



Atlas Battery

Half Yearly Report
December 31, 2016

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COMPANY INFORMATION

Board of Directors

Yusuf H. Shirazi
Chairman

Ariful Islam
Director

Azam Faruque
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Rizwan Ahmed
Company Secretary

Audit Committee

Frahim Ali Khan
Chairman

Azam Faruque
Member

Bashir Makki
Member

M. Rizwan Jamil
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Bashir Makki
Chairman

Ali H. Shirazi
Member

Frahim Ali Khan
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Mohsin Khan
General Manager Marketing

Muhammad Iqbal
General Manager Supply Chain

Muhammad Jamil Awan
General Manager Technical Development

Nehal Asghar
General Manager Plant

Adeel Sartaj
General Manager Quality Assurance

Ahmar Waheed
General Manager Human Resource

Malik Nasir Mohyuddin
General Manager After Sales & Business Development

Mansoor Jamil Khan
General Manager Engineering & Projects

Qasim Imran Khan
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer & Company Secretary

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young 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
The Bank of Tokyo-Mitsubishi UFJ, Limited
United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi.
Tel: (021) 32424826 & 32412754
Fax: (021) 32424835
E-mail: shares@hmaconsultants.com.pk

Registered Office & Factory

D-181, Central Avenue, S.I.T.E.,
Karachi-75730
Tel: (021) 32567990-94
Fax: (021) 32564703

Zonal Office Karachi

4-C, Khayaban-e-Tanzeem,
Tauheed Commercial,
Phase V, D.H.A., Karachi
Tel: (021) 35877911-15
Fax: (021) 35877916

Sukkur Office

F-33/4, Barrage Colony,
Workshop Road, Sukkur
Tel: (071) 5612532
Fax: (071) 5612532

Zonal Office Lahore

Plaza No. 68/1, XX-Block,
Khayaban-e-Iqbal, Phase 3,
D.H.A, Lahore
Tel: (042) 37186388-90
Fax: (042) 37186391

Faisalabad Office

54-Chenab Market,
Madina Town, Faisalabad
Tel: (041) 8713127
Fax: (041) 8726628

Multan Office

Azmat Wasti Road,
Chowk Dera Adda, Multan-60000
Tel: (061) 4548017

Peshawar Office

Ground Floor, Zeenat Plaza,
Near General Bus Stand,
G.T. Road, Peshawar
Tel: (091) 2262485

Islamabad Office

Plot No. 23, Ground Floor,
Sector I-11/3, Near Nescom,
Islamabad
Tel: (051) 4863962-63

Sahiwal Office

647-V-7, Al-Hilal Building,
Nishter Road, Sahiwal-57000
Tel: (040) 4461539

Company Website

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abl@atlasbattery.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the half year ended December 31, 2016.

ECONOMY

Pakistan's economic indicators in the current fiscal year have moved in a favorable direction. The average inflation reduced to 3.9%, lower than earlier estimates due to smooth supply of perishable goods, stable exchange rate, improved security condition and government's decision to subsidize the impact of higher international oil prices. Large-Scale Manufacturing (LSM) grew by 3.2% during July-November 2016 as compared to 4.4% in the corresponding period last year. During July-December 2016, exports decreased to US\$ 10.5 billion, down by 2.3% as compared to US\$ 10.8 billion in the corresponding period last year. Imports increased to US\$ 21.3 billion, up 6.0% as compared to US\$ 20.1 billion in the corresponding period last year. Trade deficit is widening and stands at US\$ 10.8 billion as compared to US\$ 9.4 billion in the correspondence period last year. Foreign remittances decreased to US\$ 9.5 billion, down by 2.4% as compared to US\$ 9.7 billion in the corresponding period last year. Growing CPEC related imports, decline in exports, absence of Coalition Support Fund, and slowdown in foreign remittances, pushed the current account deficit to US\$ 3.6 billion as compared to US\$ 1.7 billion in the corresponding period last year. On the other hand, the Pakistan Stock Exchange has crossed all previous milestones and become a highly attractive emerging market for local and foreign investors.

OPERATING RESULTS

During 2nd quarter, your Company achieved net sales revenue of Rs.3,824 million as compared to Rs.3,042 million in the same quarter of last year, up 25.7%. This is mainly due to strong demand of batteries in the replacement market. Surge in major material prices forced the cost of sales to grow by 29.0% from Rs.2,460 million to Rs.3,174 million resulting in decline in gross profit ratio which stood at 17.0% as compared to 19.1% during the same quarter of last year.

Operating expenses at Rs.229 million increased by Rs.48 million as compared to Rs.182 million in the corresponding quarter of last year mainly due to increase in promotional activities. Investment in equity based mutual funds backed by a buoyant stock market helped the other income to stand at Rs.144 million as compared to Rs.4 million in the corresponding quarter of last year. Profit from operations increased to Rs.518 million from Rs.389 million, up 33.2%. Finance cost decreased to Rs.19 million from Rs.26 million, down by Rs.7 million as compared to corresponding quarter.

Thus, profit before tax for 2nd quarter of FY 2016-17 stood at Rs.499 million as compared to Rs.363 million in the corresponding quarter of last year, up 37.5%. After providing Rs.113 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.385 million as compared to Rs.257 million, up 50.2%. Earnings per share for the quarter improved from Rs.14.75 to Rs.22.15 for the same period.

For the 1st half of FY 2016-17, net sales revenue stood at Rs.7,566 million, up 9.4% as compared to to Rs.6,917 million for the same period last year. Cost of sales also increased by 9.2% as against corresponding period of last year. The gross profit ratio stood at 17.4% which is almost at par with 17.3% of last year. However, in absolute amount, it improved to Rs.1,316 million from Rs.1,195 million, up 10.1%.

Operating profit for six months improved to Rs.996 million from Rs.751 million, up 32.5% as compared to same period last year. Finance cost reduced by Rs.9 million as compared to same period last year. Thus, after tax profit was Rs.729 million as against Rs.508 million during the same period last year and earnings per share improved to Rs.41.91 as against Rs.29.22, up 43.4%.

FUTURE OUTLOOK

Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the automotive industry. During 1st half of FY 2016-17, sales of locally manufactured cars, trucks, buses, etc. decreased by 3.5% to 122,347 units from 126,740 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) witnessed growth of 21.0% to 787,879 units from 651,338 units during the corresponding period last year. Automotive industry is likely to witness growth momentum in 2nd half of FY 2016-17 which bodes well for your Company's growth prospects.

Strong demand together with stiff competition in replacement market is expected to continue in the 2nd half of FY 2016-17. New entrants will further increase competition in the near future. Rise in major material prices at the international and local market, depreciation of Pak Rupee against international currencies, hike in energy tariffs and inflationary pressure on other input costs may impact the financial results. However, the management of your Company is determined to remain competent through process efficiency, curbing costs and maintaining quality of product along with growth in sales for improved market penetration. This will enhance efficiency and result in improved financial performance and growth of your Company. The improvement in human resource capabilities and value addition for shareholders is always a prime focus of your Company. I am sure that your Company will continue to focus on productivity and efficiency while meeting customers' desire for superior quality by following the principles of "The Atlas Way":

سے خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے
خدا بندے سے خود پوچھے بتا تیری رضا کیا ہے

ACKNOWLEDGEMENTS

I would like to thank our JV Partners GS Yuasa International Limited; Japan, Board of Directors, shareholders, bankers, vendors and customers for their continuous support and guidance. I also thank Mr. Ali H. Shirazi; President and Chief Executive of your Company and the management team for their dedication and commitment to achieve sustained growth year after year.



Yusuf H. Shirazi
Chairman

Karachi: February 22, 2017

آٹوموٹو انڈسٹری میں بطور وینڈر، آپ کی کمپنی کی پروڈکٹ بڑے پیمانے پر انڈسٹری میں ہونے والی ترقی پر منحصر ہے۔ مالی سال 2016-17 کی پہلی ششماہی کے دوران مقامی طور پر تیار کردہ کاریں، ٹرکس، بسیں وغیرہ 3.5 فیصد کی کے بعد 122,347 یونٹس فروخت ہوئے جو کہ گزشتہ سال اسی مدت کے مقابلے میں 126,740 یونٹس تھے۔ موٹر سائیکل اور تین پہیوں والی گاڑیوں کے سیکٹ (دو اسمبلرز جو PAMA سے رجسٹرڈ ہیں) میں 21 فیصد اضافہ دیکھا گیا اور 787,879 یونٹس فروخت ہوئے جبکہ گزشتہ سال اسی مدت کے دوران 651,338 یونٹس فروخت ہوئے تھے۔ آٹوموٹو انڈسٹری مالی سال 2016-17 کی دوسری ششماہی میں ترقی کا امکان ہے جس سے کمپنی کی ترقی پراچھا اثر پڑے گا۔

مالی سال 2016-17 کی دوسری ششماہی کے دوران متبادل مارکیٹ میں زیادہ طلب اور سخت مقابلے کی فضا متوقع ہے۔ نئی کمپنیاں مستقبل قریب میں مزید مقابلے کا رجحان پیدا کریں گی۔ مقامی اور بین الاقوامی مارکیٹوں میں ہونے والی قیمتوں میں اضافہ، غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی، توانائی کی قیمتوں میں اضافے اور دیگر اخراجات پرافرٹ زمر کے دباؤ سے مالیاتی نتائج پراثر پڑ سکتا ہے۔ تاہم آپ کی کمپنی کی انتظامیہ بہترین کارکردگی، اخراجات کے کنٹرول، پروڈکٹ کے معیار کو برقرار رکھنے کے ساتھ ساتھ مارکیٹ میں رسائی بڑھا کر سب سے بہتر بنانے کے عزم کے ساتھ سرگرم عمل ہے۔ اس کے سبب مستعدی میں اضافہ، کمپنی کی مالیاتی کارکردگی اور ترقی میں بہتری آئے گی۔ ہمیشہ سے آپ کی کمپنی کی بنیادی توجہ انسانی ذرائع کی صلاحیتوں میں اضافہ اور حصص داران کے لیے اضافی سہولیات و خدمات رہی ہیں۔ مجھے یقین ہے کہ آپ کی کمپنی کسٹمرز کو اعلیٰ ترین معیار کی فراہمی کے ساتھ پیداوار اور موثر کارکردگی پروجیکٹس کو زور رکھتے ہوئے "ٹلس کے طریقہ کار" کے اصولوں پر عمل پیرا رہے گی۔

سے خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے
خدا بندے سے خود پوچھے بتا تیری رضا کیا ہے

اظہار تشکر

میں اس موقع پر اپنے جوائنٹ ویٹری پارٹنرز GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص داران، مینجرز، وینڈرز اور کسٹمرز کا ان کی حمایت اور راہنمائی پر شکریہ ادا کرتا ہوں۔ میں اس کے ساتھ ساتھ آپ کی کمپنی کے پریڈیٹمنٹ اینڈ چیف ایگزیکٹو جناب علی ایچ شیرازی اور مینجمنٹ ٹیم کا بھی ہر سال پوری لگن اور دلچسپی کے ساتھ کامیابی کے حصول کے لیے انتھک محنت کرنے پر شکریہ ادا کرتا ہوں۔



یوسف ایچ شیرازی
چیئرمین

کراچی: 22 فروری 2017

چیسرین کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2016 کو ختم ہونے والی ششماہی کے لیے کمپنی کے غیر پڑتال شدہ عبوری مالیاتی نتائج پیش کر رہا ہوں۔

معیشت

پاکستان کے معاشی اشاریے موجودہ مالیاتی سال میں سازگار سمت میں جا رہے ہیں۔ ایشیائے خورد و نوش کی متواتر فراہمی، مستحکم زر مبادلہ کی شرح، امن و امان کی بہتر صورتحال اور عالمی سطح پر تیل کی بڑھتی ہوئی قیمتوں پر حکومت کی جانب سے سبسڈی دینے کے فیصلوں کے سبب اوسط افراط زر کم ہو کر 3.9 فیصد ہو گئی ہے جو کہ گزشتہ تھینے سے کم ہے۔ بڑے پیمانے پر ہینوٹو چکرنگ جولائی تا نومبر 2016 کے درمیان 3.2 فیصد بڑھ گئی جو کہ گزشتہ سال اسی مدت کے دوران 4.4 فیصد تھی۔ جولائی تا دسمبر 2016 کے دوران، برآمدات 2.3 فیصد کمی کے ساتھ 10.5 بلین ڈالر رہیں جو کہ گزشتہ سال اسی مدت کے دوران 10.8 بلین ڈالر تھیں۔ درآمدات 6.0 فیصد اضافے کے ساتھ 21.3 بلین ڈالر رہیں جو کہ گزشتہ سال اسی مدت کے دوران 20.1 بلین ڈالر تھیں۔ تجارتی خسارے میں اضافہ ہوا اور یہ 10.8 بلین ڈالر کی سطح پر موجود ہے جو کہ گزشتہ سال اسی مدت کے دوران 9.4 بلین ڈالر تھا۔ غیر ملکی ترسیلات زر 2.4 فیصد کمی کے ساتھ 9.5 بلین ڈالر رہیں جو کہ گزشتہ سال اسی مدت کے دوران 9.7 بلین ڈالر تھے۔ چائنا پاکستان معاشی راہداری کے پروجیکٹ سے متعلقہ درآمدات میں اضافے، برآمدات میں کمی، کولیشن سپورٹ فنڈ میں عدم فراہمی اور ترسیلات زر میں کمی نے کرنٹ اکاؤنٹ خسارہ 3.6 بلین ڈالر کر دیا ہے جو کہ گزشتہ سال اسی مدت کے دوران 1.7 بلین ڈالر تھا۔ دوسری جانب پاکستان اسٹاک ایکسچینج تمام پرانے ریکارڈ توڑتے ہوئے مقامی اور بین الاقوامی سرمایہ کاروں کے لیے نہایت پرکشش اور ابھرتی ہوئی مارکیٹ بن گئی ہے۔

آپریٹنگ نتائج

دوسری سہ ماہی کے دوران، آپ کی کمپنی نے نیٹ سیلز ریونیو کی مد میں 3,824 بلین روپے حاصل کیے جو کہ گزشتہ سال اسی مدت کے دوران حاصل کردہ 3,042 بلین روپے ریونیو کے مقابلے میں 25.7 فیصد زیادہ ہیں۔ اس کی بنیادی وجہ متبادل مارکیٹ میں بیٹریز کی بڑھتی ہوئی مانگ ہے۔ میٹریل کی قیمتوں میں اضافے کے سبب سیلز کی لاگت 29.0 فیصد اضافے کے ساتھ 2,460 بلین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران 3,174 بلین روپے تھی اور اس کے نتیجے میں مجموعی منافع کا تناسب کم ہو کر 17.0 فیصد پر موجود ہے جو کہ گزشتہ سال اسی سہ ماہی میں 19.1 فیصد تھا۔

آپریٹنگ اخراجات 48 بلین روپے کے اضافے سے 229 بلین روپے رہے جو کہ گزشتہ سال اسی سہ ماہی کے دوران 182 بلین روپے تھے۔ اس کا اہم سبب تشہیری سرگرمیوں میں اضافہ ہے۔ ایکویٹی پر مبنی میوچل فنڈز، جس کو اسٹاک مارکیٹ کی جانب سے زبردست سپورٹ مہیا کی گئی تھی، اس کے سبب دیگر آمدنی 144 بلین روپے پر موجود ہے جو کہ گزشتہ سال اسی سہ ماہی کے دوران 4 بلین روپے تھی۔ آپریٹنگ سے حاصل ہونے والا منافع 33.2 فیصد اضافے کے ساتھ 389 بلین روپے کے مقابلے میں 518 بلین روپے ہے۔ مالیات کی لاگت 26 بلین روپے سے کم ہو کر 19 بلین روپے ہو گئی ہے جو کہ گزشتہ سال اسی مدت کے دوران سہ ماہی کے مقابلے میں 7 بلین روپے کم ہوئی ہے۔

مالی سال 17-2016 کی دوسری سہ ماہی میں قبل از ٹیکس منافع 37.5 فیصد اضافے کے ساتھ 499 بلین روپے پر موجود ہے جو کہ گزشتہ سال اسی مدت کے مقابلے میں 363 بلین روپے تھا۔ موجودہ اور موثر ٹیکس محصولات کی مد میں 113 بلین روپے کی فراہمی کے بعد، آپ کی کمپنی کا بعد از ٹیکس منافع 50.2 فیصد اضافے کے ساتھ 257 بلین روپے کے مقابلے میں 385 بلین روپے پر موجود ہے۔ اسی مدت کے دوران آمدنی فی حصص 14.75 روپے سے بڑھ کر 22.15 روپے رہی ہے۔

مالی سال 17-2016 کی پہلی ششماہی میں خالص سیلز ریونیو 6,917 بلین روپے کے مقابلے میں 9.4 فیصد اضافے کے ساتھ 7,566 بلین روپے پر موجود ہے۔ سیلز کی لاگت میں گزشتہ سال کے مقابلے میں 9.2 فیصد اضافہ ہے۔ مجموعی منافع کا تناسب 17.4 فیصد پر موجود ہے جو کہ گزشتہ سال کے 17.3 فیصد کے تقریباً برابر ہے۔ تاہم مطلق رقم 10.1 فیصد اضافے کے ساتھ 1,195 بلین روپے سے بڑھ کر 1,316 بلین روپے ہو گئی ہے۔

چھ ماہ کے لیے آپریٹنگ منافع 32.5 فیصد اضافے کے ساتھ 751 بلین روپے سے بڑھ کر 996 بلین روپے رہا۔ مالیات کی لاگت میں گزشتہ سال اسی مدت کے مقابلے میں 9 بلین روپے کمی ہوئی۔ اس طرح، بعد از ٹیکس منافع 729 بلین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران 508 بلین روپے تھا اور آمدنی فی حصص 43.4 فیصد اضافے کے ساتھ 41.91 روپے رہی جو کہ 29.22 روپے تھی۔

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Atlas Battery Limited as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Harve J Gandhi c/o.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
Karachi: February 22, 2017

Engagement Partner: Osman Hameed Chaudhri

a member firm of *ShineWing* International

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT DECEMBER 31, 2016

	Note	Un-audited December 31, 2016 ----- (Rupees in '000) -----	Audited June 30, 2016 -----
ASSETS			
Non-current assets			
Property, plant and equipment	5	2,918,998	2,672,742
Intangible assets		1,953	4,883
Investments		-	-
Long term loans		1,322	1,152
Long term deposits		15,147	14,647
		<u>2,937,420</u>	<u>2,693,424</u>
Current assets			
Stores, spares and loose tools		181,048	182,314
Stock-in-trade	6	2,053,112	1,889,810
Trade debts	7	1,037,757	119,477
Loans and advances		14,293	5,561
Deposits and prepayments	8	101,774	6,457
Investments	9	1,745,357	1,558,861
Other receivables		2,317	8,840
Taxation - net		210,284	196,036
Cash and bank balances	10	217,923	45,257
		<u>5,563,865</u>	<u>4,012,613</u>
Total assets		<u><u>8,501,285</u></u>	<u><u>6,706,037</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital 50,000,000 (June 30, 2016: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid up capital 17,399,769 (June 30, 2016: 17,399,769) ordinary shares of Rs.10 each		173,998	173,998
General reserve		3,827,500	2,827,500
Unappropriated profit		736,247	1,276,794
Total equity		<u>4,737,745</u>	<u>4,278,292</u>
Surplus on revaluation of leasehold land		193,886	193,886
Liabilities			
Non current liabilities			
Staff retirement benefits		76,140	65,359
Deferred taxation		237,948	216,880
		<u>314,088</u>	<u>282,239</u>
Current liabilities			
Trade and other payables		1,235,523	1,193,182
Sales tax payable - net		76,303	18,057
Accrued mark-up		11,336	4,392
Short term borrowings	11	1,932,404	735,989
		<u>3,255,566</u>	<u>1,951,620</u>
Total liabilities		<u>3,569,654</u>	<u>2,233,859</u>
Contingencies and commitments	12		
Total equity and liabilities		<u><u>8,501,285</u></u>	<u><u>6,706,037</u></u>

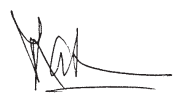
The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Note	Quarter ended		Half year ended	
		December 31,		December 31,	
		2016	2015	2016	2015
----- (Rupees in '000) -----					
Sales - net		3,823,508	3,042,133	7,566,008	6,917,184
Cost of sales	13	(3,174,318)	(2,460,251)	(6,250,189)	(5,721,838)
Gross profit		649,190	581,882	1,315,819	1,195,346
Distribution cost		(145,329)	(109,894)	(283,770)	(229,109)
Administrative expenses		(83,947)	(71,800)	(157,308)	(137,531)
Other income	14	143,952	3,947	207,216	50,699
Other expenses		(46,336)	(15,628)	(86,272)	(128,052)
Profit from operations		517,530	388,507	995,685	751,353
Finance cost		(18,666)	(25,823)	(29,811)	(38,690)
Profit before taxation		498,864	362,684	965,874	712,663
Taxation		(113,491)	(106,074)	(236,724)	(204,323)
Profit after taxation		385,373	256,610	729,150	508,340
Other comprehensive income		-	-	-	-
Total comprehensive income		385,373	256,610	729,150	508,340
----- (Rupees) -----					
Basic and diluted earnings per share		22.15	14.75	41.91	29.22

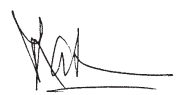
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Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	965,874	712,663
Adjustments for non-cash charges and other items:		
Depreciation	121,453	97,033
Amortisation	2,930	2,930
Provision for gratuity	3,191	3,517
Provision for compensated leave absences	11,840	6,648
Gain on sale of investments at fair value through profit or loss	(87,836)	-
Dividend income	(5,378)	(45,795)
Mark-up income	-	(52)
Fair value (gain) / loss on investments at fair value through profit or loss	(107,376)	53,154
Loss on sale of operating fixed assets	11,266	6,745
Provision for doubtful debts	764	3,922
Finance cost	29,811	38,690
	946,539	879,455
Changes in working capital:		
Decrease / (increase) in current assets		
Stores, spares and loose tools	1,266	(45,625)
Stock-in-trade	(163,302)	(211,633)
Trade debts	(919,044)	(967,117)
Loans and advances	(8,732)	18,895
Deposits and prepayments	(95,317)	(105,116)
Other receivables	6,523	6,311
	(1,178,606)	(1,304,285)
Increase / (decrease) in current liabilities:		
Trade and other payables	52,778	(28,017)
Sales tax payable - net	58,246	5,101
	111,024	(22,916)
	(1,067,582)	(1,327,201)
Cash used in operations	(121,043)	(447,746)
Finance cost paid	(22,867)	(26,962)
Mark-up income received	-	52
Income taxes paid (including tax deducted at source)	(229,904)	(12,588)
Gratuity paid	(13,361)	(12,664)
Compensated leave absences paid	(1,137)	(1,273)
Long term loans - net	(170)	49
Long term deposits - net	(500)	-
	(267,939)	(53,386)
Net cash used in operating activities - carried forward	(388,982)	(501,132)

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Half year ended	
	December 31, 2016	December 31, 2015
	----- (Rupees in '000) -----	
Net cash used in operating activities - brought forward	(388,982)	(501,132)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(399,035)	(196,601)
Proceeds from sale of property, plant and equipment	20,060	16,128
Payment for investments	(1,461,629)	(107,300)
Proceeds from sale of investments	1,470,345	-
Dividend received	5,378	45,795
Net cash used in investing activities	(364,881)	(241,978)
CASH FLOWS FROM FINANCING ACTIVITIES		
Short term borrowings - net	1,196,415	1,104,734
Dividend paid	(269,886)	(208,932)
Net cash generated from financing activities	926,529	895,802
Net increase in cash and cash equivalents	172,666	152,692
Cash and cash equivalents - at beginning of the period	45,257	78,318
Cash and cash equivalents - at end of the period	217,923	231,010

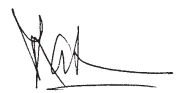
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Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid up capital	General reserve	Unappro- priated profit	Total
----- (Rupees in '000) -----				
Balance as at July 1, 2015	173,998	2,027,500	1,019,277	3,220,775
Transfer to general reserve	-	800,000	(800,000)	-
Transactions with owners, recognised directly in equity				
Cash dividend for the year ended June 30, 2015 at the rate of Rs.12.00 per share	-	-	(208,797)	(208,797)
Total comprehensive income for the half year ended December 31, 2015				
Profit for the period	-	-	508,340	508,340
Other comprehensive income	-	-	-	-
	-	-	508,340	508,340
Balance as at December 31, 2015	173,998	2,827,500	518,820	3,520,318
Total comprehensive income for the period ended June 30, 2016				
Profit for the period	-	-	762,487	762,487
Other comprehensive loss	-	-	(4,513)	(4,513)
	-	-	757,974	757,974
Balance as at June 30, 2016	173,998	2,827,500	1,276,794	4,278,292
Transfer to general reserve	-	1,000,000	(1,000,000)	-
Transactions with owners, recognised directly in equity				
Cash dividend for the year ended June 30, 2016 at the rate of Rs.15.50 per share	-	-	(269,697)	(269,697)
Total comprehensive income for the half year ended December 31, 2016				
Profit for the period	-	-	729,150	729,150
Other comprehensive income	-	-	-	-
	-	-	729,150	729,150
Balance as at December 31, 2016	173,998	3,827,500	736,247	4,737,745

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2016

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. 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 and Sukkur.

The Honourable High Court of Sindh has sanctioned the merger of Shirazi Capital (Private) Limited and Shirazi (Private) Limited with and into Shirazi Investments (Private) Limited. As a result, the Company became Subsidiary Company of Shirazi Investments (Private) Limited, which holds 58.86% of issued, subscribed and paid-up capital of the Company as at December 31, 2016.

2. BASIS OF PREPARATION

This condensed interim financial information of the Company for the half year ended December 31, 2016 is un-audited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed. The figures for the half year ended December 31, 2016 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended June 30, 2016.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2016.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on July 1, 2016. These are considered not to be relevant or to have any significant effect on Company's financial reporting and operations and are, therefore, not disclosed in the condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements 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, 2016.

	Un-audited December 31, 2016	Audited June 30, 2016
Note	---- (Rupees in '000) ----	

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	2,771,085	2,602,811
Capital work-in-progress	5.5	147,913	69,931
		2,918,998	2,672,742
		2,918,998	2,672,742

5.1 Operating fixed assets

Net book value at beginning of the period / year		2,602,811	1,894,974
Additions during the period / year	5.2	321,053	953,103
Disposals costing Rs.55,502 thousand (June 30, 2016: Rs.62,418 thousand)			
- at net book value	5.3	(31,326)	(41,297)
Depreciation charged during the period / year		(121,453)	(203,969)
Net book value at end of the period / year		2,771,085	2,602,811
		2,771,085	2,602,811

5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year:

Leasehold land		-	322,140
Buildings on leasehold land		22,563	200,157
Plant and machinery		231,850	371,369
Office equipment		1,580	1,256
Computer and accessories		2,957	6,216
Furniture and fixtures		3,817	13,834
Air conditioners		4,517	2,872
Vehicles		53,769	35,259
		321,053	953,103
		321,053	953,103

5.3 Disposals during the period / year:

Plant and machinery		18,043	26,408
Office Equipment		174	-
Air conditioners		110	520
Vehicles		12,999	14,369
		31,326	41,297
		31,326	41,297

5.4 Plant and machinery includes certain dies and moulds having cost aggregating Rs.102,845 thousand (June 30, 2016: Rs.88,824 thousand) and net book value of Rs.68,827 thousand (June 30, 2016: Rs.57,936 thousand) which are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

	Note	Un-audited December 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2016
5.5 Capital work-in-progress			
Buildings on leasehold land		50,436	9,947
Plant and machinery		86,385	51,142
Furniture and fixtures		882	1,277
Vehicles	5.6	8,070	7,565
Intangibles	5.6	2,140	-
		<u>147,913</u>	<u>69,931</u>

5.6 Includes Rs.9,670 thousand (June 30, 2016: Rs.4,657 thousand) advance payment to related parties for purchase of vehicles and computer software.

	Un-audited December 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2016
--	--	-----------------------------

6. STOCK-IN-TRADE

Raw materials and components:

- in hand	1,023,831	913,940
- with third parties	31,767	28,394
	<u>1,055,598</u>	<u>942,334</u>
Work-in-process	500,720	586,649
Finished goods	428,760	327,649
Items in transit	68,034	33,178
	<u>2,053,112</u>	<u>1,889,810</u>

7. TRADE DEBTS - Unsecured

Consider good

Associated Companies	114,693	70,553
Others	923,064	48,924
	<u>1,037,757</u>	<u>119,477</u>

Consider doubtful

Others	7,619	6,855
	<u>1,045,376</u>	<u>126,332</u>

Provision for doubtful debts	(7,619)	(6,855)
	<u>1,037,757</u>	<u>119,477</u>

8. DEPOSITS AND PREPAYMENTS

Include prepayments of Rs.87,147 thousand (June 30, 2016: Rs.2,338 thousand) in respect of renewals of insurance policies and rental agreements.

	Un-audited December 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2016
--	--	-----------------------------

9. INVESTMENTS - at fair value through profit or loss

Investments in units of mutual funds:

- Related parties	1,656,368	1,471,555
- Others	88,989	87,306
	<u>1,745,357</u>	<u>1,558,861</u>

	Note	Un-audited December 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2016
10. CASH AND BANK BALANCES			
Cash in hand		680	-
Balances with banks on current accounts		10,124	10,617
Cheques / pay orders / demand drafts in hand	10.1	207,119	34,640
		<u>217,923</u>	<u>45,257</u>
10.1	Represents banking instruments received by the Company from dealers at regional offices in respect of sales but not deposited in the Company's bank account till reporting date.		

		Un-audited December 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2016
11. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah		1,132,404	735,989
Demand finances		800,000	-
		<u>1,932,404</u>	<u>735,989</u>

11.1 Short term borrowings include Rs.593,387 thousand (June 30, 2016: Rs.33,872 thousand) payable to Meezan Bank Limited - an Associated Company.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

12.1.1 There is no significant change in status of the contingencies as disclosed in note 25.1 of the audited annual financial statements of the Company for the year ended June 30, 2016.

12.1.2 The Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, for the tax year 2015 passed an order under section 161 / 205 of the Income Tax Ordinance, 2001 (the Ordinance) on account of non-deduction of withholding tax on various expenses and created a demand of Rs.56.449 million, including default surcharge and penalty. The Company filed a rectification application against the aforesaid order pursuant to which the DCIR passed a rectified order under section 221 / 161 / 205 of the Ordinance. As a result of the rectified order, the total demand of Rs.56.449 million identified in the original order was reduced to Rs.0.398 million inclusive of default surcharge and penalty.

While passing the rectified order, the DCIR created an additional demand of Rs.81.593 million including default surcharge and penalty on account of non-deduction of tax on discounts allowed to dealers. The Company filed an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)] against the rectified order and challenged the aggregate demand of Rs.81.991 million. Pursuant to this appeal, CIR(A) passed an order under section 129 of the Ordinance and granted relief to the Company on aggregate demand of Rs.81.991 million. The Commissioner Inland Revenue (CIR) filed an appeal against the above mentioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

		Un-audited December 31, 2016 ---- (Rupees in '000) ----	Audited June 30, 2016
12.2	Outstanding bank guarantees	<u>75,162</u>	<u>75,162</u>
12.3	Commitments		
	In respect of confirmed letters of credit relating to:		
	- raw materials, stores, spares and loose tools	210,037	218,961
	- capital expenditure	69,559	101,460
	In respect of capital expenditure other than through letters of credit	<u>152,786</u>	<u>52,650</u>
		<u>432,382</u>	<u>373,071</u>

		----- Un-audited -----			
		Quarter ended December 31,		Half year ended December 31,	
Note		2016	2015	2016	2015
		----- (Rupees in '000) -----			
13. COST OF SALES					
Opening stock of finished goods		156,007	199,104	327,649	80,684
Cost of goods manufactured	13.1	3,310,945	2,621,592	6,077,971	5,749,102
Purchases during the period		136,126	52,586	273,329	305,083
		3,603,078	2,873,282	6,678,949	6,134,869
Closing stock of finished goods		(428,760)	(413,031)	(428,760)	(413,031)
		3,174,318	2,460,251	6,250,189	5,721,838
13.1 Cost of goods manufactured					
Opening work-in-process		559,047	542,563	586,649	541,194
Raw materials and components consumed		2,514,395	1,850,777	4,572,620	4,256,811
Factory overheads		738,223	597,991	1,419,422	1,320,836
		3,252,618	2,448,768	5,992,042	5,577,647
		3,811,665	2,991,331	6,578,691	6,118,841
Closing work-in-process		(500,720)	(369,739)	(500,720)	(369,739)
		3,310,945	2,621,592	6,077,971	5,749,102
14. OTHER INCOME					
Dividend income		-	-	5,378	45,795
Gain on sale of investments at fair value through profit or loss		87,836	-	87,836	-
Fair value gain on investments at fair value through profit or loss		51,936	-	107,376	-
Mark-up on deposit		-	-	-	52
Scrap sales		4,180	3,947	6,626	4,852
		143,952	3,947	207,216	50,699

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 currency risk, interest rate risk and price risk).

The condensed interim financial information 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, 2016.

There have been no changes 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 the financial information 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 -----			
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	1,745,357	-	-	1,745,357

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

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Significant transactions with related parties are as follows:

	Un-audited December 31, 2016	Audited June 30, 2016
	----- (Rupees in '000) -----	
Holding Company		
Rent / service charges paid	111,326	157,840
Dividend paid	80,613	62,410
Associated Companies		
Sale of:		
- goods	836,456	706,237
- operating fixed assets	-	1,771
Purchases of:		
- goods and services	4,648,210	3,854,837
- operating fixed assets	68,090	63,134
Rent / service charges paid	1,412	18,793
Mark-up paid	4,414	8,842
Reimbursement of expenses	1,306	527
Insurance premium	86,607	88,408
Insurance claims	10,214	11,025
Purchase of units in mutual funds	1,372,673	100,000
Sale of units in mutual funds	1,381,001	-
Dividend received	5,378	45,795
Dividend paid	128,249	99,290
Royalty and Technical fee	77,340	70,280
Donation paid	18,682	14,807
Contribution to pension funds	4,770	4,638
Other related parties		
Contribution paid to:		
- gratuity fund	13,361	12,536
- provident fund	3,747	3,402
Key Management Personnel		
- salaries and other short term employment benefits	54,680	49,153
- sale of vehicles	1,773	2,978

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

	Un-audited December 31, 2016 ----- (Rupees in '000) -----	Audited June 30, 2016
Receivables from related parties		
Deposits and prepayments	91,176	-
Other receivables	-	6,523
Payables to related parties		
Trade and other payables	331,506	172,966
Accrued mark-up	6,371	1,468

These are in the normal course of business.

17. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on February 22, 2017 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

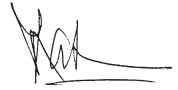
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of audited annual financial statements of the Company for the year ended June 30, 2016, whereas, the condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity have been compared with the balances of comparable period of condensed interim financial information of the Company for the period ended December 31, 2015. Corresponding figures have been rearranged and reclassified for better presentation wherever considered necessary, the effect of which is not material.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

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