



Atlas Honda Limited

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



TABLE OF CONTENTS

Company Information	2
Chairman's Review	4
Auditors' Report to the Members on Review of Interim Financial Information	8
Condensed Interim Balance Sheet	9
Condensed Interim Profit and Loss Account	10
Condensed Interim Cash Flow Statement	11
Condensed Interim Statement of Changes in Equity	12
Notes to the Condensed Interim Financial Information	13

Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Abid Naqvi
Director

Hiroimitsu Takasaki
Director

Jawaid Iqbal Ahmed
Director

Sanallah Qureshi
Director

Toichi Ishiyama
Director

Yasutaka Uda
Director

Saqib H. Shirazi
Chief Executive Officer

Umair Mukhtar
Company Secretary

Audit Committee

Sanallah Qureshi
Chairman

Abid Naqvi
Member

Jawaid Iqbal Ahmed
Member

Ghazanfar Allah Buksh
Head of Internal Audit

Umair Mukhtar
Secretary

Human Resource & Remuneration Committee

Sanallah Qureshi
Chairman

Jawaid Iqbal Ahmed
Member

Saqib H. Shirazi
Member

Faisal Iqbal
Secretary

Management

Saqib H. Shirazi
Chief Executive Officer

Suhail Ahmed
Vice President Marketing

Yasutaka Uda
Vice President Technical

Kashif Yasin
Chief Financial Officer

Afaq Ahmed
General Manager Plants

Mushtaq Alam
General Manager Information Technology

Khawaja Shujaiddin
General Manager Commercial & Planning

Shakil Mirza
General Manager Supply Chain

Muhammad Qadeer Khan
General Manager Quality Assurance

Hiroimitsu Takasaki
General Manager Technical

Mujahid-ul-Mulk Butt
General Manager Sales

Tauqeer Rana
General Manager After Sales

Faisal Iqbal
General Manager Human Resources
& Administration

Akmal Dar
General Manager Production, Planning
& Control

Muhammad Noman Khan
General Manager Engineering & Projects

Company Information

Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Agha Faisal - Barrister at Law

Tax Advisor

Ernst & Young Ford Rhodes Sidat Hyder,
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
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Khushali Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo-Mitsubishi UFJ 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
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 Care Centres

Azmat Wasti Road, Multan
Tel: (92-61) 4540054, 4571989, 4540028
Fax: (92-61) 4541690

60-Bank Road, Saddar, Rawalpindi
Tel: (92-51) 5120494-6, 5120502
Fax: (92-51) 5120497

House # 7, Atta Road, near Govt. Girls College,
Rahimyar Khan
Tel: (92-68) 5888809, 5883419, 5883417

391, Block D, Latifabad Unit # 6, Hyderabad
Tel: (92-22) 3864983-4
Fax: (92-22) 3864983

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

Show Room

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

* Customer Care services are also available at these locations.

Chairman's Review

I am pleased to present the audited condensed interim financial information of the Company for the half year ended September 30, 2016.

THE ECONOMY

Economic indicators remained largely positive, which contributed to the steady economic growth and development. The country has successfully completed an IMF Programme for the first time with the release of the final tranche in September 2016. The Foreign Exchange reserves stood at the highest ever level of USD 23.6 billion. The strong reserve position averted a significant depreciation in the Rupee, which remained relatively firm despite weakening of regional currencies. However, the current account position deteriorated sharply with a deficit of USD 1.37 billion in 1Q FY17. It was due to the worsening trade balance, where exports declined by 5.1% year on year to USD 5.0 billion on account of the sluggish global demand and a lack of competitiveness, while imports went marginally up by 1.3% year on year to USD 10.2 billion. Further, home remittance fell by 3.2% as compared to same period of last year. On the other hand, rate of inflation maintained its single digit trend and was recorded at 3.8%. Continued low oil prices and steady exchange rate helped to contain inflation. Keeping in view the foregoing, the SBP has maintained a status quo on the policy rate since May 2016 and maintained it at a 40 year low level. Continuous improvements in economic indicators and inclusion of Pakistan stocks in MSCI emerging markets kept the momentum going in the capital markets. Resultantly, the PSX 100 index reached an all-time high of 40,541 points.

The performance of the agricultural sector was mixed. Prolonged and frequent monsoon rains affected the yields of cotton crop. However, the encouraging results of the Rabi crops and stable crop prices have contributed positively to improve the future prospects of the crop sector. Also, other components of agriculture like livestock, fishing and forestry is experiencing progressive growth. Resultantly, the demand for consumer durables has started picking up pace in the rural areas.

Large Scale Manufacturing (LSM) continued to show signs of progress. Fertilizer, pharmaceutical, automobiles and cement sectors were major contributors. The motorcycle industry also showed strong growth, touching an ever-highest level of production. Continued low prices of raw material, improved energy supply and expansion in the credit offtake to the private sector benefitted several industries. Importantly, the confidence of businesses also firmed up as evident from the announcement of capacity expansion by some major companies.

OPERATING RESULTS

Your Company remains committed to deliver on its long term objectives of sustainable growth and value creation. This is being achieved through a continued focus on volume growth, operational excellence, cost reduction and strong capital structure. Net sales for the half year were recorded at Rs. 29.7 billion, which is 13% higher compared to the same period of last year. This positive performance primarily represents volume growth and a better sales mix. Volumetric gains, consistent cost reduction measures and other operational measures led the gross margin to increase to Rs. 3.1 billion, up by 18%. Sales and marketing expenses rose to Rs. 755 million, a year on year increase of 7%, which is attributable to higher spending on promotion and communication activities to support the core business. Administrative expenses registered an increase of 15% over the corresponding period primarily due to an increase in personnel cost and effects of general inflation. Other operating income, net of financial cost,

was registered at Rs. 408 million, which is an encouraging 40% higher than the corresponding period on account of efficient treasury operations. An impressive topline has driven the bottom line figure, which has shown a healthy increase as profit after tax stood at Rs. 1.7 billion, an increase of 27%. Accordingly, the Company has achieved Earnings per Share (EPS) of Rs. 16.5 per share as against Rs. 13 per share for the corresponding period last year.

FUTURE OUTLOOK

The improved macroeconomic indicators give a reason to be optimistic for Pakistan's economic growth and development over the future years. A better availability of energy supplies and an improved security situation has eased out two major constraints which were holding back the country's growth. However, the risk emanating from the current economic global turbulence will have to be closely watched. A continued commitment towards fiscal consolidation and structural reforms are imperative to continue this momentum. A successful implementation of the CPEC Projects is important, to debottleneck Pakistan's basic infrastructure needs. Overall this will have a positive spillover effect on domestic industrial growth. Bright agricultural prospects and timely supportive measures by Government are expected to bring positive results to the economy. The combined effect is expected to sustain the demand of the two wheeler segment.

The timely completion of the second production line at Sheikhpura Plant will contribute in expanding the Company's capacity from 0.75 million to 1.35 million units annually. The Company is optimistic in using the enhanced capacity to grow and hopes to strengthen through the volume benefits in its operating results.

عُدِّدِ حَمْدًا لِمَنْ عَاشَقَانِ پَآكِ طِينَتِ رَا

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 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.

Date: October 28, 2016
Karachi



Yusuf H. Shirazi

چیرمین کا جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2016 کو مکمل ہونے والی ششماہی کے لیے کمپنی کی عبوری مالیاتی معلومات پیش کر رہا ہوں۔

معیشت

معاشی اشارے واضح طور پر مثبت رہے، جن سے ہمارے معاشی ترقی میں معاونت ملی۔ ملک نے پہلی بار ستمبر 2016 میں آخری قسط جاری ہونے کے بعد آئی ایم ایف پروگرام نہایت کامیابی کے ساتھ مکمل کیا۔ زرمبادلہ کے ذخائر پہلی مرتبہ 23.6 بلین ڈالر کی بلند ترین سطح پر پہنچے۔ ان مضبوط ذخائر کے سبب روپے کی قیمت میں قدرے استحکام رہا جو دیگر علاقائی کرنسیوں کے کمزور ہونے کے باوجود بھی مستحکم پوزیشن پر برقرار رہی۔ تاہم موجودہ اکاؤنٹ پوزیشن مالی سال 2017 کی پہلی سہ ماہی میں 1.37 بلین ڈالر کا خسارہ ظاہر کر رہی ہے۔ جس کی وجہ تجارتی توازن میں خرابی ہے، برآمدات میں عالمی سطح پر طلب میں کمی اور سابقہ رجحان میں کمی کے سبب 5 بلین ڈالر یعنی 5.1 فیصد کمی واقع ہوئی ہے اور درآمدات میں 1.3 فیصد یعنی 10.2 بلین ڈالر کا اضافہ ہوا ہے، ہوم ریٹیننس میں گزشتہ سال اسی مدت کے مقابلے میں 3.2 فیصد کمی واقع ہوئی ہے۔ دوسری جانب، افراط زر کی شرح ہندسہ واحد میں موجود رہتے ہوئے 3.8 فیصد پر رہی۔ تیل کی کم ہوتی قیمتوں اور زرمبادلہ کی قیمتوں میں استحکام نے افراط زر کی شرح کو قابو میں رکھا۔ موجودہ رجحان کو دیکھتے ہوئے، اسٹیٹ بینک آف پاکستان نے ستمبر 2016 کا پالیسی ریٹ برقرار رکھا جو کہ 40 سال میں کم ترین ہے۔ معاشی اشاروں میں مسلسل بہتری اور پاکستان اسٹاک کے MSCI ایئرچینج مارکیٹس میں شمولیت کے سبب کیپٹل مارکیٹ میں بڑھوار کا سلسلہ جاری رہا۔ جس کے نتیجے میں پاکستان اسٹاک ایکسچینج 40,541 پوائنٹس کی اپنی بلند ترین سطح پر جا پہنچی۔

زرعی شعبے کی کارکردگی میں اختلاط رہا۔ طویل اور وقفے وقفے سے جاری مون سون بارشوں کے سبب کپاس کی پیداوار پر اثر پڑا۔ تاہم بیج کی کاشت کے حوصلہ افزاء نتائج اور اجناس کی مستحکم قیمتوں کے سبب مستقبل میں زرعی شعبے میں مثبت بہتری کے امکانات کو مضبوط کیا۔ اسی طرح لائیو اسٹاک، فیشنگ اور جنگلات کے شعبوں میں ترقی کا عمل دیکھا گیا۔ نتیجے میں وہی علاقوں میں عام استعمال کی ایشیا کی ماگ میں اضافہ ہو رہا ہے۔

بڑے پیمانے پر مینوفیکچرنگ نے مثبت اشارے ظاہر کیے ہیں۔ اس شعبے میں زیادہ شراکت داری فریلائزر، ادویات، آٹوموبائلز اور سینٹ کی جانب سے ہے۔ موٹرسائیکل انڈسٹری نے بھی بڑھوار دکھائی ہے اور پروڈکشن اپنی بلند ترین سطح پر پہنچ گئی ہے۔ خام مال کی کم ہوتی قیمتوں، توانائی کی رسد میں بہتری اور نجی شعبے کو کریڈٹ دیے جانے میں اضافے کے سبب متعدد انڈسٹریز کو بہت فائدہ ہوا ہے۔ سب سے اہم یہ ہے کہ کاروباری لوگوں کا اعتماد مضبوط ہوا ہے جس کا ثبوت بڑی کمپنیوں کی جانب سے توسیعی منصوبوں کا اعلان ہے۔

آپریٹنگ نتائج

کمپنی نے مستحکم ترقی کے لیے اپنے طویل المدت عزم کو جاری رکھا۔ جس کو الیوم گروٹھ، آپریٹنگ ایکسلینس، اخراجات میں کمی اور مضبوط کیپٹل اسٹریکچر کی مدد سے حاصل کیا گیا۔ ششماہی کے دوران خالص فروخت 29.7 بلین روپے ریکارڈ کی گئی، جو کہ گزشتہ سال اسی مدت کے دوران ہونے والی خالص فروخت کے مقابلے میں 13 فیصد زیادہ ہے۔ والیوم گروٹھ اور بہتر بیلنس نے بنیادی طور پر مثبت کارکردگی دکھانے میں مدد دی۔ والیوم میٹرک کینٹر، اخراجات میں مسلسل کمی کے طریقے کا راور دیگر آپریٹنگ طریقے کار کے سبب گروس مارجن میں 3.1 بلین روپے کا اضافہ ہوا، 18 فیصد اضافے کے ساتھ بیلز اور مارکیٹنگ اخراجات بڑھ کر 755 بلین روپے رہے، جس میں تقریباً 7 فیصد سالانہ اضافہ ہے، جس کا مقصد تشہیر اور مواصلات کی سرگرمیوں کے ذریعے کاروبار کو سپورٹ مہیا کرنا ہے۔ افراط زر اور ذاتی اخراجات میں اضافے کے سبب انتظامی اخراجات میں 15 فیصد اضافہ دیکھا گیا۔ دیگر آپریٹنگ اخراجات، فنانسنگ لاگت 408 بلین روپے ریکارڈ کی گئی جو کہ موثر ٹریڈری آپریٹنگ کے سبب گزشتہ سال اسی مدت کے مقابلے میں حوصلہ افزاء طور پر 40 فیصد زیادہ ہیں۔ اوپریٹنگ پر اعلیٰ کارکردگی نے چٹائی سطح کے عوامل پر مثبت اثرات مرتب کیے۔ 27 فیصد اضافے کے ساتھ بعد از ٹیکس منافع 1.7 بلین روپے ہے۔ اس کے ساتھ ساتھ، کمپنی کی آمدنی فی حصص 16.5 روپے رہی جبکہ گزشتہ سال اسی مدت کے دوران یہی آمدنی 13 روپے تھی۔

مستقبل کے خدو خال

مائیکرو اکنامک اشاروں میں بہتری ہمیں آئندہ آنے والے سالوں میں پاکستان کی معاشی ترقی کے لیے پرامید ہونے کا عندیہ دیتی ہے۔ توانائی کی بہتر سپلائی اور امن و آمان میں بہتری کے سبب ایسی دو بڑی رکاوٹیں دور ہو گئی ہیں جو ملک کو ترقی کی جانب بڑھنے سے روک رہی تھیں۔ تاہم عالمی سطح پر معاشی صورتحال میں ہیجان انگیزی کا بغور معائنہ کرتے رہنا ہوگا۔ موجودہ معاشی صورتحال کو جاری رکھنے کے لیے مالیاتی استحکام اور مسلسل اصلاحات کے نفاذ کی ضرورت ہے۔ پاکستان کے بنیادی انفراسٹرکچر کی ضروریات پوری کرنے کے لیے چین پاکستان معاشی راہداری (CPEC) پروجیکٹ کی تکمیل بہت ضروری ہے۔ مجموعی طور پر اس کے مقامی مارکیٹ پر مثبت اثرات مرتب ہوں گے۔ زرعی شعبے میں روشن امکانات اور حکومت کی جانب سے معاونتی اقدامات کے سبب توقع ہے کہ معیشت میں مثبت نتائج حاصل ہوں گے۔ مشترکہ کوششوں سے توقع رکھی جاسکتی ہے وہ دو دھیر کی طلب کو برقرار رکھے۔

ششماہی پورے پلانٹ پر دوسری پروڈکشن لائن کی بروقت تکمیل کی وجہ سے کمپنی کی صلاحیت میں توسیع 0.75 بلین سے 1.35 بلین یونٹس سالانہ ہو گئی ہے۔ ہم صلاحیتوں میں توسیع اور آپریٹنگ نتائج میں اضافے کے سبب کمپنی کو مزید مستحکم بنانے کے لیے پرامید ہیں۔

حُدا رحمت کنندرایں عاشقانِ پاکِ طینتِ را

توثیقی بیان

دی ٹلس گروپ ہنڈاموٹر کمپنی سے اپنی شراکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ اقدار کی پیروی 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 (سی ای او) کو ان کی پراثر قیادت اور اپنے اسٹیٹ ہولڈرز، بینکرز، ڈیلرز، ویڈرز، ایسوسی ایٹس اور شیئر ہولڈرز کا بے حد ممنون و مشکور ہوں، جن کی مدد سے ٹلس ہنڈاموٹر کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

(Signature)

جناب یوسف ایچ شیرازی

بتاریخ: 28 اکتوبر 2016

کراچی

Auditors' Report to the Members on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim balance sheet of Atlas Honda Limited as at September 30, 2016 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account for the quarters ended September 30, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended September 30, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Osman Hameed Chaudhri

SHINEWING HAMEED CHAUDHRI & CO.
 CHARTERED ACCOUNTANTS
 Karachi: October 28, 2016

Engagement Partner: Osman Hameed Chaudhri

a member firm of *ShineWing* International



Condensed Interim Balance Sheet (Unaudited)

As at September 30, 2016

Note	(Unaudited) September 30, 2016	(Audited) March 31, 2015
----- (Rupees in '000) -----		
Assets		
Non current assets		
Property, plant and equipment	5 6,781,445	5,817,700
Intangible assets	1,978	5,379
Long term investments	6 258,456	245,508
Long term loans and advances	26,155	28,027
Long term deposits	15,075	14,937
	7,083,109	6,111,551
Current assets		
Stores, spares and loose tools	507,228	489,415
Stock-in-trade	2,021,017	1,863,482
Trade debts	605,516	608,420
Loans and advances	41,714	35,877
Trade deposits and prepayments	7 196,394	64,770
Accrued mark-up / interest	15,106	16,842
Other receivables	5,552	4,910
Taxation - net	875,771	542,121
Short term investments	8 5,826,814	5,876,554
Bank balances	4,851,597	4,755,020
	14,946,709	14,257,411
	22,029,818	20,368,962
Equity and Liabilities		
Equity		
Authorized capital 150,000,000 (March 31, 2016: 150,000,000) ordinary shares of Rs.10 each	1,500,000	1,500,000
Issued, subscribed and paid-up capital 103,406,613 (March 31, 2016: 103,406,613) ordinary shares of Rs.10 each	1,034,066	1,034,066
Reserves	10,179,419	9,968,057
	11,213,485	11,002,123
Liabilities		
Non current liabilities		
Compensated absences	221,361	214,620
Deferred taxation	524,431	566,749
	745,792	781,369
Current liabilities		
Trade and other payables	9 10,070,541	8,585,470
	10,816,333	9,366,839
Contingencies and commitments		
	10 22,029,818	20,368,962

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Yusuf H. Shirazi
 Yusuf H. Shirazi
 Chairman


Saqib H. Shirazi
 Saqib H. Shirazi
 Chief Executive Officer

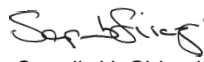
Condensed Interim Profit and Loss Account (Unaudited)

For the Half Year Ended September 30, 2016

	Note	Quarter ended September 30,		Half year ended September 30,	
		2016	2015	2016	2015
------(Rupees in '000)-----					
Sales		14,871,148	13,279,928	29,668,350	26,294,235
Cost of sales	11	(13,272,613)	(11,955,816)	(26,540,113)	(23,635,582)
Gross profit		1,598,535	1,324,112	3,128,237	2,658,653
Sales and marketing expenses		(382,963)	(354,102)	(754,754)	(705,758)
Administrative expenses		(149,663)	(123,565)	(275,417)	(239,981)
Other income		195,868	127,381	394,765	276,374
Other operating expenses		(102,723)	(73,757)	(188,911)	(144,769)
Share of net profit of an Associate		16,190	14,783	27,198	22,983
Operating profit		1,175,244	914,852	2,331,118	1,867,502
Finance costs		(10,438)	(5,628)	(14,383)	(7,519)
Profit before taxation		1,164,806	909,224	2,316,735	1,859,983
Income tax expense	12	(304,493)	(264,440)	(605,977)	(514,463)
Profit for the period		860,313	644,784	1,710,758	1,345,520
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		860,313	644,784	1,710,758	1,345,520
----- (Rupees) -----					
Earnings per share					
- basic and diluted		8.32	6.24	16.54	13.01

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Yusuf H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer

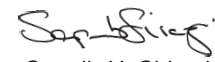
Condensed Interim Cash Flow Statement (Unaudited)

For the Half Year Ended September 30, 2016

	Note	Half year ended September 30,	
		2016	2015
---(Rupees in '000)---			
Cash Flows from Operating Activities			
Cash generated from operations	13	3,703,048	3,636,418
Income tax paid		(981,945)	(1,029,537)
Contributions made to gratuity funds		-	(26,765)
Compensated absences paid		(5,859)	(3,858)
Mark-up / interest received		105,239	103,816
Workers' profit participation fund paid		(215,727)	(172,514)
Long term loans and advances - net		1,872	(56)
Long term deposits - net		(138)	228
Net cash generated from operating activities		2,606,490	2,507,732
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(1,362,812)	(308,093)
Proceeds from sale of property, plant and equipment		27,822	95,074
Payments for intangible assets		-	(459)
Payments for investments		(3,464,683)	(9,838,688)
Proceeds from sale of investments		3,550,412	9,119,805
Dividend received		225,143	55,872
Net cash used in investing activities		(1,024,118)	(876,489)
Cash Used in Financing Activity			
Dividend paid		(1,485,795)	(1,229,293)
Net increase in cash and cash equivalents		96,577	401,950
Cash and cash equivalents at beginning of the period		4,755,020	3,409,200
Cash and cash equivalents at end of the period		4,851,597	3,811,150

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.


Yusuf H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer

Condensed Interim Statement of Changes in Equity (Unaudited)

For the Half Year Ended September 30, 2016

(Rupees in '000)

	Issued, subscribed and paid-up capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Gain on Sale of Land	General Reserve	Unappropriated Profit	
Balance as at April 1, 2015 (Audited)	1,034,066	39,953	165	5,332,000	2,832,361	9,238,545
Transfer to general reserve	-	-	-	830,000	(830,000)	-
Total comprehensive income for the half year ended September 30, 2015						
Profit for the period	-	-	-	-	1,345,520	1,345,520
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	1,345,520	1,345,520
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2015 at the rate of Rs.12 per share	-	-	-	-	(1,240,879)	(1,240,879)
Balance as at September 30, 2015 (Unaudited)	1,034,066	39,953	165	6,162,000	2,107,002	9,343,186
Total comprehensive income for six months period ended March 31, 2016						
Profit for the period	-	-	-	-	1,656,279	1,656,279
Other comprehensive income	-	-	-	-	2,658	2,658
	-	-	-	-	1,658,937	1,658,937
Balance as at March 31, 2016 (Audited)	1,034,066	39,953	165	6,162,000	3,765,939	11,002,123
Transfer to general reserve	-	-	-	830,000	(830,000)	-
Total comprehensive income or the half year ended September 30, 2016						
Profit for the period	-	-	-	-	1,710,758	1,710,758
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	1,710,758	1,710,758
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2016 at the rate of Rs.14.50 per share	-	-	-	-	(1,499,396)	(1,499,396)
Balance as at September 30, 2016 (Unaudited)	1,034,066	39,953	165	6,992,000	3,147,301	11,213,485

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer

Notes to the Condensed Interim Financial Information (Unaudited)

For the Half Year Ended September 30, 2016

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.

2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In the case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information has, however, been subjected to limited scope review by the auditors, as required by the Code of Corporate Governance, and should be read in conjunction with the audited annual financial statements of the Company for the year ended March 31, 2016.

3. ACCOUNTING POLICIES

The significant accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are consistent with those applied in the preparation of audited annual financial statements for the year ended March 31, 2016.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on April 1, 2016. These are considered not to be relevant or to have any significant effect on Company's financial reporting and operations and are, therefore, not disclosed in the condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including 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 this condensed interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended March 31, 2016.

		(Unaudited) September 30, 2016	(Audited) March 31, 2016
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	5,320,300	5,305,997
Capital work-in-progress	5.3	1,461,145	511,703
		<u>6,781,445</u>	<u>5,817,700</u>

	Note	(Unaudited) September 30, 2016 ------(Rupees in '000)-----	(Audited) March 31, 2016
5.1 Operating fixed assets			
Book value at beginning of the period / year		5,305,997	4,752,195
Additions during the period / year	5.2	413,370	1,369,078
Disposals and written-off costing Rs.151,594 thousand (March 31, 2016: Rs.487,755 thousand) - at book value		(46,135)	(129,481)
Depreciation charge for the period / year		(352,932)	(685,795)
Book value at end of the period / year		<u>5,320,300</u>	<u>5,305,997</u>
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Freehold land		-	219,970
Buildings on freehold land		-	64,214
Buildings on leasehold land		-	1,627
Plant and machinery		204,167	729,310
Dies and jigs		109,747	195,248
Factory equipment		2,513	25,578
Office equipment		2,162	3,722
Computers and accessories		1,120	29,565
Furniture and fixtures		15,108	4,870
Electric and gas fittings		1,979	19,002
Vehicles		76,574	75,972
		<u>413,370</u>	<u>1,369,078</u>
5.3 Capital work-in-progress			
Civil works		508,503	296,299
Plant and machinery		792,810	189,766
Dies and jigs		32,739	993
Factory equipment		61,757	2,280
Furniture and fixtures		20,779	10,236
Electric and gas fittings		5,533	-
Vehicles		39,024	12,129
		<u>1,461,145</u>	<u>511,703</u>
6. LONG TERM INVESTMENTS			
Unquoted			
Associate - equity accounted investment	6.1	258,456	245,508
Others - available for sale	6.3	-	-
		<u>258,456</u>	<u>245,508</u>
6.1 Equity accounted investment - Atlas Hitec (Private) Limited			
Balance at beginning of the period / year		245,508	216,283
Share of profit for the period / year - net of tax		27,198	43,475
Dividend received during the period / year		(14,250)	(14,250)
Balance at end of the period / year		<u>258,456</u>	<u>245,508</u>

6.2 The value of investment in an Associate is based on unaudited condensed interim financial information of the investee company as at September 30, 2016.

	(Unaudited) September 30, 2016 ------(Rupees in '000)-----	(Audited) March 31, 2016
6.3 Others - available for sale		
Arabian Sea Country Club Limited		
200,000 (March 31, 2016: 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 & Training Centre (Private) Limited		
50,000 (March 31, 2016: 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. TRADE DEPOSITS AND PREPAYMENTS		
Include prepayments of Rs.189,056 thousand (March 31, 2016: Rs.59,370 thousand) in respect of renewals of insurance policies, rental agreements and maintenance contracts.		
	(Unaudited) September 30, 2016 ------(Rupees in '000)-----	(Audited) March 31, 2016
8. SHORT-TERM INVESTMENTS		
- at fair value through profit or loss		
Investments in units of mutual funds:		
- Related parties	5,078,987	5,144,142
- Others	747,827	732,412
	<u>5,826,814</u>	<u>5,876,554</u>
9. TRADE AND OTHER PAYABLES		
Creditors	2,922,368	2,411,945
Accrued liabilities	1,860,187	1,643,251
Royalty payable	675,704	665,055
Warranty obligations	46,869	40,269
Advances from customers	3,906,199	3,214,454
Retention money	2,950	3,379
Sales tax payable - net	166,560	117,232
Workers' profit participation fund	122,961	215,727
Workers' welfare fund	128,377	81,652
Payable to staff retirement benefit funds - gratuity	55,410	43,694
Provision for sindh government infrastructure fee	98,910	78,285
Unclaimed dividend	62,304	48,703
Others	21,742	21,824
	<u>10,070,541</u>	<u>8,585,470</u>
10. CONTINGENCIES AND COMMITMENTS		
10.1 Contingencies		
10.1.1 There is no change in status of the contingencies as disclosed in note 23.1.1 of the audited annual financial statements of the Company for the year ended March 31, 2016.		

	(Unaudited) September 30, 2016 ------(Rupees in '000)-----	(Audited) March 31, 2016
10.1.2 Guarantees issued by banks on behalf of the Company	967,204	386,196
10.2 Commitments		
10.2.1 Commitments in respect of:		
- capital expenditure, raw materials and components through confirmed letters of credit	1,139,868	1,209,965
- capital expenditure other than through letters of credit	-	239,842
10.2.2 Aggregate commitments for ijarah arrangements of electric & gas fittings and vehicles as at period / year end are as follows:		

	(Unaudited) September 30, 2016 ------(Rupees in '000)-----	(Audited) March 31, 2016
Not later than one year	27,207	26,574
Later than one year and not later than five years	52,458	46,489
	79,665	73,063

11. COST OF SALES

	(Unaudited)			
	Quarter ended September 30, 2016		Half year ended September 30, 2016	
Note	2016	2015	2016	2015
	------(Rupees in '000)-----			
Opening stock of finished goods	444,983	334,160	391,372	311,219
Cost of goods manufactured	12,621,670	10,939,486	24,884,180	21,876,193
Purchases	615,462	995,922	1,674,063	1,761,922
	13,237,132	11,935,408	26,558,243	23,638,115
	13,682,115	12,269,568	26,949,615	23,949,334
Closing stock of finished goods	(409,502)	(313,752)	(409,502)	(313,752)
	13,272,613	11,955,816	26,540,113	23,635,582
11.1 Cost of goods manufactured				
Opening stock of work-in-process	57,100	55,725	2,858	25,131
Raw materials and components consumed	10,634,868	9,245,215	21,002,459	18,489,536
Factory overheads	1,996,690	1,681,407	3,945,851	3,404,387
	12,631,558	10,926,622	24,948,310	21,893,923
	12,688,658	10,982,347	24,951,168	21,919,054
Closing stock of work-in-process	(66,988)	(42,861)	(66,988)	(42,861)
	12,621,670	10,939,486	24,884,180	21,876,193

12. TAXATION

	(Unaudited)			
	Quarter ended September 30, 2016		Half year ended September 30, 2016	
Note	2016	2015	2016	2015
	------(Rupees in '000)-----			
Current	329,100	294,212	648,295	544,235
Prior year	-	33,448	-	33,448
Deferred	(24,607)	(63,220)	(42,318)	(63,220)
	304,493	264,440	605,977	514,463

13. CASH GENERATED FROM OPERATIONS

	(Unaudited)	
	Half year ended September 30, 2016	2015
Note	------(Rupees in '000)-----	
Profit before taxation	2,316,735	1,859,983
Adjustments for:		
Depreciation	352,932	336,697
Amortization	3,401	4,019
Provision for compensated absences	12,600	15,900
Provision for gratuity	11,716	11,815
Mark-up / interest on saving deposit accounts and term deposit receipts	(103,503)	(106,706)
Gain on sale of investments at fair value through profit or loss	(35,184)	(67,129)
Fair value gain on investments at fair value through profit or loss	(805)	(44,920)
Dividend income	(210,893)	(41,622)
Workers' profit participation fund	122,961	98,657
Workers' welfare fund	46,725	37,491
Loss on disposal and write-off of operating fixed assets	18,313	7,601
Share of net profit of an Associate	(27,198)	(22,983)
Changes in working capital	13.1 1,195,248	1,547,615
	3,703,048	3,636,418
13.1 Changes in working capital		
(Increase) / decrease in current assets:		
- Stores, spares and loose tools	(17,813)	(13,958)
- Stock-in-trade	(157,535)	(507,814)
- Trade debts	2,904	46,872
- Loans and advances	(5,837)	7,444
- Trade deposits and prepayments	(131,624)	(95,021)
- Other receivables	(642)	(690)
	(310,547)	(563,167)
Increase in trade and other payables	1,505,795	2,110,782
	1,195,248	1,547,615

14. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

14.1 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, 2016.

14.2 Fair value estimation

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				
Short term investments	5,826,814	-	-	5,826,814

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

15. TRANSACTIONS WITH RELATED PARTIES

15.1 Significant transactions with related parties are as follows:

	(Unaudited) Half year ended September 30,	
	2016	2015
	---(Rupees in '000)---	
Associates companies		
Sales of:		
- goods and services	386,596	275,967
- operating fixed assets	15,111	99,010
Purchases of:		
- goods and services	7,280,364	5,768,692
- operating fixed assets	70,301	32,644

(Unaudited)
Half year ended
September 30,
2016 2015
---(Rupees in '000)---

Sale of units in mutual funds	2,235,622	7,867,623
Purchase of units in mutual funds	2,151,229	8,542,430
Royalty	1,385,434	1,180,481
Export commission	702	1,390
Technical assistance fee	4,878	3,456
Commission income	1,317	1,350
Rent	105,399	84,572
Insurance premium paid	161,909	137,314
Insurance claims received	883	9,176
Reimbursement of expenses - net	1,824	1,025
Dividend paid	1,353,499	1,120,137
Dividend received	215,669	55,872
Donation paid	26,000	15,000

Other related parties

Contributions paid to gratuity funds, provident funds / pension schemes	27,319	52,970
Salaries and other employment benefits to key management personnel	65,081	51,969

(Unaudited) (Audited)
September 30, March 31,
2016 2016
----- (Rupees in '000) -----

15.2 Period / year end balances are as follows:

Receivables from related parties		
Property, plant and equipment	12,862	20,163
Stock-in-trade	10,518	6,866
Payable to related parties		
Trade and other payables	693,164	710,021


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


16. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2016 and the corresponding figures in the condensed interim profit and loss account, condensed interim cash flow statement 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 half year ended September 30, 2015.

17. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on October 28, 2016 by the Board of Directors of the Company.


Yusuf H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer