



Quarterly Report September 30,

2019

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COMPANY INFORMATION

Board of Directors

Aamir 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

Abdullah Zaheer
Company Secretary

Audit Committee

Azam Faruque
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Faiz Ullah Ghazi
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Azam Faruque
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Ahmar Waheed
General Manager Human Resource

Mansoor Jamil Khan
General Manager Quality Assurance and
Technical Services

Mohsin Khan
General Manager Marketing

Qasim Imran Khan
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer

Sheikh Adeel-ur-Rehman
General Manager Supply Chain

Tehseen Raza
General Manager Plant

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

EY Ford Rhodes
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
Soneri Bank Limited
United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi
Tel: (021) 32424826 & 32469573
Fax: (021) 32424835
E-mail: shares@hmaconsultants.com.pk

Registered Office and Factory

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

Karachi Sales Office

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

Karachi Service Center

PPI Building, Near Sindh Secretariat, Karachi
Tel: (021) 32636057 & 32626478

Sukkur Sales Office and Service Center

Pak Memon Cooperative Housing Society
Limited, Opposite Abad Wheat Godown,
Shikarpur Road, Sukkur
Tel: (071) 5806124-26

Lahore Sales Office

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

Lahore Service Center

Shop No. 1, E-24, Qureshi Market
Islam Nagar, Main Walton Road,
Lahore Cantt
Tel: (042) 36666064-65

Faisalabad Sales Office and Service Center

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

Multan Sales Office

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

Multan Service Center

Shop No. 17, Khilji Arcade Near
Railway Station, Multan
Tel: (061) 4548020

Peshawar Sales Office and Service Center

First Floor, Zeenat Plaza, GT Road, Peshawar
Tel: (091) 2262485

Islamabad Sales Office

Plot No. 784/785, Islamabad Corporate
Center, Golra Road, Islamabad
Tel: (051) 5495638 & 5495788

Rawalpindi Service Center

New Naralla Market, Shop No. 3,
IJP Road, Near Metro Bus Station, Rawalpindi
Tel: (051) 4856515

Rahim Yar Khan Sales Office and Service Center

Makhdoom Altaf Road, West Sadiq,
Canal Bank, Near City School,
Rahim Yar Khan
Tel: (068) 5883415-7 & 5888068

Sahiwal Sales Office and Service Center

Plot No. 449-1, Ice Factory, Main GT Road,
Near Pakpattan Chowk, Sahiwal
Tel: (040) 4400445 & 4400545

Company Website

www.atlasbattery.com.pk

Email Address

abl@atlasbattery.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the quarter ended September 30, 2019.

ECONOMY

Recent economic indicators show a gradual slowdown, in line with earlier expectations, and the GDP growth is expected to be around 3.5% during FY 2019-20. The slowdown is more pronounced in domestic oriented industries such as automobiles and steel. The agriculture sector growth is expected to improve considerably in FY 2019-20 over the last fiscal year while growth in services is expected to moderate gradually. Average CPI inflation is inching up and stands at 11.0% during July-August of FY 2019-20, compared to 5.8% in the corresponding period of FY 2018-19. Rising input costs on the back of higher energy prices and the lagged impact of exchange rate depreciation are likely to maintain upward pressure on inflation.

During July-August of FY 2019-20, exports were stagnant at US\$ 4.1 billion. Imports decreased to US\$ 7.7 billion, down by 23.4%, as compared to US\$ 10.1 billion during the same period last year. Foreign remittances decreased to US\$ 3.7 billion, down by 8.4% as compared to US\$ 4.1 billion in the corresponding period of last year. The above factors narrowed the current account deficit to US\$ 3.6 billion, down by 40.4% as compared to US\$ 6.0 billion in the corresponding period of last year.

OPERATING RESULTS

During first quarter, your Company achieved sales of Rs.3,516 million as compared to Rs.2,983 million in the same quarter of last year, up 17.9%. This was mainly due to change in sales mix in the replacement market. Likewise, increase in cost of sales was 12.2% from Rs.2,938 million to Rs.3,297 million resulting in gross profit of Rs.219 million as compared to Rs.45 million during the same quarter of last year.

Operating expenses stood at Rs.188 million, decreased by Rs.23 million as compared to Rs.211 million in the corresponding quarter of last year. Resultantly, your Company achieved profit from operations of Rs.34 million as compared to loss of Rs.158 million during corresponding quarter. Finance cost decreased to Rs.45 million from Rs.48 million.

The loss before tax for first quarter of FY 2019-20 was Rs.12 million as compared to loss of Rs.206 million in the corresponding quarter of last year. After providing Rs.45 million for taxation, the loss after tax of your Company stood at Rs.56 million as compared to loss of Rs.230 million. Loss per share for the quarter was Rs.2.31 as compared to loss of Rs.9.45 for the same quarter 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 July-August of FY 2019-20, sales of locally manufactured cars, trucks, buses, tractors, etc. decreased by 39.6% to 29,256 units from 48,465 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) also witnessed decline of 18.0% to 238,635 units from 290,907 units during the corresponding period last year. Imposition of federal excise duty, weakened Pak Rupee, surging discount rate and other input cost has significantly reduced the volume of automotive industry which is likely to prevail in remaining part of FY 2019-20.

The battery industry is likely to face continued competition in replacement market during rest of FY 2019-20 mainly due to surplus capacity on one hand and shrinking market size of batteries on the other. Some of the battery manufacturers have resorted to unfair trade practices which cannot be done by law abiding companies like ours. Profitability in future will also be affected due to low volume, particularly of heavy batteries, devaluation of Pak Rupee, upward trend of interest rates and inflationary pressures leading to increasing the cost of doing business. Your Company is well aware of the challenges being faced and will leave no stone unturned to come out of this difficult situation. 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":

خُدا رحمت کند ایس عاشقانِ پاکِ طینت را

SAD DEMISE OF CHAIRMAN ATLAS GROUP

On October 20, 2019, the Founder and Chairman of Atlas Group, Mr. Yusuf H. Shirazi, left for his heavenly abode. On behalf of the Board of Directors, I would like to place on record deep sorrow and grief on his passing away. He was a visionary with brilliant business acumen and will always be remembered as the most successful and leading first generation entrepreneur of Pakistan. He established leading companies and built organizations for social development. He founded various institutions that changed the lives of millions and shaped the course of Pakistan's industrial growth. He fostered several enduring foreign relationships and influenced all of us with his exemplary principles. Atlas Group's extended family and committed partners is a legacy of his values and work ethics. We are determined and committed to uphold and grow his rich legacy.

ع بڑی مشکل سے ہوتا ہے چن میں دیدہ ور پیدا

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.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive

Karachi: October 22, 2019

مالی سال 20-2019 کی باقی مدت کے دوران بیٹری انڈسٹری کو متبادل مارکیٹ میں مسابقتی رجحان کا سامنا رہے گا، جس کی اہم وجہ ایک جانب سرپلس کی گنجائش ہے اور دوسری جانب بیٹری کی مارکیٹ میں واقع ہونے والی کمی ہے۔ چند بیٹری مینوفیکچررز اپنی تجارتی سرگرمیاں غلط انداز میں انجام دے رہے ہیں جو کہ ہماری جیسی قانون کی پاسداری کرنے والی کمپنیوں کے لیے ناقابل قبول ہیں۔ مستقبل میں منافع پر کم حجم خاص طور پر ہیوی بیٹریز میں کمی، پاکستانی روپے کی قدر میں کمی، شرح سود میں اضافہ اور کاروباری لاگت کے اخراجات میں ہونے والے اضافے سے فرق مرتب ہوگا۔ آپ کی کمپنی تمام تر مشکلات سے بخوبی آگاہ ہے اور اس مشکل صورتحال سے نکلنے کے لیے تمام وسائل بروئے کار لائے گی۔ افرادی قوت کی صلاحیتوں میں اضافہ اور حصص یافتگان کے لیے قدر میں اضافہ بھی آپ کی کمپنی کی اولین ترجیح ہے۔ میں آپ کو یقین دلاتا ہوں کہ آپ کی کمپنی صارفین کو مطلوب اعلیٰ ترین معیار پر پورا اترنے کے لیے پیداواریت اور موثر کارکردگی پر توجہ مرکوز کیے رکھے گی اور 'دی ٹلس وے' کے اصولوں پر عمل پیرا ہوگی:

خدا رحمت کند ایں عاشقان پاک طینت را

چیئر مین ٹلس گروپ کا انتقال برلن

ٹلس گروپ کے بانی اور چیئر مین جناب یوسف ایچ شیرازی 20 اکتوبر 2019 کو جہان فانی سے رخصت ہو گئے۔ میں، بورڈ آف ڈائریکٹرز کی جانب سے اُن کے انتقال پر گہرے رنج و غم کا اظہار کرتا ہوں۔ وہ شاندار کاروباری ذہانت کے ساتھ اعلیٰ بصیرت کے مالک تھے اور انہیں ہمیشہ پاکستان کے سب سے کامیاب اور پہلی کاروباری نسل کی معروف شخصیت کے طور پر یاد رکھا جائے گا۔ انہوں نے کئی معروف کمپنیاں اور سماجی بہبود کے لیے ادارے قائم کئے۔ یہی نہیں انہوں نے ایسے متعدد اداروں کی بنیاد بھی رکھی جس نے آج لاکھوں لوگوں کی زندگیاں سنواری اور پاکستان کی صنعتی ترقی کو ایک نیا رخ دیا۔ جناب یوسف ایچ شیرازی نے کئی ممالک کے ساتھ تعلقات کو فروغ دیا اور اپنے مثالی اصولوں سے ہم سب کو متاثر کیا۔ ٹلس گروپ سے وابستہ لوگ اور کاروباری شراکت دار اُن کی اعلیٰ اقدار اور کاروباری امور سے متعلق اخلاقیات کو ہمیشہ جاری و ساری رکھیں گے، اور ہم اُن کی اصولوں کی میراث پر قائم رہتے ہوئے ترقی کی راہ پر گامزن رہیں گے۔

ع بڑی مشکل سے ہوتا ہے چمن میں دیدہ ور پیدا

اظہار تشکر

میں اس موقع پر اپنے جوائنٹ منیجر پارٹنرز جی ایس یوسا انٹرنیشنل لمیٹڈ؛ جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بینکار، فروخت کار (وینڈرز) اور صارفین کا، اُن کی مسلسل حمایت اور رہنمائی پر تہہ دل سے شکریہ ادا کرتا ہوں۔ میں آپ کی کمپنی کے صدر/چیف ایگزیکٹو، جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا دلجی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔

علی ایچ شیرازی
پریزیڈنٹ/چیف ایگزیکٹو

عامر ایچ شیرازی
چیئر مین

کراچی: 22 اکتوبر، 2019

چیمبر مین کا جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کے لیے آپ کی کمپنی کے غیر پڑتال شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

معیشت

گزشتہ توقعات کے مقابلے میں حالیہ معاشی اشاریے متواتر سست روی کی نشاندہی کر رہے ہیں، معاشی سال 2019-20 کے دوران شرح نمو کی پیداوار 3.5 فیصد رہنے کی توقع ہے۔ اس سست روی کا سبب مقامی صنعتوں جیسے کہ اسٹیل اور آٹوموبائل میں طلب کی کمی ہے۔ مالی سال 2019-20 کے دوران زرعی شعبے میں گزشتہ سال کی نسبت خاطر خواہ بہتری کا امکان ہے جبکہ خدمات میں بتدریج بہتری متوقع ہے۔ مالی سال 2019-20 کے ماہ جولائی تا اگست کے دوران اوسط CPI افراط زر اضافے کے ساتھ 11.0 فیصد پر موجود ہے جو کہ گزشتہ مالی سال 2018-19 کی اسی مدت کے دوران 5.8 فیصد تھی۔ تیل کی قیمتوں میں اضافے کے سبب خام مال کی قیمتوں میں اضافے اور زرمبادلہ کی شرح میں ہونے والی کمی کے سبب افراط زر پر اوپر کی جانب بڑھنے پر دباؤ برقرار ہے گا۔

مالی سال 2019-20 کے ماہ جولائی تا اگست کے دوران، برآمدات 4.1 بلین ڈالر کی سطح پر محدود کا شکار رہیں۔ درآمدات کی کے ساتھ 7.7 بلین ڈالر ہیں جو کہ گزشتہ سال کی اسی مدت کے دوران ہونے والی 10.1 بلین ڈالر کی درآمدات کے مقابلے میں 23.4 فیصد کم ہیں۔ ترسیلات زر کی کے ساتھ 3.7 بلین ڈالر ہیں جو کہ گزشتہ سال اسی مدت کے دوران 4.1 بلین ڈالر کے مقابلے میں 8.4 فیصد کم ہیں۔ مندرجہ بالا عناصر کے سبب موجودہ تجارتی خسارہ کم ہو کر 3.6 بلین ڈالر رہ گیا جو کہ گزشتہ سال کی اسی مدت کے دوران 6.0 بلین ڈالر کے مقابلے میں 40.4 فیصد کم ہے۔

آپریٹنگ نتائج

پہلی سہ ماہی کے دوران، آپ کی کمپنی نے 3,516 ملین روپے کی فروخت کا ہدف حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 2,983 ملین روپے کی فروخت کے مقابلے میں 17.9 فیصد زیادہ ہے۔ جس کی اہم بنیادی وجہ متبادل مارکیٹ کی سیکڑس میں روٹنا ہونے والی تبدیلی ہے۔ اسی طرح، فروخت کی لاگت 12.2 فیصد اضافے سے 2,938 ملین روپے کے مقابلے میں 3,297 ملین روپے رہی، جس کے نتیجے میں مجموعی منافع 219 ملین روپے رہا جو کہ گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 45 ملین روپے ہے۔

عمل کاری مصارف 188 ملین روپے کی سطح پر موجود ہیں، جو کہ گزشتہ سال کی اسی سہ ماہی میں 211 ملین روپے کے مقابلے میں 23 ملین روپے کم ہیں۔ نتیجتاً آپ کی کمپنی کو اس سہ ماہی میں گزشتہ سال کے 158 ملین روپے کے نقصان کے مقابلے میں آپریشن سے 34 ملین روپے کا منافع ہوا۔ مالیاتی اخراجات 48 ملین روپے سے کم ہو کر 45 ملین روپے ہو گئے ہیں۔

مالی سال 2019-20 کے پہلے سہ ماہی کے لیے قبل از ٹیکس نقصان 12 ملین روپے رہا جبکہ گزشتہ سال اس سہ ماہی کے دوران نقصان 206 ملین روپے تھا۔ ٹیکس کی مدد 45 ملین روپے فراہم کرنے کے بعد آپ کی کمپنی کا ٹیکس کے بعد نقصان 56 ملین روپے ہو گیا جو کہ گزشتہ سال اسی مدت کے دوران 230 ملین روپے کا نقصان تھا۔ اس سہ ماہی کے لیے فی حصہ نقصان 2.31 روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران فی حصہ نقصان 9.45 روپے رہا۔

مستقبل کے خدوخال

آٹوموٹیو انڈسٹری میں بطور ویڈر، آپ کی کمپنی کی مصنوعات آٹوموٹیو انڈسٹری کی ترقی پر انحصار کرتی ہے۔ مالی سال 2019-20 کے ماہ جولائی تا اگست، مقامی سطح پر تیار کردہ کاروں، ٹرکوں، بسوں، ٹریکٹرز وغیرہ کی فروخت 29,256 یونٹس رہی جو کہ گزشتہ سال اسی مدت کے دوران 48,465 یونٹس کے مقابلے میں 39.6 فیصد کم ہے۔ موٹر سائیکلوں اور تین پہیوں والی گاڑیوں (ایسے اسمبلرز جو PAMA کے ساتھ رجسٹرڈ ہیں) کے شعبے میں 238,635 یونٹس کی فروخت کا مشاہدہ کیا گیا جو کہ گزشتہ سال اسی سہ ماہی کے 290,907 یونٹس کے مقابلے میں 18.0 فیصد کم ہے۔ فیڈرل ایکسائز ڈیوٹی کے لاگو ہونے، روپے کی قدر میں کمی، ڈسکاؤنٹ ریٹ میں اضافے اور لاگت میں اضافے سے آٹوموٹیو انڈسٹری کے حجم میں بڑے پیمانے پر کمی واقع ہوئی جس کا مالی سال 2019-20 کی باقی ماندہ مدت میں بھی برقرار رہنے کی توقع ہے۔


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT SEPTEMBER 30, 2019

	Note	Un-audited September 30, 2019 ----- (Rupees in '000) -----	Audited June 30, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,891,544	3,924,958
Intangible assets		117	160
Investments		-	-
Long term loans		1,430	1,289
Long term deposits		20,281	20,281
		3,913,372	3,946,688
Current assets			
Stores, spares and loose tools		215,427	225,331
Stock-in-trade	6	2,041,705	1,760,092
Trade debts	7	1,619,919	1,096,449
Loans and advances		12,819	4,887
Deposits and prepayments	8	106,338	24,400
Investments		128,893	127,055
Other receivables		3,158	8,399
Sales tax receivable - net		8,666	-
Taxation - net		563,103	594,968
Cash and bank balances		239,175	423,649
		4,939,203	4,265,230
Total assets		8,852,575	8,211,918
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (June 30, 2019: 50,000,000)			
ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital			
24,359,676 (June 30, 2019: 24,359,676)			
ordinary shares of Rs.10 each		243,597	243,597
Revenue reserves			
General reserve		5,037,500	5,037,500
Accumulated loss		(645,655)	(589,274)
		4,391,845	4,448,226
Capital reserve			
Surplus on revaluation of leasehold land		589,186	589,186
Total equity		5,224,628	5,281,009
Liabilities			
Non-current liabilities			
Staff retirement benefits		72,889	69,345
Deferred taxation		238,590	246,580
		311,479	315,925
Current liabilities			
Trade and other payables		1,310,000	1,037,880
Sales tax payable - net		-	87,717
Accrued mark-up		44,543	43,385
Short term borrowings		1,925,842	1,408,152
Unclaimed dividend		36,083	37,850
		3,316,468	2,614,984
Total liabilities		3,627,947	2,930,909
Contingencies and commitments	9		
Total equity and liabilities		8,852,575	8,211,918

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer


CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		Quarter ended,	
		September 30,	
	Note	2019	2018
----- (Rupees in '000) -----			
Sales		3,515,789	2,983,097
Cost of sales	10	(3,296,530)	(2,938,439)
Gross profit		219,259	44,658
Distribution cost		(142,009)	(146,946)
Administrative expenses		(45,642)	(63,559)
Other income	11	6,417	14,911
Other expenses		(4,252)	(6,568)
Profit / (loss) from operations		33,773	(157,504)
Finance cost		(45,367)	(48,159)
Loss before taxation		(11,594)	(205,663)
Taxation		(44,787)	(24,620)
Loss after taxation		(56,381)	(230,283)
Other comprehensive income		-	-
Total comprehensive (loss) / income		(56,381)	(230,283)
----- (Rupees) -----			
Loss per share - basic and diluted	12	(2.31)	(9.45)

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer


CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserves	(Accumula- ted loss) / Unappro- priated profit	Surplus on revaluation of leasehold land	
	----- (Rupees in '000) -----				
Balance as at July 1, 2018	173,998	4,697,500	589,307	193,886	5,654,691
Transfer to general reserve	-	340,000	(340,000)	-	-
Transactions with owners, recognised directly in equity					
Cash dividend for the year ended June 30, 2018 at the rate of Rs.10 per share	-	-	(173,998)	-	(173,998)
Bonus shares issued for the year ended June 30, 2018 in the ratio of 2 shares for every 5 shares held (i.e. 40%)	69,599	-	(69,599)	-	-
Total comprehensive loss for the quarter ended September 30, 2018					
Loss for the quarter	-	-	(230,283)	-	(230,283)
Other comprehensive income	-	-	-	-	-
	-	-	(230,283)	-	(230,283)
Balance as at September 30, 2018	243,597	5,037,500	(224,573)	193,886	5,250,410
Total comprehensive income for the period ended June 30, 2019					
Loss for the period	-	-	(362,180)	-	(362,180)
Other comprehensive (loss) / income	-	-	(2,521)	395,300	392,779
	-	-	(364,701)	395,300	30,599
Balance as at June 30, 2019	243,597	5,037,500	(589,274)	589,186	5,281,009
Total comprehensive loss for the quarter ended September 30, 2019					
Loss for the quarter	-	-	(56,381)	-	(56,381)
Other comprehensive income	-	-	-	-	-
	-	-	(56,381)	-	(56,381)
Balance as at September 30, 2019	243,597	5,037,500	(645,655)	589,186	5,224,628

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive


Rizwan Ahmed
Chief Financial Officer

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	September 30,	
	2019	2018
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(11,594)	(205,663)
Adjustments for non-cash charges and other items:		
Depreciation	74,015	76,469
Amortisation	44	244
Provision for gratuity	1,802	1,092
Provision for compensated leave absences	3,883	6,856
Gain on sale of investments at fair value through profit or loss	(10)	(4,450)
Dividend income	(18)	(7,905)
Fair value gain on investments at fair value through profit or loss	(3,915)	(293)
(Gain) / loss on sale of operating fixed assets	(24)	1,308
Provision for doubtful debts	3,000	-
Finance cost	45,367	48,159
	112,550	(84,183)
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	9,904	(18,873)
Stock-in-trade	(281,613)	577,942
Trade debts	(526,470)	(319,526)
Loans and advances	(7,932)	(4,298)
Deposits and prepayments	(81,938)	(72,957)
Other receivables	5,241	(4,237)
Sales tax receivable - net	(96,383)	-
	(979,191)	158,051
Increase / (decrease) in current liabilities		
Trade and other payables	270,390	(599,567)
Sales tax payable - net	-	78,906
	270,390	(520,661)
	(708,801)	(362,610)
Cash used in operations	(596,251)	(446,793)
Finance cost paid	(44,209)	(23,938)
Income taxes paid (including tax deducted at source)	(20,912)	(75,108)
Gratuity paid	-	-
Compensated leave absences paid	(412)	(2,799)
Long term loans - net	(141)	180
Long term deposits - net	-	-
	(65,674)	(101,665)
Net cash used in operating activities - carried forward	(661,925)	(548,458)


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	September 30 ,	
	2019	2018
	----- (Rupees in '000) -----	
Net cash used in operating activities - brought forward	(661,925)	(548,458)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(43,666)	(208,343)
Proceeds from sale of property, plant and equipment	3,089	11,122
Payments for investments	(16)	(124,777)
Proceeds from sale of investments	2,103	873,089
Dividend received	18	7,905
Net cash (used in) / generated from investing activities	(38,472)	558,996
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	517,690	(129,392)
Dividend paid	(1,767)	-
Net cash generated from / (used in) financing activities	515,923	(129,392)
Net decrease in cash and cash equivalents	(184,474)	(118,854)
Cash and cash equivalents - at beginning of the period	423,649	381,180
Cash and cash equivalents - at end of the period	239,175	262,326

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
 Chairman


Ali H. Shirazi
 President / Chief Executive


Rizwan Ahmed
 Chief Financial Officer

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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 and motorcycle batteries & allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan.

The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% of issued, subscribed and paid-up capital of the Company as at September 30, 2019.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2019.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2019. 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 statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgments, 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 statements, the significant judgments 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, 2019.

		Un-audited September 30, 2019 ---- (Rupees in '000) ----	Audited June 30, 2019
5. PROPERTY, PLANT AND EQUIPMENT	Note		
Operating fixed assets	5.1	3,305,859	3,352,171
Capital work-in-progress	5.5	585,685	572,787
		<u>3,891,544</u>	<u>3,924,958</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		3,352,171	3,334,426
Revaluation / additions during the period / year	5.2	30,768	716,316
Disposals costing Rs.5,753 thousand (June 30, 2019: Rs.425,241 thousand)			
- at net book value	5.3	(3,065)	(382,208)
Depreciation charged during the period / year		(74,015)	(316,363)
Net book value at end of the period / year	5.4	<u>3,305,859</u>	<u>3,352,171</u>
5.2 Revaluation / additions to operating fixed assets including transfer from capital work-in-progress during the period / year:			
Revaluation of leasehold land		-	395,300
Buildings on leasehold land		21,166	120,482
Plant and machinery		1,005	131,259
Office equipment		-	579
Computer and accessories		783	8,969
Furniture and fixtures		56	10,792
Air conditioners		-	5,458
Vehicles		7,758	43,477
		<u>30,768</u>	<u>716,316</u>
5.3 Disposals during the period / year:			
Leasehold land		-	322,140
Plant and machinery		-	33,538
Computers and accessories		-	127
Furniture and fixtures		-	9
Air conditioners		-	42
Vehicles		3,065	26,352
		<u>3,065</u>	<u>382,208</u>
5.4 Includes dies and molds:			
- Related parties [aggregate cost Rs.17,610 thousand (June 30, 2019: Rs.17,610)]		14,106	14,468
- Others [aggregate cost Rs.103,246 thousand (June 30, 2019: Rs.103,246)]		55,959	57,395
		<u>70,065</u>	<u>71,863</u>

These are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

		Un-audited September 30, 2019	Audited June 30, 2019
	Note	---- (Rupees in '000) ----	
5.5 Capital work-in-progress			
Buildings on leasehold land		397,843	396,102
Plant and machinery	5.6	177,903	168,096
Computers and accessories		2,187	2,078
Furniture and fixtures		3,000	3,040
Air conditioners		1,453	1,453
Vehicles	5.6	1,279	-
Intangible asset		2,020	2,018
		<u>585,685</u>	<u>572,787</u>

5.6 Includes Rs.1,279 thousand (June 30, 2019: Rs. Nil) advance payment to related parties for purchase of vehicles and Rs. 52,185 thousand (June 30, 2019: Rs. 52,185 thousand) for purchase of plant and machinery.

		Un-audited September 30, 2019	Audited June 30, 2019
		---- (Rupees in '000) ----	
6. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		878,230	557,726
- with third parties	6.1	29,134	31,924
		<u>907,364</u>	<u>589,650</u>
Work-in-process		708,811	695,094
Finished goods		425,302	474,704
Items in transit		228	644
		<u>2,041,705</u>	<u>1,760,092</u>

6.1 Includes raw materials Rs.6,485 thousand (June 30, 2019: Rs.9,825 thousand) to related parties for further processing into parts to be supplied to the Company.

6.2 Stock in trade and trade debts upto maximum amount of Rs.5,534,020 thousand (June 30, 2019: Rs.5,534,020 thousand) are under hypothecation of commercial banks as security for short term borrowings.

		Un-audited September 30, 2019	Audited June 30, 2019
		---- (Rupees in '000) ----	
7. TRADE DEBTS - Unsecured			
Considered good			
Associated Companies		96,334	74,550
Others		1,523,585	1,021,899
		<u>1,619,919</u>	<u>1,096,449</u>
Considered doubtful			
Others		16,844	13,844
		<u>1,636,763</u>	<u>1,110,293</u>
Provision for doubtful debts		(16,844)	(13,844)
		<u>1,619,919</u>	<u>1,096,449</u>

Un-audited September 30, 2019	Audited June 30, 2019
---- (Rupees in '000) ----	

8. DEPOSITS AND PREPAYMENTS

Considered good and unsecured

Deposits and margins - interest-free
Prepayments

14,248	17,277
92,090	7,123
106,338	24,400

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

9.1.1 Except for the note 9.1.2, 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, 2019.

9.1.2 With regard to matters reported in note 25.1.5, 25.1.7 and 25.1.8 of the audited annual financial statements of the Company for the year ended June 30, 2019 the Appellate Tribunal Inland Revenue (ATIR) on July 30, 2019 has remanded back the issue of non-deduction of tax on trade discount allowed to dealers for respective tax years with the direction to the income tax authorities to examine the issue afresh. However, income tax authorities have not yet initiated any proceedings in this regard.

Un-audited September 30, 2019	Audited June 30, 2019
---- (Rupees in '000) ----	

9.2 Outstanding bank guarantees

105,711	105,711
---------	---------

9.3 Commitments

In respect of confirmed letters of credit relating to:

- raw materials, stores, spares and loose tools
- capital expenditure

164,051	130,042
40,703	17,731
204,754	147,773

In respect of capital expenditure other than
through letters of credit

52,580	58,675
257,334	206,448

----- Un-audited -----

Quarter ended
September 30,

Note 2019 2018

----- (Rupees in '000) -----

10. COST OF SALES

Opening stock of finished goods
Cost of goods manufactured
Purchases during the period

10.1

474,704	1,411,039
3,143,965	2,416,945
103,163	56,748
3,721,832	3,884,732
(425,302)	(946,293)
3,296,530	2,938,439

Closing stock of finished goods

----- Un-audited -----
Quarter ended
September 30,
2019 2018
 ----- (Rupees in '000) -----

10.1 Cost of goods manufactured

Opening stock of work-in-process	695,094	687,340
Raw materials and components consumed	2,421,547	1,486,856
Factory overheads	736,135	778,597
	<u>3,157,682</u>	<u>2,265,453</u>
	3,852,776	2,952,793
Closing stock of work-in-process	(708,811)	(535,848)
	<u>3,143,965</u>	<u>2,416,945</u>

11. OTHER INCOME

Dividend income	18	7,905
Gain on sale of investments at fair value through profit or loss	10	4,450
Fair value gain on investments at fair value through profit or loss	3,915	293
Scrap sales	2,450	2,263
Gain on disposal of operating fixed assets	24	-
	<u>6,417</u>	<u>14,911</u>

----- Un-audited -----
Quarter ended
September 30,
2019 2018
 ----- (Rupees in '000) -----

12. LOSS PER SHARE

Net loss for the period	<u>(56,381)</u>	<u>(230,283)</u>
-------------------------	-----------------	------------------

--- (Number of shares) ---

Weighted average ordinary shares in issue during the period	<u>24,359,676</u>	<u>24,359,676</u>
-------------------------------------------------------------	-------------------	-------------------

----- (Rupees) -----

Basic and diluted loss per share	<u>(2.31)</u>	<u>(9.45)</u>
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12.1 No figures for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on earnings per share when exercised.

13. FINANCIAL RISK MANAGEMENT

13.1 Financial risk factors

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

The condensed interim financial statements does not include all financial risk management information and disclosures as 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, 2019.

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

13.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements 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:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 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 3 Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

	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	128,893	-	-	128,893

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

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

	----- Un-audited ----- September 30, 2019 2018 ----- (Rupees in '000) -----	
Holding Company		
Rent / service charges	14,976	42,298
Associated Companies		
Sale of:		
- goods	159,209	270,777
- operating fixed assets	1,504	2,345
Purchases of:		
- goods and services	46,026	1,382,541
- operating fixed assets	898	9,536
Rent / service charges	3,412	4,662
Reimbursement of expenses	1,390	1,595
Expenses charged	766	-
Insurance premium	51,925	100,262
Insurance claims	5,964	1,797
Purchase of units in mutual funds	15	3,200
Sale of units in mutual funds	2,103	755,031
Dividend received	18	3,764
Royalty and technical fee	37,053	32,406
Contribution to pension funds	3,333	3,569
Other related parties		
Contributions paid to:		
- provident fund	1,436	1,535
Key Management Personnel		
- salaries and other short term employment benefits	16,688	31,193
- sale of operating fixed assets	6	-

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

	Un-audited September 30, 2019	Audited June 30, 2019
	----- (Rupees in '000) -----	
Receivables from related parties		
Deposits and prepayments	28,702	-
Investments	-	2,077
Other receivables	841	6,082
Payables to related parties		
Trade and other payables	186,047	170,860
Staff retirement benefits	20,333	9,005

These are in the normal course of business.


15. DATE OF AUTHORIZATION FOR ISSUE


These condensed interim financial statements were authorized for issue on October 22, 2019 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2019, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended September 30, 2018. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.


Aamir H. Shirazi
Chairman


Ali H. Shirazi
President / Chief Executive


Rizwan Ahmed
Chief Financial Officer

Atlas Battery Limited

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

Ph: (92-21) 32567990-4,

Fax: (92-21) 32564703

E-mail: abl@atlasbattery.com.pk

Website: www.atlasbattery.com.pk