



Half Yearly Report  
December 31, 2012



# 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

Kamal A. Chinoy

Chairman

Khaleeq-ur-Rahman Khan

Member

Talha Saad

Member

Rizwan Ahmed

Secretary

M. Rizwan Jamil

Head of Internal Audit

### Human Resource and Remuneration Committee

Omar Saeed

Chairman

Ali H. Shirazi

Member

Khaleeq-ur-Rahman Khan

Member

Ahmar Waheed

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

Nehal Asghar

General Manager Plant

Ahmar Waheed

Head of Human Resource

Qasim Imran Khan

Head of Information Technology

## COMPANY INFORMATION

### 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  
Barclays Bank PLC  
HSBC Bank Middle East Limited  
Habib Bank Limited  
Habib Metropolitan Bank 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: 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,  
Touheed 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

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

Ground 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](http://www.atlasbattery.com.pk)

### Email Address

[abl@atlasbattery.com.pk](mailto:abl@atlasbattery.com.pk)

## CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for the half year ended December 31, 2012.

### ECONOMY

The current fiscal year continued to show encouraging signs. The CPI rate came down to 8.1% against 10.9% of last year. Accordingly, the State Bank of Pakistan resumed monetary easing by reducing the discount rate and bringing it down to 9.5%. Tax collection showed an increase of 12.1% aggregating to Rs.942 billion (provisional) up to December 2012. The workers' home remittances of US\$ 7.1 billion for six months ending December 2012 and receipts of US\$ 1.9 billion from Coalition Support Fund (CSF) provided much needed impetus to the economy. Resultantly, current account deficit reduced to US\$ 365 million. However, foreign currency reserves remained under pressure and dwindled to US\$ 13.8 billion, a year on year decline of 19%. This was largely due to rising import bill, declining foreign investment and continuous debt servicing. These factors put pressure on Pak Rupee which devalued by 8% against US Dollars. On the fiscal front, the government is funding its entire deficit through local borrowings, which has resulted in crowding out of the private sector from access to credit. Large scale manufacturing (LSM) index displayed growth of 1.9% in 4 months of FY 2012-13 with major contribution coming from consumer driven industries. The major hurdle in LSM growth remains the ongoing energy crisis. This has resulted in under utilization of installed capacities and forced businesses to divert to expensive alternate energy sources. Despite the foregoing challenges on fiscal front, GDP growth of 3.5% is expected.

### OPERATING RESULTS

Your Company achieved sales revenue of Rs.2,069.7 million during 2nd quarter as compared to Rs.1,588.4 million for the same period last year, up 30.3%. Cost of sales for the same period increased from Rs.1,323.9 million to Rs.1,764.6 million, up 33.3%. Higher raw material prices, depreciation of Pak Rupee against US dollar and unabated higher cost of energy and other related products, hampered the growth in net sales value. Resultantly, gross profit percentage stood at 14.7% as compared to 16.6% in the corresponding period of last year.

Operating expenses increased from Rs.69.1 million to Rs.104.9 million, up by Rs.35.8 million, mainly because of increase in freight cost and marketing activities. However, other operating income increased significantly from Rs.3.7 million to Rs.16.9 million due to good return on investment of excess funds used in treasury activities. Other operating expenses increased by 5.6% due to increase in profit from operations as compared to same period last year. Profit from operations increased to Rs.196.4 million from Rs.179.3 million, up 9.5%. Financial cost reduced from Rs.25.9 million to Rs.13.8 million, lower by 47.0% as compared to corresponding period due to better working capital management.

Thus, profit before tax for the 2nd quarter of 2012-13 stood at Rs.182.6 million as compared to Rs.153.3 million in the corresponding period of last year, up 19.1%. After providing Rs.51.7 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.130.9 million as compared to Rs.113.3 million, up 15.6%. Earnings per share for the quarter improved from Rs.7.82 to Rs.9.03.

For the 1st half of 2012-13, net sales revenue increased to Rs.3,855.9 million as compared to Rs.3,107.9 million for the same period last year, up 24.1%. However, cost of sales increased substantially by 25.3% as against corresponding period of last year. This put an adverse impact on gross profit ratio which reduced to 15.1% as against 15.9% of last year. However in absolute amount it improved to Rs.583.1 million from Rs.495.5 million, up 17.7%.

Operating profit for six months improved to Rs.375.8 million from Rs.328.3 million, up 14.5% as compared to same period last year. Financial cost decreased by Rs.14.4 million because of better working capital management. Thus, profit before tax for six months was Rs.347.2 million as compared to Rs.285.2 million in the corresponding period of last year, up 21.7%. After tax profit was Rs.244.8 million as against Rs.210.3 million during the same period last year and earnings per share improved to Rs.16.89 as against Rs.14.50, up 16.4%.

## FUTURE OUTLOOK

The macroeconomic outlook for 2013 remains challenging on account of stressed fiscal position resulting from alarmingly increased government borrowings, lower foreign direct investment and persistent energy shortages. There is an urgent need to implement sound economic reforms, apply long-term economic management policies and introduce alternate power sources to create a conducive business environment. Overall, rural economy holds the key to revival. Reasonable support prices, improved acreage in major crops and timely subsidies to farmers could bring favorable results to the economy. This will augur well for the automobile sector and will provide opportunity for the private sector to enhance its presence in the far flung areas.

During the period under review, your Company has performed satisfactorily against the challenges of the increasing competition in industry, depreciating rupee and unabated increase in cost of doing business. Being the preferred brand of consumers, your Company is ready to fulfill the market demand ahead, with the increased production capacity. The management of your Company will continue to focus on productivity with improved quality and become more competitive by following the principles of "The Atlas Way".

ع کہ تیرے زمان و مکاں اور بھی ہیں  
(Let us make impossible possible!)

## 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 and Chief Executive of your Company and the management team for their dedication and commitment to achieve sustained growth year after year.



Yusuf H. Shirazi  
Chairman

Karachi: February 25, 2013



# 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, 2012 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended December 31, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

#### Scope of Review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi: February 25, 2013  
Engagement Partner: Muhammad Ali

*Hameed Chaudhri & Co.*

HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS

#### KARACHI

Karachi Chambers, Hasrat Mohani Road.  
Off : +9221 32411474, 32412754  
Fax : +9221 32424835  
E-Mail : khi@hccpk.com

#### LAHORE

HM House, 7-Bank Square.  
Off : +9242 37235084-87  
Fax : +9242 37235083  
E-Mail : lhr@hccpk.com  
URL : www.hccpk.com



**CONDENSED INTERIM BALANCE SHEET**

AS AT DECEMBER 31, 2012

	Note	Unaudited December 31, 2012 ----- (Rupees in '000) -----	Audited June 30, 2012 -----
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,176,973	1,127,859
Intangible assets	6	2,458	-
Investments		-	-
Long term deposits		7,832	6,832
Long term loans		816	719
		<u>1,188,079</u>	<u>1,135,410</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		45,792	43,594
Stock-in-trade		1,062,407	811,490
Trade debts		74,114	112,423
Loans and advances		3,835	2,682
Deposits and prepayments	7	42,136	5,138
Investments	8	478,447	436,291
Other receivables		7,111	7,023
Taxation - net		58,350	29,481
Bank balances		20,082	48,191
		<u>1,792,274</u>	<u>1,496,313</u>
		<u>2,980,353</u>	<u>2,631,723</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs.10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 14,499,808 (June 30, 2012: 12,083,174) ordinary shares of Rs.10 each	9	144,998	120,832
General reserves		1,067,500	727,500
Unappropriated profit		251,579	491,734
		<u>1,464,077</u>	<u>1,340,066</u>
<b>SURPLUS ON REVALUATION OF LEASEHOLD LAND</b>		173,786	173,786
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities		193,996	179,325
<b>CURRENT LIABILITIES</b>			
Trade and other payables		569,659	494,461
Sales tax payable - net		39,181	21,066
Accrued mark-up		12,152	7,810
Short term borrowings		527,502	415,209
		<u>1,148,494</u>	<u>938,546</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	10		
		<u>2,980,353</u>	<u>2,631,723</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Yusuf H. Shirazi  
ChairmanAli H. Shirazi  
President / Chief ExecutiveKamal A. Chinoy  
Director



**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2012**

	Note	Quarter ended		Half year ended	
		December 31,		December 31,	
		2012	2011	2012	2011
----- (Rupees in '000) -----					
Sales		2,069,701	1,588,379	3,855,916	3,107,914
Cost of sales	11	(1,764,569)	(1,323,962)	(3,272,802)	(2,612,406)
<b>Gross profit</b>		<b>305,132</b>	<b>264,417</b>	<b>583,114</b>	<b>495,508</b>
Distribution cost		(55,847)	(39,362)	(111,819)	(80,235)
Administrative expenses		(49,009)	(29,726)	(95,395)	(61,705)
Other operating income		16,913	3,658	36,060	10,566
Other operating expenses		(20,803)	(19,693)	(36,175)	(35,883)
<b>Profit from operations</b>		<b>196,386</b>	<b>179,294</b>	<b>375,785</b>	<b>328,251</b>
Finance cost		(13,758)	(25,977)	(28,633)	(43,007)
<b>Profit before taxation</b>		<b>182,628</b>	<b>153,317</b>	<b>347,152</b>	<b>285,244</b>
Taxation	12	(51,667)	(39,996)	(102,309)	(74,962)
<b>Profit after taxation</b>		<b>130,961</b>	<b>113,321</b>	<b>244,843</b>	<b>210,282</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income</b>		<b>130,961</b>	<b>113,321</b>	<b>244,843</b>	<b>210,282</b>
----- Rupees -----					
<b>Earnings per share</b>	13	<u>9.03</u>	Restated <u>7.82</u>	<u>16.89</u>	Restated <u>14.50</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Half year ended	
	December 31, 2012	December 31, 2011
	----- (Rupees in '000) -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	347,152	285,244
<b>Adjustments for non-cash charges and other items</b>		
Depreciation of operating fixed assets	50,279	41,252
Amortisation of intangible assets	430	3,065
Net change in fair value of investments at fair value through profit or loss	(25,173)	(6,754)
Gain on sale of investments	(5,088)	(1,838)
Finance cost	28,633	43,007
Gain on sale of operating fixed assets	-	(123)
Provision for gratuity	3,857	3,187
Provision for compensated leave absences	5,244	13,100
	58,182	94,896
Operating profit before working capital changes	405,334	380,140
<b>Working capital changes</b>		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(2,198)	(12,990)
Stock-in-trade	(250,917)	(83,227)
Trade debts	38,309	(86,502)
Loans and advances	(1,153)	310
Deposits and prepayments	(36,998)	(34,302)
Other receivables	(88)	(6,422)
	(253,045)	(223,133)
Increase / (decrease) in current liabilities		
Trade and other payables	79,687	(64,283)
Sales tax payable - net	18,115	36,715
Special excise duty payable - net	-	(13,023)
	97,802	(40,591)
	(155,243)	(263,724)
<b>Cash generated from operations</b>	250,091	116,416
Finance cost paid	(24,291)	(26,354)
Income taxes paid (including tax deducted at source)	(120,477)	(71,898)
Gratuity paid	(8,222)	(7,964)
Compensated leave absences paid	(1,354)	(6,960)
Long term deposits	(1,000)	-
Long term loans	(97)	(169)
	(155,441)	(113,345)
<b>Net cash generated from operating activities</b>	<b>c/f 94,650</b>	3,071

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Half year ended December 31, December 31, 2012                      2011 ----- (Rupees in '000) -----		
<b>Net cash generated from operating activities</b>	b/f	94,650	3,071
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures		(109,936)	(225,123)
Sale proceeds from disposal of operating fixed assets		10,543	7,838
Additions in intangible assets		(2,888)	-
Investments acquired		(181,894)	(60,000)
Sale proceeds from disposal of investments		170,000	60,000
<b>Net cash used in investing activities</b>		(114,175)	(217,285)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Short term borrowings - net		112,293	389,639
Dividend paid		(120,877)	(100,696)
<b>Net cash (used in) / generated from financing activities</b>		(8,584)	288,943
<b>Net (decrease) / increase in cash and cash equivalents</b>		(28,109)	74,729
<b>Cash and cash equivalents - at beginning of the period</b>		48,191	93,952
<b>Cash and cash equivalents - at end of the period</b>		20,082	168,681

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

	Issued, subscribed and paid up capital	General reserves	Unappro- priated profit	Total
----- (Rupees in '000) -----				
<b>Balance as at July 1, 2011 (Audited)</b>	100,693	497,500	356,552	954,745
Transfer to general reserves	-	230,000	(230,000)	-
<b>Transactions with owners</b>				
Cash dividend for the year ended June 30, 2011 at the rate of Rs.10 per share	-	-	(100,693)	(100,693)
Bonus shares at the rate of 20% issued during the period	20,139	-	(20,139)	-
	20,139	-	(120,832)	(100,693)
Total comprehensive income for the half year ended December 31, 2011	-	-	210,282	210,282
<b>Balance as at December 31, 2011 (Unaudited)</b>	120,832	727,500	216,002	1,064,334
Total comprehensive income for the six months period ended June 30, 2012	-	-	275,732	275,732
<b>Balance as at June 30, 2012 (Audited)</b>	120,832	727,500	491,734	1,340,066
Transfer to general reserves	-	340,000	(340,000)	-
<b>Transactions with owners</b>				
Cash dividend for the year ended June 30, 2012 at the rate of Rs.10 per share	-	-	(120,832)	(120,832)
Bonus shares at the rate of 20% issued during the period	24,166	-	(24,166)	-
	24,166	-	(144,998)	(120,832)
Total comprehensive income for the half year ended December 31, 2012	-	-	244,843	244,843
<b>Balance as at December 31, 2012 (Unaudited)</b>	144,998	1,067,500	251,579	1,464,077

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2012

### 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 and Lahore Stock Exchanges in Pakistan. 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, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

### 2. BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures for the half year ended December 31, 2012 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the audited annual financial statements for the year ended June 30, 2012.

### 3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding audited annual published financial statements of the Company for the year ended June 30, 2012.

### 4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements 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 were applied to the audited annual financial statements for the year ended June 30, 2012.

### 5. PROPERTY, PLANT AND EQUIPMENT

	Note	Unaudited December 31, 2012 ---- (Rupees in '000) ----	Audited June 30, 2012
Operating fixed assets	5.1	1,127,623	1,076,257
Capital work-in-progress		49,350	51,602
		<u>1,176,973</u>	<u>1,127,859</u>
<b>5.1 Operating fixed assets</b>			
Book value at the beginning of the period / year		1,076,257	866,223
Additions during the period / year	5.2	112,188	328,710
Disposals costing Rs.16,807 thousand (June 30, 2012: Rs.33,173 thousand) - at book value	5.3	(10,543)	(17,106)
Write-off during the period / year		-	(11,190)
Depreciation charged during the period / year		(50,279)	(90,380)
Book value at the end of the period / year		<u>1,127,623</u>	<u>1,076,257</u>

	Unaudited December 31, 2012 ---- (Rupees in '000) ----	Audited June 30, 2012
<b>5.2 Additions during the period / year</b>		
Buildings on leasehold land	9,255	26,389
Plant and machinery	72,289	249,755
Office equipment	-	2,383
Computers and accessories	4,259	8,603
Furniture and fixtures	143	2,602
Air conditioners	106	2,778
Vehicles	26,136	36,200
	<u>112,188</u>	<u>328,710</u>
<b>5.3 Disposals during the period / year</b>		
Plant and machinery	-	6,878
Computers and accessories	107	-
Vehicles	10,436	10,228
	<u>10,543</u>	<u>17,106</u>
<b>5.4</b> Certain dies and moulds having cost aggregating Rs.40,610 thousand (June 30, 2012: Rs.40,610 thousand) and book value of Rs.26,964 thousand (June 30, 2012: Rs.28,383 thousand) are held by various vendors.		

	Unaudited December 31, 2012 ---- (Rupees in '000) ----	Audited June 30, 2012
<b>6. INTANGIBLE ASSETS</b>		
Book value at the beginning of the period / year	-	6,129
Additions during the period / year	2,888	-
	<u>2,888</u>	<u>6,129</u>
Amortisation during the period / year	(430)	(6,129)
Book value at the end of the period / year	<u>2,458</u>	<u>-</u>
<b>7. DEPOSITS AND PREPAYMENTS</b>		
Includes prepayments of Rs.38,736 thousand (June 30, 2012: Rs.2,562 thousand) in respect of renewals of insurance policies and rental agreements.		

	Unaudited December 31, 2012 ---- (Rupees in '000) ----	Audited June 30, 2012
<b>8. INVESTMENTS - at fair value through profit or loss</b>		
Investments in mutual funds:		
- Related parties	455,004	425,757
- Others	23,443	10,534
	<u>478,447</u>	<u>436,291</u>
<b>9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL</b>		

During the period, a 20% issue of bonus shares in the ratio of one bonus share for every five shares held by the shareholders was proposed in the Board of Directors meeting held on August 27, 2012. The approval of the members for issue of bonus shares was obtained in the Annual General Meeting held on September 24, 2012. The effect of the issue of 2,416,634 bonus shares of Rs.10 each has been accounted for in this condensed interim financial information.

## 10. CONTINGENCIES AND COMMITMENTS

### 10.1 Contingencies

10.1.1 With reference to the note 22.1.1 of the audited financial statements of the Company for the year ended June 30, 2012, the Commissioner Inland Revenue (Appeals-I), Karachi has set aside the orders passed by the Deputy Commissioner Inland Revenue with the direction to allow the claim of input sales tax by revisiting / confirming the status of alleged vendors and examining the complete procurement and payment procedures to ascertain whether they fulfill the conditions of Section 73 of the Sales Tax Act, 1990.

10.1.2 There is no change in status of contingency as disclosed in note 22.1.2 of the audited financial statements of the Company for the year ended June 30, 2012.

### 10.2 Outstanding bank guarantees

Guarantees aggregating Rs.10,720 thousand (June 30, 2012: Rs.33,703 thousand) are issued by various commercial banks on behalf of the Company to Sui Southern Gas Company Limited (June 30, 2012: Sui Southern Gas Company Limited and Karachi Electric Supply Company Limited).

Unaudited December 31, 2012	Audited June 30, 2012
---- (Rupees in '000) ----	

### 10.3 Commitments

10.3.1 Commitments in respect of confirmed letters of credit relating to:

- raw materials, stores, spares and loose tools	329,029	281,086
- capital expenditure	55,058	15,904
	<u>384,087</u>	<u>296,990</u>

10.3.2 Commitments for capital expenditure other than through letters of credit aggregating Rs.5,228 thousand (June 30, 2012: Rs.13,855 thousand).

Note	----- Unaudited -----			
	Quarter ended		Half year ended	
	December 31, 2012	2011	December 31, 2012	2011
	----- (Rupees in '000) -----			

## 11. COST OF SALES

Finished goods at beginning of the period	117,192	63,533	51,567	90,701
Cost of goods manufactured 11.1	1,826,146	1,409,800	3,400,004	2,671,076
	<u>1,943,338</u>	<u>1,473,333</u>	<u>3,451,571</u>	<u>2,761,777</u>
Finished goods at end of the period	178,769	149,371	178,769	149,371
	<u>1,764,569</u>	<u>1,323,962</u>	<u>3,272,802</u>	<u>2,612,406</u>

### 11.1 Cost of goods manufactured

Work in process at beginning of the period	304,640	268,514	320,719	233,876
Raw materials and components consumed	1,511,259	1,107,085	2,781,612	2,147,601
Factory overheads	310,946	279,883	598,372	535,281
	<u>1,822,205</u>	<u>1,386,968</u>	<u>3,379,984</u>	<u>2,682,882</u>
	<u>2,126,845</u>	<u>1,655,482</u>	<u>3,700,703</u>	<u>2,916,758</u>
Work in process at end of the period	300,699	245,682	300,699	245,682
	<u>1,826,146</u>	<u>1,409,800</u>	<u>3,400,004</u>	<u>2,671,076</u>

----- Unaudited -----			
Quarter ended		Half year ended	
December 31,		December 31,	
2012	2011	2012	2011
----- (Rupees in '000) -----			

**12. TAXATION**

## Current

- Current year	42,857	21,819	93,230	47,130
- Adjustments for prior year	(1,622)	(1,145)	(1,622)	(1,145)

## Deferred

	41,235	20,674	91,608	45,985
	10,432	19,322	10,701	28,977
	<u>51,667</u>	<u>39,996</u>	<u>102,309</u>	<u>74,962</u>

**13. EARNINGS PER SHARE  
- Basic and diluted**

## Profit for the period

	<u>130,961</u>	<u>113,321</u>	<u>244,843</u>	<u>210,282</u>
--	----------------	----------------	----------------	----------------

----- (Number of shares) -----  
Restated Restated

## Weighted average number of ordinary shares in issue during the period

	<u>14,499,808</u>	<u>14,499,808</u>	<u>14,499,808</u>	<u>14,499,808</u>
--	-------------------	-------------------	-------------------	-------------------

----- (Rupees) -----

## Basic and diluted earnings per share

	<u>9.03</u>	<u>7.82</u>	<u>16.89</u>	<u>14.50</u>
--	-------------	-------------	--------------	--------------

- 13.1** There is no dilutive effect on the basic earnings per share of the Company. Weighted average number of shares in issue and earnings per share for the quarter and half year ended December 31, 2011 have been restated taking into effect of bonus shares at the rate of 20% issued during the current period.

**14. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the Company's audited annual financial statements as at June 30, 2012.

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

**15. TRANSACTIONS WITH RELATED PARTIES**

- 15.1** Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	----- Unaudited -----	
		Half year ended December 31, 2012	2011
---- (Rupees in '000) ----			
(i) Associates	Sales:		
	- goods	182,807	158,092
	- operating fixed assets	2,276	-
	Purchases:		
	- raw materials	12,323	9,839
	- consumables	1,081	257
	- operating fixed assets	21,574	35,608
- Intangible assets	2,338	-	



Relationship with the Company	Nature of transactions	----- Unaudited ----- Half year ended December 31, 2012                      2011 ---- (Rupees in '000) ----	
	Rent / service charges	52,595	34,472
	Commission	71,262	-
	Reimbursement of expenses	1,094	2,660
	Expenses charged	-	263
	Insurance premium	54,754	47,317
	Insurance claims received	868	124
	Purchase of units in mutual funds	169,984	60,000
	Redemption of units in mutual funds	170,000	60,000
	Dividend paid	93,576	73,954
	Sale proceeds of bonus fractions	93	64
	Royalty	38,559	31,079
	Donation paid	6,897	5,251
	Contribution to pension funds	2,559	2,126
		---- (Number of shares) ----	
	Bonus shares issued	1,871,520	1,479,081
		---- (Rupees in '000) ----	
(ii)	Key management personnel                      Remuneration and other benefits	77,510	68,756
(iii)	Staff retirement funds                      Contribution paid to - gratuity fund - provident fund	8,222 2,597	7,964 2,783
		<b>Unaudited December 31, 2012</b>	<b>Audited June 30, 2012</b>
		---- (Rupees in '000) ----	

**15.2 Period / year end balances are as follows:**

Receivables from related parties			
Capital work-in-progress		1,601	-
Trade debts		32,122	27,044
Investments		455,004	425,757
Other receivables		4,794	4,706
Payable to related parties			
Trade and other payables		48,634	80,939


**16. DATE OF AUTHORIZATION FOR ISSUE**


This condensed interim financial information was authorized for issue on February 25, 2013 by the Board of Directors of the Company.

**17. CORRESPONDING FIGURES**

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of audited annual financial statements of preceding financial year, whereas, the condensed interim profit and loss account and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

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

  
Kamal A. Chinoy  
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](mailto:abl@atlasbattery.com.pk)

**Website:** [www.atlasbattery.com.pk](http://www.atlasbattery.com.pk)