

**QUARTERLY  
REPORT  
March 31, 2009**



## **CONTENTS**

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Company Information	1
Chairman's Review	3
Balance Sheet	5
Profit and Loss Account	6
Cash Flow Statement	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Chief Executive Officer	Talha Saad
Directors	Aitzaz Shahbaz
	Hiroshi Tateiwa
	Iftikhar H. Shirazi
	Javaid Anwar
	Muhammad Atta Karim
Company Secretary	Muhammad Iqbal

### AUDIT COMMITTEE

Chairman	Aitzaz Shahbaz
Members	Iftikhar H. Shirazi
	Muhammad Atta Karim
Head of Internal Audit	M. Rizwan Jamil
Secretary	Muhammad Saleem

### MANAGEMENT COMMITTEE

Chief Executive Officer	Talha Saad
Chief Financial Officer & GM HR	Ahmad Zafaryab Ali
General Manager Marketing	Arshad Gulraiz Butt
General Manager Quality Assurance	Muhammad Jamil Awan
General Manager Plant	Shahzad Ahmad Khan
Manager Information Technology	Qasim Imran Khan

**COMPANY INFORMATION**

<b>Auditors</b>	Hameed Chaudhri & Co. Chartered Accountants
<b>Legal Advisor</b>	Agha Faisal Barrister at Law Mohsin Tayebaly & Co.
<b>Tax Advisor</b>	Ford Rhodes Sidat Hyder & Co. Chartered Accountants
<b>Bankers</b>	Atlas Bank Limited Allied Bank Limited Bank Al-falah Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan The Bank of Tokyo-Mitsubishi UFJ, Limited
<b>Registered Office / Factory</b>	D-181 Central Avenue, S.I.T.E. Karachi-75730 Tel: 2567990-94 Fax: 2564703
<b>Share Registrar</b>	M/s. Hameed Majeed Associates (Pvt.) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi. Phones: 2424826 & 2412754 Fax: 2424835 E-mail: majeed@hmaconsultants.com
<b>Zonal Office Karachi</b>	PPI Building, Near Sindh Secretariat Building, Shahra-e-Kamal Ataturk, Karachi-74200 Tel: 2636057 - 2610145 Fax: 2626478
<b>Sukkur Office</b>	F -33/4, Barrage Colony, Workshop Road, Sukkur Tel: 612532 Fax: 612532
<b>Zonal Lahore Office</b>	Salam Chambers, 21 Link Mcleod Road, Lahore-54000 Tel: 7227075 - 7354245 Fax: 7352724
<b>Faisalabad Office</b>	54-Chenab Market, Madina Town, Faisalabad Tel: 8713127 Fax: 8726628
<b>Multan Office</b>	Azmat Wasti Road, Chowk Dera Adda Multan-60000 Tel: 4548017
<b>Peshawar Office</b>	Ground Floor, Zeenat Plaza, Near General bus stand, G.T. Road, Peshawar Tel: 2262485
<b>Rawalpindi Office</b>	312-A, Kashmir Road, R.A. Bazar, Rawalpindi-65847 Tel: 5567423
<b>Sahiwal Office</b>	647-V-7, Al-Hilal Building, Nishter Road, Sahiwal-57000 Tel: 4461539
<b>Company Website</b>	<a href="http://www.atlasbattery.com.pk">www.atlasbattery.com.pk</a>
<b>Email Address</b>	<a href="mailto:abl@atlasbattery.com.pk">abl@atlasbattery.com.pk</a>

## CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited accounts of your Company for the third quarter ended March 31, 2009.

### ECONOMY

Pakistan has been lucky as it did not face major setback from the global crisis. The economic hardship experienced by the country has mostly been the result of domestic issues - internal strife, political instability and poor governance has slowed down an otherwise a viable economy. As a result the GDP growth rate for the year 2008-09 initially projected at 5.5 percent has now been revised downward to 2.5 percent compared to 5.8 percent of last year. The major pressure in the economy has stemmed from inflation. The good news is that the SBP has projected inflation to slow down in the final quarter of FY08-09. Controlled inflation may usher in lower interest rate and improved liquidity, so necessary for growth of industry.

The economy may have passed through its worst phase. IMF has disbursed the first two tranches of \$ 3.1 billion. The World Bank and ADB have pledged support and an independent overseas support group, Friends of democratic Pakistan, is meeting in Tokyo shortly to decide on the quantum of support for Pakistan. Eased out political situation in the Country will help in an improvement in business environment. The stock market has exhibited a growth of 36 percent post March 16. Foreign exchange reserves have crossed US \$11 billion. The commodity prices are reflective of an inherent demand in the economy. A bumper wheat crop is being projected and it will provide a boost to demand. What is needed is right policies that reassure economic dynamism.

### OPERATING RESULTS

Net sales for the 3rd quarter were Rs.817.0 million as compared to Rs.762.7 million for the same period last year, up 7.1%. Cost of sales increased by Rs.5.8 million from Rs.678.5 million to Rs.684.3 million as compared to last year. Gross profit was Rs.132.6 million as against Rs.84.2 million last year.

Operating expenses increased by Rs.7.1 million, due to increase in volume. Operating profit improved from Rs.48.3 million to Rs.89.6 million due to better G.P. margin as compared to the corresponding period of last year. Financial charges decreased by 43.9% due to better cash management and improved profitability, despite increase in interest rate as compared to the corresponding period of last year.

Profit before tax for the 3rd quarter was Rs.75.5 million as compared to Rs. 30.2 million for the corresponding period of last year. Net Profit after tax of your Company was Rs. 47.6 million compared to Rs.19.8 million for the corresponding period of last year.

For the nine months ended March 31, 2009, net sales were Rs.2,296.5 million as compared to Rs.1,780.0 million for the same period last year, up 29.0%. Gross profit improved to Rs.340.8 million as against Rs.237.8 million during corresponding period last year.

Operating profit increased by Rs.79.6 million from Rs.133.9 million to Rs.213.5 million as compared with last year. However, financial charges increased from Rs.30.7 million to Rs. 41.1 million due to the combined effect of increased interest rates and higher utilization of running finances during first half of the year. Thus the Profit before tax for nine months was Rs. 161.3 million as compared to Rs. 97.3 million in the corresponding period of last year. The after tax Profit was Rs.104.4 million as against Rs.63.7 million during the same period last year. Earning per share was Rs.14.9 as against Rs.9.1 for the same period last year.

#### FUTURE OUTLOOK

The basic raw materials - refined lead and local lead - are showing stability in their price behaviour. However, the Management of your Company will continue to focus on improved quality, productivity and cost control. As a result of a more stable economy and expected growth in demand of automobiles and motorcycles, your Company is expected to perform satisfactorily in the ensuing periods:

محبت مجھے اُن جوانوں سے ہے  
ستاروں پہ جو ڈالتے ہیں کمنڈ

(We look forward to beyond horizon)

#### ACKNOWLEDGMENT

I would like to thank our Joint Venture partner GS Yuasa International Limited, Japan, our bankers, shareholders, members of the Board of Directors, vendors and customers for their continued support and guidance. I also thank Group Executive Committee, Group Director Engineering and the Chief Executive and his team for their dedication and commitment to have achieved your Company's growth in difficult times.



Yusuf H. Shirazi

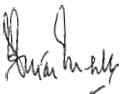
Karachi: April 27, 2009

**CONDENSED INTERIM BALANCE SHEET**

AS AT MARCH 31, 2009

	Note	(Unaudited) March 31 2009 Rupees in '000'	(Audited) June 30 2008
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	624,045	517,862
Long term investment - Available for sale		-	-
Long term deposits		1,420	4,012
<b>CURRENT ASSETS</b>			
Stores, spare parts and loose tools		14,573	12,968
Stock -in- trade	5	288,894	410,672
Trade debts		41,630	77,387
Loans and advances		43,845	57,955
Trade deposits and prepayments		7,378	74,191
Accrued mark-up		87	175
Other receivables		1,155	2,240
Cash and bank balances	6	100,401	49,274
		497,963	684,862
<b>TOTAL ASSETS</b>		<u>1,123,428</u>	<u>1,206,736</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
10,000,000 Ordinary Shares of Rs. 10/- each		100,000	100,000
Issued, subscribed and paid up capital		69,926	69,926
6,992,579 (June 30, 2008 : 6,992,579)			
Ordinary Shares of Rs. 10/- each			
Revenue reserves		388,372	336,386
		458,298	406,312
<b>SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT</b>		173,786	173,786
<b>NON CURRENT LIABILITIES</b>			
Deferred liabilities	7	85,373	61,823
<b>CURRENT LIABILITIES</b>			
Trade and other payables		252,092	185,267
Mark-up accrued on secured borrowings		8,026	7,057
Short term borrowings - secured	8	108,803	313,002
Provision for taxation		37,050	59,489
		405,971	564,815
<b>CONTINGENCIES AND COMMITMENTS</b>	9		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,123,428</u>	<u>1,206,736</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



**Aitzaz Shahbaz**  
Director



**Talha Saad**  
Chief Executive

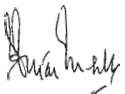


**Yusuf H. Shirazi**  
Chairman

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)**  
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2009

	Note	Quarter ended		Nine months ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
		Rupees in '000'		Rupees in '000'	
Sales		816,964	762,720	2,296,512	1,780,012
Cost of sales	10	(684,332)	(678,522)	(1,955,662)	(1,542,196)
Gross profit		132,632	84,198	340,850	237,816
Distribution costs		(26,226)	(22,056)	(76,405)	(62,319)
Administrative expenses		(16,776)	(13,806)	(50,908)	(41,636)
Operating profit		89,630	48,336	213,537	133,861
Other income		586	258	1,257	1,043
Finance costs		(8,992)	(16,033)	(41,116)	(30,710)
Other operating expenses		(5,726)	(2,356)	(12,333)	(6,905)
Profit before taxation		75,498	30,205	161,345	97,289
Taxation	11	(27,945)	(10,433)	(56,915)	(33,600)
Profit after taxation		47,553	19,772	104,430	63,689
Earnings per share basic (Rupees)		6.80	2.83	14.93	9.11

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



**Aitzaz Shahbaz**  
Director



**Talha Saad**  
Chief Executive




**Yusuf H. Shirazi**  
Chairman





**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
 FOR THE PERIOD ENDED MARCH 31, 2009

	Note	March 31 2009	March 31 2008
		Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	12	528,858	(125,745)
Markup / interest paid		(38,760)	(19,032)
Gratuity paid		(159)	(50)
Compensated absences paid		(208)	(3,325)
Income taxes paid		(45,080)	(23,526)
Long term deposits		2,592	-
<b>Net cash generated from / (used in) operating activities</b>		<b>447,243</b>	<b>(171,678)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(141,384)	(31,040)
Sale proceeds of investment		-	294
Sale proceeds from property, plant and equipment		1,928	6,188
<b>Net cash used in investing activities</b>		<b>(139,456)</b>	<b>(24,558)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Decrease in short term borrowings		(204,199)	248,608
Dividend paid		(52,461)	(36,491)
<b>Net cash (used in) / generated from financing activities</b>		<b>(256,660)</b>	<b>212,117</b>
Increase in cash and cash equivalents		51,127	15,881
Cash and cash equivalents at the beginning of the period		49,274	37,501
<b>Cash and cash equivalents at the end of the period</b>		<b>100,401</b>	<b>53,382</b>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
**Aitzaz Shahbaz**  
 Director

  
**Talha Saad**  
 Chief Executive

  
**Yusuf H. Shirazi**  
 Chairman


**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2009

	Share Capital	General Reserve	Unappropriated Profit	Total
	Rupees in '000'			
Balance as at June 30, 2007	60,805	186,500	88,693	335,998
Cash Dividend (2007) @ Rs. 6/- per share	-	-	(36,483)	(36,483)
Transfer to general reserve	-	42,000	(42,000)	-
Bonus shares	9,121	-	(9,121)	-
Profit for the period after taxation	-	-	63,689	63,689
Balance as at March 31, 2008	69,926	228,500	64,778	363,204
Profit for the period after taxation	-	-	43,108	43,108
Balance as at June 30, 2008	69,926	228,500	107,886	406,312
Cash Dividend (2008) @ Rs.7.5/- per share	-	-	(52,444)	(52,444)
Transfer to general reserve	-	54,000	(54,000)	-
Profit for the period after taxation	-	-	104,430	104,430
Balance as at March 31, 2009	69,926	282,500	105,872	458,298


The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



**Aitzaz Shahbaz**  
Director



**Talha Saad**  
Chief Executive



**Yusuf H. Shirazi**  
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2009

**1 CORPORATE INFORMATION**

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 of the Company and the 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 statements have been prepared in accordance with the requirements of the International Accounting Standard (IAS 34) "Interim Financial Reporting" and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of Karachi and Lahore Stock Exchanges. These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2008.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements for the nine months ended March 31, 2009 are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2008.

	Note	March 31 2009	June 30 2008
Rupees in '000'			
<b>4. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	4.1	575,963	468,522
Capital work in progress		48,082	49,340
		624,045	517,862
<b>4.1 Operating fixed assets</b>			
Opening net book value		468,522	308,929
Additions during the period / year	4.2	142,642	27,759
Revaluation during the period / year		-	173,765
		611,164	510,453
Less:			
Written down value of disposals	4.3	1,564	6,273
Transfer to Surplus		-	(21)
Depreciation		33,637	35,679
		35,201	41,931
		575,963	468,522
<b>4.2 Additions during the period / year</b>			
Building		38,496	-
Plant and machinery		83,432	14,476
Dies, jigs and moulds		7,246	-
Electric installations		4,647	177
Air conditioners		62	186
Laboratory equipments		-	374
Vehicles		4,513	8,864
Fork lifters		-	1,132
Factory equipments		3,613	987
Computers		633	1,563
		142,642	27,759

	Note	March 31 2009	June 30 2008
Rupees in '000'			
<b>4.3 Written down value of disposals</b>			
Vehicles			
Cost		2,315	10,282
Accumulated depreciation		751	4,009
		<u>1,564</u>	<u>6,273</u>
<b>5 Stock-in-trade</b>			
Raw materials			
- In hand		26,406	116,759
- With third parties		50,314	104,576
Work-in-process		73,124	108,099
Finished goods		53,898	47,807
Goods in transit		85,152	33,431
		<u>288,894</u>	<u>410,672</u>
<b>6 Cash and bank balances</b>			
With banks:			
- Current accounts		540	1,474
- Short term deposit		3,500	-
- Imprest accounts		517	237
Undeposited cheques / collection		95,471	47,563
Cash in hand		373	-
		<u>100,401</u>	<u>49,274</u>
<b>7 Deferred liabilities</b>			
Provision for gratuity		1,288	1,334
Provision for compensated absences		19,588	16,110
Deferred taxation		64,497	44,379
		<u>85,373</u>	<u>61,823</u>
<b>8 Short term borrowings - secured</b>			
Running finance from Banks		108,803	263,002
Demand Finance		-	50,000
		<u>108,803</u>	<u>313,002</u>
<b>9 CONTINGENCIES AND COMMITMENTS</b>			
Confirmed letters of credit relating to:			
Raw materials		107,665	204,074
Stores, spare parts and loose tools		1,660	2,490
Property, plant and equipment		10,121	56,899
Guarantees issued by banks on behalf of company		3,495	249

	Note	Quarter ended		Nine months ended	
		March 31, 2009	March 31, 2008	March 31, 2009	March 31, 2008
----- Rupees in '000' -----					
<b>10 COST OF SALES</b>					
Finished goods - at the beginning		83,877	94,206	47,807	35,130
Purchases of finished goods		-	23,530	-	23,530
Cost of goods manufactured	10.1	<u>654,353</u>	<u>630,669</u>	<u>1,961,753</u>	<u>1,553,419</u>
		738,230	748,405	2,009,560	1,612,079
Finished goods - at the end		53,898	69,883	53,898	69,883
		<u>684,332</u>	<u>678,522</u>	<u>1,955,662</u>	<u>1,542,196</u>



Transactions	Relationship	March 31, 2009	March 31, 2008
		Rupees in '000'	
Sales	Associated companies	116,651	145,503
Purchases	"	8,859	3,971
Actual reimbursement of expenses	"	344	103
Rent	"	2,484	2,258
Insurance premium	"	29,804	23,956
Purchase of property, plant and equipment	"	2,850	1,259
Royalty	"	47,967	36,886
Dividend paid	"	35,655	17,763
Purchase of natural gas	"	-	16,382
Mark-up on running finance/other charges	"	3,470	3,916
Donation	"	1,642	1,298
Redemption of investment	"	-	294
Interest received	"	-	175
Insurance claim	"	4,755	4,545
Contribution	Employees' provident fund	4,043	3,307
Contribution	Employees' gratuity fund	1,310	1,044
Contribution	Employees' pension fund	17	-
Salaries and other employee benefits	Key management personnel	39,960	26,802

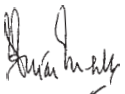
Balances	Relationship	March 31, 2009	June 30, 2008
		Rupees in '000'	
Trade debts	Associated companies	5,826	3,612
Loans	Key management personnel	128	622
Accrued mark up on secured borrowings	Associated companies	-	2,790
Other receivables	"	1,229	2,240
Royalty	"	99,753	51,786
Short term borrowings - secured	"	-	94,378
Trade payable	"	8,704	5,041
Provident fund payable	Employees' provident fund	243	-
Gratuity fund payable	Employees' gratuity fund	1,310	1,389
Pension fund payable	Employees' pension fund	26	-
Compensated absences	Key management personnel	11,293	8,487

#### 14 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on April 27, 2009 by the Board of Directors of the Company.

#### 15 GENERAL

Figures have been rounded off to the nearest thousand rupees.



**Aitzaz Shahbaz**  
Director



**Talha Saad**  
Chief Executive



**Yusuf H. Shirazi**  
Chairman

## **Atlas Battery Limited**

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

**Ph:** (92-21) 2567990-4 **Fax:** (92-21) 2564703

**Email:** [abl@atlasbattery.com.pk](mailto:abl@atlasbattery.com.pk) **Website:** [www.atlasbattery.com.pk](http://www.atlasbattery.com.pk)