



Atlas Honda  
Quarterly Report  
June 30, 2015

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# Company Information

## Board of Directors

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Yusuf H. Shirazi  
Chairman

Abid Naqvi  
Director

Hiromitsu Takasaki  
Director

Jawaid Iqbal Ahmed  
Director

Kazuhisa Hirota  
Director

Sanaullah Qureshi  
Director

Yasutaka Uda  
Director

Saqib H. Shirazi  
Chief Executive Officer

Umair Mukhtar  
Company Secretary

Jawaid Iqbal Ahmed  
Member

Saqib H. Shirazi  
Member

Razi Ur Rehman  
Secretary

## Management

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Saqib H. Shirazi  
Chief Executive Officer

Suhail Ahmed  
Vice President Marketing

Yasutaka Uda  
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

## Audit Committee

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Sanaullah Qureshi  
Chairman

Abid Naqvi  
Member

Jawaid Iqbal Ahmed  
Member

Syed Tanvir Hyder  
Head of Internal Audit

Umair Mukhtar  
Secretary

## Human Resource & Remuneration Committee

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Sanaullah Qureshi  
Chairman

# 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  
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, 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

## Warranty & Training Centres

- \* 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, 2015.

## The Economy

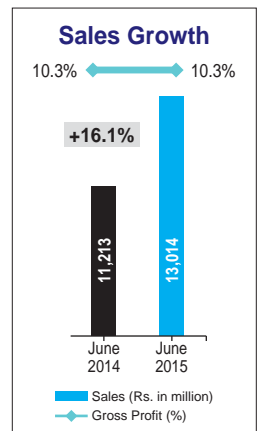
The increasing number of economic indicators reflected a healthy trend during the fiscal year ended June 2015. GDP growth accelerated to 4.24% in 2014-15 against 4.03% of last fiscal year. Inflation continued to follow a descending trajectory averaging at 4.53%. Soft commodity prices and swift pass through of lower oil prices to general public helped contain inflation. Multi year low CPI prompted the policy makers to cut the discount rate by 300 basis points during the year to 7%. This monetary easing is also supported by the comfort at external front. Foreign exchange reserves reached an all-time high level of USD 18.6 billion. The increase was driven by privatization proceeds, inflows from Coalition Support Fund, disbursements from IMF and healthy remittances. The resulting stability in the exchange rate, coupled with the sharp decline in global commodity prices, contained the current account deficit to USD 2.28 billion. However, weak external demand and ongoing energy crisis led to the decrease in exports by 3.8%. On the fiscal side, tax collections grew by 14%. Further, the government efforts to control spending supported fiscal consolidation. All these developments were reflected in the recent upgrades in the outlook by international rating agencies that further improved the investors' confidence in the equity markets.

The agriculture sector grew by 2.9% in FY15. The performance was mainly driven by the healthy growth in livestock, while the improvement in crop sector remained negligible. The restraining factors were the heavy rains during kharif and prolonged low temperature in rabi. This, along with low commodity prices, reduced rural incomes.

The LSM index recorded growth of 3.3%. Healthy construction activities and the introduction of new car models, along with Punjab government's Apna Rozgar Scheme, led to this strong performance. However, subdued external demand of textile products and power outages limited the overall growth. Accordingly, for broad based expansion in the index, energy reforms and a stable law and order situation are imperative.

## Operating Results

The year began with a good momentum and encouraging results. The Company has been able to achieve first quarter results that are in line with its set objectives. The net sales for the quarter recorded at Rs. 13.0 billion, which is 16.1% higher compared to the same period of last year. The positive performance primarily represents volume growth and a better sales mix. The volumetric gains, consistent cost control measures and favorable exchange rates led the gross margins to increase to Rs.1.3 billion, up by 16.0%. Sales and marketing expenses rose to Rs. 352 million, a year on year increase of 6.8%. The increase is due to higher spending on promotion and communication activities to support the core business. Administrative expenses increased by 7.4% over the corresponding period due to increase in personnel cost and effects of general inflation. Other operating income, net of



financial cost, registered at Rs. 155 million, which is an encouraging 24.7% higher than the corresponding period due to improved treasury income. The impressive top line has driven the bottom line figure, which has shown a healthy increase as profit after tax stood at Rs. 701 million, an increase of 22.2%. Resultantly, the Company achieved earnings per share (EPS) of Rs. 6.78 per share against Rs. 5.55 per share for the corresponding period.

## Future Outlook

The macroeconomic stability, achieved through domestic policies and favorable external developments, has created a strong base for future growth. Based on improving fundamentals, the government has planned to achieve the GDP growth of 5.5% in the next fiscal year. Government's planned strategies towards tax broadening and significant fiscal incentives for investments introduced through the Federal Budget 2015-16 are expected to support the growth. The Pak-China Economic Corridor (CPEC) between the two countries will serve as a driver for connectivity. Such measures, together with steady commodity prices and lower interest rates, would benefit the industrial index. On the other hand, declining international commodity prices will continue to put pressure on the selling prices of agricultural commodities leaving an adverse impact on farmers' income. Supportive measures by government are, therefore, imperative. It will help to increase the demand for two wheelers due to its role as the main source of motorized transportation in rural areas.

With its product line up, strong market position and management, the Company is well positioned to grow the two wheeler market as a whole and its own share therein. The Company is focused on growth opportunities and is determined to significantly improve its operating results by adding value to the stakeholders' wealth. In this regard, the "Atlas Way" and "Atlas Systems" continue to remain the corner stone of our business philosophy.

جلتے ہیں جس کے لیے تیری آنکھوں کے دیئے  
ڈھونڈھ لایا ہوں وہی گیت میں تیرے لیے

(You get what you deserve)

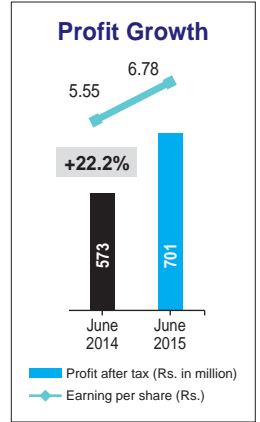
## Acknowledgement

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 31, 2015  
Karachi



Yusuf H. Shirazi



# Condensed Interim Balance Sheet

As at June 30, 2015

	Note	(Unaudited) June 30, 2015 (Rupees in '000)	(Audited) March 31, 2015
<b>Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	5	4,886,256	4,982,552
Intangible assets	6	10,735	12,774
Long term investments	7	224,483	216,283
Long term loans and advances		28,705	27,198
Long term deposits		12,759	12,986
		<u>5,162,938</u>	<u>5,251,793</u>
<b>Current assets</b>			
Stores, spares and loose tools		421,023	421,339
Stock-in-trade		2,392,901	1,660,529
Trade debts		652,100	704,597
Loans and advances		44,091	41,235
Trade deposits and prepayments		24,065	59,568
Short term investments	8	4,371,874	4,119,696
Accrued mark-up / interest		17,252	10,857
Other receivables		1,163	3,674
Taxation - net		565,819	99,185
Bank balances		3,710,077	3,409,200
		<u>12,200,365</u>	<u>10,529,880</u>
		<u>17,363,303</u>	<u>15,781,673</u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Share capital	9	1,034,066	1,034,066
Reserves		7,664,336	8,204,479
		<u>8,698,402</u>	<u>9,238,545</u>
<b>Non-Current liabilities</b>			
Compensated absences		202,204	195,145
Deferred taxation	10	578,249	578,249
		<u>780,453</u>	<u>773,394</u>
<b>Current liabilities</b>			
Trade and other payables	11	7,884,448	5,769,734
		<u>8,664,901</u>	<u>6,543,128</u>
<b>Contingencies and commitments</b>			
	12	<u>17,363,303</u>	<u>15,781,673</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, 2015

	Note	Three months period ended June 30,	
		2015	2014
		(Rupees in '000)	
Sales - net		13,014,307	11,212,598
Cost of sales	13	(11,679,766)	(10,061,051)
<b>Gross profit</b>		1,334,541	1,151,547
Sales and marketing expenses		(351,656)	(329,124)
Administrative expenses		(116,416)	(108,380)
Other income		148,993	124,092
Other expenses		(71,012)	(62,558)
<b>Profit from operations</b>		944,450	775,577
Finance cost		(1,891)	(2,049)
Share of profit of associate - net of tax		8,200	2,448
<b>Profit before taxation</b>		950,759	775,976
Taxation		(250,023)	(202,500)
<b>Profit after taxation</b>		700,736	573,476
Other comprehensive income		-	-
<b>Total comprehensive income</b>		700,736	573,476
----(Rupees)----			
<b>Earnings per share</b>	14	6.78	5.55

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, 2015

	Note	Three months period ended June 30,	
		2015	2014
<b>(Rupees in '000)</b>			
<b>Cash Flows from Operating Activities</b>			
Cash generated from operations	15	2,043,021	(316,378)
Income tax paid		(716,657)	(219,600)
Contributions made to gratuity funds		-	(23,451)
Compensated absences paid		(591)	(1,775)
Mark-up / interest received		64,741	31,395
Workers' profit participation fund paid		(172,515)	(144,583)
Long term loans and advances - net		(1,507)	(1,449)
Long term deposits - net		227	455
<b>Net cash generated from operating activities</b>		<b>1,216,719</b>	<b>(675,386)</b>
<b>Cash Flows from Investing Activities</b>			
Fixed capital expenditure		(163,798)	(132,998)
Investments acquired		(9,189,009)	(2,973,501)
Sale proceeds from disposal of operating fixed assets		85,337	30,009
Sale proceeds from disposal of investments		9,019,804	3,749,752
<b>Net cash used in investing activities</b>		<b>(247,666)</b>	<b>673,262</b>
<b>Net Cash Used in Financing Activity</b>			
Dividend paid		(668,176)	(571,057)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>300,877</b>	<b>(573,181)</b>
Cash and cash equivalents at beginning of the period		3,409,200	2,843,738
<b>Cash and cash equivalents at end of the period</b>		<b>3,710,077</b>	<b>2,270,557</b>

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, 2015

(Rupees in '000)

	Share Capital	Capital Reserves		Revenue Reserves		Total
		Share Premium	Gain on Sale of Land	General Reserve	Unappropriated Profit	
<b>Balance as at April 1, 2014</b>	1,034,066	39,953	165	4,702,000	2,137,129	7,913,313
Transfer to general reserve	-	-	-	630,000	(630,000)	-
<b>Transactions with owners</b>						
Final cash dividend for the year ended March 31, 2014 at the rate of Rs.10 per share	-	-	-	-	(1,034,066)	(1,034,066)
	-	-	-	-	(1,034,066)	(1,034,066)
Total comprehensive income for the three months period ended June 30, 2014	-	-	-	-	573,476	573,476
<b>Balance as at June 30, 2014 (unaudited)</b>	1,034,066	39,953	165	5,332,000	1,046,539	7,452,723
Total comprehensive income for the nine months period ended March 31, 2015	-	-	-	-	1,785,822	1,785,822
<b>Balance as at March 31, 2015</b>	1,034,066	39,953	165	5,332,000	2,832,361	9,238,545
Transfer to general reserve	-	-	-	830,000	(830,000)	-
<b>Transactions with owners</b>						
Final cash dividend for the year ended March 31, 2015 at the rate of Rs.12 per share	-	-	-	-	(1,240,879)	(1,240,879)
Total comprehensive income for the three months period ended June 30, 2015	-	-	-	-	700,736	700,736
<b>Balance as at June 30, 2015 (unaudited)</b>	1,034,066	39,953	165	6,162,000	1,462,218	8,698,402

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, 2015

## 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, 2015.

## 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, 2015.

## 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 judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. However, actual results may differ from these estimates.

During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited annual financial statements for the year ended March 31, 2015.

		(Unaudited) June 30, 2015	(Audited) March 31, 2015
	Note	----- (Rupees in '000) -----	
<b>5. Property, Plant And Equipment</b>			
Operating fixed assets	5.1	4,794,164	4,752,195
Capital work-in-progress		92,092	230,357
		<u>4,886,256</u>	<u>4,982,552</u>
<b>5.1 Operating fixed assets</b>			
Net book value at beginning of the period / year		4,752,195	4,406,665
Additions during the period / year	5.2	302,063	1,081,402
Disposals and write-off, costing Rs.192,652 thousand (March 31, 2015: Rs. 332,852 thousand)			
- at net book value		(81,380)	(87,075)
Assets classified as held for sale and inventories		-	-
Depreciation charge for the period / year		(178,714)	(648,797)
Net book value at end of the period / year		<u>4,794,164</u>	<u>4,752,195</u>

	(Unaudited) June 30, 2015	(Audited) March 31, 2015
Note	------(Rupees in '000)-----	
<b>5.2 Additions to operating fixed assets, including transfer from capital work-in-progress, during the period / year were as follows:</b>		
Building on freehold land	37,585	136,473
Building on leasehold land	1,627	30,224
Plant and machinery	176,819	625,858
Dies and jigs	51,001	162,786
Factory equipment	2,999	13,286
Office equipment	-	1,115
Computers and accessories	20,516	4,756
Furniture and fixtures	1,270	21,687
Electric and gas fittings	1,009	12,930
Vehicles	9,237	72,287
	<u>302,063</u>	<u>1,081,402</u>
<b>6. Intangible Assets</b>		
Net book value at the beginning of the period / year	12,774	4,781
Additions during the period / year - software licenses	-	13,143
	<u>12,774</u>	<u>17,924</u>
Amortisation charged during the period / year	(2,039)	(5,150)
Net book value at the end of the period / year	<u>10,735</u>	<u>12,774</u>
<b>7. Long Term Investments - Unquoted</b>		
<b>Associated Company - equity basis</b>		
<b>Atlas Hitec (Private) Limited</b>		
19,000,000 (March 31, 2015:19,000,000) ordinary shares of Rs. 10 each - cost	190,000	190,000
Equity held: 29.23% (March 31, 2015: 29.23%)		
Add : share of post acquisition profit - net of tax	34,483	26,283
	<u>224,483</u>	<u>216,283</u>
7.1		
<b>Others - available for sale</b>		
<b>Arabian Sea Country Club Limited</b>		
200,000 ordinary shares of Rs. 10 each - cost	2,000	2,000
Less : Impairment in the value of investment	2,000	2,000
	-	-
<b>Automotive Testing and Training Centre (Pvt.) Limited</b>		
50,000 ordinary shares of Rs. 10 each - cost	500	500
Less : Impairment in the value of investment	500	500
	-	-
	<u>224,483</u>	<u>216,283</u>
<b>7.1 Movement of investment in Associated Company</b>		
Balance at the beginning of the period	216,283	-
Additions	-	190,000
Share of profit from associate - net of tax	8,200	26,283
Balance at the end of the period	<u>224,483</u>	<u>216,283</u>

			(Unaudited) June 30, 2015	(Audited) March 31, 2015
----- (Rupees in '000) -----				
<b>8. Short-Term Investments</b>	- at fair value through profit or loss			
	Investments in units of mutual funds:			
	- Related parties		3,772,573	3,426,211
	- Others		599,301	693,485
			<u>4,371,874</u>	<u>4,119,696</u>
<b>9. Share Capital</b>				
<b>9.1 Authorised capital</b>				
	150,000,000 (March 31, 2015: 150,000,000)			
	Ordinary shares of Rs.10 each			
			<u>1,500,000</u>	<u>1,500,000</u>
<b>9.2 Issued, subscribed and paid-up capital</b>				
	(Unaudited) June 30, 2015	(Audited) March 31, 2015	(Unaudited) June 30, 2015	(Audited) March 31, 2015
	----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>
<b>10. Deferred Taxation</b>				
	As at June 30, 2015, deferred tax asset / liability on the deductible / taxable temporary differences has been recognised at the rate of 32%, 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, 2015	(Audited) March 31, 2015
----- (Rupees in '000) -----				
<b>11. Trade and other Payables</b>				
	Creditors		2,769,104	2,185,464
	Accrued liabilities		1,368,123	1,200,383
	Royalty payable		597,560	567,264
	Warranty obligations		41,802	35,402
	Advances from customers		2,095,178	1,229,212
	Retention money		15,785	14,343
	Sales tax payable		128,880	149,405
	Workers' profit participation fund		51,088	172,514
	Workers' welfare fund		89,410	69,995
	Payable to staff retirement benefit funds - gratuity		57,676	50,718
	Sind government infrastructure fee		37,899	37,899
	Unclaimed dividends		610,342	37,639
	Others		21,601	19,496
			<u>7,884,448</u>	<u>5,769,734</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, 2015.

	(Unaudited) June 30, 2015 ----- <b>(Rupees in '000)</b> -----	(Audited) March 31, 2015
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12.1.2 Outstanding bank guarantees	652,381	172,868
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### 12.2 Commitments

12.2.1 Commitments in respect of:

- capital expenditure other than letters of credit	11,057	42,257
- capital expenditure, raw materials and components through confirmed letters of credit	932,197	927,092

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, 2015 ----- <b>(Rupees in '000)</b> -----	(Audited) March 31, 2015
Not later than one year	26,559	24,425
Over one year and no later than five years	33,364	20,924
	59,923	45,349

## 13. Cost of Sales

	Note	(Unaudited) Three months period ended June 30, 2015 ----- <b>(Rupees in '000)</b> -----	2014
Finished goods at beginning of the period		311,219	311,075
Cost of goods manufactured	13.1	10,936,707	9,518,039
Purchases		766,000	670,442
		11,702,707	10,188,481
		12,013,926	10,499,556
Finished goods at end of the period		(334,160)	(438,505)
		11,679,766	10,061,051
<b>13.1 Cost of goods manufactured</b>			
Work-in-process at beginning of the period		25,131	4,549
Raw materials and components consumed		9,244,321	7,976,202
Factory overheads		1,722,980	1,594,288
		10,967,301	9,570,490
		10,992,432	9,575,039
Work-in-process at end of the period		(55,725)	(57,000)
		10,936,707	9,518,039

(Unaudited)  
Three months period ended  
June 30,

2015	2014
----- (Rupees in '000) -----	

#### 14. Earnings per share - basic

There is no dilutive effect on the basic earnings per share of the Company, which is based on:  
Net profit for the period

700,736	573,476
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----- (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

6.78	5.55
------	------

(Unaudited)  
Three months period ended  
June 30,

2015	2014
----- (Rupees in '000) -----	

#### 15. Cash Generated from Operations

Profit before taxation

950,759	775,976
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##### Adjustments for non-cash charges and other items:

Depreciation of operating fixed assets

178,714	164,137
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Amortisation of intangible assets

2,039	964
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Net change in fair value of investments at fair value through profit or loss

(17,125)	(5,579)
----------	---------

Gain on sale of investments

(65,848)	(58,511)
----------	----------

Mark-up / interest on saving deposit accounts and TDRs

(71,136)	(35,281)
----------	----------

Income from associate

(8,200)	(2,448)
---------	---------

Workers' profit participation fund

51,088	41,702
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Workers' welfare fund

19,415	15,847
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Provision for compensated absences

7,650	7,500
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Provision for gratuity

6,958	6,634
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Gain on disposal of non-current assets held for sale

-	(18,542)
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(Gain) / Loss on disposal of fixed assets

(3,957)	4,500
---------	-------

Working capital changes

15.1 992,664	(1,213,277)
--------------	-------------

2,043,021	(316,378)
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#### 15.1 Working capital changes

Decrease / (increase) in current assets:

Stores, spares and loose tools

316	1,437
-----	-------

Stock-in-trade

(732,372)	(698,897)
-----------	-----------

Trade debts

52,497	(60,858)
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Loans and advances

(2,856)	(3,425)
---------	---------

Trade deposits and prepayments

35,503	27,095
--------	--------

Other receivables

2,511	(5,599)
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(644,401)	(740,247)
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Decrease in trade and other payables

1,637,065	(473,030)
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992,664	(1,213,277)
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## 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, 2015.

There has been no change in Company's sensitivity to these risks since March 31, 2015 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, 2015.

## 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,	
		2015	2014
		------(Rupees in '000)-----	
(i) Associates	<b>Sales:</b>		
	- goods and services	182,708	217,861
	- operating fixed assets	97,232	5,022
	- disposal of non-current assets held for sale.	-	171,459
	<b>Purchases:</b>		
	- goods and services	2,769,363	1,903,633
	- operating fixed assets	3,642	13,054
	Sale of units in mutual funds	7,767,623	3,115,472
	Purchase of units in mutual funds	8,042,751	2,450,000
	Investment in Associated Company	-	190,000
	Royalty	589,433	528,927
	Export commission	927	2,114
	Technical assistance fee paid	3,539	6,738
	Commission income	866	1,215
	Rent	11,088	11,456
	Insurance premium paid	12,406	21,038
	Insurance claims received	9,022	214
	Reimbursement of expenses - net	299	475
	Dividend paid	685,829	571,524
(ii) Staff retirement funds	Contributions paid to gratuity funds, provident fund / pension schemes	13,209	35,787
(iii) Key management personnel	Managerial remuneration and benefits	24,157	22,079
	Retirement benefits	1,296	1,0985



(Unaudited) June 30, 2015	(Audited) March 31, 2015
----- (Rupees in '000) -----	

17.2 Period / year end balances are as follows:

**Payables to related parties**

Trade and other payables	589,433	554,607
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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, 2015 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, 2014.

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 31, 2015 by the Board of Directors.



Yusuf H. Shirazi  
Chairman



Saquib H. Shirazi  
Chief Executive Officer

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