



Quarterly Report December 31,

2022

2022

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Company Information

Board of Directors

Aamir H. Shirazi
Chairman

Sanauallah Qureshi
Director

Abid Naqvi
Director

Mashmooma Zehra Majeed
Director

Masanori Kito
Director

Shunsuke Miyazaki
Director

Kazushi Yamanaka
Director

Saquib H. Shirazi
Chief Executive Officer

Maheen Fatima
Company Secretary

Audit Committee

Abid Naqvi
Chairman

Sanauallah Qureshi
Member

Mashmooma Zehra Majeed
Member

Muhammad Asim
Head of Internal Audit

Maheen Fatima
Secretary

Human Resource & Remuneration Committee

Abid Naqvi
Chairman

Sanauallah 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

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Tel: (92-42) 37225015-17, 37233515-17
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E-mail: ahl@atlas.com.pk
Website: www.atlashonda.com.pk

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Tel: (92-56) 3406501-8
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Azmat Wasti Road, Multan
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(92-61) 111-112-411
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Fax: (92-51) 5475928

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Karachi
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Customer Contact Centre

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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 nine months ended December 31, 2022.

MACROECONOMIC OVERVIEW

The economy continued to face pressures on account of rising inflation, an elevated fiscal deficit and uncertainty over external financing. The GDP growth rate projection for the current year has been revised downwards to 2.0%. Inflation is climbing and was recorded at 25.1% during first five month of FY23 as compared to 9.3% during same period of last year. This was mainly driven by rupee devaluation pass through to domestic prices and upward revision in energy & food prices. On a positive note, revenue collections stood at Rs. 3.4 trillion, reflecting a healthy growth of 16.5% over comparative period of last year. However, leaving a shortfall of more than Rs. 220 billion against the target.

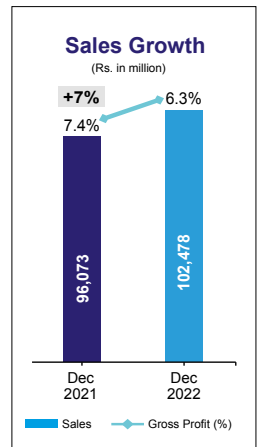
On the external front, strict policy actions and adoption of stabilization strategies started to yield positive results, with narrowed current account deficit (CAD) to USD 3.1 billion in Jul-Nov FY23 from USD 7.2 billion in July-Nov FY22. The improvement in CAD was mainly driven through reduction in import bill of 20.5% from USD 32.9 billion to USD 26.9 billion. However, due to slowdown in global demand and gap in exchange rate (interbank and open market), exports and workers remittances declined by 3.4% and 9.6%, respectively. Despite positive development in CAD, foreign exchange reserves held by the Central Bank breached the USD 5 billion-mark for the first time in ten years and dropped to USD 4.1 billion due to debt servicing and delay in resumption of IMF EFF program. Due to high demand for US dollars, Pak rupee has lost more than one-fourth of its total value during 2022 with rupee's slide worsening during the second half of the calendar year. The PSX 100 index also continued its downward trend and closed the year at 40,420 points. This dismal performance was due to deterioration of investors' confidence and political uncertainty. In a bid to ensure macro-economic stability and keeping aggregate demand in control, the central bank increased the benchmark interest rate by 6.25% during the year from 9.75% to 16%.

The performance of agriculture sector was badly affected due to torrential rains and severe floods which damaged the estimated 8.3 million acres of cultivated crops. In order to support the sector, the Government has announced incentives in "Kissan Package" and increased agriculture credit disbursement by 35.9%. Further, with better input situation, including water supply, Rabi crops are expected to perform better. This may help to improve demand for consumer durables in rural areas which slowed down in first half of FY 23.

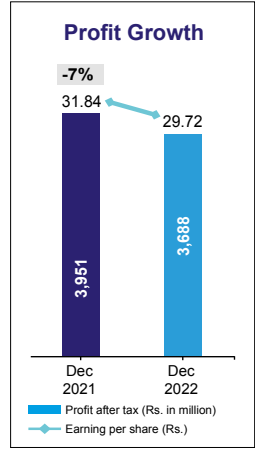
Large Scale Manufacturing (LSM) registered negative growth of 3.6% in July-Nov FY23 as against growth of 3.3% in July-Nov FY2022 due to elevated inflationary pressures and supply chain disruptions. The import restrictions on account of declining foreign exchange reserves has started to cripple industries. Resultantly, most demand indicators including sales of cement, POL, automobiles and textiles reflect a downward trend. Accordingly, the shortage of much-needed foreign currency inflows from bilateral and multilateral institutions is required to resolve the issue of Letter of Credits (LCs) for ensuring sustained growth in this segment.

OPERATING RESULTS

During the nine months period ended December 31, 2022, the Company achieved net sales of Rs. 102.5 billion, an increase of 6.6% as compared to last year. However, gross profit declined from Rs. 7.1 billion to Rs. 6.4 billion, down by 9.1%. Resultantly, Gross profit percentage recorded at 6.3% as compared to 7.4% of same period last year. The decline in



gross profit was due to lower sales volume, increase in material prices, rising energy cost and devaluation of Pak rupee with a less than commensurate increase in selling prices. The key challenge is to improve this over the course of the year. Sales and marketing expenses rose to Rs. 2.0 billion, an increase of 12.1%, which is attributable to promotional activities and increase in fuel cost. Administrative expenses rose by 4.3% mainly due to effects of continued inflation. Other income, net off other operating expenses and financial charges, contributed an encouraging Rs. 2.1 billion to the bottom line, 134.4% higher than the comparative period. This is on account of efficient treasury operations and increase in policy rate. The above factors supported the Company in achieving highest ever nine months profit before tax of Rs. 5.9 billion, up by 5.7%. However, due to provision for super tax for the current and prior year, the profit after tax for the nine months period ended registered at Rs. 3.7 billion, down by 6.6%. This translated into Earnings per Share (EPS) of Rs. 29.7 against Rs. 31.8 for the corresponding period of 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 and reserves. 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 Pak rupee. Managing the underlying risk necessitates articulating and effectively implementing a clear strategy for economic recovery. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability and advancing structural reforms. 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.

جستہ چلی پب دھری اُتھے اگدا سَرُو دا بُونا

(When one put down the foot, it grows and grows)

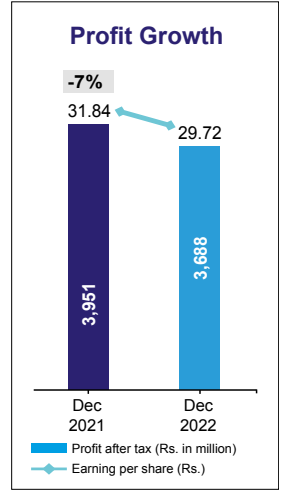
ACKNOWLEDGEMENT

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

Aamir H. Shirazi

Dated: January 25, 2023
Karachi

اور روپے کی قدر میں کمی اور قیمتوں میں مساوی اضافے نہ ہونے کے باعث پیش آئی جبکہ اہم چیلنج سال کے دوران اس میں بہتری لانا ہے۔ سیلز اور مارکیٹنگ کے اخراجات 2 بلین روپے تک پہنچ گئے جو کہ 12.1 فیصد کا اضافہ ہے جس کی وجہ پر موٹیل سرگرمیوں اور ایندھن کی لاگت میں اضافہ ہے۔ انتظامی اخراجات میں 4.3 فیصد اضافہ ہوا جس کی بنیادی وجہ مسلسل بڑھتی ہوئی افراط زر کے اثرات ہیں۔ دیگر آمدنی (دوسرے آپرینٹنگ اخراجات اور مالیاتی چارجز سے پاک) نے بائٹ لائن میں 2.1 بلین روپے کا حوصلہ افزا حصہ ڈالا، جو تقابلی مدت سے 134.4 فیصد زیادہ ہے۔ یہ موٹریٹری آپریشنز اور پالیسی ریٹ میں اضافے کی وجہ سے ہوا ہے۔ مندرجہ بالا عوامل نے کمپنی کو 5.7 فیصد اضافے کے ساتھ قبل از ٹیکس منافع 5.9 بلین روپے کے ساتھ نو ماہ میں سب سے زیادہ منافع حاصل کرنے میں معاونت کی۔ تاہم، موجودہ اور گزشتہ سال کے لیے پریکٹس کی ادائیگی کی وجہ سے ختم ہونے والی نو ماہی کے لیے بعد از ٹیکس منافع 6.6 فیصد کم ہو کر 3.7 ارب روپے رہا۔ جس نے گزشتہ سال کی اسی مدت کے لیے 31.8 ارب روپے کے مقابلے میں 29.7 ارب روپے کی فی شیئر آمدنی (EPS) میں بدل دیا۔



مستقبل کے خدو خال

غیر متوقع اور غیر یقینی صورتحال کے باوجود گزشتہ برسوں کے دوران معیشت نے اچھی لک دکھائی ہے۔ بڑھتی ہوئی افراط زر، مالیاتی پسماندگی اور مالیاتی قوم اور ذخائر کی قلت کے باعث میکرو اکنامک آؤٹ لک چیلنج لگتا ہے۔ مزید یہ کہ اصلاحات کی رفتار کو برقرار رکھنا اور استحکام کے تحفظ کے ساتھ پائیدار ترقی کو فروغ دینے کے لیے پالیسیوں پر توجہ مرکوز کرنا ضروری ہے۔ میکرو اکنامک ایڈجسٹمنٹ کے اقدامات بالخصوص جاری مالیاتی سختی اور برآمدات کے لیے مالی استحکام پاکستانی روپے پر دباؤ کو کم کرنے میں مدد کریں گے۔ رسک مینجمنٹ اور معاشی بحالی کے لیے واضح حکمت عملی کو بیان کرنے اور موٹریٹری سے نافذ کرنے کی ضرورت ہے۔ اس کے مطابق معیشت کو سہارا دینے پر رضوں کی پائیداری کو یقینی بنانے اور ساختی اصلاحات کو آگے بڑھانے کے درمیان ایک مناسب توازن قائم رکھنے کی ضرورت ہے۔ جیسے جیسے معیشت بہتری کی طرف آتی ہے اور بحالی پائیدار ہوتی ہے جب وہ پیوں والے شعبے سے توقع کی جاسکتی ہے کہ وہ اپنی ترقی کی راہ پر دوبارہ گامزن ہو جائے گا۔

جبکہ میکرو اکنامک صورتحال اصلاحات سے گزر رہی ہے، کمپنی طویل مدتی ترقی کے اپنے سفر کو جاری رکھنے میں پراعتماد ہے۔ کمپنی نے ابھرتے ہوئے مواقعوں سے فائدہ اٹھانے اور مناسب حکمت عملی پر عمل کرنے کی اپنی صلاحیت کا مظاہرہ کیا ہے۔ مزید یہ کہ کمپنی طویل المدتی کاروباری تجویز کو برقرار رکھنے اور اسٹیک ہولڈرز کی قدر میں اضافہ کرنے کے لیے ہمیشہ تیار ہے جس کے لیے "ٹالس وے اور ٹالس سسٹم" کے اصول کمپنی کی مستقبل کی تمام تر کاوشوں کے لیے مستحکم بنیاد فراہم کرتے رہیں گے۔

جیتتے چلی پب دھردی اٹھے اگدا سرو دا بوٹا

(When one put down the foot, it grows and grows)

انٹہارٹنڈ

دی ٹالس گروپ ہنڈاموٹریٹری 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۔ میں اپنے سٹیمرز کے ہم پراعتماد، ہماری انتظامی ٹیم کی مخلصانہ کوششوں، بورڈ آف ڈائریکٹرز کی رہنمائی اور جناب ثاقب ایچ شیرازی کو ان کی براثر لیڈرشپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، اینڈوزر، ایسوسی ایٹس اور شیئر ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے ٹالس ہنڈاموٹریٹری ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

AS

عامراج شیرازی

بتاریخ: 25 جنوری 2023

کراچی

چیمبرمین کا جائزہ

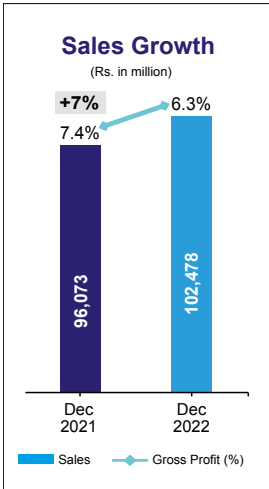
میں نہایت مسرت کے ساتھ 31 دسمبر 2022 کو ختم ہونے والی نو ماہی کے لیے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کر رہا ہوں۔

میکرو اکنامک جائزہ

برہتی ہوئی افراط زر، بڑے مالیاتی خسارے اور بیرونی فنانسنگ پر غیر یقینی صورتحال کے باعث معیشت پر مسلسل دباؤ بڑھ رہا ہے۔ رواں سال کے لیے جی ڈی پی کی شرح نمو کا تخمینہ 2 فیصد تک نیچے گرا دیا گیا ہے۔ افراط زر کی شرح میں اضافہ ہو رہا ہے اور مالی سال 2023 کے پہلے پانچ ماہ کے دوران افراط زر کی شرح 25.1 فیصد ریکارڈ کی گئی جو گزشتہ سال کی اسی مدت کے دوران 9.3 فیصد تھی۔ یہ بنیادی طور پر روپے کی قدر میں کمی اور ملکی سطح پر قیمتوں میں اضافہ بالخصوص توانائی اور خوراک کی قیمتوں میں اضافے کی وجہ سے ہوا ہے۔ ایک مثبت نظریے کے اعتبار سے، محصولات کی وصولی 3.4 ٹریلین روپے رہی جو گزشتہ سال کی تقابلی مدت کے مقابلے میں 16.5 فیصد کی مضبوط نمو کو ظاہر کرتی ہے۔ تاہم، ہدف کے مقابلے میں 220 ارب روپے سے زائد کا شارٹ فال رہ گیا ہے۔

بیرونی محاز پر، پالیسی کے سخت اقدامات اور استحکام کی حکمت عملیوں کو اپنانے سے مثبت نتائج آنا شروع ہو گئے ہیں۔ مالی سال 2023 کے جولائی سے نومبر کے دوران کرنٹ اکاؤنٹ خسارہ 3.1 بلین تک کم ہو گیا جو کہ مالی سال 2022 کے جولائی سے نومبر کے دوران 7.2 بلین امریکی ڈالر تھا۔ سی اے ڈی میں بہتری، بنیادی طور پر 32.9 بلین امریکی ڈالر سے 26.9 بلین امریکی ڈالر تک درآمدی بل میں 20.5 فیصد کمی کے باعث پیش آئی۔ تاہم عالمی طلب میں کمی اور شرح مبادلہ (انٹرنیٹک اور اوپن مارکیٹ) میں فرق کی وجہ سے برآمدات اور ملازمت کی ترسیلات زر میں بالترتیب 3.4 فیصد اور 9.6 فیصد کمی واقع ہوئی ہے جبکہ سی اے ڈی میں مثبت پیش رفت کے باوجود مرکزی بینک کے پاس موجود زرمبادلہ کے ذخائر دس سالوں میں پہلی بار 5 بلین امریکی ڈالر کی مقرر حد سے گر گئے اور قرض کی فراہمی اور آئی ایم ایف ای ایف ایف (IMF EFF) پروگرام کے دوبارہ فعال ہونے میں تاخیر کے باعث ذخائر 4.1 بلین امریکی ڈالر تک گر گئے۔ امریکی ڈالر کی مانگ میں اضافے کے باعث 2022 کے دوران پاکستانی روپیہ اپنی کل ایک چوتھائی سے زیادہ کم ہو چکا ہے اور کلینڈر سال کی دوسری ششماہی کے دوران روپے کی گرتی ہوئی کمی کے ساتھ PSX-100 انڈیکس نے بھی اپنی گراؤ کا رجحان جاری رکھا اور سال 40,420 پوائنٹس پر بند ہوا۔ یہ ماہیوں کن کارکردگی سرمایہ کاروں کے اعتماد میں کمی اور سیاسی ہلچل کے باعث دیکھنے میں آئی۔ میکرو اکنامک استحکام کو یقینی بنانے اور مجموعی طلب کو کنٹرول میں رکھنے کے لیے مرکزی بینک نے بیچ مارک شرح ہذا کو 16 فیصد کی بلند سطح پر برقرار رکھا۔

موسلا دھار بارشوں اور سیلابی صورتحال کے باعث زرعی شعبوں کی کارکردگی بری طرح متاثر ہوئی جس سے تخمینہ شدہ 8.3 بلین ایکڑ رقبے پر کاشت کی گئی فصلوں کو نقصان پہنچا۔ اس شعبے کو سہارا دینے کے لیے حکومت نے ”کسان بچھ“ میں مراعات کا اعلان کیا ہے اور زرعی قرضوں کی تقسیم میں 35.9 فیصد کا اضافہ کیا ہے۔ مزید برآں، پانی کی فراہمی سمیت ان پف کی بہتر صورتحال کے ساتھ زرعی فصلوں کی کمزور کارکردگی کی توقع ہے۔ اس سے دیہی علاقوں میں صارفین کی پائیدار ایشیاء کی مانگ کو بہتر بنانے میں مدد مل سکتی ہے جو مالی سال 2023 کی ششماہی میں سست روی کا شکار ہو گئی تھی۔



بڑے پیمانے پر میڈیکل پمپنگ (LSM) نے مالی سال 2023 جولائی تا نومبر میں 3.6 فیصد کی منفی نمو درج کی جبکہ مالی سال 2022 جولائی تا نومبر میں 3.3 فیصد کی نمو کے مقابلے میں بلند افراط زر کے دباؤ اور سپلائی چین میں رکاوٹوں کے باعث زرمبادلہ کے کم ہوتے ذخائر کی وجہ سے درآمدی پابندیوں نے مصنوعات کو منفلوج کرنا شروع کر دیا ہے۔ نتیجتاً، سینٹ، پی او ایل اٹومو بالٹز اور ٹیکسٹائل کی فروخت سمیت زیادہ تر مانگ کے اشارے ٹچل سطح پر ہیں اس کے مطابق، دو طرفہ اور کثیر جہتی اداروں سے انتہائی ضروری اقلام کی کمی کو اس طبقہ میں پائیدار ترقی کو یقینی بنانے کے لیے لیٹر آف کریڈٹس (LCs) کے مسئلے کو حل کرنے کی ضرورت ہے۔


آپریٹنگ نتائج

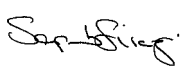
31 دسمبر 2022 کو ختم ہونے والی نو ماہی کے لیے کمپنی نے 102.5 بلین روپے کی خالص فروخت حاصل کی جو گزشتہ سال کے مقابلے میں 6.6 فیصد زیادہ ہے۔ تاہم، مجموعی منافع 7.1 بلین روپے سے کم ہو کر 6.4 بلین روپے ہو گیا جو 9.1 فیصد کی کوٹا بر کرتا ہے۔ مجموعی منافع 6.3 فیصد درج کیا گیا جو کہ گزشتہ سال کی اسی مدت میں 7.4 فیصد تھا۔ نتیجتاً، مجموعی منافع میں کمی فروخت کے کم حجم، مواد اور بالخصوص توانائی کی قیمتوں میں اضافہ

Condensed Interim Statement of Financial Position (Unaudited) As at December 31, 2022

		Unaudited December 31, 2022	Audited March 31, 2022
ASSETS	Note	----- (Rupees in '000) -----	
Non current assets			
Property, plant and equipment	5	12,185,137	10,251,485
Intangible assets		41,840	56,255
Long term investments	6	339,412	343,534
Long term loans and advances		68,561	64,159
Long term deposits		41,662	14,077
		<u>12,676,612</u>	<u>10,729,510</u>
Current assets			
Stores, spares and loose tools		966,221	998,612
Stock-in-trade		9,034,958	6,541,711
Trade debts		1,630,388	1,126,808
Loans and advances		66,784	59,889
Trade deposits and prepayments		1,720,236	1,491,756
Accrued mark-up / interest		18,140	19,540
Other receivables		2,409	2,583
Taxation - net		10,067	208,547
Short term investments	7	13,271,675	8,819,083
Cash and bank balances		16,127,922	17,424,657
		<u>42,848,800</u>	<u>36,693,186</u>
		<u>55,525,412</u>	<u>47,422,696</u>
EQUITY AND LIABILITIES			
Equity			
Authorized capital 150,000,000 (March 31, 2022: 150,000,000) ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up capital 124,087,935 (March 31, 2022: 124,087,935) ordinary shares of Rs.10 each		1,240,879	1,240,879
Reserves		20,248,827	19,786,759
		<u>21,489,706</u>	<u>21,027,638</u>
Liabilities			
Non current liabilities			
Lease liabilities		148,105	151,561
Staff retirement benefits		528,784	484,855
Deferred taxation		533,020	533,022
		<u>1,209,909</u>	<u>1,169,438</u>
Current liabilities			
Trade and other payables		31,501,530	24,886,205
Dividend payable		1,148,400	-
Unclaimed dividend		123,509	127,191
Accrued mark-up		3,818	1,278
Current portion of lease liabilities		48,540	23,446
Current portion of long term borrowings		-	183,975
Current portion of deferred income - government grant		-	3,525
		<u>32,825,797</u>	<u>25,225,620</u>
Contingencies and commitments	8	34,035,706	26,395,058
		<u>55,525,412</u>	<u>47,422,696</u>

The annexed notes 1 to 15 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

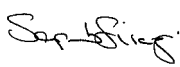
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the Nine Months Period Ended December 31, 2022

	Note	Quarter ended		Nine months period ended	
		December 31, December 31,		December 31, December 31,	
		2022	2021	2022	2021
----- (Rupees in '000) -----					
Sales - net		35,213,696	36,263,281	102,478,408	96,072,968
Cost of sales	9	(32,853,909)	(33,712,890)	(96,051,748)	(89,001,062)
Gross profit		2,359,787	2,550,391	6,426,660	7,071,906
Sales and marketing expenses		(686,140)	(628,054)	(1,956,333)	(1,746,232)
Administrative expenses		(197,799)	(183,081)	(602,650)	(577,860)
Other income		1,084,892	492,314	2,919,050	1,357,498
Other operating expenses		(333,128)	(154,419)	(776,367)	(439,373)
Share of net profit / (loss) of an Associate		3,624	5,115	(1,082)	16,743
Operating profit		2,231,236	2,082,266	6,009,278	5,682,682
Finance cost		(14,491)	(10,485)	(43,050)	(38,472)
Profit before taxation		2,216,745	2,071,781	5,966,228	5,644,210
Income tax expense		(807,939)	(607,887)	(2,277,874)	(1,693,263)
Profit for the period		1,408,806	1,463,894	3,688,354	3,950,947
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,408,806	1,463,894	3,688,354	3,950,947
----- (Rupees) -----					
Earnings per share					
- basic and diluted	10	11.35	11.80	29.72	31.84

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 Nine Months Period Ended December 31, 2022

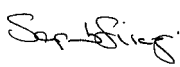
Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
	Share premium	Gain on sale of land	General reserve	Unappropriated profit	

----- (Rupees in '000) -----

Balance as at April 1, 2021 (Audited)	1,240,879	39,953	165	9,492,000	7,857,530	18,630,527
Transaction with owners, recognised directly in equity						
Final dividend for the year ended March 31, 2021 at the rate of Rs.13.5 per share	-	-	-	-	(1,675,187)	(1,675,187)
Interim dividend for the half year ended September 30, 2022 at the rate of Rs.12.0 per share	-	-	-	-	(1,489,056)	(1,489,056)
Total comprehensive income for the nine months ended December 31, 2021						
Profit for the period	-	-	-	-	3,950,947	3,950,947
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	3,950,947	3,950,947
Balance as at December 31, 2021 (Unaudited)	1,240,879	39,953	165	9,492,000	8,644,234	19,417,231
Total comprehensive income for three months ended March 31, 2022						
Profit for the period	-	-	-	-	1,634,218	1,634,218
Other comprehensive loss	-	-	-	-	(23,811)	(23,811)
	-	-	-	-	1,610,407	1,610,407
Balance as at March 31, 2022 (Audited)	1,240,879	39,953	165	9,492,000	10,254,641	21,027,638
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2022 at the rate of Rs.15 per share	-	-	-	-	(1,861,319)	(1,861,319)
Interim dividend for the half year ended September 30, 2022 at the rate of Rs.11 per share	-	-	-	-	(1,364,967)	(1,364,967)
Total comprehensive income for the nine months ended December 31, 2022						
Profit for the period	-	-	-	-	3,688,354	3,688,354
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	3,688,354	3,688,354
Balance as at December 31, 2022 (Unaudited)	1,240,879	39,953	165	9,492,000	10,716,709	21,489,706

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

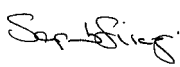
Condensed Interim Statement of Cash Flows (Unaudited)

For the Nine Months Period Ended December 31, 2022

	Note	Nine months period ended	
		December 31,	
		2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	8,356,959	1,946,510
Interest paid		2,071	(2,802)
Income taxes paid		(2,079,396)	(1,132,380)
Compensated absences paid		-	(27,262)
Mark-up / interest received		1,597,714	709,699
Workers' profit participation fund paid		(424,050)	(275,710)
Workers' welfare fund paid		(130,945)	(83,779)
Long term loans and advances - net		(4,402)	(10,360)
Long term deposits - net		(27,585)	(856)
Net cash generated from operating activities		7,290,366	1,123,060
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,964,773)	(1,275,982)
Proceeds from sale of property, plant and equipment		92,245	75,695
Payments for intangible assets		(15,597)	(6,155)
Payments for investments		(13,480,097)	(4,136,715)
Proceeds from sale of investments		10,114,826	2,047,513
Dividend received		3,040	3,039
Net cash used in investing activities		(6,250,356)	(3,292,605)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(67,677)	(54,307)
Long term loan (paid) / received		(187,500)	(187,500)
Dividend paid		(2,081,568)	(2,624,231)
Net cash used in financing activities		(2,336,745)	(2,866,038)
Net decrease in cash and cash equivalents		(1,296,735)	(5,035,583)
Cash and cash equivalents at beginning of the period		17,424,657	14,288,180
Cash and cash equivalents at end of the period		16,127,922	9,252,597

The annexed notes 1 to 15 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

Notes to the Condensed Interim Financial Statements (Unaudited)

For the Nine Months Period Ended December 31, 2022

1. THE COMPANY AND ITS ACTIVITIES

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 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting which 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;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

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.

3. ACCOUNTING POLICIES

3.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended March 31, 2022.

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

3.3 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on March 31, 2022. The impact of re-measurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements.

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

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, 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:

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

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

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation of uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended March 31, 2022.

		Unaudited December 31, 2022	Audited March 31, 2022
	Note	---- (Rupees in '000) ----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	11,707,883	9,821,446
Capital work-in-progress		304,120	291,029
Right of use assets		173,134	139,010
		<u>12,185,137</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		2,951,682	1,566,680
Disposals costing Rs.481,593 thousand (March 31, 2022: Rs. 660,964 thousand)			
- at book value		(121,663)	(154,951)
Depreciation charge for the period / year		(943,582)	(1,146,819)
Book value at end of the period / year		<u>11,707,883</u>	<u>9,821,446</u>
6. LONG TERM INVESTMENTS			
Unquoted			
Associate - equity accounted investment	6.1	339,412	343,534
Others - available for sale		-	-
		<u>339,412</u>	<u>343,534</u>

	Unaudited December 31, 2022	Audited March 31, 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 (loss) / profit for the period / year - net of tax	(1,082)	16,905
Dividend received during the period / year	(3,040)	(3,040)
Balance at end of the period / year	<u>339,412</u>	<u>343,534</u>

6.1.1 The value of investment in an Associate is based on unaudited condensed interim financial statements of the investee company as at December 31, 2022.

6.1.2 Investment in Atlas Hitec (Private) Limited (AHTL) 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 December 31, 2022.

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

7. SHORT TERM INVESTMENTS

- At fair value through profit or loss

Investments in units of mutual funds:

- Related parties	13,160,641	8,103,214
- Others	111,034	715,869
	<u>13,271,675</u>	<u>8,819,083</u>

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

8.1.1 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 December 31, 2022	Audited March 31, 2022
	---- (Rupees in '000) ----	

8.1.2 Guarantees issued by banks on behalf of the Company	<u>1,687,890</u>	<u>1,784,407</u>
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	Unaudited December 31, 2022	Audited March 31, 2022	
	---- (Rupees in '000) ----		
8.2	Commitments		
8.2.1	Commitments in respect of:		
	- capital expenditure, raw materials and components through confirmed letters of credit	2,304,290	3,562,052
	- capital expenditure other than through letters of credit	51,654	137,971
8.2.2	Aggregate commitments for ijarah arrangements of vehicles and plant & machinery as at period / year end are as follows:		

	Unaudited December 31, 2022	Audited March 31, 2022
	---- (Rupees in '000) ----	
Not later than one year	346,504	371,263
Later than one year and not later than five years	1,397,147	1,356,621
More than five years	533,394	532,624
	<u>2,277,045</u>	<u>2,260,508</u>

----- Unaudited -----			
Quarter ended December 31,		Nine months period ended December 31,	
2022	2021	2022	2021
----- (Rupees in '000) -----			

9. COST OF SALES

Opening stock of finished goods	1,270,925	894,547	1,699,558	629,827
Cost of goods manufactured	30,474,231	31,312,794	87,798,149	82,764,966
Purchases during the period	2,652,959	2,502,216	8,098,247	6,602,936
	<u>33,127,190</u>	<u>33,815,010</u>	<u>95,896,396</u>	<u>89,367,902</u>
	34,398,115	34,709,557	97,595,954	89,997,729
Closing stock of finished goods	(1,544,206)	(996,667)	(1,544,206)	(996,667)
	<u>32,853,909</u>	<u>33,712,890</u>	<u>96,051,748</u>	<u>89,001,062</u>

10. EARNINGS PER SHARE - basic and diluted

Profit for the period	1,408,806	1,463,894	3,688,354	3,950,947
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----- (Number of shares) -----

Weighted average number of ordinary shares in issue during the period	124,087,936	124,087,936	124,087,936	124,087,936
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----- (Rupees) -----

Basic earning per share	11.35	11.80	29.72	31.84
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10.1 There is no dilutive effect on the basic earnings per share of the Company.

		----- Unaudited ----- Nine months period ended December 31,	
		2022	2021
		---- (Rupees in '000) ----	
11.	CASH GENERATED FROM OPERATIONS	Note	
	Profit before taxation		5,966,228 5,644,210
	Adjustments for:		
	Depreciation		980,987 895,896
	Amortization		30,012 39,504
	Provision for compensated absences		43,929 75,237
	Provision for gratuity		42,436 (9,352)
	Mark-up / interest on savings deposit accounts and term deposit receipts		(1,596,314) (708,306)
	Gain on sale of investments at fair value through profit or loss		(66,330) (9,250)
	Fair value gain on investments at fair value through profit or loss		(124,479) (12,140)
	Dividend income		(896,513) (497,804)
	Workers' profit participation fund		319,496 303,126
	Workers' welfare fund		121,409 115,188
	Loss on disposal and write-off of operating fixed assets		29,419 17,036
	Share of loss / (profit) of an Associate		1,082 (16,743)
	Interest on lease liabilities		17,785 16,620
	Interest on long term loan		469 2,696
	Changes in working capital	11.1	3,487,343 (3,909,408)
			<u>8,356,959</u> <u>1,946,510</u>
11.1	Changes in working capital		
	(Increase) / decrease in current assets:		
	- Stores, spares and loose tools		32,391 (200,420)
	- Stock-in-trade		(2,493,247) (3,027,615)
	- Trade debts		(503,580) (485,654)
	- Loans and advances		(6,895) (7,654)
	- Trade deposits and prepayments		(228,480) (507,635)
	- Other receivables		174 (334,637)
			(3,199,637) (4,563,615)
	Increase in trade and other payables		6,686,980 654,207
			<u>3,487,343</u> <u>(3,909,408)</u>

12. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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 information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 2022.

12.2 Fair value measurement of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial information 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				
December 31, 2022				
Short term investments	13,271,675	-	-	13,271,675
March 31, 2022				
Short term investments	8,819,083	-	-	8,819,083

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

---- Unaudited ----
**Nine months period ended
 December 31,**

2022 2021

 ---- (Rupees in '000) ----

13. TRANSACTIONS WITH RELATED PARTIES

13.1 Significant transactions with related parties are as follows:

The Holding Company

Sales of:

- goods and services	806	1,771
- operating fixed assets	-	3,151

Purchases of:

- goods and services	20,326	9,302
- operating fixed assets	7,665	286,433
Lease rentals paid	21,584	20,555
Dividend paid	1,691,686	1,659,153
Reimbursement of expenses - net	-	81

---- Unaudited ----
**Nine months period
ended December 31,**

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

Associated companies

Sales of:

- goods and services	1,174,870	1,414,576
- operating fixed assets	21,936	9,904

Purchases of:

- goods and services	25,229,623	23,970,598
- operating fixed assets	147,618	193,860

Sale of units in mutual funds	7,921,459	1,039,510
Purchase of units in mutual funds	11,980,097	3,136,714
Royalty paid	1,681,926	4,321,028
Technical assistance fee paid	34,584	18,790
Commission income received	1,186	588
Lease rental paid	30,412	27,647
Insurance premium paid	531,413	459,840
Insurance claims received	10,414	19,474
Reimbursement of expenses - net	36,912	21,963
Dividend paid	91,470	676,026
Dividend received	829,524	463,760
Donation paid	78,196	51,524

Other related parties

Contributions paid to gratuity funds, provident funds / pension schemes	87,372	76,423
Key Management Personnel		
- salaries and other employment benefits	149,510	148,572
- sale of assets under company policy	6,445	8,853

13.2 Period / year end balances are as follows:

Receivables from related parties

Long term loans	6,659	9,205
Long term deposits	28,000	-
Trade deposits and prepayments	208,096	80,481

Payable to related parties

Lease liabilities	74,625	53,048
Staff retirement benefits	41,106	43,825
Trade and other payables	4,638,201	1,727,712
Dividend payable	1,044,510	-

These are in the normal course of business and are settled in ordinary course of business.

14. CORRESPONDING FIGURES

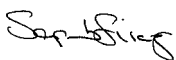
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2022 and the corresponding figures in the condensed interim statement of profit or loss 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 statements of the Company for the nine months period ended December 31, 2021.

15. DATE OF AUTHORIZATION

These condensed interim financial information were authorized for issue on January 25, 2023 by the Board of Directors of the Company.



Aamir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer



Kashif Yasin
Chief Financial Officer

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