obligation arising from trade receivables.	■	In certain situations the Company extends credit after due consideration of factors which includes market sentiments, seasonal effects, etc. A comprehensive credit policy is already in place.
Investment To maximize returns on investments.	Financial Risk	Adverse stock market developments may affect revaluation of assets.	■	The Company has investment in mutual funds and maintains diversified portfolio to mitigate risk.
Internal Controls To have strong internal controls leading to sound and stable Company	Operational Risk	The Company may be exposed to financial irregularities resulting in qualitative and quantitative losses in the absence of effective internal controls.	■	Internal controls covering areas of governance, management, policies and procedures, compliance with laws and regulations etc. are in place. Internal Audit department monitors the compliance of internal controls.
Socio-political situation To operate in a stable market with least volatility and low occurrence of unforeseen variables.	Commercial Risk	Compliance of new and existing laws and regulations. Political uncertainty may affect business volume.	■	A team of qualified and experienced professional in the management team ensures compliance with all laws, rules and regulations.
Technology To evolve technologically in order to manufacture products of high quality.	Operational Risk	Technology shift may render production process obsolete and cost inefficient.	■	Constant process of balancing, modernization and up gradation of production facilities.

Sensitivity

■ High

■ Medium

■ Low

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Operations To ensure continuity of operations without disruptions.	Operational Risk	The severe on-going energy crisis. Vendors' operational / financial constraints and their deteriorating quality standards. Disruptions due to data loss from operational failures or natural disasters.	  	Company operations have an alternative energy source. Continuous assessment of all vendors in terms of quality, operational and financial capacities. An IT related business continuity plan is in place for ensuring efficient recovery of information systems for successful resumption of business functions.
Human Resource Recruitment and career advancement based on integrity, merit, experience and skills.	Operational Risk	Qualified and competent staff may not be available in sufficient numbers. Operations may be subject to fraudulent activities.		Well-structured procedures for recruitment, training, compensation, periodic appraisals and succession planning have been implemented to ensure staff retention and continued operation.
Finance To be financially strong and perform up to the expectations of all stakeholders.	Financial Risk	Devaluation of Pak Rupee against foreign currencies may adversely affect Company's financial performance. Increase production capacity leading to high material and supplies' orders and costs making liquidity and cash flows stressed.	 	Foreign currency exposure is monitored by the Treasury department. Derivatives such as forward covers and currency options (when available) are used for hedging against currency devaluation when considered necessary, as and when deemed feasible. Liquidity is monitored by the Treasury department in cooperation with Supply Chain. Further, cash management facilities from various banks have been availed for quick realization of sales revenue.
Health and Safety To ensure health and safety of associates at workplace.	Operational Risk	Injuries due to workplace accidents.		Safety is top priority and an effective working environment is enforced. Medical and health insurance policies are in place for all associates. Adequate trainings are provided to associates along with drills conducted.

Sensitivity



High



Medium



Low

Risk Categories

Strategic Risk: These risks are related to the business environment including the industry and are beyond Company's control.

Commercial Risks: These risks emanate from commercial substance of the organization and involve decisions which may affect Company's position in the market.

Operational Risks: These risks are related to Company's internal operations, administrative procedures and daily affairs.

Financial Risks: These risks are related with financial matters including profitability, financing, liquidity and credit.

Key Sources of Uncertainty

- Increasing commodities prices may impact raw materials and other input costs.
- Extending credit to the customers.
- Widening gap of trade balance and increase current account deficit.
- Inflation prevailing in the country and budgeted for the upcoming years.
- Pak Rupee parity against foreign currencies.
- Stock market fluctuations.
- Political uncertainty and law & order situation may affect business volume.
- Energy supply in country.

Approach adopted by Management

The management considers various factors including but not limited to all departments authority levels, best practices and all applicable laws & regulations to mitigate the risks stated above.

Report of the Audit Committee

The Audit Committee comprises of 3 non-executive directors and Chairman of the Committee is an independent director. The Audit Committee reports the following after an annual review of the Company's operations:

- Four meetings of the Audit Committee were held during the year 2017-18 and presided by the Chairman, attendance of which is as follows:

Sr. No.	Name of Directors	Independent Director	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Azam Faruque	Yes	No	4	4
2.	Mr. Bashir Makki	No	No	4	4
3.	Mr. Frahim Ali Khan	No	No	4	4

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2017, Audit Committee also separately met with external auditors without the representation of management. Chief Executive Officer and Chief Financial Officer attended all the meetings held during the year, by invitation.

- The Audit Committee appointed a secretary of the Committee who is Head of Internal Audit. The secretary circulated the minutes of meetings of the Audit Committee to all members, directors, CEO and CFO prior to the next meeting of the Board.
- The Audit Committee reviewed quarterly, half yearly and annual financial statements of the Company and recommended for approval of the Board of Directors.
- The Audit Committee reviewed preliminary announcements of results prior to publication.
- The Audit Committee reviewed the internal audit reports.
- The Company's Code of Conduct has been disseminated and placed on Company's website.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2018, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.
- The CEO and the CFO have endorsed the financial statements of the Company before presented to the Audit Committee and Board of Directors. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholders' needs.
- The Audit Committee has reviewed the related party transactions and recommended for approval of the Board of Directors.
- The Company's system of internal controls is designed to mitigate and eliminate the risk of not achieving business objectives, and can provide reasonable assurance against material misstatement or loss.

- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.
- Ascertained that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective.
- The appraisal of Head of Internal Audit was jointly done by the Chairman of the Audit Committee and the Chief Executive Officer.

Internal Audit

- The Board has effectively implemented the internal control framework through an in-house Internal Audit function, which is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- Internal Audit facilitate a risk assessment process in each key business area and support function to review the significant risks facing its operations and to record the relevant controls and any actions in place to mitigate the risks. The materiality of the risk is measured based on financial and non-financial criteria, and the probability of the risk arising is also mapped. The detailed assessments are then consolidated to provide input into the Company's risk assessment. This process also enables Internal Audit to engage with senior management throughout the business on risk monitoring and management.
- Audit Committee has reviewed the annual internal audit program and the consideration of findings of internal audit and management's response. Further, it approved the internal audit plan for 2018-19.
- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.
- Head of Internal Audit has direct access to the Audit Committee.

External Audit

- The statutory auditors of the Company, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2018 and review of the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017" for the year ended June 30, 2018.
- The Auditors have been allowed direct access to the Audit Committee and the effectiveness, independence and objectivity of the Auditors has thereby been ensured.
- The Audit Committee has reviewed and discussed points of improvements highlighted by the external auditors.
- The Audit Committee has reviewed the Management Letter of 2016-17 which was issued within 30 days of the date of the Auditors' Report on financial statements as required under the listing regulations and discussed with the external auditors and management.
- The Audit Committee reviewed performance, cost and independence of the external auditors, M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants and has recommended to the Board their reappointment for the year ending June 30, 2019.



A Singular Look and **Seal of Quality**

Implementing the best practices for safety and health, Atlas Battery is revamping its identity by creating a uniform look for all Atlas Battery Model Shops. These are built with high standards set by the Company which complies with international HSE and 5S standards.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of the Company: Atlas Battery Limited
Year Ended: June 30, 2018

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 7 as per the following
 - a. Male: 7
 - b. Female: Nil
2. The composition of Board is as follows:
 - a) Independent Directors: 2
 - b) Other Non-executive Directors: 4
 - c) Executive Director: 1
3. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board. At present, the Board includes:

Sr. No.	Name of Directors	Category		
		Independent (2)	Non-Executive (4)	Executive (1)
1.	Mr. Yusuf H. Shirazi		√	
2.	Mr. Ariful Islam	√		
3.	Mr. Azam Faruque	√		
4.	Mr. Bashir Makki		√	
5.	Mr. Frahim Ali Khan		√	
6.	Mr. Toru Furuya		√	
7.	Mr. Ali H. Shirazi			√

4. The directors have confirmed that none of them is serving as a director in more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a Vision and Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provision of the Companies Act, 2017 (Act) and the Listed Companies (Code of Corporate Governance) Regulations, 2017 (Regulations).
8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
9. The Board of directors have a formal policy and transparent procedure for remuneration of directors in accordance with the Act and Regulations.
10. The Board has arranged a presentation for the directors in order to appraise them with the significant changes introduced through the Listed Companies (Code of Corporate Governance) Regulations, 2017. This also covered changes introduced through Companies Act, 2017 with regards to powers of Board of Directors and disclosure requirements in financial statements. The incoming directors are also provided provide with appropriate briefing and orientation material to enable them firsthand knowledge on the working of the Company. Five directors are Certified Director and two directors meet the criteria of exemption and are accordingly exempted from directors' training program, thereby 100% compliance of code of corporate governance has been achieved.

11. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of Regulations.
12. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
13. The Board has formed Committees comprising of members given below:
 - a) Audit Committee;
 - Mr. Azam Faruque – Chairman
 - Mr. Bashir Makki – Member
 - Mr. Frahim Ali Khan – Member
 - b) Human Resource and Remuneration Committee;
 - Mr. Azam Faruque – Chairman
 - Mr. Bashir Makki – Member
 - Mr. Frahim Ali Khan – Member
14. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.
15. The frequency of meetings (quarterly/half yearly/ yearly) of the Committee were as per following:
 - a) Audit Committee
 - 1st Meeting : within one month of end of quarter.
 - 2nd Meeting : within two months of end of half year.
 - 3rd Meeting : within one month of end of quarter.
 - 4th Meeting : within two months of end of year.
 - b) Human Resource and Remuneration Committee
 - a. 1st Meeting : within one month of end of quarter.
 - b. 2nd Meeting : within two months of end of half year.
 - c. 3rd Meeting : within one month of end of quarter.
 - d. 4th Meeting : within two months of end of year.
16. The Board has set-up an effective internal audit function.
17. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act and regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchange.
20. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
21. We confirm that all other requirement of the Regulations have been complied with.

For and on behalf of the
BOARD OF DIRECTORS



Azam Faruque
Director

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 28, 2018

Independent Auditor's Review Report to the Members of Atlas Battery Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Atlas Battery Limited (the Company) for the year ended June 30, 2018, in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Shing Hameed Chaudhri & Co.

Karachi: August 28, 2018
Engagement Partner: Raheel Ahmed

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

a member firm of *ShineWing* International

Praxity
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Independent Auditor's Report to the Members of Atlas Battery Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Atlas Battery Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2018 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key Audit Matters:

S.No. Key Audit Matter	How the matter was addressed in our audit
<p>1. Compliance with Laws and Regulations - Changes in 4th Schedule</p> <p>The Companies Act, 2017 (the Act, 2017) promulgated on May 30, 2017. The Act, 2017 revised and replaced the Fourth Schedule of the Companies Ordinance, 1984 and brought changes in the presentation and disclosures of the financial statements by elimination of duplicative disclosures with IFRS disclosure requirements and incorporation of significant additional disclosures. These changes are applicable first time to the Company's financial statements for the year ended June 30, 2018.</p> <p>The changes are considered as a key audit matter because failure to comply with the requirements of the Act, 2017 could have financial and reputational impact on the Company.</p> <p>Refer note 2, 6, 7, 14.4, 21, 22.2.1, 28.4, 34.2, 36.1, 41, 43, and 44 for changes in disclosures made through the Act, 2017.</p>	<p>Our audit procedures in respect of this area included:</p> <p>Obtained an understanding of the related provisions and schedules of the Act, 2017 applicable to the Company and prepared document to assess the Company's compliance with the disclosure requirement of the Act, 2017.</p> <p>We discussed the applicable changes with the Company's management and those charged with governance as to whether the Company is in compliance with such changes.</p> <p>We also maintained a high level of vigilance when carrying out our other audit procedures for indication of non-compliance.</p> <p>We ensured that the financial statements have been prepared in accordance with the approved accounting standards and the Act, 2017.</p>
<p>2. Trade Debts</p> <p>The Company's trade debts have been increased significantly from Rs.364.64 million at June 30, 2017, to Rs.1,754.31 million at June 30, 2018. During the current financial year due to competitive forces, the management revised its credit limits for the dealers by extending credit sales to its selected dealers within the approved limits. We identified this area as key audit matter because trade debts is a material balance for the Company and estimating the recoverable amount involves inherent uncertainty.</p> <p>Refer note 3 and 14 of the financial statements.</p>	<p>Our audit procedures in respect of this area included:</p> <p>We obtained the revised credit policy and checked its approval from the Board. We also obtained credit limits of individual dealers and compared with dealer balances as at June 30, 2018, to assess the Company's compliance of individual dealers' credit limits;</p> <p>We sought external confirmations from the selected debtors of their balances that remained outstanding at the year end and compared replies to the request.</p> <p>We performed subsequent check of selected debtor balances to review recovery from debtors after the year end.</p> <p>We assessed the reasonableness of methods used by management to estimate that the doubtful debts are appropriate and ensured that the same is applied consistently.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises of Chairman's Review, Directors' Report, Company's Corporate Information, Shareholders' Information and Financial Highlights (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

ShineWing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 28, 2018

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018	Restated 2017	Restated 2016
----- (Rupees in '000) -----				
ASSETS				
Non-current assets				
Property, plant and equipment	7	3,591,257	3,158,027	2,672,742
Intangible assets	8	1,002	1,467	4,883
Investments	9	-	-	-
Long term loans	10	1,759	1,303	1,152
Long term deposits	11	20,401	16,777	14,647
		3,614,419	3,177,574	2,693,424
Current assets				
Stores, spares and loose tools	12	218,914	191,896	182,314
Stock-in-trade	13	2,689,010	1,706,859	1,889,810
Trade debts	14	1,754,311	364,642	119,477
Loans and advances	15	13,835	5,234	5,561
Deposits and prepayments	16	16,890	18,231	6,457
Investments	17	861,921	2,464,851	1,558,861
Other receivables	18	6,685	3,893	8,840
Sales tax receivable - net		31,739	-	-
Taxation - net		547,349	349,166	196,036
Bank balances	19	381,180	14,873	45,257
		6,521,834	5,119,645	4,012,613
Total assets		10,136,253	8,297,219	6,706,037



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Azam Faruque
Director



Rizwan Ahmed
Chief Financial Officer

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	2018	Restated 2017	Restated 2016
----- (Rupees in '000) -----				
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorised capital 50,000,000 (2017: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000	500,000
Issued, subscribed and paid-up capital	20	173,998	173,998	173,998
Revenue reserves				
General reserve		4,697,500	3,827,500	2,827,500
Unappropriated profit		589,307	1,483,462	1,276,794
		5,286,807	5,310,962	4,104,294
Capital reserve				
Surplus on revaluation of leasehold land	21	193,886	193,886	193,886
Total equity		5,654,691	5,678,846	4,472,178
Liabilities				
Non current liabilities				
Staff retirement benefits	22	72,813	79,868	65,359
Deferred taxation	23	251,028	254,932	216,880
		323,841	334,800	282,239
Current liabilities				
Trade and other payables	24	1,643,053	1,305,112	1,172,431
Sales tax payable - net		-	65,270	18,057
Accrued mark-up		20,259	4,623	4,392
Short term borrowings	25	2,459,687	882,770	735,989
Unclaimed dividend		34,722	25,798	20,751
		4,157,721	2,283,573	1,951,620
Total liabilities		4,481,562	2,618,373	2,233,859
Contingencies and commitments	26			
Total equity and liabilities		10,136,253	8,297,219	6,706,037

The annexed notes 1 to 46 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Azam Faruque
Director



Rizwan Ahmed
Chief Financial Officer

STATEMENT OF PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 ----- (Rupees in '000) -----	2017
Sales	27	18,332,861	17,169,908
Cost of sales	28	(16,330,483)	(14,205,436)
Gross profit		2,002,378	2,964,472
Distribution cost	29	(721,325)	(606,223)
Administrative expenses	30	(245,055)	(305,430)
Other income	31	73,988	249,161
Other expenses	32	(160,045)	(168,613)
Profit from operations		949,941	2,133,367
Finance cost	33	(117,845)	(68,170)
Profit before taxation		832,096	2,065,197
Taxation	34	(241,502)	(588,571)
Profit for the year		590,594	1,476,626
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligation		(8,109)	(374)
Impact of deferred tax		2,352	112
Other comprehensive loss for the year - net of tax		(5,757)	(262)
Total comprehensive income for the year		584,837	1,476,364
----- Rupees -----			
Earnings per share - basic and diluted	35	33.94	84.86

The annexed notes 1 to 46 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Azam Faruque
Director



Rizwan Ahmed
Chief Financial Officer

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Profit before taxation	832,096	2,065,197
Adjustments for non-cash charges and other items:		
Depreciation	294,500	257,192
Amortisation	815	5,016
Provision for gratuity	6,868	6,382
(Reversal) / provision for compensated leave absences	(3,143)	16,689
Gain on sale of investments at fair value through profit or loss	(1,502)	(140,987)
Dividend income	(45,806)	(9,015)
Fair value loss / (gain) on investments at fair value through profit or loss	60,359	(80,709)
Loss on disposal / write off of operating fixed assets	13,465	18,242
Provision for doubtful debts	2,329	764
Finance cost	117,845	68,170
	1,277,826	2,206,941
Changes in working capital:		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(27,018)	(9,582)
- Stock-in-trade	(982,151)	182,951
- Trade debts	(1,391,998)	(245,929)
- Loans and advances	(8,601)	327
- Deposits and prepayments	1,341	(11,774)
- Other receivables	(2,792)	4,947
- Sales tax receivable - net	(97,009)	-
	(2,508,228)	(79,060)
Increase in current liabilities		
- Trade and other payables	329,651	139,564
- Sales tax payable - net	-	47,213
	329,651	186,777
	(2,178,577)	107,717
Cash (used in) / generated from operations	(900,751)	2,314,658
Finance cost paid	(102,209)	(67,939)
Income taxes paid (including tax deducted at source)	(441,237)	(703,537)
Gratuity paid	(6,800)	(13,641)
Compensated leave absences paid	(3,799)	(2,178)
Long term loans - net	(456)	(151)
Long term deposits - net	(3,624)	(2,130)
	(1,458,876)	1,525,082
Net cash (used in) / generated from operating activities - carried forward		

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	----- (Rupees in '000) -----	
Net cash (used in) / generated from operating activities - brought forward	(1,458,876)	1,525,082
Cash flows from investing activities		
Payments for property, plant and equipment	(774,584)	(793,782)
Proceeds from sale of property, plant and equipment	33,389	33,063
Payments for intangible assets	(350)	(1,600)
Payments for investments	(1,039,032)	(5,448,747)
Proceeds from sale of investments	2,583,105	4,764,453
Dividend received	45,806	9,015
Net cash generated from / (used in) investing activities	848,334	(1,437,598)
Cash flows from financing activities		
Short term borrowings - net	1,576,917	146,781
Dividend paid	(600,068)	(264,649)
Net cash generated from / (used in) financing activities	976,849	(117,868)
Net increase / (decrease) in cash and cash equivalents	366,307	(30,384)
Cash and cash equivalents at beginning of year	14,873	45,257
Cash and cash equivalents at end of year	381,180	14,873

The annexed notes 1 to 46 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Azam Faruque
Director



Rizwan Ahmed
Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserve	Unappro- priated profit	Surplus on revaluation of leasehold land	
----- (Rupees in '000) -----					
Balance as at July 1, 2016 - as previously stated	173,998	2,827,500	1,276,794	-	4,278,292
Effect of restatement - note 6	-	-	-	193,886	193,886
Balance as at July 1, 2016 - as restated	173,998	2,827,500	1,276,794	193,886	4,472,178
Transfer to general reserve	-	1,000,000	(1,000,000)	-	-
Transaction with owners, recognised directly in equity					
Cash dividend for the year ended June 30, 2016 at the rate of Rs.15.50 per share	-	-	(269,696)	-	(269,696)
Total comprehensive income for the year ended June 30, 2017					
Profit for the year	-	-	1,476,626	-	1,476,626
Other comprehensive loss	-	-	(262)	-	(262)
	-	-	1,476,364	-	1,476,364
Balance as at June 30, 2017 - as restated	173,998	3,827,500	1,483,462	193,886	5,678,846
Transfer to general reserve	-	870,000	(870,000)	-	-
Transaction with owners, recognised directly in equity					
Cash dividend for the year ended June 30, 2017 at the rate of Rs.35 per share	-	-	(608,992)	-	(608,992)
Total comprehensive income for the year ended June 30, 2018					
Profit for the year	-	-	590,594	-	590,594
Other comprehensive loss	-	-	(5,757)	-	(5,757)
	-	-	584,837	-	584,837
Balance as at June 30, 2018	173,998	4,697,500	589,307	193,886	5,654,691

The annexed notes 1 to 46 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Azam Faruque
Director



Rizwan Ahmed
Chief Financial Officer

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sale of automotive and motorcycle batteries & allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar and Sukkur.

The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% of issued, subscribed and paid-up capital of the Company as at June 30, 2018.

2. SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

Capital expenditure

During the year, the Company incurred major capital expenditure as part of its continuing plan for capacity expansion. This is reflected in note 7.1.

Credit policy

Refer note 14, the Company's trade debts have increased due to credit sales allowed to dealers within the approved limits.

Gross profit margin

Significant surge in major material prices forced the cost of sales to grow resulting decline in gross profit margin which stood at 10.9% as compared to 17.3% during corresponding year.

For detail performance review of the Company, refer Chairman's Review and Directors' Report.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

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

3.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

3.3 New and amended standards and interpretations

3.3.1 Standards, amendments to approved accounting standards effective in the current year

New and amended standards mandatory for the first time for the financial year beginning July 1, 2017:

- (a) Amendments to IAS 7, 'Statement of cash flows' are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- (b) Amendment to IAS 12, 'Income taxes' is applicable on annual periods beginning on or after January 1, 2017. The amendment clarifies deferred tax treatment for debt instrument and also addresses questions regarding determination of future taxable profit for the recognition test of deferred tax.
- (c) The Companies Act, 2017 promulgated in the current financial year. The Companies Act, 2017 also revised 4th schedule of the Companies Ordinance, 1984 and brought changes in the presentation and disclosures of financial statement of the listed companies. These changes are applicable for the first time to the Company for the financial statements for the year ended June 30, 2018.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2017 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.3.2 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, 2017 and have not been early adopted by the Company:

- (a) IFRS 9, 'Financial instruments' is applicable in Pakistan on accounting periods beginning on or after July 1, 2018. IASB has published the complete version of IFRS 9, 'Financial instruments', which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model currently being used. The standard not likely to have material impact on the Company's financial statements.
- (b) IFRS 15, 'Revenue from contracts with customers' is applicable in Pakistan on accounting periods beginning on or after July 1, 2018. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. July 1, 2018), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The standard not likely to have material impact on the Company's financial statements.
- (c) Amendment to IAS 12 'Income taxes' as part of annual improvement 2015-2017 cycle is applicable on accounting periods beginning on or after January 1, 2019. The amendment clarifies that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognised consistently with the transactions that generated the distributable profits – i.e. in profit or loss, other comprehensive income or equity. The amendment is not likely to have material impact on the Company's financial statements.
- (d) Amendments to IAS 23 'Borrowing Costs' as part of annual improvement 2015-2017 cycle is applicable on accounting periods beginning on or after January 1, 2019. The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non qualifying assets – are included in that general pool. This amendment will be applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments. The amendments are not likely to have material impact on the Company's financial statements.
- (e) IFRIC 22 'Foreign Currency Transactions and Advance Consideration' is applicable for annual periods beginning on or after January 1, 2018. The interpretation clarifies which date should be used for translation when a foreign currency transaction involves an advance payment or receipt. The related item is translated using the exchange rate on the date that the advance foreign currency was paid or received and the prepayment or deferred income recognised. The interpretation is not expected to have a material impact on the Company's financial statements.
- (f) IFRIC 23 'Uncertainty over Income Tax Treatment' is applicable for annual periods beginning on or after January 1, 2019. The interpretation clarifies the accounting for income tax when there is uncertainty over income tax treatment under IAS12. The interpretation requires the uncertainty over tax treatment be reflected in the measurement of current and deferred tax. The interpretation is not expected to have a material impact on the Company's financial statements.

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

4. BASIS OF MEASUREMENT

4.1 These financial statements have been prepared under the historical cost convention except for leasehold land which is stated at the revalued amount, investments which are carried at fair value and certain employee retirement benefits which are measured at present value of defined benefit obligation less fair value of plan assets.

4.2 The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets [note 5.1 and 5.2]
- (ii) Provision for doubtful debts [note 5.8]
- (iii) Estimate of payables and receivables in respect of employees' retirement benefits [note 5.12]
- (iv) Estimation of current and deferred tax [note 5.14]
- (v) Estimate of provisions and warranty [note 5.15 and 5.16]

5. SIGNIFICANT ACCOUNTING POLICIES

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

5.1 Property, plant and equipment

Owned assets

Operating fixed assets except for leasehold land are stated at cost less accumulated depreciation and impairment loss, if any. Leasehold land is stated at revalued amount. Capital work-in-progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

Depreciation

Depreciation is charged to profit and loss account on the reducing balance basis except for computers and accessories. Depreciation on computers and accessories is charged to profit and loss account on a straight-line basis. Depreciation is charged at the rates stated in note 7.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit and loss account.

Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is recognised in other comprehensive income and presented as a separate component of equity as “Surplus on revaluation of operating fixed assets”, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of operating fixed assets is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on operating fixed assets relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company’s shareholders.

Leased assets

Fixed assets acquired by way of finance lease are stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease less accumulated depreciation and impairment losses, if any.

Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

5.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any, and represent the cost of software licenses and ERP implementation cost.

The costs associated with maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

Subsequent expenditure

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the straight-line method over a period of two years.

The assets’ useful lives are reviewed, at each reporting date, and adjusted if the impact on amortisation is significant.

5.3 Financial assets

5.3.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

(c) Held to maturity financial assets

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose-off asset within 12 months of the end of the reporting date.

5.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within 'Other income / other expenses' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in 'Other comprehensive income'.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as 'Gains / losses from investment securities'.

Interest on available-for-sale securities and held to maturity investments is calculated using the effective interest method is recognised in the profit and loss account as part of 'Other income'. Dividend income from available-for-sale equity instruments is recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss account. Impairment losses recognised in profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of other receivables is described in note 5.8.

5.4 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

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 profit and loss account.

5.5 Off-setting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

5.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realizable value. The cost of inventory is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated upto the reporting date.

5.7 Stock-in-trade

These are valued at lower of cost and net realizable value.

The cost in relation to raw materials in hand, packing materials and components has been calculated on a weighted average basis and represents invoice values plus other charges paid thereon.

The cost in relation to work-in-process and finished goods represents direct cost of materials, wages and appropriate manufacturing overheads.

Raw materials held in custom bonded warehouse and stock-in-transit are valued at cost comprising of invoice value plus other charges accumulated upto the reporting date.

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

5.8 Trade debts and other receivables

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. Carrying amounts of trade and other receivables are assessed at each reporting date and a provision is made for doubtful receivables when a collection of the amount is no longer probable. Debts considered irrecoverable are written off.

5.9 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks and cheques in hand.

5.10 Share capital

Ordinary shares are classified as equity and recognised at their face value.

5.11 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.

5.12 Employees' benefits

The Company has following plans for its employees:

5.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. The obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the profit and loss account when it is due.

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognised provident fund (the Fund); or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund / scheme, both by the Company and the employees. The Fund is a separate legal entity and its assets are being held separately under the control of its trustees.

5.12.2 Defined benefit plans

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in current and prior periods that benefit is discounted to determine its present value.

The Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff. The liability recognised in the statement of financial position in respect of defined benefit plans is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. Contributions under the schemes are made on the basis of actuarial valuation. The valuations of both schemes are carried out annually by an independent expert, using the "Projected Unit Credit Method" with the latest valuation being carried out as on June 30, 2018.

The amount arising as a result of re-measurements are recognised in the statement of financial position immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past service cost, if any, are recognised immediately in profit and loss account.

5.12.3 Employees compensated leave absences

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

5.13 Trade and other payables

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

5.14 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

5.15 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.

5.16 Warranty

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated based on past experience / history of the level of repairs and replacements.

5.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, incentives, sales returns and trade discounts. Revenue from different sources is recognised on the following basis:

- revenue from sale of goods is recognised when goods are dispatched and invoiced to customers;
- Interest income on deposits with banks and other financial assets is recognised on accrual basis and;
- dividend income from investments is recognised when the Company's right to receive payment has been established.

5.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

5.19 Foreign currency transactions and translation

The foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of the transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss account with other income / other operating expenses.

5.20 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

5.21 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing the performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

5.22 Dividend and appropriation to reserves

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

6. CHANGE IN ACCOUNTING POLICY

During the year, the Company changed its accounting policy for the surplus on revaluation of operating fixed assets, after enactment of the Companies Act, 2017, which has not carried forward requirement of disclosing the surplus on revaluation of operating fixed assets as a separate item below equity. Accordingly, in accordance with the requirements of International Accounting Standard - IAS 16, 'Property, plant and equipment', surplus on revaluation of operating fixed assets would now be presented within equity. The new accounting policy is explained in note 5.1.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8 'Accounting policies, changes in accounting estimates and errors' and comparative figures have been restated.

The effect of the change is recognition and presentation of Rs.193,886 thousand for surplus on revaluation of leasehold land as a capital reserve i.e. separate component of equity and derecognition of surplus on revaluation of leasehold land of Rs.193,886 thousand, previously presented below equity in the statement of financial position. There is no impact of change in accounting policy on statement on profit or loss and other comprehensive income and statement of cash flows.

	As at July 1, 2016			As at June 30, 2017		
	As previously stated	Effect of restatement	As restated	As previously stated	Effect of restatement	As restated
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Impact on statement of financial position						
Surplus on revaluation of leasehold land (below equity)	193,886	(193,886)	-	193,886	(193,886)	-
Surplus on revaluation of leasehold land (within equity)	-	193,886	193,886	-	193,886	193,886
Impact on statement of changes in equity						
Surplus on revaluation of leasehold land	-	193,886	193,886	-	193,886	193,886

7. PROPERTY, PLANT AND EQUIPMENT

	Note	2018 ----- (Rupees in '000) -----	2017
Operating fixed assets	7.1	3,334,426	3,090,004
Capital work-in-progress	7.7	256,831	68,023
		<u>3,591,257</u>	<u>3,158,027</u>

7.1 Operating fixed assets

	Leasehold land (note 21)	Buildings on leasehold land	Plant and machinery	Office equipment	Computers and accessories	Furniture and fixtures	Air conditioners	Vehicles	Total
----- (Rupees in '000) -----									
As at July 1, 2016									
Revaluation / cost	516,440	522,970	2,269,176	11,923	42,340	26,570	13,129	112,714	3,515,262
Accumulated depreciation	-	104,851	726,607	2,525	31,013	4,576	3,671	39,208	912,451
Net book value	516,440	418,119	1,542,569	9,398	11,327	21,994	9,458	73,506	2,602,811
Year ended June 30, 2017									
Opening net book value	516,440	418,119	1,542,569	9,398	11,327	21,994	9,458	73,506	2,602,811
Additions	-	199,432	499,339	2,151	7,507	14,784	5,190	67,287	795,690
Disposals									
- cost	-	-	60,075	270	-	-	205	35,548	96,098
- accumulated depreciation	-	-	(28,741)	(96)	-	-	(95)	(15,861)	(44,793)
	-	-	31,334	174	-	-	110	19,687	51,305
Depreciation charge	-	46,061	178,136	1,034	6,453	2,801	1,271	21,436	257,192
Closing net book value	516,440	571,490	1,832,438	10,341	12,381	33,977	13,267	99,670	3,090,004
At June 30, 2017									
Revaluation / cost	516,440	722,402	2,708,440	13,804	49,847	41,354	18,114	144,453	4,214,854
Accumulated depreciation	-	150,912	876,002	3,463	37,466	7,377	4,847	44,783	1,124,850
Net book value	516,440	571,490	1,832,438	10,341	12,381	33,977	13,267	99,670	3,090,004
Year ended June 30, 2018									
Opening net book value	516,440	571,490	1,832,438	10,341	12,381	33,977	13,267	99,670	3,090,004
Additions	-	293,476	209,399	1,074	7,583	17,667	2,727	53,850	585,776
Disposals									
- cost	-	-	16,782	-	388	-	150	48,502	65,822
- accumulated depreciation	-	-	(9,664)	-	(238)	-	(82)	(16,669)	(26,653)
	-	-	7,118	-	150	-	68	31,833	39,169
Written-off									
- cost	-	10,307	-	-	-	-	-	-	10,307
- accumulated depreciation	-	(2,622)	-	-	-	-	-	-	(2,622)
	-	7,685	-	-	-	-	-	-	7,685
Depreciation charge	-	61,792	196,093	1,081	8,086	4,101	1,454	21,893	294,500
Closing net book value	516,440	795,489	1,838,626	10,334	11,728	47,543	14,472	99,794	3,334,426
At June 30, 2018									
Revaluation / cost	516,440	1,005,571	2,901,057	14,878	57,042	59,021	20,691	149,801	4,724,501
Accumulated depreciation	-	210,082	1,062,431	4,544	45,314	11,478	6,219	50,007	1,390,075
Net book value	516,440	795,489	1,838,626	10,334	11,728	47,543	14,472	99,794	3,334,426
Depreciation rate (% per annum)		10	10 - 20	10	30 - 33	10	10	20	

7.2 Leasehold lands of the Company are located at D-181 and D-63, S.I.T.E. Karachi with an area of 2.68 and 2.34 acres, respectively.

7.3 Had the leasehold lands been recognised under the cost model, the carrying amount of leasehold land would have been Rs.322,554 thousand (2017: Rs.322,554 thousand).

Note 2018 2017
----- (Rupees in '000) -----

7.4 Depreciation charge has been allocated as follows:

Cost of goods manufactured	28.1	268,348	235,951
Distribution cost	29	11,189	7,474
Administrative expenses	30	14,963	13,767
		294,500	257,192

7.5 Plant and machinery includes certain dies and moulds having cost aggregating Rs.101,788 thousand (2017: Rs.102,845 thousand) and net book value of Rs.68,254 thousand (2017: Rs.65,229 thousand) which are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company. Detail of vendors are as follows:

Vendor Name	2018		2017	
	Cost	Net Book	Cost	Net Book
	----- (Rupees in '000) -----			
A.R Enterprises	1,188	657	1,188	730
Al Huda Plastics	3,406	1,810	3,676	2,092
Atlas Aluminium (Private) Limited - a related party	16,225	14,935	-	-
Decent Engineering Works	-	-	21,743	12,735
Diwan Plastic Industries	18,859	10,830	19,628	12,063
Industrial Technical Services	2,244	1,201	2,244	1,334
Malta Auto Industries (Private) Limited	3,265	2,342	3,265	2,602
Precision Polymers (Private) Limited	40,267	25,529	40,762	27,834
Polymer Engineering Products	15,503	10,578	9,508	5,425
N H Enterprises	691	292	691	325
Nobel Enterprises	140	80	140	89
	<u>101,788</u>	<u>68,254</u>	<u>102,845</u>	<u>65,229</u>

7.6 The details of operating fixed assets disposed during the year are as follows:

Particular of Assets	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particular of buyers
----- (Rupees in '000) -----							
Assets having net book value exceeding Rs. 500,000 each							
Plant and machinery							
Tiegel wash maximizer	8,625	4,416	4,209	240	(3,969)	Scrap - Negotiation	Iqbal Traders, Plot No. 40, Siddique Wahab Road, Karachi.
Refrigeration air dryer	890	252	638	100	(538)	Scrap - Negotiation	M/s. Malik Traders, Shop # C 39, Quality Godown, Shershah Road, Karachi.
Micro computer control	1,381	840	541	285	(256)	Scrap - Negotiation	M/s. Sher Khan & Sons, H # 1726/1264 Kokan Colony, Baldia Town, Karachi.
	<u>10,896</u>	<u>5,508</u>	<u>5,388</u>	<u>625</u>	<u>(4,763)</u>		
Vehicles							
	3,633	545	3,088	3,088	-	Company Policy	Shirazi Investment (Private) Limited- a related party, Federation House, Clifton, Karachi.
	2,976	50	2,926	2,926	-	Company Policy	
	3,658	732	2,926	2,926	-	Company Policy	
	3,037	557	2,480	2,480	-	Company Policy	
	2,329	344	1,985	1,985	-	Company Policy	Mr. Adeel Sartaj - Ex-employee
	2,122	900	1,222	1,222	-	Company Policy	Atlas Aluminium (Private) Limited- a related party, Federation House, Clifton, Karachi.
	1,641	602	1,039	1,039	-	Company Policy	Mr. Yousuf Ali - Employee
	2,001	965	1,036	1,036	-	Company Policy	Mr. Tehseen Raza - Key management personnel
	1,204	176	1,028	1,125	97	Negotiation	Naseer Autos, D-55-A-1, Estate Avenue, S.I.T.E, Karachi.
	1,204	181	1,023	1,023	-	Company Policy	Atlas Metals (Private) Limited - a related party, Federation House, Clifton, Karachi.
	2,001	984	1,017	1,017	-	Company Policy	Mr. Adeel ur Rehman - Employee
	1,641	655	986	986	-	Company Policy	Atlas Metals (Private) Limited - a related party, Federation House, Clifton, Karachi.
	1,204	317	887	887	-	Company Policy	Mr. Anwar Khan - Employee
	1,635	804	831	831	-	Company Policy	Mr. Asher Ahmed - Employee
	2,074	1,280	794	794	-	Company Policy	Mr. Mohsin Khan - Key management personnel
	773	13	760	725	(35)	Negotiation	Mrs. Shagufta Parveen, Gul Afshan Colony, Jhelum Cantt, Jhelum
	1,648	992	656	656	-	Company Policy	Mr. Arshad Khan - Employee
	778	161	617	617	-	Insurance Claim	Atlas Insurance Limited - a related party, Phase III, Khayaban-e-Iqbal, D.H.A., Lahore
	778	162	616	616	-	Insurance Claim	
	1,508	941	567	567	-	Company Policy	Mr. Muhammad Ayaz - Employee
	<u>37,845</u>	<u>11,361</u>	<u>26,484</u>	<u>26,546</u>	<u>62</u>		
Various assets having net book value upto Rs.500,000 each	<u>17,081</u>	<u>9,784</u>	<u>7,297</u>	<u>6,218</u>	<u>(1,079)</u>		
2018	<u>65,822</u>	<u>26,653</u>	<u>39,169</u>	<u>33,389</u>	<u>(5,780)</u>		
2017	<u>96,098</u>	<u>44,793</u>	<u>51,305</u>	<u>33,063</u>	<u>(18,242)</u>		

	Note	2017	Additions	Transfers	2018
----- (Rupees in '000) -----					
7.7 Capital work-in-progress					
Buildings on leasehold land		44,710	186,733	(39,145)	192,298
Plant and machinery		11,010	135,215	(91,846)	54,379
Computers and accessories		-	942	-	942
Furniture and fixtures		1,501	5,839	(2,678)	4,662
Air conditioners		1,038	166	(1,204)	-
Vehicles	7.8	9,084	3,751	(9,085)	3,750
Intangible asset		680	400	(280)	800
		<u>68,023</u>	<u>333,046</u>	<u>(144,238)</u>	<u>256,831</u>

7.8 Includes Rs.2,797 thousand and Rs.159 thousand advance payment made to Honda Atlas Cars (Pakistan) Limited and Atlas Honda Limited - related parties, respectively, for purchase of vehicle {2017: Rs.5,906 thousand to Honda Atlas Cars (Pakistan) Limited}.

	Software licenses	ERP implementation cost	Total
----- (Rupees in '000) -----			
8. INTANGIBLE ASSETS			
As at July 1, 2016			
Cost	21,117	7,400	28,517
Accumulated amortisation	(16,234)	(7,400)	(23,634)
Net book value	<u>4,883</u>	<u>-</u>	<u>4,883</u>
Year ended June 30, 2017			
Opening net book value	4,883	-	4,883
Additions	1,600	-	1,600
Amortisation charge	(5,016)	-	(5,016)
Closing net book value	<u>1,467</u>	<u>-</u>	<u>1,467</u>
At June 30, 2017			
Cost	22,717	7,400	30,117
Accumulated amortisation	(21,250)	(7,400)	(28,650)
Net book value	<u>1,467</u>	<u>-</u>	<u>1,467</u>
Year ended June 30, 2018			
Opening net book value	1,467	-	1,467
Additions	350	-	350
Amortisation charge	(815)	-	(815)
Closing net book value	<u>1,002</u>	<u>-</u>	<u>1,002</u>
At June 30, 2018			
Cost	23,067	7,400	30,467
Accumulated amortisation	(22,065)	(7,400)	(29,465)
Net book value	<u>1,002</u>	<u>-</u>	<u>1,002</u>
Amortisation rate (% per annum)	<u>50</u>	<u>50</u>	

8.1 Intangible assets as at June 30, 2018 include items having an aggregate cost of Rs.28,517 thousand (2017: Rs.28,517 thousand) that have been fully amortised and still in use of the Company.

	Note	2018	2017
----- (Rupees in '000) -----			
8.2 Amortisation charge has been allocated as follow			
Distribution cost	29	15	-
Administrative expenses	30	800	5,016
		<u>815</u>	<u>5,016</u>

	Note	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
9. INVESTMENTS			
Available for sale - Unquoted Arabian Sea Country Club Limited 100,000 ordinary shares of Rs.10 each - cost Less: Impairment in the value of investment		1,000 1,000 <hr/> -	1,000 1,000 <hr/> -
10. LONG TERM LOANS			
Considered good - secured Loans to employees - others Recoverable within one year - others	15	3,581 (1,822) <hr/> 1,759	3,058 (1,755) <hr/> 1,303
10.1	These represent interest-free loans to executives and other employees as per terms of employment. These loans are provided for the purchase of motorcycle and other specified reasons. Loans aggregating Rs.2,540 thousand (2017: Rs.2,058 thousand) are provided for the purchase of motorcycles and are repayable in monthly instalments over a period of forty-eight months for management staff and fifty-four months for non-management staff. Other loans are recoverable over a period of twelve to eighteen months. These loans are secured by the registration of motorcycles in the name of the Company and employees vested retirement benefits.		
10.2	The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.		
	Note	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
11. LONG TERM DEPOSITS			
Considered good - unsecured and interest-free Security deposits for: - utilities - rent agreements - others		4,019 12,069 4,313 <hr/> 20,401	4,019 8,445 4,313 <hr/> 16,777
12. STORES, SPARES AND LOOSE TOOLS			
Consumables stores - in hand - in transit Maintenance spares Loose tools		113,775 1,739 102,794 606 <hr/> 218,914	91,775 791 98,635 695 <hr/> 191,896
13. STOCK-IN-TRADE			
Raw materials and components: - in hand - with third parties	13.1	481,928 29,349 <hr/> 511,277	485,520 27,941 <hr/> 513,461
Work-in-process Finished goods Items in transit		687,340 1,411,039 79,354 <hr/> 2,689,010	663,469 422,668 107,261 <hr/> 1,706,859
13.1	Includes raw materials amounting to Rs.6,302 thousand (2017: Nil) held with Atlas Aluminium (Private) Limited - an Associated Company and Rs.Nil (2017: Rs.267,911 thousand) held with Atlas Metals (Private) Limited - an Associated Company for further processing into parts to be supplied to the Company.		
13.2	Stock-in-trade and trade debts upto a maximum amount of Rs.4,201,487 thousand (2017: Rs.4,201,487 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 25).		

	Note	2018 ----- (Rupees in '000) -----	2017
14. TRADE DEBTS - Unsecured			
Consider good			
Associated Companies:			
Atlas Honda Limited		88,048	57,994
Honda Atlas Cars (Pakistan) Limited		14,483	10,830
Atlas Metals (Private) Limited		-	202,371
Others		1,651,780	93,447
		<u>1,754,311</u>	<u>364,642</u>
Consider doubtful			
Others		9,948	7,619
		<u>1,764,259</u>	<u>372,261</u>
Provision for doubtful debts	14.1	(9,948)	(7,619)
		<u>1,754,311</u>	<u>364,642</u>
14.1 Provision for doubtful debts			
Balance at beginning of the year		7,619	6,855
Provision for the year - net		2,329	764
Balance at end of the year		<u>9,948</u>	<u>7,619</u>

	Associated Companies		Others	
	2018	2017	2018	2017
	----- (Rupees in '000) -----			
14.2 The ageing of trade debts at June 30, is as follows:				
Less than 30 days	84,238	269,998	830,535	44,379
31 - 180 days	18,293	1,198	820,024	46,585
181 days to 365 days	-	-	1,221	3,184
Over one year	-	-	9,948	6,917
	<u>102,531</u>	<u>271,196</u>	<u>1,661,728</u>	<u>101,065</u>
Provision for doubtful debts	-	-	(9,948)	(7,619)
	<u>102,531</u>	<u>271,196</u>	<u>1,651,780</u>	<u>93,446</u>

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

14.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.277,062 thousand (2017: Rs.271,196 thousand).

	Note	2018 ----- (Rupees in '000) -----	2017
15. LOANS AND ADVANCES			
Considered good and interest-free			
Secured			
Current portion of long term loans to employees	10	1,822	1,755
Unsecured			
Loans to staff other than executives	15.1	104	101
Advances to suppliers, contractors and others	15.2	11,909	3,378
		<u>13,835</u>	<u>5,234</u>

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

15.2 Includes advances to suppliers, contractors and others amounting Rs.164 thousand (2017: Nil) paid to Atlas Honda Limited - an Associated Company against purchase of motorcycle for employees.

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
16. DEPOSITS AND PREPAYMENTS		
Considered good and unsecured		
Deposits and margins - interest-free	6,669	6,318
Prepayments	10,221	11,913
	<u>16,890</u>	<u>18,231</u>

17. INVESTMENTS - at fair value through profit or loss

2018 ----- (Number of units) -----	2017 ----- (Number of units) -----	Related parties	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
447	-	Atlas Stock Market Fund	277	-
-	1,797,819	Atlas Income Fund	-	920,915
532,527	-	Atlas Money Market Fund	281,931	-
871,997	1,308,739	Atlas Islamic Stock Fund	462,499	799,339
-	1,193,786	Atlas Islamic Income Fund	-	600,259
-	532,311	Atlas Gold Fund	-	54,439
			<u>744,707</u>	<u>2,374,952</u>
		Others		
1,116,891	893,378	HBL Islamic Money Market Fund	117,214	89,899
			<u>861,921</u>	<u>2,464,851</u>

17.1 1,116,891 units of HBL Islamic Money Market Fund valuing Rs.117,214 thousand (2017: 893,378 units of HBL Islamic Money Market Fund valuing Rs.89,899 thousand) are under lien of a commercial bank against guarantees aggregating Rs.93,764 thousand (2017: Rs.76,764 thousand) issued in favour of Sui Southern Gas Co. Ltd., Pakistan State Oil Co. Ltd. and Excise & Taxation Department, Government of Sindh on behalf of the Company.

	Note	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
18. OTHER RECEIVABLES			
Considered good and unsecured			
Workers' profit participation fund	24.3	4,368	1,576
Sales tax paid under protest		2,317	2,317
		<u>6,685</u>	<u>3,893</u>

19. BANK BALANCES

Balances with banks on current accounts		26,514	14,873
Cheques-in-hand	19.1	354,666	-
		<u>381,180</u>	<u>14,873</u>

19.1 Represents banking instruments received by the Company from dealers at regional offices in respect of sales but not deposited in the Company's bank account till reporting date.

20. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2018 ----- (Number of Shares) -----	2017 ----- (Number of Shares) -----		2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
1,300,000	1,300,000	Ordinary shares of Rs.10 each fully paid in cash	13,000	13,000
16,099,769	16,099,769	Ordinary shares of Rs.10 each issued as fully paid bonus shares	160,998	160,998
<u>17,399,769</u>	<u>17,399,769</u>		<u>173,998</u>	<u>173,998</u>

	2018 ----- (Number of shares) -----	2017
20.1 Ordinary shares of the Company held by the related parties as at June 30,		
Shirazi Investments (Private) Limited	10,241,723	10,241,723
GS Yuasa International Limited - Japan	2,609,947	2,609,947
Atlas Foundation	319,872	319,872
Atlas Insurance Limited	303,420	303,420
	13,474,962	13,474,962

21. SURPLUS ON REVALUATION OF LEASEHOLD LAND

An independent revaluation of the Company's leasehold land at D-181, Central Avenue, S.I.T.E., Karachi was performed by M/s. Surval on June 30, 2008 and that revaluation exercise resulted in appraisal a surplus of Rs.173,786 thousand over the book value of Rs.414 thousand. This leasehold land has been again revalued on July 16, 2014 by MYK Associates (Private) Limited, an Independent Valuer, based on present market value for similar plots in the vicinity (level 2 of fair value hierarchy). The different levels of fair value have been defined in IFRS 13 and are mentioned in note 38.2.

The latest revaluation exercise resulted in surplus of Rs.20,100 thousand over the book value of Rs.174,200 thousand. At the time of latest revaluation, forced sale value of the this land was Rs.155,440 thousand.

	Note	2018 ----- (Rupees in '000) -----	2017
22. STAFF RETIREMENT BENEFITS			
Provision for gratuity	22.1	1,453	1,566
Compensated leave absences	22.2	71,360	78,302
		72,813	79,868

22.1 Provision for gratuity

22.1.1 As stated in note 5.12.2, the Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff.

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

22.1.3 The latest actuarial valuations of the Schemes as at June 30, 2018 were carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the Schemes as per the actuarial valuations are as follows:

	Management		Non - management		Total	
	2018	2017	2018	2017	2018	2017
	----- (Rupees in '000) -----					
22.1.4 Balance sheet reconciliation						
Present value of defined benefit obligation at June 30 - note 22.1.5	123,938	113,594	1,453	1,566	125,391	115,160
Fair value of plan assets at June 30 - note 22.1.6	(108,727)	(105,829)	-	-	(108,727)	(105,829)
Receivable from related parties in respect of transferees	(444)	(1,288)	-	-	(444)	(1,288)
Liability at end of the year	14,767	6,477	1,453	1,566	16,220	8,043
Payable within next twelve months	(14,767)	(6,477)	-	-	(14,767)	(6,477)
	-	-	1,453	1,566	1,453	1,566

	Management		Non - management		Total	
	2018	2017	2018	2017	2018	2017
	----- (Rupees in '000) -----					
22.1.5 Movement in the present value of defined benefit obligation						
Balance at beginning of the year	113,594	97,885	1,566	1,568	115,160	99,453
Benefits paid	(7,081)	(1,235)	(322)	(280)	(7,403)	(1,515)
Current service cost	6,128	5,244	49	49	6,177	5,293
Interest cost	8,737	7,157	111	106	8,848	7,263
Re-measurements on obligation	2,742	5,030	49	123	2,791	5,153
Receivable recognised in respect of transfers	(182)	(487)	-	-	(182)	(487)
Balance at end of the year	<u>123,938</u>	<u>113,594</u>	<u>1,453</u>	<u>1,566</u>	<u>125,391</u>	<u>115,160</u>
22.1.6 Movement in the fair value of plan assets						
Balance at beginning of the year	105,829	83,185	-	-	105,829	83,185
Contributions	6,478	13,361	-	-	6,478	13,361
Benefits paid	(7,081)	(1,235)	-	-	(7,081)	(1,235)
Interest income	8,157	6,174	-	-	8,157	6,174
Re-measurements	(5,318)	4,779	-	-	(5,318)	4,779
Amount transferred from / (to) other group companies	662	(435)	-	-	662	(435)
Balance at end of the year	<u>108,727</u>	<u>105,829</u>	<u>-</u>	<u>-</u>	<u>108,727</u>	<u>105,829</u>
22.1.7 Expense recognised in profit and loss account						
Current service cost	6,128	5,244	49	49	6,177	5,293
Net interest cost	580	983	111	106	691	1,089
	<u>6,708</u>	<u>6,227</u>	<u>160</u>	<u>155</u>	<u>6,868</u>	<u>6,382</u>
22.1.8 Re-measurements recognised in other comprehensive income						
Loss arising from change in financial assumptions	1,032	4,142	9	4	1,041	4,146
Experience (gain) / loss	1,710	888	40	119	1,750	1,007
Loss / (gain) on re-measurement of plan assets	5,318	(4,779)	-	-	5,318	(4,779)
Net re-measurements	<u>8,060</u>	<u>251</u>	<u>49</u>	<u>123</u>	<u>8,109</u>	<u>374</u>
22.1.9 Net liability recognised						
Balance at beginning of the year	6,477	13,360	1,566	1,568	8,043	14,928
Charge for the year	6,708	6,227	160	155	6,868	6,382
Contributions made during the year	(6,478)	(13,361)	(322)	(280)	(6,800)	(13,641)
Re-measurements recognised in other comprehensive income	8,060	251	49	123	8,109	374
Recognised liability as at June 30	14,767	6,477	1,453	1,566	16,220	8,043
Payable within next twelve months	(14,767)	(6,477)	-	-	(14,767)	(6,477)
	<u>-</u>	<u>-</u>	<u>1,453</u>	<u>1,566</u>	<u>1,453</u>	<u>1,566</u>
22.1.10 Plan assets comprise of:						
Debt securities	52,769	49,808	-	-	52,769	49,808
Equity Instrument	55,768	-	-	-	55,768	-
Mutual funds - units	-	55,961	-	-	-	55,961
Cash and cash equivalent	190	60	-	-	190	60
	<u>108,727</u>	<u>105,829</u>	<u>-</u>	<u>-</u>	<u>108,727</u>	<u>105,829</u>

	Management		Non-Management	
	2018	2017	2018	2017
	----- (% per annum) -----			
22.1.11 Actuarial assumptions used				
Discount rate at June 30	9.00%	7.75%	9.00%	7.75%
Expected rate of increase in future salaries - first year	12.00%	10.50%	8.00%	6.75%
- long term	8.00%	6.75%	8.00%	6.75%
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)
- Rates of employee turnover	Moderate	Moderate	Moderate	Moderate

22.1.12 Sensitivity analysis for actuarial assumptions

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

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
		----- (Rupees in '000) -----	
Discount rate	1.00%	118,364	133,378
Increase in future salaries	1.00%	132,779	118,780
Withdrawal rates : light		124,929	
Withdrawal rates : heavy		125,600	

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.

22.1.13 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

22.1.14 Based on actuary's advice, the expected contribution and expense for the year ending June 30, 2019 to management and non-management gratuity plans will be Rs.8,115 thousand and Rs.181 thousand respectively.

22.1.15 The weighted average duration of management and non management gratuity is 5.61 years and 5.81 years respectively. Expected maturity analysis of undiscounted retirement benefit plans:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5-20 years	Total
	----- (Rupees in '000) -----				
As at June 30, 2018					
Management staff	9,593	49,710	23,807	248,962	332,072
Non-management staff	47	479	114	2,846	3,486
Total	9,640	50,189	23,921	251,808	335,558

Note 2018 2017
----- (Rupees in '000) -----

22.2 Compensated leave absences

Balance at beginning of the year (Reversal) / provision for the year	78,302 (3,143)	63,791 16,689
Encashed during the year	75,159 (3,799)	80,480 (2,178)
Balance at end of the year	71,360	78,302

22.2.1 Includes liability in respect of key management personnel aggregating to Rs.25,550 thousand (2017: Rs.22,005 thousand).

	Note	2018 ----- (Rupees in '000) -----	2017
23. DEFERRED TAXATION - Net			
The liability for deferred tax comprises temporary differences relating to:			
Accelerated tax depreciation		309,728	299,867
Unrealized gain on investments		-	12,106
Tax amortisation		92	989
Provision for impairment of available-for-sale investments		(290)	(300)
Provision for doubtful debts		(2,885)	(2,286)
Provision for gratuity		(4,705)	(2,413)
Provision for compensated leave absences		(20,694)	(23,491)
Provision for warranty		(30,218)	(29,540)
		<u>251,028</u>	<u>254,932</u>
24. TRADE AND OTHER PAYABLES			
Trade creditors	24.1	734,168	155,876
Accrued liabilities	24.1	655,279	750,571
Provision for warranty	24.2	104,201	98,468
Customers advances and credit balances		34,759	198,826
Workers' profit participation fund	24.3	-	-
Provision for gratuity	22.1	14,767	6,477
Workers' welfare fund	24.4	16,434	35,531
Sindh government infrastructure fee	24.5	66,098	52,613
Withholding taxes		11,486	-
Other liabilities	24.6	5,861	6,750
		<u>1,643,053</u>	<u>1,305,112</u>

24.1 Trade creditors and accrued liabilities include Rs.784,755 thousand (2017: Rs.219,096 thousand) pertaining to related parties.

	Note	2018 ----- (Rupees in '000) -----	2017
24.2 Provision for warranty			
Balance at beginning of the year		98,468	64,065
Provision for the year	28.1	519,096	374,768
		<u>617,564</u>	<u>438,833</u>
Payments made during the year		(513,363)	(340,365)
Balance at end of the year		<u>104,201</u>	<u>98,468</u>
24.3 Workers' profit participation fund			
Balance at beginning of the year		(1,576)	332
Allocation for the year	32	44,632	110,424
Interest on funds utilised in the Company's business	33	-	21
		<u>43,056</u>	<u>110,777</u>
Payments made during the year - net		(47,424)	(112,353)
Balance at end of the year		<u>(4,368)</u>	<u>(1,576)</u>
24.4 Workers' welfare fund			
Balance at beginning of the year		35,531	38,126
Charge for the year		15,918	35,531
Adjustment for prior year		-	(2,678)
	32	<u>15,918</u>	<u>32,853</u>
Payments made during the year		51,449	70,979
Balance at end of the year		<u>(35,015)</u>	<u>(35,448)</u>
		<u>16,434</u>	<u>35,531</u>

- 24.5 This represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The levy of infrastructure fee is disputed and various companies have filed appeals before the High Court of Sindh (the Court) which are pending adjudication. During the pendency of these appeals, an interim arrangement has been agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 have been returned and bank guarantees have been furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment is made against the balance amount.

The Company, during the year ended June 30, 2014, also filed an appeal in the Court and became a party to subject controversy raised through various appeals. The Court, through its interim order, dated April 3, 2014 has granted the above-mentioned interim relief to the Company and directed to take up the petition along with identical petitions on the next date of hearing. As at June 30, 2018, the Company has provided bank guarantees amounting Rs.72,000 thousand (2017: Rs.55,000 thousand) in favour of The Director Excise and Taxation, Government of Sindh for releasing the consignments imported from time to time and for the purpose of carriage of such goods by road within the province of Sindh. The management believes that the chances of success in the petition are in the Company's favour.

- 24.6 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.5,448 thousand (2017: Rs.5,411 thousand).

	Note	2018 ----- (Rupees in '000) -----	2017 -----
25. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah	25.1	2,359,687	882,770
Demand Finance	25.2	100,000	-
		2,459,687	882,770

- 25.1 Running finance / musharakah facilities available from various banks under mark-up arrangements aggregate to Rs.3,100,000 thousand (2017: Rs.3,150,000 thousand). During the year these finance facilities carry mark-up at the rates ranging from 6.22% to 7.45% (2017: 6.14% to 7.22%) per annum.
- 25.2 Demand finance facilities aggregating Rs.3,100,000 thousand (2017: Rs.3,000,000 thousand) are also available to the Company from various banks as sub-limits of the above mentioned running finance / musharakah facilities. These facilities carries mark-up at the rates ranging from 6.14% to 7.12% (2017: 6.15% to 6.46%) per annum.
- 25.3 FE-25 facilities aggregating Rs.2,440,000 thousand (2017: Rs.2,690,000 thousand) are available from various banks as sub-limits of above mentioned running finance / musharakah facilities. The Company has not utilised these facility during the year.
- 25.4 The above-mentioned finance facilities are secured against joint pari passu hypothecation charge on stock-in-trade and trade debts and are expiring on various dates upto December 31, 2018.
- 25.5 The facilities for opening letters of credit and guarantees as at June 30, 2018 aggregated to Rs.1,930,000 thousand (2017: 2,680,000 thousand) of which the amount remained unutilised at year end aggregated to Rs.1,759,923 thousand (2017: 2,324,220 thousand). These facilities are secured by joint pari passu hypothecation charge on stock-in-trade and trade debts and lien on import documents.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

- 26.1.1 The Company received notice from the Directorate of Intelligence and Investigation, FBR, Lahore in which it had been alleged that the Company purchased goods from certain suppliers who were registered with Regional Tax Offices, but were fake and issued sales tax invoices to the Company on the basis of which the Company claimed input tax adjustment amounting to Rs.29.066 million which according to them was illegal / inadmissible. The name of the Company along with 135 companies and other individuals had therefore been included as an accused person in the First Information Report (FIR) No.04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation, FBR, Lahore. The Company has, therefore, filed a Constitutional Petition in the Honourable Lahore High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has granted stay order and advised the concerned authorities to restrain from further proceeding with the matter. Further, the Court has quashed the criminal proceedings initiated against the Company as being unconstitutional, violative of fundamental rights and ultra vires the Sales Tax Act, 1990 (the Act). The FBR against the orders of the Court has filed an appeal in Honourable Supreme Court of Pakistan, which is pending for hearing.
- 26.1.2 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi conducted sales tax audit for the tax year 2013 and passed an order dated January 28, 2015 with respect to (i) input claims against purchases from certain suppliers whose status were subsequently found as blacklisted / suspended on FBR web portal, (ii) non-payment of federal excise duty on royalty, (iii) non-deduction of sales tax as withholding agent on advertisement expense and (iv) tax credits not allowed on certain expenses. DCIR, through abovementioned order raised an aggregate demand of Rs.11.819 million including default surcharge. The Company filed appeal on February 19, 2015 before Commissioner Inland Revenue Appeals CIR(A) against the above order under section 45B of the Act and section 33 of Federal Excise Act, 2005. Pursuant to the appeal, the CIR(A), through his order dated April 28, 2015, granted relief to the Company in respect of the demand raised in (i), (iii) and (iv) points mentioned above. However, demand of federal excise duty on royalty payment was considered correct by CIR(A) in his order. Accordingly, the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on May 23, 2015 against the order of levy of excise duty on royalty. Further, the Commissioner Inland Revenue has also filed an appeal on June 25, 2015 before ATIR against the abovementioned order of CIR(A) through which relief was granted to the Company. The above appeals are pending for hearing.

26.1.3 Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2013 passed an order dated September 30, 2014 under section 161 / 205 of the Income Tax Ordinance, 2001 on account of non-deduction of tax on freight & forwarding charges and discounts allowed to dealers. DCIR through this order created an aggregate demand of Rs.206.534 million including additional tax. An appeal was filed before the CIR(A) on October 22, 2014 against the above order. The Company paid the demand of Rs.0.1 million which pertains to a tax deduction on freight charges and filed a stay application on October 27, 2014 before Commissioner Inland Revenue (Appeals) [CIR(A)] against the recovery of balance of the demand. The stay against recovery of demand was granted by the CIR(A) on October 27, 2014 subject to partial payment of Rs.50 million which was paid on October 29, 2014. Pursuant to above appeal, CIR(A), on March 31, 2015, passed an order under section 129 of the Ordinance and granted relief in respect of issue of non-deduction of tax amounting Rs.108.867 million on discounts allowed on invoices. However, CIR(A) remanded back the issue of non-deduction of tax aggregating Rs.59.509 million on additional trade discounts by directing the DCIR to re-examine the issue based on the nature of discount. The CIR has filed an appeal on April 18, 2015 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

26.1.4 The Company received a show cause notice dated June 27, 2016 from Assistant Commissioner Enforcement-II, Punjab Revenue Authority (PRA), Government of Punjab for proceeding against the Company for alleged violation of various sections of Punjab Sales Tax on Services Act, 2012 (the Act) read with Punjab Sales Tax on Services (Specific Provisions) Rules, 2012 (the Rules) and demanded tax on account of Punjab sales tax on franchises services aggregating Rs.55.443 million. Further, penalties aggregating Rs.2.962 million has also been charged.

The Company against the abovementioned show cause notice filed a petition on July 15, 2016 before the High Court of Sindh (the Court) on the basis that PRA has no jurisdiction to issue such notice. The Company is engaged in manufacturing of automotive batteries and owing to its technical assistance agreement with technology supplier it pays technical fees to them and in respect of such technical services the Company is making regular payments of Sindh Sales Tax to the Sindh Revenue Board. Further, the Company's factory premises as well as all production and entire operations are in province of Sindh, therefore PRA has no jurisdiction to demand any sales tax on franchise fees on the basis of purported apportionment of the same. The Court, through its interim order dated July 15, 2016 issued notices to concerned persons / representatives and suspended the operations of abovementioned show cause notice.

26.1.5 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2015 passed an order dated January 22, 2016 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of withholding tax on various expenses and created a demand of Rs.56.449 million, including default surcharge and penalty. The Company filed a rectification application on February 11, 2016 against the aforesaid order pursuant to which the DCIR passed a rectified order dated February 22, 2016 under section 221 / 161 / 205 of the Ordinance. As a result of the rectified order, the total demand of Rs.56.449 million identified in the original order was reduced to Rs.0.398 million inclusive of default surcharge and penalty.

While passing the rectified order, the DCIR created an additional demand of Rs.81.593 million including default surcharge and penalty on account of non-deduction of tax on discounts allowed to dealers. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on March 10, 2016 against the rectified order and challenged the aggregate demand of Rs.81.991 million. Pursuant to this appeal, CIR(A) passed an order dated June 8, 2016 under section 129 of the Ordinance and granted relief to the Company on aggregate demand of Rs.81.991 million. The Commissioner Inland Revenue (CIR) filed an appeal on August 5, 2016 against the above mentioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

26.1.6 The Additional Commissioner Enforcement-III (Assessing Officer), Punjab Revenue Authority (PRA), Government of Punjab issued a show cause notice to the Company and alleged that the Company has failed to withhold and deposit the Punjab Sales Tax on advertisement services. The Company responded that some of the service providers do not have their registered office in the territorial jurisdiction of Punjab and in most of the cases, services were not completely consumed in Punjab only rather were electronically transmitted throughout Pakistan. Further, the Company had withheld sales tax from all the payments made against said services and has deposited either to Federal Board of Revenue (FBR) or Sindh Revenue Board (SRB), therefore, demand raised by PRA would tantamount to double jeopardy for the Company. However, the Assessing Officer did not consider the arguments of the Company and passed an order dated May 22, 2017 under section 14 & 19 of Punjab Sales Tax on Services Act 2012 read with Punjab Sales Tax on Services (Withholding) Rules 2012 & 2015 and created an impugned demand of Rs.4.327 million including penalty.

The Company filed an appeal before Commissioner (Appeal), PRA, Lahore on June 23, 2017 against the aforementioned demand who also upheld the order of the Assessing Officer on October 3, 2017. The Company then filed an appeal before Appellate Tribunal, PRA, Lahore on November 23, 2017. The Appellate Tribunal has granted a stay against demand on November 29, 2017. The main appeal is pending before the Appellate Tribunal.

26.1.7 Additional Commissioner Inland Revenue (ACIR), Large Taxpayers Unit, Karachi, for the tax year 2016 passed an order dated November 30, 2017 under section 161 / 205 of the Income Tax Ordinance, 2001 on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) rent paid to Atlas Foundation, (iii) cartage & octroi expenses, (iv) repair and maintenance expenses and (v) entertainment expenses. ACIR through the order created an aggregate demand of Rs.200.172 million including default surcharge and penalty. The Company filed an appeal before [CIR(A)] on December 20, 2017 against (i) and (ii), where as tax levied for (iii), (iv) and (v) were not contested in appeal. The Company paid the demand of Rs.1.5 million in light of directions given by [CIR(A)] on December 22, 2017 while granting stay from recovery proceedings which duly covers the balance tax demand Rs.1.221 million in respect of issues not contested in appeals. Pursuant to the appeal, [CIR(A)], on January 22, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of both issues contested i.e. (i) trade discount allowed to dealers and (ii) rent paid to Atlas Foundation. The department has filed an appeal on April 23, 2018 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

26.1.8 Outstanding bank guarantees

Guarantees aggregating Rs.93,764 thousand (2017: Rs.76,764 thousand) are issued by a commercial bank on behalf of the Company to Sui Southern Gas Co. Ltd., Pakistan State Oil Co. Ltd. and Excise and Taxation Department, Government of Sindh.

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
26.2 Commitments		
26.2.1 Commitments in respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	270,386	197,888
- capital expenditure	66,020	81,128
	<u>336,406</u>	<u>279,016</u>
26.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2018 aggregated to Rs.97,761 thousand (2017: Rs.168,831 thousand).		

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
27. SALES - Net		
Local sales		
- manufacturing activity	23,149,141	21,239,360
- trading activity	1,218,867	1,370,387
	<u>24,368,008</u>	<u>22,609,747</u>
Export Sales	4,432	44,467
	<u>24,372,440</u>	<u>22,654,214</u>
Less:		
- sales tax	3,664,296	3,404,564
- discounts	2,375,283	2,079,742
	<u>6,039,579</u>	<u>5,484,306</u>
	<u>18,332,861</u>	<u>17,169,908</u>
28. COST OF SALES		
Opening stock of finished goods	422,668	327,649
Cost of goods manufactured	16,475,291	13,330,786
Purchases during the year	843,563	969,669
	<u>17,318,854</u>	<u>14,300,455</u>
Closing stock of finished goods	(1,411,039)	(422,668)
	<u>16,330,483</u>	<u>14,205,436</u>
28.1 Cost of goods manufactured		
Opening stock of work-in-process	663,469	586,649
Raw materials and components consumed	13,220,930	10,514,150
Salaries, wages and benefits	987,837	882,404
Stores consumed	368,261	337,867
Light, heat and water	661,312	615,403
Insurance	38,321	35,734
Rent, rates and taxes	113,865	103,949
Repair and maintenance	73,626	76,842
Royalty and technical fee	186,182	171,543
Cartage	16,040	20,422
Travelling, conveyance and entertainment	31,047	27,997
Postage and telephone	3,591	3,150
Printing and stationery	3,498	3,028
Vehicle running	1,816	1,607
Depreciation	268,348	235,951
Free replacement	519,096	374,768
Other expenses	5,392	2,791
	<u>17,162,631</u>	<u>13,994,255</u>
Closing stock of work-in-process	(687,340)	(663,469)
	<u>16,475,291</u>	<u>13,330,786</u>

	Note	2018 ----- (Rupees in '000) -----	2017
28.2 Raw materials and components consumed			
Opening stock		513,461	942,334
Purchases during the year		13,218,746	10,085,277
		<u>13,732,207</u>	<u>11,027,611</u>
Closing stock		(511,277)	(513,461)
		<u>13,220,930</u>	<u>10,514,150</u>

28.3 Salaries, wages and benefits include Rs.3,018 thousand (2017: Rs.2,747 thousand) and Rs.9,903 thousand (2017: Rs.8,265 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

28.4 Royalty charged in these financial statement pertains to GS Yuasa International Limited having registered office at 1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520 Japan.

	Note	2018 ----- (Rupees in '000) -----	2017
29. DISTRIBUTION COST			
Salaries and benefits	29.1	74,353	65,162
Travelling, conveyance and entertainment		32,363	33,406
Vehicle running		282	307
Rent, rates and taxes		25,152	22,714
Advertisement and sales promotion		253,349	229,426
Repair and maintenance		2,272	2,834
Light, heat and water		5,432	5,611
Freight and forwarding		243,081	180,425
Printing and stationery		538	533
Postage and telephone		5,480	4,986
Depreciation	7.4	11,189	7,474
Amortisation	8.2	15	-
Services charges		176	176
Insurance		67,452	52,994
Newspapers, magazines and subscription others		191	175
		<u>721,325</u>	<u>606,223</u>

29.1 Salaries and benefits include Rs.1,050 thousand (2017: Rs.969 thousand) and Rs.3,050 thousand (2017: Rs.2,514 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

	Note	2018 ----- (Rupees in '000) -----	2017
30. ADMINISTRATIVE EXPENSES			
Directors' meeting fee		600	500
Salaries and benefits	30.1	127,179	199,199
Travelling, conveyance and entertainment		12,813	13,596
Rent and rates		9,008	11,875
Repair and maintenance		3,799	1,828
Light, heat and water		3,475	3,437
Insurance		4,788	4,385
Legal and professional charges		8,948	4,737
Fee and subscription		23,491	17,858
Postage and telephone		2,697	2,484
Printing and stationery		3,027	2,220
Vehicle running		431	1,225
Training expense		8,384	4,621
Depreciation	7.4	14,963	13,767
Amortisation	8.2	800	5,016
Donation	30.2	20,652	18,682
		<u>245,055</u>	<u>305,430</u>

30.1 Salaries and benefits include Rs.2,800 thousand (2017: Rs.2,665 thousand) and Rs.5,447 thousand (2017: Rs.6,526 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

30.2 Donation of Rs.20,652 thousand (2017: Rs.18,682 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi (the Foundation). Mr. Yusuf H. Shirazi, Chairman of the Company and Fahim Ali Khan, Director of the Company are Directors of the Foundation.

	Note	2018 ----- (Rupees in '000) -----	2017 -----
31. OTHER INCOME			
Income from financial assets			
Dividend income		-	3,638
Gain on sale of investments at fair value through profit or loss		-	2,038
Income from investments in related parties			
Dividend income		45,806	5,377
Gain on sale of investments at fair value through profit or loss		1,502	138,949
Fair value gain on investments at fair value through profit or loss - net		-	80,709
Income from assets other than financial assets			
Scrap sales		14,869	18,450
Commission Income		11,811	-
		<u>73,988</u>	<u>249,161</u>
32. OTHER EXPENSES			
Provision for doubtful debts	14.1	2,329	764
Workers' profit participation fund	24.3	44,632	110,424
Workers' welfare fund	24.4	15,918	32,853
Auditors' remuneration	32.1	1,770	1,755
Exchange loss - net	32.2	20,572	4,575
Fair value loss on investments at fair value through profit or loss - net		60,359	-
Loss on disposal / write off of operating fixed assets		13,465	18,242
Penalty imposed by Competition Commission of Pakistan		1,000	-
		<u>160,045</u>	<u>168,613</u>
32.1 Auditors' remuneration			
Remuneration in respect of auditors' services for:			
- statutory audit		1,200	1,200
- half yearly review		175	175
- review of compliance with Code of Corporate Governance		85	85
- audits of retirement funds and workers' profit participation fund		115	115
- certifications for payment of royalty, dividend and others		170	155
- out of pocket expenses		25	25
		<u>1,770</u>	<u>1,755</u>
32.2	Represents exchange loss arising on revaluation of actual currency.		
33. FINANCE COST			
Mark-up on:			
- running finances / musharakah		80,350	35,852
- demand finances		30,637	25,177
		<u>110,987</u>	<u>61,029</u>
Interest on workers' profit participation fund	24.3	-	21
Bank and other financial charges		6,858	7,120
		<u>117,845</u>	<u>68,170</u>
34. TAXATION			
Current tax			
Current tax on profits for the year		238,688	564,219
Adjustments for current tax of prior years		4,366	(13,812)
		<u>243,054</u>	<u>550,407</u>
Deferred tax			
Origination and reversal of temporary differences		6,510	44,068
Impact of change in tax rate		(8,062)	(5,904)
		<u>(1,552)</u>	<u>38,164</u>
		<u>241,502</u>	<u>588,571</u>

- 34.1 The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
Profit before taxation	832,096	2,065,197
Tax at the applicable rate of 30% (2017: 31%)	249,629	640,211
Tax effect of:		
- expenses not deductible for tax purposes	279,257	226,572
- expenses deductible for tax purposes but not taken to profit and loss account	(277,750)	(254,712)
- income not subject to tax / income subject to final tax regime / tax credits	(37,553)	(104,583)
Adjustments in respect of prior years	4,366	(13,812)
Super tax for rehabilitation of temporarily displaced persons	25,105	56,731
Deferred taxation	(1,552)	38,164
Tax charge	241,502	588,571

- 34.2 The provision for current year tax represent tax on taxable income at the rate of 30%. It also include provision for supertax at 3% as required under section 4B of the Income Tax Ordinance, 2001. According to management, the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provisions with tax assessed is presented below:

	2017 ----- Rupees in '000 -----	2016 ----- Rupees in '000 -----	2015 ----- Rupees in '000 -----
Income tax provision for the year - accounts	564,219	584,183	419,363
Income tax as per tax assessment	483,869	514,756	417,783
Excess	80,350	69,427	1,580

- 34.2.1 Excess is mainly due to super tax provision recorded in respective years which have not become due as the Company has filed petition in the High Court of Sindh against levy of super tax.

- 34.3 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of 7.5% on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute 40% of accounting profit either through cash dividend or issuance of bonus shares within six months of the end of said tax year.

The Board of Directors in their meeting held on August 28, 2018 has proposed to distribute sufficient dividend for the year ended June 30, 2018 (refer note 45) which complies with the above-stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in these financial statements for the year ended June 30, 2018.

35. EARNINGS PER SHARE

35.1 Basic earnings per share

	2018 ----- (Rupees in '000) -----	2017 ----- (Rupees in '000) -----
Net profit for the year	590,594	1,476,626
	----- Number of shares -----	
Weighted average ordinary shares in issue	17,399,769	17,399,769
	----- Rupees -----	
Earnings per share	33.94	84.86

35.2 Diluted earnings per share

No figures for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

36. TRANSACTIONS WITH RELATED PARTIES

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

36.1 Name and nature of relationship

a) The Holding Company

Shirazi Investments (Private) Limited - 58.46% shares held in the Company

b) Associated Company - significant influence

GS Yuasa International Limited - Japan (note 36.1.1)

c) Associated Companies - common directorship

Atlas Honda Limited

Atlas Insurance Limited

Honda Atlas Cars Pakistan Limited

Atlas Asset Management Limited

Atlas Autos (Private) Limited

Atlas Metals (Private) Limited

Shirazi Trading Company (Private) Limited

Atlas Foundation

Atlas Aluminium (Private) Limited

Atlas Global, FZE (note 36.1.2)

d) Associated companies - Group companies

Atlas Worldwide General Trading LLC (note 36.1.3)

Honda Atlas Power Products (Private) Limited

36.1.1 GS Yuasa International Limited (GSYIL) is a company incorporated in Japan, having registered office at 1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520, Japan. GSYIL holds 15% shares in the Company. Mr. Osamu Murao is the President of GSYIL. Major line of business of GSYIL is manufacturing and sale of automotive batteries, industrial batteries, power supply systems, switch gear, lighting equipment, ultraviolet systems, specialty equipment, and other electrical equipment. Auditors have expressed unqualified opinion on the financial statements of GSYIL for the year ended March 31, 2017.

36.1.2 Atlas Global FZE (AG) is a Free Zone establishment with limited liability in the Jebel Ali Free Zone, Dubai, UAE formed under the Law 9 of 1992 and implementing regulation issued there under by Jebel Ali Free Zone. The registered office of AG is P.O. Box 17442, Dubai, UAE. Mr. Iftikhar H. Shirazi is the Chief Executive Officer of AG. Major line of business of AG is general trading activities. Auditors have expressed unqualified opinion on the financial statements of AG for the year ended June 30, 2017.

36.1.3 Atlas Worldwide General Trading (L.L.C) (AWWT) established with limited liability in Dubai formed under Federal Law 2 of 2015 by Dubai, UAE. The registered office of AWWT is Office 311, Nasir Ahmed Nasir Lootah Building, Khalid Bin Al Waleed Road, Dubai, UAE. Mr. Iftikhar H. Shirazi is the Chief Executive Officer of AWWT. Major line of business of AWWT is general trading activities. Auditors have expressed unqualified opinion on the financial statements of AWWT for the year ended June 30, 2017.

	2018	2017
	----- (Rupees in '000) -----	
36.2 Transactions with related parties		
The Holding Company		
Rent / service charges paid	115,217	111,326
Dividend paid	358,460	158,747
Reimbursement of expenses	2,058	-
Sales of operating fixed assets	11,501	-
Associated companies		
Sales of:		
- goods	2,107,371	2,383,780
- operating fixed assets	3,415	-
Purchases of:		
- goods and services	13,805,735	10,547,426
- operating fixed assets	31,119	77,316
- intangible assets	-	1,824
Rent / service charges paid	21,077	6,634
Reimbursement of expenses	2,845	3,451
Insurance premium	153,098	130,146
Insurance claims	26,313	11,554
Purchase of units in mutual funds	1,016,032	5,357,063
Sale of units in mutual funds	2,583,105	4,675,108
Dividend received	45,806	5,378
Dividend paid	113,163	50,115
Royalty and technical fee	186,182	169,594
Donation paid	20,652	18,682
Contribution to pension funds	12,415	9,932
Other related parties		
Contributions paid to:		
- gratuity funds	6,478	13,361
- provident fund	5,985	7,373
Salaries and other short term employment benefits to key management personnel	111,234	110,753
Sale of vehicles under Company policy	1,830	4,117

The related party status of outstanding balances as at June 30, 2018 is included in 'Capital work-in-progress - note 7.7', 'Stock-in-trade - note 13.1', 'Trade debts - note 14', 'Loans and advances - 15.2', 'Investments note - 17' and 'Trade and other payables - note 24.1' respectively. These are settled in ordinary course of business.

37. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year in respect of remuneration, including certain benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Directors					
	Chief Executive		Others		Executives	
	2018	2017	2018	2017	2018	2017
	----- (Rupees in '000) -----					
Managerial remuneration	16,974	15,716	-	29,539	64,735	57,545
House rent and utilities	11,881	11,002	-	20,677	47,269	40,281
Bonus	4,453	5,394	-	10,138	18,152	19,750
Retirement benefits	2,535	2,359	-	2,700	8,021	7,142
Medical and others	321	435	-	765	2,492	2,005
	<u>36,164</u>	<u>34,906</u>	<u>-</u>	<u>63,819</u>	<u>140,669</u>	<u>126,723</u>
Number of persons	<u>1</u>	<u>1</u>	<u>-</u>	<u>2</u>	<u>26</u>	<u>23</u>

37.1 The Chief Executive and certain Directors are provided with free use of the Company maintained cars and telephones at residences. Certain executives are also provided with the Company's vehicles.

37.2 Remuneration to other directors

Aggregate amount charged in these financial statements for meeting fee to two (2017: two) non-executive directors was Rs.600 thousand (2017: Rs.500 thousand).

38. FINANCIAL RISK MANAGEMENT

38.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk, interest rate risk and price risk). The Company overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk represents the risk of accounting loss being caused if counterparty fails to perform as contracted or discharge an obligation. Credit risk arises from loans, trade deposits, trade debts, loans & advances, investments, other receivables and deposits with banks & financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure. The financial assets exposed to credit risk aggregated to Rs.3,028,167 thousand (2017: Rs.2,870,620 thousand) as at June 30, 2018 and are as follows:

	2018 ----- (Rupees in '000) -----	2017
Long term loans	1,759	1,303
Long term deposits	20,401	16,777
Trade debts	1,754,311	364,642
Loans and advances	1,926	1,856
Deposits and margins	6,669	6,318
Investments	861,921	2,464,851
Bank balances	381,180	14,873
	<u>3,028,167</u>	<u>2,870,620</u>

Out of the total financial assets credit risk is concentrated in investments in mutual fund securities, trade debts and deposits with banks as they constitute 99% (2017: 99%) of the total financial assets.

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties.

All the trade debts at the reporting date represent domestic parties.

The maximum exposure to credit risk for trade debts at the reporting date by type of customer are as follows:

	2018		2017	
	%	Rupees in '000	%	Rupees in '000
Original Equipment Manufacturers and Institutions	2.13	37,383	18.80	68,536
Associated Companies	5.84	102,531	74.37	271,195
Dealers	92.02	1,614,397	6.83	24,911
	<u>100</u>	<u>1,754,311</u>	<u>100</u>	<u>364,642</u>

The credit quality of loans, advances, deposits and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred.

The credit quality of Company's bank balances and investments in mutual funds securities can be assessed with reference to the external credit ratings as follows:

Name of Bank	Rating			2018	2017
	agency	short-term	long-term	---(Rupees in '000)---	
MCB Bank Limited	PACRA	A1+	AAA	4,070	4,605
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	50	2
Habib Bank Limited	JCR-VIS	A-1+	AAA	22,391	10,266
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	3	-
				<u>26,514</u>	<u>14,873</u>

Mutual funds	Agency	Rating	2018	2017
			---(Rupees in '000)---	
Atlas Stock Market Fund	PACRA	AM2+	277	-
Atlas Income Fund	PACRA	AA(f)	-	920,915
Atlas Money Market Fund	PACRA	AA(f)	281,931	-
Atlas Islamic Stock Fund	PACRA	AM2+	462,499	799,339
Atlas Islamic Income Fund	PACRA	AA(f)	-	600,259
Atlas Gold Fund	PACRA	AM2+	-	54,439
HBL Islamic Money Market Fund	JCR-VIS	AA(f)	117,214	89,899
			<u>861,921</u>	<u>2,464,851</u>

(b) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2018, the Company had Rs.3,100,000 thousand available borrowings limits from banks / financial institutions and of bank balances Rs.26,514 thousand.

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

	Carrying Amount	Contractual cash flows	Maturity upto one year	Maturity more than one year
------(Rupees in '000)-----				
June 30, 2018				
Trade and other payables	1,510,995	1,510,995	1,510,995	-
Accrued mark-up	20,259	20,259	20,259	-
Short term borrowings	2,459,687	2,501,028	2,501,028	-
Unclaimed dividend	34,722	34,722	34,722	-
	<u>4,025,663</u>	<u>4,067,004</u>	<u>4,067,004</u>	<u>-</u>
June 30, 2017				
Trade and other payables	1,011,665	1,011,665	1,011,665	-
Accrued mark-up	4,623	4,623	4,623	-
Short term borrowings	882,770	897,025	897,025	-
Unclaimed dividend	25,798	25,798	25,798	-
	<u>1,924,856</u>	<u>1,939,111</u>	<u>1,939,111</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2018.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (U.S. Dollar). Currently, the Company's foreign exchange risk is restricted to the amounts payable to foreign entities. The Company's exposure is as follows:

	2018		2017	
	Rupees in '000	U.S. Dollars	Rupees in '000	U.S. Dollars
Balance sheet exposure				
Trade and other payables	9,728	80,000	8,400	80,000

Exchange rate of 121.60 (2017: 105.00) for US Dollar to Rupee has been applied.

At June 30, 2018, if the Rupee had weakened / strengthened by 5% against U.S. Dollars with all other variables held constant, the recalculated post-tax profit for the year would have been Rs.486 thousand (2017: Rs.420 thousand) higher / (lower), mainly as a result of foreign exchange gain / (loss) on translation of U.S. Dollar denominated financial liabilities.

Interest rate risk

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

The Company's interest rate exposure arises from short term borrowings. Borrowings issued at variable rates expose the Company to cash flow risk and borrowing issued at fixed rate expose the Company to fair value interest rate risk. At June 30, 2018, the Company's interest bearing borrowings aggregated to Rs.2,459,687 thousand (2017: Rs.822,770 thousand).

At June 30, 2018, 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.24,597 thousand (2017: Rs.8,828 thousand) lower / higher mainly as a result of higher / (lower) interest expense on floating rate borrowings.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is exposed to equity securities price risk because of investments in mutual fund securities amounting to Rs.861,921 thousand (2017: Rs.2,464,851 thousand) and classified at fair value through profit or loss. The Company is not exposed to commodity risk.

At June 30, 2018, if fair value (Net Asset Value) had been 1% higher / lower with all other variables held constant, the post-tax profit for the year would have Rs.8,619 thousand (2017: Rs.24,649 thousand) higher / (lower) as a result of gain / (loss) on investments classified as at fair value through profit or loss.

38.2 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

The Company's financial assets measured at fair value comprise only of level 1 financial assets amounting to Rs.861,921 thousand (2017: Rs.2,464,851 thousand).

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods.

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

38.3 Financial instruments by categories

	As at June 30, 2018			As at June 30, 2017		
	Loans and receivables	At fair value through profit and loss	Total	Loans and receivables	At fair value through profit and loss	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Financial assets as per balance sheet						
Long term loans	1,759	-	1,759	1,303	-	1,303
Long term deposits	20,401	-	20,401	16,777	-	16,777
Trade debts	1,754,311	-	1,754,311	364,642	-	364,642
Loans and advances	1,926	-	1,926	1,856	-	1,856
Deposits and prepayments	6,669	-	6,669	6,318	-	6,318
Investments	-	861,921	861,921	-	2,464,851	2,464,851
Bank balances	381,180	-	381,180	14,873	-	14,873
	<u>2,166,246</u>	<u>861,921</u>	<u>3,028,167</u>	<u>405,769</u>	<u>2,464,851</u>	<u>2,870,620</u>

	Financial liabilities at amortised cost	
	2018	2017
	----- Rupees in '000 -----	
Financial liabilities as per statement of financial position		
Trade and other payables	1,510,995	1,011,665
Accrued mark-up	20,259	4,623
Short term borrowings	2,459,687	882,770
Unclaimed dividend	34,722	25,798
	<u>4,025,663</u>	<u>1,924,856</u>

38.4 Capital risk management

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

The Company manages its capital structure by monitoring return on net assets and makes adjustments 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.

39. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as this depends upon the relative proportion of various types of automotive and motorcycle batteries produced.

40. ENTITY-WIDE INFORMATION

These financial statements have been prepared on the basis of the single reportable segment.

40.1 Information about products

Sales of battery and allied products represent 94.32% (2017: 93.18%) of the total revenue of the Company.

40.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2018 are located in Pakistan.

All of the Company's sales relate to customers in Pakistan other than export sales amounting to Rs.4,432 thousand (2017: Rs.44,467 thousand) made to Afghanistan.

40.3 Information about customers

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

41. NUMBER OF EMPLOYEES

	Factory		Others	
	2018	2017	2018	2017
Total number of employees	251	228	84	87
Average number of employees	248	219	81	84

42. PROVIDENT FUND RELATED DISCLOSURES

42.1 The following information is based on unaudited financial statements of the Fund for the year ended June 30, 2018:

	2018 ----- (Rupees in '000) -----	2017
Size of the Fund - Total Assets	161,259	156,831
Cost of investments made	71,099	79,732
Percentage of investments made	97.88%	98.09%
Fair value of investments	157,842	153,828

42.2 The break-up of fair value of investments is as follows:

	2018 ---- Percentage ----	2017	2018 ---- Rupees in '000 ----	2017
Special account in a scheduled bank	1.90	1.69	3,057	2,657
Debt securities	95.98	96.39	154,785	151,171

42.3 The investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and conditions specified thereunder.

43. SHAHRIAH SCREENING DISCLOSURE

	----- 2018 -----		----- 2017 -----	
	Conventional	Shariah Compliant	Conventional	Shariah Compliant
	----- (Rupees in '000) -----			
Short term investments	282,208	579,713	975,354	1,489,497
Bank balances	26,514	-	14,873	-
Accrued mark-up	11,295	8,964	3,079	1,544
Short term borrowings	1,784,723	674,964	563,175	319,595
Revenue	-	18,332,861	-	17,169,908
Other income				
a) Dividend income	-	45,806	5,377	3,638
b) Gain on sale of investments at fair value through profit or loss	21,144	(19,642)	88,561	52,426
c) Fair value gain / (loss) on investments at fair value through profit or loss	3,876	(64,235)	(3,414)	84,123
d) Others including exchange gain on actual currency	-	26,680	-	18,450
Mark-up on running finances / musharakah	43,808	36,542	15,935	19,917
Mark-up on demand finances	30,637	-	25,177	-

44. CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary, to comply with the requirements of the Companies Act, 2017 and for the purposes of comparison and better presentation. Following major reclassification have been made:

Reclassified from component	Reclassified to component	2017 Rupees in '000
Trade and other payable	Unclaimed dividend (Disclosed on the face of statement of financial position)	25,798

45. EVENTS AFTER THE REPORTING DATE

The Board of Directors, in their meeting held on August 28, 2018, (i) approved the transfer of Rs. 340,000 thousand (2017: Rs.870,000 thousand) from unappropriated profit to general reserve and (ii) proposed a final cash dividend of Rs. 10 (2017: Rs.35.00) per share amounting to Rs. 173,998 thousand (2017: Rs.608,993 thousand) and (iii) proposed bonus shares at the rate of 40% in proportion of two ordinary shares for every five shares held amounting to Rs. 69,599 for approval of the members at the Annual General Meeting to be held on September 27, 2018.

These financial statements do not reflect the proposed appropriations, which will be accounted for in the statement of changes in equity as appropriations from unappropriated profit in the year ending June 30, 2019.

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2018 by the Board of Directors of the Company.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Azam Faruque
Director



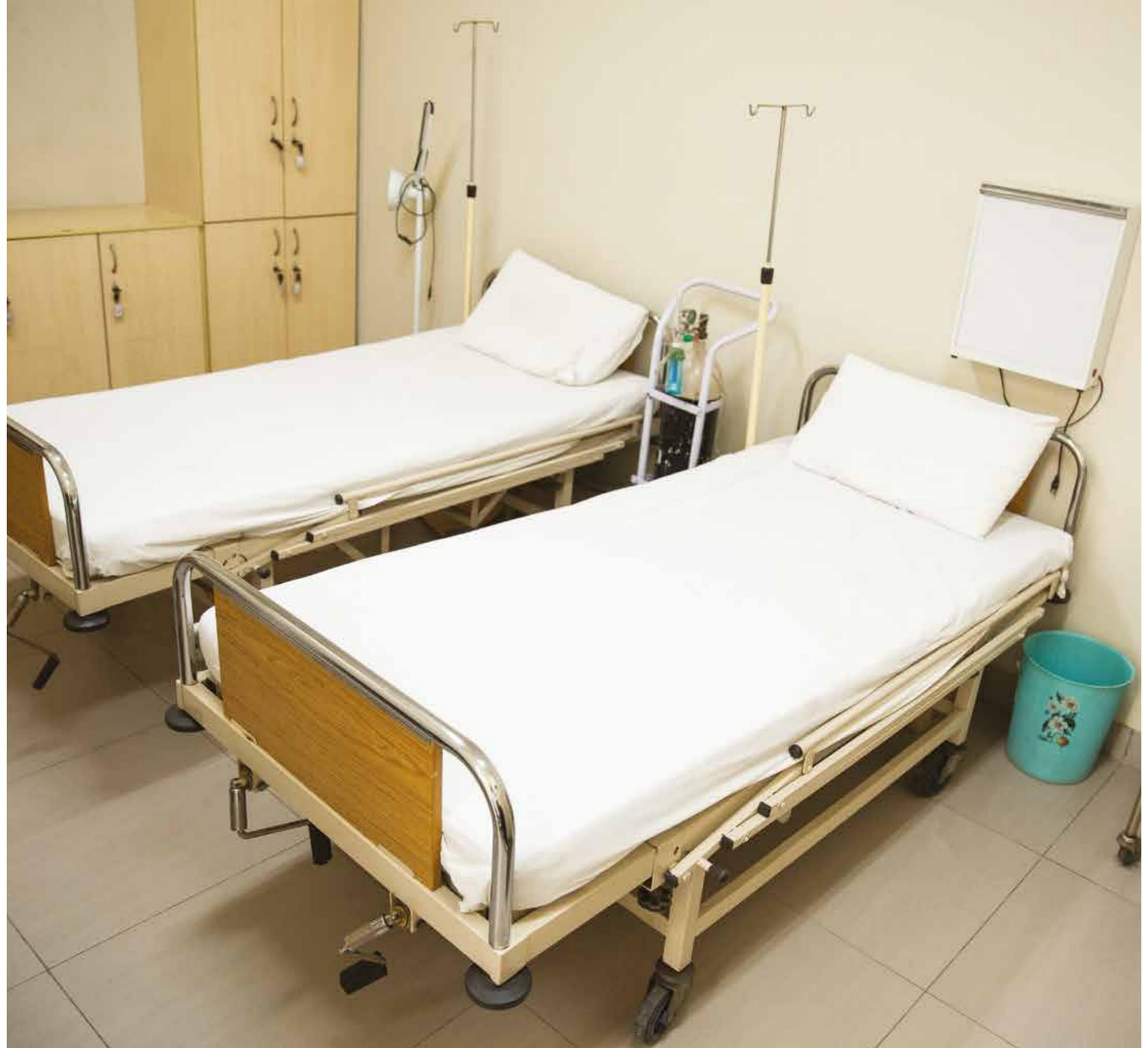
Rizwan Ahmed
Chief Financial Officer

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Treading a **Healthy Path**

Atlas Battery strives to implement policies and practices that reduce the impact of hazards, down to the lowest possible limits. The company houses a medical facility equipped with excellent services to assist any worker who meets with work related accidents. The in-house clinic is manned by a qualified doctor, who is available in general shift and paramedics who are available for 24 hours.



GLOSSARY OF TERMS

As at June 30, 2018

AGS	Atlas Genzo Shimadzu	LUMS	Lahore University of Management Sciences
B2C	Business to Consumer	MAP	Management Association of Pakistan
BCP	Business Continuity Plan	MC	Management Committee
BPR	Business Process Re-engineering	NAV	Net Asset Value
CDS	Central Depository System	NBFC	Non-Banking Financial Institution
CFO	Chief Financial Officer	NCCPL	National Clearing Company Pakistan Limited
CEO	Chief Executive Officer	NGO	Non-Governmental Organization
CGLS	Corporate Governance Leadership Skills	NIT	National Investment Trust
CIR (A)	Commissioner Inland Revenue (Appeals I)	OEM	Original Equipment Manufacturer
CLA	Corporate Law Authority	PAMA	Pakistan Automotive Manufacturers Association
CNIC	Computerized National Identity Card	PAT	Profit After Taxation
DCIR	Deputy Commissioner Inland Revenue	PBT	Profit Before Taxation
DFI	Development Financial Institution	PICG	Pakistan Institute of Corporate Governance
DPS	Dividend Per Share	PKR	Pakistan Rupee
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization	PSX	Pakistan Stock Exchange
ERP	Enterprise Resource Planning	PUC	Projected Unit Cost
FBR	Federal Board of Revenue	QCC	Quality Control Circle
GDP	Gross Domestic Product	UK	United Kingdom
GIKEST	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology	UPS	Uninterruptible Power Supply
HR	Human Resource	USA	United States of America
IBA	Institute of Business Administration	WPPF	Workers' Profit Participant Fund
ICP	Investment Corporation of Pakistan	WWF	Workers' Welfare Fund
IFAC	International Federation of Accounting		
IFRS	International Financial Reporting Standards		
IT	Information Technology		



Atlas Group Companies

*Year of Establishment /
Acquisition**

 Shirazi Investments	1962
---	------

 Atlas Honda	1962
---	------

 Atlas Battery	1966
---	------

 Shirazi Trading	1975
---	------

 Atlas Insurance	1980*
---	-------

 Atlas Engineering	1981*
---	-------

HONDA Honda Atlas Cars	1992
-------------------------------	------

HONDA Honda Atlas Power Product	1997
--	------

 Atlas Asset Management	2002
--	------

 Atlas Power	2007
---	------

 Atlas World Wide	2007
--	------

 Atlas Venture	2008
---	------

 Atlas Autos	2011
---	------

 Atlas Hitec	2012
---	------

 Atlas Metals	2012
--	------

 Atlas Global	2015
--	------

 Atlas Aluminium	2016
---	------

 Atlas Die Casting	2016
---	------

PRODUCT TYPES AND APPLICATION

Product Type		Application	
Light Batteries			
CGR30	7 PL	CGR30	CNG Rickshaw
GR46	9 PL	NS40SR	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)
GL48	9 PL	NS40ZL 9PL	Suzuki Mehran, Daihatsu Cuore, Kia Classic, All CNG converted vehicles (800cc to 1000cc)
GL50	11 PL	NS40ZL 11PL	All types of vehicles (800cc to 1300cc)
CNG60	13 PL	N40	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc)
GR65	13 PL	NS60	
GL65	13 PL	NS60L	
GR70	9 PL	N50	
80D26R	11 PL	N50Z	Honda Accord, Honda CRV, Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedes Benz, Willys Jeeps, MF375 Tractors, Hyundai, Daewoo (2000cc to 6000cc)
GR85	13 PL	N70 EXTRA	
GL85	13 PL	N70 EXTRA L	
Medium Batteries			
GR87	11 PL	NS70	Toyota Hi-Ace, Mercedes Benz, Isuzu Bus JCR 520zz, Massey Ferguson Tractors, MF-210 Cruiser, Toyota Hi-Lux, Nissan Diesel Pick-up, Ford 1910 Tractor (2000cc to 6000cc)
GR95	13 PL	N70Z	
GR100	15 PL	N85P	
GL100	15 PL	N85L	
6FT120	15 PL	6FT15	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)
N125	17 PL	N100S	
GX132	17 PL		
GX135	19 PL	N100	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
Heavy Batteries			
GX155	21 PL	N120S	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
GX165	21 PL	N120S	
GX175	23 PL	N140	Ford Tractor 3610 and 46
4DLT145	23 PL	N130S	
4DLT160	27 PL	N150S	
GL190	23 PL		Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors
195G51F	25 PL	N150	
GX200R	27 PL	N175	
GX200FH	27 PL	N175	
GX200F	27 PL	N190Z	Generator Sets, Road Roller, Bulldozer
210H52	31 PL	N200P	
245H52	33 PL	N200	
Atlas Hybrid - Automotive			
HB46	9 PL	NS40ZL	All types of vehicles (800cc to 1300cc)
HB50	11 PL	NS40ZL	All types of vehicles (800cc to 1300cc)
HB65	13 PL	NS60L	All types of vehicles (1000cc to 1800cc)
HB65 (Thin Pole)	13 PL	NS60L	All types of vehicles (1000cc to 1800cc)
HB100	15 PL	GR100	All types of vehicles (2000cc to 6000cc)
Motorcycle Battery			
GM2.53C2 CLASSIC	3 PL		Honda CD70, CG125, all Japanese and Chinese motorcycles
Distilled Water			
Battery Tonic	1000 ML		Distilled water for all types of batteries

OUR VALUED OEM CUSTOMERS

HONDA ATLAS CARS PAKISTAN LTD.	
INDUS MOTOR COMPANY LIMITED	
PAK SUZUKI MOTOR COMPANY LIMITED	
AL GHAZI TRACTORS LIMITED	
MASTER MOTOR CORPORATION (PVT) LTD.	
FUSO MASTER MOTORS (PVT) LTD.	
DAEHAN DEWAN MOTOR COMPANY (PVT) LTD.	
AFZAL MOTORS (PVT) LIMITED	
DAEWOO PAK MOTORS (PVT) LTD.	
PM AUTO INDUSTRIES (PVT) LTD.	
GHANDHARA NISSAN LTD.	
SIGMA MOTORS LTD.	
METALINE INDUSTRIES (PVT) LTD.	
ATLAS HONDA LIMITED	
AS AUTO INDUSTRY	
SUPREME MOTORS	
CROWN MOTOR COMPANY	

September 06, 2018

To: All Shareholders of the Company

**Remuneration of Chief Executive and Company Secretary
Information under Section 213 of the Companies Act, 2017.**

It is to inform you that the Board has approved the remuneration for the following, for the year ending June 30, 2019.

1. Chief Executive at Rs. 31.16 million.
2. Company Secretary at Rs. 7.27 million.

Bonus, retirement benefits and other facilities are provided in accordance with Company's rules.

Yours truly
For Atlas Battery Limited



Muhammad Iqbal
Company Secretary

September 06, 2018

To: All Shareholders of the Company

Copy of Computerized National Identification Number - CNIC or National Tax Number – NTN

The shareholders are informed that as per sub Clause 9(i) of Regulation 4 of Companies (Distribution of Dividends) Regulations 2017, the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore it is requested that shareholders must provide copy of their Computerized National Identity Card (in case of individual) or National Tax Number (in case of other than individual) or Passport (in case of foreign individual) shareholder.

The shareholders are therefore requested to provide the above documents by mail to the Company Secretary at following address, unless it has already been provided. The members while sending above documents must quote their respective folio number.

**The Company Secretary
Atlas Battery Limited
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial, Phase V, DHA
Karachi**

Shareholders are also requested to immediately notify the change of address, if any.

Yours truly
For Atlas Battery Limited



Muhammad Iqbal
Company Secretary

September 06, 2018

To: All Shareholders of the Company

Dividend Mandate Form

As per Section 242 of Companies Act, 2017, it is mandatory for the public listed companies to pay cash dividend to its shareholders ONLY through electronic mode, directly into bank account designated by the entitled shareholders. Therefore, all shareholders are requested to provide their valid bank account details (if it is not provided earlier) in the “Dividend Mandate Form”, provided below at the earliest. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

Further, as per provisions of Sub-Section 2 of Section 244 of the Companies Act, 2017, any dividend and / or share certificate which remain unclaimed or unpaid for a period of three years from the date these have become due and payable, the Company shall be liable to deposit those unclaimed / unpaid amounts with the Federal Government.

The Company Secretary
Atlas Battery Limited
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial, Phase V, DHA,
Karachi.

DIVIDEND MANDATE FORM

Information of shareholder for Payment of Cash Dividend																					
Title of Bank Account																					
Bank's Name																					
Branch Name and Address																					
Complete Bank Account Number with IBAN “Mandatory”																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 5%; text-align: center;">P</td> <td style="width: 5%; text-align: center;">K</td> <td style="width: 5%;"></td> </tr> </table>		P	K																		
P	K																				
CNIC No.																					
Cell Number & Email																					

It is stated that the above mentioned information is correct. That I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

 Signature of member / shareholder

Folio No. _____

The Company Secretary,
Atlas Battery Limited,
4-C, Khayaban-e-Tanzeem, Tauheed Commercial,
Phase V, D.H.A,
Karachi.

PROXY FORM

I / We _____
of _____
being member(s) of Atlas Battery Limited holding _____ ordinary shares
as per Folio No. _____ and / or CDC Account No. _____ hereby appoint

of _____
Folio No. _____ and / or CDC Account No. _____ or failing him
/ her _____
of _____
Folio No. _____ and / or CDC Account No. _____ as my / our
proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the
Company to be held at 9:30 a.m. on Thursday, September 27, 2018 at 2nd Floor, Federation House,
Sharae Firdousi, Clifton, Karachi and at every adjournment thereof.

Signed this _____ day of _____, 2018.

Witness:

Signature _____

Name _____

CNIC or Passport No. _____

Affix
Revenue
Stamp

Signature of
Member(s)

Note:

- A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as a proxy to attend, act and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company or at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi not less than 48 hours before the time of the meeting.
- CDC shareholders and their proxies are requested to attach an attested photocopy of their Computerized National Identity Card (CNIC) or Passport with this proxy form before submission to the Company.

The Company Secretary,
Atlas Battery Limited,
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial,
Phase V, D.H.A,
Karachi.

AFFIX
POSTAGE

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درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری
اٹلس بیٹری لمیٹڈ،
4-C خیابان تنظیم، توحید کمرشل،
فیز 7، ڈی ایچ اے، کراچی

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Investors' Education

In pursuance of SRO (924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors.

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

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- 🔍 Scam meter*
- 🎮 Jamapunji games*
- 📊 Tax credit calculator*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- ❓ FAQs Answered

- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



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*Mobile apps are also available for download for android and ios devices

Atlas Battery Limited

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Website: www.atlasbattery.com.pk