

Annual Report

2013

Organisation  
development  
through  
*self development*



The choice of  
*Leaders*

  
**AGS**

بات ہے کوالٹی کی...

- Quick Start • Easy to Use • Enduring
- OEM: Original Equipment Manufacturers
- Japanese Technology



**Battery for all Renowned Brands**



TOYOTA

DAIHATSU

SUZUKI



HYUNDAI



Atlas Battery

JOINT VENTURE

GS YUASA JAPAN

D-181, Central Avenue, S.I.T.E., Karachi-75730 Phone: (92-21) 32567990-4 Fax: (92-21) 32564703

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





## Vision

A leading innovative organization, manufacturing and marketing superior quality automotive, motorcycle and industrial batteries for domestic and international market.

## Mission

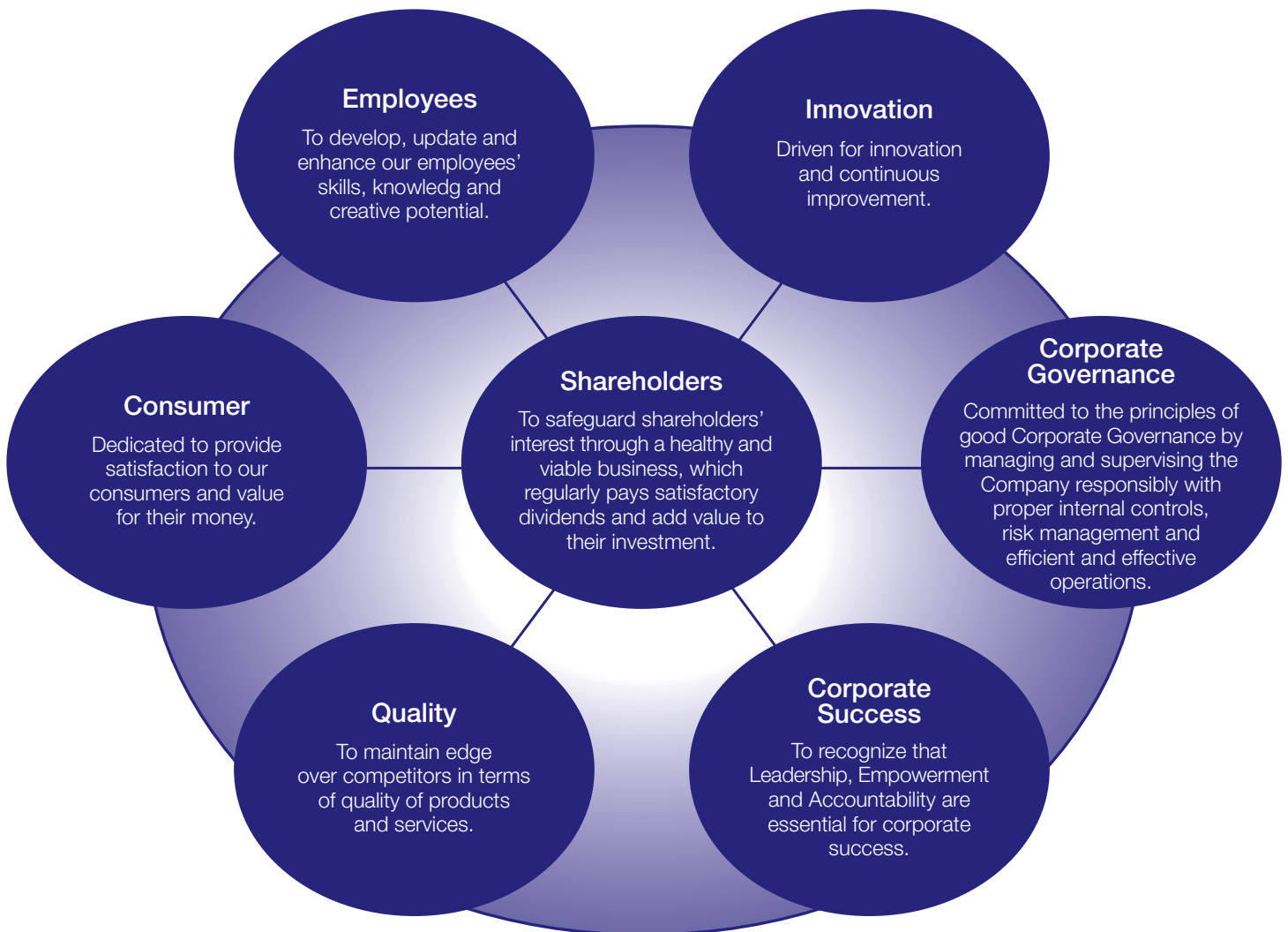
Ensuring customer satisfaction through the highest degree of quality and service with innovation and dynamic management while meeting stakeholders' expectations and serving as a model corporate citizen.

## Values

Transparency  
Meritocracy  
Integrity

Quality  
Safety  
Excellence

# Strategic Objectives



## Quality Policy

To adopt continual improvement for dealers, customers, suppliers, shareholders and employees. We will continue to manufacture AGS batteries by fostering superior technologies and innovations to fulfill our objectives, the needs and expectation of our customers and other requirements of our Quality Management System.

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## Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at 9:30 a.m. on Friday, September 27, 2013 at 2nd Floor, Federation House, Sharaf Firdousi, Clifton, Karachi, to transact the following business:

### Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 24, 2012.
2. To receive, consider and adopt the Audited Annual Financial Statements of the Company for the year ended June 30, 2013 together with the Directors' and Auditors' Report thereon.
3. To consider and approve the Cash dividend at the rate of @ 100% (Rs.10/- per share) for the year ended June 30, 2013 as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2014. The present Auditors M/s. Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

### Special Business:

5. To consider and approve the bonus shares issue @ 20% (One bonus share for every Five shares held) for the year ended June 30, 2013 as recommended by the Board of Directors.

To consider and, if thought fit, pass with or without modification the following resolutions as Ordinary Resolutions:

- 5.1 RESOLVED "that a sum of Rs.28,999,610/- out of Company's profit be capitalized for issuing 2,899,961 fully paid ordinary shares of Rs.10/- each as bonus shares to be allotted to those shareholders of the Company, whose names shall appear in the register of members at the close of business on September 12, 2013 @ 20% in the proportion of One ordinary share of Rs.10/- each for every Five ordinary shares held by a shareholder. The said shares shall rank pari passu with the existing shares of the Company as regards future dividend and in all other respects."
- 5.2 FURTHER RESOLVED "that all the fractional bonus shares shall be combined and the Directors be and are hereby authorized to combine and sell the fractional shares so combined in the stock market and pay the proceeds of sales thereof, when realized, to a charitable institution approved under the Income Tax Ordinance, 2001."
- 5.3 FURTHER RESOLVED "that the Directors be and are hereby authorized to give effect to the foregoing resolutions and in this regard to do or cause to be done all acts, deeds and things that may be necessary or required."

A statement under section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special Business referred to above is annexed to this Notice of Meeting.

### Other Business:

6. To transact any other business with the permission of the Chair.

BY ORDER OF THE BOARD



**NOTES:**

1. The Share Transfer Books of the Company will remain closed from September 13, 2013 to September 27, 2013 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. Hameed Majeed Associates (Private) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi before the close of business on September 12, 2013 will be considered in time for the purpose of entitlement for cash dividend and bonus shares.
2. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote on his / her behalf. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
3. Any individual Beneficial Owner of the Central Depository Company (CDC), entitled to vote at this meeting must bring his / her Computerized National Identity Card (CNIC) or passport (in case of foreigner) along with CDC account number to prove his / her identity and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the usual documents required for such purpose.
4. Members are requested to immediately inform the Company's Share Registrar of any change in their mailing address.
5. Members are requested to provide by mail or fax, photocopy of their CNIC or passport (in case of foreigner), unless it has been provided earlier, enabling the Company to comply with relevant laws.

**STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984:**

This statement is annexed to the Notice of the Annual General Meeting of Atlas Battery Limited to be held on September 27, 2013 at which certain special business is to be transacted. The purpose of this statement is to set forth the material facts concerning such special business.

**ITEM NO. 5 OF THE AGENDA**

The Board of Directors has recommended to the members of the Company to declare dividend by way of issue of fully paid bonus shares @ 20% for the year ended June 30, 2013 and thereby capitalize a sum of Rs.28,999,610/-. The Directors have also recommended that all the fractional bonus shares shall be combined and the Directors be authorized to combine and sell the fractional shares so combined in the stock market and pay the proceeds of sales thereof when realized to a charitable institution approved under the Income Tax Ordinance, 2001.

Directors are interested in the business only to the extent of their entitlement of bonus shares as shareholders.



## Company Information



### Board of Directors

Yusuf H. Shirazi  
Chairman

Bashir Makki  
Director

Kamal A. Chinoy  
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

Bashir Makki  
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

Bashir Makki  
Member

Ahmar Waheed  
Secretary

## Management Committee

Ali H. Shirazi  
President / Chief Executive

Talha Saad  
Managing Director

Arshad Gulraiz Butt  
Advisor to CEO

Ahmad Zafaryab Ali  
Chief Financial Officer

Mohsin Khan  
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

## 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  
Standard Chatered Bank (Pakistan) Limited  
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, Tauheed 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](http://www.atlasbattery.com.pk)

## Email Address

[abl@atlasbattery.com.pk](mailto:abl@atlasbattery.com.pk)

## Information for Shareholders

### Company's Registered Office

D-181, Central Avenue, S.I.T.E., Karachi-75730  
Tel: (021) 32567990-4  
Fax: (021) 32564703

### Share Registrar

M/s. Hameed Majeed Associates (Pvt) Ltd.,  
Karachi Chambers, Hasrat Mohani Road,  
Karachi.  
Tel: (021) 32424826 & 32412754  
Fax: (021) 32424835

### Listing on Stock Exchanges

Atlas Battery Limited is listed on Karachi Stock Exchange (KSE) and Lahore Stock Exchange (LSE).

### Listing Fees

The annual listing fee for the financial year 2013-14 has been paid to the two stock exchanges within the prescribed time limit.

### Stock Symbol

The stock symbol for dealing in equity shares of Atlas Battery Limited at KSE and LSE is 'ATBA'.

### Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all the relevant particulars as required under the Companies Ordinance, 1984 and allied rules, the Securities and Exchange Commission of Pakistan (SECP) Regulations and the listing requirements.

### Share Transfer System

Share transfers received by the Company's Share Registrar are registered within 30 days from the date of receipt, provided the documents are complete in all respects.

### Dividend Announcement

The Board of Directors of the Company has proposed a Final Cash Dividend of Rs.10/- each (100%) and Bonus Shares @ 20% (One bonus share for every Five shares held) for the year ended June 30, 2013, subject to the approval by the shareholders of the Company at the Annual General Meeting.

Dividend paid for the previous year ended June 30, 2012 was, Cash Dividend of Rs.10/- per share (100%) and Bonus Shares @ 20% (One bonus share for every Five shares held).

### Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2013 to September 27, 2013 (both days inclusive).

### Dividend Remittance

Dividend declared and approved at the Annual General Meeting will be paid well before the statutory time limit of 30 days.

#### (i) For shares held in physical form

To shareholders whose names appear in the register of members of the Company after entertaining all requests for transfer of shares lodged with the Company by September 12, 2013.

#### (ii) For shares held in electronic form

To shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on September 12, 2013.

### Withholding of Tax & Zakat on Dividend

As per the provisions of the Income Tax Ordinance, 2001, income tax is deductible at source by the Company at the rate of 10% wherever applicable.

Zakat is also deductible at source from the dividend amount at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

### Dividend Warrants

Cash Dividends are paid through dividend warrants addressed to the ordinary shareholders whose names appear in the register of members at the date of book closure. Shareholders are requested to deposit those warrants into their bank accounts, at the earliest, thus helping the Company to clear the unclaimed dividend account.

The shareholders are informed that SECP through S.R.O. 779(1)/2011 dated August 18, 2011 has made it mandatory that dividend warrants issued by the issuer should bear Computerized National Identity Card (CNIC) numbers of the registered shareholders, except in the case of minor(s) and corporate shareholders.

The shareholders are, therefore, requested to provide by mail or fax, photocopy of their CNIC and in case of a foreigner copy of passport, unless it has already been provided.

### Dividend Mandate (Optional)

Transferee of shares may exercise option for dividend mandate by using the revised "Form of Transfer Deed". The revised form of transfer deed will enable the transferees to receive cash dividend directly in their bank accounts, if such transferee provides particulars of its bank account which he / she / it desires to be used for credit of cash dividend. The existing shareholders have the option to seek the dividend mandate by using the standardized "Dividend Mandate Form" if they so desire. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

### Annual General Meetings

Pursuant to section 158 of the Companies Ordinance, 1984, Company holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi and Lahore.

### Proxies

Pursuant to section 161 of the Companies Ordinance, 1984 and according to the Memorandum and Articles

of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his / her proxy to attend and vote on his / her behalf. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who ought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the registered office of the Company not less than forty eight hours before the meeting.

### Website

Updated information regarding the Company can be accessed at [www.atlasbattery.com.pk](http://www.atlasbattery.com.pk). The website contains the latest financial results of the Company together with Company's profile and product range.

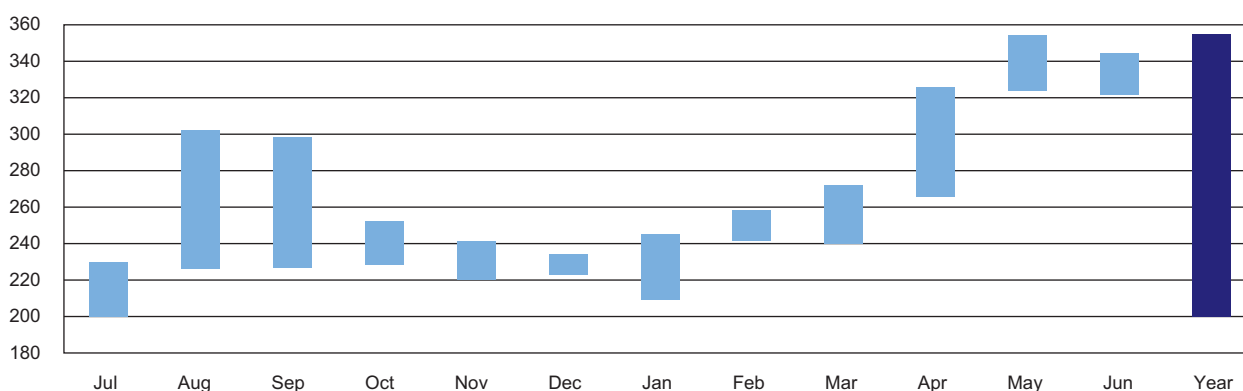
### Share Price and Volume

The following table shows the monthly high, low and closing share prices of the Company and the volume of shares traded on the Karachi Stock Exchange during the financial year ended June 30, 2013.

Months	Highest (Rs.)	Lowest (Rs.)	Closing (Rs.)	No. of shares traded
Jul-12	230.00	200.00	223.89	101,408
Aug-12	302.65	226.00	295.50	950,900
Sep-12	299.00	226.00	233.21	116,400
Oct-12	252.00	228.00	228.50	35,300
Nov-12	240.00	220.00	225.20	37,200
Dec-12	233.00	222.60	230.30	27,400
Jan-13	243.60	209.48	241.56	39,800
Feb-13	258.00	241.90	246.00	52,400
Mar-13	271.45	240.00	267.18	63,200
Apr-13	324.80	267.00	321.78	82,900
May-13	355.00	324.05	336.83	53,700
Jun-13	343.95	322.00	338.00	16,600

(Rupees)

### Company's Share Price - High / Low - 2012-13



## Pattern of Shareholding

### As at June 30, 2013

NO. OF SHAREHOLDERS	HAVING SHARES		SHARES HELD	PERCENTAGE
	FROM	TO		
557	1	100	14,310	0.11%
325	101	500	88,782	0.61%
133	501	1,000	97,597	0.67%
218	1,001	5,000	485,604	3.35%
52	5,001	10,000	357,997	2.47%
18	10,001	15,000	223,304	1.54%
2	15,001	20,000	30,158	0.21%
2	20,001	25,000	46,032	0.32%
6	25,001	30,000	165,256	1.14%
1	35,001	40,000	36,032	0.25%
1	40,001	45,000	40,359	0.28%
2	45,001	50,000	95,903	0.66%
2	50,001	55,000	105,019	0.72%
1	75,001	80,000	76,000	0.52%
1	80,001	85,000	81,907	0.56%
1	85,001	90,000	90,000	0.62%
1	90,001	95,000	90,201	0.62%
1	145,001	150,000	145,152	1.00%
1	200,001	205,000	200,472	1.38%
1	235,000	240,000	240,000	1.66%
1	250,001	255,000	252,850	1.74%
1	265,001	270,000	266,560	1.84%
1	270,001	275,000	271,269	1.87%
1	285,001	290,000	289,318	2.00%
1	575,001	580,000	579,744	4.00%
1	2,170,001	2,175,000	2,174,956	15.00%
1	3,620,001	3,625,000	3,621,000	24.97%
1	4,330,001	4,335,000	4,334,026	29.89%
<u>1,334</u>			<u>14,499,808</u>	<u>100.00%</u>

The slabs representing nil holding have been omitted.

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
Directors, Chief Executive and their spouse and minor children	5	5,165	0.04%
Associated companies, undertakings & related parties (Note 1)	6	11,229,136	77.44%
NIT and ICP	2	4,317	0.03%
Banks, DFIs & NBFCs	2	2,002	0.01%
Insurance Companies	3	268,054	1.85%
Modarabas and Mutual Funds	3	33,032	0.22%
Public Sector Companies & Corporations	1	200,472	1.38%
<b>General Public</b>			
Local	1,288	2,356,200	16.26%
Foreign	-	-	-
<b>Others:</b>			
Corporate Law Authority (Securities and Exchange Commission of Paksitan)	1	1	-
Joint Stock Companies	20	343,849	2.37%
Abandoned Properties Organization	1	53,179	0.37%
Trustee of Iftikhar Shirazi Family Trust	1	1	-
Trustees Al-Bader Welfare Trust	1	4,400	0.03%
	<u>1,334</u>	<u>14,499,808</u>	<u>100.00%</u>

#### Note:

1. Following shareholders are shown under Associated Companies category:

Atlas Foundation	266,560	1.84%
Atlas Insurance Limited	252,850	1.74%
GS Yuasa International Limited - Japan	2,174,956	15.00%
Shirazi (Private) Limited	579,744	4.00%
Shirazi Capital (Private) Limited	3,621,000	24.97%
Shirazi Investments (Private) Limited	4,334,026	29.89%



## Pattern of Shareholding as at June 30, 2013

### Information required under the Code of Corporate Governance

Categories of Shareholders	Number of Shareholders	Number of Shares held	Percentage of Shares held
<b>Associated Companies, Undertakings and Related Parties</b>			
Atlas Foundation	1	266,560	1.84%
Atlas Insurance Limited	1	252,850	1.74%
GS Yuasa International Limited - Japan	1	2,174,956	15.00%
Shirazi (Private) Limited	1	579,744	4.00%
Shirazi Capital (Private) Limited	1	3,621,000	24.97%
Shirazi Investments (Private) Limited	1	4,334,026	29.89%
	6	11,229,136	77.44%
<b>Mutual Funds</b>			
Golden Arrow Selected Stocks Fund Limited	1	13,664	0.09%
MCBFSL - Trustee URSF - Equity Sub Fund	1	9,984	0.07%
MCBFSL - Trustee UIRSF - Equity Sub Fund	1	9,384	0.06%
	3	33,032	0.22%
<b>NIT and ICP</b>			
Investment Corporation of Pakistan	1	607	-
IDBP - (ICP Unit)	1	3,710	0.03%
	2	4,317	0.03%
<b>Directors, Chief Executive and their spouse and minor children</b>			
Mr. Yusuf H. Shirazi & Mrs. Khawar S. Shirazi	1	1	-
Mr. Ali H. Shirazi	1	1	-
Mr. Bashir Makki	1	1	-
Mr. Kamal A. Chinoy	1	1	-
Mr. Omar Saeed	1	5,161	0.04%
	5	5,165	0.04%
<b>Executives</b>			
	-	-	-
<b>Public Sector Companies &amp; Corporations</b>			
State Life Insurance Coporation of Pakistan	1	200,472	1.38%
<b>Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Modarabas and Mutual Funds</b>			
	5	270,056	1.86%
<b>General Public</b>	1,288	2,356,200	16.26%
<b>Others</b>	24	401,430	2.77%
	1,334	14,499,808	100.00%
<b>Shareholders holding 5% or more voting interest</b>			
GS Yuasa International Limited - Japan	1	2,174,956	15.00%
Shirazi Capital (Private) Limited	1	3,621,000	24.97%
Shirazi Investments (Private) Limited	1	4,334,026	29.89%

#### Details of Trading in the shares by Directors

Name	No. of Shares Traded	Date of Trade	Detail
Mr. Omar Saeed	1,900	6-Aug-2012	Purchased from market
Mr. Bashir Makki	1	16-May-2013	Purchased from market

## Board of Directors

### Mr. Yusuf H. Shirazi

#### Chairman

Mr. Shirazi is a Law graduate (LLB) with BA (Hons) and JD (Diploma in Journalism) Punjab University and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years. He is the author of five books including 'Aid or Trade' adjudged by the Writers Guild as the best book of the year and continues to be a columnist, particularly on economy. Mr. Shirazi is the Chairman of Atlas Group, which, among others, has joint ventures with GS Yuasa International, Honda Motor Company and MAN to name a few. He has been the President of Karachi Chamber of Commerce and Industries for two terms. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has been visiting faculty member of National Defence University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College. Previously, he also served on the Board of Fauji Foundation Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology - Space and Upper Atmosphere Research Commission (SUPARCO).

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### Mr. Bashir Makki

#### Director

Mr. Bashir Makki is an MBA from IBA, Karachi University and has over 30 years of corporate management experience. He formerly worked with ICI Pakistan Limited for 21 years, which also included 2 years of secondment with ICI Malaysia Holdings. In addition to being the Human Resources Director at Atlas Group, he is also the Group Executive Committee Member and oversees the operations of its two companies in the automotive sector.

Mr. Makki is a certified trainer and has over the years conducted several organizational development programs. He has also attended executive development program at Harvard Business School, U.S.A. and Ashridge College in the U.K. He is also on the Board of Governors of Pakistan Society for Training and Development to pursue his aim to build leadership competencies in business executives.

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### Mr. Kamal A. Chinoy

#### Director

Mr. Kamal A. Chinoy is a graduate of the Wharton School, University of Pennsylvania, USA. He is the Honorary Consul General of the Republic of Cyprus. Mr. Kamal Chinoy is a member of the executive committee of the International Chamber of Commerce (ICC), Pakistan and is also the Past President of the Management Association of Pakistan (MAP). He is a 'Certified Director' from the Pakistan Institute of Corporate Governance.

He has served as the Chairman of the Aga Khan Foundation (Pakistan) & NGO Resource Centre and also as a Director of Pakistan Centre of Philanthropy, Pakistan Security Printing Corporation, Atlas Insurance & First International Investment Bank (an Amex JV). Currently he is a Director of Pakistan Cables Ltd., Atlas Battery Ltd., NBP Fullerton Asset Management Ltd., International Industries Ltd., International Steels Ltd., and a member of Board of Governors of Army Burn Hall Institutions. He is an advisor to Tharpak, a consortium of international companies.

**Mr. Makio Tanaka****Director**

Mr. Makio Tanaka had been in charge of the Production Engineering Division of GS Yuasa Manufacturing before being appointed to Pakistan as Technical Advisor in July 2009. He has expertise in developing battery production system, quality improvement of the battery for Automobile, Motorcycle and VRLA (portable and UPS). He has experience of working at other GS Yuasa Group Companies in China, Taiwan and Indonesia.

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**Mr. Omar Saeed****Director**

Mr. Omar Saeed is the Chief Executive of Service Industries Limited, a leading manufacturing company listed on KSE. He is also the founder and Chairman of Ovex Technologies and sits on the Boards of System Limited and Cinepax Limited. He is also a member of the National Policy Platform formed by the Competitiveness Support Fund. He teaches Entrepreneurship at LUMS where he is an adjunct faculty member. Mr. Omar got his BA from Brown University and MBA from Harvard Business School, and currently serves as the President of the Harvard Business School Club of Pakistan.

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**Mr. Talha Saad****Director**

Mr. Talha Saad has the dual honor of holding a bachelors degree in mechanical engineering from Peshawar University and MBA from IBA, Karachi. He also attended a 'Management and Development' course from Harvard University. He has been with the Atlas Group of Companies for the last 32 years. Prior to joining Atlas Battery, he was associated with Atlas Honda Limited as General Manager Supply Chain.

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**Mr. Ali H. Shirazi****President / Chief Executive**

Mr. Ali H. Shirazi graduated in Political Science from Yale University, U.S.A. in 2000 and thereafter completed his Masters in Law from Bristol University, U.K. in 2005. He has worked with the Bank of Tokyo-Mitsubishi in New York as well as American Honda in Torrance, California. He is an Atlas Group Director, and is responsible for Group's financial services. He is on the Board of Atlas Asset Management Limited, Atlas Engineering Limited, Atlas Insurance Limited, Ghulam Ishaq Khan Institute of Engineering Sciences and Technology (as alternate director), National Clearing Company of Pakistan Limited, National Management Foundation (sponsoring body of LUMS) and Techlogix International Limited.

## Financial Highlights

### Revenue

(Rs. in Billion)

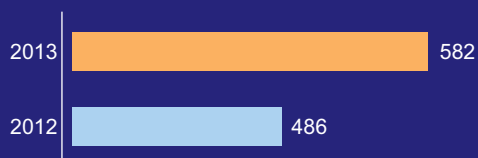
+ 23.0%



### Profit After Tax

(Rs. in Million)

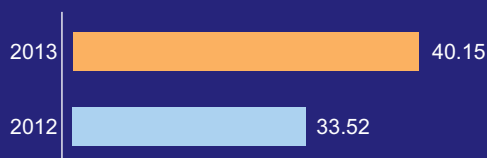
+ 19.8%



### Earnings Per Share

(Basic & Diluted - Rs.)

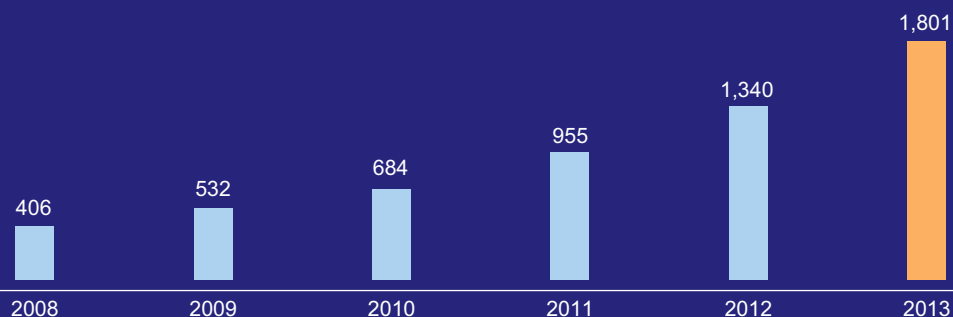
+ 19.8%



	----- (Rupees in '000) -----		
	2013	2012	+
Sales	8,875,114	7,217,116	23.0%
Gross Profit	1,315,167	1,167,682	12.6%
Operating Profit	882,844	759,545	16.2%
Profit before Tax	822,898	689,649	19.3%
Profit after Tax	582,113	486,014	19.8%
Earnings Per Share -			
Basic & Diluted (Rupees)	40.15	33.52	19.8%
Shareholders' Equity	1,801,347	1,340,066	34.4%
Property, Plant & Equipment -			
Net of Revaluation Reserve	982,068	954,073	2.9%
Investments	711,544	436,291	63.1%
Total Assets	3,637,143	2,631,723	38.2%
Break-up Value Per Share			
without surplus (Rupees)	124.20	110.90	12.0%
Taxes Paid to Government	1,783,225	1,472,867	21.1%
Market Price Per Share			
at year end (Rupees)	338.00	201.69	67.6%

### Shareholders' equity

(Rs. in million)



Shareholders' equity growth

34.4%  
Over 2012

34.7%  
CAGR over 6 years

## Statement of Value Addition

### Wealth Generated:

Sales including Sales Tax  
Other Operating Income

### Wealth distributed:

Cost of Material & Services

### To Employees

Salaries & other related costs

### To Government

Taxes  
Workers' Profit Participation Fund  
Workers' Welfare Fund

### To Providers of Capital

Dividend to Shareholders  
Finance Cost

### To Society

Donation

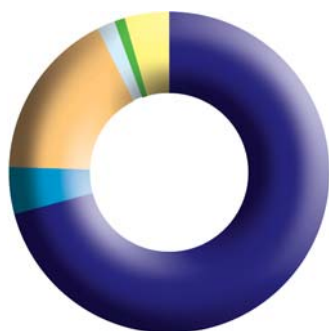
### Retained in the Business

For replacement of Fixed Assets:  
Depreciation & Amortization  
To provide for Growth: Retained Profit

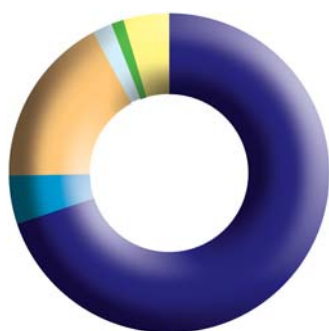
(Year ended June 30)

2013		2012	
(Rs. in '000)	% age	(Rs. in '000)	% age
10,346,521	99.2	8,419,489	99.6
86,309	0.8	37,035	0.4
<u>10,432,830</u>	<u>100.0</u>	<u>8,456,524</u>	<u>100.0</u>
7,380,643	70.7	5,905,839	69.8
510,975	4.9	420,148	5.0
1,722,237	16.5	1,421,529	16.8
44,194	0.4	37,049	0.4
16,794	0.2	14,289	0.2
<u>1,783,225</u>	<u>17.1</u>	<u>1,472,867</u>	<u>17.4</u>
120,832	1.2	100,693	1.2
59,946	0.6	69,896	0.8
<u>180,778</u>	<u>1.8</u>	<u>170,589</u>	<u>2.0</u>
6,897	0.1	5,251	0.1
109,031	1.0	96,509	1.1
461,281	4.4	385,321	4.6
<u>570,312</u>	<u>5.4</u>	<u>481,830</u>	<u>5.7</u>
<u>10,432,830</u>	<u>100.0</u>	<u>8,456,524</u>	<u>100.0</u>

June 30, 2013



June 30, 2012



	2013	2012
■ Cost of Materials & Services	70.7%	69.8%
■ To Employees	4.9%	5.0%
■ To Government	17.1%	17.4%
■ To Providers of Capital	1.8%	2.0%
■ To Society	0.1%	0.1%
■ Depreciation & Amortization	1.0%	1.1%
■ Retained Profit	4.4%	4.6%



Atlas Battery Limited

## Analysis of Financial Statements

### Balance Sheet

(Rupees in '000)

PARTICULARS	2013	2012	2011	2010	2009	2008
<b>Non Current Assets</b>						
Property, plant and equipment	1,155,854	1,127,859	900,503	756,339	635,294	517,862
Intangible assets	1,736	-	6,129	-	-	-
Investments	-	-	-	-	-	-
Long term deposits	10,555	6,832	517	517	2,439	4,012
Long term loans	657	719	605	270	-	-
Total non current assets	1,168,802	1,135,410	907,754	757,126	637,733	521,874
<b>Current Assets</b>						
Stores, spares and loose tools	57,818	43,594	30,933	22,413	14,122	12,968
Stock-in-trade	1,477,258	811,490	717,004	531,597	434,594	410,672
Trade debts	79,987	112,423	89,625	100,396	88,521	77,387
Loans and advances	3,497	2,682	2,884	2,350	2,381	1,475
Deposits and prepayments	6,446	5,138	4,847	5,928	7,025	74,191
Investments	711,544	436,291	204,863	26,224	6,132	-
Accrued mark-up	-	-	-	195	14	175
Other receivables	4,121	7,023	2,317	-	1,952	2,240
Sales tax - net	-	-	-	31,050	5,065	-
Taxation - net	94,615	29,481	26,488	6,792	-	-
Cash and bank balances	33,055	48,191	93,952	29,869	28,892	49,274
Total current assets	2,468,341	1,496,313	1,172,913	756,814	588,698	628,382
<b>Total Assets</b>	<b>3,637,143</b>	<b>2,631,723</b>	<b>2,080,667</b>	<b>1,513,940</b>	<b>1,226,431</b>	<b>1,150,256</b>
<b>Equity and Liabilities</b>						
<b>Share Capital and Reserves</b>						
Share capital	144,998	120,832	100,693	83,911	69,926	69,926
Reserves	1,067,500	727,500	497,500	375,500	282,500	228,500
Unappropriated profit	588,849	491,734	356,552	224,743	179,120	107,886
	1,801,347	1,340,066	954,745	684,154	531,546	406,312
Surplus on revaluation of leasehold land	173,786	173,786	173,786	173,786	173,786	173,786
<b>Non Current Liabilities</b>						
Staff retirement benefits	46,332	41,439	35,411	30,232	21,188	17,444
Deferred taxation	152,924	137,886	103,000	81,014	64,439	44,379
	199,256	179,325	138,411	111,246	85,627	61,823
<b>Current Liabilities</b>						
Trade and other payables	781,465	494,461	356,874	364,955	326,767	170,551
Sales tax payable - net	53,488	21,066	3,908	-	-	14,716
Special exise duty payable - net	-	-	13,023	3,956	2,559	-
Accrued mark-up	11,110	7,810	5,222	1,245	1,603	7,057
Short term borrowings	616,691	415,209	434,698	174,598	103,616	313,002
Provision for taxation - net	-	-	-	-	927	3,009
Total current liabilities	1,462,754	938,546	813,725	544,754	435,472	508,335
<b>Total Equity and Liabilities</b>	<b>3,637,143</b>	<b>2,631,723</b>	<b>2,080,667</b>	<b>1,513,940</b>	<b>1,226,431</b>	<b>1,150,256</b>

## Analysis of Financial Statements

### Balance Sheet

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2013	2012	2011	2010	2009	2008	2013/ 2012	2012/ 2011	2011/ 2010	2010/ 2009	2009/ 2008
	----- Percentage -----						----- Percentage -----				
<b>Non Current Assets</b>											
Property, plant and equipment	31.8	42.9	43.3	50.0	51.8	45.0	2.5	25.2	19.1	19.1	22.7
Intangible assets	-	-	0.3	-	-	-	100.0	(100.0)	100.0	-	-
Long term deposits	0.3	0.3	-	-	0.2	0.3	54.5	1,221.5	-	(78.8)	(39.2)
Long term loans	-	-	-	-	-	-	(8.6)	18.8	124.1	100.0	-
Total non current assets	32.1	43.2	43.6	50.0	52.0	45.3	2.9	25.1	19.9	18.7	22.2
<b>Current Assets</b>											
Stores, spares and loose tools	1.6	1.7	1.5	1.5	1.2	1.1	32.6	40.9	38.0	58.7	8.9
Stock-in-trade	40.6	30.8	34.5	35.1	35.4	35.7	82.0	13.2	34.9	22.3	5.8
Trade debts	2.2	4.3	4.3	6.6	7.2	6.7	(28.9)	25.4	(10.7)	13.4	14.4
Loans and advances	0.1	0.1	0.1	0.2	0.2	0.1	30.4	(7.0)	22.7	(1.3)	61.4
Deposits and prepayments	0.2	0.2	0.2	0.4	0.6	6.4	25.5	6.0	(18.2)	(15.6)	(90.5)
Investments	19.6	16.6	9.8	1.7	0.5	-	63.1	113.0	681.2	327.7	100.0
Accrued mark-up	-	-	-	-	-	-	-	-	(100.0)	1,292.9	(92.0)
Other receivables	0.1	0.3	0.1	-	0.2	0.2	(41.3)	203.1	100.0	(100.0)	(12.9)
Sales tax - net	-	-	-	2.1	0.4	-	-	-	(100.0)	513.0	100.0
Taxation - net	2.6	1.1	1.3	0.4	-	-	220.9	11.3	290.0	100.0	-
Cash and bank balances	0.9	1.7	4.6	2.0	2.3	4.5	(31.4)	(48.7)	214.5	3.4	(41.4)
Total current assets	67.9	56.8	56.4	50.0	48.0	54.7	65.0	27.6	55.0	28.6	(6.3)
<b>Total Assets</b>	100.0	100.0	100.0	100.0	100.0	100.0	38.2	26.5	37.4	23.4	6.6
<b>Equity and Liabilities</b>											
<b>Share Capital and Reserves</b>											
Share capital	4.0	4.6	4.8	5.5	5.7	6.1	20.0	20.0	20.0	20.0	-
Reserves	29.3	27.6	23.9	24.8	23.0	19.9	46.7	46.2	32.5	32.9	23.6
Unappropriated profit	16.2	18.7	17.1	14.8	14.6	9.4	19.7	37.9	58.6	25.5	66.0
	49.5	50.9	45.8	45.1	43.3	35.4	34.4	40.4	39.6	28.7	30.8
Surplus on revaluation of leasehold land	4.8	6.6	8.4	11.5	14.2	15.1	-	-	-	-	-
<b>Non Current Liabilities</b>											
Staff retirement benefits	1.3	1.6	1.7	2.0	1.7	1.5	11.8	17.0	17.1	42.7	21.5
Deferred taxation	4.2	5.2	5.0	5.4	5.3	3.9	10.9	33.9	27.1	25.7	45.2
	5.5	6.8	6.7	7.4	7.0	5.4	11.1	29.6	24.4	29.9	38.5
<b>Current Liabilities</b>											
Trade and other payables	21.4	18.8	17.1	24.1	26.7	14.7	58.0	38.6	(2.2)	11.7	91.6
Sales tax payable - net	1.5	0.8	0.2	-	-	1.3	153.9	439.0	100.0	-	(100.0)
Special excise duty payable - net	-	-	0.6	0.3	0.2	-	-	(100.0)	229.2	54.6	100.0
Accrued mark-up	0.3	0.3	0.3	0.1	0.1	0.6	42.3	49.6	319.4	(22.3)	(77.3)
Short term borrowings	17.0	15.8	20.9	11.5	8.4	27.2	48.5	(4.5)	149.0	68.5	(66.9)
Provision for taxation - net	-	-	-	-	0.1	0.3	-	-	-	(100.0)	(69.2)
Total current liabilities	40.2	35.7	39.1	36.0	35.5	44.1	55.9	15.3	49.4	25.1	(14.3)
<b>Total Equity and Liabilities</b>	100.0	100.0	100.0	100.0	100.0	100.0	38.2	26.5	37.4	23.4	6.6

## Analysis of Financial Statements Profit and Loss Account

(Rupees in '000)

PARTICULARS	2013	2012	2011	2010	2009	2008
Sales	8,875,114	7,217,116	5,868,260	4,024,422	3,156,807	2,628,820
Cost of sales	(7,559,947)	(6,049,434)	(5,007,421)	(3,433,222)	(2,626,740)	(2,241,937)
Gross profit	1,315,167	1,167,682	860,839	591,200	530,067	386,883
Distribution cost	(235,476)	(186,367)	(165,053)	(128,861)	(124,359)	(114,957)
Administrative expenses	(191,175)	(151,495)	(99,679)	(80,548)	(70,549)	(55,957)
Other operating income	86,309	37,035	12,265	5,258	2,149	1,929
Other operating expenses	(91,981)	(107,310)	(45,756)	(25,903)	(20,891)	(12,231)
Profit from operations	882,844	759,545	562,616	361,146	316,417	205,667
Finance cost	(59,946)	(69,896)	(37,515)	(19,857)	(43,537)	(41,536)
Profit before tax	822,898	689,649	525,101	341,289	272,880	164,131
Taxation	(240,785)	(203,635)	(170,599)	(118,755)	(95,202)	(57,334)
Profit after tax	582,113	486,014	354,502	222,534	177,678	106,797

## Analysis of Financial Statements Cash Flow Statement

(Rupees in '000)

PARTICULARS	2013	2012	2011	2010	2009	2008
Cash flow from operating activities	253,691	606,775	280,876	190,487	406,363	(26,597)
Cash flow from investing activities	(352,630)	(533,888)	(394,042)	(191,437)	(165,688)	(67,387)
Cash flow from financing activities	83,803	(118,648)	177,249	1,927	(261,057)	105,756
Increase / (decrease) in cash & cash equivalents	(15,136)	(45,761)	64,083	977	(20,382)	11,772

## Analysis of Financial Statements Profit & Loss Account

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2013	2012	2011	2010	2009	2008	2013/ 2012	2012/ 2011	2011/ 2010	2010/ 2009	2009/ 2008
	----- Percentage -----						----- Percentage -----				
Sales	100.0	100.0	100.0	100.0	100.0	100.0	23.0	23.0	45.8	27.5	20.1
Cost of sales	(85.2)	(83.8)	(85.3)	(85.3)	(83.2)	(85.3)	25.0	20.8	45.9	30.7	17.2
Gross profit	14.8	16.2	14.7	14.7	16.8	14.7	12.6	35.6	45.6	11.5	37.0
Distribution cost	(2.7)	(2.6)	(2.8)	(3.2)	(3.9)	(4.4)	26.4	12.9	28.1	3.6	8.2
Administrative expenses	(2.2)	(2.1)	(1.7)	(2.0)	(2.2)	(2.1)	26.2	52.0	23.8	14.2	26.1
Other operating income	1.0	0.5	0.2	0.1	0.1	0.1	133.0	202.0	133.3	144.7	11.4
Other operating expenses	(1.0)	(1.5)	(0.8)	(0.6)	(0.7)	(0.5)	(14.3)	134.5	76.6	24.0	70.8
Profit from operations	9.9	10.5	9.6	9.0	10.1	7.8	16.2	35.0	55.8	14.1	53.8
Finance cost	(0.7)	(1.0)	(0.6)	(0.5)	(1.4)	(1.6)	(14.2)	86.3	88.9	(54.4)	4.8
Profit before tax	9.2	9.5	9.0	8.5	8.7	6.2	19.3	31.3	53.9	25.1	66.3
Taxation	(2.7)	(2.8)	(2.9)	(3.0)	(3.0)	(2.2)	18.2	19.4	43.7	24.7	66.0
Profit after tax	6.5	6.7	6.1	5.5	5.7	4.0	19.8	37.1	59.3	25.2	66.4

## Analysis of Financial Statements Cash Flow Statement

PARTICULARS	Vertical Analysis						Horizontal Analysis				
	2013	2012	2011	2010	2009	2008	2013/ 2012	2012/ 2011	2011/ 2010	2010/ 2009	2009/ 2008
	----- Percentage -----						----- Percentage -----				
Cash flow from operating activities	(1,676.0)	(1,326.0)	438.3	19,497.2	(1,993.7)	(226.0)	(58.2)	116.0	47.5	(53.1)	1,627.9
Cash flow from investing activities	2,329.7	1,166.7	(614.9)	(19,594.4)	812.9	(572.4)	34.0	(35.5)	(105.8)	(15.5)	(145.9)
Cash flow from financing activities	(553.7)	259.3	276.6	197.2	1,280.8	898.4	170.6	(166.9)	9,098.2	100.7	(346.8)
Increase / (decrease) in cash & cash equivalents	100.0	100.0	100.0	100.0	100.0	100.0	66.9	(171.4)	6,459.2	104.8	(273.1)

## Six Years at a Glance

(Rupees in '000)

YEARS		2013	2012	2011	2010	2009	2008
<b>Profitability Ratios</b>							
Gross profit	(%)	14.8	16.2	14.7	14.7	16.8	14.7
Profit before tax	(%)	9.2	9.5	9.0	8.5	8.7	6.2
Profit after tax	(%)	6.5	6.7	6.1	5.5	5.7	4.0
Return on capital employed	(%)	40.6	44.9	44.4	37.3	40.0	32.0
Interest coverage ratio	(Times)	14.7	10.9	15.0	18.2	7.3	4.9
Earnings before interest, tax, depreciation & amortization (EBITDA)	(Rs. in million)	991.8	856.0	636.7	415.3	359.5	241.4
EBITDA Margin	(%)	11.2	11.9	10.8	10.3	11.4	9.2
<b>Return to Shareholders</b>							
Return on equity - before tax	(%)	45.7	51.5	55.0	49.9	51.3	40.4
Return on equity - after tax	(%)	32.3	36.3	37.1	32.5	33.4	26.3
Earnings per share (basic)	(Rs.)	40.15	40.22	35.21	26.52	25.42	15.28
Earnings per share (diluted)	(Rs.)	40.15	33.52	29.34	22.10	21.18	15.28
Price earning ratio	(Times)	8.4	5.0	6.2	6.8	5.7	10.1
Market price - at year end	(Rs.)	338.0	201.7	217.0	181.0	144.0	154.9
Market price - during the period	(High - Rs.)	355.0	241.5	235.9	237.0	150.0	213.0
Market price - during the period	(Low - Rs.)	200.0	160.0	131.0	138.0	63.6	129.9
Break-up value per share without surplus on revaluation	(Rs.)	124.2	110.9	94.8	81.5	76.0	58.1
Break-up value per share with surplus on revaluation	(Rs.)	136.2	125.3	112.1	102.3	100.9	83.0
<b>Dividend</b>							
Cash dividend	(%)	100.0	100.0	100.0	100.0	100.0	75.0
Stock dividend	(%)	20.0	20.0	20.0	20.0	20.0	-
Dividend yield	(%)	3.6	5.9	5.5	6.6	8.3	4.8
Dividend cover	(Times)	3.3	3.4	2.9	2.2	2.1	2.0
Dividend pay out	(%)	29.9	29.8	34.1	45.2	47.2	49.1
Plough back ratio	(%)	70.1	70.2	65.9	54.8	52.8	50.9
Dividend yield (Cash)	(%)	3.0	5.0	4.6	5.5	6.9	4.8
Dividend cover (Cash)	(Times)	4.0	4.0	3.5	2.7	2.5	2.0
Dividend pay out (Cash)	(%)	24.9	24.9	28.4	37.7	39.3	49.1
Plough back ratio (Cash)	(%)	75.1	75.1	71.6	62.3	60.7	50.9
<b>Asset Utilization</b>							
Total assets turnover	(Times)	2.8	3.1	3.3	2.9	2.7	2.8
Fixed assets turnover	(Times)	7.8	7.1	7.1	5.8	5.5	6.3
Inventory turnover	(Times)	6.3	7.5	7.7	6.8	6.0	6.1
Trade debts turnover	(Times)	92.3	71.5	61.8	42.6	38.1	40.7
Trade creditors turnover	(Times)	11.2	13.6	13.5	9.8	10.2	13.1
Capital employed turnover	(Times)	4.6	4.9	5.2	4.6	4.4	5.1
<b>Operating Cycle</b>							
Inventory holding period	(No. of Days)	58	48	47	53	61	60
Trade debts collection period	(No. of Days)	4	5	6	9	10	9
Trade creditors payment period	(No. of Days)	(33)	(27)	(27)	(37)	(36)	(28)
Operating cycle	(No. of Days)	29	26	26	25	35	41
<b>Liquidity / Leverage</b>							
Current ratio	(Times)	1.7	1.6	1.4	1.4	1.4	1.2
Quick ratio	(Times)	0.6	0.7	0.5	0.4	0.3	0.4
Cash to current liabilities	(Times)	0.0	0.1	0.1	0.1	0.1	0.1
Cash flow from operations to sales	(%)	2.9	8.4	4.8	4.7	12.9	(1.0)
Financial leverage ratio	(Times)	0.3	0.3	0.5	0.3	0.2	0.8
Total liabilities to equity	(Times)	0.9	0.8	1.0	1.0	1.0	1.4

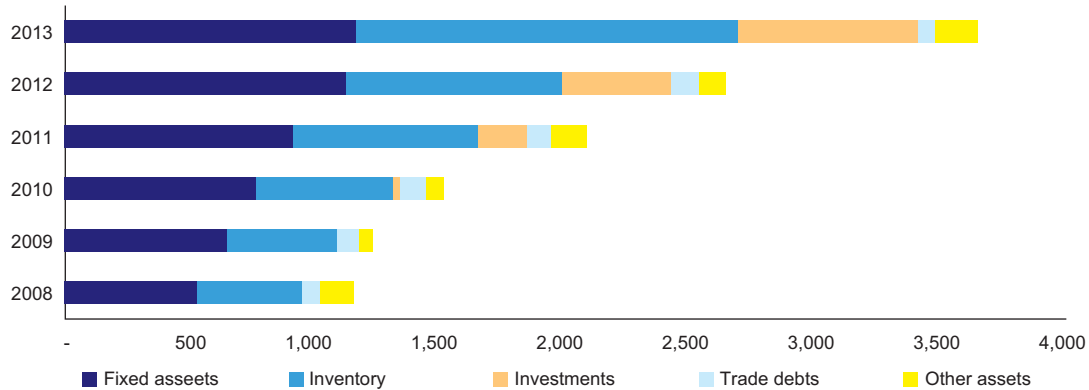


## Six Years at a Glance

### Balance Sheet Analysis

(Rs. in million)

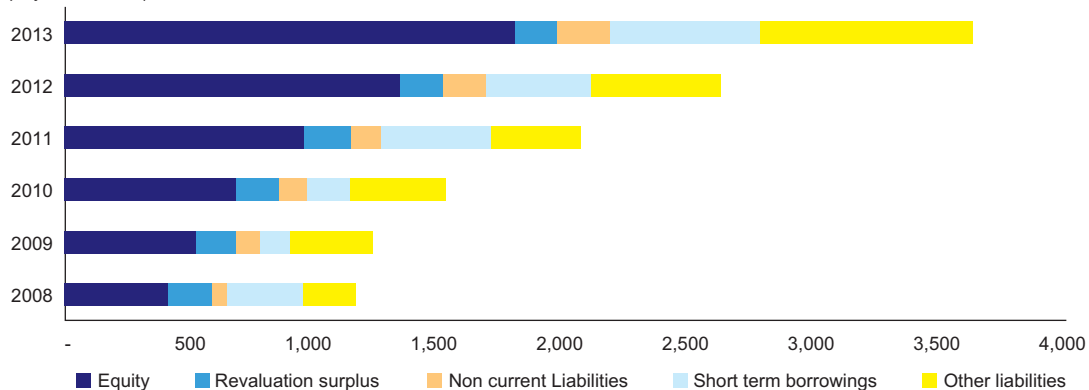
(Assets)



### Balance Sheet Analysis

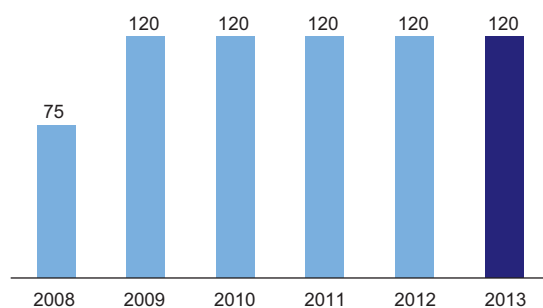
(Rs. in million)

(Equity &amp; Liabilities)



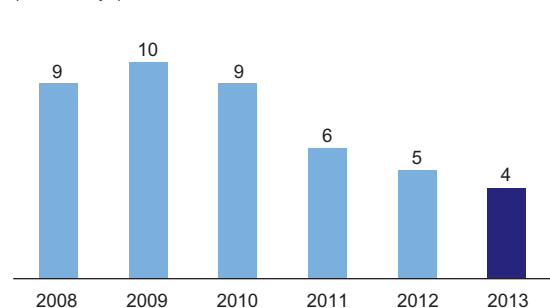
### Cash & stock dividends

(Percentage)



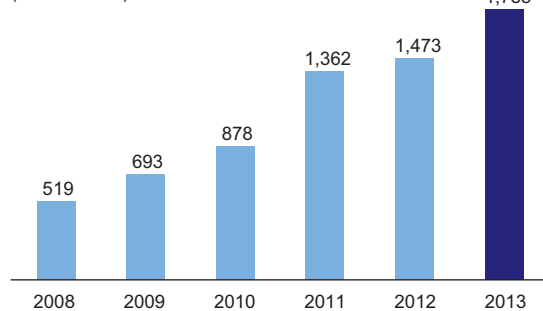
### Trade debtors period

(No. of Days)



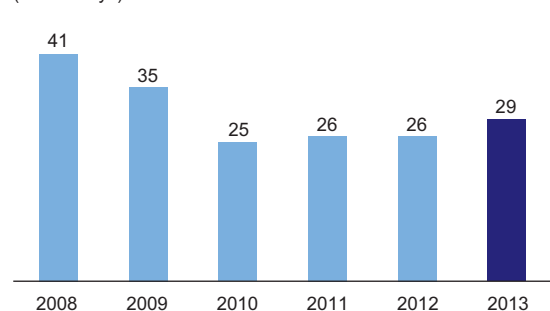
### Taxes paid to Government

(Rs. in million)



### Operating Cycle

(No. of Days)



## Chairman's Review

I am pleased to present to you the 47th Annual Report of your Company for the year ended June 30, 2013 together with the Auditors' Report.

### THE ECONOMY

Pakistan economy, despite several odds, is stabilizing. GDP growth of 3.6% was reasonable considering the numerous challenges faced by the country at large. With the focused approach of the new government to resolve the energy crisis, enhance revenue generation and eliminate various subsidies one is hopeful the country will achieve macroeconomic stability and accelerated GDP growth going forward.

Despite persistent energy shortages, the cumulative growth of 3.5% in manufacturing sector led the recovery in large scale manufacturing. Agriculture sector, which is the mainstay of Pakistan economy, exhibited a growth of 3.3% against previous year's growth rate of 3.5%. Notwithstanding the water shortages and unfavorable weather conditions during the year, the agriculture sector came close to the average growth rate of last year.

The external trade deficit narrowed by 2.51% during the year 2012-13 due to slight improvement in exports and reduction in imports during the year. Fiscal deficit was recorded at 4.6% of the GDP which was mainly financed through borrowings from scheduled banks. Because of heavy debt repayment to IMF, foreign exchange reserves remained under pressure and fell below US\$ 12 billion, which ultimately impacted Rupee-US Dollar parity. PKR depreciated by 4.9% against US\$ during the period under review. However, there was significant support from overseas workers' remittances which have been a major source of foreign exchange earnings during the last few years. The remittances grew by 5.5% during the year and recorded at US\$ 13.92 billion against US\$ 13.19 billion of last year.

Inflation fell significantly and remained in single digit throughout the year. The SBP responded actively by lowering its policy rate by a cumulative of 300 bps during the year 2012-13 to 9.0%. The uptrend in KSE-100 index was due to healthy corporate results which encouraged foreign portfolio managers to invest at attractive valuations. The stock market touched the ever-highest level of 23,500 plus points. This performance reflects the resilience of the corporate sector and the Pakistan economy at large.

### REVIEW OF AUTOMOBILE INDUSTRY

Auto industry is generally considered the mother industry and growth in this segment acts as a litmus test for the economic development of any country. In Pakistan the auto sector provides employment to 3.5 million people, contributes Rs.70 billion to the national exchequer and plays a pivotal role in sustaining a growing vendor industry. However, there are daunting challenges which are undermining the growth of this critical sector. Keeping in view the growth potential of this industry in Pakistan, prudent and consistent favorable policies are required for its sustainability and progress.

During the year 2012-13, auto industry did not perform as well as the preceding year. Sales of locally manufactured cars had negative growth of 24.5% as against last year with the notable exception of Honda, which grew by 75.2% from 12,119 units to 21,235 units. During 2012-13, sales of cars was 118,830 units as against 157,325 units sold in the year 2011-12. LCV segment also declined by 24.5% to 16,480 units from 21,814 units of last year. The shortfall in sales of locally produced cars is due to the gradual shift in consumer preference towards cheaper imported brands. During the first 9 months of 2012-13, approximately 50,000 cars of different capacity have been imported into Pakistan. This came as a big blow to the capacity utilization of local industry which has invested billions of rupees on their production facilities and localization of parts.

Trucks and buses had negative growth of 18.2% this year also. Sales of farm tractors almost remained flat with negligible growth of 1.7%; 50,593 units sold during the period as against 49,745 units last year. Sales of two and three wheelers (assemblers who are registered with PAMA) during July 2012 to June 2013 period remained slightly lower with sales of 820,217 units as against 829,893 units during same period last year. Again, Honda motorcycles were the exception, sales of which grew modestly by 8.1% in a period of no growth.

## BATTERY INDUSTRY

The industry continued to churn out impressive performance in spite of bleak economic indicators. The opportunities lost due to decreased OEM sales are being offset by the replacement market. The number of vehicles on the road continues to grow with the influx of imported used cars which all add to the natural replacement cycle of batteries. The energy crisis continued unabated which further fuelled the demand for medium and heavy batteries, ensuring that the industry grew at a healthy rate of approximately 17%. Resultantly, the battery industry is becoming more competitive with the entry of new brands. I feel great pride in sharing with you that despite heightened competition and other unfavorable factors, "AGS" brand continues to be in high demand due to its unrivalled quality.

## NEW PRODUCT AND AGS OUTREACH

Based on continuous demand from end consumers, your Company launched distilled water with brand name of "AGS Battery Tonic". This product is an essential part of the automotive battery and will help further to improve battery life. Auto-electrician workshops continued with renewed vigor all over the country to raise awareness about battery handling and care.

## OPERATING PERFORMANCE

2012-13 was yet another successful year for the Company which gives one confidence to ensure sustainable profitability and growth in years to come. Highlighted below are the salient financial achievements for the year:

- Net sales increased by 23.0% to Rs.8.9 billion
- Profit after tax up 19.8% to Rs.582.1 million
- Earnings per share was Rs.40.15; up 19.8%
- Return on equity - 32.3%
- Assets turnover - 2.8 times
- Effectively debt free status since June 30, 2011

Net sales  
increase  
**23.0%**

Net sales value of your Company increased by 23.0% to Rs.8.9 billion in 2012-13 from Rs.7.2 billion in 2011-12. Gross profit improved by 12.6% to Rs.1.32 billion as against Rs.1.17 billion last year and as a percentage of net sales revenue, it declined to 14.8% as against 16.2% in 2011-12. The decrease in gross profit ratio was due to increase in raw materials prices, depreciation of PKR against US\$ and increase in other input costs. In fact prices of raw materials remained volatile during the year. Lead LME crossed US\$ 2,400/MT in the first half of the year and to top it all your Company also has to absorb 50% increase in the premium. Locally available recycled lead continued to follow the pattern of refined lead and increased by 20% since the first quarter.

Operating expenses for the period increased by 26.3% to Rs.426.7 million from Rs.337.9 million of last year. The main reason for this increase is due to increase in freight and forwarding charges, rent expenses and increase in staff related cost. Other income of your Company increased significantly to Rs.86.3 million as compared to Rs.37.0 million during last year; due to attractive return on investment in mutual funds. Other operating expenses decreased by 14.3% due to lower exchange related loss. Resultantly, profit from operations of your Company increased to Rs.882.8 million by 16.2% as compared to last year.

Financial cost during the year was Rs.59.9 million as against Rs.69.9 million during last year, lower by 14.2%, due to better working capital management coupled with phase-wise reduction of discount rate by State Bank of Pakistan. Your Company continued to maintain effectively debt free status.

Growth in  
PAT  
**19.8%**

Your Company earned Rs.822.9 million profit before tax and after providing Rs.240.8 million for taxation, profit after tax was Rs.582.1 million during 2012-13, up 19.8% as against last year. Earnings improved to Rs.40.15 per share as against Rs.33.52 per share on a diluted basis, an increase of Rs.6.63 per share over 2011-12. We succeeded by remaining faithful to our strategy of sustainable growth year after year.

## CONTRIBUTION TO NATIONAL EXCHEQUER

During the year under review, your Company contributed Rs.1,783.2 million to the national exchequer on account of various government levies, taxes and import duties; up 21.1% as against last year. Payment of these taxes are 3.1 times more than the net profit after tax of the Company which shows your Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen. Together with other Atlas Group Companies, the total contribution to the exchequer is over Rs.25 billion, one of the highest in the country.

## VALUE-CREATING CASHFLOWS

Your Company has always had a strong focus on cash flows and cash generation from operations. By creating customer satisfaction, maintaining cost control and developing new products, we generate cash for long-term growth, financial stability and competitive returns to our shareholders. Generally, cash flows reflect both the Company's earnings performance and improvements in capital efficiency.

During the year the operations of your Company generated Rs.253.7 million as against last year of Rs.606.8 million. The decrease in cash flow from operations was primarily due to strategic investment of Rs.665.8 million in stock-in-trade keeping in view the scarcity and high prices of materials in international as well as local market. On net basis, additional Rs.331.3 million was invested in working capital as compared to previous year. In order to meet the growing market demand, your Company continued to invest in capacity expansion and invested Rs.243.9 million. Your Company also invested additional amount of Rs.200.8 million in mutual funds to improve the bottom line. Your Company's impressive performance and solid balance sheet allowed us to increase dividends to shareholders by Rs.24.2 million, up 20% for the year 2012-13, with total cash distribution of Rs.120.8 million; the highest amount ever.

## INFORMATION TECHNOLOGY

The importance of information technology cannot be underestimated as it has dominated all fields of business and industry. IT is the enabler for enhancing efficiency and accuracy in business processes and timely decision making. It is important to align business and IT in order to fully benefit in a significant and persistent way from data management through ERP. Your Company, being cognizant of the critical role of IT, this year initiated the following IT projects to align the business with ERP.

**B-2-C (Business to Customer):** Companies are using IT to improve the way they design and manage customer relationships. B-2-C systems capture every interaction a company has with a customer, so that a more enriching experience is possible. Your company connected 20 dealers this year with ERP for better production planning and to improve the dealer's efficiency.

**Continuity Plan (BCP):** An efficient business risk management system is the key to successful business operations. During the year, we completed our formal Business Continuity Plan (BCP), which has been designed to ensure that the operations of the Company will continue and our employees will be protected in case of any disaster. Event detection, event notification, escalation, incident response plan, activation, risk mitigation, recovering and closing are eight steps included in our BCP. This process is designed to help our managers respond to any incident / disaster at our factory or any of regional offices in Pakistan. The established escalation process leverages our internal and external resources in a short time, and effectively minimizes the impact on our operations. In order to ensure this, we have instituted a Business Continuity Management process and conducted annual disaster recovery drills or tabletop exercises at many of our key sites.

## HUMAN RESOURCE DEVELOPMENT

Atlas Group Philosophy "Organization Development through Self Development" is based on 3R's - Recruit, Recognize and Reward. We strongly believe that success is a function of a highly capable, diverse work force focused on the right business priorities. Consistent with this value, we invest in our processes to recruit, develop and retain the best people. Developing such a workforce requires leadership, succession planning, stewardship and consistency of purpose. The present challenging times are particularly well suited to the development of a strong human resource.

During the year 2012-13, we provided in-house and external trainings to our associates. External training includes especially designed program of Atlas-IBA diploma on Group basis. Three associates of your Company from different divisions successfully completed this distinguished course during the year. Further, 116 associates were trained during the year through 5 in-house

designed courses and 46 other associates from all departments on 27 external courses. The HR department keeps track of various statistics about the employees' population to verify that our policies are implemented throughout the company. Atlas considers HR management systems to be a critical aspect of our strategic plan and central to our success as a business.

## HEALTH, SAFETY AND ENVIRONMENT

Being a responsible corporate citizen, the management of your Company is aware of its responsibility to provide a safe and healthy working environment to our associates. Generally, they make every possible effort to eliminate workplace hazards and provide safe, healthy and comfortable working conditions for the employees. Our safety culture is founded on the premise that all injuries are preventable. To this end, we have established "zero incidents and zero injuries" as our goal. We pursue this goal through a culture of continuous improvement in which all incidents are reported and investigated, and the root causes are resolved. We believe that safety and health is a journey of continuous improvement and eternal diligence. We will continue to take steps to improve the safety and health of all of our associates.

## FORWARD LOOKING STATEMENT

2013-14 is also likely to be a mixed year with continued challenges in Pakistan, balanced by continued growth in battery market. We have initiated our capacity alignment program in a timely manner and this will help us in meeting the dynamic market demand. At the backdrop of current economic scenario, we anticipate more challenges for the business environment in general and for your Company as well. The GDP growth rate for 2013-14 is targeted at 4.4%, an improved forecast from last year. Assistance from IMF will provide the short-term breath to the financial position of the Pakistan economy, but will put pressure on PKR devaluation, interest rates and government borrowing to fill the fiscal deficit. Due to the expected upward adjustment in electricity tariffs to curb the electricity shortage, there is a risk that average inflation for 2013-14 could exceed the announced target of 8.0% for the year. Foreign investors may show confidence in the new government as reflected through the bullish sentiment at the bourses since elections.

Your Company is directly exposed to risks pertaining to fluctuation of major materials price in the international market as well as local market, depreciation of PKR against international currencies, hike in energy tariffs and inflationary pressure on other input costs. The surge in costs cannot be transferred to customers in full due to severe competition. However, the demand for "AGS" is robust and the management of your Company is making all efforts to exceed the expectations of its growing customer base. Good corporate governance, marketing, quality, production efficiency and financial discipline will remain key to the Company's success in 2013-14. I am confident that the growing momentum will lead to a bright future for the Company and its stakeholders.

پرواز ہے دونوں کی اسی ایک فضا میں  
کرگس کا جہاں اور ہے شاہین کا جہاں اور  
(you get what you deserve)

## ACKNOWLEDGEMENTS

I would like to thank our joint venture partners, GS Yuasa International Limited, Japan for their continuous support in technology transfer. We are proud of our partnership with GS Yuasa and would like to thank Mr. Makoto Yoda; President GS Yuasa Corporation Japan, who visited Atlas Battery on August 09, 2012. During the year Mr. Khaleeq-ur-Rahman Khan resigned from the Board of your Company due to his pre-occupations and was replaced by Mr. Bashir Makki. We would like to place on record the valuable contributions made by Mr. Khaleeq-ur-Rahman during his tenure as member of Board and Audit Committee. Mr. Bashir Makki is a seasoned professional and has been associated with the Group for 9 years. We welcome him on the Board of Directors of your Company. I thank the Board of Directors, shareholders, bankers, vendors and valued customers for their continuous support. I would also like to thank Mr. Ali H. Shirazi; President / Chief Executive of your Company for his commitment to accept new challenges every year. I also owe thanks to our associates; they are the ones who make a difference with their professional expertise and personal dedication. We are on the right track and now must forge ahead with renewed zeal and ambition!



Yusuf H. Shirazi  
Chairman

## Directors' Report

The Directors of the Company take pleasure in presenting their report together with the Company's audited annual financial statements for the year ended June 30, 2013. The Director's report, prepared under section 236 of the Companies Ordinance, 1984 will be put forward to the members at the Forty Seventh Annual General Meeting of the Company to be held on September 27, 2013.

	2013	2012
	----- (Rupees in '000) -----	
<b>Operating Results</b>		
Profit before tax	822,898	689,649
Provision for taxation:		
Current year	225,912	169,264
Prior year	(165)	(515)
Deferred	15,038	34,886
	240,785	203,635
Profit after taxation	582,113	486,014

### Subsequent Appropriations

The directors have recommended a cash dividend of Rs.10/- (2012: Rs.10/-) per share along with a 20% (2012: 20%) bonus issue. Accordingly the following appropriations have been made:

Profit available for appropriation	588,849	491,734
Appropriations:		
Transferred to General Reserves	410,000	340,000
Proposed Dividend @ 100% (2012: 100%)	144,998	120,832
Reserve for issue of Bonus Shares @ 20% (2012: 20%)	29,000	24,166
	583,998	484,998
Unappropriated profit carried forward	4,851	6,736

### Earnings Per Share

The basic earnings per share after tax is Rs.40.15 (2012: Rs.33.52 - diluted).

### Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the performance of the Company for the year ended June 30, 2013 and future prospects. The Directors endorse the contents of the review.

### Board of Directors

The Board comprises of two executive and five non-executive directors. All the Directors keenly take interest in the proper stewardship of the Company's affairs. The non-executive directors are independent of management of the Company.



During the year, five Board meetings were held. The attendance of the Directors and the number of their directorship in listed companies, including Atlas Battery Limited, is as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance	Number of Directorship in listed companies
1.	Mr. Yusuf H. Shirazi	No	5	5	4
2.	Mr. Ali H. Shirazi	Yes	5	5	2
3.	Mr. Bashir Makki (appointed on April 29, 2013)	No	1	1	1
4.	Mr. Kamal A. Chinoy	No	5	5	4
5.	Mr. Khaleeq-ur-Rahman Khan (resigned on April 29, 2013)	No	4	4	-
6.	Mr. Makio Tanaka	No	5	3	1
7.	Mr. Omar Saeed	No	5	4	2
8.	Mr. Talha Saad	Yes	5	4	1

Leave of absence was granted to those Directors who could not attend some of the Board meetings.

### Statement of Directors' Responsibilities

The Board regularly reviews the Company's strategic direction. Annual plans and performance targets for business are set by the Chief Executive and are reviewed in total by the Board in the light of the Company's overall objectives. The Board is committed to maintain the high standard of good corporate governance. The Company has been in compliance with the provisions set out by the Securities and Exchange Commission of Pakistan and accordingly amended listing rules of the stock exchanges.

Following are the Statements on Corporate and Financial Reporting Framework:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the results of its operations, cash flows and changes in equity.
- Proper books of accounts have been maintained by the Company.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts upon the Company's ability to continue as going concern.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the listing regulations.

### The Corporate Governance Practices

The Board of Directors of Atlas Battery Limited is committed to the principles of good Corporate Governance. The stakeholders expect that the Company is managed and supervised responsibly and proper internal controls and risk management policy and procedures are in place for efficient and effective operations of the Company, safeguarding of assets, compliance with laws and regulations and proper financial reporting in accordance with International Financial Reporting Standards.

### Donation

The Company has a policy to donate 1% of its prior year's profit before tax to a charitable institution. During the year, Company has donated Rs.6.897 million to Atlas Foundation.

### Contribution to National Exchequer

During the year under review, Company contributed Rs.1,783 million towards the National Exchequer on account of various government levies, taxes and import duties. Payment of these taxes is 3 times more than the net profit after tax of the Company which shows Company's positive attitude towards development of economy and fulfilling its responsibility as a good corporate citizen.

## Safety, Health and Environment

Being a responsible corporate citizen, we are acutely aware of our responsibility to provide a safe and healthy work environment to our associates. We make every effort to eliminate workplace hazards and provide safe, healthy and comfortable working conditions for our employees. Our safety culture is founded on the premise that all injuries are preventable. To this end, we have established "zero incidents and zero injuries" as our goal. We pursue this goal through a culture of continuous improvement in which all incidents are reported and investigated, and the root causes are resolved. We believe that safety and health is a journey of continuous improvement and eternal diligence. We will continue to take steps to improve the safety and health of all of our associates.

## Code of Conduct

The Company has prepared a 'Code of Conduct', which has been disseminated throughout the Company.

The basic philosophy underlying this Code is to conduct business operations with honesty, integrity and openness, and with respect for human rights and interest of the employees. The Company respects the legitimate interest of all those with whom it has relationships - Government, Employees, Consumers, Shareholders, Business Partners and the Society and Communities in which it operates. These business principles cover the areas like Public Activities, Environment, Innovation, Competition, Business Integrity and Conflicts of Interest.

Compliance with this Code is an essential element in business success. The Board of Directors is responsible for ensuring that this Code is communicated to and understood and observed by all employees. Day-to-day responsibility is delegated to the senior management. They are responsible for implementing this Code, if necessary, through more detailed guidance tailored to business needs.

## Audit Committee

Audit Committee was established by the Board to assist the Directors in discharging their responsibilities for Corporate Governance, Financial Reporting and Corporate Control. The Committee consists of three members. Majority of members including the Chairman of the Committee are non-executive directors.

This Committee reviews the financial and internal reporting process, the system of internal controls, management of risks and the internal and external audit processes. An independent internal audit function reports to the Committee regarding risks and internal controls across the organization. The Audit Committee receives reports from external auditors on any accounting matter that might be regarded as critical. The detailed Charter of the Audit Committee developed in accordance with the Code of Corporate Governance is contained in the listing regulations of the stock exchanges.

The Audit Committee has reviewed the quarterly, half yearly and annual financial statements, besides the internal audit plan, material audit findings and recommendations of the internal auditor.

During the year, four Audit Committee meetings were held and attendance was as follows:

Sr. No.	Name of Directors	Executive Director	Applicable No. of Meetings	Attendance
1.	Mr. Kamal A. Chinoy (appointed on August 27, 2012)	No	3	3
2.	Mr. Omar Saeed (resigned on August 27, 2012)	No	1	1
3.	Mr. Bashir Makki (appointed on April 29, 2013)	No	-	-
4.	Mr. Khaleeq-ur-Rahman Khan (resigned on April 29, 2013)	No	4	4
5.	Mr. Talha Saad	Yes	4	3

In addition to above meetings, Audit Committee also met with external auditors without Chief Financial Officer and Head of Internal Audit. By invitation, Chief Executive attended all the four meetings held during the year.

### Human Resource and Remuneration Committee

Human Resource and Remuneration Committee was established by the Board to assist the Directors in discharging their responsibilities with regard to selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in Company's human resource policies and procedures and their periodic review. The Committee consists of three members. Majority of members including the Chairman of the Committee are non-executive directors.

During the year, no Human Resource and Remuneration Committee meeting was held.

### Management Committee

The Management Committee ensures that a proper system is developed and working that enable swift and appropriate decision making. It acts in an advisory capacity to the Chief Executive at the operating level, providing recommendations relating to business and other corporate affairs. It is responsible for reviewing and forwarding long-term plans, capital and expense budget development and stewardship of business plans. The Committee is organized on a functional basis and meets monthly to review the performance of each function against set targets.

### Employees' Retirement Benefits

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognized provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above mentioned defined contribution plans.

The Company also operates non-contributory gratuity fund scheme for its management employees.

The value of investment, based on their respective accounts as at June 30, 2013 is as follows:

	Rupees in Million
- Provident Fund	120.3
- Gratuity Fund	27.1

### Operating & Financial Data

Operating and financial data and key ratios of the Company for the last six years are annexed.

### Pattern of Shareholding

The pattern of shareholding as at June 30, 2013 is annexed.

The Directors, Chief Executive, Chief Financial Officer, Company Secretary and their spouse and minor children have made no transactions of the Company's shares during the year, except those reported in pattern of shareholding.

### Statutory Auditor of the Company

The present Auditors, M/s. Hameed Chaudhri & Co. Chartered Accountants, retire and being eligible, offer themselves for re-appointment. The Audit Committee of the Company has recommended their re-appointment as Auditors of the Company for the year ending June 30, 2014.

### Communication

Communication with the shareholders is given a high priority. Annual reports are distributed to them within the time specified in the Companies Ordinance, 1984. The Company also has a web site, [www.atlasbattery.com.pk](http://www.atlasbattery.com.pk), which contains up to date information on Company's activities and financial reports.

For and on behalf of the  
BOARD OF DIRECTORS



Ali H. Shirazi  
President / Chief Executive

## Statement of Compliance with the Code of Corporate Governance

Name of the Company: Atlas Battery Limited

Year Ended: June 30, 2013

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulations of Karachi and Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board. At present, the Board includes:

Sr. No.	Name of Directors	Category of Directors		
		Independent (2)	Non-Executive (5)	Executive (2)
1.	Mr. Yusuf H. Shirazi		√	
2.	Mr. Ali H. Shirazi			√
3.	Mr. Bashir Makki		√	
4.	Mr. Kamal A. Chinoy	√	√	
5.	Mr. Makio Tanaka		√	
6.	Mr. Omar Saeed	√	√	
7.	Mr. Talha Saad			√

The independent directors meet the criteria of independence under clause i (b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or a NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board was duly filled by the directors within the prescribed time.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed a Vision and Mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board arranges orientation courses for its directors as and when needed to apprise them of their duties and responsibilities. The incoming directors are also provided with appropriate briefing and orientation material to enable them first hand knowledge on the working of the Company. During the year, Mr. Ali H. Shirazi, Chief Executive Officer, has attended the Corporate Governance Leadership Skills (CGLS) Program of the Pakistan Institute of Corporate Governance (PIGC). One director is already a Certified Director and one director meets the criteria of exemption under clause (xi) of the Code and is accordingly exempted from directors' training program. Remaining directors will acquire the required directors training certification within the time specified in the Code.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the Chief Executive Officer.
11. The directors' report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The directors, Chief Executive Officer and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and the Chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the Code. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
17. The board has formed a Human Resource and Remuneration Committee. It comprises three members, of whom two are non-executive directors and the Chairman of the Committee is an independent director.
18. The Board has set-up an effective internal audit function.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. We confirm that all other material principles enshrined in the Code have been complied with.

For and on behalf of the  
BOARD OF DIRECTORS



Ali H. Shirazi  
President / Chief Executive



## HAMEED CHAUDHRI & CO. CHARTERED ACCOUNTANTS

### Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **Atlas Battery Limited** to comply with the Listing Regulations of Karachi and Lahore Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Listing Regulations of the Karachi and Lahore Stock Exchanges require the Company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2013.

Karachi: August 28, 2013  
Engagement partner: Muhammad Ali

*Hameed Chaudhri & Co.*

HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS

#### LAHORE:

HM House, 7-Bank Square.  
Tel : 37235084-87 Fax : 042-37235083  
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#### KARACHI:

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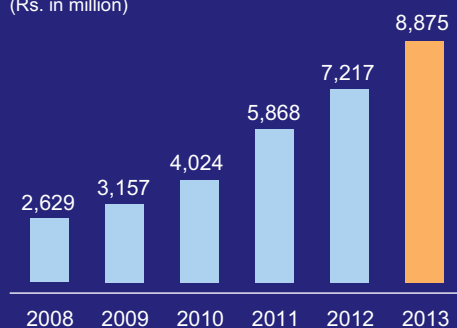


# Financial Statements

## DELIVERING SUSTAINABLE RESULTS

### Sales revenue

(Rs. in million)



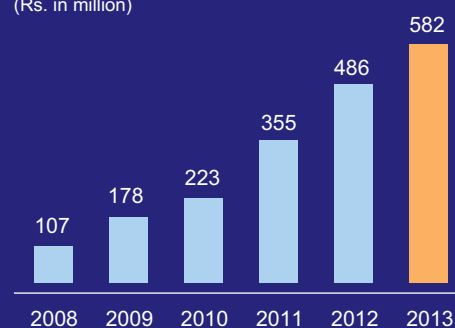
Sales revenue growth

23.0%  
Over 2012

27.6%  
CAGR over 6 years

### Profit after tax

(Rs. in million)



Profit after tax growth

19.8%  
Over 2012

40.4%  
CAGR over 6 years

### Earnings per share

(Rupees)



Earnings per share growth

19.8%  
Over 2012

21.3%  
CAGR over 6 years

### Book value per share

(Rupees)



Book value per share growth

12.0%  
Over 2012

16.4%  
CAGR over 6 years

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# HAMEED CHAUDHRI & CO.

## CHARTERED ACCOUNTANTS

### Auditors' Report to the Members

We have audited the annexed balance sheet of **Atlas Battery Limited** as at June 30, 2013 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

*Hameed Chaudhri & Co.*

HAMEED CHAUDHRI & CO.  
CHARTERED ACCOUNTANTS

Karachi: August 28, 2013  
Engagement partner: Muhammad Ali

#### LAHORE:

HM House, 7-Bank Square.  
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## BALANCE SHEET

### AS AT JUNE 30, 2013

	Note	2013 ----- (Rupees in '000) -----	2012
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	5	1,155,854	1,127,859
Intangible assets	6	1,736	-
Investments	7	-	-
Long term deposits		10,555	6,832
Long term loans	8	657	719
		<hr/>	<hr/>
		1,168,802	1,135,410
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	9	57,818	43,594
Stock-in-trade	10	1,477,258	811,490
Trade debts	11	79,987	112,423
Loans and advances	12	3,497	2,682
Deposits and prepayments	13	6,446	5,138
Investments	14	711,544	436,291
Other receivables	15	4,121	7,023
Taxation - net		94,615	29,481
Bank balances	16	33,055	48,191
		<hr/>	<hr/>
		2,468,341	1,496,313
		<hr/>	<hr/>
Total assets		3,637,143	2,631,723



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## BALANCE SHEET

### AS AT JUNE 30, 2013

	Note	2013	2012
		----- (Rupees in '000) -----	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 50,000,000 (2012: 50,000,000) ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	17	144,998	120,832
General reserve		1,067,500	727,500
Unappropriated profit		588,849	491,734
Total equity		1,801,347	1,340,066
<b>SURPLUS ON REVALUATION OF LEASEHOLD LAND</b>		173,786	173,786
<b>NON-CURRENT LIABILITIES</b>			
Staff retirement benefits	18	46,332	41,439
Deferred taxation	19	152,924	137,886
		199,256	179,325
<b>CURRENT LIABILITIES</b>			
Trade and other payables	20	781,465	494,461
Sales tax payable - net		53,488	21,066
Accrued mark-up	21	11,110	7,810
Short term borrowings	22	616,691	415,209
		1,462,754	938,546
Total liabilities		1,662,010	1,117,871
<b>CONTINGENCIES AND COMMITMENTS</b>			
Total equity and liabilities	23	3,637,143	2,631,723

The annexed notes 1 to 42 form an integral part of these financial statements.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2013

	Note	2013 ----- (Rupees in '000) -----	2012
Sales	24	8,875,114	7,217,116
Cost of sales	25	(7,559,947)	(6,049,434)
<b>Gross profit</b>		1,315,167	1,167,682
Distribution cost	26	(235,476)	(186,367)
Administrative expenses	27	(191,175)	(151,495)
Other income	28	86,309	37,035
Other expenses	29	(91,981)	(107,310)
<b>Profit from operations</b>		882,844	759,545
Finance cost	30	(59,946)	(69,896)
<b>Profit before taxation</b>		822,898	689,649
Taxation	31	(240,785)	(203,635)
<b>Profit after taxation</b>		582,113	486,014
Other comprehensive income		-	-
<b>Total comprehensive income</b>		582,113	486,014
		----- Rupees -----	
		<b>Restated</b>	
<b>Earnings per share - basic and diluted</b>	32	40.15	33.52

The annexed notes 1 to 42 form an integral part of these financial statements.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director




## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	----- (Rupees in '000) -----	
<b>Cash flows from operating activities</b>		
Profit before taxation	822,898	689,649
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation of operating fixed assets	107,879	90,380
Amortisation of intangible assets	1,152	6,129
Net change in fair value of investments at fair value through profit or loss	(68,821)	(24,206)
Gain on sale of investments	(5,590)	(8,235)
Finance cost	59,946	69,896
Loss on sale of operating fixed assets	13,026	5,975
Operating fixed assets written-off	-	11,190
Provision for doubtful debts	1,512	-
Provision for gratuity	7,714	8,420
Provision for compensated leave absences	7,306	13,777
Operating profit before working capital changes	947,022	862,975
Working capital changes:		
(Increase) / decrease in current assets		
Stores, spares and loose tools	(14,224)	(12,661)
Stock-in-trade	(665,768)	(94,486)
Trade debts	30,924	(22,798)
Loans and advances	(815)	202
Deposits and prepayments	(1,308)	(291)
Other receivables	2,902	(4,706)
	(648,289)	(134,740)
Increase / (decrease) in current liabilities		
Trade and other payables	284,518	135,795
Sales tax payable - net	32,422	17,158
Special excise duty payable - net	-	(13,023)
	316,940	139,930
	(331,349)	5,190
<b>Cash generated from operations</b>	615,673	868,165
Finance cost paid	(56,646)	(67,308)
Income taxes paid (including tax deducted at source)	(290,881)	(171,742)
Gratuity paid	(8,299)	(8,024)
Compensated leave absences paid	(2,495)	(7,887)
Long term deposits - net	(3,723)	(6,315)
Long term loans	62	(114)
<b>Net cash generated from operating activities - carried forward</b>	253,691	606,775

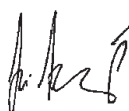
## CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	----- (Rupees in '000) -----	
<b>Net cash generated from operating activities</b> - brought forward	253,691	606,775
<b>Cash flows from investing activities</b>		
Fixed capital expenditure	(243,953)	(346,032)
Sale proceeds from disposal of operating fixed assets	95,053	11,131
Additions in intangible assets	(2,888)	-
Investments acquired	(380,842)	(410,000)
Sale proceeds from disposal of investments	180,000	211,013
<b>Net cash used in investing activities</b>	(352,630)	(533,888)
<b>Cash flows from financing activities</b>		
Short term borrowings - net	201,482	(19,489)
Dividend paid	(117,679)	(99,159)
<b>Net cash generated from / (used) in financing activities</b>	83,803	(118,648)
<b>Net decrease in cash and cash equivalents</b>	(15,136)	(45,761)
<b>Cash and cash equivalents</b> - at beginning of the year	48,191	93,952
<b>Cash and cash equivalents</b> - at end of the year	33,055	48,191

The annexed notes 1 to 42 form an integral part of these financial statements.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2013

	Share Capital	General Reserve	Unappro- priated Profit	Total
	----- (Rupees in '000) -----			
<b>Balance as at July 1, 2011</b>	100,693	497,500	356,552	954,745
Transfer to general reserve	-	230,000	(230,000)	-
<b>Transactions with owners</b>				
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 year	20,139	-	(20,139)	-
	20,139	-	(120,832)	(100,693)
Total comprehensive income for the year	-	-	486,014	486,014
<b>Balance as at June 30, 2012</b>	120,832	727,500	491,734	1,340,066
Transfer to general reserve	-	340,000	(340,000)	-
<b>Transactions with owners</b>				
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 year	24,166	-	(24,166)	-
	24,166	-	(144,998)	(120,832)
Total comprehensive income for the year	-	-	582,113	582,113
<b>Balance as at June 30, 2013</b>	144,998	1,067,500	588,849	1,801,347

The annexed notes 1 to 42 form an integral part of these financial statements.



**Yusuf H. Shirazi**  
Chairman



**Ali H. Shirazi**  
President / Chief Executive



**Kamal A. Chinoy**  
Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 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. 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

#### 2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 have been followed.

#### 2.2 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees unless otherwise specified.

#### 2.3 Initial application of standards, amendments or an interpretation to existing standards

##### 2.3.1 Amendments to published standards effective in the current year

Certain amendments to approved accounting standards are effective for accounting periods beginning on July 1, 2012 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

##### 2.3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to published standards are not effective (although available for early adoption) for the financial year beginning on or after July 1, 2012 and have not been early adopted by the Company:

- (a) Annual improvements to IFRSs 2011 are applicable on accounting periods beginning on or after January 1, 2013. This set of amendments includes changes to five standards: IFRS 1, 'First time adoption', IAS 1, 'Financial statement presentation', IAS 16, 'Property, plant and equipment', IAS 32, 'Financial instruments; Presentation' and IAS 34, 'Interim financial reporting'. The application of these amendments have no material impact on the Company's financial statements.
- (b) IFRS 7 (Amendments), 'Financial instruments: Disclosures', on offsetting financial assets and financial liabilities is applicable on accounting periods beginning on or after January 1, 2013. The amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements in accordance with US GAAP. The Company shall apply these amendments from July 1, 2013 and does not expect to have a material impact on its financial statements.
- (c) IFRS 9 - 'Financial instruments - classification and measurement'. This is applicable on accounting periods beginning on or after January 1, 2015. This standard on classification and measurement of financial assets and financial liabilities will replace IAS 39, 'Financial instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39 requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives.

The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. The Company shall apply this standard from July 1, 2015 and does not expect to have a material impact on its financial statements.

- (d) IAS 19 (Amendments), 'Employee benefits' is applicable on accounting periods beginning on or after January 1, 2013. These amendments shall eliminate the corridor approach and calculate finance cost on a net funding basis. The Company shall apply these amendments from July 1, 2013 and its impact on retained earnings shall be Rs.17,584 thousand due to recognition of current unrecognised actuarial losses on its defined benefit plans.

There are other new accounting standards, amendments to approved accounting standards and interpretations that are mandatory for future years. However they are not considered relevant to the Company and therefore are not expected to materially effect the financial statements of the Company for accounting periods on the dates prescribed therein.

### 3. BASIS OF MEASUREMENT

- 3.1 These financial statements have been prepared under the historical cost convention, except that leasehold land is stated at the revalued amount, investments are carried at fair value and certain employee retirement benefits are stated at present value.
- 3.2 The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgement was exercised in application of accounting policies are as follows:

- useful lives and residual values of property, plant & equipment and intangible assets (note 4.1 and 4.2);
- provision for doubtful debts (note 4.8);
- staff retirement benefits (note 4.12);
- provision for taxation (note 4.14); and
- provisions (note 4.15 and 4.16).

### 4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### 4.1 Property, plant and equipment

##### Owned assets

Operating fixed assets except for leasehold land are stated at cost less accumulated depreciation and impairment losses, if any. Leasehold land is stated at revalued amount. Capital work in progress is stated at cost. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use.

##### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to expenses as and when incurred.

##### Depreciation

Depreciation is charged to income on the reducing balance basis except for computers and accessories. Depreciation on computers and accessories is charged to income on a straight line basis. Depreciation is charged at rates stated in note 5.1. Depreciation on additions is charged from the month the assets are available for use while no depreciation is charged in the month in which asset is disposed-off.

The depreciation method and useful lives of items of operating fixed assets are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change is accounted for as a change in accounting estimate by changing depreciation charge for the current and future periods.

Residual values and useful lives are reviewed, at each reporting date, and adjusted if impact on depreciation is significant.

### Disposal

Gains or losses on disposal or retirement of fixed assets are determined as the difference between the sale proceeds and the carrying amount of assets and are included in the profit and loss account.

### Revaluation of assets

Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of operating fixed assets is credited to the surplus on revaluation of fixed assets account.

### Leased assets

Fixed assets acquired by way of finance lease are stated at an amount equal to the lower of its fair value and present value of the minimum lease payments at inception of the lease less accumulated depreciation and impairment losses, if any.

### Impairment

The Company assesses at each reporting date whether there is any indication that operating fixed assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment charge is recognised in income currently.

## 4.2 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

Cost associated with developing or maintaining computer software programs are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Company and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

### Subsequent expenditure

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

### Amortisation

Intangible assets are amortised using the straight-line method over a period of two years.

## 4.3 Financial assets

### 4.3.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### (a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

#### (b) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date, in which case, they are classified as non-current assets. The Company's loans and receivables comprise of trade debts, loans and advances, trade deposits, other receivables and bank balances.



(c) **Held to maturity financial assets**

Held to maturity financial assets are non derivative financial assets with fixed or determinable payments and fixed maturity in respect of which the Company has positive intent and ability to hold till maturity. There is no held to maturity investment as at the reporting date.

(d) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the asset matures or management intends to dispose-off the assets within 12 months of the reporting date.

#### 4.3.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction cost are expensed in the profit and loss account. Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risk and rewards of ownerships. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within 'other income / expense' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of 'other income' when the Company's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale or sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of 'Other income'. Dividend on available-for-sale equity instruments are recognised in the profit and loss account as part of 'Other income' when the Company's right to receive payments is established.

Equity instruments that do not have a quoted market price in an active market and whose fair values can not be reliably measured or determined, are stated at cost.

The Company assesses at end of each reporting period, whether there is objective evidence that a financial asset or group of financial assets is impaired. If any such evidence exist for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment testing of other receivables is described in note 4.8.

#### 4.4 Financial liabilities

Financial liabilities are initially recognised at the time when the Company becomes a party to the contractual provisions of the instruments.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or terms of an existing liability are substantially modified such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and difference in respective carrying amounts is recognised in the profit and loss account.

#### 4.5 Off-setting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or to realise the asset and settle the liability simultaneously.

#### 4.6 Stores, spares and loose tools

Stores, spares and loose tools are stated at the lower of cost and net realizable value. The cost of inventory is based on weighted average cost less provision for obsolescence, if any. Items in transit are stated at cost comprising of invoice value plus other charges thereon accumulated up to the reporting date.

#### 4.7 Stock-in-trade

These are valued at lower of cost and net realizable value.

Cost in relation to raw materials in hand, packing materials and components has been calculated on a weighted average basis and represents invoice values plus other charges paid thereon.

Cost in relation to work-in-process and finished goods represents direct cost of materials, wages and appropriate manufacturing overheads.

Raw materials held in custom bonded warehouse and stock-in-transit are valued at cost comprising of invoice value plus other charges accumulated up to the reporting date.

Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs necessary to completion and to be incurred in marketing, selling and distribution.

#### 4.8 Trade debts and other receivables

Trade debts are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost less provision for doubtful debts. Carrying amounts of trade and other receivables are assessed at each reporting date and a provision is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written-off.

#### 4.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of balances with banks and cheques in hand.

#### 4.10 Foreign currency translation

Transactions in foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year end foreign exchange rates. Non monetary assets and liabilities are translated using exchange rate that existed when the values were determined. Exchange differences on foreign currency translations are taken to profit and loss account currently.

#### 4.11 Interest / mark-up bearing loans and borrowings

Interest / mark-up bearing loans and borrowings are recorded at the proceeds received. Finance charges are accounted for on accrual basis.

#### 4.12 Employees' benefits

The Company has following plans for its employees:

##### 4.12.1 Defined contribution plan

A defined contribution plan is a post-employment benefit under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the profit and loss account when it is due.

The Company operates defined contribution plan for its permanent employees through either one of the following ways:

- a recognised provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the fund / scheme, both by the Company and the employees. The Fund is a separate legal entity and its assets are being held separately under the control of its trustees.

#### 4.12.2 Defined benefit plan

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their services in current and prior periods that benefit is discounted to determine its present value.

The Company operates an approved funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non management staff. Contributions under the schemes are made on the basis of actuarial valuation and are charged to the profit and loss account. The valuations of both schemes are carried-out annually by an independent expert, using the "Projected Unit Credit Method" with the latest valuation being carried out as on June 30, 2013.

The amount recognised in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, if any, as reduced by the fair value of the plan assets.

Cumulative net unrecognised actuarial gains and losses at the end of the previous year which exceed 10% of the greater of present value of the defined benefit obligation and fair value of plan assets, are amortised in the profit and loss account over the remaining average service life of the employees over which they are expected to receive benefits.

#### 4.12.3 Employees compensated leave absences

Employees' entitlements to annual leaves are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

#### 4.13 Trade and other payables

Liabilities for trade and other payables are carried at cost, which is the fair value of consideration to be paid in future for goods and services received, whether or not billed to the Company.

#### 4.14 Taxation

Income tax expense represents the sum of current tax payable, adjustments, if any, to provision for tax made in previous years arising from assessments framed during the year for such years and deferred tax.

##### Current

Provision of current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year, if enacted.

##### Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit shall be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in equity.

#### 4.15 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

**4.16 Warranty**

The Company recognises the estimated liability to repair or replace products still under warranty at the reporting date. Provision for warranty is calculated based on past experience / history of level of repairs and replacements.

**4.17 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, incentives, sales returns and trade discounts. Revenue from different sources is recognised on the following basis:

Employee's entitlement to annual leave is recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

- revenue from sale of goods is recognised when goods are dispatched and invoiced to customers;
- interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable; and
- dividend income from investments is recognised when the Company's right to receive payment has been established.

**4.18 Borrowing costs**

Borrowing costs are recognised as an expense in the period in which these are incurred except to the extent of borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalised as part of the cost of that asset.

**4.19 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

**4.20 Segment reporting**

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment; however, certain information, as required by the approved accounting standards, is presented in note 35 to these financial statements.

**4.21 Dividend and appropriation to reserves**

Dividend and other appropriation to reserves are recognised in the financial statements in the period in which these are approved.

	Note	2013 ----- (Rupees in '000) -----	2012
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	5.1	1,137,047	1,076,257
Capital work-in-progress	5.6	18,807	51,602
		<u>1,155,854</u>	<u>1,127,859</u>

## 5.1 Operating fixed assets

	Leasehold land	Buildings on leasehold land	Plant and machinery	Office equipment	Computers and accessories	Furniture and fixtures	Air conditioners	Vehicles	Total
----- (Rupees in '000) -----									
<b>As at July 1, 2011</b>									
Revaluation / cost	222,305	110,709	811,301	1,821	13,982	2,188	6,002	60,989	1,229,297
Accumulated depreciation	-	49,757	278,306	943	11,212	1,647	2,566	18,643	363,074
Net book value	222,305	60,952	532,995	878	2,770	541	3,436	42,346	866,223
<b>Year ended June 30, 2012</b>									
Opening net book value	222,305	60,952	532,995	878	2,770	541	3,436	42,346	866,223
Additions	-	26,389	249,755	2,383	8,603	2,602	2,778	36,200	328,710
Disposals									
- cost	-	-	14,729	-	-	-	-	18,444	33,173
- accumulated depreciation	-	-	(7,851)	-	-	-	-	(8,216)	(16,067)
Write-off	-	-	6,878	-	-	-	-	10,228	17,106
- cost	-	9,111	53,025	995	-	296	1,991	-	65,418
- accumulated depreciation	-	(8,195)	(43,358)	(799)	-	(277)	(1,599)	-	(54,228)
Depreciation charge for the year	-	916	9,667	196	-	19	392	-	11,190
	-	6,907	69,221	115	2,391	97	447	11,202	90,380
Closing net book value	222,305	79,518	696,984	2,950	8,982	3,027	5,375	57,116	1,076,257
<b>As at June 30, 2012</b>									
Revaluation / cost	222,305	127,987	993,302	3,209	22,585	4,494	6,789	78,745	1,459,416
Accumulated depreciation	-	48,469	296,318	259	13,603	1,467	1,414	21,629	383,159
Net book value	222,305	79,518	696,984	2,950	8,982	3,027	5,375	57,116	1,076,257
<b>Year ended June 30, 2013</b>									
Opening net book value	222,305	79,518	696,984	2,950	8,982	3,027	5,375	57,116	1,076,257
Additions	-	75,706	156,627	1,668	7,856	1,464	581	32,846	276,748
Disposals (note 5.5)									
- cost	48,105	45,422	-	151	122	-	-	23,553	117,353
- accumulated depreciation	-	(220)	-	(133)	(14)	-	-	(8,907)	(9,274)
Depreciation charge for the year	48,105	45,202	-	18	108	-	-	14,646	108,079
	-	9,137	78,806	402	4,977	399	565	13,593	107,879
Closing net book value	174,200	100,885	774,805	4,198	11,753	4,092	5,391	61,723	1,137,047
<b>As at June 30, 2013</b>									
Revaluation / cost	174,200	158,271	1,149,929	4,726	30,319	5,958	7,370	88,038	1,618,811
Accumulated depreciation	-	57,386	375,124	528	18,566	1,866	1,979	26,315	481,764
Net book value	174,200	100,885	774,805	4,198	11,753	4,092	5,391	61,723	1,137,047
Depreciation rate (% per annum)		10	10 - 20	10	30	10	10	20	

5.2 The Company's leasehold land was revalued on June 30, 2008 by M/s. Surval, an Independent Valuer, based on market value in the similar area. This revaluation exercise resulted in appraisal surplus of Rs.173,786 thousand over the written down value of Rs.414 thousand which was credited to the surplus on revaluation of fixed assets account to comply with the requirements of section 235 of the Companies Ordinance, 1984.

Value of the above mentioned revalued land as per latest revaluation report dated January 13, 2011 by an Independent Valuer does not materially differ from the book value as on June 30, 2013.

Had there been no revaluation, the book value of the leasehold land would have been Rs.414 thousand (2012: Rs.414 thousand).

	Note	2013 ----- (Rupees in '000) -----	2012
5.3 Depreciation charge for the year has been allocated as follows:			
Cost of goods manufactured	25.1	91,375	77,403
Distribution cost	26	2,897	2,372
Administrative expenses	27	13,607	10,605
		<u>107,879</u>	<u>90,380</u>

5.4 Plant and machinery includes certain dies and moulds having cost aggregating Rs.40,610 thousand (2012: Rs.40,610 thousand) and book value of Rs.25,545 thousand (2012: Rs.28,383 thousand) which are held by various vendors for producing certain parts for supply to the Company.

Atlas Battery Limited

## 5.5 The details of operating fixed assets disposed during the year are as follows:

Particular of Assets	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Mode of disposal	Particular of buyers
----- (Rupees in '000) -----						
<b>Assets having net book value exceeding Rs.50,000 each</b>						
Leasehold land	48,105	-	48,105	41,145	Negotiation	SS Foot Marks (Private) Limited, Kot Lakhpat, Lahore
Building on leasehold land	45,422	220	45,202	38,662	Negotiation	SS Foot Marks (Private) Limited, Kot Lakhpat, Lahore
Computer and accessories	95	7	88	88	Company policy	Shirazi Investments (Private) Limited - a related party
----- (Rupees in '000) -----						
Particular of Assets	Cost	Accumulated depreciation	Net Book value	Sale proceeds	Mode of disposal	Particular of buyers
<b>Vehicles</b>						
	923	669	254	254	Company policy	Mr. Muhammad Iqbal - Employee
	1490	1,018	472	472	Company policy	Mr. Talha Saad - Managing Director
	943	582	361	361	Company policy	Mr. Mirza Bakhtiar Haider - Employee
	999	590	409	409	Company policy	Sheikh Adeel Ur Rehman - Employee
	504	299	205	205	Company policy	Mr. Saeed Shah - Employee
	504	276	228	228	Company policy	Mr. Azhar Jilani - Ex-employee
	652	339	313	313	Company policy	Mr. Shahzad Rasheed - Employee
	509	241	268	268	Company policy	Mr. Anwar Khan - Employee
	1343	685	658	658	Company policy	Mr. Salim Ahmed - Ex-employee
	689	365	324	689	Company policy	Mr. Rafique Ismail - Employee
	1385	555	830	830	Company policy	Malik Nasir Mohyuddin - Ex-employee
	697	262	435	435	Company policy	Mr. Fareed Rasheed - Employee
	544	186	358	358	Company policy	Mr. Imtiaz Askari - Employee
	544	186	358	358	Company policy	Mr. Saqib Khan - Employee
	1445	474	971	971	Company policy	Mr. Ahmar Waheed - Employee
	554	140	414	414	Company policy	Atlas Honda Limited - a related party
	1,200	364	836	836	Company policy	Mr. Adeel Sartaj - Employee
	1365	291	1,074	1,074	Company policy	Mr. Khalid Manzoor - Ex-employee
	1340	337	1,003	1,003	Company policy	Mr. Nehal Asghar - Employee
	630	91	539	539	Company policy	Mr. Sami Ahmed - Employee
	1880	125	1,755	1,755	Company policy	Shirazi Investments (Private) Limited - a related party
	1544	201	1,343	1,451	Negotiation	Mr. Huzafa M. Arif, Gulshan-e-Iqbal, Karachi
	612	82	530	530	Company policy	Mr. Kashif Mushtaq - Ex-employee
	104	38	66	66	Company policy	Mian Said Kamal - Employee
	88	11	77	77	Insurance claim	Atlas Insurance Limited - a related party
	72	7	65	65	Insurance claim	Atlas Insurance Limited - a related party
	64	5	59	59	Insurance claim	Atlas Insurance Limited - a related party
	22,624	8,419	14,205	14,678		
Various assets having book value upto Rs.50,000 each	1,107	628	479	480	Negotiation / Company policy	Various
<b>2013</b>	<b>117,353</b>	<b>9,274</b>	<b>108,079</b>	<b>95,053</b>		
2012	33,173	16,067	17,106	11,131		

	2012	Additions	(Transfers)	2013
	----- (Rupees in '000) -----			
<b>5.6 Capital work-in-progress</b>				
Tangible				
Buildings on leasehold land	47,961	12,452	(60,413)	-
Plant and machinery	1,865	33,420	(18,128)	17,157
Office equipment	367	1,099	(1,466)	-
Furniture and fixtures	377	317	(694)	-
Vehicles	612	-	(612)	-
Intangible - Computer software	420	1,780	(550)	1,650
	<u>51,602</u>	<u>49,068</u>	<u>(81,863)</u>	<u>18,807</u>

	Software license	ERP implementation cost	Total
	----- (Rupees in '000) -----		
<b>6. INTANGIBLE ASSETS</b>			
<b>As at July 1, 2011</b>			
Cost	4,859	7,400	12,259
Accumulated amortisation	(2,430)	(3,700)	(6,130)
Net book value	<u>2,429</u>	<u>3,700</u>	<u>6,129</u>
<b>Year ended June 30, 2012</b>			
Opening net book value	2,429	3,700	6,129
Amortisation for the year (note 27)	(2,429)	(3,700)	(6,129)
Closing net book value	<u>-</u>	<u>-</u>	<u>-</u>
<b>As at June 30, 2012</b>			
Cost	4,859	7,400	12,259
Accumulated amortisation	(4,859)	(7,400)	(12,259)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>
<b>Year ended June 30, 2013</b>			
Opening net book value	-	-	-
Additions during the year	2,888	-	2,888
Amortisation for the year (note 27)	(1,152)	-	(1,152)
Closing net book value	<u>1,736</u>	<u>-</u>	<u>1,736</u>
<b>As at June 30, 2012</b>			
Cost	7,747	7,400	15,147
Accumulated amortisation	(6,011)	(7,400)	(13,411)
Net book value	<u>1,736</u>	<u>-</u>	<u>1,736</u>
Amortisation rate (% per annum)	<u>50</u>	<u>50</u>	

	Note	2013	2012
		----- (Rupees in '000) -----	
<b>7. INVESTMENTS - AVAILABLE FOR SALE</b>			
<b>Unquoted</b>			
Arabian Sea Country Club Limited			
100,000 ordinary shares of Rs.10 each - cost		1,000	1,000
Less: Impairment in the value of investment		(1,000)	(1,000)
		<u>-</u>	<u>-</u>
<b>8. LONG TERM LOANS - Considered good</b>			
Due from:			
- executives	8.2 & 8.3	666	2 32
- non-executives		1,430	1,558
		<u>2,096</u>	<u>1,790</u>
Less: recoverable within one year and grouped under current assets			
- executives		634	2 32
- non-executives		805	839
	12	<u>1,439</u>	<u>1071</u>
		<u>657</u>	<u>719</u>



- 8.1 These represent interest free loans to employees and executives as per terms of employment. Loans to employees are made for purchase of motor cycles and are repayable in monthly instalments over period of 48 to 54 months. These loans are secured by the registration of motor cycles in the name of the Company and employees vested retirement benefits.

2013                      2012  
----- (Rupees in '000) -----

- 8.2 Reconciliation of carrying amount of loans to executives

Balance at beginning of the year	232	167
Add: disbursements	1,030	659
	<hr/> 1,262	<hr/> 826
Less: recoveries	596	594
Balance at end of the year	<hr/> <hr/> 666	<hr/> <hr/> 232

- 8.3 The maximum amount outstanding at the end of any month during the year ended June 30, 2013 from executives aggregated to Rs.923 thousand (2012: Rs.552 thousand).

- 8.4 The carrying values of these loans are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to no default ever.

Note                      2013                      2012  
----- (Rupees in '000) -----

## 9. STORES, SPARES AND LOOSE TOOLS

Consumables stores		29,468	26,939
Maintenance spares		18,094	16,087
Loose tools		1,668	563
Goods in-transit	9.1	8,588	5
		<hr/> 57,818	<hr/> 43,594
		<hr/> <hr/>	<hr/> <hr/>

- 9.1 It includes consumables stores amounting Rs.8,582 thousand (2012: Rs.2 thousand) and maintenance spares amounting Rs.6 thousand (2012: Rs.3 thousand).

2013                      2012  
----- (Rupees in '000) -----

## 10. STOCK-IN-TRADE

Raw materials & components:			
- in hand		922,779	385,176
- with third parties		36,363	37,027
		<hr/> 959,142	<hr/> 422,203
Work-in-process		420,263	320,719
Finished goods		87,289	51,567
Goods in transit		10,564	17,001
		<hr/> 1,477,258	<hr/> 811,490
		<hr/> <hr/>	<hr/> <hr/>

- 10.1 Stock-in-trade and trade debts upto a maximum amount of Rs.2,003,600 thousand (2012: Rs.2,003,600 thousand) are under hypothecation of commercial banks as security for short term finance facilities (note 22).

	2013	2012
	----- (Rupees in '000) -----	
<b>11. TRADE DEBTS</b>		
<b>Consider good - unsecured</b>		
Associated Companies:		
Atlas Honda Limited	17,079	18,715
Honda Atlas Cars (Pakistan) Limited	9,330	8,329
Atlas Autos (Private) Limited	11,440	-
Others	42,138	85,379
	<u>79,987</u>	<u>112,423</u>
<b>Consider doubtful</b>		
Others	1,512	-
	<u>81,499</u>	<u>112,423</u>
Less: provision for doubtful debts	1,512	-
	<u>79,987</u>	<u>112,423</u>
<b>11.1</b> The ageing of trade debts at June 30, is as follows:		
Less than 30 days	61,261	77,967
31 - 150 days	17,922	33,264
151 days to 365 days	804	1,192
Over one year	1,512	-
	<u>81,499</u>	<u>112,423</u>
Less: provision for doubtful debts	1,512	-
	<u>79,987</u>	<u>112,423</u>
<b>11.2</b> Trade debts which are past due beyond one year have been impaired and fully provided for.		
<b>11.3</b> As at June 30, 2013, trade debts from Associated Companies were outstanding for not more than 150 days.		

	Note	2013	2012
		----- (Rupees in '000) -----	
<b>12. LOANS AND ADVANCES - Unsecured and considered good</b>			
Loans to staff other than executives		47	54
Advances to suppliers, contractors and others		2,011	1,557
Current portion of long term loans to:			
- executives		634	232
- non-executives		805	839
	8	<u>1,439</u>	<u>1,071</u>
		<u>3,497</u>	<u>2,682</u>
<b>13. DEPOSITS AND PREPAYMENTS</b>			
Deposits - unsecured and considered good		3,671	2,576
Prepayments		2,775	2,562
		<u>6,446</u>	<u>5,138</u>

**14. INVESTMENTS** - at fair value through profit or loss

2013 ----- (Number of units) -----	2012	Related parties	2013 ----- (Rupees in '000) -----	2012
487,748	711,234	Atlas Money Market Fund	244,942	357,423
127,235	43,386	Atlas Stock Market Fund	66,526	17,831
609,209	65,737	Atlas Income Fund	306,749	32,992
134,218	45,160	Atlas Islamic Stock Fund	64,909	17,511
			<u>683,126</u>	<u>425,757</u>
		<b>Others</b>		
852,115	774,053	ABL Income Fund	8,527	7,763
30,159	27,608	UBL Liquidity Plus Fund	3,018	2,771
166,619	-	HBL Money Market Fund	16,873	-
			<u>28,418</u>	<u>10,534</u>
			<u>711,544</u>	<u>436,291</u>

- 14.1** 163,558 units of HBL Money Market Fund valuing Rs.16,562 thousand are under lien of a commercial bank against guarantees aggregating Rs.14,320 thousand issued in favour of Sui Southern Gas Co. Ltd. and Karachi Electric Supply Co. Ltd on behalf of the Company (2012: 606,660 and 22,256 units of ABL Income Fund and UBL Liquidity Plus Fund having value of Rs.6,084 thousand and Rs.2,233 thousand respectively were under lien of a commercial bank against guarantees aggregating Rs.7,677 thousand issued in favour of Sui Southern Gas Co. Ltd.).

	Note	2013 ----- (Rupees in '000) -----	2012
<b>15. OTHER RECEIVABLES</b> - Unsecured, considered good			
Sales tax paid under protest	23.1.1	2,317	2,317
Insurance claim receivable	15.1	1,804	4,706
		<u>4,121</u>	<u>7,023</u>

- 15.1** This represent an amount due from Atlas Insurance Ltd. an Associated Company.

**16. BANK BALANCES**

Balances with banks on current accounts	2,935	7,758
Cheques-in-hand	30,120	40,433
	<u>33,055</u>	<u>48,191</u>

**17. ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2013 ----- (Number of Shares) -----	2012		2013	2012
1,300,000	1,300,000	Ordinary shares of Rs.10 each fully paid in cash	13,000	13,000
13,199,808	10,783,174	Ordinary shares of Rs.10 each issued as fully paid bonus shares	131,998	107,832
<u>14,499,808</u>	<u>12,083,174</u>		<u>144,998</u>	<u>120,832</u>

- 17.1** Movement in issued, subscribed and paid-up capital during the year

2013 ----- (Number of Shares) -----	2012		2013	2012
12,083,174	10,069,312	Balance at beginning of the year	120,832	100,693
2,416,634	2,013,862	Ordinary shares of Rs.10 each issued during the year as fully paid bonus shares	24,166	20,139
<u>14,499,808</u>	<u>12,083,174</u>	Balance at end of the year	<u>144,998</u>	<u>120,832</u>

	Note	2013 ----- (Number of shares) -----	2012
<b>17.2</b>	Ordinary shares of the Company held by the related parties as at year end:		
Atlas Foundation		266,560	222,134
Atlas Insurance Limited		252,850	210,709
GS Yuasa International Limited - Japan		2,174,956	1,812,464
Shirazi (Private) Limited		579,744	483,120
Shirazi Capital (Private) Limited		3,621,000	3,017,500
Shirazi Investments (Private) Limited		4,334,026	3,611,689
		<u>11,229,136</u>	<u>9,357,616</u>

		2013 ----- (Rupees in '000) -----	2012
<b>18.</b>	<b>STAFF RETIREMENT BENEFITS</b>		
Provision for gratuity - non management	18.1	1,853	1,771
Compensated leave absences	18.2	44,479	39,668
		<u>46,332</u>	<u>41,439</u>

**18.1** The Company's obligation as per the latest actuarial valuation and other related details in respect of defined benefit gratuity plans are as follows:

	Management Funded		Non - management Unfunded		Total	
	2013	2012	2013	2012	2013	2012
	----- (Rupees in '000) -----					
<b>18.1.1 Balance sheet reconciliation</b>						
Present value of defined benefit obligation	53,567	45,590	1,346	1,260	54,913	46,850
Fair value of plan assets	(27,120)	(16,919)	-	-	(27,120)	(16,919)
Receivable from related parties in respect of transferees	(801)	(47)	-	-	(801)	(47)
Unrecognised actuarial (loss) / gain	(18,091)	(20,402)	507	511	(17,584)	(19,891)
Net liability as at June 30,	<u>7,555</u>	<u>8,222</u>	<u>1,853</u>	<u>1,771</u>	<u>9,408</u>	<u>9,993</u>
<b>18.1.2 Movement in net liability recognised</b>						
Balance at beginning of the year	8,222	7,964	1,771	1,633	9,993	9,597
Charge for the year	7,555	8,222	159	198	7,714	8,420
Contributions made during the year	(8,222)	(7,964)	(77)	(60)	(8,299)	(8,024)
Balance at end of the year	<u>7,555</u>	<u>8,222</u>	<u>1,853</u>	<u>1,771</u>	<u>9,408</u>	<u>9,993</u>
<b>18.1.3 Movement in the present value of defined benefit obligation</b>						
Balance at beginning of the year	45,590	52,903	1,260	1,277	46,850	54,180
Current service cost	3,073	2,240	43	43	3,116	2,283
Interest cost	6,243	6,286	165	180	6,408	6,466
Benefits paid during the year	(1,450)	(18,413)	(77)	(60)	(1,527)	(18,473)
Actuarial gain	(643)	(900)	(45)	(180)	(688)	(1,080)
Liability recognised in respect of transfers from related parties	754	3,474	-	-	754	3,474
Balance at end of the year	<u>53,567</u>	<u>45,590</u>	<u>1,346</u>	<u>1,260</u>	<u>54,913</u>	<u>46,850</u>
<b>18.1.4 Movement in the fair value of plan assets</b>						
Balance at beginning of the year	16,919	26,743	-	-	16,919	26,743
Expected return on plan assets	2,980	2,275	-	-	2,980	2,275
Contributions made during the year	8,222	7,964	-	-	8,222	7,964
Benefits paid during the year	(1,450)	(18,413)	-	-	(1,450)	(18,413)
Actuarial gain / (loss)	449	(247)	-	-	449	(247)
Amount transferred to other group companies	-	(1,403)	-	-	-	(1,403)
Balance at end of the year	<u>27,120</u>	<u>16,919</u>	<u>-</u>	<u>-</u>	<u>27,120</u>	<u>16,919</u>

Atlas Battery Limited

	Management Funded		Non - management Unfunded		Total	
	2013	2012	2013	2012	2013	2012
----- (Rupees in '000) -----						
<b>18.1.5 Plan assets</b>						
Fixed income instruments	13,171	7,386	-	-	13,171	7,386
Mutual fund securities - units	13,946	9,503	-	-	13,946	9,503
Others	3	30	-	-	3	30
	<u>27,120</u>	<u>16,919</u>	<u>-</u>	<u>-</u>	<u>27,120</u>	<u>16,919</u>
<b>18.1.6 Amount recognised in profit and loss account</b>						
Current service cost	3,073	2,240	43	43	3,116	2,283
Interest cost	6,243	6,286	164	180	6,407	6,466
Expected return of plan assets	(2,979)	(2,275)	-	-	(2,979)	(2,275)
Amortisation of loss / (gain)	1,218	1,971	(48)	(25)	1,170	1,946
	<u>7,555</u>	<u>8,222</u>	<u>159</u>	<u>198</u>	<u>7,714</u>	<u>8,420</u>
<b>18.1.7 Actual return on the plan assets</b>	<u>2,724</u>	<u>2,028</u>	<u>-</u>	<u>-</u>	<u>2,724</u>	<u>2,028</u>

18.1.8 Comparison of present value of defined benefit obligation, fair value of plan assets and deficit for the current and previous four years is as follows:

	2013	2012	2011	2010	2009
----- (Rupees in '000) -----					
<b>Funded - Management</b>					
Present value of defined benefit obligation	53,567	45,590	52,903	48,703	26,614
Fair value of plan assets	(27,120)	(16,919)	(26,743)	(17,215)	(21,893)
Deficit	<u>26,447</u>	<u>28,671</u>	<u>26,160</u>	<u>31,488</u>	<u>4,721</u>
Experience adjustment on obligation	(643)	(900)	4,909	88	1,737
Experience adjustment on plan assets	449	(247)	6,886	(384)	(2,522)
<b>Unfunded - Non management</b>					
Present value of defined benefit obligation	<u>1,346</u>	<u>1,260</u>	<u>1,277</u>	<u>1,195</u>	<u>1,088</u>
Experience adjustment on obligation	<u>(45)</u>	<u>(180)</u>	<u>(113)</u>	<u>(34)</u>	<u>(27)</u>

	Management Funded		Non - management Unfunded	
	2013	2012	2013	2012
<b>18.1.9 Principal actuarial assumptions used in the actuarial valuation</b>				
Discount rate - per annum	11.00%	13.50%	11.00%	13.50%
Expected rate of return on plan assets - per annum	11.00%	13.50%	-	-
Expected rate of increase in future salaries - per annum	10.00%	12.50%	10.00%	12.50%
Retirement age - years	60	60	60	60
Return on investment	11.00%	13.50%	-	-

18.1.10 The expected return on plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the reporting date.

18.1.11 Expected charge to management and non-management gratuity plans for the year ending June 30, 2014 amounts to Rs.6,006 thousand and Rs.191 thousand respectively.

	Note	2013 ----- (Rupees in '000) -----	2012
<b>18.2 Compensated leave absences</b>			
Balance at beginning of the year		39,668	33,778
Add: Provision for the year		7,306	13,777
		46,974	47,555
Less: Payments made during the year		2,495	7,887
Balance at end of the year		44,479	39,668
<b>19. DEFERRED TAXATION</b>			
Credit balance arising in respect of accelerated tax depreciation allowance		176,289	160,513
Debit balances arising in respect of:			
- tax amortisation		65	1,459
- provision for impairment of available-for-sale investments		340	350
- provision for doubtful debts		514	-
- provision for gratuity		3,199	3,497
- provision for compensated leave absences		15,123	13,884
- provision for warranty		4,124	3,437
		23,365	22,627
		152,924	137,886
<b>20. TRADE AND OTHER PAYABLES</b>			
Trade creditors	20.1	105,740	53,513
Accrued liabilities	20.2	296,801	228,331
Provision for warranty	20.3	12,130	9,819
Customers advances and credit balances		285,813	133,953
Workers' profit participation fund	20.4	44,194	37,049
Provision for gratuity - management staff	18.1	7,555	8,222
Workers' welfare fund	20.5	16,794	14,079
Unclaimed dividend		9,345	6,192
Other liabilities	20.6	3,093	3,303
		781,465	494,461
<b>20.1</b>			
Trade creditors include Rs.699 thousand (2012: Rs.Nil) pertaining to a related party.			
<b>20.2</b>			
Accrued liabilities include Rs.88,705 thousand (2012: Rs.72,171 thousand) due to GS Yuasa International Limited - Japan (a related party).			
<b>20.3 Provision for warranty</b>			
Balance at beginning of the year		9,819	6,636
Add: Provision for the year	25.1	51,629	43,660
		61,448	50,296
Less: Payments made during the year		49,318	40,477
Balance at end of the year		12,130	9,819
<b>20.4 Workers' profit participation fund</b>			
Balance at beginning of the year		37,049	28,189
Add: Interest on funds utilized in the Company's business	30	1,226	488
		38,275	28,677
Less: Payments made during the year		38,275	28,677
		-	-
Add: Allocation for the year	29	44,194	37,049
Balance at end of the year		44,194	37,049

	Note	2013 ----- (Rupees in '000) -----	2012
<b>20.5 Workers' welfare fund</b>			
Balance at beginning of the year		14,079	10,502
Add: Charge for the year		16,794	14,079
Add: Adjustment for prior year		-	210
	29	16,794	14,289
		30,873	24,791
Less: Payments made during the year		14,079	10,712
Balance at end of the year		16,794	14,079

**20.6** Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.2,920 thousand (2012: Rs.2,897 thousand).

	Note	2013 ----- (Rupees in '000) -----	2012
<b>21. ACCRUED MARK-UP</b>			
Mark-up accrued on:			
- running finances		7,543	7,760
- demand finance		3,567	50
		11,110	7,810

**22. SHORT TERM BORROWINGS - Secured**

Running finances	22.1	162,416	365,209
Demand finances	22.2	454,275	50,000
		616,691	415,209

**22.1** Running finance facilities available from various banks under mark-up arrangements aggregate to Rs.1,500 million (2012: Rs.1,500 million). These finance facilities carry mark-up at the rates ranging from 9.52% to 14.05% (2012: 12.67% to 15.06%) per annum. The mark-up on running finance facilities is payable on quarterly basis.

**22.2** Demand finance facilities aggregating Rs.950 million (2012: Rs.950 million) are also available to the Company from various banks as sub-limits of above mentioned running finance facilities. These facilities carry mark-up at the rates ranging from 9.46% to 12.52% (2012: 12.02% to 14.34%) per annum.

**22.3** FE-25 facilities aggregating Rs.1,240 million (2012: Rs.1,240 million) are available from various banks as sub-limits of above mentioned running finance facilities. The Company has not utilised these finance facilities during the current year.

**22.4** The above mentioned finance facilities are secured against joint hypothecation / ranking charge on stock-in-trade and trade debts and are expiring on various dates upto March 31, 2014.

**22.5** The facilities for opening letters of credit and guarantees as at June 30, 2013 aggregated to Rs.2,225 million (2012: Rs.2,023 million) of which unutilized balance at year-end aggregated to Rs.1,651 million (2012: Rs.1,692 million). These facilities are secured against lien on import documents and are expiring on various dates upto March 31, 2014.

**23. CONTINGENCIES AND COMMITMENTS**

**23.1 Contingencies**

**23.1.1** The Company received two notices under section 37 of the Sales Tax Act, 1990 (the Act) from the Directorate General of Intelligence and Investigation, Federal Board of Revenue (FBR), Karachi on March 21, 2011 and June 09, 2011. In the said notices it has been alleged that the Company purchased goods from certain suppliers who were registered with Regional Tax Offices, but were fake and issued sales tax invoices to the Company on the basis of which the Company claimed input tax adjustment amounting to Rs.19.99 million which according to them is illegal / inadmissible. Despite the stand of the Company that it purchased goods from the registered suppliers and was compliant of other regulatory requirements, it under extreme



unauthorized pressure by the Directorate, deposited Rs.2.317 million on June 27, 2011 (disclosed as other receivable) in the Government Treasury without prejudice to its right to contest the case at the legal forums and claim refund of the amount deposited. The Directorate General of Intelligence and Investigation, FBR, Karachi issued contravention report and forwarded the case to large tax payers unit, Karachi for adjudication. The Deputy Commissioner Inland Revenue (DCIR) passed orders against the Company which was challenged by the Company before the Commissioner Inland Revenue (Appeals-I) [CIR(A)], Karachi. The CIR(A) has set aside the orders passed by DCIR with 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 fulfil the conditions of section 73 of the Act.

- 23.1.2** The Company also received another notice from the Directorate of Intelligence and Investigation, FBR, Lahore in which it had been alleged that the Company purchased goods from certain suppliers who were registered with Regional Tax Offices, but were fake and issued sales tax invoices to the Company on the basis of which the Company claimed input tax adjustment amounting to Rs.29.066 million which according to them was illegal / inadmissible. The name of the Company along with 135 companies and other individuals had therefore been included as an accused person in the First Information Report (FIR) No.04/2011 dated March 26, 2011 registered by the Additional Director, Intelligence and Investigation, FBR, Lahore. The Company has, therefore, filed a Constitutional Petition in the Honourable Lahore High Court (the Court) and prayed to quash the FIR against the Company and declare the notice illegal. The Court has granted stay order and advised the concerned authorities to restrain from further proceeding with the matter. The matter is still pending before the Court for finalization.

In both the above cases, the management is of the view that the Company has been purchasing taxable goods from active taxpayers and has been compliant of regulatory requirements in order to claim valid input tax under section 7 of the Act. The Company has also been filing monthly sales tax returns electronically which were accepted by the web portal of FBR which indicates that tax payers are active. The fake suppliers as alleged in the FIR were registered and active at the time of purchase of goods and were filing their sales tax returns which were accepted by the web portal of FBR. As such there was no reason to doubt the legitimacy of these suppliers. The management also explained that the goods supplied by the alleged fake suppliers were physically received and payments were made through cross cheques in compliance with the requirements of section 73 of the Act. The management is confident that these matters will be decided in favour of the Company and it will not be exposed to any loss on this account. The Company has, therefore, made no provision in these financial statements in respect of any liability which may arise as a consequence of the said notices.

## 23.2 Outstanding bank guarantees

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

	2013	2012
	----- (Rupees in '000) -----	
<b>23.3 Commitments</b>		
<b>23.3.1 Commitments in respect of confirmed letters of credit relating to:</b>		
- raw materials, stores, spares and loose tools	449,369	281,086
- capital expenditure	109,766	15,904
	559,135	296,990

- 23.3.2** Commitments outstanding for capital expenditure other than through letters of credit as at June 30, 2013 aggregated to Rs.13,144 thousand (2012: Rs.13,855 thousand).

	2013	2012
	----- (Rupees in '000) -----	
<b>24. SALES - Net</b>		
Local sales	11,134,864	9,143,748
Export sales	53,534	24,545
	11,188,398	9,168,293
Less:		
- sales tax	1,471,407	1,202,373
- trade discount and incentives	841,877	748,804
	2,313,284	1,951,177
	8,875,114	7,217,116

	Note	2013 ----- (Rupees in '000) -----	2012 ----- (Rupees in '000) -----
<b>25. COST OF SALES</b>			
Finished goods at beginning of the year		51,567	90,701
Cost of goods manufactured	25.1	7,595,669	6,010,300
		<u>7,647,236</u>	<u>6,101,001</u>
Finished goods at end of the year		(87,289)	(51,567)
		<u>7,559,947</u>	<u>6,049,434</u>
<b>25.1 Cost of goods manufactured</b>			
Work-in-process at beginning of the year		320,719	233,876
Raw materials and components consumed	25.2	6,396,130	5,021,134
Salaries, wages and benefits	25.3	342,692	272,631
Stores consumed		172,510	142,972
Light, heat and water		384,451	363,442
Insurance		15,951	12,383
Rent, rates and taxes		62,585	37,324
Repair and maintenance		38,149	32,116
Royalty and related taxes		104,793	72,171
Cartage		8,826	5,351
Travelling, conveyance and entertainment		17,533	9,943
Postage and telephone		1,828	1,162
Printing and stationery		1,981	1,572
Vehicle running		1,133	788
Depreciation	5.3	91,375	77,403
Free replacement	20.3	51,629	43,660
Other manufacturing expenses		3,647	3,091
		<u>8,015,932</u>	<u>6,331,019</u>
Work-in-process at end of the year		(420,263)	(320,719)
Cost of goods manufactured		<u>7,595,669</u>	<u>6,010,300</u>
<b>25.2 Raw materials and components consumed</b>			
Stock at beginning of the year		422,203	344,069
Purchases during the year		6,933,069	5,099,268
		<u>7,355,272</u>	<u>5,443,337</u>
Stock at end of the year		(959,142)	(422,203)
		<u>6,396,130</u>	<u>5,021,134</u>
<b>25.3</b>			
Salaries, wages and benefits include Rs.2,451 thousand (2012: Rs.4,584 thousand) and Rs.4,175 thousand (2012: Rs.3,765 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.			
<b>26. DISTRIBUTION COST</b>			
Salaries and benefits	26.1	46,373	43,851
Travelling, conveyance and entertainment		10,790	10,628
Vehicle running		235	109
Rent, rates and taxes		10,986	4,413
Advertisement and sales promotion		26,317	21,959
Repair and maintenance		1,965	303
Light, heat and water		3,763	1,520
Freight and forwarding		100,417	75,055
Printing and stationery		396	484
Postage and telephone		2,829	2,371
Depreciation	5.3	2,897	2,372
Services charges		1,139	523
Insurance		26,887	22,480
Newspapers, magazines and subscription others		482	299
		<u>235,476</u>	<u>186,367</u>
<b>26.1</b>			
Salaries and benefits include Rs.1,313 thousand (2012: Rs.1,217 thousand) and Rs.1,341 thousand (2012: Rs.1,392 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.			

	Note	2013 ----- (Rupees in '000) -----	2012 -----
<b>27. ADMINISTRATIVE EXPENSES</b>			
Directors' meeting fee		180	70
Salaries and benefits	27.1	121,910	103,666
Travelling, conveyance and entertainment		9,958	7,824
Rent and rates		8,112	-
Repair and maintenance		1,296	-
Light, heat and water		2,771	-
Insurance		3,376	1,921
Legal and professional charges		2,239	2,834
Fee and subscription		11,638	8,015
Postage and telephone		1,089	1,147
Printing and stationery		1,348	985
Vehicle running		849	1,497
Training expense		4,753	1,551
Depreciation	5.3	13,607	10,605
Amortisation	6	1,152	6,129
Donation	27.2	6,897	5,251
		<u>191,175</u>	<u>151,495</u>

**27.1** Salaries and benefits include Rs.3,950 thousand (2012: Rs.2,619 thousand) and Rs.4,827 thousand (2012: Rs.4,577 thousand) in respect of staff retirement benefits gratuity and provident / pension funds respectively.

**27.2** Donation of Rs.6,897 thousand (2012: Rs.5,251 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi (the Foundation). Mr. Yusuf H. Shirazi, Chairman of the Company, is trustee of the Foundation.

	Note	2013 ----- (Rupees in '000) -----	2012 -----
<b>28. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Gain on sale of investments		5,590	8,235
Net change in fair value of investments at fair value through profit or loss		68,821	24,206
		<u>74,411</u>	<u>32,441</u>
<b>Income from other than financial assets</b>			
Scrap sales		11,898	4,594
		<u>86,309</u>	<u>37,035</u>
<b>29. OTHER EXPENSES</b>			
Auditors' remuneration	29.1	1,309	1,309
Workers' profit participation fund	20.4	44,194	37,049
Workers' welfare fund	20.5	16,794	14,289
Operating fixed assets written-off	5.1	-	11,190
Loss on sale of operating fixed assets	5.5	13,026	5,975
Provision for doubtful debts	11	1,512	-
Exchange loss - net		15,146	37,498
		<u>91,981</u>	<u>107,310</u>
<b>29.1 Auditor's remuneration</b>			
Fee for:			
Annual audit		1,000	1,000
Half yearly review		70	70
Review of Code of Corporate Governance		68	68
Audits of retirement funds and workers' profit participation fund		73	73
Certifications for payment of royalty, technical fee and dividend		83	83
Out-of-pocket expenses		15	15
		<u>1,309</u>	<u>1,309</u>

	Note	2013 ----- (Rupees in '000) -----	2012 ----- (Rupees in '000) -----
<b>30. FINANCE COST</b>			
Mark-up on:			
- running finances		27,709	33,722
- demand finances		23,997	25,429
- import finances		-	5,363
		<u>51,706</u>	<u>64,514</u>
Interest on workers' profit participation fund	20.4	1,226	488
Other financial charges		7,014	4,894
		<u>59,946</u>	<u>69,896</u>
<b>31. TAXATION</b>			
Current year		225,912	169,264
Adjustments of prior years		(165)	(515)
Deferred			
- relating to temporary differences		18,978	34,886
- resulting from reduction in tax rate		(3,940)	-
		<u>15,038</u>	<u>34,886</u>
		<u>240,785</u>	<u>203,635</u>
<b>31.1 Relationship between tax expense and accounting profit</b>			
Profit before taxation		<u>822,898</u>	<u>689,649</u>
Tax at the applicable rate of 35% (2012: 35%)		288,014	241,377
Tax effect of expenses, which are not deductible for tax purposes and are taken to profit and loss account		53,233	40,994
Tax effect of expenses, which are deductible for tax purposes but are not taken to profit and loss account		(70,516)	(83,096)
Tax effect of income subject to lower tax rate and final tax regime		(2,655)	(316)
Tax effect of income exempt from tax		(24,087)	(2,882)
Effect of tax credits		(18,077)	(26,813)
Effect of prior years' tax		(165)	(515)
Deferred taxation		15,038	34,886
		<u>240,785</u>	<u>203,635</u>
<b>32. EARNINGS PER SHARE</b>			
<b>32.1 Basic earnings per share</b>			
Net profit for the year		<u>582,113</u>	<u>486,014</u>
		----- (Number of shares) -----	
Weighted average number of ordinary shares in issue during the year		<u>14,499,808</u>	<u>14,499,808</u>
		----- (Rupees) -----	
Basic earnings per share		<u>40.15</u>	<u>33.52</u>

Number of shares in issue and earnings per share for the year ended June 30, 2012 have been restated taking into effect of bonus shares at the rate of 20% issued during the current financial year.

### 32.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2013 and June 30, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

### 33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration including certain benefits to the Chief Executive, certain Directors and executives of the Company are as follows:

	Chief Executive		Director		Executives	
	2013	2012	2013	2012	2013	2012
	----- (Rupees in '000) -----					
Managerial remuneration	7,977	7,059	7,335	5,288	64,107	58,696
House rent and utilities	5,584	4,941	5,134	3,702	44,904	41,096
Bonus	5,650	3,000	5,195	2,248	48,764	25,980
Retirement benefits	1,239	1,027	1,846	1,462	10,108	15,778
Medical and others	153	161	246	1,505	4,793	3,552
	<u>20,603</u>	<u>16,188</u>	<u>19,756</u>	<u>14,205</u>	<u>172,676</u>	<u>145,102</u>
Number of persons	1	1	2	1	54	43

33.1 The Chief Executive and certain Directors are provided with free use of Company maintained cars and telephones at residences. Certain executives are also provided with the Company's vehicles.

### 33.2 Remuneration to other directors

Aggregate amount charged in the financial statements for meeting fee to two (2012: two) directors was Rs.180 thousand (2012: Rs.70 thousand).

### 34. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk (including foreign currency risk, interest rate risk and other price risk).

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management program focuses on having cost effective funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

#### 34.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk mainly arises from investments, trade deposits, trade debts, loans and advances, other receivables and balances with banks.

The carrying amount of financial assets represents the maximum credit exposure. The financial assets exposed to credit risk aggregated to Rs.842,759 thousand (2012: Rs.612,863 thousand) as at June 30, 2013. Out of the total financial assets credit risk is concentrated in investments in mutual fund securities, trade debts and deposits with banks as they constitute 98% (2012: 97%) of the total financial assets. The maximum exposure to credit risk at the end of the reporting period is as follows:

	2013	2012
Note	----- (Rupees in '000) -----	
<b>Investments at fair value through profit or loss</b>		
Investments	711,544	436,291
<b>Loans and receivables</b>		
Long term deposits	10,555	6,832
Long term loans	657	719
Trade debts	79,987	112,423
Loans and advances	1,486	1,125
Short term deposits	3,671	2,576
Other receivables	1,804	4,706
Bank balances	33,055	48,191
	<u>131,215</u>	<u>176,572</u>
	<u>842,759</u>	<u>612,863</u>

To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties.

All the trade debts at the reporting date represent domestic parties.

The maximum exposure to credit risk for trade debts at the reporting date by type of customer are as follows:

	2013		2012	
	Rupees in '000	%	Rupees in '000	%
Original Equipment and Institutions	36,535	44.83	65,646	58.39
Associated Companies	37,849	46.44	27,044	24.06
Dealers	7,115	8.73	19,733	17.55
	<u>81,499</u>	<u>100</u>	<u>112,423</u>	<u>100</u>

The credit quality of loans, advances, deposits and other receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. Accordingly, management does not expect any counter party to fail in meeting their obligations.

The credit quality of the Company's bank balances can be assessed with reference to the external credit ratings as follows:

Name of Bank	Rating agency	Short-term rating	Long-term rating	2013	2012
				---(Rupees in '000)---	
Allied Bank Limited	PACRA	A1+	AA+	-	36
Bank Alfalah Limited	PACRA	A1+	AA+	-	382
Barclays Bank PLC, Pakistan	Moody's	P-1	A2	57	600
HSBC Bank Middle East Limited	Moody's	P-1	A1	-	14
Habib Bank Limited	JCR-VIS	A-1+	AA+	1,071	-
MCB Bank Limited	PACRA	A1+	AA+	1,612	2,285
Meezan Bank Limited	JCR-VIS	A-1+	AA	2	-
National Bank of Pakistan	JCR-VIS	A-1+	AAA	5	4
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA	179	-
Summit Bank Limited	JCR-VIS	A-2	A-	9	10
The Bank of Tokyo Mitsubishi UFJ Limited	Standard & Poor	A-1	A+	-	237
United Bank Limited	JCR-VIS	A-1+	AA+	-	4,190
				<u>2,935</u>	<u>7,758</u>

The Company's investments in units of mutual funds can be assessed with reference to the following external credit ratings:

Mutual fund	Rating agency	Rating	2013	2012
			---(Rupees in '000)---	
Atlas Money Market Fund	PACRA	AA(f)	244,942	357,423
Atlas Stock Market Fund	PACRA	4 star	66,526	17,831
Atlas Income Fund	PACRA	A+(f)	306,749	32,992
Atlas Islamic Stock Fund	PACRA	5 star	64,909	17,511
ABL Income Fund	JCR-VIS	A+(f)	8,527	7,763
UBL Liquidity Plus Fund	JCR-VIS	AA+	3,018	2,771
HBL Money Market Fund	JCR-VIS	AA(f)	16,873	-
			<u>711,544</u>	<u>436,291</u>

### 34.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Carrying Amount	Contractual cash flows	Maturity upto one year
	----- (Rupees in '000) -----		
<b>June 30, 2013</b>			
Trade and other payables	434,664	434,664	434,664
Accrued mark-up	11,110	11,110	11,110
Short term borrowings	616,691	618,588	618,588
	<u>1,062,465</u>	<u>1,064,362</u>	<u>1,064,362</u>
<b>June 30, 2012</b>			
Trade and other payables	309,380	309,380	309,380
Accrued mark-up	7,810	7,810	7,810
Short term borrowings	415,209	415,392	415,392
	<u>732,399</u>	<u>732,582</u>	<u>732,582</u>

### 34.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

#### (a) Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to foreign exchange risk as it does not have any foreign currency receivables or payables as at the reporting date.

#### (b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest rate exposure mainly arises from its short term borrowings and as at June 30, 2013, the Company's interest bearing financial liabilities aggregated to Rs.616,691 thousand (2012: Rs.415,209 thousand).

#### Sensitivity analysis

A change of 100 basis point in interest rates at the reporting date would have (decreased) / increased profit for the year by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2012.

	Increase	Decrease
	----- (Rupees in '000) -----	
<b>Cash flow sensitivity - variable rate instruments</b>		
<b>As at June 30, 2013</b>	<u>6,167</u>	<u>(6,167)</u>
As at June 30, 2012	<u>4,152</u>	<u>(4,152)</u>

#### (c) Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market.



The Company's investments in mutual fund securities amounting to Rs.711,544 thousand (2012: Rs.436,291 thousand) are exposed to price risk due to changes in Net Asset Value (NAV) of such funds.

A change of 1% in NAV of mutual funds at the reporting date would have increased / (decreased) profit before taxation for the year and investments by the amounts shown below:

	2013 ----- (Rupees in '000) -----	2012 -----
Effect on profit before taxation	7,115	4,363
Effect on investments	7,115	4,363

The sensitivity analysis prepared is not necessarily indicative of the effects on profit / investments of the Company.

#### 34.4 Fair value hierarchy

The below table analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e., as price) or indirectly (i.e., derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

Investments in units of mutual funds is valued using NAV of respective mutual fund, hence, fair value of such investments fall within level 2 in fair value hierarchy as mentioned above.

#### 34.5 Fair value of financial assets and liabilities

The carrying amounts of all financial assets and liabilities reflected in the financial statements approximate their fair values.

#### 34.6 Capital risk management

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders, benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its business.

The Company manages its capital structure by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Company's approach to capital management during the year.

### 35. OPERATING SEGMENTS

35.1 These financial statements have been prepared on the basis of single reportable segment.

#### 35.2 Information about products

Battery sales represent 99.95% (2012:100%) of the total revenue of the Company.

#### 35.3 Information about geographical areas

All non-current assets of the Company as at June 30, 2013 are located in Pakistan.

99.40% (2012: 99.66%) of the Company's sales relate to customers in Pakistan.

#### 35.4 Information about customers

The Company does not have any customer having sale of ten percent or more during the year ended June 30, 2013 and June 30, 2012.

**36. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of Associated Companies, directors of the Company, companies in which directors are interested, key management personnel, post employment benefit plans and close members of the families of the directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment and remuneration of key management personnel is disclosed in note 33. Amounts due from and to related parties are shown under receivables and payables. Significant transactions with related parties are as follows:

Relationship with the company	Nature of transactions	2013 ----- (Rupees in '000) -----	2012
(i) Associates	Sales:		
	- goods	380,647	302,735
	- operating fixed assets	2,276	-
	Purchases:		
	- raw materials	30,028	20,916
	- consumables	2,674	1,871
	- operating fixed assets	38,186	60,190
	- intangible assets	2,338	-
	Rent / service charges paid	72,767	34,472
	Commission paid	160,021	133,544
	Reimbursement of expenses	5,432	3,560
	Expenses charged	146	263
	Insurance premium	93,679	77,313
	Insurance claims	2,767	8,036
	Purchase of units in mutual funds	364,982	410,000
	Redemptions of units in mutual funds	180,000	211,012
	Dividend paid	93,576	73,954
	Sale proceeds of bonus fractions	93	64
	Royalty	88,705	72,171
	Donation paid	6,897	5,251
Contribution to pension funds	5,194	4,399	
		----- Number of shares -----	
	Bonus shares issued	1,871,520	1,479,081
		----- Rupees in '000 -----	
(ii) Staff retirement funds	Contributions paid to:		
	- gratuity funds	7,714	8,222
	- provident fund	5,149	5,335

**37. PLANT CAPACITY AND ACTUAL PRODUCTION**

The production capacity of the plant cannot be determined as this depends upon relative proportion of various types of automotive and motorcycle batteries produced.

**38. NUMBER OF EMPLOYEES**

	2013	2012
Total number of employees as at June 30,	201	190
Average number of employees during the year	195	181

**39. DISCLOSURE RELATING TO PROVIDENT FUND**

**39.1** The Company operates a recognised Provident Fund (the Fund) for its permanent employees.

	2013 ----- (Rupees in '000) -----	2012
(i) Size of the Fund	158,856	157,780
(ii) Cost of investments made	120,324	129,408
(iii) Percentage of investments made	98.95%	98.46%
(iv) Fair value of investments	157,183	155,357

Atlas Battery Limited

39.2 Break up of the investments is as follows:

	2013 ---(Percentage)---	2012	2013 ---(Rupees in '000)---	2012
Special account in a scheduled bank	0.72	1.88	1,143	2,961
Debt securities	81.23	74.89	129,044	118,159
Mutual fund	16.99	21.70	26,996	34,237

39.3 The figures for year ended June 30, 2013 are based on un-audited financial statements of the Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

#### 40. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on August 28, 2013 by the Board of Directors of the Company.

#### 41. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors, in their meeting held on August 28, 2013, has proposed following appropriations:

	2013 ---(Rupees in '000)---	2012
Cash dividend at the rate of 100% (2012: 100%)	144,998	120,832
Bonus shares at the rate of 20% (2012: 20%)	29,000	24,166
Transferred to General Reserves	410,000	340,000

#### 42. CORRESPONDING FIGURES

Previous year figures have been re-arranged and / or re-classified, whenever necessary, for the purpose of comparison in the financial statements. For the purpose of better presentation re-classifications made in these financial statements were as follows:

Re-classification from component	Re-classification to component	Note	Rupees in '000
<b>Balance sheet</b>			
Deferred liabilities	Staff retirement benefits	18	41,439
	Deferred taxation	19	137,886



Yusuf H. Shirazi  
Chairman



Ali H. Shirazi  
President / Chief Executive



Kamal A. Chinoy  
Director

## Atlas Group Companies

	<i>Year of Establishment / Acquisition*</i>
 Shirazi Investments	1962
 Atlas Honda	1962
 Atlas Battery	1966
 Shirazi Trading	1973
 Atlas Insurance	1980*
 Atlas Engineering	1981*
<b>HONDA</b> Honda Atlas Cars	1992
<b>HONDA</b> Honda Atlas Power Product	1997
 Atlas Asset Management	2002
 Shirazi Capital	2005
 Atlas Power	2007
 Atlas World Wide	2007
 Atlas Venture	2008
 Atlas Autos	2011
 Atlas Hitec	2012

## PRODUCT TYPES AND THEIR APPLICATION

Product Type		Application	
<b>Light Batteries</b>			
CGR30	7 PL	CGR30	CNG Rickshaw
GX43	9 PL	NS40SR	Suzuki Van / Pick-up, Subaru Van / Pick-up (old models) (600cc to 800cc)
GL43	9 PL	NS40SR	Suzuki Car / Van / Pick-up, Jeep, Subaru Car / Van / Pick-up, Charade Petrol (800cc to 1000cc)
GL48	9 PL	NS40ZL 9PL	Suzuki Mehran, Daihatsu Cuore, Kia Classic, All CNG converted vehicles (800cc to 1000cc)
GL50	11 PL	NS40ZL 11PL	All types of vehicles (800cc to 1300cc)
CNG60	11 PL	N40	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc to 1800cc)
GR65	13 PL	NS60	
GL65	13 PL	NS60L	
GR70	9 PL	N50	Honda Accord, Honda CRV, Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedes Benz, Willys Jeeps, MF375 Tractors, Hyundai, Daewoo (2000cc to 6000cc)
80D26R	11 PL	N50Z	
GR85	13 PL	N70 EXTRA	
GL85	13 PL	N70 EXTRA L	
<b>Medium Batteries</b>			
GR87	11 PL	NS70	Toyota Hi-Ace, Mercedes Benz, Isuzu Bus JCR 520zz, Massey Ferguson Tractors, MF-210 Cruiser, Toyota Hi-Lux, Nissan Diesel Pick-up, Ford 1910 Tractor (2000cc to 6000cc)
GR95	13 PL	N70Z	
GR100	15 PL	N85P	
GL100	15 PL	N85L	
6FT120	15 PL	6FT15	Fiat Tractors 460 / 480, IMT 540 Tractors, Massey Ferguson Tractors 240 / 265, Ford Wagons, Land Rover, Toyota Land Cruiser (3000cc to 6000cc)
N125	17 PL	N100S	
GX132	17 PL		
GX135	19 PL	N100	Isuzu Trucks, Mercedes Benz, Hino Truck ZH - 100, Fiat Tractors 640, Isuzu JCR 460R (3000cc to 6000cc)
<b>Heavy Batteries</b>			
GX155	21 PL	N120S	Fiat Tractors 640, Hino Trucks and Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Isuzu Diesel Buses, Fiat Buses (3000cc to 12000cc)
GX165	21 PL	N120S	
GX175	23 PL	N140	Ford Tractor 3610 and 46
4DLT145	23 PL	N130S	
4DLT160	27 PL	N150S	
GL190	23 PL		Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Isuzu TD-72, Generator Sets, Road Rollers and Belarus Tractors
195G51F	25 PL	N150	
GX200R	27 PL	N175	
GX200F	27 PL	N190Z	
210H52	31 PL	N200P	Generator Sets, Road Roller, Bulldozer
245H52	33 PL	N200	
<b>Motorcycle Battery</b>			
Power Plus	3 PL		Honda CD70, CG125, all Japanese and Chinese motorcycles
<b>Distilled Water</b>			
Battery Tonic			Distilled water for all types of batteries

## OUR VALUED OEM CUSTOMERS



Atlas Honda Limited



Honda Atlas Cars (Pakistan) Ltd.



Indus Motor Company Ltd.



Pak Suzuki Motor Company Ltd.



Al-Ghazi Tractors Limited



Sigma Motors Limited



DYL Motorcycles Ltd.



Ghandhara Nissan Ltd.



Sazgar Engineering Works Ltd.



N.J. Auto Industries (Pvt) Ltd.



D.S. Motors (Pvt) Ltd.



Memon Motors (Pvt) Ltd.



HKF Engineering (Pvt) Ltd.



Super Asia Motors (Pvt) Ltd.



United Auto Industries (Pvt) Ltd.



Master Motor Corp. Ltd.



Afzal Motors (Pvt) Ltd.

September 03, 2013

To: All Shareholders of the Company

**Remuneration of Chief Executive, Director and Company Secretary**  
**Information under Section 218 of the Companies Ordinance, 1984**

It is to inform you that the Board has approved the remuneration for the following, for the year ending June 30, 2014.

1. Chief Executive at Rs.16.44 million.
2. Managing Director at Rs.10.98 million.
3. Company Secretary at Rs.3.94 million.

Bonus, retirement benefits and other facilities are provided in accordance with Company's rules.

Yours truly  
For Atlas Battery Limited



**Rizwan Ahmed**  
Company Secretary



September 03, 2013

To: All Shareholders of the Company

**Copy of Computerized National Identity Card (CNIC)**

As per directions to all listed companies by Securities and Exchange Commission of Pakistan vide S.R.O. 779(1)/2011 dated August 18, 2011, the “**DIVIDEND WARRANT(S)**” should bear the Computerized National Identity Card (CNIC) number of the registered member(s), except in the case of minor(s) and corporate members, and dividend warrant can not be issued without inserting the CNIC number of the member(s) or its authorized person(s).

For this purpose, please provide us a copy of your CNIC (if not provided earlier) **ON MOST URGENT BASIS** for compliance of the directions of SECP, failing which your future dividend warrant(s), if any, will be withheld till the compliance of the above referred notification.

**You must mention your folio number on the face of your CNIC copy for identification.**

Copy of your CNIC may please be sent to our Registered Office at the following address:

**Share Department  
Atlas Battery Limited  
D-181, Central Avenue  
S.I.T.E.  
Karachi-75730**

Shareholders are requested to immediately notify the change of address, if any.

Yours truly  
For Atlas Battery Limited



**Rizwan Ahmed**  
Company Secretary

---

Copy of the Notification of Securities and Exchange Commission of Pakistan dated August 18, 2011.

S.R.O. 779(1)/2011. In exercise of the powers conferred by section 506B of the Companies Ordinance, 1984 (XL VII of 1984), the Securities and Exchange Commission of Pakistan is pleased to direct all the listed companies to issue dividend warrant(s) only crossed as “A/C payee only” in the name of registered member or in the name of authorized person where a registered member authorizes the company to pay dividend on his behalf to any person. The dividend warrant(s) should also bear the Computerized National Identity Card Number of the registered member or the authorized person, except in the case of minor(s) and corporate members.

September 03, 2013

To: All Shareholders of the Company

**Dividend Mandate Form**

It is to inform you that under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desire, directs the Company to pay dividend through his / her / its bank account.

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan vide Circular No. 18 of 2012 dated June 05, 2012 we request to all the registered shareholders of Atlas Battery Limited holding \_\_\_\_\_ shares having folio number \_\_\_\_\_ to \_\_\_\_\_ hereby give the opportunity to authorize the Company to directly credit in your bank account cash dividend, if any, declared by the Company in future.

**Please note that this dividend mandate is optional and not compulsory, in case you do not wish your dividend to be directly credited into your bank account, then the same shall be paid to you through the dividend warrants.**

Do you wish the cash dividend declared by the company, if any, is directly credited in your bank account, instead of issue of dividend warrants. Please tick "√" any of the following boxes.

YES

NO

If yes then please provide the following information:

Transferee Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell Number of Transferee	
Landline Number of Transferee, if any	

It is stated that the above mentioned information is correct, that I will intimate the changes in the above mentioned information to the Company and the concerned Share Registrar as soon as these occur.

\_\_\_\_\_  
Signature of member / shareholder

The Secretary,  
Atlas Battery Limited,  
D-181, Central Avenue,  
S.I.T.E.,  
Karachi.

Affix  
Revenue Stamp  
  
Signature

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address

\_\_\_\_\_

Date

Dear Sir,

SUBJECT: PROXY FORM

I / we the undersigned member(s) of Atlas Battery Limited holding \_\_\_\_\_ ordinary shares hereby appoint Mr. / Mrs. / Miss \_\_\_\_\_ of \_\_\_\_\_ or failing him / her Mr. / Mrs. / Miss \_\_\_\_\_ of \_\_\_\_\_ being member of the Company as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at 2nd Floor, Federation House, Sharae Firdousi, Clifton, Karachi on September 27, 2013 at 9:30 a.m. and at every adjournment thereof.

(1) \_\_\_\_\_ (2) \_\_\_\_\_

(3) \_\_\_\_\_ (4) \_\_\_\_\_

Signature(s)

(1) \_\_\_\_\_

(2) \_\_\_\_\_

(3) \_\_\_\_\_

(4) \_\_\_\_\_

Name(s)

Signature in the presence of  
\_\_\_\_\_  
Name of Witness  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Address  
\_\_\_\_\_  
Signature  
\_\_\_\_\_  
Date



The Secretary  
Atlas Battery Limited  
D-181, Central Avenue,  
S.I.T.E.,  
Karachi-75730

AFFIX  
POSTAGE

Fold Here

Fold Here

Fold Here

Fold Here



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

Ph: (92-21) 32567990-4,

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Website: [www.atlasbattery.com.pk](http://www.atlasbattery.com.pk)