



HALF YEARLY REPORT
DECEMBER 31, 2010



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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Directors	Kamal A. Chinoy
	Makio Tanaka
	Muhammad Atta Karim
	Omar Saeed
	Talha Saad
President / Chief Executive	Ali H. Shirazi
Company Secretary	Muhammad Iqbal

AUDIT COMMITTEE

Chairman	Omar Saeed
Members	Muhammad Atta Karim
	Talha Saad
Head of Internal Audit	M. Rizwan Jamil
Secretary	Muhammad Saleem

MANAGEMENT COMMITTEE

President / Chief Executive	Ali H. Shirazi
Managing Director	Talha Saad
Chief Financial Officer	Ahmad Zafaryab Ali
General Manager Marketing	Arshad Gulraiz Butt
General Manager Quality Assurance	Muhammad Jamil Awan
General Manager Plant	Shahzad Ahmad Khan
Manager Human Resources	Ahmar Waheed
Company Secretary	Muhammad Iqbal
Manager Information Technology	Qasim Imran Khan

COMPANY INFORMATION

Auditors	Hameed Chaudhri & Co. Chartered Accountants
Legal Advisor	Agha Faisal Barrister at Law Mohsin Tayebaly & Co.
Tax Advisor	Ernst & Young Ford Rhodes Sidat Hyder Chartered Accountants
Bankers	Allied Bank Limited Bank Al-falah Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan Summit Bank Limited The Bank of Tokyo-Mitsubishi UFJ, Limited United Bank Limited
Share Registrar	M/s. Hameed Majeed Associates (Pvt.) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi. Tel: 32424826 & 32412754 Fax: 32424835 E-mail: majeed@hmaconsultants.com
Registered Office / Factory	D-181 Central Avenue, S.I.T.E. Karachi-75730 Tel: 32567990-94 Fax: 32564703
Zonal Office Karachi	PPI Building, Near Sindh Secretariat Building, Shahra-e-Kamal Ataturk, Karachi-74200 Tel: 32636057 - 32610145 Fax: 32626478
Sukkur Office	F-33/4, Barrage Colony, Workshop Road, Sukkur Tel: 612532 Fax: 612532
Zonal Office Lahore	Salam Chambers, 21 Link Mcleod Road, Lahore-54000 Tel: 37227075 - 37354245 Fax: 37352724
Faisalabad Office	54-Chenab Market, Madina Town, Faisalabad Tel: 8713127 Fax: 8726628
Multan Office	Azmat Wasti Road, Chowk Dera Adda Multan-60000 Tel: 4548017
Peshawar Office	1st Floor, Zeenat Plaza, Near General Bus Stand, G.T. Road, Peshawar Tel: 2262485
Rawalpindi Office	312-A, Kashmir Road, R.A. Bazar, Rawalpindi-65847 Tel: 5567423
Sahiwal Office	647-V-7, Al-Hilal Building, Nishter Road, Sahiwal-57000 Tel: 4461539
Company Website	www.atlasbattery.com.pk
Email Address	abl@atlasbattery.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited accounts of your Company for the half year ended December 31, 2010 along with review report of auditors.

ECONOMY

Key economic indicators suggest that the economy is facing some structural challenges. The economic variables impeding stabilization and growth include high and persistent inflation, continuing fiscal deficit, meager growth in tax revenues and unresolved power crises. Unprecedented government borrowing from the State Bank and surge in price of general items has increased inflation to 15.5% in December 2010 on a year on year basis. Consequently the SBP increased the policy rate by 50 basis points to 14% in November 2010. High interest rates will continue to hamper economic growth and increase the financial burden on industry. However, there are several positive indicators to suggest the economy is resilient and poised to rebound in the foreseeable future. Exports have increased to US\$ 10.9 billion an increase of 20.6% as compared to the first six months of last year. Remittances from overseas Pakistanis were up by 17.7% over the first six months period of last year and are set to hit a record \$10 billion for the year ending June 2011. These positive trends along with proceeds from the coalition support fund have resulted in a current account surplus and highest reserves of \$17.3 billion. Moreover, the rural economy continues to thrive on the back of high support prices being offered on agricultural produce to the farmers.

OPERATING RESULTS

Net sales revenue for the 2nd quarter was Rs.1,369.8 Mn as compared to Rs.910.8 Mn for the same period last year, up 50.4%. Cost of sales for the same period increased by 48.9% from Rs.763.4 Mn to Rs.1,136.4 Mn. Gross profit margin improved to 17.0% as against 16.2% in the corresponding period of last year. In terms of value gross profit improved by 58.4% to Rs.233.4 Mn from Rs. 147.4 Mn. Improvement in the GP margin was largely due to effective procurement of lead stock during the first quarter of 2010-11.

Operating expenses increased by 42.3% from Rs.45.5 Mn to Rs.64.8 Mn, due to increase in sales volume; however as a percentage of sales revenue, these reduced to 4.7% from 5.0%. Profit from operation improved to Rs.158.3 Mn from Rs.95.4 Mn of the corresponding period last year. Financial charges however, increased to Rs.13.4 Mn as compared to Rs.6.3 Mn mainly because of higher utilization of running finance facilities coupled with increased mark-up rates during the period under review.

Thus the Profit before tax for the 2nd quarter was Rs.144.8 Mn as against Rs.89.1 Mn during the corresponding period of last year. After making a provision of Rs.39.6 Mn in respect of current and deferred taxation, after tax profit of your Company was Rs. 105.2 Mn compared to Rs.56.3 Mn for corresponding period last year.

For the half year, net sales revenue was Rs.2,587.5 Mn as compared to Rs.1,747.2 Mn for the same period last year, up 48.1%. Resultantly, Gross profit also improved to Rs.443.1 Mn from Rs.317.4 Mn, up 39.6%.

Operating profit for six months improved to Rs.299.6 Mn from Rs.203.8 Mn, up 47% as compared to same period last year. Thus, Profit before tax for six months was Rs. 274.8 Mn as compared to Rs. 193.4 Mn in the corresponding period of last year, up 42.1%. After tax profit was Rs.189.6 Mn as against Rs.125.5 Mn during the same period last

year. Earning per share was Rs.18.8 as against Rs.12.5 (adjusted) for the same period last year.

FUTURE OUTLOOK

During the period under review, the automotive industry has shown some signs of improvement. Sales of cars from July to December period improved from 53,565 units to 59,646 units, up 11.35%, whereas sale of LCV's improved by 7.93% during the same period. The heavy vehicle segment however did not fare as well. Truck and Bus segment went down by 8.95% whereas farm tractor sales saw negative growth of 2.58%. Two wheelers and three wheelers saw robust growth with sales increasing by 11.06% during July - December period. As the battery industry is highly dependent on the growth of automotive industry, the current growth trends will also increase the demand for automotive batteries. Further, the management of your Company will continue its focus on meeting customers' demand with improved quality, productivity and cost control.

ستاروں سے آگے جہاں اور بھی ہیں
There is a world beyond the world

ACKNOWLEDGEMENTS

I would like to inform you that during the period under review, Mr. Aitzaz Shahbaz and Mr. Javaid Anwar have resigned from the Board of your Company. On behalf of the Board of Directors, I would like to place on record the valuable contributions made by both Directors during their tenure. These two gentlemen have been replaced by Mr. Kamal A. Chinoy and Mr. Omar Saeed on the Board of your Company.

Mr. Kamal Amir Chinoy is the Chief Executive of Pakistan Cables Limited. He graduated from the Wharton School, University of Pennsylvania, USA with a B.Sc. in Economics (with triple major). He also serves on the Board of Directors of International Industries Ltd., International Steels Ltd. and Pakistan Security Printing Corporation. He is also Honorary Consul General of the Republic of Cyprus.

Mr. Omar Saeed is the Chief Executive of Service Sales Corporation, one of Pakistan's largest retail companies. He is also the founder and Chairman of Ovex Technologies and sits on the Boards of Premier BPO, Cinepax Limited, Mantaq Systems. He is also a member of the National Policy Platform formed by the Competitiveness Support Fund. He teaches entrepreneurship at LUMS where he is an adjunct faculty member. Mr. Saeed graduated with a BA from Brown University and completed his MBA from Harvard Business School, and currently serves as the President of the Harvard Business School Club of Pakistan.

May I thank our Joint venture partner; GS Yuasa International Limited; Japan, our banks, shareholders, members of the Board of Directors, vendors and customers for their continued support and guidance. I also thank Chief Executive of your Company Mr. Ali H. Shirazi and the management team for their dedication and commitment to achieve your Company's growth in a very challenging and competitive environment.



Yusuf H. Shirazi
Chairman

Karachi: February 24, 2011

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, 2010 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, 2010 and December 31, 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2010.

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, 2010 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2010

	Note	(Unaudited) December 31, 2010 ----- Rupees in '000' -----	(Audited) June 30, 2010
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	828,936	756,339
Intangible assets	6	9,194	-
Investments - Available for sale		-	-
Long term deposits		517	517
Long term loans		468	270
		<u>839,115</u>	<u>757,126</u>
CURRENT ASSETS			
Stores, spares and loose tools		28,392	22,413
Stock-in-trade	7	604,669	531,597
Trade debts		164,055	100,396
Loans and advances		3,999	2,350
Deposits and prepayments		23,111	5,928
Investments		18,930	26,224
Accrued mark-up / interest		-	195
Sales tax - net		-	31,050
Taxation - net		7,484	6,792
Cash and bank balances	8	147,596	29,869
		<u>998,236</u>	<u>756,814</u>
		<u>1,837,351</u>	<u>1,513,940</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (June 30, 2010: 10,000,000) ordinary shares of Rs. 10/- each		<u>500,000</u>	<u>100,000</u>
Issued, subscribed and paid up capital 10,069,312 (June 30, 2010 : 8,391,094) ordinary shares of Rs. 10/- each		100,693	83,911
General reserves		497,500	375,500
Unappropriated profit		191,620	224,743
		<u>789,813</u>	<u>684,154</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Leasehold land		173,786	173,786
NON CURRENT LIABILITIES			
Deferred liabilities	9	130,211	111,246
CURRENT LIABILITIES			
Trade and other payables		301,567	364,955
Sales tax and special exise duty payable		18,587	3,956
Accrued mark-up / interest		8,827	1,245
Short term borrowings - secured	10	414,560	174,598
		<u>743,541</u>	<u>544,754</u>
CONTINGENCIES AND COMMITMENTS			
	11	<u>1,837,351</u>	<u>1,513,940</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.


Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive


Kamal A. Chinoy
Director


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2010

Note	Quarter ended		Half year ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Rupees in '000'				
Sales	1,369,836	910,794	2,587,458	1,747,218
Cost of sales	12 (1,136,443)	(763,443)	(2,144,425)	(1,429,784)
Gross profit	233,393	147,351	443,033	317,434
Distribution cost	(39,837)	(28,885)	(75,374)	(60,078)
Administrative expenses	(24,935)	(16,660)	(48,667)	(39,879)
Other operating income	620	362	1,533	957
Other operating expenses	(10,945)	(6,727)	(20,902)	(14,597)
Profit from operations	158,296	95,441	299,623	203,837
Finance cost	(13,456)	(6,337)	(24,835)	(10,470)
Profit before tax	144,840	89,104	274,788	193,367
Taxation	13 (39,563)	(32,843)	(85,218)	(67,842)
Profit after tax	105,277	56,261	189,570	125,525
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	105,277	56,261	189,570	125,525
-----Rupees-----				
Basic & diluted earnings per share 14	10.46	5.59	18.83	12.47

The annexed notes 1 to 19 form an integral part of these 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 PERIOD ENDED DECEMBER 31, 2010

	Note	December 31, 2010	December 31, 2009
----- Rupees in '000' -----			
Cash generated from operations	15	159,737	186,995
Finance cost paid		(17,253)	(5,237)
Interest received		195	-
Income taxes paid (including tax deducted at source)		(71,416)	(48,239)
Gratuity paid		-	(31)
Compensated absences paid		(992)	(526)
Long term deposits		-	1,922
Long term loans		(198)	-
		(89,664)	(52,111)
Net cash generated from operating activities		70,073	134,884
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(119,047)	(90,698)
Intangible assets		-	(13,196)
Investments acquired		(12,459)	-
Proceeds from disposal of property, plant and equipment		2,791	1,733
Proceeds from disposal of investments		20,324	-
Net cash used in investing activities		(108,391)	(102,161)
Net cash (used)/generated before financing activities		(38,318)	32,723
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short term borrowings		239,962	92,664
Dividend paid		(83,917)	(69,936)
Net cash generated from financing activities		156,045	22,728
Increase in cash and cash equivalents		117,727	55,451
Cash and cash equivalents at the beginning of the period		29,869	28,892
Cash and cash equivalents at the end of the period		147,596	84,343

The annexed notes 1 to 19 form an integral part of these 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 PERIOD ENDED DECEMBER 31, 2010

	Share Capital	General Reserve	Unappro- priated Profit	Total
----- Rupees in '000' -----				
Balance as at June 30, 2009 - Audited	69,926	282,500	179,120	531,546
Total comprehensive income for the period	-	-	125,525	125,525
Cash dividend paid @ Rs.10 per share	-	-	(69,926)	(69,926)
Transfer to general reserve	-	93,000	(93,000)	-
Bonus shares issued	13,985	-	(13,985)	-
Transaction with owner directly recorded in equity	13,985	93,000	(176,911)	(69,926)
Balance as at December 31, 2009 - Unaudited	83,911	375,500	127,734	587,145
Total comprehensive income for the period	-	-	97,009	97,009
Balance as at June 30, 2010 - Audited	83,911	375,500	224,743	684,154
Total comprehensive income for the period	-	-	189,570	189,570
Cash dividend paid @ Rs.10 per share	-	-	(83,911)	(83,911)
Transfer to general reserve	-	122,000	(122,000)	-
Bonus shares issued	16,782	-	(16,782)	-
Transaction with owner directly recorded in equity	16,782	122,000	(222,693)	(83,911)
Balance as at December 31, 2010 - Unaudited	<u>100,693</u>	<u>497,500</u>	<u>191,620</u>	<u>789,813</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial information.



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Kamal A. Chinoy
Director

NOTES TO CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE PERIOD ENDED DECEMBER 31, 2010

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 Karachi with branches at Lahore, Multan, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. BASIS OF PREPARATION

These condensed interim financial information have been prepared in accordance with the requirements of International Accounting Standard IAS- 34 "Interim Financial Reporting" and are being submitted to the shareholders as required Section 245 of the Companies Ordinance, 1984 and the listing regulations of Karachi and Lahore Stock Exchanges. These condensed interim financial information do not include all the information required in the annual financial information and should be read in conjunction with the Company's annual financial information for the year ended June 30, 2010.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies and methods of computations adopted in the preparation of these condensed interim financial information for the half year ended December 31, 2010 are the same as those applied in the preparation of the preceding annual audited published financial information of the company for the year ended June 30, 2010.

Amendments to certain existing standards and new interpretation on approved accounting standards effective during the period were not relevant to the Company's operation and did not have any impact on the accounting policies of the Company.

4. PRESENTATION

Figures in these condensed interim financial information have been rounded off to the nearest thousand rupees.

Unaudited Audited
December 31, June 30,
2010 2010
Note ----- Rupees in '000' -----

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets	5.1	817,094	680,935
Capital work in progress		11,842	75,404
		828,936	756,339
5.1 Operating fixed assets			
Opening net book value		680,935	576,825
Additions during the period / year	5.2	169,413	160,896
		850,348	737,721
Less:			
Written down value of disposals	5.3	1,766	2,560
Depreciation		31,488	54,226
		33,254	56,786
		817,094	680,935

Unaudited Audited
December 31, June 30,
2010 2010
----- Rupees in '000' -----

5.2 Additions during the period / year

Land	48,105	-
Buildings	-	7,200
Plant and machinery	86,873	100,804
Electrical installation	3,023	-
Dies Jigs and Moulds	1,401	15,998
Laboratory equipments	-	1,003
Air conditioners	1,726	425
Vehicles	12,973	12,141
Fork lifters	-	3,618
Office equipments	-	40
Factory equipments	15,142	15,630
Computers	170	4,037
	169,413	160,896

5.3 Written down value of disposals

Plant & Machinery	15	44
Office Equipment	38	-
Air Conditioners	30	-
Electric Installation	-	433
Vehicles	1,618	2,067
Computer equipment	65	16
	1,766	2,560

5.4 Certain moulds, dies and jigs having cost of Rs. 30,908 thousands (June 30, 2010: Rs. 30,908 thousands) and book value of Rs. 16,225 thousands (June 30, 2010: 17,079 thousands) are held by third parties for production of components to be supplied to the Company.

Unaudited Audited
December 31, June 30,
2010 2010
----- Rupees in '000' -----

6. INTANGIBLE ASSETS

Software	5,796	-
Implementation cost	7,400	-
	13,196	-
Less: Disposal	937	-
Amortization	3,065	-
	9,194	-

Unaudited Audited
December 31, June 30,
2010 2010
----- Rupees in '000' -----

7. STOCK-IN-TRADE

Raw materials and components:

In hand

With third parties

270,846

54,967

243,613

14,693

325,813

258,306

Work in process

Finished goods

Goods in transit

150,070

77,453

51,333

115,589

69,056

88,646

604,669

531,597

8. CASH AND BANK BALANCES

In current account

In imprest account

Cheques in hand

15,433

316

131,847

898

151

28,820

147,596

29,869

9. DEFERRED LIABILITIES

Provision for gratuity - Non management

Compensated leave absences

Deferred taxation

1,543

33,160

95,508

1,453

28,779

81,014

130,211

111,246

10. SHORT TERM BORROWINGS-SECURED

Running finance from banks

Demand finance from bank

124,560

290,000

84,598

90,000

414,560

174,598

11. CONTINGENCIES AND COMMITMENTS

Guarantees

Guarantees issued by banks on behalf of Company to Sui Southern Gas Company Limited against gas supply deposit.

7,677

5,417

Confirmed letters of credit relating to:

Raw materials and stores, spares and loose tools

Property, plant and equipment

182,671

35,267

283,980

57,414

Note	Unaudited			
	Quarter ended		Half year ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Rupees in '000'				
12. COST OF SALES				
Stock at beginning	48,951	25,954	69,056	47,612
Cost of goods manufactured	1,164,945	780,125	2,152,822	1,424,808
	<u>1,213,896</u>	<u>806,079</u>	<u>2,221,878</u>	<u>1,472,420</u>
Stock at end	77,453	42,636	77,453	42,636
	<u>1,136,443</u>	<u>763,443</u>	<u>2,144,425</u>	<u>1,429,784</u>
12.1 Cost of goods manufactured				
Work in process at beginning	143,038	97,109	115,589	90,802
Raw materials and components consumed	957,535	637,567	1,790,899	1,152,303
Overheads	214,442	156,654	396,404	292,908
	<u>1,315,015</u>	<u>891,330</u>	<u>2,302,892</u>	<u>1,536,013</u>
Work in process at end	150,070	111,205	150,070	111,205
	<u>1,164,945</u>	<u>780,125</u>	<u>2,152,822</u>	<u>1,424,808</u>
13. TAXATION				
Current	39,740	37,253	70,637	66,618
Prior years'	87	35	87	35
Deferred	(264)	(4,445)	14,494	1,189
	<u>39,563</u>	<u>32,843</u>	<u>85,218</u>	<u>67,842</u>
14. EARNINGS PER SHARE				
Basic and diluted earnings per share - Restated				
Net profit after tax - (Rupees '000)	<u>105,277</u>	<u>56,261</u>	<u>189,570</u>	<u>125,525</u>
Weighted average number of shares issue during the period - (Numbers '000)	<u>10,069</u>	<u>10,069</u>	<u>10,069</u>	<u>10,069</u>
Basic and diluted earnings per share - Rupees	<u>10.46</u>	<u>5.59</u>	<u>18.83</u>	<u>12.47</u>

1,678,218 (2009: 1,398,515) bonus shares of Rs. 10 each were issued on September 29, 2010. Weighted average number of ordinary shares for the pervious period has been restated accordingly.

----- Unaudited -----
December 31, December 31,
2010 2009
----- Rupees in '000' -----

15. CASH GENERATED FROM OPERATIONS

Profit before taxation	274,788	193,367
Adjustments for:		
Depreciation	31,488	25,094
Amortization	3,065	-
Unrealized gain on remeasurement of investments	(446)	(338)
Gain on sale of investment	(125)	-
Finance cost	24,835	9,227
Gain on sale of fixed assets	(88)	(123)
Provision for gratuity	90	79
Provision for compensated absences	5,372	8,923
	64,191	42,862
Operating profit before working capital changes	338,979	236,229
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(5,979)	(1,417)
Stock-in-trade	(73,072)	(95,636)
Trade debts	(63,659)	12,552
Loan and advances	(1,649)	(345)
Deposits and prepayments	(17,183)	(8,143)
Accrued mark-up / interest	-	(34)
Other receivables	-	4,293
Sales tax - net	31,050	-
	(130,492)	(88,730)
Increase / (decrease) in current liabilities		
Trade and other payables	(63,381)	35,540
Sales tax and special excise duty payable	14,631	3,956
	(48,750)	39,496
Working capital changes	(179,242)	(49,234)
Cash generated from operations	159,737	186,995

16. OPERATING SEGMENT

- These condensed interim financial information have been prepared on the basis of a single reportable segment.
- 100% (December 2009: 100%) sales of the Company relates to customers in Pakistan.
- All non-current assets of the Company at 31st December, 2010 are located in Pakistan.
- There is no customer of Company to whom 10% (December 2009: 10%) or more sale is made during the period.

17. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of associated companies, companies in which directors are interested, staff retirement benefits, directors, key management personnel and close members of the family of all the aforementioned related parties. The company in the normal course of business carries out transactions with various related parties. All transactions with related parties are executed on same terms as those prevailing at the time for comparable transactions with unrelated parties. There are no transactions with key management personnel other than under the terms of employment. Significant transactions and balances with related parties are as follows:


		----- Unaudited -----	
		December 31, 2010	December 31, 2009
		----- Rupees in '000' -----	
Transactions	Relationship		
Sales	Associated companies	150,924	105,432
Purchases	"	9,944	6,120
Actual reimbursement of expenses	"	541	680
Expenses charged to	"	43	-
Rent / service charges	"	12,033	4,567
Insurance premium	"	36,975	27,245
Purchase of property, plant and equipment	"	6,222	6,253
Sale of property, plant and equipment	"	612	300
Sale of intangible assets	"	937	-
Royalty	"	25,875	18,064
Dividend paid	"	57,049	47,540
Investment in mutual fund	"	10,000	-
Donation	"	3,465	2,781
Insurance claim received	"	1,457	4,627
Contribution	Employees' provident fund	3,391	3,528
Contribution	Employees' gratuity fund	3,982	2,083
Salaries and other employee benefits	Key management personnel	49,468	40,669
		Unaudited December 31, 2010	Audited June 30, 2010
		----- Rupees in '000' -----	
Balances	Relationship		
Trade debts	Associated companies	39,106	38,232
Loans	Key management personnel	118	-
Prepayments	Associated companies	12,595	-
Investments	"	10,022	-
Insurance claim receivables	"	14	-
Bank balance	"	11	7
Royalty payable	"	25,875	40,244
Trade payable	"	710	-
Gratuity fund payable	Employees' gratuity fund	9,996	6,015

18. DATE OF AUTHORIZATION FOR ISSUE


These condensed interim financial information were authorized for issue on February 24, 2011 by the Board of Directors of the Company.

19. COMPARATIVES

Pervious figures have been rearranged and reclassified wherever necessary for better presentation in the condensed interim financial information. There were no major reclassifications or rearrangements for the period.



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 **Website:** www.atlasbattery.com.pk