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Half Yearly Report December 31,

2018

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Atlas Battery Limited

D-181, Central Avenue, S.I.T.E., Karachi-75730  
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Website: www.atlasbattery.com.pk

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# COMPANY INFORMATION

## Board of Directors

Yusuf H. Shirazi

Chairman

Ariful Islam

Director

Azam Faruque

Director

Bashir Makki

Director

Frahim Ali Khan

Director

Toru Furuya

Director

Ali H. Shirazi

President / Chief Executive

Muhammad Iqbal

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

Talha Saad

Managing Director

Ahmar Waheed

General Manager Human Resource

Mansoor Jamil Khan

General Manager Quality Assurance

Mohsin Khan

General Manager Marketing

Muhammad Iqbal

General Manager Corporate Affairs & Co. Sect.

Nehal Asghar

General Manager Engineering & Projects

Qasim Imran Khan

General Manager Information Technology

Rizwan Ahmed

Chief Financial Officer

Malik Nasir Mohyuddin

General Manager Service & Business Development

Sheikh Adeel-ur-Rehman

General Manager Supply Chain

Tehseen Raza

General Manager Production

## Auditors

ShineWing Hameed Chaudhri & Co.

Chartered Accountants

## Legal Advisors

Agha Faisal Barrister at Law

Mohsin Tayebaly & Co.

## Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder

Chartered Accountants

# COMPANY INFORMATION

## Bankers

Allied Bank Limited  
Bank Alfalah Limited  
Habib Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
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 & 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,  
Touheed 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

Commercial Plot # 38-39, Block-E,  
Pak Memon Cooperative Housing Society  
Limited Opposite  
Abad Wheat Godown, Shikarpur Road,  
Sukkur  
Tel: (071) 5806124

## Lahore Sales Office

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

## Lahore Service Center

Shop #1, E-24, Qureshi Market  
Islam Nagar, Main Walton Road,  
Lahore Cantt  
Tel: (042) 36666064-65

## Faisalabad Sales Office and Service Center

312 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 # 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) 5883419

## 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](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 half year ended December 31, 2018.

## ECONOMY

First half of FY19 has been challenging for the economy. High current account deficit, elevated fiscal deficit and persistently high core inflation mainly due to devaluation of Pak Rupee were the major challenges for Pakistan's economy. The GDP growth rate projection for the current fiscal year has been revised downwards to 4.0% from target of 6.2% and well below the 5.8% percent growth realized in previous year. The deceleration in revenue growth compared to overall expenditure and increased dependence on imports to meet growing domestic demand led to widening in twin deficits to untenable heights. Average CPI inflation is inching up and stands at 6.0% for the first half of FY19, compared to 3.8% in the corresponding period of FY18. To ensure macro-economic stability and to keep aggregate demand in control, the State Bank of Pakistan raised the interest rate to 10% in three rounds since July 2018. The stock market remained bearish during 1st half of FY19 and declined more than 11.6% since July 01, 2018. This was largely due to the uncertain economic climate which in particular kept foreign investors away in anticipation of significant Pak Rupee devaluation.

Agriculture sector performance was weak as all major kharif crops have recorded decline in production from last year's level and the wheat crop is also not encouraging. Overall, Large Scale Manufacturing Sector has shown decline of 0.90% during first five months of FY 2019 when compared with the same period of last year mainly due to moderation in domestic demand and sector specific challenges. Exports were stagnant at US\$ 11.83 billion, up 0.1% only, as compared to US\$ 11.82 billion. Imports increased to US\$ 27.46 billion, up 3.2%, as compared to US\$ 26.61 billion during the same period of last year. Foreign remittances increased to US\$ 10.72 billion, up 10.0% as compared to US\$ 9.75 billion in the corresponding period of last year. The above factors pushed the current account deficit to US\$ 8.0 billion as compared to US\$ 8.4 billion in the corresponding period of last year. Financing of current account deficit required increased reliance on external borrowings, leading to a considerably higher accumulation in external debt during first half of FY19. The record current account deficit led to increased pressures on foreign exchange reserves and exchange rate. Some structural changes are required to enhance broader based revenue collection, generate value added exports, reduction in import bill and improve yield of our cash crops.

## OPERATING RESULTS

During 2nd quarter, your Company achieved sales of Rs.2,722 million as compared to Rs.3,755 million in the same quarter of last year, down by 27.5%. This was mainly due to change in sales mix in the replacement market and general depressed economic conditions. However, decline in cost of sales was 11.8% from Rs.3,355 million to Rs.2,959 million resulting in gross loss of Rs.237 million as compared to profit of Rs.400 million during the same quarter of last year.

Operating expenses stood at Rs.190 million, decreased by Rs.34 million as compared to Rs.224 million in the corresponding quarter of last year. Capital gain of Rs.328 million on disposal of land subsidized the gross loss of Rs.237 million. Resultantly, your Company incurred loss from operations of Rs.116 million as compared to profit of Rs.139 million during corresponding quarter. Finance cost increased to Rs.51 million from Rs.35 million.

The loss before tax for 2nd quarter of FY 2018-19 was Rs.166 million as compared to profit of Rs.103 million in the corresponding quarter of last year. After providing Rs.49 million for taxation, the loss after tax of your Company stood at Rs.215 million as compared to profit of Rs.63 million. Loss per share for the quarter was Rs.8.84 as compared to earnings of Rs.2.58 for the same quarter of last year.

During 1st half your Company achieved sales of Rs.5,705 million as compared to Rs.8,383 million in the same period of last year, down by 31.9%, largely due to the same factors cited

above. However, decline in cost of sales was 20.2% from Rs.7,391 million to Rs.5,897 million resulting in gross loss of Rs.192 million as compared to profit of Rs.992 million during the same period of last year.

Operating expenses stood at Rs.400 million, decreased by Rs.65 million as compared to Rs.465 million in the corresponding period of last year. Your Company incurred loss from operations of Rs.273 million as compared to profit of Rs.440 million during corresponding period. Finance cost increased to Rs.99 million from Rs.53 million.

The loss before tax for 1st half of FY 2018-19 was Rs.372 million as compared to profit of Rs.387 million in the corresponding period of last year. After providing Rs.74 million for taxation, the loss after tax of your Company stood at Rs.446 million as compared to profit of Rs.263 million. Loss per share for the half year was Rs.18.30 as compared to earnings of Rs.10.80 for the same period of last year.

## FUTURE OUTLOOK

The State Bank of Pakistan believes that the falling oil prices and deferred oil payments facility will not only strengthen the country's foreign exchange reserve, but also comfort the pressures in the foreign exchange market.

Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the automotive industry. During 1st half of FY 2018-19, sales of locally manufactured cars, trucks, buses, etc. decreased by 7.6% to 148,696 units from 161,010 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) witnessed negative growth of 3.2% to 909,560 units from 939,761 units during the corresponding period last year. Withdrawal of ban on purchase of vehicles upto 1300cc capacity by non-filers is a positive step for automotive industry and is likely to boost sale of vehicles in 2nd half of FY 2018-19.

The battery industry is expected to face continued competition in replacement market during 2nd half of FY 2018-19 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 and are resultantly offering extraordinarily high discounts on their products, which cannot be matched 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. The 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":

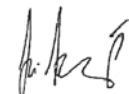
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## ACKNOWLEDGEMENTS

I would like to thank our JV Partners GS Yuasa International Limited; Japan, Board of Directors, shareholders, bankers, vendors and customers for their continuous support and guidance. I also thank Mr. Ali H. Shirazi; President and Chief Executive of your Company and the management team for their dedication and commitment to achieve sustained growth year after year.



Yusuf H. Shirazi  
Chairman



Ali H. Shirazi  
President / Chief Executive

Karachi: February 21, 2019

عمل کاری مصارف 65 ملین روپے کی کے ساتھ 400 ملین روپے پر موجود ہے، جبکہ گزشتہ سال اسی مدت میں 465 ملین روپے تھے۔ آپ کی کمپنی نے آپریشن سے پچھری سال حاصل ہونے والے 440 ملین روپے منافع کے مقابلے میں 273 ملین روپے کا نقصان برداشت کیا۔ مالیتی اخراجات 53 ملین روپے سے بڑھ کر 99 ملین روپے ہو گئے۔

مالی سال 19-2018 کی پہلی ششماہی میں قبل از گیکس نقصان 372 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں 387 ملین روپے کا منافع تھا۔ گیکس کی مد میں 74 ملین روپے فراہم کرنے کے بعد، آپ کی کمپنی کا بعد از گیکس نقصان 263 ملین روپے منافع کے مقابلے میں 446 ملین روپے ہو گیا۔ پہلی ششماہی میں نی حصہ نقصان 18.30 روپے رہا جبکہ گزشتہ سال اسی مدت کے دوران آمد نہیں حصہ 10.80 روپے رہی۔

### مستقبل کے خدوخال

اسی بیک آف پاکستان اس بات پر یقین رکھتا ہے کہ تیل کی قیتوں میں کمی اور تیل کی ادائیگیوں میں تاخیر کی سہولت ناصرف ملک میں غیر ملکی زرمباڈ کے ذخیر کو تحکم بنانے بلکہ غیر ملکی کرنی کی مارکیٹ پر دباؤ میں کمی کا باعث ہے گا۔

آٹوموٹیو انڈسٹری میں ابطروپینڈر، آپ کی کمپنی کی صنعتات آٹوموٹیو انڈسٹری کی ترقی پر انحصار کرتی ہے۔ مالی سال 19-2018 کی پہلی ششماہی کے دوران، مقامی سطح پر تیار کردہ کاروں، بُرکوں، بسوں وغیرہ کی فروخت 7.6 فیصد کی کے بعد 148,696 یونٹ ہو گئی جو کہ گزشتہ سال اسی مدت کے دوران 161,010 یونٹ تھی۔ موثر سائکلوں اور تین پیسوں والی گاڑیاں (PAMA سے جسٹرڈ اسٹبلر) 3.6 فیصد کی کے بعد 909,560 یونٹ فروخت ہوئیں، جو کہ گزشتہ سال اسی مدت کے دوران 939,761 یونٹ فروخت ہوئی تھیں۔ نان فاکٹری سے 1300cc تک کی گاڑیوں کی خریداری پر پابندی ہٹانے کا فیملہ آٹوموٹیو انڈسٹری کے لیے ایک بہت قدم ہے اور یہ مالی سال 19-2018 کی دوسرا ششماہی میں گاڑیوں کی فروخت میں اضافے میں معاون ہاتھ ہو گا۔

مالی سال 19-2018 کی دوسرا ششماہی میں ایک جانب بیٹری کی صنعت کی فاضل بیواداری صلاحیتوں کے سبب مقابلہ مارکیٹ میں مساقیتی رجحان بڑھنے اور دوسرا جانب مارکیٹ میں بیٹریوں کی طلب کے کم ہوتے تھے جس کے سبب توقع کی جاتی ہے کہ بیٹری انڈسٹری کو مشکل صورت حال کا سامنا کرنا پڑے گا۔ کچھ میتوں پہلے روز نے غیر مصنوعی تجارت کا سہارا لیا اور نتیجے میں اپنی صنوعات پر وہ غیر معمولی ڈسکاؤنٹ پیش کر رہے ہیں، جو کہ ہماری جسمی قانون کی پاسداری کرنے والی کمپنیوں کے لیے ممکن نہیں ہے۔ کم جم طور خاص بڑی بیٹریوں میں، پاکستانی روپے کی قدر میں کمی، شر سود میں اضافے کا رجحان اور فراہط از ر کے دباؤ کے سبب میتوں پہلے روز نے لگات میں اضافہ، مستقبل میں منافع میں مزید کمی کا باعث بنے گا۔ کمپنی کو در پیش چلنے جز سے اچھی طرح واقف ہے اور ان مشکل حالات سے نکلنے کے لیے کوششوں میں کوئی کسر نہیں چھوٹیں گے۔ انسانی وسائل کی صلاحیتوں میں اضافو اور حصہ داران کے لیے بیٹریوں پر یقین کی طرح ہماری توجہ کامران کرزاں ہے اور مجھے یقین ہے کہ آپ کی کمپنی "The Atlas Way" کے سہرے اصولوں پر کامنہ ہوتے ہوئے صارفین کی توقعات پر پورا اتارے گی اور انہیں سب سے بہترین پروڈکٹ پیش کرے گی۔

ع اچھا ہے تو اچھا ہے اس سے اچھا کام نہیں

### اطہار تکفیر

میں اس موقع پر اپنے جوانگی و پیشہ پارٹنر Yuasa GS ایمپیشن لیمیٹڈ، جاپان، بورڈ آف ڈائریکٹر، حصہ یافتگان، بیکار، فروخت کار اور گاکوں کا مسلسل سپورٹ میں راہنمائی پر شکریہ ادا کرتا ہوں۔ میں اس کے ساتھ ساتھ آپ کی کمپنی کے صدر اور چیف ایگزیکیوٹیو فیسٹر جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا دلجمی اور منت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔

  
 علی ایچ شیرازی  
 پریزینٹ / چیف ایگزیکیوٹو

  
 یوسف ایچ شیرازی  
 چیئرمین

کراچی: 21 فروری، 2019

## چیئرمین کا جائزہ

میں نہایت سرست کے ساتھ 31 دسمبر 2018 کو ختم ہونے والی پہلی شماہی کے لیے آپ کی کمپنی کے غیر پڑھال شدہ عبوری مالیاتی متنازع پیش کر رہا ہوں۔

### معیشت

مالی سال 2019 کا پہلا نصف معیشت کے لیے چیلنج کا باعث رہا، بڑھتا ہوا جاری اکاؤنٹ خسارہ، بلند مالی خسارہ اور مسلسل بڑھتے ہوئے افراط زرجم کی بنیادی وجہ پاکستانی روپے کی قدر میں کی ہے، یہ اسابا پاکستانی معیشت کے لیے ابھم چیلنج ہیں۔ رواد مالی سال کے لیے شرح معمولی پیشین گوئی 6.2 فیصد کے بڑف سے کم کر کے 4.0 فیصد کی طرف نظر ٹانی کی گئی ہے جو کہ گزشتہ سال میں حاصل کئے گئے 5.8 فیصد سے کم ہے۔ مجموعی اخراجات کے مقابلے میں آمدنی کی ترقی میں کمی اور بڑھتی ہوئی مقتاوم طلب کو پورا کرنے کے لیے درآمدات پر بڑھتا ہوا انحصار دو ہرے خسارے کو غیر معمکن اور چاہیوں تک بڑھانے کا سبب بنا۔ مالی سال 2019 کی پہلی شماہی میں اوسط معمولی صارف اشارے یہ قیمت میکھائی 6.0 فیصد پر موجود ہے جو کہ گزشتہ سال 2018 کے مالی سال کے اسی عرصے میں 3.8 فیصد تھا۔ میکرو اکامک استحکام کو ٹینی بنا نے اور بڑھتی ہوئی طلب کو کنٹرول کرنے کے لیے اٹیٹیٹ بینک نے جولائی 2018 سے تین راٹڈز میں شرح سود 10 فیصد تک بڑھا دی ہے۔ مالی سال 2019 کے پہلے نصف میں اسٹاک مارکیٹ میں مندی کا رچان رہا، جس کے باعث اسٹاک مارکیٹ 1 جولائی 2018 کے بعد اس تک 11.6 فیصد تک کم ہوئی ہے۔ اس کی وجہ غیر ملکی اقتصادی ماحول ہے جس نے غیر ملکی سرمایہ کاروں کو پاکستانی روپے کی قدر میں کمی کے خدشے کے باعث مارکیٹ سے دور کھا ہے۔ زرعی شعبہ اس عرصے میں خاص کا کردی گئی نہیں دھاکسا خریف کی تمام اہم فضلوں کی پیداوار میں گزشتہ سال کی سطح کے مقابلے میں کمی ریکارڈ ہوئی ہے جبکہ گندم کی فعل بھی اچھی نہیں رہی۔ مجموعی طور پر، بڑے پیمانے پر میونو فیکچر نگ کیٹھر میں 2019 کے پہلے پانچ میونوں کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں 0.90 فیصد کی کمی دیکھی گئی ہے، اس کی بنیادی وجہات مقامی طلب میں اعتدال پسندی اور شعبے سے مختلف چانچبر کا سامنا ہے۔ برآمدات 0.1 فیصد اضافے کے ساتھ 11.83 بیلین امریکی ڈالر پر جم جو کہ شکار ہیں جو کہ گزشتہ سال اسی مدت کے دوران 11.82 بیلین امریکی ڈالر ہیں۔ جبکہ برآمدات 3.2 فیصد اضافے کے 27.46 بیلین امریکی ڈالر پر آگئیں جو کہ گزشتہ سال اسی مدت کے دوران 26.61 بیلین امریکی ڈالر ہیں۔ اور غیر ملکی ترسیلات زرگزشتہ سال اسی عرصے میں 9.75 بیلین امریکی ڈالر کے مقابلے میں 10.0 فیصد اضافے کے ساتھ 10.72 بیلین امریکی ڈالر ہیں۔ ان مندرجہ بالا عوامل کے باعث کرنٹ اکاؤنٹ خسارہ 8.0 بیلین امریکی ڈالر کے مقابلے میں چیلنج گیا ہے جبکہ گزشتہ سال اسی مدت کے دوران کرنٹ اکاؤنٹ خسارہ 8.4 بیلین امریکی ڈالر تھا۔ مالی سال 2019 کی پہلی شماہی کے دوران جاری اکاؤنٹ کے خسارے کی فیانس نگ کے لیے غیر ملکی قرضوں پر بڑھتے ہوئے انحصار کے خاطر خروج اضافہ ہوا ہے۔ ریکارڈ جاری اکاؤنٹ کے خسارے کے باعث زر مبارکہ ذخائر اور شرح مبارکہ پر بداہ میں اضافہ ہوا۔ اس صورت حال کو کہتے ہوئے وسیع پیمانے پر محصولات بڑھانے، ویلوبیوڈ برآمدات، درآمدی میں میں کمی اور ہماری نفت فضلوں کی پیداوار کو بہتر بنانے کے لیے بنیادی نوعیت کی تبدیلیوں کی ضرورت ہے۔

### آپرینگ نتائج

دوسری سماں ہی کے دوران، آپ کی کمپنی کی فروخت 2,722 میلین روپے رہی جو کہ گزشتہ سال اسی سماں ہی کے دوران 3,755 میلین روپے کی فروخت کے مقابلے میں 27.5 فیصد کم ہے۔ اس کی بنیادی وجہ کرشل مارکیٹ میں تبدیل کارکب اور دباؤ کا نتیکار اقتصادی صورت حال ہے۔ البتہ فروخت کی لائگ 11.8 فیصد کی کے ساتھ 2,959 میلین روپے رہی جو کہ گزشتہ سال 3,355 میلین روپے تھی۔ جس کے نتیجے میں 237 میلین روپے کا مجموعی نقصان ہوا جبکہ گزشتہ سال اسی مدت کے دوران 400 میلین روپے کا منافع ہوا تھا۔

عمل کاری صارف 34 میلین روپے کی کمی کے ساتھ 190 میلین روپے ہو گئے جو کہ گزشتہ سال کی اسی مدت کے دوران 224 میلین روپے تھے۔ جبکہ میں کی فروخت سے 328 میلین روپے کا منافع حاصل ہوا جس نے 237 میلین روپے کے مجموعی نقصان کو سب سد از نیکیا بیتھا۔ آپ کی کمپنی کو اس سماں ہی میں گزشتہ سال کے 139 میلین روپے کا منافع کے مقابلے میں آپرینگ سے 116 میلین روپے کا نقصان پہنچا۔ مالیاتی اخراجات 35 میلین روپے سے بڑا 51 کریم میلین روپے تک پہنچ گئے۔

مالی سال 19-2020 کی دوسری سماں ہی کے لیے قبل از بیکس نقصان 166 میلین روپے رہا جبکہ گزشتہ سال اسی سماں ہی کے دوران منافع 103 میلین روپے تھے۔ آپ کی 49 میلین روپے فراہم کرنے کے بعد آپ کی کمپنی کا بیکس کے بعد نقصان 215 میلین روپے ہو گیا جو کہ گزشتہ سال اس مدت کے دوران 63 میلین روپے کا منافع تھا۔ اس سماں ہی کے لیے فی حصہ نقصان 8.4 رہا جبکہ گزشتہ سال اسی مدت کے دوران آمدنی فی حصہ 2.58 رہا۔

مالی سال کی پہلی شماہی کے دوران آپ کی کمپنی کی فروخت 5,705 میلین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 8,383 میلین روپے کے مقابلے میں اور پر دئے گئے خواں کی بنا پر 31.9 فیصد کم ہے۔ البتہ فروخت کی لائگ 20.2 فیصد کی کے ساتھ 7,391 میلین روپے سے 5,897 میلین روپے پر آگئی، جس کے نتیجے میں کمپنی کو گزشتہ سال کی اس مدت میں 992 میلین روپے کا منافع کے مقابلے میں 192 میلین روپے کا نقصان اٹھانا پڑا۔

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
ATLAS BATTERY LIMITED**

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**Report on Review of Interim Financial Statements**

**INTRODUCTION**

We have reviewed the accompanying condensed interim statements of financial position of Atlas Battery Limited as at December 31, 2018 and the related 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, and notes to the financial statements forming part thereof for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statements of profit or loss account and other comprehensive income for the quarters ended December 31, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2018.

**SCOPE OF REVIEW**

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

**CONCLUSION**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review in this independent auditor's review report is Raheel Ahmed.

*ShineWing Hameed Chaudhri & Co.*

**SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI; February 21, 2019**

a member firm of ShineWing International



# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2018

	Note	Un-audited December 31, 2018	Audited June 30, 2018		
		----- (Rupees in '000) -----			
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	3,523,447	3,591,257		
Intangible assets		514	1,002		
Investments		-	-		
Long term loans		1,431	1,759		
Long term deposits		20,401	20,401		
		<u>3,545,793</u>	<u>3,614,419</u>		
<b>Current assets</b>					
Stores, spares and loose tools		235,531	218,914		
Stock-in-trade	6	1,782,291	2,689,010		
Trade debts	7	2,088,021	1,754,311		
Loans and advances		11,111	13,835		
Deposits and prepayments	8	98,650	16,890		
Investments	9	120,589	861,921		
Other receivables		2,317	6,685		
Sales tax receivable - net		18,331	31,739		
Taxation - net		575,025	547,349		
Cash and bank balances		282,463	381,180		
		<u>5,214,329</u>	<u>6,521,834</u>		
<b>Total assets</b>		<u>8,760,122</u>	<u>10,136,253</u>		
<b>EQUITY AND LIABILITIES</b>					
<b>Share capital and reserves</b>					
Authorized capital					
50,000,000 (June 30, 2018: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000		
		<u>500,000</u>	<u>500,000</u>		
Issued, subscribed and paid up capital					
24,359,676 (June 30, 2018: 17,399,769) ordinary shares of Rs.10 each		243,597	173,998		
		<u>243,597</u>	<u>173,998</u>		
Revenue Reserve					
General reserve		5,037,500	4,697,500		
(Accumulated loss) / unappropriated profit		(440,021)	589,307		
		<u>4,597,479</u>	<u>5,286,807</u>		
Capital Reserve					
Surplus on revaluation of leasehold land		193,886	193,886		
		<u>193,886</u>	<u>193,886</u>		
		<u>5,034,962</u>	<u>5,654,691</u>		
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Staff retirement benefits		80,888	72,813		
Deferred taxation		241,044	251,028		
		321,932	323,841		
<b>Current Liabilities</b>					
Trade and other payables		1,008,667	1,643,053		
Accrued mark-up		50,777	20,259		
Short term borrowings		2,304,399	2,459,687		
Unclaimed dividend		39,385	34,722		
		<u>3,403,228</u>	<u>4,157,721</u>		
		<u>3,725,160</u>	<u>4,481,562</u>		
<b>Total Liabilities</b>					
Contingencies and commitments	10				
<b>Total equity and liabilities</b>		<u>8,760,122</u>	<u>10,136,253</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

**Rizwan Ahmed**  
Chief Financial Officer



Atlas Battery Limited | 09

**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Note	Quarter ended		Half year ended	
	December 31,		December 31,	
	2018	2017	2018	2017
-- (Rupees in '000) --				
Sales - net	2,722,046	3,754,569	5,705,143	8,382,609
Cost of sales	11	(2,958,888)	(3,354,948)	(5,897,327)
Gross (loss) / profit		(236,842)	399,621	(192,184)
Distribution cost		(131,406)	(165,292)	(278,352)
Administrative expenses		(58,567)	(59,101)	(122,126)
Other income	12	332,485	34,950	347,396
Other expenses	13	(21,384)	(71,578)	(27,952)
(Loss) / profit from operations		(115,714)	138,600	(273,218)
Finance cost		(50,680)	(35,239)	(98,839)
(Loss) / profit before taxation		(166,394)	103,361	(372,057)
Taxation		(49,054)	(40,436)	(73,674)
(Loss) / profit after taxation		(215,448)	62,925	(445,731)
Other comprehensive income		-	-	-
Total comprehensive (loss) / income		(215,448)	62,925	(445,731)
				263,012
----- (Rupees) -----				
		Restated		Restated
Basic and diluted (loss) / earnings per share	14	(8.84)	2.58	(18.30)
				10.80

The annexed notes 1 to 18 form an integral part of this condensed interim financial statements.



**Yusuf 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 HALF YEAR ENDED DECEMBER 31, 2018

	Issued, subscribed and paid up capital	General reserves	(Accumulated Loss) Unappropriated Profit	Revenue Reserve	Capital Reserve	Total
				(Rupees in '000)		
<b>Balance as at July 1, 2017</b>	173,998	3,827,500	1,483,462	193,886	5,678,846	
Transfer to general reserve	-	870,000	(870,000)			
<b>Transactions with owners, recognised directly in equity</b>						
Cash dividend for the year ended June 30, 2017 at the rate of Rs.35.00 per share	-	-	-	(608,992)	-	(608,992)
<b>Total comprehensive income for the half year ended December 31, 2017</b>						
Profit for the period	-	-	263,012	-	263,012	
Other comprehensive income	-	-	-	-	-	-
	-	-	263,012	-	263,012	
<b>Balance as at December 31, 2017</b>	173,998	4,697,500	267,482	193,886	5,332,866	
<b>Total comprehensive income for the half year ended December 31, 2018</b>						
Profit for the period	-	-	327,582	-	327,582	
Other comprehensive loss	-	-	(5,757)	-	(5,757)	
	-	-	321,825	-	321,825	
<b>Balance as at June 30, 2018</b>	173,998	4,697,500	589,307	193,886	5,654,691	
Transfer to general reserve	-	340,000	(340,000)			
<b>Transactions with owners, recognised directly in equity</b>						
Cash dividend for the year ended June 30, 2018 at the rate of Rs.10.00 per share	-	-	(173,998)	-	(173,998)	
Bonus shares at the rate of 40% issued during the period	69,599	-	(69,599)	-	-	-
<b>Total comprehensive loss for the half year ended December 31, 2018</b>						
Loss for the period	-	-	(445,731)	-	(445,731)	
Other comprehensive income	-	-	-	-	-	-
	-	-	(445,731)	-	(445,731)	
<b>Balance as at December 31, 2018</b>	243,597	5,037,500	(440,021)	193,886	5,034,962	

The annexed notes 1 to 18 form an integral part of this condensed interim financial statements.

**Yusuf H. Shirazi**  
Chairman

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

**Rizwan Ahmed**  
Chief Financial Officer



Atlas Battery Limited | 11

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half Year ended December 31, 2018	2017
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(372,057)	386,613
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	155,488	141,337
Amortisation	488	400
Provision for gratuity	2,183	3,435
Provision / (reversal) for compensated leave absences	11,633	(5,314)
Gain on sale of investments at fair value through profit or loss	(4,450)	(29,871)
Dividend income	(7,905)	(45,806)
Fair value (gain) / loss on investments at fair value through profit or loss	(2,531)	129,256
(Gain) / loss on sale of operating fixed assets	(327,439)	5,717
Provision for doubtful debts	350	1,039
Finance cost	98,839	52,934
	<u>(445,401)</u>	<u>639,740</u>
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(16,617)	(24,452)
Stock-in-trade	906,719	(747,170)
Trade debts	(334,060)	(1,338,652)
Loans and advances	2,724	(15,970)
Deposits and prepayments	(81,760)	(102,498)
Other receivables	4,368	1,576
Sales tax receivable - net	13,408	(72,305)
	494,782	(2,299,471)
Decrease in trade and other payables	(622,587)	(4,140)
	(127,805)	(2,303,611)
	<u>(573,206)</u>	<u>(1,663,871)</u>
<b>Cash used in operations</b>		
Finance cost paid		
Income taxes paid (including tax deducted at source)	(68,321)	(29,900)
Gratuity paid	(111,334)	(199,184)
Compensated leave absences paid	(13,890)	(6,477)
Long term loans - net	(3,650)	(1,279)
Long term deposits - net	328	152
	-	1,183
	<u>(196,867)</u>	<u>(235,505)</u>
<b>Net cash used in operating activities</b> - carried forward	<u>(770,073)</u>	<u>(1,899,376)</u>

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half Year ended December 31, 2018	2017
	----- (Rupees in '000) -----	
<b>Net cash used in operating activities</b> - brought forward	(770,073)	(1,899,376)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(426,489)	(234,658)
Proceeds from sale of property, plant and equipment	666,250	27,924
Payment for investments	(124,777)	(745,943)
Proceeds from sale of investments	873,090	2,303,105
Dividend received	7,905	45,806
<b>Net cash generated from / (used in) investing activities</b>	995,979	1,396,234
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Short term borrowings - net	(155,288)	1,422,308
Dividend paid	(169,335)	(610,334)
<b>Net cash (used in) / generated from financing activities</b>	(324,623)	811,974
<b>Net (decrease) / increase in cash and cash equivalents</b>	(98,717)	308,832
<b>Cash and cash equivalents</b> - at beginning of the period	381,180	14,873
<b>Cash and cash equivalents</b> - at end of the period	<u>282,463</u>	<u>323,705</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



**Rizwan Ahmed**  
Chief Financial Officer

# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

## 1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sale of automotive, motorcycle batteries and allied products. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar and Sukkur. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% (June 30, 2018: 58.86%) of issued, subscribed and paid-up capital of the Company as at December 31, 2018.

## 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, 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.

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2018.

## 3. ACCOUNTING POLICIES

The accounting policies and the 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, 2018, except for the adoption of new and amended accounting standards effective as of July 1, 2018.

### New and amended standards adopted by the Company

The Company has adopted IFRS 9, 'Financial Instruments' and IFRS 15, 'Revenue from Contract with Customer'. Neither the IFRS 9 and IFRS 15 resulted in the restatement of comparatives. The impact of the adoption is described below:

#### (a) IFRS 9 Financial Instruments

The IFRS 9 introduces new requirements for the recognition, classification and measurement of financial assets and liabilities & impairment of financial assets. IASB has published the complete version of IFRS 9, 'Financial Instruments', which replaces the guidance in IAS 39 'Financial Instruments: Recognition and Measurement'.

Classification and measurement of financial assets

Under IFRS 9, financial assets can be classified into three categories i.e. financial assets through profit & loss, financial assets measured at amortized cost & financial assets through other comprehensive income.

On July 1, 2018 the Company has assessed which measurement apply to the financial assets held by the Company. This does not have any material impact on the Company's financial statements.

#### (b) IFRS 15 Revenue from Contract with Customers:

Under IFRS 15, 'Revenue from Contracts with Customers' the Company recognize revenue when the Company satisfies the performance obligation by transferring promised good to a customer. The control of promised goods are transferred, being when the products are dispatched to the customers. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 'Revenue Recognition' which covers contracts for goods and services and IAS 11 'Construction Contracts' which covers recognition and measurement criteria of construction contracts. The adoption of standard does not have material impact on the timing of revenue recognition.

## 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2018.

	Note	Un-audited December 31, 2018	Audited June 30, 2018	---- (Rupees in '000) ----
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>				
Operating fixed assets	5.1	3,012,537	3,334,426	
Capital work-in-progress	5.5	510,910	256,831	
		<u>3,523,447</u>	<u>3,591,257</u>	
<b>5.1 Operating fixed assets</b>				
Net book value at beginning of the period / year		3,334,426	3,090,004	
Additions during the period / year	5.2	172,410	585,776	
Disposals costing Rs.353,352 thousand (June 30, 2018: Rs.65,822 thousand)				
- at net book value	5.3	(338,811)	(39,169)	
Written off		-	(7,685)	
Depreciation charged during the period / year		(155,488)	(294,500)	
Net book value at end of the period / year		<u>3,012,537</u>	<u>3,334,426</u>	
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:</b>				
Buildings on leasehold land		34,056	293,476	
Plant and machinery		82,446	209,399	
Office equipment		112	1,074	
Computers and accessories		6,922	7,583	
Furniture and fixtures		6,979	17,667	
Air conditioners		1,627	2,727	
Vehicles		40,268	53,850	
		<u>172,410</u>	<u>585,776</u>	
<b>5.3 Disposals during the period / year:</b>				
Leasehold land		322,140	-	
Plant and machinery		1,471	7,118	
Computers and accessories		9	150	
Air conditioners		19	68	
Vehicles		15,172	31,833	
		<u>338,811</u>	<u>39,169</u>	
<b>5.4</b>	Plant and machinery includes certain dies and moulds having cost aggregating Rs.125,476 thousand (June 30, 2018: Rs.101,788 thousand) and net book value of Rs.78,132 thousand (June 30, 2018: Rs.68,254 thousand) which are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.			
<b>5.5 Capital work-in-progress</b>				
Buildings on leasehold land		335,369	192,298	
Plant and machinery		168,021	54,379	
Computers and accessories		147	942	
Furniture and fixtures		4,831	4,662	
Air conditioners		1,262	-	
Vehicles	5.6	-	3,750	
Intangible assets		1,280	800	
		<u>510,910</u>	<u>256,831</u>	
<b>5.6</b>	Includes Rs.Nil (June 30, 2018: Rs.2,956 thousand) advance payment to related parties for purchase of vehicles.			

Un-audited      Audited  
December 31,      June 30,  
2018              2018  
---- (Rupees in '000) ----

## 6. STOCK-IN-TRADE

Raw materials and components:

- in hand	631,154	481,928
- with third parties	<u>31,262</u>	<u>29,349</u>
	<u>662,416</u>	<u>511,277</u>

Work-in-process

Finished goods	528,187	687,340
Items in transit	<u>529,290</u>	<u>1,411,039</u>
	<u>62,398</u>	<u>79,354</u>

Items in transit	1,782,291	2,689,010
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- 6.1** Stock in trade and trade debts upto maximum amount of Rs.5,534,020 thousand (June 30, 2018: Rs.4,201,487 thousand) are under hypothecation of commercial banks as security for short term borrowings.

Un-audited      Audited  
December 31,      June 30,  
2018              2018  
---- (Rupees in '000) ----

## 7. TRADE DEBTS - Unsecured

**Consider good**

Associated Companies	101,712	102,531
Others	<u>1,986,309</u>	<u>1,651,780</u>
	<u>2,088,021</u>	<u>1,754,311</u>

**Consider doubtful**

Others	10,298	9,948
Provision for doubtful debts	2,098,319	1,764,259
	<u>(10,298)</u>	<u>(9,948)</u>
	<u>2,088,021</u>	<u>1,754,311</u>

## 8. DEPOSITS AND PREPAYMENTS

Include prepayments of Rs.87,265 thousand (June 30, 2018: Rs.10,221 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

Un-audited      Audited  
December 31,      June 30,  
2018              2018  
---- (Rupees in '000) ----

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

Investments in units of mutual funds:

- Related parties	-	744,707
- Others	<u>120,589</u>	<u>117,214</u>
	<u>120,589</u>	<u>861,921</u>

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

**10.1.1** There is no significant change in status of the contingencies as disclosed in note 26.1 of the audited annual financial statements of the Company for the year ended June 30, 2018.

**10.1.2** Assistant / Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2017 passed an order dated October 24, 2018 under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of tax on (i) trade discount allowed to dealers, (ii) sales promotion, (iii) travelling, (iv) repair and maintenance expenses, (v) water charges, (vi) cartages and (vii) local purchase. DCIR through the order created an aggregate demand of Rs.266.079 million including default surcharge and penalty. The Company filed an appeal before Commissioner Inland Revenue

(Appeals) [CIR(A)] on November 13, 2018 against (i) and (ii), where as tax levied for (iii), (iv), (v), (vi) and (vii) were not contested in appeal. The Company paid the demand of Rs.1.441 million on November 19, 2018 in respect of issues not contested in appeals. Pursuant to the appeal, CIR(A), on December 20, 2018, passed an order under section 129 of the Ordinance and granted relief in respect of issue contested at (ii) sales promotion and upheld the decision of DCIR in respect of issue contested at (i) trade discount allowed to dealers. The Company has filed an appeal on December 31, 2018 against the abovementioned order of CIR(A) in respect of issue at (i) trade discount allowed to dealers before the Appellate Tribunal Inland Revenue (ATIR). ATIR has granted a stay against demand on January 07, 2019. The main appeal is pending before ATIR.

Un-audited September 30, 2018	Audited June 30, 2018
---- (Rupees in '000) ----	

#### **10.2 Outstanding bank guarantees**

<u>105,711</u>	<u>93,764</u>
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#### **10.3 Commitments**

In respect of confirmed letters of credit relating to:

- raw materials, stores, spares and loose tools	92,797	270,386
- capital expenditure	30,763	66,020

In respect of capital expenditure other than  
through letters of credit

<u>176,106</u>	<u>97,761</u>
---- (Rupees in '000) ----	
<u>299,666</u>	<u>434,167</u>

#### **11. COST OF SALES**

Note	----- Un-audited -----			
	Quarter ended December 31, 2018	Quarter ended December 31, 2017	Half year ended December 31, 2018	Half year ended December 31, 2017
	(Rupees in '000)			
Opening stock of finished goods	946,293	632,008	1,411,039	422,668
Cost of goods manufactured	11.1	2,541,885	3,812,746	4,958,830
Purchases during the period	-	244,812	56,748	544,542
Closing stock of finished goods	3,488,178 (529,290)	4,689,566 (1,334,618)	6,426,617 (529,290)	8,725,373 (1,334,618)
	<u>2,958,888</u>	<u>3,354,948</u>	<u>5,897,327</u>	<u>7,390,755</u>

#### **11.1 Cost of goods manufactured**

	----- Un-audited -----			
	Quarter ended December 31, 2018	Quarter ended December 31, 2017	Half year ended December 31, 2018	Half year ended December 31, 2017
	(Rupees in '000)			
Opening work-in-process	535,848	568,790	687,340	663,469
Raw materials and components consumed	1,736,581 797,643	3,131,432 812,310	3,223,437 1,576,240	6,156,455 1,638,025
Factory overheads	2,534,224 3,070,072	3,943,742 4,512,532	4,799,677 5,487,017	7,794,480 8,457,949
Closing work-in-process	(528,187) 2,541,885	(699,786) 3,812,746	(528,187) 4,958,830	(699,786) 7,758,163

	Un-audited			
	Quarter ended December 31, 2018		Half year ended December 31, 2018	
	2018	2017	2018	2017
----- (Rupees in '000) -----				
<b>12. OTHER INCOME</b>				
Dividend income	-	-	7,905	45,806
Gain on sale of investments at fair value through profit or loss	-	29,871	4,450	29,871
Fair value gain on investments at fair value through profit or loss	2,238	-	2,531	-
Scrap sales	2,808	5,079	5,071	10,894
Gain on sale of fixed asset	327,439	-	327,439	-
	<u>332,485</u>	<u>34,950</u>	<u>347,396</u>	<u>86,571</u>

- 13.** Include fair value loss on investment at fair value through profit or loss aggregating Rs.Nil (December 31, 2017: Rs.129,256 thousand).

	Un-audited			
	Quarter ended December 31, 2018		Half year ended December 31, 2018	
	2018	2017	2018	2017
----- (Rupees in '000) -----				

#### **14. (LOSS) / EARNINGS PER SHARE**

##### **14.1 Basic earnings per share**

Net (loss) / profit for the period	<u>(215,448)</u>	<u>62,925</u>	<u>(445,731)</u>	<u>263,012</u>
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----- (Number of shares) -----				
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Restated	Restated
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Weighted average number of ordinary shares in issue during the period	<u>24,359,676</u>	<u>24,359,676</u>	<u>24,359,676</u>	<u>24,359,676</u>
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----- (Rupees) -----				
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Restated	Restated
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Basic and diluted (loss) / earnings per share	<u>(8.84)</u>	<u>2.58</u>	<u>(18.30)</u>	<u>10.80</u>
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- 14.2** A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2018 and December 31, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

#### **15. FINANCIAL RISK MANAGEMENT**

##### **15.1 Financial risk factors**

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

The condensed interim financial statements 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, 2018.

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

## 15.2 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:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

	Level 1	Level 2	Level 3	Total
	---- (Rupees in '000) ----			
<b>Assets - Recurring fair value measurement</b>				
<b>Financial assets at fair value through profit or loss</b>				
Short term investments	<u>120,589</u>	-	-	<u>120,589</u>

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

## 16. TRANSACTIONS WITH RELATED PARTIES

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

	Un-audited December 31,	
	2018	2017
	----- (Rupees in '000) -----	
<b>Holding Company</b>		
Rent / service charges paid	59,905	122,458
Dividend paid	102,417	358,460
Bonus shares issued	40,967	-
Sale of operating fixed assets	650,000	11,501
Expenses charged	1,189	-
Reimbursement of Expenses	-	2,058
<b>Associated Companies</b>		
Sale of:		
- goods	495,399	1,294,063
- operating fixed assets	2,345	2,329
Purchases of:		
- goods and services	3,149,402	6,281,911
- operating fixed assets	20,479	21,152
Rent / service charges paid	6,350	10,867
Reimbursement of expenses	2,627	1,096
Insurance premium	108,080	98,746
Insurance claims	16,529	21,363
Purchase of units in mutual funds	3,200	737,943
Sale of units in mutual funds	755,031	2,303,105
Dividend received	3,764	45,806
Dividend paid	32,332	113,163
Bonus shares issued	12,933	-
Royalty and Technical fee	64,882	83,013

	Un-audited	
	December 31,	
	2018	2017
-----(Rupees in '000)----		
Donation paid	8,417	20,652
Contribution to pension funds	7,048	6,052
<b>Other related parties</b>		
Contribution paid to:		
- gratuity fund	13,891	6,477
- provident fund	3,054	3,105
Key Management Personnel		
- salaries and other short term employment benefits	61,386	58,577
- sale of vehicles	-	1,830

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

	Un-audited December 31, 2018	Audited June 30, 2018
	-----(Rupees in '000)----	
<b>Receivables from related parties</b>		
Loan and advances	-	164
Deposits and prepayments	70,797	-
<b>Payables to related parties</b>		
Trade and other payables	267,828	784,755
Staff retirement benefits	29,564	25,550

These are in the normal course of business.

## 17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial statements was authorized for issue on February 21, 2019 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 statement of financial position has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2018, whereas, the condensed interim statement of profit or loss account and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended December 31, 2017. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

**Yusuf H. Shirazi**  
Chairman

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

**Rizwan Ahmed**  
Chief Financial Officer