



Quarterly Report
March 31, 2013



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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

Kamal A. Chinoy
Chairman

Khaleeq-ur-Rahman Khan
Member

Talha Saad
Member

Rizwan Ahmed
Secretary

M. Rizwan Jamil
Head of Internal Audit

Human Resource and Remuneration Committee

Omar Saeed
Chairman

Ali H. Shirazi
Member

Khaleeq-ur-Rahman Khan
Member

Ahmar Waheed
Secretary

Management Committee

Ali H. Shirazi
President / Chief Executive

Talha Saad
Managing Director

Ahmad Zafaryab Ali
Chief Financial Officer

Arshad Gulraiz Butt
General Manager Marketing

Muhammad Iqbal
General Manager Supply Chain

Muhammad Jamil Awan
General Manager Quality Assurance

Nehal Asghar
General Manager Plant

Ahmar Waheed
Head of Human Resource

Qasim Imran Khan
Head of Information Technology

COMPANY INFORMATION

Auditors

Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Agha Faisal Barrister at Law
Mohsin Tayebaly & Co.

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Bankers

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

Share Registrar

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

Registered Office & Factory

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

Zonal Office Karachi

4-C, Khayaban-e-Tanzeem,
Touheed Commercial,
Phase V, D.H.A., Karachi
Tel: (021) 35877911-15
Fax: (021) 35877916

Sukkur Office

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

Zonal Office Lahore

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

Faisalabad Office

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

Multan Office

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

Peshawar Office

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

Rawalpindi Office

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

Sahiwal Office

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

Company Website

www.atlasbattery.com.pk

Email Address

abl@atlasbattery.com.pk

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited condensed interim results of your Company for nine months ended March 31, 2013.

ECONOMY

Despite many odds, Pakistan's economy has recovered modestly during 9 months of current fiscal year and GDP is expected to grow by 3.5%. The main two challenges now being faced by the economy are to manage the balance of payments and accelerate economic growth. The balance of payment position continued to be driven by low financial inflows and high debt repayments. Resultantly, foreign exchange reserves remained under pressure and declined to US\$ 12.2 billion as at March 29, 2013 as compared to US\$ 13.9 billion as of December 31, 2012, mainly due to heavy debt re-payments. There was some support from home remittances which accumulated to US\$ 10.4 billion during 9 months with growth of 6.4% as against last year. Inflation has been well managed coming down on a year-on-year basis to 6.6% in March 2013 from 10.9% of last year. Despite continued energy shortages and substantial fiscal borrowings from the banking system, credit extended to private businesses has shown some recovery. This has helped the large scale manufacturing sector to a growth of 2.9% during first 8 months of current fiscal year as compared to 1.9% in the corresponding period of last year.

OPERATING RESULTS

During the period under review, your Company achieved sales growth of 20.3% with revenue of Rs.2,428.3 million during 3rd quarter as compared to Rs.2,018.9 million for the same period last year. However, cost of sales for the same period increased from Rs.1,675.8 million to Rs.2,061.6 million, up 23.0%. Increase in raw material prices, depreciation of Pak Rupee against US dollar and higher cost of energy hampered the gross profit ratio which stood at 15.1% as compared to 17.0% in the corresponding period of last year. However, in terms of value it improved from Rs.343.1 million to Rs.366.7 million, up 6.9%.

Operating expenses increased from Rs.94.8 million to Rs.120.2 million, up by Rs.25.4 million mainly because of increase in freight cost. Other operating income increased significantly from Rs.14.6 million to Rs.20.1 million due to return on investment of excess funds used in treasury activities. Resultantly, profit from operations increased to Rs.241.4 million from Rs.234.6 million, up 2.9%. Financial cost reduced from Rs.15.3 million to Rs.13.3 million, lower by 13.0% as compared to corresponding period due to combined effect of lower discount rates and lower utilization of running finance facilities.

Thus, profit before tax for 3rd quarter of 2012-13 stood at Rs.228.0 million as compared to Rs.219.2 million in the corresponding period of last year, up 4.0%. After providing Rs.72.9 million in respect of current and deferred taxation, the after tax profit of your Company stood at Rs.155.2 million as compared to Rs.126.5 million, up 22.7%. Earnings per share for the quarter improved from Rs.8.72 to Rs.10.70.

For nine months of 2012-13, net sales revenue increased to Rs.6,284.2 million as compared to Rs.5,126.8 million for the same period last year, up 22.6%. Cost of sales increased by 24.4% as against corresponding period of last year. Thus, gross profit ratio reduced to 15.1% as against 16.4% of last year. However, in terms of value it improved to Rs.949.9 million from Rs.838.6 million, up 13.3%. Operating profit for nine months improved to Rs.617.2 million from Rs.562.8 million, up 9.7% as compared to same period last year. Thus, profit before tax for nine months was Rs.575.2 million as compared to Rs.504.5 million in the corresponding period of last year, up 14.0%. After tax profit was Rs.400.0 million as against Rs.336.8 million during the same period last year and earnings per share improved to Rs.27.59 as against Rs.23.23, up 18.8%.

FUTURE OUTLOOK

Pakistan economy needs private sector growth and policy measures which encourage businesses to borrow at lower rates and move the economy forward. The present predicament of automotive industry is unfavorable due to the import policies by the regulators. Being a vendor of automotive industry, your Company's product is highly dependent on the growth of the industry. During the period from July 2012 to March 2013, sales of locally manufactured cars dropped by 24.5% to 85,083 units from 112,721 units during the same period of last year. LCV segment also declined significantly by 30.9% with sales volume of 10,713 units as against 15,519 units sold in the corresponding period. Sales of heavy vehicles i.e. trucks & buses went down by 18.2%. However, sales of farm tractors increased by 25.2% with 35,279 units as against 28,169 units sold during same period of last year. Motorcycles and three-wheeler segment growth remained flat during the period under review with sales of 620,101 units as against 622,348 units during last year.

Significant increase in raw materials costs coupled with Rupee depreciation and high cost of energy are some of the factors resulting in high cost of doing business. Recycled lead cost has touched historical levels due to illegal-export through misuse of DTRE scheme. Rupee depreciation is on the cards in the coming quarters due to un-favorable trade balance. All these factors will put the onus on the management of your Company to be more competitive in this challenging environment to ensure sustainable growth and profitability. I am sure your Company will continue to focus on productivity while meeting customers' need with improved quality by following the principles of "The Atlas Way".

لَيْسَ لِلْإِنْسَانِ إِلَّا مَا سَعَى
(انسان کو اتنا ہی ملے گا جتنی اس نے کوشش کی)

ACKNOWLEDGEMENT

I would like to thank our JV Partner 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 improving upon results and their dedication and commitment to achieve sustained growth year after year.



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2013

	Note	Unaudited March 31, 2013 ----- (Rupees in '000) -----	Audited June 30, 2012 -----
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	1,134,485	1,127,859
Intangible assets	6	2,097	-
Investments		-	-
Long term deposits		7,832	6,832
Long term loans		933	719
		<u>1,145,347</u>	<u>1,135,410</u>
CURRENT ASSETS			
Stores, spares and loose tools		49,315	43,594
Stock-in-trade		1,348,503	811,490
Trade debts		69,031	112,423
Loans and advances		4,163	2,682
Deposits and prepayments	7	26,023	5,138
Investments	8	639,832	436,291
Other receivables		10,585	7,023
Taxation - net		77,656	29,481
Bank balances		12,509	48,191
		<u>2,237,617</u>	<u>1,496,313</u>
		<u>3,382,964</u>	<u>2,631,723</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 50,000,000 (June 30, 2012: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up capital 14,499,808 (June 30, 2012: 12,083,174) ordinary shares of Rs. 10 each	9	144,998	120,832
General reserves		1,067,500	727,500
Unappropriated profit		406,746	491,734
		<u>1,619,244</u>	<u>1,340,066</u>
SURPLUS ON REVALUATION OF LEASEHOLD LAND			
		173,786	173,786
NON-CURRENT LIABILITIES			
Deferred liabilities		203,839	179,325
CURRENT LIABILITIES			
Trade and other payables		807,990	494,461
Sales tax payable - net		37,113	21,066
Accrued mark-up		7,174	7,810
Short term borrowings		533,818	415,209
		<u>1,386,095</u>	<u>938,546</u>
CONTINGENCIES AND COMMITMENTS			
	10	<u>3,382,964</u>	<u>2,631,723</u>

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



Yusuf H. Shirazi
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, 2013

	Note	Quarter ended		Period ended	
		March 31,		March 31,	
		2013	2012	2013	2012
----- (Rupees in '000) -----					
Sales		2,428,324	2,018,912	6,284,240	5,126,826
Cost of sales	11	(2,061,588)	(1,675,775)	(5,334,390)	(4,288,181)
Gross profit		366,736	343,137	949,850	838,645
Distribution cost		(60,408)	(53,468)	(172,227)	(133,703)
Administrative expenses		(59,806)	(41,378)	(155,201)	(103,083)
Other operating income		20,109	14,616	56,169	25,059
Other operating expenses		(25,249)	(28,330)	(61,424)	(64,090)
Profit from operations		241,382	234,577	617,167	562,828
Finance cost		(13,347)	(15,337)	(41,980)	(58,344)
Profit before taxation		228,035	219,240	575,187	504,484
Taxation	12	(72,868)	(92,763)	(175,177)	(167,725)
Profit after taxation		155,167	126,477	400,010	336,759
Other comprehensive income		-	-	-	-
Total comprehensive income		155,167	126,477	400,010	336,759
----- (Rupees) -----					
			Restated		Restated
Earnings per share	13	10.70	8.72	27.59	23.23

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Kamal A. Chinoy
Director

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

	Period ended	
	March 31, 2013	March 31, 2012
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	575,187	504,484
Adjustments for non-cash charges and other items		
Depreciation of operating fixed assets	78,320	68,249
Amortisation of intangible assets	791	4,597
Net change in fair value of investments at fair value through profit or loss	(42,109)	(19,619)
Gain on sale of investments	(5,590)	(2,849)
Finance cost	41,980	58,344
Loss on sale of operating fixed assets	3,200	6,018
Provision for gratuity	5,788	5,292
Provision for compensated leave absences	8,044	13,627
	90,424	133,659
Operating profit before working capital changes	665,611	638,143
Working capital changes:		
(Increase) / decrease in current assets:		
Stores, spares and loose tools	(5,721)	(19,191)
Stock-in-trade	(537,013)	7,143
Trade debts	43,392	(92,766)
Loans and advances	(1,481)	(3,175)
Deposits and prepayments	(20,885)	(20,266)
Other receivables	(3,562)	(6,238)
	(525,270)	(134,493)
Increase / (decrease) in current liabilities:		
Trade and other payables	316,136	125,522
Sales tax payable - net	16,047	54,602
Special excise duty payable - net	-	(13,023)
	332,183	167,101
	(193,087)	32,608
Cash generated from operations	472,524	670,751
Finance cost paid	(42,616)	(54,179)
Income taxes paid (including tax deducted at source)	(204,721)	(116,774)
Gratuity paid	(8,298)	(8,024)
Compensated leave absences paid	(2,204)	(7,783)
Long term deposits	(1,000)	-
Long term loans	(214)	(43)
	(259,053)	(186,803)
Net cash generated from operating activities	c/f 213,471	483,948

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2013

		Period ended	
		March 31, 2013	March 31, 2012
		----- (Rupees in '000) -----	
Net cash generated from operating activities	b/f	213,471	483,948
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditures		(191,945)	(291,229)
Sale proceeds from disposal of operating fixed assets		103,797	10,058
Additions in intangible assets		(2,888)	-
Investments acquired		(335,842)	(210,000)
Sale proceeds from disposal of investments		180,000	211,012
Net cash used in investing activities		(246,878)	(280,159)
CASH FLOWS FROM FINANCING ACTIVITIES			
Short term borrowings - net		118,609	(139,143)
Dividend paid		(120,884)	(100,696)
Net cash used in from financing activities		(2,275)	(239,839)
Net decrease in cash and cash equivalents		(35,682)	(36,050)
Cash and cash equivalents - at beginning of the period		48,191	93,952
Cash and cash equivalents - at end of the period		12,509	57,902

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Kamal A. Chinoy
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2013

	Issued, subscribed and paid up capital	General reserves	Unappro- priated profit	Total
----- (Rupees in '000) -----				
Balance as at July 1, 2011 (Audited)	100,693	497,500	356,552	954,745
Transfer to general reserves	-	230,000	(230,000)	-
Transactions with owners				
Cash dividend for the year ended June 30, 2011 at the rate of Rs.10 per share	-	-	(100,693)	(100,693)
Bonus shares at the rate of 20% issued during the period	20,139	-	(20,139)	-
	20,139	-	(120,832)	(100,693)
Total comprehensive income for the period ended March 31, 2012	-	-	336,759	336,759
Balance as at March 31, 2012 (Unaudited)	120,832	727,500	342,479	1,190,811
Total comprehensive income for the quarter ended June 30, 2012	-	-	149,255	149,255
Balance as at June 30, 2012 (Audited)	120,832	727,500	491,734	1,340,066
Transfer to general reserves	-	340,000	(340,000)	-
Transactions with owners				
Cash dividend for the year ended June 30, 2012 at the rate of Rs.10 per share	-	-	(120,832)	(120,832)
Bonus shares at the rate of 20% issued during the period	24,166	-	(24,166)	-
	24,166	-	(144,998)	(120,832)
Total comprehensive income for the period ended March 31, 2013	-	-	400,010	400,010
Balance as at March 31, 2013 (Unaudited)	<u>144,998</u>	<u>1,067,500</u>	<u>406,746</u>	<u>1,619,244</u>

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



Yusuf H. Shirazi
Chairman



Ali H. Shirazi
President / Chief Executive



Kamal A. Chinoy
Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2013

1. LEGAL STATUS AND NATURE OF BUSINESS

Atlas Battery Limited (the Company) was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in manufacturing and sale of automotive and motorcycle batteries. The registered office and manufacturing facilities are located at D-181, Central Avenue, S.I.T.E., Karachi with branches at Karachi, Lahore, Multan, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. BASIS OF PREPARATION

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

3. ACCOUNTING POLICIES

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended June 30, 2012.

	Note	Unaudited March 31, 2013	Audited June 30, 2012
---- (Rupees in '000) ----			
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	1,108,326	1,076,257
Capital work-in-progress		26,159	51,602
		<u>1,134,485</u>	<u>1,127,859</u>
5.1 Operating fixed assets			
Book value at the beginning of the period / year		1,076,257	866,223
Additions during the period / year	5.2	217,387	328,710
Disposals costing Rs.115,548 thousand (June 30, 2012: Rs.33,173 thousand) - at book value	5.3	(106,998)	(17,106)
Write-off during the period / year		-	(11,190)
Depreciation charged during the period / year		(78,320)	(90,380)
Book value at the end of the period / year		<u>1,108,326</u>	<u>1,076,257</u>

Unaudited
March 31,
2013
---- (Rupees in '000) ----

Audited
June 30,
2012

5.2 Additions during the period / year:

Buildings on leasehold land	54,151	26,389
Plant and machinery	124,329	249,755
Office equipment	1,285	2,383
Computers and accessories	5,408	8,603
Furniture and fixtures	1,464	2,602
Air conditioners	495	2,778
Vehicles	30,255	36,200
	<u>217,387</u>	<u>328,710</u>

5.3 Disposals during the period / year:

Land	48,105	-
Buildings	45,202	-
Plant and machinery	-	6,878
Office equipment	19	-
Computers and accessories	108	-
Vehicles	13,564	10,228
	<u>106,998</u>	<u>17,106</u>

5.4 Certain dies and moulds having cost aggregating Rs.40,610 thousand (June 30, 2012: Rs.40,610 thousand) and book value of Rs.26,255 thousand (June 30, 2012: Rs.28,383 thousand) are held by various vendors.

Unaudited
March 31,
2013
---- (Rupees in '000) ----

Audited
June 30,
2012

6. INTANGIBLE ASSETS

Book value at the beginning of the period / year	-	6,129
Additions during the period / year	2,888	-
	<u>2,888</u>	<u>6,129</u>
Amortisation charged during the period / year	(791)	(6,129)
	<u>2,097</u>	<u>-</u>

7. DEPOSITS AND PREPAYMENTS

Includes prepayments of Rs.18,539 thousand (June 30, 2012: Rs.2,562 thousand) in respect of renewals of insurance policies and rental agreements.

Unaudited
March 31,
2013
---- (Rupees in '000) ----

Audited
June 30,
2012

8. INVESTMENTS - at fair value through profit or loss

Investments in mutual funds:

- Related parties	611,979	425,757
- Others	27,853	10,534
	<u>639,832</u>	<u>436,291</u>

9. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

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

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

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

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

10.2 Outstanding bank guarantees

Guarantees aggregating Rs.14,320 thousand (June 30, 2012: Rs.33,703 thousand) are issued by various commercial banks on behalf of the Company to Sui Southern Gas Company Limited and Karachi Electric Supply Company Limited (June 30, 2012: Sui Southern Gas Company Limited and Karachi Electric Supply Company Limited).

Unaudited	Audited
March 31,	June 30,
2013	2012
---- (Rupees in '000) ----	

10.3 Commitments

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

- raw materials, stores, spares and loose tools	422,877	281,086
- capital expenditure	35,090	15,904
	<u>457,967</u>	<u>296,990</u>

10.3.2 Commitments for capital expenditure other than through letters of credit aggregating Rs.17,235 thousand (June 30, 2012: Rs.13,855 thousand).

	----- Unaudited -----			
	Quarter ended		Period ended	
	March 31,		March 31,	
Note	2013	2012	2013	2012
	----- (Rupees in '000) -----			

11. COST OF SALES

Finished goods at beginning of the period	178,769	149,371	51,567	90,701
Cost of goods manufactured	2,051,698	1,654,415	5,451,702	4,325,491
	<u>2,230,467</u>	<u>1,803,786</u>	<u>5,503,269</u>	<u>4,416,192</u>
Finished goods at end of the period	168,879	128,011	168,879	128,011
	<u>2,061,588</u>	<u>1,675,775</u>	<u>5,334,390</u>	<u>4,288,181</u>

----- Unaudited -----			
Quarter ended		Period ended	
March 31,		March 31,	
2013	2012	2013	2012
----- (Rupees in '000) -----			

11.1 Cost of goods manufactured

Work in process at beginning of the period	300,699	245,682	320,719	233,876
Raw materials and components consumed	1,857,692	1,447,970	4,639,304	3,595,571
Factory overheads	323,858	278,480	922,230	813,761
	<u>2,181,550</u>	<u>1,726,450</u>	<u>5,561,534</u>	<u>4,409,332</u>
	2,482,249	1,972,132	5,882,253	4,643,208
Work in process at end of the period	430,551	317,717	430,551	317,717
	<u>2,051,698</u>	<u>1,654,415</u>	<u>5,451,702</u>	<u>4,325,491</u>

12. TAXATION

Current

- Current year	63,496	94,602	156,726	141,732
- Adjustments for prior year	1,442	-	(180)	(1,145)
	<u>64,938</u>	<u>94,602</u>	<u>156,546</u>	<u>140,587</u>

Deferred

	7,930	(1,839)	18,631	27,138
	<u>72,868</u>	<u>92,763</u>	<u>175,177</u>	<u>167,725</u>

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

Profit for the period	<u>155,167</u>	<u>126,477</u>	<u>400,010</u>	<u>336,759</u>
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----- (Number of shares) -----			
Restated		Restated	

Weighted average number of ordinary shares in issue during the period	<u>14,499,808</u>	<u>14,499,808</u>	<u>14,499,808</u>	<u>14,499,808</u>
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----- (Rupees) -----			
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Basic and diluted earnings per share	<u>10.70</u>	<u>8.72</u>	<u>27.59</u>	<u>23.23</u>
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13.1 There is no dilutive effect on the basic earnings per share of the Company. Weighted average number of shares in issue and earnings per share for the quarter and period ended March 31, 2012 have been restated taking into effect of bonus shares at the rate of 20% issued during the current period.

14. FINANCIAL RISK MANAGEMENT

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

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

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

15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

		----- Unaudited ----- Period ended March 31, 2013 2012 ---- (Rupees in '000) ----	
Relationship with the Company	Nature of transactions		
(i) Associates	Sales:		
	- goods	281,743	227,110
	- operating fixed assets	2,934	-
	Purchases:		
	- raw materials	17,639	9,839
	- consumables	1,297	387
	- operating fixed assets	36,777	46,665
	- Intangible assets	2,338	-
	Rent / service charges	54,670	34,472
	Commission	113,132	25,347
	Reimbursement of expenses	4,231	3,079
	Expenses charged	-	263
	Insurance premium	71,737	58,281
	Insurance claims received	2,767	1,084
	Purchase of units in mutual funds	319,982	210,000
	Redemption of units in mutual funds	180,000	211,012
	Dividend paid	93,576	73,954
	Sale proceeds of bonus fractions	93	64
	Royalty	62,842	51,268
	Donation paid	6,897	5,251
Contribution to pension funds	3,862	3,261	
		---- (Number of shares) ----	
	Bonus shares issued	1,871,520	1,479,081
		---- (Rupees in '000) ----	
(ii) Key management personnel	Remuneration and other benefits	116,632	110,249
(iii) Staff retirement funds	Contribution paid to		
	- gratuity fund	8,222	7,964
	- provident fund	3,849	4,064

Unaudited Audited
 March 31, June 30,
 2013 2012
 ---- (Rupees in '000) ----

15.2 Period / year end balances are as follows:

Receivables from related parties

Capital work-in-progress	2,074	10,324
Trade debts	21,588	4,027
Investments	611,979	216,038
Other receivables	5,670	6,238

Payable to related parties

Trade and other payables	108,041	57,500
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16. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 29, 2013 by the Board of Directors of the Company.

17. CORRESPONDING FIGURES

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

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



Yusuf H. Shirazi
 Chairman



Ali H. Shirazi
 President / Chief Executive



Kamal A. Chinoy
 Director

Atlas Battery Limited

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

Tel: (92-21) 32567990-4

Fax: (92-21) 32564703

Email: abl@atlasbattery.com.pk

Website: www.atlasbattery.com.pk