



Atlas Battery
Annual Report 2015

Organisation
development
through
self development



Mr. Yusuf H. Shirazi, the Founder of Atlas Group, marked the birth of the Group through the incorporation of Shirazi Investments (Private) Limited (SIL) in 1962. Atlas Group grew rapidly from that point onwards and today its diversified activities are carried through a network of seventeen companies. Atlas Battery Limited, one of the oldest companies of the Group, was incorporated in 1966. Mr. Yusuf H. Shirazi signed a technical collaboration agreement with Japan Storage Battery Co. Ltd. Japan in 1969 (now known as GS Yuasa Corporation) for production and sale of Japanese quality batteries in Pakistan. Atlas Battery started production in 1969 with the genesis of the brand "AGS" – "A" for Atlas and "GS" for Genzo Shimadzu (the founder of Japan Storage Battery Co. Ltd., Japan). The Company manufactures a wide range of polypropylene batteries suitable for passenger cars, trucks, tractors, heavy vehicles, motor cycles, construction and road-building equipment, as well as stationary and industrial applications.

With the **Spark to move ahead**, the Company has emerged as one of the fastest growing part making companies in the country by focusing on the vision of manufacturing highest quality products. Our tagline defines our raison d'etre... بات۔ چھکوا لٹی کی...

Our objective: To **provide the Spark** our customers need to **Energize** their homes and vehicles by producing best quality batteries. With years of hard work, dedication and research, the Company has successfully expanded its production capacity, improved quality of its products and brought innovation through new products. Our latest innovation is the **Atlas Hybrid**. The tagline **Maintenance Mein Kum Performance Mein Dum** was given to capture its unique attributes which include convenient plug and play installation, low maintenance and durability.

Igniting the Spark

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Vision

A leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international market.

Mission

Ensuring customer satisfaction through the highest degree of quality and service with innovation and dynamic management while meeting stakeholders' expectations and serving as a model corporate citizen.

Values

Transparency

Meritocracy

Integrity

Quality

Safety

Excellence

Strategic Objectives

The Company has set strategic objectives which are regularly monitored through certain indicators and will remain relevant to measure their progress.

Objectives	Indicators
Employees To develop, update and enhance our employees' skills, knowledge and creative potential.	Resources allocated to identifying and meeting training needs of associates.
Consumer Dedicated to provide highest level of satisfaction to our consumers and value for their money.	Quality Product. After sales services. Number of warranty claims lodged and acknowledged.
Quality To maintain edge over competitors in terms of quality of products and services meeting the set standards of excellence.	Quality control assurance and monitoring checks / audit. Investment in research and development.
Technology To develop a support model and technical infrastructure that strikes the appropriate balance between central and decentralized support and satisfies the diverse needs of the Company.	Automation of processes. Investment in information technology.
Innovation Driven for innovation and continuous improvement.	Capex allocation towards improvement of production facilities. New product development.
Shareholders To safeguard shareholders' interest through a healthy and viable business, that regularly pays satisfactory dividends and adds value to their investment.	Earnings per share. Return on equity. Assets turnover. Dividend per share.
Corporate Governance Committed to the principles of good Corporate Governance by managing and supervising the Company responsibly with proper internal controls, risk management and efficient and effective operations.	Compliance with Code of Corporate Governance.
Corporate Success To recognize that Leadership, Empowerment and Accountability are essential for corporate success.	Clear Strategy and Direction from Dynamic BOD. Associate turnover. Job rotation and promotion.

Significant changes from previous periods

There has been no significant change in management's objectives and strategies for meeting these objectives from previous year.

Relationship between Company's Results and Management's Objectives

Objectives are set by the management after due consideration and detailed analysis. The analysis and study includes factors such as market conditions and sentiments, prevailing industry norms, operations, resources available, financial capacity, liquidity and historical experiences. During the year, Company has shown positive growth backed by increased market share, rising demand and enhanced productivity.

Following the Code of Corporate Governance, providing healthy returns to shareholders and ensuring customer satisfaction are integral to the management objectives and duly reflected in Company's financial performance.

Quality Policy and Management

We will continue to manufacture batteries by fostering superior technologies and innovations to meet the needs and expectations of our customers and other requirements of our Quality Management System.

Quality Management Process

Atlas Battery is committed to the manufacturing of high quality Lead Acid batteries. Company has aligned its Quality Management System as per ISO 9001:2008 guidelines. ABL Quality Management System provides us the means to control, validate and trace all processes associated with product design, manufacturing and delivery.

Company is equipped with a sophisticated laboratory having latest measuring equipments for testing the performance of our batteries through chemical and electrical testing.

Our in-house laboratory allows for timely, accurate and cost-effective testing that ensures every product, from raw materials to finished batteries, meet all quality requirements.

In addition to its investment in Quality Management Systems, the Company has invested in the equipments necessary to ensure delivery of highly reliable batteries as per customers' requirement and specifications.



Journey of Success

1966-1976

1966 Incorporation of the Company.

1968 Public floatation of shares.

1969 Technical collaboration with Japan Storage Battery Co. Ltd., Japan.

1969 Automotive batteries production started.

1974 Motorcycle batteries production started.

1977-1986

1979 Nominated for KSE Top 25 Companies.

1981 Nominated for KSE Top 25 Companies.

1984 Plant expansion.

1986 Introduced polypropylene batteries.

1987-1996

1988 Joint Venture established with Japan Storage Battery Co. Ltd., Japan with 10% equity injection.

1990 Joint Venture was strengthened with Japan Storage Battery Co. Ltd., Japan with further 5% equity injection.

1994 PSI Certification (Quality) for automotive batteries.

1996 Export of motorcycle batteries.

1997-2006

1998 Export of automotive batteries.

1998 PSI Certification (Quality) for motorcycle batteries.

1999 2nd plant expansion with automatic assembly line.

2000 ISO – 9002 Certification.

2000 Best Presented Annual Report Awards – ICAP and ICMAP.

2001 Best Presented Annual Report Awards – ICAP and ICMAP.

2003 ISO – 9001 – 2000 E.

2006 World Quality Commitment – Paris 2006 Gold.

2007-2015

2008 Awarded Brand of the Year Award by the Prime Minister of Pakistan for being No. 1 in Consumer Preference.

2009 Crossed the one million production milestone in automotive batteries segment.

2011 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2007-08 and 2008-09).

2012 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2009-10) for the third year consecutively.

2012 Awarded the "Management Excellence Award" by the Management Association of Pakistan (MAP).

2013 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2010-11) for the fourth year consecutively.

2013 Awarded the "Management Excellence Award" by the Management Association of Pakistan (MAP).

2013 First battery manufacturer to launch company branded distilled water.

2014 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2011-12) for the fifth year consecutively.

2015 ISO – 9001: 2008 certification.

2015 Won the Karachi Stock Exchange (KSE) Top 25 Companies Award (2012-13) for the sixth year consecutively.

2015 A new "Hybrid" battery under the brand name "Atlas" was launched.

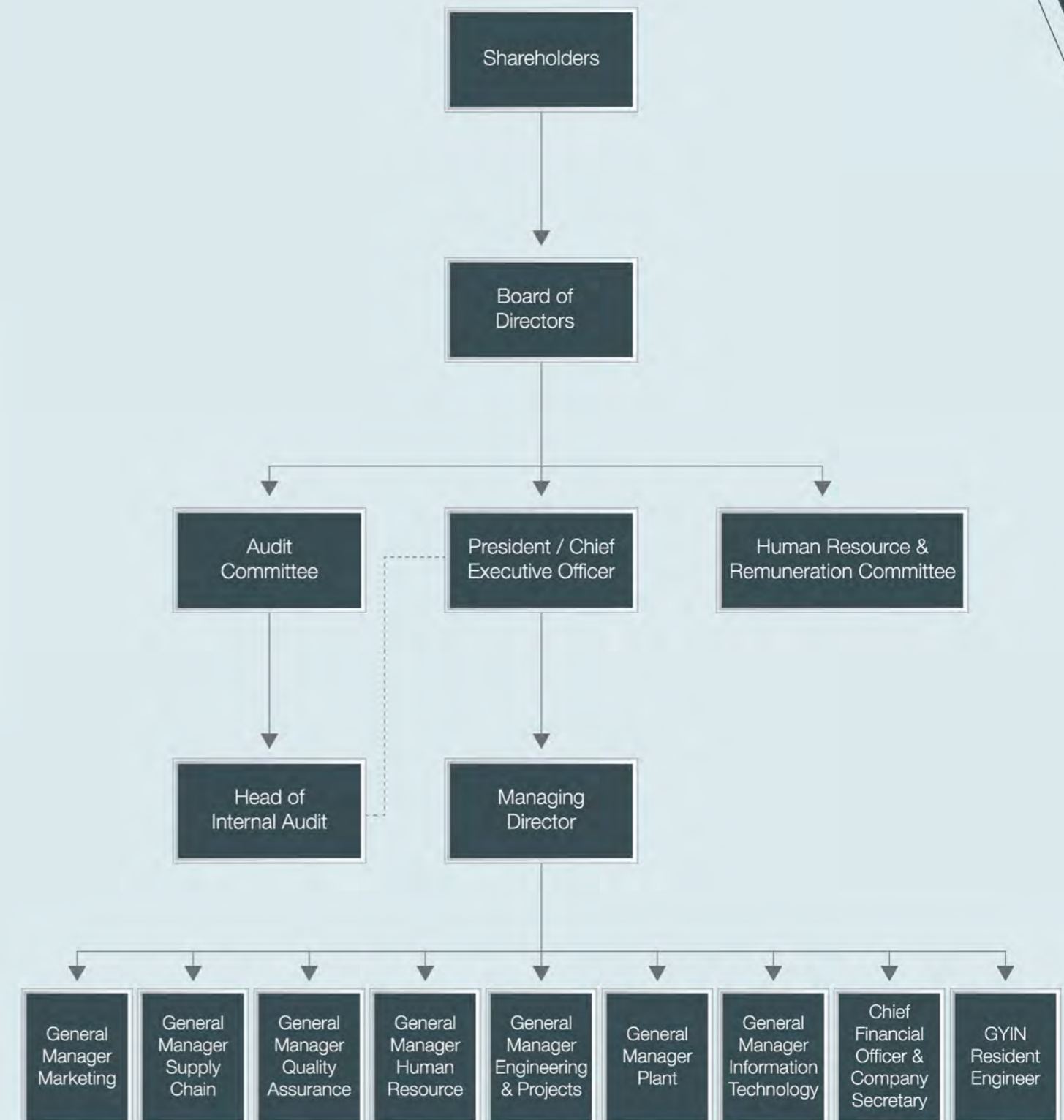
Geographical Presence



Dealership Network

We have a vast network of dealers, details of which could be found on our website www.atlasbattery.com.pk

Organization Chart



Embrace the Future



The Hybrid Battery technology is a new frontier in batteries manufactured by Atlas with calcium lead and antimony plates that promise faster charging time, maximum output and lowest maintenance.

Company Information



Board of Directors

Yusuf H. Shirazi
Chairman

Ariful Islam
Director

Bashir Makki
Director

Frahim Ali Khan
Director

Kamal A. Chinoy
Director

Toru Furuya
Director

Ali H. Shirazi
President / Chief Executive

Rizwan Ahmed
Company Secretary

Audit Committee

Frahim Ali Khan
Chairman

Bashir Makki
Member

Kamal A. Chinoy
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 Quality Assurance

Ahmar Waheed
General Manager Human Resource

Mansoor Jamil Khan
General Manager Engineering & Projects

Nehal Asghar
General Manager Plant

Qasim Imran Khan
General Manager Information Technology

Rizwan Ahmed
Chief Financial Officer & Company Secretary

Adeel Sartaj
Manager Quality Assurance

Auditors

Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

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
Summit Bank 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

www.atlasbattery.com.pk

Email Address

abl@atlasbattery.com.pk

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at 10:00 a.m. on Monday, September 28, 2015 at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi, to transact the following business:

Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 26, 2014.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2015 together with the Directors' and Auditors' Report thereon.
3. To consider and approve the Cash dividend at the rate of 120% (Rs. 12/- per share) for the year ended June 30, 2015 as recommended by the Board of Directors.
4. To appoint auditors and fix their remuneration for the year ending June 30, 2016. The present auditors M/s. Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

Special Business:

5. To consider and approve the change in Article 94 of the Articles of Association of the Company.

To consider and, if thought fit, pass with or without modification the following resolution as Special Resolution:

RESOLVED "that Article 94 of the Articles of Association of the Company be amended to include as under:

94. The remuneration and meeting fee of the Directors including the expenses for attending Board meetings shall, from time to time, be determined by the Board.

In lieu of;

94. The remuneration of the Directors shall from time to time be determined by the Directors. However, the remuneration of a Director for attending Meeting of the Board shall not exceed Rs.10,000/- for each meeting attended by him, provided that the increase will not be applicable to the Directors nominated by financial institutions or otherwise representing them. No fee shall be payable to the members of the Board of Directors who are employees of the Atlas Group Companies."

6. To consider and approve the change in Article 97 of the Articles of Association of the Company.

To consider and, if thought fit, pass with or without modification the following resolution as Special Resolution:

RESOLVED "that Article 97 of the Articles of Association of the Company be amended to include as under:

97. The qualification of a Director shall be the holding of ordinary shares in the Company at least of the nominal value of Rs.10/- in his own name relaxable in case of Directors representing interest holding of requisite value. A Director may act before acquiring his qualification shares, but shall in any case acquire the same within two months from his appointment.

In lieu of;

97. The qualification of a Director shall be the holding of ordinary shares in the Company at least of the nominal value of Rs.5,000/- in his own name relaxable in case of Directors representing interest holding of requisite value. A Director may act before acquiring his qualification shares, but shall in any case acquire the same within two months from his appointment."

Other Business:

7. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



Company Secretary

Karachi: September 04, 2015

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 14, 2015 to September 28, 2015 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi before the close of business on September 13, 2015 will be considered in time for the purpose of entitlement for cash dividend.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company or at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi not less than 48 hours before the time of the meeting.
3. Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
4. Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
5. Members are requested to provide by mail or fax, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.
6. The Government of Pakistan through Finance Act 2014, has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. Further, the Government of Pakistan through Finance Act 2015 has revised the rates. These tax rates are as under:
 - a) For filers of income tax returns - 12.5%
 - b) For non-filers of income tax returns - 17.5%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 17.5%, all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend otherwise tax on their cash dividend will be deducted @ 17.5% instead @ 12.5%.

For any query / information, the investors may contact the Company and / or the Share Registrar at the following:

Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730, Tel: (021) 32567990-4, Fax: (021) 32564703

Share Registrar

M/s. Hameed Majeed Associates (Pvt) Ltd., Karachi Chambers, Hasrat Mohani Road, Karachi.
Tel: (021) 32424826 & 32412754, Fax: (021) 32424835

The corporate shareholders having CDC accounts are required to have their National Tax Numbers (NTN) updated with their respective participants, whereas corporate physical shareholders should send copy of their NTN certificate to the Company or share registrar i.e. M/s. Hameed Majeed Associates (Pvt) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

7. Financial statements have been placed on Company's website.

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984:

This statement is annexed to the Notice of the Annual General Meeting of Atlas Battery Limited to be held on September 28, 2015 at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

ITEM NO. 5 OF THE AGENDA

Presently, the right for fixing the remuneration of directors rests with the Board, however, remuneration of a director for attending meeting of the Board is limited upto Rs.10,000/- for each meeting attended by him. In order to align related provisions pertaining to directors' remuneration, it is proposed that the right for fixing the meeting fee of directors shall also be vested to Board for which the provision for Articles of Association is requested for amendment.

The Directors are not interested in this business except as shareholders of the Company.

ITEM NO. 6 OF THE AGENDA

Presently, the nominal value of shares for qualification of independent directors is Rs.5,000/-. The Board of Directors has recommended to reduce the nominal value of shares for qualification of independent directors to Rs.10/- for which the provision for Articles of Association is requested for amendment.

The Directors are not interested in this business except as shareholders of the Company.

Information for Shareholders

Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730
Tel: (021) 32567990-4
Fax: (021) 32564703

Share Registrar

M/s. Hameed Majeed Associates (Pvt) Ltd.,
Karachi Chambers, Hasrat Mohani Road, Karachi.
Tel: (021) 32424826 & 32412754
Fax: (021) 32424835

Listing on Stock Exchanges

Atlas Battery Limited is listed on Karachi Stock Exchange (KSE), Lahore Stock Exchange (LSE) and Islamabad Stock Exchange (ISE).

Listing Fees

The annual listing fee for the financial year 2014-15 has been paid to the three stock exchanges within the prescribed time limit.

Stock Symbol

The stock symbol for dealing in equity shares of Atlas Battery Limited at KSE, LSE and ISE is 'ATBA'.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

Share Transfer System

Share transfers received by the Company's Share Registrar are registered within 30 days from the date

of receipt, provided the documents are complete in all respects.

Dividend Announcement

The Board of Directors of the Company has proposed a Final Cash Dividend of Rs. 12/- each for the year ended June 30, 2015, subject to the approval by the shareholders of the Company at the Annual General Meeting.

Dividend paid for the previous year ended June 30, 2014 was, Cash Dividend of Rs.10/- per share (100%).

Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from September 14, 2015 to September 28, 2015 (both days inclusive).

Dividend Remittance

Dividend declared and approved at the Annual General Meeting will be paid well before the statutory time limit of 30 days.

(i) For shares held in physical form

To shareholders whose names appear in the register of members of the Company after entertaining all requests for transfer of shares lodged with the Company by September 13, 2015.

(ii) For shares held in electronic form

To shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on September 13, 2015.

Withholding of Tax & Zakat on Dividend

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company, wherever applicable.

Zakat is also deductible at source from the dividend amount at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

Dividend Warrants

Cash Dividends are paid through dividend warrants addressed to the ordinary shareholders whose names appear in the register of members at the date of book closure. Shareholders are requested to deposit those warrants into their bank accounts, at the earliest, thus helping the Company to clear the unclaimed dividend account.

The shareholders are informed that SECP through S.R.O. 831(I)/2012 dated July 5, 2012 has directed all listed companies to issue dividend warrant(s) only cross as "A/C Payee Only" in the name of the shareholder or authorized person. It has also made it mandatory that dividend warrants issued by the issuer should bear Computerized National Identity Card (CNIC) numbers of the registered shareholders or authorized person, except in the case of minor(s) and corporate shareholders. The shareholders are, therefore, requested to provide by mail or fax, photocopy of their CNIC and in case of a foreigner, copy of passport, unless it has already been provided. The members while sending their CNIC or copy of passport must quote their respective folio number.

Dividend Mandate (Optional)

Transferee of shares may exercise option for dividend mandate by using the revised "Form of Transfer Deed". The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he / she / it desires to be used for credit of cash dividend. The existing shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate

Form" if they so desires. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

Annual General Meetings

Pursuant to section 158 of the Companies Ordinance, 1984, Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Proxies

Pursuant to section 161 of the Companies Ordinance, 1984 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his / her proxy to attend and vote on his / her behalf. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who ought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the registered office of the Company not less than forty eight hours before the meeting.

Website

Updated information regarding the Company can be accessed at www.atlasbattery.com.pk. The website contains the latest financial results of the Company together with Company's profile and product range.

Profile of the Company

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Karachi, Lahore and Islamabad Stock Exchanges. 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.

Group Structure

The Company is part of Atlas Group, foundation of which was laid in 1962 with the establishment of Shirazi Investments (Private) Limited with a capital of half a million rupees and three men doing business in trading shares and real estate.

Today Atlas is a diversified group dealing in engineering, power generation, financial services and trading. It consists of seventeen companies out of which four are quoted on the stock exchanges in Pakistan. Atlas Group's shareholders equity and assets stand at over 1 billion US dollars; annual sales nearing 2 billion US dollars and personnel strength close to 10,000.

Atlas has harmonized professional management and has institutionalized the group shareholding in an endeavor to build businesses that last generation after generation. This provides a sense of active participation at every level, from grass roots to the very top. Every member is encouraged and motivated with a vision to continuously strive for excellence, taking pride in the Atlas Motto 'Organization Development through Self Development'.

The Atlas Group has not only introduced modern technologies in Pakistan but has also promoted corporate governance, thus providing a sense of participation at every level - from grass roots to the top. Permanent cells have been established for development of Human Resource and Systems & Technology. The Group strives for excellence in all areas and endeavors to make each group company a provider of high quality goods and services. Atlas prides itself as a reliable business partner and an attractive organization to work for. Realizing its social responsibilities as a corporate citizen, the Group through Atlas Foundation has been playing its role in promoting centers of professional education, contributing to health facilities, helping law enforcement agencies and improving the quality of life for society at large.

Capital Structure

The capital of the Company stands at Rs.174.0 million represented by 17.40 million shares of Rs.10/- each. The balance sheet footing stands at Rs.5.40 billion and net worth of Rs.3.42 billion.

The major shareholders are Shirazi Investments (Private) Limited (29.89%), Shirazi Capital (Private) Limited (24.97%) and GS Yuasa International Limited - Japan (15.00%).

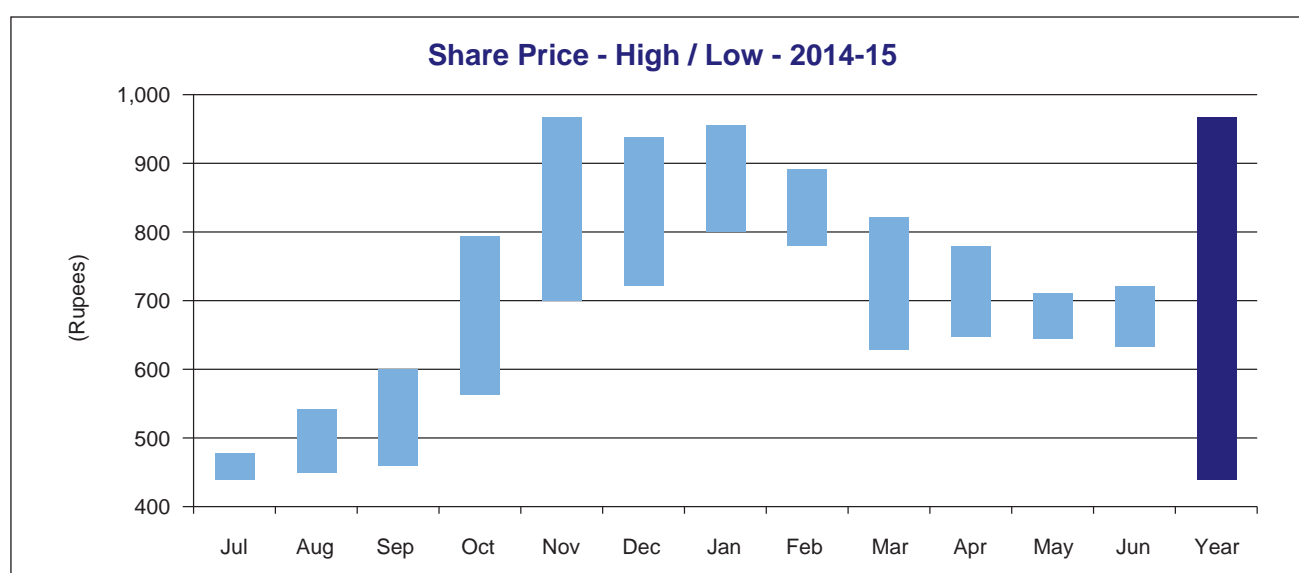
Market Capitalization, Share Price and Volume

Atlas Battery share reached a record high of Rs.965 on November 18, 2014 at Karachi Stock Exchange. The market capitalization at that instant was Rs.16.79 billion.

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Karachi Stock Exchange during the financial year ended June 30, 2015.

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of shares traded	Market Capitalization in Value* (Rs. in bln)
Jul 14	476.50	441.01	461.00	20,700	8.29
Aug 14	539.70	452.05	480.00	192,300	9.39
Sep 14	595.99	462.01	572.68	167,400	10.37
Oct 14	791.75	565.00	697.92	218,100	13.78
Nov 14	965.00	705.07	747.00	332,900	16.79
Dec 14	935.00	725.00	900.00	393,300	16.27
Jan 15	953.00	802.02	903.29	108,700	16.58
Feb 15	890.00	782.00	836.90	44,900	15.49
Mar 15	819.00	631.32	668.89	39,100	14.25
Apr 15	776.98	650.00	690.26	23,250	13.52
May 15	708.00	646.95	660.00	43,600	12.32
Jun 15	718.00	635.50	703.50	101,550	12.49
Year	965.00	444.01	703.50	1,685,800	16.79

* Based on highest price



Shares held by Directors / Sponsor / Executives

Details of shares held by Directors / Sponsors / Executives are given in Pattern of Shareholding.

Pattern of Shareholding

As at June 30, 2015

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
617	1	100	18,552	0.11%
344	101	500	92,111	0.53%
157	501	1,000	113,984	0.66%
215	1,001	5,000	488,105	2.81%
50	5,001	10,000	344,701	1.98%
13	10,001	15,000	165,475	0.95%
6	15,001	20,000	99,278	0.57%
2	20,001	25,000	48,416	0.28%
3	25,001	30,000	81,957	0.47%
5	30,001	35,000	160,468	0.92%
2	35,001	40,000	74,876	0.43%
1	40,001	45,000	43,400	0.25%
2	55,001	60,000	115,083	0.66%
1	60,001	65,000	62,208	0.36%
1	70,001	75,000	71,000	0.41%
1	75,001	80,000	78,080	0.45%
1	80,001	85,000	85,000	0.49%
1	95,001	100,000	98,288	0.56%
2	105,001	110,000	215,000	1.24%
1	135,001	140,000	139,382	0.80%
1	240,001	245,000	240,566	1.38%
1	300,001	305,000	303,420	1.74%
1	315,001	320,000	319,872	1.84%
1	325,001	330,000	325,522	1.87%
1	345,001	350,000	347,181	2.00%
1	415,001	420,000	416,174	2.39%
1	695,001	700,000	695,692	4.00%
1	2,500,001	3,000,000	2,609,947	15.00%
1	4,345,001	4,350,000	4,345,200	24.97%
1	5,200,001	5,205,000	5,200,831	29.89%
<u>1,435</u>			<u>17,399,769</u>	<u>100.00%</u>

The slabs representing nil holding have been omitted.

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, Chief Executive and their spouse and minor children	7	2,506	0.01%
Associated companies, undertakings & related parties (Note 1)	6	13,474,962	77.44%
NIT and ICP	5	5,540	0.03%
Banks, DFIs & NBFCs	5	120,435	0.69%
Insurance Companies	3	435,078	2.50%
Modarabas and Mutual Funds	6	70,596	0.41%
Public Sector Companies & Corporations	1	240,566	1.38%
General Public			
Local	1,385	2,642,479	15.19%
Foreign	-	-	0.00%
Others			
Joint Stock Companies	14	398,426	2.29%
Trustees of Sulaimaniyah Trust	1	5,700	0.03%
Trustee of Iftikhar Shirazi Family Trust	1	1	0.00%
Trustees Al-Bader Welfare Trust	1	3,480	0.02%
	<u>1,435</u>	<u>17,399,769</u>	<u>100.00%</u>

Note:

1. Following shareholders are shown under Associated Companies category:

Atlas Foundation	319,872	1.84%
Atlas Insurance Limited	303,420	1.74%
GS Yuasa International Limited - Japan	2,609,947	15.00%
Shirazi (Private) Limited	695,692	4.00%
Shirazi Capital (Private) Limited	4,345,200	24.97%
Shirazi Investments (Private) Limited	5,200,831	29.89%

Pattern of Shareholding as at June 30, 2015

Information required under the Code of Corporate Governance

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Associated Companies, Undertakings and Related Parties			
Atlas Foundation	1	319,872	1.84%
Atlas Insurance Limited	1	303,420	1.74%
GS Yuasa International Limited - Japan	1	2,609,947	15.00%
Shirazi (Private) Limited	1	695,692	4.00%
Shirazi Capital (Private) Limited	1	4,345,200	24.97%
Shirazi Investments (Private) Limited	1	5,200,831	29.89%
	6	13,474,962	77.44%
Mutual Funds			
Golden Arrow Selected Stocks Fund Limited	1	4,346	0.02%
CDC - Trustee Akd Index Tracker Fund	1	700	-
CDC - Trustee Askari Asset Allocation Fund	1	5,000	0.03%
CDC - Trustee Askari Equity Fund	1	5,000	0.03%
CDC - Trustee Al-Ameen Islamic Ret. Sav. Fund - Equity Sub Fund	1	24,650	0.14%
CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	30,900	0.18%
	6	70,596	0.41%
NIT and ICP			
Investment Corporation of Pakistan	4	1,534	0.01%
IDBP - (ICP Unit)	1	4,006	0.02%
	5	5,540	0.03%
Directors, Chief Executive and their spouse and minor children			
Mr. Yusuf H. Shirazi & Mrs. Khawar S. Shirazi	1	1	-
Mr. Frahim Ali Khan	1	1	-
Mr. Ali H. Shirazi	1	1	-
Mr. Ariful Islam	1	2,500	0.01%
Mr. Bashir Makki	1	1	-
Mr. Kamal A. Chinoy	1	1	-
Mr. Toru Furuya	1	1	-
	7	2,506	0.01%
Executives			
	-	-	-
Public Sector Companies & Corporations			
State Life Insurance Coporation of Pakistan	1	240,566	1.38%
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarabas and Mutual Funds			
	8	555,513	3.19%
General Public			
	1,385	2,642,479	15.20%
Others			
	17	407,607	2.34%
	1,435	17,399,769	100.00%
Shareholders holding 5% or more voting interest			
GS Yuasa International Limited - Japan	1	2,609,947	15.00%
Shirazi Capital (Private) Limited	1	4,345,200	24.97%
Shirazi Investments (Private) Limited	1	5,200,831	29.89%

Board of Directors



01



02



03



04



05



06



07

Yusuf H. Shirazi
Chairman

01

Mr. Shirazi is a Law graduate (LLB) with BA (Hons.) and JD (Diploma in Journalism) from Punjab University and AMP Harvard. He served in the financial services of the Central Superior Services of Pakistan for eight years where he authored 50 reports as to how the businesses are carried and tax assessed. He was an instructor in the Finance Services Academy on Law and Accounts. He is the author of seven books including "Aid or Trade" adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on matters – socio – politico – economic.

Mr. Shirazi is the Chairman of Atlas Group, which, among others, has joint ventures with GS Yuasa International, Honda, and MAN to name a few. Mr. Shirazi has been the President of Karachi Chamber of Commerce and Industry for two terms. He has been the founder member of Karachi Stock Exchange, Lahore Stock Exchange and International Chamber of Commerce and Industry. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been a visiting faculty member at National Defense University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College (Chartered University) and Pakistan Institute of Management. Previously, he also served, among others, on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology – Space & Upper Atmosphere Research Commission (SUPARCO).

Mr. Shirazi has been awarded Sitara-e-Eisaar and Sitara-e-Imtiaz the top Civilian Awards. Sitara-e-Imtiaz conferred by the Government of Pakistan recognizes individuals who have made an "especially meritorious contribution to the security or national interests of Pakistan, world peace, cultural or other significant public endeavors". Sitara-e-Eisaar Award is in recognition of CSR activities in Pakistan. A distinguished Formanite Award for outstanding achievements as an entrepreneur was awarded by Forman Christian College – University Lahore.

The Government of Japan also acknowledged Mr. Shirazi's contributions to promote economic relationship between the two countries by conferring the Japanese National Award.

Mr. Ariful Islam
Director

02

Mr. Ariful Islam is a senior banker with over 30 years experience with various banks in Bahrain and Pakistan. He is a Chartered Accountant from England and Wales and a Fellow member of the Institute of Chartered Accountants of Pakistan. He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer and subsequently elevated to the position of Deputy CEO of the Bank. He has previously worked with Faysal Bank Limited and MCB Bank Limited, where he held various senior management positions in the capacity of Executive Vice President and Senior Executive Vice President, respectively. He has over 25 years of experience in the financial sector. Currently, Mr. Islam is a director on the Board of Meezan Bank Limited, Chairman of the Board of Al Meezan Investment Management Limited - the Bank's asset management subsidiary, and a director on the Board of Atlas Battery Limited.

Mr. Bashir Makki
Director

03

Mr. Bashir Makki is an MBA from IBA, Karachi and has over 30 years of corporate management experience. He formerly worked with ICI Pakistan Limited for 21 years, which also included 2 years of secondment with ICI Malaysia Holdings. In addition to being the Human Resource Director at Atlas Group, he is also the Group Executive Committee Member and oversees the operations of its two companies in the automotive sector.

Mr. Makki is a certified trainer and has over the years conducted several organizational development programs. He has also attended executive development programs at Harvard Business School, U.S.A. and Ashridge College in the U.K. He is on the Board of Governors of Pakistan Society for Training and Development to pursue his aim to build leadership competencies in business executives. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

Mr. Frahim Ali Khan
Director

04

Mr. Frahim Ali Khan has over 47 years of experience in General Management, Finance, Investment and Taxation. He graduated in Commerce from Karachi University in 1965 and also obtained a degree in law from the same university. He has also attended the Senior Managers' Program from Harvard University, USA, Financial Management Program from Stanford University, USA and General Management Program from Insead University, France. He joined the Atlas Group in 1967 and has served in different positions. Currently, his other directorships include Atlas Engineering Limited, Atlas Power Limited, Shirazi Trading Company (Private) Limited, Atlas Hitec (Private) Limited, Atlas Autos (Private) Limited, Atlas Metals (Private) Limited, Atlas Foundation and Atlas Asset Management Limited. Earlier, he has also served on the boards of Atlas Honda Limited and Atlas Insurance Limited and has been CEO of Shirazi Investments (Private) Limited, Shirazi Trading Company (Private) Limited and former Atlas Investment Bank Limited.

Mr. Kamal A. Chinoy
Director

05

Mr. Kamal A. Chinoy is a graduate of the Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Mr. Kamal is a member of the executive committee of the International Chamber of Commerce (ICC), Pakistan and is also the Past President of the Management Association of Pakistan (MAP). He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

He has served as the Chairman of the Aga Khan Foundation (Pakistan) and also as a Director of Pakistan Centre of Philanthropy, Pakistan Security Printing Corporation, Atlas Insurance Limited and First International Investment Bank (now IGI Bank). Currently he is Chairman of Jubilee Life Insurance Co. Limited and Chief Executive of Pakistan Cables Limited. He is also director of Atlas Battery Limited, NBP Fullerton Asset Management Limited, International Industries Limited, International Steels Limited, ICI Pakistan Limited, and a member of Board of Governors of Army Burn Hall Institutions. He is an advisor to Tharpak, a consortium of international companies bidding to explore Thar coal using Clean Coal technology.

Mr. Toru Furuya
Director

06

Mr. Toru Furuya specializes in chemistry and has a career working at battery design, quality assurance and quality control departments in Japan. He has also experience working at PT. Trimitra Baterai Prakasa (TBP), one of the affiliate companies of GS Yuasa International Limited in Indonesia.

Mr. Ali H. Shirazi
President / Chief Executive

07

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is member of the Group Executive Committee, responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Engineering Limited, Atlas Insurance Limited, Atlas Metals (Private) Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), National Clearing Company of Pakistan Limited, National Management Foundation (sponsoring body of LUMS) and Techlogix International Limited. He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

Major Events and Launches during the Year

August 2014

- Meeting of Board of Directors was held in which the audited annual accounts for the year ended June 30, 2014 were approved and has recommended a Final Cash Dividend @ 100% for the year ended June 30, 2014.
- Participated in Pak Suzuki free checkup campaigns in Karachi and Hyderabad regions from August 6 to 30, 2014.

September 2014

- Annual General Meeting was held where audited annual financial statements and cash dividend for the year ended June 30, 2014 were approved by shareholders along with appointment of external auditors, M/s. Hameed Chaudhri & Co. for the year ending June 30, 2015.
- One of the ABL Quality Control Circles (QCC) participated in the mega QCC event of Indus Motor Company Ltd. (IMC) on September 06, 2014 and won the Trophy of 1st position among all IMC vendors participated in the QCC competition.

October 2014

- Meeting of Board of Directors was held and the quarterly accounts for the quarter ended September 30, 2014 were approved.

December 2014

- Awarded the "Management Excellence Award" by the Management Association of Pakistan (MAP).

January 2015

- CEO inaugurated new Lahore office at DHA Lahore on January 16, 2015.

February 2015

- CEO inaugurated new Islamabad office at Sector I-11/3, Near Nescom on February 02, 2015.
- Meeting of Board of Directors was held and half yearly accounts for the half year ended December 31, 2014 were approved.

March 2014

- ABL won KSE Top 25 Companies Award for the year 2013, for the sixth year consecutively.
- 2nd ABL Shaheen Circle Convention was held on March 19, 2015 where QCC themes related to quality, productivity and cost saving were presented.

April 2014

- Meeting of Board of Directors was held and quarterly accounts for the period ended March 31, 2015 were approved.
- A new "Hybrid" battery under the brand name "Atlas" was launched in domestic market.
- MD attended 19th International Lead Conference, Lisbon (Portugal).
- Participated in Internship Fair 2015 organized by Department of Public Administration, University of Karachi

June 2014

- Meeting of Board of Directors was held and the annual budget 2015-16 was approved.

Major Events and Launches during the Year



Media Gallery

Advertisement

TVC

- TVC of Battery Tonic went on-air in the months of September 2014, October 2014 and March 2015 on major TV channels.
- TVC of Hybrid Battery went on-air in the months of April and May, 2015 on major TV channels.

Radio Ad

- Radio campaign of Hybrid Battery went on-air in the months of April and May, 2015 on major radio channels.
- Telope of Eid Mubarak greeting was run on major news channels nationwide.

Sponsorships and live programs

- Sponsorship and subsequent brand activation campaign at Pakwheels Auto Festival 2014 - Karachi event held on September 14, 2014 at Expo Center, Karachi.
- Sponsorship and subsequent brand activation campaign at Pakwheels Auto Festival 2014 - Islamabad event held on November 23, 2014 at Fatima Jinnah Park, Islamabad.
- Sponsorship and battery check-up campaign at Karachi Mystic Festival held on December 13 and 14, 2014 at Beach Luxury Hotel, Karachi.
- Atlas Battery Road Show activities in various regions of the country for creating brand recall and brand engagement purpose.

Model shops

- During the year the Company built five model shops throughout country with a view to standardize all dealer shops.

Revamped website

- During the year, the website was revamped and given a complete new user interface with added features including proper dealer network details, sound effects, media gallery, product-search, etc.

Others

- 2015 calendars were distributed nationwide.
- Distribution of ICC World Cup 2015 schedule cards.
- Ramadan schedule calendars were distributed nationwide.

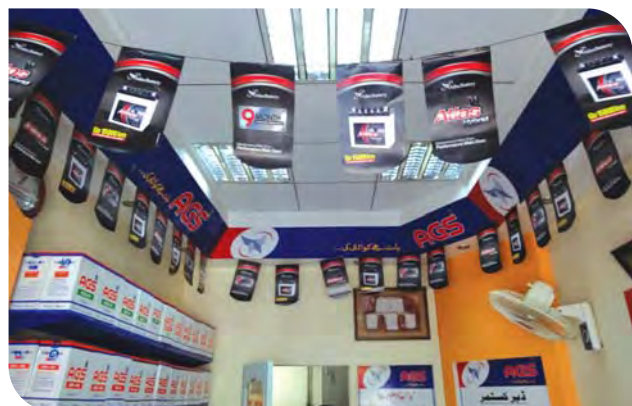
Financial Calendar

The Financial year end of Company is July 01 to June 30.

Financial results will be announced as per the following tentative schedule:

Annual General Meeting	Last week of September, 2015
1st quarter ending September 30, 2015	Last week of October, 2015
Half year ending December 31, 2015	Last week of February, 2016
3rd quarter ending March 31, 2016	Last week of April, 2016
Year ending June 30, 2016	Last week of August, 2016

Media Gallery



Nature of Business

Industry

The Company is involved in manufacturing and marketing automotive, motorcycle and industrial batteries for domestic and international market and falls in the category of auto mobiles and parts industry.

Markets

The Company caters various markets segments which includes Original Equipment Manufacturers (OEMs) and end consumers through a wide network of dealers. The end consumers have various uses which include vehicles, motorcycles, heavy vehicles including tractors, buses, etc.

Legal Framework

The Company is incorporated under Companies Ordinance, 1984 and listed on all stock exchanges in Pakistan under listing regulations of respective stock exchanges. Further, the Company follows all relevant law and regulations.

Business Model

To ensure sustainable business success and create trust amongst all stakeholders, we act legally and ethically and focus on defined vision, mission and culture. Our established code of conduct and defined systems helps us set behavioral expectations for our associates and our business partners so that we can maintain focus as we anticipate upcoming challenges in our evolving business environment.

Atlas Culture

- Corporate Governance
- Respect, Recognition and Reward (3Rs)
- Recruitment and career advancement based on integrity, merit, experience and skills
- Education and training of staff and descendants
- Self reliance
- Leading by example
- Humility and excellence
- Living with one's means, saving for the future and donating for good cause
- To be happy and healthy

Atlas Systems

- Management by Objectives (MBO) to align activities agreed Company goals
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company
- Inducting and retaining competent and skilled staff - right man for the right job
- Using BCG model for strategic direction
- Creating value through implementation of internal controls (SOPs and policy manuals)
- Management development to produce performers, organization builders and strategists
- Active participation in management meetings for continuous performance improvement
- Ensuring accuracy and control performance improvement
- Ensuring accuracy and control of information / data through efficient MIS
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention

Good Governance

We are committed to act ethically and promote corporate culture from top to bottom for every associate. We encourage honesty and professionalism in our acts to provide long-term benefits to all stakeholders as a group as well as individually.

Strengthen customer relationships

We believe in strengthening customer relationships through long-term cooperation by ensuring quality of product, quality of management and quality of network and after sales service.

When customers choose a supplier of battery, the offering of supplementary services combined with excellent products is a crucial factor. For the said reason we provide easy claim processing.

Develop and increase interface with customers

The majority of our customers are companies and dealers within the transportation or gen-set industries. The reliability and productivity of the products are important and in many cases crucial integral to the customers' business operations. A competent and professional dealer and service network is of vital importance for the Company.

The goal is for the Company to be regarded as number one in customer satisfaction, in terms of both products and services.

A high-performing organization - committed associates

The Company's vision is to become a leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international markets. A deciding factor in fulfilling this vision is our associates and their knowledge and skills. The Company is committed in investing, training, educating and motivating people. Our support to educational initiatives stems from the idea of strengthening individuals, families and ultimately society through better provision of education.



Attracting and retaining competence

The Company's aim is to offer challenging opportunities and unique company culture that help us attract and retain the best people. By engaging associates, who are willing to take an active part in the Company's development and future, the Company will succeed in pursuing its strategies.

By engaging associates, who are willing to take an active part in the Company's development and future, the Company will succeed in pursuing its strategies.

Succession Planning

Your company ensures implementation of succession planning. This is done by development of successors for all key positions across the organization.

Trainings and Academic Partner Program

The Company is involved in a comprehensive series of programs with academic institutions to educate and train associates. On job trainings and technical trainings are given strong emphasis. One such example is the Diploma Program conducted by Institute of Business Administration (IBA) exclusively for Atlas Group associates.

The cooperation with universities is also important for creating relationships with students and potential associates to secure access to future competence.

Developing talents

Every manager is responsible for assessing and developing talent in the organization by encouraging creativity and independence among our associates.

A career development program is operated by Company on the basis of a consistent Performance Management Review Process. It provides the Company with a structured approach to nurturing talent for management and leadership roles.

State of Art Information Technology Infrastructure

With the growing need to stay abreast of technological advancements, we are committed to using upto date information technology with a view to enhance our business processes and provide better quality products. This includes innovations and improvements in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, etc). We have a state of art information technology infrastructure. We are also aligning business and IT in order to fully benefit in a significant and persistent way for data management through ERP. Further, we are focused on **B-2-C (Business to Customer)** system, **Business Continuity Plan (BCP)**, **Business Process Re-engineering (BRP)** and **B-2-B (Business to Business)**.





Dominate the Journey



When it comes to batteries for bikes, it's purely a matter of durability. Atlas batteries for bikes comprise a range of batteries that caters to all types of two-wheelers, ready to perform for you anytime, anyday and anywhere.

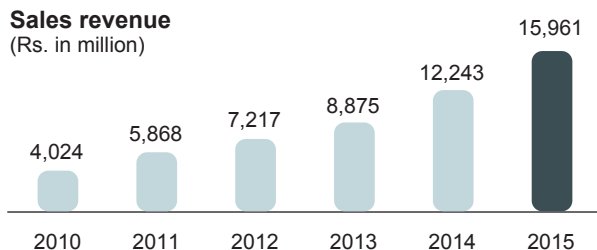
Financial Highlights

Sales	15,961,413	12,242,719	30.4%	+
Gross Profit	2,377,705	1,621,558	46.6%	+
Operating Profit	1,627,386	1,148,793	41.7%	+
Profit before Tax	1,480,711	1,022,768	44.8%	+
Profit after Tax	1,013,924	741,150	36.8%	+
Earnings Per Share - Basic & Diluted (Rupees)	58.27	42.60	36.8%	+
Shareholders' Equity	3,220,775	2,384,566	35.1%	+
Property, Plant & Equipment - Net of Revaluation Reserve	1,994,955	1,242,919	60.5%	+
Book value per share (Rupees)	185.2	123.4	50.1%	+

	----- (Rupees in '000) -----			
	2015	2014	%	
Sales	15,961,413	12,242,719	30.4%	+
Gross Profit	2,377,705	1,621,558	46.6%	+
Operating Profit	1,627,386	1,148,793	41.7%	+
Profit before Tax	1,480,711	1,022,768	44.8%	+
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Earnings Per Share - Basic & Diluted (Rupees)	58.27	42.60	36.8%	+
Shareholders' Equity	3,220,775	2,384,566	35.1%	+
Property, Plant & Equipment - Net of Revaluation Reserve	1,994,955	1,242,919	60.5%	+
Book value per share (Rupees)	185.2	123.4	50.1%	+

Business Growth

Sales revenue (Rs. in million)

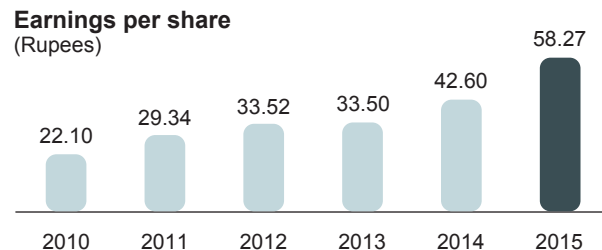


Sales revenue growth

30.4% Over 2014 | 31.7% CAGR over 6 years

Shareholder Value Accretion

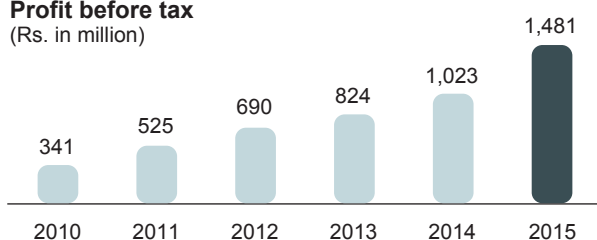
Earnings per share (Rupees)



Earnings per share growth

36.8% Over 2014 | 21.4% CAGR over 6 years

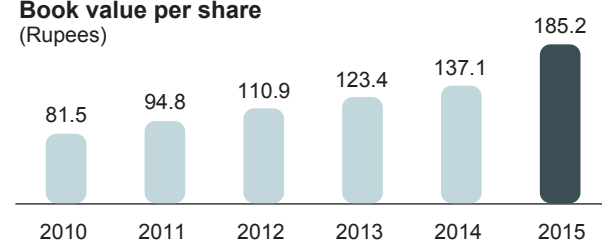
Profit before tax (Rs. in million)



Profit before tax growth

44.8% Over 2014 | 34.1% CAGR over 6 years

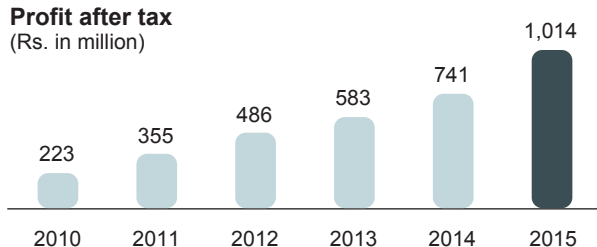
Book value per share (Rupees)



Book value per share growth

35.1% Over 2014 | 17.8% CAGR over 6 years

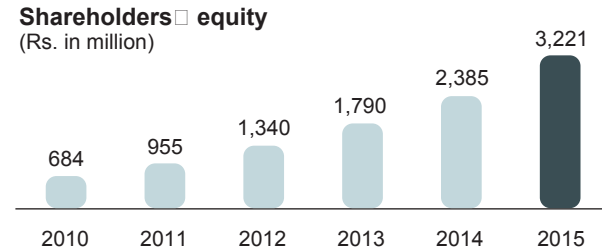
Profit after tax (Rs. in million)



Profit after tax growth

36.8% Over 2014 | 35.4% CAGR over 6 years

Shareholders' equity (Rs. in million)



Shareholders' equity per share growth

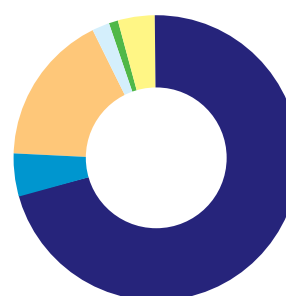
35.1% Over 2014 | 36.3% CAGR over 6 years

Statement of Value Addition

	Year ended June 30		
	2015		2014
	(Rs. in '000)		(Rs. in '000) % age
Wealth Generated:			
Sales including Sales Tax	18,989,559	99.5	14,660,936 99.3
Other Operating Income	91,526	0.5	109,221 0.7
	<u>19,081,085</u>	<u>100.0</u>	<u>14,770,157</u> <u>100.0</u>
Wealth distributed:			
Cost of Material & Services	13,166,460	69.0	10,367,861 70.1
To Employees			
Salaries & other related costs	943,579	4.9	592,972 4.0
To Government			
Taxes	3,529,162	18.5	2,725,507 18.5
Workers' Profit Participation Fund	79,523	0.4	54,929 0.4
Workers' Welfare Fund	30,219	0.2	20,872 0.1
	<u>3,638,904</u>	<u>19.1</u>	<u>2,801,308</u> <u>19.0</u>
To Providers of Capital			
Dividend to Shareholders	173,998	0.9	144,998 1.0
Finance Cost	146,675	0.8	126,025 0.9
	<u>320,673</u>	<u>1.7</u>	<u>271,023</u> <u>1.9</u>
To Society			
Donation	10,228	0.1	8,229 0.1
Retained in the Business			
For replacement of Fixed Assets:			
Depreciation & Amortization	161,315	0.8	132,612 0.9
To provide for Growth: Retained Profit	839,926	4.4	596,152 4.0
	<u>1,001,241</u>	<u>5.2</u>	<u>728,764</u> <u>4.9</u>
	<u>19,081,085</u>	<u>100.0</u>	<u>14,770,157</u> <u>100.0</u>

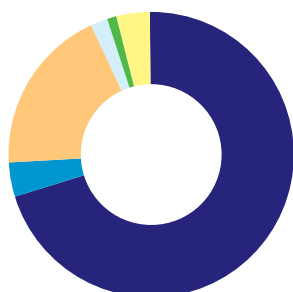
June 30, 2015

- Cost of Materials & Services (69.0%)
- To Employees (4.9%)
- To Government (19.1%)
- To Providers of Capital (1.7%)
- To Society (0.1%)
- Depreciation & Amortization (0.8%)
- Retained Profit (4.4%)



June 30, 2014

- Cost of Materials & Services (70.1%)
- To Employees (4.0%)
- To Government (19.0%)
- To Providers of Capital (1.9%)
- To Society (0.1%)
- Depreciation & Amortization (0.9%)
- Retained Profit (4.0%)



Analysis of Financial Statements

Balance Sheet

(Rupees in '000)

PARTICULARS	2015	2014	2013	2012	2011	2010
Non Current Assets						
Property, plant and equipment	1,994,955	1,416,705	1,155,854	1,127,859	900,503	756,339
Intangible assets	10,743	1,117	1,736	-	6,129	-
Investments	-	-	-	-	-	-
Long term deposits	13,777	13,916	10,555	6,832	517	517
Long term loans	1,103	1,227	657	719	605	270
Total non current assets	2,020,578	1,432,965	1,168,802	1,135,410	907,754	757,126
Current Assets						
Stores, spares and loose tools	110,788	88,665	57,818	43,594	30,933	22,413
Stock-in-trade	1,608,783	2,551,256	1,477,258	811,490	717,004	531,597
Trade debts	131,810	142,345	79,987	112,423	89,625	100,396
Loans and advances	27,727	25,875	3,497	2,682	2,884	2,350
Deposits and prepayments	11,361	6,416	6,446	5,138	4,847	5,928
Investments	918,737	824,925	711,544	436,291	204,863	26,224
Accrued mark-up	-	-	-	-	-	195
Other receivables	8,913	11,398	4,121	7,023	2,317	-
Sales tax - net	-	-	-	-	-	31,050
Taxation - net	481,100	237,060	94,615	29,481	26,488	6,792
Cash and bank balances	78,318	6,089	33,055	48,191	93,952	29,869
Total current assets	3,377,537	3,894,029	2,468,341	1,496,313	1,172,913	756,814
Total Assets	5,398,115	5,326,994	3,637,143	2,631,723	2,080,667	1,513,940
Equity and Liabilities						
Share Capital and Reserves						
Share capital	173,998	173,998	144,998	120,832	100,693	83,911
Reserves	2,027,500	1,477,500	1,067,500	727,500	497,500	375,500
Unappropriated profit	1,019,277	733,068	577,244	478,606	356,552	224,743
	3,220,775	2,384,566	1,789,742	1,326,938	954,745	684,154
Surplus on revaluation of leasehold land	193,886	173,786	173,786	173,786	173,786	173,786
Non Current Liabilities						
Staff retirement benefits	60,226	49,741	45,825	40,928	35,411	30,232
Deferred taxation	208,181	161,015	146,945	131,123	103,000	81,014
	268,407	210,756	192,770	172,051	138,411	111,246
Current Liabilities						
Trade and other payables	910,253	860,347	799,556	514,863	356,874	364,955
Sales tax payable - net	86,647	55,319	53,488	21,066	3,908	-
Special excise duty payable - net	-	-	-	-	13,023	3,956
Accrued mark-up	8,384	19,729	11,110	7,810	5,222	1,245
Short term borrowings	709,763	1,622,491	616,691	415,209	434,698	174,598
Dividend payable	-	-	-	-	-	-
Provision for taxation - net	-	-	-	-	-	-
Total current liabilities	1,715,047	2,557,886	1,480,845	958,948	813,725	544,754
Total Equity and Liabilities	5,398,115	5,326,994	3,637,143	2,631,723	2,080,667	1,513,940

Analysis of Financial Statements

Balance Sheet

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2015	2014	2013	2012	2011	2010	2015/ 2014	2014/ 2013	2013/ 2012	2012/ 2011	2011/ 2010
	----- Percentage -----						----- Percentage -----				
Non Current Assets											
Property, plant and equipment	37.0	26.6	31.8	42.9	43.3	50.0	40.8	22.6	2.5	25.2	19.1
Intangible assets	0.2	-	-	-	0.3	-	861.8	(35.7)	100.0	(100.0)	100.0
Long term deposits	0.3	0.3	0.3	0.3	-	-	(1.0)	31.8	54.5	1,221.5	-
Long term loans	-	-	-	-	-	-	(10.1)	86.8	(8.6)	18.8	124.1
Total non current assets	37.5	26.9	32.1	43.2	43.6	50.0	41.0	22.6	2.9	25.1	19.9
Current Assets											
Stores, spares and loose tools	2.1	1.7	1.6	1.7	1.5	1.5	25.0	53.4	32.6	40.9	38.0
Stock-in-trade	29.8	47.9	40.6	30.8	34.5	35.1	(36.9)	72.7	82.0	13.2	34.9
Trade debts	2.4	2.7	2.2	4.3	4.3	6.6	(7.4)	78.0	(28.9)	25.4	(10.7)
Loans and advances	0.5	0.5	0.1	0.1	0.1	0.2	7.2	639.9	30.4	(7.0)	22.7
Deposits and prepayments	0.2	0.1	0.2	0.2	0.2	0.4	77.1	(0.5)	25.5	6.0	(18.2)
Investments	17.0	15.5	19.6	16.6	9.8	1.7	11.4	15.9	63.1	113.0	681.2
Accrued mark-up	-	-	-	-	-	-	-	-	-	-	(100.0)
Other receivables	0.2	0.2	0.1	0.3	0.1	-	(21.8)	176.6	(41.3)	203.1	100.0
Sales tax - net	-	-	-	-	-	2.1	-	-	-	-	(100.0)
Taxation - net	8.9	4.5	2.6	1.1	1.3	0.4	102.9	150.6	220.9	11.3	290.0
Cash and bank balances	1.4	-	0.9	1.7	4.6	2.0	1,186.2	(81.6)	(31.4)	(48.7)	214.5
Total current assets	62.5	73.1	67.9	56.8	56.4	50.0	(13.3)	57.8	65.0	27.6	55.0
Total Assets	100.0	100.0	100.0	100.0	100.0	100.0	1.3	46.5	38.2	26.5	37.4
Equity and Liabilities											
Share Capital and Reserves											
Share capital	3.2	3.3	4.0	4.6	4.8	5.5	-	20.0	20.0	20.0	20.0
Reserves	37.6	27.7	29.3	27.6	23.9	24.8	37.2	38.4	46.7	46.2	32.5
Unappropriated profit	18.9	13.8	15.9	18.2	17.1	14.8	39.0	27.0	20.6	34.2	58.6
	59.7	44.8	49.2	50.4	45.8	45.1	35.1	33.2	34.9	39.0	39.6
Surplus on revaluation of leasehold land	3.6	3.3	4.8	6.6	8.4	11.5	11.6	-	-	-	-
Non Current Liabilities											
Staff retirement benefits	1.1	0.9	1.3	1.6	1.7	2.0	21.1	8.5	12.0	15.6	17.1
Deferred taxation	3.9	3.0	4.0	5.0	5.0	5.4	29.3	9.6	12.1	27.3	27.1
	5.0	3.9	5.3	6.6	6.7	7.4	27.4	9.3	12.0	24.3	24.4
Current Liabilities											
Trade and other payables	16.8	16.1	21.9	19.5	17.1	24.1	5.8	7.6	55.3	44.3	(2.2)
Sales tax payable - net	1.6	1.0	1.5	0.8	0.2	-	56.6	3.4	153.9	439.0	100.0
Special excise duty payable - net	-	-	-	-	0.6	0.3	-	-	-	(100.0)	229.2
Accrued mark-up	0.2	0.4	0.3	0.3	0.3	0.1	(57.5)	77.6	42.3	49.6	319.4
Short term borrowings	13.1	30.5	17.0	15.8	20.9	11.5	(56.3)	163.1	48.5	(4.5)	149.0
Provision for taxation - net	-	-	-	-	-	-	-	-	-	-	-
Total current liabilities	31.7	48.0	40.7	36.4	39.1	36.0	(33.0)	72.7	54.4	17.8	49.4
Total Equity and Liabilities	100.0	100.0	100.0	100.0	100.0	100.0	1.3	46.5	38.2	26.5	37.4

Comments on Six Years' Balance Sheet

Property, Plant and Equipment

Increase in property, plant and equipment over the years is mainly due to gradual capacity expansion to meet the growing demand of the batteries.

Stock-in-trade

The increase in stock-in-trade is in line with increase in cost of goods sold over the years. The increased production capacity over the years has led to the demand of raw materials. Last fiscal year the inventory level was considerably higher due to the last quarter inventory buildup.

Investments

The rise in investments is a strategic decision to invest excess cash flows with long term perspective to earn differential returns. The high rate of return and stability has led to increase in investments in mutual funds.

Taxation

The contribution to national exchequer has sizably increased over the years as a result of increase in sales and imports. The current taxation charge over the years has increased in line with increase in profits over last six years.

Trade and other payables

The Company's policy to have zero credit limits and sell only on cash has increased the customers' advances and balances over the years which resultantly have increased trade and other payables.

Short term borrowings

Short term borrowings have not significantly changed over last year but have increase over last six years due to working capital requirement. Capacity expansion is backed mainly through own funds generation and partly by short term borrowings.

Analysis of Financial Statements

Profit and Loss Account

(Rupees in '000)

PARTICULARS	2015	2014	2013	2012	2011	2010
Sales	15,961,413	12,242,719	8,875,114	7,217,116	5,868,260	4,024,422
Cost of sales	(13,583,708)	(10,621,161)	(7,559,626)	(6,049,434)	(5,007,421)	(3,433,222)
Gross profit	2,377,705	1,621,558	1,315,488	1,167,682	860,839	591,200
Distribution cost	(449,347)	(292,373)	(235,264)	(186,367)	(165,053)	(128,861)
Administrative expenses	(246,501)	(189,754)	(190,538)	(151,495)	(99,679)	(80,548)
Other operating income	91,526	109,221	86,309	37,035	12,265	5,258
Other operating expenses	(145,997)	(99,859)	(91,981)	(107,310)	(45,756)	(25,903)
Profit from operations	1,627,386	1,148,793	884,014	759,545	562,616	361,146
Finance cost	(146,675)	(126,025)	(59,946)	(69,896)	(37,515)	(19,857)
Profit before tax	1,480,711	1,022,768	824,068	689,649	525,101	341,289
Taxation	(466,787)	(281,618)	(241,182)	(203,635)	(170,599)	(118,755)
Profit after tax	1,013,924	741,150	582,886	486,014	354,502	222,534

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2015	2014	2013	2012	2011	2010	2015/ 2014	2014/ 2013	2013/ 2012	2012/ 2011	2011/ 2010
	----- Percentage -----						----- Percentage -----				
Sales	100.0	100.0	100.0	100.0	100.0	100.0	30.4	37.9	23.0	23.0	45.8
Cost of sales	(85.1)	(86.8)	(85.2)	(83.8)	(85.3)	(85.3)	27.9	40.5	25.0	20.8	45.9
Gross profit	14.9	13.2	14.8	16.2	14.7	14.7	46.6	23.3	12.7	35.6	45.6
Distribution cost	(2.8)	(2.4)	(2.7)	(2.6)	(2.8)	(3.2)	53.7	24.3	26.2	12.9	28.1
Administrative expenses	(1.5)	(1.5)	(2.1)	(2.1)	(1.7)	(2.0)	29.9	(0.4)	25.8	52.0	23.8
Other operating income	0.6	0.9	1.0	0.5	0.2	0.1	(16.2)	26.5	133.0	202.0	133.3
Other operating expenses	(0.9)	(0.8)	(1.0)	(1.5)	(0.8)	(0.6)	46.2	8.6	(14.3)	134.5	76.6
Profit from operations	10.3	9.4	10.0	10.5	9.6	9.0	41.7	30.0	16.4	35.0	55.8
Finance cost	(0.9)	(1.0)	(0.7)	(1.0)	(0.6)	(0.5)	16.4	110.2	(14.2)	86.3	88.9
Profit before tax	9.4	8.4	9.3	9.5	9.0	8.5	44.8	24.1	19.5	31.3	53.9
Taxation	(2.9)	(2.3)	(2.7)	(2.8)	(2.9)	(3.0)	65.8	16.8	18.4	19.4	43.7
Profit after tax	6.5	6.1	6.6	6.7	6.1	5.5	36.8	27.2	19.9	37.1	59.3

Comments on Six Years' Profit and Loss Account

Sales

Sales have accelerated mainly on account of improved demand in the replacement segment, both in locally manufactured and imported used cars categories. Further, the electricity shortage continued to fuel demand for heavy and medium sized batteries used in Uninterruptible Power Supply (UPS) units and generators which also contributed to increase in sales.

Cost of Sales

Cost of sales was consistent over the years and increased in line with sales. The fluctuation in international commodity prices results in variation of slight increase and decrease in cost of sales over the years. In the current year a decreasing trend was observed in raw material prices resulting in reduction of cost of sales to sales percentage.

Gross Profit

During last six years, gross profit margin remained above 13% reflecting sales volumes increase and measures to control costs. In the current year the gross profit margin jumped up to 14.9% due to the reduction in cost of sales due to the reduced rates of raw materials.

Distribution Cost and Administrative Expenses

Distribution cost and administrative expenses remained under control and were consistent with the proportion to the sales in last six years.

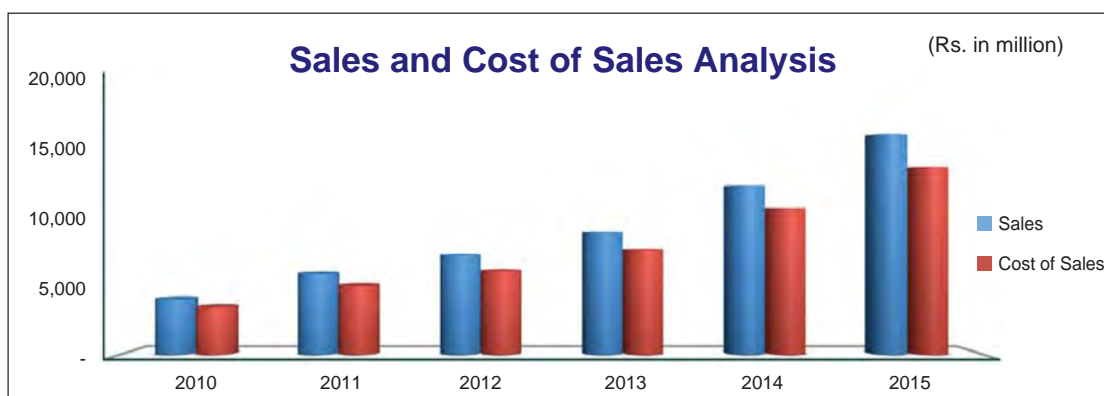
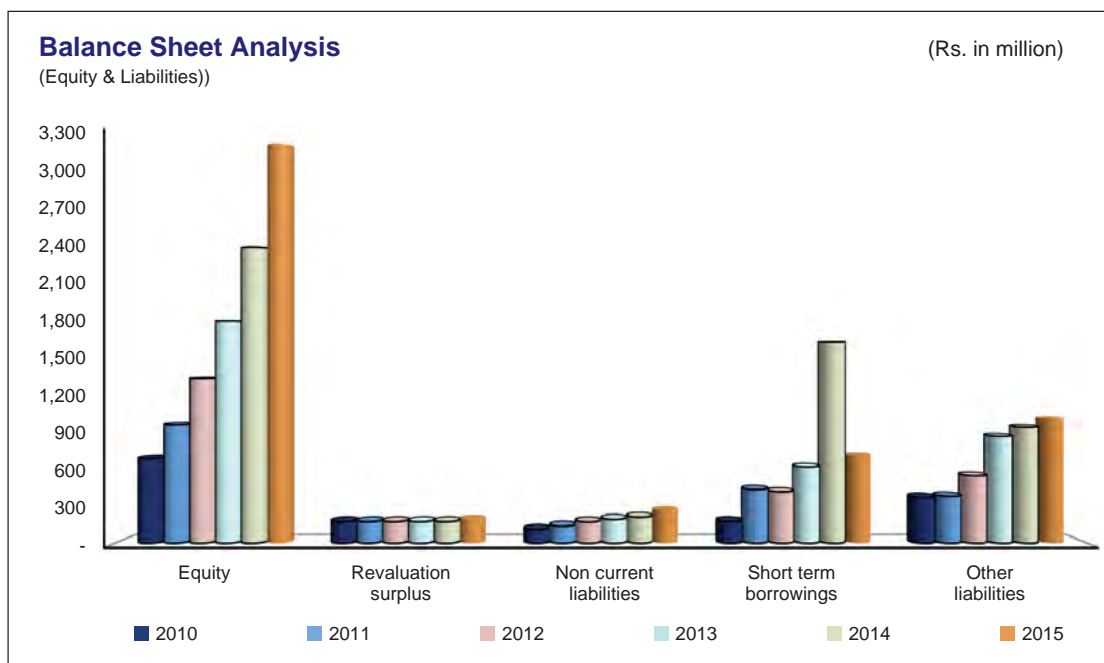
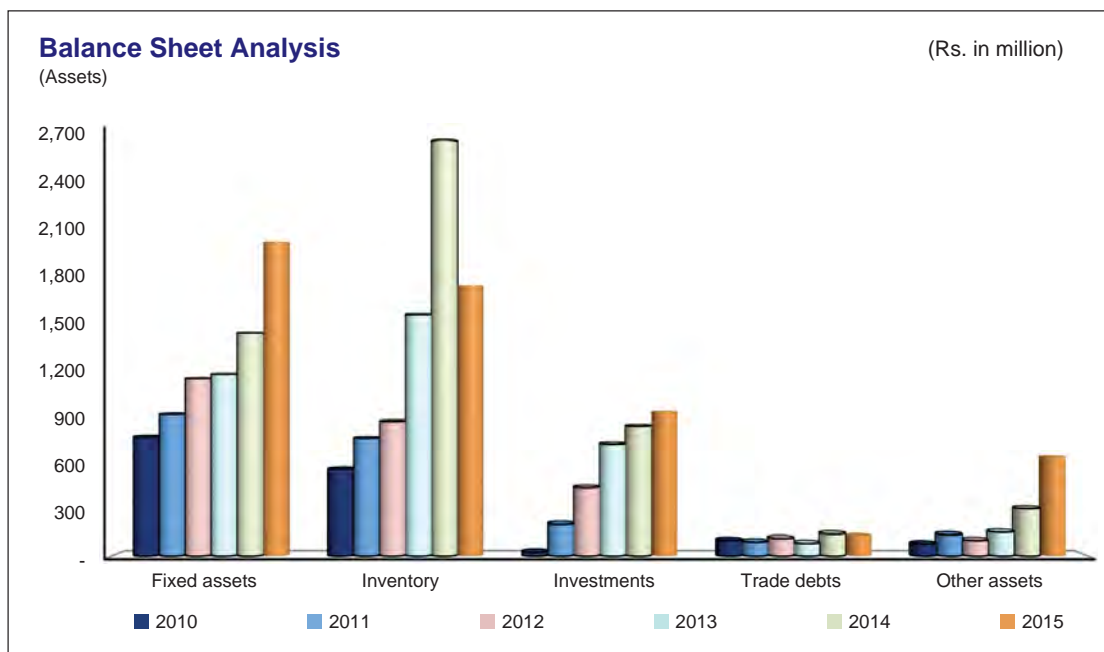
Finance Cost

Finance cost is directly correlated to short term borrowings. The increase of short term borrowings and also non-funded facilities has resulted in increase in finance costs in monetary terms but are under controlled and in line over last six years as a percentage to sales.

Profit after Taxation

Company's profit after taxation (PAT) is at its record high in absolute value and has been consistently growing over the last six years. Further, during the current year, PAT has increased by 36.8% over last year, due to increased gross and operating profits.

Analysis of Balance Sheet and Profit & Loss Account



Analysis of Financial Statements

Cash Flow Statements

(Rupees in '000)

PARTICULARS	2015	2014	2013	2012	2011	2010
Cash flow from operating activities	1,898,513	(473,489)	253,691	606,775	280,876	190,487
Cash flow from investing activities	(742,731)	(418,344)	(352,630)	(533,888)	(394,042)	(191,437)
Cash flow from financing activities	(1,083,553)	864,867	499,012	(118,648)	177,249	1,927
Increase / (decrease) in cash & cash equivalents	72,229	(26,966)	400,073	(45,761)	64,083	977

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2015	2014	2013	2012	2011	2010	2015/ 2014	2014/ 2013	2013/ 2012	2012/ 2011	2011/ 2010
	----- Percentage -----						----- Percentage -----				
Cash flow from operating activities	2,628.5	1,755.8	63.4	(1,326.0)	438.3	19,497.2	501.0	(286.6)	(58.2)	116.0	47.5
Cash flow from investing activities	(1,028.3)	1,551.4	(88.1)	1,166.7	(614.9)	(19,594.4)	(77.5)	(18.6)	34.0	(35.5)	(105.8)
Cash flow from financing activities	(1,500.2)	(3,207.2)	124.7	259.3	276.6	197.2	(225.3)	73.3	520.6	(166.9)	9,098.2
Increase / (decrease) in cash & cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	367.9	(106.7)	974.3	(171.4)	6,459.2

Liquidity Management and Cash Flow Strategy

Liquidity and Cash flow Analysis

Net increase in cash flow stood at Rs.72 million as at year ended June 30, 2015 as compared to net decrease of Rs.27 million of last year. Brief analysis of cash flows for the year is presented below.

Operating activities

The net cash generated from operations stood at Rs.1.90 billion as against cash of Rs.473 million used in operations during last year. This amount is after adjustment of finance cost of Rs.158 million and income tax of Rs.662 million.

Investing activities

The cash flows used in investing activities was Rs.743 million as comparison to Rs.418 million of last year mainly incurred on fixed capital expenditure of Rs.735 million. Dividend receipts contributed Rs.1.9 million.

Financing activities

The Company has no long term loans whereas there is a substantial decrease in short term borrowing.

Ratios

Cash flows from operations to sales ratio increased from negative 3.9% to positive 11.9% showing effective management of cash flows and a stable trade debtor's turnover period. The financial leverage ratio has increased due to the expansion on the back of short term financing whereas interest coverage ratio has increased from 9.1 to 11.1.

Liquidity Management and Financing Arrangements

We are focused on not obtaining any external long term financing or debt. We believe in financing through cash generation from own operations which we have achieved with great success during this crucial time of expansion too.

Working capital needs are managed through short term borrowings and cash generation through our own sources i.e. core operations comprising of sales revenues. Majority sales are on advance / cash basis and minimal reliance on credit is given.

Short term borrowings stood at Rs.710 million at year end, which is utilized mainly to finance working capital and cash flow requirements needed in capacity expansion which would be completed in the forth coming year. Moreover, letters of credit lines upto Rs.2.49 billion are available against lien on shipping documents.

We have skilled and experienced staff in our treasury department. They are well versed and fully capable of managing Company's needs of financing, liquidity and investments. The brief objectives of the team are:

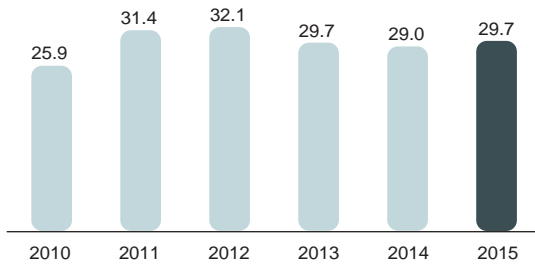
- Manage all aspects of in-house investment portfolios including recommending or benchmarking investment policies and procedures.
- Identify strategies to drive additional value from surplus cash.
- Assist in identifying measures to evaluate credit quality and impact on borrowing costs, collateral requirements and market liquidity.
- Evaluate opportunities to manage or generate value from collections and analyze Company expenditure and spending patterns.
- Identify alternative funding sources.
- Forecast daily cash requirements and execute daily financing decisions.
- Prepare or monitor Company's various cash flow forecasts and perform financial modeling.

Six Years at a Glance

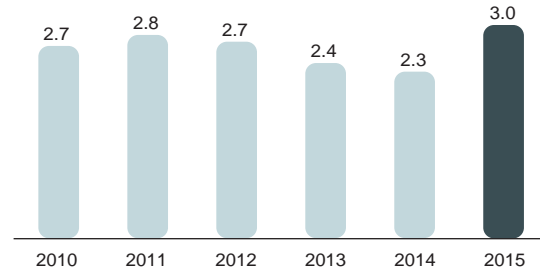
YEARS		2015	2014	2013	2012	2011	2010
Profitability Ratios							
Gross profit	(%)	14.9	13.2	14.8	16.2	14.7	14.7
Profit before tax	(%)	9.4	8.4	9.3	9.5	9.0	8.5
Profit after tax	(%)	6.5	6.1	6.6	6.7	6.1	5.5
Return on capital employed	(%)	44.2	41.5	41.0	44.9	44.4	37.3
Earnings before interest, tax, depreciation & amortization (EBITDA)	(Rs. in million)	1,788.7	1,281.3	993.0	856.0	636.7	415.3
EBITDA Margin	(%)	11.2	10.5	11.2	11.9	10.8	10.3
Operating leverage	(%)	137.2	78.9	71.4	152.3	121.8	51.4
Return to Shareholders							
Return on equity - before tax	(%)	46.0	42.9	46.0	51.5	55.0	49.9
Return on equity - after tax	(%)	29.7	29.0	29.7	32.1	31.4	25.9
Return on assets	(%)	18.8	13.9	16.0	18.5	17.0	14.7
Earnings per share (basic)	(Rs.)	58.27	42.60	40.15	40.22	35.21	26.52
Earnings per share (diluted)	(Rs.)	58.27	42.60	33.50	33.52	29.34	22.10
Price earning ratio	(Times)	12.1	10.6	8.4	5.0	6.2	6.8
Market price - at year end	(Rs.)	703.5	450.0	338.0	201.7	217.0	181.0
Market price - during the period	(High - Rs.)	965.0	479.0	355.0	241.5	235.9	237.0
Market price - during the period	(Low - Rs.)	441.0	288.0	200.0	160.0	131.0	138.0
Break-up value per share without surplus on revaluation	(Rs.)	185.2	137.1	123.4	110.9	94.8	81.5
Break-up value per share with surplus on revaluation	(Rs.)	196.4	147.1	135.4	125.3	112.1	102.3
Dividend							
Cash dividend	(%)	120.0	100.0	100.0	100.0	100.0	100.0
Stock dividend	(%)	-	-	20.0	20.0	20.0	20.0
Dividend yield	(%)	1.7	2.2	3.6	5.9	5.5	6.6
Dividend cover	(Times)	4.9	4.3	3.3	3.4	2.9	2.2
Dividend pay out	(%)	20.6	23.5	29.9	29.8	34.1	45.2
Plough back ratio	(%)	79.4	76.5	70.1	70.2	65.9	54.8
Dividend yield (Cash)	(%)	1.7	2.2	3.0	5.0	4.6	5.5
Dividend cover (Cash)	(Times)	4.9	4.3	4.0	4.0	3.5	2.7
Dividend pay out (Cash)	(%)	20.6	23.5	24.9	24.9	28.4	37.7
Plough back ratio (Cash)	(%)	79.4	76.5	75.1	75.1	71.6	62.3
Asset Utilization							
Total assets turnover	(Times)	3.0	2.3	2.4	2.7	2.8	2.7
Fixed assets turnover	(Times)	9.3	9.5	7.8	7.1	7.1	5.8
Inventory turnover	(Times)	6.2	5.1	6.3	7.5	7.7	6.8
Trade debts turnover	(Times)	116.5	110.1	92.3	71.5	61.8	42.6
Trade creditors turnover	(Times)	14.2	12.0	11.0	13.6	13.5	9.8
Capital employed turnover	(Times)	4.9	5.0	4.6	4.9	5.2	4.6
Operating Cycle							
Inventory holding period	(No. of Days)	59	72	58	48	47	53
Trade debts collection period	(No. of Days)	3	3	4	5	6	9
Trade creditors payment period	(No. of Days)	(26)	(30)	(33)	(27)	(27)	(37)
Operating cycle	(No. of Days)	36	45	29	26	26	25
Liquidity / Leverage							
Current ratio	(Times)	2.0	1.5	1.7	1.6	1.4	1.4
Quick ratio	(Times)	1.0	0.5	0.6	0.7	0.5	0.4
Cash to current liabilities	(Times)	0.0	0.0	0.0	0.1	0.1	0.1
Cash flow from operations to sales	(%)	11.9	(3.9)	2.9	8.4	4.8	4.7
Financial leverage ratio	(Times)	0.2	0.7	0.3	0.3	0.5	0.3
Total liabilities to equity	(Times)	0.6	1.2	0.9	0.8	1.0	1.0
Interest coverage ratio	(Times)	11.1	9.1	14.8	10.9	15.0	18.2

Six Years at a Glance

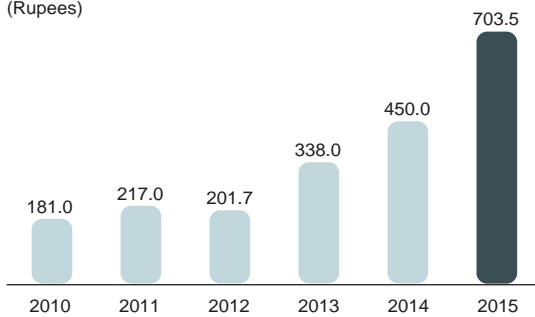
Return on equity - after tax
(Percentage)



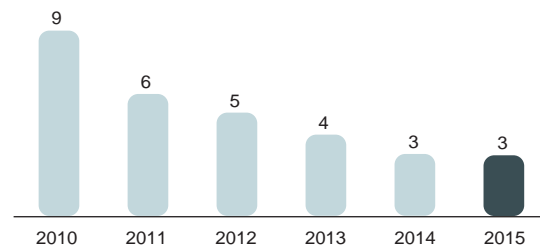
Total assets turnover
(Times)



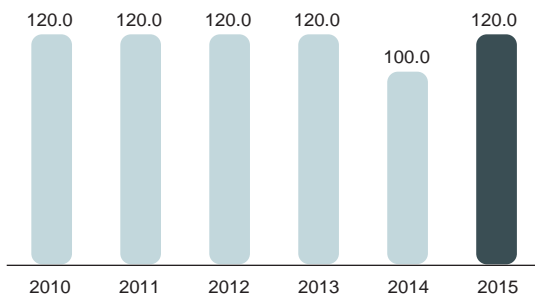
Market price - at year end
(Rupees)



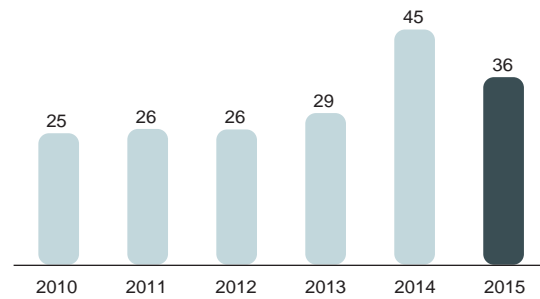
Trade debtors period
(No. of Days)



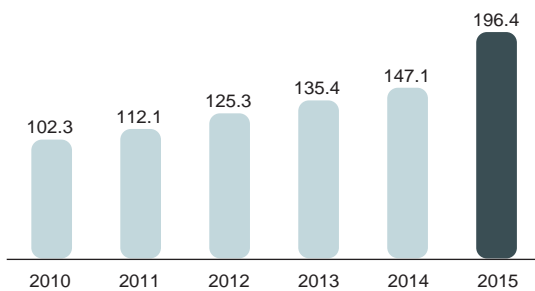
Cash & stock dividends
(Percentage)



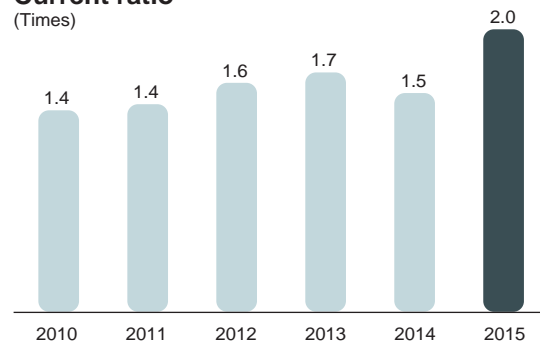
Operating Cycle
(No. of Days)



Break-up value per share with surplus on revaluation (Rupees)



Current ratio
(Times)



Comments on Ratios

Profitability

The Company posted highest gross profit in absolute terms. Gross profit improved as a percentage of revenue from 13.2% to 14.9%. Improvement in gross profit margin was mainly due to decreased cost of raw materials, internationally and locally. After tax profits by the Company grew by 36.5% to Rs.1,049 million from Rs.741 million.

Return to shareholders

The earnings per share stood at Rs.58.27 per share as compared to Rs.42.60 per share last year. The increase was a result of increase in net profits. The performance also was reflected in the Company's share price which stood at Rs.703/- per share at year end as compared to Rs.450/- per share of last year.

Dividend

The Company gave consistently 100% cash dividends and 20% stock dividend to shareholders for several years except for the year 2014 and year 2015 due to tax complications relevant to stock dividends. The Company has propose 120% cash dividend this year which has resulted in dividend payout of 20.6% and plough back ratio of 79.4% as compared to 23.5% and 76.5%, respectively of previous year.

Operating cycle

Operating cycle remained constant during majority of last six years. However, the current year witnessed a decline in operating cycle mainly due to decrease in inventory holding.

Liquidity / Leverage

The liquidity ratios this year are better than over any other period during the last six years. Financial leverage ratio and total liabilities to equity ratio are also lowest in six years shows that the company is very liquid and capable of paying off debts well within time.

Analysis of Prospects of the Company

Prospects

The Company's main focus is on capacity expansion along with improvements in efficiency by re-aligning / re-shifting of old assembly lines and installation of new assembly lines, curbing costs, sustained profits with stable returns to shareholders, succession planning and satisfied associates.

The latest capacity expansion which will be completing in the upcoming year will give Company a competitive position in the industry in relation to volumes.

Financial Measures

The targets and budget depends on various controllable and uncontrollable factors and impact and sensitivity of their fluctuations is considered. Those may include international price of raw materials, changes in taxation, availability of workforce and resources, etc.

Despite slow second quarter due to political instability and low demand the Company was able to achieve its targets. The prices of raw material in international market were utilized to the best by effective inventory management.

The selling prices were increased in line with industry during the year. Further, a capacity expansion would be completed in the upcoming year with a planned expenditure of Rs.1.31 billion which will enhance production capacity to giving the company a competitive position in the industry.

The treasury department is focused on avoidance of long term debts and effective treasury management would save financial costs.

The sustainability of profits of the Company would be a mix of increased sales, reduced costs and good governance which senior management along with associates will be focused on.

Non-Financial Measures

Various non-financial measures and indicators are used in lieu of financial measures to measure the performance of the Company and set new targets and objectives. Few of the non-financial measures which the Company uses are as below:

- Employee engagement and satisfaction
- Quality of products and response of customer towards it
- Customer service and feedback
- Stakeholders' engagement
- Health and safety
- Transparency and accountability
- Corporate Social Responsibility
- Good governance practices
- SWOT analysis
- Share price sensitivity analysis

The overall responsibility is of Board of Directors to set direction for the Company whereas CEO and management has responsibility to measure and evaluate the results.

Share Price Sensitivity Analysis

Key Sensitivities

Company's financial performance has a positive correlation with its share price. Accordingly, factors that influence the Company's performance can also be reasonably expected to impact share price. Following are the factors prevailing in current business environment that management considers to be sensitive to the Company's performance and therefore can also affect its share price.

Demand of automobiles



Agriculture is the backbone of our country and employs a significant portion of population. The agriculture based rural areas forms a significant portion of motorcycle and heavy vehicles demand in country and leading to high demand of batteries. Therefore, the Company's performance is strongly linked with the performance of agriculture sector.

Also industrial sector serves Pakistan's economy with a sizeable base. In turn, the demand of heavy machineries and vehicles increases demand of batteries.

Demand of alternative sources of electricity



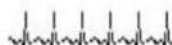
The ongoing crisis in electricity generation and distribution has prevailed throughout the country giving rise to alternative sources of electricity including generators, UPS, etc. This has lead to increase usage of batteries.

Law and order



Unstable law and order situation impacts disturbance and interruptions in business processes, transportation facilities and supply chain may affect the Company's performance.

Plant Operations



Stable plant operations allow for higher production and lower per unit cost and wastage. Therefore, smooth operations will add to profitability of the Company which can positively affect share price. Issues at production facilities negatively affect the financial performance of the Company and therefore, may also affect the share price.

Exchange fluctuations



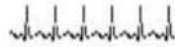
The Company is involved in imports of plant, machinery and raw materials. The Company's exposure in foreign currencies is sensitive to fluctuations in foreign currency. The depreciation in Pak Rupee affects the performance of Company which is countered by cost controls taken by the Company.

Dividend per Share



The consistently payout of dividends will reflect the expectations of investors and this affects share price.

Money Market Funds



Majority of the Company's liquid investments are in open-ended mutual funds. These funds heavily invest in money market instruments. The fluctuating trends in these markets determine the Net Asset Value of these funds and as a result, also affect the Company's financial performance and thereof the share price.

Economic Trends



The events surrounding a specific industry or company make investors watch various economic indicators and general trends that signal changes in the economy.

Investor Sentiment

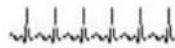


Investor sentiment or confidence can cause the market to go up or down, which can cause stock prices to rise or fall. The general direction that the stock market takes can affect the value of a stock:

- bull market - a strong stock market where stock prices are rising and investor confidence is growing. It's often tied to economic recovery or an economic boom, as well as investor optimism.
- bear market - a weak market where stock prices are falling and investor confidence is fading. It often happens when an economy is in recession and unemployment is high, with rising prices.

Significance

Low



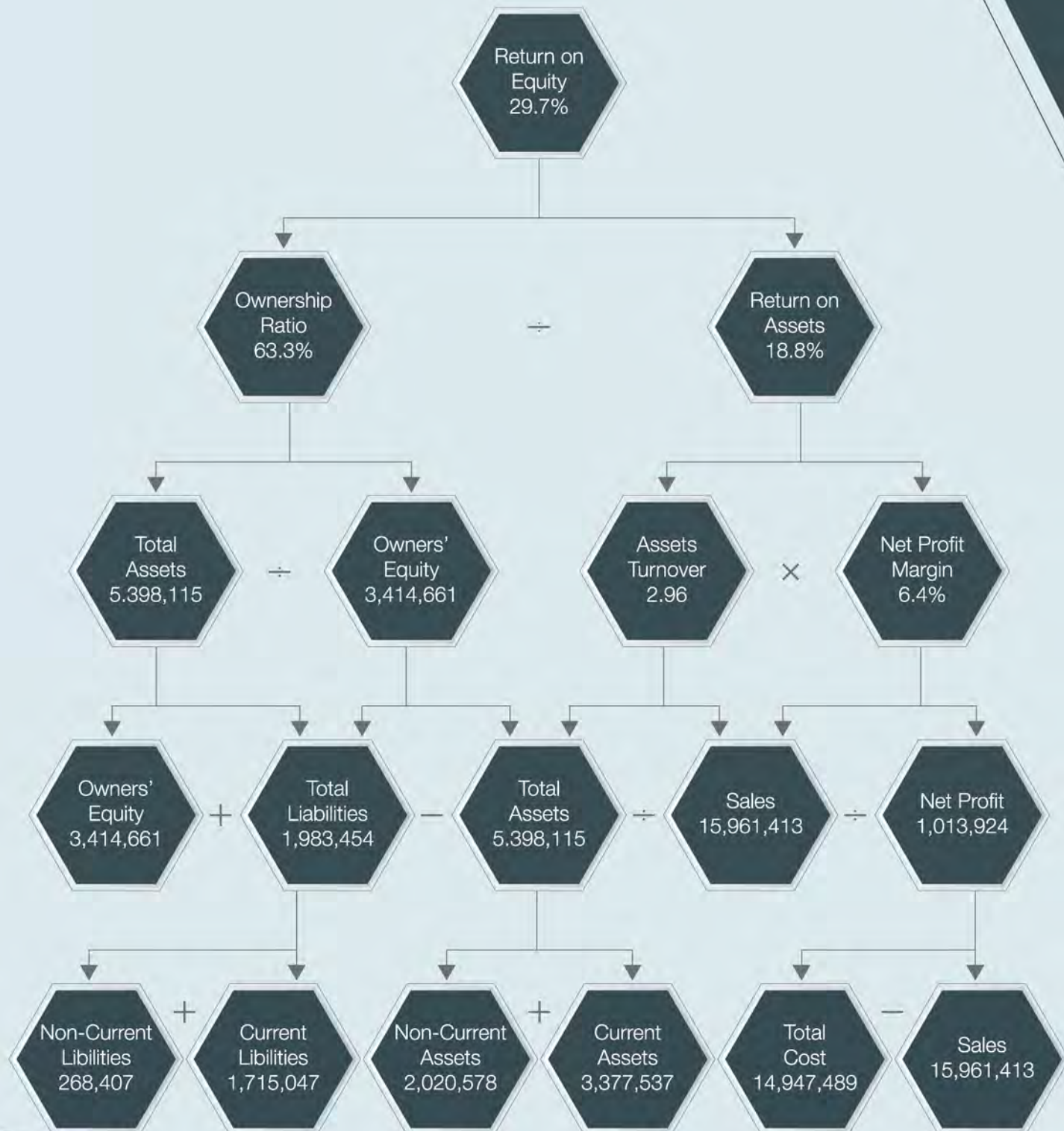
Moderate



High

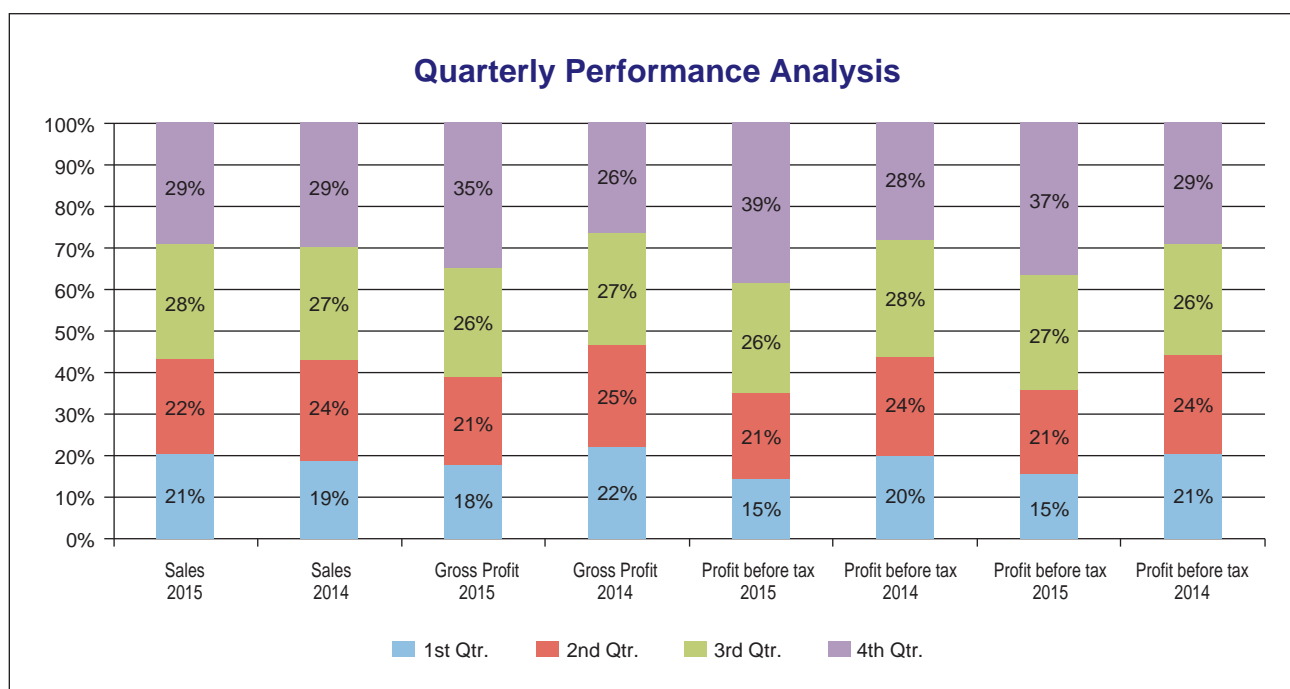


Du Pont Analysis



Quarterly Performance Analysis

PARTICULARS	2015					2015 / 2014				
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Total
	----- (Rupees in ₹000) -----					----- (Percentage) -----				
Sales	3,349,115	3,549,577	4,462,760	4,599,961	15,961,413	141%	123%	133%	127%	130%
Cost of sales	(2,932,237)	(3,043,657)	(3,832,947)	(3,774,867)	(13,583,708)	145%	122%	131%	118%	128%
Gross profit	416,878	505,920	629,813	825,094	2,377,705	115%	127%	145%	194%	147%
Distribution cost	(90,938)	(94,941)	(113,575)	(149,893)	(449,347)	134%	142%	151%	183%	154%
Administrative expenses	(50,656)	(52,886)	(52,054)	(90,905)	(246,501)	97%	103%	111%	233%	130%
Other operating income	20,873	24,982	5,936	39,735	91,526	98%	99%	20%	121%	84%
Other operating expenses	(41,381)	(24,281)	(36,479)	(43,856)	(145,997)	109%	95%	228%	214%	146%
Profit from operations	254,776	358,794	433,641	580,175	1,627,386	113%	128%	133%	184%	142%
Finance cost	(38,768)	(52,496)	(46,193)	(9,218)	(146,675)	171%	158%	115%	31%	116%
Profit before tax	216,008	306,298	387,448	570,957	1,480,711	107%	124%	135%	200%	145%
Taxation	(58,874)	(97,766)	(113,488)	(196,659)	(466,787)	120%	136%	126%	281%	166%
Profit after tax	157,134	208,532	273,960	374,298	1,013,924	102%	119%	140%	173%	137%
Earnings per share - Basic - Rupees	9.03	11.98	15.75	21.51	58.27					



Brave the Magnitude



Atlas Battery has been a trusted name for its range of batteries that cater to heavy vehicles. The Atlas Battery is the best suitable choice for trucks, pickups and trolleys.

Chairman's Review

I am pleased to present to you the 49th Annual Report of your Company for the year ended June 30, 2015 together with the Auditors' Report.

ECONOMY

The macro-economic indicators suggest that the economy has stabilized and is primed for strong economic growth in the coming years. The GDP grew at 4.2% in FY 2014-15 against the growth of 4.0% recorded in the same period last year. The foreign exchange reserve position has improved markedly with reserves standing at US\$ 18.7 billion at the end of FY 2014-15 as compared with US\$ 14.1 billion last year. Exports during the current fiscal year reached over US\$ 24.1 billion witnessing a slight decline of 3.7% from US\$ 25.1 billion last year; however, in volume terms exports were increased. Imports showed a decline of 1.2% in FY 2014-15 at US\$ 41.2 billion as compared with US\$ 41.7 billion in the last year mainly attributable to lower oil prices. Meanwhile, remittances grew by 16.5% during the current fiscal year and recorded at US\$ 18.5 billion against US\$ 15.8 billion of last year. The inflation rate, on the back of reduced oil prices in the international market, measured by the CPI averaged 3.2% in FY 2014-15 against 8.2% in the comparable period of last year, which provided significant relief to the people as well as to industries / businesses.

The equity market showed a tremendous growth with good corporate results and foreign investment inflows. The KSE-100 index crossed highest level in history of 34,000 points and closed at 34,399 as of June 30, 2015, gaining 16.0% for the year.

The Government has entered into Memorandum of Understandings worth US\$ 46 billion with China for the China Pakistan Economic Corridor. Materialization of this investment will alter Pakistan's economic landscape: making it energy self sufficient, an attractive destination for FDI and primed for strong economic growth.

Pakistan's economic performance has also been recognized by various international organizations including JETRO declaring "Pakistan as likely to be second choicest place for FDI" and international rating agencies (Moody and Standard & Poor) both upgrading Pakistan's credit rating.

REVIEW OF AUTOMOBILE INDUSTRY

Notwithstanding an inconsistent import policy, due to lower oil prices, stable exchange rate and incremental growth in consumer financing, the automotive sector has witnessed handsome volume growth in FY 2014-15. Sales of locally manufactured cars witnessed a growth of 28.0% in FY 2014-15 of 151,134 units as against 118,102 units sold in FY 2013-14. LCV segment increased by 53.4% to 28,819 units from 18,786 units in last year. Tractors segment also witnessed a significant increase of 39.4% to 46,800 units as against 33,584 units in last year. Trucks and buses had growth of 44.4% over last year. Sales of motorcycles and three wheelers (assemblers who are registered with PAMA) during FY 2014-15 remained slightly lower by 0.7% with sales of 766,733 units as against 772,046 units during same period last year.

BATTERY INDUSTRY

During last ten years, energy demands have created changed demand patterns of batteries in Pakistan towards heavy and medium sized batteries. AGS and Atlas brands with their diverse product line up and focus on quality have an edge in the battery industry and consumer preference.

Battery industry in Pakistan is divided into two major segments; organized and un-organized sectors. The organized sector is meeting about 90% of the market demand; rest is being met by the un-organized sector and imports. Your Company has a major market share of the organized sector on the backdrop of high quality product and network.

NEW PRODUCT AND ITS OUTREACH

Your Company led from the front with a mindset to bring innovations and latest technology to manufacture highest quality products. The Company launched a new product, "Hybrid" battery under the brand name "Atlas" in domestic market. This innovative technology, acquired from our JV Partners GS Yuasa, will provide low maintenance and high battery performance for the convenience of customers. The battery comes with nine months free replacement warranty. Auto-electrician workshops and training camps were held all over the country to raise awareness about battery handling and care.

OPERATING PERFORMANCE

The year 2014-15 turned out to be a tremendous year in terms of financial performance. Highlighted below are the salient financial achievements for the year:

- Net sales increased by 30.4% to Rs.15.9 billion
- Profit after tax up 36.8% to Rs.1.0 billion
- Earnings per share was Rs.58.27; up 36.8%
- Return on equity - 31.5%.
- Assets turnover - 3.0 times

Your Company achieved sales growth of 30.4% to Rs.15.9 billion in FY 2014-15 from Rs.12.2 billion in FY 2013-14. Gross profit ratio also improved to 14.9% as against 13.2% in last year.

Net sales
increase
30.4%

Operating expenses for the year increased by 44.3% to Rs.696 million from Rs.482 million of last year. This significant increase is due to increase in advertisement cost and freight and forwarding charges. Other income of your Company decreased to Rs.92 million as compared to Rs.109 million during last year. Resultantly, profit from operations of your Company increased to Rs.1,627 million, up 41.7% as compared to last year. Finance cost during the year was Rs.147 million as against Rs.126 million during last year, higher by 16.4% mainly due to higher utilization of running finance facilities.

The profit before tax stood at Rs.1,481 million as compared to Rs.1,023 million of the corresponding year. After providing Rs.467 million for taxation, profit after tax stood at Rs.1,014 million during FY 2014-15, up 36.8% as against last year. Earnings improved to Rs.58.27 per share as against Rs.42.60 per share, an increase of Rs.15.67 per share over FY 2013-14, thereby reflecting your Company's adherence to sustainable growth year after year.

Growth in
PAT
36.8%

CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review, Company contributed Rs.3.7 billion towards the National Exchequer on account of various government levies, taxes and import duties. Payment of these taxes is 3.6 times more than the net profit after tax of the Company which shows Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen. Together with other Atlas Group Companies, the total contribution to the exchequer is over Rs.30 billion, one of the highest in the country.

VALUE-CREATING CASHFLOWS

Your Company has a strong focus and desire to be 100% cash rich and a debt free Company. The cash flows of your Company have improved and show stable liquidity and sustainability.

During the year, the operations of your Company generated Rs.1,899 million as against last year cash used of Rs.473 million. The increase in cash flow from operations was primarily due to liquidating the stock-in-trade keeping in view the prices of materials in international as well as local market. In order to meet the growing market demand, your Company continued to invest in capacity expansion and invested Rs.747 million. Your Company's impressive performance and solid balance sheet allowed total cash distribution of Rs.171 million as compared to Rs.141 million for the corresponding period; the highest amount ever.

INFORMATION TECHNOLOGY

With growing need of up to date and pacing technological advancements, we are committed to using up to date information technology with a view to enhance our business processes and provide better quality products. This includes innovations and improvements in core business processes (manufacturing and assembly lines) and non-core business processes (supply chain, finance, etc). We are also aligning business and IT in order to fully benefit in a significant and persistent way from data management through ERP. We are focused on taking optimum advantage of improving our business flow through implementation of the following programs and processes:

- Business to Customer (B2C)
- Business Continuity Plan (BCP)
- Business Process Reengineering (BPR)
- Business to Business (B2B)

HUMAN RESOURCE DEVELOPMENT

Your Company's human resource has a pivotal role in developing a culture that increases employee commitment to the organization and develop human ability to achieve individual and business goals, keeping in view Atlas Group Philosophy "Organization Development through Self Development". This philosophy is based on 3R's - Recruit, Recognize and Reward.

A corporate culture is maintained that encourages creativity, independence and strengthening of technical and leadership skills. We have a strong emphasis on training and development of our associates. This includes preparing our young and potential leaders for the changing business environment / upcoming challenges by offering them the opportunity to attend the Atlas - IBA Diploma in Business Management. During the year, we have conducted in-house and external trainings covering areas of quality control, safety and health, leadership and core management skill development. Altogether 84 personnel benefited from internal trainings, while 124 personnel enhanced their skill set through external training programs / conferences / workshops, amounting to a total of 193 man days spent on training during the year.

Your Company has a consistent Performance Management Review Process that ensures employees' performance is fairly recognized and improved career paths are developed for the talented employees. We have a zero tolerance policy for unethical business practices or individual behavior.

HEALTH, SAFETY AND ENVIRONMENT

The management of your Company is aware of its responsibility to provide a safe and healthy working environment for its associates. We have established "zero incidents and zero injuries" as our goal. With this goal in mind, your Company has invested substantially to improve working conditions for associates and provide safe, healthy and comfortable working conditions. Moving forward, associate training and awareness sessions will be undertaken to achieve our ultimate goal of "zero incidents and zero injuries".

FORWARD LOOKING STATEMENT

The forthcoming year in Pakistan promises higher economic growth, a stable political environment with good prospects of growth in battery market. We have been able to meet our capacity expansion plans this year and are now looking forward to completing the new phase of our capacity expansion plan with a view to cater for the growing demand of the market. Your Company is well aware of technological advancements and conducts adequate research to bring in changes required by the market. In this context, your Company has introduced several new products including Battery Tonic and Atlas Hybrid. The Company is focused on research analysis and will continue to explore bringing innovative products to the market.

The GDP growth rate for 2015-16 is targeted at 5.5%, an improved forecast from last year and a reduced fiscal deficit of 4.3%. The average inflation for 2015-16 is targeted at 6.0%. Assistance from IMF will provide short-term stability to the financial position of the Pakistan economy but will put pressure on Pak Rupee devaluation, interest rates and government borrowing. Foreign investors meanwhile have shown great confidence in this government as reflected through the stock markets.

Direct exposure of your Company to the fluctuations of major material prices in the international market and local market, depreciation of Pak Rupee against international currencies, hike in energy tariffs and inflationary pressure on other input costs may impact your results. However, the Management is focused on curbing costs, maintaining high quality of product & services and 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 also your Company's prime focus and I am sure that your Company will continue to focus on productivity, efficiency and customer satisfaction by following the principles of "The Atlas Way":

جالتے ہیں جس کے لیے تیری آنکھوں کے دیئے
ڈھونڈھ لایا ہوں وہی گیت میں تیرے لیے

(We have done what pleases all!)

ACKNOWLEDGEMENTS

During the year, Mr. Makio Tanaka; representative of our JV Partners GS Yuasa International Limited; Japan and Mr. Omar Saeed have resigned from the Board of your Company in the month of April 2015 due to their other commitments. We would like to place on record the valuable contributions made by both directors during their tenure. These two gentlemen have been replaced by Mr. Toru Furuya; representative of our JV Partners GS Yuasa International Limited; Japan and Mr. Frahim Ali Khan on the Board of your Company.

Mr. Toru Furuya specializes in Chemistry and has a career working in battery design, quality assurance and quality control departments in Japan. He also has experience working at PT. Trimitra Baterai Prakasa (TBP), one of the affiliate companies of GS Yuasa International Ltd. in Indonesia.

Mr. Frahim Ali Khan has been associated with Atlas Group since 1967 and has over 47 years of experience in general management, finance, taxation, legal matters and investment banking. He has attended General Management and Financial Management programs at Harvard and Stanford Business School, USA, and Insead, France.

I would like to thank GS Yuasa International Limited, Japan our joint venture partners for their continuous support and commitment. I thank the Board of Directors, shareholders, bankers, vendors and valued customers for their continuous trust and support. I would also like to thank Mr. Ali H. Shirazi; President / Chief Executive of your Company and his team for their dedication, hard work and sincerity of purposes in translating challenges into achievements.



Yusuf H. Shirazi
Chairman

Karachi: August 24, 2015

Directors' Report

The Directors of the Company take immense pleasure in presenting their report together with the Company's audited annual financial statements for the year ended June 30, 2015. The Director's report, prepared under section 236 of the Companies Ordinance, 1984 and clause (xix) of the Code of Corporate Governance will be put forward to the members at the Forty Ninth Annual General Meeting of the Company to be held on September 28, 2015.

	2015	2014
	----- (Rupees in '000) -----	
Operating Results		
Profit before tax	1,480,711	1,022,768
Provision for taxation:		
Current year	419,363	262,816
Prior year	(1,491)	4,078
Deferred	48,915	14,724
	466,787	281,618
Profit after taxation	1,013,924	741,150

Subsequent Appropriations

The directors have recommended a cash dividend of Rs. 12/- (2014: Rs.10/-) per share. Accordingly the following appropriations have been made:

Profit available for appropriation	1,019,277	733,068
Appropriations:		
Transferred to General Reserves	800,000	550,000
Proposed Dividend @ 120% (2014: 100%)	208,797	173,998
	1,008,797	723,998
Un-appropriated profit carried forward	10,480	9,070

Earnings Per Share

The basic and diluted earnings per share after tax is Rs.58.27 (2014: Rs.42.60).

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the performance of the Company for the year ended June 30, 2015 and future prospects. The Directors endorse the contents of the review.

Board of Directors

The Board comprises of one executive and six non-executive directors. All the Directors keenly take interest in the proper stewardship of the Company's affairs. The non-executive directors are independent of the management of the Company.

During the year, Mr. Makio Tanaka and Mr. Omar Saeed resigned from the Board of the Company. Mr. Toru Furuya and Mr. Frahim Ali Khan were nominated by the Board to fill casual vacancy, respectively.

During the year, five Board meetings were held. The attendance of the Directors and the number of their directorship in listed companies, including Atlas Battery Limited, is as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance	Number of Directorship in listed companies
1.	Mr. Yusuf H. Shirazi	No	5	4	4
2.	Mr. Ariful Islam	No	5	4	2
4.	Mr. Bashir Makki	No	5	5	1
3.	Mr. Frahim Ali Khan (appointed on April 10, 2015)	No	2	2	1
5.	Mr. Kamal A. Chinoy	No	5	4	6
6.	Mr. Makio Tanaka (resigned on April 10, 2015)	No	3	3	1
7.	Mr. Omar Saeed (resigned on April 10, 2015)	No	3	2	3
8.	Mr. Toru Furuya (appointed on April 10, 2015)	No	2	1	1
9.	Mr. Ali H. Shirazi	Yes	5	5	2

Leave of absence was granted to those Directors who could not attend some of the Board meetings.

Directors' Training Program

The orientation courses for directors as and when needed to apprise them of their duties and responsibilities are arranged by the Board.

The incoming directors were provided with appropriate briefing and orientation material to enable them first hand knowledge on the working of the Company.

Two directors are already Certified Director, two have become Certified Director during the year and two directors meets the criteria of exemption under clause (xi) of the Code and are accordingly exempted from directors' training program. Remaining director will acquire the required directors training certification within the time specified in the Code.

The details of Directors' who have obtained certification under Directors' Training program are summarized below:

Sr. No.	Name of Directors	Institution	Year
1.	Mr. Yusuf H. Shirazi	Exempted	N/A
2.	Mr. Ariful Islam	Pakistan Institute of Corporate Governance	2014-2015
3.	Mr. Bashir Makki	Institute of Cost and Management Accountants of Pakistan	2014-2015
4.	Mr. Frahim Ali Khan	Exempted	N/A
5.	Mr. Kamal A. Chinoy	Pakistan Institute of Corporate Governance	2007-2008
6.	Mr. Toru Furuya	No	N/A
7.	Mr. Ali H. Shirazi	Pakistan Institute of Corporate Governance	2013-2014

Statement of Directors' Responsibilities

The strategic direction is reviewed by the Board regularly and it sets overall objectives. In light of those objectives, the Chief Executive sets annual plans and performance targets for business which are reviewed in total by the Board. The Board is dedicated to maintain high standard of good corporate governance. The Company confirms compliance with the provisions set out by the Securities and Exchange Commission of Pakistan and accordingly amended listing rules of the stock exchanges.

Following are the Statements on Corporate and Financial Reporting Framework:

- (a) The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- (b) Proper books of accounts have been maintained by the Company.
- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- (d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- (e) The system of internal control is sound in design and has been effectively implemented and monitored.
- (f) There are no doubts upon the Company's ability to continue as going concern.
- (g) There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

The Corporate Governance Practices

The Board of Directors of Atlas Battery Limited is committed to the principles of good Corporate Governance. The stakeholders expect that the Company is managed and supervised responsibly and proper internal controls and risk management policy and procedures are in place for efficient and effective operations of the Company, safeguarding of assets, compliance with laws and regulations and proper financial reporting in accordance with International Financial Reporting Standards.

Donation

The Company has a policy to donate 1% of its prior year's profit before tax to a charitable institution. During the year, Company has donated Rs.10.228 million to Atlas Foundation. Further, the Company has also donated in kind to different non-profit organizations namely The Citizens Foundation and ILM Society.

Contribution to National Exchequer

The Company contributed Rs.3,691 million towards the National Exchequer on account of various government levies, taxes and import duties in the year under review. Payment of these taxes is 3.6 times more than the net profit after tax of the Company and up 32% as against last year which shows Company's positive attitude towards economic development as a good responsible corporate citizen.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc. The Code encourages honesty, integrity and openness in conduct of Company's operations. It strictly abides all to follow the laws and regulations. The Code guides interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

The Code is reviewed annually and any changes therein are approved by the Board. The Code is communicated to all associates and is available on the Company's website. The responsibility for day to day implementation and monitoring of Code is delegated to the senior management.

Audit Committee

Audit Committee was established by the Board to assist the Directors in discharging their responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The Committee consists of three members all of which are non-executive directors.

During the year, four Audit Committee meetings were held and attendance was as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Frahim Ali Khan (appointed on April 10, 2015)	No	1	1
2.	Mr. Bashir Makki	No	4	4
3.	Mr. Kamal A. Chinoy	No	4	2
4.	Mr. Omar Saeed (resigned on April 10, 2015)	No	3	3

In addition to above meetings, Audit Committee also met with external auditors without Chief Financial Officer and Head of Internal Audit. By invitation, Chief Executive Officer attended all the four meetings held during the year.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to devising and periodic reviews of human resource policies. It also assists the Board in selection, evaluation, compensation and succession planning of key management personnel. The Committee consists of three members. Majority of members including the Chairman of the Committee are non-executive directors.

During the year, four Human Resource and Remuneration Committee meeting were held.

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Bashir Makki	No	4	4
2.	Mr. Ali H. Shirazi	Yes	4	4
3.	Mr. Frahim Ali Khan (appointed on April 10, 2015)	No	1	1
4.	Mr. Omar Saeed (resigned on April 10, 2015)	No	3	2

Management Committee

The Management Committee ensures that a proper system is developed and working that enable swift and appropriate decision making. It acts in an advisory capacity to the Chief Executive at the operating level, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee is organized on a functional basis and meets monthly to review the performance of each function against set targets.

Employees' Retirement Benefits

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognized provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members have the option to opt for either of two above mentioned defined contribution plans.

The Company also operates non-contributory gratuity fund scheme for its management employees.

The value of investment, based on their respective un-audited accounts as at June 30, 2015 is as follows:

	Rupees in Millions
- Provident Fund	145.4
- Gratuity Fund	66.5

Operating & Financial Data

Operating and financial data and key ratios of the Company for the last six years are annexed.

Safeguarding of Records

The Company places due emphasis for storage and safe custody of its financial records. The Company is using Oracle ERP system for recording its financial information. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2015 is annexed.

The Directors, executives and their spouse and minor children have made no transactions of the Company's shares during the year, except those reported in pattern of shareholding.

Executives mean Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary and other executives (as defined by the Board).

Statutory Auditor of the Company

The present Auditors, M/s. Hameed Chaudhri & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has recommended their re-appointment as Auditors of the Company for the year ending June 30, 2016.

Communication

Communication with the shareholders is given a high priority. Annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Ordinance, 1984. The Company also has a web site, www.atlasbattery.com.pk, which contains up to date information on Company's activities, financial reports and notices / announcements.

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 24, 2015

Code of Conduct



Standard of Conduct

Atlas Battery Limited conducts its operations with honesty, integrity and openness, and with respect for human rights and interests of the employees. It respects the legitimate interests of all those with whom it has relationships.

Obeying the Law

Atlas Battery Limited is committed to comply with the laws and regulations of Pakistan.

Human Capital

Atlas Battery Limited is committed to create the working environment where there is mutual trust and respect and where everyone feels responsible for the performance and reputation of the Company.

It recruits, employs and promotes employees on the sole basis of the qualifications and abilities needed for the work to be performed.

It is committed to safe and healthy working conditions for all employees. We will not use any form of forced, compulsory or child labour.

It is committed to working with employees to develop and enhance each individual's skills and capabilities.

It respects the dignity of the individual and the right of employees to freedom of association.

It will maintain good communications with employees through company based information and consultation procedures.

Discrimination and Harassment

Atlas Battery Limited prohibits discrimination of employees and ensures equal opportunity for employment, compensation, development and advancement for all individuals. It prohibits harassment based on categories of race, color, religion, sex, national origin, age or disability.

It does not tolerate workplace violence including threats, threatening behavior, harassment, intimidation, assaults or similar conduct.

It has a zero tolerance policy with respect to personal and / or sexual harassment. Personal / sexual harassment in any form is strictly prohibited and may become ground for immediate dismissal without notice or pay in lieu of notice.

Weapons and Drugs

Atlas Battery Limited does not allow any employee to carry firearms or other weapons, unless obtaining prior permission.

The employees must not distribute, possess or use illegal or unauthorized drugs or alcohol on any premises of Atlas Battery Limited or in connection with its business.

Consumers

Atlas Battery Limited is committed to providing branded products and services, which consistently offer value in terms of price and quality. Products and services will be accurately and properly labeled, advertised and communicated.

Shareholders

Atlas Battery Limited will conduct its operations in accordance with principles of good corporate governance. It will provide timely, regular and reliable information on its activities, structure, financial situation and performance to all the shareholders.

Trading in Own Shares

Atlas Battery Limited discourages employees and their families from trading in shares of the Company or advise others in trading of its shares. However, if any employee or his / her family intends to sell or buy or take any position in the shares of the Company, then he / she should notify in writing to the Company Secretary.

Business Partners

Atlas Battery Limited is committed to establishing mutually beneficial relations with its suppliers, customers and business partners.

In its business dealings, it expects its partners to adhere to business principles consistent with its own.

Community Involvement

Atlas Battery Limited strives to be a trusted corporate citizen and, as an integral part of society, to fulfill its responsibilities to the societies and communities in which it operates.

Public Activities

Atlas Battery Limited is encouraged to promote and defend its legitimate business interests.

It will co-operate with government and other organizations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations, which may affect legitimate business interests.

It neither supports political parties nor contributes to the funds of groups whose activities are to promote party interests.

The Environment

Atlas Battery Limited is committed to making continuous improvements in the management of environmental impact and to the longer-term goal of developing a sustainable business. It will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Health, Safety and Environment

Atlas Battery Limited strives to provide a safe, healthy and clean working environment. It also strives to prevent any wasteful use of natural resources (including water) and is committed to help in improving the environment. It tries to reduce, replace, recycle or regenerate articles consumed in its operations.

Innovation

Atlas Battery Limited makes innovations to meet consumer needs. It respects the concerns of consumers and of society. It works on the basis of sound research, applying high quality standards.

Competition

Atlas Battery Limited believes in fair competition and supports development of appropriate competition laws. Atlas Battery Limited and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

Atlas Battery Limited does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment, which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Its accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All Atlas Battery Limited employees are expected to avoid personal activities and financial interests, which could conflict with their responsibilities to the Company. They must not seek gain for themselves or others through misuse of their positions.

Company Resources

All the assets of Atlas Battery Limited (both tangible and intangible) shall be deployed for the purpose of conducting the business for which they are duly authorized for. None of these should be misused or diverted for any personal use or benefit.

Fraud, Theft or Illegal Activities

Atlas Battery Limited employees shall be alert and vigilant with respect to frauds, thefts or illegal activity committed within the office. If any such activity comes to their attention, they must immediately report the same to the Head of Human Resource or Head of Internal Audit.

It has set its priority not to become implicated, in any way, with individuals or firms involved in criminal and other associated activities and employees are expected to exercise maximum caution in this regard.

Books and Records

Atlas Battery Limited employees must act in good faith, not to misrepresent material facts in books and records or in any internal or external correspondence, memoranda or communication of any type, including telephone or electronic communications.

Its records should be maintained in such a way that they are in full compliance with all rules, laws and regulations. Adequate precautions should be taken to protect them from falling into wrong hands, which could harm its business interests. Access to electronic documentation has been ensured through implementation of a comprehensive password protected authorization matrix.

Confidentiality

Atlas Battery Limited employees come across a number of confidential information which may take many forms. They must take proper care of such information and ensure that it is not misused in any way which is detrimental to its business or used for own commercial benefit. Employees must exercise care to avoid disclosing non-public, internal, secret or proprietary information to unauthorized persons, either within or outside the Company during employment or afterwards.

Compliance - Monitoring - Reporting

Compliance with business principles is an essential element in business success. The Board of Directors of Atlas Battery Limited is responsible for ensuring that these principles are communicated to, and understood and observed by, all employees.

Day-to-day responsibility is delegated to the senior management. They are responsible for implementing these principles, if necessary, through more detailed guidance tailored to local needs.

Assurance of compliance is given and monitored each year. Compliance with the Code is subject to review by the Board supported by Audit Committee of the Board.

Any breach of the Code must be reported in accordance with the procedures specified by the management.

The Board of Atlas Battery Limited expects employees to bring to their attention, or to that of senior management, any breach or suspected breach of these principles.

Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

CEO Message on Sustainability

We present this Sustainability Review, based on interviews and surveys conducted with various stakeholders and identification of issues that needs to be addressed. The data presented in this section is generated by various functional departments which is reviewed by the management and approved by the Board of Directors.

The report entails our approach to sustainability which is focus on principles and fundamentals expressed in ATLAS CULTURE and ATLAS SYSTEMS. The report also covers measures taken by the Company towards environment, financials sustainability, people, quality, health and safety, technology, customer, business ethics and corruption. It also covers our detailed information on Corporate Governance.

The manufacturing of quality products is our aim which helps our customers operate more efficiently.

Corporate Social Responsibility

We are committed to incorporating Corporate Social Responsibility (CSR), sound governance, best management practices and high economic and social practices in our day-to-day business activities.

Our measure of success is not only through our financial results but also through satisfied customers and associates, our surrounding communities, society and other stakeholders.

We work closely with our customers and partners specifically GS Yuasa, Japan to bring in innovations, keep up with technological advancements, foresee change and adapt accordingly. We welcome competition, face tough business challenges and grow not only as a company but overall as an industry.

Thank you for taking the time to review this report. We are pleased to share and welcome your feedback and involvement.



Ali H. Shirazi
President / Chief Executive

Karachi: August 24, 2015

Sustainability

APPROACH TO SUSTAINABILITY

The Company's framework is a product of the Atlas Group's fundamental business doctrine, the '**ATLAS WAY**'. It comprises of the principles of **ATLAS CULTURE** and **ATLAS SYSTEMS**. These are a set of rules and procedures which have sustained the test of time and proved to be at the heart of the Company's success.

The principles of the '**ATLAS WAY**' cover all departments, operations, activities and aspects of our business and provide ideal guidelines for their progressive development. It teaches us to pursue operational and financial results while maintaining environmental quality and social responsibility.

Atlas Culture

- Corporate Governance
- Respect, recognition and reward (3Rs)
- Recruitment and career advancement based on integrity, merit, experience and skills
- Education and training of staff and descendants
- Self reliance
- Leading by example
- Humility and excellence
- Living with one's means, saving for the future and donating for good cause
- To be happy and healthy

Atlas Systems

- Management by Objectives (MBO) to align activities agreed company goals
- Implementing 7S vision (Strategy, Structure, System, Style, Staff, Skills and Shared Values) for the Company
- Inducting and retaining competent and skilled staff - right man for the right job
- Using BCG model for strategic direction
- Creating value through implementation of internal controls (SOPs and policy manuals)
- Management development to produce performers, organization builders and strategists
- Active participation in management meetings for continuous performance improvement
- Ensuring accuracy and control performance improvement
- Ensuring accuracy and control of information / data through efficient MIS
- Judicious sharing of profitability between employee bonuses, dividend payout and profit retention

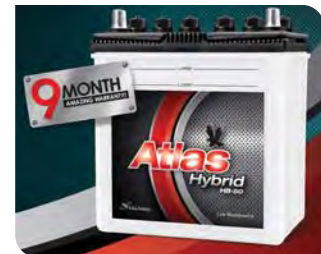
Environment

The Company's focus is to run efficient operations which consume less energy and fuel, produce less waste and reduce negative impacts of its business activities on the environment.

Material

The Company has incorporated sustainable criteria into its research, procurement of raw materials and development of new formulae and applications. Materials having high impact on the environment are monitored in pursuance of the Company's environmental policy.

Over the last few years Company has introduced various products including Battery Tonic and Hybrid battery which has opened up new opportunities. Battery Tonic is distilled battery water with specific battery grade TDS to increase life of battery. The latest product is Atlas Hybrid, a hybrid battery which has been made with combination of lead and calcium plates with plastic envelop protection which gives battery long life and protection from rust, etc.



Energy saving measures and energy conservation

Keeping in view the energy crisis and use of alternative sources such as generators, the Company promotes the use of energy efficient products. The Company promotes reduction of energy use in operations. One such initiative was installation of LED lights at shop floors for energy conservation which has significantly reduced the use of electricity.



Further, the cost of fuel for generators was reduced by installation of dedicated electricity lines for uninterrupted supply of electricity and also resulted in the reduction of associated green house gas emissions from generators.

Water

Water is an increasingly scarce and critical global resource. We recognize this fact and are committed to reducing water usage. The Company uses Reverse Osmosis Plant to desalinate water and convert brackish / sea water to clean water which is then used in our manufacturing process.

Air

Air emission monitoring is done on priority basis. Various measures are taken for the reduction in air pollution which includes;

- Minimize use of gensets and alternate energy resources.
- Plantation of trees.
- Dust collectors.
- Spot cooling system.
- Dust scrubbers.
- Fresh air ventilation and circulation system.



Biodiversity

The factory is located in SITE industrial area, away from the protected areas with low biodiversity value. Despite the location, the Company recognizes the importance of biodiversity and its impact on nature. The Company makes continuous efforts to minimize the harmful impact of discharges and ensures safe disposal of emissions. Efforts for conservation of biodiversity are undertaken and initiatives are carried out. A green belt of approximately 35,570 square feet opposite the factory premises was developed last year in this regard.

Society

The Company plays an active role in contributing to the society by engaging in different CSR activities, with an objective to build a better place to live and work. Various initiatives were taken which included contribution to ILM Network, a school for the under privileged in the nearby vicinity by providing them classroom desks / chairs and white boards and maintaining a green belt opposite the factory site of approximately 35,570 square feet, cultivation of plants and laying sweet earth.



Compliance of Environmental Legislation

The Company is committed to comply with environmental legislations applicable to all of its Company's products and operations. It maintains a system which identifies prevailing and new applicable environmental legislation and includes them to the audit checklists of respective departments as a guideline and for periodic review.

Financial Health

Our focus is to deliver the best quality batteries with high level of sustainability, efficient manufacturing process and high operating efficiency. As we gain financial strength, we invest in future products, our people and our communities.

People and Industrial Relations

Human Capital

We believe, a better company and a better society can be made only by investing, training, educating and motivating people. This being our main aim, we invest in our associates, strengthening their technical and leadership skills and recognizing them for delivering results that cultivate success.

We show respect to our associates and treat them fairly by positively influencing their lives. We teach and encourage them to serve the Country and Company in the most ethical ways.



Succession Planning

For long term business continuity, the Company ensures implementation of succession planning by development of successors for all key positions across the organization. Individual Development Plans (IDPs) are prepared to indicate existing and required competencies, learning and development plans, performance expectation and career progression of each individual. This also contributes towards the retention of potential employees within the Company.

Career Development

A corporate culture is promoted by encouraging creativity and independence among our associates. A career development program is operated by Company on the basis of a consistent Performance Management Review Process that ensures employees' performance is fairly recognized, improved career paths are developed for the talented employees and real results are delivered. Through this program, the associates are required to fill evaluation / performance forms and their supervisors evaluates them on the basis of actual performance delivered and one-on-one interview with their managers. It leads to establishment of a vision for personal development and a detailed training plan to achieve it, accompanied by setting their future objectives. The Company also has a proper succession plan in place to identify and develop future leaders for the organization. Accordingly, the Company recruited four graduates in different departments from reputed universities as Management Trainees (MTs).

Further, to reach out to young educated students and dedicated professionals, the Company has started using different social mediums which includes LinkedIn, Rozee.pk platform, etc.

Trainings

The Atlas Culture specifically emphasizes upon the education and training of staff and descendants. The Company fosters the development of its associates' abilities through various means such as on the job training. The Company has a strong emphasis on training and development of its employees. Technical trainings as well as soft skills training have been arranged during the year like Leadership Grid Seminar, Customer Satisfaction, Plastic Injection Mould Design Course, Six Sigma to name a few. Apart from this, the Company also prepares its young and potential leaders for the changing business environment / upcoming challenges by selecting them for the comprehensive program with Institute of Business Administration (IBA), through which the Diploma Program is conducted exclusively for Atlas Group associates.

The Company conducted various in-house trainings and nominated associates for external trainings covering the areas of quality control, safety and health, leadership and core management skill development. Altogether 84 personnel benefited from internal trainings, including 3 associated who completed the Atlas-IBA Diploma, while 45 personnel enhanced their skills set through external training programs, amounting to a total of 193 man days spent on trainings during the year. The Company participated in Internship Fair 2015 organized by Department of Public Administration, University of Karachi on April 25, 2015. The event was attended by 16 companies and 200 students.



Human Rights

Human rights of fellow workers and communities where we operate are respected and part of our business culture as stated in Atlas Culture: "Humility and Excellence." We focus on four areas across our activities where respect for human rights is particularly critical to the way we operate: labor conditions, communities, supply chains and security.

Workforce

Sustainable employment is a key factor for a sustainable Company. We wish to be, and remain, an attractive employer of a diverse group of associates who feel sufficiently challenged to pursue their personal development. We plan for the long term vision, which means we want to be a part of the community for decades to come. We help to develop local economies by creating jobs, sourcing from local suppliers, and paying taxes and royalties etc.

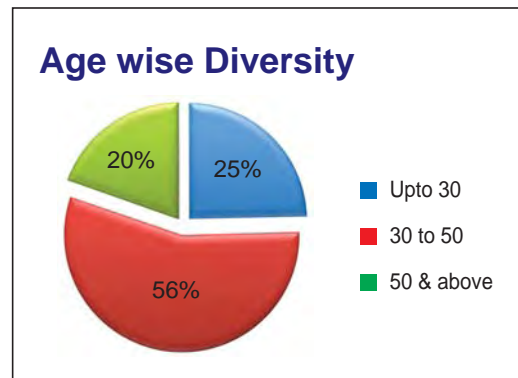
The Company strives to educate its staff, provide competitive remuneration packages and a good environment to work in. This increases the quality of work and satisfaction resulting in long-term employability and synergy effect to the Company's performance. Our staff tends to remain loyal to the Organization and Group. There are 38 associates who are with the company for more than 25 years now and 94 associates for more than 10 years. In 2014-15, 6 associates celebrated their 25th anniversary with the Company.

Supporting Diversity and Equal Opportunities

The Company offers its associates an inclusive working environment that respects individuals belonging to any sexual orientation, skin color, gender, age or looks. To us, diversity and equal opportunities are more than just following the rules.

The age diversity as at June 30, 2015 is as follows:

Further, it has been a big challenge for the entire industry to attract women in numbers. The Atlas Group has a long-term ambition to increase the number of women in executive teams, while taking into account all other important diversity parameters.



Work Life Balance

Work and life balance is encouraged. The Company encourages following stipulated working hours and avoidance of late sittings. Various events and activities were also organized for the said purpose which included farewells for retiring associates during the year and management and associate retreats including movie nights and overnight stay at recreational clubs.



Communication with labour

The Company encourages a working environment which promotes associates' to work without fear of intimidation, reprisal or harassment. The associates' union rights are respected and they are allowed to join unions and engage in collective bargaining as permitted by applicable laws in the country.

HSE Policy and Workplace Safety

Atlas Battery Limited carries out the business and operational activities in such a way to minimize the risk and to ensure the safety of its employees and other persons for whom it is responsible, and at the same time the risk to the environment. The Company strives to provide a safe and healthy working environment for its employees and acts positively to prevent injury, ill health, damage and loss arising from its operations. We consider the fact that safety will take precedence over expediency.

We believe that all injuries are preventable and can be avoided if due care is taken before hand. We have established "zero incidents and zero injuries" as our goal. We follow-up and investigate on all incidents and injuries to address their root causes. We ensure that 'close-calls' are reported so that we learn from these near misses and focus on improvement.

We are committed to:

- Protect and strive for improvement of the health, safety and security of our people at all times.
- Ensure that all associates understand their specific HSE responsibilities, implementing all the necessary measures for the prevention, protection from hazards to associates and the property.
- Minimize our impact on the environment through pollution prevention, reduction of natural resource consumption and emissions, and the reduction of waste.
- Provide employees with the familiarization of Company's HSE policy and practices.

During the year various activities were conducted in relation to implementing and enduring workplace safety and to educate employees about health and safety. These activities included emergency drills, dissemination of information regarding health and safety to associates and workers, ensuring proper safeguards are utilized including safety masks, helmets and uniforms, installation of dust scrubbers etc.

The Company conducted a series of fire fighting training sessions at its plant. This was an in-house activity and 84 participants benefited from the training making 42 man days. This series was followed by Emergency Evacuation Drill which covered certain selected / specific departments and shops with evacuation of up to 150 associates and management staff.



Technology and Innovation

Our commitment to technology and innovation continues to be at the core of our strategy and our engineering expertise is a key to the growth of our business. As we move into increasingly challenging environments, we try using advanced technology with focus on automated and paperless environment.

During the year, the Company's website was revamped and given a new look with increased emphasis on media gallery and customer awareness. Moreover, the Company launched Atlas Hybrid, a new technology for Pakistan market, acquired from our Joint Venture partners, GS Yuasa.

Customer

Customer satisfaction

Customer satisfaction is our priority. Our focus on customer service and service levels continues to be an area for improvement. As a result, the number of complaints / claims remained in line with last year.

Prioritize Customer Needs

Customer needs is our top priority and helps us in improving our products and services accordingly. During the year 2014-15, one new product was launched namely Atlas Hybrid.

Dissemination of Information and Advertisements

All activities related to advertising and sales promotion are adhered to comply with the applicable laws as well as Atlas Battery's standards and code of conduct which are monitored in-house. The marketing activities during the year are summarized in media section.

Consumer Protection Measures

The Company believes in high quality products to serve consumers in a better way. The confidentiality of consumer is strictly maintained. We believe in giving transparency of what we offer, fair treatment and effective complaint system to consumers. Further, we educate our consumers by giving them battery management tips, safety tips and tips to select type of battery, etc. We also meet our dealers regularly to enable two way communications to obtain their suggestions, to have feedback of market reputation of our products, to educate them with the use of technology which includes our B2C system etc.

We offer graduated warranty upto 6 months in our conventional batteries and upto 9 months free in hybrid batteries with certain terms and conditions as to usage of battery during the period.

Battery Management and Safety Tips

Tips for battery management and safety are provided to dealers to disseminate to customers, are placed in each battery pack and are also placed on Company's website.

How to select a battery and FAQs

Tips regarding how to select a battery and FAQs are also placed on website for consumer guidance.

Adherence to laws, standards and voluntary codes for communication

The Company is committed to the generally agreed ethical codes for marketing its products. When preparing marketing communication and advertising material, the legislative and regulatory compliance of the content is always checked and confirmed before publication. The Company ensures that advertisements must be clear and simple, using language as close as possible to the one normally used by people communicating with each other.

Fines and sanctions

There have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship.

Market Share

Battery industry in Pakistan is divided into two major segments; organized and un-organized sectors. The organized sector is meeting about 90% of the market demand; rest is being met by the un-organized sector and imports. Exact market share cannot be determined / ascertained as there is no official association of battery industry through which data is compiled and published publically.

Dealers' Network

We work hard on expanding our dealer network and in turn also focus on existing dealers / distributors by conducting auto electrician workshops, providing incentive schemes for improving their trade and B2C networking, etc.

Following activities were conducted during the year:

August 2014

- Annual Sales Conference 2014 was held on August 08, 2014 at Pearl Continental Hotel, Karachi.
- A one day training on Customer Satisfaction by Mr. Sabahat Latif was held on August 09, 2014 at Pearl Continental Hotel, Karachi.
- Karachi dealers meeting and social bonding / dinner was held at Marina Club on August 18, 2014.
- Central Zone dealers visited factory and recreation at Karachi Dreamworld Resort on August 21, 2014.
- Lahore dealers meeting and social bonding at Lahore Country Club on August 26, 2014.



September 2014

- Meeting with dealers in Karachi, Lahore, Rahim Yar Khan, Multan and Sahiwal.



October 2014

- Dealers meeting with GMQA and GMP in Karachi, Rawalpindi and Lahore regions.
- Dealer get-together in Hyderabad.



November and December 2014

- Retailers' gathering took place twice in Karachi and once in Hyderabad.

January 2015

- Retailers' and dealers' gathering took place at Burewala.



February 2015

- Half Yearly Sales Conference 2014-15 was held on February 03, 2015 at Ramada Hotel, Islamabad.

March 2015

- Distribution of Battery Tonic standees to retailers in Karachi.
- Retailers' meeting in Sadiqabad and Rahim Yar Khan.



April 2015

- Pre-launch hybrid battery convention in Karachi for dealers of Karachi, Lahore and Islamabad.
- Factory visit of Karachi, Lahore and Islamabad dealers.
- Retailers' meetings in North and Central Zone.



May 2015

- Atlas Battery sponsored the PSTD Annual Learning Conference held in Karachi.
- Awareness sessions in Multan and Islamabad for hybrid battery dealers of Multan, Sahiwal and Peshawar.
- Two retailers' get-togethers held in Rawalpindi.
- Retailers' meeting held in Sukkur.



June 2015

- Participation in Automechanika exhibition during June 02 to 04, 2015 at Dubai World Trade Center.
- Distribution of Ramadan Calendars 2015 to dealers.



Contribution to National Exchequer

During the year under review, the Company contributed Rs.3,691 million to the national exchequer on account of various government levies, taxes and import duties; up 32% as against last year. The Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen is clearly reflected from the above statistics. Together with other Atlas Group Companies, the total contribution to the exchequer is over Rs.30 billion. This makes Atlas one of the highest taxpayer in the country with 1% of Government's total revenue.

Statement of Charity Account

The Company has a policy to donate 1% of its prior year's profit before tax to a charitable institution. During the year, Company has donated Rs.10.228 million to Atlas Foundation. Further, the Company is also involved in donating in kind to different non-profit organizations namely The Citizens Foundation and ILM Society, a school for the under privileged in the nearby vicinity. The donations in kind included one triple stage water filter cooler with ultra violet sterilization systems with a commitment to bear annual maintenance charges, school chairs and desks and class room whiteboards.



Corporate Governance

The term “Corporate Governance” refers to a system of Company's management that focuses on responsibility, transparency and sustainable value creation. It encompasses the management and monitoring system of the Company, including its organization, business principles and guidelines, as well as internal and external control and monitoring mechanisms.

The governance and control of Atlas Battery Limited is carried out through number of corporate bodies. At the general meetings, the shareholders can exercise their voting rights as mentioned in statutory laws.

The Board of Directors is ultimately responsible for organization and management of the Company's operations. The duties of the Board are partly exercised through Audit Committee and Human Resource and Remuneration Committee.

In addition, the Board is responsible to appoint the CEO of the Company. The CEO is in-charge of the daily management of the Company in accordance with guidelines and instructions provided by the Board.

Division of responsibilities and duties between the shareholders, the Board and the CEO are regulated inter alia by the Companies Ordinance, 1984, the Company's Articles of Association and the Code of Corporate Governance.

1. Shareholders and General Meetings

Shareholders

As on June 30, 2015, the Company had 1,435 shareholders according to the share register. The Company's share registrar is Hameed Majeed Associates (Private) Limited.

Investors' Grievances / Feedbacks

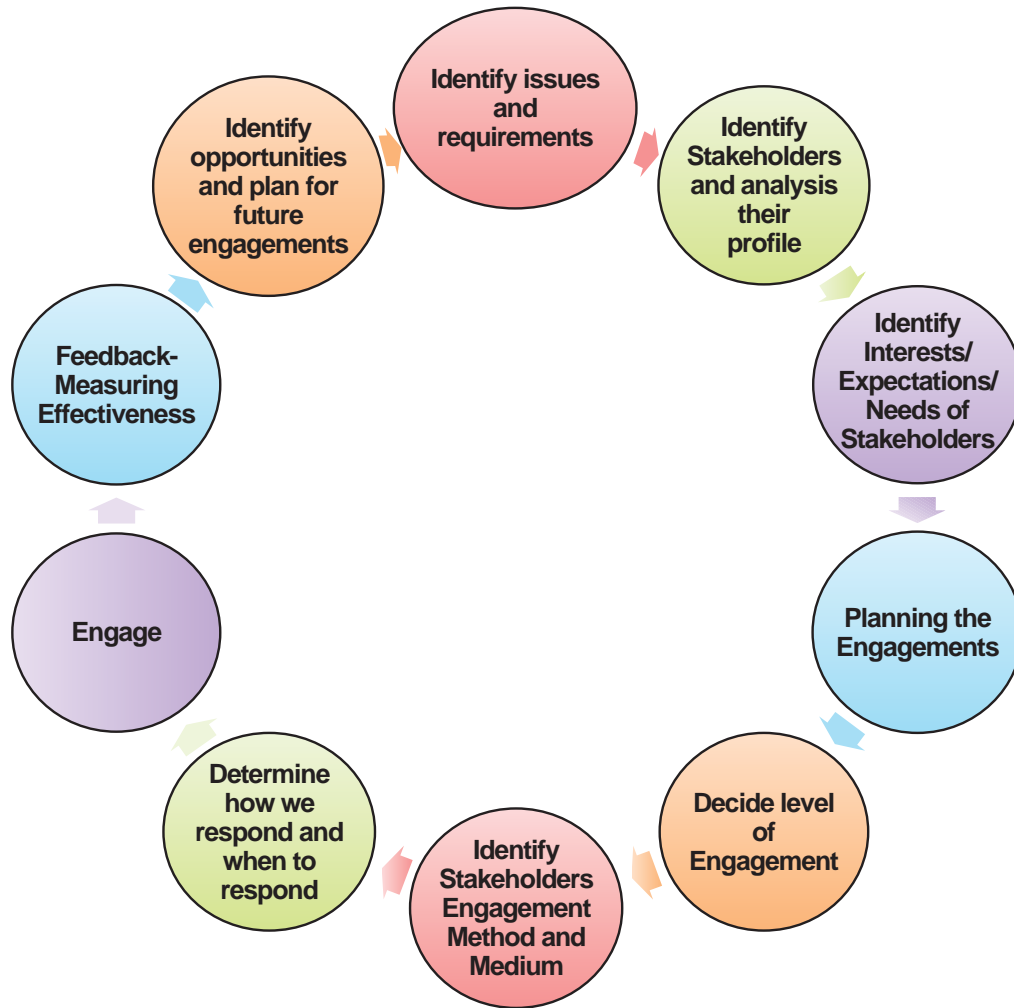
The Company believes in protecting the interest of its investors. It aims to inform shareholders, analysts and investors timely and fully about material developments that are relevant to the Company, its management, operations, and financial situation as well as its future prospects. The policy is devised to establish guidelines for communicating with shareholders, analysts, investors and other stakeholders for their understanding of entity's business, governance, financial performance and prospects. In line with policy, the Company has a well defined structure for governance and management which provides specific authority and responsibility for policy implementation. Company Secretary has been designated as the person responsible for handling investor grievances and feedbacks. The mechanism is summarized below:

- A designated email address has been created namely abl@atlasbattery.com.pk to facilitate investors in submitting their queries, grievances and feedbacks.
- In addition to the aforementioned email address, complaints and suggestions can also be received in writing, duly addressed to the Company Secretary.
- All queries, grievances and feedbacks are resolved and communicated to the investors on timely basis after due verification procedures.

Stakeholders' Engagement

Atlas Battery Limited works hard to understand and respond to stakeholders' expectations as a responsible manufacturer, marketer, employer and corporate citizen. The engagement serves the purpose to actively engage with stakeholders, know their expectations, build a relationship with them and respond appropriately.

Stakeholder Engagement Process



Stakeholders	Interests and Expectations	Engagement Methods	How We Respond
Government and regulatory bodies	Generate economic growth through revenues, taxes and fees Provide fair and transparent competitive trading conditions	Regulatory reporting Conferences Dialogues	Trade policy Pollution control Energy saving measures Employment Social and economic development
Employees	Backbone of our success A safe and best possible working environment	Meetings Employee survey Appraisal interviews Training programs Employee union Employee newsletter Key Result Areas (KRA)	Worker health and safety Job security Working conditions Career development Remuneration and rewards
Dealers and consumers	Provide innovative partnerships for sustainable growth Provide quality products at good value Prompt after sales service Competitive prices	Site visits Questionnaires Dealer related events Sales conferences Service and warranty centers Website B2B Customer satisfaction survey	Product quality and safety Business ethics Human rights Renewable technology

Stakeholders	Interests and Expectations	Engagement Methods	How We Respond
Suppliers, vendors and service providers	Secure delivery of goods and quality products and services Meet responsible sourcing requirements Provide fair access to business opportunities and appropriate payment conditions	Dialogue Regular engagement with local management on-site	Quality of products Operational excellence Ethical business practices Compliance of tax laws
Shareholders and investors	Generate sustainable growth and shareholders' return Improve shareholders capital Improve financial performance	Interim and annual reports Meetings Site visits Website	Corporate governance Business performance Corporate responsibility
Local community and neighbourhood	Provide support for local economic development Build trust with local communities	Workshops CSR Internships and management trainee programs	Community engagement processes Environment pollution control Job security Social investment
Banks	Negotiations of rates Smooth trade facilities	Meetings Interim and annual report Financial analysis Forecast and projections	Better relationship Minimal fees Higher deposits Higher number of operations / transactions Suitable trade facilities
Media	Raise awareness of products Raise awareness of safety tips and operational use of our products	Press releases Website Social media TVC Radio	Industry challenges and developments Health and safety Environmental issues
Industry partners	Improve business practices Build capacity within our organization and drive peer approaches	Active involvement in organizations and associations e.g. KSE, LSE, ISE, MAP, etc.	Long term industry challenges Human rights Health and safety

General Meeting of Shareholders

An Extraordinary General Meeting (EOGM) of Shareholders is convened when the Board of Directors considers any matter requiring the approval of Company in general meeting, or if the shareholders who control one tenth of all the shares so demand in writing for the consideration of a certain issue.

The Annual General Meeting (AGM) decides on, among other things, the adoption of the financial statements contained therein, the distribution of profits and the discharge of the Members of Board and the CEO from liability. In addition, the AGM elects the Members of the Board and the auditors, and decides on the remuneration paid to the auditors. The AGM, furthermore, may decide on, amendments to the Articles of Association, share issues, etc. as required by laws and regulations prevailing in the country.

Atlas Battery Limited's Annual General Meeting 2014-15 was held on September 26, 2014 in Karachi. The shareholders adopted inter alia the following resolutions:

- Minutes of the Extra Ordinary General Meeting held on May 20, 2014 be and are hereby confirmed and signed.
- Audited Annual Accounts for the year ended June 30, 2014 along with the Directors' and Auditors' Reports thereon be and are hereby adopted.
- Cash dividend @ 100% (Rs.10/- per share) be and is hereby approved for payment to those shareholders of the Company, whose names shall appear in the register of members at the close of business on September 11, 2014.
- Secretary of the Company or any one the Directors be and is hereby authorized to give effect to the foregoing resolutions and in this regard to do or cause to be done all acts, deeds and things that may be necessary or required.
- Retiring Auditors M/s. Hameed Chaudhri & Co., Chartered Accountants being eligible, be and are hereby re-appointed as Company's Auditors for the year ending June 30, 2015 for an audit fee of Rs.1,000,000/-.

Issues raised in last AGM

Shareholders discussed overall performance of the Company including Company's growth, industry growth, capex incurred during the year, financial costs, etc. Further, the shareholders inquired about the omission of recommending stock dividend this year. The shareholders were briefed about the recent changes brought in the Finance Bill 2014 where bonus shares will be treated as dividend and taxed @ 5% on the ex-bonus price of the shares. They were also briefed with the complexities in tax deduction mechanism of the new taxed imposed which resulted in not recommending stock dividend.

2. Board of Directors

The Board's Responsibilities

The Board of Directors is responsible for the appropriate arrangement of the Company's administration and operations. The Board of Directors consists of minimum of seven members elected by a General Meeting of Shareholders. The Board of Directors elects a Chairman from among its members.

The Board of Directors' tasks and responsibilities are determined primarily by the Companies Ordinance, 1984, the Company's Articles of Association and other legislation and regulations applicable to the Company. It is the responsibility of the Board of Directors to act in the interests of the Company and all of its shareholders.

The Board gives strategic direction to the Company's management and oversees the performance of the management against the given strategic directions. The Board has constituted various committees for the performance of their functions. It also ensures that professional standards and corporate values are put in place in the form of Code of Conduct.

The Board is responsible for the system of corporate governance and is ultimately accountable for the Company's activities, strategy, risk management and financial performance. The Board has the authority and is accountable to shareholders for ensuring that the Company's matters are appropriately managed and it achieves the predefined objectives it sets. The Board discharges its responsibilities through their meetings including quarterly meetings which include approval of budgetary planning and business strategy. The Board reviews the internal controls and risk management policies and approves its governance structure and code of ethics.

It is the Board's duty to prepare the matters to be dealt with by a General Meeting and to ensure that the decisions made by a General Meeting are appropriately implemented. In addition, the Board directs and supervises the Company's executive management, appoints and dismisses the CEO, decides on the CEO's remuneration and other benefits.

The Board of Directors also decides on far-reaching and fundamentally important matters affecting the Company. Such matters include the Company's strategy, approving the Company's budget and action plans and monitoring their implementation, acquisitions and the Company's operating structure, significant capital expenditures, internal control systems and risk management, key organizational issues and incentive schemes, issuance of shares, investment of funds and declaration of dividend.

The Board of Directors is also responsible for monitoring the financial reporting process and the efficiency of the Company's internal control, internal auditing, if applicable, and risk management systems pertaining to the financial reporting process, monitoring the statutory audit of the financial statements, evaluating the independence of the statutory auditor or audit firm, particularly with respect to the provision services unrelated to the audit, and preparing a proposal for resolution on the election of the auditor.

Composition of the Board of Directors

The Annual General Meeting confirmed that the Board of Directors shall have seven members.

The personal information of Members of the Board is presented at the start of this report.

Roles and Responsibilities of Chairman

The Board determines its working procedures and reviews these procedures as required. The working procedures describe the Chairman's specific role and tasks, as well as responsibilities delegated to the committees appointed by the Board. The Chairman's role is primarily to guide long term strategic planning for the Company including:

- Presiding over the Board and ensuring that all relevant information has been made available to the Board;
- Defining the Company's philosophy and objectives;
- Safeguarding shareholders' interest in the Company;
- Responsible for building the Company's image nationally and internationally;
- Ensuring the appropriate recording and circulation of the minutes of the Board to directors and officers entitled to attend Board meetings;
- Major spokesman of the Company, responsible for liaison with the senior most levels of Federal and Provincial Government;

- Overseeing the Company's macro approaches and public relations in the broadest sense, including its relations with public organization and other companies; and
- Commitments and de-commitment of strategic investments.

Conflicts of Interest

Directors have a duty to avoid a situation in which they have or can have a direct or indirect interest which conflicts, with the interests of the Company. In this regard, the directors have undertaken that they will comply with the related provisions of the Companies Ordinance, 1984 and rules and regulations of SECP, stock exchanges and Company's Code of Conduct.

Boards Performance Review

The evaluation of Board's role of oversight and its effectiveness is a continual process which is appraised by the Board itself. A detailed questionnaire has been formulated and circulated amongst directors for their feedback. Results are compiled and presented in BOD meeting for discussion and highlighting areas of improvements. Gaps and deficiencies are worked upon during the year.

The core broad areas covered by the questionnaire include:

- Composition of the Board
- Structure and Committees
- Vision / Mission Planning and Oversight
- Working Procedures
- Financial Review and Compliance
- Board's Relationship with the Management
- Feedback to the Chair of the Board

Remuneration of the Board of Directors

The remuneration of the Board members is approved by the Board itself. However, in accordance with Code of Corporate Governance, it is ensured that no directors take part in deciding their own remuneration.

For information on remuneration of directors and CEO in 2014-15, please refer notes to the financial statements.

Formal Orientation at Directors' Induction

Every Director upon joining is provided with an orientation presentation. CEO briefs new directors about the Company, industry dynamics, organization structure and other significant matters.

Board meetings

There were five Board meetings held during the year. All of which were held inside Pakistan.

3. Chief Executive Officer (CEO)

The CEO handles the operational management of the Company in accordance with instructions issued by the Board. He is responsible to the Board of Directors for fulfilling the targets, plans and goals that the Board sets. The CEO is responsible for ensuring that the Company's accounting is in compliance with the law and that financial management has been arranged in a reliable manner. The CEO forms the Functional Committees and Management Teams and delegates to its members the necessary powers for carrying out their responsibilities.

The management team consists of the following functional heads:

- Marketing
- Plant
- Supply Chain
- Quality Assurance and Technical Services
- Human Resource
- Information Technology
- Finance

Roles and Responsibilities of CEO

The CEO is responsible for all matters pertaining to the operations of the Company. His responsibilities include:

- To lead, in conjunction with the Board, the development of the Company's strategy;
- To lead and oversee the implementation of the Company's long and short term plans in accordance with its strategy;
- To build and maintain amicable relations with governmental departments, trade associations, regulatory bodies, customers, suppliers and sales offices;
- To ensure the achievement of agreed productivity and profitability targets;
- To ensure that the chain of command is clear in the Company to facilitate the maintenance of discipline, ambit of all managers is clearly defined to ensure accountability;
- To prepare for the approval of the BOD annual forecast of plans for productions, sales, profit, revenue and capital expenditure, manpower which fit into the long term business objectives and the overall strategic direction of the Company;
- To ensure that necessary coordination exists between various departments of the Company to achieve smooth and effective operations;
- Maintain a regular review of duties and functions of the staff to ensure that there is no duplication of efforts in office methods and procedures and that all operations are carried out efficiently and economically;
- To ensure that the Company's interest and assets are properly protected and maintained and all the required Government obligations are complied;
- To chalk out human resource policies for achieving high professional standards, overall progress / betterment of the Company as a whole;
- To ensure that proper succession planning for all level of hierarchy exist in the Company and is constantly updated;
- To pay all Government dues and on or before due dates and obtain all refunds due from the Government;
- To prepare and present personally to the Board of Directors following reports / details:
 - ▶ annual business plan, cash flow projections, forecasts and strategic plan;
 - ▶ budgets including capital, manpower and overhead budgets, along with variance analyses;
 - ▶ quarterly operating results of the company as a whole and in terms of its operating divisions or business segments;
 - ▶ promulgation or amendment to a law, rule or regulation, enforcement of an accounting standard and such other matters as may affect the company;
- To ensure that any show cause, demand or prosecution notice received from revenue or regulatory authorities are properly responded to;
- To resolve disputes with labor and their proposed solutions, any agreement with the labor union or collective bargaining agent and any charter of demands on the listed company;
- To ensure that open, progressive and game free atmosphere is created among associates giving them a sense of participation and providing them with an opportunity to give their best;
- To ensure that every associate is treated equally as an individual regardless of designation, career development is on merit basis and each associate is helped to develop pride of performance through continuous study and training so as to form a team in which all levels of associates work together with common goals to strengthen the position of the Company;
- To ensure that the Company operates with minimum staffing and paperwork;
- To ensure effective internal controls and management information systems are in place;
- To ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- To ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
- To keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that the CEO and management of the Company are adequately informed;
- To ensure the integrity of all public disclosure by the Company;
- In concert with the Chairman, to develop Board agendas;
- To request that special meetings of the Board be called when appropriate;
- In concert with the Chairman, to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting; and
- To sit on committees of the Board where appropriate as determined by the Board.

CEO Performance Review

The performance of the CEO is formally appraised through the evaluation system which is based on quantitative and qualitative values. It includes performance of the business, accomplishment of objectives with reference to profits, organization building, succession planning and corporate success.

4. Committees of the Board

To ensure objective control, the Board has established Audit Committee and Human Resource and Remuneration Committee to oversee relevant areas of the Company's operations.

Audit Committee

This Committee reviews the financial and internal reporting process, the system of internal controls, management of risks and the internal and external audit processes. An independent internal audit function reports to the Committee regarding risks and internal controls across the organization. The Audit Committee receives reports from external auditors on any accounting matter that might be regarded as critical. The detailed Charter of the Audit Committee developed in accordance with the Code of Corporate Governance is contained in the listing regulations of the stock exchanges which is summarize below:

- (a) determination of appropriate measures to safeguard the Company's assets;
- (b) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors;
- (c) review of preliminary announcements of results prior to publication;
- (d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- (e) review of management letter issued by external auditors and management's response thereto;
- (f) ensuring coordination between the internal and external auditors of the Company;
- (g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;
- (h) consideration of major findings of internal investigations and management's response thereto;
- (i) ascertaining that the internal control systems including financial and operational controls, accounting systems and the reporting structure are adequate and effective;
- (j) review of the Company's statement on internal control systems prior to endorsement by the Board of Directors;
- (k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;
- (l) determination of compliance with relevant statutory requirements;
- (m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- (n) consideration of any other issue or matter as may be assigned by the Board of Directors.

The Audit Committee has reviewed the quarterly, half yearly and annual financial statements, besides the internal audit plan, material audit findings and recommendations of the internal auditor.

Report of the Audit Committee is annexed.

Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in Company's human resource policies and procedures and their periodic review. The Committee consists of three members. Majority of members including the Chairman of the Committee are non-executive directors.

The committee is responsible for:

- i) recommending human resource management policies to the board;
- ii) recommending to the board the selection, evaluation, compensation and succession planning of the CEO;
- iii) recommending to the board the selection, evaluation, compensation of CFO, Company Secretary and Head of Internal Audit; and
- iv) consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO.

5. Auditors

The Company has an auditor, auditing firm which fulfills general competency requirements and also comply with certain legal independence requirements guaranteeing the execution of an independent and reliable audit. The auditor is also compliant with Code of Corporate Governance and other applicable laws and regulations. The performance, cost and independence of the external auditor is reviewed by the Audit Committee and has recommended to the Board. Annual General Meeting then elects the auditor to audit the accounts for the financial year and the auditor's duties cease at the close of the subsequent Annual General Meeting. The auditor's duty is to audit financial statements and give reasonable assurance that the financial statements and the Report of the Board of Directors give a true and fair view of the Company's operations and result as well as its financial position. The Company's auditor presents the audit report required by law to the Company's shareholders in connection with the annual financial statements and reports regularly to the Board of Directors.

6. Compliance and Integrity Management

All directors and associates are required to comply with all applicable laws and regulations by Atlas Battery policy.

Code of Conduct

The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc. The Code encourages honesty, integrity and openness in conduct of Company's operations. It strictly abides all to follow the laws and regulations. The Code guides interactions with all stakeholders, including consumers, suppliers, shareholders and partners.

The Code is reviewed annually and any changes therein are approved by the Board. The Code is communicated to all associates and is available on the Company's website.

The Company values an open dialogue on integrity and responsibility with its associates. The Company investigates all alleged breaches of Code and applies appropriate measures when complaints turn out to be substantiated. The associates of the Company are encouraged to report their views on processes and practices to their manager. These reporting mechanisms are part of the complaints procedure and are described in our code of conduct. In 2014-15, no alleged breaches of the Code of Conduct were reported.

IT Governance Policy

The Company has an IT Governance Policy which is monitored and revised periodically. The policy covers use of information and its delegation and authority, security and modes and mediums of dissemination etc. The Company's focus is on strong processes and systems in order to protect the stakeholders' data and educate and create awareness about the importance of data protection and privacy through IT Governance Policy which is summarized below:

- Members of Management Committee are responsible for required compliance in their respective functional areas, at all locations.
- The General Manager IT is responsible for its implementation, maintaining compliance and for suggesting new areas as per technology enhancement.

Records Retention and Safety Policy

The Company has developed a Record Management System to control and govern the most important records of an organization throughout the records life-cycle, which includes from the time such records are conceived through to their eventual disposal.

A team known as Record Management Committee is made specifically for the purpose of implementation of record management policy.

The policy covers several aspects which include:

- Having Centralized Record Room with proper shelves, fire resistant lockers, etc.
- Full time dedicated record keeper who is responsible to maintain Centralized Record Room in proper manner.
- Centralized electronics record facility.
- Retention of electronic mail policy.
- Compliance on Records Retention Policy.
- Records retention period.
- Mode of retention.
- Records disposal.

The management has initiated a process to have paperless environment by getting all the records scanned and upload it on servers for later use and retrieval.

Business Ethics and Anti-Corruption Measures

Our principles for good business ethics are stated in Code of Conduct. The underlying values of the Company's Code are to conduct business operations with honesty, integrity and openness, and with respect for human rights and interest of the employees. The Company's Code of Conduct promotes guidelines on various ethical standards including issues such as conflicts of interests, employee rights, fraud, etc.

The Company discourages all forms of corruption directly or indirectly including bribery, kick backs, payoff, etc. and takes stern action against personnel found in these mal-practices. It is the responsibility of all employees to ensure that none of Company's employees engage in practices which infringe legal or regulatory requirements. Any employee engaging in business practices which infringe legal or regulatory requirements are subject to disciplinary action which may lead to dismissal and personal criminal or civil liability.








The employees are encouraged to report any infringement or suspected infringement of legal or regulatory requirements involving employees of the Company.

Risk and Opportunity Report

This report will cover Company's risk assessment; identified risks adopted mitigating factor and actions in place.

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Market To be market leader in battery industry.	Strategic Risk	Continued inflation reducing customer purchasing power.	■	Enhance internal efficiencies to provide the right product at the right price
	Commercial Risk	Rising raw materials and other input costs eroding liquidity in rural areas		
Credit Risk To be zero credit Company	Financial Risk	The financial loss to the Company if a customer fails to meet their contractual obligation arising from trade receivables.	■	The Company discourages credit sales. However, in certain situations the Company extends credit after due consideration of factors which includes market sentiments, seasonal effects, etc.
Investment To maximize returns on investments.	Financial Risk	Adverse stock market developments may affect revaluation of assets.	■	The Company has investment in mutual funds and maintains diversified portfolio to mitigate risk.
Internal Controls To have strong internal controls leading to sound and stable Company	Operational Risk	The Company may be exposed to financial irregularities resulting in qualitative and quantitative losses in the absence of effective internal controls.	■	Internal controls covering areas of governance, management, policies and procedures, compliance with laws and regulations, etc. are in place. Internal Audit department monitors the compliance of said controls.
Socio-political situation To operate in a stable market with least volatility and low occurrence of unforeseen variables.	Commercial Risk	Compliance of new and existing laws and regulations.	■	A team of qualified and experienced professional in the management team ensures compliance with all laws, rules and regulations.
Technology To evolve technologically in order to manufacture products of high quality.	Operational Risk	Technology shift may render production process obsolete and cost inefficient.	■	Constant process of balancing, modernization and up gradation of production facilities.

Sensitivity ■ High ■ Medium ■ Low

Objectives	Risk Category	Major Business Risks	Sensitivity	Mitigating factors/actions in place
Operations To ensure continuity of operations without disruptions.	Operational Risk	The severe on-going energy crisis. Vendors' operational / financial constraints and their deteriorating quality standards. Disruptions due to data loss from operational failures or natural disasters.	  	Company operations have an alternative energy source. Continuous assessment of all vendors in terms of quality, operational and financial capacities. A business continuity plan is in place for ensuring uninterrupted operations for all departments.
Human Resource Recruitment and career advancement based on integrity, merit, experience and skills.	Operational Risk	Qualified and competent staff may not be available in sufficient numbers. Operations may be subject to fraudulent activities.		Well structured procedures for recruitment, training, compensation, periodic appraisals and succession planning have been implemented to ensure staff retention.
Finance To be financially strong and perform up to the expectations of all stakeholders.	Financial Risk	Devaluation of Pak Rupee against foreign currencies may adversely affect Company's financial performance. Increase production capacity leading to high material and supplies' orders and costs making liquidity and cash flows stressed.	 	Foreign currency exposure is monitored by the Treasury department. Derivatives such as forward covers and currency options are used for hedging against currency devaluation when considered necessary, as and when deemed feasible. Liquidity is monitored by the Treasury department in cooperation with Supply Chain. Further, cash management facilities from various banks have been availed for quick realization of sales revenue.
Health and Safety To ensure health and safety of associates at workplace.	Operational Risk	Injuries due to workplace accidents.		Safety is top priority and an effective working environment is enforced. Medical and health insurance policies are in place for all associates. Adequate trainings are provided to associates along with drills conducted.

Sensitivity  High  Medium  Low

Risk Categories

Strategic Risk: These risks are related to the business environment including the industry and are beyond Company's control.

Commercial Risks: These risks emanate from commercial substance of the organization and involve decisions which may affect Company's position in the market.

Operational Risks: These risks are related to Company's internal operations, administrative procedures and daily affairs.

Financial Risks: These risks are related with financial matters including profitability, financing, liquidity and credit.

Report of the Audit Committee

The Audit Committee comprises of 3 non-executive directors including one independent director. The Audit Committee reports the following after an annual review of the Company's operations:

- Four meetings of the Audit Committee were held during the year 2014-15 and presided by the Chairman, attendance of which is as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Frahim Ali Khan (appointed on April 10, 2015)	No	1	1
2.	Mr. Bashir Makki	No	4	4
3.	Mr. Kamal A. Chinoy	No	4	2
4.	Mr. Omar Saeed (resigned on April 10, 2015)	No	3	3

In addition to above meetings, Audit Committee also met with external auditors without Chief Financial Officer and Head of Internal Audit. By invitation, Chief Executive Officer attended all the four meetings held during the year.

- The Audit Committee appointed a secretary of the committee who is Head of Internal Audit. The secretary circulated the minutes of meetings of the Audit Committee to all members, directors, CEO and CFO prior to the next meeting of the Board.
- The Audit Committee reviewed quarterly, half-yearly and annual financial statements of the Company and recommended for approval of the Board of Directors.
- The Audit Committee reviewed preliminary announcements of results prior to publication.
- The Audit Committee reviewed the internal audit reports.
- The Company's Code of Conduct has been disseminated and placed on Company's website.
- Appropriate accounting policies have been consistently applied. All core and other applicable International Accounting Standards were followed in preparation of financial statements of the Company on a going concern basis, for the financial year ended June 30, 2015, which present fairly the state of affairs, results of operations, cash flows and changes in equity of the Company.
- The CEO and the CFO have endorsed the financial statements of the Company. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations and applicable accounting standards and design and effectiveness of internal control system of the Company.
- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Ordinance, 1984 and the external reporting is consistent with management processes and adequate for shareholders' needs.
- The Audit Committee has reviewed the related party transactions and recommended for approval of the Board of Directors.
- The Company's system of internal controls is designed to manage rather than eliminate the risk of not achieving business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

- Closed periods were duly determined and announced by the Company, precluding the Directors, the CEO and Executives of the Company from dealing in Company shares, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision, which could materially affect the share market price of Company, along with maintenance of confidentiality of all business information.
- Ascertained that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

Internal Audit

- The Board has effectively implemented the internal control framework through an in-house Internal Audit function, which is suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- Internal Audit facilitate a risk assessment process in each key business area and support function to review the significant risks facing its operations and to record the relevant controls and any actions in place to mitigate the risks. The materiality of the risk is measured based on financial and non-financial criteria, and the probability of the risk arising is also mapped. The detailed assessments are then consolidated to provide input into the Company's risk assessment. This process also enables Internal Audit to engage with senior management throughout the business on risk monitoring and management.
- Audit Committee has reviewed the annual internal audit programme and the consideration of findings of internal audit and management's response. Further, it approved the internal audit plan for 2014-15.
- Coordination between the external and internal auditors was facilitated to ensure efficiency and contribution to the Company's objectives, including a reliable financial reporting system and compliance with laws and regulations.
- Head of Internal Audit has direct access to the Audit Committee.

External Audit

- The statutory auditors of the Company, Hameed Chaudhri & Co., Chartered Accountants, have completed the audit of financial statements of the Company for the year ended June 30, 2015 and review of the "Statement of Compliance with the Code of Corporate Governance" for the year ended June 30, 2015.
- The Auditors have been allowed direct access to the Audit Committee and the effectiveness, independence and objectivity of the Auditors have thereby been ensured.
- The Audit Committee has reviewed and discussed points of improvements highlighted by the external auditors.
- The Audit Committee has reviewed the Management Letter of 2014 which was issued within 30 days of the date of the Auditors' Report on financial statements as required under the listing regulations and discussed with the external auditors and management.
- The Audit Committee reviewed performance, cost and independence of the external auditors, Hameed Chaudhri & Co., Chartered Accountants and has recommended to the Board their reappointment for the year ending June 30, 2016.

Statement of Compliance with the Code of Corporate Governance

Name of the Company: Atlas Battery Limited
Year Ended: June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulations No. 5.19 of the Rule Book of Karachi Stock Exchange Limited and Regulation No. 35 of Chapter XI of Listing Regulations of Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board. At present, the Board includes:

Sr. No.	Name of Directors	Category		
		Independent (2)	Non-Executive (6)	Executive (1)
1.	Mr. Yusuf H. Shirazi		√	
2.	Mr. Ariful Islam	√	√	
3.	Mr. Bashir Makki		√	
4.	Mr. Frahim Ali Khan		√	
5.	Mr. Kamal A. Chinoy	√	√	
6.	Mr. Toru Furuya		√	
7.	Mr. Ali H. Shirazi			√

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancies occurring on the Board were duly filled by the directors within the prescribed time.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a Vision and Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranges orientation courses for its directors as and when needed to apprise them of their duties and responsibilities. The incoming directors are also provided with appropriate briefing and orientation material to enable them first hand knowledge on the working of the Company. Two directors are already Certified Director, two has become Certified Director during the year and two director meets the criteria of exemption under clause (xi) of the Code and are accordingly exempted from directors' training program. Remaining director will acquire the required directors training certification within the time specified in the Code.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the Chief Executive Officer.
11. The directors' report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members who are non-executive directors including one independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the Chairman of the Committee is a non-executive director.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the
BOARD OF DIRECTORS



Ali H. Shirazi
President / Chief Executive

Karachi: August 24, 2015



HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

Review Report to the Members on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Atlas Battery Limited (the Company) for the year ended June 30, 2015 to comply with the Code contained in regulation No.5.19 of the Rule Book of Karachi Stock Exchange Limited and regulation No.35 of Chapter XI of the Listing Regulations of the Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

Hameed Chaudhri & Co.

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 24, 2015

LAHORE:

HM House, 7-Bank Square.
Tel : +92 42 37235084-87
Fax : +92 42 37235083
E-mail : lhr@hccpk.com

KARACHI:

Karachi Chambers, Hasrat Mohani Road.
Tel : +92 21 32411474, 32412754, 32424826
Fax : +92 21 32424835
E-mail : khi@hccpk.com



URL : www.hccpk.com

Bridge the Distance



Batteries manufactured at Atlas are designed to offer the best performance for all types of today's cars. Built to withstand extreme conditions, Atlas car batteries comprises a large collection of high quality and reliable batteries.

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HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

Auditors' Report to the Members

We have audited the annexed balance sheet of **Atlas Battery Limited** as at June 30, 2015 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Hameed Chaudhri & Co.

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 24, 2015
Engagement partner: Muhammad Ali

LAHORE:

HM House, 7-Bank Square.
Tel : +92 42 37235084-87
Fax : +92 42 37235083
E-mail : lhr@hccpk.com

KARACHI:

Karachi Chambers, Hasrat Mohani Road.
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Fax : +92 21 32424835
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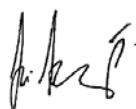
BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,994,955	1,416,705
Intangible assets	6	10,743	1,117
Investments	7	-	-
Long term loans	8	1,103	1,227
Long term deposits	9	13,777	13,916
		<hr/>	<hr/>
		2,020,578	1,432,965
Current assets			
Stores, spares and loose tools	10	110,788	88,665
Stock-in-trade	11	1,608,783	2,551,256
Trade debts	12	131,810	142,345
Loans and advances	13	27,727	25,875
Deposits and prepayments	14	11,361	6,416
Investments	15	918,737	824,925
Other receivables	16	8,913	11,398
Taxation - net		481,100	237,060
Bank balances	17	78,318	6,089
		<hr/>	<hr/>
		3,377,537	3,894,029
		<hr/>	<hr/>
Total assets		5,398,115	5,326,994



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Frahim Ali Khan
Director

BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 50,000,000 (2014: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	18	173,998	173,998
General reserve		2,027,500	1,477,500
Unappropriated profit		1,019,277	733,068
Total equity		3,220,775	2,384,566
Surplus on revaluation of leasehold land	19	193,886	173,786
Liabilities			
Non-current liabilities			
Staff retirement benefits	20	60,226	49,741
Deferred taxation	21	208,181	161,015
		268,407	210,756
Current liabilities			
Trade and other payables	22	910,253	860,347
Sales tax payable - net		86,647	55,319
Accrued mark-up	23	8,384	19,729
Short term borrowings	24	709,763	1,622,491
		1,715,047	2,557,886
Total liabilities		1,983,454	2,768,642
Contingencies and commitments	25		
Total equity and liabilities		5,398,115	5,326,994

The annexed notes 1 to 43 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 ----- (Rupees in '000) -----	2014
Sales	26	15,961,413	12,242,719
Cost of sales	27	(13,583,708)	(10,621,161)
Gross profit		2,377,705	1,621,558
Distribution cost	28	(449,347)	(292,373)
Administrative expenses	29	(246,501)	(189,754)
Other income	30	91,526	109,221
Other expenses	31	(145,997)	(99,859)
Profit from operations		1,627,386	1,148,793
Finance cost	32	(146,675)	(126,025)
Profit before taxation		1,480,711	1,022,768
Taxation	33	(466,787)	(281,618)
Profit for the year		1,013,924	741,150
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement of staff retirement benefit obligations		(5,466)	(1,982)
Impact of deferred tax		1,749	654
Other comprehensive loss for the year		(3,717)	(1,328)
Total comprehensive income for the year		1,010,207	739,822
----- Rupees -----			
Earnings per share - basic and diluted	34	58.27	42.60

The annexed notes 1 to 43 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	----- (Rupees in '000) -----	
Cash flows from operating activities		
Profit before taxation	1,480,711	1,022,768
Adjustments for non-cash charges and other items:		
Depreciation of operating fixed assets	159,221	130,343
Amortisation of intangible assets	2,094	2,269
Provision for gratuity	7,241	6,197
Provision for compensated leave absences	13,759	4,981
Gain on sale of investments	(45,197)	(3,781)
Dividend income	(1,876)	-
Net change in fair value of investments at fair value through profit or loss	(32,764)	(78,657)
Gain on sale of operating fixed assets	(335)	(5,443)
Provision for doubtful debts	797	624
Finance cost	146,675	126,025
	1,730,326	1,205,326
Changes in working capital:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(22,123)	(30,847)
Stock-in-trade	942,473	(1,073,998)
Trade debts	9,738	(62,982)
Loans and advances	(1,852)	(22,378)
Deposits and prepayments	(4,945)	30
Other receivables	2,485	(7,277)
	925,776	(1,197,452)
Increase in current liabilities		
Trade and other payables	60,300	56,269
Sales tax payable - net	31,328	1,831
	91,628	58,100
	1,017,404	(1,139,352)
Cash generated from operations	2,747,730	65,974
Finance cost paid	(158,020)	(117,406)
Income taxes paid (including tax deducted at source)	(661,912)	(409,339)
Gratuity paid	(26,190)	(7,592)
Compensated leave absences paid	(3,358)	(1,195)
Long term deposits - net	139	(3,361)
Long term loans - net	124	(570)
Net cash generated from / (used in) operating activities - carried forward	1,898,513	(473,489)

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	2015	2014
	----- (Rupees in '000) -----	
Net cash generated from / (used in) operating activities - brought forward	1,898,513	(473,489)
Cash flows from investing activities		
Purchases of property, plant and equipment	(735,138)	(400,640)
Proceeds from sale of property, plant and equipment	18,102	14,889
Purchases of intangible assets	(11,720)	(1,650)
Investments acquired	(1,599,925)	(127,500)
Proceeds from sale of investments	1,584,074	96,557
Dividend received	1,876	-
Net cash used in investing activities	(742,731)	(418,344)
Cash flows from financing activities		
Short term borrowings - net	(912,728)	1,005,800
Dividend paid	(170,825)	(140,933)
Net cash (used in) / generated from financing activities	(1,083,553)	864,867
Net increase / (decrease) in cash and cash equivalents	72,229	(26,966)
Cash and cash equivalents - at beginning of year	6,089	33,055
Cash and cash equivalents - at end of year	78,318	6,089

The annexed notes 1 to 43 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

STATEMENT OF CHANGES IN EQUITY


FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed and paid-up capital	General reserve	Unappro- priated profit	Total
----- (Rupees in '000) -----				
Balance as at July 1, 2013	144,998	1,067,500	577,244	1,789,742
Transfer to general reserve	-	410,000	(410,000)	-
Transactions with owners				
Cash dividend for the year ended June 30, 2013 at the rate of Rs.10 per share	-	-	(144,998)	(144,998)
Bonus shares at the rate of 20% issued during the year	29,000	-	(29,000)	-
	29,000	-	(173,998)	(144,998)
Total comprehensive income for the year ended June 30, 2014				
Profit for the year	-	-	741,150	741,150
Other comprehensive loss	-	-	(1,328)	(1,328)
	-	-	739,822	739,822
Balance as at June 30, 2014	173,998	1,477,500	733,068	2,384,566
Transfer to general reserve	-	550,000	(550,000)	-
Transaction with owners				
Cash dividend for the year ended June 30, 2014 at the rate of Rs.10 per share	-	-	(173,998)	(173,998)
Total comprehensive income for the year ended June 30, 2015				
Profit for the year	-	-	1,013,924	1,013,924
Other comprehensive income	-	-	(3,717)	(3,717)
	-	-	1,010,207	1,010,207
Balance as at June 30, 2015	173,998	2,027,500	1,019,277	3,220,775

The annexed notes 1 to 43 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

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 Karachi, Lahore and Islamabad Stock Exchanges. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

2.3 Changes in accounting standards and interpretations

2.3.1 Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

- (a) IAS 32 (Amendments), 'Financial instruments: Presentation', on asset and liability offsetting is applicable on accounting periods beginning on or after January 1, 2014. These amendments are to the application guidance in IAS 32, 'Financial instruments: Presentations', and clarify some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The application of these amendments has no material impact on the Company's financial statements.
- (b) IAS 36 (Amendment), 'Impairment of assets' on recoverable amount disclosure is applicable on accounting periods beginning on or after January 1, 2014. This amendment addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. The application of this amendment has no material impact on the Company's financial statements.

2.3.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for accounting periods beginning July 1, 2014 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

2.3.3 Standards, interpretations and amendments to publish approved accounting standards that are not yet effective and have not been early adopted by the Company

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning July 1, 2015:

- (a) IFRS 13 'Fair Value Measurement', (effective for annual periods beginning on or after January 1, 2015) aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The Company is yet to assess the full impact of the standard, however, initial indication is that it is unlikely that standard will have any significant impact on the Company's financial statements.

- (b) Amendments to IAS 38, 'Intangible Assets' and IAS 16, 'Property, Plant and Equipment' (effective for annual periods beginning on or after January 1, 2016). This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. This has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The presumption may only be rebutted in certain limited circumstances. These are where the intangible asset is expressed as a measure of revenue; or where it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated. These amendments do not have any impact on the Company's financial statements.
- (c) Annual improvements 2014 applicable for annual periods beginning on or after January 1, 2016. These amendments include changes from the 2012-2014 cycle of annual improvements project that affect four standards: IFRS 5, 'Non Current Assets Held for Sale and Discontinued Operations', IFRS 7 'Financial Instruments: Disclosures', IAS 19 'Employee Benefits', and IAS 34, 'Interim Financial Reporting'. These amendments do not have any impact on the Company's financial statements.

There are number of other standards, amendments and interpretations to the published standards that are not yet effective and are also not relevant to the Company and, therefore, have not been presented here.

3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention except for leasehold land which is stated at the revalued amount, investments which are carried at fair value and certain employee retirement benefits which are measured at present value of defined benefit obligation less fair value of plan assets.
- 3.2 The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- (i) Estimate of useful lives and residual values of property, plant & equipment and intangible assets [note 4.1 and 4.2]
- (ii) Stores, spares & loose tools and stock in trade [note 4.6 and 4.7]
- (iii) Provision for doubtful debts [note 4.8]
- (iv) Employees' benefits [note 4.12]
- (v) Provision for taxation [note 4.14]
- (vi) Provisions and warranty [note 4.3.2, 4.15 and 4.16]

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Owned assets

Operating fixed assets except for leasehold land are stated at cost less accumulated depreciation and impairment loss, if any. Leasehold land is stated at revalued amount. Capital work-in-progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

Depreciation

Depreciation is charged to income on the reducing balance basis except for computers and accessories. Depreciation on computers and accessories is charged to income on a straight line basis. Depreciation is charged at the rates stated in note 5.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed-off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Disposal

Gains or losses on disposal or retirement of operating fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit and loss account.

Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is credited to the surplus on revaluation of fixed assets account.

Leased assets

Fixed assets acquired by way of finance lease are stated at an amount equal to the lower of its fair value and present value of the minimum lease payments at inception of the lease less accumulated depreciation and impairment losses, if any.

Impairment

The Company assesses at each reporting date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is taken to profit and loss account except for impairment loss on revalued assets, which is adjusted against related revaluation surplus to the extent that the impairment loss does not exceed the surplus on revaluation of that asset.

4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any, and represent cost of software licenses and ERP implementation cost.

Cost associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

Subsequent expenditure

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Amortisation

Intangible assets are amortised using the straight-line method over a period of two years.

The assets' useful lives are reviewed, at each reporting date, and adjusted if impact on amortisation is significant.

4.3 Financial assets

4.3.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the reporting date, in which case, they are classified as non-current assets. Loans and receivables comprise loans & advance, deposits, other receivables and cash & cash equivalents.

(c) Held to maturity financial assets

Held to maturity financial assets are non derivative financial assets with fixed or determinable payments and fixed maturity in respect of which the Company has positive intent and ability to hold till maturity. There is no held to maturity investment at the reporting date.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the asset matures or management intends to dispose-off the assets within twelve months of the reporting date.

4.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction cost are expensed in the profit and loss account. Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risk and rewards of ownerships. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans & receivables and held to maturity investments are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within 'Other income / expense' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

Changes in fair value of securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of 'Other income'. Dividend on available-for-sale equity instruments are recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market of a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exist for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of other receivables is described in note 4.8.

4.4 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and difference in respective carrying amounts is recognised in the profit and loss account.

4.5 Off-setting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost or net realizable value. The cost of inventory is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated upto the reporting date.

4.7 Stock-in-trade

These are valued at lower of cost or net realizable value.

Cost in relation to raw materials in hand, packing materials and components has been calculated on a weighted average basis and represents invoice values plus other charges paid thereon.

Cost in relation to work-in-process and finished goods represents direct cost of materials, wages and appropriate manufacturing overheads.

Raw materials held in custom bonded warehouse and stock-in-transit are valued at cost comprising of invoice value plus other charges accumulated upto the reporting date.

Net realizable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.8 Trade debts and other receivables

Trade debts are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts. Carrying amounts of trade and other receivables are assessed at each reporting date and a provision is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written-off.

4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks and cheques in hand.

4.10 Share capital

Ordinary shares are classified as equity and recognised at their face value.

4.11 Interest / mark-up bearing loans and borrowings

Interest / mark-up bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on accrual basis.

4.12 Employees' benefits

The Company has following plans for its employees:

4.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the profit and loss account when it is due.

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognised provident fund (the Fund); or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund / scheme, both by the Company and the employees. The Fund is a separate legal entity and its assets are being held separately under the control of its trustees.

4.12.2 Defined benefit plans

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in current and prior periods that benefit is discounted to determine its present value.

The Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non management staff. The liability recognised in the balance sheet in respect of defined benefit plans is the present value of defined benefit obligation at the end of reporting period less fair value of plan assets. Contributions under the schemes are made on the basis of actuarial valuation. The valuations of both schemes are carried-out annually by an independent expert, using the "Projected Unit Credit Method" with the latest valuation being carried out as on June 30, 2015.

The amount arising as a result of re-measurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost, if any, are recognised immediately in profit and loss account.

4.12.3 Employees compensated leave absences

Employees' entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees upto the reporting date.

4.13 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.14 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.16 Warranty

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated based on past experience / history of level of repairs and replacements.

4.17 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, incentives, sales returns and trade discounts. Revenue from different sources is recognised on the following basis:

Employee's entitlement to annual leave is recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

- revenue from sale of goods is recognised when goods are dispatched and invoiced to customers;
- interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable; and
- dividend income from investments is recognised when the Company's right to receive payment has been established.

4.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

4.19 Foreign currency transactions and translation

The foreign currency transactions are translated into functional currency using the exchange rates prevailing on the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss account within 'Other income / other expenses'.

4.20 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.21 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

4.22 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

	Note	2015	2014
		----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,894,974	1,383,865
Capital work-in-progress	5.6	99,981	32,840
		<u>1,994,955</u>	<u>1,416,705</u>

5.1 Operating fixed assets

	Leasehold land	Buildings on leasehold land	Plant and machinery	Office equipment	Computers and accessories	Furniture and fixtures	Air conditioners	Vehicles	Total
	----- (Rupees in '000) -----								
As at July 1, 2013									
Revaluation / cost	174,200	158,271	1,149,929	4,726	30,319	5,958	7,370	88,038	1,618,811
Accumulated depreciation	-	57,386	375,124	528	18,566	1,866	1,979	26,315	481,764
Net book value	174,200	100,885	774,805	4,198	11,753	4,092	5,391	61,723	1,137,047
Year ended June 30, 2014									
Opening net book value	174,200	100,885	774,805	4,198	11,753	4,092	5,391	61,723	1,137,047
Additions	-	2,210	361,673	-	1,852	-	536	20,336	386,607
Disposals									
- cost	-	-	12,702	-	-	-	-	15,232	27,934
- accumulated depreciation	-	-	(10,917)	-	-	-	-	(7,571)	(18,488)
Depreciation charge	-	10,291	99,763	420	5,371	409	582	13,507	130,343
Closing net book value	174,200	92,804	1,034,930	3,778	8,234	3,683	5,345	60,891	1,383,865
At June 30, 2014									
Revaluation / cost	174,200	160,481	1,498,900	4,726	32,171	5,958	7,906	93,142	1,977,484
Accumulated depreciation	-	67,677	463,970	948	23,937	2,275	2,561	32,251	593,619
Net book value	174,200	92,804	1,034,930	3,778	8,234	3,683	5,345	60,891	1,383,865
Year ended June 30, 2015									
Opening net book value	174,200	92,804	1,034,930	3,778	8,234	3,683	5,345	60,891	1,383,865
Revaluation surplus (note 19)	20,100	-	-	-	-	-	-	-	20,100
Additions	-	162,332	440,214	5,941	9,875	6,860	3,518	39,257	667,997
Disposals									
- cost	-	-	6,297	-	213	82	280	28,423	35,295
- accumulated depreciation	-	-	(3,786)	-	(80)	(64)	(147)	(13,451)	(17,528)
Written-off									
- cost	-	-	2,511	-	133	18	133	14,972	17,767
- accumulated depreciation	-	-	-	-	5,709	-	-	-	5,709
Depreciation charge	-	11,058	124,088	566	6,634	715	724	15,436	159,221
Closing net book value	194,300	244,078	1,348,545	9,153	11,342	9,810	8,006	69,740	1,894,974
At June 30, 2015									
Revaluation / cost	194,300	322,813	1,932,817	10,667	36,124	12,736	11,144	103,976	2,624,577
Accumulated depreciation	-	78,735	584,272	1,514	24,782	2,926	3,138	34,236	729,603
Net book value	194,300	244,078	1,348,545	9,153	11,342	9,810	8,006	69,740	1,894,974
Depreciation rate (% per annum)		10	10 - 20	10	30	10	10	20	

5.2 If leasehold land was stated on the historical cost basis, the book value would be Rs.414 thousand (2014: Rs.414 thousand).

	Note	2015	2014
		----- (Rupees in '000) -----	
5.3 Depreciation charge has been allocated as follows:			
Cost of goods manufactured	27.1	141,481	113,605
Distribution cost	28	4,575	3,521
Administrative expenses	29	13,165	13,217
		<u>159,221</u>	<u>130,343</u>

5.4 Plant and machinery includes certain dies and moulds having cost aggregating Rs.77,923 thousand (2014: Rs.40,610 thousand) and net book value of Rs.53,085 thousand (2014: Rs.22,991 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.

5.5 The details of operating fixed assets disposed during the year are as follows:

Particular of Assets	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Mode of disposal	Particular of buyers
----- (Rupees in '000) -----						
assets having net book value exceeding Rs.50,000 each						
Plant and machinery						
Mould	2,246	1,973	273	118	Negotiation	M/s. Siddiq Awan, N-P 12/47, Muhammad Shah Street, Jodia Bazar, Karachi
Mould	287	68	219	94	Negotiation	
Mould	1,109	630	479	205	Negotiation	
Refrigeration air dryer	403	332	71	30	Negotiation	
Cables	1,665	373	1,292	1,292	Insurance claim	Atlas Insurance Limited - a related party
Change over switch with assecories	215	56	159	159	Insurance claim	Atlas Insurance Limited - a related party
	5,925	3,432	2,493	1,898		
Computers and accessories						
Laptop	77	6	71	50	Insurance claim	Atlas Insurance Limited - a related party
Air conditioners						
Air conditioner	92	41	51	29	Negotiation	Mr. Zardad Khan, Co-operative Society, Canal Road, Lahore
Vehicles						
	1,476	1,222	254	1,100	Negotiation	Mr. Ali Azhar Khan, FB Area, Karachi
	509	334	175	175	Company policy	Mr. Syed Farhat Hussain Rizvi - employee
	82	3	79	79	Insurance Claim	Atlas Insurance Limited - a related party
	98	8	90	90	Company policy	Mr. Asghar Abbas - employee
	544	319	225	225	Company policy	Mr. Amjad Ali Khan - employee
	544	319	225	225	Company policy	Mr. Muhammad Ibrahim - employee
	697	408	289	289	Company policy	Mr. Iftikhar-ul-Islam - employee
	764	435	329	329	Company policy	Mr. Shahid Shakeel - employee
	764	429	335	335	Company policy	Mr. Fakher Abbas - employee
	732	368	364	364	Company policy	Mr. Asher Ahmed - employee
	1,474	740	734	734	Company policy	Mr. Tehseen Raza - employee
	1,483	597	886	886	Company policy	Mr. Sheikh Adeel ur Rehman - employee
	612	246	366	366	Company policy	Mr. Aman Ullah Abid - employee
	1,613	589	1,024	1,024	Company policy	Mr. Mirza Bakhtiar Haider - employee
	683	77	606	606	Company policy	Mr. Sheikh M. Mahmood - employee
	1,667	317	1,350	1,500	Auction	Mr. Mirza Bakhtiar Haider - employee
	683	23	660	660	Insurance claim	Atlas Insurance Limited - a related party
	67	3	64	64	Insurance claim	Atlas Insurance Limited - a related party
	98	2	96	96	Insurance claim	Atlas Insurance Limited - a related party
	760	25	735	735	Company policy	Mr. Asif Rizvi - employee
	1,766	1,034	732	732	Company policy	Mr. Muhammad Jamil Awan - key management personnel
	683	23	660	660	Insurance claim	Atlas Insurance Limited - a related party
	544	331	213	213	Company policy	Mr. Irfan Ahmed Khatri - employee
	67	2	65	65	Insurance claim	Atlas Insurance Limited - a related party
	1,897	1,167	730	731	Negotiation	Ms. Salma Zakir, Silver Line Apartment, BMCHS Shafabad, Karachi
	591	307	284	284	Company policy	Mr. Syed Azhar Abbas - ex employee
	1,957	983	974	974	Company policy	Atlas Insurance Limited - a related party
	698	405	293	293	Company policy	Atlas Insurance Limited - a related party
	1,927	1,148	779	810	Negotiation	Mr. Shehbaz Ahmed, Phase 1, Cantt, Lahore
	1,817	1,026	791	791	Company policy	Mr. Arshad Gulraiz Butt - ex-key management person
	98	13	85	85	Insurance claim	Atlas Insurance Limited - a related party
	27,395	12,903	14,492	15,520		
Various assets having net book value upto Rs.50,000 each						
	1,806	1,146	660	605		
2015	35,295	17,528	17,767	18,102		
2014	27,934	18,488	9,446	14,889		

	2014	Additions	Transfers	2015
	----- (Rupees in '000) -----			
5.6 Capital work-in-progress				
Leasehold land	-	2,275	-	2,275
Buildings on leasehold land	27,561	108,336	97,615	38,282
Plant and machinery	1,139	193,060	136,440	57,759
Office equipment	-	721	-	721
Furniture and fixtures	-	944	-	944
Vehicles	4,140	5,355	9,495	-
	<u>32,840</u>	<u>310,691</u>	<u>243,550</u>	<u>99,981</u>

	Software license	ERP implementation cost	Total
	----- (Rupees in '000) -----		
6. INTANGIBLE ASSETS			
As at July 1, 2013			
Cost	7,747	7,400	15,147
Accumulated amortisation	(6,011)	(7,400)	(13,411)
Net book value	<u>1,736</u>	<u>-</u>	<u>1,736</u>
Year ended June 30, 2014			
Opening net book value	1,736	-	1,736
Additions	1,650	-	1,650
Amortisation charge	(2,269)	-	(2,269)
Closing net book value	<u>1,117</u>	<u>-</u>	<u>1,117</u>
At June 30, 2014			
Cost	9,397	7,400	16,797
Accumulated amortisation	(8,280)	(7,400)	(15,680)
Net book value	<u>1,117</u>	<u>-</u>	<u>1,117</u>
Year ended June 30, 2015			
Opening net book value	1,117	-	1,117
Additions	11,720	-	11,720
Amortisation charge	(2,094)	-	(2,094)
Closing net book value	<u>10,743</u>	<u>-</u>	<u>10,743</u>
At June 30, 2015			
Cost	21,117	7,400	28,517
Accumulated amortisation	(10,374)	(7,400)	(17,774)
Net book value	<u>10,743</u>	<u>-</u>	<u>10,743</u>
Amortisation rate (% per annum)	<u>50</u>	<u>50</u>	

	Note	2015	2014
		----- (Rupees in '000) -----	
6.1 Amortisation charge has been allocated			
Distribution cost	28	325	325
Administrative expenses	29	1,769	1,944
		<u>2,094</u>	<u>2,269</u>

6.2 Intangible assets as at June 30, 2015 include items having aggregate cost of Rs.16,796 thousand (2014: Rs.12,809 thousand) that have been fully amortised and still in use of the Company.

	2015	2014
	----- (Rupees in '000) -----	
7. INVESTMENTS		
Available for sale - Unquoted		
Arabian Sea Country Club Limited		
100,000 ordinary shares of Rs.10 each - cost	1,000	1,000
Less: Impairment in the value of investment	1,000	1,000
	<u>-</u>	<u>-</u>

	Note	2015 ----- (Rupees in '000) -----	2014
8. LONG TERM LOANS			
Considered good - secured			
Loans to employees:			
- Executives	8.2 & 8.3	803	829
- Others		1,771	2,157
		<u>2,574</u>	<u>2,986</u>
Recoverable within one year			
- Executives		(738)	(622)
- Others		(733)	(1,137)
	13	<u>(1,471)</u>	<u>(1,759)</u>
		<u>1,103</u>	<u>1,227</u>

8.1 These represent interest free loans to executives and other employees as per terms of employment. These loans are provided for purchase of motor cycle and other specified reasons. Loans aggregating Rs.1,643 thousand (2014: Rs.928 thousand) are provided for purchase of motor cycles and are repayable in monthly instalments over period of forty eight months for management staff and fifty four months for non-management staff. Other loans are recoverable over period of twelve to eighteen months. These loans are secured by the registration of motor cycles in the name of the Company and employees vested retirement benefits.

	2015 ----- (Rupees in '000) -----	2014
8.2 Reconciliation of the carrying amount of loans to executives		
Balance at beginning of the year	829	666
Disbursements	932	1,019
	<u>1,761</u>	<u>1,685</u>
Repayments	(958)	(856)
Balance at end of the year	<u>803</u>	<u>829</u>

8.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs.1,021 thousand (2014: Rs.829 thousand).

8.4 The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default in recent history.

	2015 ----- (Rupees in '000) -----	2014
9. LONG TERM DEPOSITS		
Considered good - unsecured		
Security deposits for:		
- utilities	4,019	4,743
- rent agreements	5,445	5,160
- others	4,313	4,013
	<u>13,777</u>	<u>13,916</u>
10. STORES, SPARES AND LOOSE TOOLS		
Consumables stores		
- in hand	58,185	50,081
- in transit	2,342	678
Maintenance spares	49,488	36,503
Loose tools	773	1,403
	<u>110,788</u>	<u>88,665</u>

	Note	2015 ----- (Rupees in '000) -----	2014
11. STOCK-IN-TRADE			
Raw materials and components:			
- in hand		840,804	1,497,509
- with third parties	11.1	35,290	357,350
		876,094	1,854,859
Work-in-process		541,194	517,413
Finished goods		80,684	111,728
Items in transit		110,811	67,256
		1,608,783	2,551,256

11.1 Includes raw materials amounting Rs.685 thousand (2014: Rs.303,322 thousand) held with Atlas Metals (Private) Limited - an Associated Company for further processing into parts to be supplied to the Company.

11.2 Stock-in-trade and trade debts upto a maximum amount of Rs.4,201,487 thousand (2014: Rs.2,603,467 thousand) are under hypothecation of commercial banks as security for short term borrowings (note 24).

	Note	2015 ----- (Rupees in '000) -----	2014
12. TRADE DEBTS - Unsecured			
Consider good			
Associated Companies:			
Atlas Honda Limited		67,577	24,543
Honda Atlas Cars (Pakistan) Limited		10,026	9,670
Atlas Autos (Private) Limited		-	30,717
Atlas Metals (Private) Limited		-	35,633
Others		54,207	41,782
		131,810	142,345
Consider doubtful			
Others		2,933	2,136
Provision for doubtful debts	12.1	(2,933)	(2,136)
		131,810	142,345
12.1 Provision for doubtful debts			
Balance at beginning of the year		2,136	1,512
Provision for the year		797	624
Balance at end of the year		2,933	2,136

	Associated Companies		Others	
	2015	2014	2015	2014
	----- (Rupees in '000) -----			
12.2 The ageing of trade debts at June 30, is as follows:				
Less than 30 days	62,776	76,351	29,124	19,501
31 - 180 days	14,827	24,212	21,095	22,372
181 days to 365 days	-	-	4,196	521
Over one year	-	-	2,725	1,524
	77,603	100,563	57,140	43,918
Provision for doubtful debts	-	-	(2,933)	(2,136)
	77,603	100,563	54,207	41,782

12.3 Trade debts which are past due beyond one year have been impaired and fully provided for.

	Note	2015 ----- (Rupees in '000) -----	2014
13. LOANS AND ADVANCES			
Considered good			
Secured			
Current portion of long term loans to employees	8	1,471	1,759
Unsecured			
Loans to staff other than executives	13.1	124	45
Advances to employees for expenses		28	-
Advances to suppliers, contractors and others		26,104	24,071
		<u>27,727</u>	<u>25,875</u>

13.1 These represent interest free welfare loans and salary advance provided to employees in accordance with the Company's policy and have maturities upto ten months.

	2015 ----- (Rupees in '000) -----	2014
14. DEPOSITS AND PREPAYMENTS		
Considered good - unsecured		
Deposits and margins	6,713	3,121
Prepayments	4,648	3,295
	<u>11,361</u>	<u>6,416</u>

15. **INVESTMENTS** - at fair value through profit or loss

2015 ----- (Number of units) -----	2014	Related parties	2015 ----- (Rupees in '000) -----	2014
-	362,394	Atlas Money Market Fund	-	182,117
488,391	189,827	Atlas Stock Market Fund	257,914	83,729
548,614	771,339	Atlas Income Fund	279,925	388,647
390,570	186,633	Atlas Islamic Stock Fund	193,730	76,271
738,836	-	Atlas Sovereign Liquid Fund	75,768	-
514,087	500,339	Atlas Gold Fund	50,350	53,091
			<u>857,687</u>	<u>783,855</u>
		Others		
603,571	409,105	HBL Money Market Fund	61,050	41,070
			<u>918,737</u>	<u>824,925</u>

15.1 590,074 (2014: 387,526) units of HBL Money Market Fund valuing Rs.59,685 thousand (2014: Rs.38,904 thousand) are under lien of a commercial bank against guarantees aggregating Rs.53,662 thousand (2014: Rs.30,720 thousand) issued in favour of Sui Southern Gas Co. Ltd. and Excise and Taxation Department, Government of Sindh on behalf of the Company.

	Note	2015 ----- (Rupees in '000) -----	2014
16. OTHER RECEIVABLES			
Considered good - unsecured			
Insurance claims receivable	16.1	6,119	7,995
Workers' profit participation fund	16.2	477	1,086
Sales tax paid under protest		2,317	2,317
		<u>8,913</u>	<u>11,398</u>

16.1 This represents claims due from Atlas Insurance Limited - an Associated Company. It is in the normal course of business and is interest free.

	Note	2015 ----- (Rupees in '000) -----	2014
16.2 Workers' profit participation fund			
Balance at beginning of the year		1,086	(44,194)
Interest on funds utilized in the Company's business		-	(91)
		1,086	(44,285)
Payments made during the year - net		78,914	100,300
		80,000	56,015
Allocation for the year	31	(79,523)	(54,929)
Balance at end of the year		477	1,086
17. BANK BALANCES			
Balances with banks on current accounts	17.1	34,506	6,089
Cheques-in-hand	17.2	43,812	-
		78,318	6,089

17.1 Includes Rs.Nil (2014: Rs.109 thousand) held with Meezan Bank Limited - an Associated Company.

17.2 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.

18. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

2015 ----- (Number of Shares) -----	2014		2015 ----- (Rupees in '000) -----	2014
1,300,000	1,300,000	Ordinary shares of Rs.10 each fully paid in cash	13,000	13,000
16,099,769	16,099,769	Ordinary shares of Rs.10 each issued as fully paid bonus shares	160,998	160,998
17,399,769	17,399,769		173,998	173,998

18.1 Movement in issued, subscribed and paid-up capital during the year

2015 ----- (Number of Shares) -----	2014		2015 ----- (Rupees in '000) -----	2014
17,399,769	14,499,808	Balance at beginning of the year	173,998	144,998
-	2,899,961	Ordinary shares of Rs.10 each issued during the year as fully paid bonus shares	-	29,000
17,399,769	17,399,769	Balance at end of the year	173,998	173,998

18.2 Ordinary shares of the Company held by the related parties as at June 30,

	2015 ----- (Number of shares) -----	2014
Atlas Foundation	319,872	319,872
Atlas Insurance Limited	303,420	303,420
GS Yuasa International Limited - Japan	2,609,947	2,609,947
Shirazi (Private) Limited	695,692	695,692
Shirazi Capital (Private) Limited	4,345,200	4,345,200
Shirazi Investments (Private) Limited	5,200,831	5,200,831
	13,474,962	13,474,962

19. SURPLUS ON REVALUATION OF LEASEHOLD LAND

An independent revaluation of the Company's leasehold land was performed by M/s. Surval on June 30, 2008 and this revaluation exercise resulted in appraisal surplus of Rs.173,786 thousand over the book value of Rs.414 thousand. This leasehold land has been again revalued on July 16, 2014 by MYK Associates (Private) Limited, an Independent Valuer, based on market value. The latest revaluation exercise resulted in surplus of Rs.20,100 thousand over the book value of Rs.174,200 thousand which has been credited to this account to comply with the requirements of section 235 of the Companies Ordinance, 1984.

	Note	2015	2014
----- (Rupees in '000) -----			
20. STAFF RETIREMENT BENEFITS			
Provision for gratuity	20.1	1,560	1,476
Compensated leave absences	20.2	58,666	48,265
		<u>60,226</u>	<u>49,741</u>

20.1 Provision for gratuity

20.1.1 As stated in note 4.12.2, the Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non management staff. Actuarial valuations of these schemes are carried out every year and the latest actuarial valuations were carried out as at June 30, 2015.

20.1.2 Plan assets held in trust are governed by local regulations which mainly includes Trust Act, 1882, Companies Ordinance, 1984, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment decisions and contributions schedules lies with the Board of Trustees.

20.1.3 The latest actuarial valuations of the Schemes as at June 30, 2015 were carried out by an independent expert, using the 'Projected Unit Credit Method'. Details of the Schemes as per the actuarial valuations are as follows:

	Management		Non - management		Total	
	2015	2014	2015	2014	2015	2014
----- (Rupees in '000) -----						
20.1.4 Balance sheet reconciliation						
Present value of defined benefit obligation at June 30 - note 20.1.5	96,508	63,525	1,560	1,476	98,068	65,001
Fair value of plan assets at June 30 - note 20.1.6	(66,473)	(38,851)	-	-	(66,473)	(38,851)
(Receivable) / payable from related parties in respect of transferees	(17,499)	1,429	-	-	(17,499)	1,429
Liability at end of the year	12,536	26,103	1,560	1,476	14,096	27,579
Payable within next twelve months	(12,536)	(26,103)	-	-	(12,536)	(26,103)
	<u>-</u>	<u>-</u>	<u>1,560</u>	<u>1,476</u>	<u>1,560</u>	<u>1,476</u>
20.1.5 Movement in the present value of defined benefit obligation						
Balance at beginning of the year	63,525	53,567	1,476	1,346	65,001	54,913
Current service cost	4,084	3,332	51	45	4,135	3,377
Interest cost	8,196	5,987	186	146	8,382	6,133
Benefits paid	(2,862)	-	(86)	(37)	(2,948)	(37)
Re-measurements on obligation	5,670	2,071	(67)	(24)	5,603	2,047
Receivable / (payable) recognised in respect of transfers	17,895	(1,432)	-	-	17,895	(1,432)
Balance at end of the year	<u>96,508</u>	<u>63,525</u>	<u>1,560</u>	<u>1,476</u>	<u>98,068</u>	<u>65,001</u>
20.1.6 Movement in the fair value of plan assets						
Balance at beginning of the year	38,851	27,120	-	-	38,851	27,120
Interest income	5,276	3,313	-	-	5,276	3,313
Contributions	26,104	7,555	-	-	26,104	7,555
Benefits paid	(2,862)	-	-	-	(2,862)	-
Re-measurements	137	65	-	-	137	65
Amount transferred (to) / from other group companies	(1,033)	798	-	-	(1,033)	798
Balance at end of the year	<u>66,473</u>	<u>38,851</u>	<u>-</u>	<u>-</u>	<u>66,473</u>	<u>38,851</u>

	Management		Non - management		Total	
	2015	2014	2015	2014	2015	2014
----- (Rupees in '000) -----						
20.1.7 Expense recognised in profit and loss account						
Current service cost	4,084	3,332	51	45	4,135	3,377
Net interest cost	2,920	2,674	186	146	3,106	2,820
	<u>7,004</u>	<u>6,006</u>	<u>237</u>	<u>191</u>	<u>7,241</u>	<u>6,197</u>
20.1.8 Re-measurements recognised in other comprehensive income						
(Gain) / loss arising from change in						
- demographic assumptions	-	(19)	-	1	-	(18)
- financial assumptions	2,943	642	(102)	14	2,841	656
Experience loss / (gain)	2,727	1,448	35	(39)	2,762	1,409
Gain on re-measurement of plan assets	(137)	(65)	-	-	(137)	(65)
Net re-measurements	<u>5,533</u>	<u>2,006</u>	<u>(67)</u>	<u>(24)</u>	<u>5,466</u>	<u>1,982</u>
20.1.9 Net liability recognised						
Balance at beginning of the year	26,103	25,646	1,476	1,346	27,579	26,992
Charge for the year	7,004	6,006	237	191	7,241	6,197
Contributions made and benefit paid	(26,104)	(7,555)	(86)	(37)	(26,190)	(7,592)
Re-measurements recognised in other comprehensive income	5,533	2,006	(67)	(24)	5,466	1,982
Recognised liability as at June 30	<u>12,536</u>	<u>26,103</u>	<u>1,560</u>	<u>1,476</u>	<u>14,096</u>	<u>27,579</u>
Payable within next twelve months	<u>(12,536)</u>	<u>(26,103)</u>	<u>-</u>	<u>-</u>	<u>(12,536)</u>	<u>(26,103)</u>
	<u>-</u>	<u>-</u>	<u>1,560</u>	<u>1,476</u>	<u>1,560</u>	<u>1,476</u>
20.1.10 Plan assets comprise of:						
Debt securities	28,088	18,439	-	-	28,088	18,439
Mutual funds - units	36,858	20,245	-	-	36,858	20,245
Cash and others	1,527	167	-	-	1,527	167
	<u>66,473</u>	<u>38,851</u>	<u>-</u>	<u>-</u>	<u>66,473</u>	<u>38,851</u>

	Management		Non-Management	
	2015	2014	2015	2014
----- (% per annum) -----				
20.1.11 Actuarial assumptions used				
Discount rate at June 30	9.75%	13.00%	9.75%	13.00%
Expected rate of increase in future salaries - first year	14.00%	12.00%	3.75%	12.00%
Expected rate of increase in future salaries - long term	8.75%	12.00%	8.75%	12.00%
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)
- Rates of employee turnover	Moderate	Moderate	Moderate	Moderate

20.1.12 Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumptions	Increase in assumptions	Decrease in assumptions
----- (Rupees in '000) -----			
Discount rate	1.00%	93,448	103,328
Increase in future salaries	1.00%	103,802	92,937
Withdrawal rates : light		97,539	
Withdrawal rates : heavy		98,421	

The sensitivity analysis are based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the gratuity liability recognised within the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- 20.1.13** The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.
- 20.1.14** Based on actuary's advice, the expected contribution for the year ending June 30, 2016 to management and non-management gratuity plans amounts to Rs. 6,723 thousand and Rs. 310 thousand respectively.
- 20.1.15** The weighted average duration of funded gratuity and un-funded gratuity is 5.02 years and 5.84 years respectively.
- 20.1.16 Expected maturity analysis of undiscounted retirement benefit plans:**

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
	----- (Rupees in '000) -----				
As at June 30, 2015					
Management staff	45,510	2,937	23,207	440,423	512,077
Non-management staff	113	290	888	5,058	6,349

	2015	2014
	----- (Rupees in '000) -----	
20.2 Compensated leave absences		
Balance at beginning of the year	48,265	44,479
Provision for the year	13,759	4,981
	62,024	49,460
Encashed during the year	(3,358)	(1,195)
Balance at end of the year	58,666	48,265

21. DEFERRED TAXATION

The liability for deferred tax comprises temporary differences relating to:

Taxable temporary differences

Accelerated tax depreciation	235,682	193,192
Unrealised gain on investments	8,191	-

Deductible temporary differences

Tax amortisation	(699)	(558)
Provision for impairment of available-for-sale investments	(300)	(330)
Provision for doubtful debts	(938)	(705)
Provision for gratuity	(4,495)	(9,101)
Provision for compensated leave absences	(18,186)	(15,927)
Provision for warranty	(11,074)	(5,556)
	208,181	161,015

	Note	2015 ----- (Rupees in '000) -----	2014
22. TRADE AND OTHER PAYABLES			
Trade creditors	22.1	73,970	60,807
Accrued liabilities	22.2	589,834	329,965
Provision for warranty	22.3	34,607	16,837
Customers advances and credit balances		124,925	384,864
Provision for gratuity	20.1	12,536	26,103
Workers' welfare fund	22.4	30,219	20,872
Unclaimed dividend		16,583	13,410
Sindh government infrastructure fee	22.5	24,232	3,758
Other liabilities	22.6	3,347	3,731
		<u>910,253</u>	<u>860,347</u>

22.1 Trade creditors include Rs.Nil (2014: Rs.1,180 thousand) pertaining to related parties.

22.2 Accrued liabilities include Rs.211,071 thousand (2014: Rs.155,357 thousand) pertaining to related parties.

	Note	2015 ----- (Rupees in '000) -----	2014
22.3 Provision for warranty			
Balance at beginning of the year		16,837	12,130
Provision for the year	27.1	157,440	80,522
		<u>174,277</u>	<u>92,652</u>
Payments made during the year		(139,670)	(75,815)
Balance at end of the year		<u>34,607</u>	<u>16,837</u>
22.4 Workers' welfare fund			
Balance at beginning of the year		20,872	16,794
Charge for the year	31	30,219	20,872
		<u>51,091</u>	<u>37,666</u>
Payments made during the year		(20,872)	(16,794)
Balance at end of the year		<u>30,219</u>	<u>20,872</u>

22.5 This represents provision against infrastructure fee levied by the Government of Sindh through Sindh Finance (Amendment) Ordinance, 2001. The levy of infrastructure fee is disputed and various companies have filed appeals before the High Court of Sindh (the Court) which are pending adjudication. During the pendency of these appeals an interim arrangement has been agreed whereby bank guarantees furnished for consignments cleared upto December 27, 2006 have been returned and bank guarantees have been furnished for 50% of the levy for consignment released subsequent to December 27, 2006 while payment is made against the balance amount.

The Company, during the preceding year, also filed an appeal in the Court and became party to subject controversy raised through various appeals. The Court, through its interim order, dated April 3, 2014 has granted the above mentioned interim relief to the Company and directed to take-up the petition along with identical petitions on the next date of hearing. Accordingly, the Company has provided bank guarantee amounting Rs.40,000 thousand in favour of The Director Excise and Taxation, Government of Sindh for releasing the consignments imported from time to time and for the purpose of carriage of such goods by road within the province of Sindh. The management believes that the chances of success in the petition is in the Company's favour.

22.6 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.3,174 thousand (2014: Rs.3,555 thousand).

	2015	2014
	----- (Rupees in '000) -----	
23. ACCRUED MARK-UP		
Mark-up accrued on:		
- running finances / musharakah	8,384	14,318
- demand finances	-	4,603
- import finances	-	808
	8,384	19,729
	8,384	19,729

23.1 Includes mark-up amounting Rs.3,699 thousand (2014: Rs.2,295 thousand) due to Meezan Bank Limited - an Associated Company.

	Note	2015	2014
		----- (Rupees in '000) -----	
24. SHORT TERM BORROWINGS - Secured			
Running finances / musharakah	24.1 & 24.2	709,763	891,044
Demand finances	24.3	-	299,695
Import finances	24.4	-	431,752
		709,763	1,622,491
		709,763	1,622,491

24.1 Running finance / musharakah facilities available from various banks under mark-up arrangements aggregate to Rs.3,150,000 thousand (2014: Rs.1,960,000 thousand). During the year these finance facilities carry mark-up at the rates ranging from 7.21% to 11.43% (2014: 9.38% to 11.98%) per annum.

24.2 Includes Rs.554,864 thousand (2014: Rs.Nil) payable to Meezan Bank Limited - an Associated Company.

24.3 Demand finance facilities aggregating Rs.3,000,000 thousand (2014: Rs.1,200,000 thousand) are also available to the Company from various banks as sub-limits of above mentioned running finance / musharakah facilities. These facilities carry mark-up at the rates ranging from 8.16% to 10.85% (2014: 8.80% to 10.76%) per annum.

24.4 FE-25 facilities aggregating Rs.2,690,000 thousand (2014: Rs.1,340,000 thousand) are available from various banks as sub-limits of above mentioned running finance / musharakah facilities. The rates of mark-up of these facilities during the year ranged from 1.69% to 3.5% (2014: 1.51% to 3.00%) per annum.

24.5 The above mentioned finance facilities are secured against joint pari passu hypothecation charge on stock-in-trade and trade debts and are expiring on various dates upto May 31, 2016.

24.6 The facilities for opening letters of credit and guarantees as at June 30, 2015 aggregated to Rs.2,730,000 thousand (2014: Rs.2,320,000 thousand) of which the amount remained unutilized at year end aggregated to Rs.2,290,680 thousand (2014: Rs.1,707,694 thousand). These facilities are secured against joint pari passu hypothecation charge on stock-in-trade and trade debts and lien on import documents.

25. CONTINGENCIES AND COMMITMENTS

25.1 Contingencies

25.1.1 The Company received notice from the Directorate of Intelligence and Investigation, FBR, Lahore in which it had been alleged that the Company purchased goods from certain suppliers who were registered with Regional Tax Offices, but were fake and issued sales tax invoices to the Company on the basis of which the Company claimed input tax adjustment amounting to Rs.29.066 million which according to them was illegal / inadmissible. The name of the Company along with 135 companies and other individuals had therefore been included as an accused person in the First Information Report (FIR) No.04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation, FBR, Lahore. The Company has, therefore, filed a Constitutional Petition in the Honourable Lahore High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has granted stay order and advised the concerned authorities to restrain from further proceeding with the matter. Further, the Court has quashed the criminal proceedings initiated against the Company as being unconstitutional, violative of fundamental rights and ultra vires the Sales Tax Act, 1990 (the Act). The FBR against the orders of the Court has filed appeal in Honourable Supreme Court of Pakistan, which is pending for hearing.

25.1.2 Assistant Commissioner Inland Revenue (ACIR), Karachi during the preceding year, issued two show cause notices dated March 3, 2014 and April 7, 2014 under section 11(4) of the Act and it has been alleged that the Company had purchased goods from certain suppliers whose status were found as blacklisted on FBR web portal, therefore, the amount of input tax adjustment aggregating Rs.14.09 million is inadmissible under section 7 and section 8(1)(d) of the Act. ACIR on March 11, 2014 and April 17, 2014, against these show cause notices, passed final orders and concluded that input tax adjusted against the blacklist suppliers is inadmissible and recovery of such input tax adjustment along with penalty and default surcharge should be made. The Company filed appeals before the Commissioner Inland Revenue (Appeal-I) [CIR(A)] against the abovementioned orders. CIR(A) disposed off the appeal against order of ACIR dated April 17, 2014 in favour of the Company and stated that the Company has lawfully claimed the input sales tax.

In the Company's appeal against order dated March 11, 2014 of ACIR, CIR(A) remanded back the case to Deputy Commissioner Inland Revenue (DCIR) with directions to allow the claim of input sales tax by verifying payments to suppliers & examining the delivery notes, VAT verification and transportation payments. DCIR, through order dated June 17, 2015, disposed-off the show cause notice on the basis of findings of the abovementioned directions of CIR(A). DCIR stated that it was found that payments under section 73 of the Act were properly made, goods were physically received by the Company and consumed in its manufacturing process, therefore, the allegations of violations of various sections of the Act are not established.

25.1.3 During the year, the Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi conducted sales tax audit for the tax year 2013 and passed an order with respect to (i) input claims against purchases from certain suppliers whose status were subsequently found as blacklisted / suspended on FBR web portal, (ii) non-payment of federal excise duty on royalty, (iii) non-deduction of sales tax as withholding agent on advertisement expense and (iv) tax credits not allowed on certain expenses. DCIR, through abovementioned order raised an aggregate demand of Rs.11.819 million including default surcharge. The Company filed appeal before CIR(A) against the above order under section 45B of the Act and section 33 of Federal Excise Act, 2005. Pursuant to the appeal, the CIR(A), through his order dated April 28, 2015, granted relief to the Company in respect of demand raised in (i), (iii) and (iv) points mentioned above. However, demand of federal excise duty on royalty payment was considered correct by CIR(A) in his order. Accordingly, the Company has filed appeal before Appellate Tribunal Inland Revenue (ATIR) against the order of levy of excise duty on royalty. Further, the Commissioner Inland Revenue has also filed appeal before ATIR against the abovementioned order of CIR(A) through which relief was granted to the Company. The above appeals are pending for hearing.

25.1.4 Deputy Commissioner Inland Revenue (DCIR), Large Taxpayers Unit, Karachi, during the year the passed an order under section 161 / 205 of the Income Tax Ordinance, 2001 on account of non-deduction of tax on freight & forwarding charges and discounts allowed to dealers. DCIR through this order created an aggregate demand of Rs.206.534 million including additional tax. The Company paid the demand of Rs.0.1 million which pertains to tax deduction on freight charges and filed a stay application before Commissioner Inland Revenue (Appeals) [CIR(A)] against the recovery of balance of the demand. The stay against recovery of demand was granted by the CIR(A) after partial payment of Rs.50 million. Further, an appeal was also filed before the CIR(A) against the above order. Pursuant to this appeal, CIR(A), on March 31, 2015, passed an order under section 129 of the Ordinance and granted relief in respect of issue of non-deduction of tax amounting Rs.108.867 million on discounts allowed on invoices. However, CIR(A) remanded back the issue of non-deduction of tax aggregating Rs.59.509 million on additional trade discounts by directing the DCIR to re-examine the issue based on the nature of discount. The CIR has filed an appeal against the abovementioned order of CIR(A) before the Appellate Tribunal Inland Revenue; which is pending for hearing.

25.1.5 Outstanding bank guarantees

Guarantees aggregating Rs.53,662 thousand (2014: Rs.30,720 thousand) are issued by various commercial banks on behalf of the Company to Sui Southern Gas Co. Ltd. and Excise and Taxation Department, Government of Sindh.

2015 2014
----- (Rupees in '000) -----

25.2 Commitments

25.2.1 Commitments in respect of letters of credit relating to:

- raw materials, stores, spares and loose tools	355,768	446,065
- capital expenditure	29,890	135,971
	385,658	582,036
	385,658	582,036

25.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2015 aggregated to Rs.143,737 thousand (2014: Rs.167,777 thousand).

	Note	2015 ----- (Rupees in '000) -----	2014
26. SALES - Net			
Manufacturing activity			
- local sales		18,653,528	15,149,463
- export sales		-	46,464
Trading activity - local sales		1,578,045	442,832
		<u>20,231,573</u>	<u>15,638,759</u>
Less:			
- sales tax		3,028,146	2,418,217
- discounts		1,242,014	977,823
		<u>4,270,160</u>	<u>3,396,040</u>
		<u>15,961,413</u>	<u>12,242,719</u>
27. COST OF SALES			
Opening stock of finished goods		111,728	87,289
Cost of goods manufactured	27.1	12,247,329	10,288,115
Purchases		1,305,335	357,485
		<u>13,552,664</u>	<u>10,645,600</u>
Closing stock of finished goods		(80,684)	(111,728)
		<u>13,583,708</u>	<u>10,621,161</u>
27.1 Cost of goods manufactured			
Opening work-in-process		517,413	420,263
Raw materials and components consumed	27.2	9,609,561	8,499,709
Salaries, wages and benefits	27.3	708,642	436,884
Stores consumed		307,327	234,505
Light, heat and water		865,337	667,042
Insurance		28,915	27,202
Rent, rates and taxes		163,912	117,718
Repair and maintenance		70,250	52,922
Royalty, technical fee and related taxes		162,165	105,757
Cartage		18,649	13,469
Travelling, conveyance and entertainment		19,391	25,372
Postage and telephone		3,134	2,139
Printing and stationery		3,058	2,029
Vehicle running		1,525	1,456
Depreciation	5.3	141,481	113,605
Free replacement	22.3	157,440	80,522
Other manufacturing expenses		10,323	4,934
		<u>12,788,523</u>	<u>10,805,528</u>
Closing work-in-process		(541,194)	(517,413)
		<u>12,247,329</u>	<u>10,288,115</u>
27.2 Raw materials and components consumed			
Opening stock		1,854,859	959,142
Purchases		8,630,796	9,395,426
		<u>10,485,655</u>	<u>10,354,568</u>
Closing stock		(876,094)	(1,854,859)
		<u>9,609,561</u>	<u>8,499,709</u>
27.3 Salaries, wages and benefits			

27.3 Salaries, wages and benefits include Rs.2,739 thousand (2014: Rs.2,207 thousand) and Rs.5,887 thousand (2014: Rs.4,818 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

	Note	2015 ----- (Rupees in '000) -----	2014
28. DISTRIBUTION COST			
Salaries and benefits	28.1	74,428	44,192
Travelling, conveyance and entertainment		19,478	13,540
Vehicle running		190	93
Rent, rates and taxes		16,136	12,424
Advertisement and sales promotion		98,244	37,672
Repair and maintenance		1,364	786
Light, heat and water		4,943	4,262
Freight and forwarding		156,189	138,099
Printing and stationery		611	397
Postage and telephone		2,723	2,136
Depreciation	5.3	4,575	3,521
Amortisation	6.1	325	325
Services charges		328	738
Insurance		68,996	33,638
Newspapers, magazines and subscription others		817	550
		<u>449,347</u>	<u>292,373</u>

28.1 Salaries and benefits include Rs.1,201 thousand (2014: Rs.959 thousand) and Rs.2,217 thousand (2014: Rs.1,639 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

	Note	2015 ----- (Rupees in '000) -----	2014
29. ADMINISTRATIVE EXPENSES			
Directors' meeting fee		180	220
Salaries and benefits	29.1	160,509	111,896
Travelling, conveyance and entertainment		11,697	12,244
Rent and rates		9,814	8,942
Repair and maintenance		1,619	1,168
Light, heat and water		3,234	2,859
Insurance		3,896	3,432
Legal and professional charges		4,579	8,219
Fee and subscription		14,251	11,055
Postage and telephone		1,995	1,330
Printing and stationery		1,453	1,421
Vehicle running		796	1,010
Training expense		7,316	2,568
Depreciation	5.3	13,165	13,217
Amortisation	6.1	1,769	1,944
Donation	29.2	10,228	8,229
		<u>246,501</u>	<u>189,754</u>

29.1 Salaries and benefits include Rs.3,300 thousand (2014: Rs.3,031 thousand) and Rs.5,696 thousand (2014: Rs.5,465 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

29.2 Donation of Rs.10,228 thousand (2014: Rs.8,229 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi (the Foundation). Mr. Yusuf H. Shirazi, Chairman of the Company and Fahim Ali Khan, Director of the Company are trustees of the Foundation.

	Note	2015 ----- (Rupees in '000) -----	2014
30. OTHER INCOME			
Income from financial assets			
Gain on sale of investments		3,571	12
Net change in fair value of investments at fair value through profit or loss		50	1,697
Income from investments in related parties			
Dividend Income		1,876	-
Gain on sale of investments		41,626	3,769
Net change in fair value of investments at fair value through profit or loss		32,714	76,960
Income from assets other than financial assets			
Commission income		-	7,406
Scrap sales		11,354	13,934
Gain on disposal of operating fixed assets	5.5	335	5,443
		<u>91,526</u>	<u>109,221</u>
31. OTHER EXPENSES			
Provision for doubtful debts	12.1	797	624
Workers' profit participation fund	16.2	79,523	54,929
Workers' welfare fund	22.4	30,219	20,872
Auditors' remuneration	31.1	1,276	1,309
Exchange loss - net		34,182	22,125
		<u>145,997</u>	<u>99,859</u>
31.1 Auditors' remuneration			
Remuneration in respect of auditors' services for:			
Statutory audit		1,000	1,000
Half yearly review		70	70
Review of compliance with Code of Corporate Governance		68	68
Audits of retirement funds and workers' profit participation fund		73	73
Certifications for payment of royalty, and dividend		50	83
Out of pocket expenses		15	15
		<u>1,276</u>	<u>1,309</u>
32. FINANCE COST			
Related parties			
Mark-up on:			
- running musharaka		36,856	-
- demand finances		1,623	2,941
Others			
Mark-up on:			
- running finances		70,169	68,612
- demand finances		29,971	47,042
- import finances		1,790	954
		<u>140,409</u>	<u>119,549</u>
Interest on workers' profit participation fund		-	91
Other financial charges		6,266	6,385
		<u>146,675</u>	<u>126,025</u>
33. TAXATION			
Current tax			
Current tax on profits for the year		419,363	262,816
Adjustments in respect of prior years		(1,491)	4,078
		<u>417,872</u>	<u>266,894</u>
Deferred tax			
Origination and reversal of temporary differences		53,277	19,046
Impact of change in tax rate		(4,362)	(4,322)
		<u>48,915</u>	<u>14,724</u>
		<u>466,787</u>	<u>281,618</u>

33.1 The tax on the Company's profit before tax differs from the theoretical amount that would arise using the Company's applicable tax rate as follows:

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Profit before taxation	1,480,711	1,022,768
Tax at the applicable rate of 33% (2014: 34%)	488,635	347,741
Tax effect of:		
- expenses not deductible for tax purposes	125,729	86,335
- expenses deductible for tax purposes but not taken to profit and loss account	(167,058)	(103,741)
- income not subject to tax / income subject to final tax regime / tax credits	(67,624)	(67,519)
Adjustments in respect of prior years	(1,491)	4,078
Super tax for rehabilitation of temporarily displaced persons	39,681	-
Deferred taxation	48,915	14,724
Tax charge	466,787	281,618

33.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its issued, subscribed and paid up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on August 24, 2015 has distributed sufficient cash dividend for the year ended June 30, 2015 (refer note 42) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in these financial statements for the year ended June 30, 2015.

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
--	--------------------------------------	--------------------------------------

34. EARNINGS PER SHARE

34.1 Basic

Net profit for the year	1,013,924	741,150
	----- Number of shares -----	
Weighted average ordinary shares in issue	17,399,769	17,399,769
	----- Rupees -----	
Earnings per share	58.27	42.60

34.2 Diluted

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

35. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Associated Companies, directors of the Company, companies in which directors are interested, key management personnel, post employment benefit plans and close members of the families of the directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2015	2014
	----- (Rupees in '000) -----	
Associated companies		
Sales of:		
- goods	2,159,924	959,071
- operating fixed assets	1,307	1,522
Purchases of		
- goods and services	6,538,899	1,882,783
- operating fixed assets	160,169	19,226
- intangible assets	11,719	-
Rent / service charges paid	170,108	128,850
Commission paid	-	117,139
Commission received	-	7,406
Mark-up paid	39,395	3,257
Reimbursement of expenses	4,542	3,218
Expense charged	11	-
Insurance premium	166,255	123,183
Insurance claims	27,057	6,427
Purchase of units in mutual funds	1,516,424	105,000
Sale of units in mutual funds	1,516,933	85,000
Dividend received	1,876	-
Dividend paid	134,750	112,291
Sale proceeds of bonus fractions	-	127
Royalty and technical fee	162,165	118,239
Donation paid	10,228	8,229
Contribution to pension funds	7,208	6,130
Bonus shares issued (number of shares)	-	2,245,826
Other related parties		
Contributions paid to:		
- gratuity funds	26,104	7,555
- provident fund	6,592	5,792
Salaries and other short term employment benefits to key management personnel	112,320	101,097
Sale of vehicles under company policy	1,523	-

36. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during the year in respect of remuneration, including certain benefits, to the Chief Executive, Directors and Executives of the Company are as follows:

	Chief Executive		Director		Executives	
	2015	2014	2015	2014	2015	2014
	----- (Rupees in '000) -----					
Managerial remuneration	11,294	9,669	12,594	14,512	76,704	67,599
House rent and utilities	7,906	6,768	8,816	10,158	55,896	47,379
Bonus	9,600	3,150	10,709	6,666	65,242	22,209
Retirement benefits	1,749	1,429	2,022	2,796	11,943	10,624
Medical and others	335	116	300	416	8,105	4,654
	<u>30,884</u>	<u>21,132</u>	<u>34,441</u>	<u>34,548</u>	<u>217,890</u>	<u>152,465</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>2</u>	<u>61</u>	<u>60</u>

35.1 The Chief Executive and certain Directors are provided with free use of Company maintained cars and telephones at residences. Certain executives are also provided with the Company's vehicles.

36.2 Remuneration to other directors

Aggregate amount charged in these financial statements for meeting fee to three (2014: three) non-executive directors was Rs.180 thousand (2014: Rs.220 thousand).

37. FINANCIAL RISK MANAGEMENT

37.1 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, cash flow & fair value interest rate risk and price risk). The Company overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

(a) Credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. Credit risk arises from loans, trade deposits, trade debts, loans and advances, investments, other receivables and deposits with banks & financial institutions.

The carrying amount of financial assets represents the maximum credit exposure. The financial assets exposed to credit risk aggregated to Rs.1,158,172 thousand (2014: Rs.1,001,422 thousand) as at June 30, 2015. Out of the total financial assets credit risk is concentrated in investments in mutual fund securities, trade debts and deposits with banks as they constitute 97% (2014: 97%) of the total financial assets.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2015 ----- (Rupees in '000) -----	2014
Long term loans	1,103	1,227
Long term deposits	13,777	13,916
Trade debts	131,810	142,345
Loans and advances	1,595	1,804
Deposits and margins	6,713	3,121
Investments	918,737	824,925
Other receivables	6,119	7,995
Bank balances	78,318	6,089
	1,158,172	1,001,422

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties.

All the trade debts at the reporting date represent domestic parties.

The maximum exposure to credit risk for trade debts at the reporting date by type of customer are as follows:

	2015		2014	
	%	Rupees in ₹000	%	Rupees in '000
Original Equipment Manufacturers and Institutions	32.70	43,108	27.86	39,663
Associated Companies	58.88	77,603	70.65	100,563
Dealers	8.42	11,099	1.49	2,119
	100.00	131,810	100.00	142,345

The credit quality of loans, advances, deposits and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. The credit quality of Company's bank balances and investments in mutual funds securities can be assessed with reference to the external credit ratings as follows:

Name of Bank	agency	Rating			2015	2014
		short-term	long-term		--- (Rupees in '000) ---	
MCB Bank Limited	PACRA	A1+	AAA	5,138	5,970	
Summit Bank Limited	JCR-VIS	A-1	A	8	9	
Meezan Bank Limited	JCR-VIS	A-1+	AA	-	110	
Habib Metropolitan Bank Limited	PACRA	A1+	AA+	50	-	
Habib Bank Limited	JCR-VIS	A-1+	AAA	29,310	-	
				34,506	6,089	

Mutual funds	Agency	Rating	2015 --- (Rupees in '000) ---	2014
Atlas Money Market Fund	PACRA	AA(f)	-	182,117
Atlas Stock Market Fund	PACRA	4 star	257,914	83,729
Atlas Income Fund	PACRA	AA-(f)	279,925	388,647
Atlas Islamic Stock Fund	PACRA	3 star	193,730	76,271
Atlas Sovereign Liquid Fund	PACRA	AA(f)	75,768	-
Atlas Gold Fund	PACRA	4 star	50,350	53,091
HBL Money Market Fund	JCR-VIS	AA(f)	61,050	41,070
			<u>918,737</u>	<u>824,925</u>

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty, in meeting obligation associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. At June 30, 2015, the Company had Rs.3,150,000 thousand available borrowings limits from banks / financial institutions and Rs.78,318 thousand bank balances.

The table below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying Amount	Contractual cash flows	Maturity upto one year
	------(Rupees in '000)-----		
June 30, 2015			
Trade and other payables	718,341	718,341	718,341
Accrued mark-up	8,384	8,384	8,384
Short term borrowings	709,763	725,797	725,797
	<u>1,436,488</u>	<u>1,452,522</u>	<u>1,452,522</u>
June 30, 2014			
Trade and other payables	424,750	424,750	424,750
Accrued mark-up	19,729	19,729	19,729
Short term borrowings	1,622,491	1,650,956	1,650,956
	<u>2,066,970</u>	<u>2,095,435</u>	<u>2,095,435</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2015.

(c) Market risk

Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in currency that is not the Company's functional currency. The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar (U.S. Dollar). Currently, the Company's foreign exchange risk is restricted to the amounts payable to foreign entities. The Company's exposure is as follows:

	2015		2014	
	Rupees in '000	U.S. Dollars	Rupees in '000	U.S. Dollars
Trade and other payables	8,136	80,000	4,762	48,218
Short term borrowings	-	-	431,752	4,372,177
Balance sheet exposure	<u>8,136</u>	<u>80,000</u>	<u>436,514</u>	<u>4,420,395</u>

Exchange rate of 101.70 (2014: 98.75) for US Dollar to Rupee has been applied.

At June 30, 2015, if the Rupee had weakened / strengthened by 5% against U.S. Dollar with all other variables held constant, the recalculated post-tax profit for the year would have been Rs.407 thousand (2014: Rs.21,826 thousand) higher / (lower), mainly as a result of foreign exchange gain / (loss) on translation of U.S. Dollar denominated borrowings and trade and other payables.

Cash flow and fair value Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flow of a financial instrument will fluctuate because of change in market interest rates.

The Company's interest rate exposure arises from short term borrowings. Borrowings issued at variable rates expose the Company to cash flow risk and borrowing issued at fixed rate expose the Company to fair value interest rate risk. At June 30, 2015, the Company's interest bearing borrowings aggregated to Rs.709,763 thousand (2014: Rs.1,622,491 thousand).

At June 30, 2015, if the interest rates on the Company's borrowings had been 1% higher / (lower) with all other variables held constant, the calculated post-tax profit for the year would have been Rs.7,098 thousand (2014: Rs.16,225 thousand) lower / higher mainly as a result of higher / (lower) interest expense of floating rate borrowings.

Price risk

The Company is exposed to equity securities price risk because of investments in mutual fund securities amounting to Rs.918,737 thousand (2014: Rs.824,925 thousand) and classified at fair value through profit or loss. The Company is not exposed to commodity risk.

At June 30, 2015, if fair value (Net Asset Value) had been 1% higher / lower with all other variables held constant, the post-tax profit for the year would have Rs.9,187 thousand (2014: Rs.8,249 thousand) higher / lower as a result of gain / loss on investments classified as at fair value through profit or loss.

37.2 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year.

37.3 Fair value estimation

The table below analyse 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].

The Company's financial assets measured at fair value comprise only of level 1 financial assets amounting to Rs.918,737 thousand (2014: Rs.824,925 thousand). The carrying values of other financial assets and liabilities reflected in the financial statements approximate their fair value.

37.4 Financial instruments by categories

	As at June 30, 2015			As at June 30, 2014		
	Loans and receivables	At fair value through profit and loss	Total	Loans and receivables	At fair value through profit and loss	Total
	----- Rupees in '000 -----			----- Rupees in '000 -----		
Financial assets as per balance sheet						
Long term loans	1,103	-	1,103	1,227	-	1,227
Long term deposits	13,777	-	13,777	13,916	-	13,916
Trade debts	131,810	-	131,810	142,345	-	142,345
Loans and advances	1,595	-	1,595	1,804	-	1,804
Deposits and prepayments	6,713	-	6,713	3,121	-	3,121
Investments	-	918,737	918,737	-	824,925	824,925
Other receivables	6,119	-	6,119	7,995	-	7,995
Bank balances	78,318	-	78,318	6,089	-	6,089
	<u>239,435</u>	<u>918,737</u>	<u>1,158,172</u>	<u>176,497</u>	<u>824,925</u>	<u>1,001,422</u>

	Financial liabilities at amortised cost	
	2015	2014
Financial liabilities as per balance sheet		
Trade and other payables	718,341	424,750
Accrued mark-up	8,384	19,729
Short term borrowings	709,763	1,622,491
	<u>1,436,488</u>	<u>2,066,970</u>

38. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the plant cannot be determined as this depends upon relative proportion of various types of automotive and motorcycle batteries produced.

39. ENTITY-WIDE INFORMATION

These financial statements have been prepared on the basis of single reportable segment.

39.1 Information about products

Battery sales represent 91.26% (2014: 96.58%) of the total revenue of the Company.

39.2 Information about geographical areas

All non-current assets of the Company as at June 30, 2015 are located in Pakistan.

100% (2014: 99.62%) of the Company's sales relate to customers in Pakistan.

39.3 Information about customers

The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

40. NUMBER OF EMPLOYEES

	2015	2014
	----- (Rupees in '000) -----	
Total number of employees as at June 30,	<u>264</u>	<u>244</u>
Average number of employees during the year	<u>254</u>	<u>220</u>

41. PROVIDENT FUND RELATING DISCLOSURE

41.1 The following information is based on unaudited financial statements of the Fund for the year ended June 30, 2015:

	2015 ----- (Rupees in '000) -----	2014 ----- (Rupees in '000) -----
Size of the Fund - Total Assets	147,329	174,794
Cost of investments made	81,044	120,636
Percentage of investments made	98.68%	97.55%
Fair value of investments	145,380	170,507

41.2 The break-up of fair value of investments is as follows:

	2015 ---(Percentage)---	2014	2015 ---(Rupees in '000)---	2014
Special account in a scheduled bank	0.91	1.15	1,339	2,008
Debt securities	97.77	83.51	144,041	145,974
Mutual fund units	-	12.89	-	22,525

41.3 The investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

42. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors, in their meeting held on August 24, 2015, (i) approved the transfer of Rs. 800,000 thousand (2014: Rs.550,000 thousand) from unappropriated profit to general reserve and (ii) proposed a final cash dividend of Rs. 12.00 (2014: Rs.10.00) per share amounting to Rs. 208,797 thousand (2014: Rs.173,998 thousand) for approval of the members at the Annual General Meeting to be held on September 28, 2015.

These financial statements do not reflect the proposed appropriations, which will be accounted for in the statement of changes in equity as appropriations from unappropriated profit in year ending June 30, 2016.

43. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 24, 2015 by the Board of Directors of the Company.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Fahim Ali Khan
Director

Pulsate the Power



Introducing for the first time in Pakistan, AGS Battery Tonic can now be used for all types of batteries. Take battery care to a whole other level by enhancing its life by 25% to 30%.

GLOSSARY OF TERMS

AGS	Atlas Genzo Shimadzu
B2C	Business to Consumer
BCP	Business Continuity Plan
BRP	Business Process Re-engineering
CDS	Central Depository System
CFO	Chief Financial Officer
CEO	Chief Executive Officer
CGLS	Corporate Governance Leadership Skills
CIR (A)	Commissioner Inland Revenue (Appeals I)
CNIC	Computerized National Identity Card
CSR	Corporate Social Responsibility
DCIR	Deputy Commissioner Inland Revenue
DFI	Development Financial Institution
DPS	Dividend Per Share
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortization
ERP	Enterprise Resource Planning
FBR	Federal Board of Revenue
GDP	Gross Domestic Product
GIKIST	Ghulam Ishaq Khan Institute of Engineering Sciences and Technology
HAPCL	Honda Atlas (Private) Company Limited
HR	Human Resource
IBA	Institute of Business Administration
ICP	Investment Corporation of Pakistan
IFAC	International Federation of Accounting
IFRS	International Financial Reporting Standards
IT	Information Technology
KSE	Karachi Stock Exchange
LSE	Lahore Stock Exchange
LUMS	Lahore University of Management Sciences
MAP	Management Association of Pakistan
MC	Management Committee
MD	Managing Director
NAV	Net Asset Value
NBFC	Non-Banking Financial Institution
NCCPL	National Clearing Company Pakistan Limited
NGO	Non-Governmental Organization
NIT	National Investment Trust
OEM	Original Equipment Manufacturer
PAMA	Pakistan Automotive Manufacturers Association
PAT	Profit After Taxation
PBT	Profit Before Taxation
PICG	Pakistan Institute of Corporate Governance
PKR	Pakistan Rupee
PUC	Projected Unit Cost
QCC	Quality Control Circle
SECP	Securities and Exchange Commission of Pakistan
UK	United Kingdom
UPS	Uninterruptible Power Supply
USA	United States of America
WWF	Workers Welfare Fund



Atlas Group Companies

*Year of Establishment /
Acquisition**



Shirazi Investments

1962



Atlas Honda

1962



Atlas Battery

1966



Shirazi Trading

1975



Atlas Insurance

1980*



Atlas Engineering

1981*

HONDA Honda Atlas Cars

1992

HONDA Honda Atlas Power Product

1997



Atlas Asset Management

2002



Shirazi Capital

2005



Atlas Power

2007



Atlas World Wide

2007



Atlas Venture

2008



Atlas Autos

2011



Atlas Hitec

2012



Atlas Metals

2012

PRODUCT TYPES AND THEIR APPLICATION

Product Type			Application
Light Batteries			
CGR30	7 PL	CGR30	CNG Rickshaw
GR46	9 PL	NS40SR	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)
GX43	9 PL	NS40SR	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)
GL43	9 PL	NS40SR	Suzuki Car / Van / Pick-up, Jeep, Subaru Car / Van / Pick-up, Charade Petrol (800cc to 1000cc)
GL48	9 PL	NS40ZL 9PL	Suzuki Mehran, Daihatsu Cuore, Kia Classic, All CNG converted vehicles (800cc to 1000cc)
GL50	11 PL	NS40ZL 11PL	All types of vehicles (800cc to 1300cc)
CNG60	13 PL	N40	
GR65	13 PL	NS60	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc)
GL65	13 PL	NS60L	
GR70	9 PL	N50	
80D26R	11 PL	N50Z	Honda Accord, Honda CRV, Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedes Benz, Willys Jeeps, MF375 Tractors, Hyundai, Daewoo (2000cc to 6000cc)
GR85	13 PL	N70 EXTRA	
GL85	13 PL	N70 EXTRA L	
Medium Batteries			
GR87	11 PL	NS70	
GR95	13 PL	N70Z	
GR100	15 PL	N85P	Toyota Hi-Ace, Mercedes Benz, Isuzu Bus JCR 520zz, Massey Ferguson Tractors, MF-210 Cruiser, Toyota Hi-Lux, Nissan Diesel Pick-up, Ford 1910 Tractor (2000cc to 6000cc)
GL100	15 PL	N85L	
6FT120	15 PL	6FT15	
N125	17 PL	N100S	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)
GX132	17 PL		Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
GX135	19 PL	N100	
Heavy Batteries			
GX155	21 PL	N120S	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
GX165	21 PL	N120S	
GX175	23 PL	N140	
4DLT145	23 PL	N130S	Ford Tractor 3610 and 46
4DLT160	27 PL	N150S	
GL190	23 PL		
195G51F	25 PL	N150	Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors
GX200R	27 PL	N175	
GX200F	27 PL	N190Z	
210H52	31 PL	N200P	
245H52	33 PL	N200	Generator Sets, Road Roller, Bulldozer
Atlas Hybrid - Automotive			
HB50	11PL	NS40ZL	All types of vehicles (800cc to 1300cc)
HB65	13PL	NS60L	All types of vehicles (1000cc to 1800cc)
Motorcycle Battery			
GM2.53C2 CLASSIC	3 PL		Honda CD70, CG125, all Japanese and Chinese motorcycles
Distilled Water			
Battery Tonic	500 ML / 1000ML		Distilled water for all types of batteries

OUR VALUED OEM CUSTOMERS



Atlas Honda Limited



Honda Atlas Cars (Pakistan) Ltd.



Indus Motor Company Ltd.



Pak Suzuki Motor Company Ltd.



Al-Ghazi Tractors Limited



Sigma Motors Limited



DYL Motorcycles Ltd.



Gandhara Nissan Ltd.



Sazgar Engineering Works Ltd.



N.J. Auto Industries (Pvt) Ltd.



D.S. Motors (Pvt) Ltd.



Memon Motors (Pvt) Ltd.



HKF Engineering (Pvt) Ltd.



Super Asia Motors (Pvt) Ltd.



United Auto Industries (Pvt) Ltd.



Master Motor Corp. Ltd.



Afzal Motors (Pvt) Ltd.



September 04, 2015

To: All Shareholders of the Company

Remuneration of Chief Executive and Company Secretary
Information under Section 218 of the Companies Ordinance, 1984

It is to inform you that the Board has approved the remuneration for the following, for the year ending June 30, 2015.

1. Chief Executive at Rs. 24.74 million.
2. Company Secretary at Rs. 5.26 million.

Bonus, retirement benefits and other facilities are provided in accordance with Company's rules.

Yours truly
For Atlas Battery Limited

A handwritten signature in black ink, appearing to read "Rizwan Ahmed", with a long horizontal stroke extending to the right.

Rizwan Ahmed
Company Secretary



September 04, 2015

To: All Shareholders of the Company

Copy of Computerized National Identity Card (CNIC)

As per directions to all listed companies by Securities and Exchange Commission of Pakistan vide S.R.O. 779(1)/2011 dated August 18, 2011, the **□DIVIDEND WARRANT(S)□** should bear the Computerized National Identity Card (CNIC) number of the registered member(s), except in the case of minor(s) and corporate members, and dividend warrant can not be issued without inserting the CNIC number of the member(s) or its authorized person(s).

For this purpose, please provide us a copy of your CNIC (if not provided earlier) **ON MOST URGENT BASIS** for compliance of the directions of SECP, failing which your future dividend warrant(s), if any, will be withheld till the compliance of the above referred notification.

You must mention your folio number on the face of your CNIC copy for identification.

Copy of your CNIC may please be sent to our Registered Office at the following address:

**Share Department
Atlas Battery Limited
D-181, Central Avenue
S.I.T.E.
Karachi-75730**

Shareholders are requested to immediately notify the change of address, if any.

Yours truly
For Atlas Battery Limited

Rizwan Ahmed
Company Secretary

Copy of the Notification of Securities and Exchange Commission of Pakistan dated August 18, 2011.

S.R.O. 779(1)/2011. In exercise of the powers conferred by section 506B of the Companies Ordinance, 1984 (XL VII of 1984), the Securities and Exchange Commission of Pakistan is pleased to direct all the listed companies to issue dividend warrant(s) only crossed as "A/C payee only" in the name of registered member or in the name of authorized person where a registered member authorizes the company to pay dividend on his behalf to any person. The dividend warrant(s) should also bear the Computerized National Identity Card Number of the registered member or the authorized person, except in the case of minor(s) and corporate members.



September 04, 2015

To: All Shareholders of the Company

Dividend Mandate Form

It is to inform you that under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his / her / its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No. 18 of 2012 dated June 05, 2012, we request to all the registered shareholders of Atlas Battery Limited holding _____ shares having folio number _____ to _____ hereby give the opportunity to authorize the Company to directly credit in your bank account cash dividend, if any, declared by the Company in future.

Please note that this dividend mandate is optional and not compulsory, in case you do not wish your dividend to be directly credited into your bank account, then the same shall be paid to you through the dividend warrants.

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick “√” any of the following boxes.

YES

NO

If yes then please provide the following information:

Transferee Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell Number of Transferee	
Landline Number of Transferee, if any	

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

Signature of member / shareholder

The Secretary,
Atlas Battery Limited,
D-181, Central Avenue,
S.I.T.E.,
Karachi.

Affix
Revenue Stamp

Signature

Address

Date

Dear Sir,

SUBJECT: PROXY FORM

I / we the undersigned member(s) of Atlas Battery Limited holding _____ ordinary shares hereby appoint Mr. / Mrs. / Miss _____ of _____ or failing him / her Mr. / Mrs. / Miss _____ of _____ being member of the Company as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at 2nd Floor, Federation House, Sharaf Firdousi, Clifton, Karachi on September 28, 2015 at 10:00 a.m. and at every adjournment thereof.

(1) _____ (2) _____

(3) _____ (4) _____

Signature(s)

(1) _____

(2) _____

(3) _____

(4) _____

Name(s)

Signature in the presence of

Name of Witness

Address

Signature

Date



Fold Here

Fold Here

Fold Here

Fold Here

Atlas Battery Limited

D-181, Central Avenue, S.I.T.E., Karachi-75730

Ph: (92-21) 32567990-4,

Fax: (92-21) 32564703

E-mail: abl@atlasbattery.com.pk

Website: www.atlasbattery.com.pk

