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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

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

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

COMPANY INFORMATION

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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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, 2015.

ECONOMY

The Pakistan economic indicators in the current fiscal year have moved in a favorable direction. GDP growth is on course to surpassing that of FY 2013-14 due in part to lowering of discount rate, stable rupee, falling inflation and higher consumer activity on the back of lower oil prices. After growing by 2.2% in July 2014 to January 2015, Large Scale Manufacturing (LSM) is likely to gain traction due to recent cut in policy rate by 50 bps, from 8.50% to 8.00%. Lower prices of raw materials will also give fresh impetus to the manufacturing sector. CPI inflation continues to follow a downward trajectory and is expected to be well below the annual target of 8.0%. Foreign remittances grew to US\$ 11.7 billion during July 2014 to February 2015, up 14.7% as compared to US\$ 10.2 billion in the corresponding period last year. Exports decreased to US\$ 16.1 billion during July 2014 to February 2015, down by 3.5% as compared to US\$ 16.6 billion in the corresponding period last year. Imports slightly decreased to US\$ 27.7 billion during July 2014 to February 2015, down 0.5% as compared to US\$ 27.9 billion in the corresponding period last year. These factors culminated in current account deficit of US\$ 11.7 billion. The current macroeconomic stabilization has thus opened a window of opportunity to gear up structural reforms to ensure improvements in the economy are sustainable.

OPERATING RESULTS

During 3rd quarter, your Company achieved sales growth of 33.0% with net revenue of Rs.4,463 million as compared to Rs.3,356 million for the same quarter of last year. However, cost of sales for the same quarter also increased from Rs.2,921 million to Rs.3,833 million, up 31.2%. Decrease in raw material prices and appreciation of Pak Rupee against US Dollar helped the gross profit ratio which stood at 14.1% as compared to 13.0% in the corresponding quarter of last year.

Operating expenses at Rs.166 million increased by Rs.43 million as compared to Rs.122 million in the corresponding quarter of last year. Other income stood at Rs.6 million as compared to Rs.30 million in the corresponding quarter of last year, mainly due to unrealized loss on investment in mutual funds. Profit from operations increased to Rs.434 million from Rs.327 million, up 32.8%. Finance cost increased from Rs.40 million to Rs.46 million, up Rs.6 million as compared to corresponding quarter due to higher utilization of running finance facilities.

Thus, profit before tax for 3rd quarter of 2014-15 stood at Rs.387 million as compared to Rs.287 million in the corresponding quarter of last year, up 35.2%. After providing Rs.113 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.274 million as compared to Rs.196 million, up 39.6%. Earnings per share for the quarter improved from Rs.11.28 to Rs.15.75 for the same period.

For nine months of FY 2014-15, net sales revenue increased to Rs.11,361 million as compared to Rs.8,632 million for the same period last year, up 31.6%. However, cost of sales increased by 31.9% as against corresponding period of last year. This put an adverse impact on gross profit ratio which reduced to 13.7% as against 13.9% of last year. However, in absolute amount, it improved to Rs.1,553 million from Rs.1,197 million, up 29.7%.

Operating profit for nine months improved to Rs.1,047 million from Rs.833 million, up 25.8% as compared to same period last year. Finance cost increased by Rs.41 million because of higher utilization of running finance facilities. Thus, profit before tax for nine months was Rs.910 million as compared to Rs.737 million in the corresponding period of last year, up 23.5%. After tax profit was Rs.640 million as against Rs.525 million during the same period last year and earnings per share improved to Rs.36.76 as against Rs.30.18, up 21.8%.

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 2014-15, sales of locally manufactured cars, trucks, buses, etc. increased by 20.4% to 133,613 units from 111,009 units during the corresponding period last year. However, motorcycles and three wheelers segment (assemblers who are registered with PAMA) witnessed decline of 7.8% to 480,077 units from 520,521 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.

Your Company has always remained at the forefront of technological innovation. On April 15, 2015, a new "Hybrid" battery under the brand name "Atlas" was launched in the domestic market. This innovative technology, acquired from our JV Partners GS Yuasa, will provide low maintenance and high battery performance for the convenience of customers. The battery comes with nine months free replacement warranty.

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 انسان کو اتنا ہی ملے گا جتنی اس نے محنت کی
(One gets what one deserves)

ACKNOWLEDGEMENTS

I would like to inform you that Mr. Makio Tanaka; representative of our JV Partners GS Yuasa International Limited; Japan and Mr. Omar Saeed have resigned from the Board of your Company in the month of April 2015 due to their other commitments. We would like to place on record the valuable contributions made by both directors during their tenure. These two gentlemen have been replaced by Mr. Toru Furuya; representative of our JV Partners GS Yuasa International Limited; Japan and Mr. Frahim Ali Khan on the Board of your Company.

Mr. Toru Furuya specializes in Chemistry and has a career working at battery design, quality assurance and quality control departments in Japan. He also has experience working at PT. Trimitra Baterai Prakasa (TBP), one of the affiliate companies of GS Yuasa International Ltd. in Indonesia.

Mr. Frahim Ali Khan has been associated with Atlas Group since 1967 and has over 47 years of experience in general management, finance, taxation, legal matters and investment banking. He has attended General Management and Financial Management programs of Harvard University and Stanford University, USA, and Insead University of France.

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 24, 2015

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2015

	Note	Un-audited March 31, 2015 ----- (Rupees in '000) -----	Audited June 30, 2014
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,838,390	1,416,705
Intangible assets		206	1,117
Investments		-	-
Long term deposits		13,777	13,916
Long term loans		1,099	1,227
		<u>1,853,472</u>	<u>1,432,965</u>
Current assets			
Stores, spares and loose tools		102,024	88,665
Stock-in-trade	6	1,983,337	2,551,256
Trade debts	7	170,118	142,345
Loans and advances		47,945	25,875
Deposits and prepayments	8	65,414	6,416
Investments	9	567,271	824,925
Other receivables		3,901	11,398
Taxation - net		321,519	237,060
Bank balances	10	255,463	6,089
		<u>3,516,992</u>	<u>3,894,029</u>
Total assets		<u>5,370,464</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		648,696	733,068
Total equity		<u>2,850,194</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		57,748	49,741
Deferred taxation		201,166	161,015
		<u>258,914</u>	<u>210,756</u>
Current liabilities			
Trade and other payables		980,524	860,347
Sales tax payable - net		155,662	55,319
Accrued mark-up		30,069	19,729
Short term borrowings	11	901,215	1,622,491
		<u>2,067,470</u>	<u>2,557,886</u>
Total liabilities		<u>2,326,384</u>	<u>2,768,642</u>
Contingencies and commitments	12		
Total equity and liabilities		<u>5,370,464</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 QUARTER AND PERIOD ENDED MARCH 31, 2015

	Note	Quarter ended		Period ended	
		March 31,		March 31,	
		2015	2014	2015	2014
----- (Rupees in '000) -----					
Sales - net		4,462,760	3,355,857	11,361,452	8,631,662
Cost of sales	13	(3,832,947)	(2,920,971)	(9,808,841)	(7,434,794)
Gross profit		629,813	434,886	1,552,611	1,196,868
Distribution cost		(113,575)	(75,457)	(299,454)	(210,397)
Administrative expenses		(52,054)	(46,776)	(155,596)	(150,797)
Other income		5,936	29,869	51,791	76,420
Other expenses		(36,479)	(15,972)	(102,141)	(79,389)
Profit from operations		433,641	326,550	1,047,211	832,705
Finance cost		(46,193)	(40,033)	(137,457)	(96,019)
Profit before taxation		387,448	286,517	909,754	736,686
Taxation	14	(113,488)	(90,242)	(270,128)	(211,550)
Profit after taxation		273,960	196,275	639,626	525,136
Other comprehensive income		-	-	-	-
Total comprehensive income		273,960	196,275	639,626	525,136
----- (Rupees) -----					
Basis and diluted earnings per share		15.75	11.28	36.76	30.18

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 PERIOD ENDED MARCH 31, 2015

	Period ended	
	March 31, 2015	March 31, 2014
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	909,754	736,686
Adjustments for non-cash charges and other items:		
Depreciation of operating fixed assets	113,695	95,132
Amortisation of intangible assets	911	1,702
Net change in fair value of investments at fair value through profit or loss	(35,190)	(59,742)
Gain on sale of investments	(6,207)	(682)
Finance cost	137,457	96,019
Gain on sale of operating fixed assets	(343)	(3,969)
Dividend income	(1,876)	-
Provision for doubtful debts	797	623
Provision for gratuity	5,430	4,648
Provision for compensated leave absences	9,107	4,860
Operating profit before working capital changes	1,133,535	875,277
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(13,359)	(18,764)
Stock-in-trade	567,919	(610,272)
Trade debts	(28,570)	(22,683)
Loans and advances	(22,070)	(9,791)
Deposits and prepayments	(58,998)	(43,003)
Other receivables	7,497	(648)
	452,419	(705,161)
Increase / (decrease) in current liabilities:		
Trade and other payables	141,849	27,185
Sales tax payable - net	100,343	22,906
	242,192	50,091
	694,611	(655,070)
Cash generated from operations	1,828,146	220,207
Finance cost paid	(127,117)	(80,665)
Income taxes paid (including tax deducted at source)	(314,436)	(384,114)
Gratuity paid	(26,190)	(7,592)
Compensated leave absences paid	(1,191)	(1,394)
Long term deposits - net	139	(1,611)
Long term loans - net	128	(230)
	(468,667)	(475,606)
Net cash generated / (used in) operating activities		
- carried forward	1,359,479	(255,399)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2015

	Period ended	
	March 31, 2015	March 31, 2014
	----- (Rupees in '000) -----	
Net cash generated / (used in) operating activities		
- brought forward	1,359,479	(255,399)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(529,900)	(293,902)
Sale proceeds from disposal of operating fixed assets	14,963	10,472
Additions in intangible assets	-	(1,650)
Investments acquired	(6,406)	(55,000)
Sale proceeds from disposal of investments	305,457	46,556
Dividend received	1,876	-
Net cash used in investing activities	(214,010)	(293,524)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	(721,276)	705,437
Dividend paid	(174,819)	(145,094)
Net cash (used in) / generated from financing activities	(896,095)	560,343
Net increase in cash and cash equivalents	249,374	11,420
Cash and cash equivalents - at beginning of the period	6,089	33,055
Cash and cash equivalents - at end of the period	255,463	44,475

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 PERIOD ENDED MARCH 31, 2015

	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 period ended March 31, 2014				
Profit for the period	-	-	525,136	525,136
Other comprehensive income	-	-	-	-
	-	-	525,136	525,136
Balance as at March 31, 2014	173,998	1,477,500	518,382	2,169,880
Total comprehensive income for the period ended June 30, 2014				
Profit for the period	-	-	216,014	216,014
Other comprehensive loss	-	-	(1,328)	(1,328)
	-	-	214,686	214,686
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 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

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 PERIOD ENDED MARCH 31, 2015

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, Islamabad, 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. 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.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2015 ----- (Rupees in '000) -----	Audited June 30, 2014
Operating fixed assets	5.1	1,663,652	1,383,865
Capital work-in-progress	5.6	174,738	32,840
		<u>1,838,390</u>	<u>1,416,705</u>

	Note	Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
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	388,002	386,607
Revaluation of leasehold land during the period	5.3	20,100	-
Disposals and write-offs, costing Rs.33,991 thousand (June 30, 2014: Rs.27,934 thousand)			
- at net book value	5.4	(14,620)	(9,446)
Depreciation charged during the period / year		(113,695)	(130,343)
Net book value at end of the period / year		<u>1,663,652</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	22,784	2,210
Plant and machinery	313,569	361,673
Office equipment	1,524	-
Computer and accessories	4,420	1,852
Furniture and fixtures	6,860	-
Air conditioners	2,763	536
Vehicles	36,082	20,336
	<u>388,002</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.

	Note	Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
5.4 Disposals and write-offs during the period / year:			
Plant and machinery		2,511	1,785
Computers and accessories		94	-
Furniture and fixtures		18	-
Air conditioners		44	-
Vehicles		11,953	7,661
		<u>14,620</u>	<u>9,446</u>

5.5 Operating fixed assets include certain dies and moulds having cost aggregating Rs.72,191 thousand (June 30, 2014: Rs.40,610 thousand) and net book value of Rs.48,928 thousand (June 30, 2014: Rs.22,991 thousand) which are held by various vendors for producing certain parts for supply to the Company.

	Note	Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
5.6 Capital work-in-progress			
Buildings on leasehold land		136,918	27,561
Plant and machinery	5.6.1	37,547	1,139
Furniture and fixtures		273	-
Vehicles		-	4,140
		<u>174,738</u>	<u>32,840</u>

5.6.1 Represent advance of Rs.1,305 thousand (June 30, 2014: Rs.Nil) made to related parties.

	Note	Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
6. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		996,212	1,497,509
- with third parties		39,012	357,350
		<u>1,035,224</u>	<u>1,854,859</u>
Work-in-process		583,348	517,413
Finished goods		267,733	111,728
Goods in transit		97,032	67,256
		<u>1,983,337</u>	<u>2,551,256</u>

7. TRADE DEBTS - Unsecured

Consider good

Associated Companies
Others

7,747	100,563
162,371	41,782
<u>170,118</u>	<u>142,345</u>

Consider doubtful

Others

2,933	2,136
<u>173,051</u>	<u>144,481</u>

Less: provision for doubtful debts

2,933	2,136
<u>170,118</u>	<u>142,345</u>

8. DEPOSITS AND PREPAYMENTS

Include prepayments of Rs.47,210 thousand (June 30, 2014: Rs.3,295 thousand) in respect of renewals of insurance policies and rental agreements.

	Note	Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
9. INVESTMENTS - at fair value through profit or loss			
Investments in units of mutual funds:			
- Related parties		523,633	783,855
- Others		43,638	41,070
		<u>567,271</u>	<u>824,925</u>

	Note	Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
10. BANK BALANCES			
Balances with banks on current accounts	10.1	2,270	6,089
Cheques / pay orders / demand drafts in hand	10.2	253,193	-
		255,463	6,089
10.1	Includes Rs.Nil (June 30, 2014: Rs.109 thousand) held with Meezan Bank Limited - an Associated Company.		
10.2	Represents banking instruments received by the Company from dealers at regional offices in respect of sales but not deposited in the Company's bank account till reporting date.		

		Un-audited March 31, 2015 ---- (Rupees in '000) ----	Audited June 30, 2014
11. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah		701,215	891,044
Demand finances		200,000	299,695
Import finances		-	431,752
		901,215	1,622,491
11.1	Short term borrowings include Rs.563,193 thousand (June 30, 2014: Rs.149,695 thousand) payable to Meezan Bank Limited - an Associated Company.		

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.

	Note	Un-audited March 31, 2015 ---- (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		400,058	446,065
- capital expenditure		55,888	135,971
In respect of capital expenditure other than through letters of credit		149,819	167,777
		605,765	749,813

Note	Un-audited		Un-audited	
	Quarter ended March 31, 2015	Quarter ended March 31, 2014	Period ended March 31, 2015	Period ended March 31, 2014
	----- (Rupees in '000) -----			

13. COST OF SALES

Opening stock of finished goods	213,951	86,985	111,728	87,289
Cost of goods manufactured 13.1	3,248,951	2,857,978	8,957,880	7,371,497
Purchases during the period	637,778	38,518	1,006,966	38,518
	4,100,680	2,983,481	10,076,574	7,497,304
Closing stock of finished goods	267,733	62,510	267,733	62,510
	3,832,947	2,920,971	9,808,841	7,434,794
13.1 Cost of goods manufactured				
Opening work-in-process	573,991	398,237	517,413	420,263
Raw materials and components consumed	2,548,777	2,424,088	7,105,481	6,063,422
Factory overheads	709,531	521,572	1,918,334	1,373,731
	3,258,308	2,945,660	9,023,815	7,437,153
	3,832,299	3,343,897	9,541,228	7,857,416
Closing work-in-process	583,348	485,919	583,348	485,919
	3,248,951	2,857,978	8,957,880	7,371,497
14. TAXATION				
Current year	97,083	90,432	231,468	192,389
Adjustments for prior year	-	1,735	(1,491)	4,037
Deferred	16,405	(1,925)	40,151	15,124
	113,488	90,242	270,128	211,550

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. TRANSACTIONS WITH RELATED PARTIES

16.1 Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	----- Un-audited ----- Period ended March 31,	
		2015	2014
		---- (Rupees in '000) ----	
(i) Associates	Sale of goods	1,595,851	422,355
	Purchases of:		
	- goods and services	4,391,192	943,955
	- operating fixed assets	110,134	10,380
	- consumables	-	590
	Rent / service charges	161,062	121,417
	Commission	-	87,433
	Mark-up on short term borrowings	32,344	-
	Mark-up paid	20,685	-
	Reimbursement of expenses - net	1,754	1,793
	Insurance premium	134,303	84,162
	Insurance claims	20,161	2,790
	Purchase of units in mutual funds	6,407	55,000
	Sale of units in mutual funds	305,457	35,000
	Dividend paid	134,750	112,817
	Dividend received	1,876	-
	Sale proceeds of bonus fractions	-	127
	Royalty	103,107	85,640
	Donation paid	10,228	8,229
	Contribution to pension funds	5,275	4,625
		---- (Number of shares) ----	
	Bonus shares issued	-	2,245,827
		---- (Rupees in '000) ----	
(ii) Staff retirement funds	Contribution paid to		
	- gratuity fund	26,104	7,555
	- provident fund	4,942	4,324
(iii) Key management personnel	Remuneration and other benefits	63,325	59,558
	Retirement benefits	4,730	4,010
	Sale of fixed asset	1,462	147

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

	Un-audited March 31, 2015	Audited June 30, 2014
	---- (Rupees in '000) ----	
Receivables from related parties		
Deposits and prepayments	57,680	-
Other receivables	1,584	7,995
Payables to related parties		
Trade and other payables	299,288	156,537
Accrued mark-up	16,389	2,295

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 24, 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 period ended March 31, 2014.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Kamal A. Chinoy
Director

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