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COMPANY INFORMATION

Board of Directors

Yusuf H. Shirazi
Chairman

Ariful Islam
Director

Bashir Makki
Director

Kamal A. Chinoy
Director

Makio Tanaka
Director

Omar Saeed
Director

Ali H. Shirazi
President / Chief Executive

Rizwan Ahmed
Company Secretary

Audit Committee

Kamal A. Chinoy
Chairman

Bashir Makki
Member

Omar Saeed
Member

M. Rizwan Jamil
Head of Internal Audit

Human Resource and Remuneration Committee

Omar Saeed
Chairman

Ali H. Shirazi
Member

Bashir Makki
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Arshad Gulraiz Butt
Advisor to CEO

Mohsin Khan
General Manager Marketing

Muhammad Iqbal
General Manager Supply Chain

Muhammad Jamil Awan
General Manager Quality Assurance

Nehal Asghar
General Manager Plant

Ahmar Waheed
Head of Human Resource

Qasim Imran Khan
Head of Information Technology

Rizwan Ahmed
Chief Financial Officer & Company Secretary

Adeel Sartaj
Manager Quality Assurance

Mansoor Jamil Khan
Manager Production Plate Manufacturing

COMPANY INFORMATION

Auditors

Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers

Allied Bank Limited
Bank Alfalah Limited
Barclays Bank PLC
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Summit Bank 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

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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, 2014.

ECONOMY

The Pakistan economy, after demonstrating low growth since 2008, is now showing signs of revival. Amid improving macroeconomic conditions, business sentiment is likely to strengthen. GDP is expected to maintain the growth momentum going forward aided in particular by higher agriculture production, foreign inflows, lower interest rate environment and stable exchange rate. However, Large Scale Manufacturing (LSM) growth rate slowed to 2.5% during July-November 2014 as compared to growth of 5.6% during the corresponding period of last year. The CPI inflation, encouragingly, has decreased to 6.1% for 1st half of FY 2014-15 as compared to 8.6% in the FY 2013-14 and may continue to do so on back of declining crude oil prices. Foreign remittances grew to US\$ 8.9 billion during July-December 2014, up 15.3% as compared to US\$ 7.8 billion in the corresponding period last year. Exports decreased to US\$ 12.2 billion during July-December 2014, down by 2.0% as compared to US\$ 12.5 billion in the corresponding period last year. Imports increased to US\$ 22.0 billion during July-December 2014, up 4.2% as compared to US\$ 21.1 billion in the corresponding period last year. These factors culminated in current account deficit of US\$ 9.8 billion. Reduction of 100 bps in discount rate from 9.50% to 8.50% by State Bank of Pakistan will not only help more economic activities in the private sector but also spurred KSE-100 index to cross 34,000 points; an all time high. Containment of fiscal deficit thus far is also encouraging which bodes well for better macroeconomic outlook for the remaining months of FY 2014-15.

OPERATING RESULTS

During 2nd quarter, your Company achieved sales growth of 22.7% with net revenue of Rs.3,550 million as compared to Rs.2,892 million for the same quarter of last year. However, cost of sales for the same quarter also increased from Rs.2,492 million to Rs.3,044 million, up 22.1%. Decrease in raw material prices and appreciation of Pak Rupee against US Dollar helped the gross profit ratio which stood at 14.3% as compared to 13.8% in the corresponding quarter of last year.

Operating expenses at Rs.148 million increased by Rs.29 million as compared to Rs.119 million in the corresponding quarter of last year. Other income stood at Rs.25 million at par with the corresponding quarter of last year. Profit from operations increased to Rs.359 million from Rs.281 million, up 27.7%. Finance cost increased from Rs.33 million to Rs.52 million, up Rs.19 million as compared to corresponding quarter due to higher utilization of running finance facilities.

Thus, profit before tax for 2nd quarter of 2014-15 stood at Rs.306 million as compared to Rs.248 million in the corresponding quarter of last year, up 23.7%. After providing Rs.98 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.209 million as compared to Rs.175 million, up 18.8%. Earnings per share for the quarter improved from Rs.10.09 to Rs.11.98 for the same period.

For the 1st half of FY 2014-15, net sales revenue increased to Rs.6,899 million as compared to Rs.5,276 million for the same period last year, up 30.8%. However, cost of sales increased by 32.4% as against corresponding period of last year. This put an adverse impact on gross profit ratio which reduced to 13.4% as against 14.4% of last year. However, in absolute amount, it improved to Rs.923 million from Rs.762 million, up 21.1%.

Operating profit for six months improved to Rs.614 million from Rs.506 million, up 21.2% as compared to same period last year. Finance cost increased by Rs.35 million because of higher utilization of running finance facilities. Thus, profit before tax for six months was Rs.522 million as compared to Rs.450 million in the corresponding period of last year, up 16.0%. After tax profit was Rs.366 million as against Rs.329 million during the same period last year and earnings per share improved to Rs.21.02 as against Rs.18.90, up 11.2%.

FUTURE OUTLOOK

The present predicament of automotive industry is uncertain due to the delay in the introduction of the Auto Development Policy 2014 which may hamper further investment in the auto sector. Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the automotive industry. During the 1st half of FY 2014-15, sales of locally manufactured cars, trucks, buses, etc. increased by 10.5% to 90,167 units from 81,613 units during the corresponding period last year. However, motorcycles and three wheelers segment witnessed decline of 9.2% to 352,139 units from 387,805 units during the corresponding period last year. This situation is likely to prevail during the remaining period of FY 2014-15 which will increase competition amongst battery manufacturers.

The management of your Company is determined to become more efficient through curbing costs, maintaining quality of product and service meanwhile 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":

ع ہے جستجو کر خوب سے ہے خوب تر کہاں

(We strive for good to better and better best)

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: February 23, 2015



HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

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, 2014 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, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2014.

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, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Hameed Chaudhri & Co.

Karachi: February 23, 2015
Engagement Partner: Muhammad Ali

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2014

	Note	Unaudited December 31, 2014 ----- (Rupees in '000) -----	Audited June 30, 2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,674,629	1,416,705
Intangible assets		413	1,117
Investments		-	-
Long term deposits		13,777	13,916
Long term loans		1,142	1,227
		<u>1,689,961</u>	<u>1,432,965</u>
Current assets			
Stores, spares and loose tools		105,475	88,665
Stock-in-trade	6	2,530,009	2,551,256
Trade debts	7	624,934	142,345
Loans and advances		78,025	25,875
Deposits and prepayments	8	97,008	6,416
Investments	9	562,112	824,925
Other receivables		7,329	11,398
Taxation - net		338,360	237,060
Bank balances	10	190,533	6,089
		<u>4,533,785</u>	<u>3,894,029</u>
Total assets		<u>6,223,746</u>	<u>5,326,994</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 50,000,000 (June 30, 2014: 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, 2014: 17,399,769) Ordinary shares of Rs.10 each		173,998	173,998
General reserve		2,027,500	1,477,500
Unappropriated profit		374,736	733,068
Total equity		<u>2,576,234</u>	<u>2,384,566</u>
Surplus on revaluation of leasehold land	5.3	193,886	173,786
Liabilities			
Non current liabilities			
Staff retirement benefits		58,489	49,741
Deferred taxation		184,761	161,015
		<u>243,250</u>	<u>210,756</u>
Current liabilities			
Trade and other payables		958,635	860,347
Sales tax payable - net		69,512	55,319
Accrued mark-up		46,849	19,729
Short term borrowings	11	2,135,380	1,622,491
		<u>3,210,376</u>	<u>2,557,886</u>
Total liabilities		<u>3,453,626</u>	<u>2,768,642</u>
Contingencies and commitments	12		
Total equity and liabilities		<u>6,223,746</u>	<u>5,326,994</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



Kamal A. Chinoy
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Note	Quarter ended		Half year ended	
		December 31,		December 31,	
		2014	2013	2014	2013
----- (Rupees in '000) -----					
Sales - net		3,549,577	2,892,187	6,898,692	5,275,805
Cost of sales	13	(3,043,657)	(2,492,426)	(5,975,894)	(4,513,823)
Gross profit		505,920	399,761	922,798	761,982
Distribution cost		(94,941)	(67,040)	(185,879)	(134,940)
Administrative expenses		(52,886)	(51,580)	(103,542)	(104,021)
Other income		24,982	25,161	45,855	46,551
Other expenses		(24,281)	(25,427)	(65,662)	(63,417)
Profit from operations		358,794	280,875	613,570	506,155
Finance cost		(52,496)	(33,327)	(91,264)	(55,986)
Profit before taxation		306,298	247,548	522,306	450,169
Taxation	14	(97,766)	(72,062)	(156,640)	(121,308)
Profit after taxation		208,532	175,486	365,666	328,861
Other comprehensive income		-	-	-	-
Total comprehensive income		208,532	175,486	365,666	328,861
----- (Rupees) -----					
Basis and diluted earnings per share		11.98	10.09	21.02	18.90

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



Kamal A. Chinoy
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended	
	December 31, 2014	December 31, 2013
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	522,306	450,169
Adjustments for non-cash charges and other items:		
Depreciation of operating fixed assets	72,462	61,511
Amortisation of intangible assets	704	1,134
Net change in fair value of investments at fair value through profit or loss	(30,030)	(37,143)
Gain on sale of investments	(6,207)	(682)
Finance cost	91,264	55,986
Gain on sale of operating fixed assets	(950)	(2,791)
Dividend income	(1,876)	-
Provision for doubtful debts	-	623
Provision for gratuity	3,620	3,100
Provision for compensated leave absences	9,073	4,698
Operating profit before working capital changes	660,366	536,605
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(16,810)	(5,267)
Stock-in-trade	21,247	(369,309)
Trade debts	(482,589)	(53,290)
Loans and advances	(52,150)	(4,544)
Deposits and prepayments	(90,592)	(73,723)
Other receivables	4,069	1,803
	(616,825)	(504,330)
Increase / (decrease) in current liabilities:		
Trade and other payables	121,686	(79,844)
Sales tax payable - net	14,193	40,775
	135,879	(39,069)
	(480,946)	(543,399)
Cash generated from / (used in) operations	179,420	(6,794)
Finance cost paid	(64,144)	(42,351)
Income taxes paid (including tax deducted at source)	(234,194)	(209,813)
Gratuity paid	(26,104)	(7,555)
Compensated leave absences paid	(443)	(505)
Long term deposits - net	139	-
Long term loans - net	85	(73)
	(324,661)	(260,297)
Net cash used in operating activities c/f	(145,241)	(267,091)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Half year ended	
	December 31, 2014	December 31, 2013
	----- (Rupees in '000) -----	
Net cash used in operating activities b/f	(145,241)	(267,091)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(318,850)	(236,424)
Sale proceeds from disposal of operating fixed assets	9,514	7,270
Additions in intangible assets	-	(1,650)
Investments acquired	(6,407)	(55,000)
Sale proceeds from disposal of investments	305,457	46,556
Dividend received	1,876	-
Net cash used in investing activities	(8,410)	(239,248)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	512,889	690,567
Dividend paid	(174,794)	(145,091)
Net cash generated from financing activities	338,095	545,476
Net increase in cash and cash equivalents	184,444	39,137
Cash and cash equivalents - at beginning of the half year	6,089	33,055
Cash and cash equivalents - at end of the half year	190,533	72,192

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





Kamal A. Chinoy
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

	Issued, subscribed and paid up capital	General reserve	Unappro- priated profit	Total
----- (Rupees in '000) -----				
Balance as at July 1, 2013	144,998	1,067,500	577,244	1,789,742
Transfer to general reserve	-	410,000	(410,000)	-
Transactions with owners				
Cash dividend for the year ended June 30, 2013 at the rate of Rs.10 per share	-	-	(144,998)	(144,998)
Bonus shares at the rate of 20% issued during the period	29,000	-	(29,000)	-
	29,000	-	(173,998)	(144,998)
Total comprehensive income for the half year ended December 31, 2013				
Profit for the period	-	-	328,861	328,861
Other comprehensive income	-	-	-	-
	-	-	328,861	328,861
Balance as at December 31, 2013	173,998	1,477,500	322,107	1,973,605
Total comprehensive income for the period ended June 30, 2014				
Profit for the period	-	-	412,289	412,289
Other comprehensive loss	-	-	(1,328)	(1,328)
	-	-	410,961	410,961
Balance as at June 30, 2014	173,998	1,477,500	733,068	2,384,566
Transfer to general reserve	-	550,000	(550,000)	-
Transaction 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 half year ended December 31, 2014				
Profit for the period	-	-	365,666	365,666
Other comprehensive income	-	-	-	-
	-	-	365,666	365,666
Balance as at December 31, 2014	<u>173,998</u>	<u>2,027,500</u>	<u>374,736</u>	<u>2,576,234</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


Kamal A. Chinoy
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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 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, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.

The figures for the half year ended December 31, 2014 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, 2014.

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 for the year ended June 30, 2014 except as follows:

The Company has adopted all the new standards and amendments to standards, including any consequential amendments to other standards which are applicable for the financial year beginning on July 1, 2014. The adoption of these new and amended standards did not have any effect on this condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements of the Company for the year ended June 30, 2014.

	Note	Un-audited December 31, 2014 ---- (Rupees in '000) ----	Audited June 30, 2014
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,508,603	1,383,865
Capital work-in-progress	5.6	166,026	32,840
		<u>1,674,629</u>	<u>1,416,705</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		1,383,865	1,137,047
Additions during the period / year	5.2	185,664	386,607
Revaluation of leasehold land during the period	5.3	20,100	-
Disposals and write-offs, costing Rs.21,070 thousand (June 30, 2014: Rs.27,934 thousand)			
- at net book value	5.4	(8,564)	(9,446)
Depreciation charged during the period / year		(72,462)	(130,343)
Net book value at end of the period / year		<u>1,508,603</u>	<u>1,383,865</u>
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on leasehold land		7,672	2,210
Plant and machinery		145,145	361,673
Office equipment		350	-
Computer and accessories		3,088	1,852
Furniture and fixtures		230	-
Air conditioners		2,539	536
Vehicles		26,640	20,336
		<u>185,664</u>	<u>386,607</u>
5.3 The Company's leasehold land was originally revalued on June 30, 2008 by M/s. Surval, an Independent Valuer and this revaluation exercise resulted in appraisal surplus of Rs.173,786 thousand over the written down value of Rs.414 thousand. This leasehold land has been again revalued on July 16, 2014 by MYK Associates (Private) Limited, an Independent Valuer, based on market value in the similar area. The latest revaluation exercise resulted in surplus of Rs.20,100 thousand over the book value of Rs.174,200 thousand which has been credited to the surplus on revaluation of leasehold land account to comply with the requirements of section 235 of the Companies Ordinance, 1984.			
5.4 Disposals and write-offs during the period / year:			
Plant and machinery		-	1,785
Computers and accessories		94	-
Vehicles		8,470	7,661
		<u>8,564</u>	<u>9,446</u>

5.5 Operating fixed assets include certain dies and moulds having cost aggregating Rs.73,966 thousand (June 30, 2014: Rs.40,610 thousand) and net book value of Rs.48,996 thousand (June 30, 2014: Rs.22,991 thousand) which are held by various vendors for producing certain parts for supply to the Company.

	Un-audited December 31, 2014 ---- (Rupees in '000) ----	Audited June 30, 2014
5.6 Capital work-in-progress		
Buildings on leasehold land	146,900	27,561
Plant and machinery	14,480	1,139
Furniture and fixtures	350	-
Vehicles	4,296	4,140
	166,026	32,840

5.6.1 Represent advance of Rs.4,296 thousand (June 30, 2014: Rs.Nil) made to related parties.

	Un-audited December 31, 2014 ---- (Rupees in '000) ----	Audited June 30, 2014
6. STOCK-IN-TRADE		

Raw materials and components:
- in hand
- with third parties

1,640,966	1,497,509
47,688	357,350
1,688,654	1,854,859
573,991	517,413
213,951	111,728
53,413	67,256
2,530,009	2,551,256

Work-in-process
Finished goods
Goods in transit

7. TRADE DEBTS - Unsecured

Consider good

Associated Companies
Others

57,676	100,563
567,258	41,782
624,934	142,345

Consider doubtful

Others

2,136	2,136
627,070	144,481

Less: provision for doubtful debts

2,136	2,136
624,934	142,345

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

Except for the following, 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, 2014.

With reference to the note 25.1.2 to the audited annual financial statements of the Company for the year ended June 30, 2014, the Honourable Lahore High 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.

With reference to the note 25.1.3 to the audited annual financial statements of the Company for the year ended June 30, 2014, the Commissioner Inland Revenue (Appeal-I) [CIR(A)] has remanded back the case against order dated March 11, 2014 passed by the Assistant Commissioner Inland Revenue (ACIR), Karachi with direction to allow the claim of input sales tax by verifying payments to suppliers & examining the delivery notes, VAT verification and transportation payments. CIR(A) has also disposed off the case in favour of the Company against order dated April 17, 2014 passed by the ACIR stated that the Company lawfully claimed the input sales tax in that regard.

	Un-audited December 31, 2014 ---- (Rupees in '000) ----	Audited June 30, 2014
12.2 Outstanding bank guarantees	33,662	30,720
12.3 Commitments		
In respect of confirmed letters of credit relating to:		
- raw materials, stores, spares and loose tools	465,592	446,065
- capital expenditure	105,229	135,971
In respect of capital expenditure other than through letters of credit	274,550	167,777
	<u>845,371</u>	<u>749,813</u>

	----- Unaudited -----			
	Quarter ended December 31,		Half year ended December 31,	
Note	2014	2013	2014	2013
	----- (Rupees in '000) -----			

13. COST OF SALES

Opening stock of finished goods	273,645	173,946	111,728	87,289
Cost of goods manufactured	2,842,368	2,405,465	5,708,929	4,513,519
Purchases during the period	141,595	-	369,188	-
	<u>3,257,608</u>	<u>2,579,411</u>	<u>6,189,845</u>	<u>4,600,808</u>
Closing stock of finished goods	213,951	86,985	213,951	86,985
	<u>3,043,657</u>	<u>2,492,426</u>	<u>5,975,894</u>	<u>4,513,823</u>

----- Unaudited -----
Quarter ended Half year ended
December 31, December 31,
Note 2014 2013 2014 2013
----- (Rupees in '000) -----

13.1 Cost of goods manufactured

Opening work-in-process	604,991	417,997	517,413	420,263
Raw materials and components consumed	2,188,556	1,936,476	4,556,704	3,639,334
Factory overheads	622,812	449,229	1,208,803	852,159
	2,811,368	2,385,705	5,765,507	4,491,493
	3,416,359	2,803,702	6,282,920	4,911,756
Closing work-in-process	573,991	398,237	573,991	398,237
	2,842,368	2,405,465	5,708,929	4,513,519

14. TAXATION

Current year	74,679	61,250	134,385	101,957
Adjustments for prior year	(1,491)	2,302	(1,491)	2,302
Deferred	24,578	8,510	23,746	17,049
	97,766	72,062	156,640	121,308

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, 2014.

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

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


	Unaudited December 31, 2014	Audited June 30, 2014
	---- (Rupees in '000) ----	
Receivables from related parties		
Deposits and prepayments	91,002	-
Other receivables	5,013	7,995
Payables to related parties		
Trade and other payables	549,569	156,537
Accrued mark-up	15,216	2,295


17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 23, 2015 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, 2014, 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 half year ended December 31, 2013.


Yusuf H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive


Kamal A. Chinoy
Director

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