



Half Yearly Report December 31,

2020

CONTENTS

Company Information	2
Chairman's Review (English)	4
Chairman's Review (Urdu)	7
Independent Auditor's Review Report to the Members on Review of Interim Financial Statements	8
Condensed Interim Statement of Financial Position	9
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Statement of Cash Flows	12
Notes to the Condensed Interim Financial Statements	14

COMPANY INFORMATION

Board of Directors

- Aamir H. Shirazi

Chairman
- Azam Faruque

Director
- Bashir Makki

Director
- Frahim Ali Khan

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
- Frahim Ali Khan

Member

Faiz Ullah Ghazi

Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

- Mehreen Amin

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
- Rizwan Ahmed

Chief Financial Officer
- Muhammad Asher Ahmad

General Manager Information Technology
- 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

U-STORE-3, Moaza Maraka, Multan Road,
Lahore

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.abl.atlas.pk

Email Address

abl@abl.atlas.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, 2020.

Macroeconomic Overview

The global economy is emerging from one of its deepest recessions and has started to demonstrate slow recovery after the crisis caused by COVID 19. Unlike other countries, Pakistan has shown great resilience and was fortunate enough to successfully elude severe effects of the pandemic. The domestic recovery has gradually gained traction, in line with expectations for growth of slightly above 2% in FY21. On the inflation front, recent out-turns have been on the higher side, due to increase in food prices. However, these supply-side pressures are likely to be temporary and average inflation is expected to fall below 8% for FY21. Revenue collection was recorded at Rs. 2.2 trillion during 6MFY21, slightly higher than the target set for the period.

The external position continued to strengthen as the country posted its first half-yearly current account (CA) surplus in more than five years. The cumulative surplus was recorded at USD 1.1 billion in December 2020 against last year's deficit of USD 2.0 billion. Exports registered an impressive growth of 5% in 6M FY21 with highest ever monthly figure of USD 2.4 billion in December 2020. However, this was still not sufficient to match the surge in imports which resulted in widening of trade deficit by 6.4%. The turnaround in CA balance, however, was supported by an upturn in remittances, which reached an all-time high level of USD 14.2 billion. This was primarily due to supportive policy measures, travel restrictions and increased use of formal channels. The progress on the external front helped Pak Rupee to appreciate by 4.7% against USD, since June 2020. This reinforced external buffers as State Bank of Pakistan's (SBP) foreign exchange reserves rose to USD 13.4 billion, highest since February 2018. Moreover, to support the emerging recovery, SBP has maintained the policy rate at 7% since June 2020. The overall positive momentum reflected in improved valuations at Pakistan Stock Exchange which continued its upward trajectory, and the 100-index closed at 43,755 points.

Pakistan's agriculture sector is targeted to grow by 2.8%. Apart from the cotton crop which partially suffered due to heavy monsoon rains, the sector's performance during the Kharif season was broadly encouraging. Estimates of sugarcane and rice production indicate a noteworthy improvement from last year. The upward revision in support prices and subsidies on fertilizer are likely to aid recovery and result in enhanced farm income. Consequently, demand for consumer durables is expected to remain upbeat in rural areas.

The Large-scale manufacturing (LSM), which constitutes 10.7% of the overall GDP, recorded growth of over 8.0% during 6M FY21 against last year's contraction of 6.0%. The uptick reflects a revival in economic activities across all sub-sectors especially automobile which posted massive growth of 19% in 6MFY2021. This recovery is being supported by stimulus provided by the Government and SBP's rounds of policy rate cuts together with other timely measures. However, on account of global supply chain disruptions owing to the second wave of COVID 19, raw material supply is becoming increasingly constrained and prices are on the rise putting pressure on profitability.

Operating Results

During second quarter of FY 2020-21, your Company achieved sales of Rs.4,275 million as compared to Rs.3,131 million in the same quarter of last year, up 36.5%. This increase was mainly due to strong demand of batteries in the replacement market.

Operating expenses stood at Rs.211 million as compared to Rs.174 million in the corresponding quarter of last year, up by Rs.37 million. Your Company achieved profit from operations of Rs.283 million as compared to Rs.44 million during corresponding quarter. Finance cost decreased to Rs.36 million from Rs.92 million.

Thus profit before tax for second quarter of FY 2020-21 stood at Rs.247 million as compared to loss of Rs.49 million in the corresponding quarter of last year. After providing Rs.58 million for taxation, the profit after tax of your Company stood at Rs.190 million as compared to loss of

Rs.98 million. Earning per share for the quarter was Rs.7.79 as compared to loss per share of Rs.4.04 for the same quarter of last year.

During first half of FY 2020-21, your Company achieved sales of Rs.8,702 million as compared to Rs.6,647 million in the same period of last year, up 30.9%. This increase was mainly due to strong demand of batteries in the replacement market.

Operating expenses stood at Rs.417 million, increased by Rs.55 million as compared to Rs.362 million in the corresponding period of last year. Your Company achieved profit from operations of Rs.589 million as compared to Rs.77 million during corresponding period. Finance cost decreased to Rs.66 million from Rs.138 million.

Thus profit before tax for first half of FY 2020-21 was Rs.523 million as compared to loss of Rs.60 million in the corresponding period of last year. After providing Rs.112 million for taxation, the profit after tax of your Company stood at Rs.411 million as compared to loss of Rs.155 million. Earning per share for the half year was Rs.16.89 as compared to loss per share of Rs.6.35 for the same period of last year.

Future Outlook

Being a vendor of automotive industry, your Company's product is largely dependent on the growth of the automotive industry. During July-December (FY 2020-21), sales of locally manufactured cars, trucks, buses and tractors increased by 22.2% to 103,666 units from 84,805 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) also witnessed increase of 18.9% to 950,871 units from 799,820 units during the corresponding period last year. Automotive industry is likely to witness growth momentum in second half of FY 2020-21 which bodes well for your Company's growth prospects.

The battery industry will continue to face another challenging year ahead as competition will remain tough. To maintain market share while ensuring margins intact in the wake of surging raw material prices will be a tough call.

The devaluation of Pak Rupee is still a challenge that will increase cost of doing business. 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. Curbing costs, maintaining high quality of product and services for improved market penetration will remain focus of your Company. The improvement in human resource capabilities and value addition for shareholders is also your Company's prime focus. 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":

اُمید و مومن ہے خدا کے راز دانوں میں

(Determination and faith are key to success)

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: February 20, 2021

مالی سال 2020-21 کی پہلی ششماہی کے دوران آپ کی کمپنی کی فروخت 8,702 ملین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 6,647 ملین روپے کے مقابلے میں 30.9 فیصد زیادہ ہے۔ اس اضافے کا بنیادی سبب متبادل مارکیٹ میں بیٹریوں کی طلب میں ہونے والا اضافہ ہے۔

آپریٹنگ اخراجات 55 ملین روپے کے اضافے کے ساتھ 417 ملین روپے پر موجود رہیں، جو کہ گزشتہ سال اسی مدت میں 362 ملین روپے تھے۔ آپ کی کمپنی نے آپریٹنگ سے پچھلے سال کے 77 ملین روپے کے مقابلے میں 589 ملین روپے کا منافع حاصل کیا۔ مالیاتی اخراجات 138 ملین روپے سے کم ہو کر 66 ملین روپے ہو گئے۔

مالی سال 2020-21 کی پہلی ششماہی میں قبل از ٹیکس منافع 523 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران نقصان 60 ملین روپے تھا۔ 112 ملین روپے کے ٹیکس محصولات کی ادائیگی کے بعد آپ کی کمپنی کا بعد از ٹیکس منافع 411 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران نقصان 155 ملین روپے تھا۔ اسی طرح ششماہی کے دوران آمدنی فی حصص 16.89 روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران فی حصص نقصان 6.35 روپے تھا۔

مستقبل کے خدوخال

آٹوموٹیو انڈسٹری میں بطور ویئر، آپ کی کمپنی کی مصنوعات آٹوموٹیو انڈسٹری کی ترقی پر انحصار کرتی ہے۔ مالی سال 2020-21 کے جولائی تا دسمبر کے دوران، مقامی سطح پر تیار کردہ کاروں، ٹرکوں، بسوں وغیرہ کی فروخت 22.2 فیصد اضافے کے بعد 103,666 یونٹ ہو گئی جو کہ گزشتہ سال اسی مدت کے دوران 84,805 یونٹ تھی۔ موٹر سائیکلوں اور تین پہیوں والی گاڑیاں (PAMA) سے رجسٹرڈ ایکسلر 18.9 فیصد اضافے کے بعد 950,871 یونٹس فروخت ہوئیں، جو کہ گزشتہ سال اسی مدت کے دوران 799,820 یونٹ فروخت ہوئی تھیں۔ آٹوموٹیو انڈسٹری میں سال 2020-21 کی دوسری ششماہی کے دوران ترقی متوقع ہے جس سے آپ کی کمپنی کے لیے ترقی کے روشن امکانات موجود ہیں۔

چونکہ مسابقتی رجحان جاری ہے لہذا، بیٹری کی صنعت کو ایک اور مزید مشکل سال کا سامنا کرنا پڑے گا۔ خام مال کی بڑھتی ہوئی قیمتوں کے تناظر میں منافع کی شرح کو برقرار رکھنے کو یقینی بناتے ہوئے مارکیٹ میں شیئر کو مستحکم رکھنا نہایت دشوار ہوگا۔

پاکستانی روپے کی قدر میں کمی تاحال ایک مشکل چیلنج ہے جو کاروبار کرنے کی لاگت میں متواتر اضافے کا سبب بنے گی۔ آپ کی کمپنی نے کاروباری مستعدی بڑھانے کے لیے HSE 5S، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈویلپمنٹ پر خاطر خواہ سرمایہ کاری کی ہے۔ اس سے ناصرف مارکیٹ میں معیار کے لحاظ سے جدید مصنوعات کی ضروریات کو پورا کرنے میں معاونت ملے گی بلکہ تکنیکی ترقی کے لیے بھی راہ ہموار ہوگی۔ آپ کی کمپنی کی توجہ کا مرکز لاگت میں کمی اور مزید نی مارکیٹ میں رسائی حاصل کرتے ہوئے مصنوعات اور خدمات کے اعلیٰ ترین معیار کو برقرار رکھنا رہے گا۔ وسائل کی صلاحیتوں میں اضافہ، اور حصص داران کے لیے ویلویو ایڈیشن، ہمیشہ کی طرح ہماری توجہ کا مرکز رہیں گے۔ مجھے یقین ہے کہ آپ کی کمپنی "The Atlas Way" کے سہرے اصولوں پر کاربند رہتے ہوئے پیداوار اور کارکردگی پر توجہ مرکوز رکھے گی اور صارفین کی توقعات پر پورا اترتے ہوئے انہیں سب سے بہترین کوالٹی پروڈکٹس پیش کرے گی۔

— امید مرموسن ہے خدا کے راز دانوں میں

(Determination and faith are key to success)

اعمال و تہذیب

میں اس موقع پر اپنے جوائنٹ ونچر پارٹنر GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بینکار، فروخت کار (ویئرڈر) 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 شیخ شیرازی اور انتظامیہ کے تمام اراکین کا دلجمعی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔



علی شیخ شیرازی

پریزیڈنٹ/چیف ایگزیکٹو



عامر علی شیخ شیرازی

چیئر مین

کراچی: 20 فروری 2021

چیمبر مین کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2020 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

مالیکہ واٹاٹا کا جائزہ

COVID-19 کے سبب پیدا ہونے والے بحران کے بعد عالمی معیشت آہستہ آہستہ کساد بازاری سے بحالی کی جانب جا رہی ہے۔ دیگر ممالک کے برعکس، پاکستان کی خوش قسمتی ہے کہ یہاں سے وبائی مرض کے شدید اثرات نہایت کامیابی سے خارج ہو گئے ہیں۔ مقامی سطح پر معاشی بحالی نے تیزی کارخانہ کھولا ہے، اور توقع ہے کہ مالی سال 2021 میں ترقی کی شرح 2 فیصد سے زیادہ رہے گی۔ افراط زر کے محاذ پر حالیہ نتائج اشیائے خورد و نوش کی قیمتوں میں اضافے کے سبب بلندی کی جانب گامزن ہیں۔ تاہم، امکان ہے کہ سپلائی سائبرڈ پر یہ داؤ عارضی ہوگا اور مالی سال 2021 کے لیے اوسط افراط زر 8 فیصد سے کم ہو جائے گی۔ مالی سال 2021 کے چھ ماہ میں محصولات کی وصولی 2.2 ٹریلین روپے رہی، جو اس مدت کے طے شدہ ہدف سے زیادہ ہے۔

ملک کی بیرونی پوریشن مستحکم ہوتی جا رہی ہے اور گزشتہ پانچ سالوں سے زیادہ عرصے کے مقابلے میں اس ششماہی کے دوران کرنٹ اکاؤنٹ سرپلس پہلی بار دیکھنے میں آیا ہے۔ دسمبر 2020 میں مجموعی سرپلس 1.1 بلین ڈالر رہا جو کہ گزشتہ سال کی اسی مدت میں مجموعی خسارہ 2.0 بلین ڈالر تھا۔ مالی سال 2021 کے 6 ماہ کے دوران برآمدات میں 5 فیصد کی متاثر کن ترقی ریکارڈ کی گئی، صرف دسمبر کے مہینے میں 2.4 بلین ڈالر کی برآمدات کی گئیں جو کہ تاریخ کی بلند ترین سطح ہے۔ تاہم، برآمدات میں ہونے والا اضافہ بھی بڑھتی ہوئی درآمدات کے فرق کو پورا نہیں کر سکا، جس کے نتیجے میں تجارتی خسارہ 6.4 فیصد سے بڑھ گیا ہے۔ اس تجارتی خسارے کے توازن کو ترسیلات زر میں ہونے والے اضافے نے پورا کیا، جو کہ ایک تک کی سب سے بلند سطح 14.2 بلین روپے کی سطح پر پہنچ گئیں۔ اس کی بنیادی وجہ سپورٹ میا کرنے والے پالیسی اقدامات، سفری پابندیاں اور باضابطہ تجارت کے استعمال میں اضافہ ہے۔ بیرونی محاذ پر ہونے والی پیش رفت سے پاکستانی روپے کو جون 2020 کے بعد سے امریکی ڈالر کے مقابلے میں 4.7 فیصد کی قدر میں اضافے میں معاونت ملی۔ اس سے بیرونی بفرز کو بھی تقویت ملی کیونکہ اس سے اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر میں فروی 2018 کے بعد سے 13.4 بلین ڈالر کا اضافہ ہوا۔ مزید یہ کہ ابھرتی ہوئی معاشی بحالی کو سپورٹ کرتے ہوئے اسٹیٹ بینک آف پاکستان نے جون 2020 کے بعد سے پالیسی ریٹ کو 7 فیصد پر برقرار رکھا ہے۔ مجموعی طور پر جاری مثبت رجحان پاکستان اسٹاک ایکسچینج میں بہتر ویلیویشن سے بھی ظاہر ہوتا ہے جہاں ترقی کا سفر اوپر کی جانب گامزن ہے اور 100 انڈیکس 75،543 پر بند ہوا۔

پاکستان کے زرعی شعبے میں ترقی کا ہدف 2.8 فیصد رکھا گیا ہے۔ اگرچہ مون سون کی شدید بارشوں کے سبب کپاس کی فصل کو جزوی طور پر نقصان اٹھانا پڑا لیکن خریف سیزن کے دوران اس شعبے کی کارکردگی مجموعی طور پر حوصلہ افزاء رہی تھی۔ گنے اور چاول کی پیداوار کا تخمینہ گزشتہ سال کے مقابلے میں بہتری کی نشاندہی کر رہا ہے۔ سپورٹ قیمتوں میں اوپر کی جانب نظر ثانی اور فریٹ لائزر پرسسڈ کی کاشتکاروں کی آمدنی میں اضافے کا باعث بنیں گی۔ جس کے نتیجے میں دیہی علاقوں کے اندر صارفین کی اشیائے استعمال کی طلب میں اضافہ متوقع ہے۔

بڑے پیمانے پر مینوفیکچرنگ جو کہ مجموعی طور پر شرح نمو کا 10.76 فیصد ہے، اس میں گزشتہ سال واقع ہونے والی 6 فیصد کمی کے مقابلے میں مالی سال 2021 کے چھ ماہ میں 8.0 فیصد ترقی ریکارڈ کی گئی۔ ترقی کی رفتار میں اضافے سے تمام معاشی سرگرمیوں بشمول آٹوموبائل سیکٹر میں معاشی سرگرمیاں تیزی سے بحال ہونے لگیں اور مالی سال 2021 کے چھ ماہ میں 19 فیصد نشاندہ ترقی ریکارڈ کی گئی۔ ترقی کی بحالی کو حکومتی اقدامات اور اسٹیٹ بینک آف پاکستان کے پالیسی ریش کے متعدد راولڈز اور بروقت اقدامات نے بھرپور سپورٹ میا کی۔ تاہم COVID-19 کی دوسری لہر کے سبب عالمی سطح پر سپلائی چین میں رکاوٹوں کا سامنا رہا، جس سے خام مال کی سپلائی میں مشکلات پیش آئیں اور قیمتوں میں اضافے سے منافع کے حصول پر بے پناہ دباؤ رہا۔

آپریٹنگ نتائج

مالی سال 2020-21 کی دوسری سہ ماہی کے دوران، آپ کی کمپنی نے 4,275 ملین روپے کی فروخت حاصل کی جو کہ گزشتہ سال اسی سہ ماہی کے دوران 3,131 ملین روپے کی فروخت کے مقابلے میں 36.5 فیصد زیادہ ہے۔ اس اضافے کا سبب متبادل مارکیٹ میں بیٹریوں کی طلب میں ہونے والا اضافہ ہے۔

آپریٹنگ اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں 37 ملین روپے اضافے کے ساتھ 174 ملین روپے سے بڑھ کر 211 ملین روپے ہو گئے۔ آپ کی کمپنی نے آپریٹنگ سے 283 ملین روپے کا منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کی سہ ماہی کے دوران 44 ملین روپے تھا۔ فنانس لاگت 92 ملین روپے سے کم ہو کر 36 ملین روپے ہو گئی۔

مالی سال 2020-21 کی دوسری سہ ماہی کے لیے قبل از ٹیکس منافع 247 ملین روپے رہا جبکہ گزشتہ سال اسی سہ ماہی کے دوران نقصان 49 ملین روپے تھا۔ ٹیکس کی مد میں 58 ملین روپے فراہم کرنے کے بعد، آپ کی کمپنی کا ٹیکس کے بعد منافع 190 ملین روپے ہو گیا جو کہ گزشتہ سال اس مدت کے دوران 98 ملین روپے کا نقصان تھا۔ اس سہ ماہی کے لیے فی حصص آمدنی 7.79 روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران فی حصص نقصان 4.04 روپے تھا۔

Independent Auditor's Review Report to the Members of Atlas Battery Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Atlas Battery Limited as at December 31, 2020 and the related 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, and notes to the financial statements 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 statement of profit or loss and other comprehensive income for the quarters ended December 31, 2020 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2020.

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 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
Karachi: February 20, 2021


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT DECEMBER 31, 2020

	Note	Un-audited December 31, 2020 ----- (Rupees in '000) -----	Audited June 30, 2020
ASSETS			
Non current assets			
Property, plant and equipment	5	4,040,698	4,139,386
Investments		-	-
Long term loans		1,089	2,049
Long term deposits		19,683	18,683
		<u>4,061,470</u>	<u>4,160,118</u>
Current assets			
Stores, spares and loose tools		232,736	215,326
Stock-in-trade	6	2,800,720	1,999,313
Trade debts	7	847,876	692,998
Loans and advances		12,585	8,647
Deposits and prepayments	8	88,009	9,861
Investments		142,892	138,268
Accrued mark-up		39	-
Other receivables		7,845	2,446
Sales tax receivable - net		3,525	-
Taxation - net		332,428	567,622
Bank balances		133,495	45,507
		<u>4,602,150</u>	<u>3,679,988</u>
Total assets		<u><u>8,663,620</u></u>	<u><u>7,840,106</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (June 30, 2020: 50,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital			
24,359,676 (June 30, 2020: 24,359,676) ordinary shares of Rs.10 each		<u>243,597</u>	<u>243,597</u>
Revenue Reserves			
General reserves		<u>5,037,500</u>	<u>5,037,500</u>
Accumulated losses		<u>(504,132)</u>	<u>(915,479)</u>
		<u>4,533,368</u>	<u>4,122,021</u>
Capital Reserve			
Surplus on revaluation of leasehold land		<u>589,186</u>	<u>589,186</u>
Total Equity		<u>5,366,151</u>	<u>4,954,804</u>
Liabilities			
Non current liabilities			
Lease liabilities		<u>340,023</u>	<u>358,677</u>
Long term borrowings	9	<u>535,371</u>	<u>551,405</u>
Deferred income - government grant		<u>4,887</u>	<u>6,181</u>
Staff retirement benefits		<u>79,273</u>	<u>69,515</u>
Deferred taxation		<u>213,050</u>	<u>237,131</u>
		<u>1,172,604</u>	<u>1,222,909</u>
Current liabilities			
Trade and other payables		<u>1,235,892</u>	<u>1,195,743</u>
Sales tax payable - net		<u>-</u>	<u>175,968</u>
Accrued mark-up		<u>13,549</u>	<u>34,891</u>
Current portion of lease liabilities		<u>34,355</u>	<u>30,151</u>
Current maturity of long term borrowings	9	<u>308,252</u>	<u>106,506</u>
Current portion of deferred income - government grant		<u>18,002</u>	<u>11,931</u>
Short term borrowings	10	<u>478,919</u>	<u>71,297</u>
Unclaimed dividend		<u>35,896</u>	<u>35,906</u>
		<u>2,124,865</u>	<u>1,662,393</u>
Total liabilities		<u>3,297,469</u>	<u>2,885,302</u>
Contingencies and commitments	11		
Total equity and liabilities		<u><u>8,663,620</u></u>	<u><u>7,840,106</u></u>

The annexed notes 1 to 17 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 HALF YEAR ENDED DECEMBER 31, 2020

	Note	Quarter ended		Half Year ended	
		December 31,		December 31,	
		2020	2019	2020	2019
		----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Sales - net		4,275,078	3,131,270	8,701,960	6,647,059
Cost of sales	12	(3,781,043)	(2,918,338)	(7,683,084)	(6,214,868)
Gross profit		494,035	212,932	1,018,876	432,191
Distribution cost		(154,345)	(134,132)	(299,855)	(276,141)
Administrative expenses		(56,873)	(40,222)	(116,935)	(85,864)
Other income		15,812	7,417	32,976	13,834
Other expenses		(15,474)	(2,469)	(45,604)	(6,721)
Profit from operations		283,155	43,526	589,458	77,299
Finance cost		(35,669)	(92,324)	(66,373)	(137,691)
Profit / (loss) before taxation		247,486	(48,798)	523,085	(60,392)
Taxation		(57,788)	(49,572)	(111,738)	(94,359)
Profit / (loss) after taxation		189,698	(98,370)	411,347	(154,751)
Other comprehensive income		-	-	-	-
Total comprehensive income / (loss)		189,698	(98,370)	411,347	(154,751)
 ----- (Rupees) -----					
Earnings / (loss) per share					
- basic and diluted	13	7.79	(4.04)	16.89	(6.35)

The annexed notes 1 to 17 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 HALF YEAR ENDED DECEMBER 31, 2020

	Issued, subscribed and paid-up capital	Revenue Reserves	Capital Reserve	
		General reserves	Unappropriated profit / (accumulated losses)	Surplus on revaluation of leasehold land
			(Rupees in '000)	
Balance as at July 1, 2019	243,597	5,037,500	(589,274)	589,186
				5,281,009

Total comprehensive loss for the
half year ended December 31, 2019

Loss for the period	-	-	(154,751)	-	(154,751)
Other comprehensive income	-	-	-	-	-
	-	-	(154,751)	-	(154,751)

Balance as at December 31, 2019	243,597	5,037,500	(744,025)	589,186	5,126,258
---------------------------------	---------	-----------	-----------	---------	-----------

Total comprehensive loss for six
months period ended June 30, 2020

Loss for the period	-	-	(172,348)	-	(172,348)
Other comprehensive income	-	-	894	-	894
	-	-	(171,454)	-	(171,454)

Balance as at June 30, 2020	243,597	5,037,500	(915,479)	589,186	4,954,804
-----------------------------	---------	-----------	-----------	---------	-----------


Total comprehensive income for the
half year ended December 31, 2020


Profit for the period	-	-	411,347	-	411,347
Other comprehensive income	-	-	-	-	-
	-	-	411,347	-	411,347

Balance as at December 31, 2020	243,597	5,037,500	(504,132)	589,186	5,366,151
---------------------------------	---------	-----------	-----------	---------	-----------

The annexed notes 1 to 17 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 HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,	
	2020	2019
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	523,085	(60,392)
Adjustments for non-cash charges and other items:		
Depreciation	195,966	151,275
Amortisation	-	87
Provision for gratuity	3,618	3,604
Provision for compensated leave absences	13,457	2,704
Gain on sale of investments at fair value through profit or loss	(1,713)	(10)
Mark-up income	(8,878)	-
Dividend income	(11,648)	(18)
Fair value gain on investments at fair value through profit or loss	(4,624)	(7,960)
Gain on sale of operating fixed assets	(724)	(62)
Provision for doubtful debts	4,151	5,300
Finance cost	66,373	137,691
	779,063	232,219
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(17,410)	11,224
Stock-in-trade	(801,407)	(913,063)
Trade debts	(159,029)	(663,148)
Loans and advances	(3,938)	(4,076)
Deposits and prepayments	(78,148)	(45,344)
Other receivables	(5,399)	1,991
Sales tax receivable - net	(179,493)	(125,465)
	(1,244,824)	(1,737,881)
Increase in current liabilities		
Trade and other payables	42,247	143,382
	(1,202,577)	(1,594,499)
Cash used in operations	(423,514)	(1,362,280)
Finance cost paid	(61,388)	(91,729)
Mark-up income received	8,839	-
Income taxes received / (paid) - net	99,375	(75,252)
Gratuity paid	(5,766)	(9,005)
Compensated leave absences paid	(3,649)	(2,785)
Long term loans - net	960	(427)
Long term deposits - net	(1,000)	-
	37,371	(179,198)
Net cash used in operating activities - carried forward	(386,143)	(1,541,478)


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


FOR THE HALF YEAR ENDED DECEMBER 31, 2020

	Half year ended December 31,	
	2020	2019
	----- (Rupees in '000) -----	
Net cash used in operating activities - brought forward	(386,143)	(1,541,478)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(113,280)	(111,826)
Proceeds from sale of property, plant and equipment	16,726	5,935
Payment for investments	(509,904)	(15)
Proceeds from sale of investments	511,617	2,103
Dividend received	11,648	18
Net cash used in investing activities	(83,193)	(103,785)
CASH FLOWS FROM FINANCING ACTIVITIES		
Lease liabilities paid	(40,777)	(4,694)
Long term loan borrowings - obtained	185,712	500,000
Government grant - net	4,777	-
Short term borrowings - net	407,622	1,030,802
Dividend paid	(10)	(1,938)
Net cash generated from financing activities	557,324	1,524,170
Net increase / (decrease) in cash and cash equivalents	87,988	(121,093)
Cash and cash equivalents - at beginning of the period	45,507	423,649
Cash and cash equivalents - at end of the period	133,495	302,556

The annexed notes 1 to 17 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 STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2020

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, Sukkur and Rahim Yar Khan. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% (June 30, 2020: 58.86%) of issued, subscribed and paid-up capital of the Company as at December 31, 2020.

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 issues 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, 2020.

3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and the 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 for the year ended June 30, 2020.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2020. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these 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, 2020.

	Note	Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	3,597,600	3,691,097
Right of use assets	5.5	327,542	354,800
Capital work-in-progress	5.6	115,556	93,489
		<u>4,040,698</u>	<u>4,139,386</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		3,691,097	3,352,171
Additions during the period / year	5.2	91,213	687,183
Disposals costing Rs.31,477 thousand (June 30, 2020: Rs.85,073 thousand)			
- at net book value	5.3	(16,002)	(35,698)
Depreciation charged during the period / year		(168,708)	(312,559)
Net book value at end of the period / year	5.4	<u>3,597,600</u>	<u>3,691,097</u>
5.2 Revaluation / additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on leasehold land		3,025	489,318
Plant and machinery		29,324	138,061
Office equipment		372	112
Computers and accessories		2,187	10,534
Furniture and fixtures		-	3,918
Air conditioners		356	1,849
Vehicles		55,949	43,391
		<u>91,213</u>	<u>687,183</u>
5.3 Disposals during the period / year:			
Plant and machinery		-	20,567
Computers and accessories		-	1,037
Furniture and Fixtures		94	-
Air conditioners		-	14
Vehicles		15,908	14,080
		<u>16,002</u>	<u>35,698</u>
5.4 Plant and machinery includes dies and moulds:			
- Atlas Autos (Private) Limited, a related party [aggregate cost Rs.34,077 thousand (June 30, 2020: Rs.32,552 thousand)]		27,056	26,967
- Atlas Metals (Private) Limited, a related party [aggregate cost Nil (June 30, 2020: Rs.1,525 thousand)]		-	1,512
- Others [aggregate cost Rs.108,402 thousand (June 30, 2020: Rs.108,402 thousand)]		53,492	56,308
		<u>80,548</u>	<u>84,787</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.

	Note	Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
5.5 Right of use assets			
Net book value at beginning of the period / year		354,800	
Amount recognised on initial application		-	409,315
Depreciation charged during the period / year		(27,258)	(54,515)
Net book value at end of the period / year		<u>327,542</u>	<u>354,800</u>
5.6 Capital work-in-progress			
Buildings on leasehold land		14,734	6,038
Plant and machinery		86,873	81,471
Computers and accessories		-	3,559
Vehicles		8,982	121
Intangible assets		4,967	2,300
	5.7	<u>115,556</u>	<u>93,489</u>

5.7 Includes Rs.1,795 thousand (June 30, 2020: Rs.121 thousand) advance payment made to Atlas Honda Limited, a related party, for purchase of vehicles.

6. STOCK-IN-TRADE

	Note	Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
Raw materials and components:			
- in hand		1,411,592	898,221
- with third parties	6.1	27,590	22,470
		<u>1,439,182</u>	<u>920,691</u>
Work-in-process		789,502	751,225
Finished goods		480,322	327,271
Items in transit		91,714	126
		<u>2,800,720</u>	<u>1,999,313</u>

6.1 Includes raw materials amounting to Rs.3,196 thousand (June 30, 2020: Rs.2,667 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 up to maximum amount of Rs.5,801,020 thousand (June 30, 2020: Rs.5,801,020 thousand) are under hypothecation of commercial banks as security for short term borrowings.

7. TRADE DEBTS - Unsecured

		Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
Consider good			
Associated Companies		100,277	68,763
Others		747,599	624,235
		<u>847,876</u>	<u>692,998</u>
Consider doubtful			
Others		47,958	43,807
		<u>895,834</u>	<u>736,805</u>
Provision for doubtful debts		(47,958)	(43,807)
		<u>847,876</u>	<u>692,998</u>

8. DEPOSITS AND PREPAYMENTS

Include prepayments of Rs.82,557 thousand (June 30, 2020: Rs.6,433 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

9. LONG TERM BORROWINGS

	Note	Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
Term loan	9.1	500,000	500,000
Loan under refinance scheme for payment of wages and salaries	9.2	366,512	176,023
Adjustment pertaining to fair value of loan at below market interest rate		(22,889)	(18,112)
		843,623	657,911
Current maturity		(308,252)	(106,506)
		535,371	551,405

9.1 This represents term loan amounting to Rs.500,000 thousand from Allied Bank Limited for the purpose of balance sheet re-profiling. The loan carries mark-up at the rate of 6 months KIBOR plus 0.6% and is secured against first pari passu hypothecation charge on plant & machinery with 25% margin. The term of this loan is five years from the date of disbursement (November 27, 2019) and is repayable in 8 equal bi-annual installments with a grace period of one year.

9.2 This represents long term loan received from Habib Bank Limited under 'Refinance Scheme for payment of Wages and Salaries to the Workers and Employees of Business Concerns' (the Scheme) introduced by State Bank of Pakistan. The facility is secured against first pari passu hypothecation charge over all present and future plant, machinery and equipment with 25% margin limited to Rs.513,000 thousands (June 30, 2020: Rs.248,000 thousands). Mark-up is chargeable at 1.0% per annum and to be paid quarterly. The principal is repayable in eight quarterly installments starting from January 2021.

10. SHORT TERM BORROWING - Secured

	Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
Running finances / musharakah	478,919	61,906
Murabaha / musawammah	-	9,391
	478,919	71,297

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 Except for the note 11.1.2, there is no significant change in 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, 2020.

11.1.2 With reference to the note 27.1.5 to the audited annual financial statements of the Company for the year ended June 30, 2020, the Appellate Tribunal, PRA, Lahore has upheld the order of the Commissioner (Appeal), PRA, Lahore ("Commissioner") on November 23, 2020. However, while passing the order the Appellate Tribunal made an inadvertent error that the Company had not provided any proof of payments of withholding tax on services made to Federal Board of Revenue (FBR) and / or Sindh Revenue Board (SRB). In contrary, this fact was already noted in Commissioner's order that the Company has already paid its withholding tax on services to FBR and / or SRB. The Company has filed a rectification application before the Appellate Tribunal on January 15, 2021 for said correction in its order. The Company has also filed a petition in Honourable Lahore High Court on January 20, 2021 for grant of stay from coercive actions and to declare the order of Tribunal illegal and unlawful.

	Un-audited December 31, 2020 ---- (Rupees in '000) ----	Audited June 30, 2020
11.2 Outstanding bank guarantees	119,360	115,711
11.3 Commitments		
In respect of confirmed letters of credit relating to:		
- raw materials, stores, spares and loose tools	275,811	155,994
- capital expenditure	25,750	14,086
In respect of capital expenditure other than through letters of credit	23,633	35,582
	325,194	205,662

12. COST OF SALES

		----- Un-audited -----			
	Note	Quarter ended December 31,		Half year ended December 31,	
		2020	2019	2020	2019
		----- (Rupees in '000) -----			
Opening stock of finished goods		271,774	425,302	327,271	474,704
Cost of goods manufactured	12.1	3,857,858	2,974,402	7,567,742	6,118,367
Purchases during the period		131,733	92,242	268,393	195,405
		4,261,365	3,491,946	8,163,406	6,788,476
Closing stock of finished goods		(480,322)	(573,608)	(480,322)	(573,608)
		3,781,043	2,918,338	7,683,084	6,214,868

12.1 Cost of goods manufactured

Opening work-in-process	778,151	708,811	751,225	695,094
Raw materials and components consumed	2,991,391	2,273,899	5,885,507	4,695,446
Factory overheads	877,818	714,852	1,720,512	1,450,987
	3,869,209	2,988,751	7,606,019	6,146,433
	4,647,360	3,697,562	8,357,244	6,841,527
Closing work-in-process	(789,502)	(723,160)	(789,502)	(723,160)
	3,857,858	2,974,402	7,567,742	6,118,367

13. EARNINGS / (LOSS) PER SHARE

- basic and diluted

13.1 Basic earnings / (loss) per share

	----- Un-audited -----			
	Quarter ended December 31,		Half year ended December 31,	
	2020	2019	2020	2019
	----- (Rupees in '000) -----			
Net profit / (loss) for the period	189,698	(98,370)	411,347	(154,751)
	----- (Number of shares) -----			
Weighted average number of ordinary shares in issue during the period	24,359,676	24,359,676	24,359,676	24,359,676
	----- (Rupees) -----			
Basic earnings / (loss) per share	7.79	(4.04)	16.89	(6.35)

- 13.2** A diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2020 and December 31, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

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 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, 2020.

There have been no changes 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:

- 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
Assets - Recurring fair value measurement	----- Rupees in '000 -----			
Financial assets at fair value through profit or loss				
Short term investments	142,892	-	-	142,892

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

15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

	----- Un-audited ----- December 31, 2020 2019 ---- (Rupees in '000) ----	
Holding Company		
Rent / service charges paid	78,798	59,905

	----- Un-audited ----- December 31, 2020 2019 ---- (Rupees in '000) ----	
Associated Companies		
Sales of:		
- goods	499,425	361,578
- operating fixed assets	622	2,512
Purchases of:		
- goods and services	97,794	115,008
- operating fixed assets	26,274	2,321
Rent / service charges paid	2,068	7,278
Reimbursement of expenses	1,807	3,048
Expenses charged	727	766
Insurance premium	115,302	60,488
Insurance claims	8,194	7,552
Purchase of units in mutual funds	509,904	15
Sale of units in mutual funds	511,617	2,103
Dividend received	11,648	18
Royalty and technical fee	90,437	69,579
Contribution to pension funds	7,353	6,620
Other related parties		
Contribution paid to:		
- gratuity fund	5,606	9,005
- provident fund	2,658	2,835
Key Management Personnel		
- salaries and other short term employment benefits	49,097	33,332
- sale of operating fixed asset	-	44

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

	Un-audited December 31, 2020	Audited June 30, 2020
	---- (Rupees in '000) ----	
Receivables from related parties		
Long term loans	1,083	1,583
Deposits and prepayments	68,340	-
Other receivables	5,528	129
Payables to related parties		
Staff retirement benefits	21,501	16,682
Trade and other payables	132,950	138,456

These are in the normal course of business.


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, 2020, 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 period ended December 31, 2019. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements was authorized for issue on February 20, 2021 by the Board of Directors of the Company.


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@abl.atlas.pk
Website: www.abl.atlas.pk