ANNUAL REPORT
2009

Atlas Battery

Organisation
development
through
self development

Atlas Battery

Certificate No:196743

BVQI

ISO 9001 : 2000

NATIONAL ACCREDITATION OF CERTIFICATION BODIES

CERTIFIED QMS

Vision

A manufacturer and supplier of high quality lead acid automotive and motorcycle batteries in domestic and international market.

Mission

Market leadership through technology - by quality, service and customer satisfaction, ensuring associates welfare, fair return to shareholders, and overall a good corporate citizen, contributing to development of society through harmony in all respects.


AGS
UPS
UPS 120
AGS
118E 41R
AGS
XR86
AGS
195G 51R
JAPAN JOINT VENTURE
Atlas Battery Limited
AGS
GX43
GS
JAPAN JOINT VENTURE
Atlas Battery Limited

OUR VALUED CUSTOMERS

HONDA	Atlas Honda Limited
HONDA	Honda Atlas Cars (Pakistan) Ltd.
TOYOTA	Indus Motor Company Ltd.
SUZUKI	Pak Suzuki Motor Company Ltd.
AGTL	Al-Ghazi Tractors Limited
LAND-ROVER	Sigma Motors (Pvt) Limited
HYUNDAI	Dewan Farooque Motors Ltd.
	Master Motor Corporation Limited
	Ghandhara Nissan Ltd.
	Sazgar Engineering Works Ltd.
SUPER POWER	N.J. Auto Industries (Pvt.) Ltd.
UNIQUE	D.S. Motors
HERO	Fateh Motors Limited
SUPER STAR	Memon Motors (Pvt) Ltd.
RAVI	HKF Engineering (Pvt) Ltd.
SUPER asia	Super Asia Motors (Pvt) Ltd.
DONG FENG	Sindh Engineering (Pvt) Ltd.

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Chief Executive	Talha Saad
Directors	Aitzaz Shahbaz
	Ali H. Shirazi
	Hiroshi Tateiwa
	Javaid Anwar
	Muhammad Atta Karim
Company Secretary	Muhammad Iqbal

AUDIT COMMITTEE

Chairman	Aitzaz Shahbaz
Members	Ali H. Shirazi
	Muhammad Atta Karim
Head of Internal Audit	M. Rizwan Jamil
Secretary	Muhammad Saleem

MANAGEMENT COMMITTEE

Chief Executive	Talha Saad
Chief Financial Officer & GM HR	Ahmad Zafaryab Ali
General Manager Marketing	Arshad Gulraiz Butt
General Manager Quality Assurance	Muhammad Jamil Awan
General Manager Plant	Shahzad Ahmad Khan
Manager Information Technology	Qasim Imran Khan

COMPANY INFORMATION

Auditors	Hameed Chaudhri & Co. Chartered Accountants
Legal Advisor	Agha Faisal Barrister at Law Mohsin Tayebaly & Co.
Tax Advisor	Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Bankers	Atlas Bank Limited Allied Bank Limited Bank Al-falah Limited Habib Bank Limited MCB Bank Limited National Bank of Pakistan The Bank of Tokyo-Mitsubishi UFJ, Limited
Registered Office / Factory	D-181 Central Avenue, S.I.T.E. Karachi-75730 Tel: 2567990-94 Fax: 2564703
Share Registrar	M/s. Hameed Majeed Associates (Pvt.) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi. Phones: 2424826 & 2412754 Fax: 2424835 E-mail: majeed@hmaconsultants.com
Zonal Office Karachi	PPI Building, Near Sindh Secretariat Building, Shahra-e-Kamal Ataturk, Karachi-74200 Tel: 2636057 - 2610145 Fax: 2626478
Sukkur Office	F -33/4, Barrage Colony, Workshop Road, Sukkur Tel: 612532 Fax: 612532
Zonal Lahore Office	Salam Chambers, 21 Link Mcleod Road, Lahore-54000 Tel: 7227075 - 7354245 Fax: 7352724
Faisalabad Office	54-Chenab Market, Madina Town, Faisalabad Tel: 8713127 Fax: 8726628
Multan Office	Azmat Wasti Road, Chowk Dera Adda Multan-60000 Tel: 4548017
Peshawar Office	1st Floor, Zeenat Plaza, near General bus stand, G.T. Road, Peshawar Tel: 2262485
Rawalpindi Office	312-A, Kashmir Road, R.A. Bazar, Rawalpindi-65847 Tel: 5567423
Sahiwal Office	647-V-7, Al-Hilal Building, Nishter Road, Sahiwal-57000 Tel: 4461539
Company Website	www.atlasbattery.com.pk
Email Address	abl@atlasbattery.com.pk

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 Tuesday, September 29, 2009 at Federation House, 2nd Floor, Shahrah-e-Firdousi, Main Clifton, Karachi, to transact the following business:

Ordinary Business:

1. To confirm Minutes of Annual General Meeting held on September 29, 2008.
2. To consider and adopt the audited accounts of the Company for the year ended June 30, 2009 together with the Directors' and Auditors' Report thereon.
3. To consider and approve the recommendation of Directors for payment of Cash dividend at the rate of 100% (Rs.10/- per share) for the year ended June 30, 2009.
4. To appoint Auditors for the year 2009-2010 and fix their remuneration.

Special Business:

5. To consider and if thought fit, pass with or without modification the following as Ordinary Resolution.

    5.1. "Resolved that a sum of Rs.13,985 thousand out of Company's profit be capitalized for issuing 1,398,515 fully paid ordinary shares of Rs.10/- each as bonus shares to be allotted to those shareholders whose names stand in the register of members at the close of business on September 19, 2009 @ 20% in the proportion of One ordinary share of Rs.10/- each for every Five ordinary shares held and that these shares shall be treated for all purposes as an increase in the paid-up capital of the Company. 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 the bonus shares entitlement in fraction be consolidated and sold by the Directors on the Stock Exchange and proceeds of sale when realized be given to a charitable institution".

    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

SECRETARY

Karachi: August 31, 2009

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 21, 2009 to September 29, 2009 (both days inclusive). Transfers received in order at the registered office of the Company by September 19, 2009 will be in time for the purpose of entitlement for payment of the dividend to the transferees.

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 appointed for meeting.

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

4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his/her Computerized National Identity Card with him/her to prove his/her identity and in case of proxy must enclose an attested copy of his/her Computerized National Identity Card. Representative members should bring the usual documents required for such purpose.

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 29, 2009 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, 2009 and thereby capitalize a sum of Rs.13,985 thousand.

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

Abstract required under Section 218 of the Companies Ordinance, 1984 regarding terms of appointment of Chief Executive.

Remuneration of Chief Executive:

"A total amount not exceeding Rs.6.8 million will be paid as the Managerial remuneration to Chief Executive of the Company for the year ending June 30, 2010, in addition to other benefits as per Company Policy".

The Chief Executive is interested in the remuneration payable to him.

TEN YEARS AT A GLANCE

(Rupees in million)

YEARS	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Condensed Balance Sheet (Rs. in million)										
Assets										
Non Current Assets:										
Property, plant & equipment incl. Intangible assets	635.3	517.9	311.0	239.7	151.5	94.0	84.4	90.2	97.2	103.8
Other non current assets	2.4	4.0	4.0	4.0	2.6	0.5	5.1	6.3	5.9	4.7
Current Assets:										
Inventory	448.7	423.6	316.9	226.7	218.2	108.7	134.8	122.2	126.1	101.1
Investments & bank balances	35.0	49.3	37.8	30.6	72.5	98.5	16.6	21.6	22.4	18.0
Other current assets	90.2	134.5	33.7	16.0	21.4	34.9	22.7	32.2	32.6	25.0
Trade Debtors	88.5	77.4	51.8	45.9	39.5	39.7	40.0	32.9	72.5	26.0
Total Assets	1,300.1	1,206.7	755.2	562.9	505.7	376.3	303.6	305.4	356.7	278.6
Equity & Liabilities										
Share capital	69.9	69.9	60.8	52.9	46.0	32.9	28.6	27.2	27.2	24.7
Reserves	461.6	336.4	275.2	211.5	188.5	160.8	101.3	80.6	77.8	74.9
Surplus on Revaluation of Fixed Assets	173.8	173.8	-	-	-	-	-	-	-	-
Non current liabilities	85.6	61.8	62.9	90.5	90.9	15.7	6.9	22.9	38.2	53.0
Current Liabilities:										
Creditors & provisions	329.3	185.3	156.2	93.3	78.2	82.6	86.6	70.2	87.4	62.4
Short term borrowings	103.6	313.0	171.2	91.0	74.3	34.7	41.0	88.8	102.8	42.1
Other current liabilities	76.3	66.5	29.0	23.7	27.8	49.6	39.3	15.7	23.3	21.6
Total Equity & Liabilities	1,300.1	1,206.7	755.3	562.9	505.7	376.3	303.7	305.4	356.7	278.7
Condensed profit & loss A/C										
Sales	3,156.8	2,628.8	1,585.6	1,209.0	949.8	770.1	617.1	495.1	563.0	480.8
Cost of sales	(2,626.7)	(2,241.9)	(1,294.0)	(1,020.0)	(792.2)	(596.6)	(475.9)	(403.6)	(453.8)	(389.7)
Gross profit	530.1	386.9	291.6	189.0	157.6	173.5	141.2	91.5	109.2	91.1
Operating expenses (net of other income)	(213.7)	(181.2)	(147.3)	(104.9)	(94.4)	(51.7)	(75.6)	(66.4)	(79.0)	(57.9)
Operating profit	316.4	205.7	144.3	84.1	63.2	121.8	65.6	25.1	30.2	33.2
Financial charges	(43.5)	(41.6)	(22.0)	(17.9)	(9.2)	(4.1)	(8.4)	(17.9)	(18.6)	(17.4)
Profit before tax	272.9	164.1	122.3	66.2	54.0	117.7	57.2	7.2	11.6	15.8
Taxation	(95.2)	(57.3)	(34.8)	(24.9)	(13.2)	(34.2)	(18.0)	(1.7)	(2.1)	(1.7)
Profit after taxation	177.7	106.8	87.5	41.3	40.8	83.5	39.2	5.5	9.5	14.1

TEN YEARS AT A GLANCE

(Rupees in million)

YEARS		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Profitability Ratios											
Gross profit	(%)	16.8	14.7	18.4	15.6	16.6	22.5	22.9	18.5	19.4	18.9
Profit before tax	(%)	8.6	6.2	7.7	5.5	5.7	15.3	9.3	1.5	2.1	3.3
Profit after tax	(%)	5.6	4.1	5.5	3.4	4.3	10.8	6.4	1.1	1.7	2.9
Return on capital employed	(%)	40.0	32.0	36.2	23.7	19.4	58.2	48.0	19.2	21.1	21.8
Interest cover ratio	(Times)	7.3	4.9	6.6	4.7	6.9	29.7	7.8	1.4	1.6	1.9
Earnings before interest, tax, depreciation & amortisation (EBITDA)	(Rs in million)	359.5	241.4	178.2	109.4	81.3	134.6	77.9	37.8	43.5	46.4
EBITDA Margin	(%)	11.4	9.2	11.2	9.0	8.6	17.5	12.6	7.6	7.7	9.7
Return to Shareholders											
ROE - before tax	(%)	51.3	40.4	36.4	25.0	23.0	60.8	44.0	6.7	11.0	15.9
ROE - after tax	(%)	33.4	26.3	26.0	15.6	17.4	43.1	30.2	5.1	9.0	14.2
EPS - after tax	(Rs)	25.42	15.28	14.39	7.81	8.87	25.38	13.71	2.02	3.49	5.71
Price Earning Ratio	(Times)	5.7	10.1	11.7	9.5	8.7	6.1	6.3	10.6	7.2	4.6
Market Price - at year end	(Rs)	144.0	154.9	167.8	73.9	77.0	154.0	86.0	21.5	25.0	26.5
Market Price - during the period	High - Rs.	150.0	213.0	187.4	90.5	115.0	205.0	140.0	35.3	30.0	28.0
Market Price - during the period	Low - Rs.	63.6	129.9	68.2	61.7	62.0	96.0	25.3	18.3	20.5	20.1
Break up value per share without Surplus on Revaluation	(Rs)	76.0	58.1	55.3	50.0	51.0	58.9	45.4	39.6	38.6	40.3
Break up value per share with Surplus on Revaluation	(Rs)	100.9	83.0	55.3	50.0	51.0	58.9	45.4	39.6	38.6	40.3
Dividend											
Cash dividend	(Rs)	10.0	7.50	6.00	3.00	2.50	6.00	6.00	1.00	1.50	2.50
Stock dividend	(Rs)	2.0	-	1.50	1.50	1.50	4.00	1.50	0.50	-	1.00
Dividend yield (Cash)	(%)	6.9	4.8	3.6	4.1	3.2	3.9	7.0	4.7	6.0	9.4
Dividend cover (Cash)	(Times)	2.5	2.0	2.4	2.6	3.5	4.2	2.3	2.0	2.3	2.3
Dividend pay out (Cash)	(%)	39.3	49.1	41.7	38.4	28.2	23.6	43.8	49.5	42.9	43.8
Plough back ratio	(%)	60.7	50.9	58.3	61.6	71.8	76.4	56.2	50.5	57.1	56.2
Asset Utilization											
Total assets turnover	(Times)	2.4	2.2	2.1	2.1	1.9	2.0	2.0	1.6	1.6	1.7
Fixed assets turnover	(Times)	5.0	5.1	5.1	5.0	6.3	8.2	7.3	5.5	5.8	4.6
Inventory turnover	(Times)	6.0	6.1	4.8	4.6	4.8	4.9	3.7	3.3	4.0	3.8
Debtor turnover	(Times)	38.1	40.7	32.5	28.3	24.0	19.3	16.9	9.4	11.4	20.0
Capital employed turnover	(Times)	4.0	4.1	4.0	3.4	2.9	3.7	4.5	3.8	3.9	3.2
Working Capital Cycle											
Inventory holding period	(Days)	61	60	77	80	75	74	99	112	91	95
Trade debtors period	(Days)	10	9	11	13	15	19	22	39	32	18
Creditors period	(Days)	(36)	(28)	(35)	(31)	(37)	(52)	(60)	(71)	(60)	(29)
Working capital cycle	(Days)	34	41	53	62	53	42	60	80	63	84
Liquidity/ Leverage											
Current Ratio	(Times)	1.3	1.2	1.2	1.5	2.0	1.7	1.3	1.2	1.2	1.3
Quick Ratio	(Times)	0.4	0.5	0.3	0.4	0.7	1.0	0.5	0.5	0.6	0.5
Long Term debts to Equity	(Times)	-	-	-	0.15	0.26	-	-	0.14	0.28	0.40
Total Liabilities to Equity	(Times)	0.84	1.08	1.25	1.13	1.16	0.94	1.34	1.83	2.40	1.80

ANALYSIS OF FINANCIAL STATEMNETS
BALANCE SHEET

							Vertical Analysis Composition of Balance Sheet						Horizontal Analysis % Change Year to Year				
PARTICULARS	2009	2008	2007	2006	2005	2004	2009	2008	2007	2006	2005	2004	2009 vs 2008	2008 vs 2007	2007 vs 2006	2006 vs 2005	2005 vs 2004
			(Rupees in '000')			%	%	%	%	%	%	%	%	%	%	%	%
FIXED ASSETS																	
Property, Plant & Equipment	635,294	517,862	310,995	239,712	151,563	93,978	48.9	42.9	41.2	42.6	30.0	25.0	22.7	66.5	29.7	58.2	61.3
Long term deposits and prepayments	2,439	4,012	4,012	4,012	2,612	533	0.2	0.3	0.5	0.7	0.5	0.1	(39.2)	-	-	53.6	390.1
Total non-current assets	637,733	521,874	315,007	243,724	154,175	94,511	49.1	43.2	41.7	43.3	30.5	25.1	22.2	65.7	29.2	58.1	63.1
CURRENT ASSETS																	
Stores, spares and loose tools	14,122	12,968	10,730	8,659	6,601	5,473	1.1	1.1	1.4	1.5	1.3	1.5	8.9	20.9	23.9	31.2	20.6
Stock in trade	434,594	410,672	306,171	218,012	211,650	103,212	33.4	34.0	40.5	38.7	41.8	27.4	5.8	34.1	40.4	3.0	105.1
Trade debts	88,521	77,387	51,834	45,864	39,536	39,726	6.8	6.4	6.9	8.1	7.8	10.6	14.4	49.3	13.0	16.0	(0.5)
Loans and advances	2,381	1,475	2,622	4,081	5,329	1,747	0.2	0.1	0.3	0.7	1.1	0.5	61.4	(43.7)	(35.8)	(23.4)	205.0
Trade deposits and prepayments	7,025	74,191	2,826	1,224	2,238	3,470	0.5	6.1	0.4	0.2	0.4	0.9	(90.5)	2,525.3	130.9	(45.3)	(35.5)
Investments at fair value through profit and loss	6,132	-	278	254	39,835	72,043	0.5	-	0.0	0.0	7.9	19.1		(100.0)	9.4	(99.4)	(44.7)
Accrued mark-up / interest	14	175	175	121	107	56	0.0	0.0	0.0	0.0	0.0	0.0	(92.0)	-	44.6	13.1	91.1
Other receivables	80,742	58,720	28,098	10,639	13,658	29,613	6.2	4.9	3.7	1.9	2.7	7.9	37.5	109.0	164.1	(22.1)	(53.9)
Cash and bank balances	28,892	49,274	37,501	30,309	32,607	26,421	2.2	4.1	5.0	5.4	6.4	7.0	(41.4)	31.4	23.7	(7.0)	23.4
Total current assets	662,423	684,862	440,235	319,163	351,561	281,761	50.9	56.8	58.3	56.7	69.5	74.9	(3.3)	55.6	37.9	(9.2)	24.8
Total assets	1,300,156	1,206,736	755,242	562,887	505,736	376,272	100.0	100.0	100.0	100.0	100.0	100.0	7.7	59.8	34.2	11.3	34.4
EQUITY & LIABILITIES																	
SHARE CAPITAL & RESERVES																	
Share capital	69,926	69,926	60,805	52,874	45,977	32,841	5.4	5.8	8.1	9.4	9.1	8.7	-	15.0	15.0	15.0	40.0
Reserves	282,500	228,500	186,500	169,500	146,500	159,636	21.7	18.9	24.7	30.1	29.0	42.4	23.6	22.5	10.0	15.7	(8.2)
Unappropriated profit	179,120	107,886	88,693	41,976	42,044	1,199	13.8	8.9	11.7	7.5	8.3	0.3	66.0	21.6	111.3	(0.2)	3,406.6
Total Equity	531,546	406,312	335,998	264,350	234,521	193,676	40.9	33.7	44.5	47.0	46.4	51.5	30.8	20.9	27.1	12.7	21.1
Surplus on Revaluation of Property, Plant & Equipment	173,786	173,786	-	-	-	-	13.4	14.4	-	-	-	-	-	-	-	-	-
DEFERRED LIABILITIES	85,627	61,823	62,881	50,517	30,913	15,682	6.6	5.1	8.3	9.0	6.1	4.2	38.5	(1.7)	24.5	63.4	97.1
LONG TERM LOAN	-	-	-	40,000	60,000	-	-	-	-	7.1	11.9	-	-	-	(100.0)	(33.3)	-
CURRENT LIABILITIES																	
Trade and other payables	329,326	185,267	156,154	93,250	78,201	82,598	25.3	15.4	20.7	16.6	15.5	22.0	77.8	18.6	67.5	19.2	(5.3)
Accrued mark-up / interest	1,603	7,057	2,469	1,726	2,060	-	0.1	0.6	0.3	0.3	0.4		(77.3)	185.8	43.0	(16.2)	
Short term borrowings - secured	103,616	313,002	171,200	90,974	74,314	34,683	8.0	25.9	22.7	16.2	14.7	9.2	(66.9)	82.8	88.2	22.4	114.3
Provision for taxation	74,652	59,489	26,540	6,070	9,727	29,928	5.7	4.9	3.5	1.1	1.9	8.0	25.5	124.1	337.2	(37.6)	(67.5)
Current portion of LTL	-	-	-	16,000	16,000	-	-	-	-	2.8	3.2	-	-	-	(100.0)	-	-
Proposed Dividend	-	-	-	-	-	19,705	-	-	-	-	-	5.2	-	-	-	-	(100.0)
Total current liabilities	509,197	564,815	356,363	208,020	180,302	166,914	39.2	46.8	47.2	37.0	35.7	44.4	(9.8)	58.5	71.3	15.4	8.0
TOTAL EQUITY AND LIABILITIES	1,300,156	1,206,736	755,242	562,887	505,736	376,272	100.0	100.0	100.0	100.0	100.0	100.0	7.7	59.8	34.2	11.3	34.4

ANALYSIS OF FINANCIAL STATEMNETS
PROFIT AND LOSS ACCOUNT

PARTICULARS	2009	2008	2007	2006	2005	2004	Vertical Analysis Composition of Profit & Loss 2009	2008	2007	2006	2005	2004	Horizontal Analysis % Change Year to Year 2009 vs 2008	2008 vs 2007	2007 vs 2006	2006 vs 2005	2005 vs 2004
		(Rupees in '000')				%	%	%	%	%	%	%	%	%	%	%	%
Sales	3,156,807	2,628,820	1,585,648	1,209,033	949,755	770,105	100.0	100.0	100.0	100.0	100.0	100.0	20.1	65.8	31.2	27.3	23.3
Cost of Sales	(2,626,740)	(2,241,937)	(1,294,026)	(1,019,970)	(792,172)	(596,622)	(83.2)	(85.3)	(81.6)	(84.4)	(83.4)	(77.5)	17.2	73.3	26.9	28.8	32.8
Gross Profit	530,067	386,883	291,622	189,063	157,583	173,483	16.8	14.7	18.4	15.6	16.6	22.5	37.0	32.7	54.2	20.0	(9.2)
Distribution Cost	(124,359)	(114,957)	(96,481)	(77,515)	(60,108)	(56,120)	(3.9)	(4.4)	(6.1)	(6.4)	(6.3)	(7.3)	8.2	19.1	24.5	29.0	7.1
Administrative expenses	(70,549)	(55,957)	(42,661)	(33,505)	(36,184)	(22,467)	(2.2)	(2.1)	(2.7)	(2.8)	(3.8)	(2.9)	26.1	31.2	27.3	(7.4)	61.1
Other Operating Income	2,149	1,929	1,296	10,135	5,969	34,538	0.1	0.1	0.1	0.8	0.6	4.5	11.4	48.8	(87.2)	69.8	(82.7)
Other Operating expenses	(20,891)	(12,231)	(9,477)	(4,077)	(4,057)	(7,622)	(0.7)	(0.5)	(0.6)	(0.3)	(0.4)	(1.0)	70.8	29.1	132.5	0.5	(46.8)
Profit from operation	316,417	205,667	144,299	84,101	63,203	121,812	10.0	7.8	9.1	7.0	6.7	15.8	53.8	42.5	71.6	33.1	(48.1)
Finance Cost	(43,537)	(41,536)	(22,042)	(17,877)	(9,199)	(4,118)	(1.4)	(1.6)	(1.4)	(1.5)	(1.0)	(0.5)	4.8	88.4	23.3	94.3	123.4
Profit before tax	272,880	164,131	122,257	66,224	54,004	117,694	8.6	6.2	7.7	5.5	5.7	15.3	66.3	34.3	84.6	22.6	(54.1)
Taxation	(95,202)	(57,334)	(34,747)	(24,901)	(13,157)	(34,178)	(3.0)	(2.2)	(2.2)	(2.1)	(1.4)	(4.4)	66.0	65.0	39.5	89.3	(61.5)
Profit after tax	177,678	106,797	87,510	41,323	40,847	83,516	5.6	4.1	5.5	3.4	4.3	10.8	66.4	22.0	111.8	1.2	(51.1)

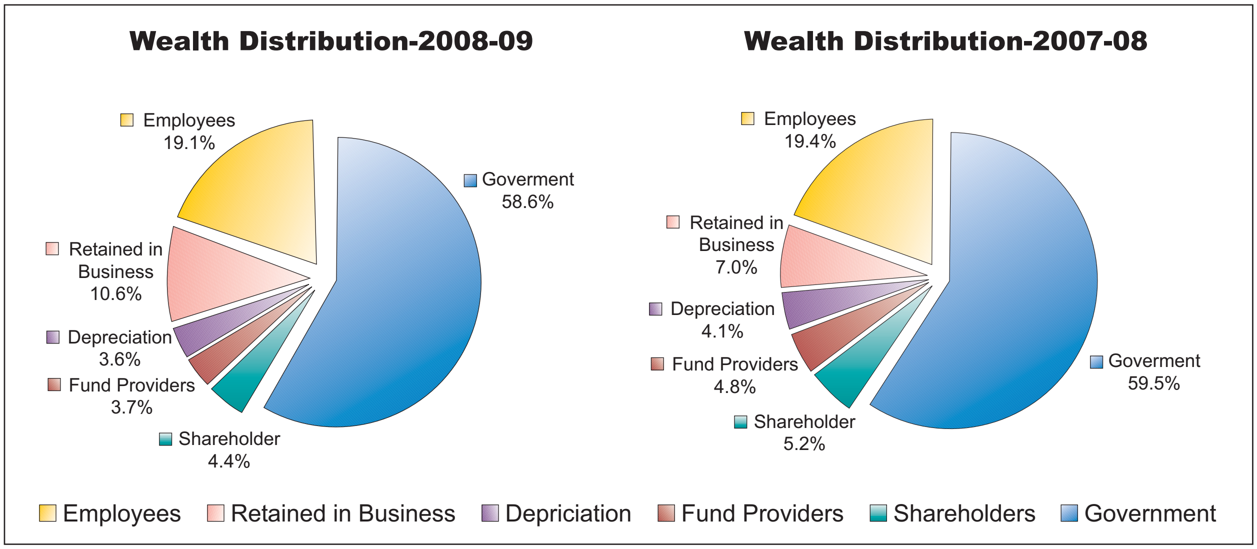
CASH FLOW STATEMENT

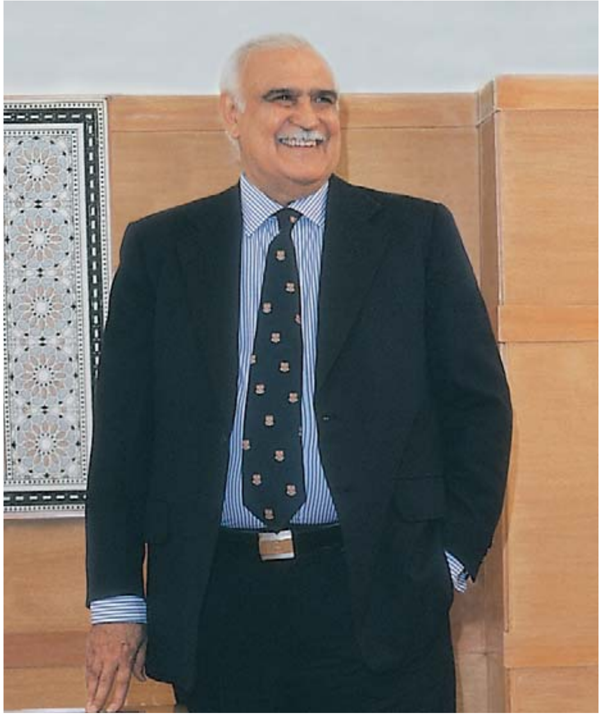
PARTICULARS	2009	2008	2007	2006	2005	2004	Vertical Analysis Composition of Cash Flow 2009	2008	2007	2006	2005	2004	Horizontal Analysis % Change Year to Year 2009 vs 2008	2008 vs 2007	2007 vs 2006	2006 vs 2005	2005 vs 2004
		(Rupees in '000')				%	%	%	%	%	%	%	%	%	%	%	%
Cash flow from operating activities	406,363	(26,597)	103,149	77,070	(50,623)	90,593	(1,993.7)	(225.9)	1,434.2	(3,353.8)	(818.3)	922.3	(1,627.9)	(125.8)	33.8	(252.2)	(155.9)
Cash flow from investing activities	(165,688)	(67,387)	(104,515)	(64,738)	(39,285)	(57,556)	812.9	(572.4)	(1,453.2)	2,817.1	(635.1)	(585.9)	145.9	(35.5)	61.4	64.8	(31.7)
Cash flow from financing activities	(261,057)	105,756	8,558	(14,630)	96,094	(23,214)	1,280.8	898.4	119.0	636.6	1,553.4	(236.3)	(346.8)	1,135.8	(158.5)	(115.2)	(513.9)
Increase/(Decrease) in cash & cash equivalent	(20,382)	11,772	7,192	(2,298)	6,186	9,823	100.0	100.0	100.0	100.0	100.0	100.0	(273.1)	63.7	(413.0)	(137.1)	(37.0)

STATEMENT OF VALUE ADDITION

YEAR ENDED 30 JUNE

	2008-09		2007-08	
			Rupees in '000'	
	Amount	% age	Amount	% age
Wealth Generated:				
Total Revenue	3,726,981		3,069,166	
Bought in Material & Services	(2,543,748)		(2,197,798)	
	1,183,233	100%	871,368	100%
Wealth distributed:				
To Employees				
Salaries & other related costs	225,912	19.1%	168,634	19.4%
To Government				
Taxes	672,774	56.9%	507,132	58.2%
Workers' Profit Participation Fund	14,657	1.2%	8,786	1.0%
Workers' Welfare Fund	5,594	0.5%	2,803	0.3%
	693,025	58.6%	518,721	59.5%
To Providers of Capital				
Dividend to Shareholders	52,444	4.4%	45,604	5.2%
Markup / Interest	43,536	3.7%	41,536	4.8%
	95,980	8.1%	87,140	10.0%
Retained in the Business				
For replacement of Fixed Assets: Depreciation	43,082	3.6%	35,680	4.1%
To provide for Growth: Retained Profit	125,234	10.6%	61,193	7.0%
	168,316	14.2%	96,873	11.1%
	1,183,233	100.0%	871,368	100%





CHAIRMAN'S REVIEW

I am pleased to present to you the 43rd Annual Report of your Company for the year ended June 30, 2009 together with the Auditors' Report.

THE ECONOMY

The global economic crisis has had an impact on the Pakistan economy. However, since our economy is predominantly agriculture based, we remained, unlike the developed world, immune to the worst effects of the global economic crisis. The initial shocks of the global crisis were absorbed. This is a testament to the resilience of our economy.

The slowdown of the Pakistani economy was largely due to our own making: Political and social instability, deteriorating law and order situation and inconsistent policies. The cumulative effect was that the GDP growth rate was 2.5% for the year 2008-09 as compared with 5.8% of last year. The major pressure in the economy stemmed from inflation. Controlled inflation may usher in lower interest rates and improved liquidity which is so necessary for the growth of the industry. Hence, the State Bank of Pakistan reduced mark up by 100 basis points in August 2009. International Monetary Fund has disbursed the first two tranches of US$ 3.1 billion. The World Bank and Asian Development Bank have pledged support and an independent overseas support group - the Friends of Democratic Pakistan, in a meeting in Tokyo, have cumulatively pledged over US$ 11 billion. The commodity prices are reflective of an inherent demand in the economy. A bumper wheat crop and a good price offered to the farmer has promoted substantial demand in the economy. The need of the hour now is dynamism and consistent policies.

THE INDUSTRY

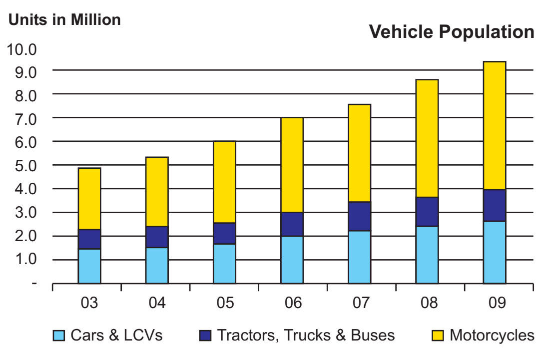
The fundamentals of the battery industry are vibrant. This industry has faced challenges year after year and overcome them. Being an ancillary business to the automotive industry, the battery sector depends on the growth of the automotive industry.

Automotive industry is the backbone of the economy for every country. The growth of this industry indicates that the country's economy is moving in the right direction. Presently, the automotive market is in recession the world over. The market in Pakistan is also presenting challenges for every automaker. However, conditions are expected to improve in the near future.

During the year auto industry suffered significantly in the manufacturing sector. From July 2008 to June 2009, locally manufactured car sales declined by 49.6% to 82,844 units from 164,650 units during the same period of last year. LCV's sale went down by 27.7% from 22,762 units in 2007-08 to 16,463 units in 2008-09. Sales of trucks and buses went down by 41.6% with sales of 3,821 units as against 6,545 units during the same period last year.

Sales of two and three -wheelers during July 08 - June 09 period declined by 24.8% with 790,000 units as against 1,050,000 units during same period last year. Depreciation of Pak rupee, higher borrowing and material costs together with an unprecedented rate of inflation forced most of the manufacturers to increase the prices of their products. Tight liquidity forced potential customers to defer the purchase of motorcycles. As a result, this industry witnessed a reduced customer base during the year under review.

The tractor sector was the only segment which performed well during 2008-09. Sales of this segment improved by 13.4% with 60,351 units sold during the year as against 53,203 units during the corresponding period of last year. Uncertain economic conditions in the country and high mark up rates have been the major factors attributable to auto sales slowdown during ten months of this financial year.



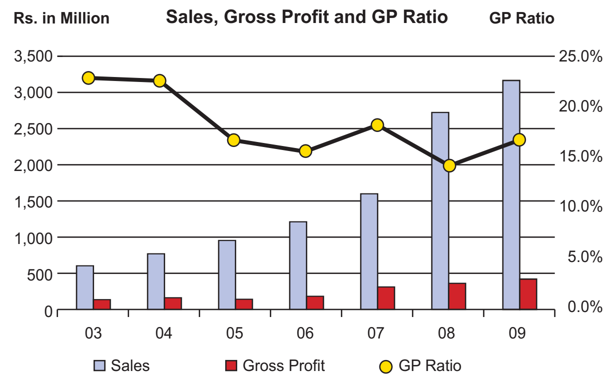
The slow down in growth of the automotive industry during last two years will definitely have a negative impact in the following years on demand of automotive batteries. The present policy of government in relation to automotive industry needs a favorable review so that this industry, which is in its infancy, can be provided with a strong base for growth in future periods.

HOUSE-HOLD CONSUMER SEGMENT - UPS

The year 2008-09 was a difficult year for the populace as the country faced shortage of electricity of nearly 3,500MW. In order to meet its corporate social responsibility and provide people a solution to the power shortage, the Management of your Company acted in a timely fashion. Your Company kept pace with the market demand and produced and supplied batteries for backup of UPS systems. These specially designed UPS batteries helped in meeting the electricity requirements throughout the country. With a wide range and mix of light, medium and heavy batteries, your Company is now in a better position to meet the emerging demand for automobiles and the UPS market. To adapt to this emerging demand for UPS batteries, one can rely on the manufacturing flexibility of your Company -to serve its customer who prefers to buy its brand due to its quality and reliability.

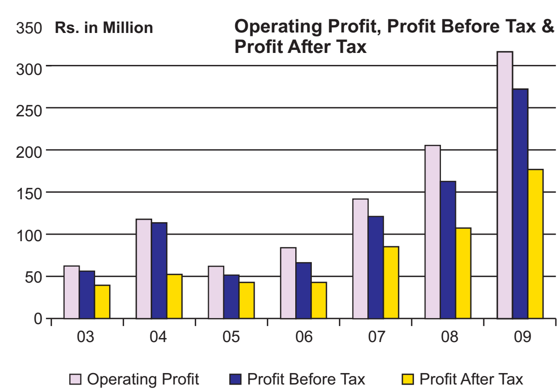
OPERATING PERFORMANCE

In 2008-09, your Company delivered impressive results during one of the most challenging years in recent memory. This performance reflects the capabilities of the people throughout the Company.



Your Company achieved net sales revenue of Rs.3.16 billion with year on year growth of 20.1%. Cost of sales also increased in line with the sales revenue and increased to Rs.2.6 billion as compared to Rs.2.2 billion last year. Gross profit reached Rs.530.1 million as against Rs.386.9 million last year. G.P. ratio improved from 14.7% to 16.8% due to better material procurement decisions, despite 30% depreciation in the value of Pak rupee against the US$, steep rise in utilities and other overhead costs.

Operating expenses increased by 14.0% as against the previous year. Thus profit from operations improved from Rs.205.7 million to Rs.316.4 million with a year on year growth of 53.8%. Due to better working capital management and negotiation of lower markup rates with banks, finance cost increased marginally by 4.8%.

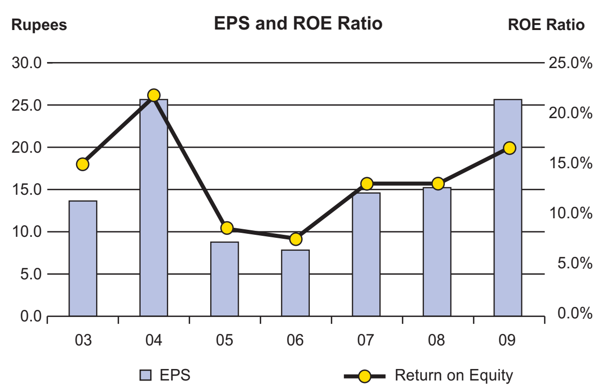


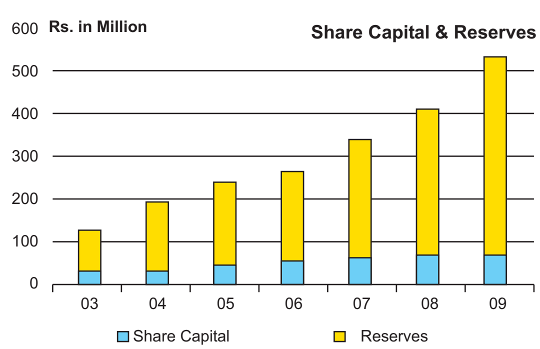
Thus your Company achieved profit before tax of Rs.272.9 million for the year 2008-09 as against Rs.164.1 million achieved during last year. After providing taxation of Rs.95.2 million, profit after tax stood at Rs.177.7 million with growth of 66.4% as compared to previous year. Your Company earned Rs.25.41 per share as against Rs.15.27 per share last year. Return on Equity rose to 33.4% as against 26.3% last year.

A cash dividend of 100% is proposed for the year as against 75% last year. Additionally a bonus of 20% is recommended.

Incidentally over the years the Company has paid dividends of Rs 267 million (including stock dividend of Rs 57 million) on equity of Rs. 532 million.

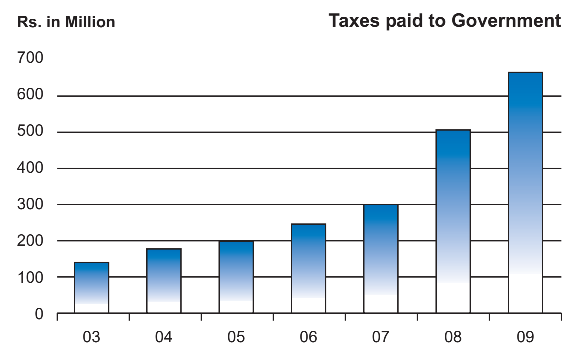
This I believe is a commendable performance at a difficult time.





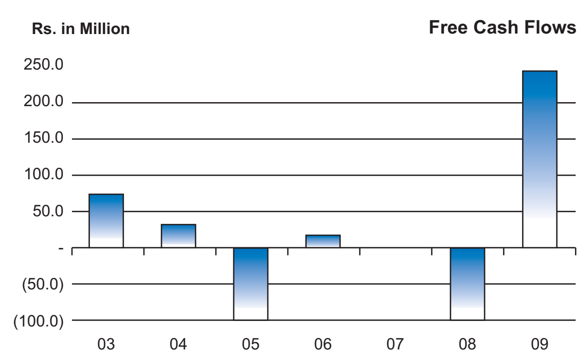
CONTRIBUTION TO NATIONAL EXCHEQUER

Being a good corporate citizen, your Company pays all due taxes. During the year under review, your Company contributed Rs. 669.4 million, as compared to Rs.507.1 million during last year, to Government revenues in respect of income tax, sales tax, customs duty and other government levies, so the company's contribution to national exchequer increased by 32%. Atlas Group; of which your Company is a constituent member paid taxes of Rs.15 billion during the year 2008-09, about 2% of government's total income - one of the highest among the private sector.



CASH FLOW MANAGEMENT

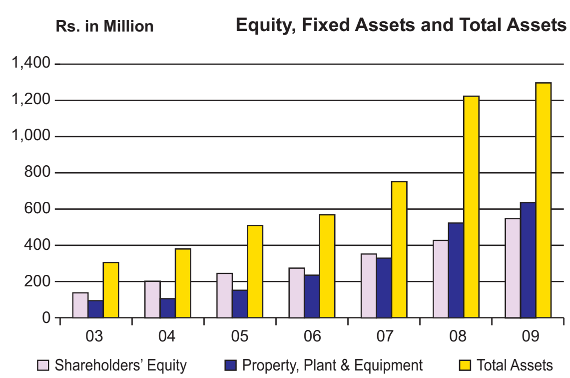
During the year maintaining surplus cash was indeed important especially with volatile raw material prices, adverse foreign exchange movements and rapid decline in the lending capacity of the financial institutions. To cover this risk, we made external arrangements - unused credit facilities from all major banks of Pakistan - and internal resources represented by our positive cash flow generating capacity. We believe that free cash flow is an essential yardstick to measure performance of the Company as it covers every facet of the operations. In addition to operating margin, free cash flow also shows how we manage our balance sheet - inventories and accounts receivables along with other short term assets.



Free cash flow is also an important external indicator, closely monitored by the financial institutions, potential investors and financial analysts as it measures the

Company's ability to discharge its liabilities on time for our internal and external equity-holders.

During the period under review, the operations of your Company generated cash of Rs.406.4 million as compared to negative cash flow of Rs. 26.6 million last year. After spending Rs.165.7 million for investment activities, free cash flow of your Company stood at Rs.240.7 million out of which your Company paid Rs.51.7 million as dividend for the year 2007-08 and reduced its short term borrowings by Rs.209.4 million. So there was a net decrease of Rs.20.4 million in cash and cash equivalents by the end of year 2008-09 as compared to Rs.11.8 million increased by end of year 2007-08.



HUMAN RESOURCE MANAGEMENT

We strongly believe that success is a function of a highly capable, diverse work force focused on the right business priorities. Atlas Group Philosophy - Organization Development through Self Development is based on 3R's - Recruit, Recognize and Reward. The key to an effective workforce is to have a system that aligns the employees who have the right capabilities in the right direction and at the right time. Developing such a workforce requires leadership, succession planning, stewardship and consistency of purpose. The present challenging environment is particularly well suited to the development of a strong human resource. In line with Group Policy, your Company conducted 10 in-house training courses during the year on improving the soft and technical skills of the Management Staff. 31 persons were also sent to 20 external courses to improve their management competencies.

During the year, your Company successfully negotiated an agreement with CBA for a period of two years. As a result the productivity of your Company increased by 5%. Your Company also built a new canteen for associates in keeping view the international standards.

AWARDS AND APPRECIATIONS

During the year under review, your Company received the prestigious "**Brand of the Year**" award, based on the prime quality of its product. Your Company also merited appreciation from Honda Atlas Cars Pakistan Ltd. and Indus Motor Company in respect of supplying quality products on JIT delivery basis.

Prime Minister of Pakistan is delivering Brand of the Year Award to Mr. Arshad Gulraiz Butt, General Manager Marketing.

SAFETY, HEALTH AND ENVIRONMENT

At Atlas, we believe that when a Company is disciplined about its commitment to safety, health and environment, a sound foundation is created for improved results in all aspects of the business. In line with our Group Policy, we continued our focus on the basis of the working environment.

Our products are essential for the Society at large and we produce them while protecting the health and safety of our employees and at the same time safeguarding the environment. I am glad to report that your Company is a pioneer in installing the acid gases emission control plant in the battery industry in Pakistan. This shows our commitment to a healthier environment.

OUTLOOK FOR 2009-10

We have entered 2009-10 with a strong balance sheet and a dedicated team of professionals. We foresee that the business environment will remain challenging but, we believe that we have a disciplined and dedicated team and resources to convert the challenges into opportunities. Controlling costs will not be enough to overcome the risk of expected high raw material prices - lead prices are expected to bounce back towards previous high levels because of the improving world economy. We may face fierce competition in the local market which will ultimately result in higher discounts and more liberal credit policies in the trade. Apart from this, we will face cost pressures from all areas, especially adverse exchange rate parity and increasing cost of utilities. Our emphasis will be more on further reduction of wastages and claims - to bring them in line with international standards, cost cut in general and above all productivity. I am confident that the Management Team of your Company will act prudently to maintain this level of performance together with a healthy cash flow which we are focusing on more and more:

ع خراماں خراماں اِرم دیکھتے ہیں

(Happily we foresee a bright future)

ACKNOWLEDGEMENTS

During the year, Mr. Iftikhar H. Shirazi resigned from the Board of Directors of your Company due to his pre-occupations. He has been replaced by Mr. Ali H. Shirazi for the remaining period of his tenure. We would like to place on record the valuable contributions made by Mr. Iftikhar H. Shirazi during his long association with your Company. Mr. Ali Shirazi is a Yale graduate and has a Masters degree from Bristol University. I am sure your Company will benefit from the presence of Ali Shirazi on the Board.

May I thank our joint venture partners; GS Yuasa International Limited, Japan, for their continuous support in product development and technology transfer. We are grateful to Mr. Koichi Shiina, President GS Yuasa International Limited, for his visit to your Company during last year after the merger of Japan Storage Battery and Yuasa Corporation, as GS Yuasa Corporation.

I would also like to thank our bankers, shareholders, vendors and customers for their continuous support. I also thank members of the Board of Directors, Chief Executive Officer; Mr. Talha Saad and his team for their commitment towards achieving your Company's growth year after year.

Karachi: 27 August 2009

Yusuf H. Shirazi

DIRECTORS' REPORT

'The Directors of your Company take pleasure in presenting their 43rd Annual Report together with the Audited Accounts and Auditors' Report thereon for the year ended June 30, 2009.

FINANCIAL RESULTS AND APPROPRIATIONS

	2009	2008
	Rupees in '000	
Profit before taxation	272,880	164,131
Provision for taxation:		
Current year	74,652	59,489
Prior year	489	246
Deferred	20,061	(2,401)
	95,202	57,334
Profit after tax	177,678	106,797
Un-appropriated profit brought forward	1,442	1,089
	179,120	107,886
Appropriations:		
Transferred to General Reserve	93,000	54,000
Proposed Dividend @ 100% (2008-75%)	69,926	52,444
Reserve for issue of Bonus shares @ 20% (2008-Nil)	13,985	-
	176,911	106,444
Un-appropriated profit Carried to Balance Sheet	2,209	1,442

EARNINGS PER SHARE

During the year under review, the company earned a basic earnings per share of Rs.25.41 (2008-Rs.15.27).

DIVIDEND

The Directors are pleased to recommend a cash dividend at the rate of 100% (Rupee 10/- per share and bonus share issue at the rate of 20% - one share for every five ordinary shares of Rupees 10/- each).

CHAIRMAN'S REVIEW

The review included in the Annual Report deals inter alia with the performance of the Company for the year ended June 30, 2009 and future prospects. The Directors endorse the contents of the review.

BOARD OF DIRECTORS

The Board comprises of one executive and six 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 (5) meetings of the Board of Directors were held, the attendance of the Directors and number of their directorship in listed companies, including Atlas Battery Limited, are listed below:

	Name of Directors	Attendance at the Meeting	Number of Directorship in listed companies, including ABL
1.	Mr.Yusuf H. Shirazi	5	6
2.	Mr.Talha Saad	5	1
3.	Mr.Aitzaz Shahbaz	5	1
4.	Mr.Iftikhar H. Shirazi	-	-
5.	Mr. Javaid Anwar	4	5
6.	Mr.Mohammad Atta Karim	3	2
7.	Mr. Jawaid Iqbal Ahmed (Alternate of Mr. Iftikhar H Shirazi)	5	4
8.	Mr. Hiroshi Tateiwa	2	1
9.	Mr. Takaomi Matsuzki (Alternate for Mr.Hiroshi Tateiwa)	1	-
10.	Mr. Ali H. Shirazi	-	3

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 & Exchange Commission of Pakistan and accordingly amended listing rules of the Stock Exchanges.

Following are the Statements on Corporate and Financial Reporting Framework:

(a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

(b) Proper books of accounts have been maintained by the Company.

(c) Appropriate Accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

(d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

(e) The system of internal control is sound in design and has been effectively implemented and monitored.

(f) There are no doubts upon the Company's ability to continue as going concern.

(g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

The requirements of the Code of Corporate Governance as set out by the listing regulations of Karachi and Lahore Stock Exchanges, relevant for the year ended June 30, 2009 have been complied with. The Directors confirm the compliance of Code of Corporate Governance and a statement to this effect is annexed.

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 including the Chairman of the committee, who are non-executive directors.

The Board audit committee reviews the internal and external audit activities, monitors compliance with statutory requirements for financial reporting and reviews the quarterly, half yearly and annual financial statements before they are submitted to Board. It also reviews the effectiveness of internal control system including financial, operational and compliance control and risk management procedures. It considers reports from internal and external auditors and from management, and makes recommendation to the Board. The Committee reviews the procedure for ensuring their independence with respect to the services performed for the Company and make recommendations to the Board of Directors.

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

Name of Director		Attendance
1. Mr. Aitzaz Shahbaz	Chairman	4/4
2. Mr. Iftikhar H. Shirazi	Member	-
3. Mr. Jawaid Iqbal Ahmed (Alternate for Mr.Iftikhar H. Shirazi)	Member	4/4
4. Mr. Mohammad Atta Karim	Member	3/4

In addition to above meetings, Audit Committee also met with external auditors without CFO and head of internal audit. By invitation, chief executive attended all the four meetings held during the year.

MANAGEMENT COMMITTEE

The Management Committee acts in an advisory capacity to the Chief Executive of the Company, providing recommendations relating to the business and employees' matters. The Committee is also responsible for strategic business plans, policies, capital and revenue budget development and maintaining a healthy and congenial working environment.

EMPLOYEES' PROVIDENT FUND & GRATUITY FUND

The Company operates a contributory provident fund scheme for all employees and non- contributory gratuity fund scheme for its management employees. The value of investment, based on their respective accounts as at June 30, 2009 are as follows:

Provident Fund	Rs.83.1 million
Gratuity Fund	Rs.21.9 million

OPERATING & FINANCIAL DATA

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

PATTERN OF SHAREHOLDING

The Pattern of Shareholding as at June 30, 2009 is annexed.

The Directors, CEO, CFO, Company Secretary and their spouse and minor children have made no transactions of the Company's shares during the year.

AUDITORS

The present Auditors, M/s Hameed Chaudhri & Co. Chartered Accountants, retired and being eligible offer themselves for reappointment. As required by the Code of Corporate Governance, the Audit Committee has recommended their re-appointment as auditors of the Company for the year ending June 30, 2010.

COMMUNICATION

Communication with the shareholders is given a high priority. Annual, half yearly and quarterly 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), which contains up to date information on Company activities.

For & on behalf of
BOARD OF DIRECTORS

Talha Saad
Chief Executive

Karachi: August 27, 2009

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

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 directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

2. The Company encourages representation of non-executive directors on its Board of Directors. At present the Board includes 6 non-executive directors and one executive director.

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 NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancy occurred in the Board during the year was filled up within stipulated time.

5. The Company has prepared a “Statement of Ethics and Business practices” which has been signed by all the directors and employees of the Company.

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 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 arranged an orientation course for its directors during the year to apprise them of their duties and responsibilities.

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.

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 CEO and CFO before approval of the Board.

13. The directors, CEO 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 3 members; all are non-executive directors including the Chairman of the Committee.

16. The Board has set-up an effective internal audit function.

17. 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.

18. 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 Institute of Chartered Accountants of Pakistan.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations.

20. We confirm that all other material principles contained in the Code have been complied with.

For & on behalf of
BOARD OF DIRECTORS

Talha Saad
Chief Executive

Karachi: August 27, 2009

HAMEED CHAUDHRI & CO.

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI CHAMBERS
HASRAT MOHANI ROAD
KARACHI
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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 regulation No. 35 (Chapter XI) of the Karachi Stock Exchange, and clause 37 (Chapter XI) of the Lahore Stock Exchange 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 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

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, 2009.

Hameed Chaudhri & Co.

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 27, 2009

HAMEED CHAUDHRI & CO.

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of **Atlas Battery Limited** ("the Company")as at June 30, 2009 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 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 confirm 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, 2009 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 (XVIII of 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 27, 2009

Audit engagement partner: Abdul Majeed Chaudhri

BALANCE SHEET

AS AT JUNE 30, 2009

	Note	2009	2008
		Rupees in '000'	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	635,294	517,862
Investments - Available for sale	6	-	-
Long term deposits	7	2,439	4,012
CURRENT ASSETS			
Stores, spares and loose tools	8	14,122	12,968
Stock in trade	9	434,594	410,672
Trade debts	10	88,521	77,387
Loans and advances	11	2,381	1,475
Trade deposits and prepayments	12	7,025	74,191
Investments at fair value through profit and loss	13	6,132	-
Accrued mark-up / interest	14	14	175
Other receivables	15	80,742	58,720
Cash and bank balances	16	28,892	49,274
		662,423	684,862
		1,300,156	1,206,736

The annexed notes 1 to 39 form an integral part of the financial statements.

Aitzaz Shahbaz	**Talha Saad**	**Yusuf H. Shirazi**
Director	Chief Executive	Chairman

BALANCE SHEET

AS AT JUNE 30, 2009

	Note	2009	2008
		Rupees in '000'	
EQUITY AND LIABILITIES			
Share capital & reserve			
Share capital	17	69,926	69,926
General reserve		282,500	228,500
Unappropriated profit		179,120	107,886
		531,546	406,312
Surplus on revaluation of property, plant and equipment - leasehold land		173,786	173,786
NON CURRENT LIABILITIES			
Deferred Liabilities	18	85,627	61,823
CURRENT LIABILITIES			
Trade and other payables	19	329,326	185,267
Accrued mark-up / interest	20	1,603	7,057
Short term borrowings - secured	21	103,616	313,002
Provision for taxation	22	74,652	59,489
		509,197	564,815
CONTINGENCIES & COMMITMENTS	23		
		1,300,156	1,206,736

The annexed notes 1 to 39 form an integral part of the financial statements.

Aitzaz Shahbaz	**Talha Saad**	**Yusuf H. Shirazi**
Director	Chief Executive	Chairman

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009	2008
		Rupees in '000'	
Sales	24	3,156,807	2,628,820
Cost of sales	25	(2,626,740)	(2,241,937)
Gross profit		530,067	386,883
Distribution cost	26	(124,359)	(114,957)
Administrative expenses	27	(70,549)	(55,957)
Other operating income	28	2,149	1,929
Other operating expenses	29	(20,891)	(12,231)
Profit from operations		316,417	205,667
Finance cost	30	(43,537)	(41,536)
Profit before tax		272,880	164,131
Taxation	31	(95,202)	(57,335)
Profit after tax		177,678	106,796
		(Rupees)	
Earnings per share basic & diluted	32	25.41	15.27

The annexed notes 1 to 39 form an integral part of the financial statements.

Aitzaz Shahbaz	**Talha Saad**	**Yusuf H. Shirazi**
Director	Chief Executive	Chairman

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2009

	Note	2009	2008
		Rupees in '000'	
CASH FLOW FROM OPERATING ACTIVITIES	33	406,363	(26,597)
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure		(164,392)	(75,033)
Investments acquired		(55,500)	-
Sale proceeds of property, plant and equipment		4,288	7,354
Sale proceeds of investments		49,916	293
Net cash (used in) investing activities		(165,688)	(67,386)
Net cash flows before financing activities		240,675	(93,983)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) / Increase in short term borrowings		(209,386)	141,802
Dividend paid		(51,671)	(36,046)
Net cash (used) / generated from financing activities		(261,057)	105,756
(Decrease) / increase in cash & cash equivalent		(20,382)	11,773
Cash and cash equivalent as at July 1		49,274	37,501
Cash and cash equivalent as at June 30	16	28,892	49,274

The annexed notes 1 to 39 form an integral part of the financial statements.

Aitzaz Shahbaz	**Talha Saad**	**Yusuf H. Shirazi**
Director	Chief Executive	Chairman

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2009

	Share Capital	Revenue Reserves		Total
		General Reserve	Unappropriated Profit	
	Rupees in '000			
Balance as at June 30, 2007	60,805	186,500	88,693	335,998
Profit for the year	-	-	106,797	106,797
Cash Dividend Paid @Rs 6 per share	-	-	(36,483)	(36,483)
Issue of bonus shares	9,121	-	(9,121)	-
Transfer to general reserve	-	42,000	(42,000)	-
Balance as at June 30, 2008	69,926	228,500	107,886	406,312
Profit for the year	-	-	177,678	177,678
Cash Dividend Paid @Rs 7.5 per share	-	-	(52,444)	(52,444)
Transfer to general reserve	-	54,000	(54,000)	-
Balance as at June 30, 2009	69,926	282,500	179,120	531,546

The annexed notes 1 to 39 form an integral part of the financial statements.

Aitzaz Shahbaz	**Talha Saad**	**Yusuf H. Shirazi**
Director	Chief Executive	Chairman

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2009

1. CORPORATE INFORMATION

Atlas Battery Limited (the Company) was incorporated as a public limited Company on October 19, 1966 and its shares are quoted on Karachi and Lahore Stock Exchanges in Pakistan. The Company is engaged in manufacture and sales of automotive and motorcycle batteries. The registered office of the Company and the manufacturing facilities are located at Karachi with branches at Lahore, Multan, Rawalpindi, Faisalabad, Sahiwal, Peshawar and Sukkur.

2. STATEMENT OF COMPLIANCE

2.1 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 (IFRSs) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance 1984, provision of and directives issued under the Companies Ordinance 1984. In case requirements differ, the provision or directives of the Companies Ordinance, 1984 shall prevail.

2.2 **Standards, interpretations and amendments to the published approved accounting standards that are effective in 2008 - 2009.**

The following standards, interpretations and amendments have been published that are mandatory and relevant for the company's accounting periods beginning on or after July 1, 2008 or later periods:

IFRS 7 'Financial instruments-Disclosures' -The Securities & Exchange Commission of Pakistan (SECP) vide SRO 411(I)/2008 dated April 28, 2008 notified the adoption of IFRS 7 which is mandatory for the company's accounting periods beginning on or after the date of notification i.e. April 28, 2008. IFRS 7 has superseded International Accounting Standard (IAS) 30 - Disclosures in the 'Financial Statements of Banks and similar Financial Institutions' and disclosure requirements of IAS 32 - 'Financial Instruments: Presentation'. Adoption of IFRS 7 has only impacted the format and extent of disclosures presented in the financial statements.

International Financial Reporting Interpretation Committee (IFRIC) Interpretation 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction'. The interpretation provides guidance on assessing the limit in IAS 19 - 'Employee benefits' on the amount of surplus that can be recognized as an asset. It also explains how the defined benefit asset or liability may be affected by a statutory or contractual minimum funding requirement. The funded and unfunded gratuity schemes of the company are not subject to any minimum funding requirements and the requirements of this interpretation have only been applied to assess the surplus arising in the company's books under the funded gratuity scheme.

2.3 **Standards, amendments to published standards and interpretations effective in 2008-2009 but not relevant:**

There are certain new standards, amendments to published standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2008 but are considered not to be relevant or have any significant effect on the company's operations and are, therefore not disclosed in these financial statements.

2.4 **Standards, interpretations and amendments to published approved accounting standards and interpretations not yet effective.**

The following standards, amendments and interpretations of International Financial Reporting Standards will be effective for accounting periods beginning on or after January 1, 2009:

IAS 1 (Revised) 'Presentation of Financial Statements' introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement), or in an income statement and a separate statement of comprehensive income. The adoption of this standard will only impact the presentation of the financial statements.

IAS 19 (Amendment), 'Employee benefits':

– The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. Adoption of the amendment is not expected to have any effect on the company's financial statements.

– The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of defined benefit obligation. Adoption of the amendment is not expected to have any effect on the company's financial statements.

– The distinction between short term and long term employee benefits will be based whether benefits are due to be settled within or after twelve months of employee service being rendered. Adoption of this amendment will only impact the presentation of the financial statements.

– IAS 37, 'Provisions, contingent liabilities and contingent assets, requires contingent liabilities to be disclosed, not recognized. IAS 19 has been amended to be consistent with IAS 37.

IAS 23 (Revised) 'Borrowing Costs' removes the option to expense borrowing costs and requires that an entity capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. This amendment is not expected to have a significant effect on the company's financial statements.

IAS 36 (Amendment), 'Impairment of assets'. As per the new requirements, where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. This amendment is not expected to have a significant effect on the company's financial statements.

IAS 38 (Amendment), 'Intangible assets'. The amended standard states that a prepayment may only be recognized in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. This amendment is not expected to have a significant effect of the company's financial statements.

IFRS 8 'Operating Segments' introduces the "management approach" to segment reporting. IFRS 8, requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the company's decision makers in order to assess each segment's performance and to allocate resources to them. This IFRS will have no impact on the financial statements of the company.

IFRS 2 (Amendment) 'Share-based Payment - Vesting Conditions and Cancellations' clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to IFRS 2 will have no impact on the company's financial statements as the company has no such share based payments.

IFRS 3 (Revised) 'Business Combination' which effective for annual periods beginning on or after July 1, 2009, broadens among other things the definition of business resulting in more acquisitions being treated as business combinations, contingent consideration to be measured at fair value, transaction costs other than the share and debt issue costs to be expensed, any pre existing interest in an acquiree to be measured at fair value, with the related gain or loss recognized in profit or loss and any non controlling (minority) interest to be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of an acquiree, on a transaction by transaction basis. However, it has no impact on the company's financial statements.

IAS 27 (Amended) 'Consolidated and Separate Financial Statements (2008)' requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognized as an equity transaction. When the Group loses control of a subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognized in profit or loss. The amendments to IAS 27 will have no impact on these financial statements.

IAS 32 (Amendment) 'Financial Instruments'. Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation requires puttable instruments, and instruments that impose on the entity an obligation to deliver to another party a pro rata share of the net assets of the entity only on liquidation, to be classified as equity if certain conditions are met. These amendments will have no impact on financial statements of the company.

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2009 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.

3. BASIS OF PREPARATION

3.1 Measurement

These financial statements have been prepared under the historical cost convention, except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

3.2 Significant Accounting Judgments and Estimates

The preparation of financial statements in conformity with approved accounting standards, as stated in note 2.1 above, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

– Accounting for retirement benefit obligations

– Recognition of provision for current taxation (current and prior years) and deferred taxation

– Accrued liabilities

– Calculation of provision for warranty

– Determining the recoverable amounts, useful lives and residual values of property, plant and equipment

3.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupees which is the company's functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

4.1 Employees' Benefits

Defined Benefit Plan

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 scheme are made on the basis of actuarial valuation and are charged to Profit and Loss Account. The valuation of both the schemes was carried out as at 30 June, 2009 using the "Projected Unit Credit Method".

The amount recognized in the balance sheet represents the present value of defined benefit obligation as adjusted for unrecognized transitional liability as reduced by fair value of the plan assets, if any. Any asset resulting from this calculation is limited to unrecognized actuarial losses plus the present value of available refunds and reductions in future contributions to the plan.

Cumulative net unrecognized actuarial gain or loss at the end of the prior year which exceeds 10% of the greater of the present value of the company's obligation and fair value of plan assets, if any, are amortized over the average expected remaining working lives of employees.

Defined Contribution Plan

The Company operates a recognized provident fund for all of its employees. Equal monthly contributions are made, both by the company and the employees, to the fund, in the case of:

– management staff at the rate of 11 per cent of basic salary

– non-management staff at the rate of 11 per cent of basic salary and cost of living allowance.

The assets of the fund are held separately under the control of trustees.

Employee Compensated Absences

Employees' entitlements to annual leave are 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.

4.2 Trade and Other Payables

Trade and other payables are stated at their cost which is the fair value of the consideration to be paid for goods and services ,whether or not billed to the company.

4.3 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 for current year's taxation is based on taxable income for the year at the current rates of taxation after taking into account tax credits and tax rebates available, if any, and taxes paid under the presumptive tax regime in respect of imports.

Deferred

Deferred tax is provided using the balance sheet liability method on all temporary differences arising from differences between tax bases of assets and liabilities and their carrying amount for financial statements reporting purpose.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses and available tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the related temporary differences reverse, based on tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.4 Property, Plant and Equipment

Operating fixed assets other than leasehold land are stated at cost less accumulated depreciation and impairment losses, if any. Leasehold land is stated at revalued amount.

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

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

The company assesses at each balance sheet 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.

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

Depreciation is charged to income on the reducing balance basis except computers & accessories. Depreciation on computers & accessories is charged to income on a straight line basis. Depreciation is charged at rates stated in note 6.1.

Depreciation on additions is charged from the month the assets are available for use while in the case of disposals, depreciation is charged upto the month in which the assets are disposed off.

The depreciation method and useful lives of items of 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 the depreciation charge for the current and future periods.

Normal repairs and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized and are depreciated over the remaining useful life of the related assets.

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

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.

4.5 Intangible Assets

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

Cost associated with developing or maintaining computer software programs are recognized 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 recognized as intangible assets. Direct costs include staff cost, costs of the software development team and an appropriate portion of relevant overheads.

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

Computer software development costs recognized as assets are amortized using the straight-line method over a period of two years.

4.6 Investments

Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held to maturity and are initially measured at cost and at subsequent reporting dates measured at amortized cost using the effective yield method.

Investment at fair value through profit or loss are initially measured at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair value (quoted market price), unless fair value cannot be reliably measured. The investments for which a quoted market price is not available, are measured at cost as it is not possible to apply any other valuation methodology. Realized and unrealized gains and losses arising from changes in fair value are included in the net profit or loss for the period in which they arise.

Investments which are not classified as held to maturity investments, financial assets at fair value through profit and loss or loan and advances are classified as available for sale investments and are initially recognized at cost, being the fair value of the consideration given. After initial measurement, available for sale investments are measured at fair value with unrealized gains or losses being recognized directly in equity. When the investment is disposed off, or is determined to be impaired, the cumulative gain or loss previously recognized in equity is recognized in profit and loss account.

Investments intended to be held for less than twelve months from the balance sheet date are included in current assets, all other investments are classified as non-current assets. Management determines the appropriate classification of it's investments at the time of the purchase and re-evaluates such designation periodically.

All purchases and sales of investments are recognized on the trade date which is the date that the company commits to purchase or sell the investment. Cost of purchase excludes transaction cost.

At each reporting date, the company reviews the carrying amounts of the investments to assess whether there is any indication that such investments have suffered an impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment losses are recognized as expense. Where an impairment loss subsequently reverses, the carrying amount of the investment is increased to the revised recoverable amount but limited to the extent of initial cost of the investment. A reversal of the impairment loss is recognized in income.

4.7 Stores, Spare parts and Loose tools

Stores, spare parts 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 invoice value plus other charges thereon accumulated upto the balance sheet date.

4.8 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 balance sheet 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.

4.9 Trade debts and other receivables

Trade debts and other receivables are carried at cost less provisions for any uncollectible amount. An estimate is made for doubtful receivables when collection of the amount is no longer probable. Debts considered irrecoverable are written off.

4.10 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 term deposits, cash and bank balances.

4.11 Revenue Recognition

- Sales of goods are recorded when goods are delivered and title has passed on to the customers.

- Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

- Dividend income from investments is recognized when the Company's rights to receive payment has been established.

4.12 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to income in the period in which they are incurred.

4.13 Foreign Currency Translation

Transactions in foreign currencies are initially recorded in Pakistan rupees at the rates of exchange ruling on the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated into Pakistan rupees at the exchange rates prevailing on the balance sheet date.

Exchange differences are included in income currently.

In order to hedge its exposure to foreign exchange risks, the Company enters into forward exchange contracts. Such transactions are translated at contracted rates. All exchange differences are included in the profit and loss account.

4.14 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made.

Contingent assets are not recognised and are also not disclosed unless an inflow of economic benefits is probable and contingent liabilities are not recognised and are disclosed unless the probability of an outflow of resources embodying economic benefits is remote.

4.15 Warranty

The Company recognizes the estimated liability to replace products still under warranty at the balance sheet date. This provision is calculated based on past history of the level of replacements.

4.16 Dividend

Dividend is recognized as liability in the period in which it is approved by the shareholders.

4.17 Financial Instruments

The Company's principal financial assets are cash & bank balances, trade debts, advance and deposits, other receivables and investments. Significant financial liabilities include short term borrowings and trade & other payable.

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost as the case may be.

4.18 Offsetting of financial asset and financial liability

A financial asset and a financial liability is set-off and the net amount is reported in the balance sheet if the company has a legal right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.19 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.

4.20 Impairment

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account.

4.21 Related Party transactions

Transactions with related parties are carried out at arm's length prices determined in accordance with the methods prescribed in the Companies Ordinance 1984, except for the assets sold to employees at written down value under the Company vehicle scheme as approved by the Board of directors.

Royalty is stated in accordance with the terms of Technical agreement duly registered with State Bank of Pakistan.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	2009	2008
		Rupees in '000'	
Operating fixed assets	5.1	576,825	468,522
Capital work in progress	5.7	58,469	49,340
		635,294	517,862

5.1 Operating fixed assets

Owned — Rupees in '000'

	Leasehold land	Buildings on leasehold land	Plant and machinery	Moulds dies & jigs	Factory equip-ment	Office equip-ment	Computer & accesso-ries	Furniture and fixtures	Air conditio-ners	Gas installa-tion	Electrical installa-tion	Vehicle	Fork lifter	Labora-tory equip-ment	TOTAL
At June 30, 2007															
Cost	435	61,973	287,170	40,063	25,263	1,187	7,098	2,188	3,682	135	15,668	36,752	3,270	4,529	489,413
Accumulated depreciation	14	26,307	93,278	25,970	7,166	805	5,907	1,364	1,801	122	3,458	8,993	2,337	2,962	180,484
Net book value	421	35,666	193,892	14,093	18,097	382	1,191	824	1,881	13	12,210	27,759	933	1,567	308,929
Year ended June 30, 2008															
Additions	-	-	14,476	-	987	-	1,563	-	186	-	177	8,864	1,132	374	27,759
Revaluation	173,765	-	-	-	-	-	-	-	-	-	-	-	-	-	173,765
Transferred to Surplus	21	-	-	-	-	-	-	-	-	-	-	-	-	-	21
Disposals															
- Cost	-	-	-	-	-	-	-	-	-	-	-	10,157	125	-	10,282
- Depreciation	-	-	-	-	-	-	-	-	-	-	-	(3,884)	(125)	-	(4,009)
Depreciation charge	7	3,567	20,155	1,409	1,818	38	955	82	199	1	1,227	5,719	338	164	35,679
Net book value as at June 30, 2008	174,200	32,099	188,213	12,684	17,266	344	1,799	742	1,868	12	11,160	24,631	1,727	1,777	468,522
Year ended June 30, 2009															
Additions	-	40,316	92,189	7,825	3,614	-	655	-	198	-	4,647	5,819	-	-	155,263
Disposals															
- Cost	-	-	-	-	-	-	-	-	-	-	-	5,895	-	-	5,895
- Depreciation	-	-	-	-	-	-	-	-	-	-	-	(2,017)	-	-	(2,017)
Depreciation charge	-	6,198	24,557	1,931	1,969	34	932	74	195	1	1,470	5,198	345	178	43,082
Net book value as at June 30, 2009	174,200	66,217	255,846	18,578	18,911	310	1,522	668	1,871	11	14,337	21,374	1,382	1,599	576,825
At June 30, 2008															
Cost	174,200	61,973	301,646	40,063	26,250	1,187	8,661	2,188	3,868	135	15,845	35,459	4,277	4,903	680,655
Accumulated depreciation	-	29,874	113,433	27,379	8,984	843	6,862	1,446	2,000	123	4,685	10,828	2,550	3,126	212,133
Net book value	174,200	32,099	188,213	12,684	17,266	344	1,799	742	1,868	12	11,160	24,631	1,727	1,777	468,522
At June 30, 2009															
Cost	174,200	102,289	393,835	47,888	29,864	1,187	9,316	2,188	4,066	135	20,492	35,383	4,277	4,903	830,023
Accumulated depreciation	-	36,072	137,989	29,310	10,953	877	7,794	1,520	2,195	124	6,155	14,009	2,895	3,304	253,198
Net book value	174,200	66,217	255,845	18,578	18,911	310	1,522	668	1,871	11	14,337	21,374	1,382	1,599	576,825
Depreciation rate (%)	-	10	10	10	10	10	30	10	10	10	10	20	20	10	

5.2 Borrowing cost capitalized during the year in the building on leasehold land amounted to Rs. 54 thousand (2008:Nil). Borrowing cost was related to general and was capitalized at the rate of 10.19% per annum (2008: Nil)

5.3 The company's leasehold land was revalued on June 30, 2008 by Surval, an independent Valuer which produced revaluation surplus of Rs.173,765 thousands over the written down value (WDV) of Rs.435 thousands. The surplus has been added to the value of such assets and corresponding increase has been credited to the surplus on revaluation of fixed asset account. The valuation of land based on present market value in the similar area.

Had there been no revaluation, the net book value of the lease holdhold land would amounted to Rs. 407 thousand (2008: Rs. 414 thousand).

	Note	2009	2008
		Rupees in '000'	
5.4 Depreciation charged for the year has been allocated as follow:			
Cost of goods manufactured	25.1	38,267	30,721
Distribution costs	26	2,056	2,098
Administrative expenses	27	2,759	2,860
		43,082	35,679

5.5 Certain moulds, dies & jigs having cost of Rs.17,817 thousand (2008: Rs.17,817 thousand) and book value Rs.4,767 thousand (2008: Rs 5,296 thousand) are held by Pak Polymer (Private) Limited, Paramount Moulding, Decent Engineering, Hytec Plastic, Diwan Plastics and Al-Huda Plastics for production of components to be supplied to the Company.

5.6 **Disposal of fixed assets**

Particulars of operating fixed assets having written down value (WDV) exceeding Rs 50,000 each disposed off during the year are as follows:

Rupees in '000'

Particulars	Cost	Accumulated depreciation	WDV	Sale Proceed	Profit / (Loss)	Mode of disposal	Particulars of buyers
VEHICLES							
Suzuki Alto	504	121	383	383	-	Company Policy	Sheikh Adeel ur Rehman, Executive
Diatsu Coure	497	89	408	408	-	Company Policy	Syed Kausar Abbas Rizvi, Ex-employee
Suzuki Mehran	449	37	412	449	37	Insurance Claim	Atlas Insurance Limited, (Associated Company), Federation House, Shara-e-Firdiousi, Clifton, Karachi
Honda Civic	1,476	484	992	992	-	Company Policy	Atlas Insurance Limited, (Associated Company),
Honda Accord	1,673	549	1,124	1,124	-	Company Policy	Atlas Insurance Limited, (Associated Company),
Honda CG 125	73	12	61	73	12	Insurance Claim	Atlas Insurance Limited, (Associated Company)
	4,672	1,292	3,380	3,429	50		
Aggregate values of items where WDV is less than Rs.50,000	1,224	725	498	858	360	Company Policy / Insurance Claims	Various
2009	5,895	2,017	3,878	4,288	410		
2008	10,282	4,009	6,273	7,354	1,081		

	Note	2008	Addition	(Transfers)	**2009**
			Rupees in '000'		
5.7 Capital Work in Progress					
Land	5.7.1	20,000	28,105	-	48,105
Building		26,203	12,137	(38,340)	-
Plant and Machinery		615	63,801	(64,352)	64
Moulds, dies & jigs		642	4,487	(5,129)	-
Factory Equipment		-	10,300	-	10,300
Electric Installation		1,880	2,539	(4,419)	-
		49,340	121,369	(112,240)	58,469

5.7.1 This represents cost of land purchased in Sundar Industrial Estate, Raiwind, Lahore. The physical possession of the plot and execution of agreement to sell is pending in terms of conditions mentioned in the application form and byelaws of Sunder Industrial Estate. The NOC and sale deed in favour of the company shall be issued after completion of the project.

	Note	**2009**	2008
		Rupees in '000'	
6. INVESTMENTS - AVAILABLE FOR SALE			
Unquoted			
Arabian Sea Country Club Limited			
100,000 (2008: 100,000) ordinary shares of Rs. 10 each.		1,000	1,000
Less: Impairment in the value of investment		(1,000)	(1,000)
		-	-
7. LONG TERM DEPOSITS			
Utility & Other Deposits		2,439	4,012
8. STORES, SPARES & LOOSE TOOLS			
Consumables stores		7,970	8,146
Maintenance spares		5,285	3,207
Loose tools		486	488
Goods in transit		381	1,127
		14,122	12,968
9. STOCK IN TRADE			
Raw materials & components:			
In hand		163,641	116,759
With third parties		45,713	104,576
	25.2	209,354	221,335
Work in Process	25.1	90,802	108,099
Finished Goods	25	47,612	47,807
Goods in transit		86,826	33,431
		434,594	410,672

9.1 Stock in trade and trade debts upto a maximum amount of Rs.1,135.9 million (2008: Rs.1,135.9 million) are under hypothecation as security for the company's short term borrowings (Note 21.2).

	Note	2009	2008
		Rupees in '000'	

10. TRADE DEBTS

Considered Good:			
Export - Secured		3,206	-
Local - Unsecured		85,315	77,387
		88,521	77,387

10.1 Trade debts include the following amounts due from associated companies.

Atlas Honda Limited		15,207	-
Honda Atlas Cars (Pakistan) Limited		1,354	3,612
		16,561	3,612

11. LOANS AND ADVANCES

Considered good - unsecured			
Loan and advances due from:			
Executives		-	622
Non executives		426	466
		426	1,088
Advances to suppliers, contractors and others		1,955	387
		2,381	1,475

11.1 The maximum amount due from executives at the end of any month was Rs. 594 thouand (2008: Rs.1,716 thousand).

	Note	2009	2008
		Rupees in '000'	

12. TRADE DEPOSITS AND PREPAYMENTS

Trade deposits	12.1	6,225	74,091
Guarantee deposits		-	24
Prepayments		800	76
		7,025	74,191

12.1 This includes Rs.1,411 thousand (2008: Rs.70,577 thousand) representing margin maintained with various banks against letters of credit including an amount of Rs. Nil (2008: Rs.9,183 thousand) maintained with Atlas Bank Limited - an associated Company.

	Note	2009	2008
		Rupees in '000'	

13. INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

2009	2008		2009	2008
No of Units				
612,204	Nil	ABL Income Fund	6,132	-

13.1 554,122 units amounting to Rs.5,550 thousand are under lien against bank guarantee amounting to Rs.3,495 thousand issued in favour of Sui Southern Gas Company, on behalf of the company

	Note	2009	2008
		Rupees in '000'	

14. ACCRUED MARKUP / INTEREST

	Note	2009	2008
Interest accrued on:			
Long term deposit		4	175
Term Deposit Receipt (TDR)		10	-
		14	175

15. OTHER RECEIVABLES

	Note	2009	2008
Receivable from Government:			
Income tax deducted at source / paid in advance		73,725	56,480
Sales Tax		5,065	-
		78,790	56,480
Other receivables	15.1	1,952	2,240
		80,742	58,720

15.1 It represents claim receivable from Atlas Insurance Limited - an associated company.

	Note	2009	2008
		Rupees in '000'	

16. CASH AND BANK BALANCES

	Note	2009	2008
In current account	16.1	8,327	1,474
In imprest account	16.2	119	237
Term deposits	16.3	700	-
Cheques in hand		19,746	47,563
		28,892	49,274

16.1 Current account includes Rs.1,317 thousand (2008: Rs 446 thousand) held with Atlas Bank Limited - an associated Company.

16.2 Imprest account includes Rs. 3 thousand (2008: Rs 120 thousand) held with Atlas Bank Limited - an associated company.

16.3 Term deposit receipt of Allied Bank Limited carry annual markup of 12.5%. The deposit shall mature on June 14, 2010.

17. SHARE CAPITAL

2009	2008		2009	2008
No of Shares			Rupees in '000'	
		Authorized Capital		
10,000,000	10,000,000	Ordinary shares of Rs. 10 each	100,000	100,000
		Issued, subscribed and paid up capital		
1,300,000	1,300,000	Ordinary shares of Rs. 10 each fully paid in cash	13,000	13,000
5,692,579	5,692,579	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	56,926	56,926
6,992,579	6,992,579		69,926	69,926

17.1 The holders of ordinary shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to company's residual assets.

17.2 Ordinary shares of Rs. 10 each were held by associated undertakings as at June 30, 2009 are as follows:

	2009	2008
	(No. of shares)	
Atlas Insurance Company Limited	121,939	121,939
Atlas Foundation	128,550	128,550
Shirazi Investment (Private) Limited	2,090,099	2,090,099
Shirazi Capital (Private) Limited	1,364,573	1,364,573
GS Yuasa International Limited	1,048,880	1,048,880
	4,754,041	4,754,041

18. DEFERRED LIABILITIES

	Note	2009	2008
		Rupees in '000'	
Provision for gratuity - Non management	18.1	1,325	1,334
Compensated leave absences	18.2	19,863	16,110
Deferred taxation	18.3	64,439	44,379
		85,627	61,823

18.1 **The amount recognized in the balance sheet is as follows:**

	Management		Non-management	
	2009	2008	2009	2008
	Funded		Unfunded	
	(Rupees in '000)			
Present value of defined benefit obligation (actuarial liability)	26,614	29,173	1,088	1,114
Fair value of plan assets	(21,893)	(20,882)	-	-
Payable/(receivable) to associated companies in respect of transferees	8,039	-	-	-
Unrecognized actuarial gain / (loss)	(11,013)	(6,902)	237	220
Balance at end	1,747	1,389	1,325	1,334
Movement in net obligation:				
Net Liability as at July 01	1,389	1,182	1,334	1,257
Charge for the year	1,747	1,389	150	128
Contributions	(1,389)	(1,182)	(159)	(51)
Net Liability as at June 30	1,747	1,389	1,325	1,334
Actual return on plan assets	902	1,677	-	-

	Management 2009	Management 2008	Non-management 2009	Non-management 2008
	Funded		Unfunded	
	(Rupees in '000)			

Movement in the present value of defined benefit obligation is as follows:

	2009	2008	2009	2008
Present value of defined benefit obligation as at July 01	29,173	26,728	1,114	1,073
Current service cost	1,364	841	37	41
Interest cost	3,484	1,988	123	94
Benefit paid	(1,105)	(3,812)	(159)	(51)
Actuarial (gain) / loss	1,737	3,428	(27)	(43)
Liability recognized in respect of Transferred In	982	-	-	-
Liability released in respect of Transferred Out	(9,021)	-	-	-
Present value of defined benefit obligation as at June 30	26,614	29,173	1,088	1,114

Movement in the fair value of plan assets is as follows:

	2009	2008	2009	2008
Fair value of plan assets as at July 01	20,882	14,161	-	-
Expected return on plan assets	3,433	1,526	-	-
Contributions	1,389	1,182	-	-
Benefits paid	(1,105)	(3,812)	-	-
Actuarial gain / (loss)	(2,706)	149	-	-
Receivable/(payable) to associated companies in respect of transferees	-	7,676	-	-
Fair value of plan assets as at June 30	21,893	20,882	-	-
Plan assets comprises:				
Debt	11,171	8,413	-	-
Equity	10,655	12,422	-	-
Cash	67	47	-	-
	21,893	20,882	-	-

Historical information	2009	2008	2007	2006	2005
Management - Funded:					
Present value of defined benefit obligation	26,614	29,173	26,728	14,631	16,649
Fair value of plan assets	(21,893)	(20,882)	(14,161)	(12,392)	(10,608)
Surplus / (deficit)	4,721	8,291	12,567	2,239	6,041
Experience adjustment on obligation (gain)/loss	1,737	3,428	3,717	(988)	1,450
Experience adjustment on plan assets (gain)/loss	(2,522)	150	(454)	(528)	(100)

	2009	2008	2007	2006	2005
Non-management - Unfunded					
Present value of defined benefit obligation	1,088	1,114	1,073	(1,035)	(1,134)
Fair value of plan assets	-	-	-	-	-
Surplus / (deficit)	1,088	1,114	1,073	1,035	1,134
Experience adjustment on obligation (gain)/loss	(27)	(43)	53	(151)	131
Experience adjustment on plan assets (gain)/loss	-	-	-	-	-

The charge for the year has been allocated as follows:

	Note	Management 2009	Management 2008	Non-management 2009	Non-management 2008
		Funded		Unfunded	
		(Rupees in '000)			
Cost of sales	25.4	553	462	149	128
Distribution cost	26.2	2,354	340	-	-
Administrative expenses	27.2	716	587	-	-
		3,623	1,389	149	128

Principal actuarial assumptions as at June 30, 2009:

	Management 2009	Management 2008	Non-management 2009	Non-management 2008
Discount rate	12%	12%	12%	12%
Expected long term rate of return on plan assets	12%	12%	12%	12%
Expected long term rate of future salary increases per annum	11%	11%	11%	11%
Expected death in service	Based on the LIC (1975-79) Ultimate mortality tables.			
Return on investment	12%	12%	12%	12%

	2009	2008
	Rupees in '000'	
18.2 Compensated leave absences		
Balance at beginning	16,110	14,845
Add: Provision for the year	4,298	4,627
	20,408	19,472
Less : Payments during the year	545	3,362
	19,863	16,110

18.3 Deferred taxation

The deferred tax liability comprises of (deductible) / taxable temporary differences in respect of the following:

	2009	2008
Deferred credit arising in respect of accelerated tax		
Accelerated tax depreciation / amortization	74,889	53,262
Provision for gratuity	(1,075)	(953)
Provision for impairment in available for sale investments	(350)	(350)
Provision for warranty	(2,073)	(1,942)
Provision for compensated leave absences	(6,952)	(5,638)
	64,439	44,379

	Note	2009	2008
		Rupees in '000'	
18.4 Movement of deferred tax liability			
Opening balance		44,379	46,779
Increase / (decreased) in deferred tax liabilities		21,627	(930)
Decrease in deferred tax assets		(1,567)	(1,470)
Charge / (reversal) for the year		20,060	(2,400)
		64,439	44,379

19. TRADE AND OTHER PAYABLES

	Note	2009	2008
Trade creditors		115,921	46,233
Accrued liabilities	19.1	166,153	92,065
Provision for warranty	19.2	5,923	5,549
Customers advances & credit balances		23,237	16,464
Tax deductions		2,613	1,314
Sales tax / Special Excise Duty payable		2,559	14,716
Workers' Profit Participation Fund	19.3	132	93
Provision for gratuity - Management	18.1	1,747	1,389
Workers' Welfare Fund	19.4	5,570	3,421
Unclaimed dividend	19.5	2,727	1,954
Other liabilities	19.6	2,744	2,069
		329,326	185,267

19.1 Accrued liabilities include the following amounts due to associated companies

		2009	2008
GS Yuasa International Limited Japan		31,336	51,786
Atlas Insurance Limited		8,921	5,041
		40,257	56,827

19.2 Provision for Warranty

		2009	2008
Balance as at July 1		5,549	2,894
Add: Provided during the year		33,859	34,045
		39,408	36,939
Less: Paid / reversed during the year		33,485	31,390
Balance as at June 30		5,923	5,549

19.3 Workers' Profit Participation Fund

	Note	2009	2008
Balance as at July 1		93	6,791
Interest on funds utilized in the company's business at 56.25% per annum (2008: 45%) per annum	30	8	1,130
		101	7,921
Less : Payment made during the year		14,626	16,614
		(14,525)	(8,693)
Contributions for the year	29	14,657	8,786
Balance as at June 30		132	93

	Note	2009	2008
		Rupees in '000'	
19.4 Workers' Welfare Fund			
Balance as at July 1		3,421	2,495
Less: Paid during the year		3,444	1,877
		(23)	618
Add: Charge for the current year	29	5,569	3,420
(Adjustment) / prior year		24	(617)
		5,593	2,803
Balance as at June 30		5,570	3,421
19.5 Unclaimed dividend			
Dividends		2,699	1,926
Bonus fractions		28	28
		2,727	1,954

The board of directors have proposed a final dividend for the period ended June 30, 2009 of Rs. 10.00 (2008: Rs.7.5) per share, at their meeting held on August 27, 2009 for approval of the members at the Annual General Meeting to be held on September 29, 2009. These financial statements do not reflect this dividend payable as explained above.

19.6 Other liabilities include vehicle deposits under company vehicle policy amounting to Rs. 2,569 thousand (2008: 1,876 thousand).

	Note	2009	2008
		Rupees in '000'	
20. ACCRUED MARK-UP			
Short term borrowing - secured	20.1	1,603	7,057

20.1 Accrued mark-up includes Rs. Nil (2008: Rs.2.79 million) due to Atlas Bank Limited - an associated company.

21. SHORT TERM BORROWINGS-SECURED			
Running finance from Banks	21.1 & 21.2	103,616	263,002
Demand Finance		-	50,000
		103,616	313,002

21.1 Included in short term finances is an aggregate ammount of Rs. Nil (2008: Rs. 89.207 thousand) which is payable to Atlas Bank Limited - an associated company.

21.2 The Company has facilities for short-term running finance from various banks under mark-up arrangements amounting to Rs.850 million (2008: Rs.850 million). The facilities carry mark-up at the rate of one month KIBOR + 0.75% per annum to three months KIBOR + 1.25% (2008: one month KIBOR + 0.70% to three months KIBOR + 0.80%). The markup on running finance facilities is payable on quarterly basis.

The Company has demand finance facility from Allied Bank Limited amounting to Rs. 150 million (2008: Rs. 150 million) The facility carries mark-up at the rate of three months KIBOR + 1.25% per annum (2008: one month KIBOR + 0.55% per annum). The Company has also FE-25 facility from various banks amounting to Rs. 525 million (2008: 525 million). The facility carry mark-up at the rate of LIBOR + 1.5% per annum to one month LIBOR +2% per annum (2008: one month LIBOR +1.5% per annum to one month LIBOR +2% per annum). These facilities are available to the company as a sub-limit of its running finance facilities.

The above facilities are secured against joint hypothecation / ranking charge on stock in trade and trade debts amounting to Rs.1,135.9 million (2008: Rs.1,135.9 million). These facilities are expiring on various dates by December 31, 2009.

The facility for opening letters of credit as at June 30, 2009 amounted to Rs. 1,100 million (2008: Rs. 1,100 million) of which the amount remaining unutilized at the year end was Rs. 897.546 million (2008: Rs. 836.54 million). The facility is secured against lien on import documents.

22. PROVISION FOR TAXATION

	Note	2009	2008
		Rupees in '000'	
Balance at beginning		59,489	26,540
Add: Provision made during the year			
Current year	22.1	74,652	59,489
Prior year		489	246
		75,141	59,735
Less: Payment during the year		59,978	26,786
		74,652	59,489

22.1 Relation between income tax expense and accounting profit

	%	2009	2008
Profit before tax		272,880	164,131
- Tax at the applicable income tax rate	35	95,508	57,446
- Tax effect of temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes	-7.52	(20,532)	1,292
- Effect of applicability of certain exemptions on certain income and other tax debits/credits	-0.28	(765)	(436)
- Effect of difference in tax rates under normal assessment and presumptive tax regime	-0.03	(78)	892
- Adjustment in respect of current income tax of previous periods	0.18	489	246
- others	0.01	30	49
		74,652	59,489

	Note	2009	2008
		Rupees in '000'	
23. CONTINGENCIES & COMMITMENTS			
23.1 Guarantees			
Issued by bank on behalf of the company to Sui Southern Gas Company Limited against gas supply deposit.		3,495	249
23.2 Commitments			
Confirmed letters of credit relating to:			
- Raw-materials and stores, spare parts and loose tools		161,261	206,564
- Plant and equipment		36,931	56,899
24. NET SALES			
Export sales		3,206	-
Local sales		4,079,855	3,376,598
		4,083,061	3,376,598
Less: Trade discount & incentives		(358,229)	(309,361)
Sales Tax & Special Excise Duty		(568,025)	(438,417)
		3,156,807	2,628,820
25. COST OF SALES			
Stock at beginning		47,807	35,130
Cost of goods manufactured	25.1	2,626,545	2,231,084
Finished goods purchased		-	23,530
		2,626,545	2,254,614
		2,674,352	2,289,744
Stocks at end	9	47,612	47,807
		2,626,740	2,241,937

	Note	2009	2008
		Rupees in '000'	

25.1 COST OF GOODS MANUFACTURED

	Note	2009	2008
Work in process at beginning		108,099	66,759
Raw materials & components consumed	25.2	2,114,974	1,894,836
Salaries, wages & benefits	25.3 & 25.4	135,739	103,366
Stores consumed		75,955	57,580
Light, heat & water		121,713	72,332
Insurance		8,645	7,423
Rent, rates & taxes		2,371	1,012
Repair & maintenance		16,093	8,396
Royalty		31,496	51,945
Federal Excise Duty on royalty		5,758	1,209
Cartage		3,777	2,771
Traveling, conveyance and entertainment		9,908	3,951
Postage & telephone		752	562
Printing & Stationery		917	941
Vehicle running		352	360
Depreciation	5.4	38,267	30,721
Free replacement		41,117	34,045
Other manufacturing expenses		1,414	974
		2,717,347	2,339,183
Work in Process at end	9	90,802	108,099
		2,626,545	2,231,084

25.2 RAW MATERIALS & COMPONENTS CONSUMED

	Note	2009	2008
Stock at beginning		221,335	115,474
Purchases		2,102,993	2,000,697
		2,324,328	2,116,171
Stock at end	9	209,354	221,335
		2,114,974	1,894,836

25.3 Salaries, wages & benefits include Rs.2,040 thousand (2008: Rs.1,635 thousand) in respect of retirement benefit contribution.

25.4 The following amounts have been charged to cost of sales during the year in respect of gratuity:

	2009		2008	
	Rupees in '000'			
	Funded	**Unfunded**	Funded	Unfunded
Current service cost	432	37	277	40
Interest costs	1,103	123	657	94
Expected return on plan assets	(1,087)	-	(504)	-
Amortization of loss/(gain)	105	(11)	32	(6)
	553	149	462	128

26. DISTRIBUTION COST

	Note	2009	2008
		Rupees in '000'	
Salaries & benefits	26.1 & 26.2	36,552	25,605
Traveling, conveyance, entertainment		8,849	7,213
Vehicle running		116	114
Rent, rates & taxes		2,533	2,295
Advertisement and sales promotion		18,849	8,455
Repairs & maintenance		599	370
Gas & electricity		934	952
Freight & forwarding		39,531	53,743
Printing & stationery		404	394
Postage & telephone		2,424	3,419
Depreciation	5.4	2,056	2,098
Services charges		352	332
Insurance		10,833	9,656
Newspapers, magazines & subscription others		327	311
		124,359	114,957

26.1 Salaries and benefits include Rs.1,237 thousand (2008: Rs.1,006 thousand) in respect of retirement benefit contribution.

26.2 The following amounts have been charged to distribution cost during the year in respect of gratuity:

	2009	2008
	Rupees in '000' Funded	
Current service cost	373	204
Interest costs	952	482
Expected return on Plan Assets	938	(370)
Amortization of loss	91	24
	2,354	340

27. ADMINISTRATIVE EXPENSES

	Note	2009	2008
		Rupees in '000'	
Directors' meeting fee	36.2	110	100
Salaries & benefits	27.1 & 27.2	53,622	39,664
Traveling, conveyance & entertainment		5,341	5,143
Rent, rates & taxes		1,886	1,714
Insurance		1,261	1,502
Legal & professional charges		494	528
Fees & subscription		1,048	473
Postage & telephone		671	546
Printing & stationery		683	717
Vehicle running		226	270
Training expense		800	1,194
Depreciation	5.4	2,759	2,860
Donation	27.3	1,642	1,230
Others		6	16
		70,549	55,957

27.1 Salaries and benefits include Rs.2,214 thousand (2008: Rs.1,770 thousand) in respect of retirement benefit contribution.

27.2 The following amounts have been charged to administration expenses during the year in respect of gratuity:

	2009	2008
	Rupees in '000' Funded	
Current service cost	559	360
Interest costs	1,429	850
Expected return on Plan Assets	(1,408)	(653)
Amortization of loss	136	30
	716	587

27.3 Donations include Rs.1,642 thousand (2008: Rs.1,220 thousand) paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi. Mr. Yusuf H. Shirazi, Chairman is on the Board of the Foundation.

	Note	2009	2008
		Rupees in '000'	
28. OTHER OPERATING INCOME			
Income from financial assets:			
Interest on deposits		194	175
Gain on sale of investments		493	15
Net change in fair value of investments at fair value through profit or loss		51	-
Income from non financial assets:			
Scrap Sales		1,001	658
Gain on sale of fixed assets		410	1,081
		2,149	1,929
29. OTHER OPERATING EXPENSES			
Auditor's remuneration	29.1	641	642
Workers' Profit Participation Fund	19.3	14,657	8,786
Workers' Welfare Fund	19.4	5,593	2,803
		20,891	12,231
29.1 Auditor's Remuneration			
Audit fee		375	220
Half Yearly review of financial statements		70	70
Review of Code of Corporate Governance		68	68
Audits of gratuity funds, provident funds and WPPF		73	196
Certification of Royalty, technical fee and dividend		34	66
Out of pocket expenses		21	22
		641	642
30. FINANCE COST			
Interest / mark-up / return on:			
Short term borrowings	30.1	41,590	38,391
Workers' profit participation fund	19.3	8	1,130
Other financial charges		1,939	2,015
		43,537	41,536

30.1 Finance cost includes 3.445 million (2008: 6.718 million) charged by Atlas Bank Limited - an associated company.

	2009	2008
	Rupees in '000'	
31. TAXATION		
Current year	74,652	59,489
Prior years	489	246
Deferred	20,061	(2,400)
	95,202	57,335
32. EARNINGS PER SHARE - BASIC AND DILUTED		
Earnings for purposes of basic earnings per share (net profit after tax for the year)	177,678	106,796
Weighted average number of outstanding ordinary shares for the purposes of basic earnings per share	6,992,579	6,992,579
Basic and diluted earnings per share - Rupees	25.41	15.27
33. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before taxation	272,880	164,131
Adjustment for:		
Depreciation	43,082	35,679
Unrealised (gain) on remeasurement of investment	(51)	-
(Gain) on sale of investment	(493)	(15)
Interest expense	43,537	39,521
Interest income	(194)	
Provision for gratuity	150	128
Provision for employee compensated absences	4,298	4,627
(Gain) on sale of fixed assets	(410)	(1,081)
Operating profit before working capital changes	362,799	242,990
Working capital changes:		
Decrease / (increase) in current assets		
Stores, spares & tools	(1,154)	(2,238)
Stock-in-trade	(23,922)	(104,501)
Trade debtors	(11,134)	(25,553)
Loans and advances	(906)	1,147
Trade deposits and prepayments	67,166	(71,365)
Other receivables	(4,777)	(2,214)
	25,273	(204,724)
Increase in current liabilities:		
Trade and other payables	143,285	28,676
Cash generated from operations	531,357	66,942
Interest paid	(48,991)	(34,933)
Interest received	355	
Income taxes paid (including tax deducted at source)	(77,227)	(55,193)
Compensated absences paid	(545)	(3,362)
Gratuity paid	(159)	(51)
Long term deposits and prepayments	1,573	-
Cash flow from operating activities	406,363	(26,597)

34. FINANACIAL INSTRUMENTS AND RELATED DISCLOSURES

Financial Risk Management

The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has exposure to the following risks from its use of financial instruments : a) Credit Risk, b) Liquidity Risk, c)Market risk.

34.1 Credit risk

Exposure to 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, and arises principally from the trade debts, loans and advances, trade deposits and other receivables. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2009	2008
	Rupees in '000'	
Long term deposits	2,439	4,012
Trade debts	88,521	77,387
Loans and advances	2,381	1,475
Trade deposits	6,225	74,091
Investments at fair value through profit and loss	6,132	-
Accrued mark-up / interest	14	175
Other receivables	80,742	58,720
Cash and bank balances	28,892	49,274
	215,346	265,134

34.1.1 The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

	2009	2008
	Rupees in '000'	
Domestic	85,315	77,387
Export	3,206	-
	88,521	77,387

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

	2009		2008	
	(Rupees in '000')	%	(Rupees in '000')	%
Original Equipment & Institutions	35,985	40.7%	42,823	55.3%
Associated Companies	16,561	18.7%	3,612	4.7%
Others	32,769	37.0%	30,952	40.0%
Export	3,206	3.6%	-	0.0%
	88,521	100.0%	77,387	100.0%

34.1.3 Impairment losses

The aging of trade debtors at the balance sheet date was:

	2009	2008
	Rupees in '000'	
Not past due	73,236	60,371
Past due 0-30 days	10,767	11,279
Past due 31-60 days	2,855	3,967
Past due over 60 days	1,663	1,770
	88,521	77,387

34.1.4 Based on past experience, consideration of financial position, past track records and recoveries, the Company believes that trade debtors past due upto 60 days do not require any impairment and no impairment allowance is necessary in respect of remaining portion of past due over 60 days.

34.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to 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 incuring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liablities, including interest payments and excluding the impact of netting agreements:

(Rupees in '000)

	2009		
	Carrying Amount	Contractual cash flows	Six months or less
Non Derivative Financial liabilities			
Trade & other payable	329,325	329,325	329,325
Accrued mark-up / interest	1,603	1,603	1,603
Short term borrowing-secured	103,616	103,616	103,616
	434,544	434,544	434,544

	2008		
	Carrying Amount	Contractual cash flows	Six months or less
Non Derivative Financial liabilities			
Trade & other payable	185,267	185,267	185,267
Accrued mark-up / interest	7,057	7,057	7,057
Short term borrowing-secured	313,002	313,002	313,002
	505,326	505,326	505,326

34.3 MARKET RISK

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

34.3.1 CURRENCY RISK

Exposure to currency risk

The Company is exposed to currency risk on import of raw materials and stores and spares and export of goods that are denominated in a currency other than the respective functional currency of the Company. The company primarily has foreign currency exposures in US Dollars and Japnese Yen. The Company's exposure to foreign currency risk is as follows:

	2009			
	Rupees	Japanese Yen	Rupees	US$
	Figures in '000			
Trade debts	-	-	3,206	40
Trade payables and accruals	(31,336)	(36,975)	-	-
Net exposure	(31,336)	(36,975)	3,206	40

	2008			
	Rupees	Japanese Yen	Rupees	US$
	Figures in '000			
Trade debts	-	-	-	-
Trade payables and accruals	(51,786)	(80,331)	-	-
Net exposure	(51,786)	(80,331)	-	-

The following significant exchange rates have been applied:

	Average Rate		Reporting Date Rate	
	2009	2008	**2009**	2008
Yen	0.81	0.58	0.85	0.64
USD	81.21	65.95	81.30	68.50
Euro	118.61	-	114.82	-
UAE Dirham	-	18.03	-	18.56

34.4 Sensitivity Analysis

10% strengthening of Pak rupees against the following currencies at June 30 would have increased / (decreased) equity and profit or loss by the amount shown below: The analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2008.

	Equity	Profit and loss
	Rupees in '000'	
2009		
Effect in:		
USD	-	99,239
Japanese Yen	-	7,409
Euro	-	1,695
2008:		
Effect in:		
USD	-	105,872
Japanese Yen	-	3,049
UAE Dirham	-	2,715

34.5 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. Majority of the interest rate exposure arises from short and long term borrowings from bank and term deposits and deposits in profit and loss sharing acounts with banks. At the balance sheet date the interest rate profile of the Company's interest bearing financial instruments is:

	2009	2008
	Rupees in '000'	
Fixed rate instruments		
Financial assets	2,622	3,495
Variable rate instruments		
Financial liabilities	103,616	313,002

FAIR VALUE SENSITIVITY ANALYSIS FOR FIXED RATE INSTRUMENTS

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

CASH FLOW SENSITIVITY ANALYSIS FOR VARIABLE RATE INSTRUMENTS

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2008.

	Profit & Loss	
	100 bp increase	**100 bp decrease**
	Rupees in '000'	
As at June 30, 2009		
Cash flow sensitivity-Variable rate instruments	270	270
As at June 30, 2008		
Cash flow sensitivity-Variable rate instruments	250	250

35. RELATED PARTY TRANSACTIONS

Related parties comprise of associated companies, staff retirement funds, directors and key management personnel. The company in the normal course of business carries out transactions with various related parties. All transactions with related parties have been carried out on commercial terms and conditions. Amount due from and to related parties, if any, is shown under receivables and payables and remuneration of key management personnel is disclosed in the note No. 36. Other significant transactions with related parties are as follows:

	2009	2008
	Rupees in '000'	
Nature of transaction with associated companies		
Sales	161,036	203,062
Purchase of fixed assets	3,497	2,663
Reimbursement of expenses	344	533
Insurance claim	5,673	7,250
Donation paid	1,642	1,220
Sale proceeds of bonus fractions	-	78
Insurance premium	37,063	34,330
Rent / service charges paid	3,047	2,258
Dividend paid	35,655	17,763
Mark-up on running finance/Other Charges	3,470	6,718
Investment in mutual fund	20,000	-
Redemption of mutual fund	20,287	294
Purchases of consumables	317	195
Purchases of raw material	10,823	5,317
Purchases of lubricants	121	132
Purchases of natural gas	-	9,011
Royalty	31,495	51,946

36. DIRECTORS' AND EXECUTIVES' REMUNERATION

36.1 The aggregate amounts charged in the accounts for remuneration including certain benefits to the Chief Executive Officer and other Executives of the company were as follows:

	Chief Executive		Executive	
	2009	2008	**2009**	2008
Remuneration	3,529	2,538	24,280	16,938
Rent and Utilities	2,471	1,777	16,491	12,044
Bonus	791	791	16,452	4,927
Company's contribution to provident & gratuity fund	642	387	2,718	2,395
Medical and others	78	62	611	546
Total	7,511	5,555	60,553	36,850
Number of Persons	1	1	20	13

The Chief Executive is provided with free use of company maintained car and telephone at residences. Certain executives are also provided with Company vehicles.

36.2 Meting fees others directors

Aggregate amount charged in the accounts for the year for fees to two directors was Rs.110 thousand (2008: Rs.100 thousand)

37. CORRESPONDING FIGURES

Correspeonding figures have been rearranged and reclassified, whereever necessary, for the purpose of comparison and better presentation. Significant reclassifictions include:

From	To	Note	Rupees in '000'
Loans and advances	Other receivables	15	56,480
Plant and machinery - CWIP	Moulds, dies and jigs - CWIP	5.7	642
Building - CWIP	Land - CWIP	5.7	20,000
Building - CWIP	Electric installations	5.7	1,880

38. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors and authorized for issue on August 27, 2009.

39. PLANT CAPACITY

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

Aitzaz Shahbaz
Director

Talha Saad
Chief Executive

Yusuf H. Shirazi
Chairman

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2009

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
579	1	100	15,793	0.23%
315	101	500	81,396	1.16%
110	501	1,000	78,010	1.12%
134	1,001	5,000	269,443	3.85%
15	5,001	10,000	99,205	1.42%
9	10,001	15,000	116,213	1.66%
3	15,001	20,000	54,100	0.77%
3	20,001	25,000	72,200	1.03%
1	25,001	30,000	25,646	0.37%
2	35,001	40,000	75,079	1.07%
2	40,001	45,000	84,325	1.21%
1	55,001	60,000	56,338	0.81%
1	65,001	70,000	67,349	0.96%
1	85,001	90,000	89,635	1.28%
1	90,001	95,000	93,035	1.33%
1	120,001	125,000	121,939	1.74%
1	125,001	130,000	128,550	1.84%
1	130,001	135,000	130,821	1.87%
1	165,000	170,000	168,700	2.41%
1	660,001	665,000	661,250	9.46%
1	1,045,001	1,050,000	1,048,880	15.00%
1	1,360,001	1,365,000	1,364,573	19.52%
1	2,090,001	2,095,000	2,090,099	29.89%
1,184			6,992,579	100.00%

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Associated Undertakings & Related parties			
Atlas Insurance Limited	1	121,939	1.74%
Atlas Foundation	1	128,550	1.84%
Shirazi Investments (Private) Limited	1	2,090,099	29.89%
GS Yuasa International Ltd	1	1,048,880	15.00%
Shirazi Capital (Pvt) Ltd.	1	1,364,573	19.51%
	5	4,754,041	67.99%
Directors/Spouse			
Mr. Yusuf H. Shirazi and Mrs. Khawar S. Shirazi	1	1	-
Mr. Ali H. Shirazi	1	1	-
Mr. Aitzaz Shahbaz	1	151	-
Mr. Javaid Anwar	1	151	-
Mr. Muhammad Atta Karim	1	151	-
	5	455	-
Corporation			
State Life Insurance Corporation of Pakistan	1	93,035	1.33%
Financial Institutions			
J.P. Morgan Chase Bank	1	661,250	9.46%
Silk Bank Ltd	1	24,200	0.35%
Habib Insurance Co.Ltd.	1	12,561	0.18%
	3	698,011	9.98%
Joint Stock Companies	14	46,195	0.66%
Individuals	1,154	1,375,195	19.67%
SECP	1	1	0.00%
Abandoned Properties Organisation	1	25,646	0.37%
	1,184	6,992,579	100.00%

Atlas Group Companies

	*Year of Establishment / Acquisition**
Shirazi Investments	1962
Atlas Honda	1963
Atlas Battery	1966
Shirazi Trading	1973
Atlas Insurance	1980*
Atlas Engineering	1981*
Atlas Bank	1990
HONDA Honda Atlas Cars	1992
HONDA Honda Atlas Power Product	1997
TOTAL Total Atlas Lubricants	1997
Atlas Asset Management	2002
Shirazi Capital	2005
Atlas Capital Markets	2006
Atlas Power	2007

PRODUCT TYPES AND THEIR APPLICATION

New Names	Old Names as per JIS	Plates Per Cell	Polarity Per Cell	Application
Light Batteries				
CRG30	-	7PL	R	CNG Rickshaw
GX43	NS40SR	9PL	R	Suzuki Van/pickups, Subaru Van/Pickups (old models) (600cc - 800cc)
GL47	NS40ZL	9PL	L	Suzuki Car/Van pickups, Jeep Subaru Car/Van Pickups, Charade Petrol (800cc-1000cc)
CNG48	NS40ZL	9PL	L	Suzuki Mehran, Daihatsu Cuore, kia Classic, All CNG Converted Vehicles (800cc-1000cc)
GL50	NS40ZL	11PL	L	All Types of Suzuki Vehicles (800cc to 1300cc) Honda Citi (1300cc)
CNG55	N40	11PL	R	Toyota, Nissan (Datsun), Mazda, Mitsubishi (1200cc to 1600cc)
NS60	NS60	13PL	R	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc-1600cc)
55D26R	N50	9PL	L	Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedes Benz, Willys Jeeps, MF375 Tractors, Hyundai/Daewoo (2000cc-6000cc)
65D26R	N50Z	11PL	R	
DIN555-30	DIN555-30	11PL	L	
GR85	N70 EXTRA	13PL		
GL85	N70 EXTRA L	13PL	R	
Medium Batteries			R	Toyota Hi-Ace, Mercedes Benz, Issuzu Bus JCR 520zz, Massey Ferguson Tractors, MF -210 Crusier, Toyota Hi-Lux, Nissan Diesel Pick-up, Ford 1910 Tractor (2000cc - 6000cc), TV Sets, Radio Sets, Loud Speakers, Tape Recorder
GR86	NS70	11PL	R	
GR90	N70Z	13PL	R	
U95	U95	13PL	L	
XR100	N85P	15PL	L	
XL100	N85L	15PL	L	
6FT108	6FT15	15PL	L	Fiat Tractors 460/480, IMT 540 Tractors Massey Ferguson Tractors 240/265, Ford Wagons Land Rover, Toyota Land Cruiser (3000cc-6000cc)
N110	N100S	17PL	R	Issuzu Trucks, Mercedes Benz - Hino Truck ZH -100 Fiat Tractors 640 issuzu JCR 460R. (3000cc-6000cc)
U115	U115	15PL	R	
118E41R	N100	19PL		Fiat Tractors 640, Hino Truck & Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Issuzu Diesel Busses, Fiat Buses (3000cc - 12000cc)
U130	U130	19PL	C	
Heavy Batteries			C	
XC140	N120S	21PL	C	
145F51R	N140	23PL	C	
4DLT145	N130S	23PL	C	Ford Tractor-3610 & 46
4DLT160	N150S	27PL	C	
XL180	XL180	23PL	C	Bedford Truck, Fiat Tractors 640, Mazda Coaster T-3000, Issuzu TD-72, Generator Sets, Local Converter, Mazda Coaster T-3000, Generator Sets, Road Rollers & Belarus Tractor.
N185	165AH	25PL	C	
195G51R	N175	27PL	C	
195G51RF	N190Z	27PL	C	
210H52	N200P	31PL		Generator Sets, Road Roller, Bulldozar.
245H52	N200	33PL	R	
UPS Batteries			R	
UPS80	UPS80	11PL	R	1 PC, Invertor 500VA - 600VA
UPS115	UPS115	15PL	C	1 PC, Invertor 600VA - 650VA
UPS120	UPS120	17PL	C	2 PC, Invertor 650VA - 800VA
UPS140	UPS140	21PL	C	3 PC, Invertor 800VA - 1400VA
UPS180	UPS180	23PL		4 PC, Invertor 1400VA - 2KV
UPS200	UPS200	25PL		5 PC, Invertor 2KV and above

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

Affix
Revenue Stamp

Signature

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(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 Federation House, 2nd Floor, Sharae Firdousi, main Clifton, Karachi, on September 29, 2009 at 9:30 a.m. and at every adjournment thereof.

(1)_______________(2)__________________

(3)_______________(4)__________________

Signature(s)

(1)___________________________________

(2)___________________________________

(3)___________________________________

(4)___________________________________

Names(s)

____

Signed in the presence of

____

Name of Witness

____

____

____

Address

____

Signature

____

Date

AFFIX
POSTAGE

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

Fold Here

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Fold Here

Fold Here

Atlas Battery Limited

D-181, Central Avenue, S.I.T.E., Karachi-75730 **Ph:** (92-21) 2567990-4 **Fax:** (92-21) 2564703
Email: abl@atlasbattery.com.pk **Website:** www.atlasbattery.com.pk