Organisation
development
through
self development

Atlas Battery

Certificate No:196743

BVQI

ISO 9001 : 2000

NATIONAL ACCREDITATION OF CERTIFICATION BODIES

CERTIFIED QMS

Atlas Battery

Vision

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

Mission

Market leader 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.

Atlas Battery

AGS

بات ہے کوالٹی کی...

Atlas Battery

OUR VALUED CUSTOMERS

HONDA	Honda Atlas Cars (Pakistan) Ltd.
SUZUKI	Pak Suzuki Motor Company Ltd.
TOYOTA	Indus Motor Company Ltd.
HYUNDAI	Dewan Farooque Motors Ltd.
LAND-ROVER	Sigma Motors (Pvt) Limited
	Ghandhara Nissan Ltd.
	Master Motor Corporation Limited
HONDA	Atlas Honda Limited
YAMAHA	Dawood Yamaha Ltd.
STAR	Delta Innovations Limited
HERO	Fateh Motors Limited
DONG FENG	Sindh Engineering (Pvt) Ltd.
SUPER asia	Super Asia Motors (Pvt) Limited
UNIQUE	D.S. Motors
SUPER POWER	N.J. Auto Industries (Pvt.) Ltd.

CONTENTS

Atlas Battery

COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Directors	Aitzaz Shahbaz
	Iftikhar H. Shirazi
	Javaid Anwar
	Muhammad Atta Karim
	Naoyuki Inoue
Chief Executive	Talha Saad
Company Secretary	Muhammad Iqbal

AUDIT COMMITTEE

Chairman	Aitzaz Shahbaz
Members	Iftikhar 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

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 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
Zonal Office Karachi	PPI Building, Near Sindh Secretariat Building, Shahra-e-Kamal Ataturk, Karachi-74200 Tel: 2636057 - 2626478
Sukkur Office	F -33/4, Barrage Colony, Workshop Road, Sukkur Tel: 612532 Fax: 612532
Zonal Office Lahore	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

Atlas Battery

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 Saturday, September 29, 2007 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 30, 2006.

2. To consider and adopt the audited accounts of the Company for the year ended June 30, 2007 together with the Directors' and Auditors' Report thereon.

3. To consider and approve the recommendation of Directors for payment of dividend at the rate of 60% (Rs.6/- per share) for the year ended June 30, 2007.

4. To appoint Auditors for the year 2007-2008 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.9,121 thousand out of Company's profit be capitalized for issuing 912,075 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 20, 2007 @ 15% in the proportion of three ordinary shares of Rs.10/- each for every twenty 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 29, 2007

NOTES:

1. The Share Transfer Books of the Company will remain closed from September 21, 2007 to September 29, 2007 (both days inclusive). Transfers received in order at the registered office of the company by September 20, 2007 will be in time for the purpose of entitlement for payment of the dividend to the transferee.

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, 2007 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 @15% for the year ended June 30, 2007 and thereby capitalize a sum of Rs.9,121 thousand.

Atlas Battery

OPERATING AND FINANCIAL DATA
TEN YEARS GROWTH AT A GLANCE

(Rupees in million)

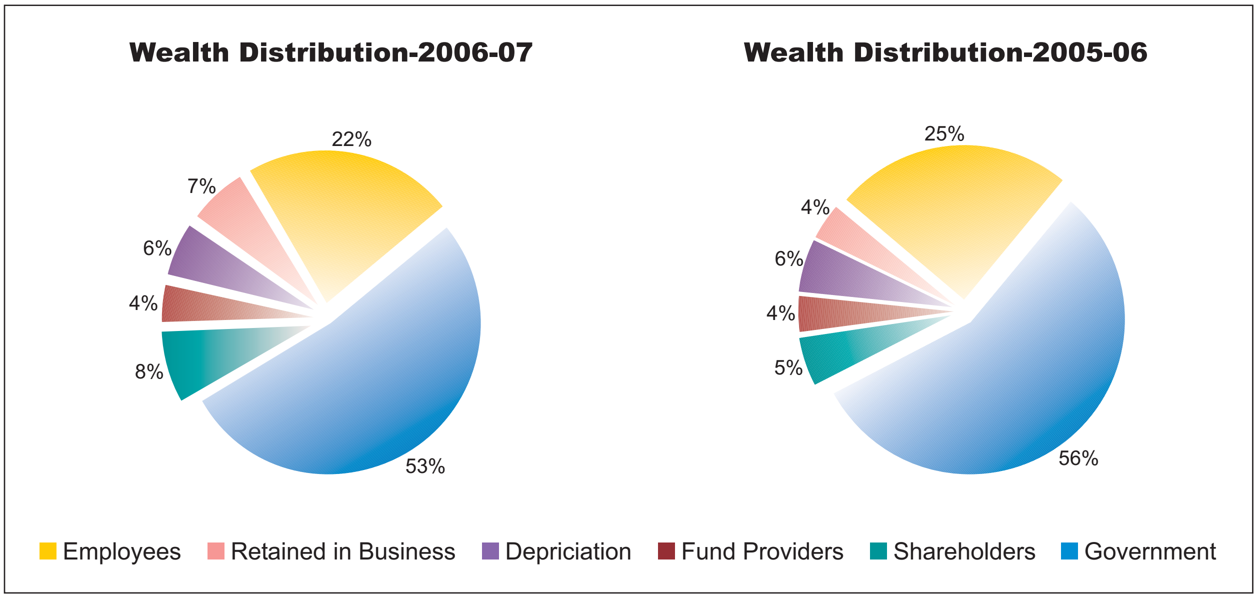
YEAR		2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Sales		1,585.6	1,209.0	949.8	770.1	617.1	495.1	563.0	480.8	499.3	443.4
Gross Profit		291.6	189.1	157.6	173.4	141.2	91.5	109.2	91.1	107.7	93.3
Operating profit		152.5	78.0	61.3	94.1	65.3	24.1	27.5	32.0	46.9	40.6
Profit before Tax		122.3	66.2	54	117.7	57.3	7.1	11.6	15.8	36.2	31.5
Profit after Tax		87.5	41.3	40.9	83.5	39.2	5.5	9.5	14.1	24.4	21.1
Share Capital		60.8	52.9	46.0	32.8	28.6	27.2	27.2	24.7	24.7	24.7
Reserves		275.2	211.5	188.5	160.8	101.3	80.6	77.8	74.9	67.0	52.4
Shareholders' Equity		336.0	264.4	234.5	213.4	129.9	107.8	105.0	99.6	91.7	77.2
Property, Plant & Equipment		308.9	239.7	151.2	92.9	84.4	90.2	97.2	103.8	83.6	65.3
Net Current assets		85.4	111.1	171.3	141.3	47.3	34.1	40.1	44.0	37.0	24.8
Total Assets		755.2	562.9	505.7	376.3	303.6	305.4	356.7	278.7	260.3	213.9
Long term liabilities		-	40.0	60.0	-	-	14.7	29.3	40.3	24.8	10.7
Deferred Liabilities		62.9	50.5	30.9	22.4	6.9	8.2	8.9	12.6	9.7	7.7
Dividend											
Cash	%	60	30.0	25.0	60.0	60.0	10.0	15.0	25.0	40.0	30.0
Stock	%	15	15.0	15.0	40.0	15.0	5.0	-	10.0	-	-
Payout ratio	%	41.7	38.4	28.1	23.6	43.7	49.7	43.2	43.8	40.6	35.2
Dividend per share	Rs.	6.0	3.0	2.5	6.0	6.0	1.0	1.5	2.5	4.0	3.0
Ratios											
Profitability											
Gross Profit	%	18.4	15.6	16.6	22.5	22.9	18.5	19.4	19.0	21.6	21.0
Profit before Tax	%	7.7	5.5	5.7	15.3	9.3	1.4	2.1	3.3	7.3	7.1
Profit after Tax	%	5.5	3.4	4.3	10.8	6.4	1.1	1.7	2.9	4.9	4.8
Investment											
R.O.E. before tax	%	36.4	25.0	23.0	55.2	44.1	6.6	11.0	15.9	39.5	40.8
R.O.E. after tax	%	26.0	15.6	17.3	39.1	30.2	5.1	9.0	14.2	26.6	27.3
Return on Capital Employed	%	38.6	24.9	20.7	55.3	48.1	19.3	21.1	21.7	36.5	41.8
Earnings per share	Rs.	14.4	7.8	8.8	25.4	13.7	2.0	3.5	5.7	9.9	8.5
P.E. Ratio	Times	11.7	9.5	8.8	6.0	6.3	10.7	7.2	4.6	3.0	4.3
Activity											
Sales to total assets	Times	2.1	2.1	1.9	2.0	2.0	1.6	1.6	1.7	1.9	2.1
Sales to fixed assets	Times	5.1	5.0	6.3	8.3	7.0	5.5	5.8	4.6	6.0	6.7
Inventory turnover	Days	77	79	75	74	99	110	91	96	83	85
Debtors turnover	Days	11	13	15	19	22	39	32	18	17	18
Liquidity / Leverage											
Current ratio	Times	1.2	1.5	2.0	2.0	1.3	1.2	1.2	1.4	1.3	1.2
Interest cover ratio	Times	6.5	4.7	6.9	29.5	7.8	1.4	1.6	1.9	4.7	4.7
Debt Equity ratio	Times	0.0	0.2	0.3	0.0	0.0	0.2	0.4	0.5	0.4	0.2
Total Liabilities to Equity	Times	1.2	1.1	1.2	0.8	1.3	1.8	2.4	1.8	1.8	1.8
Break-up value / Share	Rs.	55.3	50.0	51.0	65.1	45.4	39.6	38.6	40.3	37.1	31.2
Market value per share (At year end)	Rs.	167.8	73.9	77.0	154.0	86.0	21.5	25.0	26.5	30.0	37.0

STATEMENT OF VALUE ADDITION

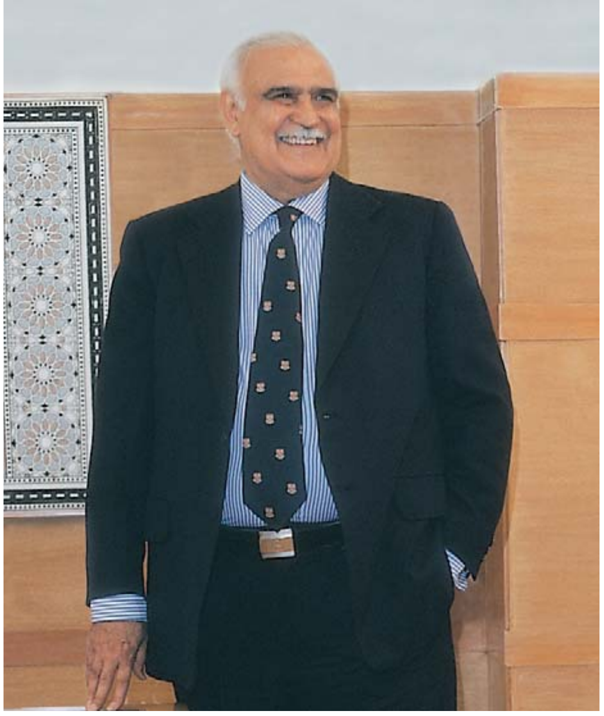
YEAR ENDED JUNE 30, 2007

Rupees in '000'

	2007		2006	
	Amount	% age	Amount	% age
Wealth Generated:				
Total Revenue	1,841,886		1,412,281	
Bought in Material & Services	(1,261,674)		(960,423)	
	580,212	100%	451,858	100%
Wealth distributed:				
To Employees				
Salaries & other related costs	130,518	22.5%	113,576	25.1%
To Government				
Taxes	297,204	51.2%	250,148	55.4%
Workers' Profit Participation Fund	6,565	1.1%	3,495	0.8%
Workers' Welfare Fund	2,477	0.4%	189	0.0%
	306,246	52.8%	253,832	56.2%
To Providers of Capital				
Dividend to Shareholders	45,604	7.9%	23,793	5.3%
Markup / Interest	22,042	3.8%	17,877	4.0%
	67,646	11.7%	41,670	9.2%
Retained in the Business				
For replacement of Fixed Assets: Depreciation	33,896	5.8%	25,250	5.6%
To provide for Growth: Retained Profit	41,906	7.2%	17,530	3.9%
	75,802	13.0%	42,780	9.5%
	580,212	100%	451,858	100



Atlas Battery



CHAIRMAN'S REVIEW

I am pleased to present to you the 41st Annual Report of your Company for the year ended June 30, 2007 together with the Auditors' Report.

THE ECONOMY

The Economy witnessed robust growth during 2006-07. The GDP growth accelerated to 7.0 percent in 2006-07 as against the revised estimates of 6.6 percent last year and 7.0 percent target for the year. The acceleration in growth during 2006-07 was driven by the continued momentum in the agriculture, manufacturing and services sectors.

Agriculture registered a sharp recovery with a growth of 5.0 percent, on the back of the highest ever production of wheat and impressive increase in sugarcane production. The key driver was the timely winter rains in the rabbi season and higher availability of agriculture credit.

The overall industrial production continued its growth momentum during the year under review. Overall manufacturing recorded an impressive and broad based growth of 8.5 percent, against last year's growth of 9.9 percent. The robust performance of the industrial sector was largely led by higher levels of liquidity in the banking system, stable exchange rate, low inflation and stronger domestic demand, which was partially offset by the unprecedented rise in metal and oil prices.

During 2006-07, the growth in the service sector was 8.0 percent as compared to last corresponding period of 9.6 percent. The service sector continued to be the key driver of economic activity in the country, contributing nearly three-fifth of the real GDP growth of 7.0 percent. The sub sectors of banking and insurance witnessed particularly strong growth.

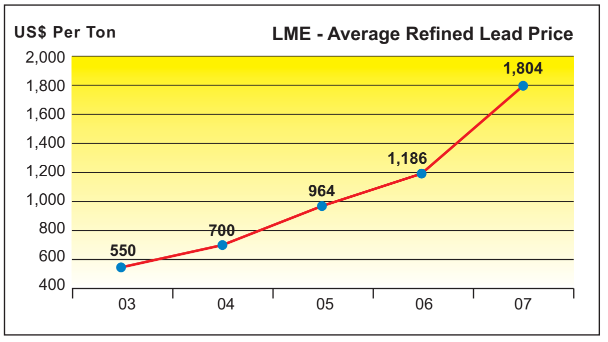
Pakistan economy has exhibited a higher trend of inflation during the last three years. A sustained level of high economic growth over the year has increased the levels of income which has resulted in a surge in domestic demand. The pass through effect of the unprecedented increase in international oil and food prices is causing the upward inflationary pressure.

A strong private sector development strategy is needed to enhance the competitiveness of the private sector. The strategy should focus on enforcing regulatory measures, removing irritants to the private sector growth and improving the country's physical & social infrastructure.

THE INDUSTRY

The battery industry the world over is passing through a very challenging time in its history. This was the fourth consecutive year that the battery Industry faced unabated cost increase in the basic input of raw materials. The cost of refined lead in international market touched US$ 3,500 per ton in the month of July 2007 and the locally available recycled lead crossed Rs.115,000 per ton.

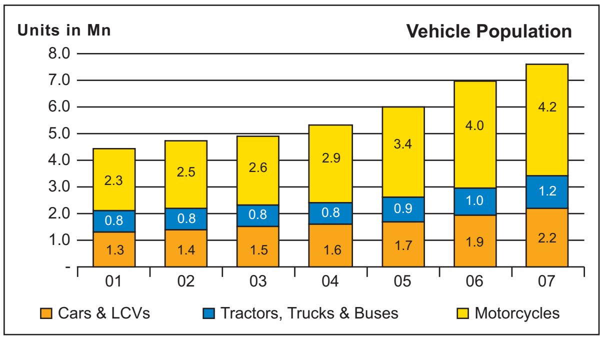
During the last 12 months, demand of lead from China and India has increased due to growing car markets in those countries. On top of this, speculative buying by commodities fund managers across the globe for a metal which many thought to be under valued, has done nothing to improve the situation. Before the price hike, lead typically accounted for half the cost of manufacturing a standard lead-acid battery. Now under current lead price scenario, this cost component is equal to 65% of the total product cost.



MARKETING & SALES REVIEW

The year 2006-07 was a period of consolidation for the automobile industry in general. During the year, the automobile industry did not perform well as compared to the previous couple of years. The cars segment registered a growth of 6.3% only as compared to 22.2% last year, with sales of 165,268 units. The growth of truck and bus segment dropped from 5.1% to 1.4%, with sales of 5,200 units as against 5,271 units last year. Only the LCV and farm tractor segments managed to grow by 22% and 10.8% as against 25.3% and 12% respectively during the year 2005-06, with sales volume of 38,944 units and 54,052 units as against 31,922 units and 48,802 units respectively during year 2005-06. This will help the industry to maximize utilization of its increased capacity during the next five years.

Motorcycle manufacturing industry also experienced the same situation as the four wheeler segment. After double digit growth every year for the last six years, demand eased during the period under review. Although some brands within the industry managed to perform better, the cumulative growth remained at 10.2% as against 43.2% last year, with total sales of 817,353 units, including Chinese brands, as against 741,640 units sold during the year 2005-06.



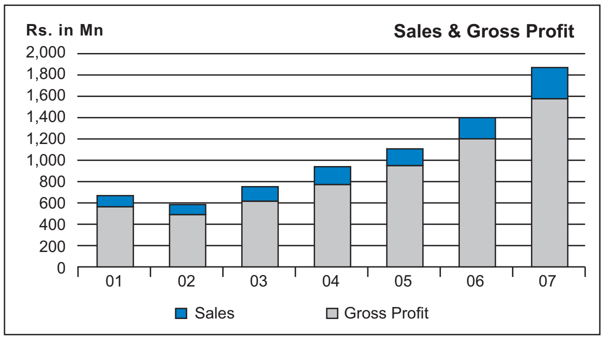
The organised sector of the battery industry is experiencing consistent growth as a result of the increase in the population of automobiles on roads during the last three years. This helped the organized sector to utilize its idle capacity. The enhanced revenues of organised sector assisted the Government in achieving its revenue targets. The un-organised sector of the battery industry, which mainly comprises of replators and smugglers, is still causing a significant loss not only to the national exchequer but also to the industry, as it does not come into the tax net.

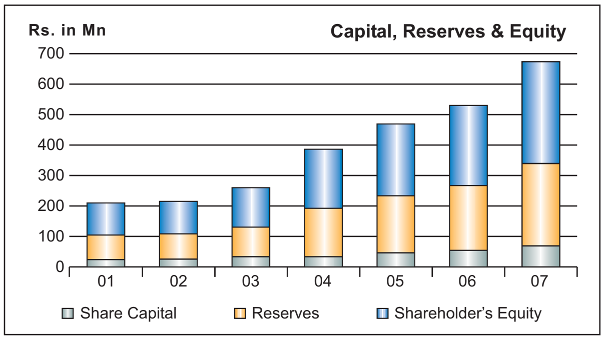
Enhancing the brand value through manufacturing world class products and continuous investment in facilities and technologies, when combined with environmentally friendly practices ensures a positive long term future for your Company.

OPERATING RESULTS

2006-07 was an eventful year for your Company faced with many challenges of sky high raw materials prices, driven by global raw material shortage, and meeting the growing diverse battery demand, and several others. Despite all these, your Company achieved better-than-ever results with net sales revenue of Rs.1.6 billion as against Rs. 1.2 billion last year showing a significant growth of 31.2%. In fact 2006-07 result has set a new challenge for the coming years.

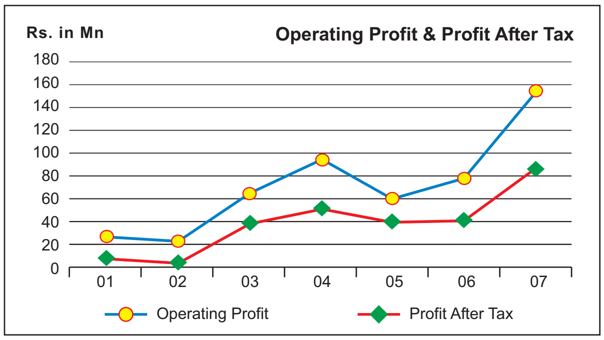
Gross profit improved to Rs.291.6 million as compared to previous year's Rs.189.1 million, as a percentage of sales revenue, it improved from 15.6% to 18.4%.





Operating expenses increased from Rs.111.0 million to Rs.139.1 million, an increase of 25.3% in line with the increase in sales revenue. However, as a percentage of sales, it reduced from 9.2% to 8.8%. Operating profit improved from Rs.78.0 million to Rs.152.5 million, an increase of 95.4% over last year.

Financial and other charges increased to Rs.31.5 million as compared to Rs.22.0 million last year, due to higher utilization of running finances together with the combined effect of higher mark up rates and provision of workers' profit participation fund and workers' welfare fund on higher profitability as compared to the previous year.

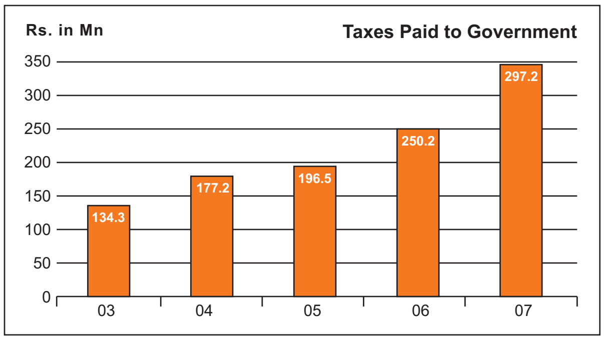


Thus Profit before Tax of your Company was Rs.122.3 million as against Rs.66.2 million of the previous year. After making provision of Rs.34.8 million in respect of current and deferred taxation, net Profit after Tax stood at Rs.87.5 million as compared to Rs.41.3 million last year. Earning per share was Rs.14.39 as against last year's Rs.6.80. Return on Equity was 26.0% as against last year's 15.6%, while breakup value per share improved from Rs.50 last year to Rs.55.3. It would not be out of place to mention here that your Company never missed payment of dividend during the last ten years and always strived for enhancing shareholders' value.

CONTRIBUTION TO NATIONAL EXCHEQUER

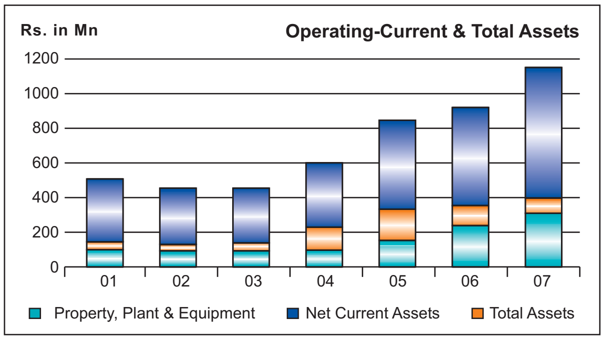
Your Company paid taxes to the national exchequer amounting to Rs. 297.2 million, the highest ever, on account of sales tax, income tax and custom duties as against Rs.250.2 million contributed last year.

The Group of which, your Company is a constituent member, paid taxes of over Rs. 15.0 billion, above 2% percent of the government total revenues. One of the Group performance criteria is how much the Group contributes to the Government exchequer - as a social responsibility.



CASH FLOW MANAGEMENT

During the period under review, your Company's operation generated a healthy cash flow of Rs.103.2 million as compared to Rs.77.1 million during last year. After funding a significant investment of Rs.108.7 million for a expansion program there was a net decrease of Rs.1.4 million before financing activities. During the year the Company also fully repaid its outstanding long term loan of Rs.56.0 million. There was a net increase of Rs.7.2 million in cash and cash equivalents at the end of the year as compared to a net decrease of Rs.2.3 million at the end of last year.



CAPITAL EXPENDITURES

In order to meet the growing battery demand, during the period under review, your Company has invested Rs.87.3 million for capacity expansion This will not only help in meeting the future battery demand but also reduce the cost and improve the product quality significantly - which is the hallmark of your Company. The management is also planning to modernize and upgrade the production facilities to bring them to an international level. This will further strengthen quality, productivity and brand loyalty.

HUMAN RESOURCE

Your Company strongly encourages all the employees to discharge their duties not only for the benefit of your Company but also for the business partners and the society. Your Company treats the employees as a most valuable asset, as they have a wealth of diverse skills and knowledge that provide the essential basis for the past, current and future success of your Company. The wealth of skills and knowledge of the employees working at different positions and levels is demonstrated by the ongoing success of your Company and your Company would like to express its gratitude to the employees for their ongoing commitment and efforts.

Your Company continued its focus on building common values and vision to be shared by both the Company and its employees. With mutual respect and loyalty, your Company is able to ensure its business success and to fulfill its responsibility of providing its employees with opportunities to increase their abilities.

In line with the Group's HR philosophy, your Company has increased investment in human resource development programs. We offer a wide range of such programs including on-the-job training, in-house courses, out-side diploma courses with the country's leading management universities, foreign training and job rotation. We also have a program for identifying employees with high potential, who are offered development opportunities including leadership training in the world's leading schools of management.

Following the Group's slogan, *"Organization Development through Self Development"*, your Company arranged 25 external development training courses from various institutes benefiting 41 employees. Several other inside courses were held during the year in which 61 employees were trained. This year 2 executives received ATLAS-LUMS Diploma in Business Management, an 18 months residence course conducted by LUMS. At the shop floor level, every month a "Best Worker" is identified and his outstanding performances is recognized by his associates.

Your Company is proud of the good relations between the workers and the management on the basis of mutual trust and respect. The union-management relations is one of the significant factors that have enabled your Company to achieve its objectives in this challenging environment.

OUTLOOK FOR 2007-08

The outlook for 2007-08 has a number of positives, as well as some negatives. The Pakistan economy will continue to recover in the election year as well as the ever changing global scenario. As mentioned in the earlier part of the review, the year 2007-08 has started with an unimaginable high cost level of basic input of raw materials. The price of refined lead in international markets has crossed US$ 3,500 per MT because of global shortage of lead stocks in the international market coupled with lower exports from China, due to the imposition of 10% export tax on refined lead from July 2007. This raw material used to be available around US$ 1,000 per

MT in July 2006, an increase of 250% over a period of 12 months. In line with increase in refined lead price, the price of recycled lead in the local market has also reached Rs.115 per kg. This material was available at Rs.55 per kg in July 2006, an increase of 110%. Additionally the oil prices in the international markets have also started moving upward after remaining steady for about a year. All these factors will put substantial cost pressures on the battery industry as a whole with these global forces causing the price of lead to break new records on a daily basis, and with no indication that prices will significantly ease in the foreseeable future. These unabated cost pressures cannot be absorbed internally and will have to be passed on to the market.

While the outlook for 2007-08 is for another challenging year, the management of your Company will strive to create sustainable business propositions in a mature market faced with new challenging global environment, while undergoing immense pressure to reduce costs through innovative sourcing, improved efficiency and streamlined processes to maintain its quality edge in the local as well as international market. At the same time, the management of your Company is fully aware of the challenges and the opportunities ahead and is well equipped to take advantage of the same and increase shareholders' value.

ع نیا زمانہ نئے صبح و شام پیدا کر

(Let us continue to add value; to the mother earth, day in and day out)

ACKNOWLEDGEMENT

I would like to inform all shareholders that Mr. Vazeer Ali, the Chief Executive, retired from the services of your Company, effective August 16, 2007 on reaching the age of superannuation. He has been associated with the Company since 1989. During the period of his tenure as Chief Executive, he turned a breaking even Company to a historical level of performance in all respects. The year under review, will be a challenge for his successors. I, on behalf of the Board of Directors, would like to place on record the appreciation of the valuable services rendered by him during the period of his stay with the Company.

Mr. Talha Saad has joined the Company as Chief Executive in his place. He is an MBA and graduate engineer and has got 25 years of experience in a manufacturing company of the Atlas Group. He was sent abroad for higher training in Harvard Business School to P.M.D., a unique distinction of the Atlas fraternity. He is sure to create another landmark as CEO of Atlas Battery Limited. I welcome Mr. Talha Saad and wish him success as Chief executive of your Company.

I would also like to thank the Group Executive Committee, Group President; Mr. Aamir H. Shirazi, Group Director Engineering Mr. Jawaid Iqbal Ahmed, and the outgoing Chief executive; Mr. Vazeer Ali and his team, staff and associates for their dedication and commitment to your Company's continuous growth for the year ended 30 June 2007.

May I also thank our joint venture partner GS Yuasa International Ltd., Japan (formerly Japan Storage Battery Company Limited), for their continuous support in technology transfer. I would also like to thank our bankers, shareholders, members of the Board of Directors, vendors and customers for their continuous support and guidance.

Karachi: August 29, 2007

Yusuf H. Shirazi

DIRECTORS' REPORT

The Directors of your Company take pleasure in presenting their 41th Annual Report together with the Audited Accounts and Auditors' Report thereon for the year ended June 30, 2007.

FINANCIAL RESULTS AND APPROPRIATIONS

	2007	2006
	Rupees in '000	
Profit before taxation	122,257	66,224
Provision for taxation:		
Current year	26,540	6,070
Prior year	993	550
Deferred	7,214	18,281
	34,747	24,901
Profit after tax	87,510	41,323
Un-appropriated profit brought forward	1,183	653
	88,693	41,976
Appropriations:		
Transferred to General Reserve	42,000	17,000
Reserve for issue of Bonus shares	9,121	7,931
Proposed Dividend @ 60% (2006-30%)	36,483	15,862
	87,604	40,793
Un-appropriated profit Carried to Balance Sheet	1,089	1,183

EARNINGS PER SHARE

During the year under review, the company earned a basic earnings per share of Rs.14.39 (2006-Rs.6.80 diluted)

DIVIDEND

The Directors are pleased to recommend a cash dividend at the rate of 60% (Rupee 6/- per share) and Bonus share issue at the rate of 15% (3 bonus shares for every 20 shares held).

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, 2007 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.Vazeer Ali	4	1
3.	Mr.Aitzaz Shahbaz	4	2
4.	Mr.Iftikhar H. Shirazi	1	2
5.	Mr. Javaid Anwar	4	5
6.	Mr.Mohammad Atta Karim	4	2
7.	Mr. Naoyuki Inoue	0	1

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

Statement of Directors' Responsibilities

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

Followings 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, 2007 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 report 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	3/4
2.	Mr. Iftikhar H. Shirazi	Member	2/4
3.	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.

GROUP EXECUTIVE COMMITTEE

The Group Executive Committee is responsible for setting overall corporate objectives and strategies, identifying opportunities, monitoring group business strategies and plans, and developing its group members as leaders of their respective fields.

GROUP HUMAN RESOURCE COMMITTEE

The Group Human Resource Committee determines the remuneration for the management staff. The Committee is also responsible to create and maintain congenial work environment that instills trust and ensures respect, fair treatment and development opportunities, grooming and make succession plan for all employees.

GROUP SYSTEMS & TECHNOLOGY COMMITTEE

The Group Systems & Technology Committee is responsible to provide an insight towards the various technological aspects of information systems. The objective of the Committee is to introduce leading edge technology and IT initiative to automate information delivery and accessibility of data for enhancement of time and cost efficiency.

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 audited accounts as at 30 June 2007 are as follows:

Provident Fund	Rs.36.418 million
Gratuity Fund	Rs.14.192 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, 2007 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, 2008.

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 group activities.

For & on behalf of
BOARD OF DIRECTORS

Talha Saad
Chief Executive

Karachi: August 29, 2007

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. 4.4 million will be paid as the aggregate remuneration to Chief Executive of the Company for the year ending June 30, 2008, in addition to other benefits as per Company policy".

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

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.37 of Karachi Stock Exchange and Chapter XIII of the listing regulations of Lahore Stock Exchange 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 tax payers 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. No casual vacancy occurred in the Board during the year.

5. The Company has prepared a 'Code of Business Principles', 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

KARACHI: August 29, 2007

Talha Saad
Chief Executive

STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES ON TRANSFER PRICING

The Company has fully complied with the best practices on Transfer Pricing as contained in the Regulation No.38 of the Karachi Stock Exchange.

For & On behalf of
BOARD OF DIRECTORS

Talha Saad
Chief Executive

KARACHI: August 29, 2007

HAMEED CHAUDHRI & CO.

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI CHAMBERS
HASRAT MOHANI ROAD
KARACHI
PHONES : 2412754 - 2424826
CABLE : "COUNSEL"
FAX : 2424835
E-MAIL : majeed@khi.comsats.net.pk

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. 37 (Chapter XI) of the Karachi Stock Exchange, and clause 40 (Chapter XIII) 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, 2007.

Hameed Chaudhri & Co.

HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

Karachi: August 29, 2007

HAMEED CHAUDHRI & CO.

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AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed Balance Sheet of ATLAS BATTERY LIMITED as at June 30, 2007 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 conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2007 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 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 29, 2007

BALANCE SHEET

AS AT JUNE 30, 2007

	Note	2007	2006
		Rupees in '000'	
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	310,995	239,712
Long term investment - Available for sale	6	-	-
Long term deposits	7	4,012	4,012
CURRENT ASSETS			
Stores, spare parts and loose tools	8	10,730	8,659
Stock-in-trade	9	306,171	218,012
Trade debts	10	51,834	45,864
Loans and Advances	11	30,694	14,355
Trade deposits and prepayments	12	2,826	1,224
Investments at fair value through profit and loss	13	278	254
Accrued mark-up / interest	14	175	121
Other receivables	15	26	365
Cash and bank balances	16	37,501	30,309
		440,235	319,163
TOTAL ASSETS		755,242	562,887
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised capital 10,000,000 Ordinary Shares of Rs.10/- each.		100,000	100,000
Issued, subscribed and paid up capital	17	60,805	52,874
Revenue reserves	18	275,193	211,476
		335,998	264,350
NON CURRENT LIABILITIES			
Long Term Loan	19	-	40,000
Deferred Liabilities	20	62,881	50,517
CURRENT LIABILITIES			
Trade and other payables	21	156,154	93,250
Mark-up accrued on borrowings	22	2,469	1,726
Short term borrowings	23	171,200	90,974
Current portion of long-term financing	24	-	16,000
Provision for taxation	25	26,540	6,070
		356,363	208,020
CONTINGENCIES AND COMMITMENTS	26		
TOTAL EQUITY AND LIABILITIES		755,242	562,887

The annexed notes from 1 to 43 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, 2007

	Note	2007	2006
		Rupees in '000'	
Sales	27	1,585,648	1,209,033
Cost of sales	28	(1,294,026)	(1,019,970)
Gross profit		291,622	189,063
Distribution costs	29	(96,481)	(77,515)
Administrative expenses	30	(42,661)	(33,505)
Other operating expenses	31	(9,477)	(4,077)
Other operating income	32	1,296	10,135
		144,299	84,101
Finance costs	33	(22,042)	(17,877)
Profit before taxation		122,257	66,224
Taxation	34	34,747	24,901
Profit after taxation		87,510	41,323
Basic & Diluted earnings per share	35	14.39	6.80

The annexed notes from 1 to 43 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, 2007

	Note	2007	2006
		Rupees in '000'	
Cash generated from operations	36	148,187	103,356
Markup/interest paid		(19,632)	(16,915)
Gratuity paid		(136)	(94)
Compensated absences paid		(409)	(982)
Income taxes paid		(24,861)	(6,894)
Long term deposits		-	(1,401)
Net cash from operating activities		103,149	77,070
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditures		(108,718)	(118,864)
Sale proceeds of fixed assets		4,203	5,893
Investments		-	(115,260)
Sale proceeds of investments		-	163,443
Dividend received		-	50
Net cash used-in Investing Activities		(104,515)	(64,738)
Net cashflow before Financing Activities		(1,366)	12,332
FINANCING ACTIVITIES			
Increase in short term borrowings		80,227	16,660
Repayment of long term loans		(56,000)	(20,000)
Dividend paid		(15,669)	(11,290)
Cash flow from / (used-in) financing activities		8,558	(14,630)
Increase / (Decrease) in cash & cash equivalents	37	7,192	(2,298)

The annexed notes from 1 to 43 form an integral part of the financial statements.

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

Atlas Battery

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2007

	Share Capital	Revenue Reserves: General Reserve	Revenue Reserves: Unappropriated Profit	Total
	---------- Rupees in '000 ----------			
Balance as at June 30, 2005	45,977	146,500	42,044	234,521
Dividend paid	-	-	(11,494)	(11,494)
Bonus shares issued	6,897	-	(6,897)	-
Profit for the year after taxation	-	-	41,323	41,323
Transfer to general reserve	-	23,000	(23,000)	-
Balance as at June 30, 2006	52,874	169,500	41,976	264,350
Dividend paid	-	-	(15,862)	(15,862)
Bonus shares issued	7,931	-	(7,931)	-
Profit for the year after taxation	-	-	87,510	87,510
Transfer to general reserve	-	17,000	(17,000)	-
Balance as at June 30, 2007	60,805	186,500	88,693	335,998

The annexed notes from 1 to 43 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, 2007

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 the requirements of Companies Ordinance, 1984 (the Ordinance), and the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) as adopted in Pakistan. However, the requirements of the Ordinance and the directives issued by the Securities and Exchange Commission of Pakistan (SECP) have been followed where their requirements are not consistent with the requirements of the IFRSs.

2.2 Standards, interpretations and amendments to published approved accounting standards

Amendments to published standards effective in 2006

IAS 19 (Amendment) – Employee Benefits, is mandatory for the company's accounting periods beginning on or after January 01, 2006. It introduces the option of an alternative recognition approach for actuarial gains and losses. It also adds new disclosure requirements. The company does not intend to adopt the alternative approach for recognition of actuarial gain and losses. Adoption of this amendment only impacts the format and extent of disclosures as presented in note 24.3 to the financial statements.

New accounting standards and IFRIC interpretations that are not yet effective.

The following standards, amendments and interpretations of approved accounting standards are only effective for accounting periods beginning on or after July 01,2007 and are either not relevant to the company's operations or are not expected to have a significant impact on the company's financial statements other than certain increased disclosures in the certain cases:

IAS 1 - Presentation of Financial Statements - Amendments relating to Capital Disclosures;

IAS 41 - Agriculture;

IFRS 2 - Share Based Payments;

IFRS 3 - Business Combinations;

IFRS 5 - Non Current Assets Held for Sale and Discontinued Operations;

IFRS 6 - Exploration for and Evaluation of Mineral Resources;

IFRIC 8 - Scope of IFRS 2 Share Bases Payments;

IFRIC 9 - Reassessment of Embedded Derivatives;

IFRIC 10 - Interim Financial Reporting and Impairment;

IFRIC 11- Group and Treasury Shares Transactions;

IFRIC 12 - Service Concession Arrangements;

IFRIC 13 – Customer Loyalty Programmes.

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 Judgements and Estimates

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

- Retirement benefit obligations

- Provision for current taxation (current and prior years) and deferred taxation

- Accrued liabilities

- Provision for warranty

- Useful life of depreciable assets

3.3 Functional and Presentation Currency

These financial statements are presented in Pak Rupees which is the company’s functional currency. All financial information presented in Pak Rupees has been rounded off to the nearest thousand.

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 a funded gratuity scheme for its management staff and an unfunded gratuity scheme for its non management staff. Contributions under the schemes are made on the basis of actuarial valuation and are charged to Profit and Loss Account. The valuation of both the schemes was carried out on June 30, 2007 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.

Cumulative net unrecognized actuarial gain or loss at the end of the previous year which exceeds 10% of the greater of the present value of the company's obligation and fair value of plan assets are amortized over the remaining service of the employees expected to receive benefits.

Defined Contribution Plan

The Company operates defined contribution plan (i.e. recognized provident fund scheme) for all employees. The Company and the employees make equal monthly contributions to the fund at the rate of 11 per cent of basic salary, in the case of management staff, and 11 per cent of basic salary and cost of living allowance, in the case of non-management staff. The assets of the fund are held separately under the control of trustees.

Employees' 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.

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.

Provision for current year's taxation is based on taxable income at the current rates of taxation after taking into account tax credits and tax rebates available, if any.

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 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 assets and liabilities are measured at the tax rates that are expected to apply when the asset is realized or the liability is settled based on the tax rates that have been enacted or substantially enacted at 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**

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment losses, if any.

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.

Capital work in progress is stated at cost.

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 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. Leasehold is amortised over the remaining lease term.

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.

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Normal repairs and maintenance are charged to expenses as and when incurred. Major renewals and replacements are capitalized.

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.

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 programes 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. Realised and unrealised 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 recognised directly in equity. When the investment is disposed off, or is determined to be impaired, the cumulative gain or loss previously recognised in equity is recognised 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-curent assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation periodically.

All purchases and sales of invesments 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, Spares parts and Loose tools

Stores, spares parts and tools are stated at the lower of cost and net realizable value. The cost of inventory is based on weighted average cost. Items in transit are stated at cost accumulated to balance sheet date.

4.8 Stock-in-trade

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

Cost of raw materials, packing materials and components 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. Goods in transit are valued at cost accumulated to the balance sheet date.

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

4.9 Trade debts and other receivables

Trade 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 Foreign Currency Translation

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated into rupees at the exchange rates prevailing on the balance sheet date. 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.

4.11 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 Cost

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 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.

4.14 Warranty

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

4.15 Dividend

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

4.16 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 long term financing, finance lease obligations, 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, amortised cost or cost as the case may be.

4.17 Offsetting of financial assets and financial liabilities

A financial asset and a financial liabilitiy 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 realise the asset and settle the liability simultaneously.

4.18 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 cash and bank balances.

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.

4.22 Recognition of proposed dividend

The Board of Directors have proposed a final dividend for the year ended 30 June, 2007 of Rs.6/- per share amounting to Rs.36,483 thousand (2006: Rs.3.00 per share),and bonus share issue at the rate of 15 % (2006: 15%) at their meeting held on August 29, 2007 for approval of the members at the Annual General Meeting to be held on September 29, 2007. These financial statements do not reflect this dividend payable, as explained above.

5 PROPERTY, PLANT AND EQUIPMENT

	Note	2007	2006
		Rupees in '000'	
Operating fixed assets	5.1	308,929	239,623
Capital work in progress	5.6	2,066	89
		310,995	239,712

5.1 Operating fixed assets

(Rupees in '000)

Particulars	Cost				Depreciation				Written down value June 30, 2007	Rate %
	July 01, 2006	Additions	Disposals	June 30, 2007	July 01, 2006	Charge for the year	Disposals	June 30, 2007		
Owned										
Leasehold land	435	-	-	435	7	7	-	14	421	-
Building on leasehold land	50,146	11,827	-	61,973	22,782	3,525	-	26,307	35,666	10
Plant and Machinery	222,311	66,516	1,657	287,170	75,073	19,771	1,565	93,279	193,891	10
Electric installations	13,418	2,250	-	15,668	2,289	1,169	-	3,458	12,210	10
Air conditioners	3,270	412	-	3,682	1,621	180	-	1,801	1,881	10
Gas Installations	135	-	-	135	120	2	-	122	13	10
Furniture & fixtures	2,188	-	-	2,188	1,273	91	-	1,364	824	10
Office equipments	1,187	-	-	1,187	762	43	-	805	382	10
Laboratory equipments	4,529	-	-	4,529	2,788	174	-	2,962	1,567	10
Vehicles	24,460	19,961	7,669	36,752	8,577	4,639	4,223	8,993	27,759	20
Fork lifters	3,270		-	3,270	2,104	233	-	2,337	933	20
Moulds dies & jigs	35,364	4,699	-	40,063	24,575	1,395	-	25,970	14,093	10
Factory equipments	25,051	212	-	25,263	5,171	1,995	-	7,166	18,097	10
Computers	6,302	864	68	7,098	5,303	672	68	5,907	1,191	30
Total - 2007	392,066	106,741	9,394	489,413	152,443	33,896	5,856	180,484	308,929	
Total - 2006	271,692	129,866	9,492	392,066	131,595	25,250	4,401	152,443	239,623	

5.2 Depreciation for the year has been allocated as follows:

	Note	2007	2006
		Rupees in '000'	
Cost of Goods Manufactured	28.1	29,931	22,655
Distribution Cost	29	1,773	1,559
Administrative Expenses	30	2,192	1,036
		33,896	25,250

5.3 Moulds for containers and lids costing Rs.17,817 thousand (2006: Rs. 13,367 thousand) included in the moulds, dies & jigs are held by Pak Polymer (Private) Limited, Paramount Moulding Service, DICOM Industries Limited and Decent Engineering under agreements executed by the Company with them for use of these moulds for manufacturing containers and lids for the Company.

5.4 Borrowing cost amounting to Rs. 392 thousand (2006: Rs. 1,559 thousand) has been capitalised during the year.

5.5 Disposal of fixed assets:

Particulars	Cost	Accumulated Depreciation	W.D.V.	Sale Proceeds	Profit/Loss	Mode of disposal	Particulars of Purchasers	
Motor Vehicles								
Cars								
Daihatsu Cuore	434	212	222	222	-	Company Policy	Mr.Abdul Waheed Lodhi	Employee
Daihatsu Cuore	399	148	251	251	-	Company Policy	Mr. Hashmat Ali Khan	Employee
Daihatsu Cuore	434	215	219	219	-	Company Policy	Mr. Qasim Imran Khan	Employee
Suzuki Alto	504	187	317	317	-	Company Policy	Mr. Nehal Asghar	Executive
Honda Citi	775	473	302	317	15	Company Policy	Mr. Ahmed Zafaryab Ali	Executive
Honda Civic	1,080	756	324	525	201	Negotiation	Mr. Muhammad Riaz, House #7, Shangrila Apartment, Jamshed Road, Karachi.	
Honda Citi	785	423	362	368	6	Company Policy	Mr. Behram Khan	Executive
Honda Civic	935	590	345	383	38	Company Policy	Mr. Arshad Gulraiz But	Executive
Honda Citi	775	495	280	317	37	Company Policy	Mr. Muhammad Iqbal	Executive
	6,121	3,499	2,622	2,919	297			
Motorcycles								
Motor Cycle CD 70	55	27	28	55	27	Company Policy	Mr. Salahuddin Chohan	Employee
Motor Cycle CD 70	55	27	28	28	-	Company Policy	Mr. Mirza M.Rizwan Jamil	Employee
Motor Cycle CD 70	55	27	28	55	27	Company Policy	Mr. Muhammad Tariq	Employee
Motor Cycle CG125	68	11	57	56	(1)	Company Policy	Mr.Imran Qadeer	Ex-Employee
Motor Cycle CD 70	52	2	50	52	2	Company Policy	Syed Farhat Hussain Rizvi	Employee
Motor Cycle CD 70	55	28	27	27	-	Company Policy	Mr. Yousuf Ali	Employee
Motor Cycle CD 70	65	40	25	27	2	Company Policy	Mr. Muhammad Ibrahim	Employee
Motor Cycle CD 100	61	16	45	45	-	Company Policy	Mr. Arshad Khan	Employee
Motor Cycle CD 70	65	41	24	27	3	Company Policy	Mr. Muhammad Saleem	Employee
Motor Cycle CD 70	51	11	40	40	-	Company Policy	Mr. Nadir Ali	Ex-Employee
Motor Cycle CG 125	55	29	26	55	29	Company Policy	Mr. Asim Ali Khan	Ex-Employee
Motor Cycle CD 70	51	13	38	38	-	Company Policy	Mr. Muhammad Asher	Employee
Motor Cycle CD 70	65	46	19	65	46	Company Policy	Mr.Abdul Rasheed Abbasi	Employee
Motor Cycle CD 70	65	46	19	65	46	Company Policy	Mr. Noorzada	Employee
Motor Cycle CD 70	65	46	19	65	46	Company Policy	Mr. Muhammad Anwar	Employee
Motor Cycle CD 70	65	41	24	27	3	Company Policy	Syed Kausar Abbas	Employee
Motor Cycle CD 70	65	41	24	27	3	Company Policy	Mr. Mian Said Kamal	Employee
Motor Cycle CD 70	52	4	48	51	3	Insurance Claim	Atlas Insurance Limited	Associated Company
Motor Cycle CD 70	52	10	42	42	-	Company Policy	Mr. Abdul Habib	Employee
Motor Cycle CD 70	65	42	23	27	4	Company Policy	Mr. Ashfaque Ahmed	Employee
Motor Cycle CD 70	65	42	23	65	42	Company Policy	Mr. Abdul Majeed	Employee
Motor Cycle CD 70	65	42	23	27	4	Company Policy	Mr. Malik M. Rafiq	Employee
Motor Cycle CD 70	65	42	23	27	4	Company Policy	Mr. Muzafar Ahmed	Employee
Motor Cycle CG 125	68	31	37	40	3	Insurance Claim	Atlas Insurance Limited	Associated Company
Motor Cycle CD 70	52	3	49	51	2	Insurance Claim	Atlas Insurance Limited	Associated Company
Motor Cycle CD 70	51	16	35	35	-	Negotiation	Mr. Zahid Hussain House # 1040, 58-3, North Karachi.	
	1,548	724	824	1,119	295			
Total Motor Vehicle	7,669	4,223	3,446	4,038	592			
	-		-					
Shaper Machine	80	62	18	28	10	Negotiation	M/s Mohammad Hanif Scrap Merchant, Plot # 47, Sector 4/H, Baldia Town, Karachi.	
Air compressor	100	77	23	35	12	=do=	=do=	
Lid Press	926	910	16	23	7	=do=	=do=	
Generator	551	516	35	69	34	=do=	M/s. Aslam Electric Store, Misri Shah Road, Lahore.	
Computer	68	68	-	10	10	=do=	Mr. Shamim Abbas Rizvi, 2nd floor, Nadir House, II Chundrigar Road, Karachi.	
Sub-total	1,725	1,633	92	165	73			
Grand Total	9,394	5,856	3,538	4,203	665			
2006	9,492	4,401	5,091	5,892	802			

		Note	2007	2006
			(Rupees in '000)	
5.6	CAPITAL WORK IN PROGRESS			
	Plant and machinery		590	89
	Advance for vehicle - related party		1,476	-
			2,066	89
6	**LONG TERM INVESTMENTS - Available for sale**			
	Unquoted			
	Arabian Sea Country Club Limited			
	100,000 (2006: 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**			
	Considered Good			
	Utility & Other deposits	7.1	4,012	4,012

7.1 This includes security deposit amounting to Rs.3,495 thousand given to Sui Southern Gas Company Limited (SSGC) - a related party.

		2007	2006
8	**STORES, SPARE PARTS AND LOOSE TOOLS**		
	General stores (including in transit of Rs. Nil; 2006: Rs.285 thousand)	8,188	4,318
	Spare parts	2,518	4,271
	Tools	24	70
		10,730	8,659
	There are no stores held for capital expenditure at year-end		
9	**STOCK-IN-TRADE**		
	Raw materials, packing materials & components		
	In-hand	78,758	96,475
	With third parties	36,716	10,764
		115,474	107,239
	Work in process	66,759	49,667
	Finished goods	35,130	52,530
	Goods in transit	88,808	8,576
		306,171	218,012

9.1 Stock-in-trade and trade debtors upto a maximum amount of Rs.400 million (2006: Rs.333.40 million) are under hypothecation as security for the Company's short term finances.

9.2 Raw Materials and components costing Rs.36,716 thousand (2006 Rs.10,764 thousand) were held by Pak Polymer (Private) Limited, Paramount Moulding Service, Decent Engineering, Hytec Plastics, Diwan Plastic Industries, Galaxy Engineering. Sagheer Plastic , Mehran Traders and A.R. Enterprises under agreement executed by the company with them for manufacture of plastic containers, lids and lead reclaimation for the Company.

Atlas Battery

		Note	2007	2006
			(Rupees in '000)	
10	**TRADE DEBTS**			
	Considered Good			
	Local debtors - Unsecured	10.1	51,834	45,864
			51,834	45,864

10.1 Includes Rs.1,558 (2006: Rs. 1,697) due from Honda Atlas Cars (Pakistan) Limited - an associated company.

10.2 The maximum amount due from associated companies at the end of any month was Rs. 19,524 thousand (2006: Rs.22,543 thousand).

		Note	2007	2006
11	**LOANS AND ADVANCES**			
	Unsecured - Considered Good			
	Short-term loans to employees	11.1	1,129	431
	Advances to suppliers		1,493	3,650
	Tax deducted at source		28,072	10,274
			30,694	14,355

11.1 Loans to employees include loans to executives amounting to Rs. 130 thousand (2006: Rs. 236 thousand). The maximum amount due from executives at the end of any month was Rs. 195 thousand (2006: Rs. 668 thousand). Loan outstanding for more than 3 year is Nil (2006: Nil).

		2007	2006
12	**TRADE DEPOSITS AND PREPAYMENTS**		
	Trade deposits	2,600	1,132
	Guarantee deposits	24	24
	Prepayments	202	68
		2,826	1,224

13 INVESTMENTS AT FAIR VALUE THROUGH PROFIT AND LOSS

No. of Units 2007	No. of Units 2006	Related party	2007	2006
509.1	456.62	Atlas Income Fund	278	254
			278	254

		2007	2006
14	**ACCRUED MARK-UP / INTEREST**		
	Related party		
	Mark-up accrued on SSGC's long term security deposit	175	121
		175	121
15	**OTHER RECEIVABLES**		
	Unsecured - Considered Good		
	Other receivables	26	365
		26	365
16	**CASH & BANK BALANCES**		
	With banks:		
	PLS term deposits	-	689
	On current accounts	1,038	836
	Imprest accounts	401	367
	Un-deposited cheques / collection	36,062	28,417
		37,501	30,309

		Note	2007 (Rupees in '000)	2006

17 ISSUED, SUBSCRIBED & PAID-UP CAPITAL

2007 (No. of shares)	2006 (No. of shares)		2007	2006
1,300,000	1,300,000	Ordinary shares of Rs. 10 each fully paid up in cash.	13,000	13,000
4,780,504	3,987,395	Ordinary shares of Rs. 10 each issued as fully paid bonus shares.	47,805	39,874
6,080,504	5,287,395		60,805	52,874

17.1 Movement in share capital during the year

2007 (No. of shares)	2006 (No. of shares)		2007	2006
5,287,395	4,597,735	Balance as at June 30	52,874	45,977
793,109	689,660	Bonus shares issued during the year	7,931	6,897
6,080,504	5,287,395	Balance as at June 30	60,805	52,874

17.2 The holders of Ordinary shares are entitled to receive dividends as declared by the Company from time to time and are also entitled to one vote per share at the meetings of the Company.

17.3 On October 05, 2006, a capitalisation issue of three bonus shares for every twenty shares held resulted in an increase in issued capital of Rs. 7,931 thousands and an equivalent reduction in unappropriated profit.

17.4 2,960,578 (2006: 2,574,418) Ordinary Shares of Rs. 10/- each were held by associated companies at the year end.

18 RESERVES - REVENUE

	Note	2007	2006
General reserves		186,500	169,500
Unappropriated profit		88,693	41,976
		275,193	211,476

19 LONG TERM LOAN - SECURED

From MCB Bank Limited

	Note	2007	2006
Balance at beginning of year		56,000	76,000
Less: Paid during the year	19.1	(56,000)	(20,000)
		-	56,000
Less: Transfer to current maturity due within one year		-	(16,000)
		-	40,000

19.1 Long-term loan was repaid during the year.

20 DEFERRED LIABILITIES

	Note	2007	2006
Provision for gratuity	20.1	1,257	1,286
Provision for compensated absences	20.2	14,845	9,666
Deferred Taxation	20.3	46,779	39,565
		62,881	50,517

20.1 STAFF BENEFITS

20.1.1 The projected unit credit method, as allowed under the International Accounting Standard 19 'Employee Benefits', was used for actuarial valuation based on the following significant assumptions:

- Discount rate - 10% (2006: 9%) per annum
- Expected long term rate - 9% (2006: 8%) increase in salary levels per annum
- Expected long term rate of interest - 10% (2006: 9%) per annum
- Normal retirement age - 60 years (2006: 60 years)

The above mentioned actuarial assumptions and disclosures made in notes 20.1.2 to 20.1.10 are based on the information included in the actuarial valuation as at June 30, 2007.

20.1.2 Reconciliation of payable to defined benefit plan

	2007		2006	
	---------------------Rupees in thousand-----------------			
	Funded	Unfunded	Funded	Unfunded
Present value of defined benefit obligations – note 20.1.5	26,728	1,073	14,631	1,036
Fair value of plan assets – note 20.1.6	(14,161)	-	(12,392)	-
Unrecognised net actuarial gain or (loss)	(3,709)	184	(446)	250
Liability from other company	(7,676)		(186)	-
	1,182	1,257	1,607	1,286

20.1.3 Movement in payable to defined benefit plan

	Funded 2007	Unfunded 2007	Funded 2006	Unfunded 2006
Opening balance	1,607	1,284	3,680	1,234
Charge for the year – notes 28.4, 29.2 and 30.2	1,171	120	1,607	146
Benefits paid	-	(136)	(3,680)	(94)
Laibility in respect of promoted employees	11	(11)	-	-
Contributions by the company - note 20.1.6	(1,607)	-	-	-
Closing balance	1,182	1,257	1,607	1,286

	Funded 2007	Unfunded 2007	Funded 2006	Unfunded 2006
20.1.4 Actual return on plan assets	1,451	-	1,389	-

20.1.5 Reconciliation of present value of obligation

	Funded 2007	Unfunded 2007	Funded 2006	Unfunded 2006
Present value of obligation as at July 01	14,631	1,035	16,649	1,134
Current service cost	800	41	882	46
Interest cost	1,182	91	1,373	100
Benefits paid	(1,289)	(136)	(3,285)	-
Transfer from unfunded to funded scheme	-	(11)	-	(94)
Actuarial loss on obligation	3,717	53	(988)	(150)
Liability recognised in respect of transfrees	7,687	-	-	-
Present value of obligation as at June 30	26,728	1,073	14,631	1,036

20.1.6 Changes in the fair value of plan assets are as follows:

	2007		2006	
	---Rupees in thousand---			
	Funded	Unfunded	Funded	Unfunded
Fair value as at July 01	12,392	-	10,608	-
Expected return on plan assets	997	-	861	-
Contributions by the company	1,607	-	3,680	-
Actual benefits paid by the gratuity fund during the year	(1,289)		(3,285)	
Actuarial gain on assets	454	-	528	-
Fair value as at June 30	14,161	-	12,392	-

20.1.7 Plan assets comprise as follows:

	Funded 2007	Unfunded 2007	Funded 2006	Unfunded 2006
Debt	10,069	-	5,336	-
Equity	4,034	-	6,888	-
Cash	58	-	168	-

20.1.8 The expected return on plan assets was determined by considering the available investment options and existing investment portfolio.

20.1.9 Amount for the current year and previous four years of the present value of the defined benefit obligation, the fair value of plan assets, surplus / deficit and experience adjustments arising thereon are as follows:

	2007	2006	2005	2004	2003
	---Rupees in thousand---				
Funded:					
Present value of defined benefit obligation	26,728	14,631	16,649	11,022	10,636
Fair value of plan assets	(14,161)	(12,392)	(10,608)	(8,548)	(8,069)
Deficit	12,567	2,239	6,041	2,474	2,567
Experience adjustment on obligation (gain)/loss	3,717	(988)	1,450	782	1,120
Experience adjustment on plan assets gain/(loss)	(454)	(528)	(100)	(91)	(436)
Unfunded:					
Present value of defined benefit obligation	1,073	1,035	1,134	893	1,521
Fair value of plan assets	-	-	-	-	-
Deficit	1,073	1,035	1,134	893	1,521
Experience adjustment on obligation (gain)/loss	53	(151)	131	6	311
Experience adjustment on plan assets gain/(loss)	-	-	-	-	-

20.1.10 The expected gratuity expense for the year ending June 30, 2008 works out to Rs. 1,389 thousands for funded plan and Rs. 1.128 thousand for unfunded scheme.

	Note	2007	2006
		(Rupees in '000)	
20.2 PROVISION FOR COMPENSATED LEAVE ABSENCES			
Balance at beginning of year		9,666	8,395
Add: Provision for the year		5,588	2,253
		15,254	10,648
Less : Payments during the year		409	982
Balance at end of year		14,845	9,666

20.3 DEFERRED TAXATION

Deferred tax credits / (debits) arising in respect of temporary taxable differences due to:

	2007	2006
Accelerated tax depreciaton / amortisation	54,192	41,701
Provision for gratuity	(854)	(1,012)
Provision for impairment in unquoted available for sale investments	(350)	(350)
Provision for warranty	(1,013)	(774)
Provision for compensated leave absences	(5,196)	-
	46,779	39,565

MOVEMENT OF DEFERRED TAX LIABILTY

	2007	2006
Opening balance	39,565	21,284
Increase in deferred tax liabilities	12,491	18,959
Decrease in deferred tax assets	(5,277)	(678)
Charge for the year	7,214	18,281
	46,779	39,565

21 TRADE AND OTHER PAYABLE

	Note	2007	2006
Trade creditors		49,417	36,570
Accrued liabilities	21.1	79,133	36,881
Provision for warranty	21.2	2,894	2,212
Customers advances		8,922	2,059
Provident Fund Trustees		-	593
Sales tax		223	4,471
Provision for gratuity - Funded	20.1	1,182	1,607
Workers' profit participation fund	21.3	6,791	3,604
Workers' welfare fund	21.4	2,495	150
Tax deductions		1,021	1,222
Unclaimed dividend	21.5	1,517	1,322
Other liabilities	21.6	2,559	2,559
		156,154	93,250

21.1 Accrued liabilities include Rs.55,756 thousand (2006: Rs.24,021 thousand) due to GS Yuasa International Limited (Formerly Japan Storage Battery Company Limited)-an associated company.

21.2 PROVISION FOR WARRANTY

	2007	2006
Balance as at July 01	2,212	1,930
Add: Provided during the year	19,724	11,719
	21,936	13,649
Less: Amount paid during the year	19,042	11,437
Balance as at June 30	2,894	2,212

	Note	2007	2006
		(Rupees in '000)	
21.3 WORKERS' PROFIT PARTICIPATION FUND			
Balance as at July 01		3,604	3,081
Add: Interest on funds utilised in the company's business		226	109
		3,830	3,190
Less: Amount paid to fund during the year		3,604	3,081
		226	109
Add: Contributions for the year @ 5 %		6,565	3,495
Balance as at June 30		6,791	3,604
21.4 WORKERS' WELFARE FUND			
Balance as at July 01		150	561
Less: Amount paid to fund during the year		132	601
		18	(40)
Add: Provision for:			
current year @ 2 %		2,495	150
prior year		(18)	40
Balance as at June 30		2,495	150
21.5 UNCLAIMED DIVIDEND			
Unclaimed dividend		1,489	1,294
Unclaimed bonus fractions		28	28
		1,517	1,322

21.6 Other liabilities include vehicle deposits/instalments under company vehicle policy amounting to Rs.2,302 thousand (2006: Rs. 2,080 thousand).

22 ACCRUED MARK-UP / INTEREST

	Note	2007	2006
Long term loan		-	338
Short term borrowings		2,469	1,388
		2,469	1,726

23 SHORT TERM BORROWINGS - SECURED

	Note	2007	2006
Running finances from Banks	23.1	105,764	12,644
Import Finance (Foreign currency)	23.2	65,436	58,330
Demand Finance		-	20,000
		171,200	90,974

23.1 The Company has credit facilities upto an aggregate of Rs. 300 million (2006: Rs. 250 million) which are secured against pledge/hypothecation of stocks and charge on debtors amounting to Rs.400 million (2006: Rs. 333.40 million). The facilities carry mark-up at the rate of KIBOR + 0.8% to KIBOR + 1.5% per annum (2006-KIBOR + 0.8% to KIBOR + 1.5% per annum).

23.2 The Company has Finance agreements (Under SBP Circular F.E. 25) with MCB Bank Ltd., National Bank of Pakistan, Habib Bank Ltd. and Bank Al-Falah Limited for availing a foreign currency financing upto the extent of USD 3.63 million (2006: USD 3.22 million) for import of raw materials. These facilities are available to the Company as a Sub-limit of its running finance facilities of Rs. 300 million. The facility carry mark-up at the rate of LIBOR + 1% to LIBOR + 1.6% per annum.

23.3 The facility for opening letters of credit as at 30 June 2007 amounted to Rs.330 million (2006: Rs. 255 million) of which the amount remaining unutilised at the year-end was Rs. 117.79 million (2006: Rs.111 million).

24 CURRENT PORTION OF LONG -TERM LOAN

	2007	2006
Current portion of long term loans	-	16,000

	Note	2007	2006
		(Rupees in '000)	
25 PROVISION FOR TAXATION			
Balance at beginning of year		6,070	9,727
Add: Provision made during the year			
Current year		26,540	6,070
Prior year		993	550
		27,533	6,620
		33,603	16,347
Less : Payments during the year		7,063	10,277
Balance at end of the year		26,540	6,070
26 CONTINGENCIES AND COMMITMENTS			
Confirmed letters of credit relating to:-			
Raw materials		139,198	112,269
Stores, spareparts and loose tools		-	365
Plant and equipment		3,663	30,913
Guarantees issued by banks on behalf of the Company		24	24
27 SALES			
Export sales		2,218	7,741
Local sales	27.1	1,583,430	1,201,292
		1,585,648	1,209,033
27.1 Gross Local sales		2,063,185	1,556,340
Less: Discounts and incentives		(224,813)	(161,935)
Sales tax		(254,942)	(193,113)
		1,583,430	1,201,292
28 COST OF SALES			
Finished Stock at beginning of year		52,530	47,961
Purchased Finished Goods		14,846	-
Cost of goods manufactured	28.1	1,261,780	1,024,539
		1,329,156	1,072,500
Finished Stocks at end of year	9	35,130	52,530
		1,294,026	1,019,970
28.1 COST OF GOODS MANUFACTURED			
Work in process at beginning of year		49,667	25,517
Raw materials, Packing materials & Components consumed	28.2	983,229	808,154
Salaries, wages & benefits	28.3	79,295	70,419
Stores consumed		45,003	36,766
Fuel, power & water		65,755	55,166
Insurance		4,622	3,906
Rent, rates & taxes		1,088	448
Repair & maintenance		10,184	6,903
Royalty		31,727	24,181
Travelling, conveyance and entertainment		2,840	3,464
Cartage		2,699	2,259
Postage & telephone		671	616
Printing & Stationery		794	667
Vehicle running		292	322
Free replacement		19,724	11,719
Depreciation	5.2	29,931	22,655
Amortization			
Other manufacturing expenses		1,018	1,044
		1,328,539	1,074,206
Work in Process at end of year	9	66,759	49,667
		1,261,780	1,024,539

	Note	2007	2006
		(Rupees in '000)	

28.2 RAW MATERIALS, PACKING MATERIALS & COMPONENTS CONSUMED

	Note	2007	2006
Stock at beginning of year		107,239	109,446
Purchases		991,464	805,947
		1,098,703	915,393
Stock at end of year	9	115,474	107,239
		983,229	808,154

28.3 Salaries, wages & benefits include Rs.1,339 thousand (2006: Rs. 1,212 thousand) in respect of employee benefits.

28.4 The following amounts have been charged to cost of goods manufactured during the year in respect of gratuity schemes:

	2007		2006	
	Rupees in thousand			
	Funded	Unfunded	Funded	Unfunded
Current service cost	275	41	324	46
Interest costs	405	91	505	100
Expected return on Plan Assets	(342)	-	(317)	-
Amortization of (gain)/loss	-	(12)	10	-
Amortization of non vested liability	64	-	69	-
	402	120	591	146

29 DISTRIBUTION COSTS

	Note	2007	2006
Salaries & benefits	29.1	20,277	17,655
Travelling, conveyance & entertainment		7,000	5,973
Rent, rates & taxes		2,090	1,834
Insurance		6,795	5,087
Repairs & maintenance		604	309
Gas & electricity		817	793
Advertisement & publicity		12,486	8,102
Freight & handling		40,595	32,960
Export handling and other charges		37	110
Printing & stationery		372	364
Postage & telephone		3,126	2,102
Vehicle running		62	60
Services charges		195	252
Depreciation	5.2	1,773	1,559
Others		252	355
		96,481	77,515

29.1 Salaries & benefits include Rs.892 thousand (2006: Rs. 732 thousand) in respect of employee benefits.

29.2 The following amounts have been charged to distribution costs during the year in respect of gratuity schemes:

	2007		2006	
	---------------------Rupees in thousand------------------			
	Funded	Unfunded	Funded	Unfunded
Current service cost	213	-	250	-
Interest costs	315	-	388	-
Expected return on Plan Assets	(266)	-	(244)	-
Amortization of loss	-	-	8	-
Amortization of non vested liability	50	-	53	-
	312	-	455	-

30 ADMINISTRATIVE EXPENSES

	Note	2007	2006
		(Rupees in '000)	
Directors' meeting fee	39.2	80	70
Salaries & benefits	30.1	30,946	25,502
Travelling, conveyance & entertainment		3,052	1,457
Rent, rates & taxes		1,559	1,417
Insurance		852	572
Legal & professional charges		530	568
Fees & Subscription		442	217
Postage & telephone		402	254
Printing & Stationery		572	488
Vehicle running		701	221
Training expenses		671	487
Depreciation	5.2	2,192	1,036
Amortization		-	375
Others		2	5
Donations	30.3	660	836
		42,661	33,505

30.1 Salaries & benefits include Rs.1,317 thousand (2006: Rs. 1,007 thousand) in respect of employee benefits.

30.2 The following amounts have been charged to administrative expenses during the year in respect of gratuity schemes:

	2007		2006	
	---------------------Rupees in thousand------------------			
	Funded	Unfunded	Funded	Unfunded
Current service cost	312	-	308	-
Interest costs	461	-	480	-
Expected return on Plan Assets	(389)	-	(301)	-
Amortization of loss	-	-	9	-
Amortization of non vested liability	73		65	
	457	-	561	-

30.3 This includes Rs 660 thousand (2006: Rs. 444 thousand) paid to the Atlas Foundation. Mr.Yusuf H. Shirazi, Chairman and Mr. Iftikhar H. Shirazi, director are on the Board of the Foundation.

	Note	2007	2006
		(Rupees in '000)	
31 OTHER OPERATING EXPENSES			
Workers' profit participation fund		6,565	3,495
Workers' welfare fund		2,477	189
Auditors' remuneration:	31.1	435	393
		9,477	4,077
31.1 Auditors' remuneration:			
Audit fee		264	239
Provident fund & Workers' profit participation fund audit and certification		152	136
Out of pocket expenses		19	18
		435	393
32 OTHER OPERATING INCOME			
Income from financial assets:			
Dividend Income		-	50
Profit on PLS term / Long term deposits		176	149
Unrealized gain on remeasurement of investment		25	12
Gain on Sale of Investment		-	8,589
Exchange gain		6	5
		207	8,805
Income from non financial assets:			
Scrap sales		424	528
Profit on sale of fixed assets	5.5	665	802
		1,089	1,330
		1,296	10,135
33 FINANCE COST			
Interest / markup on:			
Long term loan - secured		4,918	4,555
Short term finance - secured		15,232	11,917
Workers' profit participation fund		226	109
Bank & other financial charges		1,666	1,296
		22,042	17,877
34 TAXATION			
Tax charge for the year			
Current year		26,540	6,070
Prior year		993	550
Deferred		7,214	18,281
		34,747	24,901

34.1 The charge for the year can be reconciled to the profit as per the profit and loss account as follows:

	2007	2006
Accounting profit before tax	122,257	66,224
Tax at the applicable income tax rate	42,790	23,178
Tax effect of expenses that are not deductible in determining taxable profit	(8,499)	-
Adjustment in respect of current income tax of previous periods	993	-
Effect of difference in tax rates under normal assessment and presumptive tax regime	(537)	-
Effect of income assessed under minimum tax		(17,108)
	34,747	6,070

Minimum tax provided for the tax year 2006 (income year ending June 30, 2006)

Atlas Battery

	Note	2007	2006
		(Rupees in '000)	

34.2 The income tax assessments of the Company have been finalised upto and including tax year 2006 (Income year ending June 30, 2006)

35 BASIC AND DILUTED EARNINGS PER SHARE

		2007	2006
Net Profit after taxation for the year attributable to Ordinary Shareholders		87,510	41,323
Weighted average number of ordinary shares outstanding at year-end (Adjusted for the bonus issue during the year)		6,080,504	6,080,504
Basic and diluted earnings per share		14.39	6.80

36 CASH FLOWS FROM OPERATING ACTIVITIES

		2007	2006
Net profit before taxation		122,257	66,224
Adjustments for:			
Depreciation		33,896	25,250
Amortization		-	375
Markup / interest expenses		20,376	16,581
(Profit) on sale of fixed assets		(665)	(802)
Provision for gratuity		120	146
Provision for compensated absences		5,588	2,253
Dividend Income		-	(50)
Unrealized gain on remeasurement of available for sale investment		(25)	(12)
Gain on sale of investment		-	(8,589)
		59,290	35,152
Operating profit before working capital changes		181,547	101,376
Working capital changes:			
(Increase) / Decrease in Current Assets			
Stores, sparesparts and loose tools		(2,071)	(2,059)
Stock-in-trade		(88,159)	(6,362)
Trade debts		(5,970)	(6,328)
Loan and Advances (excluding tax deducted at source)		1,459	1,249
Trade deposits and prepayments		(1,602)	1,014
Interest accrued		(54)	(14)
Other receivables		339	(365)
		(96,058)	(12,865)
Increase in Current Liabilities			
Trade and other payable (excluding unclaimed dividend)		62,698	14,845
Working Capital changes		(33,360)	1,980
Cash generated from operations		148,187	103,356

37 ANALYSIS OF CHANGES IN CASH & CASH EQUIVALENTS

	Note	2007	2006
Balance at beginning of year		30,309	32,607
Net Cash Inflow / (Outflow)		7,192	(2,298)
Balance at end of year	16	37,501	30,309

	2007	2006
	(Rupees in '000)	

38 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, shown under receivables and payables and remuneration of key management personnel is disclosed in the note no. 39. Other significant transactions with related parties are as follows:

	2007	2006
Sales	146,974	156,081
Purchase of fixed assets	18,409	7,308
Reimbursement of expenses	3,740	481
Expenses charged to	147	48
Insurance claim	2,627	3,263
Donation paid	660	836
Sale proceeds of bonus fractions	31	21
Insurance premium	20,402	10,899
Rent paid	2,053	1,866
Dividend paid	7,723	6,198
Sale of fixed assets	-	844
Sale of shares	-	21
Deposit paid	-	10
Investment in mutual fund	-	100,260
Redemption of mutual fund	-	107,684
Purchases of consumables	164	460
Purchases of raw material and consumables	19,569	3,411
Purchases of natural gas	22,691	17,513
Purchases of lubricants	92	343
Royalty	31,727	24,181
Security deposit	-	1,413
Interest on deposit	121	88

39 DIRECTORS' AND EXECUTIVES' REMUNERATION

39.1 Chief Executive Officer

	2007	2006
Managerial Remuneration	3,202	2,829
Rent & utilities	1,761	1,556
Cost of living allowance	480	424
Provident fund	352	311
Reimbursement of medical expenses & others	122	94
	5,917	5,214

39.2 Meeting fees other directors

	2007	2006
Meeting fees other directors	80	70
Number of persons	2	2

39.3 Executives

	2007	2006
Managerial Remuneration	11,553	9,568
Rent & utilities	6,354	4,482
Cost of living allowance	1,733	1,222
Provident fund	1,200	775
Reimbursement of medical expenses & others	497	252
	21,337	16,299
Number of persons	13	10

The Chief Executive Officer is provided with free use of Company maintained car. Certain executives are also provided with Company vehicles.

40. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

40.1 Interest rate risk

Rupees '000'

Interest rate risk is the risk that the value of financial instruments will fluctuate due to change in the interest rates. The company manages this risk through risk management strategies. Interest rate risk of the company's financial assets and financial liabilities can be evaluated from following schedule:

	2007							2006
	Interest bearing			Non-Interest bearing				
	Maturity upto one year	Maturity after one year	Sub-total	Maturity upto one year	Maturity after one year	Sub-total	Total	Total
	Rupees in '000							
Financial assets								
Long term deposits	-	3,495	3,495	-	517	517	4,012	4,012
Trade Debtors	-	-	-	51,834	-	51,834	51,834	45,864
Loans & advances	-	-	-	2,622	-	2,622	2,622	4,081
Trade deposits & Prepayments	-	-	-	2,624	-	2,624	2,624	1,156
Short term investment	278	-	278	-	-	-	278	254
Other receivable	-	-	-	26	-	26	26	365
Cash & Bank balances	-	-	-	37,501	-	37,501	37,501	30,309
	278	3,495	3,773	94,607	517	95,124	98,897	86,041
Financial liabilities								
Long term financing	-	-	-	-	-	-	-	56,000
Short term financing	171,201	-	171,201	-	-	-	171,201	90,974
Mark-up accrued on borrowings	-			2,470		2,470	2,470	1,726
Trade & Other payables	-	-	-	155,931	-	155,931	155,931	88,780
	171,201	-	171,201	158,401	-	158,401	329,602	237,480
On-balance sheet gap	(170,923)	3,495	(167,428)	(63,794)	517	(63,277)	(230,705)	(151,439)
Off-balance sheet gap							142,885	143,571

40.2 Effective interest rates

	2007	2006
Assets		
Long term deposits	5.0%	5.0%
Short term investment	9.7%	1.4% to 10.1%
Cash at Bank under PLS. Deposit	2.3%	2.25% to 3%
Liabilities		
Short term financing	6.15% to 11.62%	2.56% to 10.81%

40.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availablilty of funding to an adequate amount of committed credit facilities. The company treasury aims at maintaing flexibility in funding by keeping committed credit lines available.

40.4 **Credit risk and concentration of credit risk**

Credit Risk represents the accounting loss that would be recognised at the reporting date if counter parties failed completely to perform as contracted. The Company's credit risk is primarily attributable to its trade debtors, long-term deposits and balances with banks. The financial assets which are subject to credit risks amounted to Rs. 101.05 million (2006: Rs. 86.04 million).

The company believes that it is not exposed to major concentration of credit risk. To manage exposure to credit risk, the company applies credit limits to its customers.

40.5 **Foreign exchange risk management**

Foreign currency risk mainly arises where payables exist due to imports of goods. The company obtains forward exchange cover, where necessary, to hedge its foreign currency exposure in various currencies.

40.6 **Fair value of the financial instruments**

The carrying value of all financial instruments reflected in the financial statements approximates their fair values, except for long term loans, trade deposits and other receivables which are stated at cost / amortised cost.

40.7 **Market risk**

Market risk is the risk that the value of a financial instrument will flucatuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security, or its issuer, or factors affecting all securities traded in the market.

41 PLANT CAPACITY

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

42 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on August 29, 2007 by the board of directors of the Company.

43 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed the following dividend and bonus shares:

	2007	2006
	(Rupees in '000)	
Dividends and bonus shares attributable to the year		
Final dividend of Rs.6/- (2006: Rs.3) per share	36,483	15,862
Bonus share issued at the rate of 15% (2006: 15% - three shares for every 20 shares held)	9,121	7,931

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balanace sheet date.

Dividends and bonus shares attributable to the previous financial year, approved and paid during the year

	2007	2006
Final dividend in respect of previous financial year, approved and paid during the year of Rs. 3 (2005: Rs. 2.5) per share.	15,862	11,494
Bonus shares in respect of previous financial year, approved and issued during the year at the rate of 15% (2005: 15%).	7,931	6,897

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

Atlas Battery

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2007

NO. OF SHAREHOLDERS	HAVING SHARES FROM	TO	SHARES HELD	PERCENTAGE
561	1	100	13,765	0.23
319	101	500	83,852	1.38
110	501	1,000	82,352	1.35
116	1,001	5,000	248,813	4.09
15	5,001	10,000	97,416	1.60
10	10,001	15,000	118,802	1.95
2	15,001	20,000	31,986	0.53
5	20,001	25,000	109,071	1.79
3	25,001	30,000	81,713	1.34
1	30,001	35,000	33,895	0.56
2	35,001	40,000	71,000	1.17
1	40,001	45,000	41,900	0.69
1	45,001	50,000	48,990	0.81
1	65,001	70,000	68,553	1.13
2	80,001	85,000	164,160	2.70
1	105,001	110,000	106,034	1.74
2	110,001	115,000	225,541	3.71
4	285,001	290,000	1,148,114	18.88
1	570,001	575,000	575,000	9.46
1	910,001	915,000	912,069	15.00
1	1,815,001	1,820,000	1,817,478	29.89
1,159			6,080,504	100.00

CATEGORIES OF SHAREHOLDERS	NUMBER	SHARES HELD	PERCENTAGE
Associated Undertakings & Related parties			
Batool Benefit Trust	1	13,214	0.22
Atlas Insurance Limited	1	106,034	1.74
Atlas Foundation	1	111,783	1.84
Shirazi Investments (Private) Limited	1	1,817,478	29.89
Japan Storage Battery Co.Ltd.	1	912,069	15.00
	5	2,960,578	48.69
Investment Corporation of Pakistan	1	506	-
Directors/Spouse			
Mr. Yusuf H. Shirazi and Mrs. Khawar S. Shirazi	1	25,263	0.42
Mr. Iftikhar H. Shirazi	1	287,025	4.72
Mr. Aitzaz Shahbaz	1	132	-
Mr. Javaid Anwar	1	132	-
Mr. Muhammad Atta Karim	1	132	-
	5	312,684	5.14
Corporation			
State Life Insurance Corporation of Pakistan	1	80,900	1.33
Financial Institutions			
J.P. Morgan Chase Bank	1	575,000	9.46
Habib Insurance Co.Ltd.	1	10,923	0.18
	2	585,923	9.64
Joint Stock Companies	15	80,756	1.33
Individuals	1,128	2,036,855	33.50
SECP	1	1	0.00
Abandoned Properties Organisation	1	22,301	0.37
	1,159	6,080,504	100.00

Atlas Group Companies

	Year of Establishment / Acquisition*
Shirazi Investments	1962
Atlas Honda	1963
Atlas Battery	1966
Shirazi Trading	1973
Atlas Insurance	1980*
Allwin 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
Atlas Capital Markets	2006
Atlas Power	2007

Atlas Battery

PRODUCT TYPES AND THEIR APPLICATION

New Names	Old Names as per JIS	Plates Per Cell	Polarity Per Cell	Application
Light Batteries				
XR40	NS40SR	9PL	R	Suzuki Van/pickups, Subaru Van/Pickups (old models) (600cc - 800cc)
XL45	NS40ZL	9PL	L	Suzuki Car/Van pickups, Jeep Subaru Car/Van Pickups, Charade Petrol (800cc-1000cc)
CNG45	NS40ZL	9PL	L	Suzuki Mehran, Daihatsu Cuore, kia Classic, All CNG Converted Vehicles (800cc-1000cc)
XL48	NS40ZL	11PL	L	All Types of Suzuki Vehicles (800cc to 1300cc) Honda Citi (1300cc)
XL50	N40	11PL	L	Toyota, Nissan (Datsun), Daihatsu, Mazda, Mitsubishi (1200cc to 1600cc)
CNG55	N40	11PL	L	
NS60	NS60	13PL	R	Datsun 120Y, Mazda, Mitsubishi Lancer, Toyota, Honda Civic (1000cc-1600cc)
55D26R	N50	9PL	R	Toyota Mark II, Toyota Crown, Toyota Cressida, Mercedies Benz, Willys Jeeps, MF375 Tractors, Hyundai/Daewoo (2000cc-6000cc)
65D26R	N50Z	11PL	R	
DIN555-30	DIN555-30	11PL	L	
XR85	N70 EXTRA	13PL	R	
XL85	N70 EXTRA L	13PL	L	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
Medium Batteries				
80D31R	NS70	11PL	R	
85D31R	N70Z	13PL	R	
U95	U95	13PL	R	
95D31R	N85P	15PL	R	
95D31L	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	L	Issuzu Trucks, Mercedes Benz - Hino Truck ZH -100 Fiat Tractors 640 issuzu JCR 460R. (3000cc-6000cc)
U115	U115	15PL	L	
118E41R	N100	19PL	R	Fiat Tractors 640, Hino Truck & Busses, Hino Bowzer, Fiat Trucks, Ford Dumper, Issuzu Diesel Busses, Fiat Buses (3000cc - 12000cc)
U130	U130	19PL	R	
Heavy Batteries				
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	C	Generator Sets, Road Roller, Bulldozar.
245H52	N200	33PL	C	
UPS Batteries				
UPS80	UPS80	11PL	R	1 PC, Invertor 500VA - 600VA
UPS115	UPS115	15PL	L	1 PC, Invertor 600VA - 650VA
UPS120	UPS120	17PL	R	2 PC, Invertor 650VA - 800VA
UPS140	UPS140	21PL	C	3 PC, Invertor 800VA - 1400VA
UPS180	UPS180	23PL	C	4 PC, Invertor 1400VA - 2KV
UPS200	UPS200	25PL	C	5 PC, Invertor 2KV and above

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

Affix
Revenue Stamp

Signature

____

____

____
(Address)

____
Date

Dear Sir,

SUBJECT: PROXY FORM

I/We the undersigned member(s) of Atlas Battery Limited Holding ________________ Ordinary Shares hereby appoint Mr./Mrs./Miss ___________________ of ____________________ or failing him/her Mr./Mrs./Miss ____________________ of ___________________ being member of the Company as my/our proxy to attend, act and vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Federation House, 2nd Floor, Sharae Firdousi, main Clifton, Karachi, on September 29, 2007 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

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