



Quarterly Report September 30,

2020

2020

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COMPANY INFORMATION

Board of Directors

Aamir H. Shirazi
Chairman

Azam Faruque
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Mehreen Amin
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Abdullah Zaheer
Company Secretary

Audit Committee

Azam Faruque
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Faiz Ullah Ghazi
Secretary & Head of Internal Audit

Human Resource and Remuneration Committee

Mehreen Amin
Chairman

Bashir Makki
Member

Frahim Ali Khan
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Ahmar Waheed
General Manager Human Resource

Mansoor Jamil Khan
General Manager Quality Assurance and
Technical Services

Mohsin Khan
General Manager Marketing

Rizwan Ahmed
Chief Financial Officer

Sheikh Adeel-ur-Rehman
General Manager Supply Chain

Tehseen Raza
General Manager Plant

Muhammad Asher Ahmed
Head of Information Technology

Auditors

ShineWing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

EY Ford Rhodes
Chartered Accountants

COMPANY INFORMATION

Bankers

Allied Bank Limited
Bank Alfalah Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
Soneri Bank Limited
United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited
Karachi Chambers, Hasrat Mohani Road,
Karachi
Tel: (021) 32424826 & 32469573
Fax: (021) 32424835
E-mail: shares@hmaconsultants.com.pk

Registered Office and Factory

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

Karachi Sales Office

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

Karachi Service Center

PPI Building, Near Sindh Secretariat, Karachi
Tel: (021) 32636057 & 32626478

Sukkur Sales Office and Service Center

Pak Memon Cooperative Housing Society
Limited, Opposite Abad Wheat Godown,
Shikarpur Road, Sukkur
Tel: (071) 5806124-26

Lahore Sales Office

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

Lahore Service Center

U-Store - 3, Moaza Mavaka,
Multan Road , Lahore

Faisalabad Sales Office and Service Center

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

Multan Sales Office

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

Multan Service Center

Shop No. 17, Khilji Arcade Near
Railway Station, Multan
Tel: (061) 4548020

Peshawar Sales Office and Service Center

First Floor, Zeenat Plaza, GT Road, Peshawar
Tel: (091) 2262485

Islamabad Sales Office

Plot No. 784/785, Islamabad Corporate
Center, Golra Road, Islamabad
Tel: (051) 5495638 & 5495788

Rawalpindi Service Center

New Naralla Market, Shop No. 3,
IJP Road, Near Metro Bus Station, Rawalpindi
Tel: (051) 4856515

Rahim Yar Khan Sales Office and Service Center

Makhdoom Altaf Road, West Sadiq,
Canal Bank, Near City School,
Rahim Yar Khan
Tel: (068) 5883415-7 & 5888068

Sahiwal Sales Office and Service Center

Plot No. 449-1, Ice Factory, Main GT Road,
Near Pakpattan Chowk, Sahiwal
Tel: (040) 4400445 & 4400545

Company Website

www.abl.atlas.pk

Email Address

abl@abl.atlas.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the quarter ended September 30, 2020.

Macroeconomic Overview

Due to decline in COVID-19 cases in Pakistan and easing of lockdowns, as well as the timely stimulus provided by the government and State Bank of Pakistan (SBP), business confidence and the outlook for growth have improved. Series of targeted measures undertaken by SBP since the COVID-19 outbreak have injected significant liquidity and further lowered funding costs for many businesses and households. Together, these monetary measures have injected an estimated stimulus of Rs.1.58 trillion, or about 3.8% of GDP, in the cash flow of businesses and households. In addition, the government has undertaken a number of significant measures to support economic activity including the Ehsaas emergency cash program, commodity financing, a risk-sharing facility for SMEs, and acceleration of tax refunds. Pak Rupee is standing at 166.40 per US Dollar as at September 30, 2020, appreciated by 1.4% as compared to 168.75 as at June 30, 2020. Pakistan Stock Exchange also increased to 40,571 points as at September 30, 2020, up 17.9% as compared to 34,422 points at the end of June 2020. Average CPI inflation is coming down and stands at 8.74% during July-August of FY 2020-21, compared to 9.44% in the corresponding period of FY 2019-20.

During July-August of FY 2020-21, exports decreased to US\$ 3.4 billion, down by 16.6% as compared to US\$ 4.1 billion during the same period last year. Imports decreased to US\$ 6.7 billion, down by 12.6%, as compared to US\$ 7.7 billion. Foreign remittances increased to US\$ 4.9 billion, up 31.0% as compared to US\$ 3.7 billion. The above factors narrowed the current account deficit to US\$ 3.3 billion, down by 8.1% as compared to US\$ 3.6 billion.

Operating Results

During first quarter of FY 2020-21, your Company achieved sales of Rs.4,427 million as compared to Rs.3,516 million in the same quarter of last year, up 25.9%. This increase was mainly due to strong demand of batteries in the replacement market. Likewise, increase in cost of sales was 18.4% from Rs.3,297 million to Rs.3,902 million resulting in gross profit of Rs.525 million as compared to Rs.219 million during the same quarter of last year, up 139.4%.

Operating expenses stood at Rs.206 million, increased by Rs.18 million as compared to Rs.188 million in the corresponding quarter of last year. Resultantly, your Company achieved profit from operations of Rs.306 million as compared to Rs.34 million during corresponding quarter. Finance cost decreased to Rs.31 million from Rs.45 million.

The profit before tax for first quarter of FY 2020-21 was Rs.276 million as compared to loss of Rs.12 million in the corresponding quarter of last year. After providing Rs.54 million for taxation, the profit after tax of your Company stood at Rs.222 million as compared to loss of Rs.56 million. Earning per share for the quarter was Rs.9.10 as compared to loss per share of Rs.2.31 for the same quarter of last year.

Future Outlook

Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the automotive industry. During July-August of FY 2020-21, sales of locally manufactured cars, trucks, buses, tractors, etc. increased by 3.9% to 30,397 units from 29,256 units during the corresponding period last year. Motorcycles and three wheelers segment (assemblers who are registered with PAMA) also witnessed increase of 19.6% to 288,849 units from 241,515 units during the corresponding period last year. Automotive industry is likely to witness growth momentum in second quarter of FY 2020-21 which bodes well for your Company's growth prospects.

The pandemic has caused slowdown in economic activity and increased uncertainty. Inflation outlook is subject to certain risks which revolve around food prices in the wake of recent flood-related damages and potential locust attacks. On the global front, the future trajectory of oil prices will also have an important bearing on the domestic inflation outlook. The battery industry will face another challenging year ahead as competition will be tough due to surplus capacity on one hand and stagnant market size on the other. Power sector receivables and uptick in utility costs are deteriorating at an alarming rate. The devaluation of Pak Rupee is still a perennial challenge that will increase cost of doing business. Your Company has invested significantly to improve 5S, HSE, information technology and engineering & development to enhance business efficiency. This will help to meet the need for innovative products and lead the market not only in quality but technological advancement as well. Curbing costs, maintaining high quality of product and services for improved market penetration will remain focus of your Company. The improvement in human resource capabilities and value addition for shareholders is also your Company's prime focus. I assure you 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":

ہ ذرا نام ہو تو یہ مٹی بہت زرخیز ہے ساقی
(Hard work always pays)

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.



Amir H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive

Karachi: October 27, 2020

مستقبل کے خدو خال

آٹوموبائل انڈسٹری میں بطور وینڈر، آپ کی کمپنی کی مصنوعات آٹوموبائل انڈسٹری کی ترقی پر انحصار کرتی ہے۔ مالی سال 2021-2020 ماہ جولائی تا اگست کے دوران، مقامی سطح پر تیار ہونے والی کاروں، ٹرکوں، بسوں، ٹریکٹرز وغیرہ کی مینوفیکچرنگ میں 3.9 فیصد اضافہ ہوا اور یہ پیداوار گزشتہ سال کی اسی مدت کے دوران 29,256 یونٹس سے بڑھ کر 30,397 یونٹس ہو گئی۔ موٹر سائیکل اور تین پہیوں والے شعبے (PAMA) سے رجسٹرڈ شدہ آسمبلیز) میں بھی 19.6 فیصد اضافہ دیکھا گیا اور گزشتہ سال کی اسی مدت کے دوران 241,515 یونٹس کے مقابلے میں 288,849 یونٹس تعداد رہی۔ مالی سال 2020-21 کی دوسری سہ ماہی میں بھی ترقی کار حجان جاری رہے گا جو کہ کمپنی کی ترقی کے واضح امکانات کی نشاندہی کرتا ہے۔

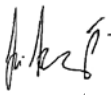
وہابی بیماری معاشی سرگرمیوں میں سست روی اور غیر یقینی صورتحال میں اضافے کا سبب بنی ہے۔ افراط زر کو لاحق خطرات حالیہ سیلاب سے متعلقہ تباہ کاریوں اور ٹڈیوں کے حملے کے نتیجے میں ایشیائے خورد و نوش کی قیمتوں میں ممکنہ اضافے سے منسلک ہیں۔ عالمی محاذ پر، تیل کی قیمتوں میں اضافے کی شرح بھی مقامی افراط زر پر اثر انداز ہوگی۔ بیٹری کی صنعت کو ایک اور مشکلات سے بھرپور سال کا سامنا کرنا پڑے گا کیونکہ ایک جانب فاضل صلاحیت اور دوسری جانب مارکیٹ کے حجم میں طاری جمود ہے۔ بجلی کے شعبے کے واجبات اور یوٹیٹی کی قیمتوں میں بے پناہ اضافہ خطرناک صورتحال کی نشاندہی کر رہے ہیں۔ پاکستانی روپے کی قدر میں کمی ایک جاری رہنے والا مسئلہ ہے جس سے کاروباری لاگت میں مزید اضافہ ہوگا۔ آپ کی کمپنی نے کاروباری کارکردگی کو بڑھانے کے لیے HSE، 5S، انفارمیشن ٹیکنالوجی اور انجینئرنگ اینڈ ڈیولپمنٹ کو بہتر بنانے میں بڑے پیمانے پر سرمایہ کاری کی ہے۔ اس سے جدید مصنوعات کی ضرورت کو پورا کرنے میں مدد ملے گی اور مارکیٹ کو نہ صرف معیار بلکہ تکنیکی اعتبار سے بھی ترقی کرنے میں معاونت حاصل ہوگی۔ آپ کی کمپنی کی توجہ کارمز لاگت کو کم کرنا اور مزید نی مارکیٹ میں رسائی کرتے ہوئے مصنوعات اور خدمات کے اعلیٰ ترین معیار کو برقرار رکھنا رہے گا۔ افرادی قوت کی صلاحیتوں میں بہتری اور حصص یافتگان کے لیے قدر میں اضافہ بھی آپ کی کمپنی کی اولین ترجیح ہے۔ میں آپ کو یقین دلاتا ہوں کہ آپ کی کمپنی "The Atlas Way" کے اصولوں پر عمل پیرا ہوتے ہوئے صارفین کو مطلوب اعلیٰ معیار کے لیے توقعات کو پورا کرتے ہوئے ہمیشہ بہترین کارکردگی کے لیے کوشاں رہے گی۔

۔ ذرا نرم ہوتو یہ مٹی بہت زرخیز ہے ساقی

(Hard work always pays)

اظہار تشکر

میں اس موقع پر اپنے جوائنٹ ویچر پارٹنرز GS Yuasa انٹرنیشنل لمیٹڈ، جاپان، بورڈ آف ڈائریکٹرز، حصص یافتگان، بینکار فروخت کار (وینڈرز) اور صارفین کا ان کی مسلسل حمایت اور رہنمائی پر تہ دل سے شکر ادا کرتا ہوں۔ میں اس کے ساتھ ساتھ آپ کی کمپنی کے صدر اور چیف ایگزیکٹو آفیسر جناب علی ایچ شیرازی اور انتظامیہ کے تمام اراکین کا دلجمعی اور محنت کے ساتھ کام کرنے پر شکر ادا کرتا ہوں۔



علی ایچ شیرازی
پریزیڈنٹ/چیف ایگزیکٹو



عامر ایچ شیرازی
چیئرمین

کراچی، 27 اکتوبر 2020

چیمبرین کی جانب سے جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر پڑتال شدہ مالیاتی نتائج پیش کر رہا ہوں۔

معیشت

پاکستان میں COVID-19 کے واقعات میں کمی اور لاک ڈاؤن کو کم کرنے کے ساتھ ساتھ حکومت اور اسٹیٹ بینک آف پاکستان کی جانب سے فراہم کردہ بروقت کارروائی کی وجہ سے کاروباری اعتماد اور نمو کے نقطہ نظر میں بہتری آئی ہے۔ COVID-19 پھیلنے کے بعد اسٹیٹ بینک آف پاکستان کی جانب سے بطور خاص ہدف کر کے ایسے اقدامات اٹھائے گئے جس سے خاطر خواہ لیکویڈٹی میں اضافہ ہوا۔ جس سے بہت سے کاروباروں اور گھرانوں کے لیے فنڈنگ کی لاگت کم ہو گئی۔ ان مالیاتی اقدامات نے مجموعی طور پر کاروبار اور گھرانوں کے نقد کے بہاؤ میں 1.58 ٹریلین روپے یا شرح نمو کا تقریباً 3.8% تخمینہ لگایا ہے۔ اس کے علاوہ، حکومت نے احساس ایمرجنسی کیش پروگرام، کموڈٹی فنڈنگ، SMEs کے لیے ایک رسک شیئرنگ فیسلٹی اور ٹیکس ری فنڈز میں اضافے جیسے اقدامات اٹھائے ہیں جن کا مقصد معاشی سرگرمیوں کو سپورٹ مہیا کرنا ہے۔ پاکستانی روپیہ 30 ستمبر 2020 کو 166.40 روپے فی ڈالر کی سطح پر موجود رہا جو کہ 30 جون 2020 کو 168.75 روپے فی ڈالر کے مقابلے میں 1.4% فیصد کم ہے۔ پاکستان اسٹاک ایکسچینج 30 ستمبر 2020 تک اضافے کے ساتھ 571,40 پوائنٹس رہی، جو کہ 30 جون 2020 کے 34,422 پوائنٹس کے مقابلے میں 17.9% فیصد زیادہ ہے۔ مالی سال 2020-21 کے ماہ جولائی تا اگست کے دوران اوسط افراط زر 8.74% فیصد رہا جو کہ گزشتہ مالی سال 2019-20 کی اسی مدت کے دوران 9.44% فیصد تھا۔

مالی سال 2020-21 کے ماہ جولائی تا اگست کے دوران برآمدات کی ساتھ 3.4 بلین ڈالر ہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 4.1 بلین ڈالر کی برآمدات کے مقابلے میں 16.6% فیصد کم ہیں۔ درآمدات 6.7 بلین ڈالر ہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 7.7 بلین ڈالر کی درآمدات کے مقابلے میں 12.6% فیصد کم ہیں۔ ترسیلات 31.0% فیصد اضافے کے ساتھ 3.7 بلین ڈالر سے بڑھ کر 4.9 بلین ڈالر ہیں۔ مذکورہ بالا عوامل کے سبب کرنٹ اکاؤنٹ خسارہ کمی کے ساتھ 3.3 بلین ڈالر رہا، جو کہ گزشتہ سال کی اسی مدت کے دوران 3.6 بلین ڈالر کے مقابلے میں 8.1% فیصد کم ہے۔

آپریٹنگ نتائج

مالی سال 2020-21 کی پہلی سہ ماہی کے دوران، آپ کی کمپنی نے 4.427 بلین روپے کی فروخت کیں، جو کہ گزشتہ سال کی 3,516 بلین روپے کی فروخت کے مقابلے میں 25.9% فیصد زیادہ ہیں۔ اس اضافے کی وجہ متبادل مارکیٹ میں بیٹریوں کی طلب میں ہونے والا زیادہ اضافہ ہے۔ اسی طرح، فروخت کی لاگت 18.4% فیصد اضافے کے ساتھ 3,297 بلین روپے سے بڑھ کر 3,902 بلین روپے ہو گئی، جس کے نتیجے میں مجموعی منافع 525 بلین روپے رہا جو کہ گزشتہ سال کی اسی مدت کی سہ ماہی میں 219 بلین روپے کے مقابلے میں 139.4% فیصد زیادہ ہے۔

عمل کاری مصارف 206 بلین روپے کی سطح پر موجود ہیں جو کہ گزشتہ سال کی اسی مدت کے دوران 188 بلین روپے کے مقابلے میں 18 بلین روپے زیادہ ہیں۔ اس کے نتیجے میں، آپ کی کمپنی نے آپریٹنگ کی مدد میں 306 بلین روپے منافع حاصل کیا جو کہ گزشتہ سال کی اسی مدت کی سہ ماہی کے دوران 34 بلین روپے تھا۔ مالیاتی اخراجات 45 بلین روپے سے کم ہو کر 3 بلین روپے ہو گئے ہیں۔

مالی سال 2020-21 کی پہلی سہ ماہی میں قبل از ٹیکس منافع 276 بلین روپے رہا جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران نقصان 12 بلین روپے تھا۔ ٹیکس کی مدد میں 54 بلین روپے فراہم کرنے کے بعد، آپ کی کمپنی کا بعد از ٹیکس منافع 222 بلین روپے ہو گیا ہے جو کہ گزشتہ سال کی اسی مدت کے دوران 56 بلین روپے کا نقصان تھا۔ اس سہ ماہی کے لیے فی ٹیکس 9.10 روپے رہا جو کہ گزشتہ سال کی اسی مدت کے دوران فی ٹیکس نقصان 2.31 روپے رہا۔

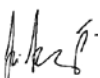
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION


AS AT SEPTEMBER 30, 2020

		Un-audited September 30, 2020	Audited June 30, 2020
	Note	----- Rupees in '000 -----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	4,111,126	4,139,386
Investments		-	-
Long term loans		1,519	2,049
Long term deposits		20,642	18,683
		<u>4,133,287</u>	<u>4,160,118</u>
Current assets			
Stores, spares and loose tools		218,676	215,326
Stock-in-trade	6	1,674,235	1,999,313
Trade debts	7	539,202	692,998
Loans and advances		7,644	8,647
Deposits and prepayments	8	124,683	9,861
Investments	9	646,504	138,268
Accrued mark-up		1,929	-
Other receivables		8,098	2,446
Taxation - net		319,019	567,622
Cash and bank balances	10	657,129	45,507
		<u>4,197,119</u>	<u>3,679,988</u>
Total assets		<u>8,330,406</u>	<u>7,840,106</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized capital			
50,000,000 (June 30, 2020: 50,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital			
24,359,676 (June 30, 2020: 24,359,676) ordinary shares of Rs.10 each		243,597	243,597
Revenue reserves			
General reserve		5,037,500	5,037,500
Accumulated loss		(693,830)	(915,479)
		<u>4,343,670</u>	<u>4,122,021</u>
Capital reserve			
Surplus on revaluation of leasehold land		589,186	589,186
Total equity		<u>5,176,453</u>	<u>4,954,804</u>
Liabilities			
Non-current liabilities			
Lease liabilities		349,520	358,677
Long term borrowings		532,718	551,405
Deferred income - government grant		4,109	6,181
Staff retirement benefits		75,161	69,515
Deferred taxation		223,571	237,131
		<u>1,185,079</u>	<u>1,222,909</u>
Current liabilities			
Trade and other payables		1,352,540	1,195,743
Sales tax payable - net		73,462	175,968
Accrued mark-up		19,377	34,891
Current portion of lease liabilities		32,216	30,151
Current maturity of long term borrowings		128,509	106,506
Current portion of deferred income - government grant		10,687	11,931
Short term borrowings	11	316,177	71,297
Unclaimed dividend		35,906	35,906
		<u>1,968,874</u>	<u>1,662,393</u>
Total liabilities		<u>3,153,953</u>	<u>2,885,302</u>
Contingencies and commitments	12		
Total equity and liabilities		<u>8,330,406</u>	<u>7,840,106</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

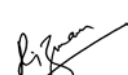
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Note	Quarter ended	
		September 30, 2020	September 30, 2019
----- Rupees in '000 -----			
Sales		4,426,882	3,515,789
Cost of sales	13	(3,902,041)	(3,296,530)
Gross profit		524,841	219,259
Distribution cost		(145,510)	(142,009)
Administrative expenses		(60,062)	(45,642)
Other income		17,164	6,417
Other expenses		(30,130)	(4,252)
Profit from operations		306,303	33,773
Finance cost		(30,704)	(45,367)
Profit / (loss) before taxation		275,599	(11,594)
Taxation		(53,950)	(44,787)
Profit / (loss) after taxation		221,649	(56,381)
Other comprehensive income		-	-
Total comprehensive income / (loss)		221,649	(56,381)
----- Rupees -----			
Earnings / (loss) per share - basic and diluted	14	9.10	(2.31)

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 QUARTER ENDED SEPTEMBER 30, 2020

	Issued, subscribed and paid-up capital	Revenue reserves		Capital reserve	Total
		General reserve	Unappropri- ated profit / (accumu- lated loss)	Surplus on revaluation of leasehold land	
Balance as at July 1, 2019	243,597	5,037,500	(589,274)	589,186	5,281,009
Total comprehensive loss for the quarter ended September 30, 2019					
Loss for the quarter	-	-	(56,381)	-	(56,381)
Other comprehensive income	-	-	-	-	-
	-	-	(56,381)	-	(56,381)
Balance as at September 30, 2019	243,597	5,037,500	(645,655)	589,186	5,224,628
Total comprehensive loss for the period ended June 30, 2020					
Loss for the period	-	-	(270,718)	-	(270,718)
Other comprehensive income	-	-	894	-	894
	-	-	(269,824)	-	(269,824)
Balance as at June 30, 2020	243,597	5,037,500	(915,479)	589,186	4,954,804
Total comprehensive income for the quarter ended September 30, 2020					
Profit for the quarter	-	-	221,649	-	221,649
Other comprehensive income	-	-	-	-	-
	-	-	221,649	-	221,649
Balance as at September 30, 2020	243,597	5,037,500	(693,830)	589,186	5,176,453

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 QUARTER ENDED SEPTEMBER 30, 2020

	Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
Cash flows from operating activities		
Profit / (loss) before taxation	275,599	(11,594)
Adjustments for non-cash charges and other items:		
Depreciation	97,744	74,015
Amortization	-	44
Provision for gratuity	1,809	1,802
Provision for compensated leave absences	7,799	3,883
Gain on sale of investments at fair value through profit or loss	-	(10)
Mark-up income	(4,942)	-
Dividend income	(6,359)	(18)
Fair value gain on investments at fair value through profit or loss	(2,828)	(3,915)
Gain on disposal of operating fixed assets	-	(24)
Provision for doubtful debts	7,058	3,000
Finance cost	30,704	45,367
	406,584	112,550
Changes in working capital:		
Decrease / (increase) in current assets		
- Stores, spares and loose tools	(3,350)	9,904
- Stock-in-trade	325,078	(281,613)
- Trade debts	146,738	(526,470)
- Loans and advances	1,003	(7,932)
- Deposits and prepayments	(114,822)	(81,938)
- Other receivables	(5,652)	5,241
- Sales tax receivable - net	-	(96,383)
	348,995	(979,191)
Increase / (decrease) in current liabilities		
- Trade and other payables	155,043	270,390
- Sales tax payable - net	(102,506)	-
	52,537	270,390
	401,532	(708,801)
Cash generated from / (used in) operations	808,116	(596,251)
Finance cost paid	(32,929)	(44,209)
Mark-up income received	3,013	-
Income taxes received / (paid, including tax deducted at source)	181,093	(20,912)
Gratuity paid	(160)	-
Compensated leave absences paid	(2,048)	(412)
Long term loans - net	530	(141)
Long term deposits - net	(1,959)	-
	955,656	(661,925)
Net cash generated from / (used in) operating activities		
- carried forward	955,656	(661,925)


CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

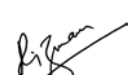
FOR THE QUARTER ENDED SEPTEMBER 30, 2020

	Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
Net cash generated from / (used in) operating activities - brought forward	955,656	(661,925)
Cash flows from investing activities		
Payments for property, plant and equipment	(79,311)	(43,666)
Proceeds from sale of property, plant and equipment	9,827	3,089
Payments for investments	(505,408)	(16)
Proceeds from sale of investments	-	2,103
Dividend received	6,359	18
Net cash used in investing activities	(568,533)	(38,472)
Cash flows from financing activities		
Lease rentals paid	(20,381)	-
Long term borrowings - net	3,316	-
Government grant - net	(3,316)	-
Short term borrowings - net	244,880	517,690
Dividend paid	-	(1,767)
Net cash generated from financing activities	224,499	515,923
Net increase / (decrease) in cash and cash equivalents	611,622	(184,474)
Cash and cash equivalents at beginning of the period	45,507	423,649
Cash and cash equivalents at end of the period	657,129	239,175

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 INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2020

1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Pakistan Stock Exchange Limited. The Company is engaged in manufacturing and sale of automotive 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% of issued, subscribed and paid-up capital of the Company as at June 30, 2020.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise:

- International Financial Reporting Standards (IFRS) 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 provision of and directives issued under the Companies Act, 2017 differ from the IFRS, the provision of and directives issued under the Companies Act, 2017 have been followed.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements of the Company for the year ended June 30, 2020.

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements for the year ended June 30, 2020.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----- Rupees in '000 -----	
Operating fixed assets	5.1	3,658,205	3,691,097
Capital work-in-progress	5.5	111,750	93,489
Right of use assets		341,171	354,800
		<u>4,111,126</u>	<u>4,139,386</u>

5.1	Operating fixed assets	Note	Un-audited	Audited
			September 30, 2020	June 30, 2020
			----- Rupees in '000 -----	
	Net book value at beginning of the period / year		3,691,097	3,352,171
	Additions during the period / year	5.2	61,050	687,183
	Disposals during the period / year	5.3	(9,827)	(35,698)
	Depreciation charged during the period / year		(84,115)	(312,559)
	Net book value at end of the period / year	5.4	<u>3,658,205</u>	<u>3,691,097</u>

5.2 Additions during the period / year (including transfer from capital work-in-progress)

Buildings on leasehold land	-	489,318
Plant and machinery	8,644	138,061
Office equipment	-	112
Computer and accessories	996	10,534
Furniture and fixtures	-	3,918
Air conditioners	248	1,849
Vehicles	51,162	43,391
	<u>61,050</u>	<u>687,183</u>

5.3	Disposals during the period / year:	Un-audited		Audited	
		September 30, 2020	June 30, 2020	September 30, 2020	June 30, 2020
		Cost	Net book value	Cost	Net book value
----- Rupees in '000 -----					
	Plant and machinery	-	-	43,039	20,567
	Computers and accessories	-	-	10,418	1,037
	Air conditioners	-	-	44	14
	Vehicles	21,925	9,827	31,572	14,080
		<u>21,925</u>	<u>9,827</u>	<u>85,073</u>	<u>35,698</u>
5.4	Plant and machinery includes dies and molds:				
	Related parties	32,552	26,293	34,077	28,479
	Others	108,402	54,900	108,402	56,308
		<u>140,954</u>	<u>81,193</u>	<u>142,479</u>	<u>84,787</u>

These are held by various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.

5.5	Capital work-in-progress	Note	Un-audited	Audited
			September 30, 2020	June 30, 2020
			----- Rupees in '000 -----	
	Buildings on leasehold land		15,868	6,038
	Plant and machinery		86,264	81,471
	Computers and accessories		292	3,559
	Air conditioners		108	-
	Vehicles		5,080	121
	Intangible asset		4,138	2,300
		5.6	<u>111,750</u>	<u>93,489</u>

- 5.6 Includes Rs.1,620 thousand (June 30, 2020: Rs.121 thousand) advance payment made to Atlas Honda Limited and Rs.3,460 thousand (June 30, 2020: Nil) to Honda Atlas Cars (Pakistan) Limited, related parties, for purchase of vehicles.

6. STOCK-IN-TRADE	Note	Un-audited	Audited
		September 30, 2020	June 30, 2020
		----- Rupees in '000 -----	
Raw materials and components:			
- in hand		599,532	898,221
- with third parties	6.1	21,271	22,470
		620,803	920,691
Work-in-process		778,151	751,225
Finished goods		271,774	327,271
Items in transit		3,507	126
		1,674,235	1,999,313

- 6.1 Includes raw materials amounting to Rs.2,251 thousand (June 30, 2020: Rs.2,667 thousand) held with Atlas Autos (Private) Limited, a related party for further processing into parts to be supplied to the Company.

- 6.2 Stock in trade and trade debts upto maximum amount of Rs.5,801,020 thousand (June 30, 2020: Rs.5,801,020 thousand) are under hypothecation of commercial banks as security for short term borrowings.

7. TRADE DEBTS - Unsecured	Un-audited	Audited
	September 30, 2020	June 30, 2020
----- Rupees in '000 -----		
Considered good		
Associated Companies	93,617	68,763
Others	445,585	624,235
	539,202	692,998
Considered doubtful		
Others	50,865	43,807
	590,067	736,805
Provision for doubtful debts	(50,865)	(43,807)
	539,202	692,998

8. DEPOSITS AND PREPAYMENTS

Includes prepayments of Rs.117,412 thousand (June 30, 2020: Rs.6,433 thousand) in respect of renewals of insurance policies, rental agreements and other expenses.

9. INVESTMENTS - at fair value through profit or loss	Un-audited	Audited
	September 30, 2020	June 30, 2020
----- Rupees in '000 -----		
Related parties		
Atlas Money Market Fund 1,000,299 units (June 30, 2020: Nil)	505,994	-
Others		
HBL Money Market Fund 1,350,883 units (June 30, 2020: 1,350,883 units)	140,510	138,268
	646,504	138,268

10. CASH AND BANK BALANCES

Includes term deposit receipts (TDR) of Rs.600,000 thousand (June 30, 2020: Nil) having maturity of 30 days from respective date of acquisition. TDRs carry mark-up at the rates ranging from 5.75% to 8.00% per annum.

	Un-audited September 30, 2020	Audited June 30, 2020
	----- Rupees in '000 -----	
11. SHORT TERM BORROWINGS - Secured		
Running finances / musharakah	316,177	61,906
Demand Finance	-	9,391
	<u>316,177</u>	<u>71,297</u>

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There is no significant change in status of the contingencies as disclosed in note 27.1 of the audited annual financial statements of the Company for the year ended June 30, 2020.

	Un-audited September 30, 2020	Audited June 30, 2020
	----- Rupees in '000 -----	
12.2 Outstanding bank guarantees	<u>115,859</u>	<u>115,711</u>
12.3 Commitments		
In respect of letters of credit / contract relating to:		
- raw materials, stores, spares and loose tools	195,226	155,994
- capital expenditure	13,890	14,086
	<u>209,116</u>	<u>170,080</u>
In respect of capital expenditure other than through letters of credit	23,869	35,582
	<u>232,985</u>	<u>205,662</u>

	----- Un-audited ----- Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
13. COST OF SALES		
	Note	

Opening stock of finished goods	327,271	474,704
Cost of goods manufactured	3,709,884	3,143,965
Purchases during the period	136,660	103,163
	<u>3,846,544</u>	<u>3,247,128</u>
	4,173,815	3,721,832
Closing stock of finished goods	(271,774)	(425,302)
	<u>3,902,041</u>	<u>3,296,530</u>

Quarter ended
September 30, 2020 **September 30, 2019**
----- Rupees in '000 -----

13.1 Cost of goods manufactured

Opening stock of work-in-process	751,225	695,094
Raw materials and components consumed	2,894,116	2,421,547
Factory overheads	842,694	736,135
	<u>3,736,810</u>	<u>3,157,682</u>
	4,488,035	3,852,776
Closing stock of work-in-process	(778,151)	(708,811)
	<u>3,709,884</u>	<u>3,143,965</u>

14. EARNINGS / (LOSS) PER SHARE

14.1 Basic earnings / (loss) per share

Net profit / (loss) for the period	221,649	(56,381)
	--- (Number of shares) ---	
Weighted average ordinary shares in issue	<u>24,359,676</u>	<u>24,359,676</u>
	----- Rupees -----	
Earnings / (loss) per share	<u>9.10</u>	<u>(2.31)</u>

14.2 Diluted earnings per share

No figures for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on earnings per share when exercised.

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, 2020.

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				
Investments	646,504	-	-	646,504

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 -----	
	Quarter ended	
	September 30, 2020	September 30, 2019
	----- Rupees in '000 -----	
The Holding Company		
Lease rental / service charges paid	70,665	14,976
Associated Companies		
Sale of:		
- goods	231,033	159,209
- operating fixed assets	499	1,504
Purchases of:		
- goods	31,746	46,026
- operating fixed assets	21,487	898
Service charges / lease rental paid	2,068	3,412
Reimbursement of expenses	-	1,390
Expenses charged	-	766
Insurance premium	81,260	51,925
Insurance claims	260	5,964
Purchase of units in mutual funds	505,408	15
Sale of units in mutual funds	-	2,103
Dividend received	6,359	18
Royalty and technical fee	46,060	37,053
Contribution to pension funds	3,691	3,333
Other related parties		
Contributions paid to:		
- provident fund	1,336	1,436
Key Management Personnel		
- salaries and other short term employment benefits	23,980	16,688
- sale of operating fixed assets under Company policy	-	6

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

Un-audited September 30, 2020	Audited June 30, 2020
-------------------------------------	-----------------------------

----- Rupees in '000 -----

Receivables from related parties

Long term loans	1,333	1,583
Deposits and prepayments	98,445	-
Other receivables	5,781	129

Payables to related parties

Staff retirement benefits	21,501	16,682
Trade and other payables	193,807	138,456

These are in the normal course of business.


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, 2020, whereas, the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of condensed interim financial statements of the Company for the period ended September 30, 2019. Corresponding figures have been rearranged and reclassified, wherever considered necessary for the purpose of comparison and better presentation, the effect of which is not material.

18. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on October 27, 2020 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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