



Quarterly Report June 30,

2021

2021

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Company Information

Board of Directors

Aamir H. Shirazi
Chairman

Sanaullah Qureshi
Director

Abid Naqvi
Director

Mashmooma Zehra Majeed
Director

Susumu Morisawa
Director

Shunsuke Miyazaki
Director

Hirofumi Yada
Director

Saqib H. Shirazi
Chief Executive Officer

Marrium Ahmed
Company Secretary

Audit Committee

Abid Naqvi
Chairman

Sanaullah Qureshi
Member

Mashmooma Zehra Majeed
Member

Muhammad Asim
Head of Internal Audit

Marrium Ahmed
Secretary

Human Resource & Remuneration Committee

Abid Naqvi
Chairman

Sanaullah Qureshi
Member

Saqib H. Shirazi
Member

Muhammad Tahir Nazir
Secretary

Management

Saqib H. Shirazi
Chief Executive Officer

Afaq Ahmed
Vice President Marketing

Shunsuke Miyazaki
Vice President Technical

Hirofumi Yada
General Manager Technical

Kashif Yasin
Chief Financial Officer

Faisal Mahmud
General Manager New Model Center

Muhammad Noman Khan
General Manager Engineering & Projects

Muhammad Qadeer Khan
General Manager Plants

Muhammad Rashad Rashid
General Manager Production, Planning & Control

Muhammad Tahir Nazir
General Manager Human Resources, Administration & Corporate Affairs

Muhammad Zafar Iqbal
General Manager After Sales

Mujahid-ul-Mulk Butt
General Manager Sales

Rashid Ahmed
General Manager Commercial & Planning

Syed Tanvir Hyder
General Manager Supply Chain & Systems

Zia Ul Hassan Khan
General Manager Quality Assurance

Company Information

Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.

Tax Advisor

EY Ford Rhodes
Chartered Accountants

Shares Registrar

Hameed Majeed Associates (Pvt.) Limited
H. M. House, 7-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore
Tel: (92-42) 37235081-82
Fax: (92-42) 37358817

Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Khushali Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered Office

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Tel: (92-42) 37225015-17, 37233515-17
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Website: www.atlashonda.com.pk

Factories

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Tel: (92-21) 32575561-65
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26-27 KM, Lahore-Sheikhupura Road,
Sheikhupura-39321
Tel: (92-56) 3406501-8
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Branch Offices & Customer Care Centres

Azmat Wasti Road, Multan
Tel: (92-61) 4570413-14
(92-61) 111-112-411
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Islamabad Corporate Center,
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Bank, Near City School, Rahimyar Khan
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Fax: (068) 5883414

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Fax: (022) 34113670

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Toll Free: 0800-245-22
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(Within working hours from Monday to Friday)

Chairman’s Review

I am pleased to present the unaudited condensed interim financial information of the Company for the quarter ended June 30, 2021.

Macroeconomic Overview

Economic activity has largely normalized with an improvement in the overall business environment. The fallout of the pandemic has been well contained. Resultantly, the economy has witnessed a “V-shaped” recovery on the back of targeted fiscal measures and monetary stimulus. The GDP growth rate of 3.94% exceeded all internal and external projections. Fiscal deficit was contained to 7% of GDP as compared to 8.1% during the same period last year despite higher interest and COVID 19 related payments. This mainly reflects healthy growth of 18% in FBR net tax revenue collection, which stood at Rs. 4.7 trillion. The headline inflation for 11MFY21 was recorded at 8.9% which was mainly driven by supply shocks to food, impact of energy tariff hikes and increasing commodity prices.

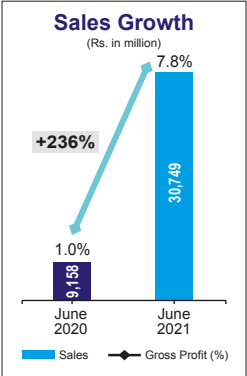
On the external front, current account registered slight deficit of USD 1.85 billion. The remittances exhibited a phenomenal growth of 27% and stood at a level of USD 29.4 billion. This was due to supportive policy measures and travel restrictions which increased the use of formal channels. Inflows of USD 500 million from IMF tranche, issuance of a USD 2.5 billion from Eurobond, and encouraging response of over USD 1 billion to Roshan Digital initiative also helped the foreign exchange reserves reach a five-year high level of USD 23.2 billion, up by 23%. On the other hand, trade deficit has widened by 33% to USD 28.5 billion in FY21. Exports showed an encouraging growth of 13.73%. However, imports picked up sharply by 23% on account of economic recovery and rising international commodity prices. Reflecting the increasing pressure, PKR depreciated by more than 5% in the last 4 months. On the monetary front, SBP continued its accommodative policy by maintaining discount rate at 7%. The positive momentum echoed in the country’s capital markets, as the PSX-100 index improved to 47,356 points in June 2021, an increase of 38%.

The agriculture sector recorded a steady growth of 2.8% with the production of major crops — wheat, rice and maize — rising to record highs and that of sugar cane to its second highest ever level. However, the cotton crop suffered mainly due to decline in sown area, heavy monsoon rain and pest attacks. Agriculture Transformation Plan introduced by the Government has incentivized the farmers and helped boost output. Moreover, the surge in prices of agricultural products and timely subsidies have contributed to surplus liquidity with improved farm income. Thus, demand for consumer durables remained upbeat in rural areas.

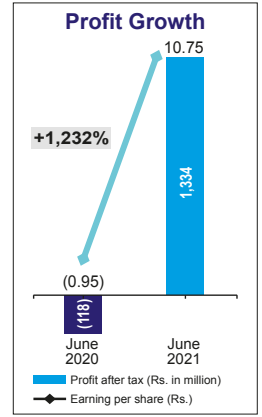
Large Scale Manufacturing (LSM) showed an exceptional growth of 14.57% in comparison to a contraction of 10.2% of last year. This was on account of an encouraging pickup in economic activity driven by various supportive policy measures introduced by the Government and SBP. The strong rebound is reflected in exceptionally strong growth recorded in multiple high-frequency indicators across all segments, including sales of fast-moving consumer goods, POL products, automobiles, cement, and textiles. However, on account of high demand and global supply chain disruptions, raw material supply has become increasingly constrained, and prices are on the rise. Thus, forcing businesses to resort to price increases.

Operating Results

The year began with a good momentum and encouraging results. The Company has been able to achieve first quarter results that are in line with its set objectives. The net sales for the quarter recorded at Rs. 30.7 billion as compared to Rs. 9.2 billion in the same quarter of last year, up by 236%. This was on account of volume growth achieved through uninterrupted business operations as compared to country wide lockdown due to COVID19 during most of the first quarter of last year.



As a result, the Company has achieved gross profit of Rs 2.4 billion as compared to Rs. 88 million of the corresponding period last year. Sales expenses increased by 84% from Rs. 295 million to Rs. 544 million due to full scale sales resumption and spending on marketing campaigns. Administrative expenses rose by 17% over the corresponding period due to normalized business operations. However, as a percentage of sales, selling and administrative expenses reduced from 5% to 2.3%. Other income, net of financial charges, contributed Rs. 408.2 million to the bottom line which is 68% higher than the corresponding period. Other operating expenses mainly represent provisions for workers welfare fund and workers profit participation fund that are directly related to profits earned during the quarter. Resultantly, the Company recorded profit before tax of Rs 1.9 billion and profit after tax of Rs. 1.3 billion as compared to previous period's loss of Rs 118 million. This translated into Earning per share of Rs. 10.75 as compared to Loss per share of Rs. 0.95 of corresponding quarter of last year.



Future Outlook

The Country's financial year has commenced with upbeat indicators as business activity gets back to normal and investor confidence is restored. The improved vaccination drive has further raised hopes of defying fourth wave of COVID 19 and aiding the economic turnaround. The macroeconomic stabilization measures and the structural transformations reinforced by international development partners will help the economy to move onto a higher and sustainable growth trajectory. As the business activity progresses, the current account balance will no doubt turn negative, given a widening trade deficit. This will keep Pak rupee under pressure. Inflation is likely to remain elevated in the coming months due to the recent energy tariff hikes, rising food prices and potential expansionary policies. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability and advancing structural reforms while maintaining social cohesions. As the economy returns to full capacity and recovery becomes durable, the two-wheeler segment is expected to maintain its growth momentum.

Atlas Honda has successfully transformed to the "new normal" with utmost focus on safety and well-being of its stakeholders. With a growing network of dealerships, state-of-the-art manufacturing plants, unmatched quality and unrivaled after sales services, the Company is all set to hold emerging opportunities arising out of growing economic prospects. In achieving its objectives, Atlas Way continues to be the driving force.

سہ جلتے ہیں جس کے لیے تیری آنکھوں کے دیئے
ڈھونڈ لایا ہوں وہی گیت میں تیرے لیے

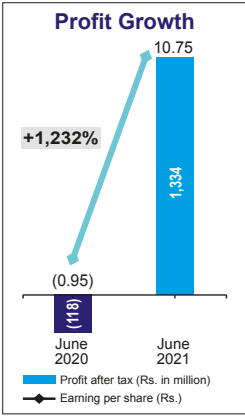
Acknowledgement

The Atlas Group takes great pride in its joint venture with Honda Motor Company Limited and would like to acknowledge its continued support and cooperation in maintaining high standards of excellence. I take this opportunity to thank our valued customers for the trust they continue to place in us, the management team for its sincere efforts, the Board of Directors for their guidance, Mr. Saquib H. Shirazi for his inspiring leadership and all stakeholders - Bankers, Dealers, Vendors, Associates and Shareholders - for helping build Atlas Honda Limited into a unique company.

AS

Dated: July 30, 2021
Karachi

Aamir H. Shirazi



ریکارڈ کی گئی جو کہ گزشتہ سال کے دوران اسی سہ ماہی کی 9.2 بلین روپے کے مقابلے میں 333 فیصد زیادہ ہے۔ یہ بلا تھقل کاروباری سرگرمیاں انجام دینے کے سبب حجم میں اضافے سے ممکن ہوا ہے جبکہ گزشتہ سال کی پہلی سہ ماہی میں کوویڈ 19 کے سبب پورے ملک میں شدید لاک ڈاؤن جاری تھا جس سے کاروباری سرگرمیاں شدید متاثر ہوئیں تھیں۔

نتیجے کے طور پر، کمپنی نے 2.4 بلین روپے گروس پرافٹ حاصل کیا جو کہ گزشتہ سال کی اسی مدت کے دوران 88 ملین روپے تھا۔ فروخت کے اخراجات 84 فیصد اضافے سے 295 ملین روپے کے مقابلے میں 544 ملین روپے رہے، جس کی وجہ اشتہاری ہم پر خرچ کی جانے والی خطیر رقم ہے۔ انتظامی اخراجات میں گزشتہ سال کی اسی مدت کے مقابلے میں 17 فیصد اضافہ ہوا اور اس کا سبب کاروباری سرگرمیوں کی بحالی ہے۔ تاہم، فروخت اور انتظامی اخراجات 5 فیصد سے کم ہو کر 2.3 فیصد رہے۔ دیگر آمدنی، نیٹ آف فنانس چارجز

نے حتمی نتائج میں 408.2 ملین روپے کی شرکت داری کی جو کہ گزشتہ سال کے مقابلے میں 68 فیصد زیادہ ہے۔ دیگر آپریٹنگ اخراجات اہم طور پر ورکرز کے وولفیئر فنڈ اور ورکرز کے پرافٹ پارٹیشن فنڈز کو ظاہر کرتے ہیں اور براہ راست سہ ماہی میں حاصل کیے گئے پرافٹ سے متعلق ہیں۔ نتیجے کے طور پر، قبل از ٹیکس منافع 1.9 بلین روپے جبکہ بعد از ٹیکس منافع 1.3 بلین روپے رہا جبکہ گزشتہ سال کی اسی مدت کے دوران 118 ملین روپے کا نقصان ریکارڈ کیا گیا تھا۔ آمدنی فی حصص 10.7 روپے رہی جبکہ گزشتہ سال کی اسی مدت کے دوران 0.95 روپے فی حصص نقصان کا سامنا کرنا پڑا تھا۔

مستقبل کے خدوخال

کاروباری سرگرمیوں کے معمول پر آنے اور سرمایہ کاروں کا اعتماد بحال ہونے کے سبب ملک کا مالی سال خوش کن اشاروں کے ساتھ شروع ہوا ہے۔ ویکسین کی بہتر مہم نے کوویڈ 19 کی چوٹی لہر کو ختم کرنے اور معاشی سرگرمیوں میں مزید اضافے کی امیدوں کو بڑھا دیا ہے۔ معاشی استحکام کے اقدامات اور بین الاقوامی ترقیاتی شرکت داروں کے ذریعے تقویت یافتہ ساختی تبدیلیوں سے معیشت کو اعلیٰ اور پائیدار ترقی کے راستے پر گامزن ہوجانے میں معاونت ملے گی۔ کاروباری کرنٹ اکاؤنٹ بلاشبہ منفی رہے گا اور تجارتی خسارہ بڑھ جائے گا۔ اس طرح پاکستانی روپیہ دباؤ کا شکار رہے گا۔ توانائی کے نرخ میں حالیہ اضافے، اشیائے خورد و نوش کی قیمتوں میں اضافے اور مکمل طور پر وسیع پالیسیوں کے سبب آئندہ آنے والے مہینوں میں افراط زر میں اضافے کا امکان ہے۔ اسی لحاظ سے معاشرتی ہم آہنگی کو برقرار رکھتے ہوئے معاشی تعاون، قرض کے استحکام کو یقینی بنانے اور ساختی اصلاحات کو آگے بڑھانے کے مابین مناسب توازن برقرار رکھنے کی ضرورت ہے۔ جب معیشت اپنی پوری صلاحیت اور گنجائش کے ساتھ ترقی کے پلیٹ فارم پر آجائے گی تب دو پہیوں والی گاڑیوں کے سیکٹر میں مزید ترقی کے رجحان کو برقرار رکھنے کی توقع کی جاسکتی ہے۔

اٹلس ہنڈ اکامپانی کے ساتھ اپنے اسٹیک ہولڈرز کی حفاظت اور فلاح و بہبود پر پوری توجہ کے ساتھ "نئے معمول" کے مطابق خود کو ڈھال چکی ہے۔ ڈیبرشپ کے بڑھتے ہوئے نیٹ ورک، جدید ترین مینوفیکچرنگ پلانٹس، بے مثال معیار اور بعد از فروخت کی بہترین خدمات کے ساتھ، کمپنی بڑھتے ہوئے معاشی امکانات میں ابھرتے ہوئے مواقعوں سے مستفید ہونے کے لیے پوری طرح تیار ہے اور اٹلس وے کے اصول اس سلسلے میں کمپنی کو محکم بنیاد فراہم کرتے ہیں۔

سہ جلتے ہیں جس کے لیے تیری آنکھوں کے دیئے
ڈھونڈ لایا ہوں وہی گیت میں تیرے لیے

توثیقی بیان

اٹلس گروپ ہنڈاموٹر کمپنی سے اپنی شرکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ معیارات کو برقرار رکھنے میں ان کے مسلسل تعاون کا معترف ہے۔ میں اپنے کسٹمرز کے ہم پر اعتماد، ہماری انتظامی ٹیم کی مخلصانہ کوششوں، بورڈ آف ڈائریکٹرز کی رہنمائی اور جناب ثاقب ایچ شیرازی کو ان کی پراثر لیڈرشپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، ویینڈرز، ایسوسی ایٹس اور شیئرز ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے اٹلس ہنڈاموٹر کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

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عامراج شیرازی

بتاریخ: 30 جولائی 2021

کراچی

چیمبرین کا جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2021 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کی غیر پڑتال شدہ عبوری مالیاتی معلومات پیش کر رہا ہوں۔

مائیکرو اکٹا کا جائزہ

معاشی سرگرمیاں بڑے پیمانے پر کاروباری ماحول میں بہتری کے ساتھ معمول پر آگئی ہیں۔ عالمی وبائی مرض کی تمام تر تباہ کاریوں کے باوجود بھی اس پر کافی حد تک قابو پایا جا چکا ہے۔ جس کے نتیجے میں معیشت نے "نیچے سے اوپر" کی جانب سفر کا آغاز کر دیا ہے اور اس کا سبب مالی اہداف اور معاشی تحریکات ہیں۔ شرح نمو کا گروتھ ریٹ 3.94 فیصد کے ساتھ تمام اندرونی اور خارجی تخمینوں سے تجاوز کر گیا ہے۔ تجارتی خسارہ شرح نمو کا 7 فیصد رہا جو کہ گزشتہ سال کی اسی مدت کے دوران زیادہ شرح سود اور کوئیڈ 19 سے متعلقہ ادائیگیوں کے سبب 8.1 فیصد تھا۔ یہ ایف بی آر کی جانب سے ٹیکس ریونیو کی وصولی میں 18 فیصد بڑھواری عکاسی کرتا ہے جو کہ اس وقت 4.7 ٹریلین روپے پر موجود ہیں۔ 11 MFY21 میں ہیڈ لائن افراط زر کی شرح 8.9 فیصد ریکارڈ کی گئی جو بنیادی طور پر اشیائے خورد و نوش کی سپلائی میں درپیش مسائل، توانائی کے نرخ میں اضافے کے اثرات اور اجناس کی قیمتوں میں اضافے کی وجہ سے ہے۔

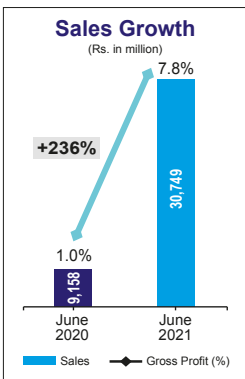
بیرونی محاذ پر کرنٹ اکاؤنٹ میں 1.85 بلین ڈالر کا معمولی خسارہ ریکارڈ کیا گیا۔ ترسیلات زر میں 27 فیصد کا غیر معمولی شاندار اضافہ دیکھا گیا جو کہ 29.4 بلین ڈالر کی بلند سطح پر پہنچ گئیں۔ اس کی وجہ معاون پالیسی اقدامات اور سفری پابندیوں کے سبب قانونی ذرائع کا استعمال ہے۔ آئی ایم ایف کی جانب سے 500 بلین ڈالر کی فراہمی، یورو بانڈ کی جانب سے 2.5 بلین ڈالر کا اجراء اور روشن ڈیجیٹل اکاؤنٹ کے اقدامات کے سبب 1 بلین ڈالر کے حصول نے زر مبادلہ کے ذخائر 23.30 فیصد اضافے کے ساتھ گزشتہ پانچ سال کی بلند ترین سطح 23.2 بلین ڈالر پر پہنچا دیا ہے۔ دوسری جانب مالی سال 2021 میں تجارتی خسارہ 33 فیصد اضافے کے ساتھ 28.5 بلین ڈالر رہا۔ برآمدات میں 13.73 فیصد حوصلہ افزاء اضافہ ہوا۔ تاہم اقتصادی بحالی اور بین الاقوامی اجناس کی قیمتوں میں اضافے کی وجہ سے درآمدات میں 23 فیصد اضافہ ریکارڈ کیا گیا ہے۔ بڑھتے ہوئے دباؤ کے سبب گزشتہ چار ماہ کے دوران پاکستانی روپے کی قدر 5 فیصد سے زیادہ کم ہوئی۔ مالیاتی محاذ پر، اسٹیٹ بینک آف پاکستان نے اپنی سازگار پالیسی کو برقرار رکھتے ہوئے ڈسکاؤنٹ ریٹ کو 7 فیصد کی سطح پر برقرار رکھا۔ پاکستان کی کپٹل مارکیٹ میں مثبت رجحان رواں دواں رہا اور پاکستان اسٹاک ایکسچینج 100 انڈیکس 38 فیصد اضافے کے ساتھ جون 2021 میں 47,356 پوائنٹس تک بڑھ گئی۔

زراعت کے شعبے میں 2.8 فیصد کی مستحکم نمو ریکارڈ کی گئی جس کی وجہ بڑی فصلوں یعنی گندم، چاول اور کیٹی کی پیداوار میں اضافہ ہے۔ تاہم، کپاس کی فصل بنیادی طور پر ہوائی کے علاقوں میں کمی، مون سون کی تیز بارش اور کیڑوں کے حملوں کی وجہ سے متاثر ہوئی ہے۔ حکومت کے ذریعہ متعارف کروائے گئے زراعت میں تبدیلی کے منصوبے نے کسانوں کو حوصلہ افزائی اور پیداوار کو بڑھانے میں مدد فراہم کی ہے۔ مزید یہ کہ زرعی مصنوعات کی قیمتوں میں اضافے اور بروقت سبسڈی کے ساتھ کاشتکاری کی بہتر آمدنی کے ساتھ اضافی لیکویڈیٹی میں مدد ملی ہے۔ اس طرح، دیہی علاقوں میں صارفین کی اشیائے ضرورت کے لیے طلب پائیدار رہی۔

بڑے پیمانے پر مینوفیکچرنگ نے پچھلے سال کے 10.2 فیصد کے مقابلہ میں اس سال 14.57 فیصد کی غیر معمولی ترقی کی ہے۔ یہ معاشی سرگرمی میں حوصلہ افزاء اضافے کی وجہ سے تھا جو حکومت اور اسٹیٹ بینک کے ذریعہ متعارف کرائے گئے مختلف معاون پالیسی اقدامات کے ذریعہ کارفرما ہے۔ مضبوط معاشی بحالی کی عکاسی تمام طبقات کے بہت سے اشاریوں میں ریکارڈ کی گئی غیر معمولی پائیدار نشوونما سے ہوتی ہے، جس میں صارفین کے روزمرہ استعمال کی اشیاء، POL مصنوعات، آٹوموبائل، سینٹ اور ٹیکسٹائل کی فروخت شامل ہے۔ تاہم اضافی طلب اور عالمی سپلائی چین کی رکاوٹوں کی وجہ سے، خام مال کی فراہمی میں رکاوٹوں کا سامنا ہے جس کی وجہ سے قیمتیں بڑھ رہی ہیں اور نتیجے کے طور پر کاروباری ادارے قیمتوں میں اضافے کا سہارا لینے پر مجبور ہیں۔

آپریٹنگ نتائج

اس سال کا آغاز مثبت رجحان اور حوصلہ افزاء نتائج کے ساتھ ہوا۔ کمپنی نے پہلی سہ ماہی کے دوران جو نتائج حاصل کیے ہیں وہ پہلے سے طے کردہ مقاصد کے مطابق ہیں۔ اس سہ ماہی میں نیٹ سیلز 30.7 بلین روپے

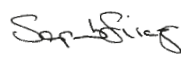


Condensed Interim Statement of Financial Position (Unaudited) As at June 30, 2021

	Note	(Unaudited) June 30, 2021 ------(Rupees in '000)-----	(Audited) March 31, 2021
ASSETS			
Non current assets			
Property, plant and equipment	5	10,613,704	9,788,162
Intangible assets		94,984	101,813
Long term investments	6	337,210	329,669
Long term loans and advances		54,462	48,253
Long term deposits		12,077	12,071
		<u>11,112,437</u>	<u>10,279,968</u>
Current assets			
Stores, spares and loose tools		786,003	647,035
Stock-in-trade		6,018,831	4,026,612
Trade debts		1,438,100	1,501,925
Loans and advances		49,111	47,429
Trade deposits and prepayments		1,296,594	1,388,594
Accrued mark-up / interest		8,589	14,657
Other receivables		3,394	1,754
Sales Tax Receivable - net		182,193	-
Taxation - net		402,796	770,419
Short term investments	7	9,412,358	10,063,915
Bank balances		9,055,768	14,288,180
		<u>28,653,737</u>	<u>32,750,520</u>
		<u>39,766,174</u>	<u>43,030,488</u>
EQUITY AND LIABILITIES			
Equity			
Share capital		1,240,879	1,240,879
Reserves		17,048,027	17,389,648
		<u>18,288,906</u>	<u>18,630,527</u>
Non current liabilities			
Lease liabilities		158,789	168,616
Long term borrowings		136,416	187,382
Deferred income - government grant		1,192	3,525
Staff retirement benefits		413,059	393,569
Deferred taxation		528,062	528,062
		<u>1,237,518</u>	<u>1,281,154</u>
Current liabilities			
Trade and other payables		19,250,951	22,723,173
Unclaimed dividend		706,077	108,352
Accrued mark-up		1,308	1,079
Current portion of lease liabilities		44,022	39,610
Current portion of long term borrowings		221,307	226,135
Current portion of deferred income - government grant		16,085	20,458
		<u>20,239,750</u>	<u>23,118,807</u>
		<u>21,477,268</u>	<u>24,399,961</u>
Contingencies and commitments	8	<u>39,766,174</u>	<u>43,030,488</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer


Condensed Interim Statement of Profit or Loss and other Comprehensive Income (Unaudited)

For the three months period ended June 30, 2021

		Three months period ended June 30,	
	Note	2021	2020
		----(Rupees in '000)----	
Sales - net		30,748,886	9,158,229
Cost of sales	9	(28,357,208)	(9,069,509)
Gross profit		2,391,678	88,720
Sales and marketing expenses		(543,538)	(295,325)
Administrative expenses		(178,952)	(152,841)
Other income		409,795	265,579
Other operating expenses		(144,663)	(1,833)
Profit / (loss) from operations		1,934,320	(95,700)
Finance costs		(9,156)	(11,269)
Share of profit / (loss) of associate - net of tax		7,541	(10,815)
Profit / (loss) before taxation		1,932,705	(117,784)
Income tax expense		(599,139)	-
Profit / (loss) after taxation		1,333,566	(117,784)
Other comprehensive income		-	-
Total comprehensive income / (loss)		1,333,566	(117,784)
		----(Rupees)----	
Earnings / (loss) per share - basic and diluted	10	10.75	(0.95)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer

Condensed Interim Statement of Changes in Equity (Unaudited) For the Three Months Period Ended June 30, 2021

(Rupees in '000)

Share capital	Capital reserves		Revenue reserves		Total
	Share premium	Gain on sale of land	General reserve	Unappropriated profit	

Balance as at April 1, 2020 1,240,879 39,953 165 9,492,000 5,807,411 16,580,408

Transactions with owners

Final cash dividend for the year ended

March 31, 2020 at the rate of Rs.8.5 per share - - - - (1,054,747) (1,054,747)

Total comprehensive loss for the

three months period ended June 30, 2020 - - - - (117,784) (117,784)

Balance as at June 30, 2020 (unaudited) 1,240,879 39,953 165 9,492,000 4,634,880 15,407,777

Transactions with owners

Interim cash dividend for the half year

ended September 30, 2020 at the rate of Rs. 4.0 per share - - - - (496,352) (496,352)

Total comprehensive income for the nine

months period ended March 31, 2021 - - - - 3,719,002 3,719,002

Balance as at March 31, 2021 (audited) 1,240,879 39,953 165 9,492,000 7,857,530 18,630,527

Transactions with owners

Final cash dividend for the year ended

March 31, 2021 at the rate of Rs.13.5 per share - - - - (1,675,187) (1,675,187)

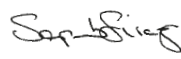
Total comprehensive loss for the three

months period ended June 30, 2021 - - - - 1,333,566 1,333,566

Balance as at June 30, 2021 (unaudited) 1,240,879 39,953 165 9,492,000 7,515,909 18,288,906

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer

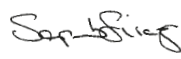
Condensed Interim Statement of Cash Flows (Unaudited)

For the Three Months Period Ended June 30, 2021

		Three months period ended June 30,	
	Note	2021	2020
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	11	(3,212,641)	2,703,057
Mark-up / interest paid		(1,079)	-
Income tax paid		(231,516)	(370,472)
Compensated absences paid		(7,552)	(275)
Mark-up / interest received		210,045	155,781
Workers' profit participation fund paid		(275,710)	(235,000)
Long term loans and advances - net		(6,209)	2,094
Long term deposits - net		(6)	-
Net cash (used in) / generated from operating activities		(3,524,668)	2,255,185
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant & equipment		(1,152,581)	(360,485)
Intangible acquired		(6,154)	-
Payments for investments acquired		(705,678)	(859,328)
Proceeds from sale of property, plant & equipment		12,258	10,269
Proceeds from sale of investments		1,295,871	1,200,000
Net cash used in investing activities		(556,284)	(9,544)
NET CASH USED IN FINANCING ACTIVITIES			
Dividend paid		(1,077,462)	(470,093)
Lease rentals paid		(11,498)	-
Loan received - net of amount repaid		(62,500)	415,235
Net cash used in financing activities		(1,151,460)	(54,858)
Net (decrease) / increase in cash and cash equivalents		(5,232,412)	2,190,783
Cash and cash equivalents at beginning of the period		14,288,180	6,308,616
Cash and cash equivalents at end of the period		9,055,768	8,499,399

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.


Aamir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited) For the Three Months Period Ended June 30, 2021

1. THE COMPANY AND ITS ACTIVITIES

1.1 Atlas Honda Limited (the Company) is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 52.43% (March 31, 2021: 52.43%) of issued, subscribed and paid-up capital of the Company.

1.2 IMPACT OF COVID 19 ON CONDENSED INTERIM FINANCIAL STATEMENTS

The coronavirus outbreak situation is evolving in the country. However, the management of the Company has evaluated and concluded that there are no material implications of COVID 19 that require specific disclosures in these condensed interim financial statements.

2. BASIS OF PREPARATION

2.1 These condensed interim financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (Act);
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Act.

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 The condensed interim financial statements do not include all the information and disclosures as required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended March 31, 2021.

3. ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of audited annual financial statements of the Company for the year ended March 31, 2021.

3.2 Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3.3 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the condensed interim financial information.

3.4 Application of new standards, amendments and interpretations to the published approved accounting and reporting standards

3.4.1 New accounting standards / amendments and IFRS interpretations that are effective for the year ending March 31, 2021

The following standards, amendments and interpretation are effective for the year ending March 31, 2022. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements:

Effective from accounting periods
beginning on or after:

Amendment to IFRS 16 'Leases' - Covid-19
related rent concessions

June 01, 2020

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

- 4.1 The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.
- 4.2 During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended March 31, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

	Note	(Unaudited) June 30, 2021 ------(Rupees in '000)-----	(Audited) March 31, 2021
Operating fixed assets	5.1	9,736,394	9,556,536
Capital work-in-progress	5.2	703,792	46,606
Right of use assets		173,518	185,020
		<u>10,613,704</u>	<u>9,788,162</u>
Book value at beginning of the period / year		9,556,536	9,748,903
Additions during the period / year		495,394	1,094,827
Disposals and write-off, costing Rs. 111,821 thousand (March 31, 2021: Rs. 363,750 thousand)			
- at book value		(11,705)	(114,925)
Depreciation charge for the period / year		(303,831)	(1,172,269)
Book value at end of the period / year		<u>9,736,394</u>	<u>9,556,536</u>

- 5.2 Capital work-in-progress includes advance paid to Atlas Energy for installation of Solar Panels and Honda Atlas Cars for purchase of vehicles.

6. LONG TERM INVESTMENTS

Unquoted

	Note	(Unaudited) June 30, 2021 ------(Rupees in '000)-----	(Audited) March 31, 2021
Associate - equity accounted investment	6.1	337,210	329,669
Others - available for sale	6.2	-	-
		<u>337,210</u>	<u>329,669</u>

	(Unaudited) June 30, 2021 ----- (Rupees in '000) -----	(Audited) March 31, 2021
6.1 Equity accounted investment - Atlas Hitec (Private) Limited		
Balance at beginning of the period / year	329,669	322,240
Share of profit for the period / year - net of tax	7,541	9,329
Dividend received during period / the year	-	(1,900)
Balance at end of the period / year	<u>337,210</u>	<u>329,669</u>

6.1.1 The value of investment is based on unaudited condensed interim financial information of the investee company as at June 30, 2021.

6.1.2 Investment in Atlas Hitec (Private) Limited (AHPL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (March 31, 2021 : 29.23%) of its issued, subscribed and paid-up capital as at June 30, 2021.

	(Unaudited) June 30, 2021 ----- (Rupees in '000) -----	(Audited) March 31, 2021
6.2 Others - available for sale		
Arabian Sea Country Club Limited		
200,000 ordinary shares of Rs. 10 each - cost	2,000	2,000
Less : Impairment in the value of investment	2,000	2,000
	-	-
Automotive Testing and Training Centre (Pvt.) Limited		
50,000 ordinary shares of Rs. 10 each - cost	500	500
Less : Impairment in the value of investment	500	500
	-	-
	<u>-</u>	<u>-</u>

7. SHORT TERM INVESTMENTS - at fair value through profit or loss

Investments in units of mutual funds:

- Related parties	8,676,207	9,341,068
- Others	736,151	722,847
	<u>9,412,358</u>	<u>10,063,915</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 There is no change in status of the contingencies as disclosed in note 26.1.1 of the audited annual financial statements of the Company for the year ended March 31, 2021.

	(Unaudited) June 30, 2021 ----- (Rupees in '000) -----	(Audited) March 31, 2021
8.1.2 Outstanding bank guarantees	<u>1,069,328</u>	<u>1,276,706</u>

	(Unaudited) June 30, 2021 ----- (Rupees in '000) -----	(Audited) March 31, 2021
--	---	--------------------------------

8.2 Commitments

8.2.1 Commitments in respect of:

- capital expenditure other than letters of credit	152,800	61,164
- capital expenditure, raw materials and components through confirmed letters of credit	1,316,419	2,209,653

8.2.2 Aggregate commitments for ljarah arrangements of vehicles and plant machinery as at period / year end are as follows:

	(Unaudited) June 30, 2021 ----- (Rupees in '000) -----	(Audited) March 31, 2021
Not later than one year	133,476	137,848
Over one year and no later than five years	370,997	247,502
More than five years	134,625	93,134
	639,098	478,484

8.2.2.1 ljarah facilities include Rs.1,000,000 thousand under Islamic Temporary Economic Relief Facility (ITERF). As at June 30, 2021, Rs. 239 million has been utilised from ITERF Facility.

	(Unaudited) Three months period ended June 30, 2021 ----- (Rupees in '000) -----	2020
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9. COST OF SALES

Finished goods at beginning of the period	629,827	864,308
Cost of goods manufactured	26,574,415	8,084,616
Purchases	1,892,229	717,281
	28,466,644	8,801,897
	29,096,471	9,666,205
Finished goods at end of the period	(739,263)	(596,696)
	28,357,208	9,069,509

10. EARNINGS PER SHARE - basic and diluted

Net profit / (loss) for the period	1,333,566	(117,784)
Weighted average number of ordinary shares in issue during the period	124,087,935	124,087,935

	----- (Rupees) -----	
Basic earnings / (loss) per share	10.75	(0.95)

10.1 There is no dilutive effect on the basic earnings per share of the Company.

		------(Unaudited)----- Three months period ended June 30, 2021 2020 ------(Rupees in '000)-----	
	Note		
11. CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		1,932,705	(117,784)
Adjustments for non-cash charges and other items:			
Depreciation		315,334	313,330
Amortisation		12,983	11,111
Loss in fair value of investments			
at fair value through profit or loss		68,606	20,717
Gain on sale of investments		(7,242)	(4,644)
Mark-up / interest on saving deposit accounts and TDRs		(203,977)	(149,731)
Share of (profit) / loss of an Associated Company		(7,541)	10,815
Workers' profit participation fund		103,797	-
Workers' welfare fund		39,443	-
Provision for compensated absences		27,042	(13,001)
Provision for gratuity		10,094	36,150
(Gain) / loss on disposal of fixed assets		(553)	55
Interest on lease liabilities		6,083	7,014
Markup / interest on borrowings		1,308	-
Working capital changes	11.1	(5,510,723)	2,589,026
		<u>(3,212,641)</u>	<u>2,703,057</u>
11.1 Changes in working capital			
(Increase) / decrease in current assets:			
Stores, spares and loose tools		(138,968)	(75,902)
Stock-in-trade		(1,992,219)	(821,142)
Trade debts		63,825	(157,314)
Loans and advances		(1,682)	630
Trade deposits and prepayments		92,000	297,285
Other receivables		(1,640)	327,461
Sales tax receivable		(712,454)	-
		<u>(2,691,138)</u>	<u>(428,982)</u>
(Decrease) / Increase in trade and other payables		<u>(2,819,585)</u>	<u>3,018,008</u>
		<u>(5,510,723)</u>	<u>2,589,026</u>

12. FINANCIAL RISK MANAGEMENT

12.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial statements do not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statements for the year ended March 31, 2021.

12.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the financial statements are a reasonable approximation of their fair values.

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
Short term investments	9,412,358	-	-	9,412,358

There was no transfer amongst the levels and any change in valuation techniques during the period.

13. TRANSACTIONS WITH RELATED PARTIES

13.1 Details of significant transactions with related parties, other than those which have been disclosed elsewhere in the financial information, are as follows:

Relationship with the Company	Nature of transactions	(Unaudited) Three months period ended June 30,	
		2021	2020
		----- (Rupees in '000) -----	
(i) Parent Company	Sale of goods	110	-
	Purchase of goods and services	9,302	-
	Dividend paid	878,375	553,051
	Rent	-	2,213
	Purchase of operating fixed assets	278,900	287,400
	Sale of operating fixed assets	945	-
(ii) Associates	Sales:		
	- goods and services	394,288	149,779
	- operating fixed assets	7,066	249
	Purchases:		
	- goods and services	7,987,600	2,334,831
	- operating fixed assets	113,379	12,918
	Sale of units in mutual funds	795,871	1,197,578
	Purchase of units in mutual funds	-	845,787
	Dividend received from mutual funds	227,790	145,787
	Royalty paid	1,435,966	972,600
	Technical assistance fee paid	4,820	8,666
	Commission income	289	-
	Insurance premium paid	54,014	21,936
	Insurance claims received	3,694	696
	Reimbursement of expenses - net	4,174	2,018
	Dividend paid	47,494	-
	Rent	-	415
	Donation	-	20,000
(iii) Staff retirement funds	Contributions paid to gratuity funds, provident fund / pension schemes	25,467	19,224
(iv) Key management personnel	Managerial remuneration and benefits	32,874	27,159
	Retirement benefits	1,931	1,625

(Unaudited)
Three months period ended
June 30,
2021 2020
----- (Rupees in '000) -----

13.2 Period / year end balances are as follows:

Payable to related parties

Trade and other payables	1,652,876	447,340
Long term loans	2,414	5,173
Compensated absences	39,488	32,748

Advance to related parties

Capital work-in-progress	25,055	5,127
Trade Deposits & Prepayments	-	1,392

14. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2021 and the corresponding figures in the condensed interim profit or loss account & other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial information of the Company for the three months period ended June 30, 2020.

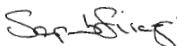
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison.

15. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on July 30, 2021 by the Board of Directors.



Aamir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer



Kashif Yasin
Chief Financial Officer

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