



Quarterly Report September 30,

2023

2023

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COMPANY INFORMATION

Board of Directors

Aamir H. Shirazi
Chairman

Bashir Makki
Director

Fahd K. Chinoy
Director

Mehreen Amin
Director

Sanaullah Qureshi
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Faizan Raza Nayani
Company Secretary

Audit Committee

Sanaullah Qureshi
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

Mansoor Jamil Khan
Chief Operating Officer

Ahmar Waheed
General Manager Human Resource

Iftikhar ul Islam
General Manager Marketing

Muhammad Asher Ahmad
General Manager Information Technology

Muhammad Rafi
General Manager Service &
Business Development

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

Mohsin Tayebaly & Co.

Tax Advisors

EY Ford Rhodes
Chartered Accountants

COMPANY INFORMATION

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Meezan Bank Limited
National Bank of Pakistan
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
UAN: 111-247-225
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,
Opposite Government Wheat Godown,
Shikarpur Bypass, Sukkur
Tel: (071) 5806124-26

Lahore Sales Office

Plaza No. 68/1, XX-DHA Lahore Cantt.,
Phase 3, D.H.A., Lahore
Tel: (042) 37186388-91

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

Plot No. 109-110,
Multan Industrial Estate, Phase II, Multan
Tel: (061) 6538715-8

Peshawar Sales Office and Service Center

First Floor, Zeenat Plaza, G.T. Road, Peshawar
Tel: (091) 2262485

Islamabad Sales Office

Ground Floor, 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

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 G.T.
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 results of your Company for the first quarter ended September 30, 2023.

The Economy

Since the beginning of FY-24, Pakistan's economy has taken some necessary steps to resume its economic recovery. The relaxation of import controls is normalizing the supply of raw materials and supporting export-oriented industries. FDI has also increased by 16.1% during Jul- Aug FY-24 on account of rise in foreign investments and appreciation of the Pak Rupee versus USD.

CPI inflation for first quarter of FY-24 recorded at 29.0% on a year-on-year basis. The government's stern administrative measures to curtail the hoarding of commodities and foreign currency resulted in slight moderation in inflation. However, given the international oil prices and adjustment in energy prices, uncertainty in inflation trajectory will remain for some time.

The current account posted a deficit of USD 935 million for Jul-Aug FY-24 as against a deficit of USD 2.0 billion last year, largely reflecting an improvement in the trade balance. During the same period, workers' remittances recorded at USD 4.1 billion as compared to USD 5.3 billion last year, down by 21.6 %, mainly on account of economic slowdown in the host countries and the wide differential between the exchange rate in interbank and open market which is now being actively addressed. Exports declined by 8.3% and stood at USD 4.5 billion against USD 4.9 billion last year. Significantly, imports declined by 26.0% and stood at USD 8.5 billion as against USD 11.5 billion last year. Resultantly the trade deficit stood at USD 3.9 billion against USD 6.5 billion last year, down by 26.0%. Forex reserves stood at USD 13 billion at the end of first quarter of FY-24.

FBR provisional tax collection during first quarter of FY-24 grew by 24.2% to Rs.2,041 billion against Rs.1,644 billion last year. It also met the target of Rs.1,978 billion set for the quarter.

The large manufacturing scale sector (LSM) is slowly recovering from a major slump, although remained negative in July FY-24. Lifting of import restrictions is paving the way for the resumption of production albeit at a sub-optimal level. Strong recovery of cash crops is also resulting in strong liquidity in the agri-economy. This bodes well for enhanced demand of durable goods.

Operating Results

During the first quarter of FY-24, your Company achieved sales of Rs.10.2 billion as compared to Rs.8.4 billion in the same quarter of last year, up 21.2%. This increase was mainly due to price surge between the two periods. Cost of sales was registered at Rs.8.8 billion as compared to Rs.7.2 billion in the corresponding quarter, up 22.6% mainly due to inflationary pressures. This resulted in gross profit of Rs.1,325 million as compared to Rs.1,180 million, up 12.3%. Operating expenses stood at Rs.491 million as compared to Rs.345 million in the corresponding quarter, up 42.3%. The operating profit increased to Rs.810 million as compared to Rs.791 million during the corresponding quarter, up 2.5%. Finance cost increased substantially to Rs.382 million from Rs.57 million owing to increase in mark-up rates and working capital requirement.

Profit before tax for first quarter of FY-24 stood at Rs.428 million as compared to Rs.733 million in the corresponding quarter of last year, down by 41.7%. After providing Rs.165 million for taxation, the profit after tax stood at Rs.263 million as compared to Rs.490 million in the corresponding quarter of last year, down by 46.3%. Earnings per share for the quarter stood at Rs.7.51 as compared to Rs.13.98 for the same quarter of last year.

Future Prospects

FY-24 is more challenging due to an economic recovery plan that requires elimination of subsidies and regular price hikes of key utilities – electricity and gas. International oil price pressure will also keep inflation entrenched at a level that will significantly affect purchasing power. Furthermore, the auto industry will remain under pressure due to tight auto financing terms.

Keeping in view the current socio-economic situation and persistent energy shortages along with hike in energy tariffs, the demand for your Company's products should sustain. Your Company is well aligned to take advantage of the situation and despite rising cost pressures, is hopeful of maintaining market share along with ensuring reasonable margins. Smart capex allocated for HSE, production process, information technology and engineering & development will continue to enhance business efficiency.

Capitalizing on unmatched quality, product innovation and after sales service, your Company will continue to strive for improved market penetration by exploring new territories and export markets. Curbing costs and maintaining high quality of product will remain the focus of your Company. For achieving these objectives the "Atlas Way" will continue to remain the guiding principles of your Company's business philosophy.

ع پیوستہ رہ شجر سے، امید بہار رکھ
(Perseverance always pays)

Acknowledgements

I take this opportunity to acknowledge and appreciate the devoted and sincere services of all associates and management staff of all cadres of the Company.

I would also 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 27, 2023

مالی سال 2024 کی پہلی سہ ماہی کے لیے قبل از ٹیکس منافع 41.7 فیصد سے کم ہو کر گزشتہ سال کی اسی سہ ماہی میں 733 ملین روپے کے مقابلے میں 428 ملین روپے رہا۔ ٹیکس کے لیے 165 ملین روپے فراہم کرنے کے بعد، بعد از ٹیکس منافع 263 ملین روپے رہا جو گزشتہ سال کی اسی سہ ماہی میں 490 ملین روپے کے مقابلے میں 46.3 فیصد کم ہے۔ اس سہ ماہی کے لئے فی حصص آمدنی 7.51 روپے جبکہ گزشتہ سال کی اسی مدت کے دوران حصص آمدنی 13.98 روپے تھی۔

مستقبل کے خدو خال

مالی سال 2024 معاشی بحالی کے منصوبے کے باعث زیادہ چیلنجنگ لگتا ہے جس کے لئے سبسڈی میں کمی اور بجلی، گیس کی اہم پمپلیٹیز کی قیمتوں میں اضافے کی ضرورت ہے۔ تیل کی قیمتوں کا تین الاقوامی دباؤ بھی افراط زر کی اس سطح کو برقرار رکھے گا جو قوت خرید کو نمایاں طور پر متاثر کرے گا۔ مزید برآں، آٹو فنانسنگ کی سخت شرائط کے باعث آٹو انڈسٹری دباؤ میں رہے گی۔

توانائی کے زرخوں میں اضافے کے ساتھ موجودہ سماجی و اقتصادی صورتحال اور توانائی کی مسلسل قلت کے پیش نظر آپ کی کمپنی کی مصنوعات کی مانگ برقرار رہے گی۔ آپ کی کمپنی صورتحال سے فائدہ اٹھانے کے لئے پوری طرح تیار ہے اور بڑھتی ہوئی لاگت کے دباؤ کے باوجود، مارکیٹ شیئر کو برقرار رکھتے ہوئے مناسب مارجن کے لیے پُر امید ہے۔ HSE، پیداواری عمل، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈیولپمنٹ کے لیے مختص دانشمندانہ انویسٹمنٹ کاروباری کارکردگی کو بڑھاتا رہے گا۔

اعلیٰ معیار اور بعد از فروخت سروس سے مستفید ہوتے ہوئے آپ کی کمپنی نئے علاقوں اور برآمدی منڈیوں کی تلاش کے ذریعے مارکیٹ میں بہتر رسائی کے لیے کوششیں جاری رکھے گی۔ لاگت کو کم کرنے اور معیاری مصنوعات کو برقرار رکھنا آپ کی کمپنی کی توجہ کا مرکز رہے گا۔ ان مقاصد کے لیے ’پلس وے‘ آپ کی کمپنی کے کاروباری فلسفے کے رہنما اصول بنے رہیں گے۔

۞ پیوستہ رہ شجر سے، امید بہار رکھ

(Perseverance always pays)

اظہار تشکر

میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی اہم پر تمام ایسوسی ایٹس اور ہر سطح کے مینجمنٹ اسٹاف کا شکریہ ادا کرتا چاہوں گا، جنہوں نے مستقل مزاجی، انتھک محنت اور لگن کے ساتھ اپنی ذمہ داریاں نبھائیں۔

میں اس موقع پر اپنے جوائنٹ ونیچر پارٹنر 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 بھی دلجمعی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔



عامر ایچ شیرازی
چیئر مین

کراچی: 27 اکتوبر 2023

چیمبر میں کا جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2023 کو ختم ہونے والی پہلی سہ ماہی کے لیے آپ کی کمپنی کے غیر پڑتال شدہ مالیاتی نتائج پیش کر رہا ہوں۔

معیشت

مالی سال 2024 کے آغاز سے ہی پاکستانی معیشت کی بحالی کے لئے کچھ ضروری اقدامات کیے گئے ہیں۔ درآمدی کنٹرول میں نرمی خام مال کی فراہمی کو معمول پر لارہی ہے اور برآمد پر مبنی صنعتوں کو سہارا دے رہی ہے۔ غیر ملکی سرمایہ کاری میں اضافے اور امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں بہتری کے باعث مالی سال 2024 جولائی تا اگست کے دوران ایف ڈی آئی میں بھی 16.1 فیصد کا اضافہ دیکھنے میں آیا ہے۔

مالی سال 2024 کی پہلی سہ ماہی میں سی پی آئی افراط زر رسالہ سال کی بنیاد پر 29 فیصد ریکارڈ کی گئی۔ اجناس اور غیر ملکی کرنسی کی ذخیرہ اندوزی کو روکنے کے لئے حکومت کے سخت انتظامی اقدامات کے نتیجے میں مہنگائی کی شرح میں معمولی سی کمی واقع ہوئی۔ تاہم، تیل کی بین الاقوامی قیمتوں اور توانائی کی قیمتوں میں ایڈجسٹمنٹ کے پیش نظر، افراط زر کے بڑھتے ہوئے دباؤ میں غیر یقینی صورتحال کچھ وقت کے لئے برقرار رہے گی۔

مالی سال 2024 جولائی تا اگست کے لئے کرنٹ اکاؤنٹ خسارہ 935 ملین امریکی ڈالر رہا جو گزشتہ سال کے 2 بلین امریکی ڈالر کے مقابلے میں تجارتی توازن میں بہتری کی عکاسی کرتا ہے۔ اسی مدت کے دوران ملازمین کی ترسیلات زر گزشتہ سال کے 5.3 بلین امریکی ڈالر کے مقابلے میں 4.1 بلین امریکی ڈالر ریکارڈ کی گئیں جو کہ 21.6 فیصد کمی کو ظاہر کرتی ہیں جو بنیادی طور پر دوست ممالک میں اقتصادی سست روی اور انٹرنیٹ اور اوپن مارکیٹ میں شرح مبادلہ کے درمیان وسیع فرق کے باعث پیش آئی جسے اب فعال طور پر حل کیا جا رہا ہے۔ برآمدات میں 8.3 فیصد کمی واقع ہوئی جو گزشتہ سال کے 4.9 بلین امریکی ڈالر کے مقابلے میں 4.5 بلین امریکی ڈالر رہی۔ درآمدات 26 فیصد کمی کے ساتھ 8.5 بلین امریکی ڈالر رہی جو گزشتہ سال 11.5 بلین امریکی ڈالر تھی۔ نتیجتاً تجارتی خسارہ 26 فیصد کمی کے ساتھ 3.9 بلین امریکی ڈالر رہا جو گزشتہ سال 6.5 بلین امریکی ڈالر تھا۔ مالی سال 2024 کی پہلی سہ ماہی کے اختتام پر زرمبادلہ کے ذخائر 13.7 بلین امریکی ڈالر تھے۔

مالی سال 2024 کی پہلی سہ ماہی کے دوران ایف بی آئی کی اندازاً ٹیکس وصولی گزشتہ سال کے 1,644 بلین روپے کے مقابلے میں 24.2 فیصد بڑھ کر 2,041 بلین روپے ہو گئی ہے جس نے سہ ماہی کے لئے مقرر کردہ 1,978 بلین روپے کے ہدف کو بھی عبور کر لیا ہے۔

بڑے پیمانے پر مینوفیکچرنگ سیکٹر (LSM) آہستہ آہستہ مندی سے باہر آ رہا ہے جو کہ یہ مالی سال 2024 جولائی میں منفی رہا۔ درآمدی پائیداریوں کو کم کرنے سے پیداوار کو دوبارہ شروع کرنے کی راہ ہموار ہو رہی ہے۔ فصلوں کی نقد وصولی بھی زرعی معیشت میں مضبوط لیکویڈیٹی کا نتیجہ ہے جو پائیدار سامان کی مانگ میں اضافہ کو ظاہر کرتا ہے۔

آپریٹنگ نتائج


مالی سال 2024 کی پہلی سہ ماہی کے دوران، آپ کی کمپنی نے 10.2 بلین روپے کی فروخت حاصل کی جو گزشتہ سال کی اسی مدت میں 8.4 بلین روپے کے مقابلے میں 21.2 فیصد زیادہ ہے۔ یہ اضافہ بنیادی طور پر دودار کے درمیان قیمتوں میں اضافے کی وجہ سے ہوا۔ فروخت کی لاگت اسی سہ ماہی میں 7.2 بلین روپے کے مقابلے میں 8.8 بلین روپے درج کی گئی جو کہ بنیادی طور پر افراط زر کے دباؤ کے باعث 22.6 فیصد زیادہ ہے۔ اس کے نتیجے میں 1,180 ملین روپے کے مقابلے میں 1,325 ملین روپے کا مجموعی منافع ہوا جو کہ 12.3 فیصد زیادہ ہے۔ آپریٹنگ اخراجات اسی سہ ماہی میں 345 ملین روپے کے مقابلے میں 42.3 فیصد بڑھ کر 491 ملین روپے رہے۔ آپریٹنگ منافع 2.5 فیصد اضافے کے ساتھ اسی سہ ماہی کے دوران 791 ملین روپے کے مقابلے میں 810 ملین روپے تک بڑھ گیا۔ مارک اپ کی شرحوں اور ورکنگ کپٹل کی ضرورت میں اضافے کے باعث مالیاتی لاگت 57 بلین روپے سے بڑھ کر 382 ملین روپے ہو گئی۔


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2023

	Note	Un-audited September 30, 2023 ----- Rupees in '000 -----	Audited June 30, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,865,467	4,591,636
Intangible assets		2,116	2,742
Investments		-	-
Long term loans		2,537	3,269
Long term deposits		29,338	29,338
		4,899,458	4,626,985
Current assets			
Stores, spares and loose tools		512,054	322,968
Stock-in-trade	6	10,379,565	10,324,114
Trade debts	7	2,999,758	2,391,345
Loans and advances		135,656	37,501
Deposits and prepayments	8	372,985	648,299
Investments		281,319	266,654
Other receivables		7,400	2,721
Sales tax receivable - net		-	192,141
Taxation - net		184,480	277,805
Cash and bank balances		583,887	819,782
		15,457,104	15,283,330
Total assets		20,356,562	19,910,315
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (June 30, 2023: 50,000,000)			
ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital			
35,017,033 (June 30, 2023: 35,017,033)			
ordinary shares of Rs.10 each		350,170	350,170
Revenue reserves			
General reserve		5,037,500	5,037,500
Un-appropriated profit		1,188,195	1,275,481
		6,225,695	6,312,981
Capital reserve			
Surplus on revaluation of leasehold land		589,186	589,186
Total equity		7,165,051	7,252,337
Liabilities			
Non-current liabilities			
Lease liabilities		643,398	407,468
Long term borrowings	9	812,537	893,275
Deferred income - government grant		21,777	23,273
Staff retirement benefits		121,293	108,587
Deferred taxation		182,587	201,430
		1,781,592	1,634,033
Current liabilities			
Trade and other payables		4,747,237	5,959,674
Sales tax payable - net		97,429	-
Accrued mark-up		305,522	168,668
Current portion of lease liabilities		31,499	67,022
Current maturity of long term borrowings		212,181	171,725
Current portion of deferred income - government grant		6,113	6,209
Short term borrowings	10	5,380,701	4,371,424
Dividend payable		572,032	221,862
Unclaimed dividend		57,205	57,361
		11,409,919	11,023,945
Total liabilities		13,191,511	12,657,978
Contingencies and commitments	11		
Total equity and liabilities		20,356,562	19,910,315

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 QUARTER ENDED SEPTEMBER 30, 2023

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
		----- Rupees in '000 -----	
Sales - net		10,174,092	8,396,411
Cost of sales	12	(8,848,955)	(7,216,495)
Gross profit		1,325,137	1,179,916
Distribution cost		(353,451)	(252,107)
Administrative expenses		(137,658)	(93,037)
Other income		21,151	18,160
Other expenses		(45,047)	(62,240)
Profit from operations		810,132	790,692
Finance cost		(382,358)	(57,496)
Profit before taxation		427,774	733,196
Taxation		(164,890)	(243,501)
Profit after taxation		262,884	489,695
Other comprehensive income		-	-
Total comprehensive income		262,884	489,695
----- Rupees -----			
Earnings per share - basic and diluted	13	7.51	13.98

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 QUARTER ENDED SEPTEMBER 30, 2023

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	(Accumulated losses) / Un- appropriated profit	Surplus on revaluation of leasehold land	
Balance as at July 1, 2022	280,136	5,037,500	287,061	589,186	6,193,883
Transaction with owners, recognized directly in equity					
Final cash dividend for the year ended June 30, 2022 at the rate of Rs.12.50 per share	-	-	(350,170)	-	(350,170)
Bonus shares issued for the year ended June 30, 2022 in the ratio of 1 share for every 4 shares held	70,034	-	(70,034)	-	-
Total comprehensive income for the quarter ended September 30, 2022					
Profit for the quarter	-	-	489,695	-	489,695
Other comprehensive income	-	-	-	-	-
	-	-	489,695	-	489,695
Balance as at September 30, 2022	350,170	5,037,500	356,552	589,186	6,333,408
Transaction with owners, recognized directly in equity					
Interim cash dividend for the period ended March 31, 2023 at the rate of Rs.22.50 per share	-	-	(787,883)	-	(787,883)
Total comprehensive income for the period ended June 30, 2023					
Profit for the period	-	-	1,711,547	-	1,711,547
Other comprehensive loss	-	-	(4,735)	-	(4,735)
	-	-	1,706,812	-	1,706,812
Balance as at June 30, 2023	350,170	5,037,500	1,275,481	589,186	7,252,337
Transaction with owners, recognized directly in equity					
Final cash dividend for the year ended June 30, 2023 at the rate of Rs.10 per share	-	-	(350,170)	-	(350,170)
Total comprehensive income for the quarter ended September 30, 2023					
Profit for the quarter	-	-	262,884	-	262,884
Other comprehensive income	-	-	-	-	-
	-	-	262,884	-	262,884
Balance as at September 30, 2023	350,170	5,037,500	1,188,195	589,186	7,165,051

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 QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended	
	September 30, 2023	September 30, 2022
	----- Rupees in '000 -----	
Cash flows from operating activities		
Profit before taxation	427,774	733,196
Adjustments for non-cash charges and other items:		
Depreciation	127,959	110,597
Amortization	627	1,069
Provision for gratuity	3,392	2,810
Provision for compensated leave absences	16,079	9,447
Gain on sale of investments at fair value through profit or loss	-	(1,409)
Dividend income	-	(2,686)
Mark-up income	(1)	(2,159)
Fair value gain on investments at fair value through profit or loss	(14,665)	(7,402)
Provision for doubtful debts	7,832	2,391
Finance cost	382,358	57,496
	951,355	903,350
Changes in working capital:		
(Increase) / decrease in current assets		
- Stores, spares and loose tools	(189,086)	(20,259)
- Stock-in-trade	(55,451)	(170,931)
- Trade debts	(616,245)	(242,497)
- Loans and advances	(98,155)	(28,255)
- Deposits and prepayments	275,314	(119,083)
- Other receivables	(4,679)	(4,240)
- Sales tax receivable - net	-	(117,340)
	(688,302)	(702,605)
Increase / (decrease) in current liabilities		
- Trade and other payables	(1,215,704)	(110,025)
- Sales tax payable - net	289,570	-
	(926,134)	(110,025)
	(1,614,436)	(812,630)
Cash (used in) / generated from operations	(663,081)	90,720
Finance cost paid	(210,243)	(59,251)
Mark-up received	1	2,157
Income taxes paid (including tax deducted at source)	(90,407)	(220,053)
Compensated leave absences paid	(3,499)	(379)
Long term loans - net	732	(46)
Net cash used in operating activities- carried forward	(966,497)	(186,852)

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2023

	Quarter ended	
	September 30, 2023	September 30, 2022
	----- Rupees in '000 -----	
Net cash used in operating activities - brought forward	(966,497)	(186,852)
Cash flows from investing activities		
Payments for property, plant and equipment	(215,672)	(202,574)
Proceeds from sale of property, plant and equipment	19,959	8,751
Payments for investments	-	(402,423)
Proceeds from sale of investments	-	403,832
Dividend received	-	2,686
Net cash used in investing activities	(195,713)	(189,728)
Cash flows from financing activities		
Lease rentals paid	(40,931)	(24,713)
Long term borrowings obtained	-	750,000
Long term borrowings repaid	(41,875)	(45,813)
Short term borrowings - net	1,009,277	128,550
Dividend paid	(156)	(228,031)
Net cash generated from financing activities	926,315	579,993
Net (decrease) / increase in cash and cash equivalents	(235,895)	203,413
Cash and cash equivalents at beginning of the period	819,782	222,325
Cash and cash equivalents at end of the period	583,887	425,738

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 QUARTER ENDED SEPTEMBER 30, 2023

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 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, 2023 (June 30, 2023: 58.86%).

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. CHANGES IN SIGNIFICANT 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, 2023.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2023. These are considered either not to be relevant or not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

- 3.1** Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on June 30, 2023. The impact of re-measurement of post-employment benefit plans has not been incorporated in these condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. 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, 2023.

		Un-audited September 30, 2023	Audited June 30, 2023
	Note	----- Rupees in '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	4,221,877	4,172,942
Capital work-in-progress	5.5	85,034	40,877
Right of use assets	5.7	558,556	377,817
		<u>4,865,467</u>	<u>4,591,636</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		4,172,942	3,976,438
Additions during the period / year	5.2	171,513	636,010
Disposals costing Rs.68,452 thousand (June 30, 2023: Rs.92,025 thousand)			
- at net book value	5.3	(19,959)	(35,865)
Depreciation charged during the period / year		(102,619)	(403,641)
Net book value at end of the period / year	5.4	<u>4,221,877</u>	<u>4,172,942</u>
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:			
Buildings on leasehold land		-	46,401
Plant and machinery		61,750	397,634
Office equipment		2,300	2,172
Computers and accessories		5,483	19,178
Furniture and fixtures		1,380	15,486
Air conditioners		215	1,086
Vehicles		100,385	154,053
		<u>171,513</u>	<u>636,010</u>
5.3 Disposals during the period / year:			
Plant and machinery		-	2,949
Computers and accessories		52	199
Air conditioners		-	39
Vehicles		19,907	32,678
		<u>19,959</u>	<u>35,865</u>
5.4 Plant and machinery includes dies and moulds:			
- Atlas Autos (Private) Limited, a related party [aggregate cost Rs.89,685 thousand (June 30, 2023: Rs.89,685 thousand)]		69,643	71,428
- Others [aggregate cost Rs.136,520 thousand (June 30, 2023: Rs.136,520 thousand)]		62,144	63,739
		<u>131,787</u>	<u>135,167</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, 2023	Audited June 30, 2023
	Note	----- Rupees in '000 -----	
5.5	Capital work-in-progress		
		2,857	-
		43,328	25,570
		-	1,480
		439	-
		36,500	11,917
		1,910	1,910
	5.6	85,034	40,877
5.6	Includes advance payments to related parties		
	Atlas Honda Limited	739	900
	Honda Atlas Cars (Pakistan) Limited	35,761	11,017
	Integration Xperts (Private) Limited	150	150
		36,650	12,067
5.7	Right of use assets		
	Net book value at beginning of the period / year	377,817	314,634
	Adjustment due to lease modification	206,079	133,725
	Depreciation charged during the period / year	(25,340)	(70,542)
	Net book value at end of the period / year	558,556	377,817
6.	STOCK-IN-TRADE		
	Raw materials and components:		
	- in hand	5,091,131	5,964,375
	- with third parties	57,120	60,273
		5,148,251	6,024,648
	Work-in-process	2,095,918	2,147,337
	Finished goods	2,961,255	2,066,889
	Items in transit	174,141	85,240
		10,379,565	10,324,114
6.1	Includes raw materials amounting to Rs.322 thousand (June 30, 2023: Rs.402 thousand) and work-in-process amounting to Rs.5,264 thousand (2023: Rs.3,379 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.10,401,694 thousand (June 30, 2023: Rs.9,734,694 thousand) are under hypothecation of commercial banks as security for short term borrowings.		
7.	TRADE DEBTS - Unsecured	Un-audited September 30, 2023	Audited June 30, 2023
		----- Rupees in '000 -----	
	Considered good		
	Associated Companies	25,838	85,592
	Others	2,973,920	2,305,753
		2,999,758	2,391,345
	Considered doubtful		
	Others	39,127	31,295
		3,038,885	2,422,640
	Provision for expected credit loss	(39,127)	(31,295)
		2,999,758	2,391,345

8. DEPOSITS AND PREPAYMENTS

Includes prepayments of Rs.240,438 thousand (June 30, 2023: Rs.16,510 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

	Un-audited September 30, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
9. LONG TERM BORROWINGS		
Musharakah I	666,667	708,333
Musharakah II	312,500	312,500
Temporary economic refinance facility (TERF)	73,441	73,650
Adjustment pertaining to fair value of loan at below market interest rate	(27,890)	(29,483)
	<u>1,024,718</u>	<u>1,065,000</u>
Current maturity	(212,181)	(171,725)
	<u>812,537</u>	<u>893,275</u>

10. SHORT TERM BORROWINGS - Secured

Running finances / musharakah	3,880,701	4,371,424
Demand Finance	1,500,000	-
	<u>5,380,701</u>	<u>4,371,424</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no significant change in the status of the contingencies as disclosed in note 28.1 of the audited annual financial statements of the Company for the year ended June 30, 2023.

	Un-audited September 30, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
11.2 Outstanding bank guarantees	<u>239,360</u>	<u>239,360</u>
11.3 Commitments		
In respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	813,975	1,065,982
- capital expenditure	167,317	249,432
	<u>981,292</u>	<u>1,315,414</u>
In respect of capital expenditure other than through letters of credit	31,959	21,080
	<u>1,013,251</u>	<u>1,336,494</u>

		----- Un-audited -----	
		Quarter ended	
		September 30, 2023	September 30, 2022
12. COST OF SALES	Note	----- Rupees in '000 -----	
Opening stock of finished goods		2,066,889	374,579
Cost of goods manufactured	12.1	9,344,176	7,424,825
Purchases during the period		399,145	157,164
		9,743,321	7,581,989
		11,810,210	7,956,568
Closing stock of finished goods		(2,961,255)	(740,073)
		<u>8,848,955</u>	<u>7,216,495</u>

12.1 Cost of goods manufactured

Opening stock of work-in-process	2,147,337	1,205,366
Raw materials and components consumed	7,305,965	5,776,714
Factory overheads	1,986,792	1,743,359
	9,292,757	7,520,073
	11,440,094	8,725,439
Closing stock of work-in-process	(2,095,918)	(1,300,614)
	<u>9,344,176</u>	<u>7,424,825</u>

13. EARNINGS PER SHARE

13.1 Basic earnings per share

Net profit for the quarter	262,884	489,695
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--- (Number of shares) ---

Weighted average ordinary shares in issue during the period	35,017,033	35,017,033
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----- Rupees -----

Basic earnings per share	7.51	13.98
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13.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2023 and September 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

14. TRANSACTIONS WITH RELATED PARTIES

14.1 Significant transactions with related parties are as follows:

	----- Un-audited -----	
	Quarter ended	
	September 30, 2023	September 30, 2022
	----- Rupees in '000 -----	
The Holding Company		
Lease rental paid	117,805	76,403
Service charges paid	18,678	23,901
Dividend paid	-	206,115
Bonus shares issued	-	41,223
Purchase of operating fixed assets	943	-
Associated companies		
Sale of:		
- goods	439,610	266,344
- operating fixed assets	5,039	2,963
Purchases of:		
- goods	1,400,521	299,483
- operating fixed assets	74,719	54,117
- consumables / services	4,033	5,543
Lease rental paid	2,752	2,502
Reimbursement of expenses	1,794	7,609
Expenses charged	918	101
Insurance premium	225,332	159,511
Insurance claims	1,633	146
Purchase of units in mutual funds	-	402,423
Sale of units in mutual funds	-	403,832
Dividend received	-	2,686
Dividend paid	-	12,543
Royalty and technical fee	109,768	89,303
Contribution to pension funds	6,421	5,023
Bonus shares issued	-	13,013
Donation paid	-	10,000
Other related parties		
Contributions paid to:		
- gratuity funds	-	-
- provident fund	1,672	1,509
Key Management Personnel		
- salaries and other short term employment benefits	33,773	29,303
- sale of operating fixed assets under Company policy	5,348	-

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

	Un-audited September 30, 2023	Audited June 30, 2023
	----- Rupees in '000 -----	
Receivable from related parties		
Loans and advances	2,053	-
Deposits and prepayments	219,504	-
Other receivables	5,083	404
Payable to related parties		
Staff retirement benefits	34,528	27,433
Trade and other payables	1,033,956	1,152,973
Dividend payable	493,045	221,862

These are in the normal course of business.

15. FINANCIAL RISK MANAGEMENT

15.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including 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, 2023.

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

15.2 Fair value estimation

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

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

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

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets - Recurring fair value measurement				

Financial assets at fair value through profit or loss

Short term investments	<u>281,319</u>	<u>-</u>	<u>-</u>	<u>281,319</u>
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There was no transfers amongst the levels and any change in valuation techniques during the period.

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, 2023, 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, 2022. Corresponding figures have been re-arranged 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 were authorized for issue on October 27, 2023 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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