



QUARTERLY REPORT
MARCH 31, 2010



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COMPANY INFORMATION

BOARD OF DIRECTORS

Chairman	Yusuf H. Shirazi
Directors	Ali H. Shirazi
	Bashir Makki
	H. Masood Sohail
	Jawaid Iqbal Ahmed
	Mohammad Atta Karim
	Sohail Wajahat H. Siddiqui
Chief Executive Officer	Sadaqat Ali
Company Secretary	Fida Hussain Zahid

AUDIT COMMITTEE

Chairman	H. Masood Sohail
Members	Ali H. Shirazi
	Mohammad Atta Karim
Chief Internal Auditor	Faiz Ullah Ghazi
Secretary	Fida Hussain Zahid

MANAGEMENT COMMITTEE

Chief Executive Officer	Sadaqat Ali
General Manager Plant	Muhammad Qadeer Khan
Chief Financial Officer	Shakil Ahmed
General Manager Marketing	Muhammad Saqlain Mirza
General Manager Quality Assurance	Lt.Col (R) Munzim Ahmed Vahidy
General Manager Support Services	Jawaid Iraqi
Financial Controller	Syed Naushad Ali
Manager HR & Admin	Major (R) Abdul Sattar

AUDITORS

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

LEGAL ADVISORS

Mohsin Tayabali & Co.
Advocate Incorporation
Agha Faisal Barrister at Law

TAX ADVISOR

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

COMPANY INFORMATION

BANKERS	<p>Atlas Bank Limited Bank Alfalah Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited MCB Bank Limited Meezan Bank Limited National Bank of Pakistan Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited</p>
REGISTERED OFFICE (FACTORY)	<p>15th Mile, National Highway, Landhi, Karachi-75120 PABX 111-111-AEL (235), Fax: (021) 35011709 E-mail: ael@atlasengineering.com.pk Website: www.atlasengineering.com.pk</p>
SHARE REGISTRAR	<p>Hameed Majeed Associates (Pvt.) Limited, Karachi Chambers, Hasrat Mohani Road, Karachi Phones: 32424826 & 32412754 Fax: 32424835 E-mail: majeed@hmaconsultants.com</p>
SALES OFFICES	<p>Lahore Office: 1st Floor, 2-Kothalia Building, Mcleod Road, Lahore Phones: (042) 37354640 E-mail: aellhr@atlasengineering.com.pk Mobile: 0333-4160784 & 0307-4606099</p> <hr/> <p>Multan Office: Near Capri Cinema, Azmat Wasti Road, Multan Phone: (061) 4512181, Fax: 4541690 & 4586280 E-mail: aelmul@atlasengineering.com.pk Mobile: 0300-7982516</p> <hr/> <p>Faisalabad Office: No. 54, Chenab Market, Madina Town, Faisalabad Phone: (041) 8549376 Fax: 8726628 E-mail: aelfsd@atlasengineering.com.pk Mobile: 0333-4642589</p> <hr/> <p>Rawalpindi Office: 312, R-A-Bazar, Kashmir Road, Rawalpindi Phone: (051) 5567423 Fax: 5567423 E-mail: aelrwp@atlasengineering.com.pk Mobile: 0333-5129411</p> <hr/> <p>Peshawar Office: Flat No.3, Block 'B', Zeenat Plaza Near Haji Camp, Peshawar Phone: (091) 2651000 E-mail: aelpsh@atlasengineering.com.pk Mobile: 0333-9276840</p>

CHAIRMAN'S REVIEW

It is my pleasure to present the un-audited accounts for the third quarter ended March 31, 2010.

THE ECONOMY

The economy has come up despite high inflation, high infrastructural costs - water, gas and electricity and security conditions. A cumulative growth of 2.4% during the first seven months of FY 10 in the large scale manufacturing (LSM) is therefore encouraging.

The balance of payments position improved. The external current account deficit came down to \$2.6 billion during July - Feb 2010 compared to \$ 8 billion in the same period, last year. This has, among others, led foreign reserves at \$11.1 billion as on 26th March 2010. It has stabilized the foreign exchange market. However, inflationary pressures led to increase in raw materials & fuel prices and weakened the rupee to Rs 85 to a dollar.

Growth prospects for agriculture sector don't appear to be as strong as last year. Expected contribution by rice crop and cash generation by wheat will be mainly responsible. Sustainability of this trend would depend on improvement in the availability of infrastructural facilities and law and order. In addition, this would need growth in private sector credit, which in turn will depend on reduction in the government and public sector's reliance on bank borrowings.

OPERATING RESULTS

The 3rd quarter was a challenging quarter as increased efforts were to be made to improve revenue through higher volumes and relying on additional business opportunities. Focus was maintained on keeping costs under check to improve profitability.

The revenue for the third quarter was Rs. 410.76 million compared with Rs. 253.29 million for the corresponding quarter, last year. The gross profit was at Rs. 49.79 million against Rs. 10.95 million in the last corresponding quarter. The growth in gross profit was due to higher sales, reduction in costs through process improvement and better material management and improved productivity. However, containing costs is a persistent challenge due to rupee devaluation, increase in material prices and utility charges. In line with the increase in sales and due to high inflation, the operating expenses increased to Rs. 27.31 million against Rs. 15.21 million of corresponding quarter. The financial charges reduced from Rs. 15.86 million to Rs 12.66 million compared to corresponding quarter last year due to reduction in markup rate and cost management. The profit after tax was Rs. 4.92 million, against a loss after tax of Rs. 15.96 million of the corresponding quarter, last year.

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The revenue for the nine months ended March 31, 2010 was at Rs. 1,051.30 million as compared to Rs. 808.21 million. The gross profit was recorded at Rs. 148.39 million against Rs. 25.83 million in the corresponding period, last year. The profit after tax was Rs. 26.53 million during the nine months under review against a loss after tax of Rs. 53.44 million of the corresponding period last year.

Basic earnings per share after tax for the nine months was Rs. 1.08 against loss per share of Rs. 4.33 during last corresponding period.

FUTURE OUTLOOK

The economic environment seems to be improving - after the 18th Amendment to the Constitution. The next quarter seems to be optimistic. The overall business is expected to improve further with rise in demand emanating from the OEM's and replacement market:

سہج چکے سوسو میٹھا ہو

(Steady growth yields steady growth - a better growth)

ACKNOWLEDGEMENT

I would like to thank the customers, dealers, financial institutions and share holders for their continued support and cooperation in maintaining high standards of excellence. I also thank our members of the board of Directors, and Chief Executive Officer and his team for their countless hours of work to make Atlas Engineering a great company in order to serve our valued customers better.



Karachi: April 24, 2010

Yusuf H. Shirazi

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2010

	Note	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
(Rupees in 000')			
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	803,307	809,651
Intangible assets		42	510
		803,349	810,161
Long term loans and advances		915	1,009
Long term deposits and pre-payments		10,146	9,303
		11,061	10,312
		814,410	820,473
CURRENT ASSETS			
Stores, spare parts and loose tools		50,122	51,317
Stock-in-trade	5	189,611	120,626
Trade debts	6	58,095	125,307
Loans and advances		10,862	4,796
Trade deposits and short-term prepayments		7,044	7,960
Taxation - net		32,631	15,158
Cash and bank balances	7	1,834	5,051
		350,199	330,215
TOTAL ASSETS		1,164,609	1,150,688
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital	8	246,734	246,734
Un-appropriated profit / (loss)		5,655	(20,876)
		252,389	225,858
SURPLUS ON REVALUATION OF FIXED ASSET		415,780	415,780
NON-CURRENT LIABILITIES			
Long-term loans	9	75,643	61,500
Liabilities against assets subject to finance lease	10	12,231	17,654
Long-term murabaha finance		-	3,570
Retirement and other service benefits		24,297	22,615
Deferred taxation		50,924	39,321
		163,095	144,660
CURRENT LIABILITIES			
Trade and other payables		147,209	118,220
Accrued markup		12,515	13,241
Short term running finances	11	99,175	175,123
Current maturity of long-term loans	9	35,286	15,000
Current maturity of liabilities against assets subject to finance lease		6,341	8,571
Current maturity of long-term murabaha finance		14,286	28,572
Provisions and other liabilities		18,533	5,663
		333,345	364,390
CONTINGENCIES AND COMMITMENTS	12		
TOTAL EQUITY AND LIABILITIES		1,164,609	1,150,688

The annexed notes from 1-19 form an integral part of these condensed interim financial statements.



Sadaqat Ali
Chief Executive Officer



H. Masood Sohail
Director



Yusuf H. Shirazi
Chairman


CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2010

	Note	Nine months ended		Quarter ended	
		March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
		Rupees in '000'		Rupees in '000'	
Sales - net		1,051,302	808,207	410,762	253,291
Cost of goods sold	13	(902,913)	(782,378)	(360,977)	(242,345)
Gross profit		148,389	25,829	49,785	10,946
Other Operating Income	14	81	5,894	-	4,157
		148,470	31,723	49,785	15,103
Selling and distribution expenses		(19,546)	(14,663)	(8,645)	(4,858)
Administrative expenses		(41,245)	(31,299)	(16,837)	(9,566)
Other operating expenses.		(4,729)	(1,514)	(1,823)	(784)
		(65,520)	(47,476)	(27,305)	(15,208)
Operating profit / (loss)		82,950	(15,753)	22,480	(105)
Finance costs	15	(39,859)	(52,882)	(12,655)	(15,858)
Profit / (loss) before taxation		43,091	(68,635)	9,825	(15,963)
Taxation - current	16	(4,957)	(44)	(1,754)	-
- deferred		(11,603)	15,237	(3,150)	-
		(16,560)	15,193	(4,904)	-
Profit / (loss) after taxation		26,531	(53,442)	4,921	(15,963)
Earnings / (loss) per share - Basic and diluted	17	Rs. 1.08	Rs. (4.33)	Re. 0.20	Rs. (1.29)

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.


Sadaqat Ali
 Chief Executive Officer


H. Masood Sohail
 Director


Yusuf H. Shirazi
 Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2010

	Nine months ended		Quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	Rupees in '000'		Rupees in '000'	
Profit / (Loss) for the period after tax	26,531	(53,442)	4,921	(15,963)
Other comprehensive income	-	-	-	-
Total Comprehensive income / (loss) for the period - net of tax	<u>26,531</u>	<u>(53,442)</u>	<u>4,921</u>	<u>(15,963)</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Sadaqat Ali
Chief Executive Officer



H. Masood Sohail
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2010

	Note	Nine months ended	
		March 31, 2010	March 31, 2009
(Rupees in 000')			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		43,091	(68,635)
Adjustments for:			
Depreciation / amortization		34,003	37,973
Profit on sale of fixed assets		(41)	(5,894)
Gratuity - net		1,682	2,629
Finance costs		39,859	52,882
		<u>75,503</u>	<u>87,590</u>
Operating profit before working capital changes		118,594	18,955
Working capital changes:			
(Increase) / Decrease in stock in trade		(67,790)	50,167
Decrease / (Increase) in Trade debts		67,212	(3,069)
(Increase) / decrease in loans, advances, deposits, prepayments and other receivables		(5,150)	11,433
Increase / (Decrease) in trade and other payables		41,859	(7,159)
Cash generated from operations		154,725	70,327
Finance costs paid		(40,585)	(49,763)
Taxes paid		(22,430)	(10,805)
Net cash generated from operating activities		91,710	9,759
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure		(30,125)	(17,725)
Long term deposits		(843)	(2,851)
Re-payment of long term loans and advances		94	290
Proceeds from sale of fixed assets		2,975	22,202
Net cash (used) in / generated from investing activities		(27,899)	1,916
CASH FLOWS FROM FINANCING ACTIVITIES			
Disbursement of long term loans		50,000	30,000
Advance against issue of right shares		-	120,029
Re-payment of finance lease		(7,653)	(10,137)
Re-payment of long-term loans		(33,427)	(102,568)
Dividend paid		-	(9,252)
Net cash generated from financing activities		8,920	28,072
Net increase in cash and cash equivalents		72,731	39,747
Cash and cash equivalents at the beginning of the period		(170,072)	(216,989)
Cash and cash equivalents at the end of the period		<u>(97,341)</u>	<u>(177,242)</u>
CASH AND CASH EQUIVALENTS			
Cash and bank balances	7	1,834	2,815
Short-term running finance	11	(99,175)	(180,057)
		<u>(97,341)</u>	<u>(177,242)</u>

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Sadaqat Ali
Chief Executive Officer



H. Masood Sohail
Director



Yusuf H. Shirazi
Chairman

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE MONTHS ENDED MARCH 31, 2010

	Issued subscribed and Paid-up Capital	Unappropriated profit / (loss)	Total
(Rupees in 000')			
Balance as at June 30, 2008	123,367	35,844	159,211
Loss for the period after tax	-	(53,442)	(53,442)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(53,442)	(53,442)
Dividend for the year ended June 30, 2008 @ Re. 0.75 per share	-	(9,252)	(9,252)
Balance as at March 31, 2009	123,367	(26,850)	96,517
Balance as at June 30, 2009	246,734	(20,876)	225,858
Profit for the period after tax	-	26,531	26,531
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	26,531	26,531
Balance as at March 31, 2010	246,734	5,655	252,389

The annexed notes from 1 to 19 form an integral part of these condensed interim financial statements.



Sadaqat Ali
Chief Executive Officer



H. Masood Sohail
Director



Yusuf H. Shirazi
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

1. THE COMPANY AND ITS OPERATIONS

Atlas Engineering Limited (the Company) was incorporated in Pakistan as a private limited company in 1963 and converted into a public limited company on July 15, 1966. Its shares are listed on the Karachi and Lahore stock exchanges. It is engaged in manufacturing of components and parts for automotive vehicles and tractors. The registered office of the Company is situated at 15th Mile, National Highway, Landhi, Karachi, Pakistan.

2. BASIS OF PREPARATION

These condensed interim financial statements are un-audited and these are required to be presented to the shareholders in accordance with the requirement of Section 245 of the Companies Ordinance, 1984 and International Accounting Standard (IAS) 34 "Interim Financial Reporting". The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended June 30, 2009.

3. SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2009, except for the presentation changes resulting from the adaptation of IAS 1 - "Presentation of Financial Statements (Revised)" as described below:

IAS 1 - Presentation of Financial Statement (Revised)

The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income : it presents all items of recognized income and expense, either in one single statement, or in two linked statements. The Company has elected to present two statements.

	Note	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
		(Rupees in '000)	

4. PROPERTY, PLANT AND EQUIPMENT

Book Value at the beginning of the period / year		807,450	862,848
Additions during the period / year	4.1	21,475	33,732
Disposals during the period / year (NBV)	4.2	(2,934)	(38,402)
Depreciation charged during the period / year		(33,535)	(50,728)
		(36,469)	(89,130)
		792,456	807,450
Capital work in progress		10,851	2,201
		803,307	809,651
4.1 Additions during the period / year			
Building on leasehold land		128	6,161
Plant and machinery		18,256	24,391
Electrical fittings		415	139
Computers		219	102
Vehicles		2,457	2,939
		21,475	33,732
4.2 Disposals during the period / year			
Plant and machinery		-	36,668
Vehicles		2,934	1,734
		2,934	38,402

	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
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(Rupees in '000)

5. STOCK-IN-TRADE

Raw and ancillary materials		
In hand	100,872	42,899
In transit	4,669	35,580
	105,541	78,479
Packing materials	1,640	870
Work in process	31,951	16,945
Finished goods	51,142	24,995
	190,274	121,289
Less: Provision for obsolescence	663	663
	189,611	120,626
	189,611	120,626

5.1 Included herein are stocks carried at net realisable value amounting to Rs.12.90 million (June 30, 2009: Rs.11.47 million)

	March 31, 2010 (Un-Audited)	June 30, 2009 (Audited)
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(Rupees in '000)

6. TRADE DEBTS

Unsecured, considered good		
Due from related parties	6.1	88,853
Others		36,454
		125,307
		125,307

6.1 This represents due from a related party, Atlas Honda Limited Rs. Nil (June 30, 2009: Rs. 88.853 million)

7. CASH AND BANK BALANCES

In hand		
- Cheques / Pay orders		2,957
- Cash		449
		3,406
Cash at bank in current accounts	7.1	1,645
		5,051
		5,051

7.1 Includes Rs.0.29 million (June 30, 2009 Rs. 0.105 million) kept with Atlas Bank Limited a related party.

		March 31, 2010		June 30, 2009
Note		(Un-Audited)		(Audited)
		(Rupees in '000)		

8. SHARE CAPITAL

8.1 Authorised capital

March 31, 2010	June 30, 2009
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Number of ordinary shares of Rs.10/- each

<u>40,000,000</u>	<u>40,000,000</u>	Ordinary shares	<u>400,000</u>	<u>400,000</u>
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8.2 Issued, subscribed and paid-up capital

21,610,283	21,610,283	- Fully paid in cash	216,103	216,103
49,800	49,800	- Issued for consideration other than cash	498	498
3,013,307	3,013,307	- Issued as fully paid bonus shares	30,133	30,133
<u>24,673,390</u>	<u>24,673,390</u>		<u>246,734</u>	<u>246,734</u>

9. LONG-TERM LOANS

Secured

From Banks:

Loan - I		42,000	51,000
Loan - II		22,500	25,500
Loan - III	9.1	46,429	-

Less : Current maturity - long term loans

	110,929	76,500
	35,286	15,000
	<u>75,643</u>	<u>61,500</u>

9.1 'During the period under review , the Company entered into a long-term loan agreement with a commercial bank for Rs. 50.0 million to finance the long term assets. The loan is repayable in 42 monthly installments commencing from February 01 2010 and carries markup at 6 months KIBOR rate plus 2.5% per annum. The loan is secured by first pari passu charge on the fixed assets of Company.

9.2 'The terms and conditions of all other loans shown above are the same as disclosed in note 16 to the annual financial statements of the Company for the year ended June 30, 2009.

10. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

These represent finance leases entered into with Atlas Bank Limited - a related party in respect of machinery and vehicles. Total lease rentals due under various lease agreements aggregate Rs.21.179 million (June 30, 2009: Rs. 30.733 million) and are payable in monthly installments latest by June 2013. Taxes, repairs, replacement and insurance costs are to be borne by the Company. In case of termination of agreement the Company has to pay the entire rent for unexpired period. Financing rates of approximately 13.80% to 16.25% per annum (June 30, 2009 approximately 13.80% to 16.25%) have been used as the discounting factor. These liabilities are secured by demand promissory note of Rs.62.88 million (June 30, 2009: Rs. 62.88 million).

		March 31,	June 30,
		2010	2009
Note		(Un-Audited)	(Audited)
		(Rupees in '000)	

11. SHORT-TERM RUNNING FINANCES - Secured

Atlas Bank Limited - a related party		-	7,072
Others	11.1	99,175	168,051
		<u>99,175</u>	<u>175,123</u>

11.1 The aggregate facilities of short term running finance available from various banks as on March 31, 2010 amount to Rs.287.0 million (June 30, 2009: Rs.357.0 million) of which Rs 187.825 million (June 30, 2009: Rs. 181.88 million) remained unutilized as on March 31, 2010. The facilities are under markup arrangements and are secured by first pari passu joint hypothecation of stocks and book debts of the Company. The rate of markup on these finances ranges from three months KIBOR plus 1.25 % to three months KIBOR plus 2.0% (June 30, 2009: three months KIBOR plus 2.50% to one month KIBOR plus 1.75%) per annum. These are repayable latest by August 31, 2010.

12. CONTINGENCIES AND COMMITMENTS

There were no major changes in the status of contingencies and commitments reported in the financial statements for the year ended June 30, 2009 except for the following:

	March 31,	June 30,
	2010	2009
	(Un-Audited)	(Audited)
	(Rupees in '000)	

Commitments:

Guarantees	17,739	17,739
Letter of credits - under Ijarah finance arrangement	14,826	-
Letter of credits - others	104,495	96,147
	<u>137,060</u>	<u>113,886</u>

Commitments for rentals under Ijarah finance agreement:

<u>Years</u>		
Within one year	12,629	10,647
After one year but not more than five years	34,786	46,832
	<u>47,415</u>	<u>57,479</u>

	Nine months ended		Quarter ended	
	March 31,	March 31,	March 31,	March 31,
	2010	2009	2010	2009
	(Un-audited)		(Un-audited)	
	----- Rupees in '000' -----			

13. COST OF GOODS SOLD

Raw and ancillary materials consumed	618,806	505,033	231,402	144,789
Salaries, wages and benefits	146,324	124,039	64,635	37,351
Spare parts and other maintenance	55,379	41,663	21,712	9,673
Fuel, water and power	59,951	50,434	23,344	15,968
Repairs and maintenance	2,143	3,177	565	1,131
Depreciation	31,938	35,812	11,333	12,090
Ijarah rentals	7,986	-	2,663	-
Packing material	8,621	6,638	3,155	2,160
Royalty and technical fee	8,166	6,284	2,279	1,952
Others	4,752	5,035	1,811	1,320
	<u>944,066</u>	<u>778,115</u>	<u>362,899</u>	<u>226,434</u>

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Nine months ended Quarter ended
 March 31, March 31, March 31, March 31,
 2010 2009 2010 2009
 (Un-audited) (Un-audited)

----- Rupees in '000' -----

Opening work-in-process	16,945	30,978	25,869	24,607
Closing work-in-process	(31,951)	(21,268)	(31,951)	(21,268)
	(15,006)	9,710	(6,082)	3,339
Cost of goods manufactured	929,060	787,825	356,817	229,773
Opening stock of finished goods	24,995	34,745	55,302	52,764
Closing stock of finished goods	(51,142)	(40,192)	(51,142)	(40,192)
	(26,147)	(5,447)	4,160	12,572
	<u>902,913</u>	<u>782,378</u>	<u>360,977</u>	<u>242,345</u>

14. OTHER OPERATING INCOME

Gain on sale of fixed assets	41	5,894	-	4,157
Interest on loan to employees	40	-	-	-
	<u>81</u>	<u>5,894</u>	<u>-</u>	<u>4,157</u>

15. FINANCE COSTS

Interest on long term loans	15,078	20,223	4,739	6,266
Mark-up on short-term finances	23,312	31,059	7,504	9,024
Banks and others charges	1,469	1,600	412	568
	<u>39,859</u>	<u>52,882</u>	<u>12,655</u>	<u>15,858</u>

16. In view of available assessed tax losses , provisions for current taxation is based on 0.50% of turnover under section 113 of the Income Tax Ordinance 2001.

Nine months ended Quarter ended
 March 31, March 31, March 31, March 31,
 2010 2009 2010 2009
 (Un-audited) (Un-audited)

----- Rupees in '000' -----

17. EARNINGS / (LOSS) PER SHARE

Profit / (loss) after tax (Rupees in '000)	26,531	(53,442)	4,921	(15,963)
Weighted average number of ordinary shares outstanding during the period	24,673,390	12,336,695	24,673,390	12,336,695
Earnings / (loss) per share - basic	<u>Rs.1.08</u>	<u>Rs.(4.33)</u>	<u>Re.0.20</u>	<u>Rs.(1.29)</u>

There is no dilution effect on basic earnings / (loss) per share of the Company.

18. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of group companies, staff benefit funds, directors and executives. The Company in the normal course of business carries out transaction with various related parties at contracted rates and terms determined in accordance with market conventions.

Relationship	Nature of transactions	Nine months ended		Quarter ended	
		March 31, 2010 (Un-audited)	March 31, 2009	March 31, 2010 (Un-audited)	March 31, 2009
		----- Rupees in '000' -----			
Group companies	Interest expenses	6,449	2,611	513	981
	Purchase of goods	6,496	683	4,019	257
	Sale of goods (Inclusive sales tax and federal excise duty)	859,862	612,664	319,029	172,377
	Sale of fixed assets	-	6,000	-	-
	Advance received against future issue of right shares	-	120,000	-	-
	Expenses charged to Company	153	-	-	-
	Finance lease obtained	-	4,698	-	-
	Long-term loan obtained	-	30,000	-	-
	Loan repaid	3,000	-	-	-
	Lease rentals paid	7,653	10,137	2,150	3,423
	Insurance premium	21,099	14,076	7,675	2,578
	Dividend paid	-	6,359	-	6,359
	Contribution to staff retirement funds / schemes	2,914	2,294	251	212
Key management personnel compensation	16,118	20,778	5,082	4,950	

In addition, certain actual administrative expenses are being shared amongst the group companies.

19. GENERAL

19.1 These condensed interim financial statements were authorised for issue by the Board of Directors on April 24, 2010.

19.2 Amount have been rounded off to the nearest thousand rupees, unless otherwise stated.



Sadaqat Ali
Chief Executive Officer



H. Masood Sohail
Director



Yusuf H. Shirazi
Chairman

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