



Half Yearly Report September 30,

2017

2017

TABLE OF CONTENTS

Company Information	2
Chairman's Review	4
Chairman's Review (Urdu)	7
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

Hirofumi Yada
Director

Jawaid Iqbal Ahmed
Director

Sanallah Qureshi
Director

Susumu Mitsuishi
Director

Yasutaka Uda
Director

Saqib H. Shirazi
Chief Executive Officer

Umair Mukhtar
Company Secretary

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

Shahzada Jamal Hamid
Head of Information Technology

Khawaja Shujauddin
General Manager Commercial & Planning

Tanvir Hyder
General Manager Supply Chain

Muhammad Qadeer Khan
General Manager Quality Assurance

Hirofumi Yada
General Manager Technical

Mujahid-ul-Mulk Butt
General Manager Sales

Adeel Safdar
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

Audit Committee

Sanallah Qureshi
Chairman

Abid Naqvi
Member

Jawaid Iqbal Ahmed
Member

Naeem Mohsin
Head of Internal Audit

Umair Mukhtar
Secretary

Human Resource & Remuneration Committee

Sanallah Qureshi
Chairman

Jawaid Iqbal Ahmed
Member

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
Askari 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

Islamabad Corporate Center,
Plot No. 784/785, Golra Road, Islamabad
Tel: (92-51) 5495781-84, 5495746-47

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

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

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

Show Room

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

Chairman's Review

I am pleased to present the unaudited condensed interim financial information of the Company for the half year ended September 30, 2017.

THE ECONOMY

The majority of Pakistan's macroeconomic fundamentals remained fairly positive. GDP growth is likely to achieve the annual target of 6.0% for the fiscal year 2018 leading to an improved capacity to accommodate rising domestic demand. Headline inflation remained controlled at 3.9% in September 2017 due to an adequate supply and low prices of commodities. Keeping in view the ongoing growth momentum, the SBP has kept the policy rate unchanged at 5.75%. Foreign Direct Investment (FDI) doubled to USD 662 million which was primarily dominated by Chinese CPEC related inflows.

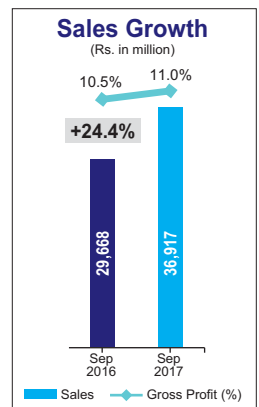
Despite encouraging signs there are certain underperforming areas which need careful attention. The widening current account deficit remains a key concern as it is stretched to USD 3.6 billion during the quarter from USD 1.6 billion in the same period last year. It was primarily attributable to soaring trade deficit of USD 7.2 billion during the quarter, up by 37%. Exports increased by 12% to USD 5.7 billion, while imports climbed up by 25% to USD 12.9 billion. There has been a pressure on foreign exchange reserves, which declined by 14.7% to USD 19.8 billion on account of external debt servicing and rising import bill. However, the USD to PKR exchange rate remained relatively stable despite deteriorating external position. The performance of stock market remained lackluster, as PSX 100 index after reaching peak of 53,124 points in May 2017 dropped to 42,409 points by the end of September 2017. On a positive note, owing to various revenue improvement measures, there was a 20% growth in the overall revenue collections during the quarter. Further, control over expenditures has resulted in fiscal deficit contained at 0.9% of GDP against 1.3% for the same period last year.

The agriculture sector continues to be a corner stone with contribution of 19.5% to GDP and employment of 42% labor force. Better water flow, subsidy on fertilizers, stable crop prices and expected better results from the Kharif and Rabi crops have contributed positively in improving the future prospects of this sector. Further, a National Food Security Policy has also been finalized which is expected to modernize agriculture, augment existing water resource base and develop climate-smart agriculture.

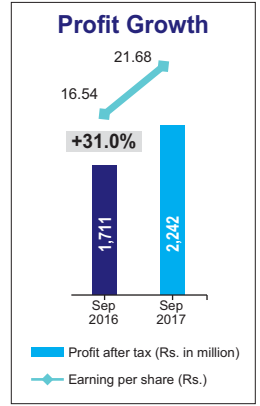
LSM, which is a key contributor to the industrial sector, posted a robust growth of nearly 13% (YOY) in the month of July 2017 which is the highest in the last 6 years. Major contributions came from iron, steel, automobiles, cement and engineering products. The sector mainly benefitted from the expanding domestic demand, sizeable credit off-take, subsidizing security concerns and ease in energy supplies.

OPERATING RESULTS

The Company remains committed towards its objective of maximizing value creation. This is being achieved by concentrating business resources to enhance operating flexibility, optimizing cost structure, execution of growth projects and investment in new technologies. As a result of these efforts, the Company registered net sales of Rs. 36.92 billion, which represents an increase of 24% over the same period of last year. The improvement in sales translated in increased gross profit of Rs. 4.07 billion, up by 30%. Strong contributions came from cost efficiencies, better sales mix and other operational measures. Sales and marketing expenses rose to Rs. 891.26 million, a year on year increase of 18% which



is attributable to higher volumes and spending on promotional campaigns to support core business. Administrative expenses registered an increase of 16% over the corresponding period primarily due to increase in personnel cost and effects of general inflation. Other income, net of financial charges, contributed Rs. 424.09 million to the bottom line, 4% higher than the comparative year despite negative return on stock funds. The impressive topline allowed the Company to outperform its previous best efforts as the Company has achieved profit after tax of Rs. 2.24 billion, an increase of 31%. This translated into Earnings per Share (EPS) of Rs. 21.68 against Rs. 16.54 for the corresponding period last year.



FUTURE OUTLOOK

The pursuit of higher economic growth poses growing challenges partly enunciated at the start of the year. These include those arising from pressures on the external front and an expansionary fiscal policy. Government's response towards these challenges would be important for continuing growth trajectory. Accordingly, timely realization of financial inflows and adoption of structural reforms for improving trade competitiveness are necessary to support external account. In this regard, the exchange rate will be tested as the repayment phase approaches. The main positive factor that may boost Pakistan's economy is the CPEC and there is a need to proactively monitor and evaluate all activities within this window. Urgent tax reforms are necessary to improve tax to GDP ratio and contain fiscal deficit. On the other hand, an upbeat industrial outlook and a promising assessment of major crops are going to have a positive spillover on the overall economy. The combined effect is expected to sustain the demand of two wheeler segment.

The Company has laid the foundation for long term sustainable leadership and is committed to achieve profitable growth, financial flexibility and operational excellence. It is passing through a dynamic phase where skills, technologies and scales are being developed for this decade and the next. With the increased capacity and improved competitiveness, the Company is well positioned to maintain its market leadership position. The Company will continue to leverage on its experience and expertise to strengthen its position by following the principles of "The Atlas Way".

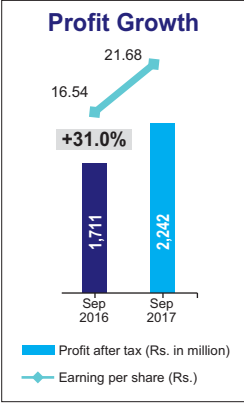
عُ خُدارحمت کُنْدِ اِيسَ عاشقانِ پاکِ طينْتِ را

ACKNOWLEDGEMENT

The Atlas Group takes great pride in its joint venture with Honda Motor Company Limited and would like to acknowledge its continued support and cooperation in maintaining high standards of excellence. I 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 31, 2017
Karachi

Yusuf H. Shirazi



اضافے کے ساتھ 891.26 ملین روپے ہو گئے، اس اضافے کی وجہ بنیادی کاروبار کے تشہیر کے لیے کی جانے والی اشتہار سازی اور دیگر سرگرمیاں ہیں۔ انتظامی اخراجات میں گزشتہ سال کی نسبت 18 فیصد اضافہ ہوا جس کی وجہ ذاتی اخراجات اور فراڈ زہرے۔ مالیاتی ادائیگیوں کے بعد دیگر آمدنی نے 424.09 ملین روپے کی شرکت داری کی، جو کہ اسٹاک فنڈ پر منفی منافع کے باوجود گزشتہ سال کے مقابلے میں 4 فیصد زیادہ ہے۔ کمپنی کا بعد از ٹیکس منافع 2.24 بلین روپے رہا جو کہ گزشتہ سال اسی مدت کے دوران کمائے گئے منافع سے 31 فیصد زیادہ ہے۔ اس طرح آمدنی فی حصص گزشتہ سال کی 16.54 روپے فی حصص کے مقابلے میں 21.68 روپے رہی ہے۔

مستقبل کے خدوخال

اعلیٰ اقتصادی ترقی کے حصول کو تیزی سے بڑھتے ہوئے چیلنجز کا سامنا ہو سکتا ہے جس کا بیان سال کے ابتداء میں کیا جاتا ہے۔ ان چیلنجز میں بیرونی محاذ پر موجود باؤ اور مالیاتی پالیسی میں توسیع شامل ہے۔ حکومت کی جانب سے ان مشکلات سے نمونہ آزا ہونے کی کاوشیں نہایت اہمیت کی حامل رکھتی ہیں۔ اسی طرح تجارت میں مسابقتی رجحان بڑھانے کے لیے فنانشیل ان فلوز کی بروقت رینالیزیشن اور اسٹرکچرل اصلاحات نہایت ضروری ہیں تاکہ ایکسٹرنل اکاؤنٹ کو سپورٹ حاصل ہو۔ پاکستانی معیشت کی ترقی کے لیے فی الوقت سب سے اہم عنصر پاکستان چینین معاشی راہداری ہے لیکن اس کے لیے اشد ضروری ہے کہ اس سلسلے میں ہونے والی تمام سرگرمیوں کا بغور جائزہ لیا جائے اور مسلسل نگرانی کی جائے۔ ایسی فوری ٹیکس اصلاحات کے نفاذ کی اشد ضرورت ہے جس سے ٹیکس تا GDP تناسب اور مالیاتی خسارے میں بہتری واقع ہو۔ دوسری جانب، صنعتی ترقی اور اہم فضلوں کی شاندار پیداوار سے مجموعی طور پر معیشت پر بہترین اثرات مرتب ہوں گے۔ مشترکہ کوششوں سے توقع رکھی جاسکتی ہے کہ دو دھڑوں کی طلب برقرار رہے گی۔

کمپنی نے منافع بخش ترقی، مالیاتی چلک اور اعلیٰ مہارت کے حصول کے لیے طویل المدت پائیدار لیڈرشپ کی بنیاد رکھی ہے۔ یہ ایک ایسے نہایت متحرک دور سے گزر رہی ہے، جس میں صلاحیتوں اور ٹیکنالوجی میں اگلے مراحل کے لیے جدت لائی جارہی ہے۔ پیداوار اور مسابقت میں اضافے کے ساتھ کمپنی مارکیٹ میں اپنی قائدانہ پوزیشن مستحکم بنائے گی۔ کمپنی "The Atlas Way" کے اصولوں پر عمل پیرا رہتے ہوئے اپنی پوزیشن کو مزید مستحکم بنانے کے لیے اپنے تجربات اور مہارت سے فائدہ اٹھائے گی۔

عہدہ خداحمت کنندہ ایس عاشقان پاک طینت را

توثیقی بیان

دی اٹلس گروپ ہنڈاموٹر کمپنی سے اپنی شرکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ اقدار کی بیرونی 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 خاقان ایچ شیرازی (سی ای او) کو ان کی براہر قیادت اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، ویڈرز، ایبوسٹی ایٹس اور سٹیز ہولڈرز کا بے حد ممنون و مشکور ہوں، جن کی مدد سے اٹلس ہنڈا المینڈ کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

(Signature)

بتاریخ: 31 اکتوبر 2017

جناب یوسف ایچ شیرازی

کراچی

چیسرین کا جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2017 کو مکمل ہونے والی ششماہی کے لیے کمپنی کی عبوری مالیاتی معلومات پیش کر رہا ہوں۔

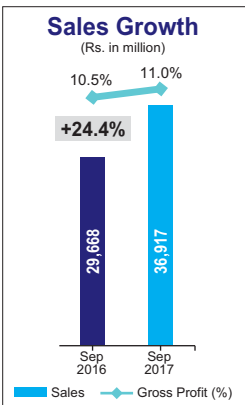
معیشت

پاکستان کی اقتصادی صورتحال کے زیادہ تک عوامل مثبت دکھائی دیتے ہیں۔ GDP کی پیداوار مالی سال 2018 میں اپنے 6 فیصد کے ہدف کو پورا کر لے گی۔ ایشیائے خوردووش کی وافر سپلائی اور کم قیمتوں کے سبب افراط زر ستمبر 2017 میں قابو میں رہتے ہوئے 3.9 فیصد رہی۔ موجودہ جاری رجحان کو دیکھتے ہوئے اسٹیٹ بینک آف پاکستان نے اپنا پالیسی ریٹ بغیر تبدیل کیے 5.75 فیصد پر برقرار رکھا ہے۔ براہ راست غیر ملکی سرمایہ کاری دو گنا ہو کر 662 ملین امریکی ڈالر تک جا پہنچی جس میں زیادہ تر CPEC سے متعلق سرگرمیاں ہیں۔

ان تمام تر حوصلہ افزاء امکانات کے باوجود کچھ امور پر خاطر خواہ توجہ دینے کی اشد ضرورت ہے۔ اس سہ ماہی کے دوران کرنٹ اکاؤنٹ خسارہ 3.6 بلین ڈالر تک جا پہنچا جو کہ گزشتہ سال اسی مدت کے دوران 1.6 بلین ڈالر تھا۔ یہ بنیادی طور پر 7.2 بلین ڈالر کے تجارتی خسارے سے منسوب تھا جس میں اس سہ ماہی کے دوران 37 فیصد اضافہ ہوا ہے۔ برآمدات 12 فیصد اضافے کے ساتھ 5.7 بلین ڈالر جبکہ درآمدات 25 فیصد اضافے کے ساتھ 12.9 بلین ڈالر تک جا پہنچی۔ درآمدی بل میں اضافے اور بیرونی قرضوں کی ادائیگی کے سبب زرمبادلہ کے ذخائر 14.7 فیصد کمی کے بعد 19.8 بلین ڈالر کے ساتھ دباؤ کا شکار رہے۔ تاہم ڈالر اور پاکستانی روپے کے ایکسیچ ریٹ ایکسٹریم پوزیشن پر کمی کے باوجود بھی مستحکم رہا۔ اسٹاک مارکیٹ کی صورتحال اتار چڑھاؤ کا شکار رہی اور PSX 100 انڈیکس مئی 2017 میں 53,124 پوائنٹس کی بلند ترین سطح پر پہنچنے کے بعد ستمبر 2017 کے اختتام تک کم ہو کر 42,409 پوائنٹس تک جا پہنچی۔ وصولیاتی کی متعدد بہتری کی اصلاحات کے بعد مجموعی طور پر آمدنی کے مجموعے میں 20 فیصد بہتری دیکھنے میں آئی۔ اخراجات پر قابو پانے کے سبب مالیاتی خسارہ GDP کے 0.9 فیصد پر موجود رہا جو کہ گزشتہ سال اسی مدت کے دوران 1.3 فیصد تھا۔

زرعی شعبہ ملکی GDP میں 19.5 فیصد کی شراکت داری اور 42 فیصد لیبر فورس کو روزگار مہیا کرنے کے ساتھ ملکی معیشت کا کلیدی کردار رہا۔ پانی کی وافر فراہمی، فریڈلائزرز پر رعایت، فصلوں کی مستحکم قیمتوں اور خرید اور بی کی فصلوں سے بہتر متوقع پیداوار کے سبب اس شعبے کی کارکردگی میں بھی بہتری کی توقع ہے۔ مزید یہ کہ، نیشنل فوڈ پالیسی کو ترمیمی شکل دی جا چکی ہے جس سے توقع ہے کہ زراعت کے شعبے میں ترقی، پانی کے موجودہ ذخائر میں اضافہ اور کلائمٹ اسمارٹ زراعت کا فروغ ممکن ہو سکے گا۔

بڑے پیمانے پر مینوفیکچرنگ صنعتی شعبے میں اہم کردار ادا کرتی ہے جو جولائی 2017 کے دوران، اس شعبے میں 13 فیصد اضافہ ریکارڈ کیا گیا ہے جو کہ گزشتہ چھ سالوں میں سب سے زیادہ ہے۔ سب سے زیادہ شراکت داری لوہے، اسٹیل، آلومینیم، سینٹ اور انجینئرنگ کے شعبے جات نے کی۔ اس شعبے کو سب سے زیادہ فائدہ مقامی سطح پر طلب میں اضافے، قرضوں کی وافر سپلائی، توانائی اور اسمن و آمان کی صورتحال میں ہونے والی بہتری ہے۔



آپریٹنگ نتائج

کمپنی نے زیادہ سے زیادہ قیمت کی تخلیق کے لیے اپنے طویل المدت عزم کو جاری رکھا۔ اس سلسلے میں کاروباری وسائل کو آپریٹنگ امور میں بہتری لانے، لاگت کے طریقہ کار کو موثر بنانے، ترقی سے متعلقہ منصوبوں کو عملی شکل دینے اور نئی ٹیکنالوجی میں سرمایہ کاریاں کی گئی ہیں۔ اس کے نتیجے میں کمپنی کی نیٹ سیلز 36.92 بلین روپے رہی جو کہ گزشتہ سال اسی مدت کے دوران ہونے والی نیٹ سیلز کے مقابلے میں 24 فیصد زیادہ ہے۔ سیلز میں ہونے والی بہتری سے مجموعی منافع میں بہتری آئی اور یہ 30 فیصد اضافے کے ساتھ 4.07 بلین روپے ریکارڈ کیا گیا۔ لاگت میں موثریت، بہتر سیلز اور دیگر آپریٹنگ اقدامات کے سبب ایسا ممکن ہوا ہے۔ سیلز اور مارکیٹنگ اخراجات 18 فیصد

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, 2017 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, 2017 and 2016 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2017.

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, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Shinwam Chaudhri No.

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
Karachi: October 31, 2017

Engagement Partner: Raheel Ahmed

a member firm of *ShineWing* International

Condensed Interim Balance Sheet (Unaudited)

As at September 30, 2017

		(Unaudited) September 30, 2017	(Audited) March 31, 2016
	Note	----- (Rupees in '000) -----	
Assets			
Non current assets			
Property, plant and equipment	5	7,051,073	6,961,919
Intangible assets	6	48,033	37
Long term investments	7	304,269	292,342
Long term loans and advances		28,610	30,108
Long term deposits		18,175	17,339
		<u>7,450,160</u>	<u>7,301,745</u>
Current assets			
Stores, spares and loose tools		584,727	539,104
Stock-in-trade		2,627,693	2,123,831
Trade debts		911,513	623,331
Loans and advances		42,057	38,921
Trade deposits and prepayments	8	233,274	120,562
Accrued mark-up / interest		28,892	21,470
Other receivables		8,199	6,627
Taxation - net		924,357	732,706
Short term investments	9	7,349,596	7,080,669
Bank balances		7,390,756	7,053,784
		<u>20,101,064</u>	<u>18,341,005</u>
		<u>27,551,224</u>	<u>25,642,750</u>
Equity and Liabilities			
Equity			
Authorized capital			
150,000,000 (March 31, 2017: 150,000,000) ordinary shares of Rs.10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital			
103,406,613 (March 31, 2017: 103,406,613) ordinary shares of Rs.10 each		1,034,066	1,034,066
Reserves		<u>12,552,291</u>	<u>12,223,467</u>
		13,586,357	13,257,533
Liabilities			
Non current liabilities			
Compensated absences		238,968	228,443
Deferred taxation		631,737	670,968
		870,705	899,411
Current liabilities			
Trade and other payables	10	<u>13,094,162</u>	<u>11,485,806</u>
		13,964,867	12,385,217
Contingencies and commitments			
	11	<u>27,551,224</u>	<u>25,642,750</u>

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.



Yusuf H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer

Condensed Interim Profit and Loss Account (Unaudited)

For the Half Year Ended September 30, 2017

	Note	Quarter ended September 30,		Half year ended September 30,	
		2017	2016	2017	2016
------(Rupees in '000)-----					
Sales		19,223,544	14,871,148	36,917,393	29,668,350
Cost of sales	12	(17,102,563)	(13,272,613)	(32,850,551)	(26,540,113)
Gross profit		2,120,981	1,598,535	4,066,842	3,128,237
Sales and marketing expenses		(454,560)	(382,963)	(891,261)	(754,754)
Administrative expenses		(172,531)	(149,663)	(320,582)	(275,417)
Other income		182,740	195,868	405,174	394,765
Other operating expenses		(123,920)	(102,723)	(237,125)	(188,911)
Share of net profit of an Associate		15,776	16,190	29,977	27,198
Operating profit		1,568,486	1,175,244	3,053,025	2,331,118
Finance costs		(8,191)	(10,438)	(11,058)	(14,383)
Profit before taxation		1,560,295	1,164,806	3,041,967	2,316,735
Taxation	13	(418,620)	(304,493)	(800,121)	(605,977)
Profit for the period		1,141,675	860,313	2,241,846	1,710,758
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,141,675	860,313	2,241,846	1,710,758
----- (Rupees) -----					
Earnings per share					
- basic and diluted		11.04	8.32	21.68	16.54

The annexed notes 1 to 18 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, 2017

	Note	Half year ended September 30,	
		2017	2016
		---(Rupees in '000)---	
Cash Flows from Operating Activities			
Cash generated from operations	14	4,022,689	3,703,048
Income taxes paid		(1,031,003)	(981,945)
Compensated absences paid		(4,875)	(5,859)
Mark-up / interest received		252,444	105,239
Workers' profit participation fund paid		(270,713)	(215,727)
Long term loans and advances - net		1,498	1,872
Long term deposits - net		(836)	(138)
Net cash generated from operating activities		2,969,204	2,606,490
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(547,747)	(1,362,812)
Proceeds from sale of property, plant and equipment		26,133	27,822
Payments for intangible assets		(52,400)	-
Payments for investments		(11,090,414)	(3,464,683)
Proceeds from sale of investments		10,884,741	3,550,412
Dividend received		50,464	225,143
Net cash used in investing activities		(729,223)	(1,024,118)
Cash Used in Financing Activity			
Dividend paid		(1,903,009)	(1,485,795)
Net increase in cash and cash equivalents		336,972	96,577
Cash and cash equivalents at beginning of the period		7,053,784	4,755,020
Cash and cash equivalents at end of the period		7,390,756	4,851,597

The annexed notes 1 to 18 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, 2017

(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, 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 for 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
Total comprehensive income for six months period ended March 31, 2017						
Profit for the period	-	-	-	-	2,041,721	2,041,721
Other comprehensive income	-	-	-	-	2,327	2,327
	-	-	-	-	2,044,048	2,044,048
Balance as at March 31, 2017 (Audited)	1,034,066	39,953	165	6,992,000	5,191,349	13,257,533
Transfer to general reserve	-	-	-	1,000,000	(1,000,000)	-
Total comprehensive income for the half year ended September 30, 2017						
Profit for the period	-	-	-	-	2,241,846	2,241,846
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	2,241,846	2,241,846
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2017 at the rate of Rs.18.50 per share	-	-	-	-	(1,913,022)	(1,913,022)
Balance as at September 30, 2017 (Unaudited)	1,034,066	39,953	165	7,992,000	4,520,173	13,586,357

The annexed notes 1 to 18 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, 2017

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, 2017: 52.43%) of issued, subscribed and paid-up capital of the Company.

2. BASIS OF PREPARATION

2.1 The Companies Act, 2017 has been promulgated with effect from May 30, 2017. However, as per the requirements of Circular # 23 of 2017 dated October 4, 2017 issued by the Securities and Exchange Commission of Pakistan (SECP) and related clarification issued by the Institute of Chartered Accountants of Pakistan through its Circular # 17 of 2017 dated October 6, 2017, companies whose financial year, including quarterly and other interim period, closes on or before December 31, 2017, shall prepare their financial statements, including interim financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984 (the Ordinance).

2.2 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 Ordinance. In the case where requirements differ, the provisions of or directives issued under the Ordinance 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, 2017.

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, 2017.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on April 1, 2017. 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, 2017.

		(Unaudited) September 30, 2017	(Audited) March 31, 2017
	Note	----- (Rupees in '000) -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	6,794,560	6,898,586
Capital work-in-progress	5.3	256,513	63,333
		<u>7,051,073</u>	<u>6,961,919</u>
5.1 Operating fixed assets			
Book value at beginning of the period / year		6,898,586	5,305,997
Additions during the period / year	5.2	354,568	2,485,342
Disposals costing Rs. 61,783 thousand (March 31, 2017: Rs. 459,365 thousand)			
- at book value		(26,705)	(95,474)
Depreciation charge for the period / year		(431,889)	(797,279)
Book value at end of the period / year		<u>6,794,560</u>	<u>6,898,586</u>
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Buildings on freehold land		12,505	622,934
Buildings on leasehold land		35,365	-
Plant and machinery		63,053	1,306,258
Dies and jigs		132,558	208,662
Factory equipment		21,723	112,642
Office equipment		8,162	8,466
Computers and accessories		8,845	15,501
Furniture and fixtures		8,637	30,641
Electric and gas fittings		11,947	47,641
Vehicles		51,773	132,597
		<u>354,568</u>	<u>2,485,342</u>
5.3 Capital work-in-progress			
Civil works		115,710	47,459
Plant and machinery		87,231	1,602
Factory equipment		5,484	3,465
Office equipment		1,523	960
Computers		43	-
Furniture and fixtures		4,299	4,169
Electric and gas fittings		3,672	317
Vehicles		38,551	5,361
		<u>256,513</u>	<u>63,333</u>
6. INTANGIBLE ASSETS			
Opening net book value		37	5,379
Additions during the period / year		52,400	-
Amortisation charge for the period / year		(4,404)	(5,342)
Book value at end of the period / year		<u>48,033</u>	<u>37</u>
7. LONG TERM INVESTMENTS			
Unquoted			
Associate - equity accounted investment	7.1	304,269	292,342
Others - available for sale	7.2	-	-
		<u>304,269</u>	<u>292,342</u>

	(Unaudited) September 30, 2017 ------(Rupees in '000)-----	(Audited) March 31, 2017
7.1 Equity accounted investment - Atlas Hitec (Private) Limited		
Balance at beginning of the period / year	292,342	245,508
Share of profit for the period / year - net of tax	29,977	61,084
Dividend received during the period / year	(18,050)	(14,250)
Balance at end of the period / year	<u>304,269</u>	<u>292,342</u>

7.1.1 The value of investment in an Associate is based on unaudited condensed interim financial information of the investee company as at September 30, 2017.

	(Unaudited) September 30, 2017 ------(Rupees in '000)-----	(Audited) March 31, 2017
7.2 Others - available for sale Arabian Sea Country Club Limited		
200,000 (March 31, 2017: 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, 2017: 50,000) ordinary shares of Rs.10 each - cost	500	500
Less: Impairment in the value of investment	500	500
	-	-
	-	-
	<u>-</u>	<u>-</u>

8. TRADE DEPOSITS AND PREPAYMENTS

Include prepayments of Rs. 194,449 thousand (March 31, 2017: Rs. 83,683 thousand) in respect of renewals of insurance policies, rental agreements and maintenance contracts.

	(Unaudited) September 30, 2017 ------(Rupees in '000)-----	(Audited) March 31, 2017
9. SHORT TERM INVESTMENTS		
- at fair value through profit or loss		
Investments in units of mutual funds:		
- Related parties	6,678,271	6,409,174
- Others	671,325	671,495
	<u>7,349,596</u>	<u>7,080,669</u>

	(Unaudited) September 30, 2017	(Audited) March 31, 2017
	----- (Rupees in '000) -----	
10. TRADE AND OTHER PAYABLES		
Creditors	3,589,962	2,717,244
Accrued liabilities	2,249,612	2,294,184
Royalty payable	871,589	807,107
Warranty obligations	58,224	58,224
Advances from customers	5,341,532	4,759,060
Retention money	24,158	25,040
Sales tax payable - net	332,552	206,073
Workers' profit participation fund	161,761	270,713
Workers' welfare fund	164,156	102,687
Payable to staff retirement benefit funds - gratuity	49,488	38,447
Provision for Sindh government infrastructure fee	164,072	128,999
Unclaimed dividend	65,017	55,004
Others	22,039	23,024
	<u>13,094,162</u>	<u>11,485,806</u>

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 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, 2017.

	(Unaudited) September 30, 2017	(Audited) March 31, 2017
	----- (Rupees in '000) -----	
11.1.2 Guarantees issued by banks on behalf of the Company	<u>1,734,620</u>	<u>1,658,491</u>
11.2 Commitments		
11.2.1 Commitments in respect of:		
- capital expenditure, raw materials and components through confirmed letters of credit	<u>1,570,202</u>	<u>1,437,618</u>
- capital expenditure other than through letters of credit	<u>229,102</u>	<u>131,915</u>

11.2.2 Aggregate commitments for ijarah arrangements of vehicles as at period / year end are as follows:

	(Unaudited) September 30, 2017	(Audited) March 31, 2017
	----- (Rupees in '000) -----	
Not later than one year	39,398	29,765
Later than one year and not later than five years	77,362	52,361
	<u>116,760</u>	<u>82,126</u>

(Unaudited)			
Quarter ended September 30,		Half year ended September 30,	
2017	2016	2017	2016
----- (Rupees in '000) -----			

12. COST OF SALES

Note

Opening stock of finished goods	530,348	444,983	537,753	391,372
Cost of goods manufactured	16,514,037	12,621,670	30,997,277	24,884,180
Purchases during the period	587,245	615,462	1,844,588	1,674,063
	17,101,282	13,237,132	32,841,865	26,558,243
	17,631,630	13,682,115	33,379,618	26,949,615
Closing stock of finished goods	(529,067)	(409,502)	(529,067)	(409,502)
	17,102,563	13,272,613	32,850,551	26,540,113
12.1 Cost of goods manufactured				
Opening stock of work-in-process	61,534	57,100	4,636	2,858
Raw materials and components consumed	13,931,459	10,634,868	26,176,622	21,002,459
Factory overheads	2,553,684	1,996,690	4,848,659	3,945,851
	16,485,143	12,631,558	31,025,281	24,948,310
	16,546,677	12,688,658	31,029,917	24,951,168
Closing stock of work-in-process	(32,640)	(66,988)	(32,640)	(66,988)
	16,514,037	12,621,670	30,997,277	24,884,180
13. TAXATION				
Current	457,851	329,100	839,352	648,295
Deferred	(39,231)	(24,607)	(39,231)	(42,318)
	418,620	304,493	800,121	605,977

(Unaudited)	
Half year ended September 30,	
2017	2016
----- (Rupees in '000) -----	

14. CASH GENERATED FROM OPERATIONS

Note

Profit before taxation	3,041,967	2,316,735
Adjustments for:		
Depreciation	431,889	352,932
Amortization	4,404	3,401
Provision for compensated absences	15,400	12,600
Provision for gratuity	11,041	11,716
Mark-up / interest on savings deposit accounts and term deposit receipts	(259,866)	(103,503)
Gain on sale of investments at fair value through profit or loss	(74,349)	(35,184)
Fair value loss / (gain) on investments at fair value through profit or loss	11,094	(805)
Dividend income	(32,414)	(210,893)
Workers' profit participation fund	161,761	122,961
Workers' welfare fund	61,469	46,725
Loss on disposal and write-off of operating fixed assets	572	18,313
Share of net profit of an Associate	(29,977)	(27,198)
Changes in working capital	679,698	1,195,248
	4,022,689	3,703,048

		(Unaudited) Half year ended September 30,	
		2017	2016
Note		-----Rupees in '000-----	
14.1	Changes in working capital		
	(Increase) / decrease in current assets:		
	- Stores, spares and loose tools	(45,623)	(17,813)
	- Stock-in-trade	(503,862)	(157,535)
	- Trade debts	(288,182)	2,904
	- Loans and advances	(3,136)	(5,837)
	- Trade deposits and prepayments	(112,712)	(131,624)
	- Other receivables	(1,572)	(642)
		(955,087)	(310,547)
	Increase in trade and other payables	1,634,785	1,505,795
		<u>679,698</u>	<u>1,195,248</u>

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 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, 2017.

15.2 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				
September 30, 2017				
Short term investments	<u>7,349,596</u>	<u>-</u>	<u>-</u>	<u>7,349,596</u>
March 31, 2017				
Short term investments	<u>7,080,669</u>	<u>-</u>	<u>-</u>	<u>7,080,669</u>

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

16. TRANSACTIONS WITH RELATED PARTIES

16.1 Significant transactions with related parties are as follows:

	(Unaudited) Half year ended September 30,	
	2017	2016
	---(Rupees in '000)---	
Associates companies		
Sales of:		
- goods and services	491,522	386,596
- operating fixed assets	10,149	15,111
Purchases of:		
- goods and services	9,577,957	7,280,364
- operating fixed assets	37,736	70,301
Sale of units in mutual funds	8,898,301	2,235,622
Purchase of units in mutual funds	9,088,173	2,151,229
Royalty	1,605,489	1,385,434
Export commission	5,251	702
Technical assistance fee	1,711	4,878
Commission income	1,718	1,317
Rent	124,646	105,399
Insurance premium paid	184,575	161,909
Insurance claims received	3,604	883
Reimbursement of expenses - net	1,462	1,824
Dividend paid	1,726,878	1,353,499
Dividend received	47,144	215,669
Donation paid	-	26,000
Other related parties		
Contributions paid to gratuity funds, provident funds / pension schemes	30,010	27,319
Salaries and other employment benefits to key management personnel	71,426	65,081

	(Unaudited) September 30, 2017	(Audited) March 31, 2017
	----- (Rupees in '000) -----	

16.2 Period / year end balances are as follows:

Receivables from related parties		
Property, plant and equipment	24,398	4,636
Trade deposits and prepayments	165,410	34,399
Payable to related parties		
Trade and other payables	912,796	827,246

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

17. 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, 2017 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, 2016.

18. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on October 31, 2017 by the Board of Directors of the Company.



Yusuf H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer

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