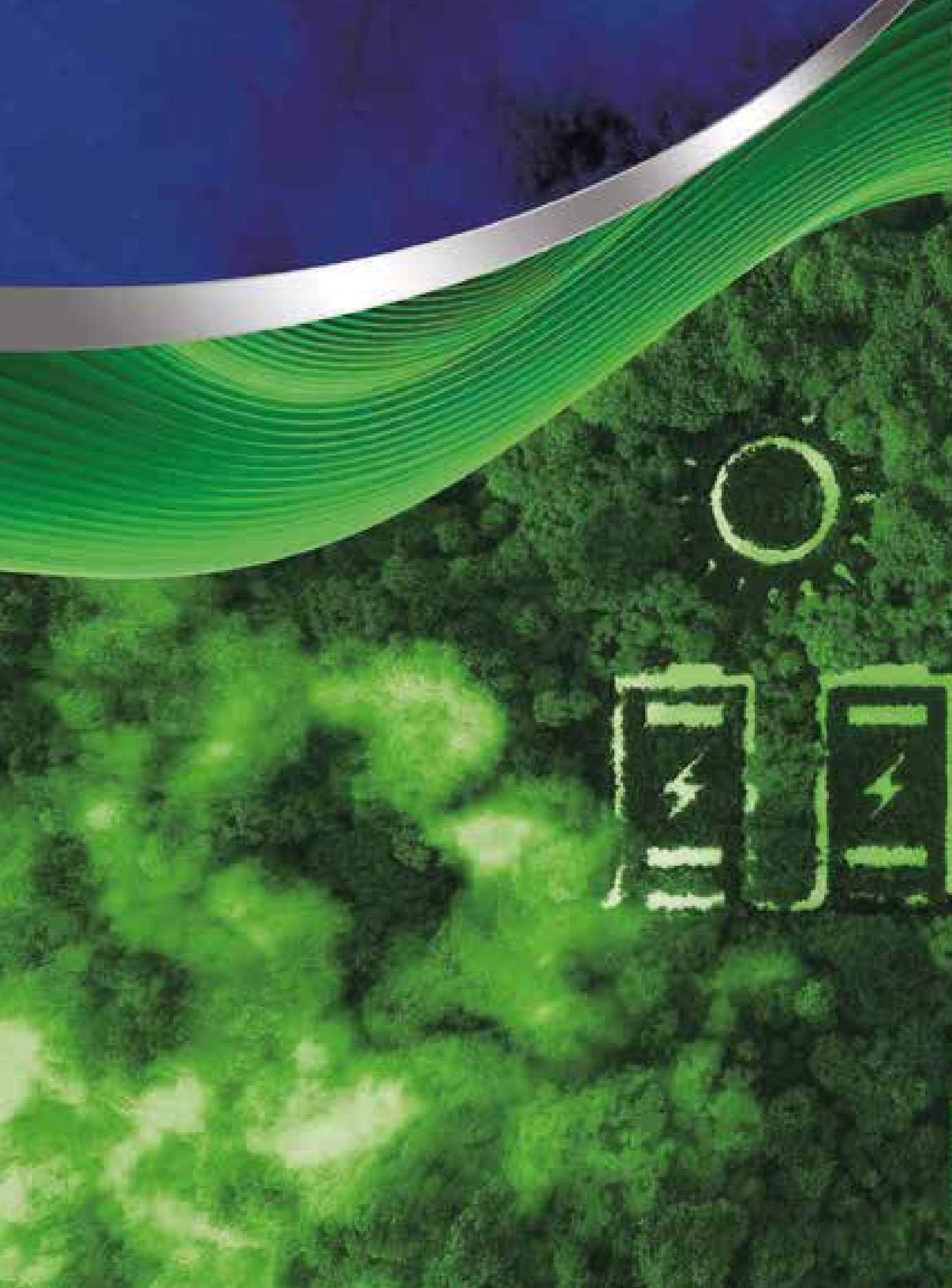


BEYOND POWER

ENABLING LIVES
ELEVATING PROGRESS



ANNUAL REPORT
2025



ABOUT THEME

Energy That Fuels Progress, Responsibly. True progress is measured not only by how far we go, but by how responsibly we get there. At Atlas, we believe growth means little if it leaves the world behind. Our theme for 2025, "Beyond Power, Enabling Lives, Elevating Progress" signifies our commitment to innovation goes hand in hand with care for the environment, delivering energy solutions that drive ambition today, while safeguarding the planet for tomorrow.



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OPERATING STRUCTURE, OWNERSHIP AND RELATIONSHIP WITH GROUP COMPANIES

ABOUT 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, motorcycle and energy storage batteries and their allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The manufacturing facilities are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan. The Company is a constituent entity of Atlas Group.

The Company 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. The Company 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 is proud of its successful journey of development and manufacturing a diversified range of products for more than five decades. The product range varies from conventional batteries to innovative low-maintenance hybrid, maintenance free and deep cycle batteries. Today, AGS is the nation's preferred choice not only for automotives and motorcycles but also for gensets, construction equipment, uninterrupted power supply (UPS) equipment and solar panels. Our extensive battery knowledge, vast experience and state-of-the-art manufacturing facility enable us to consistently meet the customers' demand. The Company's continued focus on HSE, unmatched after sales service and Japanese technology, is the true reflection of the its tagline **بات ہے کوالٹی کی ...**

ABOUT THE GROUP

The foundation of Atlas Group was laid down by our late Chairman, Mr. Yusuf H. Shirazi in 1962 when Shirazi Investments (Private) Limited was formed with a capital of half a million rupees and 2 associates by his side. The Atlas motto coined by him, 'Organization Development through Self-development', has been the mantra of success for Atlas since inception.

Today Atlas is a diversified group dealing in engineering, power generation, trading and financial services. The Group embodies the spirit of development as it endeavors to fuel the growth of Pakistan's economy through 19 companies out of which four are quoted on Pakistan Stock Exchange Limited.

The Group has harmonized professional management and institutionalized the Group shareholding to build businesses that last generation after generation. Atlas has also been playing a leading role as a responsible corporate citizen promoting professional education, contributing to health facilities, helping law enforcement agencies and improving the standard of life.

GROUP SHAREHOLDING

The following is the details of shareholdings by group companies:



Shirazi Investments
(Holding Company)

Shirazi Investments (Private) Limited [SIL] was incorporated in 1962 and is the holding company of Atlas Group. SIL holds 58.86% of the shares of Atlas Battery Limited. Besides being holding company of Atlas Group, it is engaged in the businesses of real estate, warehousing and investments in capital markets.



Atlas Foundation
(Associated Company)

Atlas Foundation was incorporated in 1986 as not for profit organization. The Foundation has played its role in promoting professional education, contributing to health facilities, helping law enforcement agencies and improving the quality of life. Atlas Foundation holds 1.84% shares of Atlas Battery Limited.



Atlas Insurance
(Associated Company)

Atlas Insurance Limited is engaged in general insurance and takaful business. The company was founded by Sir Muhammad Iqbal in 1934 and was acquired by Atlas Group in 1980. Atlas Insurance holds 1.74% shares of Atlas Battery Limited.



Atlas Battery

Atlas Battery Limited is engaged in the manufacturing and sale of automotive, motorcycle and energy storage batteries and their allied products. The Company has technical collaboration with GS Yuasa Japan.





VISION

- World Class Organization
- Pioneering Energy Storage Provider
- Inspirational Partner

MISSION

Empowering society through innovation, operational excellence, quality and sustainability to create value for stakeholders.

CORE VALUES

QUALITY

To deliver quality products that exceed customer expectations.

MERITOCRACY

To recruit on merit; reward and recognise on performance.

TRANSPARENCY

To promote a culture of openness of communication, coordination and collaboration with internal and external stakeholders.

EXCELLENCE

We continuously pursue operational efficiencies and process improvements.

INTEGRITY

To embrace and promote strong ethical and moral principles.

SAFETY

Committed to providing a safe working environment for our associates.

STRIVING FOR EXCELLENCE

QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE) POLICY

Atlas Battery Limited (the Company) fosters superior technologies and innovations through strict compliance of its Quality Management System to meet the needs and expectations of its customers.

The Company recognizes its responsibilities for the Health, Safety and Environment (HSE) of its associates and assets. The ultimate objective of the management is to promote good health, high level of safety and mitigate environmental issues related to the business activities.

INTERNATIONAL CERTIFICATIONS - ISO INTEGRATED MANAGEMENT SYSTEM

All business functions / relevant processes and systems of the Company have been designed, improved and aligned as per guidelines of the following international standards:

| Standard | Description | Certified By |
|-----------------|---|----------------|
| ISO 9001 :2015 | Quality Management System (QMS) | Bureau Veritas |
| ISO 14001 :2015 | Environment Management System (EMS) | Bureau Veritas |
| ISO 45001 :2018 | Occupation Health & Safety (OH&S) Management System | Bureau Veritas |
| ISO 50001 :2018 | Energy Management System (EnMS) | Bureau Veritas |

The above systems provide us the means to regulate, validate and trace all processes associated with product, research, design manufacturing, logistics, sale and after sale services.

PREPARATION AND PRESENTATION OF THE FINANCIAL STATEMENTS

Management is fully aware of its responsibility towards preparation and presentation of financial statements. The Directors of the Company confirm that:

- 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.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan and the requirements of the Act have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls continues as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There are no significant doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Code 2019 and listing regulations of the Pakistan Stock Exchange.



PRINCIPAL BUSINESS ACTIVITIES

INDUSTRY

The Company is engaged in manufacturing and marketing of automotive, motorcycle and energy storage batteries for domestic and international markets 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 replacement market through nationwide dealership network. Major usage of batteries includes vehicles, motorcycles, heavy vehicles including tractors, buses and energy backup solution such as UPS (Uninterrupted Power Supply equipment), Solar Panels and Gensets etc.

PRODUCTS AND THEIR APPLICATIONS

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

BRANDS

The Company sells its products under the following brand names:

- Atlas
- AGS

GEOGRAPHICAL PRESENCE



REGIONAL OFFICE



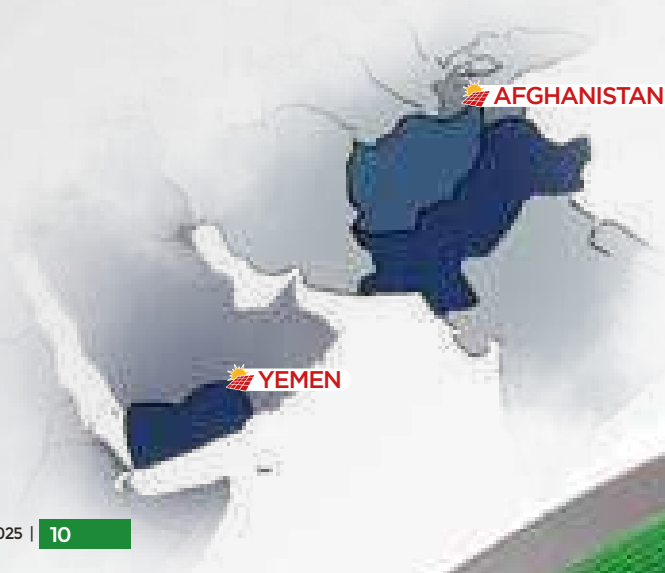
DEALERSHIP NETWORK

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

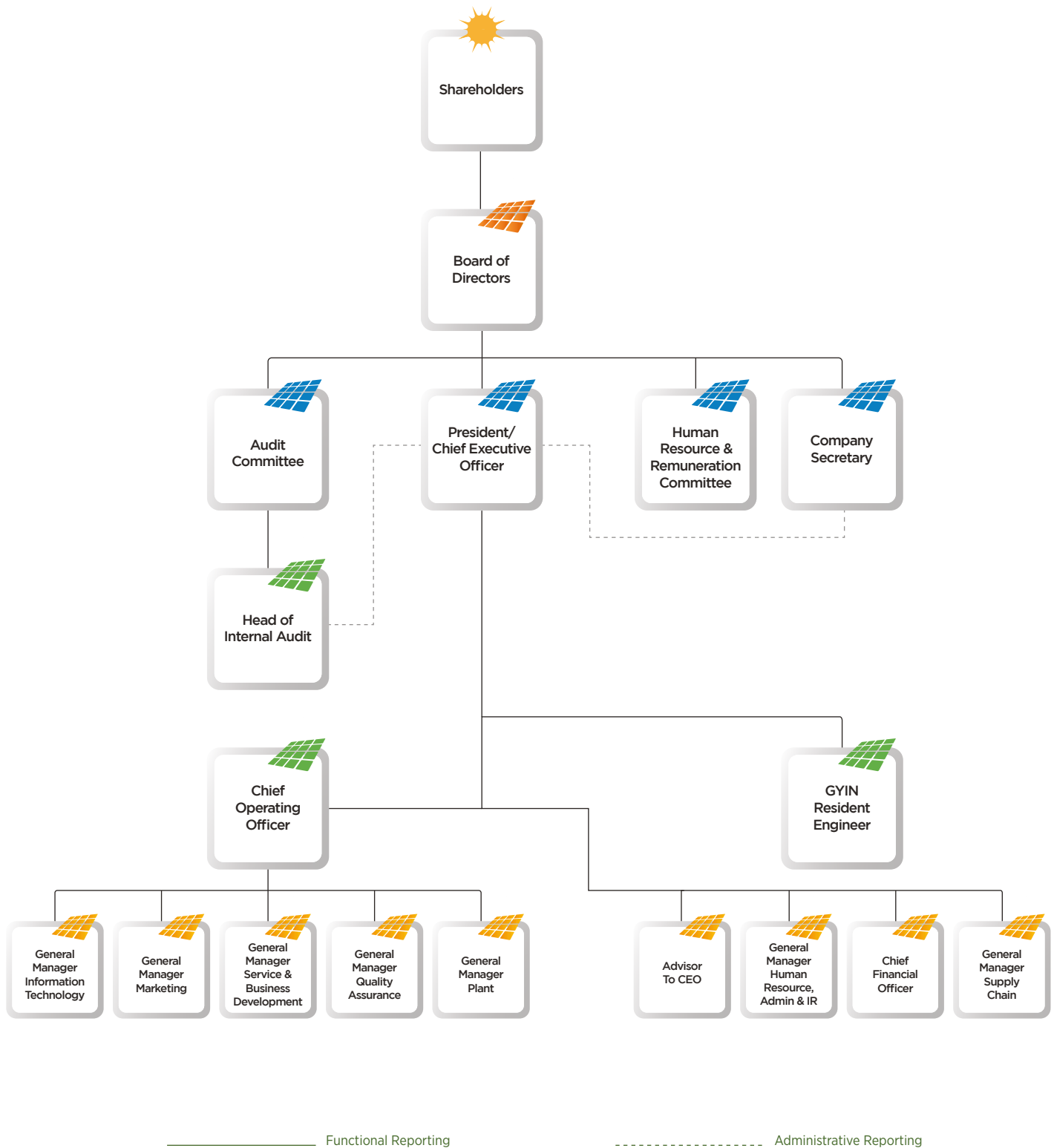
There are 320 dealers and their network profile is available on our website www.abl.atlas.pk

EXPORT REGIONS

During the year, the Company exported its batteries to Afghanistan and Yemen.



ORGANIZATION CHART



COMPANY INFORMATION

Board of Directors

Aamir H. Shirazi
Chairman

Bashir Makki
Director

Fahd K. Chinoy
Director

Mehreen Amin
Director

Sanaullah Qureshi
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Faizan Raza Nayani
Company Secretary

Audit Committee

Sanaullah Qureshi
Chairman

Bashir Makki
Member

Fahd K. Chinoy
Member

Faiz Ullah Ghazi
Secretary & Head of
Internal Audit

Human Resource and Remuneration Committee

Mehreen Amin
Chairperson

Ali H. Shirazi
Member

Bashir Makki
Member

Adnan Hameed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Mansoor Jamil Khan
Chief Operating Officer

Ahmar Waheed
Advisor to Chief Executive Officer

Adnan Hameed
General Manager Human Resource,
Admin & IR

Iftikhar ul Islam
General Manager Marketing

Muhammad Asher Ahmad
General Manager Information
Technology

Muhammad Rafi
General Manager Service &
Business Development

Muhammad Shoaib
Chief Financial Officer

Sami Ahmed
General Manager Quality Assurance

Sheikh Adeel-ur-Rehman
General Manager Supply Chain

Tehseen Raza
General Manager Plant

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.

Tax Advisors

EY Ford Rhodes
Chartered Accountants

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
MCB Islamic Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road, Karachi
Tel: (021) 32424826 & 32469573
Fax: (021) 32424835
E-mail: shares@hmaconsultants.com.pk

Registered Office & Factory

D-181, Central Avenue, S.I.T.E.,
Karachi-75730
UAN: 111-247-225
Fax: (021) 32564703

Karachi Sales Office

4-C, Khayaban-e-Tanzeem, Tauheed
Commercial, Phase V, D.H.A., Karachi
Tel: (021) 35877911-15
Fax: (021) 35877916

Karachi Service Center

Plot No. 01, Block/Sector
No. 14, Scheme/ Township No. 16,
Federal "B" Area, Karachi

Sukkur Sales Office and Service Center

Pak Memon Cooperative Housing Society,
Opposite Government Wheat Godown,
Shikarpur Bypass, Sukkur
Tel: (071) 5806124-26

Lahore Sales Office

Plaza No. 68/1, XX-DHA Lahore Cantt.,
Phase 3, D.H.A., Lahore
Tel: (042) 37186388-91

Lahore Service Center

U-STORE-3, Moaza Maraka,
Multan Road, Lahore

Faisalabad Sales Office and Service Center

54 Chenab Market,
Madina Town, Faisalabad
Tel: (041) 8713127

Multan Sales Office

Azmat Wasti Road, Chowk Dera
Adda, Multan-60000
Tel: (061) 4548017

Multan Service Center

Plot No. 109-110, Multan Industrial
Estate, Phase II, Multan
Tel: (061) 6538715-8

Peshawar Sales Office and Service Center

First Floor, Zeenat Plaza,
G.T. Road, Peshawar
Tel: (091) 2262485

Islamabad Sales Office

Ground Floor, Plot No. 784/75,
Islamabad Corporate Center,
Golra Road, Islamabad
Tel: (051) 5495638 & 5495788

Rawalpindi Service Center

New Naralla Market, Shop No. 3,
IJP Road, Near Metro Bus Station, Rawalpindi
Tel: (051) 4856515

Rahim Yar Khan Sales Office

Makhdoom Altaf Road, West Sadiq, Canal
Bank, Near City School, Rahim Yar Khan
Tel: (068) 5883415-7 & (068) 5888068

Sahiwal Sales Office and Service Center

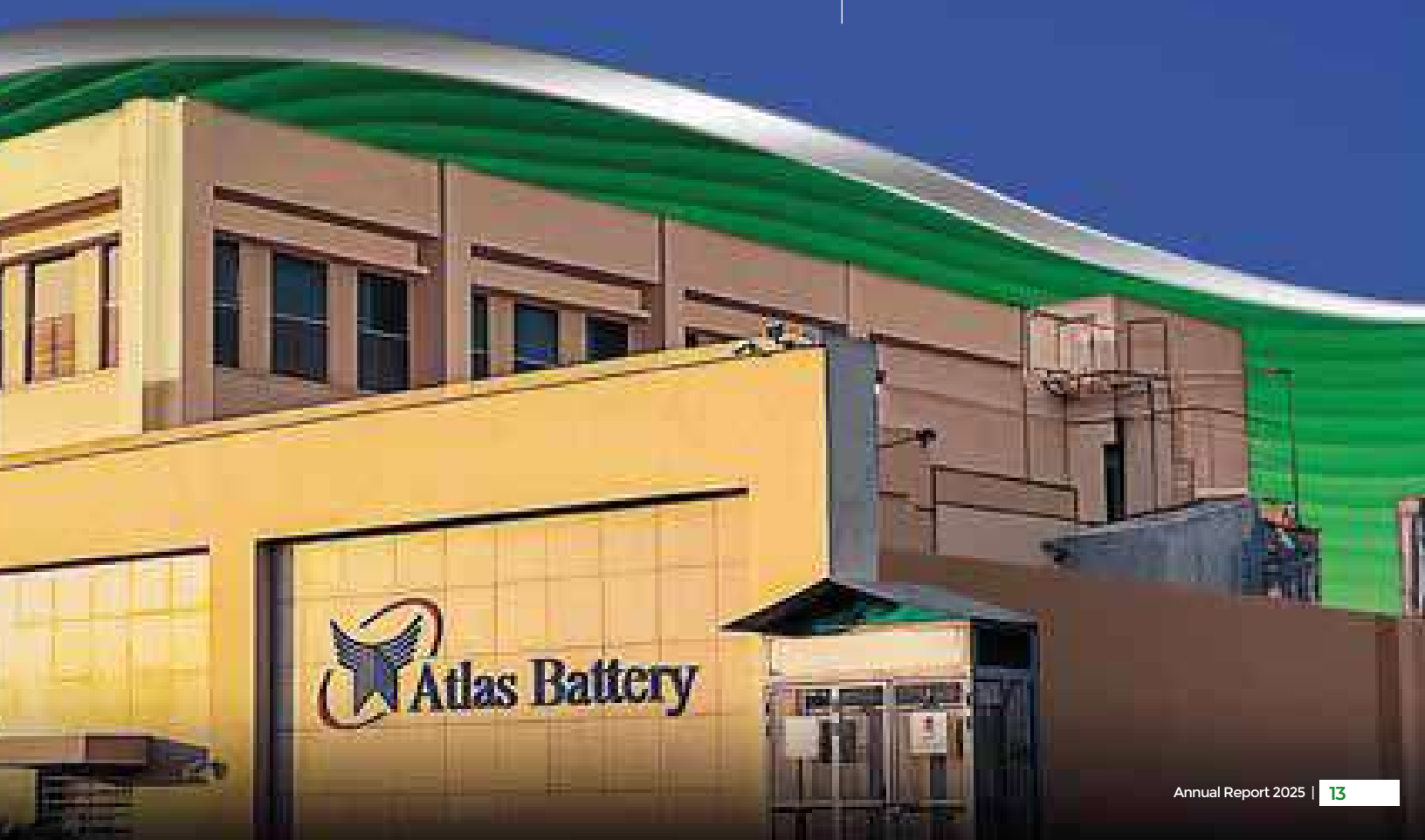
Plot No. 449-1, Ice Factory, Main G.T. Road,
Near Pakpattan Chowk, Sahiwal
Tel: (040) 4400445 & 4400545

Company Website

www.abl.atlas.pk

Email Address

abl@abl.atlas.pk



STRATEGY AND RESOURCE ALLOCATION

The Company is determined to follow its key strategic objectives and gauge the performance against certain parameters / Key Performance Indicators (KPIs) laid down by the Company, which are regularly monitored and will continue to be relevant in future.

| Objectives | Nature | Strategy | Resource Allocation Plan | KPIs | Actual Results |
|--|--------------------|--|---|--|---|
| To provide highest level of satisfaction to our customers and value for their money. | Short to long term | <ul style="list-style-type: none"> Deploying state-of-the-art manufacturing facilities with latest technology for enhanced quality Providing expeditious after sales services and claim settlements Train associates, consumers and dealers | <ul style="list-style-type: none"> Intellectual Capital Social & Relationship Capital | <ul style="list-style-type: none"> Claim Settlement Period Warranty Claim Expense Market share Value growth | <ul style="list-style-type: none"> Total of 803 training sessions during the year provided to dealers and OEMs. Social Media Marketing resulted in 479K followers and 85.5 million reach. |
| To expand sales of the Company in all segments | Short to long term | <ul style="list-style-type: none"> Market penetration through expansion in dealership network Providing quality after sales services Maintaining international product quality standards Promoting Brand Equity | All Capitals | <ul style="list-style-type: none"> Sales and profitability Market share Customer base New market reach Export sales | <ul style="list-style-type: none"> Achieved sales of Rs.35.2 billion. Exports made to Yemen in addition to Afghanistan. Initiated AGS Customer Touch Point Activity – served 202 customers with 733 batteries inspected. |
| To be committed to good corporate citizenship and compliance with laws and regulations | Short to long term | <ul style="list-style-type: none"> Deployment of strong internal control framework Hiring of team of qualified and experienced staff to ensure compliance with laws | <ul style="list-style-type: none"> Human Capital Intellectual Capital Financial Capital | <ul style="list-style-type: none"> Number of compliances Reporting Awards | <ul style="list-style-type: none"> No non-compliances were reported during the year Won 10th Employer of the Year Award 18th Employers' Federation of Pakistan best practices award on Occupational, Safety and Health |
| To ensure workplace health and safety. | Short to long term | <ul style="list-style-type: none"> Creating healthy work environment complying with all SOPs and best practices | <ul style="list-style-type: none"> Human Capital Manufactured Capital Financial Capital Social and Relationship Capital | <ul style="list-style-type: none"> Number of accidents Employee turnover and feedback on surveys | <ul style="list-style-type: none"> No major accidents took place |



The strategic objectives of the company are closely linked to its vision, mission and objectives as follows:

Vision Connection:

These objectives are crafted to achieve the long-term vision of the Company, ensuring all actions contribute towards the future state, the Company aspires to reach.

Mission Alignment:

These objectives are designed to fulfill the Company's mission by focusing on core values and goals that define the Company's purpose and direction.

Objective Integration:

These objectives are integrated with the Company's overall objectives after detailed analysis and consideration which includes numerous 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 focuses on superior quality, product innovation, HSE improvement and initiatives for highest level of customer satisfaction.

Company's strategies on market development, product and service development are as follows:

Market Development:

We are committed to expanding into new geographical regions to access untapped customer segments and increase market share.

By forming strategic partnerships and alliances, we aim to effectively penetrate new markets.

Product Development:

Our focus remains on innovating and introducing new products that meet emerging customer needs and preferences.

We are dedicated to continuously enhancing our existing products with new features and technologies to achieve a competitive edge in the market place.

Service Development:

We are committed to developing the basic technical know-how of our sales staff and providing comprehensive technical training to our service staff to enhance their skills in applications and new products.

We are dedicated to educating our customers on battery care and maintenance via social media platforms to ensure optimal product use and satisfaction.

Significant changes in Management Objectives and Strategies as compared to previous year

There have been no significant changes in objectives and strategies of the Company as compared to previous year.

Effects of Key Factors on Company's strategy and resource allocation

The Company's strategy and resource allocation are influenced by a range of dynamic factors in its operating environment. The following outlines how key developments in technology, sustainability, innovation and scarce resources have shaped the Company's direction and use of resources.

a) Technological Changes

With the passage of time, the battery industry in Pakistan is exploring the usage of batteries in energy storage segments, be it the Tubular or Absorbent Glass Mat (AGM) or Valve Regulated Lead Acid (VRLA) or Lithium ion and so on. The Company keeps on studying such technological changes and makes relevant updates in its manufacturing and trading circles to bring best batteries to satisfy its customers.

b) Sustainability Reporting and Challenges

Increased compliances of ESG disclosures and sustainability reporting have a gross effect on Company's strategy and resource allocation. The Company's operations are already equipped to focus more on HSE. Further, the Company is actively committed to be a good corporate citizen and ensure compliance with laws and regulations and to align its best practices and stakeholder expectations.

c) Initiatives to Promote and Enable Innovation

The Company promotes innovation by improving internal systems, workflows and operational efficiencies. Focus is placed on process automation, digital integration and supply chain improvements to enhance agility. The Company's strategic focus shifts toward technology-enabled scalability, with targeted resource allocation to smart automation and digital infrastructure.

d) Resources Shortages

Global raw material shortages and local economic pressures affect resource availability and cost.

The Company responds it with localization and supplier diversification, operational efficiency measures and water recycling that supports long-term operational resilience.

Board's Statement on Internal Controls and Significant Plans and Decisions

Please refer Director's report for Board's statement on internal controls including IT controls & for main trends and factors to affect the future development, performance and position.

Also refer Forward Looking Statement for significant plans and decision.

Legislative and Regulatory Environment

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. The Company also ensures adherence to the following:

- Pakistan Standards and Quality Control Authority
- Sindh Environmental Protection Agency
- Taxation laws (including FBR, SRB and PRA rules and regulations)
- Sindh Labour laws and regulations
- Competition Commission of Pakistan
- Intellectual Property Organization of Pakistan

Political Environment

During the year, share price was impacted by the Company's financial and operational performance; in addition to various external factors including economic and political environment of the country, government's policies, stakeholders' sentiments and macroeconomic indicators, etc.

BUSINESS MODEL

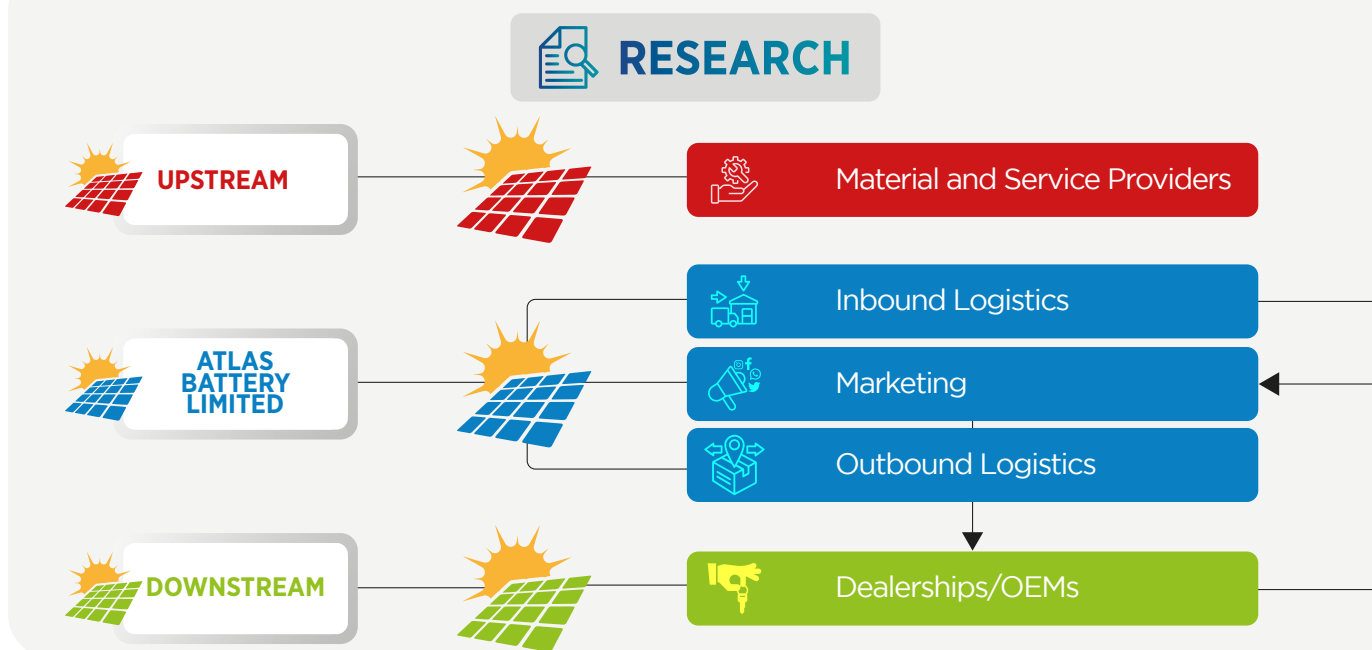
The Company is guided by sustainability framework which is a product of Atlas Group's fundamental business doctrine "The Atlas Way" which comprises of the principles of "ATLAS CULTURE" and "ATLAS SYSTEMS".

ATLAS CULTURE

- Corporate Governance
- Respect, Recognition and Reward (3Rs)
- Value of time
- 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

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

OUR VALUE CHAIN BUSINESS ACTIVITIES



OUR CAPITALS INPUT

Financial 💰

Stable Financial Position

Intellectual 🧠

- Partnership with GS Yuasa
- Atlas Way
- Technical Expertise
- Brand Equity
- Diversified Product Mix

Human 👤

- Strong Corporate Governance
- Highly Proficient Workforce

Manufactured 🏭

Advanced Manufacturing Facility
ERP & MIS

Social and Relationship 👥

- Brand Loyalty
- Relationship with Customers, Suppliers, Communities and other Stakeholders

Natural 🌿

- Material
- Renewable and Non renewable Energy

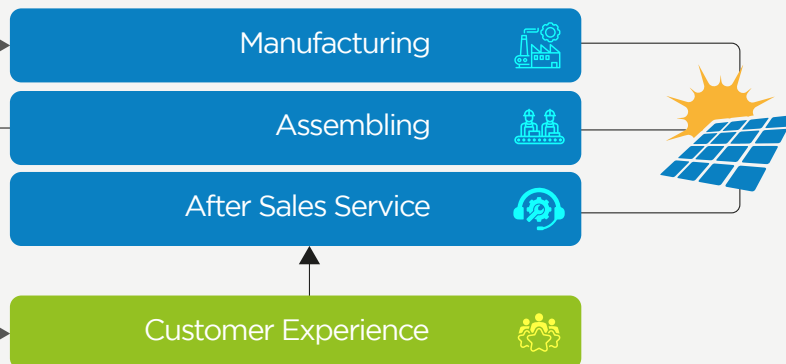
There is no material change in the Company's business model from last year.

ATLAS SYSTEM

- Management by Objectives (MBO) to align activities towards 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



PRODUCT DEVELOPMENT



VALUE CREATED IN 2025 OUTPUTS & OUTCOMES

Customers

Millions of Satisfied Customers Nationwide

Investors

55+ years of trust

Employees

- Highly Motivated Workforce
- 445 attended internal and 37 associates attended external trainings
- 6.3% of Wealth Distributed

Partners

- Collaboration with vendors to provide quality products to our valued customers
- 70% of Wealth Distributed

Communities

Uplifting standards of communities through various initiatives / CSR

Governing Bodies and Regulators

- Contribute towards the growth of Pakistan through direct and indirect taxes
- 19.3% Wealth Distributed

PERFORMANCE

YOU CAN COUNT ON

AGS batteries are engineered for dependable performance with minimal maintenance. Designed to withstand Pakistan's diverse conditions, they come with built-in safety features that keep every ride smooth, secure and relaxed. Whether city roads or long highways, AGS ensures your journey never stops.





Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting (“AGM”) of the shareholders of Atlas Battery Limited (“the Company”) will be held at 9:30 a.m. on Monday, September 29, 2025 at Pakistan Society For Training and Development, Plot # TC-3, Khayaban-e-Seher, 34th Street, Phase V, DHA, Karachi and / or online through Zoom to transact the following business:

Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 27, 2024.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2025 together with the Chairman’s Review, Directors’ and Auditors’ Reports, thereon.

As required under section 223(6) of the Companies Act, 2017 (“the Act”), Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link / QR code:

<https://www.abl.atlas.pk/financial-reports/>



3. To appoint auditors and fix their remuneration for the year ending June 30, 2026. The present auditors M/s. ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

Other Business:

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

BY ORDER OF THE BOARD

Faizan Raza Nayani
Company Secretary

Karachi
September 08, 2025

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from September 15, 2025 to September 29, 2025 (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 13, 2025 will be considered in time for determination of entitlement of shareholders to attend and vote at the meeting.

2. Participation through video conferencing facility

The shareholders, can now participate in the AGM proceedings via video link also. Those members who are willing to attend and participate in the AGM via video link are requested to register themselves by sending an email along with following particulars and valid copy of both sides of CNIC at investor.relations@abl.atlas.pk with subject of ‘Registration for AGM’ not less than 48 hours before the time of the meeting:

| Name of Shareholder | CNIC No. | Folio No. / CDC Account No. | Cell No. | Email Address |
|---------------------|----------|-----------------------------|----------|---------------|
| | | | | |

Members who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will remain open from 9:20 a.m. on the date of AGM till the end of the meeting.

3. Participation in General Meeting

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. In case of a corporate entity, being a member, may appoint as its proxy any of its officials or any other person, through Board Resolution / Power of Attorney.

The instrument appointing proxy must be received at the Registered Office of the Company or at the office of our Share Registrar or through email at investor.relations@abl.atlas.pk not less than 48 hours before the time of the meeting. A proxy form is attached in the last portion of the Annual Report.

4. Guidelines to the General Meeting for CDC Account Holders

CDC Account Holders will have to follow the guidelines below as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP"):

For Attending the Meeting

- In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original Computerized National Identity Card ("CNIC") or original passport at the time of attending the general meeting.
- In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

For Appointing Proxies

- In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall submit the proxy form as per above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature and an attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted along with proxy form to the Company.

5. Change of Address

Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.

6. Submission of Computerized National Identity Card (CNIC) or National Tax Number (NTN) or Passport

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 valid CNIC (in case of individual) or NTN (in case of other than individual) or Passport (in case of foreign individual) along with their folio number by mail or email to the Company Secretary or Share Registrar, unless it has been provided earlier.

7. E-Dividend

As per Section 242 of the Act 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 the annual report / or can be downloaded from our website 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.

In case of non-submission of valid bank account details, the Company will withhold the applicable dividend payments under the Companies (Distribution of Dividends) Regulations, 2017. Further, the information regarding gross dividend, tax / zakat deductions and net dividend will be provided through the Centralized Cash Dividend Register (CCDR), therefore, shareholders should register themselves to CDC's eServices Portal.

8. Zakat Declaration (CZ-50)

Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the share (Rs.10 each) and will be deposited within the prescribed period with the relevant authority as per the prescribed regulations. In case of claiming exemption, Zakat Declaration CZ-50 Form under Zakat and Ushr Ordinance, 1980 and Rule 4 of Zakat (Deduction and Refund) Rules, 1981 shall be submitted to the Company Secretary / Share Registrar before book closure. The shareholders must write Atlas Battery Limited's name and their respective Folio Number or CDS Account Number on Zakat Declarations. In case shares are held in scripless, form such Zakat Declaration Form must be uploaded in the CDC account of the shareholder, through their Participant / Investor Account Services.

Further, non-muslim shareholders are also required to submit solemn affidavit before book closure to the Company Secretary / Share Registrar in case of physical shares or with CDC Participant / Investor Account Services in case shares are in scripless form, to claim exemption from zakat deduction.

9. Unclaimed Dividend

Shareholders, who for any reason, have not claimed their dividends / shares certificates, if any, are advised to visit our website or contact our Share Registrar to collect / enquire about their unclaimed dividend / shares, if any.

In compliance with Section 244 of the Act any dividend and / or share certificate which remained unclaimed or unpaid for a period of three years from their due dates, the Company shall be liable, after the specified procedures, to deposit those unclaimed / unpaid amounts with the Federal Government or unclaimed shares with the SECP in line with the directives issued by SECP from time to time.

10. Withholding Income Tax on Dividend

The latest Active Taxpayers List (ATL) available on book closure date at Federal Board of Revenue (FBR) website would be considered to determine the status of filer or non-filer and tax will be deducted accordingly at the prescribed rates. All shareholders are advised to take necessary action for inclusion of their names in ATL, to avoid higher rate of tax deduction. To claim exemption of withholding income tax on dividend amount, valid exemption certificate is required to be submitted to the Company Secretary / Share Registrar before book closure. Further, in respect of joint shareholders, their shareholding will be treated as equal for tax deduction purposes unless ratio / share (if any) is intimated by the shareholder to the Company Secretary / Share Registrar before book closure.

11. Transmission of Annual Audited Financial Statements / Annual Report and Notice of AGM

The Annual Audited Financial Statements / Annual Report and the Notice of AGM for the year ended June 30, 2025, have been placed on the Company's website, which can be accessed / downloaded from the following link and QR enabled code:

<https://abl.atlas.pk/financial-reports/>



In compliance with Section 223(6) of the Act and relevant SECP Notifications, soft copies of the Annual Report 2025 are being emailed to those members who have provided their valid email addresses for communication. Other members who wish to receive the Annual Report 2025 via email may share their valid email addresses to the office of our Share Registrar or through email at investor.relations@abl.atlas.pk.

Shareholders may request the Company Secretary or Share Registrar of the Company for transmitting the hard copy of Annual Report 2025 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.

12. E-Voting

Members can exercise their right to poll subject to meeting the requirement of Section 143 to 145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations, 2018 ("the Regulations").

13. Deposit of Physical Shares in CDC Accounts

As per Section 72(2) of the Act, every existing company shall be required to replace its physical shares with book-entry form within four (4) years from the date of the promulgation of the Act. Further, vide its letter dated March 26, 2021, SECP has directed listed companies to pursue their such shareholders who are still holding shares in physical form to convert the same into book entry form. In order to ensure compliance with the aforementioned provision, all shareholders having physical shareholding are encouraged to open a CDC sub-account with any of the brokers or an Investor Account directly with CDC to place their physical shares into scripless form. This will facilitate them in many ways, including safe custody and sale of shares, at any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

14. Distribution of Gifts

As required by SRO 452 dated March 17, 2025, no gifts shall be distributed at the General Meetings.

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

| Company's Registered Office | Share Registrar |
|--|--|
| D-181, Central Avenue, S.I.T.E., Karachi-75730 | M/s. Hameed Majeed Associates (Private) Limited, |
| UAN: 111-247-225 | Karachi Chambers, Hasrat Mohani Road, Karachi. |
| Fax: (021) 32564703 | Tel: (021) 32424826 & 32412754 |
| | Fax: (021) 32424835 |

Information for Shareholders

Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730
UAN: 111-247-225
Fax: (021) 32564703

Share Registrar

M/s. Hameed Majeed Associates (Private) Limited
Karachi Chambers, Hasrat Mohani Road, Karachi.
Tel: (021) 32424826 & 32469576
Fax: (021) 32424835

Listing on Stock Exchange

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

Listing Fee

The annual listing fee for the financial year 2025-26 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 ("the Act") and allied rules, the Securities and Exchange Commission of Pakistan (SECP) regulations and the listing requirements.

Share Transfer System

Physical 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.

Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2025 to September 29, 2025 (both days inclusive).

Annual General Meetings

Pursuant to Section 132 of the Act, the 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 Act 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 48 hours before the meeting.

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, 2025 |
| 1st quarter ending September 30, 2025 | Last week of October, 2025 |
| Half year ending December 31, 2025 | Last week of February, 2026 |
| 3rd quarter ending March 31, 2026 | Last week of April, 2026 |
| Year ending June 30, 2026 | Last week of August, 2026 |

Website

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

Capital Structure

The paid-up capital of the Company stands at Rs.350.2 million represented by 35.02 million shares of Rs.10/- each. The balance sheet footing stands at Rs.18.9 billion and net worth at Rs.7.9 billion.

The Company is a subsidiary of Shirazi Investments (Private) Limited which holds 58.86% shareholding. Another major shareholder of the Company is GS Yuasa International Limited – Japan who holds 15.00% shareholding.

Adequacy of the Capital Structure

The capital structure is adequate for the foreseeable future. In case of any inadequacy identified, the Company has sufficient avenues, such as issuance of right shares and / or obtaining term financing.

Shares held by Directors / Sponsors / Executives

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

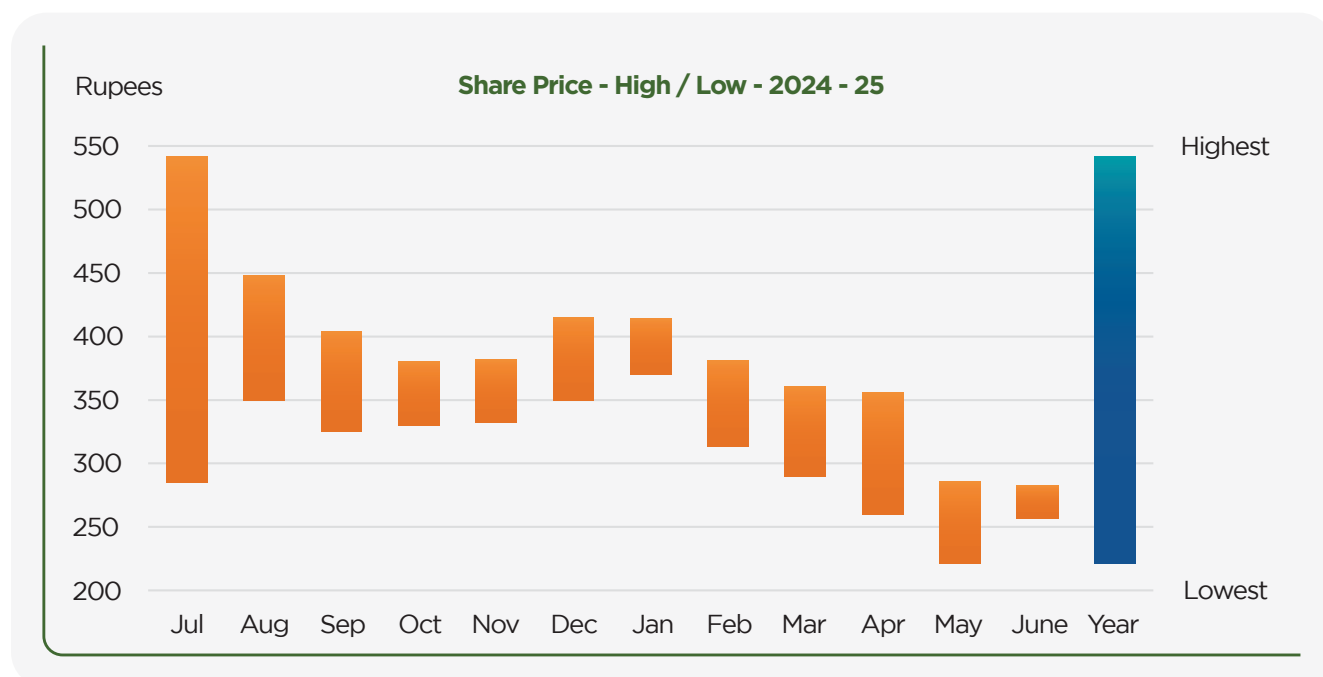
Market Capitalization, Share Price and Volume Data

During the year, the highest share price of the Company recorded at Pakistan Stock Exchange Limited (PSX) was Rs.541.50 on July 18, 2024. The market capitalization at that instant was Rs.18.96 billion.

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on PSX during the financial year ended June 30, 2025:

| Months | Highest (Rs.) | Lowest (Rs.) | Closing (Rs.) | No. of Shares Traded | Market Capitalization in Value * (Rs. in billion) | No. of Shares Outstanding |
|--------|---------------|--------------|---------------|----------------------|---|---------------------------|
| Jul | 541.50 | 285.15 | 352.67 | 4,247,623 | 18.96 | 35,017,033 |
| Aug | 448.25 | 350.00 | 392.27 | 2,821,405 | 15.70 | 35,017,033 |
| Sep | 404.00 | 325.00 | 338.44 | 693,226 | 14.15 | 35,017,033 |
| Oct | 379.97 | 330.05 | 346.45 | 1,551,460 | 13.31 | 35,017,033 |
| Nov | 382.00 | 332.00 | 361.14 | 1,574,065 | 13.38 | 35,017,033 |
| Dec | 414.58 | 350.00 | 380.74 | 1,350,062 | 14.52 | 35,017,033 |
| Jan | 413.75 | 370.00 | 377.00 | 542,912 | 14.49 | 35,017,033 |
| Feb | 380.99 | 313.81 | 322.92 | 290,020 | 13.34 | 35,017,033 |
| Mar | 360.73 | 290.00 | 338.65 | 908,847 | 12.63 | 35,017,033 |
| Apr | 356.00 | 260.00 | 261.36 | 850,991 | 12.47 | 35,017,033 |
| May | 286.00 | 221.00 | 276.15 | 811,222 | 10.01 | 35,017,033 |
| June | 282.90 | 256.22 | 272.06 | 333,804 | 9.91 | 35,017,033 |
| Year | 541.50 | 221.00 | 272.06 | 15,975,637 | 18.96 | |

* based on highest market rate.



Statement of Value Addition

Wealth Generated:

Sales including Sales Tax
Other Income

Wealth distributed:

Cost of Material & Services

To Employees

Salaries & other related costs

To Government

Taxes
Workers' Profit Participation Fund
Workers' Welfare Fund

To Providers of Capital

Dividend to Shareholders
Finance Cost

To Society

Donation

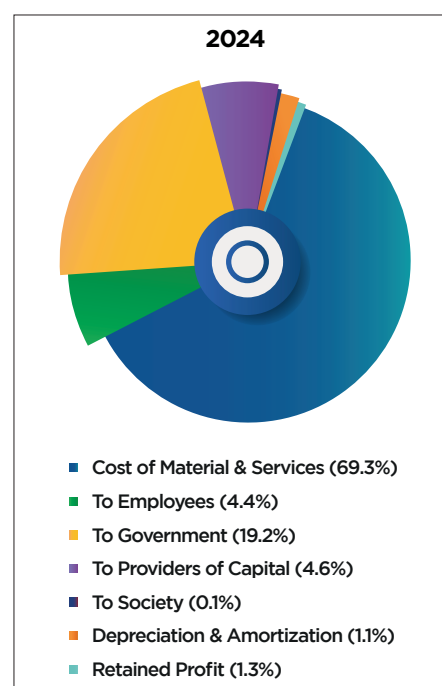
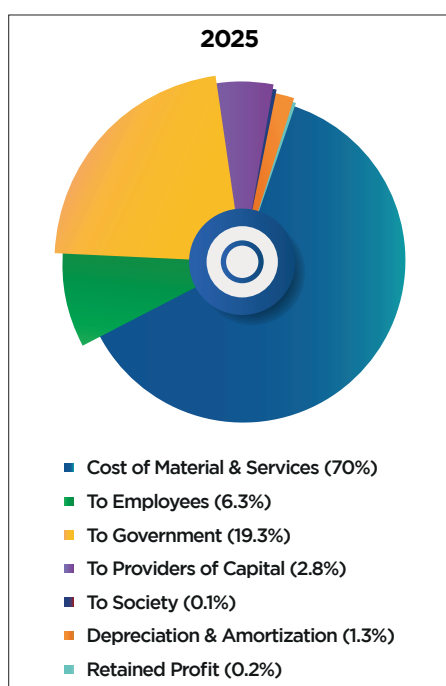
Retained in the Business

For replacement of Fixed Assets:
Depreciation & Amortization
To provide for Growth: Retained Profit

Economic Value Added

(Net Operating Profit After Tax - Cost of Capital)

| Year ended June 30 | | | |
|--------------------|-------|---------------|-------|
| 2025 | | 2024 | |
| (Rs. in '000) | % age | (Rs. in '000) | % age |
| 42,728,930 | 99.8 | 50,042,619 | 99.8 |
| 89,210 | 0.2 | 99,883 | 0.2 |
| 42,818,140 | 100.0 | 50,142,502 | 100.0 |
| 29,999,359 | 70.0 | 34,686,609 | 69.3 |
| 2,686,897 | 6.3 | 2,228,811 | 4.4 |
| 8,229,701 | 19.2 | 9,492,667 | 18.9 |
| 33,585 | 0.1 | 116,734 | 0.2 |
| 12,818 | - | 47,578 | 0.1 |
| 8,276,104 | 19.3 | 9,656,979 | 19.2 |
| - | - | 700,341 | 1.4 |
| 1,188,311 | 2.8 | 1,619,351 | 3.2 |
| 1,188,311 | 2.8 | 2,319,692 | 4.6 |
| 21,705 | 0.1 | 61,981 | 0.1 |
| 554,559 | 1.3 | 545,122 | 1.1 |
| 91,205 | 0.2 | 643,308 | 1.3 |
| 645,764 | 1.5 | 1,188,430 | 2.4 |
| 42,818,140 | 100.0 | 50,142,502 | 100.0 |
| 1,202,789 | | 1,857,292 | |



Pattern of Shareholding

AS AT JUNE 30, 2025

| NO. OF SHAREHOLDERS | HAVING SHARES FROM | TO | SHARES HELD | PERCENTAGE |
|---------------------|--------------------|------------|-------------------|----------------|
| 1,674 | 1 | 100 | 51,784 | 0.15% |
| 1,076 | 101 | 500 | 287,431 | 0.82% |
| 421 | 501 | 1,000 | 326,441 | 0.93% |
| 573 | 1,001 | 5,000 | 1,328,479 | 3.78% |
| 97 | 5,001 | 10,000 | 674,941 | 1.93% |
| 32 | 10,001 | 15,000 | 388,666 | 1.11% |
| 15 | 15,001 | 20,000 | 260,446 | 0.74% |
| 12 | 20,001 | 25,000 | 272,294 | 0.78% |
| 8 | 25,001 | 30,000 | 226,628 | 0.65% |
| 4 | 30,001 | 35,000 | 128,992 | 0.37% |
| 6 | 35,001 | 40,000 | 233,189 | 0.67% |
| 1 | 40,001 | 45,000 | 43,813 | 0.13% |
| 1 | 55,001 | 60,000 | 58,072 | 0.17% |
| 5 | 60,001 | 65,000 | 315,562 | 0.90% |
| 1 | 75,001 | 80,000 | 78,300 | 0.22% |
| 1 | 85,001 | 90,000 | 86,637 | 0.25% |
| 1 | 95,001 | 100,000 | 100,000 | 0.29% |
| 3 | 100,001 | 105,000 | 303,887 | 0.87% |
| 1 | 125,001 | 130,000 | 125,192 | 0.36% |
| 1 | 140,001 | 145,000 | 142,500 | 0.41% |
| 1 | 160,001 | 165,000 | 163,518 | 0.47% |
| 1 | 195,001 | 200,000 | 197,828 | 0.56% |
| 2 | 215,001 | 220,000 | 435,775 | 1.24% |
| 1 | 270,001 | 275,000 | 274,000 | 0.78% |
| 1 | 610,001 | 615,000 | 610,632 | 1.74% |
| 1 | 640,001 | 645,000 | 643,742 | 1.84% |
| 1 | 655,001 | 660,000 | 655,111 | 1.87% |
| 1 | 735,001 | 740,000 | 739,191 | 2.11% |
| 1 | 5,250,001 | 5,255,000 | 5,252,516 | 15.00% |
| 1 | 20,610,001 | 20,615,000 | 20,611,466 | 58.86% |
| 3,944 | | | 35,017,033 | 100.00% |

The slabs representing nil holding have been omitted.

| Categories of Shareholders | Number of Shareholders | Number of Shares held | Percentage |
|--|------------------------|-----------------------|----------------|
| Directors, Chief Executive and their spouse and minor children | 7 | 1,443 | 0.00% |
| Associated companies, undertakings & related parties (Note 1) | 4 | 27,118,356 | 77.44% |
| NIT and ICP | 5 | 3,375 | 0.01% |
| Modarabas and Mutual Funds | 2 | 4,494 | 0.01% |
| Banks, DFIs & NBFCs | 1 | 4,543 | 0.01% |
| Insurance Companies | 6 | 390,574 | 1.12% |
| General Public | | | |
| Local | 3,882 | 6,570,948 | 18.77% |
| Foreign | - | - | - |
| Others: | | | |
| Joint Stock Companies | 32 | 909,997 | 2.60% |
| Hamid Adamjee Trust | 1 | 1,000 | 0.00% |
| Trustees Al-Bader Welfare Trust | 1 | 7,002 | 0.02% |
| Trustee of Iftikhar Shirazi Family Trust | 1 | 1 | 0.00% |
| Trustee Aloo & Minocher Dinshaw Charitable Trust | 1 | 3,500 | 0.01% |
| Trustee- Gul Ahmed Textile Mills Ltd. EMP. Provident Fund | 1 | 1,800 | 0.01% |
| | 3,944 | 35,017,033 | 100.00% |

Note:

1. Following shareholders are shown under Associated Companies category:

| | | |
|--|-------------------|---------------|
| Atlas Foundation | 643,742 | 1.84% |
| Atlas Insurance Limited | 610,632 | 1.74% |
| GS Yuasa International Limited - Japan | 5,252,516 | 15.00% |
| Shirazi Investments (Private) Limited | 20,611,466 | 58.86% |
| | 27,118,356 | 77.44% |

Pattern of Shareholding

AS AT JUNE 30, 2025

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. Aamir H. Shirazi | 1 | 1 | - |
| Mr. Ali H. Shirazi | 1 | 1 | - |
| Mr. Bashir Makki | 1 | 1 | - |
| Mr. Fahd Kamal Chinoy | 1 | 1,437 | - |
| Ms. Mehreen Amin | 1 | 1 | - |
| Mr. Sanaullah Qureshi | 1 | 1 | - |
| Mr. Toru Furuya | 1 | 1 | - |
| | 7 | 1,443 | 0.00% |
| Associated Companies, Undertakings and Related Parties | | | |
| Atlas Foundation | 1 | 643,742 | 1.84% |
| Atlas Insurance Limited | 1 | 610,632 | 1.74% |
| GS Yuasa International Limited - Japan | 1 | 5,252,516 | 15.00% |
| Shirazi Investments (Private) Limited | 1 | 20,611,466 | 58.86% |
| | 4 | 27,118,356 | 77.44% |
| NIT and ICP | | | |
| Investment Corporation of Pakistan | 4 | 3,080 | 0.01% |
| IDBL - (ICP Unit) | 1 | 295 | - |
| | 5 | 3,375 | 0.01% |
| Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies and Modarabas | | | |
| | 7 | 395,117 | 1.13% |
| Mutual Funds | | | |
| | 2 | 4,494 | 0.01% |
| General Public | | | |
| | 3,882 | 6,570,948 | 18.77% |
| Others | | | |
| | 37 | 923,300 | 2.64% |
| | 3,944 | 35,017,033 | 100.00% |
| Shareholders holding 10% or more voting interest | | | |
| GS Yuasa International Limited - Japan | 1 | 5,252,516 | 15.00% |
| Shirazi Investments (Private) Limited | 1 | 20,611,466 | 58.86% |

BOARD OF DIRECTORS



Mr. Aamir H. Shirazi
Chairman

Mr. Aamir H. Shirazi is the President of Atlas Group. He graduated from the Claremont McKenna College and attended the OPM from the Harvard Business School. He has over 37 years of corporate management experience. He has to his credit, work experience in Honda – America. Besides working at various positions in Atlas Group, he has also served as the Chief Executive of Atlas Honda Limited for eleven years.

He is currently Chairman of Honda Atlas Cars, Atlas Honda, Atlas Battery and Atlas Engineering. He serves on the Boards of Shirazi Investments (Group Holding Company), Shirazi Trading, Murree Brewery Company Limited and Tri-Pack Films Limited. He is a member of the Board of Governors of Lahore University of Management Science and member Syndicate, University of Engineering & Technology, Lahore. He was appointed as a Professional Director on the Board of Lahore Stock Exchange for two consecutive terms by the Securities & Exchange Commission of Pakistan.

He has been serving the Honorary Consul General of Japan in Lahore, since 2002 and is the Patron-in-Chief of Pakistan Japan Cultural Association, Lahore.



Mr. Bashir Makki
Director

Mr. Bashir Makki is an MBA from IBA, Karachi and has over 44 years of diverse corporate management experience. He formerly worked with ICI Pakistan Limited for 22 years, which also included 2 years of secondment with ICI Malaysia Holdings, where he was actively involved in commercial and financial audits of ICI companies based in the Asia Pacific region.

He served in Atlas Group for more than 17 years and was Director Group HR & HSE and a member of the Group Executive Committee. He is now operating a management consultancy firm, which specializes primarily in offering HR related services to corporate clients. He also serves on the Boards of Atlas Power Limited and Shirazi Trading Company (Private) Limited.

He has also attended executive development programs at Harvard Business School, U.S.A. and Ashridge College in the U.K and is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Fahd K. Chinoy
Director

Mr. Fahd K. Chinoy holds a MBA from INSEAD (France) and a Bachelor of Arts in Economics and Political Science from the University of Pennsylvania, USA. He is currently CEO of Pakistan Cables Limited.

He has previously served in the banking industry, having worked with TD Securities in New York and Toronto as an Associate in various departments including Loan Syndications and Corporate Banking.

He serves on the Board of Directors of Atlas Battery Limited, MCB Investment Management Limited and the Amir Sultan Chinoy Foundation. He is also on the Board of Advisors for NOWPDP, serves as the President of the Board of Governors for Pakistan Society for Training & Development (PSTD), is on the Executive Committee of the Management Association of Pakistan and is on the Managing Committee of the Overseas Investors Chamber of Commerce & Industry (OICCI). He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and has previously served on the Board of Focus Humanitarian Assistance Pakistan.



Ms. Mehreen Amin
Director

Ms. Mehreen Amin has over 30 years of both local and international work experience in the areas of I.T., and Human Resource and Administration. She has worked in different related capacities in G.D. Searle U.K, Shell Pakistan Limited, Reckitt Benckiser Pakistan, ABN Amro Pakistan and Faysal Bank Pakistan. She has been the member on the Board of Governors of Pakistan Society of Training and Development, Member Executive Council of Indus Valley School of Art and Architecture and member on the Board of Pakistan Society of Human Resource Management. She is a 'Certified Director' from the Pakistan Institute of Corporate Governance.



Mr. Sanaullah Qureshi
Director

Mr. Sanaullah Qureshi is qualified as a Chartered Accountant from Scotland and joined ICI Pakistan Limited in 1962. He worked in different capacities as General Manager and Director in-charge of Finance, Human Resources and various other businesses of ICI. He retired as the Deputy Chairman of ICI in 1993. Mr. Qureshi joined as CEO of Forbes Forbes Campbell & Co. Limited, an old established Group dealing in shipping, trading and manufacturing. He retired from Forbes in 1995 and has since worked in advisory capacity with Captain-PQ Chemicals Industries Limited. He is the former President of Management Association of Pakistan and the Chairman of Gillette Pakistan Limited. He previously held directorship in Linde Pakistan Limited (formerly known as BOC Pakistan Limited), Faysal Bank Limited, SSGCL, Atlas Bank Limited, MYK Associates (Private) Limited and Atlas Honda 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 is Atlas Group Director Financial Services and President / Chief Executive of Atlas Battery Limited. He serves on the Board of Atlas Asset Management Limited, Atlas Insurance Limited, Cherat Packaging Limited, Pakistan Cables Limited, National Foods Limited and Pakistan Society for Training and Development. Previously, he has also served on the Board of National Clearing Company of Pakistan Limited (NCCPL).

He is 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.

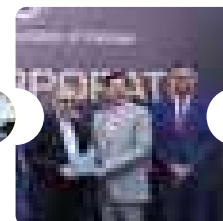
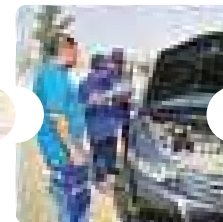
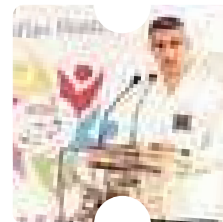
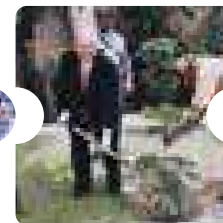
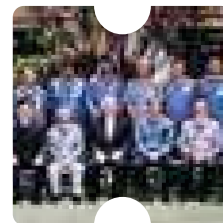
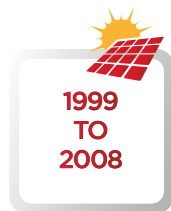
He is a 'Certified Director' from the Pakistan Institute of Corporate Governance and in 2018 completed the Owner / President Management Program (OPM) from Harvard Business School.

JOURNEY OF SUCESS



| | | |
|------|------|--|
| 1966 | I&ED | Incorporation of the Company |
| 1968 | I&ED | Public floatation of shares |
| 1969 | I&ED | Technical collaboration with Japan Storage Battery Co. Ltd., Japan |
| 1969 | I&ED | Automotive batteries production started |
| 1974 | I&ED | Motorcycle batteries production started |
| 1979 | R&A | Nominated for KSE Top 25 Companies |
| 1981 | R&A | Nominated for KSE Top 25 Companies |
| 1984 | E&I | Plant expansion |
| 1986 | E&I | Introduced polypropylene batteries |
| 1988 | E&I | Joint Venture established with Japan Storage Battery Co. Ltd., Japan with 10% equity injection |
| 1990 | E&I | Joint Venture was strengthened with Japan Storage Battery Co. Ltd., Japan with further 5% equity injection |
| 1994 | C&S | PSI Certification (Quality) for automotive batteries |
| 1996 | M&A | Export of motorcycle batteries |
| 1998 | M&A | Export of automotive batteries |
| 1998 | C&S | PSI Certification (Quality) for motorcycle batteries |
| 1999 | E&I | 2nd plant expansion with automatic assembly line |
| 2000 | C&S | ISO - 9002 Certification |
| 2000 | R&A | Best Presented Annual Report Awards - ICAP and ICMAP |
| 2001 | R&A | Best Presented Annual Report Awards - ICAP and ICMAP |
| 2003 | C&S | ISO - 9001 - 2000 E |
| 2006 | C&S | World Quality Commitment - Paris 2006 Gold |
| 2008 | R&A | Awarded Brand of the Year Award by the Prime Minister of Pakistan for being No. 1 in Consumer Preference |
| 2009 | M&A | Crossed the one million production milestone in automotive batteries segment |
| 2011 | R&A | Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2007-08 and 2008-09) |
| 2012 | R&A | Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2009-10) for the third year consecutively |

| | | |
|------|-----|--|
| 2012 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2013 | R&A | Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2010-11) for the fourth year consecutively |
| 2013 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2013 | M&A | First battery manufacturer to launch company branded distilled water |
| 2014 | R&A | Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2011-12) for the fifth year consecutively |
| 2015 | C&S | ISO - 9001:2008 certification on quality management system |
| 2015 | R&A | Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2012-13) for the sixth year consecutively |
| 2015 | M&A | First battery manufacturer to launch "Hybrid" battery under the brand name "Atlas" |
| 2016 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2016 | M&A | Most popular brand in Pakistan declared by PakWheels.com |
| 2017 | M&A | Company announced six months free warranty for conventional automotive batteries and one year for hybrid batteries |
| 2017 | R&A | Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2013-14 and 2014-15) for the seventh and eighth year consecutively |
| 2017 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2017 | R&A | Best Corporate Report Awards (2015) - ICAP and ICMAP |
| 2017 | C&S | ISO - 9001:2015 Certification on Quality Management System |
| 2018 | R&A | Joint 1st Position - Best Corporate Report Awards (2016) - ICAP and ICMAP |
| 2018 | R&A | Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2015-16) for the ninth year consecutively |



| | | |
|------|-----|---|
| 2018 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2018 | C&S | ISO 14001:2015 Certification on Environment Management System |
| 2018 | C&S | OHSAS 18001:2007 Certification on Occupational Health & Safety Management System |
| 2018 | R&A | Best Corporate Report Awards (2017) - ICAP and ICMAP |
| 2019 | R&A | Won the Pakistan Stock Exchange (PSX) Top 25 Companies Award (2016-17) for the tenth year consecutively |
| 2019 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2020 | C&S | ISO 50001:2011 Certification on Energy Management System |
| 2020 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2020 | R&A | Best Corporate Report Awards - Certificate of Merit (2019) - ICAP and ICMAP |
| 2021 | R&A | 17th Annual Environment Excellence Award 2020 - NFEH (National Forum for Environment and Health) |
| 2021 | R&A | 15th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health |
| 2021 | R&A | 8th Employer of the Year Award 2020 - Medium National Companies Emerald Category by Employers' Federation of Pakistan |
| 2021 | R&A | Best Corporate Report Awards (2020) - ICAP and ICMAP |
| 2022 | R&A | Best Corporate Report Awards (2021) - ICAP and ICMAP |
| 2022 | R&A | 16th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health |
| 2023 | R&A | 9th Employer of the Year Award 2021 - Medium National Companies Emerald Category by Employers' Federation of Pakistan |
| 2023 | R&A | Best Corporate Report Awards (2022) - ICAP and ICMAP |

| | | |
|------|-----|--|
| 2024 | R&A | 17th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health |
| 2024 | R&A | 10th Employer of the Year Award 2022 - Gold Category by Employers' Federation of Pakistan |
| 2024 | R&A | Best Corporate Report Awards (2023) - ICAP and ICMAP |
| 2025 | R&A | Awarded the "Corporate Excellence Certificate" by the Management Association of Pakistan (MAP) |
| 2025 | R&A | 18th Employers' Federation of Pakistan Best Practices Award on Occupational, Safety and Health |

Keys:

- C&S:** Certifications and Standards
- E&I:** Expansions and Innovations
- I&ED:** Incorporation and Early Developments
- M&A:** Milestones and Achievements
- R&A:** Recognition and Awards

Major Events during the Year

July 2024

- Annual Sales and Marketing Conference 2023-24 was held on July 05, 2024 at Karachi.



August 2024

- Meeting of Board of Directors was held on August 29, 2024 to consider and approve the audited annual accounts for the year ended June 30, 2024 and final cash dividend at Rs.20.00 per share i.e. 200% for the year ended June 30, 2024.

September 2024

- Annual General Meeting was held on September 27, 2024 where audited annual financial statements, final cash dividend at Rs.20.00 per share i.e. 200% were approved by the shareholders.

October 2024

- Won the 2nd position in Best Corporate Report Awards (2023) on October 18, 2024.



- Corporate Briefing Session was held on October 21, 2024 to brief the investors / analyst about the Company's financial performance for the year ended June 30, 2024.



- Awarded with the "Certificate of Excellence" by the Management Association of Pakistan on October 23, 2024.



- Meeting of Board of Directors was held on October 28, 2024 to consider and approve the quarterly accounts for the quarter ended September 30, 2024.

January 2025

- The Company officials visited GYIN Japan from January 22 to 24, 2025 to discuss business situation and new product development.
- Half yearly sales conference 2024-25 was held on January 10, 2025 in Islamabad.



- Company produced #MF Campaign's landmark TVC, creating a paradigm shift and positioning the brand as the Ultimate MF battery Solution provider in Pakistan.



February 2025

- In February 2025, the ABL brand team, in collaboration with Adcom, produced its mega TVC of the year, featuring the MF battery series. The campaign marked a major milestone in the brand's marketing efforts.
- Meeting of Board of Directors was held on February 25, 2025 to consider and approve the half yearly accounts for the half year ended December 31, 2024.

April 2025

- Meeting of Board of Directors was held on April 25, 2025 to consider and approve the quarterly accounts for the period ended March 31, 2025.

June 2025

- Meeting of Board of Directors was held on June 23, 2025 to consider and approve the Annual Budget for financial year 2025-26.

Media Gallery

FAKT Solar Expo – Multan ‘The Arena DHA’

The Company participated in Pakistan Sustainability Week at the Arena DHA, Multan from July 26 – 28, 2024. Powered by Solar Pakistan & Electricity Pakistan, the event allowed the AGS team to engage with visitors through free battery check-ups, inquiries and giveaways. This involvement highlighted our commitment to sustainability and community engagement, emphasizing responsible energy consumption.



FAKT Solar Expo – Karachi Expo Centre

The company took part in Pakistan Sustainability Week, held at the Karachi Expo Centre from September 26 – 28, 2024. Organized under the banner of Solar Pakistan & Electricity Pakistan, the event provided a valuable platform for our team to interact with attendees through free battery check-ups, product inquiries, and exciting giveaways. Our participation underscored our dedication to sustainability and community outreach, promoting the message of responsible energy use.



Solar Awareness Sessions – Tubular Launch Ceremony

The company AGS brand expanded its portfolio with the launch of its new Tubular Battery under the Energy Core



Series on December 20, 2024, at Ramada Hotel, Karachi. The event drew a strong turnout of dealers, solar vendors, and industry professionals, highlighting the growing demand for efficient energy storage solutions. ABL organized the AGS solar awareness sessions ceremony held at Ramada Islamabad on January 18, 2025, Royal Swiss Hotel Lahore on January 23, 2025 & Faletti's Grand Hotel Multan on February 25, 2025.

Installment Expo – Karachi Expo Centre

The Company participated in the Instalment Expo at the Karachi Expo Centre on December 27 – 29, 2024. The AGS team engaged visitors, provided free battery check-ups and secured over 52 battery orders, highlighting interest in installment options. Giveaways were distributed, emphasizing our commitment to accessible, reliable energy solutions.



Nawai Zeraat Exhibition – Multan

The company participated in the Nawai Zeraat Expo held at Bahauddin Zakriya University, Multan from April 14-16, 2025. The company supported farmers by displaying agri-specific battery solutions and offering free battery check-ups, reinforcing its commitment to the agricultural sector.



Red Bus Promotion - Karachi & Lahore

ABL launched its new Tubular Battery Series campaign with eye-catching red bus branding in Karachi from March 15 to May 18, 2025, and in Lahore from May 1 to 24, 2025. The campaign aimed to boost visibility and awareness across both key markets.



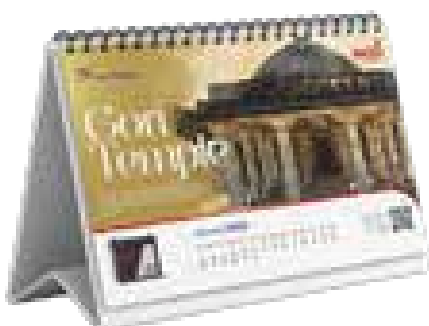
ISEM Expo - Lahore

The company participated in the ISEM Expo at the Lahore Expo Centre from May 26-28, 2025. Held under the banner of Solar Pakistan & Electricity Pakistan, the event offered a key opportunity for our team to engage with visitors through free battery check-ups, product consultations, and giveaways. This presence reflected our ongoing commitment to sustainability and responsible energy practices.



Calendar 2025

Wall and table calendars were distributed across all regions and in the corporate sector.



Batti Banao TVC - Nov to Dec 2024

In November 2024, the company launched its "Batti Banao Moment" mega campaign, highlighted by a Mirzapur-themed film on YouTube. The campaign garnered 9.9 million views and 79.7 million impressions, marking a strong digital impact.



MF TVC - Apr to May 2025

In April 2025, the company launched its "MF TVC" mega campaign, promoting the MF battery series across YouTube, Meta, Pak Wheels, and OLX. The campaign achieved 20K views and 79 million impressions, reinforcing the brand's digital presence.



MF Jingle on Radio - July 2024 to June 2025

The Company extensively promoted the MF jingle by airing it on FM-91, 107, 105, 100, 103, 106.2, 89, 89.4, 95, 107.4, 99 and 98.6 radio channels, with a remarkable 37,680 spots. This extensive radio presence aimed to boost brand awareness and reinforce the AGS message across a wide audience.

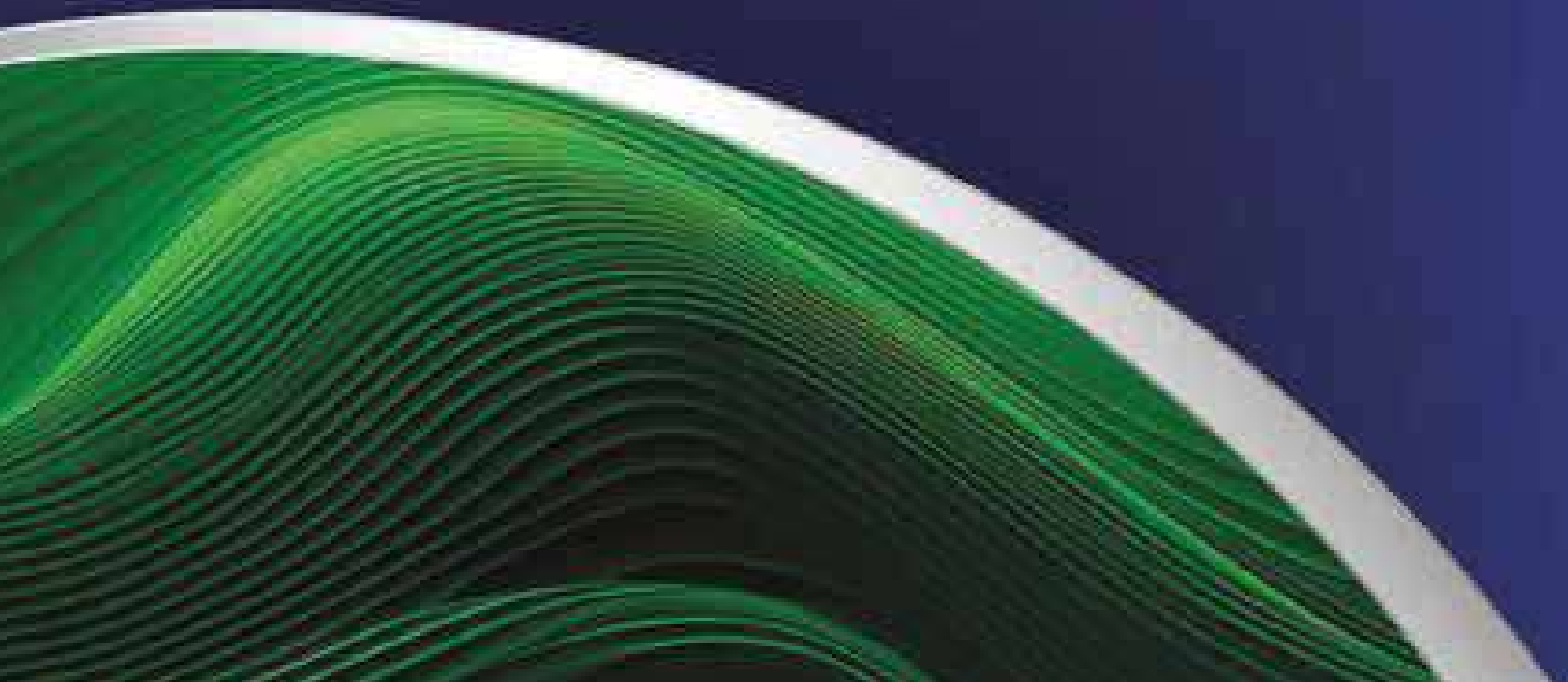
Print Media - July 2024 to June 2025

- Quarter page was placed in 'The Nation' & 'The New York Times'.
- Publish Dawn News Supplement on December 10, 2024 regarding "To powering progress Atlas Battery Limited vision for Pakistan's automotive future".
- Print ads on 'Atlas Battery salutes the unsung heroes of our nation - our farmer' on Dawn News, Jang, Naye Baat & Khabrain on December 18, 2024.
- Print ad was published for Japan Emperor day in Dawn News Supplement on February 23, 2025.
- Print ad was published for Pakistan's Leading Battery Manufacturer in Dawn News Supplement on June 5, 2025.



HEAVY-DUTY PERFORMANCE THAT NEVER STOPS

Our robust and efficient heavy batteries are designed to power heavy vehicles, ensuring reliable performance across diverse terrains and weather conditions. These batteries are a testament to our dedication to quality and sustainability.





KEY FINANCIAL & NON-FINANCIAL PERFORMANCE MEASURES

Financial Capital



Manufactured Capital



Intellectual Capital



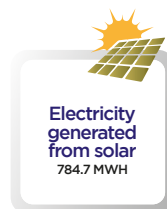
Social and Relationship Capital



Human Capital



Sustainability Measures



Methods & Assumptions Used in Compiling the Indicators

Key performance indicators demonstrate, how effectively a Company is achieving its business objectives. The management regularly analyses its market positioning, competitors and general market conditions while compiling its indicators. The management analyses its financial and non-financial performance based on these indicators.

Changes in the Indicators

There were no significant changes in the financial and non-financial indicators as compared to previous year.

Explanation of Changes in Performance over the Period

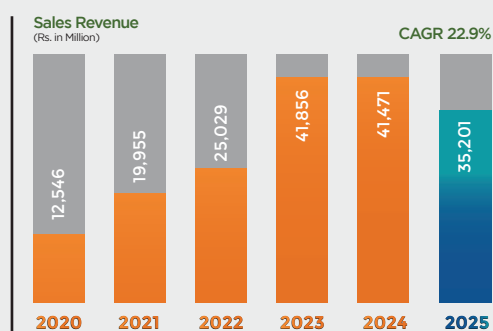
Changes in performance against prior years; including the analysis of financial statements and the vertical and horizontal analysis of statement of financial position, statement of profit or loss and statement of cash flows have been appropriately explained in the relevant sections of this report.

Financial Highlights

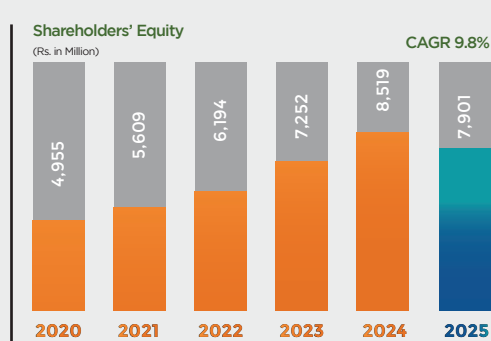
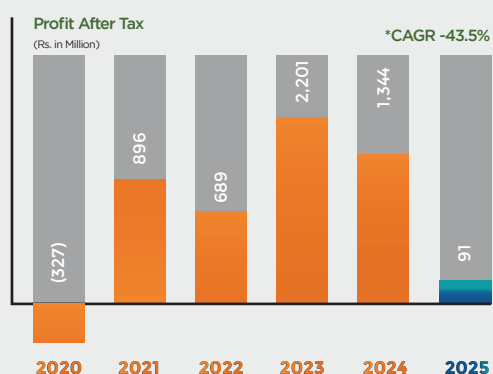
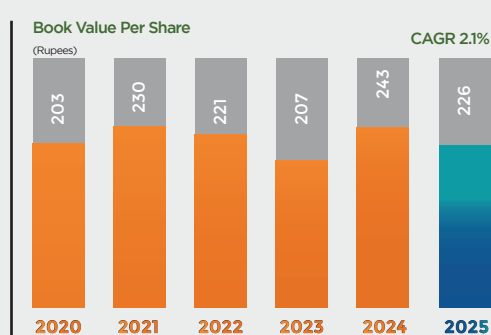
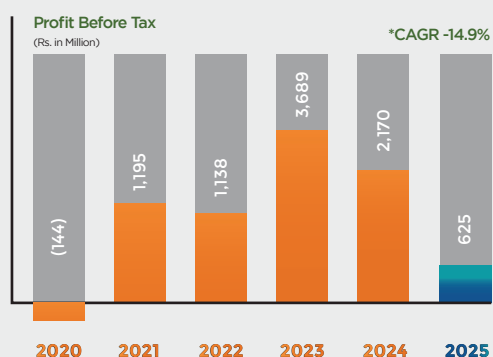
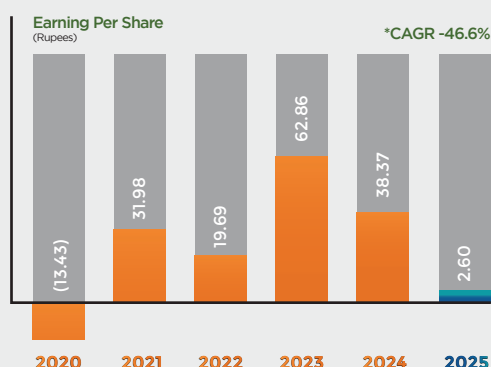
| | |
|---|--------|
| Sales | 35,201 |
| Gross Profit | 3,961 |
| Operating Profit | 1,814 |
| Profit Before Tax | 625 |
| Profit After Tax | 91 |
| Earnings Per Share - Basic & Diluted (Rupees) | 2.60 |
| Shareholders' Equity | 7,901 |
| Book Value Per Share (Rupees) | 226 |
| Property, Plant & Equipment | 5,115 |

| ----- Rupees in Million ----- | | | | |
|---|--------|--------|--------|-------|
| | 2025 | 2024 | % | + / - |
| Sales | 35,201 | 41,471 | -15.1% | - |
| Gross Profit | 3,961 | 5,935 | -33.3% | - |
| Operating Profit | 1,814 | 3,790 | -52.1% | - |
| Profit Before Tax | 625 | 2,170 | -71.2% | - |
| Profit After Tax | 91 | 1,344 | -93.2% | - |
| Earnings Per Share - Basic & Diluted (Rupees) | 2.60 | 38.37 | -93.2% | - |
| Shareholders' Equity | 7,901 | 8,519 | -7.3% | - |
| Book Value Per Share (Rupees) | 226 | 243 | -7.3% | - |
| Property, Plant & Equipment | 5,115 | 5,118 | -0.1% | - |

Business Growth



Shareholder Value Accretion



*CAGR calculated from the year 2021

Analysis of Financial Statements

Statement of Financial Position

(Rupees in '000)

| Particulars | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
| Assets | | | | | | |
| Non Current Assets | | | | | | |
| Property, plant and equipment | 5,115,189 | 5,117,878 | 4,591,636 | 4,349,246 | 3,952,397 | 4,139,386 |
| Intangible assets | 732 | 2,057 | 2,742 | 5,670 | 3,929 | - |
| Investments | - | - | - | - | - | - |
| Long term loans | 3,722 | 3,763 | 3,269 | 2,636 | 1,897 | 2,049 |
| Long term deposits | 50,273 | 29,838 | 29,338 | 23,338 | 20,388 | 18,683 |
| Total non current assets | 5,169,916 | 5,153,536 | 4,626,985 | 4,380,890 | 3,978,611 | 4,160,118 |
| Current Assets | | | | | | |
| Stores, spares and loose tools | 694,849 | 568,491 | 322,968 | 307,914 | 259,332 | 215,326 |
| Stock-in-trade | 7,742,569 | 11,909,129 | 10,324,114 | 4,621,550 | 3,912,393 | 1,999,313 |
| Trade debts | 2,607,512 | 3,076,060 | 2,391,345 | 850,036 | 1,092,145 | 692,998 |
| Loans and advances | 15,031 | 22,446 | 37,501 | 17,895 | 19,970 | 8,647 |
| Deposits and prepayments | 30,931 | 38,547 | 648,299 | 58,834 | 39,779 | 9,861 |
| Investments | 620,685 | 390,023 | 266,654 | 207,150 | 146,364 | 138,268 |
| Accrued mark-up | - | - | - | - | 302 | - |
| Other receivables | 2,317 | 2,317 | 2,721 | 2,460 | 2,983 | 2,446 |
| Sales tax refundable - net | - | 131,070 | 192,141 | - | 29,674 | - |
| Taxation - net | 996,826 | 835,063 | 277,805 | 128,810 | 209,017 | 567,622 |
| Cash and bank balances | 1,028,210 | 1,191,592 | 819,782 | 222,325 | 189,113 | 45,507 |
| Total current assets | 13,738,930 | 18,164,738 | 15,283,330 | 6,416,974 | 5,901,072 | 3,679,988 |
| Total Assets | 18,908,846 | 23,318,274 | 19,910,315 | 10,797,864 | 9,879,683 | 7,840,106 |
| Equity and Liabilities | | | | | | |
| Share Capital and Reserves | | | | | | |
| Share capital | 350,170 | 350,170 | 350,170 | 280,136 | 243,597 | 243,597 |
| General reserve | 5,037,500 | 5,037,500 | 5,037,500 | 5,037,500 | 5,037,500 | 5,037,500 |
| Accumulated profit / (loss) | 1,664,064 | 2,281,911 | 1,275,481 | 287,061 | (261,198) | (915,479) |
| | 7,051,734 | 7,669,581 | 6,663,151 | 5,604,697 | 5,019,899 | 4,365,618 |
| Surplus on revaluation of leasehold land | 849,586 | 849,586 | 589,186 | 589,186 | 589,186 | 589,186 |
| Total equity | 7,901,320 | 8,519,167 | 7,252,337 | 6,193,883 | 5,609,085 | 4,954,804 |
| Non Current Liabilities | | | | | | |
| Lease liabilities | 482,930 | 600,934 | 407,468 | 343,275 | 319,547 | 358,677 |
| Long term borrowings | 1,272,179 | 645,507 | 893,275 | 224,516 | 411,652 | 551,405 |
| Deferred income - government grant | 12,755 | 17,623 | 23,273 | 29,482 | 11,724 | 6,181 |
| Staff retirement benefits | 152,427 | 131,497 | 108,587 | 91,625 | 83,047 | 69,515 |
| Deferred taxation | 161,818 | 147,605 | 201,430 | 193,687 | 215,492 | 237,131 |
| | 2,082,109 | 1,543,166 | 1,634,033 | 882,585 | 1,041,462 | 1,222,909 |
| Current Liabilities | | | | | | |
| Trade and other payables | 3,526,232 | 3,357,937 | 5,959,674 | 2,652,728 | 1,692,228 | 1,195,743 |
| Sales tax payable - net | 171,768 | - | - | 74,423 | - | 175,968 |
| Accrued mark-up | 194,714 | 352,775 | 168,668 | 59,654 | 16,119 | 34,891 |
| Current portion of lease liabilities | 94,607 | 55,025 | 67,022 | 50,530 | 39,130 | 30,151 |
| Current maturity of long term borrowings | 378,977 | 253,977 | 171,725 | 216,633 | 308,252 | 106,506 |
| Current portion of deferred income - government grant | 4,869 | 5,650 | 6,209 | 7,151 | 13,623 | 11,931 |
| Short term borrowings | 4,489,053 | 9,168,203 | 4,371,424 | 568,366 | 1,083,666 | 71,297 |
| Dividend payable | - | - | 221,862 | 51,155 | 36,539 | - |
| Unclaimed dividend | 65,197 | 62,374 | 57,361 | 40,756 | 39,579 | 35,906 |
| Total current liabilities | 8,925,417 | 13,255,941 | 11,023,945 | 3,721,396 | 3,229,136 | 1,662,393 |
| Total Equity and Liabilities | 18,908,846 | 23,318,274 | 19,910,315 | 10,797,864 | 9,879,683 | 7,840,106 |

Analysis of Financial Statements

Statement of Financial Position

| Particulars | Vertical Analysis | | | | | | Horizontal Analysis | | | | |
|---|-------------------|--------------|--------------|--------------|--------------|--------------|---------------------|-------------|-------------|-------------|-------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2025 / 2024 | 2024 / 2023 | 2023 / 2022 | 2022 / 2021 | 2021 / 2020 |
| | Percentage | | | | | | Percentage | | | | |
| Assets | | | | | | | | | | | |
| Non Current Assets | | | | | | | | | | | |
| Property, plant and equipment | 27.10 | 21.9 | 23.1 | 40.3 | 40.0 | 52.8 | (0.1) | 11.5 | 5.6 | 10.0 | (4.5) |
| Intangible assets | - | - | - | 0.1 | - | - | (64.4) | (25.0) | (51.6) | 44.3 | 100.0 |
| Investments | - | - | - | - | - | - | - | - | - | - | - |
| Long term loans | - | - | - | - | - | - | (1.1) | 15.1 | 24.0 | 39.0 | (7.4) |
| Long term deposits | 0.30 | 0.1 | 0.1 | 0.2 | 0.2 | 0.2 | 68.5 | 1.7 | 25.7 | 14.5 | 9.1 |
| Total non current assets | 27.40 | 22.0 | 23.2 | 40.6 | 40.2 | 53.0 | 0.3 | 11.4 | 5.6 | 10.1 | (4.4) |
| Current Assets | | | | | | | | | | | |
| Stores, spares and loose tools | 3.55 | 2.4 | 1.6 | 2.9 | 2.6 | 2.7 | 22.2 | 76.0 | 4.9 | 18.7 | 20.4 |
| Stock-in-trade | 40.95 | 51.1 | 51.9 | 42.8 | 39.6 | 25.5 | (35.0) | 15.4 | 123.4 | 18.1 | 95.7 |
| Trade debts | 13.80 | 13.2 | 12.0 | 7.9 | 11.1 | 8.8 | (15.2) | 28.6 | 181.3 | (22.2) | 57.6 |
| Loans and advances | 0.10 | 0.1 | 0.2 | 0.2 | 0.2 | 0.1 | (33.0) | (40.1) | 109.6 | (10.4) | 130.9 |
| Deposits and prepayments | 0.20 | 0.2 | 3.3 | 0.5 | 0.4 | 0.1 | (19.8) | (94.1) | 1,001.9 | 47.9 | 303.4 |
| Investments | 3.30 | 1.7 | 1.3 | 1.9 | 1.5 | 1.8 | 59.1 | 46.3 | 28.7 | 41.5 | 5.9 |
| Accrued mark-up | - | - | - | - | - | - | - | - | - | (100.0) | 100.0 |
| Other receivables | - | - | - | - | - | - | - | (14.8) | 10.6 | (17.5) | 22.0 |
| Sales tax refundable - net | - | 0.6 | 1.0 | - | 0.3 | - | (100.0) | (31.8) | 100.0 | (100.0) | 100.0 |
| Taxation - net | 5.30 | 3.6 | 1.4 | 1.2 | 2.1 | 7.2 | 19.4 | 200.6 | 115.7 | (38.4) | (63.2) |
| Cash and bank balances | 5.40 | 5.1 | 4.1 | 2.0 | 2.0 | 0.8 | (13.7) | 45.4 | 268.7 | 17.6 | 315.6 |
| Total current assets | 72.60 | 78.0 | 76.8 | 59.4 | 59.8 | 47.0 | (24.4) | 18.9 | 138.2 | 8.7 | 60.4 |
| Total Assets | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | (18.9) | 17.1 | 84.4 | 9.3 | 26.0 |
| Equity and Liabilities | | | | | | | | | | | |
| Share Capital and Reserves | | | | | | | | | | | |
| Share capital | 1.9 | 1.5 | 1.8 | 2.6 | 2.5 | 3.1 | - | - | 25.0 | 15.0 | - |
| General reserve | 26.6 | 21.6 | 25.3 | 46.7 | 51.0 | 64.3 | - | - | - | - | - |
| Accumulated profit / (loss) | 8.8 | 9.8 | 6.4 | 2.7 | (2.6) | (11.7) | (27.1) | 78.9 | 344.3 | 209.9 | 71.5 |
| | 37.3 | 32.9 | 33.5 | 52.0 | 50.9 | 55.7 | (8.1) | 15.1 | 18.9 | 11.6 | 15.0 |
| Surplus on revaluation of leasehold land | 4.5 | 3.6 | 3.0 | 5.5 | 6.0 | 7.5 | - | 44.2 | - | - | - |
| Total equity | 41.8 | 36.5 | 36.5 | 57.5 | 56.9 | 63.2 | (7.3) | 17.5 | 17.1 | 10.4 | 13.2 |
| Non Current Liabilities | | | | | | | | | | | |
| Lease liabilities | 2.6 | 2.6 | 2.0 | 3.2 | 3.2 | 4.6 | (19.6) | 47.5 | 18.7 | 7.4 | (10.9) |
| Long term borrowings | 6.7 | 2.8 | 4.5 | 2.1 | 4.2 | 7.0 | 97.1 | (27.7) | 297.9 | (45.5) | (25.3) |
| Deferred income - government grant | 0.1 | 0.1 | 0.1 | 0.3 | 0.1 | 0.1 | (27.6) | (24.3) | (21.1) | 151.5 | 89.7 |
| Staff retirement benefits | 0.8 | 0.6 | 0.5 | 0.8 | 0.8 | 0.9 | 15.9 | 21.1 | 18.5 | 10.3 | 19.5 |
| Deferred taxation | 0.9 | 0.6 | 1.0 | 1.8 | 2.2 | 3.0 | 9.6 | (26.7) | 4.0 | (10.1) | (9.1) |
| | 11.1 | 6.7 | 8.1 | 8.2 | 10.5 | 15.6 | 34.9 | (5.6) | 85.1 | (15.3) | (14.8) |
| Current Liabilities | | | | | | | | | | | |
| Trade and other payables | 18.7 | 14.4 | 30.0 | 24.2 | 17.0 | 15.2 | 5.0 | (43.7) | 124.7 | 56.8 | 41.5 |
| Sales tax payable - net | 0.9 | - | - | 0.7 | - | 2.2 | 100.0 | - | (100.0) | 100.0 | (100.0) |
| Accrued mark-up | 1.0 | 1.5 | 0.8 | 0.6 | 0.2 | 0.4 | (44.8) | 109.2 | 182.7 | 270.1 | (53.8) |
| Current portion of lease liabilities | 0.5 | 0.2 | 0.3 | 0.5 | 0.4 | 0.4 | 71.9 | (17.9) | 32.6 | 29.1 | 29.8 |
| Current maturity of long term borrowings | 2.0 | 1.1 | 0.9 | 2.0 | 3.1 | 1.4 | 49.2 | 47.9 | (20.7) | (29.7) | 189.4 |
| Current portion of deferred income - government grant | - | - | - | 0.1 | 0.1 | 0.2 | (13.8) | (9.0) | (13.2) | (47.5) | 14.2 |
| Short term borrowings | 23.7 | 39.3 | 22.0 | 5.3 | 11.0 | 0.9 | (51.0) | 109.7 | 669.1 | (47.6) | 1,419.9 |
| Dividend payable | - | - | 1.1 | 0.5 | 0.4 | - | - | (100.0) | 333.7 | 40.0 | 100.0 |
| Unclaimed dividend | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 | 0.5 | 4.5 | 8.7 | 40.7 | 3.0 | 10.2 |
| Total current liabilities | 47.1 | 56.8 | 55.4 | 34.3 | 32.6 | 21.2 | (32.7) | 20.2 | 196.2 | 15.2 | 94.2 |
| Total Equity and Liabilities | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | (18.9) | 17.1 | 84.4 | 9.3 | 26.0 |

Comments on Six Years' Statement of Financial Position

Property, Plant and Equipment

Property, plant and equipment was in line with the previous year and with controlled investment in production facilities and infrastructure to support growing demand of the batteries. Major capital expenditure incurred during the year was for enhancement of productivity and improvement of plant efficiency.

Stock-in-trade

In the current year, following a way towards prudent balance sheet and efficient working capital management, the stock in trade were reduced.

Investments

Investments were made only to the extent of providing guarantees on lien basis.

Taxation

The hike in taxation was due to Company's low profitability and reflects the turnover taxation.

Long term loans

Long term loan (Diminishing Musharka) of Rs.1,000 million was obtained during 2024-25 to meet financial obligations for capital expenditures and balance sheet reprofiling. The Company availed Temporary Economic Refinance Facility (TERF) from State Bank of Pakistan amounting to Rs.74 million. During the year, principal repayments were made amounting to Rs.254 million.

Trade and other payables

The decrease in trade and other payables over last year mainly reflects a normalization of trade creditors and accrued liabilities, which are part of the Company's regular business operations.

Short term borrowings

In the current year, following a way towards prudent balance sheet and efficient working capital management, the stock in trade and trade debts were reduced, having less pressure on short term borrowings at closing.

Analysis of Financial Statements

Profit and Loss Account

(Rupees in '000)

| Particulars | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Sales | 35,201,281 | 41,470,592 | 41,855,868 | 25,029,244 | 19,955,087 | 12,546,152 |
| Cost of sales | (31,240,385) | (35,535,871) | (35,403,444) | (22,308,266) | (17,673,951) | (11,667,365) |
| Gross profit | 3,960,896 | 5,934,721 | 6,452,424 | 2,720,978 | 2,281,136 | 878,787 |
| Distribution cost | (1,494,732) | (1,402,929) | (1,396,427) | (806,068) | (651,508) | (487,020) |
| Administrative expenses | (666,049) | (654,827) | (498,565) | (303,686) | (256,665) | (181,626) |
| Other income | 89,210 | 99,883 | 72,346 | 34,747 | 50,722 | 32,601 |
| Other expenses | (75,722) | (187,127) | (379,596) | (118,870) | (90,225) | (38,261) |
| Profit / (loss) from operations | 1,813,603 | 3,789,721 | 4,250,182 | 1,527,101 | 1,333,460 | 204,481 |
| Finance cost | (1,188,311) | (1,619,351) | (552,066) | (389,439) | (138,416) | (348,496) |
| Profit / (loss) before tax | 625,292 | 2,170,370 | 3,698,116 | 1,137,662 | 1,195,044 | (144,015) |
| Taxation | (534,087) | (826,721) | (1,496,874) | (448,225) | (299,070) | (183,084) |
| Profit / (loss) after tax | 91,205 | 1,343,649 | 2,201,242 | 689,437 | 895,974 | (327,099) |

| Particulars | Vertical Analysis | | | | | | Horizontal Analysis | | | | |
|---------------------------------|-------------------|--------|--------|--------|--------|--------|---------------------|-------------|-------------|-------------|-------------|
| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2025 / 2024 | 2024 / 2023 | 2023 / 2022 | 2022 / 2021 | 2021 / 2020 |
| | Percentage | | | | | | Percentage | | | | |
| Sales | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | (15.1) | (0.9) | 67.2 | 25.4 | 59.1 |
| Cost of sales | (88.7) | (85.7) | (84.6) | (89.1) | (88.6) | (93.0) | (12.1) | 0.4 | 58.7 | 26.2 | 51.5 |
| Gross profit | 11.3 | 14.3 | 15.4 | 10.9 | 11.4 | 7.0 | (33.3) | (8.0) | 137.1 | 19.3 | 159.6 |
| Distribution cost | (4.2) | (3.4) | (3.3) | (3.2) | (3.3) | (3.9) | 6.5 | 0.5 | 73.2 | 23.7 | 33.8 |
| Administrative expenses | (1.9) | (1.6) | (1.2) | (1.2) | (1.3) | (1.4) | 1.7 | 31.3 | 64.2 | 18.3 | 41.3 |
| Other income | 0.3 | 0.2 | 0.2 | 0.1 | 0.3 | 0.3 | (10.7) | 38.1 | 108.2 | (31.5) | 55.6 |
| Other expenses | (0.2) | (0.5) | (0.9) | (0.5) | (0.5) | (0.3) | (59.5) | (50.7) | 219.3 | 31.7 | 135.8 |
| Profit / (loss) from operations | 5.3 | 9.0 | 10.2 | 6.1 | 6.6 | 1.7 | (52.1) | (10.8) | 178.3 | 14.5 | 552.1 |
| Finance cost | (3.4) | (3.9) | (1.3) | (1.6) | (0.7) | (2.8) | (26.6) | 193.3 | 41.8 | 181.4 | (60.3) |
| Profit / (loss) before tax | 1.9 | 5.1 | 8.9 | 4.5 | 5.9 | (1.1) | (71.2) | (41.3) | 225.1 | (4.8) | 929.8 |
| Taxation | (1.5) | (2.0) | (3.6) | (1.8) | (1.5) | (1.5) | (35.4) | (44.8) | 234.0 | 49.9 | 63.4 |
| Profit / (loss) after tax | 0.4 | 3.1 | 5.3 | 2.7 | 4.4 | (2.6) | (93.2) | (39.0) | 219.3 | (23.1) | 373.9 |

Comments on Six Years' Profit and Loss

Sales

The decline in Sales was mainly due to shift in consumer demand from heavy to medium batteries, yielding lower realization, together with the intensified price and discount competition and an unconventional price gap relative to competitors.

Cost of Sales

Cost of sales remained almost consistent with sales mix and volume. However, it is impacted by cost inflation over the years.

Gross Profit

Current year's gross profit margin decreased to 11.3% as against last year's 14.3% mainly due to increase in cost of sales ratio.

Distribution Cost and Administrative Expenses

Distribution cost and administrative expenses remained under control and have been consistent with the proportion to the sales during last six years.

Finance Cost

Finance cost is directly correlated to borrowings. During the current year, decrease in mark-up rates and low pressures on borrowings resulted in lower finance cost than last year.

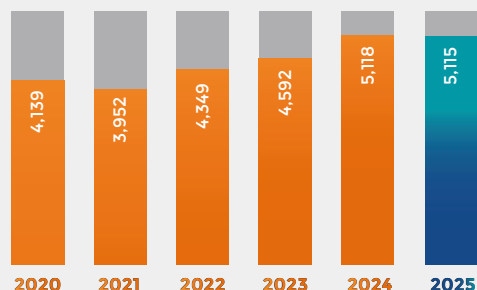
Profit After Taxation

Due to Company under minimum taxation, the profit after tax was low.

Analysis of Balance Sheet and Profit and Loss Account

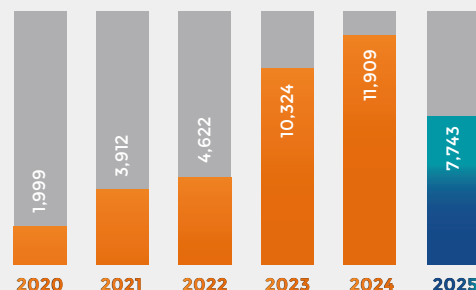
Fixed Assets

(Rs. in Million)



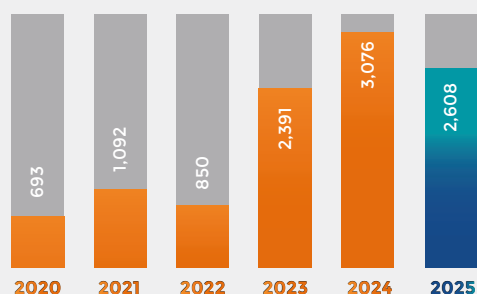
Inventory

(Rs. in Million)



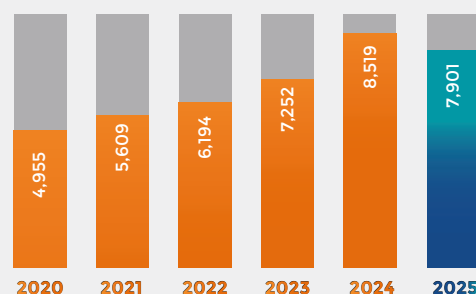
Trade Debts

(Rs. in Million)



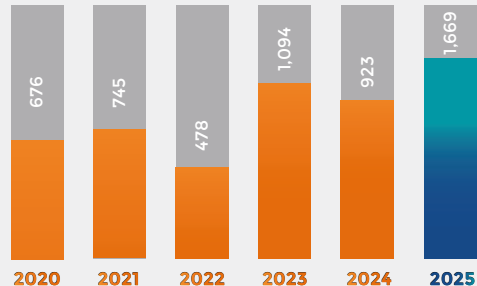
Equity

(Rs. in Million)



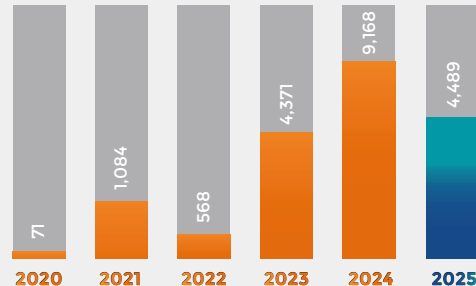
Long Term Borrowings

(Rs. in Million)



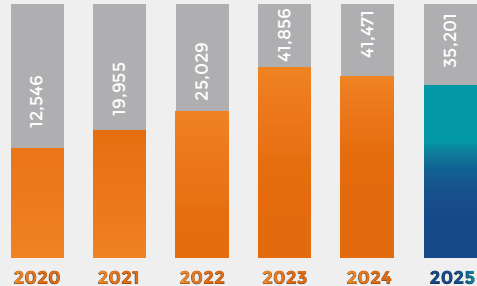
Short Term Borrowings

(Rs. in Million)



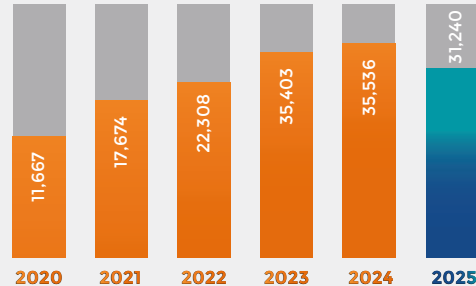
Sales

(Rs. in Million)



Cost of Sales

(Rs. in Million)



Analysis of Financial Statements

Cash Flow Statement

| (Rupees in '000) | | | | | | |
|--|-------------|-------------|-------------|-----------|-----------|-----------|
| Particulars | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
| Cash flow from: | | | | | | |
| - operating activities | 5,377,078 | (2,856,774) | (2,159,674) | 1,777,558 | (452,660) | 519,380 |
| - investing activities | (729,797) | (665,285) | (600,561) | (781,537) | (200,192) | (159,104) |
| - financing activities | (4,810,663) | 3,893,869 | 3,357,692 | (962,809) | 796,458 | (738,418) |
| Increase / (decrease) in cash & cash equivalents | (163,382) | 371,810 | 597,457 | 33,212 | 143,606 | (378,142) |

| Vertical Analysis | | | | | | | Horizontal Analysis | | | | |
|--|----------------------|---------|---------|-----------|---------|---------|----------------------|-------------|-------------|-------------|-------------|
| Particulars | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2025 / 2024 | 2024 / 2023 | 2023 / 2022 | 2022 / 2021 | 2021 / 2020 |
| | -----Percentage----- | | | | | | -----Percentage----- | | | | |
| Cash flow from: | | | | | | | | | | | |
| - operating activities | (3,291.1) | (768.4) | (361.5) | 5,352.2 | (315.2) | (137.4) | 288.2 | (32.3) | (221.5) | 492.7 | (187.2) |
| - investing activities | 446.7 | (178.9) | (100.5) | (2,353.2) | (139.4) | 42.1 | (9.7) | (10.8) | 23.2 | (290.4) | (25.8) |
| - financing activities | 2,944.4 | 1,047.3 | 562.0 | (2,899.0) | 554.6 | 195.3 | (223.5) | 16.0 | 448.7 | (220.9) | 207.9 |
| Increase / (decrease) in cash & cash equivalents | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | (143.9) | (37.8) | 1,698.9 | (76.9) | 138.0 |

Free Cash Flows

| (Rupees in '000) | | | | | | |
|-------------------------------|-----------|-------------|-------------|-----------|-------------|-----------|
| Particulars | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
| Profit / (loss) before tax | 625,292 | 2,170,370 | 3,698,116 | 1,137,662 | 1,195,044 | (144,015) |
| Adjustment for non-cash items | 1,738,953 | 2,249,255 | 1,012,272 | 797,649 | 527,270 | 732,754 |
| Working capital changes | 3,012,833 | (7,276,399) | (6,870,062) | (157,753) | (2,174,974) | (69,359) |
| | 5,377,078 | (2,856,774) | (2,159,674) | 1,777,558 | (452,660) | 519,380 |
| Less: Capital expenditure | (610,252) | (639,037) | (618,713) | (754,887) | (233,438) | (207,885) |
| Free cash flows | 4,766,826 | (3,495,811) | (2,778,387) | 1,022,671 | (686,098) | 311,495 |

Direct Cash Flow Statement

| PARTICULARS | 2025 | 2024 |
|---|--------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | 43,209,300 | 49,342,129 |
| Less: Cash paid to: | | |
| Suppliers / service providers and employees | (28,426,927) | (40,834,863) |
| Workers funds | (164,287) | (84,232) |
| Sales tax paid | (7,224,771) | (8,510,956) |
| Finance cost paid | (1,230,084) | (1,295,686) |
| Income taxes paid / (receipt) | (679,526) | (1,446,084) |
| Retirement benefits | (86,233) | (26,090) |
| Loans, deposits and other income - net | (20,394) | (992) |
| | (37,832,222) | (52,198,903) |
| Net cash generated from / (used in) operating activities | 5,377,078 | (2,856,774) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Fixed capital expenditures | (610,252) | (639,037) |
| Proceeds from sale of operating fixed assets | 47,662 | 36,461 |
| Additions in intangible assets | - | (1,835) |
| Proceeds from sale of intangible assets | - | - |
| Payment for investments | (218,377) | (121,718) |
| Proceeds from sale of investments | - | - |
| Dividend received | 51,170 | 60,844 |
| Net cash generated from / (used in) investing activities | (729,797) | (665,285) |
| Net cash generated / (used) before financing activities | 4,647,281 | (3,522,060) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Lease rentals paid | (180,019) | (164,166) |
| Long term borrowings obtained | 1,000,000 | - |
| Long term borrowings paid | (253,976) | (171,725) |
| Government grant - net | - | - |
| Short term borrowings - net | (4,679,150) | 4,796,779 |
| Dividend paid | (697,518) | (567,019) |
| Net cash generated from / (used in) financing activities | (4,810,663) | 3,893,869 |
| Net increase / (decrease) in cash and cash equivalents | (163,382) | 371,810 |
| Cash and cash equivalents - at beginning of the period | 1,191,592 | 819,782 |
| Cash and cash equivalents - at end of the period | 1,028,210 | 1,191,592 |

Liquidity Management and Cash Flow Strategy

Liquidity and Cash Flow Analysis

A decrease of Rs.163 million was witnessed in cash used in various activities of the Company as compared to net increase of Rs.372 million during last year. Brief analysis of cash flows for the year is presented below:

Operating Activities

The net cash flow from operations stood at Rs.5,377 million as against Rs.2,857 million used in last year. This increase in inflow was mainly due to prudent management of balance sheet with lower stock in trade and trade debts along with efficient working capital changes.

Investing Activities

The cash flows used in investing activities was Rs.730 million as compared to Rs.665 million during last year. This is mainly attributable to the capital expenditure incurred during the year and additional investments made to provide guarantees for import and other trade related matters.

Financing Activities

During the year, the Company used Rs. 4,811 million in finance activities compared to generation of Rs.3,894 million in the previous year. This inflow is largely due to addition of long term loan for balance sheet reprofiling and repayments of borrowings according to the Company's working capital needs.

Liquidity Management and Financing Arrangements

The day to day treasury function is dealt with skilled and experienced staff 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 investment policies.
- Identify strategies to drive additional value from surplus cash.
- Assist in identifying measures to evaluate credit quality, impact on finance costs and collateral requirements.
- 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.

Working capital and long term funding requirements are met through borrowings from reputable banks.

Short term running finance stood at Rs.4.5 billion at year end as compared to previous year's Rs.9.2 billion. Letters of credit lines up to Rs.5.3 billion are available against lien on shipping documents. Long term loans stood at Rs.1,669 million at year end as compared to Rs.923 million during previous year, due to diminishing musharaka loan, obtained during the year.

Strategy to Overcome Liquidity Problem

The Company has short term running finance arrangements up to Rs.11.95 billion in case of liquidity needs. While a new long term loan was obtained during the year, the Company continues to focus on maintaining a balanced borrowing mix. To manage liquidity effectively, various strategies are employed, including optimizing inventory turnover, enhancing debtors' turnover and improving creditors turnover, etc.

Debt Payments

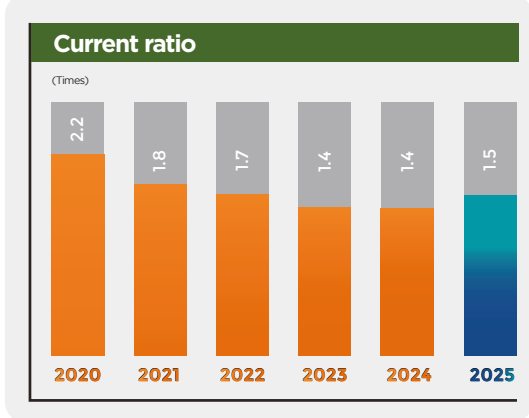
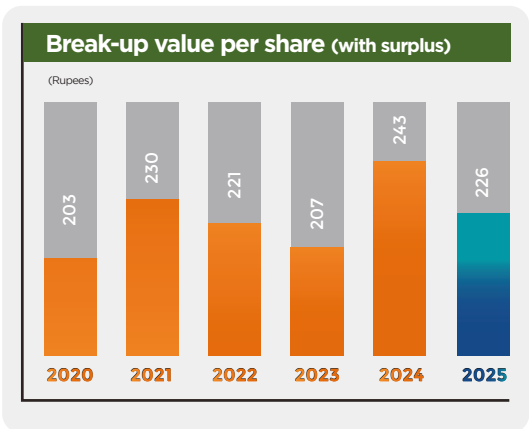
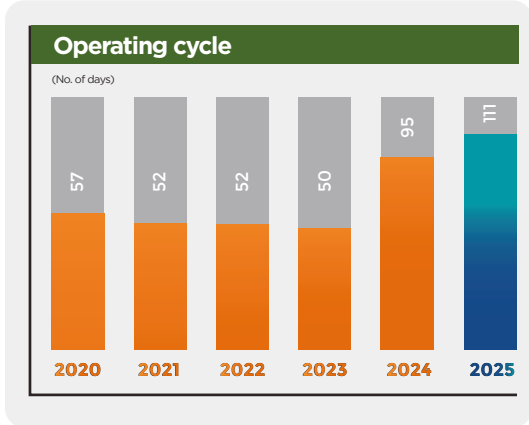
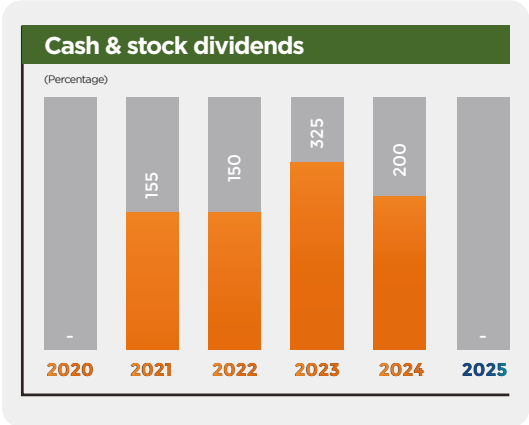
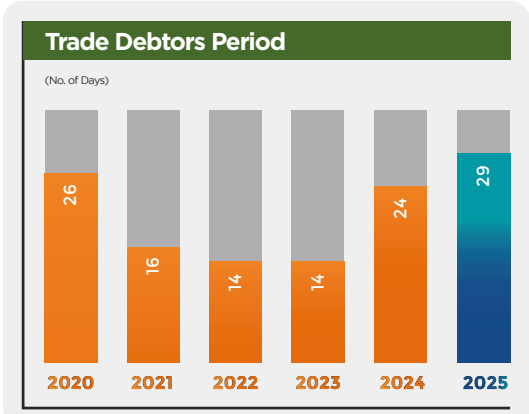
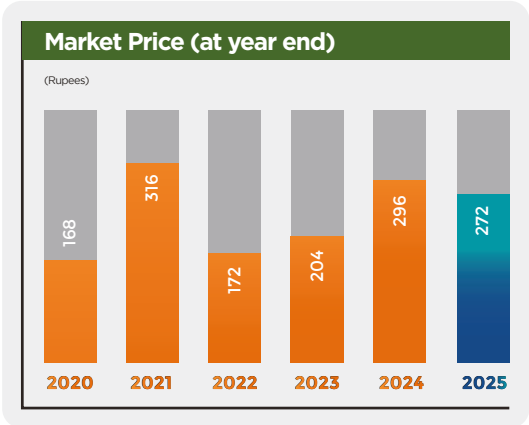
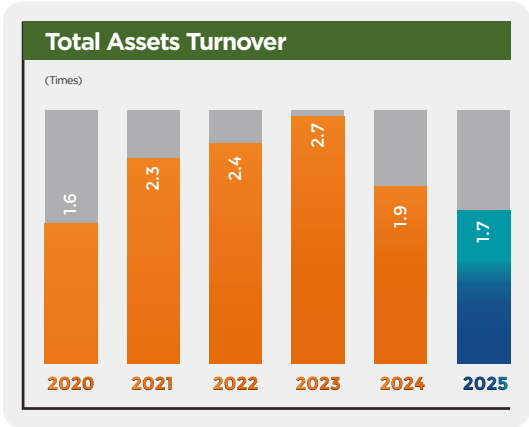
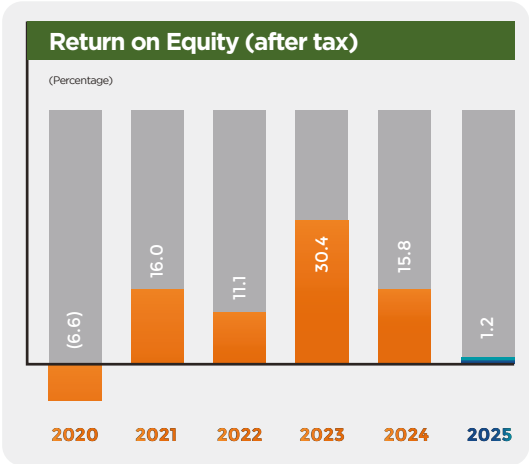
The Company has currently short term running finance of Rs.4,489 million and long term loan of Rs. 1,669 million. The short term running finance is hypothecated against stocks and receivables and these are settled through daily routine operations. The long term loan is hypothecated against plant and machinery. The interest is paid as and when due.

There was no default in payment of debts during the year.

Financial Ratios

| Particulars | | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------------------|---------|---------|---------|--------|--------|----------|
| Profitability Ratios | | | | | | | |
| Gross profit | (%) | 11.3 | 14.3 | 15.4 | 10.9 | 11.4 | 7.0 |
| Profit before tax | (%) | 1.9 | 5.1 | 8.9 | 4.5 | 5.9 | (1.1) |
| Profit after tax | (%) | 0.4 | 3.1 | 5.3 | 2.7 | 4.4 | (2.6) |
| Return on capital employed | (%) | 18.2 | 37.7 | 47.8 | 21.6 | 20.1 | 3.3 |
| Earnings before interest, tax, depreciation & amortization (EBITDA) | (Rs. in million) | 2,368 | 4,335 | 4,728 | 1,944 | 1,733 | 572 |
| EBITDA Margin | (%) | 6.7 | 10.5 | 11.3 | 7.8 | 8.7 | 4.6 |
| Operating leverage | (%) | 344.9 | 1,177.0 | 265.2 | 57.1 | 934.9 | 11,067.3 |
| Shareholders' funds | (%) | 41.8 | 36.5 | 36.4 | 57.4 | 56.8 | 63.2 |
| Return on shareholders' funds | (%) | 1.2 | 15.8 | 30.4 | 11.1 | 16.0 | (6.6) |
| Return to Shareholders | | | | | | | |
| Return on equity - before tax | (%) | 7.9 | 25.5 | 51.0 | 18.4 | 21.3 | (2.9) |
| Return on equity - after tax | (%) | 1.2 | 15.8 | 30.4 | 11.1 | 16.0 | (6.6) |
| Return on assets | (%) | 0.5 | 5.8 | 11.1 | 6.4 | 9.1 | (4.2) |
| Earnings per share (basic) | (Rs.) | 2.60 | 38.37 | 62.86 | 24.61 | 36.78 | (13.43) |
| Earnings per share (diluted) | (Rs.) | 2.60 | 38.37 | 62.86 | 19.69 | 31.98 | (13.43) |
| Price earning ratio | (Times) | 104.5 | 7.7 | 3.3 | 7.0 | 8.6 | (12.5) |
| Price to book ratio | (Times) | 1.2 | 1.2 | 1.0 | 0.8 | 1.4 | 0.8 |
| Market price - at year end | (Rs.) | 272.1 | 295.9 | 204.4 | 171.9 | 315.9 | 168.1 |
| Market price - highest during the year | (Rs.) | 541.5 | 324.0 | 236.0 | 422.0 | 320.0 | 194.8 |
| Market price - lowest during the year | (Rs.) | 221.0 | 210.5 | 140.0 | 150.1 | 168.5 | 68.4 |
| Break-up value per share / Net assets per share: | | | | | | | |
| - without surplus on revaluation | (Rs.) | 201.4 | 219.0 | 190.3 | 200.1 | 206.1 | 179.2 |
| - with surplus on revaluation | (Rs.) | 225.6 | 243.3 | 207.1 | 221.1 | 230.3 | 203.4 |
| Dividend | | | | | | | |
| Cash dividend | (%) | - | 200.0 | 325.0 | 125.0 | 140.0 | - |
| Stock dividend | (%) | - | - | - | 25.0 | 15.0 | - |
| Cash & stock dividend | (%) | - | 200.0 | 325.0 | 150.0 | 155.0 | - |
| Dividend yield | (%) | - | 6.8 | 15.9 | 8.7 | 4.9 | - |
| Dividend cover | (Times) | - | 1.9 | 1.9 | 1.6 | 2.4 | - |
| Dividend pay out | (%) | - | 52.1 | 51.7 | 60.9 | 42.1 | - |
| Plough back ratio | (%) | 100.0 | 47.9 | 48.3 | 39.1 | 57.9 | 100.0 |
| Dividend yield (cash) | (%) | - | 6.8 | 15.9 | 7.3 | 4.4 | - |
| Dividend cover (cash) | (Times) | - | 1.9 | 1.9 | 2.0 | 2.6 | - |
| Dividend pay out (cash) | (%) | - | 52.1 | 51.7 | 50.8 | 38.1 | - |
| Plough back ratio (cash) | (%) | 100.0 | 47.9 | 48.3 | 49.2 | 61.9 | 100.0 |
| Asset Utilization | | | | | | | |
| Total assets turnover | (Times) | 1.7 | 1.9 | 2.7 | 2.4 | 2.3 | 1.6 |
| Fixed assets turnover | (Times) | 6.9 | 8.5 | 9.4 | 6.0 | 4.9 | 3.1 |
| Inventory turnover | (Times) | 3.0 | 3.1 | 4.5 | 4.9 | 5.5 | 5.6 |
| Trade debts turnover | (Times) | 12.4 | 15.2 | 25.8 | 25.8 | 22.4 | 14.0 |
| Trade creditors turnover | (Times) | 9.1 | 7.6 | 8.2 | 10.3 | 12.2 | 10.4 |
| Capital employed turnover | (Times) | 3.5 | 4.4 | 5.2 | 3.6 | 3.1 | 2.1 |
| Operating Cycle | | | | | | | |
| Inventory holding period | (No. of Days) | 122 | 119 | 80 | 74 | 66 | 66 |
| Trade debts collection period | (No. of Days) | 29 | 24 | 14 | 14 | 16 | 26 |
| Trade creditors payment period | (No. of Days) | (40) | (48) | (44) | (36) | (30) | (35) |
| Operating cycle | (No. of Days) | 111 | 95 | 50 | 52 | 52 | 57 |
| Liquidity / Leverage | | | | | | | |
| Current ratio | (Times) | 1.5 | 1.4 | 1.4 | 1.7 | 1.8 | 2.2 |
| Quick ratio | (Times) | 0.6 | 0.4 | 0.4 | 0.4 | 0.5 | 0.9 |
| Cash to current liabilities | (Times) | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.0 |
| Cash flow from operations to sales | (%) | 15.3 | (6.9) | (5.2) | 7.1 | (2.3) | 4.1 |
| Cash flow to capital expenditures | (Times) | 8.8 | (4.5) | (3.5) | 2.4 | (1.9) | 2.5 |
| Cash flow coverage ratio | (Times) | 0.9 | (0.3) | (0.4) | 1.7 | (0.2) | 0.7 |
| Weighted average cost of debt (pre-tax) | (%) | 13.8 | 21.2 | 21.7 | 7.0 | 6.1 | 5.9 |
| Financial leverage ratio | (Times) | 0.8 | 1.2 | 0.8 | 0.2 | 0.3 | 0.2 |
| Long term debt to equity (book value) | (Times) | 0.2 | 0.1 | 0.2 | 0.1 | 0.1 | 0.1 |
| Long term debt to equity (market value) | (Times) | 0.2 | 0.1 | 0.2 | 0.1 | 0.1 | 0.2 |
| Total liabilities to equity | (Times) | 1.4 | 1.7 | 1.7 | 0.7 | 0.8 | 0.6 |
| Interest coverage ratio | (Times) | 1.5 | 2.3 | 7.7 | 3.9 | 9.6 | 0.6 |
| Non-Financial Ratios | | | | | | | |
| Spare inventory as % of assets cost | (%) | 1.5 | 1.0 | 0.7 | 1.4 | 1.4 | 1.4 |
| Maintenance cost as % of operating expenses | (%) | 0.5 | 0.6 | 0.5 | 0.4 | 1.9 | 0.5 |
| Revenue per employee | (Rs. in thousand) | 103,230 | 118,150 | 119,588 | 72,759 | 64,371 | 42,386 |
| Staff turnover ratio | (%) | 10.2 | 1.9 | 3.6 | 1.7 | 2.5 | 4.9 |

Six Years Analysis of Financial Ratios



Comments on Ratios

Profitability

Gross profit as a percentage of revenue stands at 11.3% as compared to 14.3% last year. Decrease in gross profit margin was mainly due to increase in cost of sales. Company earned profit after tax of Rs.91 million as compared to Rs.1,344 million last year, reduced due to lower profitability from operations and turnover taxation.

Return to Shareholders and Dividend

The earnings per share stood at Rs.2.60 per share as compared to Rs.38.37 per share last year. Likewise, Company's break-up value per share stood at Rs.225 at year end as compared to Rs.243 of last year.

Operating cycle

Operating cycle is on higher side due to inventory holding and trade debts extended period from last year.

Liquidity / Leverage

Liquidity ratios are largely at par with the last year. There is no significant change in prospects and performance measures over prior period.

Forward Looking Statement

In FY-25, Pakistan's economy demonstrated early signs of stabilization and recovery, supported by disciplined fiscal management, a strengthened external position and a more adaptive monetary policy. GDP growth reached 2.7%, while foreign exchange reserves improved significantly. The IMF-supported reform program laid a firm foundation for medium-term recovery by enhancing structural resilience and market confidence.

Looking ahead, sustained policy implementation, measured fiscal discipline and targeted reforms in exports, agriculture and manufacturing will be essential to maintain momentum. While consumers' purchasing power remains constrained and market demand continues to shift towards medium and light battery segments, the market still presents strategic growth opportunities.

Raw material input cost, likely to escalate on account of global supply disruptions. Despite these challenges, your Company is well aligned to take advantage of the situation and is hopeful of protecting its market share. Smart capex allocated for HSE, production process, information technology and engineering & development will continue to enhance business efficiency.

Capitalizing on unmatched quality and after sales service, your Company will continue to strive for improved market penetration by exploring new territories and export markets. Curbing costs and maintaining high quality of product will remain the focus of your Company. The improvement in human resource capabilities through regular trainings and skills enhancement programs are planned for next year. The Company will continue to focus on productivity and efficiency while meeting customers' demand for superior quality by following the principles of "The Atlas Way".

Analysis on Last Fiscal Year's Forward Looking Disclosures / Status of the Projects

The battery industry in Pakistan presented a mixed demand profile during FY-25. OEM sales benefited from a recovering auto sector, while replacement market demand remained subdued due to inflation-adjusted income pressure. Notably, tall and tubular batteries recorded steady growth, driven by solar energy adoption in residential and commercial segments.

During the year, on account of product development and innovation, the Company:

- Launched premium maintenance-free batteries (38AH to 80AH) and relaunched Deep Cycle DC 150, DC 200 and DC 250 variants.
- Introduced tubular batteries EC 2200, EC 3000 and EC 3500.
- Expanded motorcycle battery offerings with the Power Plus 5AH series and strengthened our VRLA portfolio with 2.5AH, 7AH and 100AH variants.

These launches have fortified our product mix, enabling us to serve both high-value and price-sensitive customer segments without compromising on quality.

Business Rationale of Major Capex and R&D Initiatives

Major capital expenditure and projects during the year included procurement, installation and successful production of tubular batteries. The Company recognizes the importance of continuous investment and innovation for delivering sustainable value to its shareholders. The Company will continue to invest in productivity improvements, HSE and utility savings maximization.

The Company is also keen interested in local manufacturing of VRLA batteries.

The Board of Directors of the Company continuously evaluate and analyze new business opportunities and projects and pursue them aggressively. Capital expenditures are authorized in line with the Company's business requirements.

Digital Transformation Journey and AI Plans

The Company's digital transformation journey has already yielded substantial operational efficiencies through the deployment of Oracle ERP, Oracle HCM, SAP Ariba and Power BI dashboards, alongside proprietary solutions for claims, warehouse operations, production workflows, and shop board management.

The Company will look for AI adoption and its potential benefits in driving operational decisions.

Source of Information and Assumptions Used for Projections / Forecasts

The annual budget, projections and forecasts are derived from a comprehensive analysis of historical trends, current conditions, expected future developments and other pertinent factors that are considered relevant and suitable for the given conditions.

Furthermore, macroeconomic indicators are meticulously considered to incorporate external factors beyond the Company's control. Additionally, sensitivity analysis is conducted to evaluate the potential impact of changes in assumptions on the Company's financial performance.

Significant Plans and Decisions

The prime focus is to de-commoditize the commodity by strategically introducing / marketing the right product at the right time with highest quality. We are continuously exploring new technologies and product categories to expand our offerings and strengthen our market position. Ongoing efforts will emphasize maintaining product excellence, optimizing operational efficiency and ensuring the timely delivery of customer-centric solutions.

There is no significant change in prospects and performance measures compared to the prior period.

Segmental Review of Business

Market Segment

The Company serves various segments including Original Equipment Manufacturers (OEMs), domestic appliances, industrial equipment and replacement market through a wide range of dealers' network. The list of our major OEM customers is placed at the end of this report.

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.

Operating Segment

On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

Seasonality of Business

The Company's principal business is to sell batteries to urban and rural markets. Apart from electricity outages, demand from rural market is based upon various crop seasons while demand from urban markets is non-seasonal. The seasonality is managed through credit sales, inventory management and supply chain planning keeping our products available according to the customers' demand. A seasonal slowdown in demand is usually observed in the winter as demand of heavy batteries slows down. Production levels are accordingly managed as per the seasonal demand.

Share Price Sensitivity Analysis

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 for Automobiles



Agriculture is the backbone of our country's economy. Almost 62% of the country's population is based in rural areas and is linked with agriculture for their livelihood. A large customer base of motorcycle and heavy vehicles is available in rural areas. Therefore, the Company's performance is strongly linked with the performance of agriculture sector.

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

Demand for Alternative Energy



Power shortages are directly linked with usage of alternatives such as generators and UPS. Further, use of renewable sources i.e. solar power panels etc. may lead 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. Disruptions in production, including by way of Act of God, may negatively impact financial performance and share prices.

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.

Interest Rates



Change in interest rates by SBP directly affects investor's decisions correlatively share price.

Exchange Rate Fluctuations



The Company is involved in imports of plant, machinery and raw materials and is exposed to foreign currencies exchange rate fluctuations. 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.

Material Prices



Lead, polypropylene, polymion paper etc. are the major raw materials which forms major proportion of the total cost incurred by the Company every year. Therefore, variation in the material prices directly affects the gross profit of the Company which in turn may affect the share price.

Investor Sentiment

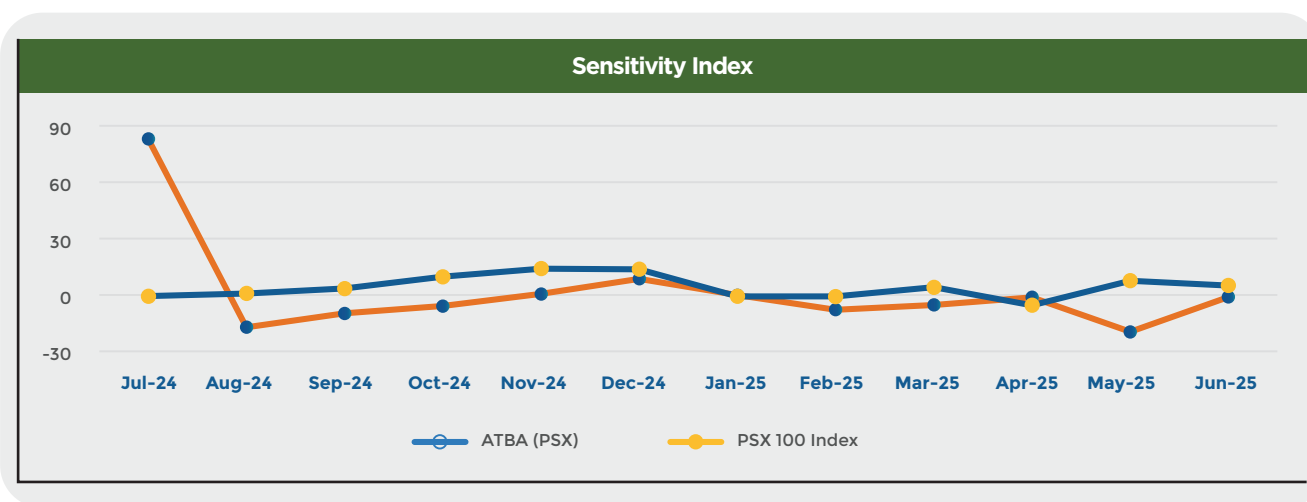


Investor sentiment or confidence can cause the market to go up or down, which can cause stock prices to rise or fall. The general direction which may be bullish or bearish may affect the value of a stock.

Sensitivity Analysis of Change in Market Capitalization

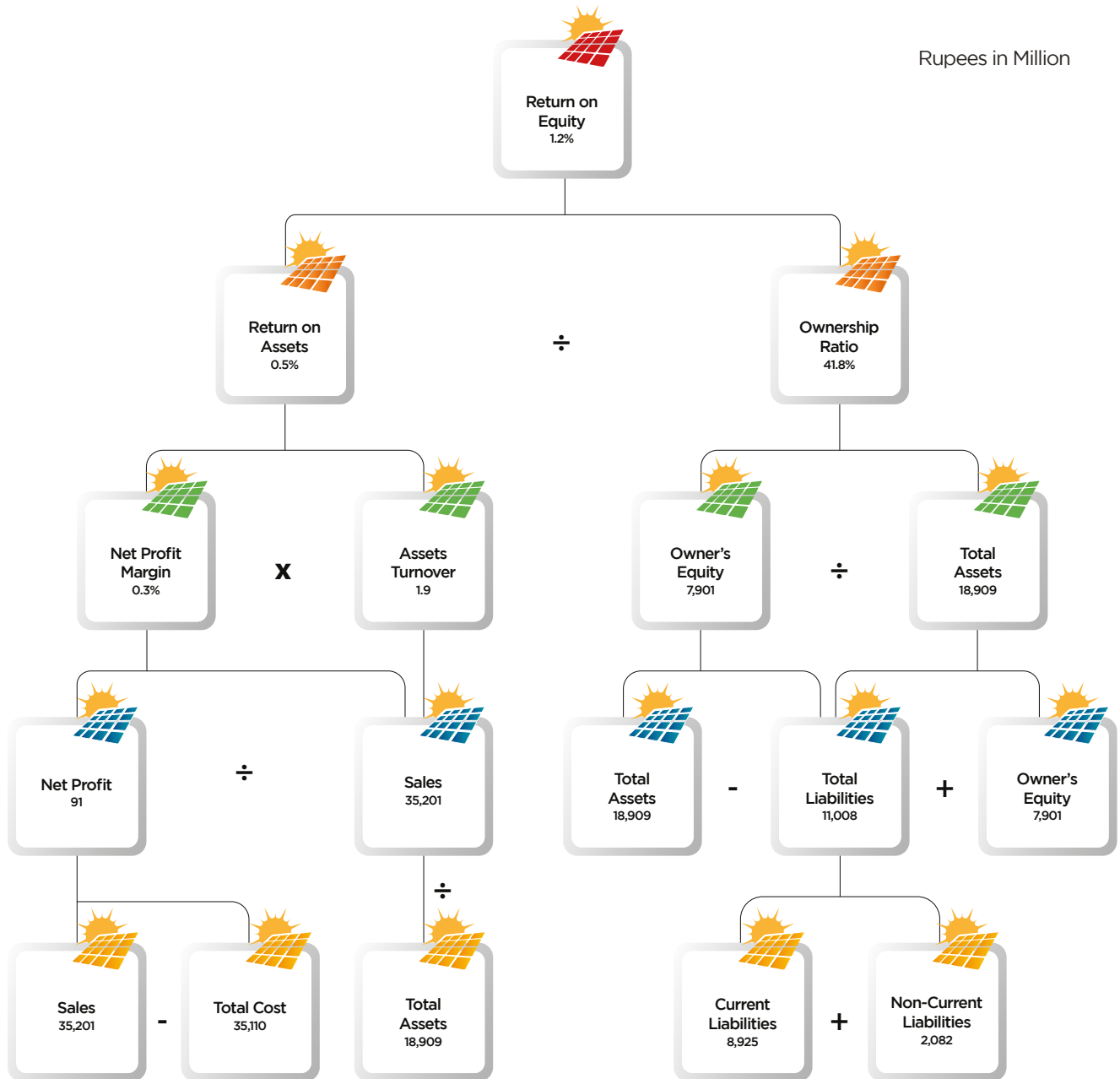
As of June 30, 2025 the shares price of the Company was Rs.272 and market capitalization based on highest price for each month of 2024-25 was Rs.18.96 billion.

10% + / - change in share price would lead to change in market capitalization by Rs.1.9 billion up / down, respectively.



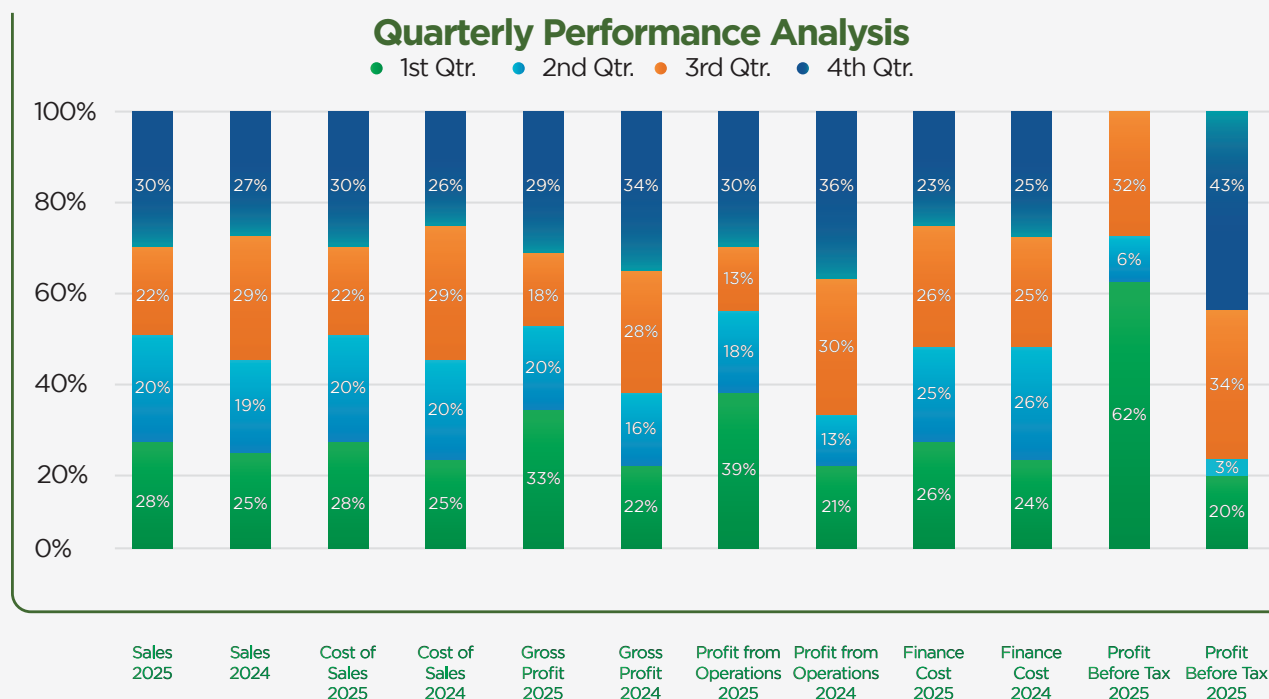
DUPONT ANALYSIS

Rupees in Million



Quarterly Performance Analysis

| Particulars | 2025 | | | | | 2025 / 2024 | | | | |
|-------------------------------------|--------------------------|-------------|-------------|-------------|--------------|----------------------|----------|----------|----------|--------|
| | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Total | 1st Qtr. | 2nd Qtr. | 3rd Qtr. | 4th Qtr. | Total |
| | -----Rupees in '000----- | | | | | -----Percentage----- | | | | |
| Sales | 9,885,376 | 7,120,456 | 7,615,228 | 10,580,221 | 35,201,281 | (2.8) | (10.5) | (35.7) | (8.0) | (15.1) |
| Cost of sales | (8,594,332) | (6,321,574) | (6,889,643) | (9,434,836) | (31,240,385) | (2.9) | (10.0) | (32.2) | (0.6) | (12.1) |
| Gross profit | 1,291,044 | 798,882 | 725,585 | 1,145,385 | 3,960,896 | (2.6) | (13.8) | (56.7) | (42.9) | (33.3) |
| Distribution cost | (411,307) | (327,258) | (317,442) | (438,725) | (1,494,732) | 16.4 | 13.7 | (14.5) | 12.5 | 6.5 |
| Administrative expenses | (156,490) | (157,256) | (177,050) | (175,253) | (666,049) | 13.7 | 10.5 | 18.2 | (22.1) | 1.7 |
| Other income | 26,375 | 23,453 | 17,728 | 21,654 | 89,210 | 24.7 | 10.7 | (41.5) | (20.5) | (10.7) |
| Other expenses | (45,242) | (10,003) | (18,786) | (1,691) | (75,722) | 0.4 | (45.3) | (65.2) | (97.6) | (59.5) |
| Profit from operations | 704,380 | 327,818 | 230,035 | 551,370 | 1,813,603 | (13.1) | (34.3) | (79.7) | (59.1) | (52.1) |
| Finance cost | (313,918) | (291,932) | (305,429) | (277,032) | (1,188,311) | (17.9) | (31.2) | (23.9) | (32.6) | (26.6) |
| Profit before tax | 390,462 | 35,886 | (75,394) | 274,338 | 625,292 | (8.7) | (52.2) | (110.3) | (70.7) | (71.2) |
| Taxation | (165,872) | (95,067) | (74,194) | (198,954) | (534,087) | 0.6 | 47.3 | (70.3) | (42.8) | (35.4) |
| Profit after tax | 224,590 | (59,181) | (149,588) | 75,384 | 91,205 | (14.6) | (661.4) | (131.1) | (87.2) | (93.2) |
| Basic earnings per share - (Rupees) | 6.41 | (1.69) | (4.27) | 2.15 | 2.60 | | | | | |
| Profitability Ratios (%) | | | | | | | | | | |
| Gross profit | 13.1 | 11.2 | 9.5 | 10.8 | 11.3 | | | | | |
| Profit before tax | 3.9 | 0.5 | (1.0) | 2.6 | 1.9 | | | | | |
| Profit after tax | 2.3 | (0.8) | (2.0) | 0.7 | 0.4 | | | | | |



EVOLVING WITH ENERGY STORAGE

At Atlas Battery, our shift from automotive batteries to advanced energy storage solutions reflects our commitment to sustainability. By developing innovative products—such as tall, tubular and deep cycle batteries tailored for solar applications—we aim to deliver dependable power that accelerates the adoption of renewable energy, minimizes environmental impact, and supports a greener future.





Chairman's Review

I am pleased to present the 59th Annual Report of your Company for the year ended June 30, 2025 together with the Auditors' Report.

The Economy

Pakistan's economy showed signs of stabilization and recovery supported by better fiscal management, stronger external position and a more flexible monetary policy. As a result, GDP grew by 2.7%. Foreign exchange reserves also improved, helped by State Bank market purchases and inflows from international partners. These stabilization efforts, driven by reforms under the IMF-supported program, have laid the groundwork for medium-term economic recovery.

On the external front, prudent monetary and fiscal policies delivered positive results. The current account recorded a surplus of USD 2.1 billion in FY-25, a sharp reversal from the USD 0.7 billion deficit in FY-24. This turnaround was largely driven by a 27% surge in worker remittances to USD 38.3 billion, along with a moderate 4.2% increase in exports. Foreign exchange reserves rose to USD 19.2 billion, supported by bilateral inflows and rollovers, helping stabilize the rupee-dollar exchange rate. Inflation eased to 3.2% by June 2025, aided by improved supply conditions and a high base effect, which enabled the Central Bank to reduce the policy rate to 11%. On the fiscal side, FBR revenue grew by 26% to PKR 11.7 trillion, reflecting strong year-on-year performance. Overall, continued economic stability and improved investor confidence pushed the PSX 100 Index to a record high, surpassing 140,000 points.

The agriculture sector posted a modest growth of 0.6% during FY-25, contributing 24% to the country's GDP. It was a challenging year, with major crop production declining by 13.5% due to adverse weather conditions and reduced cultivation areas. However, growth in other crops and livestock segments helped to offset these losses, rising by 4.78% and 4.72%, respectively. This performance was further supported by improved access to agricultural credit, increased use of certified seeds, and higher fertilizer offtake.

The manufacturing sector showed signs of recovery, contributing to overall industrial growth of 4.77%. Small-scale manufacturing performed well and helped offset the decline in large-scale manufacturing (LSM). Notably, 12 out of 22 sectors recorded growth, including automobiles, textiles, pharmaceuticals and petroleum products.

Review of Automobile Industry

During the year FY-25, the automobile industry exhibited recovery supported by notable increase in the production and sales. This broad-based recovery in the auto sector is attributed to easing inflation, lower interest rates and better financing options, coupled with a stable macroeconomic backdrop. Consequently, the sale of locally manufactured cars witnessed an increase of 38% in FY-25 to 112,203 units as against 81,579 units sold in FY-24. Similarly, the sales of trucks and buses increased by 98% over last year. However, the tractors segment witnessed a decrease of 36% to 29,192 units as against 45,911 units last year. Sales of motorcycles and three wheelers (of assemblers, who are registered with PAMA) during FY-25 increased by 32% with sales of 1,518,752 units as against 1,150,112 units during same period last year.

Battery Industry

The battery industry in Pakistan continued to exhibit mixed performance during the period under review. The gradual recovery in the auto sector, supported by reduced interest rates and improved inventory availability, contributed to an increase in OEM demand. In contrast, demand in the replacement market remains subdued, as inflation adjusted incomes constrained purchasing power. Meanwhile, demand for tall and tubular batteries recorded a modest growth, driven by rising investment in solar energy systems across residential and commercial sectors. Further, cost sensitive consumers started shifting from heavy to medium size batteries, which intensified price and discount competition across the industry.

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 protect it by maintaining quality, introducing innovative products and providing meaningful after sales service.

Operating Results

During FY-25, your Company achieved sales of Rs.35.2 billion as compared to Rs.41.5 billion in FY-24, down by 15.1%. This decrease was mainly due to shift in consumer demand from heavy to medium batteries, yielding lower realization, together with the intensified price and discount competition and an unconventional price gap relative to competitors. Cost of sales was registered at Rs.31.2 billion as compared to Rs.35.5 billion, down by 12.1%, consistent with the sales mix and volume. This resulted in gross profit of Rs.3,961 million as compared to Rs.5,935 million during last year, down by 33.3%.

Operating expenses stood at Rs.2,161 million as compared to Rs.2,058 million, up 5.0%. The operating profit decreased to Rs.1,814 million as compared to Rs.3,790 million of last year, down by 52.1%. Finance cost decreased to Rs.1,188 million from Rs.1,619 million owing to reduction in mark-up rates and lower pressure on borrowings due by lower inventory and trade debts levels.

Profit before tax stood at Rs.625 million as compared to Rs.2,170 million last year, down by 71.2%. After providing Rs.534 million for taxation (mainly on minimum tax basis), the profit after tax stood at Rs.91 million as compared to Rs.1,344 million of last year, down by 93.2%. Earnings per share stood at Rs.2.6 as compared to Rs.38.37 of last year.

Contribution to National Exchequer

Your Company contributed Rs.8.3 billion towards the National Exchequer on account of various government levies, taxes and import duties during the year under review. Payment of these taxes amounts to 23.5% of net sales value of the Company. The Atlas Group, of which the Company is a constituent member, played a significant role in the Group's substantial contribution to the national exchequer, establishing the Atlas Group among the highest taxpayers in the country.

Future Prospects

Pakistan's economic and financial outlook has improved as signs of stability continue to build. Ongoing reforms under the IMF program, a healthier external account and declining inflation have created space for monetary easing and a gradual pickup in growth. Moving forward, consistent policy implementation will be important to sustain the recovery. This should be supported by measured fiscal discipline and targeted efforts in key sectors such as exports, agriculture, and manufacturing. Due to reduced consumers' purchasing power and increased availability of low-voltage battery-powered appliances, market demand is gradually shifting from heavy to medium and from medium to light battery types.

Despite these challenges, your Company is well aligned to take advantage of the situation and is hopeful of maintaining market share along with ensuring reasonable margins. Smart capex allocated for HSE, production process, information technology and engineering & development will continue to enhance business efficiency.

Capitalizing on unmatched quality and after sales service, your Company will continue to strive for improved market penetration by exploring new territories and export markets. Curbing costs and maintaining high quality of product will remain the focus of your Company. For achieving these objectives, the "Atlas Way" will continue to remain the guiding principles of your Company's business philosophy.



(Perseverance pays rich dividend)

Acknowledgements

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 also like to thank our JV Partners GS Yuasa International Limited; Japan, Board of Directors, shareholders, bankers, vendors and customers 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.



Aamir H. Shirazi
Chairman

Karachi: August 26, 2025

Directors' Report

The Directors of the Company take pleasure in presenting the Directors' Report together with the Company's audited annual financial statements for the year ended June 30, 2025. The Directors' Report, prepared under Section 227 of the Companies Act, 2017 ("the Act") will be put forward to the members at the 59th Annual General Meeting of the Company to be held on September 29, 2025.

Principal Activities of the Company

The Company is engaged in the manufacturing and sale of automotive, motorcycle and energy storage batteries and their allied products.

Operating Results

The operating results of the Company are summarized as follows:

| | 2025 | 2024 |
|---|-----------------------|-----------|
| | ---Rupees in '000'--- | |
| Profit before income tax, final tax and revenue tax | 625,292 | 2,170,370 |
| Less: Provision for taxation: | | |
| Current year income tax, final tax and revenue tax | 515,252 | 903,449 |
| Prior year | 2,512 | (14,623) |
| Deferred | 16,323 | (62,105) |
| | 534,087 | 826,721 |
| Profit after taxation | 91,205 | 1,343,649 |

Dividends and Appropriations

The directors have not recommended any cash dividend of the year ended June 30, 2025 (Cash Dividend 2024: Rs.20.00 per share).

| | 2025 | 2024 |
|--|-----------------------|---------|
| | ---Rupees in '000'--- | |
| Appropriations | | |
| Final Cash Dividend @ nil (2024: 200%) | - | 700,341 |
| Total | - | 700,341 |

Earnings Per Share

The basic and diluted earnings per share after tax is Rs.2.60 (2024: Rs. 38.37 per share).

Holding Company

Shirazi Investments (Private) Limited, incorporated in Pakistan, is the holding company of Atlas Battery Limited owning 58.86% shares of the Company.

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, 2025 government policies, its impact on Company's business and future prospects. The Directors endorse the contents of the Chairman's review.

Board of Directors and its Committees

Board of Directors

The total number of directors are 7 as per the following:

| | | |
|-----|--------|---|
| (a) | Male | 6 |
| (b) | Female | 1 |

The Board comprises of one executive, four non-executive directors and two independent directors (including one female director).

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.

As required by the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Code 2019"), Audit Committee also met with external auditors and Head of Internal Audit in the absence of management. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) attended all the four meetings held during the year, by invitation.

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 Committee consists of three members, of whom one is executive and two are non-executive directors. The Chairperson of the Committee is an independent female director.

Meeting of the Board and its Committees

During the year, five meetings of Board of Directors (BOD), four meetings of Audit Committee (AC) and one meeting of Human Resource and Remuneration Committee (HRRC) 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 | DLS * | Status | ED * | ID * | Committee Members | | Attendance | | |
|---------|-----------------------|-------|--------------------------------|------|------|-------------------|------|------------|-----|------|
| | | | | | | AC | HRRC | BOD | AC | HRRC |
| 1. | Mr. Aamir H. Shirazi | 5 | Re-elected w.e.f. May 21, 2023 | No | No | - | - | 5/5 | - | - |
| 2. | Mr. Bashir Makki | 1 | Re-elected w.e.f. May 21, 2023 | No | No | √ | √ | 5/5 | 4/4 | 1/1 |
| 3. | Mr. Fahd K. Chinoy | 3 | Re-elected w.e.f. May 21, 2023 | No | No | √ | - | 5/5 | 4/4 | - |
| 4. | Ms. Mehreen Amin | 1 | Re-elected w.e.f. May 21, 2023 | No | Yes | - | √ | 3/5 | - | 1/1 |
| 5. | Mr. Sanaullah Qureshi | 1 | Elected on May 21, 2023 | No | Yes | √ | - | 4/5 | 3/4 | - |
| 6. | Mr. Toru Furuya | 1 | Re-elected w.e.f. May 21, 2023 | No | No | - | - | 5/5 | - | - |
| 7. | Mr. Ali H. Shirazi | 5 | Re-elected w.e.f. May 21, 2023 | Yes | No | - | √ | 5/5 | - | 1/1 |

* DLS (Directorship in Listed Companies); ED (Executive Directors); ID (Independent Directors)

Directors' Training Program

Five directors are certified Directors whereas two directors meet the criteria of exemption under clause 20(2) of the Code 2019 and are accordingly exempted from directors' training program. Details are as follows:

| Sr. No. | Name of Directors | Institution | Year |
|---------|-----------------------|--|----------------|
| 1. | Mr. Aamir H. Shirazi | Exempt | Not Applicable |
| 2. | Mr. Bashir Makki | Pakistan Institute of Corporate Governance | 2014-15 |
| 3. | Mr. Fahd K. Chinoy | Pakistan Institute of Corporate Governance | 2017-18 |
| 4. | Ms. Mehreen Amin | Pakistan Institute of Corporate Governance | 2020-21 |
| 5. | Mr. Sanaullah Qureshi | Exempt | Not Applicable |
| 6. | Mr. Toru Furuya | University of Lahore | 2015-16 |
| 7. | Mr. Ali H. Shirazi | Pakistan Institute of Corporate Governance | 2013-14 |

Board's 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. The key areas of evaluation are 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.

Annual evaluation questionnaire developed in conformity with the Code 2019 and global best practices is circulated to the Directors for performance evaluation.

Strict level of confidentiality is exercised by the Company Secretary upon receipt of completed questionnaires. These are then evaluated to identify areas that require improvement and highlight differences of opinion, if any.

Statement of Directors' Responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting framework of the Securities and Exchange Commission of Pakistan (SECP) and the Code 2019 for the following matters:

- (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 and the requirements of the Act have been duly followed in preparation of the financial statements. Any departure thereof has been adequately disclosed and explained.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls continues as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- (f) There are no significant 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 Code 2019 and listing regulations of the Pakistan Stock Exchange.

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.

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.21.7 million to Atlas Foundation.

Contribution to National Exchequer

The Company contributed Rs.8.3 billion towards the National Exchequer on account of various government levies, taxes and import duties in the year under review. Payment of these taxes amounts to 23.5% of net sales value of the Company. Further, the Company's exports for the year amounted to USD 2.4 million (Rs.610 million), playing a significant role in the overall exports of the country.

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. It contains guidelines for interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

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

Management Committee

The Management Committee comprises of senior management headed by Chief Executive Officer (CEO), which 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 CEO 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. CEO 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.

Remuneration of executive and non-executive directors is approved by the Board, as recommended by the Human Resource and Remuneration Committee. The Company does not pay any remuneration to non-executive and independent directors except fees for attending the meetings of the Board and its committees. For information on remuneration of directors and CEO, please refer notes to the financial statements.

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, 2025 is as follows:

| | Rupees in Million |
|------------------|-------------------|
| - Provident Fund | 144.4 |
| - Gratuity Fund | 304.6 |

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, 2025 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 Officer, Chief Operating Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and other executives (as defined by the Board).

Main trends and factors likely to affect the future development, performance and position of the Company business

While there has been no fundamental change in our battery technology, however, new applications and more demanding uses are emerging. For instance, lithium-ion and VRLA batteries usage are becoming increasingly important. To grow faster and remain competitive, the Company is adhered to adopt these relevant technologies, which will significantly impact the future performance and position of the Company's business.

Corporate Social Responsibility

The Company considers social, environmental and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. A detailed discussion on corporate social responsibility can be found in the sustainability section of this annual report.

Health, Safety and Environment

We strongly believe in maintaining the highest standards in health, safety and environment (HSE) to ensure the well-being of the people who work with us as well as of the communities where we operate. The impact of the Company's business on the environment are presented in the sustainability section of this annual report.

Strategic Objectives on ESG

The Board is actively involved and strongly backs the Company's ESG initiatives. The Company's dedication lies in integrating ESG considerations seamlessly into its strategy. This supports long-term growth, mitigates risks, and cultivates a foundation of trust with stakeholders. The Company's strategic goals encompass eco-friendliness, societal obligations and proficient governance. We are resolute in diminishing carbon footprints, safeguarding resources, promoting usage of green energy and handling waste materials in an environment friendly manner. The Company's focal points include promoting diversity, ensuring employee welfare and actively participating in the community. The Company's decision-making is steered by ethical behavior, openness, transparency and prudent risk management. A detailed discussion on ESG can be found in the sustainability section of this annual report.

Material Changes

There have been no material changes since June 30, 2025 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.

Statement of Value Addition and Distribution

The "Statement of Value Addition" is annexed to this annual report.

Principal Risks and Uncertainties

The report on principal risks and uncertainties, is presented in the 'Risk and Opportunity Report' which is annexed to this annual report and the same is duly endorsed by Board of Directors.

Business Continuity Plan

As part of Business Continuity Plan, remote disaster recovery sites have been adequately set up for maintaining backup server and data in case our primary server encounters any issues.

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 has recommended their re-appointment as Auditors of the Company and their remuneration for the year ending June 30, 2026. Subsequently, Board of Directors has recommended re-appointment as Auditors of the Company and their remuneration for the year ending June 30, 2026.

Communication

Annual, half yearly and quarterly reports are distributed amongst shareholders within the time specified in the Act. The Company also has a web site, www.abl.atlas.pk containing up to date information on Company's activities, financial reports and notices / announcements.

For and on behalf of the
BOARD OF DIRECTORS



Sanauallah Qureshi
Director

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 26, 2025

کمپنی کے قانونی آڈیٹرز

موجودہ آڈیٹرز، میسرز سٹائن ونگ حمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس اپنے عہدے کی میعاد پوری کر چکے ہیں اور اہلیت کی بنیاد پر خود کو تفرری کے لیے دوبارہ پیش کر رہے ہیں۔ کمپنی کی آڈٹ کمیٹی نے ان کی 30 جون 2026 کو مکمل ہونے والے سال کے لیے بطور کمپنی آڈیٹرز دوبارہ تفرری اور ان کے معاوضے کی تجویز دی ہے، بعد میں بورڈ آف ڈائریکٹرز نے ان کی 30 جون 2026 کو مکمل ہونے والے سال کے لیے بطور کمپنی کے آڈیٹرز دوبارہ تفرری اور ان کے معاوضے کی تجویز دی ہے۔

مراسلت

کمپنیز ایکٹ 2017 میں واضح کردہ وقت کے مطابق حصص داران کو سالانہ، ششماہی اور سہ ماہی رپورٹس ارسال کی گئی ہیں۔ کمپنی کی ویب سائٹ www.abl.atlas.pk ہے۔ جہاں کمپنی کی تمام سرگرمیاں، مالیاتی گوشوارے اور نوٹس / اعلانات وغیرہ موجود ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے



علی انجم شیرازی
پریذیڈنٹ / چیف ایگزیکٹو

بورڈ آف ڈائریکٹرز کے لیے اور جانب سے



شاء اللہ قریشی
ڈائریکٹر

کراچی: 26 اگست 2025

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

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 اوریکل ای آر پی (Oracle ERP) سسٹم استعمال کر رہی ہے۔ الیکٹرونک دستاویزات تک رسائی کے لیے جامع نظام تشکیل دیا گیا ہے جس تک رسائی کے لیے خطیہ ہند سے درکار ہیں۔ ریکارڈز کو برقرار رکھنے کے لیے پالیسی موجود ہے تاکہ دستاویزات کی حفاظت اور دوبارہ رسائی کو یقینی بنایا جاسکے۔

شیئر ہولڈنگ کا پٹرن

30 جون 2025 کے مطابق شیئر ہولڈنگ کا پٹرن اس رپورٹ کے ساتھ منسلک ہے۔

اس سال کے دوران ڈائریکٹرز، ایگزیکٹوز اور ان کے شریک حیات اور نابالغ بچوں نے کمپنی کے حصص میں کوئی لین دین نہیں کیا ہے۔ سوائے اس کے جو حصص داران کے پٹرن میں درج ہیں۔ ایگزیکٹوز سے مراد چیف ایگزیکٹو آفیسر، چیف آپریٹنگ آفیسر، چیف فنانس آفیسر، ہیڈ آف انٹرنل آڈٹ، کمپنی سیکریٹری اور دیگر ایگزیکٹوز ہیں (بورڈ کی وضاحت کے مطابق)۔

مستقبل میں کمپنی کی ترقی، کارکردگی اور کاروباری صورتحال پر اثر انداز ہونے والے ممکنہ رجحانات اور عوامل

اگرچہ ہماری بیڑی کی ٹیکنالوجی میں کوئی بنیادی تبدیلی نہیں آئی ہے تاہم، نئی ایپلی کیشنز اور زیادہ توجہ طلب استعمال دیکھنے میں آرہے ہیں۔ مثال کے طور پر، پیٹھیم آئن اور VRLA کا استعمال اہمیت اختیار کرتا جا رہا ہے۔ تیزی سے ترقی کرنے اور مسابقتی برتری قائم رکھنے کے لئے، کمپنی ان متعلقہ ٹیکنالوجیز کو اپنانے پر عمل پیرا ہے جو کمپنی کے کاروبار کی مستقبل کی کارکردگی اور کاروباری صورتحال پر نمایاں اثر ڈالیں گی۔

کارپوریٹ سماجی ذمہ داری

کمپنی مجموعی کاروباری ماحول کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات پر اپنی توجہ مرکوز رکھتی ہے۔ کمپنی تمام اسٹیک ہولڈرز، بالخصوص، اس کمیونٹی کے بہترین مفاد میں کام کرنے کے لیے پُر عزم ہے جس میں ہم رہتے ہیں اور اپنا کسٹمر تین تشکیل دیتے ہیں۔ کارپوریٹ سماجی ذمہ داری پر تفصیل اس سالانہ رپورٹ کے سسٹین ایبلٹی کے حصے میں ملاحظہ کی جاسکتی ہے۔

صحت، حفاظت اور ماحولیات

ہم صحت، حفاظت اور ماحولیات (HSE) میں اعلیٰ ترین معیارات کو برقرار رکھنے پر پختہ یقین رکھتے ہیں تاکہ ہمارے ساتھ کام کرنے والے لوگوں کے ہمراہ ان کیونٹریز کی فلاح و بہبود کو یقینی بنایا جائے جہاں ہم کام کرتے ہیں۔ ماحولیات پر کمپنی کے کاروبار کے اثرات اس سالانہ رپورٹ کے سسٹین ایبلٹی کے حصے میں پیش کیے گئے ہیں۔

ESG پر حکمت عملی کے مقاصد

بورڈ فعال طور پر کمپنی کے ESG اقدامات کی بھرپور حمایت کرتا ہے۔ کمپنی ESG کے تحفظات کو بغیر کسی رکاوٹ کے اپنی حکمت عملی میں شامل کرنے کے لئے پُر عزم ہے۔ یہ طویل مدتی ترقی کی حمایت کرتا ہے، خطرات کو کم کرتا ہے، اور اسٹیک ہولڈرز کے ساتھ اعتماد کی بنیاد کو فروغ دیتا ہے۔ کمپنی کی حکمت عملی کے اہداف ماحول دوست طرز عمل، سماجی ذمہ داری اور مؤثر انتظام پر محیط ہیں۔ ہم ماحول سے کاربن کو کم کرنے، وسائل کی حفاظت، سبز توانائی کے استعمال کو فروغ دینے اور صنعتی فضلے کو ماحول دوست طریقے سے تلف کرنے کے لئے پُر عزم ہیں۔ کمپنی کے بنیادی مقاصد میں تنوع کو فروغ دینا، ملازمین کی فلاح و بہبود کو یقینی بنانا اور کمیونٹی میں فعال طور پر حصہ لینا شامل ہے۔ کمپنی کے فیصلے اخلاقی رویوں، صاف گوئی، شفافیت اور خطرے کے محتاط انتظام سے رہنمائی لے کر کئے جاتے ہیں۔ ESG پر تفصیلی بحث اس سالانہ رپورٹ کے سسٹین ایبلٹی اور کارپوریٹ گورننس کے حصے میں ملاحظہ کی جاسکتی ہے۔

قابل ذکر اہم تبدیلیاں

30 جون 2025 سے اس رپورٹ کی تیاری تک 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۔

ایئمنٹ برائے ویلیو ایڈیشن اور ڈسٹری بیوشن اس رپورٹ کے ساتھ ”ایئمنٹ برائے ویلیو ایڈیشن“ منسلک ہے۔

بنیادی خطرات اور غیر یقینی صورتحال

بنیادی خطرات اور غیر یقینی صورتحال سے متعلق رپورٹ کو ریسک اینڈ اپروچ پر رپورٹ میں پیش کیا گیا ہے جو اس سالانہ رپورٹ کے ساتھ منسلک ہے اور بورڈ آف ڈائریکٹرز کی طرف سے اس کی باقاعدہ توثیق کی گئی ہے۔

کاروباری تسلسل کا منصوبہ

کاروباری تسلسل کے منصوبے کے حصے کے طور پر، ہمارے بنیادی سرور کو کسی بھی مسئلے کا سامنا ہونے کی صورت میں بیک اپ سرور اور ڈیٹا کو برقرار رکھنے کے لیے ریموٹ ڈیزاسٹر ریکوری سائنس کو مناسب طریقے سے ترتیب دیا گیا ہے۔

کمپنی نے زیر جائزہ سال کے دوران حکومتی خزانے میں بطور محصولات اور دیگر درآمدی ڈیوٹیوں کی مددیں 8.3 بلین روپے ادا کیے۔ یہ ٹیکس ادائیگی کمپنی کی خالص فروخت کا 23.3 فیصد ہے۔ مزید برآں رواں سال کمپنی کی برآمدات 2.4 بلین امریکی ڈالر (610 بلین روپے) تک پہنچ گئیں، جس نے ملک کی مجموعی برآمدات میں اہم کردار ادا کیا۔

ضابطہ اخلاق

کمپنی کا ضابطہ اخلاق متعدد اخلاقی اقدار سے متعلق رہنما اصولوں کو فروغ دیتا ہے جن میں مفادات کا تضادم، ملازمین کے حقوق اور دھوکہ دہی جیسے امور شامل ہیں۔ یہ ضابطہ کمپنی کے امور کی انجام دہی کے لیے دیانت داری، راستبازی اور صاف گوئی کی حوصلہ افزائی کرتا ہے۔ یہ ضابطہ اخلاق اسٹیک ہولڈرز بشمول صارفین، سپلائرز، حصص داران اور شراکت داروں کے ساتھ باہمی تعلقات کے لیے رہنما اصول بھی وضع کرتا ہے۔

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

انتظامی کمیٹی

انتظامی کمیٹی سینئر مینٹینین پر مشتمل ہے جس کے سربراہ چیف ایگزیکٹو آفیسر (CEO) ہیں، کمیٹی اس بات کو یقینی بناتی ہے کہ مستعد اور موزوں فیصلہ سازی کو ممکن بنانے کے لیے کمپنی میں باقاعدہ نظام بنایا جائے اور اسے لاگو کیا جائے۔ یہ آئیٹنٹ سٹج پر چیف ایگزیکٹو کے لیے مشاورت کا کام انجام دیتے ہوئے کاروباری امور اور دیگر کارپوریٹ افیئرز 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 دیے جانے والے امور کی مناسبت سے تشکیل دی جاتی ہیں 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 دیئے جانے والے تمام فیصلوں اور ہدایات سے مناسب طریقے سے مطلع کیا جائے اور ان پر عملدرآمد ہو۔

ڈائریکٹرز کے معاوضے کی اہم خصوصیات

بورڈ آف ڈائریکٹرز نے کمپنی کے معاملات میں ان کی ذمہ داری کے لحاظ سے ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کے لیے ایک پالیسی کی منظوری دی ہے۔ یہ معاوضہ ان کی ذمہ داریوں اور مہارت کے مطابق ہے جو کامیابی کے ساتھ کمپنی کی قیادت اور ان سے کمپنی کی قدر میں اضافے کی حوصلہ افزائی کے لیے درکار ہے۔

ایگزیکٹو اور نان ایگزیکٹو ڈائریکٹرز کے معاوضے کی منظوری انسانی وسائل اور معاوضہ کمیٹی کی تجویز پر بورڈ کے ذریعے دی جاتی ہے۔ کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس کے علاوہ نان ایگزیکٹو اور خود مختار ڈائریکٹرز کو کوئی معاوضہ ادا نہیں کرتی، جیسا کہ انسانی وسائل اور معاوضہ کمیٹی نے تجویز کی ہے۔ ڈائریکٹرز اور سی ای او کے معاوضے کی معلومات کے لیے براہ مہربانی مالیاتی گوشواروں کے نوٹس کا جائزہ لیں۔

ملازمین کو سکدوشی پر ملنے والے فوائد

کمپنی اپنے ملازمین کے لیے مندرجہ ذیل میں سے کسی ایک طریقے کے مطابق وضع کردہ شراکت داری کا پلان پیش کرتی ہے:

- تسلیم شدہ پروویڈنٹ فنڈ؛ یا
- رضا کارانہ پنشن سسٹم قواعد 2005 کے تحت رضا کارانہ پنشن اسکیمیں، اٹلس پنشن فنڈ اور اٹلس پنشن اسلامک فنڈ جو کہ اٹلس ایسیٹ مینجمنٹ لمیٹڈ (متعلقہ پارٹی) کے زیر انتظام ہیں۔

تمام نئے آنے والے ملازمین کو صرف رضا کارانہ پنشن اسکیم کی پیشکش کی جاتی ہے۔ تاہم ایسے ملازمین جو پروویڈنٹ فنڈ ٹرسٹ کے ممبر ہیں انہیں اختیار حاصل ہے کہ وہ مندرجہ بالا بیان کردہ کسی بھی اسکیم کا حصہ بن سکتے ہیں۔ کمپنی اپنے مینجمنٹ ملازمین کے لیے نان کنٹریبیوٹری گریجویٹ فنڈ اسکیم بھی پیش کرتی ہے۔ انویسٹمنٹ کی مالیت غیر پڑتال شدہ اکاؤنٹس کی بنیاد پر مورخہ 30 جون 2025 تک مندرجہ ذیل ہے:

| تفصیلات | روپے بلین میں |
|--------------|---------------|
| پروویڈنٹ فنڈ | 144.4 |
| گریجویٹ فنڈ | 304.6 |

بورڈ کے نگرانی کے کردار اور اس کے مؤثر ہونے کا جائزہ ایک مستقل عمل ہے، جس کی جانچ خود بورڈ کی جانب سے کی جاتی ہے۔ بورڈ کی جانچ پڑتال کے بارے میں ایک تفصیلی سوالنامہ مرتب کیا گیا ہے جو ہر سال ان کے تاثرات کے لیے ڈائریکٹرز کے درمیان تقسیم کیا جاتا ہے اور بعد ازاں مرتب شدہ نتائج بورڈ کے اجلاس میں، اس پر نظر ثانی اور مناسب کارروائی کے لیے پیش کیے جاتے ہیں۔ جانچ پڑتال کے اہم شعبے درج ذیل ہیں:

(الف) بورڈ کی تشکیل اور اس کا مؤثر ہونا

(ب) بورڈ کمیٹیوں کی حدود و خال سازی اور ان کے کردار

(ج) وٹن / مشن کی منصوبہ بندی اور کارپوریٹ ماحول کی تشکیل

(د) معلومات تک رسائی اور خطرے کا جائزہ

(ه) فرائض اور ذمہ داریوں کی کارکردگی

(ی) کمپنی کی انتظامیہ سے تعلقات

(ے) چیئرمین کا کردار اور خود اپنی کارکردگی کا جائزہ

کوڈ 2019 اور عالمی بہترین طریقوں کے مطابق تیار کردہ سالانہ تشخیص کا سوالنامہ کارکردگی کے جائزے کے لئے ڈائریکٹرز کو ارسال کیا جاتا ہے۔ پُر شدہ سوالنامے کی وصولی پر کمپنی سیکرٹری کی جانب سے سخت رازداری سے کام لیا جاتا ہے، اس کے بعد ان شعبوں کی نشاندہی کرنے کے لئے ان کا جائزہ لیا جاتا ہے جن میں بہتری کی ضرورت ہو اور اختلاف رائے، اگر کوئی ہو، کو نمایاں کیا جاتا ہے۔

ڈائریکٹرز کی ذمہ داریوں کا بیان

ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے دیئے گئے کارپوریٹ اینڈ فنانس رپورٹنگ فریم ورک اور کوڈ 2019 کی مندرجہ ذیل معاملات میں تعمیل کی تصدیق کرتے ہیں:

(الف) کمپنی کی جانب سے تیار کردہ مالیاتی گوشوارے، اس کے معاملات کی حالت، آپریٹنگ نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلی کی نشاندہی منصفانہ طور پر کر رہے ہیں۔

(ب) کمپنی کی جانب سے اکاؤنٹس کی کتب باقاعدہ درست انداز میں مرتب کی گئی ہے۔

(ج) مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا متواتر اطلاق اور اکاؤنٹنگ کا تخمینہ معقول اور دانشمندانہ فیصلے کے مطابق کیا گیا ہے۔

(د) مالیاتی گوشوارے کی تیاری میں ایسے بین الاقوامی فنانس رپورٹنگ اسٹینڈرڈز اور ایکٹ کے تقاضوں پر عمل کو یقینی بنایا گیا ہے، جو پاکستان میں لاگو ہیں اور ان میں کسی بھی انحراف کو مناسب طور پر ظاہر اور واضح کیا گیا ہے۔

(ه) اندرونی کنٹرول اور رسک مینجمنٹ کا نظام بہترین اور مؤثر انداز میں مرتب اور لاگو کرتے ہوئے اس کی مانٹرنگ کی جاتی ہے۔ یہ ایک ایسا مستقل عمل ہے جس کا مقصد کنٹرولز کو مزید مضبوط کرنا اور نظام میں بہتری لانا ہے۔

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

(ے) کارپوریٹ گورننس کی اعلیٰ اقدار، جیسا کہ کوڈ 2019 اور پاکستان اسٹاک ایکسچینج کے لسٹنگ قوانین میں تفصیل سے بیان کی گئی ہیں، سے کوئی انحراف نہیں ہوا ہے۔

کارپوریٹ گورننس کے طریقے

کمپنی کے بورڈ آف ڈائریکٹرز بہترین کارپوریٹ گورننس کے اصولوں پر عمل پیرا ہونے کے لیے پُر عزم ہیں۔ اس کے فروغ کے لیے کمپنی کے سینئر مینجمنٹ سرگرم عمل ہیں۔ اسٹیک ہولڈرز اس بات کی توقع رکھتے ہیں کہ کمپنی کو مناسب نگرانی میں کامیابی کے ساتھ آگے بڑھایا جائے، اس سلسلے میں کمپنی کے امور کو چلانے کے لیے مستعد اور مؤثر اندرونی کنٹرول اور رسک مینجمنٹ پالیسیاں موجود ہیں، اثاثہ جات کی حفاظت کی جائے، قوانین اور ریگولیشنز کی تعمیل کی جائے اور بین الاقوامی مالیاتی رپورٹنگ کے معیار کے مطابق درست مالیاتی گوشوارے پیش کیے جائیں۔

عطیات

کمپنی کی پالیسی ہے کہ وہ اپنے گزشتہ سال کے قبل از ٹیکس منافع کا 1 فیصد حصہ خیراتی اداروں کو دیتی ہے۔ رواں سال کمپنی نے ٹیکس فائونڈیشن کو 21.7 ملین روپے عطیہ کئے ہیں۔

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 ممبران پر مشتمل ہے، جو سب نان ایگزیکٹو ڈائریکٹرز ہیں۔ کمیٹی کا چیئر مین ایک خود مختار ڈائریکٹر ہے۔

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 ("ڈی کوڈ 2019") کے تقاضوں کے مطابق آڈٹ کمیٹی نے مینجمنٹ کی غیر حاضری میں بیرونی آڈیٹرز اور ہیڈ آف انٹرنل آڈٹ سے ملاقات کی۔ چیف ایگزیکٹو آفیسر اور چیف فنانس افسر نے سال کے دوران منعقد چاروں اجلاسوں میں، مدعو کیے جانے پر شرکت کی۔

انسانی وسائل اور معاوضہ کمیٹی

انسانی وسائل اور معاوضہ 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 اہم انسانی وسائل کے انتخاب، جانچ، معاوضے اور اہم انتظامی منتظمین کی جانچ کے لیے بورڈ کو معاونت فراہم کرتی ہے۔

کمیٹی تین ممبران پر مشتمل ہے جن میں سے ایک ایگزیکٹو ڈائریکٹر اور دو نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ کمیٹی کی چیئر پرسن ایک خود مختار خاتون ڈائریکٹر ہیں۔

بورڈ اور اس کی کمیٹیوں کا اجلاس

اس سال کے دوران بورڈ آف ڈائریکٹرز (BOD) کے پانچ اجلاس، آڈٹ کمیٹی (AC) کے چار اجلاس اور انسانی وسائل اور معاوضہ کمیٹی (HRRC) کا ایک اجلاس منعقد ہوا۔ ڈائریکٹرز کی حاضری اور تمام لسٹڈ کمپنیوں میں ان کی ڈائریکٹرشپس کی تعداد بشمول ٹلس بیئر لمیٹڈ مندرجہ ذیل ہے:

| نمبر شمار | ڈائریکٹرز کے نام | ڈائریکٹرشپ لسٹڈ کمپنیوں میں | ایگزیکٹو ڈائریکٹر اسٹیشن | ایگزیکٹو ڈائریکٹر ڈائریکٹر | خود مختار ڈائریکٹر | کمیٹی کی رکنیت | | حاضری | | |
|-----------|----------------------|-----------------------------|---------------------------------|----------------------------|--------------------|----------------|----|-------|----|-----|
| | | | | | | HRRC | AC | HRRC | AC | BOD |
| 1- | جناب عامر ایچ شیرازی | 5 | دوبارہ منتخب، اطلاق 21 مئی 2023 | نہیں | نہیں | - | - | - | - | 5/5 |
| 2- | جناب بشیر علی | 1 | دوبارہ منتخب، اطلاق 21 مئی 2023 | نہیں | نہیں | ✓ | ✓ | ✓ | ✓ | 5/5 |
| 3- | جناب فہد کے چنائے | 3 | دوبارہ منتخب، اطلاق 21 مئی 2023 | نہیں | نہیں | - | ✓ | - | ✓ | 5/5 |
| 4- | محترمہ مہرین امین | 1 | دوبارہ منتخب، اطلاق 21 مئی 2023 | نہیں | ہاں | ✓ | - | ✓ | - | 3/5 |
| 5- | جناب ثناء اللہ قریشی | 1 | منتخب 21 مئی 2023 | نہیں | ہاں | - | ✓ | - | ✓ | 4/5 |
| 6- | جناب تور دھورویا | 1 | دوبارہ منتخب، اطلاق 21 مئی 2023 | نہیں | نہیں | - | - | - | - | 5/5 |
| 7- | جناب علی ایچ شیرازی | 5 | دوبارہ منتخب، اطلاق 21 مئی 2023 | ہاں | نہیں | ✓ | - | ✓ | - | 5/5 |

DLS*(لسٹڈ کمپنیوں میں ڈائریکٹرشپ): ای ڈی (ایگزیکٹو ڈائریکٹرز)؛ آئی ڈی (خود مختار ڈائریکٹرز)

ڈائریکٹرز کا تربیتی پروگرام

پانچ ڈائریکٹرز پہلے ہی سند یافتہ ڈائریکٹرز ہیں جبکہ دو ڈائریکٹرز کوڈ 2019 کی شق (2) 20 کے تحت استثنیٰ کے معیار پر پورا اترتے ہیں اور اس کے مطابق ڈائریکٹرز کے تربیتی پروگرام سے مستثنیٰ ہیں۔ تفصیلات درج ذیل ہیں:

| نمبر شمار | ڈائریکٹرز کے نام | ادارے | سال |
|-----------|----------------------|--------------------------------------|---------------|
| 1- | جناب عامر ایچ شیرازی | مستثنیٰ | نا قابل اطلاق |
| 2- | جناب بشیر علی | پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس | 2014-15 |
| 3- | جناب فہد کے چنائے | پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس | 2017-18 |
| 4- | محترمہ مہرین امین | پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس | 2020-21 |
| 5- | جناب ثناء اللہ قریشی | مستثنیٰ | نا قابل اطلاق |
| 6- | جناب تور دھورویا | یونیورسٹی آف لاہور | 2015-16 |
| 7- | جناب علی ایچ شیرازی | پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس | 2013-14 |

ڈائریکٹرز کی رپورٹ

کمپنی کے ڈائریکٹر ذمہ داریت مسرت کے ساتھ 30 جون 2025 کو ختم شدہ سال کے لیے ڈائریکٹرز رپورٹ، کمپنی کے پڑتال شدہ سالانہ اسٹیٹمنٹ کے ہمراہ پیش کر رہے ہیں۔ ڈائریکٹرز کی رپورٹ کمپنی ریکٹ 2017 کے سیکشن 227 کے مطابق تیار کی گئی ہے جو کہ 29 ستمبر 2025 کو کمپنی کے 59 ویں سالانہ عام اجلاس میں اراکین کو پیش کی جائے گی۔

کمپنی کی مرکزی سرگرمیاں

کمپنی آٹو موٹو، موٹر سائیکل اور انرجی اسٹوریج بیٹریوں اور ان سے منسلک مصنوعات کی تیاری اور فروخت میں مصروف عمل ہے۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج کی مختصر تفصیل درج ذیل ہے:

| 2024 | 2025 |
|----------------------------|----------------------------|
| ---- (روپے '000' میں) ---- | ---- (روپے '000' میں) ---- |
| 2,170,370 | 625,292 |
| 903,449 | 515,252 |
| (14,623) | 2,512 |
| (62,105) | 16,323 |
| 826,721 | 534,087 |
| 1,343,649 | 91,205 |

قبل از ٹیکس منافع

محصولات کے لیے فراہمی:

- موجودہ سال کا اکٹم ٹیکس، جتنی ٹیکس اور آمدنی پر ٹیکس
- پچھلے سال
- مؤخر

بعد از ٹیکس منافع

ڈیویڈنڈز اور تفرقات

ڈائریکٹرز نے 30 جون 2025 کو ختم شدہ سال کے لئے کوئی ڈیویڈنڈ تجویز نہیں کیا ہے۔ (کیش ڈیویڈنڈ 2024: 20.00 روپے فی شیئر)

| 2024 | 2025 |
|----------------------------|----------------------------|
| ---- (روپے '000' میں) ---- | ---- (روپے '000' میں) ---- |
| - | 700,341 |
| - | 700,341 |

تفرقات

فائل کیش ڈیویڈنڈ بحساب Nil% (2024: 200%)

ٹوٹل

فی حصص آمدنی

بعد از ٹیکس بنیادی اور ڈیویڈنڈ آمدنی فی حصص 2.60 روپے (سال 2024: 38.37 روپے) فی حصص رہی۔

ہولڈنگ کمپنی

شیرازی انویسٹمنٹس (پرائیویٹ) لمیٹڈ، پاکستان میں قائم شدہ کمپنی، ٹلس بیٹری لمیٹڈ کی ہولڈنگ کمپنی ہے جس کے پاس کمپنی کے 58.86 فیصد حصص ہیں۔

چیئر مین کا جائزہ

چیئر مین کا جائزہ سالانہ رپورٹ میں شامل ہے جو کہ 30 جون 2025 کو ختم شدہ سال میں کمپنی کی کارکردگی، حکومتی پالیسیاں اور مستقبل کے امکانات کا احاطہ کرتا ہے۔ ڈائریکٹرز اس جائزے کے مندرجات کی توثیق کرتے ہیں۔

بورڈ آف ڈائریکٹرز اور اس کی کمیٹیاں

بورڈ آف ڈائریکٹرز

مندرجہ ذیل کے مطابق ڈائریکٹرز کی کل تعداد سات ہے:

(a) مرد 6

(b) خاتون 1

بورڈ میں ایک ایگزیکٹو ڈائریکٹر، چار نان ایگزیکٹو ڈائریکٹرز اور دو خود مختار ڈائریکٹرز شامل ہیں (بشمول ایک خاتون ڈائریکٹر)۔

آپریٹنگ نتائج

مالی سال 2025 کے دوران آپ کی کمپنی نے مالی سال 2024 کے 4.15 بلین روپے کے مقابلے میں 35.2 بلین روپے کی فروخت حاصل کی، جو 15.1 فیصد کم ہے۔ اس کی بنیادی وجوہات میں صارفین کی طلب کا بھاری بیڑیوں سے درمیانے سائز کی بیڑیوں کی طرف منتقل ہونا ہے جس کی بدولت کم آمدنی حاصل ہوئی اور ساتھ ہی قیمتوں اور رعایتوں کی شدید مسابقت اور حریف کمپنیوں کے مقابلے میں غیر روایتی قیمتوں کے فرق نے بھی کردار ادا کیا۔ فروخت کی لاگت 31.2 بلین روپے رہی جو گزشتہ سال کے 35.5 بلین روپے کے مقابلے میں 12.1 فیصد کم ہے، جو سیکلرکس اور حجم کے مطابق ہے۔ اس کے نتیجے میں مجموعی منافع 3.961 بلین روپے رہا جو گزشتہ سال کے 5.935 بلین روپے کے مقابلے میں 33.3 فیصد کم ہے۔

آپریٹنگ اخراجات 2.161 بلین روپے رہے جو گزشتہ سال کے 2.058 بلین روپے کے مقابلے میں 5 فیصد زیادہ ہیں۔ آپریٹنگ منافع گزشتہ سال کے 3.790 بلین روپے کے مقابلے میں 52.1 فیصد کم کے بعد 1.814 بلین روپے ہو گیا۔ مالیاتی لاگت 1.619 بلین روپے سے کم ہو کر 1.188 بلین روپے ہو گئی۔ شرح سود میں کمی، کم انوینٹری اور کم تجارتی قرضوں کی سطح کے باعث قرضوں پر کم دباؤ اس کی وجہ بنا۔

قبل از ٹیکس منافع گزشتہ سال کے 2.170 بلین روپے کے مقابلے میں 71.2 فیصد کم کے بعد 625 بلین روپے رہے۔ ٹیکس کی مد میں 534 بلین روپے (زیادہ تر کم از کم ٹیکس کی بنیاد پر) فراہم کرنے کے بعد، بعد از ٹیکس منافع 91 بلین روپے رہا جو گزشتہ سال کے 1.344 بلین روپے کے مقابلے میں 93.2 فیصد کم ہے۔ فی شخص آمدنی گزشتہ سال کے 38.37 روپے کے مقابلے میں کم ہو کر 2.6 روپے رہی۔

قومی خزانے میں حصہ

آپ کی کمپنی نے زیر جائزہ سال کے دوران مختلف سرکاری محصولات، ٹیکسوں اور درآمدی محصولات کی مد میں قومی خزانے میں 8.3 بلین روپے کا حصہ ڈالا۔ ان ٹیکسوں کی ادائیگی کمپنی کی خالص فروخت کا 23.5 فیصد ہے۔ ٹیکس گروپ نے، جس کی یہ کمپنی ایک جزوی رکن ہے، قومی خزانے میں گروپ کی خاطر خواہ شراکت میں اہم کردار ادا کیا، جس کے نتیجے میں ٹیکس گروپ کو ملک کے بڑے ٹیکس دہندگان میں شامل ہونے کا اعزاز حاصل ہوا۔

مستقبل کے خدوخال

پاکستان کی معاشی اور مالیاتی صورتحال میں بہتری کے ساتھ ساتھ استحکام کے رجحانات میں مسلسل اضافہ دیکھنے میں آ رہا ہے۔ آئی ایم ایف پروگرام کے تحت جاری اصلاحات، بیرونی کھاتوں میں بہتری اور افراط زر میں کمی نے مالیاتی پالیسی میں نرمی اور بتدریج ترقی کی گنجائش پیدا کی ہے۔ آگے چل کر، اس معاشی بحالی کو برقرار رکھنے کے لیے پالیسیوں کا تسلسل نہایت اہم ہوگا۔ اس کے لیے محتاط مالیاتی نظم و ضبط کے ساتھ برآمدات، زراعت اور مینوفیکچرنگ جیسے اہم شعبوں میں با مقصد اقدامات کی ضرورت ہوگی۔ صارفین کی قوت خرید میں کمی اور کم دو لپچ کے بیڑی سے چلنے والے پلانسنز کی بڑھتی ہوئی دستیابی کی وجہ سے مارکیٹ کی طلب بتدریج بھاری سے درمیانی اور درمیانی سے ہلکی بیڑیوں کی جانب منتقل ہو رہی ہے۔

ان چیلنجز کے باوجود، آپ کی کمپنی صورتحال سے فائدہ اٹھانے کے لیے پوری طرح تیار ہے اور مناسب منافع کو یقینی بنانے کے ساتھ ساتھ مارکیٹ شیئر برقرار رکھنے کے لیے پُر امید ہے۔ HSE، پیداواری عمل، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈیولپمنٹ کے لیے مختص اسٹارٹ اپس کا رول باری کار کردگی کو بڑھاتا رہے گا۔

اعلیٰ معیار اور بعد از فروخت سروس سے فائدہ اٹھاتے ہوئے آپ کی کمپنی نے علاقوں اور برآمدی منڈیوں کی تلاش کے ذریعے مارکیٹ میں بہتر رسائی کے لیے کوششیں جاری رکھے گی۔ لاگت کو کم کرنا اور معیاری مصنوعات کو برقرار رکھنا آپ کی کمپنی کی توجہ کا مرکز رہے گا۔ ان مقاصد کو حاصل کرنے کے لیے، "ٹیکس وے" آپ کی کمپنی کے کاروباری فلسفے کے رہنما اصول بنے رہیں گے۔

— پیوستہ رہ شجر سے، امید بہار رکھ

اظہار تشکر

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی ایما، پر تمام ایسوسی ایٹس اور ہر سطح کے مینجمنٹ اسٹاف کا شکریہ ادا کرنا چاہوں گا، جنہوں نے مستقل مزاجی، انٹھک محنت اور لگن کے ساتھ اپنی ذمہ داریاں نبھائیں۔

میں اس موقع پر اپنے جوائنٹ وینچر پارٹنر IGS Yuasa انٹرنیشنل لمیٹڈ جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بینکار، فروخت کار (ویٹرز) اور صارفین کا ان کی مسلسل حمایت اور رہنمائی کے لیے تہدول سے شکریہ ادا کرتا ہوں۔ میں آپ کی کمپنی کے پریزیڈنٹ اور چیف ایگزیکٹو آفیسر جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا بھی دلجمعی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔

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عامر ایچ شیرازی
چیئرمین

کراچی 26 اگست 2025

چیمبر میں کا جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2025 کو ختم ہونے والے مالی سال کے لیے آپ کی کمپنی کی 59 ویں سالانہ رپورٹ مع آڈیٹرز رپورٹ پیش کر رہا ہوں۔

معیشت

بہتر مالیاتی نظم و نسق، مستحکم بیرونی پوزیشن اور زیادہ چکدار مالیاتی پالیسی کی بدولت پاکستان کی معیشت میں استحکام اور بحالی کے آثار نظر آئے۔ نتیجتاً، جی ڈی پی میں 2.7 فیصد اضافہ ہوا۔ زرمبادلہ کے ذخائر میں بھی بہتری آئی، جس میں اسٹیٹ بینک کی مارکیٹ سے خریداریوں اور بین الاقوامی شراکت داروں کی جانب سے سرمائے کی آمد نے مدد دی۔ آئی ایم ایف کے تعاون سے جاری پروگرام کے تحت کی گئی استحکام کی ان کوششوں نے درمیانی مدت کی معاشی بحالی کی بنیاد فراہم کی۔

بیرونی محاذ پر، محتاط مانیٹری اور مالیاتی پالیسیوں کے مثبت نتائج برآمد ہوئے۔ مالی سال 2025 میں کرنٹ اکاؤنٹ میں 2.1 بلین امریکی ڈالر کا اضافہ ریکارڈ کیا گیا، جو مالی سال 2024 میں 0.7 بلین امریکی ڈالر کے خسارے کے مقابلے میں نمایاں بہتری کی عکاسی کرتا ہے۔ اس بہتری کی بڑی وجہ ملازمین کی ترسیلات زر میں 27 فیصد اضافہ تھا، جو بڑھ کر 38.3 ارب ڈالر تک پہنچ گئیں، جبکہ برآمدات میں بھی 4.2 فیصد کا متوازن اضافہ دیکھنے میں آیا۔ زرمبادلہ کے ذخائر 19.2 بلین امریکی ڈالر تک پہنچ گئے، جس میں دو طرفہ فرقوں کی آمد اور رول اوورز نے اہم کردار ادا کیا، اور اس سے روپے۔ ڈالر کی شرح مبادلہ کو مستحکم رکھنے میں مدد ملی۔ رسد کی بہتر صورتحال اور ہائی ٹیس ایپلیکٹ کی بدولت جون 2025 تک افراط زر کم ہو کر 3.2 فیصد کی سطح پر آگئی، جس کے نتیجے میں اسٹیٹ بینک نے پالیسی ریٹ کو کم کر کے 11 فیصد کر دیا۔ مالیاتی محاذ پر، ایف بی آر کی آمدنی 26 فیصد اضافے کے بعد 11.7 ٹریلین روپے ہو گئی، جو سال بہ سال مستحکم کارکردگی کی عکاس ہے۔ مجموعی طور پر، مسلسل معاشی استحکام اور سرمایہ کاروں کے اعتماد میں بہتری نے PSX 100 انڈیکس کو ریکارڈ بلند سطح پر پہنچا دیا، جو 140,000 پوائنٹس سے تجاوز کر گیا۔

مالی سال 2025 کے دوران زرعی شعبے میں 0.6 فیصد کی معمولی نمو دیکھنے میں آئی، اور ملک کی مجموعی ترقیاتی پیداوار (GDP) میں اس شعبے کا حصہ 24 فیصد رہا۔ یہ سال زرعی پیداوار کے لیے خاصا مشکل ثابت ہوا۔ خراب موسمی حالات اور زبردست رقبے میں کمی کے باعث بڑی فصلوں کی پیداوار میں 13.5 فیصد کمی واقع ہوئی۔ تاہم، دیگر فصلوں اور لائیو اسٹاک کے شعبے میں بالترتیب 4.78 فیصد اور 4.72 فیصد کی شرح سے بہتری آئی، جس نے مجموعی نقصان کا ازالہ کر دیا۔ اس کارکردگی کو زرعی قرضوں تک بہتر رسائی، تصدیق شدہ بیجوں کے بڑھتے ہوئے استعمال اور کھاد کی زیادہ کھپت نے مزید تقویت دی۔

میڈیکل سیکٹر کے شعبے میں بہتری کے آثار دیکھنے میں آئے، جس نے مجموعی صنعتی ترقی کی 4.77 فیصد شرح میں اپنا حصہ ڈالا۔ چھوٹے پیمانے کی پیداوار نے بہتر کارکردگی دکھائی اور بڑے پیمانے کی پیداوار (LSM) میں کمی کے اثرات کو کسی حد تک کم کیا۔ خاص طور پر 22 میں سے 12 شعبوں میں اضافہ ریکارڈ کیا گیا، جن میں آٹوموبائل، ٹیکسٹائل، دوا سازی اور پیٹرولیم مصنوعات شامل ہیں۔

آٹوموبائل انڈسٹری کا جائزہ

مالی سال 2025 کے دوران پیداوار اور فروخت میں قابل ذکر اضافے کے باعث آٹوموبائل کی صنعت نے بحالی ظاہر کی۔ آٹوموبائل میں وسیع پیمانے پر یہ بحالی کم ہوتی افراط زر، شرح سود میں کمی اور بہتر فنانسنگ کے آپشنز کے ساتھ ایک مستحکم معاشی ماحول کے باعث ممکن ہوئی۔ نتیجتاً، مالی سال 2025 کے دوران مقامی طور پر تیار شدہ کاروں کی فروخت مالی سال 2024 میں فروخت شدہ 81,579 یونٹس کے مقابلے میں 38 فیصد اضافے کے بعد 112,203 یونٹس تک پہنچ گئی۔ اسی طرح ٹرکوں اور بسوں کی فروخت میں گزشتہ سال کے مقابلے میں 98 فیصد اضافہ ہوا۔ تاہم، بریکٹر کے شعبے میں 36 فیصد کمی دیکھنے میں آئی اور فروخت 29,192 یونٹس رہی جو گزشتہ سال 45,911 یونٹس تھی۔ موٹر سائیکلوں اور تین پہیہ گاڑیوں (کے اسمبلرز جو PAMA کے ساتھ رجسٹرڈ ہیں) کی فروخت مالی سال 2025 کے دوران گزشتہ سال کی اسی مدت میں فروخت شدہ 1,150,112 یونٹس کے مقابلے میں 32 فیصد اضافے کے بعد 1,518,752 یونٹس تک پہنچ گئی۔

بیٹری کی صنعت

پاکستان کی بیٹری انڈسٹری نے زیر جائزہ مدت کے دوران ملی بجلی کارکردگی برقرار رکھی۔ شرح سود میں کمی اور انویسٹری کی بہتر دستیابی کے باعث آٹوموبائل میں ہونے والی بتدریج بحالی نے او ای ایم (OEM) کی طلب میں اضافہ کیا۔ اس کے برعکس، متبادل مارکیٹ میں طلب کم رہی کیونکہ مہنگائی سے متاثرہ آمدنی نے قوت خرید کو محدود کر دیا۔ اس دوران گھریلو اور صنعتی شعبوں میں شمسی توانائی میں بڑھتی ہوئی سرمایہ کاری کے باعث ٹال اور ٹیوبلر بیٹریوں کی طلب میں معتدل اضافہ دیکھا گیا۔ مزید برآں، قیمت کے حوالے سے محتاط صارفین نے بھاری سے درمیانے سائز کی بیٹریوں پر منتقل ہونا شروع کیا جس کے نتیجے میں انڈسٹری میں قیمت اور ڈسکاؤنٹ کے لئے مسابقت مزید بڑھ گئی۔

پاکستان کی بیٹری انڈسٹری دو بڑے حصوں میں تقسیم ہے، منظم اور غیر منظم شعبہ۔ منظم شعبہ مارکیٹ کی تقریباً 90 فیصد طلب کو پورا کر رہا ہے جبکہ باقی ماندہ طلب غیر منظم شعبے اور درآمدات سے پوری کی جا رہی ہے۔ آپ کی کمپنی نمایاں مارکیٹ شیئر رکھتی ہے اور اسے برقرار رکھنے کے لیے معیار پر سمجھوتہ نہ کرنے، جدید مصنوعات متعارف کروانے اور مؤثر بعد از فروخت سروس فراہم کرنے کے لیے پُر عزم ہے۔

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.

Complying with the Laws

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 advice 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's Message on Sustainability

I am pleased to present the 12th Sustainability Report of Atlas Battery Limited ("the Company"), reflecting our resolute commitment to Environmental, Social and Governance (ESG) initiatives. This report exemplifies our dedication to serving our country, community and society at large through sustainable practices.

Amidst a constantly evolving economic and business environment, the Company actively promotes technology and sustainability-based innovations. We firmly believe that energy storage holds substantial potential to mitigate green-house gas emissions by efficiently storing electricity generated from both conventional and renewable energy sources.

Minimizing our environmental impact and conserving resources remains paramount. Through the adoption of water recycling plant, we have reduced our water usage and carbon footprint and 36.9 million US gallons of water has been saved. Additionally, our 510 KW solar power installation, generating 784.7 MWh of clean energy is a testament to our commitment, generating eco-friendly renewable energy. The Company diligently implements an Energy Management System to ensure optimal energy usage.

Amidst the economic challenges, the Company remained dedicated to redefining sustainability, ensuring our enduring success and contributing positively to the global community.

Our core values of integrity, excellence and respect will continue to steer us towards driving positive change. In our commitment to continuous improvement, we have reassessed our ESG priorities and are actively working to integrate them more comprehensively into our broader sustainability strategy.

Finally, we would like to acknowledge our joint venture partner GS Yuasa Japan, employees, stakeholders, business partners and associates for their continued support in making 2024-25 a year of accomplishment.

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 26, 2025

SUSTAINABILITY

SUSTAINABILITY DEVELOPMENT GOALS

At the United Nations General Assembly in September 2015, the Sustainable Development Goals (SDGs) were adopted for the purpose of establishing a sustainable society across the world through community development, environmental protection and inclusive economic growth. The timeline for these UN SDGs runs from 2016 until 2030. As a responsible corporate citizen, we aim to take account the relevant SDGs in how we run our business by prioritizing actions on the goals where our business activities can have the biggest impact.



| Goals | Description | Page No |
|---|---|------------------|
| No Poverty | GOAL 1: No Poverty | 116 |
| Zero Hunger | GOAL 2: Zero Hunger | 116 |
| Good Health and Well-being | GOAL 3: Good Health and Well-being | 96 |
| Quality Education | GOAL 4: Quality Education | 93, 116 |
| Gender Equality | GOAL 5: Gender Equality | 95, 102 |
| Clean Water and Sanitation | GOAL 6: Clean Water and Sanitation | 89 |
| Affordable and Clean Energy | GOAL 7: Affordable and Clean Energy | 89 |
| Economic Growth | GOAL 8: Economic Growth | 116 |
| Industry, Innovation and Infrastructure | GOAL 9: Industry, Innovation and Infrastructure | 106, 111 |
| Reduced Inequalities | GOAL 10: Reduced Inequalities | 109 |
| Sustainable Cities and Communities | GOAL 11: Sustainable Cities and Communities | 90, 116 |
| Responsible Consumption and Production | GOAL 12: Responsible Consumption and Production | 89 |
| Climate Action | GOAL 13: Climate Action | 90 |
| Life Below Water | GOAL 14: Life Below Water | 89, 90 |
| Life on Land | GOAL 15: Life on Land | 91 |
| Peace, Justice and Strong Institution | GOAL 16: Peace, Justice and Strong Institution | 91, 97, 106, 110 |
| Partnerships for the Goals | GOAL 17: Partnerships for the Goals | 91 |



E in ESG refers to the environmental aspects of a Company's operations and practices. It involves evaluating how a company interacts with and impacts the natural world. Sustainability revolves around the environment, which has been integrated into corporate values. Atlas Battery Limited ("the Company") duly complies with the environmental laws and is continuously working to improve the environmental management system.



S in ESG stands for the social aspects of a Company's actions. This involves how the Company treats its employees, communities and other stakeholders. The Company aims to prioritize the health, wellness and education of people, and promotes a healthy work-life balance for its associates. The Company's social responsibility is fulfilled by following relevant laws and guidelines and by managing its social, economic and environmental impacts effectively.



G in ESG relates to the governance structure, policies, and practices that guide a Company's decision-making processes. At Atlas Battery, effective governance ensures accountability, transparency, and ethical behavior throughout the organization. Our Board of Directors oversees strategic direction and management, ensuring decisions benefit all stakeholders. We uphold high standards of integrity through robust internal controls, risk management and regulatory compliance. Our comprehensive policies prevent conflicts of interest, promote diversity and inclusion and ensure fair treatment. By maintaining open and honest communication with shareholders, we build trust and achieve sustainable long-term growth.



ESG DISCLOSURES

As we continue to advance on our sustainability journey, we recognize the critical importance of ESG factors in shaping the future of our business. The Company is committed to ESG principles not only underscores our dedication to responsible corporate citizenship but also positions us to create long-term value for all our stakeholders.

ESG reporting provides us with a competitive advantage by attracting and retaining investors, customers and employees who are increasingly interested in engaging with companies that prioritize sustainability. By fostering a culture of transparency, we build trust with our stakeholders and empower investors to make informed decisions about their engagement with our company.

Our ESG initiatives help us identify new opportunities for innovation and growth, enabling us to develop products and services that meet the evolving needs of a sustainable market. Through these efforts, we aim to further enhance operational efficiency, reduce costs and minimize our environmental footprint.

ADOPTION OF SECP'S ESG GUIDELINES

We have voluntarily adopted the SDGs. This section outlines our key ESG performance indicators reported during the period from July 2024 to June 2025, reflecting our ongoing commitment to voluntary guidelines set by the Securities and Exchange Commission of Pakistan (SECP). Together, we strive to achieve a positive impact on society and the environment while driving sustainable growth for the Company.

ROLE OF THE BOARD / ADDITIONAL RESPONSIBILITY TO THE AUDIT COMMITTEE

To strengthen governance around sustainability, the Board, during the year, has assigned the Audit Committee with additional responsibilities of sustainability related matters. This expanded mandate reflects our intent to embed sustainability into the core of our decision-making processes. The Committee will actively review ESG performance, assess compliance with emerging regulations and ensure alignment with Regulation 10A of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the holistic adoption of new sustainability related IFRS (S1 and S2) in upcoming years. This governance enhancement reinforces our commitment to transparency, accountability and long-term value creation.



FOUR PILLARS APPROACH TO ESG
(Governance, Strategy, Risk Management, Metrics & Targets)

- 1. Governance**

Our Board of Directors, with its diverse mix of independent, non-executive and executive members, provides strong oversight and strategic direction to the Company. We evaluate every decision through the lens of long-term value creation, balancing risks with opportunities to ensure sustainable growth.

We see ESG not as an obligation, but as a pathway to resilience and leadership. The Board is committed to reducing our carbon footprint, advancing renewable energy to the available extent, managing resources responsibly and promoting diversity, employee welfare and community well-being. These priorities are deeply embedded in the way we conduct business.

Robust governance remains central to our approach. Through the Audit Committee, the Board ensures effective risk management and internal controls. A dedicated HSE function strengthens compliance with global health, safety and environmental standards, reporting directly to the leadership. Regular reviews across departments allow us to act decisively and keep our risk profile aligned with evolving challenges.
- 2. Strategy**

We believe that true sustainability can only be achieved when operations are fully aligned with ESG principles. Our strategy focuses on reducing carbon footprint through energy-efficient technologies, renewable energy adoption, responsible waste management and water conservation. These priorities are embedded across our operations to balance growth with responsibility and create lasting impact. Further actions are outlined in the Environmental portion of this report.
- 3. Risk Management**

We operate under a comprehensive risk management framework designed to address key risks, including those arising from environmental and social factors. With a defined risk appetite, transparent reporting mechanisms and established methodologies, we strengthen strategic decision-making and safeguard shareholder value. A detailed discussion on risk management is presented in our Risk and Opportunity Report.
- 4. Metrics and Targets**

We are committed to setting measurable ESG goals and tracking progress with transparency. On a voluntary basis, we have adopted few metrics and targets in line with SECP's guidelines. These indicators steer our actions, strengthen accountability and reflect our determination to embed sustainability across every aspect of our business:

Environmental, Social and Governance (ESG) Metrics

| Category | Metric | Measurement Annual |
|---------------|--------------------------|--|
| Environmental | GHG Emissions | <ul style="list-style-type: none"> Carbon 22,358 metric ton (11% lesser than last year) Scope 1 CO2 equivalents 10,965 metric ton (14% lesser than last year) Scope 2 CO2 equivalents 11,393 metric ton (8% lesser than last year) |
| | Energy Usage | <ul style="list-style-type: none"> Total amount of energy directly consumed: 31.1 GWH Total amount of energy indirectly consumed is as follows: <ul style="list-style-type: none"> Natural Gas 52,841 MMBtu LPG 3,038,395 Liters Diesel 276,865 Liters |
| | Renewable Energy | <ul style="list-style-type: none"> Renewable energy installed: 510 KW Renewable energy produced: 784.7 MWH |
| | Water Usage | <ul style="list-style-type: none"> Total amount of water consumed: 97.09 Million USG Total amount of water recycled: 36.9 Million USG |
| | Environmental Operations | <ul style="list-style-type: none"> The Company follows a formal Environmental Policy. The Company uses a recognized Energy Management System (i.e. ISO 50001) |

| Category | Metric | Measurement Annual |
|----------|---|--|
| Social | Gender Pay Ratio | <ul style="list-style-type: none"> Ref. page no. 195 |
| | Employee Turnover | <ul style="list-style-type: none"> Ref. page no. 53 |
| | Gender Diversity | <ul style="list-style-type: none"> Total Female Director: 1 Total Male Directors: 6 |
| | Non-Discrimination | <ul style="list-style-type: none"> The Company has a sexual harassment and / or non-discrimination, diversity and anti-harassment policies. There is a confidential grievance, resolution, reporting and non-retaliation mechanism and procedure to address and respond to incidence of harassment and violence. The Company has 04 personnel being differently-abled in the workforce. |
| | Global Health & Safety | <ul style="list-style-type: none"> The Company follows an occupational health and / or global health & safety policy. |
| | Child & Forced Labor | <ul style="list-style-type: none"> The Company follows a child and / or forced labor policy and such policy also cover suppliers and vendors. |
| | Corporate Social Responsibility | <ul style="list-style-type: none"> Please refer page no. 90 and 116 |
| | Employee Training and Succession Planning | <ul style="list-style-type: none"> Number of training sessions held and employees trained are as follows: <ul style="list-style-type: none"> Skill Upgradation (Sessions:19; Employees Trained: 90) Soft Skills (Sessions: 10; Employees Trained: 50) Health and Safety Measures (Sessions: 29; Employees Trained: 305) |
| | Working Conditions | <ul style="list-style-type: none"> During the year, there is no complaint made by employees regarding working conditions. |
| | Injury Rate | <ul style="list-style-type: none"> Incidents are being calculated as Total Recordable Injury Rate (TRIR) TRIR during the year is 0.14. 100% of our employees / workers are covered with Health and Safety Insurance. |

| Category | Metric | Measurement Annual |
|------------|--------------------------|---|
| Governance | Board Diversity | <ul style="list-style-type: none"> Board seats occupied by men: 85.7% Board seat occupied by women:14.3% Committee chairs occupied by men: 50% Committee chair occupied by women: 50% |
| | Board Independence | <ul style="list-style-type: none"> CEO and Chairman are different persons. Total Board seats occupied by independent directors: 28.6% |
| | Supplier Code of Conduct | <ul style="list-style-type: none"> Our vendors and suppliers are required to follow a Code of Conduct. |
| | Ethics & Anti-Corruption | <ul style="list-style-type: none"> The Company's Code of Conduct deals with ethics and anti-corruption policy. 100% of our employees are compliant with the Company's Code of Conduct. |
| | Data Privacy | <ul style="list-style-type: none"> Please refer page no.106 |
| | Sustainability Reporting | <ul style="list-style-type: none"> Sustainability related information is reported in this annual report. |
| | Disclosure Practices | <ul style="list-style-type: none"> The Company focuses on specific UN Sustainable Development Goals (SDGs) mentioned on Sustainability Section of this report. |

SUSTAINABILITY RELATED RISKS IN THE SHORT, MEDIUM AND LONG TERM

The following are the sustainability related risks in the short, medium and long term horizon. These risks along with opportunities, sensitivity and mitigating factors are described in detail in our Risk and Opportunity report.

SHORT TERM

- Volatility in raw material prices and input cost due to supply chain disruptions.
- Non-compliance with evolving environmental regulations.

MEDIUM TERM

- Reputational risk from unmet sustainability targets / compliance gaps or challenges.

LONG TERM

- Climate change impacts on resource availability and compliance cost related to ESG.
- Increased regulatory pressures.

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 | ATLAS SYSTEMS |
|--|--|
| <ul style="list-style-type: none">• Corporate Governance• Respect, Recognition and Reward (3Rs)• Value of time• 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 | <ul style="list-style-type: none">• Management by Objectives (MBO) to align activities towards 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 |

ENVIRONMENTAL

Strategic Commitment to Sustainability and Operational Excellence

At the heart of our business strategy lies a clear and unwavering commitment: to operate responsibly, sustainably, and with a forward-thinking approach to Health, Safety, and Environmental (HSE) stewardship. Over the past year, we have continued to make meaningful investments in enhancing our operations—not just to meet compliance standards, but to lead by example in minimizing our environmental footprint.

Recognizing the global urgency for environmental resilience, we have prioritized initiatives that reduce energy and fuel consumption, minimize waste generation and optimize water recycling practices across our facilities. These efforts are not isolated projects; they are integrated into our operational DNA and aligned with our long-term sustainability objectives.

This dedication has yielded tangible results. Our organization has proudly maintained internationally recognized certifications from Bureau Veritas, validating our robust management systems:

- ISO 9001 – Quality Management System
- ISO 14001 – Environmental Management System
- ISO 45001 – Occupational Health & Safety Management System
- ISO 50001 – Energy Management System

Each certification serves as a benchmark of our proactive management approach, driven by continuous improvement, risk-based thinking, and a deep-rooted culture of responsibility.

As HSE leaders, we view these achievements not as endpoints, but as markers of our journey toward operational excellence and environmental leadership. They reflect the collective discipline, vigilance and innovation of our teams—qualities that ensure we remain resilient, efficient and trusted by our stakeholders.

Looking ahead, we remain committed to driving further improvements, embracing smarter technologies, and embedding sustainability deeper into our strategic roadmap—because safeguarding our people, our environment and our future is not just a priority; it is our purpose.

- **Material**

The Company in close collaboration with our partners at GS Yuasa, Japan, our Quality Assurance and Supply Chain teams have undertaken rigorous research and innovation to ensure that every material and formula we introduce is evaluated through the lens of environmental responsibility. This integrated approach has allowed us to significantly reduce our ecological footprint at the very foundation of our manufacturing process.

Guided by this commitment, we have introduced a series of technologically advanced battery solutions engineered not only for performance—but for a sustainable future:

- **Deep Cycle Batteries:** Designed for long backup durations, these are ideal for solar energy systems and UPS setups, supporting cleaner, renewable energy applications.
- **Open Top and Sealed Maintenance-Free (SMF) Batteries:** Manufactured using calcium plate technology and PE envelope separators, these products deliver enhanced safety, extended life cycles and lower maintenance needs—aligning with our goal of waste reduction and user safety.
- **SP Tall Batteries:** Developed to serve the high-demand heavy-duty battery segment, these products demonstrate our commitment to innovation without environmental compromise
- **Battery Tonic:** Our formulated distilled battery water meets precise TDS specifications tailored for battery-grade applications. By enhancing battery longevity, it contributes directly to waste minimization and product lifecycle efficiency.



- **Energy saving measures and energy conservation**

Company's part of our ongoing commitment to environmental stewardship and operational efficiency, the Company has invested in a 510-kW solar energy system, generating 784.7MWh of clean energy to date. This initiative has significantly reduced our reliance on conventional electricity, cutting greenhouse gas emissions and delivering measurable cost savings. Additionally, the installation of dedicated electricity lines has minimized the need for diesel generators, further reducing our carbon footprint and improving air quality across the facility.

Energy conservation efforts extend beyond infrastructure to include behavioral change. LED lighting has been deployed throughout shop floors to reduce energy consumption, while targeted awareness campaigns and regular training empower our associates to adopt energy-saving practices. Signage placed across the premises reinforces these behaviors, cultivating a culture of shared responsibility and continuous improvement in sustainability performance.



- **Water**

Recognizing that water is one of the most critical and limited resources of our time, the Company has taken decisive action to manage its usage responsibly and sustainably. Our associates are regularly trained through on-the-job sessions and awareness materials to reduce water consumption as part of their daily routines. At



the core of our water stewardship efforts is a state-of-the-art Waste Water Treatment Plant (WWTP), custom-designed by GS Yuasa, which ensures that all wastewater generated within our operations is treated to the highest environmental standards.

To take this commitment further, we have implemented an advanced Water Recycling Plant (WRP), incorporating both Ultra-Filtration and Reverse Osmosis Units. This system enables us to recover treated wastewater and convert it into usable process water, closing the loop on water usage. In the past year alone, we successfully recycled 36.9 million US gallons of water—an achievement that not only conserves natural resources but also underscores our strategic vision for a circular and sustainable operation.



- *Air*

The Company has implemented a comprehensive set of measures aimed at reducing air pollution and controlling atmospheric emissions. A key focus has been minimizing the use of diesel generators by leveraging alternate energy sources—most notably solar—resulting in a significant reduction in greenhouse gas emissions. Complementing these efforts, we have developed a green belt through tree plantation around the factory perimeter, serving as a natural air filter and contributing to improved ambient air quality.



Internally, we have invested in advanced air control technologies to ensure a clean and safe work environment. These include dust collectors, spot cooling systems, scrubbers, and a robust fresh air ventilation and circulation system—each playing a vital role in removing airborne contaminants and maintaining indoor air quality. Collectively, these initiatives reflect our forward-looking vision to not only comply with environmental standards but to proactively lead in shaping a healthier, more sustainable industrial ecosystem.



- *Biodiversity*

The factory is located in SITE industrial area, with high biodiversity value and has significant 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. As part of our biodiversity conservation efforts, we have developed and continue to maintain a green belt covering approximately 35,570 square feet directly opposite the factory premises. This initiative serves as a living demonstration of our dedication to environmental regeneration, carbon absorption, and local habitat preservation.



- *Society*

The Company remains steadfast in its commitment to creating shared value by actively contributing to the communities in which we operate. Our Corporate Social Responsibility (CSR) initiatives are designed not only to address immediate civic needs but also to promote long-term environmental and social well-being. This year, we focused our efforts on projects that directly enhance urban sustainability, public safety, and community aesthetics.

Key initiatives included green belt restoration, road rehabilitation, and curbstone painting, all aimed at improving



local infrastructure and environmental appeal. We also undertook road median plantation to support urban greening efforts and conducted nullah cleaning to ensure effective drainage and reduce the risk of flooding.

- *Tree Plantation*



As part of our commitment to urban greening and community well-being, the Company undertook a significant landscaping and beautification project along the road median from our factory to Ghani Chowrangi. This initiative not only enhanced the visual appeal of the route but also contributed to environmental restoration and improved air quality.



Central to the project was the planting of 74 Neem tree saplings, chosen for their resilience, shade provision, and air-purifying qualities. By integrating aesthetic improvement with ecological benefits, we have created a sustainable green corridor that will serve the community for years to come—demonstrating how industrial presence and environmental stewardship can thrive side by side.

- *Wastages*



The Company ensures that factory waste is disposed of responsibly by partnering with waste contractors approved by the Sindh Environmental Protection Agency (SEPA). These vendors are fully compliant with all relevant environmental regulations, further demonstrating the Company's commitment to sustainable practices and environmental stewardship.

- *Transport*



The Company prioritizes Health, Safety, and Environmental (HSE) considerations in its transportation management. This includes implementing rigorous safety protocols for transporting materials, reducing emissions through efficient logistics planning, and ensuring that all transportation activities comply with environmental regulations. These measures help to minimize the Company's carbon footprint and enhance overall safety for employees and the community.

SOCIAL



Financial Health

Our main concentration is to bring the best quality batteries with high level of sustainability, effective 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*

“The Atlas Way” is the guiding principle for talent acquisition and its management at Atlas Battery Limited, which emphasizes on integrity, merit, experience and skill set as core competencies. We continuously invest in our associates, strengthen their technical capabilities, leadership skills and behavioral aspects to make our human capital a competitive advantage. Our optimum goal is to Recruit, Retain and Retire.

We show respect to our associates and treat them fairly by positively influencing their lives. We teach and encourage them to serve their Country, Company and Community in the most ethical ways and become socially responsible citizens. We strongly believe that our associates are our competitive advantage and their motivation and development is the backbone of a sustainable and progressive Company.

The Company is actively engaged in acquiring talent by using different channels like social media, recruitment consultants and liaison with a prestigious academic institution of the country to reach out to talented individuals and dedicated professionals and bring quality human resources on board.

- *Succession Planning*

The Company realizes the importance of succession planning and believes in development of potential talent to acquire future leadership roles. 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 high potential associates. 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.

- *Merit Based Recruitment*

Atlas Battery Limited is committed to a transparent and merit-driven recruitment process that upholds the principles of equal opportunity and fair assessment. Candidates are selected on the basis of their qualifications, relevant skills, and alignment with the role's requirements. Vacancies are filled through a well-designed process that includes a series of panel interviews to ensure objectivity. The company actively collaborates with leading academic institutions to identify and attract young talent. By maintaining merit-based hiring practices, Atlas Battery fosters a diverse and capable workforce that reflects our values of integrity, excellence, and inclusion.

- *Performance Based Appraisal System*

Atlas Battery Limited has a structured performance appraisal system that is closely aligned with measurable KPIs to ensure fairness and clarity in evaluating employee contributions. The company adopts a Management by Objectives (MBO) approach, setting clear performance goals across all levels to drive accountability and results.

Performance reviews are conducted on both half-yearly and annual basis, providing employees with timely, objective, and constructive feedback. Career progression, including promotions and developmental opportunities, is driven by individual performance, future potential, and alignment with the company's core values and behaviors. This approach reinforces a culture of accountability, continuous improvement, and excellence across all levels of the organization.

- *Reward and Motivation*

At Atlas Battery, we are committed to creating a culture where performance is recognized, and employees feel valued and motivated. Our annual performance bonus, linked to the company's overall financial performance, ensures that employees are rewarded in line with organizational success. We continue to promote innovation and collaboration through our Quality Circles Convention, where employees present impactful improvement initiatives. Recognition also extended through our internal newsletter, at both company and group levels, showcasing individual and team achievements. Long service awards honor employees' enduring commitment, while career development is support through targeted local and foreign training programs. These initiatives reflect our belief that motivation stems not only from rewards, but also from opportunities for growth, recognition, and meaningful contribution.

- *Career & Organization Development*

At our organization, high performers are identified through performance review and abilities demonstrating their potential. In line with Atlas Group's motto, "Organizational Development Through Self Development" these associates are offered a rich and multifaceted growth journey that includes in house and external training both local and international, cross functional exposure through internal and intercompany transfers and engaging in meaningful projects. To further enhance motivation and engagement, roles are enriched and rotated that give greater autonomy, responsibility, and task variety, and deepening their sense of ownership and purpose. This comprehensive framework not only supports continuous skills development and innovation but also reinforces a corporate culture where creativity thrives, career pathways are clearly defined and talent is both nurtured and retained.

- *IT Integration with Human Resources*

As part of our commitment to accelerate our journey towards digital transformation, the Company has implemented Oracle HCM Cloud, one of the most advanced and globally recognized Human Capital Management systems available today. The company has strategically adopted this state-of-the-art ERP solution to digitize and streamline our core HR functions. This integration enables us to a more data-driven approach, supporting timely, informed, and strategic decision-making. The system has enhanced our ability to manage talent, track

performance, and align workforce planning with broader business objectives, ultimately contributing to a more agile and future-ready HR function.

- *Training and Development*



Education and training of staff is the hallmark of the 'Atlas Culture'. Trainings comprise both technical and soft skills. During the reporting year, trainings on various topics were conducted including Leadership Grid, Data Analytics, Cyber Security Awareness, Digital Marketing, Emotional Intelligence, Professional Industrial Automation, Sustainable Productivity Practices, AI for Leadership, Human Resource Management & Industrial Relations, Maintenance Management and Operational Excellence and Occupational Health and Safety. Moreover, the Company is part of a comprehensive program of Atlas Group with Lahore University of Management Sciences (LUMS), where participants attend a diploma program in management excellence, with the objective to prepare young and potential leaders for the changing business environment and associated challenges. Financial support is also provided to support associates for higher education.

Regarding technical trainings, the Company associates participated in trainings related to areas of production, engineering, quality control, and in addition, various specialized departmental trainings including supply chain management, treasury, corporate affairs, taxation, etc. were also organized. Moreover, 4 associates have attended training programs organized by AOTS Japan during the year. Altogether 445 personnel benefited from in-house trainings, while 37 personnel enhanced their skills set through external training programs.

Keeping in view the importance of continuous training and development of our associates, the Company has established a purpose-built in-house training center. Trainings are conducted by a pool of trained internal trainers, which include both classroom and practical training sessions at the shop floor. Human Resources division plays a vital role in the skills enhancement program of associates and promoting a learning culture.

Special emphasis is placed on frequent trainings and awareness sessions to develop and strengthen HSE culture at workplace, develop skills set of associates, well-being of associates by providing a safe and healthy work environment.



- *Employee Engagement*

The Company's commitment to its core values of Respect, Recognition, and Reward is reflected through a range of people-centric initiatives, including the presentation of Long Service Awards that honor the loyalty and dedication of our associates. Throughout the year, a variety of employee engagement activities are thoughtfully designed and implemented; ranging from personalized gestures such as birthday cakes and greeting cards delivered to associates' homes, to larger team-building events such as cricket tournaments, motivational dinners, and celebratory gifts for life events including marriages and childbirth. Farewell ceremonies are also organized to recognize the valuable contributions of retiring associates.

To cultivate a culture of operational excellence, associates are actively encouraged to take part in initiatives promoting HSE (Health, Safety & Environment), 5S workplace organization, and general discipline. These efforts empower employees to play a meaningful role in improving safety, efficiency, and overall workplace quality.

Keeping associates informed and connected remains a priority. A dedicated quarterly HR e-Newsletter serves as an internal communication platform, offering regular updates, insights, and highlights from across the organization, ensuring transparency, alignment, and continuous engagement.

The Company places strong emphasis on fostering work-life balance by discouraging unnecessary late sittings and encouraging adherence to official working hours. This approach promotes well-being, reduces stress, and allows associates to maintain a healthy focus between their professional responsibilities and personal lives.

Overall, these holistic initiatives not only support individual well-being but also strengthen organizational culture by enhancing motivation, collaboration and shared purpose among all associates.



- *Employer Branding*

As part of our commitment to talent development and future leadership, our company actively engages with universities through strong partnerships with their industrial liaison departments, offering internship opportunities across various functions. These internships provide students with valuable hands-on experience, while allowing us to identify emerging talent early.

Moreover, we regularly conduct industrial visits to give academic and early-career professionals first-hand exposure to our organization. These visits bridge the gap between classroom theory and real-world practices, helping participants grasp industry processes, safety protocols, and standards.

- *Management Trainee Program*

Our Management Trainee Program continues to serve as a key pipeline for developing future leaders. We carefully select high-potential graduates and invest in their structured development through cross-functional exposure, and specific training. Based on their performance and potential, these trainees are placed on an accelerated career path. This approach not only strengthens our leadership bench but also reinforces our long-term talent sustainability strategy.

- *Human Rights*

Human Rights of fellow workers and communities where we operate are respected and are part of our business culture. 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*

The Company intends 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, etc. helps in building local economies. The Company plans to be a part of the community for decades to come with long term plan and vision.

The Company encourages its associates to strive for education and where possible assists associates to pursue education at all levels. The Company provides competitive remuneration packages and a conducive work environment, to increase the quality of work and job satisfaction resulting in long-term employability and synergy affecting the Company's performance. Following is service matrix, which indicates employee retention for longer service:

| 5 to 10 Years | 11 to 20 Years | 21 Years & Above |
|---------------|----------------|------------------|
| 126 (59%) | 55 (26%) | 31 (15%) |

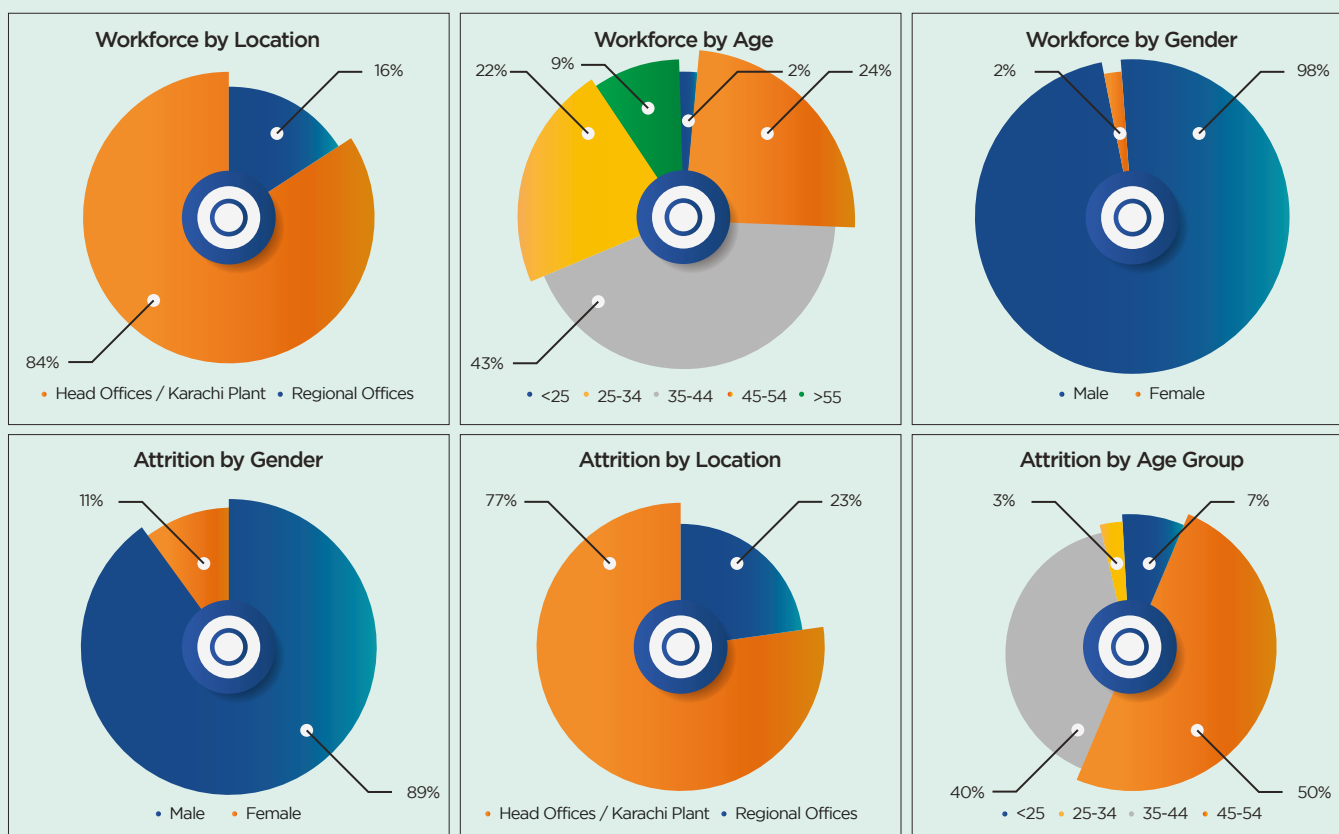
- *Supporting Diversity and Equal Opportunities*



The Company is committed to cultivating an inclusive environment grounded in merit-based, fair and nondiscriminatory practices, ensuring equal access to opportunities regardless of gender, physical ability, race, religion, sect, or ethnic background. Recognizing that a balanced mix of experienced and younger associates is essential for strong human resources and sustainable growth, we strive to integrate individuals representing diverse genders, generations, cultures, and identities into cohesive teams. This diversity fosters mutual respect, creativity, and collaboration, transforming our workplace into a synergy-driven environment where varied perspectives are not only welcomed—but expected.

For us, diversity and equal opportunity go well beyond compliance, they are a strategic imperative. By embedding these principles into our culture, we ensure that every associate is treated with dignity and respect, and that merit remains the guiding force behind professional development and organizational success.

Across our industry, attracting and retaining women at scale remains a significant challenge. At Atlas Battery, we are committed to changing this narrative. Our long-term vision is to substantially increase female representation within executive teams, while simultaneously embracing other vital dimensions of diversity, to build a leadership cohort that reflects true inclusion and excellence.



- Communication with Labor

The Company is committed to cultivating a work environment that upholds the principles of fairness and respect, where associates can perform their duties without fear of intimidation, reprisal, or harassment. We place great importance on safeguarding the rights of our associates to freely join unions and participate in collective bargaining, in accordance with the laws and regulations of 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



The Company firmly believes that safety is of paramount importance and that all injuries are preventable and can be avoided through careful precautions. With this in mind, “zero incidents” target is set and all associates diligently work towards achieving it. Thorough follow-ups and investigations of all incidents are conducted to assess and rectify root causes, which are reported to the organization’s senior management on a regular basis. Furthermore, associates are trained and encouraged to report ‘Near-Miss’ events, which enables the organization to identify the underlying causes and proactively implement corrective measures to drive continuous improvement.

ABL is fully committed to the following principles:

- Safeguarding and continuously enhancing the safety, health, and security of associates at all times.
- Equipping all associates and other interested parties with comprehensive information, training, and resources to enable them to effectively fulfill their HSE responsibilities.
- Diligently implementing all necessary measures to prevent and mitigate hazards to the well-being of associates and the integrity of property.
- Prioritizing environmental protection and pollution prevention through ongoing advancements in resource utilization and waste management strategies.
- Ensuring that all associates are well-versed with the Company’s HSE policy and practices.

- 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 480 people at a time that includes serving breakfast, lunch, dinner and tea to all associates.

Centralized time management system and time machines are installed at factory, all regional and zonal offices.

We ensure statutory compliance as per applicable laws with HSE certifications.

- First Aid Room

The Company has an in house First Aid Room to facilitate basic health care needs and also for any emergency situation occurring at the factory premises. The in-house First Aid Room is operated by qualified paramedics, who are available for 24 hours, 7 days a week. An ambulance is also in service at factory premises to cater any emergency.

The term '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 Board of Directors is ultimately responsible for organizing 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 Chief Executive Officer ("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, 2019 ("the Code 2019").

1. *Shareholders and General Meetings*

- Shareholders

As on June 30, 2025, the Company had 3,944 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. Further, policy ensures that grievances notified by the shareholders are handled and resolved efficiently; and record is maintained along with respective actions taken for resolution.

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 investor.relations@abl.atlas.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.
- During the year, the Company did not receive any investor complaints. As a result, there were no issues to address or resolve, reflecting a period of smooth operations and satisfaction among investors.

- Stakeholders' Engagement Policy, Process and Identification

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. By engaging stakeholders effectively, Company can build trust, manage risks, enhance their reputation and foster long-term sustainable relationships. This, in turn, can lead to better decision-making, improved performance and the creation of shared value for both the Company and its stakeholders.

The engagement process starts with the identification of stakeholders. The Company defines stakeholders as those who are potentially affected by the Company's operations or who have an interest in or influence on the Company's business. Stakeholders are identified and then prioritized on the basis of nature of relationship, influence, responsibility, dependency proximity and willingness & ability to engage. Consultation is then carried out with the identified stakeholders to gain input on topics which are of interest to stakeholders or which can significantly affect us.

| Stakeholders | Interests, Needs and Expectations / Industry Trends | Engagement Methods | How We Respond |
|--|---|--|--|
| Government and regulatory bodies | <ul style="list-style-type: none"> Generate economic growth through revenues, taxes and fees. Provide fair and transparent competitive trading conditions. | <ul style="list-style-type: none"> Regulatory reporting Conferences Dialogues | <ul style="list-style-type: none"> Tax payments Trade policy Pollution control Energy saving measures Employment Social and economic development |
| Dealers and consumers | <ul style="list-style-type: none"> Provide innovative partnerships for sustainable growth Provide quality products at good value Prompt after sales service Competitive prices | <ul style="list-style-type: none"> Site visits Questionnaires Dealers related events Sales conferences Service and warranty centers Website B2B Customer satisfaction survey | <ul style="list-style-type: none"> Product quality and safety Business ethics Human rights Renewable technology Service at doorstep Research |
| Associates | <ul style="list-style-type: none"> Backbone of our success A safe and best possible working environment Active engagement with associates improves level of dedication and hard work. | <ul style="list-style-type: none"> Meetings Employee survey Appraisal interviews Training programs Employee union Employee newsletter Key Result Areas (KRA) | <ul style="list-style-type: none"> Worker health and safety Job security Working conditions Career development Remuneration and rewards |
| Suppliers, vendors and service providers | <ul style="list-style-type: none"> Secure delivery of goods; and quality products and services Meet responsible sourcing requirements Provide fair access to business opportunities and appropriate payment conditions | <ul style="list-style-type: none"> Dialogue Regular engagement with local management on-site | <ul style="list-style-type: none"> Operational excellence Ethical business practices Compliance of tax laws On time payments |
| Shareholders / Investors / Analysts | <ul style="list-style-type: none"> Generate sustainable growth and shareholders' return Improve shareholders' capital Improve financial performance Support of shareholders is critical in achieving the Company objectives | <ul style="list-style-type: none"> Statutory reporting Meetings Website Corporate Briefing Sessions | <ul style="list-style-type: none"> Corporate governance Business performance Corporate responsibility Timely reporting |
| Local community and neighborhood | <ul style="list-style-type: none"> Provide support for local economic development Build trust with local communities | <ul style="list-style-type: none"> Workshops CSR Internships and management trainee programs | <ul style="list-style-type: none"> Community engagement processes Environment pollution control Job security Social investment |
| Banks | <ul style="list-style-type: none"> Negotiations of rates Smooth trade facilities | <ul style="list-style-type: none"> Meetings Interim and annual reports Financial analysis Forecast and projections | <ul style="list-style-type: none"> Better relationship Minimal fees Higher deposits Higher number of operations / transactions Suitable trade facilities |
| Media | <ul style="list-style-type: none"> Raise awareness of products Raise awareness of safety tips and operational use of products Interaction with media improves the Company's brand image. | <ul style="list-style-type: none"> Press releases Website Social media TVC Radio | <ul style="list-style-type: none"> Industry challenges and developments Healthy, safety and environmental issues |
| Industry partners | <ul style="list-style-type: none"> Improve business practices Build capacity within organization and drive peer approaches | <ul style="list-style-type: none"> Active involvement in organizations and associations e.g. PSX, ICAP, MAP, etc. | <ul style="list-style-type: none"> Long term industry challenges Human rights Health and safety |

- *General Meeting of Shareholders*

An Extraordinary General Meeting (EOGM) of shareholders elects the Members of the Board and the Board of Directors convenes the EOGM if they consider 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 and the distribution of profits. In addition, the AGM decides the appointment of external auditors and their remuneration. 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 was held on September 27, 2024 in Karachi. The shareholders adopted inter alia the following resolutions:

Ordinary Business

- That the Minutes of Annual General Meeting held on September 30, 2023 be and are hereby confirmed.
- That the Audited Annual Financial Statements for the year ended June 30, 2024 together with the Chairman's Review, Directors' and Auditors' Reports thereon be and are hereby adopted.
- That final cash dividend at the rate of 200% (Rs.20.00 per share) for the year ended June 30, 2024 be and is hereby approved for payment to those shareholders of the Company, whose names shall appear in the register of the members at the close of business on September 13, 2024.
- That the 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, 2025 as recommended by the Audit Committee and Board of Directors for an annual audit fee of Rs.2,200,000/-

Special Business

There was no special business.

Issues Discussed in Last AGM

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

Presence of the Chairman of the Audit Committee at the AGM

Audit Committee Chairman was available at the AGM to answer any questions on the Audit Committee's activities and related matters.

- *Encouraging Minority Shareholders to Attend General Meetings*

The Company values all shareholders equally and consider them an integral part of the Company. The Company sends the notice of general meetings to all shareholders in addition to the notice being published in Urdu and English newspapers. Further, to make attending general meetings more accessible, the Company offers the option of attending in person or remotely through virtual meeting platforms. This allows minority shareholders who are unable to attend physically to participate and contribute their views and opinions. The Company ensures that there is dedicated timeslot for questions and answers session in its general meetings so that the minority shareholders, in particular, can engage with the Board of Directors and raise any queries that they may have with regards to the Company's performance. This encourages a healthy attendance from the minority shareholders in the Company's meetings.

- *Corporate Briefing Session*

Understanding Stakeholders' Views Through Corporate Briefings Sessions

Company's shareholders comprise of a cross section of investors, which include, mutual funds, investment companies, brokerage houses, insurance companies, RDA shareholders, pension funds, high net worth individuals, housewives, professionals and individuals of varied requirements. The Company interacts with all categories of shareholders, through Corporate briefing session, PUCARS announcement and quarterly reports etc.

Summary of Corporate Briefing Session Conducted During the Year

In compliance with PSX requirements, the Company conducted Corporate Briefing Session on October 21, 2024. The briefing was well attended by analysts, shareholders and potential investors. The Chief Financial Officer (CFO) of the Company presented financial results, analysis, future prospects and challenges. CFO and Company Secretary also discussed all the queries raised by participants at a great length.

For more details on corporate briefing session, please refer the presentation delivered during the meeting, placed on our website link: <https://abl.atlas.pk/wp-content/uploads/2024/10/ABL-CBS-Presentation-21-10-2024.pdf>

- *Corporate Benefits to Shareholders*

Current year, shareholders benefited from significant value appreciation, with Company's stock price showing strong gains. Company also provided a robust dividend payout. These efforts demonstrate dedication to enhancing shareholder value and maintaining investor confidence.

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 consists of minimum of seven members elected by a General Meeting of shareholders. The Board elects a Chairman among its members. The Board's tasks and responsibilities are determined primarily by the Companies Act, 2017, the Company's Articles of Association, the Code 2019 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.;
- direct and supervise the Company's executive management;
- appoint and dismiss the CEO, decide CEO's remuneration and other benefits;
- monitor the financial reporting process and the efficiency and strength of the Company's internal control, internal auditing and risk management and compliance systems; and
- responsible for succession planning, ensuring a smooth transition of leadership within the Company. It identifies and develops potential successors for key positions, including CEO and other executive roles.

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.

- *Decisions and matters taken by the Board and delegated to management for execution*

The Board of Directors holds the ultimate authority within the Company and carries out its duties and responsibilities in line with relevant laws. The Directors' main role is to ensure that key management is working towards the Company's goals in a way that benefits both the Company and its shareholders.

The implementation of Board's approved strategies falls primarily to management. This responsibility encompasses routine business activities, including short-term investments, contractual agreements for sales and purchases, policy enforcement, treasury management, taxation matters, litigation, and stock management. Management must perform these tasks effectively and ethically, adhering to the strategic objectives and goals set by the Board, while also identifying and managing key risks and opportunities that may affect the Company.

Management is also tasked with keeping the Board informed about any changes in the business environment. Moreover, under the supervision of the Board and its Audit Committee, management is responsible for preparing financial statements that accurately reflect the Company's financial status in compliance with relevant accounting standards and legal requirements.

- Composition of the Board of Directors

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

The profile of Members of the Board is presented in shareholder information part 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 Code 2019.

- Roles and Responsibilities of Chairman

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 globally;
- Ensuring the appropriate recording and circulation of the minutes of the meeting to the 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 broad sense, including its relations with public organization and other companies; and
- Commitments and de-commitment of strategic investments.

- Significant Commitments of the Chairman

Mr. Aamir H. Shirazi, Chairman Atlas Battery Limited is also Chairman of Honda Atlas Cars, Atlas Honda, Atlas Engineering and Honda Atlas Power Products. He also serves on the Boards of Shirazi Investments (Group Holding Company), Shirazi Trading, Tri-Pack Films and Murree Brewery. He is also member of the Board of Governors of Lahore University of Management Science and member Syndicate, University of Engineering & Technology, Lahore.

He has been serving the Honorary Consul General of Japan in Lahore and is the Patron-in-Chief of Pakistan Japan Cultural Association, Lahore.

- 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 Code 2019, and rules and regulations of SECP and stock exchange and Company's Code of Conduct.

- *Board's 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.

- *External Evaluation of the Board's Performance*

The Company relies solely on its internal mechanisms to evaluate the Board's performance, choosing not to involve external experts.

- *Remuneration of the Board of Directors*

The Board has an approved formal policy for remuneration of executive and non-executive directors. The remuneration is commensurate with their level of responsibility and expertise needed to govern the Company successfully and to encourage value addition by them.

The Company does 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 is approved by the Board, as recommended by the Human Resource and Remuneration Committee.

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code 2019, it is ensured that directors do not take part in deciding their own remuneration.

For information on remuneration of directors and CEO for the current year, please refer to the financial statements.

- *Retention of Board Meeting fees*

Board meeting fees earned by the executive directors against their services as non executive directors in other companies are retained by them.

- *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.

- *Security Clearance of Foreign Director*

Every foreign Director who is on the Board of the Company is required to submit documents which are then submitted to Ministry of Interior for security clearance.

- *Board Meetings*

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

- *Independent Directors*

Mr. Sanaullah Qureshi and Ms. Mehreen Amin are serving as independent Directors. They meet the criteria of independence as notified under Companies Act, 2017 and the Code 2019.

- *Representation of Female Director on the Board*



The Company is fully compliant to the requirement of the Code 2019 to have at least one female member on Board i.e. Ms. Mehreen Amin.

- *Information related to Executive Director serving as Non-Executive Director in other Companies*

In addition to being the Chief Executive of Atlas Battery Limited, Mr. Ali H. Shirazi holds Non-Executive Directorship on the Board of the twenty companies.

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
- Plant
- Supply Chain
- Quality Assurance
- Engineering and Development
- Service and Business Development
- Human Resource
- Information Technology
- Finance

- Roles and Responsibilities of CEO

The CEO is responsible for reporting the Company's performance to the Board of Directors. He is also responsible for all matters pertaining to the operations of the Company under direction of the Board of Directors. His responsibilities include:

- To plan, formulate and implement strategic policies;
- To build and maintain amicable relations with governmental departments, trade associations and regulatory bodies;
- To ensure the achievement of productivity and profitability targets and that the Company operates efficiently;
- To ensure that the chain of command in the Company is clear to facilitate the maintenance of discipline, the roles and duties of all managers clearly define their functions to ensure accountability;
- To ensure that necessary coordination exists between various divisions of the Company to achieve smooth and effective operations;
- To 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 with in a timely manner;
- 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 date and obtain all refunds due from 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;
- Reviewing performance against budgets / targets, revenue and capital expenditure, profits, administration, commercial, personnel and other matters of importance to the Company;
- To ensure that open and progressive 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 his designation; career development is on merit basis and each associate is helped to develop his 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 welfare and training of the staff in accordance with the Company's policy and government regulations which are applicable from time to time;
- To maintain close liaison with the government, customers, suppliers and sales offices;
- To ensure proper functioning of the Management Committee of the Company of which he is the Chairman;
- To be responsible for publicity of the Company's products consistent with the Company's image and with a view to maximizing sales; and
- To ensure that the Company operates with minimum staffing and paperwork.

- 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 Committee consists of three members. All members of the Committee are non-executive directors. The Chairman of the Committee is an independent director. The detailed Charter of the Audit Committee is developed in accordance with the Code 2019 as contained in the listing regulations of the stock exchange which is summarize below:

- (a) determination of appropriate measures to safeguard the Company's assets;
- (b) review of quarterly, half yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- (c) review of preliminary announcements of results prior to publication;
- (d) 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);
- (e) review of management letter issued by external auditors and management's response thereto;
- (f) ensuring coordination between the internal and external auditors of the Company;
- (g) 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;

- (h) consideration of major findings of internal investigations and management's response thereto;
- (i) ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- (j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- (k) 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;
- (l) determination of compliance with relevant statutory requirements;
- (m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- (n) oversight of risk management; and
- (o) 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, of whom one is executive and two are non-executive directors. The Chairman of the Committee is an independent director.

The Committee is responsible for:

- carry out annual evaluation of the Board of Directors performance;
- recommending human resource management and remuneration policies to the Board;
- recommending to the Board the selection, evaluation, compensation and succession planning of the CEO;
- recommending to the Board the selection, evaluation, compensation of COO, CFO, Company Secretary and Head of Internal Audit; and
- 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 2019 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. The auditor is elected in Annual General Meeting 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.

- Governance of Risk and Internal Controls

The Company has various policies pertaining to governance of risk and internal controls, approved by the Board of directors / group. These include but not limited to related party transactions, gender diversity, whistle blowing, credit policy to dealers, IT governance policy and cyber security, etc. Such policies are implemented rigorously to ensure smooth business operations at all levels.

- 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. During the year, no alleged breaches of the Code of Conduct were reported.

- Technology and Innovation



The Company is well equipped with state-of-the-art information technology infrastructure and is committed to staying up-to-date in technological advancements. The Company fully utilized its technological advancement enabling associates to work from home, where necessary. Most of the meetings were held virtually by getting assistance from video link facility.

State of the Art Information Technology Infrastructure

The Company is equipped with a state-of-the-art information technology infrastructure that caters to the expanding requirements of the business. This includes incorporating innovative technologies and making continual improvements to enhance operations in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, human resources, etc.). We are also aligning business and IT to attain full advantage in a significant and persistent way for data management through ERP. Further, we are focused on B2C (Business to Customer), Business Continuity Plan (BCP), Business Process Reengineering (BPR), B2B (Business to Business) system, CMS (Claim Management System), WMS (Warehouse Management System), EnMS (Environment Management 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.

Entity Resource Planning (ERP)

• Management and Integration of Core Business Processes

The Company uses Oracle for its centralized data management needs. This helps Company to perform better and manage core business processes including finance, human resources and supply chain by provision of easy and real time access to information in decision making.

• Effective Implementation and Continuous Updation

The updation of ERP system is of key importance and Company timely upgrades its ERP system.

- **User Trainings**

Regular trainings are provided to associates to ensure that they use ERP system in efficient and effective manner.

- **Risk Factors on ERP Projects**

Regular system audits of ERP are being carried out. Appropriate testing is done before transporting any changes to live system which minimizes the chances of errors.



System Security, Access to Sensitive Data and Segregation of Duties

User rights are assigned on need basis. Whenever new rights are being assigned to a user, the need is being first assessed by the concerned Department Head. The request is then jointly reviewed by System Administrator. Finally, the request is approved by General Manager IT.

An authority matrix is being designed for monitoring the rights and access given to various users. The authority matrix is being reviewed by Internal Audit function as well as external third party on a regular basis.

- **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 & IT related Business Continuity Plan and identified the points of improvements.

- **Technology Transformation**

The Company has invested time and resources to technology transformation through 3Ds: Digital, Data, Direct. This includes online sales, digital marketing through social media, dealers' stock management through dashboards and warehouse management through barcode implementation.

With the fast change and advancement of technology, we understand the importance to keep ourselves aligned to advancements 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.

- **IT Governance Policy and Cybersecurity**

Board Responsibility Statement on the IT Systems / Controls and Compliance of Legal and Regulatory Requirements Regarding Data Privacy and Cyber Security

Information Technology (IT) governance is an integral part of corporate governance framework to ensure the alignment of IT strategy with business strategy, optimization of IT resources, IT value delivery and performance measurement to achieve business objectives and effective IT risk management implementation.

The Board of Directors acknowledges its responsibility to evaluate and enforce the legal and regulatory implications of cyber security and data privacy risks. It actively monitors and deals with any changes in laws and regulations related to cyber security including Copyright Ordinance, 1962 and Prevention of Electronic Crimes Act, 2016.

Board's Involvement In The Case of Any Breaches

In the event of any breaches or significant risks, the Board assumes the responsibility of ensuring appropriate actions are taken, in line with legal and regulatory requirements, to address and manage the situation effectively. During the year, there were no cyber security breaches.

IT Governance and Cybersecurity Programs, Policies and Procedures:

The Company maintains robust IT governance and cybersecurity programs, policies, and procedures which are approved by the Group, to safeguard its information assets and mitigate cyber threats. These programs are designed to align with industry-specific cybersecurity requirements and best practices. The Company regularly evaluates and updates these programs to address emerging risks and technological advancements. Our cybersecurity strategy encompasses proactive measures to anticipate, withstand, detect, and respond to cyber attacks, adhering to international standards and industry best practices.

Oversight of IT Governance and Cybersecurity Matters by a Board-Level Committee:

The Board of Directors through the Audit Committee oversees the level of acceptable IT risks and relevant controls which management exercises to put risks below the specified thresholds. An IT Steering Committee has been formulated from management with members from different functions of the Company. The Committee meets quarterly and provides advice and assistance to management in implementing IT strategy of the Company which includes Cyber Security Management. The Committee reports its findings to Audit Committee on regular intervals.

Early Warning System for Cybersecurity Risks and Incidents:

The Company has a robust early warning system that enables the identification, assessment, and timely communication of cybersecurity risks and incidents to the Board. This system facilitates preemptive monitoring and detection of potential threats, enabling prompt responses and appropriate disclosures. It includes mechanisms for continuous monitoring of IT infrastructure, regular security assessments, threat intelligence sharing, and incident reporting protocols.

Independent Comprehensive Security Assessment and Third-Party Risks:

The Company has a policy in place that mandates independent comprehensive security assessments of its technology environment, including evaluating third-party risks. These assessments are conducted periodically by external experts to evaluate the effectiveness of the Company's security controls, identify vulnerabilities, and recommend improvements.

Resilient Contingency and Disaster Recovery Plan:

The Company has developed and maintains a resilient contingency and disaster recovery plan to effectively respond to potential IT failures or cyber breaches. This plan outlines the strategies, processes, and resources required to mitigate the impact of disruptions and quickly restore critical systems and operations.

Advancement in Digital Transformation:

The Company has made significant strides in digital transformation by implementing cutting-edge systems to streamline operations and enhance data-driven decision-making. The deployment of Oracle ERP and Oracle HCM has unified core business processes and human resource management on a single, integrated platform. Through SAP Ariba, we have strengthened our procurement capabilities with improved supplier collaboration and compliance. Power BI dashboards provide real-time insights, enabling better strategic planning and performance tracking across departments. Additionally, we have developed and integrated customized solutions for managing Claims, Warehouse operations, Production workflows and Shop Board Management activities. These systems ensure greater transparency, operational efficiency and agility. Now, we are working towards a paperless office environment by digitizing documentation and approval workflows. Our evolving digital ecosystem supports scalability and aligns with our company's vision of a leading technology-driven and innovative organization.

Education and Training Efforts to Mitigate Cybersecurity Risks:

The Company recognizes the critical role of education and training in mitigating cybersecurity risks. It implements comprehensive programs to educate employees about cyber threats, promote cybersecurity awareness, and provide guidance on safe computing practices. Regular training sessions, workshops and awareness emails are conducted / disseminated to equip employees with the necessary knowledge and skills to identify and respond to cybersecurity risks. These efforts inculcate significance of cybersecurity throughout the organization.

Cyber Security Awareness Sessions:

IT Division has organized Cybersecurity awareness sessions aiming to equip employees with the knowledge and skills required to defend the company's data and system against potential cyberattacks.

IT related Business Continuity Planning:

In view of critical risks such as suspension of critical operations due to natural disasters, cyber attacks and other contingencies, the Company realizes the need to have an effective Business Continuity Plan (BCP) in place. BCP is a comprehensive framework that defines how the Company needs to respond to and recover from business disruptions in case of a disaster, enabling the Company to continue to support constituents and stakeholders alike.

IT related Disaster Recovery Plan:

This includes scenario analysis to identify and address various types of contingency scenarios, which may be caused by system faults, hardware malfunction, operating errors or security incidents and total incapacitation of the primary data center. It also includes implementation of replication, rapid backup and recovery capabilities at the individual system or application level. The Company has deployed both on-site and off-site backup facilities to enable the restoration of critical systems and resumption of business operations in case of disruption at the primary site.

Trainings:

Timely and adequate trainings are provided to IT staff and other staff of IT Governance, cyber security threats and precautions.

- *Records Retention and Safety Policy:*

The Company is striving to become paperless in coming years through digitalization of records. 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; and
- Records disposal.

- *Whistle Blowing Policy*



The Company values an open dialogue 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 of Conduct 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.

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. During the year, no alleged breaches of the Code of Conduct were reported.

- *Anti-Harassment Policy*



Associates may report harassment concerns directly to the General Manager Human Resources, who serves as the Competent Authority or to any member of the Inquiry Committee appointed by the CEO. This designated body oversees the reporting, investigation, and resolution of all harassment allegations in strict accordance with legal obligations and company policy. Our reporting framework provides multiple accessible channels to ensure that complaints are handled transparently and impartially, and that every individual involved is protected from

retaliation. All reports are treated with the highest level of confidentiality: only authorized personnel are involved and disclosures are made solely on a need to know basis. No associate will suffer any adverse consequence for making a complaint or participating in an investigation. No such cases have been reported during the year.

- *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. Stern action is taken against personnel found in these mal-practices. It is the responsibility of all associates to ensure that they are not engaged 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.

- *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 has an updated list of related parties and complete record as required by Companies Act, 2017 and directives issued by SECP from time to time.

Transactions with the related parties are conducted on the basis approved by the Board of Directors. Any related party transaction where majority of the directors are interested, shall be referred to the shareholders in a general meeting for ratification / approval. If a related party transaction takes place other than on an arm's length basis, such transaction shall be approved by the Board on the recommendation of the Audit Committee, subject to the reasons to be properly recorded in minutes.

- *Dividend Policy*

The Company distributes dividend in accordance with the provisions of Companies Act, 2017, Companies (Distribution of Dividend) Regulations, 2017 and other instructions issued by the SECP and PSX from time to time.

The Company distributes final cash dividend, if announced, within ten working days from the date of declaration in AGM. However, any interim cash dividend duly approved by the board is paid within ten working days from the date of start of book closure.

Cash dividends, if any, are paid through electronic mode directly into the bank account designated by the entitled shareholders whose names appear in the register of shareholder at the date of book closure.

Details of dividend distributed during the last year is mentioned in the Directors' Report.

- *Disclosure of Directors Interest in Significant Contracts and Arrangements*

Directors are required to disclose, at the time of appointment and on an annual basis, the directorships or memberships they hold in other corporate bodies. This is in pursuance with Section 205 of the Companies Act, 2017, which also requires Directors to disclose all material interests. We use this information to help us maintain an updated list of related parties. Any conflict of interest relating to members of Board of Directors is managed as per provisions of the Companies Act, 2017 and rules and regulations of SECP and Pakistan Stock Exchange.

All the directors are bound by applicable laws and regulations to disclose their interest in significant contracts and arrangements with the Company.

- *Governance Practices Exceeding Legal Requirements*

The Company is dedicated to implement best practices towards governance exceeding legal requirements which includes following:

- Best reporting practices recommended by ICAP / ICMAP;
 - Adaptation of Pakistan Stock Exchange Top 25 Companies Criteria; and
 - Implementation of strict HSE practices to attain international certifications such as ISO, OHSAS, EME, etc.
- **Compliance of IFRS issued by IASB**

Company's financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standard comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017. In case requirements differ, the provisions or directives of the Companies Act, 2017 shall prevail.

- **External Specialist**

During the year, the Company's ISO audit was successfully conducted by external consultant.

- **Board commitment to establish high level of ethics and compliance in the Company**

Board is committed to upholding the highest standards of ethics and compliance across all levels of the Company. It prioritizes integrity, transparency, and accountability in our operations, ensuring that ethical practices are embedded in our corporate culture and decision-making processes.

7. **Quality Assurance / Product Development / Services**

- **Quality Management System**



The company is going to be established as pioneer in value added energy storage technology and committed to the manufacturing of high quality of batteries covering range of products in the category of:

- Lead acid batteries for vehicles
- Low maintenance hybrid batteries for vehicles
- Maintenance free batteries for vehicles
- Maintenance free batteries for motorcycles
- Deep cycle, Tall and Tubular batteries for solar panels and UPS

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.

Our Service team has preserved hard to develop standardized charging areas, be judicious in claims management, maintain customer satisfaction through online claims management system and customer support.

- **In-House Laboratory Testing and Quality Improvement**

The Company has built a state-of-the-art, quality assurance lab, equipped with sophisticated measuring and testing appliances / machines to ensure performance of batteries through chemical and electrical testing procedures. In order to enhance battery electrical testing facility, the Company has recently acquired latest computerized machines. 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.



Superior quality of our batteries has been validated by our prestige OEM customers. Low OEM claims ratio coupled with new batteries development has enhanced our reputation as the vendor of choice. Operationally, we look into process optimization through process automation and various improvements.

- *QCC Shaheen Circle*

For continual improvement in the product, processes and culture of the organization, Company uses Japanese tools, like Quality Control Circle (QCC) and Kaizen. The Company has developed a structure of Shaheen Circle and organizes a convention annually based on the extensive exercise of competition held amongst cross functional teams of the Company's associates. QCC as the bottom up approach has caused to harness the skills and ingenuity of our associates.



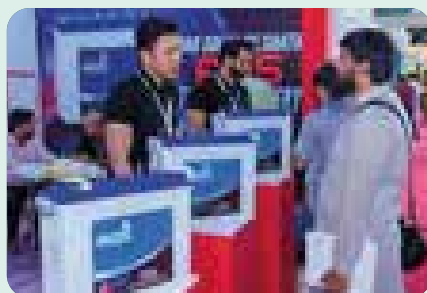
The journey of Shaheen Circle has proved to be impressive for providing solutions of:

- Cost saving
- Quality & productivity enhancement
- Process optimization / improvement
- Energy saving
- Safer environment and work place

8. *Customer and Market*

- *Customer Satisfaction*

The Company believes that true success is customer satisfaction. During the years, the Company has taken various initiatives in order to satisfy customers' needs, which included introducing a Service section to meet the growing needs of our customers, their tutorials of battery handling and preventive maintenance, mobile van, free battery checkup service, online ordering systems, etc.



- *Prioritize Customer Needs*

Our top priority is to meet customer needs, which in turn enables us to continuously improve our products and services. We strive to innovate new products that incorporate advanced technology, ensuring their utility and delivering maximum benefits to our customers.

- *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 focuses on after sales service and building long term relationship with the consumers. To attain confidence of its consumers, the Company's representative including Chief Executive regularly visit to dealers' showroom. 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**

The Company displays 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 in making 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.

- **AGS Customer Touch Point**

In order to increase customers satisfaction and loyalty of our premium Deep Cycle segment batteries (DC, Tall & Tubular) installed in solar battery bank, Service Department has initiated a Customer Touch Point activity, in which free home service is offered to verify battery parameters setting in solar inverters, which results in enhanced battery health/life and back up time. During this year 202 customers were served 733 batteries inspected.



- **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.

- **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:

- Brand activation and free check-up activity conducted during road shows all across the country.
- Dealers' meetings were held and retailers get together were arranged.
- Battery care and maintenance awareness training sessions conducted for technicians across Pakistan including OEM's, dealers and sub-dealers staff.
- Foreign trip of dealers to Singapore and Malaysia during October and November 2024.
- Foreign trip of dealers to UK and Turkey during the months of December 2024 & February 2025.



9. Sustainable Competitive Advantage

The following are the key resources and capabilities of the Company which provide sustainable competitive advantage:

| Key Resources / Capabilities | Value Created by Business | Stakeholders |
|-------------------------------|---|----------------------------------|
| Powerful Brand | Increases brand recognition | Consumers |
| Quality | Improves customer loyalty to the brand | Consumers |
| Exclusive Dealers Network | Higher advertising effectiveness on customers | Consumers |
| Renewable Energy | Lowering carbon footprint | Local community and neighborhood |
| Waste Water Recycling | Reduce demands and stress on water supply | Local community and neighborhood |
| Corporate Governance / Awards | Good reputation and recognition | Shareholders |
| ISO Certifications | Gives business a competitive advantage | Shareholders |
| Highly Skilled Labour | Improved innovation and creativity | Consumer |
| People Asset | Gives business a competitive advantage | Company |
| Strategy Asset | Optimizing asset lifecycle | Consumer |

10. 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 (EFP)
- SITE Association
- Pakistan Association of Automotive Parts & Accessories Manufacturers (PAAPAM)
- Pakistan-France Business Alliance (PFBA)

11. 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 multiple functions including production planning, material procurement, logistics, warehousing, and management of store supplies. It also involves overseeing vendors and suppliers, ensuring that they adhere to the company's code of conduct and business ethics.



12. Composition of local versus imported materials

The Company procures its raw materials from local as well as foreign sources. The composition of local and imported material for the year ended June 30, 2025 is as follows:

| Raw materials procured | % of total raw materials |
|------------------------|--------------------------|
| Locally | 59% |
| Imported | 41% |

As indicated above the imported material is 41% of total raw materials requirement, therefore, it has a significant impact on profitability due to foreign exchange fluctuations.

13. Export Markets / Export Related Product Developments



In pursuit of export growth, the company has actively expanded into new international markets, developed multiple private label brands and introduced a diverse range of customized SKUs over the past year. These strategic initiatives have not only strengthened our global presence but also positioned us to better meet the unique needs of international customers. Moving forward, the company remains committed to deepening its export footprint through product quality excellence. During the year, the company exported its batteries to Afghanistan and Yemen worth USD 2.4 million (Rs.610 million).

14. Contribution to National Exchequer



During the year under review, the Company contributed Rs.8.3 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. The Atlas Group of which the Company is a constituent member, played a significant role in the Group's substantial contribution to the national exchequer, establishing the Atlas Group among the highest taxpayers in the country.

15. 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 involved in various welfare activities. During the year, Company has donated Rs.21.7 million to Atlas Foundation.

RISK AND OPPORTUNITY REPORT

As required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Code 2019) the Board 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.

Risk Management Framework

At Atlas Battery Limited, risk management is a core component of strategic and operational decision-making. Our Risk Management Framework is designed to identify, assess, prioritize and mitigate risks and uncertainties that could impact our business objectives, operational continuity or financial performance.

Robust Assessment of Principal Risks and Uncertainty

The Company undertakes a rigorous and recurring assessment of the principal risks and uncertainties it faces including those that could threaten the sustainability of its business model, future performance, solvency or liquidity. This comprehensive review covers strategic, operational, financial, regulatory, technological, political, legal, credit, IT and sustainability related risks.

The assessment process involves Board oversight, active participation of senior management and inputs from functional teams across the Company. Risks are evaluated for both likelihood and potential impact, using scenario analysis for severe but plausible events. This approach ensures early identification of emerging threats, allows for proactive mitigation strategic and strengthens the Company's resilience in a volatile operating environment.

The outcomes of this robust assessment directly inform the identification of Key Sources of Uncertainty and the Mitigating Factors / Actions set out later in this report, ensuring that risk awareness is integrated into business planning and operational execution.

The key components of our comprehensive **Risk Management Framework** include:

Risk Management Framework



1. *Identifying and Evaluating Risks*

- Recognizing the fundamental risks and uncertainties confronting the Company, including strategic, operational, financial, regulatory, technological, and other relevant risks.
- Compiling an exhaustive inventory of potential risks, organizing them by their characteristics and consequences.

2. *Risk Methodology*

- Assessing the probability and potential consequences of identified risks to rank them according to their importance.
- Examining potential upcoming scenarios that encompass different risk outcomes to enhance comprehension of the spectrum of potential effects.

3. *Risk Appetite and Tolerance*

- Establishing the extent of risk, the Company is prepared to undertake in pursuit of its goals, often articulated through financial limits, strategic aspirations, or relevant benchmarks.
- Clearly outlining the permissible deviation from the Company's risk tolerance to guide decision-making when choices are influenced by risk.

4. *Risk Mitigation and Response*

- Formulating robust strategies to handle and alleviate recognized risks, including evading, transferring, mitigating, or accepting risks.
- Executing controls, methods and protocols to decrease the probability or repercussions of risks and consistently assessing and enhancing these measures.

5. *Monitoring and Reporting*

- Track key risk indicators and communicate risk status and mitigation efforts to stakeholders.
- Creating a process to elevate high-impact or unforeseen risks to senior management or the Board for prompt intervention.

6. *Continuous Improvement*

- Continuously improving the risk management framework in light of international best practices and regulatory guidelines.
- Regularly reviewing all policies and procedures that form part of the Company's risk management framework, followed by steps for improvement to align with changing market dynamics, regulatory environment, and international standards.
- Ensuring an effective risk management framework along with a robust risk governance structure, policies, and procedures to proactively identify, assess, and manage risks in alignment with the company's objectives and risk appetite

Efforts by the Board for Risk Tolerance

The Company's Board is responsible for providing strategic oversight and is also responsible for ensuring that sound risk management and internal control system is in place. The Company has enough expertise to ensure that an appropriate control environment is established and maintained covering the Company's operations, strategy, finances, reporting and compliance activities. Internal and external auditors also play their roles with respect to risk management. These risks include strategic, operational and financial failures, market disruptions, environmental disasters and regulatory violations – summarize into the following risk categories:

| Risk Categories | Risk Description |
|-------------------|--|
| Strategic Risks | 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.
- Interest rate fluctuations.
- Stock market fluctuations.
- Political uncertainty, and law and order situation may affect business volume.
- Energy supply in country.
- Regulatory changes affecting operations.

Specific Steps to Mitigate or Manage Key Risks / Actions in place

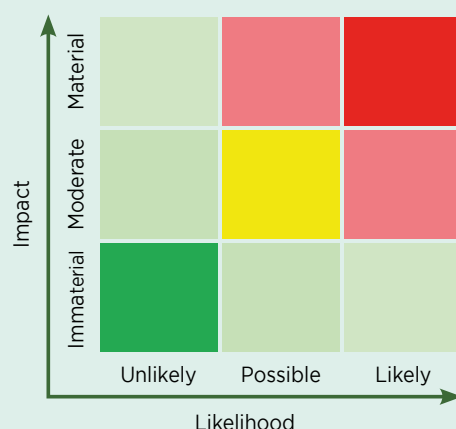
Our approach combines early identification, structured evaluation and prioritization of risks, followed by the implementation of targeted mitigating actions. We also identify and leverage opportunities that arise in parallel with risk management initiatives. This integrated view ensures that risk considerations are embedded into our decision-making processes, allowing us to safeguard stakeholder value while enabling growth.

The following risk register provide a concise yet comprehensive overview of the Company's objectives, principal risks — categorized by source, type and sensitivity — along with form of capital included, the mitigating factors in place and opportunities identified. These have been duly reviewed by the Audit Committee and endorsed by the Board of Directors.

Sensitivity of Risks







| | | |
|--------|---|--|
| High |  | Risks that are highly likely to occur and could materially impact Company's ability to reach its business objectives |
| Medium |  | Risks that remain at tolerable levels but could impact the business unless monitored and managed |
| Low |  | Risks that unlikely to materialize and unlikely to materiality impact Company's business |

The potential impact and likelihood of our key risks









RISK REGISTER



External sources:

| Objectives | Major Business Risks | S.No | Risk Category | Form of Capital | Sensitivity | Mitigating Factors / Actions in Place | Opportunities |
|---|--|------|---------------|---|---|---|--|
| Market (Win on value, quality and reach) To be market leader in battery industry | Continued inflation reducing customer purchasing power / shift in consumer preference. | 01 | Strategic | Intellectual Capital and Financial Capital |  | Continuous cost optimization and production efficiency programs to maintain competitive pricing and value leadership. | Leveraging operational excellence to offer competitively priced products that strengthen market share. |
| | Volatility in raw material and input costs due to geopolitical tensions or supply chain disruptions. | 02 | Commercial | |  | Diversified sourcing strategies and advance procurement to ensure steady supply. | Utilizing price risk management tools to stabilize input costs and enhance supply chain resilience. |
| Catastrophic (Readiness for emergence response) To minimize catastrophic risk and loss of assets and ensure continuity in the face of unpredictable large-scale events. | Potential financial loss from operational disruption caused by natural disasters. | 03 | Financial | Financial Capital |  | Fire and IT-DR drills with scenario playbooks. Diversified manufacturing area—key processes housed at different locations. Adequate insurance coverage and emergency response readiness | Strong disaster preparedness and risk management policies that protect assets and enable rapid recovery. |
| | | | | | | | |
| Credit Risk (Sell smart, collect faster) To minimize credit risk | Customer defaults on trade receivables – a financial loss to Company. | 04 | Financial | Financial Capital |  | A comprehensive risk-based credit policy is already in place. | Stronger portfolio quality and improved cash flow through disciplined credit management. |
| | | | | | | | |
| Socio-Political Situation (Stay agile in uncertain markets) To operate in a stable market with least volatility and low occurrence of unforeseen variables. | Evolving regulatory landscape and compliance challenges. | 05 | Commercial | Financial Capital, Human Capital and Intellectual Capital |  | Experienced management team ensuring full compliance with all laws, rules and regulations | Smooth operations through regulatory agility and market stability. |
| | Political uncertainty may affect business volume | 06 | Commercial | Financial Capital, Human Capital and Intellectual Capital |  | Flexible production planning and demand sensing. Stronger supplier base Diverse sales channels (Commercial, OEMs, Parts Division, Institutions and Exports) | Strong market resilience and ability to capture emerging demand across multiple segments. |




External sources (cont'd)

| Objectives | Major Business Risks | S.No | Risk Category | Form of Capital | Sensitivity | Mitigating Factors / Actions in Place | Opportunities |
|---|--|------|---------------|---|---|--|---|
| Technology (Modernize to stay ahead) To evolve technologically in order to manufacture products of high quality | Process obsolescence raising unit costs and risk of delayed adoption of next-gen battery tech | 07 | Operational | Intellectual Capital and Human Capital |  | Strategic capex for automation and BMR for production facilities. R&D and pilot projects for new developments. | Structural cost reduction via automation. Premium product tiers with superior performance. |
| Operations (Stay operational through disruptions) To ensure continuity of operations without disruptions in production and minimize idle time | The on-going energy crisis may affect operational targets Machinery breakdown / stoppages adversely affect the profitability of the entity as it hinders production and delays operations | 08 | Operational | Social Capital and Financial Capital |  | Alternate source of energy to cater any production loss. Preventive maintenance programs to avoid breakdowns. | Lower overheads and reduced carbon footprint from alternative energy. |
| | Vendors' operational / financial constraints and their deteriorating quality standards. | 09 | Operational | Social Capital and Intellectual Capital |  | Continuous vendor quality monitoring; dual sourcing and safety stocks for critical inputs. | Stronger supplier relationships and secured material quality. |
| | Disruptions due to data loss from operational failures or cyber-attacks. | 10 | Operational | Intellectual Capital |  | IT business continuity plan with off-site/cloud backups. Ongoing cybersecurity awareness trainings. | Ensures evolving Business Continuity Plan. Enhanced workforce awareness of cyber risks. |
| Finance (Fuel growth, preserve optionality) To be financially strong and perform up to the expectations of all stakeholders | Devaluation of Pak Rupee against foreign currencies may adversely affect Company's financial performance. | 11 | Financial | Financial Capital |  | Foreign currency exposure and financing facilities are monitored through a dedicated team of professionals who continuously explore ways and means to reduce the exposure. | Stable financial performance through currency risk management. |
| | Increase production capacity leading to high material and supplies' orders and costs making liquidity and cash flows stressed. | 12 | Financial | Financial Capital |  | Liquidity is monitored by the Treasury department in coordination with Supply Chain division. To support working capital needs, sufficient borrowing lines are in place. | Efficient cash flow management enabling growth without financial strain. |



External sources (cont'd)

| Objectives | Major Business Risks | S.No | Risk Category | Form of Capital | Sensitivity | Mitigating Factors / Actions in Place | Opportunities |
|---|--|------|---------------|----------------------|---|---|--|
| Legislative and Legal Environment (Operate clean, operate fast) To operate in a stable market being compliant with all relevant laws of the country and international regulations | Continuous changes in the regulatory framework and statutory obligations may result in compliance gap. | 13 | Strategic | Financial Capital |  | Management proactively follows the changes, occurring in the regulatory framework relating to the battery sector. | Demonstrating strong compliance measures can differentiate a business from its competitors. It can enhance reputation, build trust with stakeholders, and attract customers who prioritize ethical and compliant business practices. |
| Intellectual Property (IP) Rights Protection (Secure the image, strengthen the brand) To protect our intellectual property rights. | Infringement of IP rights poses risks to our intellectual property and brand reputation. | 14 | Commercial | Intellectual Capital |  | Dedicated team managing IP related matters, enforcing patents, trademarks, and copyrights | Strengthens our brand image, reinforcing our position in the market. |

Internal sources:

| Objectives | Major Business Risks | S.No | Risk Category | Form of Capital | Sensitivity | Mitigating Factors / Actions in Place | Opportunities |
|--|--|------|---------------|-------------------|---|---|---|
| Internal Controls (Tight controls, strong outcomes) To ensure robust governance and operational discipline. | The Company may be exposed to financial irregularities resulting in qualitative and quantitative losses in the absence of effective internal controls. | 14 | Operational | Financial Capital |  | Comprehensive internal controls covering areas of governance, management, policies and procedures, compliance with laws and regulations (including whistle blowing and anti-harassment policies). Effective Internal Audit department continuously monitoring the compliance of internal controls. | An effective Internal Audit enables us to identify current and future risks in advance. Also ensures stakeholders' trust in governance. |
| Human Resource (Build scales, retain know-how and secure succession) Recruitment and career advancement based on integrity, merit, experience and skills | Qualified and competent staff may not be available in sufficient numbers. | 15 | Operational | Human Capital |  | Well-structured procedures for recruitment, training, compensation, periodic appraisals and succession planning have been implemented to ensure staff retention and continued operation. | Hiring competent staff helps us to generate ideas and strategies which become our critical success factors. |
| To have an adequate reserve of trained professionals excelling in their respective domains | Loss of the qualified and competent associates. | 16 | Operational | Human Capital |  | Succession planning and capacity building of existing resources. | Developing the human resources is engraved in the Company's mission statement and long term objectives. By conducting extensive trainings and through its development program, the human resources add value to the Company with their professional ability, caliber & integrity. |

Internal sources (cont'd)

| Objectives | Major Business Risks | S.No | Risk Category | Form of Capital | Sensitivity | Mitigating Factors / Actions in Place | Opportunities |
|---|--|------|---------------|------------------------------------|---|---|--|
| Sustainability / HSE (Zero harm and go green) To ensure health and safety of associates at workplace. | Injuries due to workplace accidents. | 17 | Operational | Human Capital |  | 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. | Creating a safe and healthy working environment increases motivation and productivity of workforce. |
| To ensure compliance with regulatory requirements related to ESG. | Increased regulatory pressure, climate change impacts and compliance costs related to ESG. | 18 | Operational | Natural Capital and Social Capital |  | Dedicated HSE section to ensure compliance. Implementation of rigorous environmental and social impact assessments and mitigation strategies including energy conservation, waste reduction initiatives, plantation and regular compliance audits - to minimize adverse effects. | Proactive sustainability practices can lead to enhanced brand reputation and new market opportunities. |

For KPIs against objectives, please refer Strategic Objective section of this annual report.

Risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks

Environmental Risk

We diligently scrutinize our suppliers' environmental practices and sustainability initiatives. This entails verifying their compliance with pertinent environmental regulations, where applicable. By engaging with environmentally conscientious suppliers, we strive to mitigate the risk of disruptions stemming from environmental incidents.

Social Risk:

We prioritize suppliers who uphold fair labor practices and human rights standards. We conduct regular assessments to ensure compliance with ethical labor practices, health and safety regulations. This strategy enables us to mitigate the risk of supply chain disruptions caused by social issues.

Governance Risk:

Beyond internal evaluations, Company also scrutinize their suppliers' governance structures. This involves assessing suppliers' corporate governance practices, including their transparency, integrity, and adherence to ethical standards. Suppliers with strong governance frameworks are prioritized to minimize the risk of disruptions caused by governance related issues.

Mitigation Strategy

Our mitigation strategy is grounded in diversification and proactive management. We reduce our reliance on any single supplier by broadening our supplier base, thereby minimizing the impact of disruptions from any one source. In addition, we maintain robust contingency plans that outline the precise steps to address potential supply chain disruptions. These plans are regularly reviewed and updated to address emerging risks and align with evolving challenges.

Continuous improvement is central to our strategy. We diligently review and refine our supply chain monitoring and mitigation practices based on emerging risks, industry best practices, and stakeholder feedback. By addressing environmental, social, and governance risks, we are committed to sustaining a resilient supply chain that supports our long-term success and operational excellence.

PESTEL

| Factors | Sensitivity | Organization's Response |
|---|--|--|
|  Political <ul style="list-style-type: none"> Unstable political conditions Relationships with neighboring countries is deteriorating Government's policy for new entrants | <ul style="list-style-type: none"> ✗ ▲ ✗ | <p>The Company is operating from the last 6 decades and actively monitors the country's political environment and remains responsive to regulatory shifts, regional dynamics and entry of new competitors. The Company mitigates risks through flexible procurement strategies and diversified supplier bases. Business continuity and resilience planning are embedded in its operations to ensure minimal disruption from political uncertainty or policy instability.</p> |
|  Economical <ul style="list-style-type: none"> Low economic growth Growth in automobile sector Stable Rupee-Dollar parity Lowering interest rates Declining inflationary pressures FBR revenue targets aggressively high Withdrawal of SROs on import of raw material at zero rate Stabilizing trade deficit at the cost of economic activities | <ul style="list-style-type: none"> ✗ ● ■ ■ ▲ ▲ ✗ ✗ | <p>In response to a challenging economic landscape—marked by low growth, inflationary pressure and high taxation—the Company emphasizes cost optimization, product mix enhancement and efficient working capital management. Stable exchange rates and lower interest costs are leveraged to reduce financial burden. The Company also supports policy reforms that balance fiscal targets with industrial growth.</p> |
|  Social <ul style="list-style-type: none"> Large consumer base of products Surge in demand for automobiles and alternate energy sources Improved law and order situation Functional waste water treatment plant | <ul style="list-style-type: none"> ■ ● ● ■ | <p>The Company remains socially responsible by adhering to environmental and safety standards and supporting community welfare through Atlas Foundation.</p> |
|  Technological <ul style="list-style-type: none"> Technical Collaboration with GS Yuasa International, renowned Japanese battery manufacturer Technological obsolescence and its advancements. Maintenance free batteries for vehicles and motorcycles, and deep cycle / tubular batteries for solar panels / system and UPS will take over in due course European Union's standardized battery dimensions adopted by OEMs Introduction of AGS Customer Touch Point Activity Introduction of fast charging (acid circulation system) | <ul style="list-style-type: none"> ■ ● ● ● ● | <p>With a strategic partnership with GS Yuasa International Limited, Atlas Battery Limited maintains a renowned position in adopting global technology standards. It continues to invest in R&D, innovation and automation. The Company is proactively aligning its product portfolio with evolving consumer demands such as maintenance-free and deep cycle batteries. Further it gets connected with selected customers via Touch Point Activity initiative.</p> |
|  Environmental <ul style="list-style-type: none"> Utilities and lead emissions management through HSE infrastructure | <ul style="list-style-type: none"> ■ | <p>Environmental compliance is central to Company's operational ethos. The Company has invested in HSE infrastructure including lead emissions control and wastewater treatment plant.</p> |
|  Legal <ul style="list-style-type: none"> Government measures for documentation of economy will bode well for complaint tax payers. | <ul style="list-style-type: none"> ■ | <p>The Company supports formalization of the economy and remains fully compliant with applicable laws, tax regulations and reporting standards.</p> |

| | | | |
|---|-------------------------|---|-----------------------------|
| ✗ | Highly Negative Factors | ▲ | Moderately Negative Factors |
| ■ | Highly Positive Factors | ● | Moderately Positive Factors |

Organization's Overall Response

While coping with the negative macroeconomic indicators, the Company is striving to achieve sustainable and scalable growth through increased market penetration and expansion in untapped markets. Further, the Company will continue to explore new avenues for exports. In order to mitigate the impact of inflationary costs pressures and interest and exchange rates movements, the Company is focused to curb costs using 4M while maintaining high quality of product.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING



Bargaining Power of Customers → High

- Wide array of products with perceived quality at par.
- Surplus industry capacity.



Bargaining Power of Suppliers → High

- Possible disruption of industry through technological changes in battery storage.
- Volatile lead prices.
- Limited suppliers of lead
- Limited availability or controlled supply of materials can impact prices and profitability.



Threat of New Entrants → Moderate

- Chinese manufacturers may consider manufacturing in Pakistan as part of CPEC / sanctions.
- Local manufacturers may enter on the back of profitability of the industry observed in previous years, coupled with flooding of solarization in near future.



Threat of Substitute Products & Services → High

- Alternative energy storage technologies or lithium-ion batteries can potentially replace traditional batteries.
- Substitutes available at lower prices e.g. re-plated batteries.



Competitive Intensity of Competitive Rivalry → High

- Large number of competitors in the market with diverse range of products at low price.
- Liberal high discounts and credit terms offered by all competitors.

SWOT ANALYSIS



Strengths



- Support of Atlas Group
- Strategic joint venture & technical collaboration with GYIN (Associated Company of GS Yuasa)
- Established quality brand image
- Exclusive dealer network
- Market leader in OEM segment (AMB & MCB)
- Resilient financial performance
- Legacy of ethical business practices
- Quality human capital
- Certified regulatory and HSE compliant company



Weaknesses



- High product price
- Reactive approach to market dynamics
- Inadequate promotional activities
- Space constraint at plant



Atlas Battery



Opportunities



- Enhancing exports
- Creating synergy with group companies for energy storage solutions
- Rising demand for longer term energy storage solutions
- Effective and direct retailers' engagement
- Smart plant automation
- Active engagement with concerned authorities for business-friendly policies (BGIE)



Threats



- Economic and political instability
- Inconsistent tax practices and regulatory policies
- Low barriers to entry for new entrants
- Decreasing brand loyalty
- Influx of imported batteries



Strategies



- Cost optimization through process improvement
- Proactive development and launching of new technology products
- Increase reach in international markets by focusing on 4Ps
- Debottleneck capacity through smart automation and process diversification
- Introduce cost effective product range to compete in the market

Report of the Audit Committee

The Audit Committee is pleased to present its report to the shareholders of the Company for the year ended June 30, 2025:

Composition of the Audit Committee

The names of the Audit Committee members are as follows:

| Sr. No. | Name of Directors | Status | Independent Director | Executive Director |
|---------|-----------------------|----------|----------------------|--------------------|
| 1. | Mr. Sanaullah Qureshi | Chairman | Yes | No |
| 2. | Mr. Bashir Makki | Member | No | No |
| 3. | Mr. Fahd K. Chinoy | Member | No | No |

The Audit Committee comprises of 3 non-executive directors and Chairman of the Committee is an independent director. The Audit Committee consists of financially literate personnel as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Code 2019”).

Meetings of the Audit Committee

Four meetings of the Audit Committee were held during the year 2024-25 and Chairman Audit Committee presided three meetings while one meeting was presided by member of the Audit Committee, attendance of which is as follows:

| Sr. No. | Name of Directors | Attendance |
|---------|-----------------------|------------|
| 1. | Mr. Sanaullah Qureshi | 3/4 |
| 2. | Mr. Bashir Makki | 4/4 |
| 3. | Mr. Fahd K. Chinoy | 4/4 |

As required by the Code 2019, Audit Committee also separately met with external auditors without the representation of management. Chief Executive Officer (CEO) and Chief Financial Officer (CFO) 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.

Presence of the Chairman of the Audit Committee at the AGM

Audit Committee Chairman was available at the AGM to answer any questions on the Audit Committee’s activities and related matters.

Financial Statements

The Audit Committee has concluded its annual review of the conduct and operations of the Company during the year ended June 30, 2025, and reports that:

- The Audit Committee reviewed quarterly, half yearly and annual financial statements of the Company and recommended to the Board for approval.
- 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, 2025 which present fairly the state of affairs, results of operations, changes in equity and cash flows 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 to the Board for approval.
- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company's 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.

Risk Management and Internal Controls

- The Company has developed a sound mechanism for identification of risks and assigning appropriate criticality level and devising appropriate mitigation measures which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review.
- The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function which is duly reviewed by the Committee for effectiveness.
- The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with the internal controls and other areas of operations of the Company.
- The Company's approach towards risk management and types and detail of risks along with mitigating measures are disclosed in relevant section of the Risk and Opportunity Report.

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 and safeguarding the assets of the Company. 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 findings of internal audit and management's response thereto. Further, it approved the internal audit plan for 2025-26.
- 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.
- Audit Committee met with Head of Internal Audit along with his team, without CFO and external Auditors being present.
- Head of Internal Audit has direct access to the Audit Committee.
- The appraisal of Head of Internal Audit was jointly done by the Chairman of the Audit Committee and CEO.

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, 2025 and review of the "Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019" for the year ended June 30, 2025.
- 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 2023-24 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, 2026.

Other Matters

- None of the staff and management has reported to the Committee concerns during the year about impropriety in financial, whistleblowing, anti-harassment and other matters.
- The Annual Report is fair, balance and understandable and provides Company's performance and strategy to shareholders.
- Evaluation of the Board performance which also included members of the Audit Committee was carried out separately.
- The Committee has discharged its duties according to its terms of reference.

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of the Company: Atlas Battery Limited (the 'Company')
Year Ended: June 30, 2025

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

- The total number of directors are 7 as per the following:

| | | |
|-----|--------|---|
| (a) | Male | 6 |
| (b) | Female | 1 |

- The composition of Board is as follows:

| | | |
|-----|-------------------------|---|
| (a) | Independent Directors | 2 |
| (b) | Non-Executive Directors | 4 |
| (c) | Executive Director | 1 |

| Sr. No. | Name of Directors | Category | | |
|---------|-----------------------|-----------------|-------------------|---------------|
| | | Independent (2) | Non-Executive (4) | Executive (1) |
| 1. | Mr. Aamir H. Shirazi | | ffl | |
| 2. | Mr. Bashir Makki | | ffl | |
| 3. | Mr. Fahd K. Chinoy | | ffl | |
| 4. | Ms. Mehreen Amin | ffl | | |
| 5. | Mr. Sanaullah Qureshi | ffl | | |
| 6. | Mr. Toru Furuya | | ffl | |
| 7. | Mr. Ali H. Shirazi | | | ffl |

Fraction (0.33) related to the requirement for number of independent directors is less than 0.5 and therefore, has not rounded up as one.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 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. Further certain significant policies as required under non-mandatory regulation no. 35 "Disclosure of significant policies on website" are published in annual report which is available on Company's website;
- The Board has developed a Vision and Mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
- 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 provisions of the Companies Act, 2017 (the Act) and the Regulations;
- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
- The Board has a formal policy and transparent procedure for remuneration of directors in accordance with the Act and the Regulations;
- Five directors are Certified Director and two directors meet the criteria of exemption and are accordingly exempted from directors' training program. Further, the Company will take adequate measures for the Directors' Training Program (DTP) for the female executive and head of department;
- 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 the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed Committees comprising of members given below:

(a) Audit Committee

| | | |
|---|-----------------------|----------|
| • | Mr. Sanaullah Qureshi | Chairman |
| • | Mr. Bashir Makki | Member |
| • | Mr. Fahd K. Chinoy | Member |

(b) Human Resource and Remuneration Committee

| | | |
|---|--------------------|-------------|
| • | Ms. Mehreen Amin | Chairperson |
| • | Mr. Ali H. Shirazi | Member |
| • | Mr. Bashir Makki | Member |

Separate Nomination and Risk Management Committee, as required under non-mandatory regulation no. 29 and 30, are not constituted as the functions of Nomination Committee are being dealt by Human Resource and Remuneration Committee and the functions of Risk Management Committee are being dealt by Management Committee which is headed by CEO who appraises the Board accordingly. Furthermore, during the year, the Board has assigned the Audit Committee with the additional responsibilities of sustainability related matters. The Audit Committee will review these areas and take necessary steps to ensure compliance with the requirements of non-mandatory regulation no.10A in the upcoming years;

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance;
14. The frequency of meetings of the Committee were as per following:

| | | |
|-----|---|-------------------|
| (a) | Audit Committee | quarterly |
| (b) | Human Resource and Remuneration Committee | on required basis |

15. The Board has set-up an effective internal audit function who are considered suitably qualified and experienced for the purpose, and are conversant with the policies and procedures of the Company;
16. 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 and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act and the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirement of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are mentioned in note no. 4, 9 and 12 above.

For and on behalf of the
BOARD OF DIRECTORS



Aamir H. Shirazi
Chairman

Karachi: August 26, 2025

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

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Atlas Battery Limited (the Company) for the year ended June 30, 2025, in accordance with the requirements of regulation 36 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. 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.

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, 2025.



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 26 AUGUST 2025

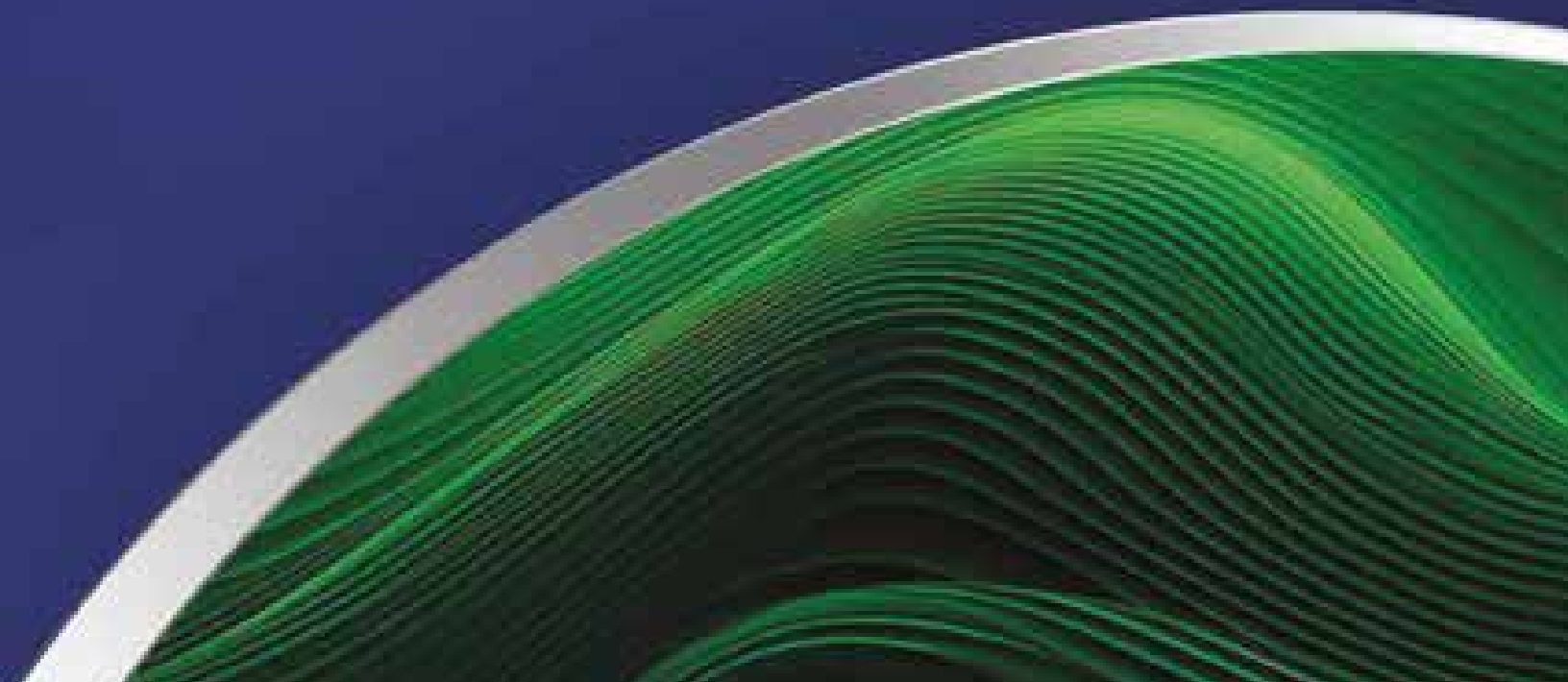
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UNSTOPPABLE POWER FOR EVERY RIDE

Every ride begins with trust, the trust that your engine will roar to life and carry you forward without hesitation. Atlas Battery's new Power Plus 7 (7AH), Power Plus 5 (5AH) and Power Plus 2.5 (2.5AH) motorcycle batteries are engineered for riders who demand reliability with every start. With enduring strength and exceptional durability at their core, they deliver power that doesn't just last, it never lets you down. Wherever the road takes you, Atlas gives you the confidence to ride unstoppable.



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, 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements comprising material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 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 Matters | How the matter was addressed in our audit |
|-------|--|--|
| 1. | <p>Stock-in-trade</p> <p>Refer notes 4.7 and 12 to the financial statements, the Company has stock-in-trade aggregating Rs.7,742,569 thousand comprising raw materials, finished goods, work in process and stock in transit. We identified this area as a key audit matter because as at June 30, 2025, stock-in-trade constitutes 40.95% of the total assets of the Company and determining an appropriate valuation as a result of net realizable value (NRV) involves management judgement and estimation.</p> | <p>We performed following audit procedures in respect of this area:</p> <p>Observed / attended physical inventory count procedures and compared physical count results with valuations sheets on a sample basis;</p> <p>Compared, on a sample basis, specific purchases and directly attributable cost with underlying supporting documents;</p> <p>On a sample basis, obtained supporting documents relating to stock in transit for assessing its valuation;</p> <p>Compared the NRV, on a sample basis, to the cost of finished goods to assess whether any adjustments are required to value stocks in accordance with applicable accounting and reporting standards; and</p> <p>We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).</p> |
| 2. | <p>Revenue recognition</p> <p>Refer notes 4.15 and note 30 to the financial statements. The Company is engaged in manufacturing and sale of automotive, motorcycle and energy storage batteries and their allied products. The Company recognized revenue from the sale aggregating to Rs. 35,201,281 thousand for the year ended June 30, 2025 as compared to Rs.41,470,592 thousand for the corresponding year. We identified recognition of revenue as a key audit matter as it includes large number of revenue transactions involving a large number of customers spread in various geographical locations. Further, revenue is one of the key performance indicator of the Company.</p> | <p>We performed following audit procedures in respect of this area:</p> <p>Obtained an understanding of the Company's processes and related internal controls for revenue recognition and on a sample basis, tested the operating effectiveness of those controls;</p> <p>Assessed the appropriateness of the Company's revenue accounting policies and their compliance with applicable financial reporting standard;</p> <p>Compared a sample of revenue transactions recorded during the year with sales orders, applicable sale value, sales invoices, receipt vouchers, delivery orders and other relevant underlying documents;</p> <p>Performed cut-off procedures on near year end sales to ensure revenue has been recorded in the correct period;</p> <p>Verified, on a test basis, discounts with supporting documentation; and</p> <p>We also considered the adequacy of the related disclosures and assessed these are in accordance with the applicable financial reporting standards and the Companies Act, 2017 (XIX of 2017).</p> |

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

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report for 2025, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Nafees Ud Din.



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 26 AUGUST 2025

UDIN: AR202510195IHwimy1qo

Statement of Financial Position

AS AT JUNE 30, 2025

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|--------------------------------|------|------------------------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 5,115,189 | 5,117,878 |
| Intangible assets | 7 | 732 | 2,057 |
| Investments | 8 | - | - |
| Long term loans | 9 | 3,722 | 3,763 |
| Long term deposits | 10 | 50,273 | 29,838 |
| | | 5,169,916 | 5,153,536 |
| Current assets | | | |
| Stores, spares and loose tools | 11 | 694,849 | 568,491 |
| Stock-in-trade | 12 | 7,742,569 | 11,909,129 |
| Trade debts | 13 | 2,607,512 | 3,076,060 |
| Loans and advances | 14 | 15,031 | 22,446 |
| Deposits and prepayments | 15 | 30,931 | 38,547 |
| Investments | 16 | 620,685 | 390,023 |
| Other receivables | 17 | 2,317 | 2,317 |
| Sales tax refundable - net | | - | 131,070 |
| Taxation - net | | 996,826 | 835,063 |
| Bank balances | 18 | 1,028,210 | 1,191,592 |
| | | 13,738,930 | 18,164,738 |
| Total assets | | 18,908,846 | 23,318,274 |



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Muhammad Shoaib
Chief Financial Officer

Statement of Financial Position

AS AT JUNE 30, 2025

| | Note | 2025 ----- Rupees in '000 ----- | 2024 |
|--|------|------------------------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| Share capital and reserves | | | |
| Authorised capital 150,000,000 (2024: 150,000,000) ordinary shares of Rs.10 each | | 1,500,000 | 1,500,000 |
| Issued, subscribed and paid-up capital | 19 | 350,170 | 350,170 |
| Revenue reserves | | | |
| General reserve | | 5,037,500 | 5,037,500 |
| Un-appropriated profits | | 1,664,064 | 2,281,911 |
| | | 6,701,564 | 7,319,411 |
| Capital reserve | | | |
| Surplus on revaluation of leasehold land | 20 | 849,586 | 849,586 |
| Total equity | | 7,901,320 | 8,519,167 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Lease liabilities | 21 | 482,930 | 600,934 |
| Long term borrowings | 22 | 1,272,179 | 645,507 |
| Deferred income - government grant | 23 | 12,755 | 17,623 |
| Staff retirement benefits | 24 | 152,427 | 131,497 |
| Deferred taxation | 25 | 161,818 | 147,605 |
| | | 2,082,109 | 1,543,166 |
| Current liabilities | | | |
| Trade and other payables | 26 | 3,526,232 | 3,357,937 |
| Sales tax payable - net | | 171,768 | - |
| Accrued mark-up | 27 | 194,714 | 352,775 |
| Current portion of lease liabilities | 21 | 94,607 | 55,025 |
| Current maturity of long term borrowings | 22 | 378,977 | 253,977 |
| Current portion of deferred income - government grant | 23 | 4,869 | 5,650 |
| Short term borrowings | 28 | 4,489,053 | 9,168,203 |
| Unclaimed dividend | | 65,197 | 62,374 |
| | | 8,925,417 | 13,255,941 |
| Total liabilities | | 11,007,526 | 14,799,107 |
| Contingencies and commitments | 29 | | |
| Total equity and liabilities | | 18,908,846 | 23,318,274 |

The annexed notes 1 to 49 form an integral part of these financial statements.

Aamir H. Shirazi
Chairman

Ali H. Shirazi
President / Chief Executive

Muhammad Shoaib
Chief Financial Officer

Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|--|------|----------------------------------|--------------|
| Sales | 30 | 35,201,281 | 41,470,592 |
| Cost of sales | 31 | (31,240,385) | (35,535,871) |
| Gross profit | | 3,960,896 | 5,934,721 |
| Distribution cost | 32 | (1,494,732) | (1,402,929) |
| Administrative expenses | 33 | (666,049) | (654,827) |
| Other income | 34 | 89,210 | 99,883 |
| Other expenses | 35 | (75,722) | (187,127) |
| Profit from operations | | 1,813,603 | 3,789,721 |
| Finance cost | 36 | (1,188,311) | (1,619,351) |
| Profit before income tax, final tax and revenue tax | | 625,292 | 2,170,370 |
| Final tax | 37.1 | (7,676) | (15,129) |
| Revenue tax | 37.2 | (271,698) | - |
| Profit before income tax | | 345,918 | 2,155,241 |
| Income tax | | | |
| Current tax - for the year including super tax | | (235,878) | (888,320) |
| - for the prior years | | (2,512) | 14,623 |
| Deferred tax | | (16,323) | 62,105 |
| | 37.4 | (254,713) | (811,592) |
| Profit for the year | | 91,205 | 1,343,649 |
| Other comprehensive (loss) / income | | | |
| Items that will not be reclassified to profit or loss | | | |
| Surplus on revaluation of land | 20 | - | 260,400 |
| Re-measurement of staff retirement benefit obligation | | (10,821) | 21,231 |
| Impact of deferred tax | | 2,110 | (8,280) |
| Other comprehensive (loss) / income for the year - net of tax | | (8,711) | 273,351 |
| Total comprehensive income for the year | | 82,494 | 1,617,000 |
| | | ----- Rupees ----- | |
| Earnings per share - basic and diluted | 38 | 2.60 | 38.37 |

The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Muhammad Shoaib
Chief Financial Officer

Statement of Changes in Equity

FOR THE YEAR ENDED JUNE 30, 2025

| | Issued, subscribed and paid-up capital | Revenue reserves | | Capital reserve | Total |
|---|---|--------------------|---------------------------|--|-----------|
| | | General reserve | un-appropriated profit | Surplus on revaluation of leasehold land | |
| | ----- Rupees in '000 ----- | | | | |
| Balance as at July 1, 2023 | 350,170 | 5,037,500 | 1,275,481 | 589,186 | 7,252,337 |
| Transaction with owners, recognised directly in equity | | | | | |
| Final cash dividend for the year ended June 30, 2023 at the rate of Rs.10 per share | - | - | (350,170) | - | (350,170) |
| Total comprehensive income for the year ended June 30, 2024 | | | | | |
| Profit for the year | - | - | 1,343,649 | - | 1,343,649 |
| Other comprehensive income | - | - | 12,951 | 260,400 | 273,351 |
| | - | - | 1,356,600 | 260,400 | 1,617,000 |
| Balance as at June 30, 2024 | 350,170 | 5,037,500 | 2,281,911 | 849,586 | 8,519,167 |
| Transaction with owners, recognised directly in equity | | | | | |
| Final cash dividend for the year ended June 30, 2024 at the rate of Rs.20 per share | - | - | (700,341) | - | (700,341) |
| Total comprehensive income for the year ended June 30, 2025 | | | | | |
| Profit for the year | - | - | 91,205 | - | 91,205 |
| Other comprehensive loss | - | - | (8,711) | - | (8,711) |
| | - | - | 82,494 | - | 82,494 |
| Balance as at June 30, 2025 | 350,170 | 5,037,500 | 1,664,064 | 849,586 | 7,901,320 |

The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Muhammad Shoaib
Chief Financial Officer

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|---|-----------|----------------------------------|-------------|
| Cash flows from operating activities | | | |
| Profit before income tax, final tax and revenue tax | | 625,292 | 2,170,370 |
| Adjustments for non-cash charges and other items: | | | |
| Depreciation | 6.5 & 6.9 | 553,234 | 542,602 |
| Amortisation | 7.2 | 1,325 | 2,520 |
| Provision for gratuity | 24.1.9 | 28,420 | 97,599 |
| Provision for compensated leave absences | 24.2 | 30,648 | 30,075 |
| Dividend income | 34 | (51,170) | (60,844) |
| Mark-up income | | - | (2) |
| Fair value gain on investments at fair value through profit or loss | 34 | (12,285) | (1,652) |
| (Gain) / loss on disposal of operating fixed assets | 34 | (2,647) | 209 |
| Provision for doubtful debts | 13.1 | 3,117 | 19,397 |
| Finance cost | 36 | 1,188,311 | 1,619,351 |
| | | 2,364,245 | 4,419,625 |
| Changes in working capital: | | | |
| (Increase) / decrease in current assets | | | |
| - Stores, spares and loose tools | | (126,358) | (245,523) |
| - Stock-in-trade | | 4,166,560 | (1,585,015) |
| - Trade debts | | 465,431 | (704,112) |
| - Loans and advances | | 7,415 | 15,055 |
| - Deposits and prepayments | | 7,616 | 609,752 |
| - Other receivables | | - | 404 |
| - Sales tax refundable - net | | - | 61,071 |
| | | 4,520,664 | (1,848,368) |
| Increase / (decrease) in current liabilities | | | |
| - Trade and other payables | | 205,569 | (2,659,179) |
| - Sales tax payable - net | | 302,838 | - |
| | | 508,407 | (2,659,179) |
| | | 5,029,071 | (4,507,547) |
| Cash generated from / (used in) operations | | 7,393,316 | (87,922) |
| Finance cost paid | | (1,230,085) | (1,295,686) |
| Mark-up received | | - | 2 |
| Income and final taxes paid (including tax deducted at source) | | (679,527) | (1,446,084) |
| Gratuity paid | 24.1.9 | (76,747) | (18,974) |
| Compensated leave absences paid | 24.2 | (9,485) | (7,116) |
| Long term loans - net | | 41 | (494) |
| Long term deposits - net | | (20,435) | (500) |
| Net cash generated from / (used in) operating activities - carried forward | | 5,377,078 | (2,856,774) |

Statement of Cash Flows

FOR THE YEAR ENDED JUNE 30, 2025

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|---|------|----------------------------------|------------------|
| Net cash generated from / (used) in operating activities - brought forward | | 5,377,078 | (2,856,774) |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | | (610,252) | (639,037) |
| Proceeds from sale of property, plant and equipment | | 47,662 | 36,461 |
| Payments for intangible assets | | - | (1,835) |
| Payments for investments | | (218,377) | (121,718) |
| Dividend received | | 51,170 | 60,844 |
| Net cash used in investing activities | | (729,797) | (665,285) |
| Cash flows from financing activities | | | |
| Lease rentals paid | 21 | (180,017) | (164,166) |
| Long term borrowings obtained | | 1,000,000 | - |
| Long term borrowings repaid | | (253,978) | (171,725) |
| Short term borrowings - net | | (4,679,150) | 4,796,779 |
| Dividend paid | | (697,518) | (567,019) |
| Net cash (used in) / generated from financing activities | | (4,810,663) | 3,893,869 |
| Net (decrease) / increase in cash and cash equivalents | | (163,382) | 371,810 |
| Cash and cash equivalents at beginning of year | | 1,191,592 | 819,782 |
| Cash and cash equivalents at end of year | | <u>1,028,210</u> | <u>1,191,592</u> |

The annexed notes 1 to 49 form an integral part of these financial statements.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Muhammad Shoaib
Chief Financial Officer

Notes to the Financial Statements

FOR THE YEAR ENDED JUNE 30, 2025

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, motorcycle and energy storage batteries, & their allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi, Pakistan. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan.

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, 2025.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- International Financial Reporting Standards (IFRSs) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRSs, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Functional and presentation currency

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

2.3 New and amended standards and interpretations

2.3.1 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, 2024:

- (a) Amendments to IAS 1, 'Presentation of Financial Statements' is applicable on accounting periods beginning on or after January 1, 2024. Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of these amendments, the requirement for a right to be unconditional has been removed and instead, the amendments requires that a right to defer settlement must have substance and exist at the end of the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. At October 31, 2022, after reconsidering certain aspects of the amendments, the IASB reconfirmed that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.
- (b) Amendments to IFRS 16, 'Sale and Leaseback Transaction' is applicable on accounting periods beginning on or after January 1, 2024. Amendments impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered.

The other new standards, amendments to published accounting and reporting standards and interpretations that are mandatory in Pakistan for the financial year beginning on July 1, 2024 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

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

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

- (a) Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' is applicable on accounting periods beginning on or after January 1, 2025. The amendments address situations where a currency may lack exchangeability, often due to government-imposed controls. In such cases, companies must estimate a spot exchange rate reflecting orderly transactions at the measurement date. The amendments provide flexibility, allowing the use of observable rates without adjustment or other estimation techniques, provided they meet the estimation objective. The assessment considers factors like the availability of multiple rates, purpose, nature, and update frequency. The amendments requires new disclosures, including the nature and financial impact of non-exchangeability, the spot exchange rate used, the estimation process, and associated risks.
- (b) Amendment to IFRS 7 'Financial Instruments: Disclosures' and IFRS 9 'Financial Instruments' - Classification and Measurement of Financial Instruments is applicable on accounting periods beginning on or after January 1, 2026. The amendments clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG targets)); and make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income (FVOCI).
- (c) New standard IFRS 18 'Presentation and Disclosure in Financial Statements' is applicable on accounting periods beginning on or after January 1, 2027. The standard focuses on updates to the statement of profit or loss. It introduces key concepts such as the structure of the statement of profit or loss, required disclosures for certain profit or loss performance measures reported outside the financial statements (management-defined performance measures), and enhanced principles on aggregation and disaggregation applicable to the primary financial statements and notes.
- (d) New standards IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' and IFRS S2 'Climate-related Disclosures' are applicable on accounting periods beginning on or after July 1, 2025. These standards include the core framework for the disclosure of material information about sustainability-related risks, opportunities across an entity's value chain and set out the requirements for entities to disclose information about climate-related risks and opportunities.

IFRS S1 requires entities to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reporting in making decisions relating to providing resources to the entity. The standard provides guidance on identifying sustainability-related risks and opportunities and the relevant disclosures to be made in respect of those sustainability-related risks and opportunities.

IFRS S2 is a thematic standard that builds on the requirements of IFRS S1 and is focused on climate-related disclosures. IFRS S2 requires an entity to identify and disclose climate-related risks and opportunities that could affect the entity's prospects over the short, medium and long term. In addition, IFRS S2 requires entities to consider other industry-based metrics and seven cross-industry metrics when disclosing qualitative and quantitative components on how the entity uses metrics and targets to measure, monitor and manage the identified material climate-related risks and opportunities. The cross-industry metrics include disclosures on greenhouse gas ('GHG') emissions, transition risks, physical risks, climate-related opportunities, capital deployment, internal carbon prices and remuneration.

The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. There are a number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

3.1 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.

3.2 The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, 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 recognized 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 judgement 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 4.1 and 4.2]
- (ii) Lease term and discount rate for calculation of lease liabilities [notes 4.1(b)]
- (iii) Provision for doubtful debts [note 4.8]
- (iv) Estimate of payables and receivables in respect of employees' retirement benefits [note 4.10]
- (v) Estimation of current and deferred tax [note 4.12]
- (vi) Estimate of provisions and warranty [note 4.13 and 4.14]

4. MATERIAL ACCOUNTING POLICY INFORMATION

The material 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.

4.1 Property, plant and equipment

a) 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 recognized 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 statement of profit and loss as and when incurred.

Depreciation

Depreciation is charged to statement of profit or loss on reducing balance basis except for computers and accessories. Depreciation on computers and accessories is charged to statement of profit or loss on a straight-line basis. Depreciation is charged at the rates stated in note 6.1. 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 statement of profit or loss.

Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is recognized in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of leasehold land", except to the extent that it reverses a revaluation decrease for the same asset previously recognized 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.

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.

b) Right of use assets and related liabilities

The Company generally leases regional offices, warehouses and related properties. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. At initial recognition, liabilities are discounted using the Company's incremental borrowing rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate.

Right of use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right of use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right of use asset is reduced by impairment losses, if any. At transition, the Company recognized right of use assets equal to the present value of lease payments.

Payments associated with short-term leases and leases of low-value assets are recognized on straight-line basis as an expense in statement of profit or loss. Short-term leases are leases with a lease term of 12 months or less.

4.2 Intangible assets

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

The costs associated with maintaining computer software programs are recognized 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 recognized 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 recognized 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.

4.3 Financial assets

4.3.1 Classification

The Company has classified its financial assets into following categories: financial assets at amortised cost, financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The financial assets are classified at initial recognition based on the business model used for managing the financial assets and contractual terms of the cash flows.

(a) Financial assets at amortised cost

A financial asset shall be classified as financial asset at amortised cost if both of the following conditions are met:

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

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

A debt instrument can be classified as a financial asset at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains or losses on them on different bases.

All equity instruments are classified as financial assets at fair value through profit or loss, except for those equity instruments for which the Company has elected to present value changes in other comprehensive income.

(c) Financial assets at fair value through other comprehensive income

The fair value through other comprehensive income classification is mandatory for certain debt instrument assets unless the option to classify as fair value through profit or loss is taken.

If an equity investment is not held for trading, an entity can make an irrevocable election at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in profit or loss.

4.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognized on the trade date i.e. the date on which the Company commits to purchase or sell the asset. Investments are initially recognized 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 recognized at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognized when the right 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.

After initial recognition, the Company measures a financial asset at fair value or amortised cost.

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 recognized in the profit and loss account as part of 'Other income' when the Company's right to receive payment is established.

Gains or losses arising from changes in fair value of the 'financial assets at fair value through other comprehensive income' category are recognized in other comprehensive income with only dividend income recognized in profit or loss.

4.4 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognized initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest rate method unless financial liabilities are held for trading, in which case it is required to be measured at fair value through profit or loss or where entity elects to measure a financial liability under fair value option.

A financial liability is derecognized 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 recognized in the statement of profit and loss.

4.5 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 recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

4.6 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 incurred thereon accumulated upto the reporting date.

4.7 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 customs 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.

4.8 Trade debts and other receivables and related impairment

Trade debts and other receivables are classified as financial assets at amortised cost according to IFRS 9 'Financial Instruments'.

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

4.9 Cash and cash equivalents

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

4.10 Retirement and other service benefit obligations

The Company has following plans for its employees:

4.10.1 Defined contribution plans

A defined contribution plan is a post-employment benefit plan 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 recognized as an employee service benefit expense in the profit and loss account when it is due.

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

- a recognized 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.

4.10.2 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, and 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 recognized 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, 2025.

The amount arising as a result of re-measurements are recognized 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 recognized immediately in profit and loss account.

4.10.3 Employees' compensated leave absences

Employees' entitlements to annual leaves are recognized 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.

4.11 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.

4.12 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized 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 recognized 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 recognized for all taxable temporary differences and deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Levy

In accordance with the requirements of Income Tax Ordinance, 2001 (Ordinance), computation of final taxes is not based on taxable income and as per revised guidance by IASB (International Accounting Standard Board), these fall within the scope of IFRIC 21 (levies) / IAS 37 (provisions, contingent liabilities and contingent assets) and accordingly have been classified as levy in these financial statements. Further, the Company designates the amount calculated on taxable income using the notified tax rates as an income tax within the scope of IAS 12 'Income Taxes' and recognizes it as current income tax expense. Any excess over the amount designated as income tax, is then recognized as a levy falling under the scope of IFRIC 21/IAS 37.

4.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.14 Warranty

The Company recognizes 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.

4.15 Revenue recognition

The Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods and services. The Company recognizes revenue in accordance with that core principle by applying the following steps:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when the entity satisfies a performance obligation

The Company manufactures and sells automotive, motorcycle and energy storage batteries and their allied products. Revenue from sale of goods is recognized when the Company satisfies a performance obligation (at a point of time) by transferring promised goods to customer being when the goods are dispatched to customers.

5. SUMMARY OF OTHER ACCOUNTING POLICIES

5.1 Share capital

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

5.2 Government grants

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all conditions of the grant. The benefit of a government loan at a below-market rate of interest is treated as a government grant. Government grants relating to costs are deferred and recognized in the statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

5.3 Borrowing costs

Borrowing costs are recognized as an expense in the period in which these 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.

5.4 Foreign currency transactions and translation

The foreign currency transactions are translated in functional currency using the exchange rates prevailing at 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 recognized in profit and loss account under the head of other income / other expenses.

5.5 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 year.

5.6 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.

5.7 Dividend distributions and appropriations to reserves

Dividend distributions and appropriations to reserves are recognized in the financial statements in the period in which these are approved.

6. PROPERTY, PLANT AND EQUIPMENT

| | Note | 2025 --- Rupees in '000 --- | 2024 |
|--------------------------|------|--------------------------------|------------------|
| Operating fixed assets | 6.1 | 4,711,685 | 4,611,459 |
| Capital work-in-progress | 6.8 | 33,357 | 23,880 |
| Right of use assets | 6.9 | 370,147 | 482,539 |
| | | <u>5,115,189</u> | <u>5,117,878</u> |

6.1 Operating fixed assets

| | Leasehold land (note 20) | Buildings on leasehold land | Plant and machinery | Office equipment | Computers and accessories | Furniture and fixtures | Air conditioners | Vehicles | Total |
|--|-----------------------------|-----------------------------------|---------------------------|---------------------|---------------------------------|---------------------------|---------------------|----------|-----------|
| | Rupees in '000 | | | | | | | | |
| At July 1, 2023 | | | | | | | | | |
| Revaluation / cost | 589,600 | 2,083,857 | 3,853,115 | 24,046 | 78,792 | 98,640 | 32,435 | 332,398 | 7,092,883 |
| Accumulated depreciation | - | 768,738 | 1,926,052 | 10,320 | 56,836 | 38,470 | 15,201 | 104,324 | 2,919,941 |
| Net book value | 589,600 | 1,315,119 | 1,927,063 | 13,726 | 21,956 | 60,170 | 17,234 | 228,074 | 4,172,942 |
| Year ended June 30, 2024 | | | | | | | | | |
| Opening net book value | 589,600 | 1,315,119 | 1,927,063 | 13,726 | 21,956 | 60,170 | 17,234 | 228,074 | 4,172,942 |
| Additions / revaluation | 260,400 | 51,743 | 425,394 | 4,069 | 13,587 | 3,624 | 1,444 | 156,173 | 916,434 |
| Disposals | | | | | | | | | |
| - cost | - | - | 9,107 | 50 | 733 | 60 | 280 | 55,135 | 65,365 |
| - accumulated depreciation | - | - | (6,117) | (28) | (681) | (30) | (194) | (21,645) | (28,695) |
| | - | - | 2,990 | 22 | 52 | 30 | 86 | 33,490 | 36,670 |
| Depreciation charge | - | 134,330 | 219,134 | 1,675 | 13,627 | 6,267 | 1,787 | 64,427 | 441,247 |
| Closing net book value | 850,000 | 1,232,532 | 2,130,333 | 16,098 | 21,864 | 57,497 | 16,805 | 286,330 | 4,611,459 |
| At June 30, 2024 | | | | | | | | | |
| Revaluation / cost | 850,000 | 2,135,600 | 4,269,402 | 28,065 | 91,646 | 102,204 | 33,599 | 433,436 | 7,943,952 |
| Accumulated depreciation | - | 903,068 | 2,139,069 | 11,967 | 69,782 | 44,707 | 16,794 | 147,106 | 3,332,493 |
| Net book value | 850,000 | 1,232,532 | 2,130,333 | 16,098 | 21,864 | 57,497 | 16,805 | 286,330 | 4,611,459 |
| Year ended June 30, 2025 | | | | | | | | | |
| Opening net book value | 850,000 | 1,232,532 | 2,130,333 | 16,098 | 21,864 | 57,497 | 16,805 | 286,330 | 4,611,459 |
| Additions | - | 29,478 | 436,320 | 2,952 | 13,699 | 23,613 | 5,472 | 89,241 | 600,775 |
| Disposals | | | | | | | | | |
| - cost | - | - | 28,613 | - | 1,121 | 2,725 | 1,182 | 56,033 | 89,674 |
| - accumulated depreciation | - | - | (18,519) | - | (797) | (660) | (761) | (23,922) | (44,659) |
| | - | - | 10,094 | - | 324 | 2,065 | 421 | 32,111 | 45,015 |
| Depreciation charge | - | 124,048 | 237,914 | 1,858 | 15,556 | 7,612 | 1,850 | 66,696 | 455,534 |
| Closing net book value | 850,000 | 1,137,962 | 2,318,645 | 17,192 | 19,683 | 71,433 | 20,006 | 276,764 | 4,711,685 |
| At June 30, 2025 | | | | | | | | | |
| Revaluation / cost | 850,000 | 2,165,078 | 4,677,109 | 31,017 | 104,224 | 123,092 | 37,889 | 466,644 | 8,455,053 |
| Accumulated depreciation | - | 1,027,116 | 2,358,464 | 13,825 | 84,541 | 51,659 | 17,883 | 189,880 | 3,743,368 |
| Net book value | 850,000 | 1,137,962 | 2,318,645 | 17,192 | 19,683 | 71,433 | 20,006 | 276,764 | 4,711,685 |
| Depreciation rate (% per annum) | | 10 | 10 - 20 | 10 | 30 - 33 | 10 | 10 | 20 | |

6.2 Leasehold land of the Company is located at D-181, Central Avenue, S.I.T.E., Karachi with an area of 2.68 acres.

6.3 Had the leasehold land been recognized under the cost model, the carrying amount of leasehold land as at June 30, 2025 would have been Rs.414 thousand (2024: Rs.414 thousand).

6.4 Operating fixed assets as at June 30, 2025 include items having an aggregate cost of Rs.60,189 thousand (2024: Rs.48,632 thousand) that have been fully depreciated and are still in use of the Company.

| | Note | 2025 --- Rupees in '000 --- | 2024 |
|---|------|--------------------------------|----------------|
| 6.5 Depreciation charge has been allocated as follows: | | | |
| Cost of goods manufactured | 31.1 | 393,096 | 380,236 |
| Distribution cost | 32 | 20,139 | 20,814 |
| Administrative expenses | 33 | 42,299 | 40,197 |
| | | <u>455,534</u> | <u>441,247</u> |

6.6 Plant and machinery includes certain dies and moulds having cost aggregating Rs.265,096 thousand (2024: Rs.281,699 thousand) and net book value of Rs.168,594 thousand (2024: Rs.173,647 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 | 2025 | | 2024 | |
|---|------------------------|----------------|------------------------|----------------|
| | --- Rupees in '000 --- | | --- Rupees in '000 --- | |
| | Cost | Net Book Value | Cost | Net Book Value |
| A.R Enterprises | 1,785 | 693 | 2,064 | 841 |
| Al Huda Plastics | 1,409 | 397 | 3,406 | 962 |
| Diwan Plastic Industries | - | - | 14,175 | 4,604 |
| Industrial Technical Services | 5,151 | 2,643 | 5,067 | 2,382 |
| Malta Auto Industries (Private) Limited | - | - | 7,299 | 4,413 |
| Precision Polymers (Private) Limited | 73,922 | 42,040 | 78,230 | 36,026 |
| Polymer Engineering Products | - | - | 26,829 | 10,407 |
| N H Enterprises | - | - | 691 | 155 |
| Nobel Enterprises | 140 | 38 | 140 | 42 |
| QZ Plastics | 26,707 | 8,546 | - | - |
| Atlas Engineering (Private) Limited - a related party | 155,982 | 114,237 | 143,798 | 113,815 |
| | <u>265,096</u> | <u>168,594</u> | <u>281,699</u> | <u>173,647</u> |

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

| Particular of assets | Cost | Accumulated depreciation | Net book value | Sale proceeds | (Loss) / gain | Mode of disposal | Particulars of buyers |
|---|---------------|--------------------------|----------------|---------------|---------------|------------------|--|
| ----- Rupees in '000 ----- | | | | | | | |
| Assets having net book value exceeding Rs.500,000 each | | | | | | | |
| Plant and machinery | | | | | | | |
| | 4,681 | 2,679 | 2,002 | 1,971 | (31) | | |
| | 3,151 | 1,938 | 1,213 | 1,194 | (19) | | |
| | 1,760 | 1,078 | 682 | 81 | (601) | Negotiation | M/s. Malik Traders, S.I.T.E. Karachi. |
| | 1,416 | 827 | 589 | 70 | (519) | | |
| | 1,372 | 780 | 592 | 45 | (547) | | |
| | <u>3,150</u> | <u>2,319</u> | <u>831</u> | <u>2,345</u> | <u>1,514</u> | Negotiation | Mr. Sher Khan, S.I.T.E. Karachi. |
| | 15,530 | 9,621 | 5,909 | 5,706 | (203) | | |
| Furniture and fixtures | 709 | 158 | 551 | 809 | 258 | Negotiation | M/s. Star Enterprises, S.I.T.E. Karachi. |
| Vehicles | | | | | | | |
| | 1,501 | 455 | 1,046 | 4,136 | 3,090 | Negotiation | Mr. Usman Shahid, H # B-6, Sector 11-B, North Karachi. |
| | 4,915 | 1,364 | 3,551 | 3,551 | - | Company Policy | Ms. Mudassara Hasan, Ex-employee |
| | 4,084 | 804 | 3,280 | 3,280 | - | Company Policy | Mr. Naveed Zaman, Ex-employee |
| | 4,084 | 1,082 | 3,002 | 3,002 | - | Company Policy | Ms. Ayesha Iqbal, Ex-employee |
| | 3,459 | 1,924 | 1,535 | 1,535 | - | Company Policy | Mr. Muhammad Saqib Khan, Ex-employee |
| | 3,382 | 2,066 | 1,316 | 1,316 | - | Company Policy | Mr. Sami Ahmed, Key Management Personnel |
| | 3,024 | 994 | 2,030 | 2,030 | - | Company Policy | Mr. Irfan Ahmed Khatri, Employee |
| | 3,024 | 994 | 2,030 | 2,030 | - | Company Policy | Mr. Iftikhar Hasan Faridy, Employee |
| | 2,612 | 763 | 1,849 | 1,849 | - | Company Policy | Mr. Muhammad Makki Sajid, Ex-employee |
| | 2,563 | 1,545 | 1,018 | 1,018 | - | Company Policy | Mr. Furqan Rasheed, Employee |
| | 2,498 | 1,671 | 827 | 827 | - | Company Policy | Mr. Muhammad Arif, Ex-employee |
| | 1,976 | 624 | 1,352 | 1,352 | - | Company Policy | Mr. Muhammad Shahid, Employee |
| | 1,745 | 1,050 | 695 | 695 | - | Company Policy | Mr. Arif Mehmood, Ex-employee |
| | 1,655 | 813 | 842 | 842 | - | Company Policy | Mr. Faraz Ahmed Khan, Ex-employee |
| | 1,398 | 833 | 565 | 565 | - | Company Policy | Mr. Syed Faraz Haider Rizvi, Employee |
| | 1,398 | 854 | 544 | 544 | - | Company Policy | Mr. Shehzaib Ghalib, Employee |
| | 1,395 | 702 | 693 | 693 | - | Company Policy | Mr. Ammar Bin Khizer, Employee |
| | 1,335 | 619 | 716 | 716 | - | Company Policy | Mr. Yasir Taufiq, Employee |
| | 1,335 | 681 | 654 | 654 | - | Company Policy | Mr. Syed Numair Ali, Ex-employee |
| | <u>47,383</u> | <u>19,838</u> | <u>27,545</u> | <u>30,635</u> | <u>3,090</u> | | |
| Various assets having net book value upto Rs.500,000 each | 26,052 | 15,042 | 11,010 | 10,512 | (498) | | |
| 2025 | <u>89,674</u> | <u>44,659</u> | <u>45,015</u> | <u>47,662</u> | <u>2,647</u> | | |
| 2024 | <u>65,365</u> | <u>28,695</u> | <u>36,670</u> | <u>36,461</u> | <u>(209)</u> | | |

| 6.8 | Capital work-in-progress | Note | 2025 --- Rupees in '000 --- | 2024 |
|-------|---|-------|--------------------------------|-----------|
| | Building on leasehold land | | 2,989 | - |
| | Plant and machinery | | 23,564 | 16,516 |
| | Furniture and fixtures | | - | 4,176 |
| | Air conditioners | | 187 | 410 |
| | Vehicles | | 6,617 | 2,169 |
| | Intangible asset | | - | 609 |
| | | 6.8.1 | 33,357 | 23,880 |
| 6.8.1 | Movement in capital work-in-progress | | | |
| | Balance at beginning of the year | | 23,880 | 40,877 |
| | Additions during the year | | 18,754 | 48,900 |
| | Transferred to operating fixed assets | | (9,277) | (65,897) |
| | Balance at end of the year | 6.8.2 | 33,357 | 23,880 |
| 6.8.2 | Includes advance payments to related parties amounting to Rs.268 thousand (2024: Rs.2,169 thousand) to Atlas Honda Limited and Rs.6,349 (2024: Rs.Nil) to Honda Atlas Cars (Pakistan) Limited for purchase of vehicles. | | | |
| 6.9 | Right of use assets | Note | 2025 --- Rupees in '000 --- | 2024 |
| | Balance at beginning of the year | | 482,539 | 377,817 |
| | Addition during the year | | - | 55,168 |
| | Adjustment due to lease modification | 21.1 | (14,692) | 150,909 |
| | Depreciation charged during the year | 6.9.1 | (97,700) | (101,355) |
| | Net book value at end of the year | | 370,147 | 482,539 |
| 6.9.1 | Depreciation expense relating to right of use asset of Rs.66,214 thousand has been charged in 'Cost of sales', Rs.16,865 thousand in 'Distribution cost' and Rs.14,621 thousand in 'Administrative expenses'. | | | |

7. INTANGIBLE ASSETS

| | Software licenses | ERP implementation cost | Total |
|--|----------------------------|-------------------------------|----------|
| | ----- Rupees in '000 ----- | | |
| At July 1, 2023 | | | |
| Cost | 32,505 | 7,400 | 39,905 |
| Accumulated amortisation | (29,763) | (7,400) | (37,163) |
| Net book value | 2,742 | - | 2,742 |
| Year ended June 30, 2024 | | | |
| Opening net book value | 2,742 | - | 2,742 |
| Additions | 1,835 | - | 1,835 |
| Amortisation charge | (2,520) | - | (2,520) |
| Closing net book value | 2,057 | - | 2,057 |
| At June 30, 2024 | | | |
| Cost | 34,340 | 7,400 | 41,740 |
| Accumulated amortisation | (32,283) | (7,400) | (39,683) |
| Net book value | 2,057 | - | 2,057 |
| Year ended June 30, 2025 | | | |
| Opening net book value | 2,057 | - | 2,057 |
| Amortisation charge | (1,325) | - | (1,325) |
| Closing net book value | 732 | - | 732 |
| At June 30, 2025 | | | |
| Cost | 34,340 | 7,400 | 41,740 |
| Accumulated amortisation | (33,608) | (7,400) | (41,008) |
| Net book value | 732 | - | 732 |
| Amortisation rate (% per annum) | 50 | 50 | |

- 7.1 Intangible assets as at June 30, 2025 include items having an aggregate cost of Rs.39,903 thousand (2024: Rs.39,014 thousand) that have been fully amortised and still in use of the Company.

| 7.2 | Amortisation charge has been allocated as follows: | Note | 2025 --- Rupees in '000 --- | 2024 |
|-----|--|------|--------------------------------|--------------|
| | Cost of sales | 31 | 730 | 60 |
| | Administrative expenses | 33 | 595 | 2,460 |
| | | | <u>1,325</u> | <u>2,520</u> |

8. 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 |
| <u>1,000</u> | <u>1,000</u> |
| - | - |

9. LONG TERM LOANS

Considered good - secured

Related parties - key management personnel

Loans to employees - others

| | |
|---------------|--------------|
| 1,681 | 4,019 |
| 9,475 | 5,824 |
| <u>11,156</u> | <u>9,843</u> |

Recoverable within one year -

Key management personnel

Others

| | |
|----------------|----------------|
| (1,681) | (2,638) |
| <u>(5,753)</u> | <u>(3,442)</u> |
| 14 | |
| <u>(7,434)</u> | <u>(6,080)</u> |
| <u>3,722</u> | <u>3,763</u> |

- 9.1 These represent interest-free loans to executives and other employees as per terms of employment. These loans are provided for the purchase of motorcycles and other specified reasons. Loans aggregating Rs.3,393 thousand (2024: Rs.2,133 thousand) are provided for the purchase of motorcycles and are recoverable 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 twenty four months. These loans are secured by the registration of motorcycles in the name of the Company and employees' vested retirement benefits.

- 9.2 The maximum amount outstanding at the end of any month during the year ended June 30, 2025 from key management personnel (related party) aggregated to Rs.4,460 thousand (2024: Rs.4,469 thousand).

- 9.3 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.

10. LONG TERM DEPOSITS

Considered good - unsecured and interest-free

Security deposits for:

- utilities

- rent agreements

- others

| 2025 --- Rupees in '000 --- | 2024 |
|--------------------------------|---------------|
| 24,094 | 4,019 |
| 12,167 | 11,807 |
| 14,012 | 14,012 |
| <u>50,273</u> | <u>29,838</u> |

| 11. | STORES, SPARES AND LOOSE TOOLS | Note | 2025 --- Rupees in '000 --- | 2024 |
|------|---|------|----------------------------------|-------------------|
| | Maintenance spares | | | |
| | - in hand | | 266,505 | 208,882 |
| | - in transit | | 15,593 | 16,955 |
| | Consumables stores | | 410,488 | 341,409 |
| | Loose tools | | 2,263 | 1,245 |
| | | | <u>694,849</u> | <u>568,491</u> |
| 12. | STOCK-IN-TRADE | | | |
| | Raw materials and components: | | | |
| | - in hand | | 2,665,944 | 6,868,703 |
| | - with third parties | 12.1 | 497,158 | 102,080 |
| | | | <u>3,163,102</u> | <u>6,970,783</u> |
| | Work-in-process | | 2,428,706 | 2,400,998 |
| | Finished goods | | 2,131,048 | 2,453,246 |
| | Items in transit | | 19,713 | 84,102 |
| | | | <u>7,742,569</u> | <u>11,909,129</u> |
| 12.1 | Includes raw materials amounting to Rs.1,163 thousand (2024: Rs.473 thousand) and work-in-process amounting to Rs.5,020 thousand (2024: Rs.3,913 thousand) held with Atlas Engineering (Private) Limited - a related party. | | | |
| 12.2 | Stock-in-trade and trade debts upto a maximum amount of Rs.16,070,354 thousand (2024: Rs.14,336,354 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 28). | | | |
| 13. | TRADE DEBTS - Unsecured | Note | 2025 ---- Rupees in '000 ---- | 2024 |
| | Considered good | | | |
| | Honda Atlas Cars (Pakistan) Limited - a related party | | 10,264 | 14,127 |
| | Others | | 2,597,248 | 3,061,933 |
| | | | <u>2,607,512</u> | <u>3,076,060</u> |
| | Considered doubtful | | | |
| | Others | | 53,809 | 50,692 |
| | | | <u>2,661,321</u> | <u>3,126,752</u> |
| | Provision for expected credit loss | 13.1 | (53,809) | (50,692) |
| | | | <u>2,607,512</u> | <u>3,076,060</u> |
| 13.1 | Provision for expected credit loss | | | |
| | Balance at beginning of the year | | 50,692 | 31,295 |
| | Provision for expected credit loss | | 3,117 | 19,397 |
| | Balance at end of the year | | <u>53,809</u> | <u>50,692</u> |
| 13.2 | The ageing of trade debts at June 30, is as follows: | | | |
| | | | Related parties | Others |
| | | | 2025 | 2024 |
| | | | 2025 | 2024 |
| | | | ----- Rupees in '000 ----- | |
| | Less than 30 days | | 10,264 | 8,417 |
| | 31 - 180 days | | - | 5,710 |
| | 181 days to 365 days | | - | - |
| | Over one year | | - | - |
| | | | <u>10,264</u> | <u>14,127</u> |
| | Provision for expected credit loss | | - | - |
| | | | <u>10,264</u> | <u>14,127</u> |
| 13.3 | Trade debts which are past due beyond one year have been impaired and fully provided for. | | | |

- 13.4 The maximum aggregate amount of trade receivable from related parties at the end of any month during the year was Rs.464,331 thousand (2024: Rs.211,292 thousand).

14. LOANS AND ADVANCES

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|---|------|----------------------------------|---------------|
| Considered good and interest-free | | | |
| Secured | | | |
| Current portion of long term loans to employees | 9 | 7,434 | 6,080 |
| Unsecured | | | |
| Loans to staff other than executives | 14.1 | 318 | 243 |
| Advances to staff for expenses | | 510 | 2,839 |
| Advances to suppliers, contractors and others | 14.2 | 6,769 | 13,284 |
| | | <u>15,031</u> | <u>22,446</u> |

- 14.1 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.
- 14.2 As at June 30, 2025, no advance were due from related parties. (2024: Rs.160 thousand paid to Atlas Honda Limited - a related party against purchase of motorcycle for employee).

15. DEPOSITS AND PREPAYMENTS

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|--------------------------------------|------|----------------------------------|---------------|
| Considered good and unsecured | | | |
| Deposits - interest-free | | 11,187 | 20,279 |
| Margins against letter of credit | | 7,476 | 3,748 |
| Prepayments | 15.1 | 12,268 | 14,520 |
| | | <u>30,931</u> | <u>38,547</u> |

- 15.1 Includes prepayments of Rs.473 thousand (2024:Rs.Nil) to Shirazi Trading Company (Private) Limited and Rs.Nil (2024: Rs.7,413 thousand) to Integration Xperts, related parties.

16. INVESTMENTS - at fair value through profit or loss

| 2025 -- Number of units -- | 2024 | | 2025 ---- Rupees in '000 ---- | 2024 |
|-------------------------------|-----------|-----------------------|----------------------------------|---------|
| 5,991,033 | 3,776,807 | HBL Money Market Fund | 620,685 | 390,023 |

- 16.1 These units are under lien of a commercial bank against guarantees aggregating Rs.520,737 thousand (2024: Rs.336,549 thousand) issued in favour of Sui Southern Gas Co. Ltd., Excise & Taxation Department, Government of Sindh, K-Electric Ltd. and Controller of Military Accounts (Defence Purchase) on behalf of the Company.

17. This represents sales tax paid under protest.

18. BANK BALANCES

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|---|------|----------------------------------|------------------|
| Balances with banks on: | | | |
| current accounts | | | |
| {including US\$ 331,793 (2024: US\$ 196,096)} | | 151,203 | 106,949 |
| saving accounts | | 4 | 3 |
| Cheques-in-hand | 18.2 | 877,003 | 1,084,640 |
| | | <u>1,028,210</u> | <u>1,191,592</u> |

- 18.1 Saving deposit accounts carry mark-up upto 9.5% per annum.
- 18.2 Represents banking instruments received by the Company from dealers at regional offices in respect of sales but not deposited in the Company's bank accounts till reporting date.

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

| 2025 ---Number of shares--- | 2024 | | 2025 ---- Rupees in '000 ---- | 2024 |
|--------------------------------|-------------------|---|----------------------------------|----------------|
| 1,300,000 | 1,300,000 | Ordinary shares of Rs.10 each fully paid in cash | 13,000 | 13,000 |
| 33,717,033 | 33,717,033 | Ordinary shares of Rs.10 each issued as fully paid bonus shares | 337,170 | 337,170 |
| <u>35,017,033</u> | <u>35,017,033</u> | | <u>350,170</u> | <u>350,170</u> |

19.1 Ordinary shares of the Company held by associated companies as at June 30,

| | 2025 -- Number of shares -- | 2024 |
|--|--------------------------------|-------------------|
| Shirazi Investments (Private) Limited | 20,611,466 | 20,611,466 |
| GS Yuasa International Limited - Japan | 5,252,516 | 5,252,516 |
| Atlas Foundation | 643,742 | 643,742 |
| Atlas Insurance Limited | 610,632 | 610,632 |
| | <u>27,118,356</u> | <u>27,118,356</u> |

- 19.2** The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All shares rank equally with regard to Company's residual assets.

20. 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, resulting in an appraisal surplus of Rs.173,786 thousand over the book value of Rs.414 thousand. This leasehold land was subsequently revalued on July 16, 2014, and June 21, 2019, by M/s. MYK Associates (Private) Limited and M/s. Pee Dee & Associates, respectively, based on the present market values for similar plots in the vicinity (level 2 of fair value hierarchy). The latest revaluation exercise was conducted by M/s. Pee Dee & Associates on May 14, 2024. The most significance input into this valuation approach is price per acre of land. The different levels of fair value have been defined in IFRS 13 'Fair Value Measurement' and are mentioned in note 41.2.

The latest revaluation exercise resulted in surplus of Rs.260,400 thousand over the book value of Rs.589,600 thousand. At the time of latest revaluation, forced sale value of the leasehold land was range from Rs.637,500 thousand to Rs.680,000 thousand.

21. LEASE LIABILITIES

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|---|------|----------------------------------|----------------|
| Balance at beginning of the year | | 655,959 | 474,490 |
| Additions during the year | | - | 55,168 |
| Adjustment due to lease modification | 21.1 | (14,692) | 150,909 |
| Interest accrued | | 116,287 | 139,558 |
| Repaid / adjusted during the year | | (180,017) | (164,166) |
| | 21.2 | <u>577,537</u> | <u>655,959</u> |
| Current portion - grouped under current liabilities | | (94,607) | (55,025) |
| Balance at end of the year | | <u>482,930</u> | <u>600,934</u> |

- 21.1** The Company during the year modified the agreement which resulted in increase of lease liability and corresponding right of use asset (Refer note.6.9).

- 21.2** These represents lease contracts for regional sales offices and factory and have estimated lease terms between 5 to 17 years. These are discounted using incremental borrowing rate of the Company. These includes Rs.423,076 thousand (2024: Rs.477,340 thousand) due to Shirazi Investments (Private) Limited, the Holding Company.

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

| Particulars | Upto one year | From one to five years | Over five years | Total |
|--|----------------------------|------------------------|-----------------|-----------|
| | ----- Rupees in '000 ----- | | | |
| Minimum lease payments | 196,156 | 553,777 | 157,736 | 907,669 |
| Finance cost allocated to future periods | (101,549) | (190,607) | (37,976) | (330,132) |
| Present value of minimum lease payments | 94,607 | 363,170 | 119,760 | 577,537 |

22. LONG TERM BORROWINGS

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|--|------|----------------------------------|-----------|
| Musharakah I | 22.1 | 374,999 | 541,666 |
| Musharakah II | 22.2 | 234,375 | 312,500 |
| Musharakah III | 22.3 | 1,000,000 | - |
| Temporary economic refinance facility (TERF) | 22.4 | 41,782 | 45,318 |
| | | 1,651,156 | 899,484 |
| Current maturity | | (378,977) | (253,977) |
| | | 1,272,179 | 645,507 |

22.1 Musharakah I

| | | |
|---------------------------------|-----------|-----------|
| Opening balance | 541,666 | 708,333 |
| Finance re-paid during the year | (166,667) | (166,667) |
| | 374,999 | 541,666 |

- 22.1.1** The Company obtained finance amounting to Rs.750,000 thousand under diminishing musharakah arrangement from Askari Bank Limited for the purpose of financing BMR. This carries mark-up at the rate of 3 months KIBOR plus 0.5% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This finance is for five years from the date of disbursement (August 26, 2022) and is repayable in 18 equal quarterly installments with a grace period of 6 months.

| | 2025 ---- Rupees in '000 ---- | 2024 |
|---------------------------------|----------------------------------|---------|
| 22.2 Musharakah II | | |
| Opening balance | 312,500 | 312,500 |
| Finance re-paid during the year | (78,125) | - |
| | 234,375 | 312,500 |

- 22.2.1** The Company obtained finance amounting Rs.312,500 thousand under diminishing musharakah arrangement from National Bank of Pakistan for the purpose of balance sheet re-profiling. This carries mark-up at the rate of 3 months KIBOR plus 0.3% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This finance is for five years from the date of disbursement (December 28, 2022) and is repayable in 8 equal bi-annual installments with a grace period of 18 months.

- 22.3** The Company obtained finance amounting to Rs.1,000,000 thousand under diminishing musharakah arrangement from Meezan Bank Limited for the purpose of reprofiling balance sheet and payoff conventional debt. This carries mark-up at the rate of 3 months KIBOR plus 0.1% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. This finance is for five years from the date of disbursement (December 24, 2024) and is repayable in 16 equal quarterly installments with a grace period of 1 year.

| | | 2025 | 2024 |
|--|--------|--------------------------|---------------|
| | Note | ---- Rupees in '000 ---- | |
| 22.4 Temporary economic refinance facility (TERF) | | | |
| Finance amount received from bank | 22.4.1 | 59,406 | 68,592 |
| Adjustment pertaining to fair value of finance at below market interest rate | 22.4.2 | (17,624) | (23,274) |
| | | <u>41,782</u> | <u>45,318</u> |
| 22.4.1 Finance received from bank | | | |
| Balance at beginning the year | | 68,592 | 73,650 |
| Finance repaid during the year | | (9,186) | (5,058) |
| Balance at end of the year | | <u>59,406</u> | <u>68,592</u> |

This represents finance received from Allied Bank Limited under Temporary Economic Refinance Facility (TERF) introduced by State Bank of Pakistan for the purpose to finance CAPEX requirements. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin. Mark-up is chargeable at SBP rate 1% plus 0.80% per annum. This is repayable in ten years with a grace period of two years and is repayable in sixteen semi-annual installments.

| | | 2025 | 2024 |
|--|------|--------------------------|----------------|
| | Note | ---- Rupees in '000 ---- | |
| 22.4.2 Adjustment pertaining to fair value of finance at below market interest rate | | | |
| Balance at beginning of the year | | 23,274 | 29,483 |
| Amortisation of finance | | (5,650) | (6,209) |
| | | <u>17,624</u> | <u>23,274</u> |
| 23. DEFERRED INCOME - GOVERNMENT GRANT | | | |
| Balance at beginning of the year | | 23,273 | 29,482 |
| Less: released to statement of profit or loss | 36 | 5,649 | 6,209 |
| | | <u>17,624</u> | <u>23,273</u> |
| Less: current maturity grouped under current liabilities | | 4,869 | 5,650 |
| | | <u>12,755</u> | <u>17,623</u> |
| 24. STAFF RETIREMENT BENEFITS | | | |
| Provision for gratuity | 24.1 | 1,979 | 2,212 |
| Compensated leave absences | 24.2 | 150,448 | 129,285 |
| | | <u>152,427</u> | <u>131,497</u> |

24.1 Provision for gratuity

24.1.1 As stated in note 4.10.2, the Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non-management staff.

24.1.2 Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882, Sindh Trust Act, 2020 as amended vide Sindh Trust (Amendment) Act, 2021, 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.

24.1.3 The latest actuarial valuations of the Schemes as at June 30, 2025 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 | |
|---|----------------------------|-----------|----------------|-------|-----------|-----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| 24.1.4 Balance sheet reconciliation | ----- Rupees in '000 ----- | | | | | |
| Present value of defined benefit obligation at June 30 - note 24.1.5 | 344,112 | 258,350 | 1,979 | 2,212 | 346,091 | 260,562 |
| Fair value of plan assets at June 30 - note 24.1.6 | (304,632) | (180,553) | - | - | (304,632) | (180,553) |
| Receivable from related parties in respect of transferees | (738) | (1,782) | - | - | (738) | (1,782) |
| Liability at end of the year | 38,742 | 76,015 | 1,979 | 2,212 | 40,721 | 78,227 |
| Payable within next twelve months | (38,742) | (76,015) | - | - | (38,742) | (76,015) |
| | - | - | 1,979 | 2,212 | 1,979 | 2,212 |
| 24.1.5 Movement in the present value of defined benefit obligation | | | | | | |
| Balance at beginning of the year | 258,350 | 144,544 | 2,212 | 2,261 | 260,562 | 146,805 |
| Benefits paid | (15,073) | (10,947) | (733) | (403) | (15,806) | (11,350) |
| Current service cost | 17,397 | 10,149 | 137 | 153 | 17,534 | 10,302 |
| Past service cost | - | 84,031 | - | - | - | 84,031 |
| Interest cost | 38,103 | 23,257 | 293 | 351 | 38,396 | 23,608 |
| Re-measurements on obligation | 45,568 | 6,607 | 70 | (150) | 45,638 | 6,457 |
| Recognised in respect of transfers | (233) | 709 | - | - | (233) | 709 |
| Balance at end of the year | 344,112 | 258,350 | 1,979 | 2,212 | 346,091 | 260,562 |
| 24.1.6 Movement in the fair value of plan assets | | | | | | |
| Balance at beginning of the year | 180,553 | 124,489 | - | - | 180,553 | 124,489 |
| Contributions | 76,014 | 18,571 | - | - | 76,014 | 18,571 |
| Benefits paid | (15,073) | (10,947) | - | - | (15,073) | (10,947) |
| Interest income | 27,510 | 20,342 | - | - | 27,510 | 20,342 |
| Re-measurements | 34,817 | 27,689 | - | - | 34,817 | 27,689 |
| Amount transferred from other group companies | 811 | 409 | - | - | 811 | 409 |
| Balance at end of the year | 304,632 | 180,553 | - | - | 304,632 | 180,553 |
| 24.1.7 Expense recognised in statement of profit or loss | | | | | | |
| Current service cost | 17,397 | 10,149 | 137 | 153 | 17,534 | 10,302 |
| Past service cost | - | 84,031 | - | - | - | 84,031 |
| Net interest cost | 10,593 | 2,915 | 293 | 351 | 10,886 | 3,266 |
| | 27,990 | 97,095 | 430 | 504 | 28,420 | 97,599 |
| 24.1.8 Re-measurements recognised in other comprehensive income | | | | | | |
| Loss arising from change in financial assumptions | 37,068 | 3,086 | 10 | 27 | 37,078 | 3,113 |
| Experience loss / (gain) | 8,500 | 3,521 | 60 | (177) | 8,560 | 3,344 |
| Gain on re-measurement of plan assets | (34,817) | (27,688) | - | - | (34,817) | (27,688) |
| Net re-measurements | 10,751 | (21,081) | 70 | (150) | 10,821 | (21,231) |

| | Management | | Non-management | | Total | |
|--|----------------------------|----------|----------------|-------|----------|----------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| 24.1.9 Net liability recognised | ----- Rupees in '000 ----- | | | | | |
| Balance at beginning of the year | 76,015 | 18,572 | 2,212 | 2,261 | 78,227 | 20,833 |
| Charge for the year | 27,990 | 97,095 | 430 | 504 | 28,420 | 97,599 |
| Contributions made during the year | (76,014) | (18,571) | (733) | (403) | (76,747) | (18,974) |
| Re-measurements recognised in other comprehensive income | 10,751 | (21,081) | 70 | (150) | 10,821 | (21,231) |
| Recognised liability as at June 30 | 38,742 | 76,015 | 1,979 | 2,212 | 40,721 | 78,227 |
| Payable within next twelve months | (38,742) | (76,015) | - | - | (38,742) | (76,015) |
| | - | - | 1,979 | 2,212 | 1,979 | 2,212 |
| 24.1.10 Plan assets comprise of: | | | | | | |
| Debt securities | 1,217 | 11,411 | - | - | 1,217 | 11,411 |
| Equity instrument - mutual funds units | 299,890 | 169,044 | - | - | 299,890 | 169,044 |
| Cash and cash equivalent | 3,525 | 98 | - | - | 3,525 | 98 |
| | 304,632 | 180,553 | - | - | 304,632 | 180,553 |

| | Management | | Non-management | |
|---|-------------------------|-------------|----------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| 24.1.11 Actuarial assumptions used | ----- % per annum ----- | | | |
| Discount rate at June 30 | 11.75% | 14.75% | 11.75% | 14.75% |
| Expected rate of increase in future salaries - first year | 17.00% | 16.00% | 13.00% | 16.00% |
| - long term | 11.75% | 13.75% | 10.75% | 13.75% |
| Demographic assumptions | | | | |
| - Mortality rates (for death in service) | SLIC | SLIC | SLIC | SLIC |
| | (2001-05)-1 | (2001-05)-1 | (2001-05)-1 | (2001-05)-1 |
| - Rates of employee turnover | Moderate | Moderate | Light | Light |

24.1.12 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 assumption | Decrease in assumption |
| | ---- Rupees in '000 ---- | | |
| Discount rate | 1.00% | (26,012) | 29,487 |
| Increase in future salaries | 1.00% | 27,541 | (24,793) |
| Withdrawal rates : light / moderate | | 2,047 | |
| Withdrawal rates : heavy | | (2,063) | |

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

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

24.1.13 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.

24.1.14 Based on actuary's advice, the expected contribution and expense for the year ending June 30, 2026 to management and non-management gratuity plans will be Rs.26,393 thousand and Rs.419 thousand respectively.

24.1.15 The weighted average duration of management and non-management gratuity is 8 years and 5.36 years respectively. Expected maturity analysis of undiscounted retirement benefit plans:

| | Less than a year | Between 1 - 2 years | Between 2 - 5 years | Between 5 - 20 years | Total |
|-------------------------|-----------------------|------------------------|------------------------|-------------------------|------------------|
| At June 30, 2025 | Rupees in '000 | | | | |
| Management staff | 21,208 | 15,345 | 114,136 | 1,454,555 | 1,605,244 |
| Non-management staff | 25 | 293 | 1,325 | 9,595 | 11,238 |
| Total | 21,233 | 15,638 | 115,461 | 1,464,150 | 1,616,482 |

| | 2025 ---- Rupees in '000 ---- | 2024 |
|--|----------------------------------|---------|
| 24.2 Compensated leave absences | | |
| Balance at beginning of the year | 129,285 | 106,326 |
| Provision for the year | 30,648 | 30,075 |
| | 159,933 | 136,401 |
| Encashed during the year | (9,485) | (7,116) |
| Balance at end of the year | 150,448 | 129,285 |

24.2.1 Includes liability in respect of key management personnel aggregating to Rs.44,436 thousand (2024: Rs.32,825 thousand).

| | 2025 ---- Rupees in '000 ---- | 2024 |
|---|----------------------------------|-----------|
| 25. DEFERRED TAXATION - Net | | |
| The liability for deferred tax comprises temporary differences relating to: | | |
| Accelerated tax depreciation allowances | 492,524 | 470,100 |
| Tax amortisation | 262 | 635 |
| Lease liabilities - net | (80,882) | (67,634) |
| Provision for impairment of available-for-sale investments | (390) | (390) |
| Provision for doubtful debts | (20,985) | (19,770) |
| Provision for gratuity | (7,940) | (30,508) |
| Provision for compensated leave absences | (58,675) | (50,421) |
| Provision for warranty | (162,096) | (154,407) |
| | 161,818 | 147,605 |

| | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|---|------|----------------------------------|-----------|
| 26. TRADE AND OTHER PAYABLES | | | |
| Trade creditors | 26.1 | 402,221 | 442,142 |
| Accrued liabilities | 26.1 | 1,646,020 | 1,426,624 |
| Royalty and technical fee | 26.2 | 403,515 | 450,889 |
| Provision for warranty | 26.3 | 415,632 | 395,917 |
| Contract liabilities - customers advances and credit balances | 26.4 | 95,612 | 80,633 |
| Provision for gratuity - management | 24.1 | 38,742 | 76,015 |
| Workers' profit participation fund | 26.5 | 33,585 | 116,734 |
| Workers' welfare fund | | 12,803 | 47,538 |
| Sindh government infrastructure fee | 26.6 | 442,425 | 294,282 |
| Withholding taxes | | 8,392 | 12,625 |
| Other liabilities | 26.7 | 27,285 | 14,538 |
| | | 3,526,232 | 3,357,937 |

26.1 Trade creditors and accrued liabilities include Rs.198,379 thousand (2024: Rs.215,666 thousand) pertaining to related parties.

26.2 These are due to GS Yuasa International Limited, Japan - a related party.

| 26.3 | Provision for warranty | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|------|----------------------------------|------|----------------------------------|-------------|
| | Balance at beginning of the year | | 395,917 | 366,980 |
| | Provision for the year | 31.1 | 1,653,797 | 1,703,083 |
| | | | 2,049,714 | 2,070,063 |
| | Payments made during the year | | (1,634,082) | (1,674,146) |
| | Balance at end of the year | | 415,632 | 395,917 |

26.4 Includes Rs.13 thousand (2024: Rs.13 thousand) pertaining to related parties. Revenue aggregating Rs.72,828 thousand (2024: Rs.70,030 thousand) has been recognized for preceding year contract liabilities - advances from customers and credit balances of customers.

| 26.5 | Workers' profit participation fund (the Fund) | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|------|---|------|----------------------------------|---------|
| | Balance at beginning of the year | | 116,734 | 5,765 |
| | Allocation for the year | 35 | 33,585 | 116,734 |
| | Interest on fund utilized in the Company's business | | 78 | 112 |
| | | | 150,397 | 122,611 |
| | Paid to trustees of the Fund | | (116,812) | (5,877) |
| | Balance at end of the year | | 33,585 | 116,734 |

26.6 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 (SHC). 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 consignments 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 before the SHC and became a party to subject controversy raised through various appeals. The SHC, through its interim order dated April 3, 2014, has granted the above-mentioned interim relief to the Company as well and directed to take up the petition along with identical petitions. The SHC, on June 4, 2021, has validated the levy of infrastructure fee and ordered encashment of bank guarantees after 90 days from the date of order. The Company has filed a review petition before the Supreme Court of Pakistan, which is pending adjudication.

As at June 30, 2025, the Company has provided bank guarantees amounting Rs.440,000 thousand (2024: Rs.310,000 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.

26.7 Other liabilities include vehicles' deposits under the Company's vehicle policy aggregating Rs.19,070 thousand (2024: Rs.14,028 thousand).

| 27. | ACCRUED MARK-UP | Note | 2025 ---- Rupees in '000 ---- | 2024 |
|-----|---|------|----------------------------------|-----------|
| | - on long term borrowings | | 14,003 | 29,007 |
| | - on short term borrowings | | 180,711 | 323,768 |
| | | | 194,714 | 352,775 |
| 28. | SHORT TERM BORROWINGS - Secured | | | |
| | Running finance / musharakah | 28.1 | 2,789,053 | 9,168,203 |
| | Running musharakah - short term finance | 28.2 | 1,700,000 | - |
| | | | 4,489,053 | 9,168,203 |

- 28.1** Running finances / musharakah facilities available from various banks under mark-up arrangements aggregated to Rs.11,550,000 thousand as at June 30, 2025 (2024: Rs.10,750,000 thousand). During the year, these finance facilities carried mark-up at the rates ranging from 11.35% to 21.83% (2024: 21.65% to 24.53%) per annum.
- 28.2** Demand finance / musawammah / murabaha / istisna / tijarah facilities aggregating Rs.9,450,000 thousand (2024: Rs.9,750,000 thousand) are also available to the Company from various banks as sub-limits of the above mentioned running finance / musharakah facilities. These facilities carried mark-up at the rates ranging from 10.23% to 17.71% (2024: 21.65% to 22.62%) per annum.
- 28.3** FE-25 facilities aggregating Rs.1,500,000 thousand (2024: Rs.1,500,000 thousand) are available from various banks as sub-limits of above mentioned running finance / musharakah facilities. The Company has not utilised these facilities during the year.
- 28.4** 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 February 28, 2026.
- 28.5** The facilities for opening letters of credit including cash margin and guarantees as at June 30, 2025 aggregated to Rs.5,800,000 thousand (2024: Rs.5,200,000 thousand) of which the amount remained unutilised at year end aggregated to Rs.3,113,240 thousand (2024: Rs.3,869,831 thousand). These facilities are secured against lien on import documents.

29. CONTINGENCIES AND COMMITMENTS

29.1 Contingencies

- 29.1.1** The Company had 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 other companies and 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 before 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 before the Honourable Supreme Court of Pakistan, which on December 4, 2024, has decided the case in favor of the Company.
- 29.1.2** The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Office, Karachi, for the tax year 2013 passed an order dated September 30, 2014 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on freight & forwarding charges and discounts allowed to dealers. The DCIR through this order created an aggregate demand of Rs.206.534 million including additional tax.

An appeal was filed before the Commissioner Inland Revenue (Appeals) [CIR(A)] on October 22, 2014 against the above order. The Company paid the demand of Rs.0.1 million which pertained to a tax deduction on freight charges and filed a stay application on October 27, 2014 before the 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, the 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, the 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 Commissioner Inland Revenue (CIR) has filed an appeal on April 18, 2015 against the abovementioned order of the CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). The ATIR on January 25, 2021 has upheld the order of CIR(A) and remanded back the issue for fresh verification.

- 29.1.3** 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 have 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 (SRB). Further, the Company's factory premises as well as all production and entire operations are in the 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.

The Court vide its final order dated October 10, 2023, has dismissed the petition of the Company based on jurisdiction. The Company intends to pursue the available departmental remedies or relevant jurisdiction court, once the proceedings are finalized.

- 29.1.4** 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 (ATIR). ATIR on July 30, 2019 remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh. Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under section 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.121.735 million including default surcharge and penalty. The Company filed an appeal before CIR(A) on July 19, 2021. Pursuant to the appeal, CIR(A) passed an order on August 23, 2022 under section 129 of the Ordinance and upheld the decision of DCIR on the issue of non-deduction of tax on discounts allowed to dealers. The Company then filed an appeal on September 7, 2022 against the above mentioned order of CIR(A) before ATIR. ATIR on September 30, 2022 has deleted the demand and decided the case in favour of the Company. CIR has filed an appeal before the Honourable High Court of Sindh on January 20, 2023, which is pending for hearing.

- 29.1.5** 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 had 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 had 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 sections 14 & 19 of the Punjab Sales Tax on Services Act, 2012 read with Punjab Sales Tax on Services Act, 2012 (Withholding) Rules, 2012 & 2015 and created an impugned demand of Rs.4.327 million including penalty.

The Company filed an appeal before the Commissioner (Appeals), PRA, Lahore on June 23, 2017 against the aforementioned demand who had 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, PRA, Lahore had also upheld the order of the Commissioner (Appeals), PRA, Lahore on November 23, 2020. However, contrary to the factual position, the Appellate Tribunal, PRA, Lahore made an inadvertent error that the Company had not provided any proof of payments of withholding tax on services made to FBR and / or SRB; whereas in actual the proofs of payments were duly submitted and acknowledged by the Commissioner (Appeals), PRA, Lahore as also mentioned in his order dated October 3, 2017. The Company had filed a rectification application before the Appellate Tribunal, PRA, Lahore on January 15, 2021 for said correction in its order which was pending for hearing.

The Company had also filed a petition before the Honourable Lahore High Court (the Court) on January 20, 2021 for grant of stay from coercive actions and to declare the order of Appellate Tribunal, PRA, Lahore illegal and unlawful, which was pending for hearing.

The PRA on December 19, 2023 had issued a recovery notice under section 70 of the Punjab Sales Tax on Services Act, 2012 for the impugned demand of Rs.4.327 million including penalty. The Company has again filed a petition before the Court on January 2, 2024 for grant of stay from coercive actions and to suspend operation of the notice. On June 26, 2025, the Honourable Lahore High Court decided the case against the Company.

- 29.1.6** The 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 (the Ordinance) 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. The ACIR through the order created an aggregate demand of Rs.200.172 million including default surcharge and penalty. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on December 20, 2017 against (i) and (ii), whereas 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 the CIR(A) on December 22, 2017 while granting stay from recovery proceedings which duly covered the balance tax demand of Rs.1.221 million in respect of issues not contested in appeals. Pursuant to the appeal, the 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 filed an appeal on April 23, 2018 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR). The ATIR on July 30, 2019 remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh while no decision was given in respect of levy of tax payment of rent.

Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under sections 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and payment of rent, and created a demand of Rs.266.060 million including default surcharge and penalty. The Company filed an appeal before the CIR(A) on July 19, 2021. Pursuant to the appeal, the CIR(A) passed an order on August 23, 2022 under section 129 of the Ordinance and upheld the decision of DCIR on the issue of non-deduction of tax on discounts allowed to dealers. The Company then filed an appeal on September 7, 2022 against the above mentioned order of the CIR(A) before the ATIR. The ATIR on September 30, 2022 has deleted the demand and decided the case in favour of the Company. The Commissioner Inland Revenue (CIR) has filed an appeal before Honourable High Court of Sindh on January 20, 2023, which is pending for hearing.

- 29.1.7** The Assistant / Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2017 passed an order dated October 24, 2018 under sections 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) sales promotion, (iii) travelling, (iv) repair and maintenance expenses, (v) water charges, (vi) cartages and (vii) local purchase. The DCIR through the aforementioned order created an aggregate demand of Rs.266.079 million including default surcharge and penalty. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on November 13, 2018 against (i) and (ii), where as

tax levied for (iii), (iv), (v), (vi) and (vii) were not contested in appeal. The Company paid the demand of Rs.1.441 million on November 19, 2018 in respect of issues not contested in appeals. Pursuant to the appeal, the CIR(A), on December 20, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of issue contested at (ii) sales promotion and upheld the decision of the DCIR in respect of issue contested at (i) trade discount allowed to dealers. The Company filed an appeal on December 31, 2018 against the abovementioned order of the CIR(A) in respect of issue at (i) trade discount allowed to dealers before the Appellate Tribunal Inland Revenue (ATIR). Moreover, the Company obtained stay from the Honourable High Court of Sindh (the Court) against the demand confirmed by the CIR(A). The ATIR on July 30, 2019 remanded back the issue of non-deduction of tax on trade discount allowed to dealers with the direction to the income tax authorities to examine the issue afresh.

Accordingly, the DCIR conducted fresh monitoring of withholding income tax for the aforesaid year in lieu of the above ATIR directions and passed an order dated June 29, 2021 under sections 161 / 205 of the Ordinance on the same issue of non-deduction of tax on discounts allowed to dealers and created a demand of Rs.333.955 million including default surcharge and penalty. The Company filed an appeal before the CIR(A) on July 19, 2021. Pursuant to the appeal, the CIR(A) passed the order on August 23, 2022 under section 129 of the Ordinance and upheld the decision of DCIR on the issue of non-deduction of tax on discounts allowed to dealers. The Company then filed an appeal on September 7, 2022 against the above mentioned order of CIR(A) before the ATIR. The ATIR on September 30, 2022 has deleted the demand and decided the case in favour of the Company. The Commissioner Inland Revenue (CIR) has filed an appeal before the Court on January 20, 2023, which is pending for hearing.

- 29.1.8** The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi conducted sales tax investigative audit for the period from July 2013 to June 2018 and passed an order dated November 14, 2019 with respect to (i) input tax claims against purchases from certain suppliers whose status was subsequently found as blacklisted / suspended on FBR web portal, (ii) input tax claims against purchases which were alleged to be inadmissible as per the Sales Tax Act, 1990 (the Act) and (iii) non-payment of extra tax on sales. The DCIR, through abovementioned order raised an aggregate demand of Rs.49.041 million (including default surcharge and penalty of Rs.18.297 million).

The Company paid Rs.2.557 (including default surcharge and penalty of Rs.0.708 million) being amount not contested and filed an appeal on December 11, 2019 before the Commissioner Inland Revenue (Appeals) [CIR(A)] under section 45(B) of the Act against the above order for remaining amount. Pursuant to the appeal, the CIR(A), through his order dated December 30, 2019, granted partial relief to the Company in respect of the above mentioned points by disallowing demand to the tune of Rs.11.154 million and remanded back the allegations involving sales tax to the tune of Rs.17.741 million (both without default surcharge and penalty). Further, the CIR(A) also ordered the DCIR to re-work the amount of default surcharge and penalty after giving effect of appeal order. However, the Commissioner Inland Revenue (CIR) filed an appeal on February 20, 2020 against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue (ATIR), which is pending for hearing.

- 29.1.9** The Additional Commissioner Inland Revenue (ACIR), Audit-II, Range-D, Large Taxpayers' Office, Karachi, for the tax year 2018 passed an order dated January 28, 2021 under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) which inter alia included (i) additions pertaining to non-deduction of withholding tax on trade discount, (ii) disallowance of warranty expense and (iii) disallowance of certain tax credits. The ACIR through the aforementioned order created an aggregate demand of Rs.658.995 million. The Company filed a rectification application for the apparent errors in the order and also filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on February 19, 2021.

Pursuant to the appeal, the CIR(A) on April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by deleting the demand in respect of various expenditures, remanded back the issues on disallowances of tax credits and certain expenditures and upheld the demand related to additions pertaining to non-deduction of withholding tax on additional discounts. The Company filed an appeal before Appellate Tribunal Inland Revenue (ATIR) on June 10, 2022 in respect of issues confirmed by the CIR(A), which is pending for hearing.

- 29.1.10** The Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2018 to June 2019 and passed an order dated June 29, 2021 under section 11(2) of the Sales Tax Act, 1990 (the Act) and created an aggregate demand of Rs.1.649 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021.

Pursuant to the appeal, the CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.5.645 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on June 7, 2022 in respect of issues confirmed by CIR(A). The ATIR in its order dated January 1, 2023 remanded back the pending issues pertaining to inadmissible input tax adjustments to income tax authorities with the directions to re-examine the issue afresh.

Pursuant to ATIR order, the DCIR had initiated the appeal effect proceedings on the issues remanded back by the ATIR and passed the order dated May 20, 2024 confirming the demand of Rs.5.645 million including default surcharge and penalty. The Company then filed an appeal with the CIR(A) on June 13, 2024. On June 14, 2025, the case was decided against the Company resulting settlement of the outstanding tax demand.

- 29.1.11** The Deputy Commissioner Inland Revenue (DCIR), Unit -4, Audit-1, Large Taxpayers' Office, Karachi conducted sales tax audit for the period from July 2019 to June 2020 and passed an order dated June 30, 2021 under section 11(2) of the Sales Tax Act, 1990 (the Act) and created an aggregate demand of Rs.1.669 billion including default surcharge and penalty. The significant issue alleged in this order is claiming of input tax adjustment on fake and flying sales tax invoices. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] on July 27, 2021.

Pursuant to the appeal, the CIR(A) on April 14, 2022, passed an order under section 45B of the Act and granted partial relief to the Company by deleting the demand on various issues, remanded back the allegations including input tax adjustment on fake and flying sales tax invoices and reduced the aforementioned demand to the extent of Rs.4.382 million pertaining to inadmissible input tax adjustments including default surcharge and penalty. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on June 7, 2022 in respect of issues confirmed by CIR(A). The ATIR in its order dated January 1, 2023 remanded back the pending issues pertaining to inadmissible input tax adjustments to income tax authorities with the directions to re-examine the issue afresh.

Pursuant to the ATIR order, the DCIR had initiated the appeal effect proceedings on the issues remanded back by ATIR and passed the order dated May 20, 2024 confirming the demand of Rs.4.382 million including default surcharge and penalty. The Company then filed an appeal with the CIR(A) on June 13, 2024. On June 14, 2025, the case was decided against the Company resulting settlement of the outstanding tax demand.

- 29.1.12** The Assistant / Deputy Commissioner Inland Revenue (DCIR), Unit-4, Audit-1, Large Taxpayers' Office, Karachi conducted income tax audits for the tax years 2016, 2018, 2019 & 2020 and accordingly, passed orders dated July 29, 2021 under section 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) and created aggregate demand of Rs.2.597 billion, Rs.3.746 billion, Rs.2.693 billion and Rs.2.225 billion, respectively for the said tax years. The significant issues alleged in these orders were disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts, add backs of additional discounts and disallowance of certain expenditures. The Company filed appeals before the Commissioner Inland Revenue (Appeals) [CIR(A)] on August 23, 2021. Pursuant to the appeals, CIR(A) on April 14, 2022, passed an order under section 129 of the Ordinance and granted partial relief to the Company by remanding back various issues including disallowance of purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts and disallowance of certain expenditures for fresh verification and upheld the demands in respect of other issues which significantly involved the add backs on additional discounts. The Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) on June 10, 2022 in respect of the issues confirmed by the CIR(A), which is pending for hearing.

Pursuant to the CIR(A) order, the DCIR had initiated the appeal effect proceedings on the issues remanded back by the CIR(A) and passed the order dated June 12, 2024 for the TY 2016 by reducing the demand to Rs.1.142 billion. The Company has filed an appeal on July 06, 2024 against the aforesaid order of DCIR in respect of issues at (i) disallowance of purchases on account of alleged fake and flying sales tax invoices, and (ii) difference in bank credit entries before the ATIR, which is pending for hearing.

Further, the DCIR had also initiated the appeal effect proceedings on the issues remanded back by the CIR(A) and passed the orders dated July 1, 2024 for TY 2018, 2019 and 2020 and reduced the demands to Rs.20.673 million, Rs.76.543 million and Rs.4.528 million, respectively. The Company has filed appeals on July 24, 2024 for TY 2018, and on July 26, 2024 for TY 2019 against the aforementioned orders of DCIR in respect of issues at (i) short credit of taxes (ii) various expenses before the Appellate Tribunal Inland Revenue (ATIR) which are pending for hearing. Furthermore, for TY 2020, the Company has filed an appeal on July 24, 2024 against the aforesaid order of the DCIR in respect of issues at (i) short credit of taxes (ii) various expenses before the CIR(A), which is pending for hearing. Moreover, the Company has obtained stay from the Honourable High Court of Sindh against the demand confirmed by DCIR for TY 2016, 2018 and 2019. The Company has also obtained stay from the CIR(A) by paying 10% of the demand for the TY 2020.

- 29.1.13** The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for Tax Year 2019, passed an order dated June 11, 2025, under Sections 161 and 205 of the Income Tax Ordinance, 2001 (the Ordinance), in respect of non-deduction of withholding tax on (i) additional discounts and (ii) advertisement and sales promotion expenses. The order raised a demand of Rs.565 million, inclusive of default surcharge and penalty. An appeal against the said order was filed before the Commissioner Inland Revenue (Appeals) [CIR(A)] on July 2, 2025, which is currently pending adjudication. On July 11, 2025, the Company has also obtained a stay order from the Honourable High Court of Sindh against the said demand.

29.1.14 Outstanding bank guarantees

Guarantees aggregating Rs.520,737 thousand (2024: Rs.336,549 thousand) have been issued by a commercial bank on behalf of the Company to Sui Southern Gas Co. Ltd., Excise & Taxation Department, Government of Sindh, K-Electric Ltd. and Controller of Military Accounts (Defence Purchases).

29.2 Commitments

2025 2024
---- Rupees in '000 ----

29.2.1 Commitments in respect of letters of credit / contract relating to:

| | | |
|---|------------------|----------------|
| - raw materials, stores, spares and loose tools | 2,099,540 | 938,210 |
| - capital expenditure | 66,483 | 55,410 |
| | <u>2,166,023</u> | <u>993,620</u> |

29.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2025 aggregated to Rs.11,906 thousand (2024: Rs.6,405 thousand).

30. SALES - Net

2025 2024
---- Rupees in '000 ----

Local sales

| | | |
|--------------------------|-------------------|-------------------|
| - manufacturing activity | 48,821,679 | 54,250,169 |
| - trading activity | 487,319 | 1,909,523 |
| | <u>49,308,998</u> | <u>56,159,692</u> |
| Export sales | 610,091 | 600,272 |
| | <u>49,919,089</u> | <u>56,759,964</u> |

Less:

| | | |
|-------------|-------------------|-------------------|
| - sales tax | 7,527,649 | 8,572,027 |
| - discounts | 7,190,159 | 6,717,345 |
| | <u>14,717,808</u> | <u>15,289,372</u> |
| | <u>35,201,281</u> | <u>41,470,592</u> |

| 31. COST OF SALES | Note | 2025 | 2024 |
|---|-------|--------------------------|-------------|
| | | ---- Rupees in '000 ---- | |
| Opening stock of finished goods | | 2,453,246 | 2,066,889 |
| Cost of goods manufactured | 31.1 | 30,540,001 | 34,458,079 |
| Purchases during the year | | 378,186 | 1,464,149 |
| | | 30,918,187 | 35,922,228 |
| Closing stock of finished goods | 12 | (2,131,048) | (2,453,246) |
| | | 31,240,385 | 35,535,871 |
| 31.1 Cost of goods manufactured | | | |
| Opening work-in-process | 12 | 2,400,998 | 2,147,337 |
| Raw materials and components consumed | 31.2 | 22,832,892 | 27,073,691 |
| Salaries, wages and benefits | 31.3 | 2,206,676 | 1,754,402 |
| Stores and spares consumed | | 772,550 | 715,344 |
| Light, heat and water | | 1,815,518 | 2,157,070 |
| Insurance | | 122,240 | 116,626 |
| Rent, rates and taxes | | 25,920 | 25,664 |
| Repair and maintenance | | 104,903 | 126,039 |
| Royalty and technical fee | 31.4 | 403,555 | 449,833 |
| Cartage | | 42,910 | 21,685 |
| Travelling and conveyance | | 96,805 | 90,750 |
| Postage and telephone | | 6,469 | 6,638 |
| Printing and stationery | | 8,514 | 9,194 |
| Vehicle runnings | | 1,521 | 2,287 |
| Depreciation related to operating fixed assets | 6.5 | 393,096 | 380,236 |
| Depreciation related to right of use assets | 6.9.1 | 66,214 | 66,602 |
| Amortisation | 7.2 | 730 | 60 |
| Free replacements | 26.3 | 1,653,797 | 1,703,083 |
| Other expenses | | 13,399 | 12,536 |
| | | 32,968,707 | 36,859,077 |
| Closing work-in-process | 12 | (2,428,706) | (2,400,998) |
| | | 30,540,001 | 34,458,079 |
| 31.2 Raw materials and components consumed | | | |
| Opening stock | | 6,970,783 | 6,024,648 |
| Purchases during the year | | 19,025,211 | 28,019,826 |
| | | 25,995,994 | 34,044,474 |
| Closing stock | | (3,163,102) | (6,970,783) |
| | | 22,832,892 | 27,073,691 |

31.3 Salaries, wages and benefits include Rs.180,014 thousand (2024: Rs.100,056 thousand) and Rs.17,596 thousand (2024: Rs.15,896 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

31.4 Royalty charged in these financial statement pertains to GS Yuasa International Limited (a related party) having registered office at 1, Inobanba-cho, Nishinosho, Kisshoin, Minami-ku, Kyoto 601-8520 Japan.

32. DISTRIBUTION COST

| | | 2025 | 2024 |
|--|-------|--------------------------|------------------|
| | Note | ---- Rupees in '000 ---- | |
| Salaries and benefits | 32.1 | 118,495 | 119,666 |
| Travelling, conveyance and entertainment | | 257,388 | 230,194 |
| Vehicle runnings | | 5,436 | 4,767 |
| Rent, rates and taxes | | 18,915 | 16,769 |
| Advertisement and sales promotion | | 279,763 | 215,883 |
| Repair and maintenance | | 6,052 | 6,377 |
| Light, heat and water | | 16,661 | 17,400 |
| Freight and forwarding | | 596,719 | 571,151 |
| Printing and stationery | | 1,545 | 1,459 |
| Postage and telephone | | 6,805 | 6,797 |
| Depreciation related to operating fixed assets | 6.5 | 20,139 | 20,814 |
| Depreciation related to right of use assets | 6.9.1 | 16,865 | 18,302 |
| Insurance | | 148,952 | 172,620 |
| Newspapers, magazines, subscription and others | | 997 | 730 |
| | | <u>1,494,732</u> | <u>1,402,929</u> |

32.1 Salaries and benefits include Rs.3,144 thousand (2024: Rs.10,907 thousand) and Rs.3,592 thousand (2024: Rs.3,394 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

33. ADMINISTRATIVE EXPENSES

| | | 2025 | 2024 |
|--|-------|--------------------------|----------------|
| | Note | ---- Rupees in '000 ---- | |
| Directors' meeting fees | | 4,500 | 4,800 |
| Salaries and benefits | 33.1 | 361,726 | 354,743 |
| Travelling and conveyance | | 51,859 | 43,898 |
| Repair and maintenance | | 4,384 | 6,720 |
| Light, heat and water | | 6,141 | 6,523 |
| Insurance | | 15,887 | 14,395 |
| Legal and professional charges | | 12,046 | 11,462 |
| Fees and subscription | | 76,363 | 64,951 |
| Postage and telephone | | 4,134 | 3,956 |
| Printing and stationery | | 8,447 | 11,320 |
| Vehicle runnings | | 1,479 | 2,666 |
| Training expenses | | 39,864 | 8,304 |
| Depreciation related to operating fixed assets | 6.5 | 42,299 | 40,197 |
| Depreciation related to right of use assets | 6.9.1 | 14,621 | 16,451 |
| Amortisation | | 595 | 2,460 |
| Donation | 33.2 | 21,704 | 61,981 |
| | | <u>666,049</u> | <u>654,827</u> |

33.1 Salaries and benefits include Rs.11,381 thousand (2024: Rs.39,478 thousand) and Rs.13,882 thousand (2024: Rs.12,625 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

33.2 Donation has been paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi.

| 34. OTHER INCOME | Note | 2025 | 2024 |
|---|--|--------------------------|------------------|
| | | ---- Rupees in '000 ---- | |
| Income from financial assets | | | |
| Dividend income | | 51,170 | 60,844 |
| Fair value gain on investments at fair value through profit or loss - net | | 12,285 | 1,652 |
| Mark-up / interest on savings deposit accounts, and term deposit receipts | | - | 2 |
| Income from assets other than financial assets | | | |
| Scrap sales | | 23,108 | 23,713 |
| Gain on disposal of operating fixed assets | 6.7 | 2,647 | - |
| Exchange gain - net | | - | 13,672 |
| | | <u>89,210</u> | <u>99,883</u> |
| 35. OTHER EXPENSES | | | |
| Provision for expected credit loss | 13.1 | 3,117 | 19,397 |
| Workers' profit participation fund | 26.5 | 33,585 | 116,734 |
| Workers' welfare fund | | 12,818 | 47,578 |
| Loss on disposal of operating fixed assets | | - | 209 |
| Auditors' remuneration | 35.1 | 3,182 | 3,209 |
| Exchange loss - net | 35.2 | 23,020 | - |
| | | <u>75,722</u> | <u>187,127</u> |
| 35.1 Auditors' remuneration | | | |
| Remuneration in respect of auditors' services for: | | | |
| - statutory audit | | 2,200 | 1,950 |
| - half yearly review | | 250 | 225 |
| - review of compliance with Code of Corporate Governance | | 135 | 125 |
| - audits of retirement funds and workers' profit participation fund | | 215 | 195 |
| - certifications for payment of royalty, dividend and others | | 262 | 612 |
| - out of pocket expenses | | 120 | 102 |
| | | <u>3,182</u> | <u>3,209</u> |
| 35.2 | Represents exchange loss - net arising on revaluation of actual currency. | | |
| 36. FINANCE COST | | 2025 | 2024 |
| | | ---- Rupees in '000 ---- | |
| Mark-up / amortisation on: | | | |
| - lease liabilities | | 116,287 | 139,558 |
| - long term borrowings | | 184,751 | 220,383 |
| - running finances / musharakah | | 675,695 | 1,076,951 |
| - running musharakah - short term finance | | 197,599 | 166,080 |
| - workers' profit participation fund | | 78 | 112 |
| Government grant released | | (5,649) | (6,209) |
| | | <u>1,168,761</u> | <u>1,596,875</u> |
| Bank and other financial charges | | 19,550 | 22,476 |
| | | <u>1,188,311</u> | <u>1,619,351</u> |
| 37. LEVIES AND INCOME TAXATION | | | |
| 37.1 | This represents final taxes paid under sections 150 of the Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. | | |
| 37.2 | This represents portion of minimum tax under section 113 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21/IAS 37. | | |

- 37.3** Reconciliation of current tax charged as per tax laws for the year, with current tax recognized in the profit and loss account, is as follows:

| | 2025 ---- Rupees in '000 ---- | 2024 ---- Rupees in '000 ---- |
|--|----------------------------------|----------------------------------|
| Current tax liability for the year as per applicable tax laws | 515,252 | 903,449 |
| Portion of current tax liability as per tax laws, representing income tax under IAS 12 | (235,878) | (888,320) |
| Portion of current tax computed as per tax laws, representing levy in terms of requirements of IFRIC 21/IAS 37 | (279,374) | (15,129) |
| | - | - |

- 37.4** Relationship between levies, current tax charge and accounting profit for the year is as follows:

| | 2025 ---- Rupees in '000 ---- | 2024 ---- Rupees in '000 ---- |
|---|----------------------------------|----------------------------------|
| Profit before income and final taxes | 625,292 | 2,170,370 |
| Tax at the applicable rate of 29% | 181,335 | 629,407 |
| Tax effect of: | | |
| - expenses not deductible for tax purposes | 1,032,344 | 1,062,969 |
| - expenses deductible for tax purposes but not taken to profit and loss account | (1,022,095) | (992,901) |
| - income not subject to tax / income subject to final tax regime / tax credits | (13,458) | (34,473) |
| Minimum tax differential | 271,698 | - |
| Super tax on high earning persons | 65,428 | 238,447 |
| Tax charge | 515,252 | 903,449 |

38. EARNINGS PER SHARE

38.1 Basic earnings per share

| | 2025 ---- Rupees in '000 ---- | 2024 ---- Rupees in '000 ---- |
|---|----------------------------------|----------------------------------|
| Net profit for the year | 91,205 | 1,343,649 |
| | -- Number of shares -- | |
| Weighted average ordinary shares in issue | 35,017,033 | 35,017,033 |
| | ----- Rupees ----- | |
| Earnings per share | 2.60 | 38.37 |

38.2 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.

39. 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 at mutually agreed terms and conditions. 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:

39.1 Name and nature of relationship

a) The Holding Company

Shirazi Investments (Private) Limited - 58.86% shares held in the Company

b) Associated Company - significant influence

GS Yuasa International Limited, Japan - 15% shares held in the Company

c) Associated Companies - common directorship

Atlas Honda Limited

Atlas Insurance Limited

Honda Atlas Cars (Pakistan) Limited

Atlas Asset Management Limited

Atlas Engineering (Private) Limited

Atlas Foundation

Shirazi Trading Company (Private) Limited

Atlas Global, FZE, Jebeal Ali, UAE

Atlas Power Limited

SFM Global General Trading FZE

Honda Atlas Power Products (Private) Limited

d) Associated companies - Group companies

Atlas Energy Limited

Atlas World Wide General Trading (LLC)

Integration Xperts (Private) Limited

e) Directors

Mr. Aamir H. Shirazi

Mr. Ali H. Shirazi

Mr. Bashir Makki

Mr. Fahd K. Chinoy

Ms. Mehreen Amin

Mr. Sanaullah Qureshi

Mr. Toru Furuya

f) Key management personnel

Mr. Mansoor Jamil Khan

Mr. Ahmar Waheed

Mr. Iftikhar ul Islam

Mr. Muhammad Asher Ahmad

Mr. Muhammad Rafi

Mr. Rizwan Ahmed

Mr. Sheikh Adeel-ur-Rehman

Mr. Tehseen Raza

Mr. Adnan Hameed

Mr. Sami Ahmed

39.2 Transactions with related parties

2025 2024
--- Rupees in '000 ---

The Holding Company

| | | |
|------------------------------------|---------|---------|
| Lease rentals paid | 126,955 | 117,805 |
| Service charges paid | 39,656 | 30,505 |
| Dividend paid | 412,229 | 206,115 |
| Purchase of operating fixed assets | 1,317 | 943 |
| Reimbursement of expenses | 139 | - |

Associated companies

Sales of:

| | | |
|--------------------------|-----------|-----------|
| - goods | 3,217,821 | 2,009,628 |
| - operating fixed assets | - | 5,039 |

Purchases of:

| | | |
|--------------------------|-----------|-----------|
| - goods | 7,342,609 | 6,808,015 |
| - operating fixed assets | 282,292 | 394,974 |
| - intangible asset | - | 375 |
| - consumables / services | 55,832 | 111,075 |

| | | |
|-------------------------------|---------|---------|
| Lease rental paid | 3,028 | 2,752 |
| Reimbursement of expenses | 2,341 | 4,614 |
| Expenses charged | 41 | 918 |
| Insurance premium | 423,139 | 438,187 |
| Insurance claims | 32,764 | 47,762 |
| Dividend paid | 130,138 | 286,931 |
| Royalty and technical fee | 403,555 | 449,833 |
| Contribution to pension funds | 29,517 | 25,356 |
| Donation paid | 21,704 | 61,981 |

Other related parties

Contributions paid to:

| | | |
|------------------|--------|--------|
| - gratuity funds | 76,014 | 18,571 |
| - provident fund | 6,895 | 6,559 |

Salaries and other short term employment benefits

| | | |
|-----------------------------|---------|---------|
| to key management personnel | 192,422 | 162,773 |
|-----------------------------|---------|---------|

| | | |
|--|-------|-------|
| Sale of operating fixed asset under Company policy | 1,316 | 5,318 |
|--|-------|-------|

The related party status of outstanding balances as at June 30, 2025 is included in 'Capital work-in-progress - note 6.8.2', 'Long term loans - note 9', 'Stock-in-trade - note 12.1 and 12.2', 'Trade debts - note 13', 'Loans and advances - note 14.2', 'deposits and prepayments - note 15.1', 'staff retirement benefits - note 24.2.1' and 'Trade and other payables - note 26.1, note 26.2 and note 26.4' respectively. These are settled in ordinary course of business.

40. 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 ----- | | | | Executives | |
|----------------------------|-----------------------|--------|--------|------|------------|---------|
| | Chief Executive | | Others | | | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| ----- Rupees in '000 ----- | | | | | | |
| Managerial remuneration | 37,765 | 31,059 | - | - | 172,329 | 140,904 |
| House rent and utilities | 26,435 | 21,741 | - | - | 120,630 | 98,633 |
| Bonus | 10,700 | 15,400 | - | - | 48,903 | 71,024 |
| Retirement benefits | 4,154 | 3,416 | - | - | 17,620 | 14,317 |
| Medical and others | 1,030 | 1,348 | - | - | 8,140 | 8,030 |
| | 80,084 | 72,964 | - | - | 367,622 | 332,908 |
| Number of persons | 1 | 1 | - | - | 66 | 59 |

40.1 The Chief Executive is provided with free use of the Company maintained vehicles and telephones at residences. Certain executives are also provided with the Company's vehicles.

40.2 Remuneration to other directors

Aggregate amount charged in these financial statements for meeting fee to four (2024: four) non-executive directors was Rs.4,500 thousand (2024: Rs.4,800 thousand).

41. FINANCIAL RISK MANAGEMENT

41.1 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 as at June 30, 2025 aggregated to Rs.4,336,817 thousand (2024: Rs.4,721,626 thousand) and are as follows:

| | 2025 | 2024 |
|----------------------|--------------------------|------------------|
| | ---- Rupees in '000 ---- | |
| Long term loans | 3,722 | 3,763 |
| Long term deposits | 50,273 | 29,838 |
| Trade debts | 2,607,512 | 3,076,060 |
| Loans and advances | 7,752 | 6,323 |
| Deposits and margins | 18,663 | 24,027 |
| Investments | 620,685 | 390,023 |
| Bank balances | 1,028,210 | 1,191,592 |
| | <u>4,336,817</u> | <u>4,721,626</u> |

Out of the total financial assets, credit risk is concentrated in investments in mutual fund securities, trade debts, deposits and margins with banks as they constitute 98.58% (2024: 99.15%) 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:

| | 2025 | | 2024 | |
|---|-------|----------------|-------|----------------|
| | % | Rupees in '000 | % | Rupees in '000 |
| Original Equipment Manufacturers and Institutions | 4.16 | 108,526 | 2.05 | 62,927 |
| Associated Companies | 0.39 | 10,264 | 0.46 | 14,127 |
| Dealers and others | 95.44 | 2,488,722 | 97.50 | 2,999,006 |
| | 100 | 2,607,512 | 100 | 3,076,060 |

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 | Agency | Rating | | 2025 | 2024 |
|---------------------------------|---------|------------|-----------|--------------------------|---------|
| | | Short term | Long term | ---- Rupees in '000 ---- | |
| Askari Bank Limited | PACRA | A-1+ | AA+ | 85 | 323 |
| Habib Metropolitan Bank Limited | PACRA | A-1+ | AA+ | 500 | 200 |
| Habib Bank Limited | JCR-VIS | A-1+ | AAA | 60,006 | 31,841 |
| Meezan Bank Limited | JCR-VIS | A-1+ | AAA | 33,022 | 27,126 |
| Faysal Bank Limited | PACRA | A1+ | AA | 56,880 | 47,447 |
| National Bank of Pakistan | PACRA | A1+ | AAA | 455 | 13 |
| MCB Islamic Bank Limited | PACRA | A-1 | A+ | 259 | 2 |
| | | | | 151,207 | 106,952 |
| Mutual funds | | Agency | Rating | | |
| HBL Money Market Fund | | JCR-VIS | AA+(f) | 620,685 | 390,023 |

(b) Liquidity risk

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

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2025, the Company had Rs.11,550,000 thousand available borrowing limits from banks / financial institutions and of bank balances Rs.151,207 thousand.

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

| | Carrying amount | Contractual cash flows | Maturity upto one year | Maturity more than one year |
|--------------------------|----------------------------|------------------------|------------------------|-----------------------------|
| | ----- Rupees in '000 ----- | | | |
| June 30, 2025 | | | | |
| Lease liabilities | 577,537 | 907,669 | 196,156 | 711,513 |
| Long term borrowings | 1,651,156 | 2,090,013 | 558,783 | 1,531,230 |
| Trade and other payables | 2,949,453 | 2,949,453 | 2,949,453 | - |
| Accrued mark-up | 194,714 | 194,714 | 194,714 | - |
| Short term borrowings | 4,489,053 | 4,623,183 | 4,623,183 | - |
| Unclaimed dividend | 65,197 | 65,197 | 65,197 | - |
| | 9,927,110 | 10,830,229 | 8,587,486 | 2,242,743 |

| | Carrying amount | Contractual cash flows | Maturity upto one year | Maturity more than one year |
|--------------------------|----------------------------|------------------------|------------------------|-----------------------------|
| | ----- Rupees in '000 ----- | | | |
| June 30, 2024 | | | | |
| Lease liabilities | 655,959 | 1,170,956 | 187,167 | 983,789 |
| Long term borrowings | 899,484 | 1,265,161 | 417,632 | 847,529 |
| Trade and other payables | 2,907,007 | 2,907,007 | 2,907,007 | - |
| Accrued mark-up | 352,775 | 352,775 | 352,775 | - |
| Short term borrowings | 9,168,203 | 9,639,527 | 9,639,527 | - |
| Unclaimed dividend | 62,374 | 62,374 | 62,374 | - |
| | <u>14,045,802</u> | <u>15,397,800</u> | <u>13,566,482</u> | <u>1,831,318</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, 2025.

(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:

| | 2025 | | 2024 | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | Rupees in '000 | U.S. Dollars | Rupees in '000 | U.S. Dollars |
| Balance sheet exposure | | | | |
| Trade and other payables | <u>37,835</u> | <u>133,333</u> | <u>37,172</u> | <u>133,333</u> |

Exchange rate of Rs.283.76 (2024: 278.79) for U.S. Dollar to Rupee has been applied.

At June 30, 2025, 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.1,892 thousand (2024: Rs.1,859 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 long term and 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, 2025, the Company's interest bearing borrowings aggregated to Rs.6,098,427 thousand (2024: Rs.10,022,369 thousand).

At June 30, 2025, if the interest rates on the Company's borrowings had been 1% higher / (lower) with all other variables held constant, the calculated post-tax profit for the year would have been Rs.60,984 thousand (2024: Rs.100,224 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 price risk because of investments in mutual fund securities amounting to Rs.620,685 thousand (2024: Rs.390,023 thousand) and classified at fair value through profit or loss. The Company is not exposed to commodity risk.

At June 30, 2025, if fair value (Net Asset Value) had been 1% higher / lower with all other variables held constant, the post-tax loss for the year would have Rs.6,207 thousand (2024: Rs.3,900 thousand) (lower) / higher as a result of gain / (loss) on investments classified as at fair value through profit or loss.

41.2 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.620,685 thousand (2024: Rs.390,023 thousand).

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognize 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.

43.1 Information about products

Sales of battery and allied products represent 98.82% (2024: 96.06%) of the total revenue of the Company.

43.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2025 are located in Pakistan.

All of the Company's sales relate to customers in Pakistan other than export sales amounting to Rs.610,091 thousand (2024: Rs.600,272 thousand) made to Afghanistan and Yemen.

43.3 Information about customers

The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

44. NUMBER OF EMPLOYEES

| | Numbers | |
|---|---------|------|
| | 2025 | 2024 |
| Total number of employees at year end | 343 | 346 |
| Average number of employees during the year | 341 | 351 |

45. PROVIDENT FUND RELATED DISCLOSURES

45.1 The following information is based on unaudited financial statements of the Fund for the year ended June 30, 2025:

| | 2025 | 2024 |
|---------------------------------|------------------------|---------|
| | --- Rupees in '000 --- | |
| Size of the Fund - Total Assets | 148,592 | 143,303 |
| Cost of investments made | 84,131 | 97,446 |
| Percentage of investments made | 97.15% | 98.57% |
| Fair value of investments | 144,354 | 141,249 |

45.2 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.

46. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

| | Long term borrowings | Lease liability | Running musharakah / short term finance | Unclaimed dividend | Total |
|--|----------------------------|-----------------|---|--------------------|------------------|
| | ----- Rupees in '000 ----- | | | | |
| Balance at beginning of the year | 899,484 | 655,959 | - | 62,374 | 1,617,817 |
| Changes from financing activities | | | | | |
| Proceeds from financing | 1,000,000 | - | 14,264,393 | - | 15,264,393 |
| Repayment of financing | (253,978) | - | (12,564,393) | - | (12,818,371) |
| Lease rentals paid | - | (180,017) | - | - | (180,017) |
| Final cash dividend for the year June 30, 2024 | - | - | - | 700,341 | 700,341 |
| Dividend paid | - | - | - | (697,518) | (697,518) |
| Total changes from financing cash flows | 1,645,506 | 475,942 | 1,700,000 | 65,197 | 3,886,645 |
| Other changes | | | | | |
| Deferred income - government grant | 5,650 | - | - | - | 5,650 |
| Finance cost | - | 116,287 | - | - | 116,287 |
| Adjustment due to lease modification | - | (14,692) | - | - | (14,692) |
| Balance at end of the year | 1,651,156 | 577,537 | 1,700,000 | 65,197 | 3,993,890 |

47. SHAHRIAH SCREENING DISCLOSURE

| | ----- 2025 ----- | | ----- 2024 ----- | |
|---|---------------------------|----------------------|------------------|----------------------|
| | Conventional | Shariah Compliant | Conventional | Shariah Compliant |
| | ----- Rupees in 000 ----- | | | |
| Short term investments | 620,685 | - | 390,023 | - |
| Bank balances | 61,038 | 90,169 | 32,370 | 74,582 |
| Accrued mark-up | 114,513 | 80,201 | 212,870 | 139,905 |
| Lease liabilities | 577,537 | - | 655,959 | - |
| Long term borrowings including | | | | |
| current portion | 41,781 | 1,609,375 | 45,317 | 854,167 |
| Short term borrowings | 1,650,524 | 2,838,529 | 6,066,853 | 3,101,350 |
| Revenue | - | 35,201,281 | - | 41,470,592 |
| Other income | | | | |
| a) Dividend income | 51,170 | - | 60,844 | - |
| b) Fair value gain on investments | | | | |
| at fair value through profit or loss | 12,285 | - | 1,652 | - |
| c) Mark-up income | - | - | 2 | - |
| d) Others including exchange gain on | | | | |
| actual currency | - | 25,755 | - | 37,385 |
| Mark-up on running finances / musharaka | 455,218 | 220,477 | 621,122 | 455,829 |
| Mark-up on running musharakah / | | | | |
| short term finance | 84,414 | 113,185 | 126,744 | 39,336 |
| Mark-up on long term borrowings | 7,035 | 177,716 | 149,696 | 70,687 |
| Mark-up on lease liabilities | 116,287 | - | 139,558 | - |

48. CORRESPONDING FIGURES

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

49. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 26, 2025 by the Board of Directors of the Company.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive

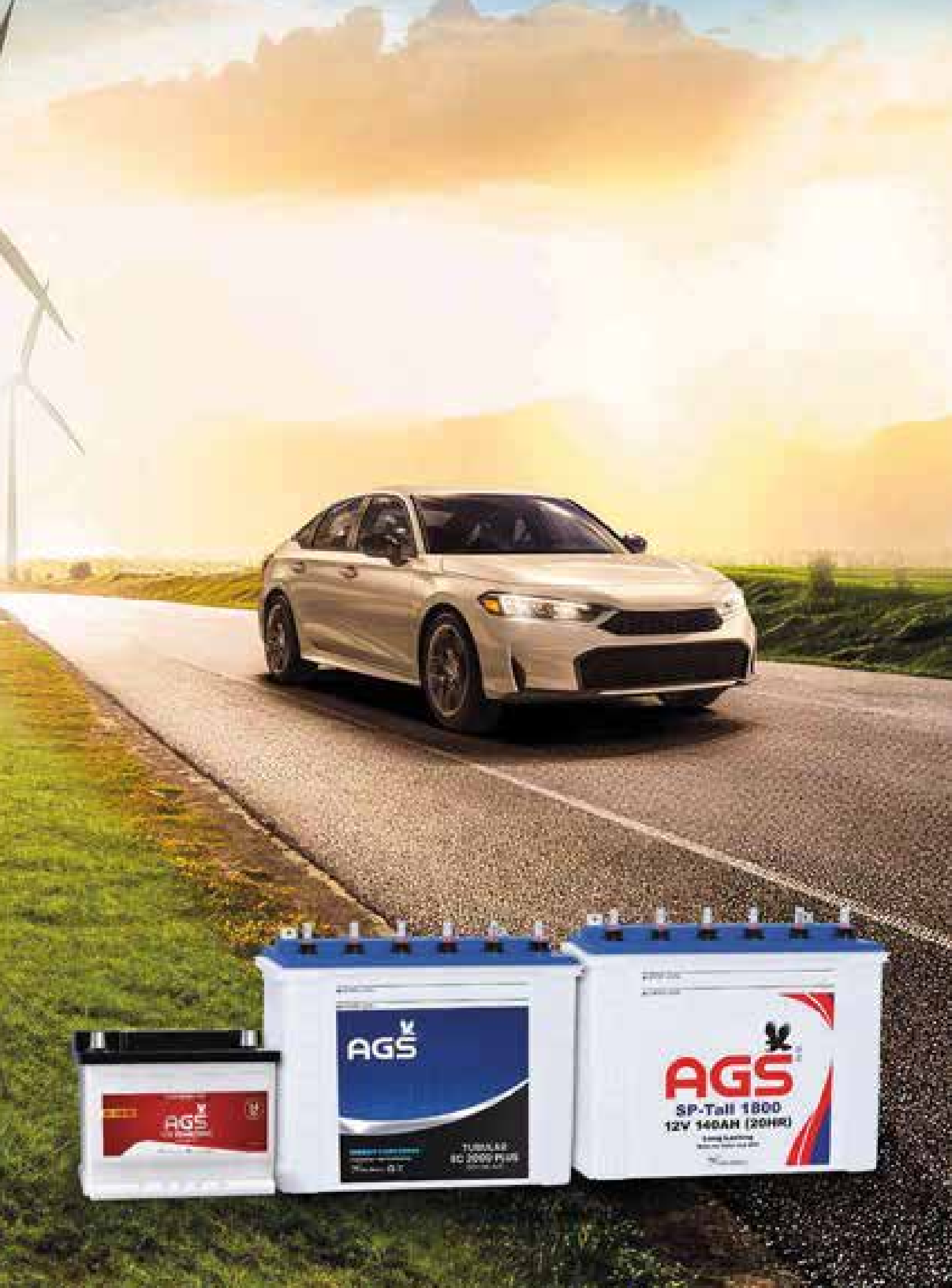


Muhammad Shoaib
Chief Financial Officer



A BETTER WORLD RUNS ON BETTER ENERGY

At Atlas Battery Limited, we are driven by boundless possibilities, continually pushing the boundaries of innovation and excellence. Our journey towards a brighter future is just beginning.



Glossary of Terms

| | | | |
|---------|--|-------|---|
| AGM | Absorbent Glass Mat | ICP | Investment Corporation of Pakistan |
| AGS | Atlas Genzo Shimadzu | IFAC | International Federation of Accounting |
| ATIR | Appellate Tribunal Inland Revenue | IFRS | International Financial Reporting Standards |
| ATL | Active Taxpayer List | IT | Information Technology |
| B2C | Business to Consumer | LUMS | Lahore University of Management Sciences |
| BCP | Business Continuity Plan | MAP | Management Association of Pakistan |
| BPR | Business Process Re-engineering | MC | Management Committee |
| CDC | Central Depository Company | NAV | Net Asset Value |
| CDS | Central Depository System | NBFC | Non-Banking Financial Company |
| CEO | Chief Executive Officer | NCCPL | National Clearing Company of Pakistan Limited |
| CFO | Chief Financial Officer | NGO | Non Governmental Organization |
| COO | Chief Operation Officer | NIT | National Investment Trust |
| CGLS | Corporate Governance Leadership Skills | OEM | Original Equipment Manufacturer |
| CIR (A) | Commissioner Inland Revenue (Appeals) | PAMA | Pakistan Automotive Manufacturers Association |
| CMS | Claim Management System | PAT | Profit After Taxation |
| CNIC | Computerized National Identity Card | PBT | Profit Before Taxation |
| CSR | Corporate Social Responsibility | PICG | Pakistan Institute of Corporate Governance |
| DCIR | Deputy Commissioner Inland Revenue | PKR | Pakistan Rupee |
| DFI | Development Financial Institution | PRA | Punjab Revenue Authority |
| DI&I | Directorate General – Intelligence and Investigation | PSX | Pakistan Stock Exchange |
| DPS | Dividend Per Share | PUC | Projected Unit Cost |
| EBITDA | Earnings Before Interest, Tax, Depreciation & Amortization | SRB | Sindh Revenue Board |
| ESG | Environmental, Social and Governance | QCC | Quality Control Circle |
| ERP | Enterprise Resource Planning | VRLA | Valve Regulated Lead Acid |
| FBR | Federal Board of Revenue | UK | United Kingdom |
| GDP | Gross Domestic Product | UPS | Uninterruptible Power Supply |
| GIKEST | Ghulam Ishaq Khan Institute of Engineering Sciences and Technology | USA | United States of America |
| HR | Human Resource | WMS | Warehouse Management System |
| IBA | Institute of Business Administration | WPPF | Workers' Profit Participation Fund |
| | | WWF | Workers' Welfare Fund |

| | |
|--|-------|
|  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 Hitec | 2012 |
|  Atlas Global FZE | 2015 |
|  Atlas Energy | 2016 |
|  Atlas DID | 2019 |
|  Atlas GCI | 2019 |
|  Atlas Solar | 2020 |









Product Types and their Application

| Product Type | | | 20 HR Capacity (AH) | Application |
|-----------------------------|------|-------------|---------------------|---|
| Light Batteries (12 Volts) | | | | |
| CGR 40 | 7PL | CGR30 | 24 | CNG Rickshaw |
| GR 46 | 9PL | NS40SR | 30 | Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc) |
| GL 48 | 9PL | NS40ZL | 35 | Suzuki Mehran, Daihatsu Coure, Kia Classic, All CNG converted vehicles (800cc to 1000cc) |
| GL 50 | 11PL | NS40ZL | 38 | All types of vehicles (800cc to 1300cc) |
| CNG 60 | 11PL | N40 | 45 | Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc) |
| GR 65 | 13PL | NS60 | 45 | |
| GL 65 | 13PL | NS60L | 45 | |
| GR 70 | 9PL | N50 | 50 | |
| 80D26R | 11PL | N50Z | 60 | Honda Accord, Honda CRV, Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedes Benz, Willys Jeeps, MF375 Tractors, Hyundai, Daewoo (2000cc to 6000cc) |
| GR 85 | 13PL | N70 EXTRA | 70 | |
| GL 85 | 13PL | N70 EXTRA L | 70 | |
| Medium Batteries (12 Volts) | | | | |
| GR 87 | 11PL | NS70 | 60 | 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) |
| GR 95 | 13PL | N70Z | 75 | |
| GR 100 | 15PL | N85P | 80 | |
| GL 100 | 15PL | N85L | 80 | |
| 6FT120 | 15PL | 6FT15 | 85 | Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc) |
| N125 | 17PL | N100S | 100 | |
| GX 132 | 17PL | | 100 | Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc) |
| GX 135 | 19PL | N100 | 105 | |
| Heavy Batteries (12 Volts) | | | | |
| GX 165 | 21PL | N120S | 120 | Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc) |
| GX 175 | 23PL | N140 | 140 | Ford Tractor 3610 and 46 |
| GL 190 | 23PL | GL190 | 150 | Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors |
| GX 200 F | 27PL | N190Z | 175 | Heavy Generators and Ships |
| GX 260 F | 33PL | N200 | 220 | |
| SP Batteries (12 Volts) | | | | |
| SP 35 R | 5PL | | 20 | Generators |
| SP 50L | 9PL | | 30 | Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc) |
| SP 60 L | 9PL | | 35 | Suzuki Mehran, Daihatsu Coure, Kia Classic, All CNG converted vehicles (800cc to 1000cc) |
| SP 70 L | 11PL | | 38 | All types of vehicles (800cc to 1300cc) |
| SP 70 CNG | 11PL | | 45 | |
| SP 75 L | 13PL | | 45 | Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc) |
| SP 80 | 9PL | | 50 | |
| SP 100 R | 11PL | | 60 | 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) |
| SP 130 | 15PL | | 85 | 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) |
| SP 140 | 17PL | | 100 | Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc) |
| SP 145 | 17PL | | 100 | Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc) |
| SP 150 | 19PL | | 105 | |
| SP 160 | 19PL | | 105 | |
| SP 180 | 21PL | | 120 | Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc) |
| SP 195 | 23PL | | 140 | Ford Tractor 3610 and 46 |
| SP 200 | 21PL | | 135 | |
| SP 210 | 23PL | | 150 | Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors |
| SP 250 | 27PL | | 175 | |
| SP 275 | 31PL | | 200 | |
| Washi Batteries (12 Volts) | | | | |
| WS 45 R | 5PL | | 20 | Generators |
| WS 50 | 7PL | | 24 | CNG Rickshaw |
| WS 55 R | 9PL | | 30 | Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc) |
| WS 65 L | 9PL | | 35 | Suzuki Mehran, Daihatsu Coure, Kia Classic, All CNG converted vehicles (800cc to 1000cc) |

| Product Type | | | 20 HR Capacity (AH) | Application |
|---|---------|------------------|---------------------|---|
| Washi Batteries (12 Volts) | | | | |
| WS 70 | 11PL | | 45 | Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc) |
| WS 80 L | 13PL | | 45 | |
| WS 90 | 9PL | | 50 | |
| WS 100 | 9PL | | 50 | |
| WS 110 | 13PL | | 75 | 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) |
| WS 115 | 15PL | | 80 | |
| WS 135 | 15PL | | 85 | |
| WS 150 | 17PL | | 100 | Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc) |
| WS 160 | 17PL | | 100 | Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc) |
| WS 165 | 19PL | | 105 | |
| WS 180 | 19PL | | 105 | Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc) |
| WS 195 | 21PL | | 120 | |
| WS 220 | 23PL | | 140 | Ford Tractor 3610 and 46 |
| WS 230 | 23PL | | 150 | Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road |
| WS 260 | 27PL | | 175 | Rollers and Belarus Tractors |
| WS 270 | 33PL | | 220 | Heavy Generators and Ships |
| Hybrid Batteries (12 Volts) | | | | |
| HB 46 R/L | 9PL | Hybrid | 30 | All types of vehicles (1000cc to 1800cc) |
| HB 50 | 11PL | Hybrid | 38 | |
| HB 65 | 13PL | Hybrid | 45 | |
| HB 65 (Thin Pole) | 13PL | Hybrid | 45 | |
| HB 100 R/L | 15PL | Hybrid | 80 | |
| Maintenance Free Batteries (12 Volts) | | | | |
| MF 50 R/L | 9PL | Maintenance Free | 30 | All types of vehicles (1000cc to 1800cc) |
| MF 60 L | 11PL | Maintenance Free | 38 | |
| MF 65 L Thin Pole | 12PL | Maintenance Free | 45 | |
| MF 70 L | 13PL | Maintenance Free | 45 | |
| MF 100 L | 15PL | Maintenance Free | 80 | |
| MF- DIN 65 | 14PL | Maintenance Free | 60 | |
| MF- DIN 60 | 10PL | Maintenance Free | 45 | |
| Premium Maintenance Free Batteries (12 Volts) | | | | |
| ACE MF 65 | 11PL | Maintenance Free | 38 | All types of vehicles (1000cc to 1800cc) |
| ACE MF 75 | 13PL | Maintenance Free | 45 | |
| ACE MF 90 L | 13PL | Maintenance Free | 70 | |
| ACE MF 110 L | 15PL | Maintenance Free | 80 | |
| Deep Cycle Batteries (12 Volts) | | | | |
| DC 150 | 11PL | Deep Cycle | 85 | For UPS and Solar Panel Systems |
| DC 200 | 15PL | Deep Cycle | 115 | |
| DC 250 | 23PL | Deep Cycle | 185 | |
| SP Tall 1200 | 5 PL | Deep Cycle | 90 | |
| SP Tall 1800 | 7 PL | Deep Cycle | 140 | |
| SP Tall 2000 | 9PL | Deep Cycle | 180 | |
| SP Tall 2500 | 11PL | Deep Cycle | 210 | |
| Tubular Batteries (12 Volts) | | | | |
| EC 2200 | 5PL | Tubular | 185 | For UPS and Solar Panel Systems |
| EC 3000 | 7PL | Tubular | 230 | |
| EC 3500 | 11PL | Tubular | 280 | |
| Motorcycle Battery (12 Volts) | | | | |
| POWER PLUS 2.5 | | | 2.5 | Honda CD70, CG125, CB 150 and all Japanese and Chinese motorcycles |
| POWER PLUS 5 | | | 5 | |
| POWER PLUS 7 | | | 7 | |
| ATLAS GOLD 4 (MF VRLA) | | | 2.5 | |
| Battery Tonic | | | | |
| Battery Tonic | 1000 ML | | | Distilled water for all types of batteries |
| Valve Regulated Lead Acid (VRLA) Batteries (12 Volts) | | | | |
| ATLAS EPS 7.0 | | | 7 | For Computer backup Systems / Data Centers / Toys |
| ATLAS EPS 100 | | | 100 | For UPS / DC backup Systems / Data Centers |

For more details of products, please visit website: <https://abl.atlas.pk/products/>

Our Valued OEM Customers

| | |
|--|---|
| HONDA ATLAS CARS (PAKISTAN) LIMITED |  |
| INDUS MOTOR COMPANY LIMITED |  |
| PAK SUZUKI MOTOR COMPANY LIMITED |  |
| MASTER MOTOR CORPORATION (PRIVATE) LIMITED |  |
| FUSO MASTER MOTORS (PRIVATE) LIMITED |  |
| PM AUTO INDUSTRIES (PRIVATE) LIMITED |  |
| SIGMA MOTORS LIMITED |  |
| ATLAS HONDA LIMITED |  |

Gender Pay Gap Statement

Atlas Battery Limited

Gender Pay Gap Statement under Securities and Exchange Commission of Pakistan (SECP) Circular 10 of 2024

Following is gender pay gap calculated for the year ended June 30, 2025.

- (i) Mean Gender Pay Gap: (19.75)% [Mean Hourly Rate of Female Staff is higher than of Male]
- (ii) Median Gender Pay Gap: 18.78% [Median Hourly Rate of Female Staff is lower than of Male]
- (iii) Any other data / details as deemed relevant: The above ratio is computed only on those grades in which female staff are placed.

For and on behalf of the
Board of Directors



Ali H. Shirazi
President / Chief Executive

Karachi: August 26, 2025

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September 08, 2025

To: All Shareholders of the Company

Dividend Mandate Form & Notice under Section 244 of the Companies Act, 2017

As per Section 242 of the Companies Act, 2017 (the Act) it is mandatory for the public listed companies to pay cash dividend to their 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 at the earliest (if it is already not provided) in the "Dividend Mandate Form" as given below. 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.

Shareholders, who for any reason, have not claimed their dividends / shares certificates, if any, are advised to visit our website or contact our Share Registrar to collect / enquire about their unclaimed dividend / shares, if any.

In compliance with Section 244 of the Act any dividend and / or share certificate which remained unclaimed or unpaid for a period of three years from their due dates, the Company shall be liable, after the specified procedures, to deposit those unclaimed / unpaid amounts with the Federal Government or unclaimed shares with the SECP in line with the directives issued by SECP from time to time.

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"><tr><td>P</td><td>K</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr></table> | | P | K | | | | | | | | | | | | | | | | | | |
| P | K | | | | | | | | | | | | | | | | | | | | |
| CNIC No. | | | | | | | | | | | | | | | | | | | | | |
| Cell Number & Email | | | | | | | | | | | | | | | | | | | | | |

It is stated that the above mentioned information is correct. Further, 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. _____

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The Company Secretary,
Atlas Battery Limited,
4-C, Khayaban-e-Tanzeem,
Tauheed Commercial, Phase V, DHA,
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 Monday, September 29, 2025 at _____
_____ Karachi, and / or online through Zoom and at every
adjournment thereof.

Signed this _____ day of _____, 2025.

Witnesses:

Signature _____

Name _____

CNIC or Passport No. _____

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 or through email at investor.relations@abl.atlas.pk 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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کمپنی سیکریٹری
اٹلس بیٹری لمیٹڈ
C-4 خیابان تنظیم، توحید کمرشل،
فیئر 7، ڈی ایچ اے، کراچی

پراکسی فارم

میں/ہم _____
ضلع _____
بہیثیت ممبر (ز) اٹلس بیٹری لمیٹڈ اور حق ملکیت رکھتے ہوئے _____
نمبر _____ اور/یا سی ڈی سی اکاؤنٹ نمبر _____

ضلع _____
فولیو نمبر _____ اور/یا سی ڈی سی اکاؤنٹ نمبر _____
_____ یا ایسا نہیں ہونے کی
صورت میں محترم/محترمہ _____
_____ ساکن
_____ فولیو نمبر _____ اور/یا سی ڈی سی اکاؤنٹ نمبر _____
_____ ہمارا/میرا پراکسی مقرر کرنا/کرتے ہیں تاکہ وہ میری/ہماری جگہ اور میری/ہماری طرف سے کمپنی کے سالانہ اجلاس عام منعقدہ بروز پیر بتاریخ 29 ستمبر 2025 بوقت صبح 9:30 بجے
_____، کراچی اور بذریعہ زوم لنک اور اس کے کسی ملحق شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

دستخط کیے گئے ہیں سال 2025 کے _____ ماہ اور _____ تاریخ کو۔

گواہ 1:

دستخط: _____
نام: _____
CNIC/پاسپورٹ نمبر: _____

گواہ 2:

دستخط: _____
نام: _____
CNIC/پاسپورٹ نمبر: _____

نوٹ:

- کمپنی کے سالانہ اجلاس عام میں شرکت اور ووٹ کا حقدار رکن اپنی شرکت اور ووٹ کے لیے پراکسی مقرر کرنے کا حقدار ہے۔ کوئی بھی شخص جو کمپنی کا رکن نہیں ہے اسے بطور پراکسی مقرر نہیں کیا جاسکتا سوائے اس شخص کے جسے کوئی ادارہ رکن ہونے پر مقرر کرے۔ پراکسیز کے موثر ہونے کے لیے لازمی ہے کہ وہ کمپنی کے رجسٹرڈ آفس یا شیئرز رجسٹرار میسرز حمید مجید ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، کراچی چیمبرز، حسرت موہانی روڈ، کراچی یا کمپنی کے رجسٹرڈ ای میل investor.relations@abl.atlas.pk پر مہر شدہ اور دستخط کے ساتھ اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔

- سی ڈی سی شیئرز ہولڈرز اور ان کی پراکسیز سے درخواست کی جاتی ہے کہ کمپنی کو جمع کروانے سے قبل اس پراکسی فارم کے ساتھ اپنا کمپیوٹر انزڈڈ قومی شناختی کارڈ یا پاسپورٹ کی نقل جمع کروائیں۔

درست رقم کا ٹکٹ
چسپاں کریں

رکن کے دستخط

درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری
اٹلس بیٹری لمیٹڈ،
C-4 خیابان تنظیم، توحید کمرشل،
فیز ۷، ڈی ایچ اے، کراچی

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ATLAS BATTERY LIMITED

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S.I.T.E. Karachi-75730
UAN: 111-247-225
Fax: (92-21) 32564703
E-mail: abl@abl.atlas.pk
Website: www.abl.atlas.pk