



Quarterly Report
March 31, 2012



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COMPANY INFORMATION

Board of Directors

Yusuf H. Shirazi
Chairman

Kamal A. Chinoy
Director

Khaleeq-ur-Rahman Khan
Director

Makio Tanaka
Director

Omar Saeed
Director

Talha Saad
Director

Ali H. Shirazi
President / Chief Executive

Rizwan Ahmed
Company Secretary

Audit Committee

Omar Saeed
Chairman

Khaleeq-ur-Rahman Khan
Member

Talha Saad
Member

M. Rizwan Jamil
Head of Internal Audit

Muhammad Saleem
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Ahmad Zafaryab Ali
Chief Financial Officer

Arshad Gulraiz Butt
General Manager Marketing

Muhammad Iqbal
General Manager Supply Chain

Muhammad Jamil Awan
General Manager Quality Assurance

Qasim Imran Khan
Head of Information Technology

Ahmar Waheed
Manager Human Resources

Nehal Asghar
Manager Operations

Auditors

Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

COMPANY INFORMATION

Bankers

Allied Bank Limited
 Bank Alfalah Limited
 Barclays Bank PLC
 Habib Bank Limited
 Habib Metropolitan Bank Limited
 HSBC Bank Middle East Limited
 MCB Bank Limited
 Meezan Bank Limited
 National Bank of Pakistan
 Summit Bank Limited
 The Bank of Tokyo-Mitsubishi UFJ, Limited
 United Bank Limited

Share Registrar

Hameed Majeed Associates (Pvt) Limited
 Karachi Chambers, Hasrat Mohani Road,
 Karachi.
 Tel: (021) 32424826 & 32412754
 Fax: (021) 32424835
 E-mail: majeed@hmaconsultants.com

Registered Office & Factory

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

Zonal Office Karachi

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

Sukkur Office

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

Zonal Office Lahore

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

Faisalabad Office

54-Chenab Market,
 Madina Town, Faisalabad
 Tel: (041) 8713127
 Fax: (041) 8726628

Multan Office

Azmat Wasti Road,
 Chowk Dera Adda, Multan-60000
 Tel: (061) 4548017

Peshawar Office

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

Rawalpindi Office

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

Sahiwal Office

647-V-7, Al-Hilal Building,
 Nishter Road, Sahiwal-57000
 Tel: (040) 4461539

Company Website

www.atlasbattery.com.pk

Email Address

abl@atlasbattery.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present to you the un-audited condensed interim results of the Company for the nine months ended March 31, 2012.

ECONOMY

The economy is continuing its recovery despite facing many internal and external challenges. GDP is projected to grow by almost 4% during FY12 as against initial target of 4.3%. This will be a reasonable growth rate in the present socio-political-economic situation. The key economic variables are indicating some positive trend towards sustainable growth. General inflation decreased to 10.8% in March 2012 from 13% in same period of last year. Foreign currency reserves remained above US\$ 16.0 billion due to continued overseas remittances at a level of more than \$1.0 billion every month. On y-o-y basis, home remittances grew by 21.5% as against same period of last year. Tax collection is also expected to increase by 25% against same period of last year. In the backdrop of healthy corporate results KSE-100 index is trading at close to 14,000, in sight of previous historical highs. On the other hand, Pakistan's current account deficit widened to \$2.952 billion in the first eight months of the FY12, compared with \$194 million over the same period in the previous year. PKR-US\$ parity is at Rs. 91.0, depreciation of 5.8% since start of current fiscal year, with expectation of further depreciation by end of FY12. The imbalances on the external front as well as the drying up of foreign investment inflows and payment against rising oil prices have pushed the local currency to record lows.

Large Scale Manufacturing (LSM) grew by 1.3% during July-Jan FY11-12 as compared to the same period of last year. The major contribution came from Pharmaceutical, Food group and Leather products. The current problems of severe energy shortage, high input costs and reduced incomes call for better coordinated actions by the government to ensure a sustained growth in LSM for the economy to flourish. The agriculture sector's performance remained below expectation. The rising input costs of electricity and fertilizers together with lower prices for major crops specifically cotton, eroded liquidity for the farmers, leading to lower purchasing power. As a result, sale of consumer durables saw a significant slowdown in the rural areas.

OPERATING RESULTS

Your Company achieved sales revenue of Rs.2,018.9 million during 3rd quarter as compared to Rs.1,586.1 million for the same period last year, an impressive growth of 27.3% based on better sales volume and mix. Cost of sales for the same period increased from Rs.1,374.1 million to Rs.1,675.8 million, up 22%, mainly because of depreciation of Pak Rupee against US Dollar, higher cost of input raw materials and energy related services. The positive thing during this period was tight control on overheads which your company exercised to keep the overall cost down. Resultantly, gross profit percentage improved to 17% from 13.4% in the corresponding period of last year. In terms of value it also improved by 61.9% to Rs.343.1 million from Rs.212 million.

Operating expenses during the period increased by 35.5% from Rs.70.0 million to Rs.94.8 million. However, as a percentage of sales, it slightly increased from 4.4% to 4.7%. Profit from operations increased from Rs.135.1 million to Rs.234.6 million, up 73.7%. Financial cost however, increased significantly from Rs.6.6 million to Rs.15.3 million, because of higher utilization of running finance facilities as compared to corresponding period due to increased working capital requirement. Thus, profit before tax stood at Rs.219.2 million as compared to Rs.128.5 million in the corresponding period of last year, up 70.6%. After providing Rs.92.8 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.126.5 million compared to Rs.85.5 million, up 47.9%. Earnings per share for the quarter improved from Rs.7.1 to Rs.10.5, up 47.9%.

For the nine months period, net sales revenue increased to Rs.5,126.8 million as compared to Rs.4,173.5 million during the same period last year, up 22.8%. However, cost of sales increased by 21.9% as against corresponding period of last year. This put a positive impact on gross profit ratio which improved to 16.4% as against 15.7% of last year. In absolute amount it also improved to Rs.838.6 million from Rs.655.0 million, up 28%. Operating expenses during nine months period increased by 22%, in line with increase in sales revenue. Operating profit for nine months improved to Rs.562.8 million from Rs.434.7 million, up 29.5% as compared to same period last year.

Financial cost increased by Rs.26.9 million because of higher utilization of short term loans. Thus, profit before tax for nine months was Rs.504.5 million as compared to Rs.403.3 million in the corresponding period of last year, up 25.1%. After tax profit was Rs.336.8 million as against Rs.275.1 million during the same period last year and earnings per share improved to Rs.27.9 as against Rs.22.8, up 22.4%.

FUTURE OUTLOOK

The world economy has entered a very challenging phase characterized by significant downside risks and fragility. The financial turmoil generated by the intensification of the fiscal crisis in Europe has spread to both developing and high-income countries and is generating significant headwinds. Capital flows to developing countries have declined by almost half as compared with last year. The fragile global economic environment may further suppress domestic growth in Pakistan. Additionally surging fiscal deficit, escalating government borrowings and chronic energy shortages are halting economic growth. Improving tax-to-GDP ratio by widening tax net, removing subsidies, reducing circular debt and improving utilities supply situation are some of the issues to address for sustainable growth.

Your Company's product is highly dependent on the growth of automotive industry. During the period from July 11 to March 12, sales of locally manufactured cars jumped by 15.3% to 112,721 units from 97,804 units during the same period of last year. LCV segment also grew by 12.8% with sales volume of 15,846 units as against 14,048 units sold in the corresponding period. However, Sales of heavy vehicles i.e. trucks & buses and farm tractors saw negative growth of 11.4% and 44.3% respectively. However, during Feb-Mar 2012, sales of farm tractors recorded impressive growth of 24.7% over the same period of last year. The slow-down in sales of tractors was mainly because of imposition of 16% General Sales Tax which has now been decreased to 5%. Motorcycles and three-wheeler segment grew by 3.5% during the period under review and sold 622,348 units as against 601,336 units during corresponding period of last year. This segment witnessed a slowdown during November-December 2011 due to severe cash flow shortage in the rural areas. The situation now is much improved which will help the battery industry in ensuing periods.

During nine months of 2011-12, your Company has performed well against the challenges of the increasing competition in battery industry, depreciating rupee, intermittent supply of utilities and unabated rise in cost of doing business. With the increased production capacity, your Company is uniquely positioned to supply quality products as per customer demand and is ready to meet the challenges ahead. I am sure your Company will continue to focus on productivity with improved quality and become more competitive in this challenging environment to ensure sustainable growth and profitability.

گیسوئے تابدار کو اور بھی تابدار کر

(Let us grow better and better)

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.

I would also like to share with you that your Company has been awarded with "Management Excellence Certificate" by the Management Association of Pakistan (MAP) for the year 2010-11. Winning of this prestigious award affirms your Company's adherence to best corporate governance practices.



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2012

	Note	Unaudited March 31, 2012	Audited June 30, 2011
		----- (Rupees in '000) -----	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,107,407	900,503
Intangible assets		1,532	6,129
Investments - Available for sale		-	-
Long term deposits		517	517
Long term loans		648	605
		<u>1,110,104</u>	<u>907,754</u>
CURRENT ASSETS			
Stores, spares and loose tools		50,124	30,933
Stock-in-trade	6	709,861	717,004
Trade debts		182,391	89,625
Loans and advances		6,059	2,884
Deposits and prepayments		25,113	4,847
Investments		226,319	204,863
Other receivables		8,555	2,317
Taxation - net		2,675	26,488
Cash and bank balances	7	57,902	93,952
		<u>1,268,999</u>	<u>1,172,913</u>
		<u>2,379,103</u>	<u>2,080,667</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (June 30, 2011: 50,000,000) ordinary shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 12,083,174 (June 30, 2011: 10,069,312) ordinary shares of Rs. 10/- each		120,832	100,693
General reserves		727,500	497,500
Unappropriated profit		342,479	356,552
		<u>1,190,811</u>	<u>954,745</u>
SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Leasehold land		173,786	173,786
NON-CURRENT LIABILITIES			
Deferred liabilities	8	171,482	138,411
CURRENT LIABILITIES			
Trade and other payables		479,572	356,874
Sales tax payable - net		58,510	3,908
Special excise duty payable - net		-	13,023
Accrued mark-up / interest		9,387	5,222
Short term borrowings - secured	9	295,555	434,698
		<u>843,024</u>	<u>813,725</u>
CONTINGENCIES AND COMMITMENTS			
	10	<u>2,379,103</u>	<u>2,080,667</u>

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2012

	Note	Quarter ended		Period ended	
		March 31,		March 31,	
		2012	2011	2012	2011
----- (Rupees in '000) -----					
Sales		2,018,912	1,586,086	5,126,826	4,173,544
Cost of sales	11	(1,675,775)	(1,374,097)	(4,288,181)	(3,518,522)
Gross profit		343,137	211,989	838,645	655,022
Distribution cost		(53,468)	(42,373)	(133,703)	(117,747)
Administrative expenses		(41,378)	(27,634)	(103,083)	(76,301)
Other operating income		14,616	2,896	25,059	4,429
Other operating expenses		(28,330)	(9,794)	(64,090)	(30,696)
Profit from operations		234,577	135,084	562,828	434,707
Finance cost		(15,337)	(6,601)	(58,344)	(31,436)
Profit before tax		219,240	128,483	504,484	403,271
Taxation	12	(92,763)	(42,949)	(167,725)	(128,167)
Profit after tax		126,477	85,534	336,759	275,104
Other comprehensive income		-	-	-	-
Total comprehensive income		126,477	85,534	336,759	275,104
-----Rupees-----					
Earnings per share - basic and diluted	13	10.47	7.08	27.87	22.77

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2012

March 31,
2012 2011
----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	504,484	403,271
Adjustments for:		
Depreciation	68,249	52,408
Amortization	4,597	4,597
Unrealized gain on remeasurement of investments	(19,619)	(1,201)
Gain on sale of investments	(2,849)	(125)
Finance cost	58,344	31,436
Loss / (gain) on sale of fixed assets	6,018	(1,139)
Provision for gratuity	5,292	6,108
Provision for compensated absences	13,627	9,349
	133,659	101,433
Operating profit before working capital changes	638,143	504,704
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(19,191)	(6,421)
Stock-in-trade	7,143	(38,069)
Trade debts	(92,766)	(103,191)
Loans and advances	(3,175)	(5,461)
Deposits and prepayments	(20,266)	(12,787)
Other receivables	(6,238)	-
	(134,493)	(165,929)
Increase / (decrease) in current liabilities		
Trade and other payables	125,522	202,446
Sales tax payable - net	54,602	70,326
Special excise duty payable - net	(13,023)	6,418
	167,101	279,190
Working capital changes	32,608	113,261
Cash generated from operations	670,751	617,965
Finance cost paid	(54,179)	(28,187)
Interest received	-	195
Taxes paid	(116,774)	(97,472)
Gratuity paid	(8,024)	(6,015)
Compensated absences paid	(7,783)	(1,223)
Long term loans	(43)	(319)
	(186,803)	(133,021)
Net cash generated from operating activities	483,948	484,944

c/f

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2012

		March 31,	
		2012	2011
		----- (Rupees in '000) -----	
Net cash generated from operating activities	b/f	483,948	484,944
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(291,229)	(150,009)
Intangible assets		-	(13,196)
Investments acquired		(210,000)	(102,459)
Proceeds from disposal of property, plant and equipment		10,058	5,281
Proceeds from disposal of intangible assets		-	937
Proceeds from disposal of investments		211,012	20,324
Net cash used in investing activities		(280,159)	(239,122)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short term borrowings		(139,143)	(99,404)
Dividend paid		(100,696)	(83,932)
Net cash used in financing activities		(239,839)	(183,336)
(Decrease) / increase in cash and cash equivalents		(36,050)	62,486
Cash and cash equivalents at the beginning of the period		93,952	29,869
Cash and cash equivalents at the end of the period		57,902	92,355

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2012

	Share Capital	General Reserves	Unappro- priated Profit	Total
	----- (Rupees in '000) -----			
Balance as at June 30, 2010 (Audited)	83,911	375,500	224,743	684,154
Total comprehensive income for the period ended March 31, 2011	-	-	275,104	275,104
Cash dividend paid @ Rs. 10/- per share	-	-	(83,911)	(83,911)
Transfer to general reserves	-	122,000	(122,000)	-
Bonus shares issued	16,782	-	(16,782)	-
Transactions with owners directly recorded in equity	16,782	122,000	(222,693)	(83,911)
Balance as at March 31, 2011 (Unaudited)	100,693	497,500	277,154	875,347
Total comprehensive income for the quarter ended June 30, 2011	-	-	79,398	79,398
Balance as at June 30, 2011 (Audited)	100,693	497,500	356,552	954,745
Total comprehensive income for the period ended March 31, 2012	-	-	336,759	336,759
Cash dividend paid @ Rs. 10/- per share	-	-	(100,693)	(100,693)
Transfer to general reserves	-	230,000	(230,000)	-
Bonus shares issued	20,139	-	(20,139)	-
Transactions with owners directly recorded in equity	20,139	230,000	(350,832)	(100,693)
Balance as at March 31, 2012 (Unaudited)	<u>120,832</u>	<u>727,500</u>	<u>342,479</u>	<u>1,190,811</u>

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED MARCH 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 under the Companies Act, 1913, now Companies Ordinance, 1984 (the Ordinance). Currently, the shares of the Company are listed on Karachi and Lahore Stock Exchanges in Pakistan. The registered office is located at D-181, Central Avenue, S.I.T.E., Karachi. The Company is engaged in manufacturing and marketing of automotive and motorcycle batteries. The manufacturing facilities are located at Karachi with branches at Karachi, Lahore, Multan, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information of the Company for the period ended March 31, 2012 has been prepared in accordance with the requirements of the International Accounting Standard 34, "Interim Financial Reporting" (IAS 34) and provisions of and directives issued under the Ordinance. In case where requirements differ, the provisions of or directives issued under the Ordinance have been followed.
- 2.2** The disclosures in the condensed interim financial information does not include the information reported for full annual financial statements and should therefore be read in conjunction with the audited financial statements for the year ended June 30, 2011. Comparative balance sheet is extracted from audited annual financial statements as of June 30, 2011 where as comparative profit and loss account, cash flow statement and statement of changes in equity are extracted from un-audited condensed interim financial information for the period ended March 31, 2011.
- 2.3** This condensed interim financial information is un-audited and is being submitted to the members as required under Section 245 of the Ordinance and the Listing Regulations of the Karachi and Lahore Stock Exchanges.
- 2.4** This condensed interim financial information are presented in Pak Rupee, which is the functional currency of the Company. All the financial information presented in Pak Rupee has been rounded off to the nearest thousand, except for earnings per share which is presented in whole figures.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

4. ACCOUNTING ESTIMATES AND JUDGMENTS

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

	Note	Unaudited March 31, 2012 ---- (Rupees in '000) ----	Audited June 30, 2011
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,020,802	866,223
Capital work in progress		86,605	34,280
		<u>1,107,407</u>	<u>900,503</u>
5.1 Operating fixed assets			
Book value at the beginning of the period / year		866,223	680,935
Additions during the period / year	5.2	238,905	259,070
		<u>1,105,128</u>	<u>940,005</u>
Less:			
Written down value of disposals	5.3	(16,077)	(5,810)
Depreciation		(68,249)	(67,972)
		<u>(84,326)</u>	<u>(73,782)</u>
Book value at the end of the period / year		<u>1,020,802</u>	<u>866,223</u>
5.2 Additions during the period / year			
Land		-	48,105
Buildings		2,458	1,220
Plant and machinery		129,662	141,822
Moulds, dies and jigs		8,446	13,558
Factory equipments		13,371	18,675
Office equipments		-	634
Computer and accessories		775	748
Air conditioners		1,430	1,726
Gas installation		4,913	-
Electrical installation		52,345	3,022
Vehicles		25,505	29,560
		<u>238,905</u>	<u>259,070</u>
5.3 Written down value of disposals			
Plant and machinery		6,877	285
Moulds, dies and jigs		-	13
Office equipments		-	37
Computer and accessories		-	66
Air conditioners		-	30
Vehicles		9,200	5,379
		<u>16,077</u>	<u>5,810</u>
5.4			

- 5.4 Certain moulds, dies and jigs having cost of Rs. 30,908 thousand (June 30, 2011: Rs. 30,908 thousand) and book value of Rs.14,218 thousand (June 30, 2011: Rs.15,371 thousand) are held by third parties for production of components to be supplied to the Company.

	Unaudited March 31, 2012	Audited June 30, 2011
	----- (Rupees in '000) -----	
6. STOCK-IN-TRADE		
Raw materials and components:		
In hand	131,184	290,108
With third parties	46,365	53,961
	<u>177,549</u>	<u>344,069</u>
Work in process	317,717	233,876
Finished goods	128,011	90,701
Goods in transit	86,584	48,358
	<u>709,861</u>	<u>717,004</u>
7. CASH AND BANK BALANCES		
At banks:		
In current account	511	13,474
In imprest account	525	40
Cheques in hand	56,866	80,438
	<u>57,902</u>	<u>93,952</u>
8. DEFERRED LIABILITIES		
Provision for gratuity - Non management	1,722	1,633
Compensated leave absences	39,622	33,778
Deferred taxation	130,138	103,000
	<u>171,482</u>	<u>138,411</u>
9. SHORT TERM BORROWINGS - SECURED		
Short term running finance	163,836	255,294
Demand finance	131,719	-
Import finance	-	179,404
	<u>295,555</u>	<u>434,698</u>
10. CONTINGENCIES AND COMMITMENTS		
10.1	There is no change in the contingencies as disclosed in Note 23.1 and 23.2 of the audited financial statements of the Company for the year ended June 30, 2011.	
	Unaudited March 31, 2012	Audited June 30, 2011
	----- (Rupees in '000) -----	
10.2 Guarantees		
Issued by banks on behalf of Company to:		
Sui Southern Gas Company Limited	7,677	7,677
Karachi Electric Supply Corporation	26,025	-
	<u>33,702</u>	<u>7,677</u>
10.3 Commitments		
Confirmed letters of credits / contracts relating to:		
Raw materials and stores, spare parts and loose tools	294,321	292,547
Plant and equipment	23,844	3,862
	<u>318,165</u>	<u>296,409</u>

		----- Unaudited -----			
		Quarter ended		Period ended	
		March 31,		March 31,	
Note		2012	2011	2012	2011
		----- (Rupees in '000) -----			
11. COST OF SALES					
	Stock at beginning	149,371	77,453	90,701	69,056
	Cost of goods manufactured	1,654,415	1,391,222	4,325,491	3,544,044
		<u>1,803,786</u>	<u>1,468,675</u>	<u>4,416,192</u>	<u>3,613,100</u>
	Stock at end	128,011	94,578	128,011	94,578
		<u>1,675,775</u>	<u>1,374,097</u>	<u>4,288,181</u>	<u>3,518,522</u>
11.1 Cost of goods manufactured					
	Work in process at beginning	245,682	150,070	233,876	115,589
	Raw materials and components consumed	1,447,970	1,211,146	3,595,571	3,002,045
	Overheads	278,480	243,340	813,761	639,744
		<u>1,972,132</u>	<u>1,604,556</u>	<u>4,643,208</u>	<u>3,757,378</u>
	Work in process at end	317,717	213,334	317,717	213,334
		<u>1,654,415</u>	<u>1,391,222</u>	<u>4,325,491</u>	<u>3,544,044</u>
12. TAXATION					
	Current year	94,602	48,005	141,732	118,642
	Prior year	-	168	(1,145)	255
	Deferred	(1,839)	(5,224)	27,138	9,270
		<u>92,763</u>	<u>42,949</u>	<u>167,725</u>	<u>128,167</u>
13. EARNINGS PER SHARE - BASIC AND DILUTED					
Earnings for the purpose of basic earnings per share					
	Net profit for the period (Rupees in thousand)	<u>126,477</u>	<u>85,534</u>	<u>336,759</u>	<u>275,104</u>
	Weighted average number of shares in issue during the period (Numbers)	<u>12,083,174</u>	<u>12,083,174</u>	<u>12,083,174</u>	<u>12,083,174</u>
	Basic and diluted earnings per share (Rupees)	<u>10.47</u>	<u>7.08</u>	<u>27.87</u>	<u>22.77</u>

2,013,862 (2011: 1,678,218) bonus shares of Rs. 10/- each were issued on September 30, 2011. Weighted average number of ordinary shares for the previous period has been restated accordingly.

14. SEGMENT INFORMATION

- 14.1 These condensed interim financial information have been prepared on the basis of a single reportable segment.
- 14.2 All non-current assets of the Company are located in Pakistan.
- 14.3 There is no customer of Company to whom 10% or more sale is made during the period.

15. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements for the year ended June 30, 2011. No reclassifications in the categories of financial assets have been made since June 30, 2011.

16. RELATED PARTY TRANSACTIONS

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

Transactions	Relationship	----- Unaudited ----- March 31, 2012 2011 ---- (Rupees in '000) ----	
Sales	Associated companies	227,110	248,711
Sale of operating fixed assets	"	-	612
Sale of intangible assets	"	-	937
Purchase of operating fixed assets	"	46,665	12,005
Reimbursement of expenses	"	3,079	673
Expenses charged to	"	263	43
Insurance claim received	"	1,084	1,721
Donation paid	"	5,251	3,413
Sale proceeds of bonus fractions	"	64	52
Insurance premium	"	58,281	45,111
Rent / service charges paid	"	34,472	16,296
Dividend paid	"	73,954	57,049
Investment in mutual fund	"	210,000	100,000
Redemption of mutual fund	"	211,012	-
Purchases of consumables	"	387	412
Purchases of raw materials	"	9,839	14,267
Commission paid	"	25,347	-
Royalty	"	51,268	41,735
Contributions paid	Staff retirement funds/schemes	7,325	5,035
Remuneration and other benefits	Key management personnel	110,249	74,131

Balances	Relationship	Unaudited	Audited
		March 31, 2012	June 30, 2011
		---- (Rupees in '000) ----	
Trade debts	Associated companies	4,027	1,514
Advance for capital expenditure	"	10,324	1,499
Investments	"	216,038	195,425
Insurance claim receivables	"	6,238	-
Trade payable	"	6,232	-
Royalty payable	"	51,268	58,683
Loan to staff	Key management personnel	392	167
Gratuity fund payable	Staff retirement funds/schemes	5,153	9,597

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial information were authorized for issue on April 26, 2012 by the Board of Directors of the Company.

18. CORRESPONDING FIGURES

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Omar Saeed
Director

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