

Atlas Battery Limited

Annual Report 1998

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Company Information

Chairman

Yusuf H. Shirazi

Directors

Aitzaz Shahbaz	M. Iwai
M. Habib-ur-Rahman	Shahid Anwar
Iftikhar H. Shirazi	Vazeer Ali

Chief Executive

Vazeer Ali

Secretary

M. Atta Karim

General Manager (Tech)

M. Khalid Jilani

Chairman Group Personnel Committee

Yusuf H. Shirazi

Chairman Group Audit Committee

Sanauallah Qureshi

Auditors

Hameed Chaudhri & Co.
(Chartered Accountants)

Bankers

National Bank of Pakistan
Muslim Commercial Bank Limited
Credit Agricole Indosuez
Bank of Tokyo-Mitsubishi Limited

Registered Office (Factory)

D/181, Central Avenue, S.I.T.E., Karachi.

GROUP EXECUTIVE COMMITTEE

Chairman

Yusuf H. Shirazi

Members

Jawaid Iqbal Ahmed
Frahim Ali Khan
Iftikhar H. Shirazi
Aamir H. Shirazi
Saquib H. Shirazi

Secretary

Amjad Hussain

Notice of Meeting

Notice is hereby given that the Annual General Meeting of the Shareholders of the Company will be held at 2.00 p.m. on Thursday, December 17, 1998 at D-181, Central Avenue, SITE, Karachi, to transact the following business:

ORDINARY BUSINESS

1. To confirm Minutes of the Last Annual General Meeting held on December 17, 1997.
2. To consider and adopt the audited accounts of the company for the year ended June 30, 1998 together with the Directors' and Auditors' Report thereon.
3. To consider and approve the recommendation of Directors for payment of dividend at the rate of 300/o (Rs. 3/- per share) for the year ended June 30, 1 998.
4. To appoint Auditors for the year 1998-99 and fro their remuneration.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS

6. To approve the remuneration of the Chief Executive and the working Director.
A statement under section 160 of the Companies Ordinance, 1984 pertaining to the Special Business referred to above is annexed to this Notice of Meeting.

By Order of the Board
Company Secretary

Karachi: November 06, 1998

Notes:

i. The Share Transfer Books of the Company will remain closed from December 07, 1998 to December 17, 1998(both days inclusive). Transfers received in order at the registered office of the company by December 05, 1 998 will be in time for the purpose of entitlement for payment of the dividend to the transferee.

ii. 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 appointed for meeting.

iii. The members are requested to please communicate to the company any change in their mailing address immediately.

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE 1984 REGARDING SPECIAL BUSINESS AS GIVEN IN THE NOTICE OF MEETING:

This statement is annexed to the notice of the 32nd Annual General Meeting of the shareholders of Atlas Battery Limited to be held on December 17,] 998 and sets out the material facts concerning the following Special Business to be transacted at the meeting for approval of s]shareholders.

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REMUNERATION OF CHIEF EXECUTIVE AND THE WORKING DIRECTOR

A total amount ofRs. 6.0 million will be proposed as the aggregate remuneration of the Chief Executive and the Working Director of the Company, in the form of following resolution:

"RESOLVED that the Company hereby authorises the holding of offices of profit and payment as remuneration to Mr. Vazeer All, Chief Executive and Mr. Iftikhar H. Shirazi, Working Director, not exceeding in the aggregate Rs. 6.0 million per annum for the year ending June 30, 1999 together with other benefits as per Company policy"

The Chief Executive and the Working Director are interested in the remuneration payable to them.

Five Years at a Glance

(Rs. in million)

	1994	1995	1995-96	1996-97	1997-98
		6 Months			

STATISTICS

Sales	260.41	121.97	339.58	366.10	438.63
Gross Profit	66.84	29.31	76.79	73.89	9,295
Profit before tax	23.89	8.57	27.22	18.18	31.46
Profit after tax	15.84	5.22	18.33	10.64	21.09
Paid up share capital	23.00	23.00	23.00	23.00	24.73
Reserves and unappropriated profit	18.38	20.15	32.73	40.50	52.45
Shareholders' equity	41.38	43.15	55.73	63.50	77.17
Long term debt	14.33	14.05	12.58	10.90	10.94

Fixed assets - Net	43.19	45.44	49.93	56.12	65.33
Total assets	134.07	162.79	198.29	199.52	213.92

DIVIDEND (%)

Cash	20.00	15.00	25.00	12.50	30.00
Stock	-	-	-	7.50	-

RATIOS

Gross Profit to Sales (%)	25.67	24.03	22.61	20.18	21.19
N.P. before tax to Sales (%)	9.17	7.03	8.01	4.97	7.17
Return on equity before tax (%)	57.73	19.88	48.84	28.63	40.76
Return on equity after tax (%)	38.28	12.10	32.89	16.76	27.33
Earning per share before tax (Rs.)	10.38	3.73	11.83	7.90	12.72
Earning per share after tax (Rs.)	6.89	2.27	7.97	4.63	8.53
Breakup value per share (Rs.)	1 7.99	18.76	24.23	27.61	31.21
Current ratio	1.27:1	1.24:1	1.17:1	1.17:1	1.21:1

Chairman's Review

It gives me great pleasure to present to you the 32nd Annual Report and review of the performance of your company for the year ended June 30, 1998. It is a matter of satisfaction that your company has performed better than last year.

THE ECONOMY

The year under review was full of challenges on both the domestic and international fronts. On the domestic front, the country faced constitutional issues of extraordinary nature which affected the flow of normal economic activity. On the international front, foreign investments was affected -partly due to the internal situation and mainly due to the economic crises affecting Latin American, Russian and the South East Asian countries' economies resulting into the shying away of investment from the international capital markets.

On the other hand, Pakistan's economic performance over the last few years has been marked by a deceleration in economic activity, deterioration in budgetary and current account deficits and inflation. In order to reinvigorate economic growth the Government took some measures. It introduced economic reforms based on both

supply and demand side economics. To improve revenue collection, general sales tax regime was relaunched at the retail level which partially increased the 'Tax Net'. The effect of these policy measures will however take some time to yield the desired results.

Towards the year end, Pakistan opted for nuclear detonation on 28th May 1998 following India's nuclear tests on 11th May, 1998. It led to economic sanctions by the developed countries. The international loan giving agencies put their shutters down. Consequently, foreign currency accounts were frozen, rupee was devalued by 4.4%, making it 14.1% for the full fiscal year and a two-tier foreign exchange regime was introduced.

Despite the worsening situation, the economic indicators for the year were quite satisfactory. The GDP grew by 5.4% as against 1.3% last year, agricultural sector grew by 5.9% and the manufacturing sector by 7.0%. The large-scale manufacturing sector registered a growth of 6.2%. The transport and communication sector recorded a growth of 8.8%. Fixed investment increased by 6.5% and national savings increased to 15.0% of GNP from the 11.3% of last year.

ATLAS GROUP PERFORMANCE

The Atlas Group of which your company is a constituent member, jealously guards its brand equity which represents good management practices, ethical standards and quality of goods and services provided to its customers. The Group enjoys an excellent image in government, business and social circles, both nationally and internationally.

The Atlas Group is diversified and has operations in engineering, financial services, trading, office equipments and information technology. It consists of seven public limited companies quoted on the stock exchanges in Pakistan and eight private limited companies. Atlas shareholders' equity has grown to about Rs. 2.5 billion over the years; assets have

increased to over Rs. 8.0 billion, and sales revenue crossed the Rs. 8.0 billion mark. The Group paid taxes of Rs. 2.2 billion being 27.5% of the total turnover of the Group. More than 50% of employees numbering 2,700 pay taxes on their income and wealth.

The total paid up capital of the seven listed companies stood at Rs. 944.0 million and free reserves and surplus at Rs. 1.1 billion. The total equity of listed companies stood at Rs. 2.1 billion as at June 30, 1998. The net worth value of a Rs. 10 share works out at Rs. 21.8. Out of these seven companies, two companies have been rated 'A+' and three 'A' by the credit rating and other evaluating agencies.

The seven listed companies, set up at different times - the earliest in 1963 with a paid up capital of Rs. 2.0 million and the latest in 1993 with a paid up capital of Rs. 400.0 million - have paid cash dividend of Rs. 287.0 million and bonus of Rs. 208.0 million (market value Rs. 435.0 million).

Your Company was set up in 1968 with a paid up capital of Rs. 3.0 million which has now grown to Rs. 24.7 million. The total equity at Rs. 77.2 million include reserves and un-appropriated profit of Rs. 52.4 million. During this period the Company issued bonus shares of Rs. 11.7 million (market value Rs. 43.4 million at Rs. 37.0 per share) and paid cash dividend of Rs, 33.7 million.

HUMAN RESOURCES

Reliance on human resource has been the hallmark of the Atlas Group since its inception. Investment on human resource development is considered a prudent investment for all times to come. Education, training and grooming of employees for higher positions is a normal feature with the Group.

To cope up with the growing needs of the Group, a permanent cell has been established at the Corporate Office for human resource development. A full time

Director assists the Group Personnel Committee which is headed by the Group President and Chairman. The Committee actively works for improving staff service rules, staff compensation, and career planning to make them more competitive and attractive for the employees. Compensation based on Job evaluation and performance appraisal is now all the more a determining factor for the performance bonus and the employees motivation.

BATTERY INDUSTRY

In order to face the fierce and unhealthy competition from the unorganized sector arising mainly out of smuggling, under-invoicing and replating, the organized sector reduced selling prices. Further, the Government in its economic package also reduced sales tax to 12.5% from 18.0%. Thus the reduction in selling prices and tax burden and the depleting value of rupee, rendered smuggling less attractive and gave boost to the organized market. As a result the demand in the organized sector increased by 12.0% as compared to 6.0% decline in the previous year.

COMPANY OPERATIONS

Your company posted record sales of Rs. 438.6 million for the year under review against Rs. 366.1 million of the preceding year - an increase of 19,8%. The volume grew by 23.0% compared to an industry growth of 12.0%. Quality of batteries continued to improve contributing to greater market acceptability and consequently improvement in market share.

Gross profit ratio improved to 21.2% as against 20.2% of the last year despite reduction in the selling price of the batteries. The management emphasized on internal cost controls like cost reduction through material sourcing, better product mix, improvement in quality resulting in lower wastage and claims and also volume increases. Lower prices of major imported raw materials helped to lower the

manufacturing cost and offset the effect of continuous devaluation of the Pak Rupee, Rise in fuel and electricity charges resulted in a general inflationary cost push. Administration, selling and distribution expenses for the year were Rs. 52.4 million compared to Rs. 44.2 million in the preceding year. The expenses as a ratio to sales were contained at 11.9% as against 12.1% in the corresponding year. The financial expenses for the year stood at Rs. 8,6 million against Rs. 12.0 million in the previous year, showing a reduction of 28.6%, This was achieved through prudent cash and inventory management. Thus the net profit before tax for the year improved to Rs. 31.5 million against Rs. 18.2 million of the last year - up by 73.1%!

All financial ratios for the year improved as compared to the previous year. The total liabilities to equity ratio improved to 64:36 from 68:32 in the previous year and sales to total assets ratio improved to 2.1 times from 1,8 of the last year. Your company achieved an ROE of 27.3% and EPS of Rs, 8.5 after tax against ROE of 16.8% and EPS of Rs. 4.6 in the previous year.

EXPORT

It is a matter of great satisfaction that Japan Storage Battery Company Ltd., the joint venture partners, have recognized our quality as of international standard and are willing to assist us in exporting our batteries. I am pleased to say that your company has made its debut in the export market by exporting automotive and motorcycle batteries to Kuwait and Sri Lanka.

EXPANSION

The management of your company has reviewed the manufacturing facilities and decided to increase capacity by balancing, modernization and replacement of equipment to cater for the growing market demand, and improvement in efficiency, productivity and quality. The company has obtained a medium term loan and have placed orders for the machinery. This will

help expand capacity to meet the demand.

FUTURE OUTLOOK

I foresee challenging times ahead. Low economic activity, rising cost, inflation, and constant rupee devaluation will require the management and staff to rise to the occasion. I am confident that your management and staff will keep up the Atlas tradition of coming forward admirably successful from these occasions. We rely on the 3S's, i.e. smart, speedy and stable company, and the 3E's, i.e. economy, efficiency and effectiveness to meet the challenges of the future. Our hallmark continues to be our reliance on human resource development through education and training. I thus hope that the next year's performance will be quite satisfactory.

(Great are those who do things, impossible)

ACKNOWLEDGEMENT

I take this opportunity to thank the members of the Board of Directors, our Japanese partners, banks and financial institutions, for their guidance, help and support in managing the affairs of the company.

I also thank the CEO, his team and all the staff members and employees of the company for their dedicated efforts and valuable contribution. I especially thank the CBA for its positive role and contribution.

YUSUF H. SHIRAZI

Directors' Report

The Directors have pleasure in presenting 32nd Annual Report together with the Audited Accounts and Auditors Report thereon for the year ended June 30, 1998.

Financial results are as follows:

	Rs. in 000	
	1998	1997
Profit before taxation	31,458	18,181
Provision for taxation		
Current	10,236	13,258

Prior Year	-	1,280
Deferred	133	-
	-----	-----
	10,369	7,538
	-----	-----
Profit after tax	21,089	10,643
Unappropriated profit brought forward	777	734
	-----	-----
	21,866	11,377
	-----	-----
Appropriations:		
Cash Dividend	7,417	2,875
Reserve for issue of Bonus Shares	-	1,725
General Reserve	14,000	6,000
	-----	-----
	21,417	10,600
	-----	-----
Unappropriated profit carried to Balance Sheet	449	777
	=====	=====

DIVIDEND

The Directors are pleased to recommend a cash dividend of 30% {Rs. 3/- per share) on the paid up capital of Rs. 24,725,000/- as on June 30, 1998.

CHAIRMAN'S REVIEW

The Directors endorse the contents of the Chairman's Review, included in this report highlighting the activities of the company for the year under review.

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 1998 is annexed to this report.

AUDITORS

The present auditors, Messrs. Hameed Chaudhri & Co., Chartered Accountants retired and being eligible offer themselves for reappointment.

AITZAZ SHAHBAZ
Director

VAZEER ALL
Chief Executive

YUSUF H. SHIRAZI
Chairman

Karachi: November 06, 1998

Auditors' Report to the Members

We have audited the annexed balance sheet of ATLAS BATTERY LIMITED as at June 30,1998 and the related profit and loss account and the cash flow statement, 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 and, after due verification thereof, 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 purpose of Company's business; and

iii) the business conducted, investments made and 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 and the cash flow statement, together with the notes forming part thereof, 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, 1998 and of the profit and the cash flows 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 under Section 7 of that Ordinance.

HAMEED CHAUDHRI & COMPANY

Karachi: November 06, 1998

Chartered Accountants

Balance Sheet As at June 30, 1998

SHARE CAPITAL	NOTE	1998 Rupees	1997 Rupees
Authorised Capital			
3,000,000 ordinary shares of Rs. 10/- each		30,000,000	30,000,000
		=====	=====
Issued, subscribed & paidup capital	3.1	24,725,000	23,000,000
RESERVES & UNAPPROPRIATED PROFIT			
General reserve	3.2	52,000,000	38,000,000
Reserve for issue of Bonus Shares		-	1,725,000
Unappropriated profit		449,042	777,080
		-----	-----
		52,449,042	40,502,080

		77,174,042	63,502,080
REDEEMABLE CAPITAL	4	1,195,414	3,353,716
LONG TERM LOANS	5	958,558	1,292,426
OBLIGATION UNDER FINANCE LEASE	6	8,785,513	6,254,220
DEFERRED LIABILITIES			
Provision for gratuity		1,474,911	1,298,879
Deferred taxation		6,200,000	6,067,000
		-----	-----
		7,674,911	7,365,879
CURRENT LIABILITIES			
Short term financing	7	30,988,935	47,403,627
Current maturity of long term liabilities	8	7,151,883	4,927,065
Creditors, provisions, accrued charges & other liabilities	9	60,853,860	55,114,391
Provision for taxation		11,722,975	7,436,117
Proposed Dividend		7,417,500	2,875,000
		-----	-----
		118,135,153	117,756,200
CONTINGENT LIABILITIES/ COMMITMENTS	10	-	-
		-----	-----
		213,923,591	199,524,521
		=====	=====
FIXED CAPITAL EXPENDITURE			
Operating fixed assets	11	62,895,464	53,436.55
Capital work in progress	12	2,434,963	2,678,477
		-----	-----
		65,330,427	56,115,022
LONG TERM INVESTMENT	13	4,821,850	4,821,850
LONG TERM DEPOSITS	14	874,655	874,655
CURRENT ASSETS			
Stores	15	5,865,883	6,029,721
Stocks	16	71,436,253	79,305,786
Trade debtors	17	24,160,820	18,890,537
Advances, Deposits & Prepayments	18	21,141,469	15,522,243
Trade & other deposits	19	6,765,646	4,612,732
Cash & bank balances	20	13,526,588	13,351,975
		-----	-----
		142,896,659	137,712,994
		-----	-----
		213,923,591	199,524,521
		=====	=====

The annexed notes form an integral part of these accounts.

AITZAZ SHAHBAZ
Director

VAZEER ALI
Chief Executive

YUSUF H. SHIRAZI
Chairman

Profit & Loss Account
FOR THE YEAR ENDED JUNE 30, 1998

	NOTE	1998 Rupees	1997 Rupees
SALES	21	438,633,417	366,098,187
LESS: COST OF SALES	22	345,683,488	292,211,693
		-----	-----
GROSS PROFIT		92,949,929	73,886,494
OPERATING EXPENSES			
Administrative	23	11,183,108	9,743,635
Selling and distribution	24	41,212,084	34,449,653
		-----	-----
		52,395,192	44,193,288
		-----	-----
OPERATING PROFIT		40,554,737	29,693,21
MISCELLANEOUS INCOME	25	1,775,507	1,811,864
		-----	-----
		42,330,244	31,505,070
LESS: OTHER CHARGES			
Financial expenses	26	8,553,790	11,984,735
Workers' profit participation fund		1,688,823	976,016
Workers' welfare fund		629,169	363,614
		-----	-----
		10,871,782	13,324,365
		-----	-----
PROFIT FOR THE YEAR BEFORE TAXATION		31,458,462	18,180,705
PROVISION FOR TAXATION			
Current		10,236,000	6,258,000
Prior years		-	1,280,051
Deferred		133,000	-
		-----	-----
		10,369,000	7,538,051
		-----	-----
PROFIT FOR THE YEAR AFTER TAXATION		21,089,462	10,642,654
UNAPPROPRIATED PROFIT			
BROUGHT FORWARD		777,080	734,426
		-----	-----
		21,866,542	11,377,080
APPROPRIATIONS:			
Transfer to General reserve		14,000,000	6,000,000

Transfer to Reserve for issue of Bonus Shares	-	1,725,000
Proposed dividend @ 30.0% (1997 12.5%)	7,417,500	2,875,000
	-----	-----
	21,417,500	10,600,000
	-----	-----
UNAPPROPRIATED PROFIT RETAINED	449,042	777,080
	=====	=====

The annexed notes form an integral part of these accounts.

AITZAZ SHAHBAZ
Director

VAZEER ALI
Chief Executive

YUSUF H. SHIRAZI
Chairman

Cash Flow Statement
FOR THE YEAR ENDED JUNE 30, 1998

	NOTE	1998 Rupees	1997 Rupees
Net cash inflow from operating activities	1	49,928,789	33,066,909
Return on investments and servicing of finance			
Markup/interest paid		(6,300,795)	(9,291,614)
Finance charges on leased assets		(1,966,621)	(1,698,745)
Dividend received		368,775	335,250
Dividend paid		(2,813,660)	(5,714,733)
		-----	-----
Net cash outflow		(10,712,301)	(16,369,842)
Taxation			
Taxes paid (including tax deducted at source)		(7,074,336)	(10,388,635)
Investing activities			
Purchase of fixed assets		(14,244,810)	(12,205,920)
Sale of fixed assets		5,841,440	4,182,690
Investments		-	(1,000,000)
Long term deposits		-	(463,775)
		-----	-----
		(8,403,370)	(9,487,005)
		-----	-----
Net cash flow before financing activities		23,738,782	(3,178,573)
Financing activities			
(Decrease)/Increase in short term borrowing		(16,414,692)	4,768,926
Repayment of redeemable capital/loans		(2,207,045)	(2,672,869)
Repayment of obligation under finance lease		(4,084,644)	(2,985,135)
Deposits paid on assets acquired on lease		(857,788)	(463,536)
		-----	-----
Net cash flow from financing activities		(23,564,169)	(1,352,614)
		-----	-----

Increase/(Decrease) in cash & cash equivalents	2	174,613	(4,531,187)
		=====	=====

1. Reconciliation of operating profit to net cash flow from operating activities

	1998	1997
	Rupees	Rupees
Net profit before taxation	31,458,462	18,180,705
Depreciation	8,638,464	7,154,449
Mark up/interest expenses	5,628,262	9,208,611
Profit on sale of fixed assets	(872,619)	(589,717)
Provision for gratuity	203,064	234,096
Finance charges on leased assets	1,966,621	1,698,745
Dividend Income	(368,775)	(335,250)
	-----	-----
Operating profit before working capital changes	46,653,479	35,551,639
(Increase)/Decrease in trade. other receivables and deposits	(11,081,691)	585,129
Decrease in stores & stocks	8,033,371	1,641,274
Increase/(Decrease) in creditors, provisions, accrued charges & other liabilities	6,350,662	(4,708,322)
Gratuity paid	(27,032)	(2,811)
	-----	-----
	49,928,789	33,066,909
	=====	=====

2. Analysis of changes in cash & cash equivalents during the year

Balance as at June 30, 1997	13,351,975	17,883,162
Net cash inflow	174,613	(4,531,187)
	-----	-----
Balance as at June 30, 1998	13,526,588	13,351,975
	=====	=====

3. Non cash transactions

Assets acquired under finance leases	8,577,880	4,635,356
	=====	=====

AITZAZ SHAHBAZ
Director

VAZEER ALI
Chief Executive

YUSUF H. SHIRAZI
Chairman

**Notes to the Accounts
FOR THE YEAR ENDED JUNE 30, 1998**

1. THE COMPANY AND ITS OPERATIONS

The company was incorporated as a public limited company on October 19, 1966 and its shares are quoted on Stock Exchanges in Pakistan. The company is engaged in manufacture

and sale of automotive and motorcycle batteries.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

2.2 Staff retirement benefits

The company operates unfunded gratuity scheme for its workers. Provision has been made at the rate of eight days wages for each completed year of service. The company also operates approved contributory provident fund for all employees.

2.3 Taxation

Provision for taxation is based on the taxable income if any, at the current rate of taxation after taking into account tax credits available, if any, or one half percent of turn over, whichever is higher.

The company accounts for deferred tax on all material timing differences using the liability method. However, deferred tax is not provided if it can be established with reasonable probability that the timing differences will not reverse in the foreseeable future.

2.4 Fixed assets and depreciation

Fixed assets other than leasehold land are stated at cost less depreciation. Leasehold land and capital work in progress are stated at cost. Cost in relation to plant and machinery signifies historical cost and exchange differences in respect of foreign currency loans utilised for acquisition thereof.

Fixed assets (including leased assets) other than leasehold land are depreciated on a reducing balance basis, without considering extra shift workings, at the annual rates of 10% to 20% of written down values depending upon the class of assets. The exchange difference relating to plant and machinery at the end of each year is amortised at the normal rates of depreciation.

Normal repairs and maintenance are charged to income as and when incurred. Major repairs and renewals are capitalised. Gain or loss on disposal of fixed assets is included in the profit and loss account.

2.5 Accounting for leased assets

The company accounts for assets acquired under finance lease by recording the assets and related liability. Finance charge is allocated in a manner so as to produce a constant periodic rate of charge on the outstanding liability.

2.6 Investments

Long term investments are stated at cost less provision for permanent diminution in the value, if any.

2.7 Stores, spares and loose tools

These are valued at average cost.

2.8 Stocks

Stocks are valued at lower of cost or net realisable value. Cost in relation to work in

process and finished goods represents direct cost of materials, wages and appropriate manufacturing overheads. In case of finished goods at regional and zonal offices cost also includes related excise duty. Items in transit are stated at cost accumulated to balance sheet date.

2.9 Foreign currency translation

Liabilities in foreign currencies are translated into rupees at the exchange rates prevailing at the balance sheet date. Exchange gains or losses on translation of foreign currency loans utilised for the acquisition of plant and machinery are included in the cost of plant and machinery. All other exchange differences are included in the income.

2.10 Revenue recognition

Sales are recorded on despatch of goods to the customers.

2.11 Presentation

Figures in these accounts have been rounded off to the nearest rupee corresponding figures of the previous year have been rearranged, wherever necessary, for the purpose of comparison.

	1997 Rupees	1997 Rupees
3. SHARE CAPITAL & GENERAL RESERVE.		
3.1 Issued, Subscribed & Paid Up Capital		
Ordinary shares of Rs. 10 each		
1,300,000 Fully paid up in cash	13,000,000	13,000,000
1,172,500 (1997-1,000,000) Issued as fully paid Bonus Shares	11,725,000	10,000,000
-----	-----	-----
2,472,500	24,725,000	23,000,000
=====	=====	=====
3.2 General Reserve		
Balance as at June 30, 1997	38,000,000	32,000,000
Transferred from Profit & Loss account	14,000,000	6,000,000
	-----	-----
Balance as at June 30, 1998	52,000,000	38,000,000
	=====	=====
4. REDEEMABLE CAPITAL		
4.1 Term Finance Certificates (TFCs)		
Balance as at June 30, 1997	5,239,714	6,892,911
Less redeemed during the year	1,885,998	1,653,197
	-----	-----
	3,353,716	5,239,714
Less redeemable within the following twelve months	2,158,302	1,885,998
	-----	-----
	1,195,414	3,353,716
	=====	=====

(a) The company has issued Term Finance Certificates (TFCs) to National Investment Trust Limited (NIT) amounting to Rs. 10 million with a corresponding rescheduled repurchase price of Rs. 20.5 million. While calculating the rescheduled repurchase price mark up at the rate of 15% per annum has been charged.

(b) The repurchase price is now redeemable in sixteen half yearly installments commencing from June 30, 1992

(c) TFCs are secured by a trust deed creating a registered mortgage on all present and future movable and immovable properties of the company and a floating charge on other assets of the company ranking pari passu with charges created in favour of other creditors.

5. LONG TERM LOANS

5.1 NDFC - LMM Loan

Balance as at June 30, 1997	1,449,807	1,746,672
Less repaid during the year	321,047	296,865
	-----	-----
	1,128,760	1,449,807
Less installments due within the following twelve months	170,202	157,381
	-----	-----
	958,558	1,292,426
	=====	=====

(a) The finance has been obtained from National Development Finance Corporation (NDFC) for purchase of locally manufactured machinery. Under the arrangements NDFC purchased machinery at a price of Rs. 2,275,000 and simultaneously sold the machinery to the company at a marked up price of Rs. 5,774,496 subject to rebate in the marked up price of Rs. 2,467,822 if the installments are paid on due dates.

(b) The marked up price is repayable in fourteen semi annual installments commencing from January 1, 1995 and ending on July 1, 2001.

(c) The loan is secured by:-

(i) Equitable mortgage of company's present and future immovable properties and assets. The security created shall rank pari passu in all respects with the existing senior creditors.

(ii) A floating charge on the business, undertaking and other properties of the company.

(iii) Hypothecation of all plant, equipment, motor vehicles and movable properties.

(iv) Hypothecation of all benefits of the company's contracts with the suppliers

of goods.

(v) Exclusive hypothecation of machinery purchased under the contract.

	1998 Rupees	1997 Rupees
6. OBLIGATION UNDER FINANCE LEASE		
Balance as at June 30, 1997	9,137,906	7,817,479
Assets acquired during the year	8,577,880	4,635,356
	-----	-----
	17,715,786	12,452,835
Repaid during the year	4,106,894	3,314,929
	-----	-----
	13,608,892	9,137,906
Less payable within the following 12 months	4,823,379	2,883,686
	-----	-----
	8,785,513	6,254,220
	=====	=====

(a) The company has entered into lease agreements with Orix Leasing Pakistan Limited and Atlas Lease Limited(associated under taking)for motor vehicles, moulds and plant & machinery.

(b) The lease rentals which include finance charges at the rate of 16% to 22% per annum and are payable in equal quarterly/monthly installments.

(c) The future minimum lease payments to which the company is committed under the agreements are due as follows:-

Payable 1998 - 1999	6,931,950	4,366,370
Payable 1999 - 2002	10,766,808	7,486,516
	-----	-----
	17,698,758	11,852,886
Less finance charges allocated to future periods.	4,089,866	2,714,980
	-----	-----
	13,608,892	9,137,906
	=====	=====
Classified as under:		
Long term obligation under finance lease	8,785,513	6,254,220
Current obligation under finance lease	4,823,379	2,883,686
	-----	-----
	13,608,892	9,137,906
	=====	=====

7. SHORT TERM FINANCING

Running/term finances from banks	30,988,935	47,403,627
	=====	=====

7.1 The company has credit facilities upto an aggregate Rs. 65.0 million (1997 Rs. 63.5

million) which are secured against pledge/hypothecation of stocks and charge on receivables. The rate of mark-up is 44 paisas to 49 paisas per thousand per day (1997-49 paisas to 51 paisas).

8. CURRENT MATURITY OF LONG TERM LIABILITIES

Redeemable capital	2,158,302	1,885,998
NDFC	170,202	157,381
Obligation under finance lease	4,823,379	2,883,686
	-----	-----
	7,151,883	4,927,065
	=====	=====

9. CREDITORS, PROVISIONS, ACCRUED CHARGES & OTHER LIABILITIES

Trade creditors		8,861,781	3,384,061
Accrued expenses	(note 9.1)	26,009,968	29,265,328
Customers' Credit Balances		857,688	976,304
Interest/markup on redeemable Capital & loans		1,576,580	2,249,113
Workers' Welfare fund		680,425	404,884
Sales tax payable	(note 9.2)	13,484,100	11,454,911
Other liabilities		7,074,892	5,755,874
Workers' profit participation fund	(note 9.3)	1,829,572	1,205,885
Tax deductions		499	1,016
Unclaimed dividend	(note 9.4)	478,355	417,015
		-----	-----
		60,853,860	55,114,391
		=====	=====

9.1 Accrued expenses include Rs. nil (1997 Rs. 1,097,706) payable to associated undertakings.

9.2 Includes penalty of Rs. 100,000 (1997 Rs. 100,000). An appeal has been filed with Collector of Customs, Central Excise and Sales Tax which is pending.

1998	1997
Rupees	Rupees

9.3 Workers' Profit participation fund

Balance as at June 30, 1997	1,205,885	1,561,427
Add: Interest credited	140,749	229,869
	-----	-----
	1,346,634	1,791,296
Less: Payments during the year	1,205,885	1,561,427
	-----	-----
	140,749	229,869
Contributions for the year	1,688,823	976,016
	-----	-----
Balance as at June 30, 1998	1,829,572	1,205,885
	=====	=====

The company retains the allocation to the fund for its business operations till its payment to the fund.

9.4 Unclaimed Dividends

Unclaimed Dividends	453,445	399,559
Unclaimed Bonus Fractions	24,910	17,456
	-----	-----
	478,355	417,015
	=====	=====

10. CONTINGENT LIABILITIES/COMMITMENTS

Confirmed letters of credit	29,760,582	11,563,460
Guarantees issued by bank on behalf of the company	2,513,659	1,864,207
Indemnity Bonds issued by insurance company	13,940,000	9,795,000
Excise duty & sales tax on lead oxide demands raised by Central Excise & Land Customs not acknowledged	18,175,000	18,175,000

11. STATEMENT OF OPERATING FIXED ASSETS

Particulars	Cost as at			Cost as at June 30, 1998 Rupees	Accumulated Depreciation June 30, 1998 Rupees	Written down value June 30, 1998 Rupees	Depreciation charge for the year Rupees	Rate %
	June 30, 1997 Rupees	Additions Rupees	Disposals Rupees					
Leasehold land	435,238	-	-	435,238	-	435,238	-	-
Building on leasehold Land	16,444,623	5,379,599	-	21,824,222	8,483,474	13,340,748	1,482,305	10
Plant & Machinery	51,588,262	803,292	-	52,391,554	37,552,885	14,838,669	1,648,741	10
Electric installations	780,835	-	-	789,635	657,076	132,559	14,729	10
Airconditioners	1,194,507	354,404	-	1,548,911	542,124	1,006,787	111,865	10
Gas installations	135,073	-	-	135,073	98,882	36,191	4,021	10
Furniture & fixtures	977,033	-	-	977,033	757,388	219,645	24,405	10
Office equipment	1,386,359	25,673	-	1,412,032	795,904	616,128	68,459	10
Laboratory equipment	1,208,526	1,586,030	1,586,030	1,208,526	418,035	790,491	87,832	10
Vehicles	7,606,253	3,124,118	2,181,280	8,549,091	3,434,037	5,115,054	1,271,873	20
Fork lifter	1,054,196	-	-	1,054,196	813,832	240,364	60,091	20
Moulds, dies & Jigs	20,910,756	3,179,158	2,517,496	21,572,418	13,175,525	8,396,893	932,988	10
Factory equipment	1,699,286	-	-	1,699,286	1,232,258	467,028	51,892	10
Workshop equipment	149,749	-	-	149,749	115,384	34,365	3,818	10
Computer	1,861,743	258,550	-	2,120,293	653,888	1,466,405	162,934	10

	107,441,239	14,710,824	6,284,806	115,867,257	68,730,692	47,136,565	5,925,953	
LEASED ASSETS								
Plant & machinery	2,856,274	-	-	2,856,274	542,692	2,313,582	257,065	10
Vehicles	6,154,482	4,191,850	222,500	10,123,832	3,723,814	6,400,018	1,600,244	20
Moulds	2,246,850	2,800,000	-	5,046,850	970,794	4,076,056	452,895	10
Fork Lifter	1,018,000	-	-	1,018,000	496,784	521,216	130,304	20
Laboratory equipment	1,400,000	1,586,030	-	2,986,030	538,003	2,448,027	272,003	10
	13,675,606	8,577,880	222,500	22,030,986	6,272,087	15,758,899	2,712,511	
Total 1998	121,116,845	23,288,704	6,507,306	137,898,243	75,002,779	62,895,464	8,638,464	
Total 1997	107,446,631	21,525,241	7,855.03	121,116,845	67,680,300	53,436,545	7,154,449	

11.1 DISPOSAL OF FIXED ASSETS

Particulars	Cost Rupees	Accumulated Depreciation Rupees	Written down Value Rupees	Sale Proceeds Rupees	Profit (Loss) Rupees	Particulars of Purchaser
						Negotiation/company policy
MOTOR VEHICLES						
Motor Cycle CD 70	45,730	24,658	21,072	45,730	24,658	Mr. Abdul Razzaque Employee
Motor Cycle CD 70	39,500	21,298	18,202	39,500	21,298	Mr. Ejaz Ahmed Employee
Motor Cycle CD 70	38,300	20,651	17,649	38,300	20,651	Mr. Saeed Shah Employee
Motor Cycle CD 70	37,800	23,865	13,935	37,800	23,865	Mr. Dil Bahadur Employee
Motor Cycle CD 70	38,300	24,181	14,119	38,300	24,181	Mr. Mohammad Naseem Ex-Employee
Motor Cycle CD 70	46,500	25,073	21,427	46,500	25,073	Mr. Akber Qureshi Employee
Motor Cycle CD 70	38,300	24,180	14,120	38,300	24,180	Mr. Ashber Khan Employee
Motor Cycle CD 70	45,730	24,658	21,072	45,730	24,658	Mr. Mohd Abdur Rehman Employee
Motor Cycle CD 70	39,500	21,298	18,202	39,500	21,298	Mr. Makdoom Raza Employee
Motor Cycle CD 70	38,300	20,651	17,649	38,300	20,651	Mr. Abdul Sattar Employee
Motor Cycle CD 70	46,500	25,073	21,427	46,500	25,073	Mr. Abdul Rashid Employee
Motor Cycle CG 125	50,300	18,108	32,192	50,300	18,108	Mr. A Razzaque Usman Ex-Employee
Motor Cycle CD 70	39,500	21,298	18,202	39,500	21,298	Mr. Abdul Majid Employee
Motor Cycle CD 70	40,500	21,838	18,662	40,500	21,838	Mr. Sajjad Haider Ex-Employee
Motor Cycle CD 70	40,500	21,838	18,662	40,500	21,838	Mr. Jamshed Employee
Motor Cycle CD 70	45,730	24,658	21,072	45,730	24,658	Mr. Jahanzeb Employee
Motor Cycle CD 70	46,500	25,073	21,427	46,500	25,073	Mr. Taza Gull Employee
Motor Cycle CD 70	46,500	19,716	26,784	26,784	0	Mr. A. Hafeez Butt Ex-Employee
Suzuki Margalla	346,700	218,893	127,807	143,784	15,977	Mr. Saiful Rehman Khawaja Employee
Suzuki Margalla	350,000	220,976	129,024	145,152	16,128	Mr. Salam Ismail Employee
						C-26, Dhoraji Colony, Karachi
Toyota Corolla	543,590	343,201	200,389	370,000	169,611	Shirazi Investment (Pvt) Ltd.

Suzuki Mehran	177,000	124,800	52,200	52,200	Associated undertaking - Mr. Waseem Qureshi	Employee
MOULD	2,517,496	-	2,517,496	2,800,000	282,504 Sales/Lease back	
Laboratory Equipment	1,586,030	-	1,586,030	1,586,030	- Sales/Lease back	

	6,284,806	1,315,985	4,968,821	5,841,440	872,619	
=====						

	1998	1997
	Rupees	Rupees

11.2 Depreciation for the year has been apportioned as follows:

Cost of goods manufactured	7,296,468	6,109,591
Administrative expenses	789,514	463,743
Selling & distribution expenses	552,482	581,115
	-----	-----
	8,638,464	7,154,449
	=====	=====

11.3 Moulds for containers and lids costing Rs. 9,253,000 (1997 Rs. 9,253,000) included in the moulds, dies & jigs are held by Pak Polymer (Pvt) Limited, Bombal Plastic Industries, Paramount Moulding Service, DICOM Industries Limited and Novoplast Custom Moulders under agreements executed by the company with them for use of these moulds for manufacturing containers and lids for the company.

12. CAPITAL WORK IN PROGRESS

Plant & machinery	2,434,963	-
Building	-	2,678,477
	-----	-----
	2,434,963	2,678,477
	=====	=====

13. INVESTMENT AT COST

Associated undertaking (Listed)

Atlas Honda Limited

2 70,435 (1997-245,850) ordinary shares

of Rs. 10 each

3,821,850	3,821,850
-----------	-----------

(Market value Rs. 6,146,250 (1997 -
Rs. 7,621,350)

Unlisted

Arabian Sea Country Club Limited

100,000 ordinary shares of Rs. 10/- each

1,000,000	1,000,000
-----------	-----------

(Name of Chief Executive Mr. Zaeem Lutfi

Break-up value on the basis of audited accounts

for the year ended June 30, 1998

Rs. 10/-(1997Rs. 10/-) per share

Auditors Sidat Hayder Qamar Maqbool & Co.)	-----	-----
	4,821,850	4,821,850
	=====	=====
14. LONG TERM DEPOSITS		
Utility and other deposits	874,655	874,655
	=====	=====
15. STORES		
General stores	1,658,661	1,881,650
Tools	71,349	68,555
Spare parts	3,753,101	4,079,516
Spare parts in transit	382,772	-
	-----	-----
	5,865,883	6,029,721
	=====	=====
16. STOCKS		
Raw material (average cost)	18,305,250	21,878,529
Work in process (average cost)	18,221,803	16,039,035
Finished goods (average cost)	24,718,511	28,189,047
Goods in transit (at cost)	10,190,689	13,199,175
	-----	-----
	71,436,253	79,305,786
	=====	=====
17. TRADE DEBTORS UNSECURED		
Considered good (note 17.1)	24,160,820	18,890,537
	=====	=====
17.1 Includes Rs. 529,938 (1997 Rs. 870,453) due from associated undertakings. The maximum amount due from associated undertaking at the end of any month was Rs. 4,220,707 (1997 Rs. 3,478,227).		
18. ADVANCES, DEPOSITS & PREPAYMENTS		
UNSECURED - CONSIDERED GOOD		
Loan to staff & workers	102,028	183,307
Advances to staff for expenses	62,797	30,913
Advances to suppliers	284,684	699,997
Advances to others	130,100	130,100
Tax deducted at source	12,058,295	10,933,101
Income tax refundable	4,630,331	-
Advance Sales Tax	2,514,524	2,822,598
Prepayments (note 18.1)	747,125	625,184
Insurance claims receivables (associated undertaking)	611,585	97,043
	-----	-----
	21,141,469	15,522,243
	=====	=====

18.1 Prepayments include rent Rs. nil (1997 Rs. 62,400) computer services Rs. nil (1997 Rs. 108,000) and insurance Rs. 745,894 (1997 Rs. 417,284) paid to associated

undertakings.

19. TRADE & OTHER DEPOSITS

Trade deposits	3,504,896	2,569,820
Guarantee deposits	2,380,250	1,604,750
Excise deposit	540,660	327,251
L/C margin	339,840	110,911
	-----	-----
	6,765,646	4,612,732
	=====	=====

20. CASH & BANK BALANCES

Cash in bared and Imprest accounts	235,564	290,362
With banks:		
On current accounts	936,801	484,540
Un-deposited cheques/collection	12,354,223	12,577,073
	-----	-----
	13,526,588	13,351,975
	=====	=====

21. SALES

Sales have been recorded at dealers' net price and are after deducting Excise duty Rs. 59,193,132 (1997 Rs. 50,112,611).

22. COST OF SALES

Stocks as at June 30, 1997	28,189,047	24,700,011
Cost of goods manufactured (Note 22.1)	351,514,266	305,385,387
	-----	-----
	379,703,313	330,085,398
	-----	-----
Less cost of batteries replaced	9,301,314	9,684,658
Stocks as at June 30, 1998	24,718,511	28,189,047
	-----	-----
	34,019,825	37,873,705
	-----	-----
	345,683,488	292,211,693
	=====	=====

22.1 Cost of Goods Manufactured

Work in process as at June 30, 1997	16,039,035	12,916,837
Raw materials & components consumed (Note 22.2)	236,417,710	215,376,054
Salaries, wages and benefits	36,721,593	31,386,847
Stores consumed	22,838,762	15,395,669
Fuel, power & water	17,518,749	12,851,798
Insurance	1,240,172	919,214
Rent, rates & taxes	1,013,546	1,313,905
Repairs & maintenance	7,119,173	4,422,845
Royalty	9,956,531	8,324,216
Travelling, conveyance & entertainment	2,569,843	1,643,006

Cartage	2,598,374	2,350,937
Postage & telephone	785,359	365,821
Printing & stationery	822,251	952,476
Vehicle running	263,088	207,564
Free replacement	5,467,862	6,337,066
Depreciation	7,296,468	6,109,591
Other manufacturing expenses	1,067,553	550,576
	-----	-----
	369,736,069	321,424,422
Work in process as at June 30, 1998	18,221,803	16,039,035
	-----	-----
	351,514,266	305,385,387
	=====	=====

22.2 Raw Material & Components Consumed

Stocks as at June 30, 1997	21,878,529	23,951,661
Purchases	232,844,431	213,302,922
	-----	-----
	254,722,960	237,254,583
Less: Stocks as at June 30, 1998	18,305,250	21,878,529
	-----	-----
	236,417,710	215,376,054
	=====	=====

23. ADMINISTRATIVE EXPENSES

Directors' meeting fee	5,000	3500
Salaries & benefits	6,687,775	5,569,568
Travelling, conveyance & entertainment	1,175,890	1,220,926
Rent, rates & taxes	490,440	433,848
Insurance	346,364	205,487
Repairs & maintenance	72,408	31,787
Advertisement	99,785	28,855
Legal & professional charges	301,266	405,537
Auditors' remuneration		
Audit fee	60,000	60,000
Consultancy	5,000	5,000
Out of pocket expenses	4,230	9,575
Providend fund audit	28,000	22,100
Gas & electricity	162,375	131,163
Fees & subscription	95,780	125,469
Postage & telephone	202,706	178,399
Printing & stationery	333,985	285,559
Vehicle running expenses	202,191	50,494
Training Expenses	109,649	505,491
Depreciation	789,514	463,743
Others	10,750	7,131
	-----	-----
	11,183,108	9,743,635
	=====	=====

24. SELLING & DISTRIBUTION EXPENSES

Salaries & benefits	6,951,647	6,176,265
Travelling, conveyance & entertainment	2,505,993	2,723,018
Rent, rates & taxes	1,191,071	1,183,684
Insurance	2,416,427	2,073,468
Repairs & maintenance	187,343	194,707
Gas & electricity	387,642	335,456
Advertisement & publicity	5,166,369	2,864,174
Freight & handling	20,204,280	16,099,663
Printing & stationery	392,273	279,352
Postage & telephone	1,100,941	1,594,948
Vehicle running expenses	21,071	52,175
Service charges	2,425	3,302
Depreciation	552,482	581,115
Others	132,120	288,326
	-----	-----
	41,212,084	34,449,653
	=====	=====

25. MISCELLANEOUS INCOME

Scrap sales	184,116	239,616
Profit on sale of freed assets	872,619	589,717
Dividend Income (Associated undertaking)	368,775	335,250
Service & others	349,997	647,281
	-----	-----
	1,775,507	1,811,864
	=====	=====

26. FINANCIAL EXPENSES

Interest/markup on:		
Long term loans	109,509	175,911
Bank loans/running finances	4,701,202	7,877,043
Redeemable capital	676,802	909,603
Morabaha financing	-	16,185
Workers' profit participation fund	140,749	229.87
Finance charges on leased assets	1,966,621	1,698,745
Bank & other financial charges	958,907	1,077,379
	-----	-----
	8,553,790	11,984,735
	=====	=====

27. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Sales	20,576,276	21,922,199
Purchases	2,927,610	1,781,906
Expenses charged by	3,756,185	2,401,751
Rent and insurance premium	9,360,643	4,968,418
Assets acquired on lease	8,577,880	4,635,356

28. DIRECTORS' REMUNERATION

28.1 Chief Executive Officer

Managerial remuneration	609,000	519,000
Rent & utilities	334,950	285,450
Provident fund	60,900	51,900
Reimbursement of expenses		
Medical, telephone & others	62,562	40,636
Bonus	148,500	99,000
	-----	-----
	1,215,912	995,986
	=====	=====
Number of person	1	1

1998	1997
Rupees	Rupees

28.2 Other Director

Managerial remuneration	304,500	-
Rent & utilities	167,475	-
Provident fund	30,450	-
Reimbursement of expenses		
Medical, telephone & others	133,120	-
Bonus	50,750	-
	-----	-----
	686,295	-
	=====	=====
Number of person	1	-

28.3 Meeting fees other directors

	5,000	3,500
Number of persons	3	3

28.4 Executives

Managerial remuneration	3,426,769	2,988,657
Rent & utilities	1,884,180	1,643,759
Provident fund	342,107	298,864
Medical, telephone & others	642,508	483,222
Bonus	904,586	548,588
	-----	-----
	7,200,150	5,963,090
	=====	=====
Number of persons	15	15

29. PLANT CAPACITY

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

AITZAZ SHAHBAZ
Director

VAZEER ALI
Chief Executive

YUSUF H. SHIRAZI
Chairman

Atlas Group Companies

Year of Establishment Acquisition

Shirazi Investments (Pvt) Ltd.	1962
Atlas Honda Ltd.	1963
Atlas Battery Ltd.	1966
Shirazi Trading Co.(Pvt) Ltd.	1973
Atlas Warehousing (Pvt) Ltd.	1979
Atlas Office Equipment (Pvt) Ltd.	1979*
Muslim Insurance Co. Ltd.	1980*
Allwin Engineering Industries Ltd.	1981*
Atlas Lease Ltd.	1989
Atlas Investment Bank Ltd.	1990
Honda Atlas Cars (Pakistan) Ltd.	1993
Honda Atlas Services (Pvt) Ltd.	1994
Atlas Information Technology (Pro) Ltd.	1996
Total Atlas Lubricants Pakistan (Pvt) Ltd.	1997
Honda Atlas Power Products (Pvt) Ltd.	1997

Pattern of Shareholding

AS AT JUNE 30, 1998

No. of Shareholders		Categories		No. of shares		Percentage	
476	From	1	To	100	11,465	0.46	
180	From	101	To	500	43,236	1.75	
38	From	501	To	1000	23,201	0.94	
48	From	1001	To	5000	119,270	4.82	
13	From	5001	To	10000	99,634	4.03	
2	From	10001	To	15000	23,875	0.97	
2	From	15001	To	20000	37,086	1.50	
2	From	20001	To	25000	43,693	1.77	
2	From	25001	To	30000	57,216	2.31	
1	From	40001	To	45000	43,118	1.74	
2	From	85001	To	90000	172,153	6.96	
4	From	105001	To	110000	421,530	17.05	
1	From	150001	To	155000	150,500	6.09	
1	From	165001	To	170000	166,825	6.75	
1	From	185001	To	190000	188,935	7.64	
1	From	200001	To	205000	203,436	8.23	
1	From	295001	To	300000	296,452	11.99	
1	From	370001	To	375000	370,875	15.00	
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776				2,472,500		100.00	
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CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Individuals	759	828,859	33.52
Investment Companies	7	731,762	29.60
Financial Institutions	2	12,354	0.50
Insurance Companies	3	72,628	2.94
Joint Stock Companies	3	817,826	33.07
Corporate Law Authority	1	1	-
Abandoned Properties	1	9,070	0.37
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	776	2,472,500	100.00
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