



Half Yearly Report
December 31, 2011



CONTENTS

Company Information	2
Chairman's Review	4
Auditors' Report to the Members on Review of Interim Financial Information	6
Condensed Interim Balance Sheet	7
Condensed Interim Profit and Loss Account	8
Condensed Interim Cash Flow Statement	9
Condensed Interim Statement of Changes in Equity	11
Notes to the Condensed Interim Financial Information	12

COMPANY INFORMATION

Board of Directors

Yusuf H. Shirazi
Chairman

Kamal A. Chinoy
Director

Khaleeq-ur-Rahman Khan
Director

Makio Tanaka
Director

Omar Saeed
Director

Talha Saad
Director

Ali H. Shirazi
President / Chief Executive

Rizwan Ahmed
Company Secretary

Audit Committee

Omar Saeed
Chairman

Khaleeq-ur-Rahman Khan
Member

Talha Saad
Member

M. Rizwan Jamil
Head of Internal Audit

Muhammad Saleem
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Ahmad Zafaryab Ali
Chief Financial Officer

Arshad Gulraiz Butt
General Manager Marketing

Muhammad Iqbal
General Manager Supply Chain

Muhammad Jamil Awan
General Manager Quality Assurance

Qasim Imran Khan
Head of Information Technology

Ahmar Waheed
Manager Human Resources

Nehal Asghar
Manager Operations

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

COMPANY INFORMATION

Bankers

Allied Bank Limited
 Bank Alfalah Limited
 Habib Bank Limited
 HSBC Bank Middle East Limited
 MCB Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 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: majeed@hmaconsultants.com

Registered Office & Factory

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

Zonal Office Karachi

PPI Building, Near Sindh Secretariat Building,
 Shahra-e-Kamal Ataturk, Karachi-74200
 Tel: (021) 32636057 & 32610145
 Fax: (021) 32626478

Sukkur Office

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

Zonal Office Lahore

Salam Chambers,
 21 Link Mcleod Road, Lahore-54000
 Tel: (042) 37227075 & 37354245
 Fax: (042) 37352724

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

1st Floor, Zeenat Plaza,
 Near General Bus Stand,
 G.T. Road, Peshawar
 Tel: (091) 2262485

Rawalpindi Office

312-A, Kashmir Road,
 R. A. Bazar, Rawalpindi-65847
 Tel: (051) 5567423

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

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited accounts of your Company for the half year ended December 31, 2011 along with review report of auditors.

ECONOMY

The economy continues to exhibit resilience while facing a global economic slowdown, international price dynamics and various domestic challenges. Despite these challenges, the economy is expected to register GDP growth of 3.5% - 4.0%. The key economic variables such as foreign reserves and inflation have been stable. CPI inflation came down to 9.7% in December 2011 as compared to 15.5% in same period of last year. Foreign currency reserves remained intact at US\$ 16.77 billion due to the all time high record overseas remittances. Tax collection showed increase of 27.1%, aggregating to Rs.840.7 billion up to December 2011. On the other hand, surge in fiscal deficit, constant government borrowing through domestic sources and chronic energy shortages are halting economic growth. Pakistan's current account deficit ballooned to US\$ 2.1 billion during Jul-Nov FY11-12 against US\$ 589 million in the corresponding period last year. The imbalances on the external front as well as the drying up of foreign investment inflows have pushed the local currency to record low level. Resultantly, rupee depreciated by 4.6% against USD since June 2011.

The agriculture sector's performance was below expectation. The floods in the southern region of Pakistan caused substantial damage to the standing cotton and rice crops. The rising input costs of electricity and fertilizers together with lower prices for major crops specifically cotton, eroded liquidity for the farmers leading to lower purchasing power. As a result, sale of consumer durables saw a significant slowdown in the rural areas.

Large Scale Manufacturing (LSM) grew by 1.7% during July-Nov FY11-12 as compared to the same period of last year. The major contribution came from automobiles, textiles and leather products. Some positive momentum was also witnessed in the pharmaceutical and chemical groups. The current problems of severe energy shortage, high input costs and reduced incomes call for better coordinated actions by the government to ensure a sustained growth in LSM for the economy to continue to flourish.

During the period from July to December 2011, sales of locally manufactured cars jumped by 20.5% to 71,886 units from 59,646 units during the same period of last year. LCV segment also grew by 18.9% with sales volume of 10,058 units as against 8,453 units sold in the corresponding period. Sales of heavy vehicles i.e. trucks & buses and farm tractors nose dived by 33.1% and 61.3%, respectively. Slow down in sales of tractor was mainly because of imposition of 16% general sales tax which has now been decreased to 5%. Motorcycles and three-wheeler segment grew by 7.9% during the period under review and sold 419,087 units as against 388,215 units during corresponding period of last year. Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the industry.

OPERATING RESULTS

Your Company achieved sales revenue of Rs.1,588.4 million during 2nd quarter as compared to Rs.1,369.8 million for the same period last year, up 16.0%. Cost of sales for the same period increased from Rs.1,136.4 million to Rs.1,324.0 million, up 16.5%, mainly because of higher raw material price, depreciation of Pak Rupee against US Dollar and unabated higher cost of energy and other related products. Resultantly, gross profit percentage reduced slightly to 16.6% from 17.0% in the corresponding period of last year. However, in terms of value it improved by 13.3% to Rs.264.4 million from Rs.233.4 million.

Operating expenses increased by 6.7% only from Rs.64.8 million to Rs.69.1 million despite increase in sales revenue by 16%. Operating profit increased from Rs.158.3 million to Rs.179.3 million, up 13.3%. Financial cost increased from Rs.13.5 million to Rs.26.0 million by 93.1%,

because of higher utilization of running finance facilities as compared to corresponding period due to increased working capital requirement. Thus, Profit before tax stood at Rs.153.3 million as compared to Rs.144.8 million in the corresponding period of last year, up 5.9%. After providing Rs.40.0 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.113.3 million compared to Rs.105.3 million, up 7.6%. Earnings per share for the quarter improved from Rs.8.7 to Rs.9.4, up 8.1%.

For the half year, net sales revenue increased to Rs.3,107.9 million as compared to Rs.2,587.5 million for the same period last year, up 20.1%. However, Cost of sales increased substantially by 21.8% as against corresponding period of last year. This put an adverse impact on Gross profit ratio which reduced to 15.9% as against 17.1% of last year. However in absolute amount it improved to Rs.495.5 million from Rs.443.0 million, up 11.8%.

Operating expenses during six months period increased by 14.4%, mainly because of increase in administrative expenses. Operating profit for six months improved to Rs.328.3 million from Rs.299.6 million, up 9.6% as compared to same period last year. Financial cost increased by Rs.18.2 million because of higher utilization of short term loans. Thus, Profit before tax for six months was Rs.285.2 million as compared to Rs.274.8 million in the corresponding period of last year, up 3.8%. After tax profit was Rs.210.3 million as against Rs.189.6 million during the same period last year and earnings per share improved to Rs.17.4 as against Rs.15.7, up 10.8%.

FUTURE OUTLOOK

Given the current economic fundamentals, rising government borrowing, political instability and a looming energy crisis the outlook for 2012 remains challenging. The fragile global economic environment may further suppress domestic growth. There is an urgency to implement sound economic reforms, apply long term economic management principals and introduce alternate power sources for creating conducive environment for a prosperous Pakistan. Agriculture, with a 25% share of the economy, should remain the nucleus of economic growth. Reasonable support prices, improved acreage in major crops and timely financial support by GOP to farmers could bring favorable results for the overall economy. The domino effect of agricultural growth always boosts the automotive industry, especially two wheelers due to its role as the main source of transportation in the rural areas.

Your Company has exhibited decent performance against the challenges of the economy, competition, vulnerability of exchange rates and unabated cost of doing business. With the increased production capacity, your Company is uniquely positioned to supply quality products as per customer demand and is ready to meet the challenges ahead. I am sure your Company will continue to focus on productivity with improved quality and become more competitive in this challenging environment to ensure sustainable growth and profitability.

ہے جستجو کہ خوب سے ہے خوب تر کہاں

(Good, better, best; never let it rest,

Till your good is better; and your better best)

ACKNOWLEDGEMENT

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



Yusuf H. Shirazi
Chairman



HAMEED CHAUDHRI & CO.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Atlas Battery Limited** ("the Company") as at December 31, 2011 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof (here-in-after referred to as "interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

The figures for the condensed interim profit and loss account for the quarters ended December 31, 2011 and December 31, 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity."

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2011 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Hameed Chaudhri & Co.

Karachi: February 20, 2012
Engagement Partner: Abdul Majeed Chaudhri

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

LAHORE:

HM House, 7-Bank Square.
Tel : 37235084-87 Fax : 042-37235083
E-mail : lhr@hccpk.com
URL : www.hccpk.com

KARACHI:

Karachi Chambers, Hasrat Mohani Road.
Tel : 32411474, 32412754, 32424826
Fax : 021-32424835 E-mail : khi@hccpk.com
URL : www.hccpk.com



CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2011

	Note	Unaudited December 31, 2011 ----- (Rupees in '000) -----	Audited June 30, 2011 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,076,660	900,503
Intangible assets		3,064	6,129
Investments - Available for sale		-	-
Long term deposits		517	517
Long term loans		774	605
		<u>1,081,015</u>	<u>907,754</u>
CURRENT ASSETS			
Stores, spares and loose tools		43,923	30,933
Stock-in-trade	6	800,231	717,004
Trade debts		176,127	89,625
Loans and advances		2,574	2,884
Deposits and prepayments		39,149	4,847
Investments		213,452	204,863
Other receivables		8,739	2,317
Taxation - net		52,401	26,488
Cash and bank balances	7	168,681	93,952
		<u>1,505,277</u>	<u>1,172,913</u>
		<u>2,586,292</u>	<u>2,080,667</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (June 30, 2011: 50,000,000) ordinary shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 12,083,174 (June 30, 2011: 10,069,312) ordinary shares of Rs. 10/- each		120,832	100,693
General reserves		727,500	497,500
Unappropriated profit		216,002	356,552
		<u>1,064,334</u>	<u>954,745</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Leasehold land		173,786	173,786
NON-CURRENT LIABILITIES			
Deferred liabilities	8	173,628	138,411
CURRENT LIABILITIES			
Trade and other payables		287,709	356,874
Sales tax payable - net		40,623	3,908
Special excise duty payable - net		-	13,023
Accrued mark-up / interest		21,875	5,222
Short term borrowings - secured	9	824,337	434,698
		<u>1,174,544</u>	<u>813,725</u>
CONTINGENCIES AND COMMITMENTS			
	10	<u>2,586,292</u>	<u>2,080,667</u>

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2011

	Note	Quarter ended		Half year ended	
		December 31,		December 31,	
		2011	2010	2011	2010
----- (Rupees in '000) -----					
Sales		1,588,379	1,369,836	3,107,914	2,587,458
Cost of sales	11	(1,323,962)	(1,136,443)	(2,612,406)	(2,144,425)
Gross profit		264,417	233,393	495,508	443,033
Distribution cost		(39,362)	(39,837)	(80,235)	(75,374)
Administrative expenses		(29,726)	(24,935)	(61,705)	(48,667)
Other operating income		3,658	620	10,566	1,533
Other operating expenses		(19,693)	(10,945)	(35,883)	(20,902)
Profit from operations		179,294	158,296	328,251	299,623
Finance cost		(25,977)	(13,456)	(43,007)	(24,835)
Profit before tax		153,317	144,840	285,244	274,788
Taxation	12	(39,996)	(39,563)	(74,962)	(85,218)
Profit after tax		113,321	105,277	210,282	189,570
Other comprehensive income		-	-	-	-
Total comprehensive income		113,321	105,277	210,282	189,570
-----Rupees-----					
Earnings per share - basic and diluted	13	9.38	8.71	17.40	15.69

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	December 31,	
		2011	2010
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		285,244	274,788
Adjustments for:			
Depreciation		41,252	31,488
Amortization		3,065	3,065
Unrealized gain on remeasurement of investments		(6,754)	(446)
Gain on sale of investments		(1,838)	(125)
Finance cost		43,007	24,835
Gain on sale of fixed assets		(123)	(88)
Provision for gratuity		3,187	4,071
Provision for compensated absences		13,100	5,372
		94,896	68,172
Operating profit before working capital changes		380,140	342,960
Working capital changes:			
(Increase) / decrease in current assets			
Stores, spares and loose tools		(12,990)	(5,979)
Stock-in-trade		(83,227)	(73,072)
Trade debts		(86,502)	(63,659)
Loans and advances		310	(1,649)
Deposits and prepayments		(34,302)	(17,183)
Other receivables		(6,422)	-
		(223,133)	(161,542)
Increase / (decrease) in current liabilities			
Trade and other payables		(64,283)	(67,362)
Sales tax payable - net		36,715	45,799
Special excise duty payable - net		(13,023)	(118)
		(40,591)	(21,681)
Working capital changes		(263,724)	(183,223)
Cash generated from operations		116,416	159,737
Finance cost paid		(26,354)	(17,253)
Interest received		-	195
Taxes paid		(71,898)	(71,416)
Gratuity paid		(7,964)	-
Compensated absences paid		(6,960)	(992)
Long term loans		(169)	(198)
		(113,345)	(89,664)
Net cash generated from operating activities	c/f	3,071	70,073

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	December 31,	
		2011	2010
		----- (Rupees in '000) -----	
Net cash used in operating activities	b/f	3,071	70,073
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(225,123)	(105,851)
Intangible assets		-	(13,196)
Investments acquired		(60,000)	(12,459)
Proceeds from disposal of property, plant and equipment		7,838	1,854
Proceeds from disposal of intangible assets		-	937
Proceeds from disposal of investments		60,000	20,324
Net cash used in investing activities		(217,285)	(108,391)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short term borrowings		389,639	239,962
Dividend paid		(100,696)	(83,917)
Net cash generated from financing activities		288,943	156,045
Increase in cash and cash equivalents		74,729	117,727
Cash and cash equivalents at the beginning of the period		93,952	29,869
Cash and cash equivalents at the end of the period		168,681	147,596

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Share Capital	General Reserves	Unappro- priated Profit	Total
----- (Rupees in '000) -----				
Balance as at June 30, 2010 (Audited)	83,911	375,500	224,743	684,154
Total comprehensive income for the half year ended December 31, 2010	-	-	189,570	189,570
Cash dividend paid @ Rs. 10/- per share	-	-	(83,911)	(83,911)
Transfer to general reserves	-	122,000	(122,000)	-
Bonus shares issued	16,782	-	(16,782)	-
Transactions with owners directly recorded in equity	16,782	122,000	(222,693)	(83,911)
Balance as at December 31, 2010 (Unaudited)	100,693	497,500	191,620	789,813
Total comprehensive income for the six months period ended June 30, 2011	-	-	164,932	164,932
Balance as at June 30, 2011 (Audited)	100,693	497,500	356,552	954,745
Total comprehensive income for the half year ended December 31, 2011	-	-	210,282	210,282
Cash dividend paid @ Rs. 10/- per share	-	-	(100,693)	(100,693)
Transfer to general reserves	-	230,000	(230,000)	-
Bonus shares issued	20,139	-	(20,139)	-
Transactions with owners directly recorded in equity	20,139	230,000	(350,832)	(100,693)
Balance as at December 31, 2011 (Unaudited)	<u>120,832</u>	<u>727,500</u>	<u>216,002</u>	<u>1,064,334</u>

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 under the Companies Act, 1913, now Companies Ordinance, 1984 (the Ordinance). Currently, the shares of the Company are listed on Karachi and Lahore Stock Exchanges in Pakistan. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The Company is engaged in manufacturing and marketing of automotive and motorcycle batteries. The manufacturing facilities are located at Karachi with branches at Karachi, Lahore, Multan, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the half year ended December 31, 2011 has been prepared in accordance with the requirements of the International Accounting Standard 34, "Interim Financial Reporting" (IAS 34) and provisions of and directives issued under the Companies Ordinance, 1984 (the Ordinance). In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
- 2.2** The disclosures in the condensed interim financial information does not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended June 30, 2011. Comparative balance sheet is extracted from annual financial statements as of June 30, 2011 where as comparative profit and loss account, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information for the half year ended December 31, 2010.
- 2.3** This condensed interim financial information is un-audited and is being submitted to the members as required under Section 245 of the Ordinance and the Listing Regulations of the Karachi and Lahore Stock Exchanges.
- 2.4** This condensed interim financial information are presented in Pak Rupee, which is the functional currency of the Company. All the financial information presented in Pak Rupee has been rounded off to the nearest thousand, except for earnings per share which is presented in whole figures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The principal accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the consistent with those applied in the preparation of the financial statements for the year ended June 30, 2011. The following standards, amendments and interpretations of approved accounting standards, effective for accounting period beginning as mentioned there against are either not relevant to the Company's current operation or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

- IAS 1 (Amendment), 'Presentation of financial statements'	(effective from January 2011)
- IAS 12 (Amendment), 'Income taxes'	(effective from January 2011)
- IAS 24 (Revised), 'Related party transactions'	(effective from January 2011)
- IAS 34 (Amendment), 'Interim Financial reporting'	(effective from January 2011)
- IFRS 1 (Amendment), 'First-time adoption of International Financial Reporting Standards'	(effective from January 2011)
- IFRS 7 (Amendment), 'Financial instruments: Disclosures'	(effective from January 2011)
- IFRIC 13 (Amendment), 'Customer loyalty programmes'	(effective from January 2011)
- IFRIC 14 (Amendment), 'Prepayments of a minimum funding requirement'	(effective from January 2011)

4. ACCOUNTING ESTIMATES AND JUDGMENTS

- 4.1 The preparation of this condensed interim financial information requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.
- 4.2 During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to audited annual financial statements of the Company for the year ended June 30, 2011.

	Note	Unaudited December 31, 2011 ---- (Rupees in '000) ----	Audited June 30, 2011
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,027,056	866,223
Capital work in progress		49,604	34,280
		<u>1,076,660</u>	<u>900,503</u>
5.1 Operating fixed assets			
Book value at the beginning of the period / year		866,223	680,935
Additions during the period / year	5.2	209,800	259,070
		<u>1,076,023</u>	<u>940,005</u>
Less:			
Written down value of disposals	5.3	(7,715)	(5,810)
Depreciation		(41,252)	(67,972)
		<u>(48,967)</u>	<u>(73,782)</u>
Book value at the end of the period / year		<u>1,027,056</u>	<u>866,223</u>
5.2 Additions during the period / year			
Land		-	48,105
Buildings		774	1,220
Plant and machinery		120,070	141,822
Moulds, dies and jigs		8,446	13,558
Factory equipments		13,371	18,675
Office equipments		-	634
Computer and accessories		634	748
Air conditioners		611	1,726
Electrical installation		43,693	3,022
Vehicles		19,196	29,560
Gas installation		3,005	-
		<u>209,800</u>	<u>259,070</u>
5.3 Written down value of disposals			
Plant and machinery		-	285
Moulds, dies and jigs		-	13
Office equipments		-	37
Computer and accessories		-	66
Air conditioners		-	30
Vehicles		7,715	5,379
		<u>7,715</u>	<u>5,810</u>
5.4			
Certain moulds, dies and jigs having cost of Rs.30,908 thousand (June 30, 2011: Rs.30,908 thousand) and book value of Rs.14,602 thousand (June 30, 2011: Rs.15,371 thousand) are held by third parties for production of components to be supplied to the Company.			

	Unaudited December 31, 2011 ----- (Rupees in '000) -----	Audited June 30, 2011
6. STOCK-IN-TRADE		
Raw materials and components:		
In hand	335,150	290,108
With third parties	39,079	53,961
	<u>374,229</u>	<u>344,069</u>
Work in process	245,682	233,876
Finished goods	149,371	90,701
Goods in transit	30,949	48,358
	<u>800,231</u>	<u>717,004</u>
7. CASH AND BANK BALANCES		
At banks:		
In current account	5,323	13,474
In imprest account	889	40
Cheques in hand	162,469	80,438
	<u>168,681</u>	<u>93,952</u>
8. DEFERRED LIABILITIES		
Provision for gratuity - Non management	1,732	1,633
Compensated leave absences	39,919	33,778
Deferred taxation	131,977	103,000
	<u>173,628</u>	<u>138,411</u>
9. SHORT TERM BORROWINGS - SECURED		
Short term running finance	440,083	255,294
Demand finance	232,709	-
Import finance	151,545	179,404
	<u>824,337</u>	<u>434,698</u>
10. CONTINGENCIES AND COMMITMENTS		
10.1 There is no change in the contingencies as disclosed in Note 23.1 and 23.2 of the audited annual financial statements of the Company for the year ended June 30, 2011.		
	Unaudited December 31, 2011 ----- (Rupees in '000) -----	Audited June 30, 2011
10.2 Guarantees		
Issued by banks on behalf of Company to:		
Sui Southern Gas Company Limited	7,677	7,677
Karachi Electric Supply Corporation	26,025	-
10.3 Commitments		
Confirmed letters of credits / contracts relating to:		
Raw materials and stores, spare parts and loose tools	335,152	292,547
Plant and equipment	29,299	3,862

16. RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, staff retirement funds / schemes, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. All transactions with related parties have been carried out on commercial terms and conditions. Significant transactions and balances with related parties are as follows:

Transactions	Relationship	----- Unaudited ----- December 31, 2011 2010 ---- (Rupees in '000) ----	
		Unaudited December 31, 2011	Audited June 30, 2011
Sales	Associated companies	158,092	150,924
Sale of operating fixed assets	"	-	612
Sale of intangible assets	"	-	937
Purchase of operating fixed assets	"	35,608	6,222
Reimbursement of expenses	"	2,660	541
Expenses charged to	"	263	43
Insurance claim received	"	124	1,457
Donation paid	"	5,251	3,413
Sale proceeds of bonus fractions	"	64	52
Insurance premium	"	47,317	36,975
Rent / service charges paid	"	34,472	12,033
Dividend paid	"	73,954	57,049
Investment in mutual fund	"	60,000	10,000
Redemption of mutual fund	"	60,000	-
Purchases of consumables	"	257	291
Purchases of raw materials	"	9,839	9,616
Royalty	"	31,079	25,875
Contributions paid	Staff retirement funds/schemes	5,871	7,373
Remuneration and other benefits	Key management personnel	68,756	49,468
		Unaudited December 31, 2011	Audited June 30, 2011
		---- (Rupees in '000) ----	

Balances	Relationship	Unaudited December 31, 2011	Audited June 30, 2011
Trade debts	Associated companies	29,749	1,514
Advance for capital expenditure	"	9,055	1,499
Investments	"	203,428	195,425
Insurance claim receivables	"	6,422	-
Trade payable	"	7,956	-
Royalty payable	"	31,079	58,683
Loan to staff	Key management personnel	565	167
Gratuity fund payable	Staff retirement funds/schemes	4,820	9,597

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on February 20, 2012 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison and better presentation, the effect of which is immaterial.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

Atlas Battery Limited

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

Tel: (92-21) 32567990-4

Fax: (92-21) 32564703

Email: abl@atlasbattery.com.pk

Website: www.atlasbattery.com.pk