



QUARTERLY REPORT December 31, 2013



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Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Hisao Kobayashi
Director

Hiromitsu Takasaki
Director

Nurul Hoda
Director

Sanallah Qureshi
Director

Shigeki Takane
Director

Tariq Amin
Director

Saqib H. Shirazi
Chief Executive Officer

Syed Tanvir Hyder
Company Secretary

Audit Committee

Sanallah Qureshi
Chairman

Tariq Amin
Member

Nurul Hoda
Member

Zaheer Ul Haq
Head of Internal Audit

Syed Tanvir Hyder
Secretary

Human Resource & Remuneration Committee

Sanallah 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

Sultan Ahmed
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 Qadeer 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

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) 5883415
Fax: (92-68) 5883414

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

Show Room

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

Spare Parts Division

D-181/A, S.I.T.E, Karachi-75730
Tel: (92-21) 32576690

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

Chairman's Review

I am pleased to present the unaudited condensed interim financial information of the Company for the nine months period ended December 31, 2013.

The Economy

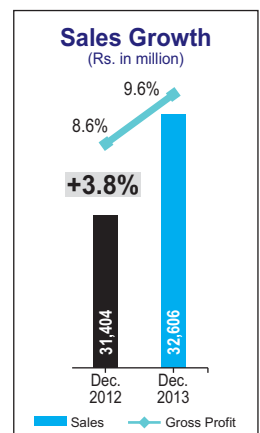
The recent macro-economic indicators are reasonably encouraging despite the continued concerns over growth. Workers' remittances rose to US\$ 7.8 billion in 6M FY14. Healthy remittances along with foreign disbursements from IMF, Coalition Support Fund and other multilateral sources helped in keeping SBP's foreign exchange reserves above US\$ 3.0 billion. Resultantly, Pak Rupee recovered some of its lost value against the US Dollar and ended up at the same level as last quarter. Further, the government's structural reforms such as revision in power tariff, tax rate rationalization and subsidy reduction ensured successful completion of preliminary benchmarks set by the IMF and are expected to reduce fiscal deficit from last year's 8.8% of GDP. On the other hand, these measures gave rise to inflationary surge which was recorded at 8.9%. Consequently, SBP increased the policy rate by 50 bps to 10%. On the external front, exports declined by 7.8% in comparison to imports that remained consistent from last year. These factors along with below par performance of trade and service sectors culminated in the Current Account Deficit rising to nearly US\$ 2 billion.

Performance of the agriculture sector continued to remain mixed. Damage caused to cotton crop from monsoon floods is expected to be partly compensated by healthy yields from sugarcane and rice crops. However, power outages, rising input costs and inconsistent pricing policies continued to erode liquidity in rural areas and consequently affected demand of two-wheelers.

Large Scale Manufacturing posted a healthy growth of 5.7% for the first half of 2013-14, with major improvements shown by fertilizer, petroleum, paper and leather sectors. The energy shortages and hiking fuel prices remains the biggest impediment to the progress of manufacturing sector.

Operating Results

The Company continues to place greater emphasis on the strategic objectives aimed at delivering sustainable long-term growth. For the nine months period ended December 31, 2013, the Company recorded sales revenue of Rs. 32.6 billion, an increase of 3.8% over the corresponding period. Gross profit margin improved to 9.6% from 8.6%. This improvement in margin is attributable to volume growth, optimum product mix, weakening of Japanese Yen against US Dollar and cost control measures. Sales & marketing and administrative expenses were Rs. 1,268.8 million, an increase of 7.0% over the corresponding period. The increase mainly represents spending on advertising and promotional activities and effects of general inflation. Other operating income,



net of finance cost improved by 16.9% over the corresponding period on account of effective treasury management. The aforementioned factors enabled the Company to register net profit before taxation of Rs. 1,965.2 million. Accordingly, net profit after taxation was recorded at Rs. 1,433.4 million, an increase of 20.9% over the corresponding period. Earnings per Share (EPS) improved to Rs. 13.86 per share for the nine months period ended December 31, 2013 in comparison to Rs. 11.47 per share (restated) for the corresponding period.

Future Outlook

Moving forward in 2014, government is faced by numerous challenges. Improving law and order, attracting foreign investment, resolution of energy crisis and boosting foreign currency reserves are the top priorities. Despite recent government measures to consolidate fiscal position, further tax reforms are required to improve tax to GDP ratio. The recently awarded GSP Plus status to Pakistan by EU is expected to give impetus to the country's exports. Also, the 3G license auctions and government's committed privatization of national assets may generate much needed foreign exchange for the economy. Agriculture, being the largest employer, will remain fundamental to the economic growth. Reasonable support prices, improved acreage and timely subsidies to farmers will bring positive results to the agrarian economy. The resulting improvement in cash flows of farming communities is essential to boost demand for two-wheelers.

The Company is committed to maximizing the value of its stakeholders through optimum operational excellence and core competencies which will result in sustained and qualitative long term growth. The Company believes that the principles of "The Atlas Way" will continue to provide a firm foundation for the future endeavors.

ع خودی کو کر بلند اتنا کہ ہر تقدیر سے پہلے
خدا بندے سے خود پرچھے بتا تیری رضا کیا ہے

(it is the determination which matters in what one wants to achieve)

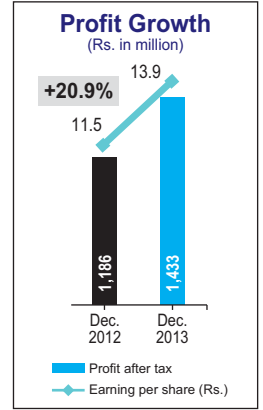
Acknowledgement

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.



Yusuf H. Shirazi

Dated: January 27, 2014
Karachi.



Condensed Interim Balance Sheet

As at December 31, 2013

	Note	(Unaudited) December 31, 2013 (Rupees in '000)	(Audited) March 31, 2013 Restated
Assets			
Non-Current Assets			
Property, plant and equipment	5	4,536,378	4,421,744
Intangible assets	6	5,742	5,555
Long term investments		-	-
Long term loans and advances		25,861	25,583
Long term deposits		8,198	8,399
		<u>4,576,179</u>	<u>4,461,281</u>
Current Assets			
Stores, spares and loose tools		369,507	390,250
Stock-in-trade		2,655,672	2,171,536
Trade debts		351,682	514,742
Loans and advances		34,242	33,253
Trade deposits and prepayments	7	102,212	47,722
Short term investments	8	3,109,501	1,635,183
Accrued mark-up / interest		7,918	11,603
Other receivables		8,661	6,302
Taxation - net		-	2,578
Bank balances		2,329,783	2,739,988
		<u>8,969,178</u>	<u>7,553,157</u>
		<u>13,545,357</u>	<u>12,014,438</u>
Equity and Liabilities			
Equity			
Share capital	9	1,034,066	827,253
Reserves		6,308,019	5,701,885
		<u>7,342,085</u>	<u>6,529,138</u>
Non-Current Liabilities			
Compensated absences		198,781	170,248
Deferred taxation	10	631,880	680,665
		<u>830,661</u>	<u>850,913</u>
Current Liabilities			
Trade and other payables	11	5,290,032	4,634,387
Taxation - net		82,579	-
		<u>5,372,611</u>	<u>4,634,387</u>
		<u>6,203,272</u>	<u>5,485,300</u>
Contingencies and Commitments			
	12	<u>13,545,357</u>	<u>12,014,438</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 Nine Months Period Ended December 31, 2013

	Note	Quarter ended December 31,		Nine months period ended December 31,	
		2013	2012	2013	2012
----- (Rupees in '000) -----					
Sales - net		11,110,263	10,684,950	32,605,737	31,403,727
Cost of sales	13	(10,082,277)	(9,772,041)	(29,490,441)	(28,695,508)
Gross profit		1,027,986	912,909	3,115,296	2,708,219
Sales and marketing expenses		(319,670)	(298,018)	(943,212)	(902,639)
Administrative expenses		(108,883)	(93,871)	(325,544)	(283,032)
Other operating income		112,525	76,269	277,562	239,377
Other operating expenses		(49,504)	(41,385)	(152,592)	(134,513)
Profit from operations		662,454	555,904	1,971,510	1,627,412
Finance cost		(2,117)	(2,110)	(6,335)	(7,315)
Profit before taxation		660,337	553,794	1,965,175	1,620,097
Taxation		(180,262)	(148,840)	(531,788)	(434,494)
Profit after taxation		480,075	404,954	1,433,387	1,185,603
Other comprehensive income		-	-	-	-
Total comprehensive income		480,075	404,954	1,433,387	1,185,603
----- (Rupees) -----					
			Restated		Restated
Earnings per share	14	4.64	3.92	13.86	11.47

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 Nine Months Period Ended December 31, 2013

	Note	Nine months period ended December 31,	
		2013	2012
Cash Flows from Operating Activities			
Cash generated from operations	15	2,709,474	1,824,861
Income tax paid		(495,416)	(230,863)
Contributions made to gratuity funds		(26,371)	(26,191)
Compensated absences paid		(2,598)	(12,286)
Mark-up / interest received		125,008	74,385
Workers' profit participation fund paid		(118,931)	(87,135)
Workers' welfare fund paid		(44,096)	(32,967)
Long term loans and advances - net		(278)	(4,315)
Long term deposits - net		201	1,235
Net cash generated from operating activities		2,146,993	1,506,724
Cash Flows from Investing Activities			
Fixed capital expenditure		(614,814)	(1,112,250)
Investments acquired		(2,049,571)	(175,000)
Sale proceeds from disposal of operating fixed assets		17,491	28,199
Sale proceeds from disposal of investments		700,000	147,875
Net cash used in investing activities		(1,946,894)	(1,111,176)
Cash Flows from Financing Activities			
Dividend paid		(610,304)	(462,699)
Net increase / (decrease) in cash and cash equivalents		(410,205)	(67,151)
Cash and cash equivalents at beginning of the period		2,739,988	2,149,154
Cash and cash equivalents at end of the period		2,329,783	2,082,003

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

For the Nine Months Period Ended December 31, 2013

(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, 2012 - as previously reported 719,350 39,953 165 3,442,000 1,218,466 5,419,934

Effect of change in accounting policy due to application of IAS 19 (Revised) note 3.1 (net of tax) - - - - (33,073) (33,073)

Balance as at April 1, 2012 - as restated 719,350 39,953 165 3,442,000 1,185,393 5,386,861

Transfer to general reserve - - - 630,000 (630,000) -

Transactions with owners

Bonus shares issued during the period in ratio of 3 shares for every 20 shares held 107,903 - - - (107,903) -

Final cash dividend for the year ended March 31, 2012 at the rate of Rs.6.50 per share - - - - (467,578) (467,578)

107,903 - - - (575,481) (467,578)

Total comprehensive income for the nine months period ended December 31, 2012 - - - - 1,185,603 1,185,603

Balance as at December 31, 2012 - as restated (unaudited) 827,253 39,953 165 4,072,000 1,165,515 6,104,886

Total comprehensive income for the three months period ended March 31, 2013 - - - - 422,201 422,201

Re-measurement of defined benefit plans (net of tax) - - - - 2,051 2,051

Balance as at March 31, 2013 - as restated 827,253 39,953 165 4,072,000 1,589,767 6,529,138

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 nine months period ended December 31, 2013 - - - - 1,433,387 1,433,387

Balance as at December 31, 2013 (unaudited) 1,034,066 39,953 165 4,702,000 1,565,901 7,342,085

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 Nine Months Period Ended December 31, 2013

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, 2013.

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, 2013 except as follows:

3.1 Initial application of a standard, amendment or interpretation to an existing standard:

The Company has applied IAS 19 - Employee benefits (revised in June 2011) which is applicable for annual periods beginning on or after January 1, 2013. In accordance with the transitional provisions as set out in IAS 19, the Company has applied the revised standard retrospectively and consequently the earliest period presented in the condensed interim statement of changes in equity and the condensed interim balance sheet have been restated.

The revised standard requires past service cost to be recognised immediately in the profit or loss and replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year. Further, a new term "re-measurements" has been introduced which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The revised standard eliminates the corridor approach and requires to recognise all re-measurement gain or loss / actuarial gain or loss in the other comprehensive income immediately as they occur.

The impacts of retrospective application of IAS 19 (Revised) are as follows:

	Trade and other payable	Deferred taxation	Equity
	-----	(Rupees in '000)	-----
Balance as March 31, 2012 as previously reported	4,810,168	576,437	5,419,934
Restatement - recognition of re-measurement loss	50,201	(17,128)	(33,073)
Restated balance as at March 31, 2012	<u>4,860,369</u>	<u>559,309</u>	<u>5,386,861</u>
Balance as March 31, 2013 as previously reported	4,587,303	696,727	6,560,160
Restatement - recognition of re-measurement loss / gain			
- For the year 2012	50,201	(17,128)	(33,073)
- For the year 2013	(3,117)	1,066	2,051
Restated balance as at March 31, 2013	<u>4,634,387</u>	<u>680,665</u>	<u>6,529,138</u>

The Company follows a consistent practice to conduct actuarial valuations annually at the year end. Hence, the impact on this and comparative condensed interim financial information are not quantifiable and are also considered immaterial.

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, 2013.

	Note	(Unaudited) December 31, 2013 (Rupees in '000)	(Audited) March 31, 2013
5. Property, Plant and Equipment			
Operating fixed assets	5.1	4,349,013	4,385,058
Capital work-in-progress		187,365	36,686
		<u>4,536,378</u>	<u>4,421,744</u>
5.1 Operating fixed assets			
Net book value at beginning of the period / year		4,385,058	3,758,282
Additions during the period / year	5.2	460,896	1,306,268
Disposals and write-off, costing Rs.67,325 thousand (March 31, 2013: Rs.167,353 thousand) - at net book value		(22,427)	(58,370)
Depreciation charge for the period / year		(474,514)	(621,122)
Net book value at end of the period / year		<u>4,349,013</u>	<u>4,385,058</u>
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		10,211	8,942
Building on leasehold land		18,360	118,967
Plant and machinery		161,903	707,681
Dies and jigs		135,747	296,430
Factory equipment		26,981	39,823
Office equipment		3,743	3,202
Computers and accessories		10,765	10,769
Furniture and fixtures		3,182	10,346
Electric and gas fittings		43,138	67,292
Vehicles		46,866	42,816
		<u>460,896</u>	<u>1,306,268</u>

(Unaudited)
December 31,
2013
(Rupees in '000)

(Audited)
March 31,
2013

6. Intangible Assets

Net book value at the beginning of the period / year	5,555	6,419
Additions during the period / year - software licenses	3,239	1,474
	<u>8,794</u>	<u>7,893</u>
Amortisation charged during the period / year	(3,052)	(2,338)
Net book value at the end of the period / year	<u>5,742</u>	<u>5,555</u>

7. Trade Deposits and Prepayments

Include prepayments of Rs. 96,146 thousand (March 31, 2013: Rs. 45,349 thousand) in respect of renewals of insurance policies, rental agreements and maintenance contracts.

(Unaudited)
December 31,
2013
(Rupees in '000)

(Audited)
March 31,
2013

8. Short Term Investments - at Fair Value through Profit or Loss

Investments in units of mutual funds:

- Related parties	2,500,586	1,056,901
- Others	608,915	578,282
	<u>3,109,501</u>	<u>1,635,183</u>

9. Share Capital

9.1 Authorised capital

150,000,000 (March 31, 2013: 100,000,000) Ordinary shares of Rs.10 each	<u>1,500,000</u>	<u>1,000,000</u>
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9.2 Issued, subscribed and paid-up capital

(Unaudited) December 31, 2013	(Audited) March 31, 2013		(Unaudited) December 31, 2013	(Audited) March 31, 2013
-----Number of shares-----			(Rupees in '000)	
6,352,748	6,352,748	Ordinary shares of Rs.10 each fully paid in cash	63,528	63,528
96,794,566	76,113,243	Ordinary shares of Rs.10 each issued as fully paid bonus shares	967,945	761,132
259,300	259,300	Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	2,593	2,593
<u>103,406,614</u>	<u>82,725,291</u>		<u>1,034,066</u>	<u>827,253</u>

9.2.1 During the period, a 25% issue of bonus share in the ratio of one bonus share for every four shares held by the shareholders was approved by members in the Annual General Meeting held on June 19, 2013 after proposal were made in the Board of Directors meeting held on April 30, 2013.

10. Deferred Taxation

As at December 31, 2013, deferred tax asset / liability on the deductible / taxable temporary differences has been recognised at the rate of 34%, 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) December 31, 2013	(Audited) March 31, 2013 Restated
	(Rupees in '000)	
11. Trade and other Payables		
Creditors	2,724,285	2,173,387
Accrued liabilities	882,621	679,023
Royalty payable	604,309	613,886
Warranty obligations	34,812	27,812
Advances from customers	677,594	613,684
Retention money	6,244	6,311
Sales tax payable	92,928	237,575
Workers' profit participation fund	105,888	118,931
Workers' welfare fund	49,829	53,687
Payable to staff retirement benefit funds - gratuity	60,783	70,687
Unclaimed dividends	33,826	23,690
Others	16,913	15,714
	<u>5,290,032</u>	<u>4,634,387</u>

12. Contingencies and Commitments

12.1 Contingencies

12.1.1 There is no change in status of the contingencies as disclosed in note 22.1 of the audited annual financial statements of the Company for the year ended March 31, 2013.

	(Unaudited) December 31, 2013	(Audited) March 31, 2013
	(Rupees in '000)	
12.1.2 Outstanding bank guarantees	<u>67,700</u>	<u>118,315</u>
12.2 Commitments		
12.2.1 Commitments in respect of:		
- capital expenditure other than letters of credit	<u>76,061</u>	<u>91,220</u>
- capital expenditure, raw materials and components through confirmed letters of credit	<u>863,061</u>	<u>1,349,083</u>

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

	(Unaudited) December 31, 2013 (Rupees in '000)	(Audited) March 31, 2013
Not later than one year	93,557	119,172
Over one to five years	51,848	43,626
	145,405	162,798

Note	(Unaudited)			
	Quarter ended		Nine months period ended	
	December 31, 2013	2012	December 31, 2013	2012
	(Rupees in '000)			

13. Cost of Sales

Finished goods at beginning of the period		336,011	220,133	250,247	264,073
Cost of goods manufactured	13.1	9,479,163	9,404,867	28,020,528	27,260,531
Purchases		606,000	502,507	1,558,563	1,526,370
		10,085,163	9,907,374	29,579,091	28,786,901
		10,421,174	10,127,507	29,829,338	29,050,974
Finished goods at end of the period		(338,897)	(355,466)	(338,897)	(355,466)
		10,082,277	9,772,041	29,490,441	28,695,508
13.1 Cost of goods manufactured					
Work-in-process at beginning of the period		47,028	42,638	6,587	11,113
Raw materials and components consumed		7,854,970	7,907,392	23,346,809	22,899,766
Factory overheads		1,624,414	1,525,847	4,714,381	4,420,662
		9,479,384	9,433,239	28,061,190	27,320,428
		9,526,412	9,475,877	28,067,777	27,331,541
Work-in-process at end of the period		(47,249)	(71,010)	(47,249)	(71,010)
		9,479,163	9,404,867	28,020,528	27,260,531

(Unaudited)			
Quarter ended		Nine months period ended	
December 31,	December 31,	December 31,	December 31,
2013	2012	2013	2012
(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	480,075	404,954	1,433,387	1,185,603
	----- (Number of shares) -----			
		Restated		Restated
Weighted average number of ordinary shares in issue during the period	103,406,614	103,406,614	103,406,614	103,406,614
	----- (Rupees) -----			
Basic and diluted earnings per share	4.64	3.92	13.86	11.47

15. Cash Generated from Operations

	Note	(Unaudited)	
		2013	2012
Nine months period ended December 31, (Rupees in '000)			
Profit before taxation		1,965,175	1,620,097
Adjustments for non-cash charges and other items:			
Depreciation of operating fixed assets		474,514	455,554
Amortisation of intangible assets		3,052	1,677
Net change in fair value of investments at fair value through profit of loss		(109,827)	(96,112)
Gain on sale of investments		(14,920)	(21,852)
Mark-up / interest on saving deposit accounts and TDRs		(121,323)	(76,330)
Workers' profit participation fund		105,888	87,091
Workers' welfare fund		40,238	33,094
Provision for compensated absences		31,131	30,863
Provision for gratuity		16,467	19,779
Loss on disposal of operating fixed assets		4,936	12,746
Working capital changes	15.1	314,143	(241,746)
		2,709,474	1,824,861

15.1 Working capital changes

Decrease / (increase) in current assets:

Stores, spares and loose tools	20,743	(35,511)
Stock-in-trade	(484,136)	(835,489)
Trade debts	163,060	290,814
Loans and advances	(989)	(35)
Trade deposits and prepayments	(54,490)	(53,460)
Other receivables	(2,359)	7,172
	(358,171)	(626,509)
Increase in trade and other payables	672,314	384,763
	314,143	(241,746)

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, 2013.

There has been no change in Company's sensitivity to these risks since March 31, 2013 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, 2013.

17. Transactions with Related Parties

17.1 Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transactions	(Unaudited) Nine months period ended December 31,	
		2013	2012
		(Rupees in '000)	
(i) Associates	Sales:		
	- goods and services	156,743	34,539
	- operating fixed assets	1,748	10,168
	Purchases:		
	- goods and services	3,880,255	3,784,487
	- operating fixed assets	29,201	17,767
	- intangible assets	3,239	-
	Sale of units in mutual funds	500,000	-
	Purchase of units in mutual funds	1,850,000	125,000
	Royalty	1,560,266	1,485,932
	Export commission	3,426	8,686
	Technical assistance fee paid	14,894	15,789
	Commission income	5,741	10,034
	Rent	74,411	68,027
	Insurance premium paid	178,824	187,607
	Insurance claims received	15,242	12,529
	Reimbursement of expenses - net	1,809	2,394
	Dividend paid	538,498	405,824
	Donation paid	22,076	8,100
			(Numbers of shares)
	Bonus shares issued	17,949,922	9,365,176
		(Rupees in '000)	
(ii) Staff retirement funds	Contributions paid to gratuity funds, provident fund / pension schemes	61,192	31,648
(iii) Key management personnel	Managerial remuneration and benefits	70,832	70,677
	Retirement benefits	3,705	3,811

(Unaudited) December 31, 2013 (Rupees in '000)	(Audited) March 31, 2013 Restated
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17.2 Period / year end balances are as follows:

Payables to related parties

Trade and other payables	146,511	583,647
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18. Corresponding Figures

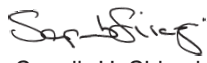
In order to comply with the requirements of International Accounting Standard (IAS) 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim balance sheet comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2013 and the 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 nine months period ended December, 31, 2012.

Corresponding figures have been re-arranged and re-classified, wherever necessary, for the purpose of comparison. For the purpose of implementation of IAS 19 - 'Employee Benefits' (Revised in June 2011), certain corresponding figures have been restated in condensed interim balance sheet and condensed interim statement of changes in equity to reflect the retrospective changes required under the standard, as summarised in note 3.1.

19. Date of Authorization for Issue

This condensed interim financial information was authorized for issue on January 27, 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