



Quarterly Report March 31,

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  
Chairman

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

Rizwan Ahmed  
Chief Financial Officer

Muhammad Asher Ahmed  
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](http://www.abl.atlas.pk)

## Email Address

[abl@abl.atlas.pk](mailto:abl@abl.atlas.pk)

# CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the nine months ended March 31, 2021.

## Macroeconomic Overview

The global economy is emerging from one of its deepest recessions and has started to demonstrate modest recovery after the economic crisis caused by COVID-19. Despite recent momentum, risks remain due to the emergence of a third more virulent wave of the virus in Pakistan just as the vaccine roll-out has begun. Inflationary pressures are real and likely to pose a challenge to purchasing power of consumers. The recent increase in electricity tariffs, sugar and wheat are of particular concern. These increases will continue to manifest and keep average inflation on the higher end. The recently negotiated IMF (Extended Fund Facility) tranche of USD 500 million is likely to trigger a fresh wave of taxes, moderate hike in interest rates and a steady state of devaluation. In addition, higher international commodity prices, including both food and oil could continue to feed into domestic inflation.

The external position continued to strengthen as the country posted current account (CA) surplus of USD 0.9 billion (0.5% of GDP) for 8M FY-21 as compared to deficit of USD 2.7 billion (1.5% of GDP), on the back of record remittances, relatively subdued domestic demand and a nascent recovery in exports. During Jul-Feb (FY-21), exports reached to USD 16.1 billion as compared to USD 16.4 billion in the same period of last year, down by 2.3%. Imports reached to USD 32.1 billion this year against USD 29.6 billion last year, up 8.6%. Exports are expected to increase following export-oriented government policies, while imports are also expected to increase further on the back of recovery of the domestic economy, recent increases in international commodity prices and imports of food items to stabilize domestic food markets. Thus, the trade imbalance is expected to slightly deteriorate but expected strong inflows of remittances will be able to cover the trade deficit. The current account deficit in FY-21 is still expected to remain below 1% of GDP thanks to strong prospects for remittances – which have remained above USD 2 billion per month for the last 9 months – and the on-going pickup in exports, especially high value-added textiles.

Pakistan's agriculture sector is targeted to grow by 2.7%. All major Kharif crops except cotton have surpassed production levels in FY-20. Targets for FY-21 and indicators of inputs such as tractor sales, fertilizer usage, water availability and weather suggest strong production and liquidity prospects, especially for wheat.

The large-scale manufacturing (LSM) recorded growth of 7.9% during 7M FY-21 against corresponding period's contraction of 3.2%. A wide range of other high-frequency indicators signal robust growth, including sales of fast-moving consumer goods, automobiles, cement, POL and electricity. 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 third wave of COVID-19, raw material supply is becoming increasingly constrained and prices are on the rise putting pressure on profitability.

## Operating Results

During third quarter of FY-21, your Company achieved sales of Rs.5,424 million as compared to Rs.3,127 million in the same quarter of last year, up 73.4%. This increase was mainly due to strong demand of batteries in the replacement market.

Operating expenses stood at Rs.233 million as compared to Rs.174 million in the corresponding quarter of last year, up by Rs.59 million. Your Company achieved profit from operations of Rs.422 million as compared to Rs.179 million during corresponding quarter. Finance cost decreased to Rs.33 million from Rs.107 million.

Thus profit before tax for third quarter of FY-21 stood at Rs.389 million as compared to Rs.72 million in the corresponding quarter of last year. After providing Rs.131 million for taxation, the profit after tax of your Company stood at Rs.257 million as compared to Rs.22 million. Earnings per share for the quarter was Rs.10.57 as compared to Rs.0.91 for the same quarter of last year.

During nine months of FY-21, your Company achieved sales of Rs.14,126 million as compared to Rs.9,775 million in the same period of last year, up 44.5%. This increase was mainly due to strong demand of batteries in the replacement market.

Operating expenses stood at Rs.649 million, increased by Rs.113 million as compared to Rs.536 million in the corresponding period of last year. Your Company achieved profit from operations of Rs.1,011 million as compared to Rs.257 million during corresponding period. Finance cost decreased to Rs.99 million from Rs.245 million.

Profit before tax for nine months of FY-21 was Rs.912 million as compared to Rs.12 million in the corresponding period of last year. After providing Rs.243 million for taxation, the profit after tax of your Company stood at Rs.669 million as compared to loss of Rs.133 million. Earning per share for the nine months was Rs.27.45 as compared to loss per share of Rs.5.45 for the same period of last year.

### Future Outlook

Being a vendor of the automotive industry, your Company's product is dependent on the growth of the automotive industry. During Jul-Feb (FY-21), sales of locally manufactured cars, trucks, buses and tractors increased by 28.5% to 147,968 units from 115,152 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) also witnessed an increase of 17.3% to 1,267,844 units from 1,081,272 units during the corresponding period last year. Automotive industry is likely to witness growth momentum in last quarter of FY-21 which bodes well for your Company's growth prospects.

The battery industry will continue to face another challenging year due to tough competition. To maintain market share while ensuring reasonable margins in the wake of surging raw material prices will pose a delicate balancing act.

Your Company has invested significantly to improve 5S, HSE, information technology while introducing innovative products to enhance business efficiency. This will help lead the market not only in quality but technological advancement as well. Curbing costs while maintaining high product quality and services for improved market penetration will remain the driving force for your Company. The improvement in human resource capabilities and value addition for shareholders is also of prime importance. All initiatives will build on the legacy of the Founder Chairman by abiding to the principles of "The Atlas Way":

ماتے ہیں کہ جو کہ خوب سے ہے خوب تر کہاں  
(Continuously 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 would also like to thank Mr. Ali H. Shirazi; President / Chief Executive of your Company and the management team for their dedication and commitment in posting an impressive turnaround of the Company.



Aamir H. Shirazi  
Chairman

Karachi: April 26, 2021

مالی سال 2021 کے نو ماہ کے دوران، آپ کی کمپنی کی فروخت 14,126 ملین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 9,775 ملین روپے کے مقابلے میں 44.5 فیصد زیادہ ہے۔ اس اضافے کا بنیادی سبب متبادل مارکیٹ میں بیٹریوں کی طلب میں ہونے والا اضافہ ہے۔

آپریٹنگ اخراجات 113 ملین روپے کے اضافے کے ساتھ 649 ملین روپے پر موجود رہیں، جو کہ گزشتہ سال اسی مدت میں 536 ملین روپے تھے۔ آپ کی کمپنی نے آپریشن سے پچھلے سال کے 257 ملین روپے کے مقابلے میں 1,011 ملین روپے کا منافع حاصل کیا۔ مالیاتی اخراجات 245 ملین روپے سے کم ہو کر 99 ملین روپے ہو گئے۔

مالی سال 2021 کے نو ماہ کے دوران قبل از ٹیکس منافع 912 ملین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران 12 ملین روپے تھا۔ 243 ملین روپے کے ٹیکس محصولات کی ادائیگی کے بعد آپ کی کمپنی کا بعد از ٹیکس منافع 669 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 133 ملین روپے کا نقصان تھا۔ اسی طرح نو ماہ کے دوران آمدنی فی حصص 27.45 روپے رہی جبکہ گزشتہ سال کی اسی مدت کے دوران فی حصص نقصان 5.45 روپے تھی۔

## مستقبل کے غدوخال

گاڑیوں کی صنعت میں بطور وینڈر، آپ کی کمپنی کی مصنوعات گاڑیوں کی صنعت کی ترقی پر منحصر کرتی ہے۔ جولائی تا فروری 2021 کے دوران مقامی سطح پر تیار کاروں، ٹرکس، بسوں اور ٹریکٹر کی فروخت 28.5 فیصد اضافے کے ساتھ 115,152 یونٹس سے بڑھ کر 147,968 یونٹس رہی۔ موٹر سائیکل اور تین پہیوں والے سیکمٹ (PAMA) کے ساتھ رجسٹرڈ اسمبلر (ز) نے بھی 17.3 فیصد ترقی کا مشاہدہ کیا اور گزشتہ سال کی اسی مدت کے دوران 1,081,272 یونٹس کے مقابلے میں 1,267,844 یونٹس کی فروخت ریکارڈ کی گئی۔ توقع ہے کہ مالی سال 2021 کی آخری سہ ماہی کے دوران گاڑیوں کی صنعت میں مزید ترقی ہوگی جس سے کمپنی کی ترقی کے بھی واضح امکانات 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۔

آپ کی کمپنی نے کاروباری استعدادی بڑھانے کے لیے HSE، 5S اور انفارمیشن ٹیکنالوجی پر خاطر خواہ سرمایہ کاری کی ہے۔ اس سے نہ صرف مارکیٹ میں معیار کے لحاظ سے ضروریات کو پورا کرنے میں معاونت ملے گی بلکہ تکنیکی ترقی کے لیے بھی راہ ہموار ہوگی۔ آپ کی کمپنی کی توجہ کامرکز لاگت میں کمی اور مزید نئی 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 ویلیو ایڈیشن ہمیشہ کی طرح ہماری توجہ کامرکز رہیں گے۔ مجھے نہایت فخر ہے کہ ہمارے تمام امور کی بنیاد ہمارے محترم بانی چیئرمین کے واضح کردہ "The Atlas Way" کے سنہرے اصولوں پر رکھی گئی ہے۔

ع ہے جستجو کہ خوب سے ہے خوب تر کہاں

(Continuously strive for the best)

## اظہار تشکر

میں اس موقع پر اپنے جوائنٹ ویٹھر پارٹنرز GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بیکار، فروخت کار (وینڈرز) اور صارفین کو ان کی مسلسل حمایت اور رہنمائی پر تہنوں سے شکر یہ ادا کرتا ہوں۔ میں آپ کی کمپنی کے صدر/چیف ایگزیکٹو آفیسر جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا دلجمعی اور محنت کے ساتھ کام کرنے اور ایک متاثر کن ٹرن اؤٹ پر شکر یہ ادا کرتا ہوں۔



عامر ایچ شیرازی

چیئرمین

کراچی: 26 اپریل 2021

## چیمبر مین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 31 مارچ 2021 کو ختم ہونے والے نو ماہ کے لیے آپ کی کمپنی کے غیر پڑتال شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

### معیت

عالمی معیشت اپنی ایک اور گہری کساد بازاری سے ابھرنے میں 19 مہینے میں پیدا ہونے والے معاشی بحران کے بعد معمولی بحالی کا مظاہرہ شروع کر دیا ہے۔ حالیہ بہتری کے باوجود پاکستان میں وائرس کی تیسری اور خطرناک لہر کے ابھرنے کی وجہ سے خطرات اپنی جگہ برقرار ہیں، اگرچہ ویکسین کا عمل شروع ہو چکا ہے۔ افراط زر کا دباؤ حقیقی چیلنج ہے اور اس کے سبب صارفین کی قوت خرید کو دباؤ کا سامنا کرنا پڑ سکتا ہے۔ بجلی کے نرخوں، چینی اور گندم کی قیمتوں میں حالیہ اضافہ بطور خاص باعث تشویش ہے۔ یہ اضافہ وقت کے ساتھ بڑھتا رہے گا اور اوسط افراط زر بلند سطح پر برقرار رہے گی۔ امکان ہے کہ حال ہی میں آئی ایم ایف (توسیع فنڈ کی سہولت) کے لیے جاری بات چیت کے سبب 500 ملین امریکی ڈالر کی قسط سے ٹیکسوں کی ایک نئی لہر، شرح سود میں معتدل اضافہ اور روپے کی قدر میں استحکام کی لہر آئے گی۔ اس کے ساتھ، عالمی سطح پر زری اجناس کی قیمتوں بشمول اشیائے خورد و نوش اور تیل کی قیمتوں میں اضافے سے مقامی افراط زر میں اضافہ ہو سکتا ہے۔

مالی سال 2021 کے آٹھ ماہ کے دوران ترسیلات زر میں ریکارڈ اضافے، محدود مقامی طلب اور برآمدات میں معمولی اضافے سے کرنٹ اکاؤنٹ سر پلس 0.9 ملین (شرح نمونہ 0.5%) رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 2.7 ملین ڈالر کا خسارہ (شرح نمونہ 1.5 فیصد) تھا، جس کے سبب بیرونی سطح پر پوزیشن مستحکم رہی۔ مالی سال 2021 کے ماہ جولائی تا فروری کے دوران برآمدات 16.1 ملین ڈالر رہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 16.4 ملین ڈالر کے مقابلے میں 2.3 فیصد کم ہیں۔ درآمدات 32.1 ملین ڈالر رہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 29.6 ملین ڈالر کے مقابلے میں 8.6 فیصد زیادہ ہیں۔ حکومت کی جانب سے برآمدات کو سپورٹ مہیا کرنے والی پالیسیوں کے باعث توقع ہے کہ برآمدات میں اضافہ ہوگا جبکہ مقامی معیشت میں بحالی، بین الاقوامی زری اجناس کی قیمتوں میں حالیہ اضافے، اور مقامی فوڈ مارکیٹس میں استحکام کے لیے اشیائے خورد و نوش کی درآمد سے بھی درآمدات میں بھی اضافے کی توقع ہے۔ اسی طرح تجارتی عدم توازن میں تھوڑا بگاڑ متوقع ہے لیکن افراط زر میں متوقع اضافے سے تجارتی خسارے کو پورا کیا جاسکے گا۔ ترسیلات زر میں قوی اضافے کے روشن امکانات کے سبب مالی سال 2021 میں کرنٹ اکاؤنٹ خسارہ شرح نمونہ 1 فیصد سے کم رہنے کی توقع ہے جو کہ گزشتہ نو ماہ سے 2 ملین ڈالر ماہانہ سے اوپر رہا ہے، اس کے ساتھ ساتھ اعلیٰ درجے کی ٹیکسٹائل مصنوعات کی برآمدات میں بھی اضافہ ہو رہا ہے۔

پاکستان کے زری شعبے میں ترقی کا ہدف 2.7 فیصد ہے۔ تمام اہم خریف کی فصلیں سوائے کپاس نے مالی سال 2020 میں پیداواری ہدف پورا کیا۔ مالی سال 2021 کے ہدف اور پیمائش جیسے کہ ٹریڈر کی فروخت، فریلا نزرز کا استعمال، پانی کی دستیابی اور موسمی کی صورتحال بطور خاص گندم کے لیے مضبوط پیداوار اور لیکویڈیٹی کے امکانات کو پیش کرتے ہیں۔

مالی سال 2021 کے سات ماہ کے دوران بڑے پیمانے پر مینوفیکچرنگ کے شعبے میں 7.9 فیصد ترقی ریکارڈ کی گئی جو کہ گزشتہ سال کی اسی مدت میں 3.2 فیصد تھی۔ فاسٹ مودگ کٹز یوم مصنوعات، گاڑیوں، سیسٹ، POL اور بجلی کی فروخت میں اضافے جیسے عوامل شاندار ترقی کی نشاندہی کر رہے ہیں۔ اس بحالی کو حکومت کی جانب سے فراہم کردہ محرک اور اسٹیٹ بینک آف پاکستان کی پالیسی کی شرح میں کمی کے دوسرے بروقت اقدامات کے ساتھ حمایت حاصل رہی ہے۔ تاہم کوویڈ 19 کی تیسری لہر کے سبب عالمی سطح پر پلائی چین میں آنے والی رکاوٹوں کے سبب خام مال کا حصول دشوار ہونے کے ساتھ خام مال کی قیمتوں میں بھی اضافہ ہو رہا ہے جس سے منافع کے حصول میں دباؤ کا سامنا ہے۔

### آپریٹنگ نتائج

مالی سال 2021 کی تیسری سہ ماہی کے دوران، آپ کی کمپنی نے 5,424 ملین روپے کی فروخت حاصل کی جو کہ گزشتہ سال اسی سہ ماہی کے دوران 3,127 ملین روپے کی فروخت کے مقابلے میں 73.4 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 59 ملین روپے اضافے کے ساتھ 174 ملین روپے سے بڑھ کر 233 ملین روپے ہو گئے۔ آپ کی کمپنی نے آپریٹنگ سے 422 ملین روپے کا منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کی سہ ماہی کے دوران 179 ملین روپے تھا۔ فنانس لاگت 107 ملین روپے سے کم ہو کر 33 ملین روپے ہو گئی۔

مالی سال 2021 کی تیسری سہ ماہی کے لیے قبل اٹیکس منافع 389 ملین روپے رہا جبکہ گزشتہ سال اسی سہ ماہی کے دوران 72 ملین روپے تھا۔ ٹیکس کی مد میں 131 ملین روپے فراہم کرنے کے بعد، آپ کی کمپنی کا ٹیکس کے بعد منافع 257 ملین روپے ہو گیا جو کہ گزشتہ سال اسی مدت کے دوران 22 ملین روپے تھا۔ اس سہ ماہی کے لیے نیٹ حصص آمدنی 10.57 روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران فی حصص آمدنی 0.91 روپے تھی۔




# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


## AS AT MARCH 31, 2021

	Note	Un-audited March 31, 2021 ----- Rupees in '000 -----	Audited June 30, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	3,984,736	4,139,386
Investments		-	-
Long term loans		1,419	2,049
Long term deposits		20,388	18,683
		4,006,543	4,160,118
<b>Current assets</b>			
Stores, spares and loose tools		239,841	215,326
Stock-in-trade	6	3,336,048	1,999,313
Trade debts	7	1,229,574	692,998
Loans and advances		14,524	8,647
Deposits and prepayments	8	82,253	9,861
Investments		145,232	138,268
Accrued mark-up		1	-
Other receivables		5,083	2,446
Taxation - net		219,489	567,622
Cash and bank balances		454,986	45,507
		5,727,031	3,679,988
<b>Total assets</b>		<b>9,733,574</b>	<b>7,840,106</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
50,000,000 (June 30, 2020: 50,000,000)			
ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital			
24,359,676 (June 30, 2020: 24,359,676)			
ordinary shares of Rs.10 each		243,597	243,597
Revenue reserves			
General reserve		5,037,500	5,037,500
Accumulated loss		(246,738)	(915,479)
		4,790,762	4,122,021
Capital reserve			
Surplus on revaluation of leasehold land		589,186	589,186
<b>Total equity</b>		<b>5,623,545</b>	<b>4,954,804</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities		330,046	358,677
Long term borrowings		503,611	551,405
Deferred income - government grant		2,462	6,181
Staff retirement benefits		82,022	69,515
Deferred taxation		209,078	237,131
		1,127,219	1,222,909
<b>Current liabilities</b>			
Trade and other payables		1,817,183	1,195,743
Sales tax payable - net		68,112	175,968
Accrued mark-up		22,280	34,891
Current portion of lease liabilities		36,638	30,151
Current maturity of long term borrowings		308,252	106,506
Current portion of deferred income - government grant		14,768	11,931
Short term borrowings	9	679,803	71,297
Unclaimed dividend		35,774	35,906
		2,982,810	1,662,393
<b>Total liabilities</b>		<b>4,110,029</b>	<b>2,885,302</b>
<b>Contingencies and commitments</b>	10		
<b>Total equity and liabilities</b>		<b>9,733,574</b>	<b>7,840,106</b>

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 PERIOD ENDED MARCH 31, 2021

	Note	Quarter ended		Period ended	
		March 31,	March 31,	March 31,	March 31,
		2021	2020	2021	2020
		----- Rupees in '000 -----		----- Rupees in '000 -----	
Sales		5,423,972	3,127,444	14,125,932	9,774,503
Cost of sales	11	(4,759,214)	(2,774,228)	(12,442,298)	(8,989,096)
<b>Gross profit</b>		664,758	353,216	1,683,634	785,407
Distribution cost		(169,178)	(128,829)	(469,033)	(404,970)
Administrative expenses		(63,471)	(44,916)	(180,406)	(130,780)
Other income		15,256	9,048	48,232	22,882
Other expenses		(25,392)	(9,087)	(70,996)	(15,808)
<b>Profit from operations</b>		421,973	179,432	1,011,431	256,731
Finance cost		(33,254)	(106,987)	(99,627)	(244,678)
<b>Profit before taxation</b>		388,719	72,445	911,804	12,053
Taxation		(131,325)	(50,378)	(243,063)	(144,737)
<b>Profit / (loss) after taxation</b>		257,394	22,067	668,741	(132,684)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income / (loss)</b>		257,394	22,067	668,741	(132,684)
		----- Rupees -----		----- Rupees -----	
<b>Earnings / (loss) per share</b>					
- basic and diluted	12	10.57	0.91	27.45	(5.45)

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

  
Aamir H. Shirazi  
Chairman

  
Ali H. Shirazi  
President / Chief Executive


  
Rizwan Ahmed  
Chief Financial Officer


# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	Unappropri- ated profit / (accumu- lated loss)	Surplus on revaluation of leasehold land	
<b>Balance as at July 1, 2019</b>	243,597	5,037,500	(589,274)	589,186	5,281,009
<b>Total comprehensive loss for the period ended March 31, 2020</b>					
Loss for the period	-	-	(132,684)	-	(132,684)
Other comprehensive income	-	-	-	-	-
	-	-	(132,684)	-	(132,684)
<b>Balance as at March 31, 2020</b>	243,597	5,037,500	(721,958)	589,186	5,148,325
<b>Total comprehensive loss for the period ended June 30, 2020</b>					
Loss for the period	-	-	(194,415)	-	(194,415)
Other comprehensive income	-	-	894	-	894
	-	-	(193,521)	-	(193,521)
<b>Balance as at June 30, 2020</b>	243,597	5,037,500	(915,479)	589,186	4,954,804
<b>Total comprehensive income for the period ended March 31, 2021</b>					
Profit for the period	-	-	668,741	-	668,741
Other comprehensive income	-	-	-	-	-
	-	-	668,741	-	668,741
<b>Balance as at March 31, 2021</b>	243,597	5,037,500	(246,738)	589,186	5,623,545

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 PERIOD ENDED MARCH 31, 2021


	Period ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
<b>Cash flows from operating activities</b>		
Profit before taxation	911,804	12,053
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	295,922	229,451
Amortization	-	131
Provision for gratuity	5,427	5,406
Provision for compensated leave absences	16,488	5,676
Gain on sale of investments at fair value through profit or loss	(1,713)	(10)
Mark-up income	(9,246)	-
Dividend income	(11,648)	(18)
Fair value gain on investments at fair value through profit or loss	(6,965)	(12,196)
Gain on disposal of operating fixed assets	(746)	(3,345)
Provision for doubtful debts	77	8,000
Finance cost	99,627	244,678
	1,299,027	489,826
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(24,515)	4,023
- Stock-in-trade	(1,336,735)	(1,319,492)
- Trade debts	(536,653)	(828,538)
- Loans and advances	(5,877)	(17,907)
- Deposits and prepayments	(72,392)	(26,105)
- Other receivables	(2,637)	5,953
- Sales tax receivable - net	-	(103,870)
	(1,978,809)	(2,285,936)
Increase / (decrease) in current liabilities		
- Trade and other payables	621,784	350,022
- Sales tax payable - net	(107,856)	-
	513,928	350,022
	(1,464,881)	(1,935,914)
<b>Cash used in operations</b>	(165,854)	(1,446,088)
Finance cost paid	(73,136)	(181,225)
Mark-up income received	9,245	-
Income taxes received / (paid, including tax deducted at source)	77,017	(100,664)
Gratuity paid	(5,766)	(9,188)
Compensated leave absences paid	(3,986)	(3,544)
Long term loans - net	630	(1,272)
Long term deposits - net	(1,705)	(645)
<b>Net cash used in operating activities - carried forward</b>	(163,555)	(1,742,626)


# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD ENDED MARCH 31, 2021

	Period ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
<b>Net cash used in operating activities</b> - brought forward	(163,555)	(1,742,626)
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(158,368)	(185,218)
Proceeds from sale of property, plant and equipment	17,842	14,569
Payments for investments	(509,903)	(15)
Proceeds from sale of investments	511,617	2,103
Dividend received	11,648	18
<b>Net cash used in investing activities</b>	(127,164)	(168,543)
<b>Cash flows from financing activities</b>		
Lease rentals paid	(61,246)	(7,097)
Long term borrowings obtained	199,765	500,000
Long term borrowings paid	(45,813)	-
Government grant - net	(882)	-
Short term borrowings - net	608,506	1,025,846
Dividend paid	(132)	(1,943)
<b>Net cash generated from financing activities</b>	700,198	1,516,806
<b>Net increase / (decrease) in cash and cash equivalents</b>	409,479	(394,363)
<b>Cash and cash equivalents at beginning of the period</b>	45,507	423,649
<b>Cash and cash equivalents at end of the period</b>	454,986	29,286

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 PERIOD ENDED MARCH 31, 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 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% of issued, subscribed and paid-up capital of the Company as at March 31, 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 significant 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, 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 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, 2020.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited March 31, 2021 ----- Rupees in '000 -----	Audited June 30, 2020
Operating fixed assets	5.1	3,600,842	3,691,097
Capital work-in-progress	5.5	69,980	93,489
Right of use assets		313,914	354,800
		<u>3,984,736</u>	<u>4,139,386</u>

		Un-audited March 31, 2021	Audited June 30, 2020
5.1	Operating fixed assets	Note	----- Rupees in '000 -----
	Net book value at beginning of the period / year		3,691,097
	Additions during the period / year	5.2	181,876
	Disposals during the period / year	5.3	(17,096)
	Depreciation charged during the period / year		(255,035)
	Net book value at end of the period / year	5.4	3,600,842
5.2	Additions during the period / year (including transfer from capital work-in-progress)		
	Buildings on leasehold land		27,170
	Plant and machinery		83,116
	Office equipment		970
	Computer and accessories		2,769
	Furniture and fixtures		1,328
	Air conditioners		946
	Vehicles		65,577
			181,876

		Un-audited March 31, 2021		Audited June 30, 2020	
		Cost	Net book value	Cost	Net book value
5.3	Disposals during the period / year:	----- Rupees in '000 -----			
	Plant and machinery	-	-	43,039	20,567
	Computers and accessories	416	-	10,418	1,037
	Furniture and fixtures	144	94	-	-
	Air conditioners	-	-	44	14
	Vehicles	34,253	17,002	31,572	14,080
		34,813	17,096	85,073	35,698

5.4	Plant and machinery includes dies and molds:		
	Related parties	34,077	26,344
	Others	113,699	57,338
		147,776	83,682

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 March 31, 2021	Audited June 30, 2020
5.5	Capital work-in-progress	Note	----- Rupees in '000 -----
	Buildings on leasehold land		4,533
	Plant and machinery		54,143
	Computers and accessories		-
	Furniture and fixtures		188
	Vehicles		6,149
	Intangible asset		4,967
		5.6	69,980

- 5.6** Includes Rs.1,289 thousand (June 30, 2020: Rs.121 thousand) advance payment made to Atlas Honda Limited and Rs.3,703 thousand (June 30, 2020: Nil) to Honda Atlas Cars (Pakistan) Limited, related parties, for purchase of vehicles.

		<b>Un-audited March 31, 2021</b>	<b>Audited June 30, 2020</b>
	<b>Note</b>	<b>----- Rupees in '000 -----</b>	
Raw materials and components:			
- in hand		1,337,204	898,221
- with third parties	6.1	28,423	22,470
		1,365,627	920,691
Work-in-process		926,133	751,225
Finished goods		909,180	327,271
Items in transit		135,108	126
		<u>3,336,048</u>	<u>1,999,313</u>

- 6.1** Includes raw materials amounting to Rs.1,967 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 upto 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.

		<b>Un-audited March 31, 2021</b>	<b>Audited June 30, 2020</b>
		<b>----- Rupees in '000 -----</b>	
<b>7. TRADE DEBTS - Unsecured</b>			
<b>Considered good</b>			
Associated Companies		11,200	68,763
Others		1,218,374	624,235
		1,229,574	692,998
<b>Considered doubtful</b>			
Others		43,884	43,807
		1,273,458	736,805
Provision for doubtful debts		(43,884)	(43,807)
		<u>1,229,574</u>	<u>692,998</u>

## **8. DEPOSITS AND PREPAYMENTS**

Include prepayments of Rs.61,126 thousand (June 30, 2020: Rs.6,433 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

		<b>Un-audited March 31, 2021</b>	<b>Audited June 30, 2020</b>
		<b>----- Rupees in '000 -----</b>	
<b>9. SHORT TERM BORROWINGS - Secured</b>			
Running finances / musharakah		679,803	61,906
Demand Finance		-	9,391
		<u>679,803</u>	<u>71,297</u>

## **10. CONTINGENCIES AND COMMITMENTS**

### **10.1 Contingencies**

- 10.1.1** Except for the note 11.1.2, there is no significant change in the status of contingencies as disclosed in note 27.1 of the audited annual financial statements of the Company for the year ended June 30, 2020.



**10.1.2** 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.

	<b>Un-audited March 31, 2021</b>	<b>Audited June 30, 2020</b>
	<b>----- Rupees in '000 -----</b>	
<b>10.2 Outstanding bank guarantees</b>	<u>119,360</u>	<u>115,711</u>
<b>10.3 Commitments</b>		
In respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	375,266	155,994
- capital expenditure	72,767	14,086
	<u>448,033</u>	<u>170,080</u>
In respect of capital expenditure other than through letters of credit	28,307	35,582
	<u>476,340</u>	<u>205,662</u>

	<b>----- Un-audited ----- Quarter ended</b>	<b>----- Un-audited ----- Period ended</b>	
	<b>March 31, 2021</b>	<b>March 31, 2020</b>	<b>March 31, 2021</b>
	<b>----- Rupees in '000 -----</b>	<b>----- Rupees in '000 -----</b>	<b>----- Rupees in '000 -----</b>
<b>11. COST OF SALES</b>			
Opening stock of finished goods	480,322	573,608	327,271
Cost of goods manufactured	5,080,087	3,252,935	12,647,829
Purchases during the period	107,985	132,376	376,378
	<u>5,188,072</u>	<u>3,385,311</u>	<u>13,024,207</u>
	5,668,394	3,958,919	13,351,478
Closing stock of finished goods	(909,180)	(1,184,691)	(909,180)
	<u>4,759,214</u>	<u>2,774,228</u>	<u>12,442,298</u>
	<u>4,759,214</u>	<u>2,774,228</u>	<u>8,989,096</u>
<b>11.1 Cost of goods manufactured</b>			
Opening stock of work-in-process	789,502	723,160	751,225
Raw materials and components consumed	4,224,363	2,609,519	10,109,870
Factory overheads	992,355	717,674	2,712,867
	<u>5,216,718</u>	<u>3,327,193</u>	<u>12,822,737</u>
	6,006,220	4,050,353	13,573,962
Closing stock of work-in-process	(926,133)	(797,418)	(926,133)
	<u>5,080,087</u>	<u>3,252,935</u>	<u>12,647,829</u>
	<u>5,080,087</u>	<u>3,252,935</u>	<u>9,371,302</u>

## 12. EARNINGS / (LOSS) PER SHARE

### 12.1 Basic earnings / (loss) per share

	----- Un-audited ----- Quarter ended		----- Un-audited ----- Period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----		----- Rupees in '000 -----	
Net profit / (loss) for the period	257,394	22,067	668,741	(132,684)
	--- (Number of shares) ---		--- (Number of shares) ---	
Weighted average ordinary shares in issue	24,359,676	24,359,676	24,359,676	24,359,676
	----- Rupees -----		----- Rupees -----	
Basic earnings / (loss) per share	10.57	0.91	27.45	(5.45)

### 12.2 Diluted earnings per share

A diluted earnings / (loss) per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2021 and March 31, 2020 which would have any effect on the earnings per share if the option to convert is exercised.

## 13. FINANCIAL RISK MANAGEMENT

### 13.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency 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, 2020.

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

### 13.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

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

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
<b>Assets</b> - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	145,232	-	-	145,232

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

#### 14. TRANSACTIONS WITH RELATED PARTIES

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

	----- Un-audited -----	
	Period ended	
	March 31, 2021	March 31, 2020
	----- Rupees in '000 -----	
<b>The Holding Company</b>		
Lease rental / service charges paid	78,798	59,905
<b>Associated Companies</b>		
Sale of:		
- goods	780,809	567,937
- operating fixed assets	622	2,512
Purchases of:		
- goods	197,375	167,923
- operating fixed assets	29,674	22,432
Service charges / lease rental paid	2,068	9,495
Reimbursement of expenses	-	3,774
Expenses charged	955	766
Insurance premium	124,216	66,382
Insurance claims	10,930	11,533
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	146,314	103,035
Contribution to pension funds	11,043	8,857
<b>Other related parties</b>		
Contributions paid to:		
- gratuity funds	5,606	9,005
- provident fund	4,003	3,732
<b>Key Management Personnel</b>		
- salaries and other short term employment benefits	69,595	49,928
- sale of operating fixed assets under Company policy	-	2,398

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

	<b>Un-audited March 31, 2021</b>	<b>Audited June 30, 2020</b>
	<b>----- Rupees in '000 -----</b>	
<b>Receivables from related parties</b>		
Long term loans	833	1,583
Deposits and prepayments	36,329	-
Other receivables	2,766	129
<b>Payables to related parties</b>		
Staff retirement benefits	21,598	16,682
Trade and other payables	205,566	138,456

These are in the normal course of business.


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

**16. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on April 26, 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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## 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](mailto:abl@abl.atlas.pk)

Website: [www.abl.atlas.pk](http://www.abl.atlas.pk)