



Atlas Battery

Quarterly Report

March 31, 2016

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COMPANY INFORMATION

Board of Directors

Yusuf H. Shirazi
Chairman

Ariful Islam
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Kamal A. Chinoy
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Rizwan Ahmed
Company Secretary

Audit Committee

Frahim Ali Khan
Chairman

Bashir Makki
Member

Kamal A. Chinoy
Member

M. Rizwan Jamil
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Bashir Makki
Chairman

Ali H. Shirazi
Member

Frahim Ali Khan
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Mohsin Khan
General Manager Marketing

Muhammad Iqbal
General Manager Supply Chain

Muhammad Jamil Awan
General Manager Quality Assurance

Ahmar Waheed
General Manager Human Resource

Malik Nasir Mohyuddin
General Manager After Sales & Business Development

Mansoor Jamil Khan
General Manager Engineering & Projects

Nehal Asghar
General Manager Plant

Qasim Imran Khan
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer & Company Secretary

Adeel Sartaj
Manager Quality Assurance

Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

COMPANY INFORMATION

Bankers

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

Share Registrar

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi.
Tel: (021) 32424826 & 32412754
Fax: (021) 32424835
E-mail: shares@hmaconsultants.com.pk

Registered Office & Factory

D-181, Central Avenue, S.I.T.E.,
Karachi-75730
Tel: (021) 32567990-94
Fax: (021) 32564703

Zonal Office Karachi

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

Sukkur Office

F-33/4, Barrage Colony,
Workshop Road, Sukkur
Tel: (071) 5612532
Fax: (071) 5612532

Zonal Office Lahore

Plaza No. 68/1, XX-Block,
Khayaban-e-Iqbal, Phase 3,
D.H.A, Lahore
Tel: (042) 37186388-90
Fax: (042) 37186391

Faisalabad Office

54-Chenab Market,
Madina Town, Faisalabad
Tel: (041) 8713127
Fax: (041) 8726628

Multan Office

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

Peshawar Office

Ground Floor, Zeenat Plaza,
Near General Bus Stand,
G.T. Road, Peshawar
Tel: (091) 2262485

Islamabad Office

Plot No. 23, Ground Floor,
Sector I-11/3, Near Nescom
Islamabad
Tel: (051) 4863962-63

Sahiwal Office

647-V-7, Al-Hilal Building,
Nishter Road, Sahiwal-57000
Tel: (040) 4461539

Company Website

www.atlasbattery.com.pk

Email Address

abl@atlasbattery.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the nine months ended March 31, 2016.

ECONOMY

Pakistan's economic indicators are exhibiting improvement in the nine months of the current fiscal year. The inflationary environment stayed benign, large scale manufacturing (LSM) gained traction and fiscal consolidation remained on track. GDP growth of 4.5% looks achievable in FY 2015-16. The up-tick in economic activity appears to be sustainable on the back of energy and infrastructure projects under China Pakistan Economic Corridor (CPEC). LSM grew by 4.1% during July 2015 to January 2016 as compared to 2.5% in the corresponding period last year. With positive consumer sentiments and incremental lending rates at considerably lower levels, the uptake in credit to private sector is expected to end FY 2015-16 on a higher level than that of FY 2014-15. CPI inflation is following the downward trajectory and stands at 2.6% for 9 months of FY 2015-16 as compared to 4.5% in FY 2014-15 mainly due to falling international oil prices. This trend in inflation indicates pickup in aggregate demand, amid both improved security situation and real incomes. Pak Rupee depreciated by 3.0% against US Dollar during the period under review. During July 2015 to February 2016, foreign remittances grew to US\$ 12.7 billion, up 6.1% as compared to US\$ 12.0 billion in the corresponding period last year. The current account deficit of US\$ 11.9 billion, due to dwindling exports, was at par with corresponding period last year. Overall, macroeconomic stability has been achieved and the foundation is well laid for following a growth orientated economic plan.

OPERATING RESULTS

During 3rd quarter, your Company achieved net sales revenue of Rs.3,491 million as compared to Rs.4,463 million for the same quarter of last year, decrease of 21.8%. Sluggish demand of batteries in the replacement market continued in 3rd quarter coupled with the surplus supply of batteries by all battery manufacturers. Decrease in raw material prices brought down the cost of sales from Rs.3,833 million to Rs.2,782 million for the same quarter, down by 27.4%. Gross profit ratio stood at 20.3% as compared to 14.1% in the corresponding quarter of last year.

Operating expenses at Rs.168 million remained in line with the Rs.166 million incurred in the corresponding quarter of last year. Other income stood at Rs.3 million as compared to Rs.6 million in the corresponding quarter of last year. Profit from operations increased to Rs.524 million from Rs.434 million, up 20.9%. Meanwhile, finance cost decreased to Rs.25 million from Rs.46 million, down by Rs.21 million as compared to corresponding quarter.

Thus, profit before tax for 3rd quarter of FY 2015-16 stood at Rs.499 million as compared to Rs.387 million in the corresponding quarter of last year, up 28.8%. After providing Rs.164 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.335 million as compared to Rs.274 million, up 22.3%. Earnings per share for the quarter improved from Rs.15.75 to Rs.19.25 for the same period.

For the nine months of FY 2015-16, net sales revenue remained at Rs.10,408 million as compared to Rs.11,361 million for the same period last year, down by 8.4%. However, cost of sales decreased by 13.3% as against corresponding period of last year. This put a favourable impact on gross profit ratio which increased to 18.3% as against 13.7% of corresponding period of last year. Resultantly, in absolute amount, it improved to Rs.1,905 million from Rs.1,553 million, up 22.7%.

Operating profit for nine months improved to Rs.1,275 million from Rs.1,047 million, up 21.8% as compared to same period last year. Finance cost reduced by Rs.74 million as compared to same period last year. Thus, profit before tax for nine months was Rs.1,212 million as compared to Rs.910 million in the corresponding period of last year, up 33.2%. After tax profit was Rs.843 million as against Rs.640 million during the same period last year and earnings per share improved to Rs.48.46 as against Rs.36.76, up 31.8%.

FUTURE OUTLOOK

Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the automotive industry. During eight months of FY 2015-16, sales of locally manufactured cars, trucks, buses, etc. increased by 25.0% to 171,477 units from 137,209 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) witnessed growth of 22.9% to 882,235 units from 718,077 units during the corresponding period last year. This situation for OEM sector is likely to prevail during the last quarter of FY 2015-16.

Contrarily, the replacement market is likely to witness excess supply and stiff competition in the 4th quarter of FY 2015-16. New entrants will also tighten the competition. However, the management of your Company is determined to become more efficient through curbing costs, maintaining quality of product and service while also focusing on growth in sales for improved market penetration. This will result in substantial improvement in financial performance and growth of your Company. The emphasis will be on continuous improvement in human resource capabilities and value addition for shareholders. I am sure your Company will continue to focus on productivity while meeting customers' need with improved quality by following the principles of "The Atlas Way":

چلتے ہیں جس کے لیے تیری آنکھوں کے دیئے
ڈھونڈھ لایا ہوں وہی گیت میں تیرے لیے

ACKNOWLEDGEMENTS

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



Yusuf H. Shirazi
Chairman

Karachi: April 25, 2016

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2016

	Note	Un-audited March 31, 2016 ----- (Rupees in '000) -----	Audited June 30, 2015
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	2,110,760	1,994,955
Intangible assets		6,348	10,743
Long term loans		1,021	1,103
Long term deposits		13,777	13,777
		<u>2,131,906</u>	<u>2,020,578</u>
Current assets			
Stores, spares and loose tools		164,778	110,788
Stock-in-trade	6	1,785,736	1,608,783
Trade debts	7	945,307	131,810
Loans and advances		6,330	27,727
Deposits and prepayments	8	63,887	11,361
Investments	9	993,172	918,737
Other receivables		2,317	8,913
Taxation - net		170,861	481,100
Cash and bank balances	10	279,755	78,318
		<u>4,412,143</u>	<u>3,377,537</u>
Total assets		<u><u>6,544,049</u></u>	<u><u>5,398,115</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 50,000,000 (June 30, 2015: 50,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 17,399,769 (June 30, 2015: 17,399,769) ordinary shares of Rs.10 each		173,998	173,998
General reserve		2,827,500	2,027,500
Unappropriated profit		853,738	1,019,277
Total equity		<u>3,855,236</u>	<u>3,220,775</u>
Surplus on revaluation of leasehold land		193,886	193,886
Liabilities			
Non current liabilities			
Staff retirement benefits		63,510	60,226
Deferred taxation		192,308	208,181
		<u>255,818</u>	<u>268,407</u>
Current liabilities			
Trade and other payables		1,135,865	910,253
Sales tax payable - net		127,954	86,647
Accrued mark-up		15,041	8,384
Short term borrowings	11	960,249	709,763
		<u>2,239,109</u>	<u>1,715,047</u>
Total liabilities		<u>2,494,927</u>	<u>1,983,454</u>
Contingencies and commitments	12		
Total equity and liabilities		<u><u>6,544,049</u></u>	<u><u>5,398,115</u></u>

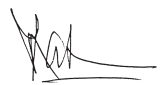
The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2016

	Note	Quarter ended		Period ended	
		March 31, 2016	2015	March 31, 2016	2015
----- (Rupees in '000) -----					
Sales - net		3,491,276	4,462,760	10,408,460	11,361,452
Cost of sales	13	(2,781,725)	(3,832,947)	(8,503,563)	(9,808,841)
Gross profit		709,551	629,813	1,904,897	1,552,611
Distribution cost		(106,238)	(113,575)	(335,347)	(299,454)
Administrative expenses		(62,127)	(52,054)	(199,658)	(155,596)
Other income		2,758	5,936	53,457	51,791
Other expenses		(19,825)	(36,479)	(147,877)	(102,141)
Profit from operations		524,119	433,641	1,275,472	1,047,211
Finance cost		(24,941)	(46,193)	(63,631)	(137,457)
Profit before taxation		499,178	387,448	1,211,841	909,754
Taxation	14	(164,260)	(113,488)	(368,583)	(270,128)
Profit after taxation		334,918	273,960	843,258	639,626
Other comprehensive income		-	-	-	-
Total comprehensive income		334,918	273,960	843,258	639,626
----- (Rupees) -----					
Basis and diluted earnings per share		19.25	15.75	48.46	36.76


The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Frahim Ali Khan
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2016

	Period ended	
	March 31, 2016	March 31, 2015
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,211,841	909,754
Adjustments for non-cash charges and other items:		
Depreciation of operating fixed assets	148,087	113,695
Amortisation of intangible assets	4,395	911
Provision for gratuity	5,275	5,430
Provision for compensated leave absences	9,356	9,107
Gain on sale of investments	-	(6,207)
Dividend income	(45,795)	(1,876)
Net change in fair value of investments at fair value through profit or loss	32,865	(35,190)
Loss / (gain) on sale of operating fixed assets	6,634	(343)
Provision for doubtful debts	3,922	797
Finance cost	63,631	137,457
Mark-up income	(52)	-
Operating profit before working capital changes	1,440,159	1,133,535
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(53,990)	(13,359)
Stock-in-trade	(176,953)	567,919
Trade debts	(817,419)	(28,570)
Loans and advances	21,397	(22,070)
Deposits and prepayments	(52,526)	(58,998)
Other receivables	6,596	7,497
	(1,072,895)	452,419
Increase / (decrease) in current liabilities:		
Trade and other payables	228,919	141,849
Sales tax payable - net	41,307	100,343
	270,226	242,192
	(802,669)	694,611
Cash generated from operations	637,490	1,828,146
Finance cost paid	(56,974)	(127,117)
Mark-up income received	52	-
Income taxes paid (including tax deducted at source)	(74,217)	(314,436)
Gratuity paid	(12,742)	(26,190)
Compensated leave absences paid	(6,098)	(1,191)
Long term loans - net	82	139
Long term deposits - net	-	128
	(149,897)	(468,667)
Net cash generated from operating activities		
- carried forward	487,593	1,359,479

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2016

	Period ended	
	March 31, 2016	March 31, 2015
	----- (Rupees in '000) -----	
Net cash generated from operating activities		
- brought forward	487,593	1,359,479
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property, plant and equipment	(297,140)	(529,900)
Proceeds from sale of property, plant and equipment	26,614	14,963
Investments acquired	(107,300)	(6,406)
Proceeds from sale of investments	-	305,457
Dividend received	45,795	1,876
Net cash used in investing activities	(332,031)	(214,010)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	250,486	(721,276)
Dividend paid	(204,611)	(174,819)
Net cash generated from / (used in) financing activities	45,875	(896,095)
Net increase in cash and cash equivalents	201,437	249,374
Cash and cash equivalents - at beginning of the half year	78,318	6,089
Cash and cash equivalents - at end of the half year	279,755	255,463

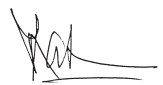
The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2016

	Issued, subscribed and paid up capital	General reserve	Unappro- priated profit	Total
	----- (Rupees in '000) -----			
Balance as at July 1, 2014	173,998	1,477,500	733,068	2,384,566
Transfer to general reserve	-	550,000	(550,000)	-
Transactions with owners				
Cash dividend for the year ended June 30, 2014 at the rate of Rs.10 per share	-	-	(173,998)	(173,998)
Total comprehensive income for the period ended March 31, 2015				
Profit for the period	-	-	639,626	639,626
Other comprehensive income	-	-	-	-
	-	-	639,626	639,626
Balance as at March 31, 2015	173,998	2,027,500	648,696	2,850,194
Total comprehensive income for the period ended June 30, 2015				
Profit for the period	-	-	374,298	374,298
Other comprehensive loss	-	-	(3,717)	(3,717)
	-	-	370,581	370,581
Balance as at June 30, 2015	173,998	2,027,500	1,019,277	3,220,775
Transfer to general reserve	-	800,000	(800,000)	-
Transaction with owners				
Cash dividend for the year ended June 30, 2015 at the rate of Rs.12 per share	-	-	(208,797)	(208,797)
Total comprehensive income for the period ended March 31, 2016				
Profit for the period	-	-	843,258	843,258
Other comprehensive income	-	-	-	-
	-	-	843,258	843,258
Balance as at March 31, 2016	173,998	2,827,500	853,738	3,855,236


The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Frahim Ali Khan
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

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 (formerly Karachi, Lahore and Islamabad Stock Exchanges). The Company is engaged in manufacturing and sale of automotive and motorcycle batteries. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the period ended March 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2015.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2015.

There are certain new International Financial Reporting Standards (standards), amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2015. These considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2015.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2016 ----- (Rupees in '000) -----	Audited June 30, 2015
Operating fixed assets	5.1	1,934,676	1,894,974
Capital work-in-progress	5.5	176,084	99,981
		<u>2,110,760</u>	<u>1,994,955</u>

	Note	Un-audited March 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2015
5.1 Operating fixed assets			
Net book value at beginning of the period / year		1,894,974	1,388,865
Additions during the period / year	5.2	221,037	667,997
Revaluation of leasehold land during the preceding period		-	20,100
Disposals and write-offs, costing Rs.48,728 thousand (June 30, 2015: Rs.41,004 thousand)			
- at net book value	5.3	(33,248)	(17,767)
Depreciation charged during the period / year		(148,087)	(159,221)
Net book value at end of the period / year		1,934,676	1,894,974
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on leasehold land		-	162,332
Plant and machinery		173,818	440,214
Office equipment		1,256	5,941
Computer and accessories		3,040	9,875
Furniture and fixtures		7,431	6,860
Air conditioners		1,328	3,518
Vehicles		34,164	39,257
		221,037	667,997
5.3 Disposals and write-offs during the period / year:			
Plant and machinery		21,246	2,511
Computers and accessories		-	133
Furniture and fixtures		-	18
Air conditioners		520	133
Vehicles		11,482	14,972
		33,248	17,767
5.4 Plant and machinery includes certain dies and moulds having cost aggregating Rs.88,824 thousand (June 30, 2015: Rs.77,923 thousand) and net book value of Rs.59,536 thousand (June 30, 2015: Rs.53,085 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.			
		Un-audited March 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2015
5.5 Capital work-in-progress			
Leasehold land		-	2,275
Buildings on leasehold land		110,011	38,282
Plant and machinery		60,829	57,759
Office equipment		-	721
Furniture and fixtures		5,244	944
		176,084	99,981

		Un-audited March 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2015
6. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		929,524	840,804
- with third parties		41,470	35,290
		<u>970,994</u>	<u>876,094</u>
Work-in-process		520,023	541,194
Finished goods		294,575	80,684
Goods in transit		144	110,811
		<u>1,785,736</u>	<u>1,608,783</u>
7. TRADE DEBTS - Unsecured			
Consider good			
Associated Companies		7,970	77,603
Others		937,337	54,207
		<u>945,307</u>	<u>131,810</u>
Consider doubtful			
Others		6,855	2,933
		<u>952,162</u>	<u>134,743</u>
Provision for doubtful debts		(6,855)	(2,933)
		<u>945,307</u>	<u>131,810</u>
8. DEPOSITS AND PREPAYMENTS			
Include prepayments of Rs.55,126 thousand (June 30, 2015: Rs.4,648 thousand) in respect of renewals of insurance policies and rental agreements.			
		Un-audited March 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2015
9. INVESTMENTS - at fair value through profit or loss	Note		
Investments in units of mutual funds:			
- Related parties		922,318	857,687
- Others		70,854	61,050
		<u>993,172</u>	<u>918,737</u>
10. CASH AND BANK BALANCES			
Cash in hand		158	-
Balances with banks on current accounts		11,969	34,506
Cheques / pay orders / demand drafts in hand	10.1	267,628	43,812
		<u>279,755</u>	<u>78,318</u>
10.1	Represents banking instruments received by the Company from dealers at regional offices in respect of sales but not deposited in the Company's bank account till reporting date.		
		Un-audited March 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2015
11. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah		460,249	709,763
Demand finances		500,000	-
		<u>960,249</u>	<u>709,763</u>
11.1	Short term borrowings include Rs.264,965 thousand (June 30, 2015: Rs.554,864 thousand) payable to Meezan Bank Limited - an Associated Company.		

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There has been no significant change in the status of contingencies as reported in note 25.1 to the preceding audited annual financial statements of the Company for the year ended June 30, 2015.

	Un-audited March 31, 2016	Audited June 30, 2015
	---- (Rupees in '000) ----	
12.2 Outstanding bank guarantees	60,162	53,662
12.3 Commitments		
In respect of confirmed letters of credit relating to:		
- raw materials, stores, spares and loose tools	245,094	355,768
- capital expenditure	80,261	29,890
In respect of capital expenditure other than through letters of credit	99,644	143,737
	424,999	529,395

	----- Un-audited -----			
	Quarter ended		Period ended	
	March 31,		March 31,	
Note	2016	2015	2016	2015
	----- (Rupees in '000) -----			

13. COST OF SALES

Opening stock of finished goods	413,031	213,951	80,684	111,728
Cost of goods manufactured 13.1	2,611,472	3,248,951	8,360,574	8,957,880
Purchases during the period	51,797	637,778	356,880	1,006,966
	3,076,300	4,100,680	8,798,138	10,076,574
Closing stock of finished goods	294,575	267,733	294,575	267,733
	2,781,725	3,832,947	8,503,563	9,808,841

13.1 Cost of goods manufactured

Opening work-in-process	369,739	573,991	541,194	517,413
Raw materials and components consumed	2,128,695	2,548,777	6,385,506	7,105,481
Factory overheads	633,061	709,531	1,953,897	1,918,334
	2,761,756	3,258,308	8,339,403	9,023,815
	3,131,495	3,832,299	8,880,597	9,541,228
Closing work-in-process	520,023	583,348	520,023	583,348
	2,611,472	3,248,951	8,360,574	8,957,880

14. TAXATION

Current year	155,470	97,083	381,006	231,468
Adjustments for prior year	9,736	-	3,450	(1,491)
Deferred	(946)	16,405	(15,873)	40,151
	164,260	113,488	368,583	270,128

15. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk).

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement of the Company as at June 30, 2015.

There have been no changes in the risk management policies since the year end.

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Significant transactions with related parties are as follows:

	----- Un-audited ----- Period ended March 31, 2016 2015 ---- (Rupees in '000) ----	
Associated Companies		
Sale of:		
- goods and services	903,586	1,595,851
- operating fixed assets	1,771	-
Purchases of:		
- goods and services	5,734,774	4,391,192
- operating fixed assets	78,828	110,134
Rent / service charges	185,624	161,062
Mark-up on short term borrowings	24,865	32,344
Mark-up paid	19,544	20,685
Reimbursement of expenses - net	752	1,754
Insurance premium	105,905	134,303
Insurance claims	12,152	20,161
Purchase of units in mutual funds	100,000	6,407
Sale of units in mutual funds	-	305,457
Dividend paid	161,700	134,750
Dividend received	45,795	1,876
Royalty and technical fee	107,116	103,107
Donation paid	14,807	10,228
Contribution to pension funds	6,797	5,275
Other related parties		
Contribution paid to		
- gratuity fund	12,536	26,104
- provident fund	5,363	4,942
Key Management Personnel		
- salaries and other short term employment benefits	71,733	63,325
- sale of fixed assets	2,978	1,462

16.2 Period / year end balances of related parties other than disclosed any where else are as follows:

	Un-audited March 31, 2016	Audited June 30, 2015
	---- (Rupees in '000) ----	
Receivables from related parties		
Deposits and prepayments	55,500	-
Other receivables	-	6,119
Payables to related parties		
Trade and other payables	303,728	211,071
Accrued mark-up	9,021	3,699

These are in the normal course of business.

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 25, 2016 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES


In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2015, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial information of the Company for the period ended March 31, 2015.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Frahim Ali Khan
Director

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