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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Abid Naqvi
Director

Hiromitsu Takasaki
Director

Hisao Kobayashi
Director

Kazuhisa Hirota
Director

Sanaullah Qureshi
Director

Tariq Amin
Director

Saqib H. Shirazi
Chief Executive Officer

Syed Tanvir Hyder
Company Secretary

Audit Committee

Sanaullah Qureshi
Chairman

Abid Naqvi
Member

Tariq Amin
Member

Zaheer Ul Haq
Head of Internal Audit

Syed Tanvir Hyder
Secretary

Human Resource & Remuneration Committee

Sanaullah Qureshi
Chairman

Tariq Amin
Member

Saqib H. Shirazi
Member

Razi Ur Rehman
Secretary

Management Committee

Saqib H. Shirazi
Chief Executive Officer

Suhail Ahmed
Vice President Marketing

Hisao Kobayashi
Vice President Technical

Kashif Yasin
Chief Financial Officer

Muhammad Khalid Aziz
General Manager Plants

Muhammad Qadeer Khan
General Manager Quality Assurance

Hiromitsu Takasaki
General Manager Technical

Mushtaq Alam
General Manager Information Technology

Javed Afghani
General Manager Marketing

Razi Ur Rehman
General Manager Human Resources,
Administration & Corporate Affairs

Khawaja Shujauddin
General Manager Planning & Commercial

Shakil Mirza
General Manager Supply Chain

Afaq Ahmed
General Manager Research & Development

Muhammad Noman Khan
General Manager Engineering & Projects

Company Information

Auditors

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
Barclays Bank PLC Pakistan
Deutsche Bank AG
Faysal Bank Limited
Habib 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, 4572898
Fax: (92-61) 4541690

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

House # 7, Atta Road, Canal Bank,
Rahim Yar Khan
Tel: (92-68) 5888809

391, Block D, Latifabad Unit # 6, Hyderabad
Tel: (92-22) 3864983-4
Fax: (92-22) 3864985

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

Show Room

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

Spare Parts Division

Plot # F-4/Y, S.I.T.E, Karachi-75730
Tel : (92-21) 38200077

Warranty & Training Centres

7-Pak Chambers, West Wharf Road, Karachi
Tel: (92-21) 32310142

* 28 Mozang Road, Lahore
Tel: (92-42) 36375360, 36303366

Azmat Wasti Road, Multan
Tel: (92-61) 4540028

* Customer Care services are also available at these locations.

Chairman's Review

I am pleased to present the unaudited condensed interim financial information of the Company for the three months period ended June 30, 2014.

The Economy

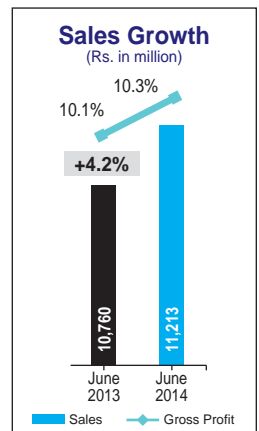
The economy is facing challenges with some macroeconomic indicators showing signs of improvement. GDP growth registered at 3.3%. Inflation remained under control and recorded at 8.3%. Forex reserves increased to USD 13.9 billion. This was due to healthy worker's remittances, timely IMF disbursements and proceeds from other multilateral and bilateral sources. The sizeable inflows and restored market confidence led to a 6.5% appreciation in the Rupee against USD. On the fiscal front, revenue measures such as revision in power tariffs, tax rate rationalization and subsidy reduction were able to somewhat contain the deficit. With improving reserves and fiscal position, the government's reliance for financing budgetary requirements through domestic channels diminished significantly. Despite these positive developments, the trade gap stepped up due to 3.3% increase in imports which outpaced the growth in exports. This, coupled with relatively lower receipts from Coalition Support Fund, widened the current account deficit to USD 2.57 billion. Based on the balanced assessment of these considerations, SBP maintained the policy rate at 10%.

The agriculture sector registered growth of 2.1% in FY 2013-14. This was lower than the initial expectations. Bumper crops were recorded in rice, sugar cane and wheat. However, the decline in cotton, minor crops and livestock restricted the overall growth. Also, power outages, rising input cost and inconsistent pricing policies suppressed the further value addition to the sector.

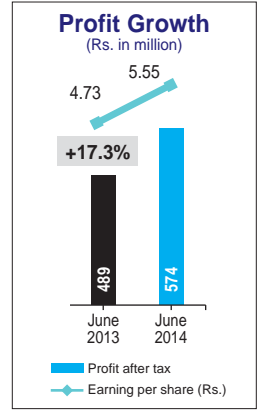
The LSM index grew by 4.3% due to strong performance in fertilizer, leather, paper and foods sectors. Upward trend in credit utilization, capacity enhancements, improved gas supply and use of alternate energy sources led this improvement. However, broad based energy reforms and stable law and order situation are imperative to continue the growth momentum.

Operating Results

The Company remains committed to deliver on its long-term objectives of sustainable growth and value creation. This is achieved through focus on continued operational excellence, product portfolio diversification, cost reduction, improved efficiency and maintaining a strong capital structure. Resultantly, sales for the three month period ended June 30, 2014 increased by 4.2% to Rs. 11.2 billion. Gross margins improved to 10.3% from 10.1%. This growth in earnings reflects impact of optimum product mix, favorable exchange rate and cost control measures. Sales & marketing and administrative expenses were Rs. 437.5 million, rising by 3.2%. Increased advertising and sales promotion



expenditures and the effects of general inflation led this surge. Other operating income, net of finance cost, improved by 67.8% over the corresponding period on account of effective treasury management. All these factors enabled the Company to register net profit before taxation of Rs. 775.9 million. Accordingly, net profit after taxation was recorded at Rs. 573.5 million, an increase of 17.3% over the corresponding period. Earnings per Share (EPS) improved to Rs. 5.55 per share for the three months period ended June 30, 2014 in comparison to Rs. 4.73 per share for the corresponding period.



Future Outlook

The recovery in GDP, rising private sector credit and contained fiscal deficit provide a strong base for future growth. The external account seems sustainable under the inflows from IMF program, privatization of PSEs and proceeds from planned issuance of Sukuks. However, long term stability calls for consistent increase in foreign direct investment and tax to GDP ratio. Focus on structural reforms, elimination of energy shortages and improvement in law and order situation will further promote business climate. Inclusive macro economic growth revolves around agriculture due to its linkages with the other sectors. Higher agri-credit disbursements, effective utilization of resources and reduction of GST on tractors will support the agriculture growth. The combined effect of these measures will help increase the demand of two wheelers due to its role as the main source of transportation in the rural areas.

With sights set on sustained and qualitative long term growth, the Company strives for the best use of resources and optimum operational excellence leading to significant value creation for the stakeholders. The Company believes that the principles of "The Atlas Way" will continue to provide a firm foundation for the future endeavors.

ع خدا بندے سے خود پرچھے بتا تیری رضا کیا ہے
(you get what you deserve)

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.

Date: July 22, 2014
Karachi

Yusuf H. Shirazi

Condensed Interim Balance Sheet

As at June 30, 2014

	Note	(Unaudited) June 30, 2014 (Rupees in '000)	(Audited) March 31, 2014
Assets			
Non-Current Assets			
Property, plant and equipment	5	4,487,168	4,552,816
Intangible assets	6	3,817	4,781
Long term investments	7	192,448	-
Long term loans and advances		27,845	26,396
Long term deposits		9,177	9,632
		<u>4,720,455</u>	<u>4,593,625</u>
Current Assets			
Stores, spares and loose tools		398,987	400,424
Stock-in-trade		2,741,499	2,042,602
Trade debts		581,179	520,321
Loans and advances		38,730	35,305
Trade deposits and prepayments		23,584	50,679
Short term investments	8	2,979,080	3,691,241
Accrued mark-up / interest		15,016	11,130
Other receivables		10,265	4,666
Bank balances		2,270,557	2,843,738
		<u>9,058,897</u>	<u>9,600,106</u>
Non Current Assets Classified as Held for Sale		-	171,459
		<u>13,779,352</u>	<u>14,365,190</u>
Equity and Liabilities			
Equity			
Share capital	9	1,034,066	1,034,066
Reserves		6,418,657	6,879,247
		<u>7,452,723</u>	<u>7,913,313</u>
Non-Current Liabilities			
Compensated absences		197,767	192,042
Deferred taxation	10	620,010	637,558
		<u>817,777</u>	<u>829,600</u>
Current Liabilities			
Trade and other payables	11	5,463,821	5,577,694
Taxation - net		45,031	44,583
		<u>5,508,852</u>	<u>5,622,277</u>
		<u>6,326,629</u>	<u>6,451,877</u>
Contingencies and Commitments	12		
		<u>13,779,352</u>	<u>14,365,190</u>

The annexed notes 1 to 19 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 Three Months Period Ended June 30, 2014

	Note	Three months period ended June 30,	
		2014	2013
		(Rupees in '000)	
Sales		11,212,598	10,759,975
Cost of sales	13	(10,061,051)	(9,675,412)
Gross profit		1,151,547	1,084,563
Sales and marketing expenses		(329,124)	(317,419)
Administrative expenses		(108,380)	(106,325)
Other income		119,592	73,250
Other expenses		(58,058)	(51,870)
Profit from operations		775,577	682,199
Finance cost		(2,049)	(3,190)
Share of profit of Associated Company - net of tax		2,448	-
Profit before taxation		775,976	679,009
Taxation		(202,500)	(190,114)
Profit after taxation		573,476	488,895
Other comprehensive income		-	-
Total comprehensive income		573,476	488,895
		----(Rupees)----	
Earnings per share - basic and diluted	14	5.55	4.73

The annexed notes 1 to 19 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 Three Months Period Ended June 30, 2014

	Note	Three months period ended June 30,	
		2014	2013
Cash Flows from Operating Activities			
Cash generated from operations	15	(316,378)	734,893
Income tax paid		(219,600)	(203,184)
Contributions made to gratuity funds		(23,451)	-
Compensated absences paid		(1,775)	(745)
Mark-up / interest received		31,395	25,836
Workers' profit participation fund paid		(144,583)	(118,931)
Long term loans and advances - net		(1,449)	(708)
Long term deposits - net		455	-
Net cash (used in) / generated from operating activities		(675,386)	437,161
Cash Flows from Investing Activities			
Fixed capital expenditure		(132,998)	(135,704)
Investments acquired		(2,973,501)	(200,000)
Sale proceeds from disposal of operating fixed assets		30,009	2,937
Sale proceeds from disposal of investments		3,749,752	150,000
Net cash (used in) / generated from investing activities		673,262	(182,767)
Cash Flows from Financing Activities			
Dividend paid		(571,057)	(381,910)
Net increase / (decrease) in cash and cash equivalents		(573,181)	(127,516)
Cash and cash equivalents - at beginning of the period		2,843,738	2,739,988
Cash and cash equivalents - at end of the period		2,270,557	2,612,472

The annexed notes 1 to 19 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 Three Months Period Ended June 30, 2014

(Rupees in '000)

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Gain on Sale of Land	General Reserve	Unappropriated Profit	
Balance as at April 1, 2013 - as restated	827,253	39,953	165	4,072,000	1,589,806	6,529,177
Transfer to general reserve	-	-	-	630,000	(630,000)	-
Transactions with owners						
Bonus shares issued during the period in ratio of 1 share for every 4 shares held	206,813	-	-	-	(206,813)	-
Final cash dividend for the year ended March 31, 2013 at the rate of Rs.7.50 per share	-	-	-	-	(620,440)	(620,440)
	206,813	-	-	-	(827,253)	(620,440)
Total comprehensive income for the three months period ended June 30, 2013	-	-	-	-	488,895	488,895
Balance as at June 30, 2013 (unaudited)	1,034,066	39,953	165	4,702,000	621,448	6,397,632
Total comprehensive income for the nine months period ended March 31, 2014	-	-	-	-	1,515,681	1,515,681
Balance as at March 31, 2014	1,034,066	39,953	165	4,702,000	2,137,129	7,913,313
Transfer to general reserve	-	-	-	630,000	(630,000)	-
Transactions with owners						
Final cash dividend for the year ended March 31, 2014 at the rate of Rs.10 per share	-	-	-	-	(1,034,066)	(1,034,066)
Total comprehensive income for the three months period ended June 30, 2014	-	-	-	-	573,476	573,476
Balance as at June 30, 2014 (unaudited)	1,034,066	39,953	165	5,332,000	1,046,539	7,452,723

The annexed notes 1 to 19 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 Three Months Period Ended June 30, 2014

1. The Company and its Activities

Atlas Honda Limited (the Company) is a public limited company incorporated in Pakistan and is listed on Karachi and Lahore Stock Exchanges. 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 (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the audited annual financial statements of the Company for the year ended March 31, 2014.

3. Accounting Policies

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of audited annual financial statements for the year ended March 31, 2014.

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 and assumptions. 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 expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the audited annual financial statements for the year ended March 31, 2014.

		(Unaudited) June 30, 2014	(Audited) March 31, 2014
	Note	----- (Rupees in '000) -----	
5. Property, Plant And Equipment			
Operating fixed assets	5.1	4,288,155	4,406,665
Capital work-in-progress		199,013	146,151
		<u>4,487,168</u>	<u>4,552,816</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		4,406,665	4,385,058
Additions during the period / year	5.2	80,136	873,993
Disposals and write-off, costing Rs.48,024 thousand (March 31, 2014: Rs. 302,729 thousand)			
- at net book value		(34,509)	(43,645)
Assets classified as held for sale and transferred to inventories		-	(173,471)
Depreciation charge for the period / year		(164,137)	(635,270)
Net book value at end of the period / year		<u>4,288,155</u>	<u>4,406,665</u>

		(Unaudited) June 30, 2014	(Audited) March 31, 2014
	Note	----- (Rupees in '000) -----	
5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:			
Building on freehold land		-	116,608
Building on leasehold land		2,229	17,232
Plant and machinery		42,486	373,589
Dies and jigs		1,637	180,295
Factory equipment		4,376	33,422
Office equipment		-	5,742
Computers and accessories		1,730	18,291
Furniture and fixtures		1,550	6,250
Electric and gas fittings		1,755	48,123
Vehicles		24,373	74,441
		<u>80,136</u>	<u>873,993</u>
6. Intangible Assets			
Net book value at the beginning of the period / year		4,781	5,555
Additions during the period / year - software licenses		-	3,239
		4,781	8,794
Amortisation charged during the period / year		(964)	(4,013)
Net book value at the end of the period / year		<u>3,817</u>	<u>4,781</u>
7. Long Term Investments - Available for Sale			
Unquoted			
Atlas Hitec (Private) Limited			
- Associated Company	7.1	192,448	-
Arabian Sea Country Club Limited			
200,000 ordinary shares of Rs. 10 each - at cost		2,000	2,000
Automotive Testing and Training Centre (Pvt.) Limited			
50,000 ordinary shares of Rs. 10 each - at cost		500	500
		194,948	2,500
Less: Impairment in the value of investment		(2,500)	(2,500)
		<u>192,448</u>	<u>-</u>
7.1 Movement of investment in Associated Company			
Balance at the beginning of the period		-	-
Additions	7.2	190,000	-
Share of profit from Associated Company		3,653	-
Share of taxation		(1,205)	-
		2,448	-
Balance at the end of the period		<u>192,448</u>	<u>-</u>

7.2 During the period, the Company acquired nineteen million shares of Rs. 10 each of Atlas Hitec (Private) Limited (AHTL) - an Associated Company against consideration of its operating fixed assets. The Company has obtained all necessary requisite approval from members during the year ended March 31, 2014. The investment has been accounted for under the equity method.

			(Unaudited) June 30, 2014	(Audited) March 31, 2014
----- (Rupees in '000) -----				
8. Short-Term Investments	- at fair value through profit or loss			
	Investments in units of mutual funds:			
	- Related parties		2,453,585	3,065,862
	- Others		525,495	625,379
			<u>2,979,080</u>	<u>3,691,241</u>
9. Share Capital				
9.1 Authorised capital				
	150,000,000 (March 31, 2014: 150,000,000)			
	Ordinary shares of Rs.10 each			
			<u>1,500,000</u>	<u>1,500,000</u>
9.2 Issued, subscribed and paid-up capital				
	(Unaudited) June 30, 2014	(Audited) March 31, 2014	(Unaudited) June 30, 2014	(Audited) March 31, 2014
	----Number of shares----		----- (Rupees in '000) -----	
	6,352,748	6,352,748	63,528	63,528
			Ordinary shares of Rs.10 each fully paid in cash	
	96,794,565	96,794,565	967,945	967,945
			Ordinary shares of Rs.10 each issued as fully paid bonus shares	
	259,300	259,300	2,593	2,593
			Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	
	<u>103,406,613</u>	<u>103,406,613</u>	<u>1,034,066</u>	<u>1,034,066</u>
10. Deferred Taxation				
	As at June 30, 2014, deferred tax asset / liability on the deductible / taxable temporary differences has been recognised at the rate of 33%, being the rate substantively enacted at the balance sheet date and is expected to apply to the periods when the asset is realized or the liability is settled.			
			(Unaudited) June 30, 2014	(Audited) March 31, 2014
----- (Rupees in '000) -----				
11. Trade and other Payables				
			2,752,038	2,947,253
	Creditors		974,876	993,543
	Accrued liabilities		573,003	641,908
	Royalty payable		2,400	31,692
	Warranty obligations		405,186	628,768
	Advances from customers		14,742	10,404
	Retention money		64,378	4,037
	Sales tax payable		41,702	144,583
	Workers' profit participation fund		80,323	64,476
	Workers' welfare fund		44,925	61,742
	Payable to staff retirement benefit funds - gratuity		492,981	29,972
	Unclaimed dividends		17,267	19,316
	Others		<u>5,463,821</u>	<u>5,577,694</u>

12. Contingencies and Commitments

12.1 Contingencies

12.1.1 There is no change in status of the contingencies as disclosed in note 25.1 of the audited annual financial statements of the Company for the year ended March 31, 2014.

	(Unaudited) June 30, 2014 ------(Rupees in '000)-----	(Audited) March 31, 2014
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12.1.2 Outstanding bank guarantees	99,699	165,735
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12.2 Commitments

12.2.1 Commitments in respect of:

- capital expenditure other than letters of credit	61,443	81,623
- capital expenditure, raw materials and components through confirmed letters of credit	1,137,500	849,291

12.2.2 Aggregate commitments for ljarah arrangements of electric & gas fittings and vehicles as at period / year end are as follows:

	(Unaudited) June 30, 2014 ------(Rupees in '000)-----	(Audited) March 31, 2014
Not later than one year	23,335	20,856
Over one year and no later than five years	56,294	30,976
	79,629	51,832

	(Unaudited) Three months period ended June 30,	
Note	2014 ------(Rupees in '000)-----	2013

13. Cost of Sales

Finished goods at beginning of the period	311,075	250,247
Cost of goods manufactured	9,518,039	9,226,521
Purchases	670,442	481,357
	10,188,481	9,707,878
	10,499,556	9,958,125
Finished goods at end of the period	(438,505)	(282,713)
	10,061,051	9,675,412

13.1 Cost of goods manufactured

Work-in-process at beginning of the period	4,549	6,587
Raw materials and components consumed	7,976,202	7,709,546
Factory overheads	1,594,288	1,541,434
	9,570,490	9,250,980
	9,575,039	9,257,567
Work-in-process at end of the period	(57,000)	(31,046)
	9,518,039	9,226,521

		(Unaudited) Three months period ended June 30,	
		2014	2013
		------(Rupees in '000)-----	
14. Earnings per share	- basic and diluted		
There is no dilutive effect on the basic earnings per share of the Company, which is based on: Net profit for the period			
		573,476	488,895
------(Number of shares)-----			
	Weighted average number of ordinary shares in issue during the period	103,406,613	103,406,613
------(Rupees)-----			
	Basic earnings per share	5.55	4.73
15. Cash Generated from Operations			
	Profit before taxation	775,976	679,009
	Adjustments for non-cash charges and other items:		
	Depreciation of operating fixed assets	164,137	166,583
	Amortisation of intangible assets	964	995
	Net change in fair value of investments at fair value through profit or loss	(5,579)	(25,275)
	Gain on sale of investments	(58,511)	(2,658)
	Mark-up / interest on saving deposit accounts and TDRs	(35,281)	(33,323)
	Income from Associated Company	(2,448)	-
	Workers' profit participation fund	41,702	36,492
	Workers' welfare fund	15,847	13,868
	Provision for compensated absences	7,500	10,731
	Provision for gratuity	6,634	-
	Gain on disposal of non-current assets held for sale	(14,042)	-
		120,923	167,413
	Working capital changes	(1,213,277)	(111,529)
		(316,378)	734,893
15.1 Working capital changes			
	Decrease / (increase) in current assets:		
	Stores, spares and loose tools	1,437	8,956
	Stock-in-trade	(698,897)	(685,066)
	Trade debts	(60,858)	17,209
	Loans and advances	(3,425)	(311)
	Trade deposits and prepayments	27,095	25,692
	Other receivables	(5,599)	2,019
		(740,247)	(631,501)
	(Decrease) / Increase in trade and other payables	(473,030)	519,972
		(1,213,277)	(111,529)

16. Financial Risk Management

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

The condensed interim financial information does not include all financial risk management information and disclosures required in the audited annual financial statements and should be read in conjunction with the audited annual financial statement for the year ended March 31, 2014.

There has been no change in Company's sensitivity to these risks since March 31, 2014 except for general exposure to fluctuations in foreign currency and interest rates. There have been no changes in the risk management policies during the period.

There have been no significant changes in the business or economic circumstances during the period that would have affected the fair values of the financial assets of the Company. Further, no re-classifications in the categories of financial assets have been made since March 31, 2014.

17. Transactions with Related Parties

17.1 Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	(Unaudited) Three months period ended June 30,	
		2014	2013
		------(Rupees in '000)-----	
(i) Associates	Sales:		
	- goods and services	217,861	35,589
	- operating fixed assets	5,022	763
	- non-current assets held for sale for consideration other than cash	171,459	
	Purchases:		
	- goods and services	1,903,633	1,365,391
	- operating fixed assets	13,054	5,877
	Sale of units in mutual funds	3,115,472	50,000
	Purchase of units in mutual funds	2,450,000	100,000
	Investment in Associated Company	190,000	-
	Royalty	528,927	502,457
	Export commission	2,114	2,645
	Technical assistance fee paid	6,738	-
	Commission income	1,215	4,575
	Rent	11,456	10,540
	Insurance premium paid	21,038	18,245
	Insurance claims received	214	433
	Reimbursement of expenses - net	475	632
	Dividend paid	933,447	538,497
			------(Number of shares)-----
	Bonus shares issued	-	17,949,922
		------(Rupees in '000)-----	
(ii) Staff retirement funds	Contributions paid to gratuity funds, provident fund / pension schemes	35,787	11,342
(iii) Key management personnel	Managerial remuneration and benefits	22,079	23,727
	Retirement benefits	1,085	1,215

(Unaudited)	(Audited)
June 30,	March 31,
2014	2014
----- (Rupees in '000) -----	

17.2 Period / year end balances are as follows:

Payables to related parties

Trade and other payables	554,607	557,017
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18. Corresponding Figures

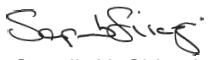
In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2014 and the 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 three months period ended June, 30, 2013.

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

19. Date of Authorization for Issue

This condensed interim financial information was authorized for issue on July 22, 2014 by the Board of Directors.


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