



Quarterly Report June 30,

2022

2022

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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

Kazushi Yamanaka  
Director

Saquib H. Shirazi  
Chief Executive Officer

Maheen Fatima  
Company Secretary

## Audit Committee

Abid Naqvi  
Chairman

Sanaullah Qureshi  
Member

Mashmooma Zehra Majeed  
Member

Muhammad Asim  
Head of Internal Audit

Maheen Fatima  
Secretary

## Human Resource & Remuneration Committee

Abid Naqvi  
Chairman

Sanaullah Qureshi  
Member

Saquib H. Shirazi  
Member

Tahir Nazir  
Secretary

## Management

Saquib H. Shirazi  
Chief Executive Officer

Afaq Ahmed  
Vice President Marketing

Shunsuke Miyazaki  
Vice President Technical

Kazushi Yamanaka  
General Manager Technical

Kashif Yasin  
Chief Financial Officer

Faisal Mahmud  
General Manager New Model Center

Hassan Mushtaq Cheema  
General Manager Production, Planning & Control

Muhammad Ammar  
General Manager Engineering & Projects

Muhammad Rashad Rashid  
General Manager Quality Assurance

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

Tahir Nazir  
General Manager Human  
Resources & Administration

Zia Ul Hassan Khan  
General Manager Plants

# Company Information

## Auditors

Shinewing Hameed Chaudhri & Co.  
Chartered Accountants

## Legal Advisors

Mohsin Tayebaly & Co.

## Tax Advisors

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

1-McLeod Road, Lahore-54000  
Tel: (92-42) 37225015-17, 37233515-17  
Fax: (92-42) 37233518, 37351119  
E-mail: ahl@atlas.com.pk  
Website: www.atlashonda.com.pk

## Factories

F-36, Estate Avenue, S.I.T.E., Karachi-75730  
UAN: (92-21) 111-111-245  
Tel: (92-21) 32575561-65  
Fax: (92-21) 32563758

26-27 KM, Lahore-Sheikhupura Road,  
Sheikhupura-39321  
Tel: (92-56) 3406501-8  
Fax: (92-56) 3406009

## Branch Offices & Customer Contact Centre

Azmat Wasti Road, Multan  
Tel: (92-61) 4570413-14  
(92-61) 111-112-411  
Fax: (92-61) 4541690

Islamabad Corporate Center,  
Plot No. 784/785, Golra Road, Islamabad  
Tel: (92-51) 5495921-7  
Fax: (92-51) 5475928

Makhdoom Altaf Road, West Sadiq Canal  
Bank, Near City School, Rahimyar Khan  
Tel: (068) 5883415-19  
Fax: (068) 5883414

2nd Floor, Dawood Centre, Autobhan Road,  
Hyderabad.  
Tel: (022) 3411361-9  
Fax: (022) 34113670

1st Floor, Meezan Executive Tower,  
4 – Liaquat Road, Faisalabad  
Tel: (92-41) 2541011-7, 2541014

1st Floor, 28-Mozang Road, Lahore  
Tel: (92-42) 36361191-5, 36360740-7

## Showroom

West View Building, Preedy Street, Saddar,  
Karachi  
Tel : (92-21) 32720833, 32727607

## Customer Contact Centre

UAN: (92-42) 111-245-222  
Toll Free: 0800-245-22  
Email: contact.centre@atlashonda.com.pk  
(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, 2022.

## Macroeconomic Overview

The economy is currently undergoing a severe correction, triggered by both internal and external factors. Although, revival of domestic activities remained on track during the preceding quarter, the rapid increase in both the deficits and inflation necessitated tightening of monetary policy and a tighter fiscal stance. The GDP growth of nearly 6%, therefore, appears unsustainable for ensuing quarters.

On the external front, the current account deficit stood at USD 15.2 billion for 11MFY22 compared to USD 1.2 billion during the same period of last year. It was primarily driven by higher trade deficit as growth in imports picked up sharply by 43.45%. The rise in imports was due to a significant surge in global commodity (food and energy) prices on account of geopolitical situation and higher machinery imports under TERF. This imbalance in trade deficit was partially offset by workers’ remittances, which was recorded at USD 31 billion, up by 6% as compared to the last year. Import led pressures, along with concerns of approaching debt repayments, caused decline in PKR which lost value to close at Rs. 206/USD by June 30, 2022. Fiscal containment measures have lately been deployed by the Central bank. Further, inflows from China and the recent conclusion of SLA with IMF are expected to provide much-needed respite to the external position.

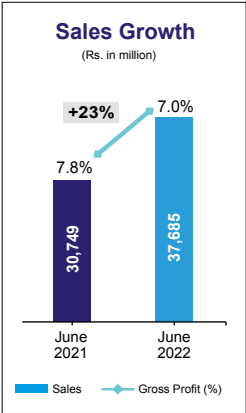
The recent withdrawal of energy & fuel subsidies and significant increase in food & commodity prices caused inflation to reach a 14-year high of 21.3% in June 2022. With an aim to anchor inflation, the Central bank has recently raised the policy rate to 15%, an increase of 800 basis points since September 2021. Revenue collections stood at Rs. 6.1 trillion, a healthy growth of 29.1% over last year, driven by broad based and above target increase in tax collections. Going forward, in an attempt to narrow the fiscal deficit, the Government has recently passed Finance Act, 2022 which has proposed imposition of further taxes on targeted segments and withdrawal of certain tax credits.

During the quarter, the agriculture sector recorded a steady growth of 4.4% with encouraging production of major crops. The growth is mainly driven by a comfortable input situation due to better supply of improved seeds, agriculture credit, fertilizers and insecticides / pesticides. Moreover, surge in prices of agricultural products and timely subsidies have contributed to surplus liquidity with improved farm incomes. Thus, demand for consumer durables remained buoyant especially in the rural areas.

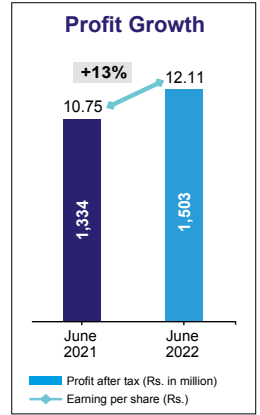
Large Scale Manufacturing (LSM) represents nearly 80% of the Country’s total manufacturing, accounting for approximately 11% of national output. During July – March FY2022, LSM grew by an encouraging 10.4%. The expansion of LSM also appeared to be broad based with 17 out of 22 sectors of LSM witnessing growth. Looking ahead, growth is expected to moderate on the back of monetary tightening and fiscal consolidation, helping to close the positive output gap and diminish demand-side pressures. This will pave the way for higher growth on a more sustainable basis.

## Operating Results

The Company remains committed to deliver on its long-term objectives of sustainable growth and value creation. Accordingly, it managed to achieve encouraging financial results. The Company has posted an all-time high turnover of Rs. 37.7 billion for the first quarter, which is 23% higher as compared to the corresponding quarter. This positive performance is due to strong volume growth and better sales



mix. Gross Profit (GP) for the quarter under review amounted to Rs. 2.6 billion, 9.7% higher compared to Rs. 2.4 billion of corresponding period. However, GP percentage experienced a decrease from 7.8% of the corresponding period to around 7.0%, owing to increase in raw material prices, rising energy cost and depreciation of Pak Rupee against US dollar with a less than commensurate increase in selling prices. Sales and marketing expenses rose to Rs. 642.3 million an increase of 18% compared to corresponding period, which is attributable to higher volumes, inflation, spending on promotional campaigns and communication activities to support the core business. Administrative expenses registered an increase of 18% over the corresponding period primarily due to increase in personnel cost and effects of general inflation. Other operating income, net of financial cost at Rs. 758.5 million is an encouraging 85.81% higher than the corresponding period. This is on account of efficient treasury operations and increase in policy rate. An impressive topline resulted in the achievement of highest ever profit for single quarter as profit after tax recorded at Rs. 1,502.5 million, an increase of 13%. Consequently, the Company has achieved Earnings per Share (EPS) of Rs. 12.11 per share as against Rs. 10.75 per share for the corresponding period last year.



## Future Outlook

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. The macro-economic outlook seems challenging on account of rising inflation, fiscal slippages and drying up of financial inflows. Moving forward, it is essential to sustain the reform momentum and focus on policies for securing stability and promoting sustainable growth. Macroeconomic adjustment measures, specifically fiscal consolidation to complement the ongoing monetary tightening and exports, will help relieve pressure on PKR. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability and advancing structural reforms while maintaining social cohesion. As the economy returns to full capacity and recovery becomes durable, the two-wheeler segment is expected to resume its growth momentum.

While the macroeconomic situation undergoes a re-alignment, the Company remains confident in continuing its journey of sustained long-term growth. The Company is well-poised and has demonstrated its ability to avail new opportunities and handle adversity with an aim to keep building a long term business proposition that increases stakeholder value. In this regard, the “Atlas Way” and “Atlas Systems” continue to remain the corner stone of our business philosophy.

سے چشمہ واکردو جہان دیگرے پیدا شد

(Renewed efforts will bring renewed results)

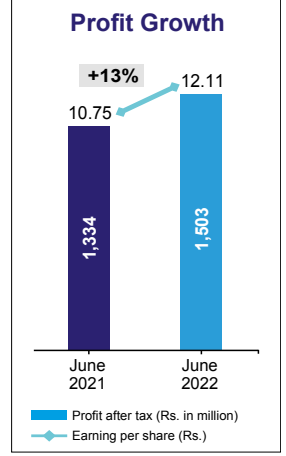
## Acknowledgement

The Atlas Group takes great pride in its partnership 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.

Aamir H. Shirazi

Dated: July 29, 2022  
Karachi

مقابلے میں 23 فیصد زیادہ ہے۔ یہ مثبت کارکردگی حجم میں اضافے کے ساتھ ساتھ فروخت کی بہتر سرگرمیوں کے باعث دیکھنے میں آئی۔ زیر جائزہ سہ ماہی کے دوران، مجموعی منافع (GP) 2.6 بلین روپے رہا جو گزشتہ سال کی اسی مدت کے دوران 2.4 بلین روپے کے مقابلے میں 9.7 فیصد اضافہ ہے۔ تاہم، خام مال، توانائی اور فروخت کی قیمتوں میں مساوی اضافے کے ساتھ ساتھ امریکی ڈالر کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے باعث مجموعی منافع (GP) میں 7.8 فیصد سے اسی مدت کے 7.0 فیصد تک کمی دیکھنے میں آئی۔ بیلز اور مارکنگ کے اخراجات بڑھ کر 642.3 بلین روپے ہو گئے جو گزشتہ سال کی اسی مدت کے مقابلے میں 18 فیصد کے اضافے کو ظاہر کرتے ہیں۔ یہ اضافہ بڑھتے ہوئے حجم اور افراط زر کے ساتھ دیگر پرو مشنل مہمات پر لاگت اور بنیادی کاروبار کو سہارا دینے کے لیے موصلاتی سرگرمیوں سے منسوب ہے۔ یہ 18 فیصد اضافہ بنیادی طور پر ملاز میں کی لاگت میں اضافے اور افراط زر کے اثرات کے باعث دیکھنے میں آیا۔ دیگر آپریٹنگ آمدنی، 758.5 بلین روپے کی نیٹ مالیاتی لاگت گزشتہ سال کی اسی مدت کے مقابلے میں 85.81 فیصد کے حوصلہ افزا اضافے کو ظاہر کرتی ہے جو موثر مالیاتی سرگرمیوں اور پالیسی ریٹ میں اضافے کی وجہ سے ہے۔ اس متاثر کن حکمت عملی کے نتیجے میں فقط ایک سہ ماہی کے لیے 1502.5 بلین روپے ریکارڈ کیا گیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 13 فیصد زیادہ ہے۔ نتیجتاً، کمپنی نے 12.11 روپے فی حصص کی آمدنی حاصل کی ہے جو کہ گزشتہ سال کی اسی سہ ماہی کے دوران 10.75 روپے فی حصص تھی۔



### مستقبل کے خدو خال

غیر یقینی صورتحال کے باوجود بھی معیشت نے کئی سالوں میں برقراری دکھائی ہے۔ افراط زر کی بڑھتی ہوئی سطح، روپے کی قدر میں کمی اور مالیاتی سرگرمیوں میں رکاوٹوں کے باعث میکرو اکنامک آؤٹ لک چیلنجنگ لگتا ہے، مزید یہ کہ اصلاحات کو برقرار رکھنا اور استحکام کے ساتھ ساتھ پائیدار ترقی کو فروغ دینے کے لیے پالیسیوں پر توجہ مرکوز رکھنا بھی ضروری ہے۔ میکرو اکنامک اقدامات کے نتیجے میں مالیاتی مضبوطی اور برآمدات کی تکمیل کے لیے مالی استحکام کے ساتھ ساتھ پاکستانی روپے پر دباؤ کو کم کرنے میں بھی مدد ملے گی۔ اس کے مطابق معیشت کو سہارا دیتے ہوئے قرض کی ادائیگیوں کو یقینی بنانے کے ساتھ ساتھ سماجی ہم آہنگی کو برقرار رکھتے ہوئے ساخت کو مزید اجاگر کرنے کے لیے ایک مناسب توازن قائم کرنے کی ضرورت ہے۔ جب تک معیشت پوری استعداد پر واپس آتی ہے اور بحالی قائم ہوتی ہے تب تک دو پہیوں کی صنعت سے اپنی ترقی کی رفتار پر دوبارہ فعال ہو جائے گی۔

جب کہ میکرو اکنامک صورتحال ایک بار پھر بحالی سے گزر رہی ہے، کمپنی ترقی کے اپنے اس سفر کو جاری رکھنے میں نہایت پر اعتماد ہے۔ کمپنی نے خود کو اس انداز میں آراستہ کیا ہے کہ نئے مواقع سے فائدہ اٹھانے اور مشکلات سے نمٹنے کے لیے اپنی بہترین صلاحیت کے جوہر دکھائے۔ اس مقصد کے ساتھ طویل مدتی کاروباری تجویز پر عمل جاری رکھنا ہے جس کے باعث اسٹیک ہولڈر کی قدر میں اضافہ ہوگا اسی سلسلے میں، ”اٹلس وے“ اور ”اٹلس سسٹمز“ ہمارے کاروباری فلسفے کا سنگ بنیاد بنے ہوئے ہیں۔

سہ چشمہ واکردو جہان دیگرے پیدا شد

(Renewed efforts will bring renewed results)

اظہار تشکر

دی اٹلس گروپ، ہنڈا موٹر کمپنی سے اپنی شراکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ معیارات کو برقرار رکھنے میں ان کے مسلسل تعاون کا معترف ہے۔ اپنے کسٹمرز کے ہم پراعتما، ہماری انتظامی ٹیم کی مخلصانہ کوششوں، بورڈ آف ڈائریکٹرز کی رہنمائی اور جناب نائب ایچ ایچ ایئر کی کوان کی پرائیڈر شپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، وینڈرز، ایلیوٹی ایٹس اور شیئرز ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے اٹلس ہنڈا لمیٹڈ کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

AG

عامر ایچ شیرازی

بتاریخ: 29 جولائی 2022

کراچی

## چیرمین کا جائزہ

میں نہایت مسرت کے ساتھ 30 جون 2022 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کر رہا ہوں۔

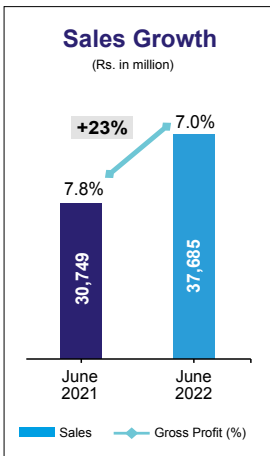
### مائیکرو اکاؤنٹ جائزہ

معیشت اس وقت اندرونی و بیرونی دباؤ کے باعث شدید کشش سے گزر رہی ہے۔ اگرچہ گزشتہ سہ ماہی کے دوران ملکی سرگرمیوں کی بحالی ہموار رہی لیکن خسارے اور افراط زر کے تیزی سے اضافے کی وجہ سے مانیٹری پالیسی کو سخت کرنے اور مالیاتی موقف کو مضبوط کرنے کی ضرورت پیش آئی جس کے نتیجے میں تقریباً 6 فیصدی GDP نمو، آنے والی سہ ماہیوں میں غیر مستحکم دکھائی دے رہی ہے۔

بیرونی سطح پر، کرنٹ اکاؤنٹ خسارہ 11MYF22 کے لیے 15.2 بلین امریکی ڈالر رہا جو گزشتہ سال کی اسی مدت کے دوران 1.2 بلین امریکی ڈالر تھا۔ یہ بنیادی طور پر زیادہ تجارتی خسارے کے باعث پیش آیا کیونکہ درآمدات میں تیزی کے ساتھ 43.45 فیصد اضافے اور چو پوٹیکل صورتحال کے ساتھ ساتھ TERF کے تحت مشینری کی اضافی درآمدات کے باعث عالمی اجناس (بالخصوص خوراک اور توانائی) کی قیمتوں میں اضافہ دیکھنے میں آیا۔ تجارتی خسارے میں اس عدم توازن کو جزوی طور پر تو ملازمین کی ترسیلات زر سے پورا کیا گیا جو گزشتہ سال کے مقابلے میں 6 فیصد اضافے کے ساتھ 31 بلین امریکی ڈالر ریکارڈ کی گئی۔ درآمدی دباؤ اور قرض کی ادائیگی پاکستانی روپے کی قدر میں کمی کا سبب بنی جو 30 جون 2022 تک امریکی ڈالر کے مقابلے میں 206 روپے پر بند ہوئی۔ مرکزی بینک سے حال ہی میں مالیاتی روک تھام کے اقدامات کو بغور رکھا گیا مزید برآں، چین سے آنے والی آمد اور IMF کے ساتھ SLA کے حالیہ نتیجے میں بیرونی سطح پر بلیف کا امکان ہے۔

توانائی اور ایندھن کی سبسڈی کی حالیہ ادائیگی اور خوراک کے ساتھ دیگر اجناس کی قیمتوں میں نمایاں اضافہ دیکھنے میں آیا جس کے باعث جون 2022 میں افراط زر 14 سال کی بلند ترین سطح کے ساتھ 21.3 فیصد تک پہنچ گیا۔ افراط زر کے اس دباؤ کو کم کرنے کے لیے مرکزی بینک نے حال ہی میں پالیسی ریٹ کو بڑھا کر 15 فیصد کر دیا ہے جو ستمبر 2020 سے 800 بیس پوائنٹس کے اضافے کو ظاہر کرتا ہے۔ گزشتہ سال کے مقابلے میں ریونیو 6.1 بلین روپے رہا جو 29.1 فیصد کی مستحکم نمو کے ساتھ وسیع الہیاء ونگس وصولیوں کے اہداف میں بھی اضافے کا سبب بنا۔ اس کے علاوہ مالیاتی خسارے کو کم کرنے کی کوشش میں، حکومت نے حال ہی میں فنانس ایکٹ 2022 منظور کیا ہے جس میں ٹارگٹڈ سیکٹس پر مزید ٹیکس لگانے اور مخصوص ٹیکس کریڈٹس واپس لینے کی تجویز دی گئی ہے۔

رواں سہ ماہی کے دوران، ذراعت کے شعبے نے بڑی فصلوں کی حوصلہ افزا پیداوار کے ساتھ 4.4 فیصد کی مستحکم نمو ریکارڈ کی ہے۔ ترقی بنیادی طور پر بہتر بیجوں، زرعی قرضوں، لکھادوں اور کپڑے رادادیات کی بہتر فراہمی کے باعث ایک بہتر ان پٹ کی صورتحال سے چلتی ہے مزید برآں، زرعی مصنوعات کی قیمتوں میں اضافے اور بروقت سبسڈیز نے بہتر زرعی آمدنی کے ساتھ ساتھ اضافی لکچو ڈیٹی میں بھی کردار ادا کیا ہے۔ اس کے باعث صارفین کے بہتر مصنوعات کی مانگ خصوصاً دیہی علاقوں میں اضافہ دیکھنے میں آیا۔



بڑے پیمانے پر مینوفیکچرنگ (LSM)، ملک کی کل مینوفیکچرنگ کے تقریباً 80 فیصد کی نمائندگی کرتی ہے جو کہ ملکی پیداوار کا لگ بھگ 1.1 فیصد حصہ ہے۔ مالی سال 2022 جولائی سے مارچ کے دوران، LSM کی 10.4 فیصد کی اضافی توسیع بھی وسیع پیمانے پر دیکھی جاسکتی ہے جس میں LSM کے 17 سے 22 شعبوں میں ترقی کا مشاہدہ کیا جا رہا ہے اس کے علاوہ سخت مانیٹری پالیسی اور مالیاتی استحکام کے باعث ترقی میں اعتدال آنے کی توقع ہے، جس سے پیداوار کے فرق کو ختم کرنے اور ڈیمانڈ سائڈ کے دباؤ کو کم کرنے میں مدد ملے گی۔ یہ زیادہ بہتر بنیادوں پر ترقی کی راہیں ہموار کرے گا۔


### آپریٹنگ نتائج

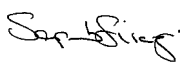
کمپنی پائیدار ترقی اور قدر میں اضافے کے اپنے طویل مدتی مقاصد کو پورا کرنے کے لیے پرعزم ہے اور اپنے اسی عزم کے ساتھ کمپنی یہ حوصلہ افزا مالیاتی نتائج حاصل کرنے میں کامیاب رہی ہے۔ کمپنی نے اب تک کا سب سے زیادہ 37.7 بلین روپے کا کاروبار پوسٹ کیا ہے جو گزشتہ سال کی اسی سہ ماہی کے

# Condensed Interim Statement of Financial Position (Unaudited) As at June 30, 2022

		(Unaudited) June 30, 2022	(Audited) March 31, 2022
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	11,322,755	10,251,485
Intangible assets		46,498	56,255
Long term investments	6	347,071	343,534
Long term loans and advances		66,114	64,159
Long term deposits	7	42,077	14,077
		<u>11,824,515</u>	<u>10,729,510</u>
<b>Current assets</b>			
Stores, spares and loose tools		1,022,761	998,612
Stock-in-trade		8,160,636	6,541,711
Trade debts		1,878,544	1,126,808
Loans and advances		61,930	59,889
Trade deposits and prepayments		2,589,381	1,491,756
Accrued mark-up / interest		84,901	19,540
Other receivables		2,621	2,583
Taxation - net		118,146	208,547
Short term investments	8	12,469,937	8,819,083
Bank balances		12,569,798	17,424,657
		<u>38,958,655</u>	<u>36,693,186</u>
		<u>50,783,170</u>	<u>47,422,696</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,240,879	1,240,879
Reserves		19,427,960	19,786,759
		<u>20,668,839</u>	<u>21,027,638</u>
<b>Non current liabilities</b>			
Lease liabilities		140,752	151,561
Staff retirement benefits		498,919	484,855
Deferred taxation		533,022	533,022
		<u>1,172,693</u>	<u>1,169,438</u>
<b>Current liabilities</b>			
Trade and other payables		27,999,100	24,886,205
Unclaimed dividend		789,413	127,191
Accrued mark-up		312	1,278
Current portion of lease liabilities		27,813	23,446
Current portion of long term borrowings		123,808	183,975
Current portion of deferred income - government grant		1,192	3,525
		<u>28,941,638</u>	<u>25,225,620</u>
		<u>30,114,331</u>	<u>26,395,058</u>
Contingencies and commitments	9	<u>50,783,170</u>	<u>47,422,696</u>

The annexed notes 1 to 16 form an integral part of these condensed interim financial statements.

  
Amir H. Shirazi  
Chairman

  
Saquib H. Shirazi  
Chief Executive Officer


  
Kashif Yasin  
Chief Financial Officer

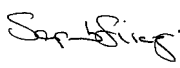
# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

## For the three months period ended June 30, 2022

		Three months period ended June 30,	
		2022	2021
		----- (Rupees in '000) -----	
Note			
	Sales - net	37,685,080	30,748,886
	Cost of sales	(35,061,856)	(28,357,208)
	<b>Gross profit</b>	2,623,224	2,391,678
	Sales and marketing expenses	(642,260)	(543,538)
	Administrative expenses	(211,400)	(178,952)
	Other income	765,811	409,795
	Other operating expenses	(180,326)	(144,663)
	<b>Profit from operations</b>	2,355,049	1,934,320
	Finance costs	(10,899)	(9,156)
	Share of profit of associate - net of tax	3,537	7,541
	<b>Profit before taxation</b>	2,347,687	1,932,705
	Income tax expense	(845,167)	(599,139)
	<b>Profit after taxation</b>	1,502,520	1,333,566
	Other comprehensive income	-	-
	<b>Total comprehensive income</b>	1,502,520	1,333,566
		----- (Rupees in '000) -----	
	<b>Earnings per share - basic and diluted</b>	11	12.11
			10.75

The annexed notes 1 to 16 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, 2022

(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, 2021** 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

## Transactions with owners

Interim cash dividend for the half year

ended September 30, 2021 at the

rate of Rs.12.0 per share - - - - (1,489,056) (1,489,056)

Total comprehensive income for the nine

months period ended March 31, 2022

- - - - 4,227,788 4,227,788

**Balance as at March 31, 2022 (audited)** 1,240,879 39,953 165 9,492,000 10,254,64 21,027,638

## Transactions with owners

Final cash dividend for the year ended

March 31, 2022 at the rate of

Rs.15 per share - - - - (1,861,319) (1,861,319)


**Total comprehensive income for the**

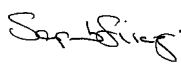
**three months period ended June 30, 2022**

- - - - 1,502,520 1,502,520

**Balance as at June 30, 2022 (unaudited)** 1,240,879 39,953 165 9,492,000 9,895,842 20,668,839

The annexed notes 1 to 16 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

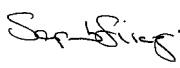
# Condensed Interim Statement of Cash Flows (Unaudited)

## For the three months period ended June 30, 2022

		Three months period ended June 30,	
		2022	2021
	Note	---- (Rupees in '000) ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from / (used in) operations	12	2,662,874	(3,212,641)
Mark-up / interest paid		(1,278)	(1,079)
Income tax paid		(754,766)	(231,516)
Compensated absences paid		(5,828)	(7,552)
Mark-up / interest received		19,686	210,045
Workers' profit participation fund paid		(424,050)	(275,710)
Workers welfare fund paid		(4,261)	-
Long term loans and advances - net		(1,955)	(6,209)
Long term deposits - net		(28,000)	(6)
Net cash generated from / (used in) operating activities		1,462,422	(3,524,668)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		(1,391,374)	(1,152,581)
Intangible acquired		-	(6,154)
Payments for investments acquired		(6,054,235)	(705,678)
Proceeds from sale of property, plant & equipment		17,591	12,258
Proceeds from sale of investments		2,383,742	1,295,871
Net cash used in investing activities		(5,044,276)	(556,284)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>			
Dividend paid		(1,199,098)	(1,077,462)
Lease rentals paid		(11,407)	(11,498)
Long term borrowings - repaid		(62,500)	(62,500)
Net cash used in financing activities		(1,273,005)	(1,151,460)
Net decrease in cash and cash equivalents		(4,854,859)	(5,232,412)
Cash and cash equivalents at beginning of the period		17,424,657	14,288,180
Cash and cash equivalents at end of the period		12,569,798	9,055,768

The annexed notes 1 to 16 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, 2022

## 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, 2022: 52.43%) of issued, subscribed and paid-up capital of the Company.

## 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 These 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, 2022.

## 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, 2022.

- 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, 2023.

The following standards, amendments and interpretation are effective for the year ending March 31, 2023. 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:

Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use January 01, 2022

Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract January 01, 2022

#### 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, 2022.

#### 5. PROPERTY, PLANT AND EQUIPMENT

		(Unaudited) June 30, 2022	(Audited) March 31, 2022
Note		---- (Rupees in '000) ----	
	Operating fixed assets	5.1 10,348,261	9,821,446
	Capital work-in-progress	5.2 846,387	291,029
	Right of use assets	128,107	139,010
		<u>11,322,755</u>	<u>10,251,485</u>
5.1	Operating fixed assets		
	Book value at beginning of the period / year	9,821,446	9,556,536
	Additions during the period / year	836,016	1,566,680
	Disposals costing Rs. 32,266 thousand (March 31, 2022: Rs. 660,964 thousand) - at book value	(17,552)	(154,951)
	Depreciation charge for the period / year	(291,649)	(1,146,819)
	Book value at end of the period / year	<u>10,348,261</u>	<u>9,821,446</u>

5.2 Capital work-in-progress includes advance of Rs 16,508 thousand paid to Honda Atlas Cars (Related Party) for purchase of vehicles.

		(Unaudited) June 30, 2022	(Audited) March 31, 2022
Note		---- (Rupees in '000) ----	

#### 6. LONG TERM INVESTMENTS

Unquoted

Associate - equity accounted investment	6.1	347,071	343,534
Others - available for sale	6.2	-	-
		<u>347,071</u>	<u>343,534</u>

(Unaudited)      (Audited)  
June 30,          March 31,  
2022              2022  
---- (Rupees in '000) ----

**6.1 Equity accounted investment -  
Atlas Hitec (Private) Limited**

Balance at beginning of the period / year	343,534	329,669
Share of profit for the period / year - net of tax	3,537	16,905
Dividend received during period / the year	-	(3,040)
Balance at end of the period / year	<u>347,071</u>	<u>343,534</u>

**6.1.1** The value of investment is based on unaudited condensed interim financial information of the investee company as at June 30, 2022.

**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, 2022 : 29.23%) of its issued, subscribed and paid-up capital as at June 30, 2022.

(Unaudited)      (Audited)  
June 30,          March 31,  
2022              2022  
---- (Rupees in '000) ----

**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
	-	-
	-	-

**7.** Long term deposits includes Rs 28,000 thousand paid to Atlas Energy Limited (Related Party) for installation of 10MW Solar panels. This has been given in accordance with SBP Circular.

(Unaudited)      (Audited)  
June 30,          March 31,  
2022              2022  
---- (Rupees in '000) ----

**8. SHORT TERM INVESTMENTS**

- at fair value through profit or loss

Investments in units of mutual funds:

- Related parties	11,733,515	8,103,214
- Others	736,422	715,869
	<u>12,469,937</u>	<u>8,819,083</u>

**9. CONTINGENCIES AND COMMITMENTS**

**9.1 Contingencies**

**9.1.1** There is no change in status of the contingencies as disclosed in note 25.1.1 of the audited annual financial statements of the Company for the year ended March 31, 2022.

	(Unaudited) June 30, 2022 ---- (Rupees in '000) ----	(Audited) March 31, 2022
9.1.2 Outstanding bank guarantees	1,964,786	1,784,407
9.2 Commitments		
9.2.1 Commitments in respect of:		
- capital expenditure other than letters of credit	231,788	137,971
- capital expenditure, raw materials and components through confirmed letters of credit	2,748,124	3,562,052
9.2.2 Aggregate commitments for ljarah arrangements of vehicles and plant machinery as at period / year end are as follows:		

	(Unaudited) June 30, 2022 ---- (Rupees in '000) ----	(Audited) March 31, 2022
Not later than one year	360,327	371,263
Over one year and no later than five years	1,330,470	1,356,621
More than five years	481,177	532,624
	2,171,974	2,260,508

(Unaudited)  
Three months period ended  
June 30,  
2022      2021  
Note -----(Rupees in '000)-----

## 10. COST OF SALES

Finished goods at beginning of the period	1,699,558	629,827
Cost of goods manufactured	31,958,735	26,574,415
Purchases	2,771,140	1,892,229
	34,729,875	28,466,644
	36,429,433	29,096,471
Finished goods at end of the period	(1,367,577)	(739,263)
	35,061,856	28,357,208

## 11. EARNINGS PER SHARE - basic and diluted

Net profit for the period	1,502,520	1,333,566
	---(Number of shares)---	
Weighted average number of ordinary shares in issue during the period	124,087,935	124,087,935
	---- (Rupees) ----	
Basic earnings per share	12.11	10.75

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

(Unaudited)  
Three months period ended  
June 30,

2022      2021  
---- (Rupees in '000) ----

## 12. CASH GENERATED FROM OPERATIONS

Profit before taxation	2,347,687	1,932,705
Adjustments for non-cash charges and other items:		
Depreciation	302,552	315,334
Amortisation	9,757	12,983
Loss in fair value of investments at fair value through profit of loss	60,944	68,606
Gain on sale of investments	(41,306)	(7,242)
Mark-up / interest on saving deposit accounts and TDRs	(85,047)	(203,977)
Share of profit of an Associated Company	(3,537)	(7,541)
Workers' profit participation fund	126,084	103,797
Workers' welfare fund	52,173	39,443
Provision for compensated absences	19,892	27,042
Provision for gratuity	14,146	10,094
Gain on disposal of fixed assets	(39)	(553)
Interest on lease liabilities	4,965	6,083
Markup / interest on borrowings	312	1,308
Working capital changes	12.1 (145,710)	(5,510,723)
	<u>2,662,874</u>	<u>(3,212,641)</u>

### 12.1 Changes in working capital

(Increase) / decrease in current assets:

Stores, spares and loose tools	(24,149)	(138,968)
Stock-in-trade	(1,618,925)	(1,992,219)
Trade debts	(751,736)	63,825
Loans and advances	(2,041)	(1,682)
Trade deposits and prepayments	(1,097,625)	92,000
Other receivables	(38)	(1,640)
Sales tax receivable	-	(712,454)
	<u>(3,494,514)</u>	<u>(2,691,138)</u>
Increase / (Decrease) in trade and other payables	3,348,804	(2,819,585)
	<u>(145,710)</u>	<u>(5,510,723)</u>

## 13. FINANCIAL RISK MANAGEMENT

### 13.1 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, 2022.

## 13.2 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	12,469,937	-	-	12,469,937

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

## 14. TRANSACTIONS WITH RELATED PARTIES

- 14.1 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,	
		2022	2021
		--- (Rupees in '000) ---	
(i) Parent Company	Sale of goods	111	110
	Purchase of goods and services	-	9,302
	Dividend paid	975,972	878,375
	Purchase of operating fixed assets	5,383	278,900
	Sale of operating fixed assets	-	945
(ii) Associates	<b>Sales:</b>		
	- goods and services	376,540	394,288
	- operating fixed assets	4,188	7,066
	<b>Purchases:</b>		
	- goods and services	9,196,694	7,987,600
	- operating fixed assets	65,223	113,379
	Sale of units in mutual funds	1,870,000	795,871
	Purchase of units in mutual funds	5,255,250	-
	Dividend received from mutual funds	273,688	227,790
	Royalty paid	1,681,926	1,435,966
	Technical assistance fee paid	7,069	4,820
	Commission income	-	289
	Insurance premium paid	62,076	54,014
	Insurance claims received	3,050	3,694
	Reimbursement of expenses - net	3,340	4,174
	Dividend paid	52,771	47,494
(iii) Staff retirement funds	Contributions paid to gratuity funds, provident fund / pension schemes	29,244	25,467
(iv) Key management personnel	Managerial remuneration and benefits	43,347	32,874
	Retirement benefits	2,233	1,931

(Unaudited)  
Three months period ended  
June 30,  
2022                      2021  
---- (Rupees in '000) ----

**14.2** Period / year end balances are as follows:

Payable to related parties

Trade and other payables	2,161,821	1,652,876
Dividend payable	651,462	586,316
Long term loans	4,327	2,414
Compensated absences	45,100	39,488

Advance to related parties

Capital work-in-progress	16,508	25,055
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**15. 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, 2022 and the corresponding figures in the condensed interim profit or loss account and 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, 2021.

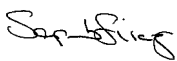
Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison.

**16. DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorized for issue on July 29, 2022 by the Board of Directors.



Aamir H. Shirazi  
Chairman



Saquib H. Shirazi  
Chief Executive Officer



Kashif Yasin  
Chief Financial Officer

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