



Quarterly Report September 30,

2021

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COMPANY INFORMATION

Board of Directors

Aamir H. Shirazi
Chairman

Azam Faruque
Director

Bashir Makki
Director

Fahd K. Chinoy
Director

Mehreen Amin
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Abdullah Zaheer
Company Secretary

Audit Committee

Azam Faruque
Chairman

Bashir Makki
Member

Fahd K. Chinoy
Member

Faiz Ullah Ghazi
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Mehreen Amin
Chairperson

Ali H. Shirazi
Member

Bashir Makki
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

Muhammad Asher Ahmad
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
UAN: 111-247-245

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) 37186388-91

Lahore Service Center

25-KM, Near Shamshad House, Opposite
Hussaini Darbar, Multan Road, Maraka, Lahore
Tel: (042) 35479004-5

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

Plot No. 109-110, Multan Industrial Estate
Phase II, Opposite Cocacola Factory, Multan
Tel: (091) 2262485

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.abl.atlas.pk

Email Address

abl@abl.atlas.pk

CHAIRMAN'S REVIEW

I am pleased to present the un-audited interim results of your Company for the quarter ended September 30, 2021.

Macroeconomic Overview

Current trends suggest that the latest wave of COVID-19 in Pakistan is now well contained, the economic recovery now appears less vulnerable to pandemic-related uncertainty. Fiscal and monetary stimulus have had some carry over in FY-22 which has supported the prevailing growth cycle. Remittances have remained strong and sustainable, growing by 10.4% during Jul-Aug (FY-22) on YoY basis. Meanwhile exports have also performed reasonably well with USD 4.6 billion registered in the first two months of the fiscal year, registering a growth of 35.4%. However, the robust recovery in domestic demand, coupled with higher international commodity prices is leading to an unsustainable surge in imports. The subsequent rise in the current account deficit of USD 2.3 billion for the first two months of FY-22 needs to be addressed moving forward. The rising twin deficits led to PKR depreciation of 8.0% as compared to close of last fiscal year. As a result, fiscal containment measures have lately been deployed by the central bank in the shape of cash margins on non-essential items and discouraging public spending through increase in policy rates. While YoY inflation has declined since June 2021, rising demand pressures together with higher imported inflation could begin to manifest in inflation readings later in the current fiscal year. The overall foreign reserves, after reaching an all-time high of USD 27.1 billion in August 2021 owing to inflows from international community, closed near USD 26.0 billion at the end of September 2021. On revenue side, FBR tax collections were registered at Rs.1.39 trillion during first quarter of FY- 22, surpassing the target by 15.4%, showing import led growth momentum of the economy.

LSM registered strong growth in June 2021 before moderating in August 2021 to 2.2% in line with typical seasonal patterns. Demand indicators such as automobiles, POL (petroleum, oil and lubricants) sales, cement sales and electricity generation continue to depict strong growth.

In agriculture, the decline in the area under cultivation of cotton is expected to be compensated by an increase in area for rice, maize, and sugarcane. Based on these trends, growth in FY-22 is now expected to be approximately 4%, notwithstanding the greater uncertainty with respect to spillovers from the evolving situation in Afghanistan.

Operating Results

During the first quarter of FY-22 your Company achieved sales of Rs.5,293 million as compared to Rs.4,427 million for the same quarter of last year, up 19.6%. This increase was mainly due to strong demand of batteries in the replacement market.

Your Company achieved profit from operations of Rs.261 million as compared to Rs.306 million during the corresponding quarter. Owing to increase in operations, finance cost increased to Rs.43 million from Rs.31 million.

Profit before tax for first quarter of FY-22 stood at Rs.218 million as compared to Rs.276 million in the corresponding quarter of last year. After providing Rs.64 million for taxation, the profit after tax of your Company stood at Rs.154 million as compared to Rs.222 million. Earnings per share (diluted) for the quarter was Rs.5.50 as compared to Rs.7.91 for the same quarter of last year.

Future Outlook

Due to the government's growth oriented policies, Pakistan's economy is expected to achieve inclusive and sustainable economic growth in FY-22. However, the recent turnaround in geopolitical dynamics in neighboring countries can have an important bearing on the domestic economy. Further, the global commodity super-cycle continues to exert inflationary and balance of payment pressures. Also, recent talks with IMF for release of the USD 1 billion tranche might lead to withdrawal of certain subsidies and introduction of austerity measures to curb development spending.

As far as the battery industry is concerned, the recent bout of devaluation along with surge in lead prices pose a threat to the cost of doing business as well as buying power of consumers. Thus, tough competition is expected in the battery industry in the next quarters also. Curbing costs, maintaining high quality of product and providing unmatched after sales services will remain a distinctive factor for your Company. Your Company has invested significantly to improve 5S, HSE, information technology and engineering & development to enhance business efficiency. This will help to meet the need for innovative products and lead the market not only in quality but technological advancement as well. I assure you 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":

ہمیشہ سب سے بہتر کارکردگی کی تلاش کریں

(Always strive for the best)

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 / 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

Karachi: October 28, 2021

مالی سال 2022 کی پہلی سہ ماہی میں قبل از ٹیکس منافع 218 ملین روپے رہا جبکہ گزشتہ سال اسی سہ ماہی کے دوران 276 ملین روپے تھا۔ ٹیکس کی مد میں 64 ملین روپے فراہم کرنے کے بعد، آپ کی کمپنی کا ٹیکس کے بعد منافع 154 ملین روپے ہو گیا جو کہ گزشتہ سال اس مدت کے دوران 222 ملین روپے تھا۔ اس سہ ماہی کے لیے فی حصص آمدنی (Diluted) 5.50 روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران فی حصص آمدنی (Diluted) 7.91 روپے تھی۔

مستقبل کے غد و خال

حکومت کی ترقی پر مبنی پالیسیوں کی وجہ سے، پاکستان کی معیشت مالی سال 2022 میں جامع اور پائیدار اقتصادی ترقی حاصل کرنے کی توقع رکھتی ہے۔ تاہم بڑی ممالک میں جغرافیائی سیاسی حرکات میں حالیہ تبدیلی ملکی معیشت پر اہم اثر ڈال سکتی ہے۔ مزید یہ کہ عالمی سطح پر زرعی اجناس کی قیمتوں میں اضافہ نہ صرف افراط زر بلکہ ادائیگی کے توازن پر بھی دباؤ ڈالتا رہے گا۔ نیز آئی ایم ایف کے ساتھ 1 بلین ڈالر کی قسط کے اجراء کے لیے حالیہ بات چیت کچھ سبسڈیز کو واپس لینے اور ترقیاتی اخراجات کو روکنے کے لیے کفایت شعاری کے اقدامات کو متعارف کروانے کا باعث بن سکتی ہے۔

جہاں تک بیٹری کی صنعت کا تعلق ہے حالیہ قدر میں کمی کے ساتھ ساتھ لیڈ کی قیمتوں میں اضافے سے کاروبار کرنے کی لاگت کے ساتھ صارفین کی قوت خرید کو بھی خطرہ لاحق ہے۔ اس طرح اگلی سہ ماہیوں میں بھی بیٹری انڈسٹری میں سخت مقابلے کی توقع ہے۔ لاگت کو کم کرنا، مصنوعات کے اعلیٰ معیار کو برقرار رکھنا اور فروخت کے بعد بے مثال خدمات فراہم کرنا آپ کی کمپنی کا ایک مخصوص عنصر رہے گا۔ آپ کی کمپنی نے کاروباری کارکردگی کو بڑھانے کے لیے HSE، 5S، انفارمیشن ٹیکنالوجی اور انجینئرنگ اور ترقی کو بہتر بنانے کے لیے نمایاں سرمایہ کاری کی ہے۔ اس سے جدت طرازی پر مبنی مصنوعات کی ضرورت کو پورا کرنے میں مدد ملے گی اور مارکیٹ کو نہ صرف معیار بلکہ تکنیکی اعتبار سے بھی ترقی کرنے میں معاونت حاصل ہوگی۔ میں آپ کو یقین دلاتا ہوں کہ آپ کی کمپنی "The Atlas Way" کے اصولوں پر عمل پیرا ہوتے ہوئے صارفین کو مطلوب اعلیٰ معیار کے لیے توقعات کو پورا کرتے ہوئے ہمیشہ بہترین کارکردگی کے لیے کوشاں رہے گی۔

گیمسے تاب دار کو اور بھی تاب دار کر

(Always strive for the best)

اعمال و تفکر

میں اس موقع پر اپنے جوائنٹ ونیچر پارٹنرز GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بینکار، فروخت کار (وینڈرز) اور صارفین کو ان کی مسلسل حمایت اور رہنمائی پر تہ دل سے شکریہ ادا کرتا ہوں۔ میں آپ کی کمپنی کے صدر اور چیف ایگزیکٹو آفیسر جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا دلجمعی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔

عامر ایچ شیرازی

چیئر مین

کراچی: 28 اکتوبر 2021

چیمبر میں کا جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لیے آپ کی کمپنی کے غیر پڑتال شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

معیشت کا جائزہ

موجودہ رجحانات بتاتے ہیں کہ پاکستان میں کوویڈ 19 کی جاری موجودہ لہر بہتر انداز میں زیر قابو ہے۔ جس کے نتیجے میں اب معاشی بحالی کو وبائی امراض سے متعلق غیر یقینی صورتحال سے کم خطرات دکھائی دیتے ہیں۔ مالیاتی محرک نے مالی سال 2022 میں کچھ پیش رفت کا مظاہرہ کیا ہے، جس سے ترقی کی موجودہ رفتار کو سہارا ملا ہے۔ جولائی تا اگست (مالی سال 2022) میں ساہا سال کی بنیاد پر ترسیلات زر 10.4 فیصد اضافے کے ساتھ مضبوط اور پائیدار رہی ہیں۔ دریں اثناء برآمدات نے بھی مناسب کارکردگی کا مظاہرہ کیا ہے اور مالی سال کے پہلے دو مہینوں میں 4.6 بلین امریکی ڈالر کی برآمدات ریکارڈ کی گئی ہیں، جو کہ 35.4 فیصد اضافے کو ظاہر کرتی ہیں۔ تاہم، ملکی طلب میں مضبوط بحالی، اور بین الاقوامی سطح پر اجناس کی بلند قیمتیں درآمدات میں اضافے کا باعث بن رہی ہیں۔ مالی سال 2022 کے پہلے دو مہینوں میں کرنٹ اکاؤنٹ خسارے میں 2.3 بلین امریکی ڈالر کے اضافے پر سب سے پہلے دھیان مرکوز کرنے کی ضرورت ہے۔ بڑھتے ہوئے دہرے خسارے کی وجہ سے گزشتہ مالی سال کے اختتام کے مقابلے میں پاکستانی روپے کی قدر میں 8.0 فیصد کمی واقع ہوئی۔ نتیجے کے طور پر، مالیاتی روک تھام کے اقدامات حال ہی میں مرکزی بینک کی طرف سے غیر ضروری اشیاء پر نقد مارجن کی شکل میں اور پالیسی شرحوں میں اضافے کے ذریعے عوامی اخراجات کی حوصلہ شکنی کی گئی ہے جبکہ جون 2021 کے بعد سے ساہا سال افراط زر میں کمی آئی ہے، بڑھتی ہوئی طلب کے دباؤ کے ساتھ ساتھ اعلیٰ درآمدی افراط زر رواں مالی سال کے آخر میں افراط زر کی ریڈنگ میں ظاہر ہونا شروع ہو سکتا ہے۔ مجموعی طور پر غیر ملکی ذخائر، اگست 2021 میں بین الاقوامی برادری سے آنے والی رقوم کی وجہ سے 27.1 بلین امریکی ڈالر کی بلند ترین سطح پر پہنچنے کے بعد، ستمبر 2021 کے آخر میں 26.0 بلین امریکی ڈالر کے قریب بند ہوئے۔ محصولات کی طرف، ایف بی آر کی ٹیکس وصولیاں مالی سال 22 کی پہلی سہ ماہی کے دوران 1.39 ٹریلین روپے درج کی گئیں جو کہ ہدف کو 15.4 فیصد سے آگے بڑھاتے ہوئے، درآمدات کی قیادت میں معیشت کی ترقی کی رفتار کو ظاہر کرتا ہے۔

بڑے پیمانے پر مینوفیکچرنگ نے اگست 2021 میں اعتدال پسندی سے پہلے جون 2021 میں مضبوط نمو کا مظاہرہ کیا، جو کہ عام موسمی نمونوں کے مطابق 2.2% تک اضافہ ہے۔ آٹوموبائلز، پی او ایل (پٹرولیم، آئل اور لبریکینٹس) کی فروخت، سینٹ کی فروخت اور بجلی کی پیداوار جیسے طلب کے اشارے مضبوط نمو کو ظاہر کرتے رہتے ہیں۔

زراعت میں، کپاس کے زیر کاشت رقبہ میں کمی کو چاول، مکئی اور گنے کے رقبے میں اضافے سے پورا کرنے کی امید ہے۔ ان رجحانات کی بنیاد پر، افغانستان میں ابھرتی ہوئی صورتحال کے حوالے سے زیادہ غیر یقینی صورتحال کے باوجود، مالی سال 2022 میں اب شرح نمو تقریباً 4 فیصد رہنے کی توقع ہے۔

آپریٹنگ نتائج

مالی سال 2022 کی پہلی سہ ماہی کے دوران، آپ کی کمپنی نے 5,293 ملین روپے کی فروخت حاصل کی جو کہ گزشتہ سال اسی سہ ماہی کے دوران 4,427 ملین روپے کی فروخت کے مقابلے میں 19.6 فیصد زیادہ ہے۔ اس اضافے کا سبب متبادل مارکیٹ میں بیٹریوں کی طلب میں ہونے والا اضافہ ہے۔


آپ کی کمپنی نے آپریشنز سے 261 ملین روپے کا منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کی سہ ماہی کے دوران 306 ملین روپے تھا۔ آپریشنز میں اضافے کا سبب فنانس لاگت 43 ملین روپے ہو گئی جو کہ 31 ملین روپے تھی۔


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT SEPTEMBER 30, 2021

		Un-audited September 30, 2021	Audited June 30, 2021
	Note	----- Rupees in '000 -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	3,975,514	3,952,397
Intangible assets		3,376	3,929
Investments		-	-
Long term loans		2,064	1,897
Long term deposits		20,338	20,388
		4,001,292	3,978,611
Current assets			
Stores, spares and loose tools		263,781	259,332
Stock-in-trade	6	4,282,356	3,912,393
Trade debts	7	1,843,407	1,092,145
Loans and advances		24,361	19,970
Deposits and prepayments	8	147,036	39,779
Investments		194,642	146,364
Accrued mark-up		-	302
Other receivables		2,538	2,983
Sales tax receivable - net		61,125	29,674
Taxation - net		295,863	209,017
Cash and bank balances		211,649	189,113
		7,326,758	5,901,072
Total assets		11,328,050	9,879,683
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (June 30, 2021: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital			
28,013,627 (June 30, 2021: 24,359,676) ordinary shares of Rs.10 each		280,136	243,597
Revenue reserves			
General reserve		5,037,500	5,037,500
Accumulated losses		(241,046)	(261,198)
		4,796,454	4,776,302
Capital reserve			
Surplus on revaluation of leasehold land		589,186	589,186
Total equity		5,665,776	5,609,085
Liabilities			
Non-current liabilities			
Lease liabilities		309,010	319,547
Long term borrowings		383,465	411,652
Deferred income - government grant		12,395	11,724
Staff retirement benefits		91,235	83,047
Deferred taxation		208,890	215,492
		1,004,995	1,041,462
Current liabilities			
Trade and other payables		1,939,249	1,692,228
Accrued mark-up		29,990	16,119
Current portion of lease liabilities		40,510	39,130
Current maturity of long term borrowings		308,252	308,252
Current portion of deferred income - government grant		10,720	13,623
Short term borrowings	9	2,236,525	1,083,666
Dividend payable		51,155	36,539
Unclaimed dividend		40,878	39,579
		4,657,279	3,229,136
Total liabilities		5,662,274	4,270,598
Contingencies and commitments	10		
Total equity and liabilities		11,328,050	9,879,683

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, 2021

	Note	Quarter ended	
		September 30,	September 30,
		2021	2020
		----- Rupees in '000 -----	
Sales		5,293,116	4,426,882
Cost of sales	11	(4,752,845)	(3,902,041)
Gross profit		540,271	524,841
Distribution cost		(172,773)	(145,510)
Administrative expenses		(71,772)	(60,062)
Other income		5,871	17,164
Other expenses		(41,066)	(30,130)
Profit from operations		260,531	306,303
Finance cost		(42,782)	(30,704)
Profit before taxation		217,749	275,599
Taxation		(63,619)	(53,950)
Profit after taxation		154,130	221,649
Other comprehensive income		-	-
Total comprehensive income		154,130	221,649
		----- Rupees -----	
Earnings per share - basic and diluted	12	5.50	Restated 7.91

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, 2021

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	Accumu- lated losses	Surplus on revaluation of leasehold land	
Balance as at July 1, 2020	243,597	5,037,500	(915,479)	589,186	4,954,804
Total comprehensive income for the quarter ended September 30, 2020					
Profit for the quarter	-	-	221,649	-	221,649
Other comprehensive income	-	-	-	-	-
	-	-	221,649	-	221,649
Balance as at September 30, 2020	243,597	5,037,500	(693,830)	589,186	5,176,453
Transaction with owners, recognized directly in equity					
Interim cash dividend for the year ended June 30, 2021 at the rate of Rs.10 per share	-	-	(243,597)	-	(243,597)
Total comprehensive income for the period ended June 30, 2021					
Profit for the period	-	-	674,325	-	674,325
Other comprehensive income	-	-	1,904	-	1,904
	-	-	676,229	-	676,229
Balance as at June 30, 2021	243,597	5,037,500	(261,198)	589,186	5,609,085
Transaction with owners, recognized directly in equity					
Final cash dividend for the year ended June 30, 2021 at the rate of Rs.4 per share	-	-	(97,439)	-	(97,439)
Bonus shares issued for the year ended June 30, 2021 in the ratio of 3 shares for every 20 shares held (i.e. 15%)	36,539	-	(36,539)	-	-
Total comprehensive income for the quarter ended September 30, 2021					
Profit for the quarter	-	-	154,130	-	154,130
Other comprehensive income	-	-	-	-	-
	-	-	154,130	-	154,130
Balance as at September 30, 2021	280,136	5,037,500	(241,046)	589,186	5,665,776

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, 2021

	Quarter ended	
	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	217,749	275,599
Adjustments for non-cash charges and other items:		
Depreciation	95,687	97,744
Amortization	553	-
Provision for gratuity	2,053	1,809
Provision for compensated leave absences	8,610	7,799
Gain on sale of investments at fair value through profit or loss	(2)	-
Mark-up income	(1)	(4,942)
Dividend income	(4)	(6,359)
Fair value gain on investments at fair value through profit or loss	(3,278)	(2,828)
Provision for doubtful debts	1,388	7,058
Finance cost	42,782	30,704
	365,537	406,584
Changes in working capital:		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(4,449)	(3,350)
- Stock-in-trade	(369,963)	325,078
- Trade debts	(752,650)	146,738
- Loans and advances	(4,391)	1,003
- Deposits and prepayments	(107,257)	(114,822)
- Other receivables	445	(5,652)
- Sales tax receivable - net	(31,451)	-
	(1,269,716)	348,995
Increase / (decrease) in current liabilities		
- Trade and other payables	249,300	155,043
- Sales tax payable - net	-	(102,506)
	249,300	52,537
	(1,020,416)	401,532
Cash (used in) / generated from operations	(654,879)	808,116
Finance cost paid	(16,712)	(32,929)
Mark-up income received	303	3,013
Income taxes (paid) / receipts [including tax deducted at source]	(157,067)	181,093
Gratuity paid	(4,254)	(160)
Compensated leave absences paid	(500)	(2,048)
Long term loans - net	(167)	530
Long term deposits - net	50	(1,959)
Net cash (used in) / generated from operating activities - carried forward	(833,226)	955,656

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2021

	Quarter ended	
	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----	
Net cash (used in) / generated from operating activities - brought forward	(833,226)	955,656
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(124,296)	(79,311)
Proceeds from sale of property, plant and equipment	5,492	9,827
Payments for investments	(45,431)	(505,408)
Proceeds from sale of investments	433	-
Dividend received	4	6,359
Net cash used in investing activities	(163,798)	(568,533)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease rentals paid	(21,356)	(20,381)
Long term borrowings obtained	21,688	-
Long term borrowings repaid	(52,107)	-
Short term borrowings - net	1,152,859	244,880
Dividend paid	(81,524)	-
Net cash generated from financing activities	1,019,560	224,499
Net increase in cash and cash equivalents	22,536	611,622
Cash and cash equivalents at beginning of the period	189,113	45,507
Cash and cash equivalents at end of the period	211,649	657,129

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, 2021

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, 2021.

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 provision 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 these 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, 2021.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2021. 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 these 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, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited September 30, 2021	Audited June 30, 2021
		----- Rupees in '000 -----	
Operating fixed assets	5.1	3,574,923	3,586,533
Capital work-in-progress	5.5	113,935	65,579
Right of use assets		286,656	300,285
		<u>3,975,514</u>	<u>3,952,397</u>

		Un-audited September 30, 2021	Audited June 30, 2021
	Note	----- Rupees in '000 -----	
5.1 Operating fixed assets			
Net book value at beginning of the period / year		3,586,533	3,691,097
Additions during the period / year	5.2	75,939	261,347
Disposals during the period / year	5.3	(5,490)	(21,802)
Depreciation charged during the period / year		(82,059)	(344,109)
Net book value at end of the period / year	5.4	<u>3,574,923</u>	<u>3,586,533</u>
5.2 Additions during the period / year (including transfer from capital work-in-progress)			
Buildings on leasehold land		-	28,586
Plant and machinery		47,518	133,399
Office equipment		2,289	3,251
Computers and accessories		2,551	4,312
Furniture and fixtures		1,531	2,998
Air conditioners		700	2,022
Vehicles		21,350	86,779
		<u>75,939</u>	<u>261,347</u>

		Un-audited		Audited	
		September 30, 2021		June 30, 2021	
		Cost	Net book value	Cost	Net book value
5.3 Disposals during the period / year:		----- Rupees in '000 -----			
Plant and machinery		-	-	11,191	3,058
Computers and accessories		-	-	416	-
Furniture and fixtures		-	-	144	94
Vehicles		11,057	5,490	37,612	18,650
		<u>11,057</u>	<u>5,490</u>	<u>49,363</u>	<u>21,802</u>
5.4 Plant and machinery includes dies and molds held by vendors as follows:					
Related parties		34,077	24,991	34,077	25,632
Others		113,701	54,404	113,701	55,798
		<u>147,778</u>	<u>79,395</u>	<u>147,778</u>	<u>81,430</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, 2021	Audited June 30, 2021
	Note	----- Rupees in '000 -----	
5.5 Capital work-in-progress			
Buildings on leasehold land		35,577	14,993
Plant and machinery		34,720	42,232
Furniture and fixtures		630	686
Air conditioners		258	258
Vehicles		38,076	2,736
Intangible asset		4,674	4,674
	5.6	<u>113,935</u>	<u>65,579</u>

5.6 Includes advance payments to related parties amounting to Rs.3,420 thousand (June 30, 2021: Rs.1,296 thousand) to Atlas Honda Limited and Rs.7,667 thousand (June 30, 2021: Rs. Nil) to Honda Atlas Cars (Pakistan) Limited, for purchase of vehicles, and Rs.3,213 thousand (June 30, 2021: Rs.3,213 thousand) to Integration Xperts (Private) Limited, for development of software.

6. STOCK-IN-TRADE	Note	Un-audited September 30, 2021	Audited June 30, 2021
		----- Rupees in '000 -----	
Raw materials and components:			
- in hand		2,398,292	2,389,029
- with third parties	6.1	30,769	39,613
		2,429,061	2,428,642
Work-in-process		1,003,486	917,455
Finished goods		804,863	375,120
Items in transit		44,946	191,176
		<u>4,282,356</u>	<u>3,912,393</u>

6.1 Includes raw materials amounting to Rs.1,282 thousand (June 30, 2021: Rs.834 thousand) held with Atlas Autos (Private) Limited, a related party for further processing into parts to be supplied to the Company.

6.2 Stock in trade and trade debts upto maximum amount of Rs.5,801,020 thousand (June 30, 2021: Rs.5,801,020 thousand) are under hypothecation of commercial banks as security for short term borrowings.

7. TRADE DEBTS - Unsecured	Un-audited September 30, 2021	Audited June 30, 2021
	----- Rupees in '000 -----	
Considered good		
Related parties	32,457	114,000
Others	1,810,950	978,145
	1,843,407	1,092,145
Considered doubtful		
Others	43,672	42,284
	1,887,079	1,134,429
Provision for expected credit loss	(43,672)	(42,284)
	<u>1,843,407</u>	<u>1,092,145</u>

8. DEPOSITS AND PREPAYMENTS

Includes prepayments of Rs.142,097 thousand (June 30, 2021: Rs.34,730 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

9. SHORT TERM BORROWINGS - Secured	Un-audited September 30, 2021	Audited June 30, 2021
	----- Rupees in '000 -----	
Running finances / musharakah	2,036,525	783,666
Demand Finance	200,000	300,000
	<u>2,236,525</u>	<u>1,083,666</u>

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no significant change in the status of the contingencies as disclosed in note 27.1 of the audited annual financial statements of the Company for the year ended June 30, 2021 except for the following:

10.1.1 With respect to the matters discussed in note 27.1.4, 27.1.6, 27.1.7, 27.1.10 and 27.1.11 of the audited annual financial statements, the Company has obtained stay from the Honourable High Court of Sindh against the recovery of the demand.

10.1.2 Assistant / Deputy Commissioner Inland Revenue (DCIR), Unit-4, Audit-1, Large Taxpayers' Office, Karachi conducted income tax audits for the tax years 2016, 2018, 2019 & 2020 and accordingly, passed orders dated July 29, 2021 u/s 122(1) of the Income Tax Ordinance, 2001 (the Ordinance) and created demand of Rs.2.597 billion, Rs.3.746 billion, Rs.2.963 billion and Rs.2.225 billion, respectively for the said tax years. The significant issues alleged in these orders are disallowance of lead purchases on account of alleged fake and flying sales tax invoices, difference in bank credit entries with audited accounts, add backs of additional discounts and disallowance of certain expenditures. The Company has filed appeals before Commissioner Inland Revenue (Appeals) [CIR(A)] on August 23, 2021 which is pending for hearing. The Company has obtained stay on September 09, 2021 from the Honourable High Court of Sindh against the recovery of aforesaid demand.

	Un-audited September 30, 2021 ----- Rupees in '000 -----	Audited June 30, 2021
10.2 Outstanding bank guarantees	129,360	119,360
10.3 Commitments		
In respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	378,374	415,229
- capital expenditure	60,953	66,737
	439,327	481,966
In respect of capital expenditure other than through letters of credit	34,953	32,685
	474,280	514,651

		----- Un-audited ----- Quarter ended September 30, 2021 ----- Rupees in '000 -----	September 30, 2020
11. COST OF SALES	Note		
Opening stock of finished goods		375,120	327,271
Cost of goods manufactured	11.1	5,137,011	3,709,884
Purchases during the period		45,577	136,660
		5,182,588	3,846,544
		5,557,708	4,173,815
Closing stock of finished goods		(804,863)	(271,774)
		4,752,845	3,902,041
11.1 Cost of goods manufactured			
Opening stock of work-in-process		917,455	751,225
Raw materials and components consumed		4,122,895	2,894,116
Factory overheads		1,100,147	842,694
		5,223,042	3,736,810
		6,140,497	4,488,035
Closing stock of work-in-process		(1,003,486)	(778,151)
		5,137,011	3,709,884

12. EARNINGS PER SHARE

Net profit for the quarter	<u>154,130</u>	<u>221,649</u>
	--- (Number of shares) ---	
		Restated
Weighted average ordinary shares in issue	<u>28,013,627</u>	<u>28,013,627</u>
	----- Rupees -----	
		Restated
Earnings per share	5.50	7.91

There is no dilutive effect on the earnings per share of the Company. Weighted average number of shares in issue and earnings per share for the quarter ended September 30, 2020 have been restated taking into effect the issue of bonus shares at the rate of 15% issued during the current period.

13.1 Significant transactions with related parties are as follows:

The Holding Company

Lease rental / service charges paid	72,771	70,665
Dividend paid	57,354	-
Bonus shares issued	21,508	-

Sale of:

- goods	299,914	231,033
- operating fixed assets	-	499

Purchases of:

- goods	141,992	29,728
- operating fixed assets	19,985	21,487
- consumables / services	4,686	2,018

Service charges / lease rental paid	2,275	2,068
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Reimbursement of expenses	687	-
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Insurance premium	75,697	81,260
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Insurance claims	878	260
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Purchase of units in mutual funds	432	505,408
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Sale of units in mutual funds	433	-
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Dividend received	4	6.359
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Dividends received		3,490
Dividend paid	3,490	-

Bonus shares issued	6,790	-
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Royalty and technical fee	56,389	46,060
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Donation paid	11,950	-
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Contribution to pension funds	4,423	3,691
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Other related parties

Contributions paid to:

- gratuity funds	4,255	-
- provident fund	1,412	1,336

Key Management Personnel		
- salaries and other short term employment benefits	25,278	23,980

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

	Un-audited September 30, 2021	Audited June 30, 2021
	----- Rupees in '000 -----	
Receivables from related parties		
Long term loans	333	583
Loans and advances	528	134
Deposits and prepayments	114,828	28,266
Other receivables	221	666
Payables to related parties		
Staff retirement benefits	24,561	21,598
Trade and other payables	354,557	267,592
Dividend payable	51,155	36,539

These are in the normal course of business.

14. FINANCIAL RISK MANAGEMENT

14.1 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).

These condensed interim financial statements do 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, 2021.

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

14.2 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				
Investments	194,642	-	-	194,642

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

15. 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, 2021, whereas, the condensed interim statement of profit or loss 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 quarter ended September 30, 2020. Corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation, the effect of which is not material.

16. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 28, 2021 by the Board of Directors of the Company.



Aamir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Rizwan Ahmed
Chief Financial Officer

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