



QUARTERLY REPORT
MARCH 31, 2011



Atlas Battery

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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Directors	Kamal A. Chinoy
	Khaleeq-ur-Rahman Khan
	Makio Tanaka
	Omar Saeed
	Talha Saad
President / Chief Executive	Ali H. Shirazi
Company Secretary	Muhammad Iqbal

AUDIT COMMITTEE

Chairman	Omar Saeed
Members	Khaleeq-ur-Rahman Khan
	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 Supply Chain / Company Secretary	Muhammad Iqbal
General Manager Quality Assurance	Muhammad Jamil Awan
General Manager Plant	Shahzad Ahmad Khan
Manager Human Resources	Ahmar Waheed
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 third quarter ended March 31, 2011.

ECONOMY

Pakistan economy is inherently resilient. Notwithstanding the vulnerabilities, Pakistan economy is set to post growth of 2.5% this fiscal year. Recent trends in most macroeconomic variables suggest that the disciplined implementation of the macroeconomic stabilization program has started paying dividend. Favorable external current account position and reduction in government borrowings from SBP have ensured macroeconomic stability in the short term. Remittances from overseas Pakistanis continue to surge, particularly, due to the political upheaval in MENA states. Further, exports are set to achieve new records on the back of cotton prices. These positive trends along with proceeds from the coalition support fund have resulted in a current account surplus and highest reserves of US\$ 17.5 billion. Moreover, the rural economy continues to thrive on the back of support prices being offered on agricultural produce to the farmers. However, the acute power shortages, increasing oil import bill, high fiscal deficit, contraction in the large-scale manufacturing and inflation needs to be focused upon.

OPERATING RESULTS

Net sales revenue for the 3rd quarter was Rs.1,586.1 million as compared to Rs.1,096.3 million for the same period last year, up 44.7%. Cost of sales for the same period increased by 42.4% from Rs.964.7 million to Rs.1,374.1 million. Gross profit margin improved to 13.4% as against 12.0% in the corresponding period last year.

Operating expenses increased by 36.0% from Rs.51.5 million to Rs.70 million, due to increase in sales volume; however as a percentage of sales revenue, these expenses reduced to 4.4% from 4.7%. Profit from operations improved to Rs.135.1 million from Rs.75.6 million of the corresponding period last year. Financial charges however, increased to Rs.6.6 million as compared to Rs.5.0 million 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 3rd quarter was Rs.128.5 million as against Rs.70.5 million during the corresponding period of last year. After making a provision of Rs.42.9 million in respect of current and deferred taxation, after tax profit of your Company was Rs.85.5 million compared to Rs.46.8 million for corresponding period last year.

For the nine months, net sales revenue was Rs.4,173.5 million as compared to Rs.2,843.5 million for the same period last year, up 46.8%. Resultantly, Gross profit also improved to Rs.655 million from Rs.449 million, up 45.9%. Operating profit for nine months improved to Rs.434.7 million from Rs.279.4 million, up 55.6% as compared to same period last year. Thus, profit before tax for nine months was Rs.403.3 million as compared to Rs.263.9 million in the corresponding period of last year, up 52.8%. After tax profit was Rs.275.1 million as against Rs.172.4 million during the same period last year. Earning per share was Rs.27.3 as against Rs.17.1 (adjusted) for the same period last year.

FUTURE OUTLOOK

The automotive industry continued to show signs of improvement during 3rd quarter of 2010-11 also. Sales of cars from July - March period improved from 86,483 units to 97,804 units, up 13.1%, whereas sale of LCV's improved by 17.3% during the same period. The

heavy vehicle segment i.e. trucks and buses however witnessed a sales decrease by 23.4% year on year. Sales of farm tractor also saw negative growth of 1.8% during July-March period. However, two wheelers and three wheelers saw good growth in sales increasing by 12.6% during July - March 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.

On the other hand, refined lead price in international market once again started escalating in the aftermath of the Japanese earthquake and tsunami. The nuclear plant shutdown lead to heavy demand for batteries as a back up for power shortages. Local lead price also followed suit not to mention rising oil prices in international market. All these factors will hamper the already depressed margins in the coming quarters. However, the management of your Company will continue to bring efficiency and effectiveness in its operations with improved quality, productivity and cost control.

مخون دل دے کر نکھاریں گے رُخ برگ کُلاب
ہم نے نکھارنے کے تحفظ کی قسم کھائی ہے

(we are wedded to growth in whatsoever case)

ACKNOWLEDGEMENTS

I would like to inform you that, Mr. Muhammad Atta Karim has resigned from the Board of your Company in the month of April 2011 due to his pre-occupations. On behalf of the Board of Directors, I would like to place on record the valuable contributions made by Mr. Muhammad Atta Karim during the period of his tenure. In order to fill the casual vacancy, the Board of Directors of your Company has appointed Mr. Khaleeq-Ur-Rahman Khan in place of Mr. Muhammad Atta Karim.

Mr. Khaleeq-ur-Rahman Khan is the Chief Executive of Shirazi Trading Company (Pvt) Ltd. and has been associated with Atlas Group since 1970. Prior to serving Shirazi Trading Company, he worked as Chief Executive of Atlas Lease Limited till 2002. He is an MBA from International Management Institute (IMI) Geneva, Switzerland. He has attended various management level training programs from international institutes including AMP from INSEAD France, GMP from Stanford University Singapore and Leasing Competing from Amembal & Halladay, Singapore. He has also completed a number of financial and management courses at domestic level. Mr. Khaleeq has over 40 years of experience including different management positions in manufacturing, trading and financial sector.

I would like to thank our JV Partners 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 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 highly challenging circumstances.



Yusuf H. Shirazi
Chairman

Karachi: April 27, 2011

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2011

		(Unaudited) March 31, 2011	(Audited) June 30, 2010
	Note	----- Rupees in '000' -----	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	849,798	756,339
Intangible assets	6	7,662	-
Investments - Available for sale		-	-
Long term deposits		517	517
Long term loans		589	270
		<u>858,566</u>	<u>757,126</u>
CURRENT ASSETS			
Stores, spares and loose tools		28,834	22,413
Stock-in-trade	7	569,666	531,597
Trade debts		203,587	100,396
Loans and advances		7,811	2,350
Deposits and prepayments		18,715	5,928
Investments		109,685	26,224
Accrued mark-up / interest		-	195
Sales tax - net		-	31,050
Taxation - net		-	6,792
Cash and bank balances	8	92,355	29,869
		<u>1,030,653</u>	<u>756,814</u>
		<u>1,889,219</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		277,154	224,743
		<u>875,347</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	128,777	111,246
CURRENT LIABILITIES			
Trade and other payables		567,338	364,955
Sales tax and special excise duty payable		49,650	3,956
Accrued mark-up / interest		4,494	1,245
Short term borrowings - secured	10	75,194	174,598
Provision for taxation - net		14,633	-
		<u>711,309</u>	<u>544,754</u>
CONTINGENCIES AND COMMITMENTS			
	11	<u>1,889,219</u>	<u>1,513,940</u>

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



 Yusuf H. Shirazi
Chairman



 Ali H. Shirazi
President / Chief Executive



 Kamal A. Chinoy
Director

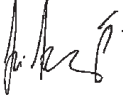
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2011

	Note	Quarter ended		Nine months ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
----- Rupees in '000' -----					
Sales		1,586,086	1,096,280	4,173,544	2,843,498
Cost of sales	12	(1,374,097)	(964,742)	(3,518,522)	(2,394,526)
Gross profit		211,989	131,538	655,022	448,972
Distribution cost		(42,373)	(32,607)	(117,747)	(92,685)
Administrative expenses		(27,634)	(18,882)	(76,301)	(58,761)
Other operating income		2,896	935	4,429	1,892
Other operating expenses		(9,794)	(5,417)	(30,696)	(20,014)
Profit from operations		135,084	75,567	434,707	279,404
Finance cost		(6,601)	(5,044)	(31,436)	(15,514)
Profit before tax		128,483	70,523	403,271	263,890
Taxation	13	(42,949)	(23,674)	(128,167)	(91,516)
Profit after tax		85,534	46,849	275,104	172,374
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		85,534	46,849	275,104	172,374

----- Rupees -----					
Basic & diluted earnings per share	14	<u>8.49</u>	<u>4.65</u>	<u>27.32</u>	<u>17.12</u>

The annexed notes 1 to 18 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 MARCH 31, 2011

	March 31, 2011	March 31, 2010
	----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	403,271	263,890
Adjustments for:		
Depreciation	52,408	40,806
Amortization	4,597	825
Unrealized gain on remeasurement of investments	(1,201)	(898)
Gain on sale of investment	(125)	-
Finance cost	31,436	15,514
Interest income	-	(98)
Gain on sale of fixed assets	(1,139)	(234)
Provision for gratuity	135	119
Provision for compensated absences	9,349	9,373
	95,460	65,407
Operating profit before working capital changes	498,731	329,297
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(6,421)	(7,098)
Stock-in-trade	(38,069)	(20,922)
Trade debts	(103,191)	52,569
Loans and advances	(5,461)	(2,109)
Deposits and prepayments	(12,787)	(1,293)
Other receivables	-	1,275
Sales tax - net	31,050	5,065
	(134,879)	27,487
Increase in current liabilities		
Trade and other payables	202,404	13,963
Sales tax and special excise duty payable	45,694	24,890
	248,098	38,853
Working capital changes	113,219	66,340
Cash generated from operations	611,950	395,637
Finance cost paid	(28,187)	(12,588)
Interest received	195	43
Income taxes paid (including tax deducted at source)	(97,472)	(75,597)
Gratuity paid	-	(31)
Compensated absences paid	(1,223)	(1,173)
Long term deposits	-	1,922
Long term loans	(319)	-
	(127,006)	(87,424)
Net cash generated from operating activities c/f	484,944	308,213

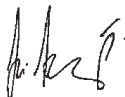
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011

	March 31, 2011 ----- Rupees in '000' -----	March 31, 2010 -----
Net cash generated from operating activities b/f	484,944	308,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(163,205)	(116,643)
Intangible assets	-	(13,196)
Investments acquired	(102,459)	(50,000)
Proceeds from disposal of property, plant and equipment	6,218	2,609
Proceeds from disposal of investments	20,324	-
Net cash used in investing activities	(239,122)	(177,230)
Net cash generated before financing activities	245,822	130,983
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short term borrowings	(99,404)	(11,390)
Dividend paid	(83,932)	(69,943)
Net cash used in financing activities	(183,336)	(81,333)
Increase in cash and cash equivalents	62,486	49,650
Cash and cash equivalents at the beginning of the period	29,869	28,892
Cash and cash equivalents at the end of the period	92,355	78,542

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive




Kamal A. Chinoy
Director

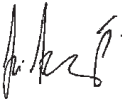
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2011

	Share Capital	General Reserve	Unappropriated 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	-	-	172,374	172,374
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 March 31, 2010 - Unaudited	83,911	375,500	174,583	633,994
Total comprehensive income for the period	-	-	50,160	50,160
Balance as at June 30, 2010 - Audited	83,911	375,500	224,743	684,154
Total comprehensive income for the period	-	-	275,104	275,104
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 March 31, 2011 - Unaudited	100,693	497,500	277,154	875,347

The annexed notes 1 to 18 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 MARCH 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 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 under 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 nine months ended March 31, 2011 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 March 31, 2011	Audited June 30, 2010
	Note	----- Rupees in '000' -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	827,295	680,935
Capital work in progress		22,503	75,404
		849,798	756,339
5.1 Operating fixed assets			
Opening net book value		680,935	576,825
Additions during the period / year	5.2	202,910	160,896
		883,845	737,721
Less:			
Written down value of disposals	5.3	4,142	2,560
Depreciation		52,408	54,226
		56,550	56,786
		827,295	680,935

Unaudited
March 31,
2011
----- Rupees in '000' -----

Audited
June 30,
2010

5.2 Additions during the period / year

Land	48,105	-
Buildings	1,180	7,200
Plant and machinery	97,919	100,804
Electrical installation	3,023	-
Dies, Jigs and Moulds	9,778	15,998
Laboratory equipments	-	1,003
Air conditioners	1,726	425
Vehicles	22,033	12,141
Fork lifters	-	3,618
Office equipments	-	40
Factory equipments	18,975	15,630
Computer equipments	171	4,037
	202,910	160,896
	202,910	160,896

5.3 Written down value of disposals

Plant and machinery	285	44
Dies, Jigs and Moulds	13	-
Office equipments	38	-
Air conditioners	29	-
Electrical installation	-	433
Vehicles	3,711	2,067
Computer equipments	66	16
	4,142	2,560
	4,142	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. 15,798 thousands (June 30, 2010: 17,079 thousands) are held by third parties for production of components to be supplied to the Company.

6. INTANGIBLE ASSETS

Software	5,796	-
Implementation cost	7,400	-
	13,196	-
Less: Disposal	937	-
Amortization	4,597	-
	7,662	-
	7,662	-

7. STOCK-IN-TRADE

Raw materials and components:		
In hand	35,200	243,613
With third parties	82,368	14,693
	117,568	258,306
Work in process	213,334	115,589
Finished goods	94,578	69,056
Goods in transit	144,186	88,646
	569,666	531,597
	569,666	531,597

Unaudited Audited
March 31, June 30,
2011 2010
----- Rupees in '000' -----

8. CASH AND BANK BALANCES

In current account	11,689	898
In imprest account	837	151
Cheques in hand	79,829	28,820
	92,355	29,869
	92,355	29,869

9. DEFERRED LIABILITIES

Provision for gratuity - Non management	1,588	1,453
Compensated leave absences	36,905	28,779
Deferred taxation	90,284	81,014
	128,777	111,246
	128,777	111,246

10. SHORT TERM BORROWINGS-SECURED

Running finance from banks	350	84,598
Demand finance from bank	-	90,000
Import finance (foreign currency)	74,844	-
	75,194	174,598
	75,194	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
	7,677	5,417

Confirmed letters of credit relating to:

Raw materials and stores, spares and loose tools

	309,783	283,980
	309,783	283,980

Property, plant and equipment

	26,146	57,414
	26,146	57,414

	----- Unaudited -----			
	Quarter ended		Nine months ended	
	March 31,	March 31,	March 31,	March 31,
Note	2011	2010	2011	2010
	----- Rupees in '000' -----			

12. COST OF SALES

Stock at beginning		77,453	42,636	69,056	47,612
Cost of goods manufactured	12.1	1,391,222	983,875	3,544,044	2,408,683
		1,468,675	1,026,511	3,613,100	2,456,295
Stock at end		94,578	61,769	94,578	61,769
		1,374,097	964,742	3,518,522	2,394,526
		1,374,097	964,742	3,518,522	2,394,526

----- Unaudited -----			
Quarter ended		Nine months ended	
March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
----- Rupees in '000' -----			

12.1 Cost of goods manufactured

Work in process at beginning	150,070	111,205	115,589	90,802
Raw materials and components consumed	1,211,146	858,658	3,002,045	2,010,961
Overheads	243,340	164,595	639,744	457,503
	<u>1,604,556</u>	<u>1,134,458</u>	<u>3,757,378</u>	<u>2,559,266</u>
Work in process at end	213,334	150,583	213,334	150,583
	<u><u>1,391,222</u></u>	<u><u>983,875</u></u>	<u><u>3,544,044</u></u>	<u><u>2,408,683</u></u>

13. TAXATION

Current	48,005	19,864	118,642	86,482
Prior years'	168	-	255	35
Deferred	(5,224)	3,810	9,270	4,999
	<u>42,949</u>	<u>23,674</u>	<u>128,167</u>	<u>91,516</u>

14. EARNINGS PER SHARE

Basic and diluted earnings per share - Restated

Net profit after tax - (Rupees in '000')	<u>85,534</u>	<u>46,849</u>	<u>275,104</u>	<u>172,374</u>
Weighted average number of shares in 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>8.49</u>	<u>4.65</u>	<u>27.32</u>	<u>17.12</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 previous period has been restated accordingly.

15. OPERATING SEGMENT

- These condensed interim financial information have been prepared on the basis of a single reportable segment.
- 100% (March 2010: 100%) sales of the Company relates to customers in Pakistan.
- All non-current assets of the Company at 31st March, 2011 are located in Pakistan.
- There is no customer of Company to whom 10% (March 2010: 10%) or more sale is made during the period.

16. 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 -----	
		March 31, 2011	March 31, 2010
		----- Rupees in '000' -----	
Transactions	Relationship		
Sales	Associated companies	248,711	164,700
Purchases	•	14,679	10,005
Actual reimbursement of expenses	•	673	707
Expenses charged to	•	43	-
Rent / service charges	•	16,296	4,567
Insurance premium	•	45,111	35,198
Purchase of property, plant and equipment	•	12,005	6,737
Sale of property, plant and equipment	•	612	300
Sale of intangible assets	•	937	-
Royalty	•	41,735	28,435
Dividend paid	•	57,049	47,540
Investment in mutual fund	•	100,000	50,000
Donation	•	3,465	2,781
Insurance claim received	•	1,721	7,997
Contribution	Employees' provident fund	5,035	5,256
Contribution	Employees' gratuity fund	5,973	2,083
Salaries and other employee benefits	Key management personnel	74,131	64,954

		Unaudited March 31, 2011	Audited June 30, 2010
		----- Rupees in '000' -----	
Balances	Relationship		
Trade debts	Associated companies	5,233	38,232
Advance for capital expenditure	•	1,927	-
Investments	•	100,518	-
Bank balance	•	-	7
Royalty payable	•	41,735	40,244
Trade payable	•	8,781	-
Loans	Key management personnel	156	-
Gratuity fund payable	Employees' gratuity fund	5,973	6,015

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on April 27, 2011 by the Board of Directors of the Company.

18. 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

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