



Quarterly Report  
September 30, 2014

## CONTENTS

---

Company Information	2
Chairman's Review	4
Condensed Interim Balance Sheet	6
Condensed Interim Profit and Loss Account	7
Condensed Interim Cash Flow Statement	8
Condensed Interim Statement of Changes in Equity	10
Notes to the Condensed Interim Financial Information	11

---

## 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  
Secretary & 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  
HSBC Bank Middle East Limited  
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

Salam Chambers,  
21 Link Mcleod Road, Lahore-54000  
Tel: (042) 37227075 & 37354245  
Fax: (042) 37352724

### 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

### Rawalpindi Office

312-A, Kashmir Road,  
R. A. Bazar, Rawalpindi-65847  
Tel: (051) 5567423

### Sahiwal Office

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

### Company Website

[www.atlasbattery.com.pk](http://www.atlasbattery.com.pk)

### Email Address

[abl@atlasbattery.com.pk](mailto:abl@atlasbattery.com.pk)

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the quarter ended September 30, 2014.

### ECONOMY

The Pakistan economy, after demonstrating low growth since 2008, showed signs of revival in FY 2013-14. Continuation of the current growth momentum, however, primarily hinges on agriculture production in FY 2014-15. This is because Large Scale Manufacturing (LSM) growth might remain constrained due to continued energy shortages, reduced production capacity of independent power plants and low supply of gas to fertilizer plants and industry at large. The CPI inflation has decreased to 7.4% for two months 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. Pak Rupee depreciated by 4.0% against US Dollar during the period under review reducing the chances of an interest rate cut in the near future. Foreign remittances grew to US\$ 2.9 billion during July-August 2014, up 12.6% as compared to US\$ 2.6 billion in the corresponding period last year. Exports decreased to US\$ 3.7 billion during July-August 2014, down by 10.9% as compared to US\$ 4.2 billion in the corresponding period last year. Imports increased to US\$ 7.9 billion during July-August 2014, up 14.9% as compared to US\$ 6.9 billion in the corresponding period last year. These factors culminated in current account deficit of US\$ 4.2 billion. The economy can not only stabilize but continue its growth trajectory if political stability returns, cotton crop brings in cash flows into the rural economy, pending IMF tranches are received and the government's privatization plans bring much needed inflows.

### OPERATING RESULTS

During 1st quarter, your Company achieved sales growth of 40.5% with net revenue of Rs.3,349 million as compared to Rs.2,384 million for the same quarter of last year. However, cost of sales for the same quarter also increased from Rs.2,021 million to Rs.2,932 million, up 45.1%. Increase in raw material prices, depreciation of Pak Rupee against US Dollar and higher cost of energy hampered the gross profit ratio which stood at 12.4% as compared to 15.2% in the corresponding quarter of last year; however, in terms of value, it improved from Rs.362 million to Rs.417 million, up 15.1%.

Operating expenses at Rs.141.6 million were increased by Rs.21.3 million as compared to Rs.120.3 million in the corresponding quarter of last year. Other income stood at Rs.20.9 million as compared to Rs.21.4 million in the corresponding quarter of last year. Other expenses increased by Rs.3.4 million as compared to same quarter of last year mainly due to depreciation of Pak Rupee against US Dollar. Profit from operations increased to Rs.254.8 million from Rs.225.3 million, up 13.1%. Finance cost increased from Rs.22.7 million to Rs.38.8 million, up Rs.16.1 million as compared to corresponding quarter due to higher utilization of running finance facilities.

Thus, profit before tax for 1st quarter of 2014-15 stood at Rs.216.0 million as compared to Rs.202.6 million in the corresponding quarter of last year, up 6.6%. After providing Rs.58.9 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.157.1 million as compared to Rs.153.4 million, up 2.5%. Earnings per share for the quarter improved from Rs.8.81 to Rs.9.03.

## FUTURE OUTLOOK

The present predicament of automotive industry is uncertain due to the introduction of 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 two months of FY 2014-15, sales of locally manufactured cars, trucks, buses, etc. increased by 0.7% to 25,440 units from 25,273 units during the corresponding period last year. However, motorcycles and three wheelers segment witnessed decline of 16.2% to 109,844 units from 131,133 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".

تیری مانگ ستاروں سے بھریں گے ہم

(We add great value to the performance)

## 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: October 27, 2014

## CONDENSED INTERIM BALANCE SHEET

### AS AT SEPTEMBER 30, 2014

	Note	Unaudited September 30, 2014	Audited June 30, 2014
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,526,401	1,416,705
Intangible assets	6	619	1,117
Investments		-	-
Long term deposits		14,201	13,916
Long term loans		1,135	1,227
		1,542,356	1,432,965
<b>Current assets</b>			
Stores, spares and loose tools		111,464	88,665
Stock-in-trade	7	2,409,332	2,551,256
Trade debts		148,235	142,345
Loans and advances		12,868	25,875
Deposits and prepayments	8	158,017	6,416
Investments	9	538,312	824,925
Other receivables		3,818	11,398
Taxation - net		295,668	237,060
Cash and bank balances		111,722	6,089
		3,789,436	3,894,029
<b>Total assets</b>		5,331,792	5,326,994
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital			
50,000,000 (June 30, 2014: 50,000,000)			
ordinary shares of Rs.10 each		500,000	500,000
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		166,204	733,068
		2,367,702	2,384,566
<b>Surplus on revaluation of leasehold land</b>		173,786	173,786
<b>Non-current liabilities</b>			
Staff retirement benefits		56,584	49,741
Deferred taxation		160,183	161,015
		216,767	210,756
<b>Current liabilities</b>			
Trade and other payables		891,922	860,347
Sales tax payable - net		94,225	55,319
Accrued mark-up		31,358	19,729
Short term borrowings		1,532,542	1,622,491
Dividend payable		23,490	-
		2,573,537	2,557,886
<b>Contingencies and commitments</b>	10	2,790,304	2,768,642
<b>Total equity and liabilities</b>		5,331,792	5,326,994

The annexed notes 1 to 17 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 (UNAUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Note	Quarter Ended September 30,	
		2014	2013
----- (Rupees in '000) -----			
Sales - net		3,349,115	2,383,618
Cost of sales	11	(2,932,237)	(2,021,397)
<b>Gross profit</b>		416,878	362,221
Distribution cost		(90,938)	(67,900)
Administrative expenses		(50,656)	(52,441)
Other income		20,873	21,390
Other expenses		(41,381)	(37,990)
<b>Profit from operations</b>		254,776	225,280
Finance cost		(38,768)	(22,659)
<b>Profit before taxation</b>		216,008	202,621
Taxation	12	(58,874)	(49,246)
<b>Profit after taxation</b>		157,134	153,375
Other comprehensive income		-	-
<b>Total comprehensive income</b>		157,134	153,375
----- (Rupees) -----			
<b>Earnings per share</b>	13	9.03	8.81

The annexed notes 1 to 17 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 (UNAUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Quarter Ended	
	September 30,	
	2014	2013
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	216,008	202,621
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation of operating fixed assets	34,660	28,887
Amortisation of intangible assets	498	567
Net change in fair values of investments at fair value through profit or loss	(6,230)	(16,365)
Gain on sale of investments	(6,207)	(79)
Finance cost	38,768	22,659
(Gain) / loss on sale of operating fixed assets	(799)	(2,791)
Provision for gratuity	1,810	1,549
Provision for compensated leave absences	6,851	2,789
	285,359	239,837
<b>Working capital changes:</b>		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(22,799)	(6,427)
Stock-in-trade	141,924	(258,233)
Trade debts	(5,890)	(29,675)
Loans and advances	13,007	(3,460)
Deposits and prepayments	(151,601)	(118,438)
Other receivables	7,580	1,804
	(17,779)	(414,429)
(Decrease) / increase in current liabilities:		
Trade and other payables	29,824	153,526
Sales tax payable - net	38,906	(29,837)
	68,730	123,689
	50,951	(290,740)
<b>Cash generated from / (used in) operations</b>	336,310	(50,903)
Finance cost paid	(27,139)	(19,901)
Income taxes paid (including tax deducted at source)	(118,314)	(104,267)
Gratuity paid	-	(7,555)
Compensated leave absences paid	(67)	(119)
Long term deposits - net	(285)	-
Long term loans - net	92	(101)
	(145,713)	(131,943)
<b>Net cash generated from / (used in) operating activities c/f</b>	190,597	(182,846)

**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Quarter Ended	
	September 30, 2014	2013
	----- (Rupees in '000) -----	
<b>Net cash generated from / (used in) operating activities b/f</b>	190,597	(182,846)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(145,281)	(171,408)
Sale proceeds from disposal of operating fixed assets	1,724	6,400
Additions in intangible assets	-	(1,650)
Investments acquired	(6,407)	(50,001)
Sale proceeds from disposal of investments	305,457	41,556
<b>Net cash generated from / (used in) investing activities</b>	155,493	(175,103)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(89,949)	472,980
Dividend paid	(150,508)	(123,275)
<b>Net cash (used in) / generated from financing activities</b>	(240,457)	349,705
<b>Net increase / (decrease) in cash and cash equivalents</b>	105,633	(8,244)
<b>Cash and cash equivalents - at beginning of the quarter</b>	6,089	33,055
<b>Cash and cash equivalents - at end of the quarter</b>	111,722	24,811

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

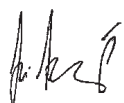
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2014

	Issued, subscribed and paid up capital	General reserves	Unappropriated Profit	Total
----- (Rupees in '000) -----				
<b>Balance as at July 1, 2013 - as restated</b>	144,998	1,067,500	577,244	1,789,742
Transfer to general reserve	-	410,000	(410,000)	-
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 quarter	29,000	-	(29,000)	-
<b>Transactions with owners</b>	29,000	-	(173,998)	(144,998)
Profit for the quarter ended September 30, 2013	-	-	153,375	153,375
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the quarter</b>	-	-	153,375	153,375
<b>Balance as at September 30, 2013 - as restated</b>	173,998	1,477,500	146,621	1,798,119
Profit for the period	-	-	587,775	587,775
Other comprehensive loss	-	-	(1,328)	(1,328)
<b>Total comprehensive income for the period</b>	-	-	586,447	586,447
<b>Balance as at June 30, 2014</b>	173,998	1,477,500	733,068	2,384,566
Transfer to general reserve	-	550,000	(550,000)	-
Cash dividend for the year ended June 30, 2014 at the rate of Rs.10 per share	-	-	(173,998)	(173,998)
<b>Transactions with owners</b>	-	-	(173,998)	(173,998)
Profit for the quarter ended September 30, 2014	-	-	157,134	157,134
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the quarter</b>	-	-	157,134	157,134
<b>Balance as at September 30, 2014</b>	173,998	2,027,500	166,204	2,367,702

The annexed notes 1 to 17 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 (UNAUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 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 and Lahore Stock Exchanges in Pakistan. 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. 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 adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding audited annual financial statements of the Company for the year ended June 30, 2014.

**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	Unaudited September 30, 2014	Audited June 30, 2014
---- (Rupees in '000) ----			
Operating fixed assets	5.1	1,412,522	1,383,865
Capital work-in-progress		113,879	32,840
		<u>1,526,401</u>	<u>1,416,705</u>
<b>5.1 Operating fixed assets</b>			
Net book value at the beginning of the period / year		1,383,865	1,137,047
Additions during the period / year	5.2	64,242	386,607
Disposals costing Rs.11,403 thousand (June 30, 2014: Rs.27,934 thousand) - at net book value	5.3	(925)	(9,446)
Depreciation charged during the period / year		<u>(34,660)</u>	<u>(130,343)</u>
Net book value at the end of the period / year		<u>1,412,522</u>	<u>1,383,865</u>

**Unaudited**      **Audited**  
**September 30,**   **June 30,**  
**2014**              **2014**  
**---- (Rupees in '000) ----**

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

Buildings on leasehold land	-	2,210
Plant and machinery	54,831	361,673
Office equipment	61	-
Computers and accessories	1,092	1,852
Air conditioners	123	536
Vehicles	8,135	20,336
	<u>64,242</u>	<u>386,607</u>

**5.3 Disposals during the period / year:**

Plant and machinery	-	1,785
Computers and accessories	94	-
Vehicles	831	7,661
	<u>925</u>	<u>9,446</u>

**5.4** Plant and machinery includes certain dies and moulds having cost aggregating Rs.40,610 thousand (June 30, 2014: Rs.40,610 thousand) and net book value of Rs.22,416 thousand (June 30, 2014: Rs.22,991 thousand) which are held by various vendors for producing certain parts for supply to the Company.

**Unaudited**      **Audited**  
**September 30,**   **June 30,**  
**2014**              **2014**  
**---- (Rupees in '000) ----**

**6. INTANGIBLE ASSETS**

Net book value at the beginning of the period / year	1,117	1,736
Additions during the period / year	-	1,650
	<u>1,117</u>	<u>3,386</u>
Amortisation charged during the period / year	(498)	(2,269)
Net book value at the end of the period / year	<u>619</u>	<u>1,117</u>

**7. STOCK-IN-TRADE**

Raw materials and components:		
- in hand	1,394,123	1,497,509
- with third parties	54,238	357,350
	<u>1,448,361</u>	<u>1,854,859</u>
Work-in-process	604,991	517,413
Finished goods	273,645	111,728
Goods in transit	82,335	67,256
	<u>2,409,332</u>	<u>2,551,256</u>

**8. DEPOSITS AND PREPAYMENTS**

Include prepayments of Rs.134,042 thousand (June 30, 2014: Rs.3,295 thousand) in respect of renewals of insurance policies and rental agreements.

**Unaudited**      **Audited**  
**September 30,**   **June 30,**  
**2014**              **2014**  
**---- (Rupees in '000) ----**

**9. INVESTMENTS - at fair value through profit or loss**

Investments in units of mutual funds:

- Related parties	496,385	783,855
- Others	41,927	41,070
	538,312	824,925

**10. CONTINGENCIES AND COMMITMENTS**

**10.1 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 and 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.

**Unaudited**      **Audited**  
**September 30,**   **June 30,**  
**2014**              **2014**  
**---- (Rupees in '000) ----**

**10.2 Outstanding bank guarantees**

32,195      30,720

**10.3 Commitments**

In respect of confirmed letters of credit relating to:

- raw materials, stores, spares and loose tools	549,534	446,065
- capital expenditure	136,342	135,971

In respect of capital expenditure other than through letters of credit

223,632      167,777

909,508      749,813

		----- Unaudited ----- Quarter ended September 30, 2014                      2013 ---- (Rupees in '000) ----	
	Note		
<b>11. COST OF SALES</b>			
Opening stock of finished goods		111,728	87,289
Cost of goods manufactured	11.1	2,866,561	2,108,054
Purchases during the period		227,593	-
		<u>3,205,882</u>	<u>2,195,343</u>
Closing stock of finished goods		273,645	173,946
		<u>2,932,237</u>	<u>2,021,397</u>
<b>11.1 Cost of goods manufactured</b>			
Opening work-in-process		517,413	420,263
Raw materials and components consumed		2,368,148	1,702,858
Factory overheads		585,991	402,930
		<u>2,954,139</u>	<u>2,105,788</u>
		<u>3,471,552</u>	<u>2,526,051</u>
Closing work-in-process		604,991	417,997
		<u>2,866,561</u>	<u>2,108,054</u>
<b>12. TAXATION</b>			
Current year		59,706	40,707
Deferred		(832)	8,539
		<u>58,874</u>	<u>49,246</u>
<b>13. EARNINGS PER SHARE</b>			
<b>13.1 Basic earnings per share</b>			
Net profit for the period		<u>157,134</u>	<u>153,375</u>
		--- (Number of Shares) ---	
Weighted average number of ordinary shares in issue during the period		<u>17,399,769</u>	<u>17,399,769</u>
		---- (Rupees) ----	
Basic and diluted earnings per share		<u>9.03</u>	<u>8.81</u>
<b>13.2</b> A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2014 and September 30, 2013 which would have any effect on the earnings per share if the option to convert is exercised.			

## 14. 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.

## 15. TRANSACTIONS WITH RELATED PARTIES

### 15.1 Significant transactions with related parties are as follows:

		----- Unaudited ----- Quarter ended September 30, 2014                      2013 ---- (Rupees in '000) ----	
Relationship with the company	Nature of transactions		
(i) Associates	Sales:		
	- goods	363,219	113,963
	Purchases:		
	- goods and services	926,657	120
	- operating fixed assets	21,046	6,674
	Rent / service charges	142,777	106,179
	Commission	-	24,452
	Mark-up on demand finances	3,175	-
	Mark-up paid	3,918	-
	Reimbursement of expenses	887	603
	Insurance premium	65,451	51,991
	Insurance claims	8,463	2,653
	Purchase of units in mutual funds	6,407	50,000
	Sale of units in mutual funds	305,457	30,000
	Dividend paid	111,260	90,542
	Dividend received on mutual funds	1,876	-
	Royalty	31,038	23,746
	Donation paid	10,228	8,229
Contribution to pension funds	1,718	1,524	
		----(Number of Shares)----	
	Bonus shares issued	-	2,245,827
		----(Rupees in '000)----	
(ii) Staff retirement funds	Contribution paid to		
	- gratuity fund	-	7,555
	- provident fund	1,096	1,438
(iii) Key management personnel	Remuneration and other benefits	46,493	40,633
	Retirement benefits	3,937	3,527
	Sale of fixed asset	175	1,973



Unaudited September 30, 2014	Audited June 30, 2014
---- (Rupees in '000) ----	

**15.2 Period / year end balances are as follows:**

**Receivables from related parties**

Trade debts	72,702	100,563
Investments	496,385	783,855
Other receivables	1,652	7,995

**Payable to related parties**

Trade and other payables	369,173	156,537
--------------------------	---------	---------

**16. DATE OF AUTHORIZATION FOR ISSUE**

This condensed interim financial information was authorized for issue on October 27, 2014 by the Board of Directors of the Company.

**17. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

**Atlas Battery Limited**

D-181, Central Avenue, S.I.T.E., Karachi-75730

**Tel:** (92-21) 32567990-4

**Fax:** (92-21) 32564703

**Email:** [abl@atlasbattery.com.pk](mailto:abl@atlasbattery.com.pk)

**Website:** [www.atlasbattery.com.pk](http://www.atlasbattery.com.pk)