

2017



Half Yearly Report December 31,

2017

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COMPANY INFORMATION

Board of Directors

Yusuf H. Shirazi
Chairman

Ariful Islam
Director

Azam Faruque
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Muhammad Irfan
Company Secretary

Audit Committee

Frahim Ali Khan
Chairman

Azam Faruque
Member

Bashir Makki
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

Nehal Asghar
General Manager Engineering & Projects

Ahmar Waheed
General Manager Human Resource

Malik Nasir Mohyuddin
General Manager Service & Business Development

Mansoor Jamil Khan
General Manager Quality Assurance

Qasim Imran Khan
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer

Tehseen Raza
Head of Production

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

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

Karachi Office

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

Lahore Office

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

Faisalabad Office

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

Multan Office

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

Peshawar Office

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

Islamabad Office

Plot No.784/785, Islamabad
Corporate Center, Golra Road,
Islamabad
Tel: (051) 54956538 & (051) 5495788

Sahiwal Office

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

Company Website

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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 half year ended December 31, 2017.

ECONOMY

The economic indicators of Pakistan have witnessed strong growth momentum during 1st half of FY 2017-18. GDP is on track to achieve growth of 5.8% in FY 2017-18 which is significantly higher than FY 2016-17. However, the target of 6% GDP growth is likely to be missed. Recent devaluation of Pak Rupee has supported the export sector but the local industry has experienced higher input cost on the back of US Dollar appreciation and significant increase in oil and commodities prices in global markets. The stock market remained bearish during 1st half and declined more than 13% since July 01, 2017. However, the market was buoyant in January 2018 increasing by 8.8% in one calendar month. The State Bank of Pakistan has announced its Monetary Policy in January 2018 and has decided to raise the policy rate by 25 bps to 6.00%.

Large Scale Manufacturing (LSM) recorded a growth of 7.2% during July-December of FY 2017-18 as compared to 3.2% during the same period last year. During July-December of FY 2017-18, exports increased to Rs.11.8 billion, up 10.8% as compared to Rs.10.6 billion while imports increased to US\$ 26.1 billion, up 18.8% as compared to US\$ 22.0 billion during the same period. Foreign remittances increased to US\$ 9.7 billion, up 2.5% as compared to US\$ 9.5 billion in the corresponding period of last year. The above factors pushed the current account deficit to US\$ 7.4 billion as compared to US\$ 4.7 billion in the corresponding period of last year. Some structural reforms are required to enhance broad based revenue collection, generate value added exports and improve yield of our cash crops.

OPERATING RESULTS

During 2nd quarter, your Company achieved sales of Rs.3,755 million as compared to Rs.3,824 million in the same quarter of last year, down by 1.8%, mainly due to change in sales mix in the replacement market. Significant surge in major material prices forced the cost of sales to grow by 5.7% from Rs.3,174 million to Rs.3,355 million resulting in decline in gross profit ratio which stood at 10.6% as compared to 17.0% during the same quarter of last year.

Operating expenses at Rs.224 million, decreased by Rs.5 million as compared to Rs.229 million in the corresponding quarter of last year. Net loss from investment in mutual funds stood at Rs.21 million, due to decline in stock market related mutual funds, as compared to net income of Rs.140 million from this avenue during corresponding quarter of last year. Resultantly, profit from operations decreased to Rs.139 million as compared to Rs.518 million during corresponding quarter, down by 73.2%. Finance cost increased to Rs.35 million from Rs.19 million.

Thus, profit before tax for 2nd quarter of FY 2017-18 was Rs.103 million as compared to Rs.499 million in the corresponding quarter of last year, down by 79.3%. After providing Rs.40 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.63 million as compared to Rs.385 million, down by 83.7%. Earnings per share for the quarter was Rs.3.62 as compared to Rs.22.15 for the same quarter of last year.

During 1st half, your Company achieved sales of Rs.8,383 million as compared to Rs.7,566 million in the corresponding period of last year, up 10.8%. This increase was mainly due to a strong push to enhance sales in the replacement market. Significant surge in major material prices forced the cost of sales to grow by 18.2% from Rs.6,250 million to Rs.7,391 million resulting in decline in gross profit ratio which stood at 11.8% as compared to 17.4% during the corresponding period of last year.

Operating expenses stood at Rs.465 million, increased by Rs.24 million as compared to Rs.441 million in the corresponding period of last year mainly due to increase in freight & forwarding expenses and promotional activities. Net loss from investment in mutual funds stood at Rs.54 million, due to decline in stock market related mutual funds, as compared to net income of Rs.201 million from this avenue in the corresponding period of last year. Resultantly, profit from operations decreased to Rs.440 million as compared to Rs.996 million during corresponding period, down by 55.9%. Finance cost increased to Rs.53 million from Rs.30 million.

The profit before tax for 1st half of FY 2017-18 was Rs.387 million as compared to Rs.966 million in the corresponding period of last year, down by 60.0%. After providing Rs.124 million for taxation, the profit after tax of your Company stood at Rs.263 million as compared to Rs.729 million, down by 63.9%. Earnings per share for the 1st half was Rs.15.12 as compared to Rs.41.91 for the same period of last year.

FUTURE OUTLOOK

Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the automotive industry. During 1st half of FY 2017-18, sales of locally manufactured cars, trucks, buses, etc. increased by 31.6% to 161,010 units from 122,347 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) witnessed growth of 19.1% to 940,825 units from 789,733 units during the corresponding period last year. Automotive industry is likely to witness growth momentum in 2nd half of FY 2017-18 which bodes well for your Company's growth prospects.

With enhanced capacities of all major players on line, stiff competition in replacement market is expected to continue during 2nd half of FY 2017-18. New entrants will further increase competition in the near future. Direct exposure of your Company to the rise in major material prices in the international and local market and inflationary pressure on other input costs will pose major challenges to profitability in the 2nd half as well. However, the management of your Company is determined to remain competent through process efficiency, curbing costs and maintaining quality of product along with growth in sales supported by brand activation activities. This will enhance efficiency and result in improved financial performance and growth of your Company in the medium to long term. The improvement in human resource capabilities and value addition for shareholders is always a prime focus of your Company. I am sure that your Company will continue to focus on productivity and efficiency while meeting customers' desire for superior quality by following the principles of "The Atlas Way":

عُدُّوا حُرْمَتَ كُنُودِائِيسِ عَاشِقَانِ پَآكِ طِينَتِ رَا

ACKNOWLEDGEMENTS

I would 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 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: February 22, 2018

آپریٹنگ اخراجات 24 ملین روپے کے اضافے سے 465 ملین روپے پر موجود ہیں جو کہ گزشتہ سال اسی مدت کے دوران 441 ملین روپے تھے، اس اضافے کی وجہ مال برداری اور تشریحی سرگرمیوں کے اخراجات میں اضافہ ہے۔ میوچل فنڈز میں سرمایہ کاری سے ہونے والا مجموعی نقصان 54 ملین روپے پر موجود ہے جس کی وجہ اسٹاک مارکیٹ سے متعلقہ میوچل فنڈز میں آنے والی کمی ہے، گزشتہ سال اسی مدت کے دوران اسی ذریعہ آمدنی سے حاصل ہونے والی نیٹ انکم 201 ملین روپے تھی۔ تھی۔ جس کے نتیجے میں آپریشنز سے حاصل ہونے والا منافع 440 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران حاصل ہونے والے 996 ملین روپے منافع کے مقابلے میں 55.9 فیصد کم ہے۔ فنانس لاگت 30 ملین روپے سے بڑھ کر 53 ملین روپے ہو گئی۔

مالی سال 2017-18 کی پہلی ششماہی میں قبل از ٹیکس منافع 387 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران حاصل 966 ملین روپے قبل از ٹیکس منافع کے مقابلے میں 60.0 فیصد کم ہے۔ 124 ملین روپے کی ٹیکس ادائیگیوں کے بعد آپ کی کمپنی کا بعد از ٹیکس منافع 263 ملین روپے پر موجود ہے جو کہ گزشتہ سال اسی مدت کے دوران حاصل 729 ملین روپے بعد از ٹیکس منافع کے مقابلے میں 63.9 فیصد کم ہے۔ اس سہ ماہی میں آمدنی فی حصص 15.12 روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 41.91 روپے فی حصص تھی۔

مستقبل پر نظر

آٹوموٹیو انڈسٹری میں بطور مینڈر، آپ کی کمپنی بڑے پیمانے پر انڈسٹری میں ہونے والی ترقی پر منحصر ہے۔ مالی سال 2017-18 کی پہلی ششماہی کے دوران مقامی سطح پر تیار کردہ کاروں، ٹرکس، بسیں وغیرہ 31.6 فیصد اضافے سے 161,010 پونٹس فروخت ہوئے جو کہ گزشتہ سال اسی مدت کے دوران 122,347 پونٹس تھے۔ موٹر سائیکل اور تین پہیوں والی گاڑیوں کے ٹیکسٹ (PAMA سے رجسٹرڈ اسمبلرز) میں 19.1 فیصد اضافے کے ساتھ 940,825 پونٹس فروخت کیے گئے جو کہ گزشتہ سال اسی مدت کے دوران 789,733 پونٹس تھے۔ آٹوموٹیو انڈسٹری میں مالی سال 2017-18 کی دوسری ششماہی میں مزید ترقی کا واضح امکان نظر آتا ہے جس سے کمپنی پر اچھے اثرات مرتب ہوں گے۔

مالی سال 2017-18 کی دوسری سہ ماہی کے دوران انڈسٹری میں موجود مسابقتی کمپنیوں کی بڑھتی ہوئی پیداواری صلاحیتوں کے سبب متبادل مارکیٹ میں مسابقتی رجحان بڑھنے کے واضح امکانات ہیں۔ نئی کمپنیاں مستقبل قریب میں مزید مسابقتی رجحان پیدا کریں گی۔ آپ کی کمپنی کو مقامی اور عالمی سطح پر میٹرل کی قیمتوں میں اضافے اور دیگر لاگت پر آنے والے افراط زر کا براہ راست سامنا کرنا پڑتا ہے جس کی وجہ سے مالی سال 2017-18 کی دوسری ششماہی میں منافع کے حصول کو بہت سے مشکلات کا سامنا کرنا پڑے گا۔ تاہم آپ کی کمپنی کی انتظامیہ بہترین کارکردگی، اخراجات پر قابو رکھنے اور پروڈکٹ کے معیار کو برقرار رکھنے کے ساتھ ساتھ مارکیٹ میں رسائی کو بڑھا کر سبیل کو بہتر بنانے کے عزم کے ساتھ سرگرم عمل ہے۔ اس کے سبب مستعدی میں اضافہ، کمپنی کی مالیاتی کارکردگی اور ترقی میں بہتری آئے گی۔ آپ کی کمپنی کی ہمیشہ سے توجہ انسانی وسائل کی صلاحیتوں میں اضافے، اور حصص داران کے لیے اضافی سہولیات و خدمات رہی ہیں۔ مجھے یقین ہے کہ آپ کی کمپنی کسٹمرز کو اعلیٰ ترین معیار کی فراہمی کے ساتھ پیداوار اور موثر کارکردگی پر توجہ رکھتے ہوئے "ٹلس کے طرہ بقا کار" کے اصولوں پر عمل پیرا رہے گی۔

ع۔ خدارحمت کنندائیں عاشقانِ پاکِ طینتِ را

اظہارِ تشکر

میں اس موقع پر اپنے جوائنٹ ونچر پارٹنرز GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص داران، مینجرز، وینڈرز اور کسٹمرز کا اُن کی حمایت اور راہنمائی پر شکر یہ ادا کرتا ہوں۔ میں اس کے ساتھ ساتھ آپ کی کمپنی کے پریڈیکٹ اور چیف ایگزیکٹو آفیسر جناب علی ایچ شیرازی اور مینجمنٹ ٹیم کا بھی ساہمہ سال پوری لگن اور جدوجہد کے ساتھ حصول کامیابی کے لیے انتھک محنت پر شکر یہ ادا کرتا ہوں۔



یوسف ایچ شیرازی

چیئرمین

کراچی: 22 فروری 2018

چیسرین کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2017 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر پڑتا مال شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

معیشت

مالی سال 2017-18 کی پہلی ششماہی کے دوران پاکستان کے معاشی اشاروں نے نہایت مثبت ترقی کے رجحان کا مشاہدہ کیا۔ مالی سال 2017-18 میں شرح نمو میں اضافے کا سلسلہ جاری رہا جو کہ 5.8 فیصد کے حصول کی جانب گامزن ہے تاہم 6 فیصد شرح نمو کے ہدف کا حصول مشکل نظر آتا ہے۔ حال ہی میں پاکستانی روپے کی قدر میں کمی کے سبب برآمدات کے شعبے کو سپورٹ حاصل ہوئی ہے لیکن مقامی انڈسٹری کو ڈالر کی قدر میں حوصلہ افزائی کے ساتھ ساتھ عالمی سطح پر تیل کی قیمتوں اور ایشیے خورد و نوش کی قیمتوں میں اضافے کے سبب پیداواری لاگت میں اضافے کا سامنا کرنا پڑا ہے۔ پہلی ششماہی کے دوران اسٹاک مارکیٹ مندی کا شکار رہی اور یکم جولائی 2017 سے 13 فیصد مزید کمی دیکھی گئی۔ تاہم جنوری 2018 میں محض ایک ماہ کے دوران مارکیٹ میں 8.8 فیصد اضافہ ریکارڈ کیا گیا۔ اسٹیٹ بینک آف پاکستان نے جنوری 2018 میں اپنی مانیٹری پالیسی کا اعلان کیا ہے اور اپنا پالیسی ریٹ 25 bps کے اضافے سے بڑھا کر 6.00 فیصد کر دیا ہے۔

مالی سال 2017-18 میں جولائی تا دسمبر بڑے پیمانے پر میٹھونیکرنگ کے شعبے میں 7.2 فیصد ترقی ریکارڈ کی گئی جو کہ گزشتہ سال اسی مدت کے دوران 3.2 فیصد تھی۔ مالی سال 2017-18 میں جولائی تا دسمبر کے دوران برآمدات 10.8 فیصد اضافے سے 11.8 بلین روپے ہو گئیں جو کہ گزشتہ سال اسی مدت کے دوران 10.6 بلین روپے تھیں جبکہ درآمدات 18.8 فیصد اضافے سے 26.1 بلین ڈالر چارج ہوئیں جو کہ گزشتہ سال اسی مدت کے دوران 22.0 بلین ڈالر تھیں۔ ترسیلات زر 2.5 فیصد اضافے کے ساتھ 9.7 بلین ڈالر چارج ہوئے جو کہ گزشتہ سال اسی مدت کے دوران 9.5 بلین ڈالر تھیں۔ مندرجہ بالا عناصر کے سبب کرنٹ اکاؤنٹ خسارہ بڑھ کر 7.4 بلین ڈالر چارج ہو گیا جو کہ گزشتہ سال اسی مدت کے دوران 4.7 بلین ڈالر تھا۔ ایسی صورت میں وسیع پیمانے پر ریونیو اکٹھا کرنے، سود مند برآمدات میں بڑھوار اور نقد آور اجناس میں خاطر خواہ اضافے کے لیے فوری ضروری اصلاحات کے نفاذ کی ضرورت ہے۔

آپریٹنگ نتائج

آپ کی کمپنی نے دوسری سہ ماہی کے دوران سیلز کی مدد میں 3,755 ملین روپے حاصل کیے جو کہ گزشتہ سال اسی مدت کے دوران حاصل ہونے والی 3,824 ملین روپے کے مقابلے میں 1.8 فیصد کم ہیں۔ اس کی وجہ متبادل مارکیٹ کے سیلز کمس میں آنے والی تبدیلی ہے۔ خام مال کی قیمتوں میں اضافے کے سبب سیلز کی لاگت 5.7 فیصد اضافے سے 3,174 ملین روپے سے 3,355 ملین روپے پر چارج ہوئی جس کے سبب مجموعی منافع کا تناسب کم ہو کر گزشتہ سال کے 17.0 فیصد کے مقابلے میں 10.6 فیصد پر موجود ہے۔

آپریٹنگ اخراجات 224 ملین روپے رہے جو کہ گزشتہ سال اسی مدت کے دوران ہونے والے 229 ملین روپے کے اخراجات کے مقابلے میں 5 ملین روپے کم ہیں۔ میوچل فنڈز میں سرمایہ کاری سے ہونے والا مجموعی نقصان 21 ملین روپے رہا جس کی وجہ اسٹاک مارکیٹ سے متعلقہ میوچل فنڈز میں آنے والی کمی ہے، گزشتہ سال اسی مدت کے دوران اسی ذریعہ آمدنی سے حاصل ہونے والی نیٹ انکم 140 ملین روپے تھی۔ جس کے نتیجے میں آپریٹنگ سے حاصل ہونے والا منافع 139 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران حاصل ہونے والے 518 ملین روپے منافع کے مقابلے میں 73.2 فیصد کم ہے۔ مالیاتی لاگت 19 ملین روپے سے بڑھ کر 35 ملین روپے ہو گئی۔

مالی سال 2017-18 کی دوسری سہ ماہی میں منافع قبل از ٹیکس 103 ملین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران حاصل 499 ملین روپے قبل از ٹیکس منافع کے مقابلے میں 79.3 فیصد کم ہے۔ 40 ملین روپے کی موجودہ اور ملاتویہ ادا بینگیوں کے بعد آپ کی کمپنی کا بعد از ٹیکس منافع 63 ملین روپے پر موجود ہے جو کہ گزشتہ سال اسی مدت کے دوران حاصل 385 ملین روپے بعد از ٹیکس منافع کے مقابلے میں 83.7 فیصد کم ہے۔ اس سہ ماہی میں آمدنی فی حصص 3.62 روپے رہی جو کہ گزشتہ سال اسی سہ ماہی میں 22.15 روپے فی حصص تھی۔

آپ کی کمپنی نے پہلی ششماہی کے دوران 8,383 ملین روپے کی سیلز حاصل کی جو کہ گزشتہ سال کی 7,566 ملین روپے کی سیلز کے مقابلے میں 10.8 فیصد زیادہ ہے۔ اس اضافے کی وجہ متبادل مارکیٹ میں فروخت بڑھانے کی بہترین کوششیں ہیں۔ خام مال کی قیمتوں میں ہونے والے اضافے کے سبب سیلز کی لاگت 18.2 فیصد اضافے کے ساتھ 6,250 ملین روپے سے 7,391 ملین روپے پر چارج ہوئی جس کے سبب مجموعی منافع کا تناسب گزشتہ سال کے 17.4 فیصد کے مقابلے میں 11.8 فیصد پر موجود ہے۔

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Atlas Battery Limited as at December 31, 2017 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Shin Hameed Chaudhri

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
Karachi: February 22, 2018

Engagement Partner: Raheel Ahmed

a member firm of *ShineWing* International

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2017

	Note	Un-audited December 31, 2017 ----- (Rupees in '000) -----	Audited June 30, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,217,706	3,158,027
Intangible assets		1,067	1,467
Investments		-	-
Long term loans		1,151	1,303
Long term deposits		15,594	16,777
		<u>3,235,518</u>	<u>3,177,574</u>
Current assets			
Stores, spares and loose tools		216,348	191,896
Stock-in-trade	6	2,454,029	1,706,859
Trade debts	7	1,702,255	364,642
Loans and advances		21,204	5,234
Deposits and prepayments	8	120,729	18,231
Investments	9	808,305	2,464,851
Other receivables		2,317	3,893
Sales tax receivable - net		7,035	-
Taxation - net		407,895	349,166
Cash and bank balances	10	323,705	14,873
		<u>6,063,822</u>	<u>5,119,645</u>
Total assets		<u><u>9,299,340</u></u>	<u><u>8,297,219</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 50,000,000 (June 30, 2017: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital 17,399,769 (June 30, 2017: 17,399,769) ordinary shares of Rs.10 each		173,998	173,998
General reserve		4,697,500	3,827,500
Unappropriated profit		267,482	1,483,462
Total equity		<u>5,138,980</u>	<u>5,484,960</u>
Surplus on revaluation of leasehold land		<u>193,886</u>	<u>193,886</u>
Liabilities			
Non current liabilities			
Staff retirement benefits		73,357	79,868
Deferred taxation		238,078	254,932
		<u>311,435</u>	<u>334,800</u>
Current liabilities			
Trade and other payables		1,322,304	1,330,910
Sales tax payable - net		-	65,270
Accrued mark-up		27,657	4,623
Short term borrowings	11	2,305,078	882,770
		<u>3,655,039</u>	<u>2,283,573</u>
Total liabilities		<u>3,966,474</u>	<u>2,618,373</u>
Contingencies and commitments	12		
Total equity and liabilities		<u><u>9,299,340</u></u>	<u><u>8,297,219</u></u>

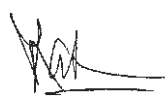
The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahrim Ali Khan
Director



Rizwan Ahmed
Chief Financial Officer

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Quarter ended		Half year ended	
		December 31,		December 31,	
		2017	2016	2017	2016
----- (Rupees in '000) -----					
Sales - net		3,754,569	3,823,508	8,382,609	7,566,008
Cost of sales	13	(3,354,948)	(3,174,318)	(7,390,755)	(6,250,189)
Gross profit		399,621	649,190	991,854	1,315,819
Distribution cost		(165,292)	(145,329)	(343,028)	(283,770)
Administrative expenses		(59,101)	(83,947)	(121,812)	(157,308)
Other income	14	34,950	143,952	86,571	207,216
Other expenses	15	(71,578)	(46,336)	(174,038)	(86,272)
Profit from operations		138,600	517,530	439,547	995,685
Finance cost		(35,239)	(18,666)	(52,934)	(29,811)
Profit before taxation		103,361	498,864	386,613	965,874
Taxation		(40,436)	(113,491)	(123,601)	(236,724)
Profit after taxation		62,925	385,373	263,012	729,150
Other comprehensive income		-	-	-	-
Total comprehensive income		62,925	385,373	263,012	729,150
----- (Rupees) -----					
Basic and diluted earnings per share		3.62	22.15	15.12	41.91

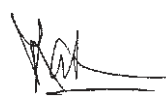
The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahrim Ali Khan
Director



Rizwan Ahmed
Chief Financial Officer

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended	
	December 31, 2017	December 31, 2016
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	386,613	965,874
Adjustments for non-cash charges and other items:		
Depreciation	141,337	121,453
Amortisation	400	2,930
Provision for gratuity	3,435	3,191
(Reversal) / provision for compensated leave absences	(5,314)	11,840
Gain on sale of investments at fair value through profit or loss	(29,871)	(87,836)
Dividend income	(45,806)	(5,378)
Fair value loss / (gain) on investments at fair value through profit or loss	129,256	(107,376)
Loss on sale of operating fixed assets	5,717	11,266
Provision for doubtful debts	1,039	764
Finance cost	52,934	29,811
	639,740	946,539
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(24,452)	1,266
Stock-in-trade	(747,170)	(163,302)
Trade debts	(1,338,652)	(919,044)
Loans and advances	(15,970)	(8,732)
Deposits and prepayments	(102,498)	(95,317)
Other receivables	1,576	6,523
Sales tax receivable - net	(72,305)	-
	(2,299,471)	(1,178,606)
(Decrease) / increase in current liabilities		
Trade and other payables	(4,140)	52,778
Sales tax payable - net	-	58,246
	(4,140)	111,024
	(2,303,611)	(1,067,582)
Cash used in operations	(1,663,871)	(121,043)
Finance cost paid	(29,900)	(22,867)
Income taxes paid (including tax deducted at source)	(199,184)	(229,904)
Gratuity paid	(6,477)	(13,361)
Compensated leave absences paid	(1,279)	(1,137)
Long term loans - net	152	(170)
Long term deposits - net	1,183	(500)
	(235,505)	(267,939)
Net cash used in operating activities - carried forward	(1,899,376)	(388,982)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Half year ended	
	December 31, 2017	December 31, 2016
	----- (Rupees in '000) -----	
Net cash used in operating activities - brought forward	(1,899,376)	(388,982)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(234,658)	(399,035)
Proceeds from sale of property, plant and equipment	27,924	20,060
Payment for investments	(745,943)	(1,461,629)
Proceeds from sale of investments	2,303,105	1,470,345
Dividend received	45,806	5,378
Net cash generated from / (used in) investing activities	1,396,234	(364,881)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	1,422,308	1,196,415
Dividend paid	(610,334)	(269,886)
Net cash generated from financing activities	811,974	926,529
Net increase in cash and cash equivalents	308,832	172,666
Cash and cash equivalents - at beginning of the period	14,873	45,257
Cash and cash equivalents - at end of the period	323,705	217,923


The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Frahim Ali Khan
Director



Rizwan Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed and paid up capital	General reserve	Unappro- priated profit	Total
----- (Rupees in '000) -----				
Balance as at July 1, 2016	173,998	2,827,500	1,276,794	4,278,292
Transfer to general reserve	-	1,000,000	(1,000,000)	-
Transactions with owners, recognised directly in equity				
Cash dividend for the year ended June 30, 2016 at the rate of Rs.15.50 per share	-	-	(269,696)	(269,696)
Total comprehensive income for the half year ended December 31, 2016				
Profit for the period	-	-	729,150	729,150
Other comprehensive income	-	-	-	-
	-	-	729,150	729,150
Balance as at December 31, 2016	173,998	3,827,500	736,248	4,737,746
Total comprehensive income for the period ended June 30, 2017				
Profit for the period	-	-	747,476	747,476
Other comprehensive loss	-	-	(262)	(262)
	-	-	747,214	747,214
Balance as at June 30, 2017	173,998	3,827,500	1,483,462	5,484,960
Transfer to general reserve	-	870,000	(870,000)	-
Transactions with owners, recognised directly in equity				
Cash dividend for the year ended June 30, 2017 at the rate of Rs.35.00 per share	-	-	(608,992)	(608,992)
Total comprehensive income for the half year ended December 31, 2017				
Profit for the period	-	-	263,012	263,012
Other comprehensive income	-	-	-	-
	-	-	263,012	263,012
Balance as at December 31, 2017	173,998	4,697,500	267,482	5,138,980


The annexed notes 1 to 19 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahrim Ali Khan
Director



Rizwan Ahmed
Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2017

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 batteries and allied products. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar and Sukkur. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% (June 30, 2017: 58.86%) of issued, subscribed and paid-up capital of the Company as at December 31, 2017.

2. BASIS OF PREPARATION

The Companies Act, 2017 has been promulgated with effect from May 30, 2017, however, as per the requirements of Circular # 23 of 2017 dated October 4, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance).

This condensed interim financial information of the Company for the half year ended December 31, 2017 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 Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended December 31, 2017 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. 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, 2017.

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, 2017.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2017. These are considered not to be relevant or to have any significant effect on Company's financial reporting and operations and are, therefore, not disclosed in the 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, 2017.

	Un-audited December 31, 2017	Audited June 30, 2017
Note	---- (Rupees in '000) ----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	3,063,891	3,090,004
Capital work-in-progress	5.5	153,815	68,023
		3,217,706	3,158,027
		3,217,706	3,158,027

5.1 Operating fixed assets

Net book value at beginning of the period / year		3,090,004	2,602,811
Additions during the period / year	5.2	148,866	795,690
Disposals costing Rs.56,285 thousand (June 30, 2017: Rs.96,098 thousand)			
- at net book value	5.3	(33,642)	(51,305)
Depreciation charged during the period / year		(141,337)	(257,192)
Net book value at end of the period / year		3,063,891	3,090,004
		3,063,891	3,090,004

5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:

Buildings on leasehold land		21,575	199,432
Plant and machinery		70,720	499,339
Office equipment		276	2,151
Computers and accessories		6,592	7,507
Furniture and fixtures		6,358	14,784
Air conditioners		1,335	5,190
Vehicles		42,010	67,287
		148,866	795,690
		148,866	795,690

5.3 Disposals during the period / year:

Plant and machinery		7,117	31,334
Office Equipment		-	174
Computers and accessories		149	-
Air conditioners		-	110
Vehicles		26,376	19,687
		33,642	51,305
		33,642	51,305

5.4 Plant and machinery includes certain dies and moulds having cost aggregating Rs.117,007 thousand (June 30, 2017: Rs.102,845 thousand) and net book value of Rs.78,095 thousand (June 30, 2017: Rs.65,229 thousand) which are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

	Note	Un-audited December 31, 2017 ---- (Rupees in '000) ----	Audited June 30, 2017
5.5 Capital work-in-progress			
Buildings on leasehold land		137,729	44,710
Plant and machinery		4,361	11,010
Furniture and fixtures		1,232	1,501
Computers and accessories		68	-
Air conditioners		-	1,038
Vehicles	5.6	9,345	9,084
Intangible assets	5.6	1,080	680
		<u>153,815</u>	<u>68,023</u>

5.6 Includes Rs.7,363 thousand (June 30, 2017: Rs.5,906 thousand) advance payment to related parties for purchase of vehicles and computer software.

	Note	Un-audited December 31, 2017 ---- (Rupees in '000) ----	Audited June 30, 2017
6. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		373,143	485,520
- with third parties		37,776	27,941
		<u>410,919</u>	<u>513,461</u>
Work-in-process		699,786	663,469
Finished goods		1,334,618	422,668
Items in transit		8,706	107,261
		<u>2,454,029</u>	<u>1,706,859</u>

7. TRADE DEBTS - Unsecured

Consider good

Associated Companies	88,602	283,071
Others	1,613,653	81,571
	<u>1,702,255</u>	<u>364,642</u>

Consider doubtful

Others	8,658	7,619
	<u>1,710,913</u>	<u>372,261</u>

Provision for doubtful debts	(8,658)	(7,619)
	<u>1,702,255</u>	<u>364,642</u>

8. DEPOSITS AND PREPAYMENTS

Include prepayments of Rs.114,282 thousand (June 30, 2017: Rs.11,913 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

9. INVESTMENTS - at fair value through profit or loss

	Note	Un-audited December 31, 2017 ---- (Rupees in '000) ----	Audited June 30, 2017
Investments in units of mutual funds:			
- Related parties		708,580	2,374,952
- Others		99,725	89,899
		<u>808,305</u>	<u>2,464,851</u>

	Note	Un-audited December 31, 2017 ---- (Rupees in '000) ----	Audited June 30, 2017
10. CASH AND BANK BALANCES			
Cash in hand		61	-
Balances with banks on current accounts		14,663	14,873
Cheques / pay orders / demand drafts in hand	10.1	308,981	-
		<u>323,705</u>	<u>14,873</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 December 31, 2017 ---- (Rupees in '000) ----	Audited June 30, 2017
11. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah		1,755,078	882,770
Demand finances		550,000	-
		<u>2,305,078</u>	<u>882,770</u>

11.1 Short term borrowings include Rs.676,503 thousand (June 30, 2017: Rs.319,595 thousand) payable to Meezan Bank Limited - an Associated Company.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 There is no significant change in status of the contingencies as disclosed in note 25.1 of the audited annual financial statements of the Company for the year ended June 30, 2017.

12.1.2 The Additional Commissioner Enforcement-III (Assessing Officer), Punjab Revenue Authority (PRA), Government of Punjab issued a show cause notice to the Company and alleged that the Company has failed to withhold and deposit the Punjab Sales Tax on advertisement services. The Company responded that some of the service providers do not have their registered office in the territorial jurisdiction of Punjab and in most of the cases, services were not completely consumed in Punjab only rather were electronically transmitted throughout Pakistan. Further, the Company had withheld sales tax from all the payments made against said services and has deposited either to Federal Board of Revenue (FBR) or Sindh Revenue Board (SRB), therefore, demand raised by PRA would tantamount to double jeopardy for the Company. However, the Assessing Officer did not consider the arguments of the Company and passed an order under section 14 & 19 of Punjab Sales Tax on Services Act 2012 read with Punjab Sales Tax on Services (Withholding) Rules 2012 & 2015 and created an impugned demand of Rs.4.327 million including penalty.

The Company filed an appeal before Commissioner (Appeal), PRA, Lahore against the aforementioned demand who also upheld the order of the Assessing Officer. The Company then filed an appeal before Appellate Tribunal, PRA, Lahore. The Appellate Tribunal has granted a stay against demand. The main appeal is pending before the Appellate Tribunal.

		Un-audited December 31, 2017 ---- (Rupees in '000) ----	Audited June 30, 2017
12.2 Outstanding bank guarantees		83,764	76,764
12.3 Commitments			
In respect of confirmed letters of credit relating to:			
- raw materials, stores, spares and loose tools		274,554	197,888
- capital expenditure		108,335	81,128
In respect of capital expenditure other than through letters of credit		278,144	168,831
		<u>661,033</u>	<u>447,847</u>

	Note	----- Un-audited -----			
		Quarter ended December 31,		Half year ended December 31,	
		2017	2016	2017	2016
		----- (Rupees in '000) -----			
13. COST OF SALES					
Opening stock of finished goods		632,008	156,007	422,668	327,649
Cost of goods manufactured	13.1	3,812,746	3,310,945	7,758,163	6,077,971
Purchases during the period		244,812	136,126	544,542	273,329
		4,689,566	3,603,078	8,725,373	6,678,949
Closing stock of finished goods		(1,334,618)	(428,760)	(1,334,618)	(428,760)
		3,354,948	3,174,318	7,390,755	6,250,189
13.1 Cost of goods manufactured					
Opening work-in-process		568,790	559,047	663,469	586,649
Raw materials and components consumed		3,131,432	2,514,395	6,156,455	4,572,620
Factory overheads		812,310	738,223	1,638,025	1,419,422
		3,943,742	3,252,618	7,794,480	5,992,042
		4,512,532	3,811,665	8,457,949	6,578,691
Closing work-in-process		(699,786)	(500,720)	(699,786)	(500,720)
		3,812,746	3,310,945	7,758,163	6,077,971
14. OTHER INCOME					
Dividend income		-	-	45,806	5,378
Gain on sale of investments at fair value through profit or loss		29,871	87,836	29,871	87,836
Fair value gain on investments at fair value through profit or loss		-	51,936	-	107,376
Scrap sales		5,079	4,180	10,894	6,626
		34,950	143,952	86,571	207,216

15. Include fair value loss on investment at fair value through profit or loss aggregating Rs.129,256 thousand (December 31, 2016: Nil).

16. FINANCIAL RISK MANAGEMENT

16.1 Financial risk factors

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, 2017.

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

16.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the financial information 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].

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	808,305	-	-	808,305

There was no transfers amongst the levels and any change in valuation techniques during the period.

17. TRANSACTIONS WITH RELATED PARTIES

17.1 Significant transactions with related parties are as follows:

	Un-audited December 31,	
	2017	2016
	---- (Rupees in '000) ----	
Holding Company		
Rent / service charges paid	122,458	111,326
Dividend paid	358,460	80,613
Sale of operating fixed assets	11,501	-
Expense charged	2,058	-
Associated Companies		
Sale of:		
- goods	1,294,063	836,456
- operating fixed assets	2,329	-
Purchases of:		
- goods and services	6,281,911	4,648,210
- operating fixed assets	21,152	68,090
Rent / service charges paid	10,867	1,412
Mark-up paid	7,916	4,414
Reimbursement of expenses	1,096	1,306
Insurance premium	98,746	86,607
Insurance claims	21,363	10,214
Purchase of units in mutual funds	737,943	1,372,673
Sale of units in mutual funds	2,303,105	1,381,001
Dividend received	45,806	5,378
Dividend paid	113,163	128,249
Royalty and Technical fee	83,013	77,340
Donation paid	20,652	18,682
Contribution to pension funds	6,052	4,770
Other related parties		
Contribution paid to:		
- gratuity fund	6,477	13,361
- provident fund	3,105	3,747
Key Management Personnel		
- salaries and other short term employment benefits	58,577	54,680
- sale of vehicles	1,830	1,773

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

	Un-audited December 31, 2017 ----- (Rupees in '000) -----	Audited June 30, 2017
Receivables from related parties		
Deposits and prepayments	100,917	-
Payables to related parties		
Trade and other payables	565,268	219,096
Accrued mark-up	10,228	1,544

These are in the normal course of business.

18. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 22, 2018 by the Board of Directors of the Company.

19. 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, 2017, 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 December 31, 2016. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Frahim Ali Khan
Director



Rizwan Ahmed
Chief Financial Officer