



Half Yearly Report December 31,

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  
MCB Islamic 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](http://www.abl.atlas.pk)

## Email Address

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

# CHAIRMAN'S REVIEW

I am pleased to present the un-audited results of your Company for the half year ended December 31, 2023.

## The Economy

The economy is progressing steadily, although the outlook still remains challenging. The impact of demand compression measures, an improved fiscal position and continued adherence to program policies has supported the economic recovery. This has resulted in activity pick-up and easing of external pressures. An upward revision in expected GDP growth of 2.1% for FY-24 is encouraging. However, inflation remains high, mainly due to an upward pressure on food and energy prices, affecting the more vulnerable segment of society.

On the external front, the current account posted a deficit of USD 0.8 billion for the period under review, which is a 78% reduction compared to the same period last year. The improvement in the Current Account Deficit (CAD) was mainly driven through a reduction in the import bill of 14.7% while exports registered a growth of 7.5%. Another positive development was the resumption of the IMF program when Pakistan's 9-month Stand by Arrangements (SBA) was approved in July 2023 for an amount of approximately USD 3 billion and the 1<sup>st</sup> review was also successfully completed in November 2023. As a result, the 1<sup>st</sup> tranche of USD 706 million was also received from the IMF. Resultantly, the State Bank of Pakistan's foreign exchange reserves crossed the USD 8 billion mark reaching a 23-week high at USD 8.2 billion level. The stable reserves position helped prevent substantial depreciation in the value of the Rupee, which closed at Rs.282.40. These favorable indicators, along with the expectation of a fall in inflation in the coming months, is expected to lead to a reduction in interest rates in 2024. On the fiscal front, the revenue collection for Jul-Dec FY-24 exceeded the target with a total of PKR 4.467 trillion, up PKR 42 billion as compared to assigned target of PKR 4.425 trillion. The overall improving sentiment also boosted confidence in the capital markets, leading to the PSX 100 index surpassing 65,000 points for the first time in its history.

In the agriculture sector, the prospects for achieving production targets are positive. Estimate of the cotton crop indicates a noteworthy improvement, increasing to 8.4 million bales from 5 million bales last year. Similarly, rice has yielded a bumper crop this year with annual production of 9 million metric tons and more encouragingly rice exports has increased by 76% during the year. A healthy sugar crop is also generating record cashflow for the farmers. The upward revision in support prices, subsidies on fertilizer and timely initiatives by the Central bank, like agriculture credit and insurance as well as credit guarantee scheme, facilitated and reinforced the overall performance of the sector. As a result, demand for consumer durables should remain positive in the rural areas.

Large Scale Manufacturing (LSM) sector witnessed a minor negative growth of 0.8% during Jul-Nov FY-24, compared to the contraction of 2.3% same period last year. A mixed trend was observed at the sub-sector level: 12 out of 22 sectors, including Food, Chemicals, Pharmaceuticals and Petroleum Products witnessed positive growth, whereas other sectors including Automobiles witnessed negative growth. For sustained growth, regular scheduled adjustments and power sector reforms are vital for improving viability and protecting fiscal sustainability.

## Operating Results

During the second quarter of FY-24, your Company achieved sales of Rs.7.9 billion as compared to Rs.8.0 billion in the same quarter of last year, slightly down by 0.4%. This decrease was mainly due to economic downturns which has affected the purchasing power of consumers. Cost of sales was registered at Rs.7.0 billion as compared to Rs.6.9 billion in the corresponding quarter, up 0.9% mainly due to inflationary pressures. This resulted in gross profit of Rs.926 million as compared to Rs.1,020 million, down by 9.2%. Operating expenses stood at Rs.430 million as compared to Rs.404 million, up 6.4%. The operating profit decreased to Rs.499 million as compared to Rs.602 million, down by 17.0%. Finance cost increased substantially to Rs.424 million from Rs.154 million owing to high mark-up rates and increased working capital requirement.

Profit before tax for second quarter of FY-24 stood at Rs.75 million as compared to Rs.448 million for the same quarter last year, down by 83.2%. After providing Rs.65 million for taxation,

the profit after tax stood at Rs.11 million as compared to Rs.301 million, down by 96.5%. Earnings per share for the quarter was Rs.0.30 as compared to Rs.8.60 for the same quarter of last year.

During the first half of FY-24, your Company achieved sales of Rs.18.1 billion as compared to Rs.16.4 billion in the same period of last year, up 10.7%. Gross profit stood at Rs.2,252 million as compared to Rs.2,200 million, up 2.4%. The operating profit decreased to Rs.1,309 million as compared to Rs.1,392 million, down by 6.0%. Finance cost increased to Rs.806 million from Rs.211 million owing to high mark-up rates and increased working capital requirement.

Profit before tax for first half of FY-24 stood at Rs.503 million as compared to Rs.1,181 million in the corresponding period of last year, down by 57.4%. After providing Rs.229 million for taxation, the profit after tax stood at Rs.273 million as compared to Rs.791 million, down by 65.4%. Earnings per share for the half year was Rs.7.81 as compared to Rs.22.58 for the same period of last year.

### Future Prospects

The country has completed the first half of FY-24 on a positive note, reflected by decent growth prospects and improved business sentiments. The interim government has undertaken several structural reforms and policy measures to help boost the country's competitiveness, governance and social welfare. Looking ahead, it is crucial to maintain the ongoing reform efforts and concentrate on strategies that ensure stability and foster sustainable growth. However, the escalated geopolitical tensions in the Red Sea region have led to a surge in global freight charges, disturbance in supply chain, and are posing risks for international oil prices. Furthermore, the auto industry will remain under pressure due to tightened auto finance terms.

Keeping in view the current socio-economic situation and persistent energy shortages along with hike in energy tariffs and increased demand of solar projects, 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: February 26, 2024

مالی سال 2024 کی دوسری سہ ماہی کے لئے قبل از ٹیکس منافع 75 ملین روپے رہا جو کہ گزشتہ سال کی اسی سہ ماہی کے لئے 448 ملین روپے کے مقابلے میں 83.2 فیصد کم ہے۔ ٹیکس کے لئے 65 ملین روپے فراہم کرنے کے بعد، بعد از ٹیکس منافع 96.5 فیصد کم ہو کر 301 ملین روپے کے مقابلے میں 11 ملین روپے رہا۔ اس سہ ماہی کے لئے فی حصص آمدنی 0.30 روپے رہی جو کہ گزشتہ سال کی اسی سہ ماہی کے دوران 8.60 روپے تھی۔

مالی سال 2024 کی پہلی ششماہی کے دوران، آپ کی کمپنی نے 18.1 ملین روپے کی فروخت حاصل کی جو گزشتہ سال کی اسی مدت میں 16.4 ملین روپے کے مقابلے میں 10.7 فیصد زیادہ ہے۔ مجموعی منافع 2,252 ملین روپے کے مقابلے میں 2,200 ملین روپے رہا جو کہ 2.4 فیصد زیادہ ہے۔ آپریشنز سے منافع 1,392 ملین روپے کے مقابلے میں 6.0 فیصد کم ہو کر 1,309 ملین روپے ہو گیا۔ مارک اپ کی شرح اور ورکنگ کیپٹل کی ضرورت میں اضافے کی وجہ سے فنانس لاگت 211 ملین روپے سے بڑھ کر 806 ملین روپے ہو گئی۔

مالی سال 2024 کی پہلی ششماہی کے لئے قبل از ٹیکس منافع 503 ملین روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران 1,181 ملین روپے کے مقابلے میں 57.4 فیصد کم ہے۔ ٹیکس کے لئے 229 ملین روپے فراہم کرنے کے بعد، بعد از ٹیکس منافع 65.4 فیصد کم کے ساتھ 791 ملین روپے کے مقابلے میں 273 ملین روپے رہا۔ ششماہی کے لئے فی حصص آمدنی 7.81 روپے رہی جو گزشتہ سال کی اسی مدت کے دوران 22.58 روپے تھی۔

## مستقبل کے خدو خال

ملک نے مالی سال 2024 کی پہلی ششماہی ایک مثبت نوٹ پر ختم کی ہے جس کی عکاسی نمایاں ترقی کے امکانات اور بہتر کاروباری معیار سے ہوتی ہے۔ عبوری حکومت نے ملک کی مسابقت، گورنس اور سماجی بہبود کو بڑھانے میں معاونت کے لئے کئی ساختی اصلاحات اور پالیسی کے سخت اقدامات کیے ہیں۔ مزید برآں، اصلاحات کی جاری کاوشوں کو برقرار رکھنا اور ایسی حکمت عملیوں پر توجہ مرکوز رکھنا بہت ضروری ہے جو استحکام کو یقینی بنائیں اور پائیدار ترقی کو فروغ دیں۔ تاہم، بحیرہ احمر کے علاقے میں بڑھتے ہوئے جغرافیائی سیاسی تناؤ نے عالمی فریٹ کی لاگت میں اضافے، سپلائی چین میں رکاوٹ اور تیل کی بین الاقوامی قیمتوں کے لئے خطرات پیدا کیے ہیں۔ مزید یہ کہ، آئوٹسٹنگ کی سخت شرائط کی وجہ سے آٹو انڈسٹری دباؤ میں رہے گی۔

موجودہ سماجی و اقتصادی صورتحال اور توانائی کی مسلسل قلت کے ساتھ ساتھ توانائی کے نرخوں میں اضافہ اور سٹیم منصوبوں کی بڑھتی ہوئی مانگ کے پیش نظر آپ کی کمپنی کی مصنوعات کی مانگ برقرار رہے گی۔ آپ کی کمپنی صورتحال سے فائدہ اٹھانے اور بڑھتی ہوئی لاگت کے دباؤ کے باوجود مناسب مارجن کو یقینی بنانے کے ساتھ ساتھ مارکیٹ شیئر کو برقرار رکھنے کے لئے پُر امید ہے۔ HSE، پیداواری عمل، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈیولپمنٹ کے لئے مختص دانشمندانہ انویسٹمنٹ کاروباری کارکردگی کو بڑھاتا رہے گا۔

اعلیٰ معیار، مصنوعات کی جدت اور بعد از فروخت سروس سے مستفید ہوتے ہوئے، آپ کی کمپنی نئے علاقوں اور برآمدی منڈیوں کی تلاش کے ذریعے مارکیٹ میں اپنی بہتر رسائی کے لئے 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 حصول کے لئے "ڈپلٹس وے"، آپ کی کمپنی کے کاروباری فلسفے کے رہنما اصول بنے رہیں گے۔


## ع بیوسترہ شجر سے، امید بہار رکھ

(Perseverance always pays)

## اظہار تشکر

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

میں اس موقع پر اپنے جوائنٹ ویچر پارٹنرز IGS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بیکار 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 انجج شیرازی اور انتظامیہ کے تمام اراکین کا دلچسپی اور محنت کے ساتھ کام کرنے پر شکریہ ادا کرتا ہوں۔

  
عامر علی شیرازی  
چیئرمین

کراچی: 26 فروری 2024



## چیمبر میں کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2023 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر پڑتال شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

### معیشت

معیشت بتدریج ترقی کی راہوں پر گامزن ہے جبکہ آؤٹ لک اب بھی چیلنجنگ ہے۔ ڈیٹا منڈی سائڈ پر دباؤ کے باعث بے جانے والے اقدامات، مالی صورتحال میں بہتری اور پروگرام کی مسلسل پابندی سے معاشی بحالی میں مدد ملی ہے۔ اس کے نتیجے میں معاشی سرگرمیوں میں اضافہ ہوا ہے جس سے بیرونی دباؤ کو کم کیا گیا ہے۔ مالی سال 2024 کے لئے 2.1 فیصد کی متوقع جی ڈی پی نمو میں اضافہ حوصلہ افزاء ہے۔ تاہم، افراط زر بدستور بلند ہے جس کی بنیادی وجہ توانائی اور خوراک کی قیمتوں میں اضافہ ہے۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ میں زیر جائزہ مدت میں 0.8 ملین امریکی ڈالر کا خسارہ رپورٹ کیا گیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 78 فیصد کی کمی ہے۔ کرنٹ اکاؤنٹ خسارہ (CAD) میں بہتری بنیادی طور پر درآمدی بل میں 14.7 فیصد کی کمی سے ہوئی جبکہ برآمدات میں 7.5 فیصد اضافہ ہوا۔ ایک اور مثبت پیشرفت آئی ایم ایف پروگرام کی بحالی تھی جب جولائی 2023 میں پاکستان کے نو ماہ اسٹیٹڈ ہائی اسٹیٹمنٹس (SBA) کو تقریباً 3 بلین امریکی ڈالر کی منظوری دی گئی تھی اور پہلا جائزہ بھی نومبر 2023 میں کامیابی سے مکمل ہوا تھا۔ جس کے بعد آئی ایم ایف سے 706 ملین امریکی ڈالر کی پہلی قسط بھی موصول ہوئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر 8 ملین امریکی ڈالر سے تجاوز کر گئے اور 23 ہفتوں کی بلند ترین سطح 8.2 بلین امریکی ڈالر کی سطح پر پہنچ گئے۔ مستحکم ذخائر پوزیشن سے روپے کی قدر میں خاطر خواہ کمی کو روکنے میں مدد ملی جو 282.40 روپے پر بند ہوا۔ یہ سائزگار اشارے، آنے والے مہینوں میں افراط زر میں کمی کی توقع کے ساتھ 2024 میں شرح سود میں کمی کے امکانات کو ظاہر کرتے ہیں۔ مالیاتی محاذ پر مالی سال 2024 کی ششماہی میں محصولات کی وصولی 4.467 ٹریلین روپے کے ساتھ ہدف سے تجاوز کر گئے جو کہ 4.245 ٹریلین روپے کے مقرر کردہ ہدف کے مقابلے میں 42 بلین روپے زیادہ ہے۔ مجموعی طور پر اس بہتری نے کمپنیل مارکیٹوں میں اعتماد کو بھی بڑھایا ہے جس کے نتیجے میں 100-PSX انڈیکس اپنی تاریخ میں پہلی بار 65,000 پوائنٹس کو عبور کر گیا۔

زرعی شعبے میں پیداواری ہدف کے حصول کے امکانات مثبت ہیں۔ کپاس کی فصل کا تخمینہ ایک قابل ذکر بہتری کی نشاندہی کرتا ہے جو گزشتہ سال 5 بلین ہیکٹرز سے بڑھ کر 8.4 بلین ہیکٹرز پہنچ گئی ہے۔ اسی طرح، چاول کی سالانہ پیداوار 9 بلین میٹرک ٹن کے ساتھ رواں سال کی بھرپور فصل ہے اور زیادہ حوصلہ افزا ہے کہ یہ سال کے دوران چاول کی برآمدات میں 76 فیصد اضافہ ہوا ہے۔ گنے کی صحت مند فصل بھی کسانوں کے لئے ریکارڈ کیش فلوی پیدا کر رہی ہے۔ امدادی قیمتوں میں اضافے، کھاد سپر سڈ کی اور مرکزی بینک کی جانب سے بروقت اقدامات، جیسے زرعی قرضہ اور اسٹورس کے ساتھ ساتھ کریڈٹ گارنٹی اسکیم سے سیکلر کی مجموعی کارکردگی کو بہت اور تقویت ملی ہے۔ اس کے نتیجے میں دیہی علاقوں کے صارفین کی پائیدار ایشیا کی مانگ مثبت رہتی چاہیے۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) کے شعبے میں مالی سال 2024 جولائی تا نومبر کے دوران 0.8 فیصد کی معمولی منفی نمو دیکھی گئی جو گزشتہ سال کی اسی مدت میں 2.3 فیصد کے سکڑاؤ کے مقابلے میں تھی۔ ذیلی شعبے کی سطح پر ملاحظہ کرنا دیکھا گیا: خوراک، کیمیکلز، فارماسیوٹیکل اور پیٹرولیم مصنوعات سمیت 22 شعبوں میں سے 12 شعبوں میں مثبت نمو دیکھی گئی جبکہ آٹوموبائل سمیت دیگر شعبوں میں منفی نمو دیکھی گئی۔ پائیدار ترقی کے لئے، باقاعدہ طے شدہ ایڈجسٹمنٹ اور پائریٹیکلری اصلاحات عملی قابلیت کو بہتر بنانے اور مالیاتی استحکام کو تحفظ کے لئے بہت ضروری ہیں۔

### آپریٹنگ نتائج

مالی سال 2024 کی دوسری سہ ماہی کے دوران، آپ کی کمپنی نے 8 بلین روپے کی فروخت حاصل کی جو کہ گزشتہ سال کی سہ ماہی میں 7.9 بلین روپے کے مقابلے میں 0.4 فیصد کم ہے۔ یہ کمی بنیادی طور پر معاشی بحالی کے باعث پیش آئی جس سے صارفین کی قوت خرید متاثر ہوئی ہے۔ فروخت کی لاگت 7 بلین روپے درج کی گئی جو کہ گزشتہ سال اسی مدت کے دوران 6.9 بلین روپے کے مقابلے میں 0.9 فیصد زیادہ ہے جس کی بنیادی وجہ افراط زر کا دباؤ ہے۔ اس کے نتیجے میں 1,020 بلین روپے کے مقابلے میں 926 بلین روپے کا مجموعی منافع حاصل ہوا جو کہ 9.2 فیصد کم ہے۔ آپریٹنگ اخراجات 404 ملین کے مقابلے میں 6.4 فیصد اضافے کے ساتھ 430 ملین روپے رہے۔ آپریٹنگ سے منافع 602 ملین روپے کے مقابلے میں 17.0 فیصد کم ہو کر 499 ملین روپے ہو گیا۔ مالیاتی لاگت 154 ملین روپے سے کافی حد تک بڑھ کر 424 ملین روپے ہو گئی جس کی بنیادی وجہ مارک اپ کی بلند شرح اور ورکنگ کپینل کی ضرورت میں اضافے کے باعث ہے۔

# 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, 2023 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

### 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 statements 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 Osman Hameed Chaudhri.

*Shinewing Hameed Chaudhri & Co.*


SHINEWING HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS  
KARACHI: February 26, 2024  
UDIN: RR202310104HoTOJrSBt


# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


## AS AT DECEMBER 31, 2023

	Note	Un-audited December 31, 2023 ----- (Rupees in '000) -----	Audited June 30, 2023
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	4,929,822	4,591,636
Intangible assets		1,833	2,742
Investments		-	-
Long term loans		2,412	3,269
Long term deposits		29,838	29,338
		<u>4,963,905</u>	<u>4,626,985</u>
<b>Current assets</b>			
Stores, spares and loose tools		574,404	322,968
Stock-in-trade	6	8,660,559	10,324,114
Trade debts	7	3,251,998	2,391,345
Loans and advances		18,654	37,501
Deposits and prepayments	8	224,203	648,299
Investments		304,975	266,654
Other receivables		2,317	2,721
Sales tax receivable - net		-	192,141
Taxation - net		491,801	277,805
Bank balances		1,197,225	819,782
		<u>14,726,136</u>	<u>15,283,330</u>
<b>Total assets</b>		<u>19,690,041</u>	<u>19,910,315</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital 150,000,000 (June 30, 2023: 50,000,000) ordinary shares of Rs.10 each		<u>1,500,000</u>	<u>500,000</u>
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 reserves		5,037,500	5,037,500
Un-appropriated profits		1,198,737	1,275,481
		<u>6,236,237</u>	<u>6,312,981</u>
Capital reserve			
Surplus on revaluation of leasehold land		589,186	589,186
		<u>589,186</u>	<u>589,186</u>
<b>Total equity</b>		<u>7,175,593</u>	<u>7,252,337</u>
<b>Liabilities</b>			
<b>Non current liabilities</b>			
Lease liabilities		630,037	407,468
Long term borrowings	9	769,458	893,275
Deferred income - government grant		20,331	23,273
Staff retirement benefits		133,233	108,587
Deferred taxation		132,701	201,430
		<u>1,685,760</u>	<u>1,634,033</u>
<b>Current liabilities</b>			
Trade and other payables	10	3,442,131	5,959,674
Sales tax payables - net		349,553	-
Accrued mark-up		256,178	168,668
Current portion of lease liabilities		38,911	67,022
Current maturity of long term borrowings	9	213,331	171,725
Current portion of deferred income - government grant		5,981	6,209
Short term borrowings	11	6,236,888	4,371,424
Dividend payable		223,232	221,862
Unclaimed dividend		62,483	57,361
		<u>10,828,688</u>	<u>11,023,945</u>
<b>Total liabilities</b>		<u>12,514,448</u>	<u>12,657,978</u>
<b>Contingencies and commitments</b>	12		
<b>Total equity and liabilities</b>		<u>19,690,041</u>	<u>19,910,315</u>

The annexed notes 1 to 18 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, 2023

	Note	Quarter ended		Half year ended	
		December 31,		December 31,	
		2023	2022	2023	2022
		--- (Rupees in '000) ---		--- (Rupees in '000) ---	
Sales - net		7,952,889	7,982,502	18,126,981	16,378,913
Cost of sales	13	(7,026,429)	(6,962,678)	(15,875,384)	(14,179,173)
<b>Gross profit</b>		926,460	1,019,824	2,251,597	2,199,740
Distribution cost		(287,864)	(297,786)	(641,315)	(549,893)
Administrative expenses		(142,301)	(106,539)	(279,959)	(199,576)
Other income		21,177	18,391	42,328	36,551
Other expenses		(18,274)	(32,162)	(63,321)	(94,402)
<b>Profit from operations</b>		499,198	601,728	1,309,330	1,392,420
Finance cost		(424,120)	(153,836)	(806,478)	(211,332)
<b>Profit before taxation</b>		75,078	447,892	502,852	1,181,088
Taxation		(64,536)	(146,768)	(229,426)	(390,269)
<b>Profit for the period</b>		10,542	301,124	273,426	790,819
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		10,542	301,124	273,426	790,819
<b>Earnings per share</b>		----- Rupees -----			
- basic and diluted	14	0.30	8.60	7.81	22.58

The annexed notes 1 to 18 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, 2023

	Issued, subscribed and paid-up capital	Revenue Reserves		Capital Reserve	Total
		General reserves	Un-appro- priated profit	Surplus on revaluation of lease- hold land	
----- (Rupees in '000) -----					
Balance as at July 1, 2022	280,136	5,037,500	287,061	589,186	6,193,883
<b>Transaction with owners, recognised directly in equity</b>					
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)	-	-
<b>Total comprehensive income for the half year ended December 31, 2022</b>					
Profit for the period	-	-	790,819	-	790,819
Other comprehensive income	-	-	-	-	-
	-	-	790,819	-	790,819
<b>Balance as at December 31, 2022</b>	350,170	5,037,500	657,676	589,186	6,634,532
<b>Transaction with owners, recognised directly in equity</b>					
Interim cash dividend for the period ended March 31, 2023 at the rate of Rs.22.50 per share	-	-	(787,883)	-	(787,883)
<b>Total comprehensive income for six months period ended June 30, 2023</b>					
Profit for the period	-	-	1,410,423	-	1,410,423
Other comprehensive loss	-	-	(4,735)	-	(4,735)
	-	-	1,405,688	-	1,405,688
<b>Balance as at June 30, 2023</b>	350,170	5,037,500	1,275,481	589,186	7,252,337
Final cash dividend for the year ended June 30, 2023 at the rate of Rs.10 per share	-	-	(350,170)	-	(350,170)
<b>Total comprehensive income for the half year ended December 31, 2023</b>					
Profit for the period	-	-	273,426	-	273,426
Other comprehensive income	-	-	-	-	-
	-	-	273,426	-	273,426
<b>Balance as at December 31, 2023</b>	350,170	5,037,500	1,198,737	589,186	7,175,593

The annexed notes 1 to 18 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, 2023


	<b>Half year ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>----- (Rupees in '000) -----</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	502,852	1,181,088
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation	260,902	225,861
Amortisation	1,284	2,137
Provision for gratuity	6,784	5,621
Provision for compensated leave absences	29,208	13,976
Gain on sale of investments at fair value through profit or loss	-	(1,409)
Dividend income	-	(2,686)
Mark-up income	(1)	(2,413)
Fair value gain on investments at fair value through profit or loss	(28,321)	(14,653)
Loss / (gain) on sale of operating fixed assets	341	(85)
Provision for doubtful debts	20,126	2,711
Finance cost	806,476	211,332
	<u>1,599,653</u>	<u>1,621,480</u>
<b>Changes in working capital:</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(251,436)	(24,521)
Stock-in-trade	1,663,555	(2,846,348)
Trade debts	(880,779)	(624,430)
Loans and advances	18,847	7,162
Deposits and prepayments	424,096	(179,245)
Other receivables	404	(6,683)
Sales tax receivable - net	-	(299,308)
	<u>974,687</u>	<u>(3,973,373)</u>
(Decrease) / increase in current liabilities		
Trade and other payables	(2,505,504)	223,152
Sales tax payable - net	541,694	-
	<u>(1,963,810)</u>	<u>223,152</u>
	<u>(989,123)</u>	<u>(3,750,221)</u>
<b>Cash generated from / (used in) operations</b>	<u>610,530</u>	<u>(2,128,741)</u>
Finance cost paid	(648,681)	(164,490)
Mark-up received	1	2,160
Income taxes paid (including tax deducted at source)	(512,151)	(519,838)
Gratuity paid	(18,572)	(18,116)
Compensated leave absences paid	(4,815)	(1,240)
Long term loans - net	857	150
Long term deposits - net	(500)	(6,000)
	<u>(1,183,861)</u>	<u>(707,374)</u>
<b>Net cash used in operating activities</b> - carried forward	<u>(573,331)</u>	<u>(2,836,115)</u>


# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)


## FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	<b>Half year ended</b>	
	<b>December 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>----- (Rupees in '000) -----</b>	
<b>Net cash used in operating activities</b> - brought forward	(573,331)	(2,836,115)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(425,404)	(449,279)
Proceeds from sale of property, plant and equipment	32,052	28,031
Payment for intangible asset	(375)	-
Payment for investments	(10,000)	(402,423)
Proceeds from sale of investments	-	403,832
Dividend received	-	2,686
<b>Net cash used in investing activities</b>	(403,727)	(417,153)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Lease rentals paid	(81,903)	(48,833)
Long term borrowings obtained	-	1,062,500
Long term borrowings repaid	(85,382)	(404,132)
Short term borrowings - net	1,865,464	3,313,939
Dividend paid	(343,678)	(292,824)
<b>Net cash generated from financing activities</b>	1,354,501	3,630,650
<b>Net increase in cash and cash equivalents</b>	377,443	377,382
<b>Cash and cash equivalents</b> - at beginning of the period	819,782	222,325
<b>Cash and cash equivalents</b> - at end of the period	1,197,225	599,707

The annexed notes 1 to 18 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, 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 and motorcycle batteries & allied products. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The manufacturing facilities of the Company are located at S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Islamabad, Faisalabad, Sahiwal, Peshawar, Sukkur and Rahim Yar Khan.

The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 58.86% (June 30, 2023: 58.86%) of issued, subscribed and paid-up capital of the Company as at December 31, 2023.

### 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 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 the Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2023.

### 3. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

**3.1** 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, 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.

**3.2** 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 the condensed interim financial statements.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements are 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 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, 2023.

		<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
		<b>---- (Rupees in '000) ----</b>	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>	<b>Note</b>		
Operating fixed assets	5.1	4,266,954	4,172,942
Capital work-in-progress	5.5	129,651	40,877
Right of use assets	5.7	533,217	377,817
		<u>4,929,822</u>	<u>4,591,636</u>
<b>5.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		4,172,942	3,976,438
Additions during the period / year	5.2	336,630	636,010
Disposals costing Rs.56,339 thousand (June 30, 2023: Rs.92,025 thousand)			
- at net book value	5.3	(32,393)	(35,865)
Depreciation charged during the period / year		(210,225)	(403,641)
Net book value at end of the period / year	5.4	<u>4,266,954</u>	<u>4,172,942</u>
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:</b>			
Buildings on leasehold land		22,332	46,401
Plant and machinery		158,114	397,634
Office equipment		2,562	2,172
Computers and accessories		8,945	19,178
Furniture and fixtures		2,992	15,486
Air conditioners		615	1,086
Vehicles		141,070	154,053
		<u>336,630</u>	<u>636,010</u>
<b>5.3 Disposals during the period / year:</b>			
Plant and machinery		2,276	2,949
Computers and accessories		52	199
Air conditioners		30	39
Vehicles		30,035	32,678
		<u>32,393</u>	<u>35,865</u>
<b>5.4 Plant and machinery includes dies and moulds held with third party:</b>			
- Atlas Autos (Private) Limited, a related party [aggregate cost Rs.89,685 thousand (June 30, 2023: Rs.89,685 thousand)]		67,857	71,428
- Others [aggregate cost Rs.136,520 thousand (June 30, 2023: Rs.136,520 thousand)]	5.4.1	60,551	63,739
		<u>128,408</u>	<u>135,167</u>
<b>5.4.1</b>			
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.			

	<b>Note</b>	<b>Un-audited December 31, 2023 ---- (Rupees in '000) ----</b>	<b>Audited June 30, 2023</b>
<b>5.5 Capital work-in-progress</b>			
Buildings on leasehold land		17,068	-
Plant and machinery		109,265	25,570
Computers and accessories		281	1,480
Furniture and fixtures		255	-
Vehicles		867	11,917
Intangible assets		1,915	1,910
	5.6	<u>129,651</u>	<u>40,877</u>
<b>5.6 Includes advance payments to related parties</b>			
Atlas Autos (Private) Limited		1,048	-
Atlas Global FZE		61,696	-
Atlas Honda Limited		467	900
Honda Atlas Cars (Pakistan) Limited		400	11,017
Integration Xperts (Private) Limited		-	150
		<u>63,611</u>	<u>12,067</u>
<b>5.7 Right of use assets</b>			
Net book value at beginning of the period / year		377,817	314,634
Addition during the period		55,168	-
Adjustment due to lease modification		150,909	133,725
Depreciation charged during the period / year		(50,677)	(70,542)
Net book value at end of the period / year		<u>533,217</u>	<u>377,817</u>
<b>6. STOCK-IN-TRADE</b>			
Raw materials and components:			
- in hand		3,374,847	5,964,375
- with third parties	6.1	55,001	60,273
		<u>3,429,848</u>	<u>6,024,648</u>
Work-in-process		2,440,128	2,147,337
Finished goods		2,714,412	2,066,889
Items in transit		76,171	85,240
		<u>8,660,559</u>	<u>10,324,114</u>
<b>6.1</b> Includes raw materials amounting to Rs.405 thousand (June 30, 2023: Rs.402 thousand) and work-in-process amounting to Rs.2,039 thousand (June 30, 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.			
<b>6.2</b> Stock-in-trade and trade debts upto a maximum amount of Rs.11,869,021 thousand (June 30, 2023: Rs.9,734,694 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 11).			

	<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	<b>---- (Rupees in '000) ----</b>	
<b>7. TRADE DEBTS - Unsecured</b>		
<b>Considered good</b>		
Associated Companies	9,655	85,592
Others	3,242,343	2,305,753
	<u>3,251,998</u>	<u>2,391,345</u>
<b>Considered doubtful</b>		
Others	51,421	31,295
	<u>3,303,419</u>	<u>2,422,640</u>
Provision for expected credit loss	(51,421)	(31,295)
	<u>3,251,998</u>	<u>2,391,345</u>

## 8. DEPOSITS AND PREPAYMENTS

- 8.1** Includes margin against letters of credit aggregating Rs.2,819 thousand (June 30, 2023: Rs.612,110 thousand) and prepayments aggregating Rs.201,705 thousand (June 30, 2023: Rs.16,510 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

	<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	<b>---- (Rupees in '000) ----</b>	
<b>9. LONG TERM BORROWINGS</b>		
Musharakah I	625,000	708,333
Musharakah II	312,500	312,500
Temporary economic refinance facility (TERF)	71,601	73,650
Adjustment pertaining to fair value of loan at below market interest rate	(26,312)	(29,483)
	<u>982,789</u>	<u>1,065,000</u>
Current maturity	(213,331)	(171,725)
	<u>769,458</u>	<u>893,275</u>

## 10. TRADE AND OTHER PAYABLES

- 10.1** Includes trade creditors aggregating Rs.608,180 thousand (June 30, 2023: Rs.2,892,958 thousand).

	<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	<b>---- (Rupees in '000) ----</b>	
<b>11. SHORT TERM BORROWING - Secured</b>		
Running finances / musharakah	3,186,888	4,371,424
Demand finances	3,050,000	-
	<u>6,236,888</u>	<u>4,371,424</u>

## 12. CONTINGENCIES AND COMMITMENTS

### 12.1 Contingencies

- 12.1.1** 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 except as stated below:

- 12.1.2** In note 28.1.3 to the audited financial statements for the year ended June 30, 2023, the High Court of Sindh via its final order dated October 10, 2023, has dismissed the petition of the Company based on jurisdiction. The Company will pursue the available departmental remedies or relevant jurisdiction court, once the proceedings are finalized.

**12.1.3** In note 28.1.5 of the audited financial statements for the year ended June 30, 2023, the Punjab Revenue Authority (PRA) on December 19, 2023 has issued a recovery notice under section 70 of the Punjab Sales Tax on Services Act, 2012 for the impugned demand of Rs.4.327 million including penalty. The Company has again filed a petition before Honourable Lahore High Court on January 02, 2024 for grant of stay from coercive actions and to suspend the operation of the recovery order, which is pending for hearing.

	<b>Un-audited December 31, 2023</b>	Audited June 30, 2023
	---- (Rupees in '000) ----	
<b>12.2</b> Outstanding bank guarantees	<u>264,360</u>	<u>239,360</u>

**12.3 Commitments**

In respect of confirmed letters of credit / contract relating to:

- raw materials, stores, spares and loose tools	958,522	1,065,982
- capital expenditure	74,681	249,432
	<u>1,033,203</u>	<u>1,315,414</u>

In respect of capital expenditure other than through letters of credit

	29,600	21,080
	<u>1,062,803</u>	<u>1,336,494</u>

	Note	----- Un-audited -----			
		Quarter ended December 31, 2023		Half year ended December 31, 2023	
<b>13. COST OF SALES</b>		----- (Rupees in '000) -----			
Opening stock of finished goods		2,961,255	740,073	2,066,889	374,579
Cost of goods manufactured	13.1	6,535,914	8,094,208	15,880,090	15,519,033
Purchases during the period		243,672	387,519	642,817	544,683
		<u>9,740,841</u>	<u>9,221,800</u>	<u>18,589,796</u>	<u>16,438,295</u>
Closing stock of finished goods		<u>(2,714,412)</u>	<u>(2,259,122)</u>	<u>(2,714,412)</u>	<u>(2,259,122)</u>
		<u>7,026,429</u>	<u>6,962,678</u>	<u>15,875,384</u>	<u>14,179,173</u>

**13.1 Cost of goods manufactured**

Opening work-in-process	2,095,918	1,300,614	2,147,337	1,205,366
Raw materials and components consumed	5,084,872	6,056,548	12,390,837	11,833,262
Factory overheads	1,795,252	1,921,901	3,782,044	3,665,260
	<u>6,880,124</u>	<u>7,978,449</u>	<u>16,172,881</u>	<u>15,498,522</u>
	<u>8,976,042</u>	<u>9,279,063</u>	<u>18,320,218</u>	<u>16,703,888</u>
Closing work-in-process	<u>(2,440,128)</u>	<u>(1,184,855)</u>	<u>(2,440,128)</u>	<u>(1,184,855)</u>
	<u>6,535,914</u>	<u>8,094,208</u>	<u>15,880,090</u>	<u>15,519,033</u>

**14. EARNINGS PER SHARE**

**14.1 Basic earnings per share**

Net profit for the period	<u>10,542</u>	<u>301,124</u>	<u>273,426</u>	<u>790,819</u>
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----- (Number of shares) -----

Weighted average number of ordinary shares in issue during the period	<u>35,017,033</u>	<u>35,017,033</u>	<u>35,017,033</u>	<u>35,017,033</u>
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----- (Rupees) -----

Basic earnings per share	<u>0.30</u>	<u>8.60</u>	<u>7.81</u>	<u>22.58</u>
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**14.2** A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2023 and December 31, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

**15. TRANSACTIONS WITH RELATED PARTIES**

**15.1** Significant transactions with related parties other than disclosed any where else are as follows:

	----- Un-audited ----- December 31, 2023                      2022 ---- (Rupees in '000) ----	
Holding Company		
Lease rentals paid	117,805	76,403
Service charges paid	18,678	23,901
Dividend paid	206,115	206,115
Bonus shares issued	-	41,223
Purchase of operating fixed assets	943	-
Associated Companies		
Sales of:		
- goods	891,248	589,287
- operating fixed assets	5,039	2,964
Purchases of:		
- goods	2,156,199	782,928
- operating fixed assets	188,821	94,336
- intangible assets	375	-
- consumables / services	10,223	11,581
Service charges / lease rental paid	2,752	2,502
Reimbursement of expenses	3,587	18,967
Expenses charged	918	101
Insurance premium	292,252	220,600
Insurance claims	23,236	10,971
Purchase of units in mutual funds	-	402,423
Sale of units in mutual funds	-	403,832
Dividend received	-	2,686
Dividend paid	63,698	12,544
Royalty and technical fee	201,606	171,654
Contribution to pension funds	12,751	9,985
Bonus shares issued	-	13,014
Donation paid	36,981	21,377
Bonus fraction donated	-	107
<b>Other related parties</b>		
Contribution paid to:		
- gratuity fund	18,571	18,115
- provident fund	3,311	2,998
Key Management Personnel		
- salaries and other short term employment benefits	92,853	66,829
- sale of operating fixed asset	5,348	3,450

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

	Un-audited December 31, 2023 ---- (Rupees in '000) ----	Audited June 30, 2023
<b>Receivables from related parties</b>		
Long term loans	1,063	-
Loans and advances	1,903	-
Deposits and prepayments	176,709	-
Other receivables	-	404
<b>Payables to related parties</b>		
Staff retirement benefits	32,963	27,433
Trade and other payables	775,247	1,152,973
Dividend payable	223,232	221,862

These are in the normal course of business.

## 16. FINANCIAL RISK MANAGEMENT

### 16.1 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, 2023.

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

### 16.2 Fair value estimation

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

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

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

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
<b>Assets - Recurring fair value measurement</b>				
<b>Financial assets at fair value through profit or loss</b>				
Short term investments	<u>304,975</u>	<u>-</u>	<u>-</u>	<u>304,975</u>

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


## 17. 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 period ended December 31, 2022. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.

## 18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements was authorized for issue on February 26, 2024 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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