



Quarterly Report December 31,

2021

2021

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Company Information

Board of Directors

Aamir H. Shirazi
Chairman

Sanaullah Qureshi
Director

Abid Naqvi
Director

Mashmooma Zehra Majeed
Director

Susumu Morisawa
Director

Shunsuke Miyazaki
Director

Hirofumi Yada
Director

Saqib H. Shirazi
Chief Executive Officer

Marrium Ahmed
Company Secretary

Audit Committee

Abid Naqvi
Chairman

Sanaullah Qureshi
Member

Mashmooma Zehra Majeed
Member

Muhammad Asim
Head of Internal Audit

Marrium Ahmed
Secretary

Human Resource & Remuneration Committee

Abid Naqvi
Chairman

Sanaullah Qureshi
Member

Saqib H. Shirazi
Member

Muhammad Tahir Nazir
Secretary

Management

Saqib H. Shirazi
Chief Executive Officer

Afaq Ahmed
Vice President Marketing

Shunsuke Miyazaki
Vice President Technical

Hirofumi Yada
General Manager Technical

Kashif Yasin
Chief Financial Officer

Faisal Mahmud
General Manager New Model Center

Muhammad Noman Khan
General Manager Engineering & Projects

Muhammad Qadeer Khan
General Manager Plants

Muhammad Rashad Rashid
General Manager Production, Planning & Control

Muhammad Tahir Nazir
General Manager Human Resources
& Administration & Corporate Affairs

Muhammad Zafar Iqbal
General Manager After Sales

Mujahid-ul-Mulk Butt
General Manager Sales

Rashid Ahmed
General Manager Commercial & Planning

Syed Tanvir Hyder
General Manager Supply Chain & Systems

Zia Ul Hassan Khan
General Manager Quality Assurance

Company Information

Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.

Tax Advisors

EY Ford Rhodes,
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
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Bankers

Allied Bank Limited
Askari Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
Khushali Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

Registered Office

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Tel: (92-42) 37225015-17, 37233515-17
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Fax: (068) 5883414

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Fax: (022) 34113670

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

Customer Contact Centre

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Toll Free: 0800-245-22
Email: Contact.centre@atlashonda.com.pk
(Within working hours from Monday to Friday)

Chairman's Review

I am pleased to present the unaudited condensed interim financial information of the Company for the nine months ended December 31, 2021.

MACROECONOMIC OVERVIEW

The resurgence of the pandemic, owing to a new variant, has sharply augmented uncertainty around global economic prospects. Pakistan has, however, successfully managed previous waves and the Government is taking swift measures to curtail the spread of new variant. The economic recovery, which was underway since FY21, continues as reflected by most indicators of domestic demand. With the current momentum, the Country is expected to achieve the targeted GDP growth of more than 4%. On the fiscal front, revenue growth has been strong, driven by broad based and above target increase in tax collections. Revenue collection was recorded at Rs 2.92 trillion representing growth of 32.5%. The government has also recently passed the “**Finance (Supplementary) Bill**” which took more measures to increase collections through elimination of tax credits and reduction in development expenditures.

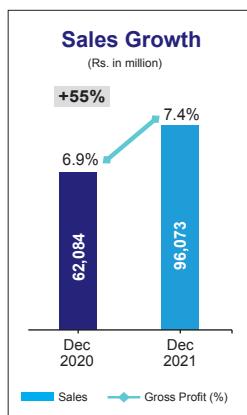
Inflation remains a key challenge as it reached 12.3%, reflecting growth in domestic demand. On the external front, persistently high commodity prices and strong domestic activity kept the current account deficit elevated at USD 9.1 billion at 6MFY22 against surplus of USD 1.9 billion in corresponding period last year. Export grew significantly by 25% to reach USD 15.1 billion. In comparison, imports climbed up by 66% to reach at USD 40.7 billion resulting in trade deficit of USD 25.5 billion, up by over 100%. The rising trade deficit was partly offset by remittances which added USD 15.8 billion for 6MFY22 - a growth of 11.3%. However, the burden of adjusting to these external pressures has largely fallen on the rupee which weakened from 158 at the start of FY22 to 176.5 at the end of December 2021. The State Bank of Pakistan increased the policy rate by 250 basis points to counter inflationary pressures and preserve growth stability.

The performance of agriculture sector is still promising. Production levels of all major kharif crops are estimated to have reached an all-time high. Agriculture credit disbursement recorded an increase of 3.9% and reached Rs 488.5 billion. Better input situation, supported by better seed availability and credit facility, is expected to make prospects of crops in Rabi season promising. In the absence of any adverse climate shock, the agriculture sector is expected to exceed the initial growth target of 3.5%. This, coupled with significant rise in global prices, is expected to yield a steady growth in farm income. As a result, demand for consumer durables should remain positive in the rural areas.

Large Scale Manufacturing (LSM) registered moderate growth of 3.6% in 4MFY22. Indicators of demand including electricity generation, cement dispatches, sales of consumer goods and petroleum products continue to depict a positive growth momentum. This is mirrored in the strength of imports and tax collection. On the other hand, energy tariff hikes, increase in raw material cost, global supply chain disruptions and gas shortages have significantly affected production costs.

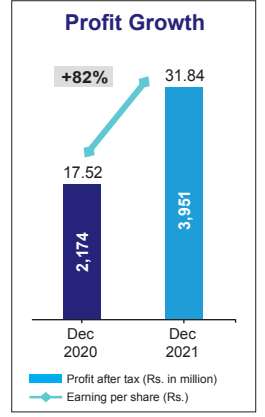
OPERATING RESULTS

The Company posted encouraging results that are in line with the set objectives. During the third quarter, the Company achieved net sales of Rs. 36.3 billion, an increase of 27.2% as compared to last year on account of growth in sales volume and better sales mix. Despite increase in sales volume, the gross profit declined to 7.0% due to global surge in material prices and the devaluation of Pak rupee against USD and JPY. Sales and marketing expense rose to Rs. 628.1 million,



an increase of 24.1% due to higher sales volume and promotional activities. Administrative expenses rose by 10.2% mainly due to effects of inflation and increase in personnel cost. Other income, net of other operating expense and financial charges, however contributed Rs. 332.5 million to the bottom line, 41.9% higher than the comparative period. Resultantly, the Company achieved profit after tax of Rs. 1,463.9 million, representing an increase of 13.6%. This translated into Earnings per Share (EPS) of Rs. 11.80 against Rs. 10.38 for the corresponding period of last year.

During the nine months period ended December 31, 2021, the Company achieved net sales of Rs. 96.1 billion, an increase of 54.7% as compared to last year. This was on account of volume growth achieved through uninterrupted business operations as compared to the Country wide lockdown during most of the first quarter of last year. As a result, the Company achieved gross profit of Rs 7.1 billion as compared to Rs. 4.3 billion of the corresponding period last year. Sales, marketing and administrative expenses increased by 29.8% from Rs. 1.8 billion to Rs. 2.3 billion due to full scale business resumption, spending on marketing campaigns and inflation. However, as a percentage of sales, selling and administrative expenses reduced from 2.9% to 2.4%. Other income, net of financial charges and other operating expenses, contributed Rs. 896.4 million to the bottom line which is 34.7% higher than the corresponding period. Resultantly, the Company achieved profit after tax of Rs. 3.95 billion, representing an increase of 81.8%. This translated into Earnings per Share (EPS) of Rs. 31.84 against Rs. 17.52 for the corresponding period of last year.



FUTURE OUTLOOK


The country has completed first half of FY 22 on a positive note reflected by decent growth prospects and improved business sentiments. However, economic indicators have started to show signs of overheating, driven by strong domestic demand and rising global commodity prices. This is likely to add pressure on Rupee parity and domestic inflation. While in the near term all these figures are likely to remain high, they are expected to gradually moderate as global commodity prices retrench. It is imperative for the Country to restart and successfully conclude the IMF's EFF program, which will help in reversing the currency sentiment. In this regard, macroeconomic stabilization measures along with structural transformations will help the economy to move onto a higher and sustainable growth trajectory. While for the long-term growth enhancement, it is important that it is driven by expansion of domestic production. If all these actions proceed smoothly, it is expected that the economic recovery and demand for two-wheelers will also continue its momentum.

سے گیسوئے تابدار کو اور بھی تابدار کر
(Let us continue to brighten the future)

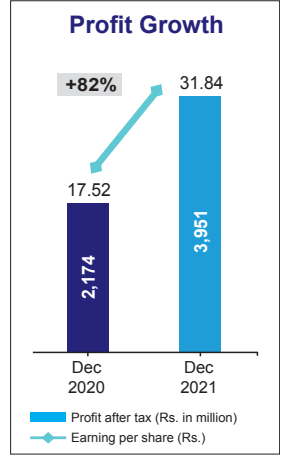
ACKNOWLEDGEMENT

The Atlas Group takes great pride in its joint venture with Honda Motor Company Limited and would like to acknowledge its continued support and cooperation in maintaining high standards of excellence. I would like to thank our valued customers for the confidence they continue to place in us, the management team for their sincere efforts, the Board of Directors for their guidance, Mr. Saquib H. Shirazi - C.E.O. for his inspiring leadership and all stakeholders - bankers, dealers, vendors, associates and shareholders for helping to build Atlas Honda Limited into a unique company.

Dated: January 28, 2022
Karachi


Aamir H. Shirazi

31 دسمبر 2021 کو ختم ہونے والی نو ماہی کے دوران، کمپنی نے 96.1 بلین روپے کی نیٹ سٹیز حاصل کیں جو کہ گزشتہ سال کے مقابلے میں 54.7 فیصد سے زیادہ ہیں۔ یہ گزشتہ سال کی پہلی سہ ماہی کے دوران ملک بھر میں لاک ڈاؤن کے مقابلے میں بلا تعطل کاروباری سرگرمیوں کے ذریعے حاصل کردہ حجم میں اضافے کی وجہ سے تھا۔ نتیجتاً کمپنی نے 7.1 بلین روپے کا مجموعی منافع حاصل کیا جو گزشتہ سال کے مقابلے میں اس مدت کے دوران 4.3 بلین روپے تھا۔ سٹیز، مارکنگ اور انتظامی اخراجات 29.8 فیصد کے اضافے کے ساتھ 1.8 بلین روپے سے 2.3 بلین روپے رہے جس کی وجہ بڑے پیمانے پر کاروباری بحالی، مارکنگ مہم پر اخراجات اور افراط زر ہے۔ تاہم سٹیز اور انتظامی اخراجات 2.9 فیصد سے کم ہو کر 2.4 فیصد ہو گئے ہیں۔ دیگر آمدنی، تمام فنڈنگ چارجز اور دیگر آپریٹنگ اخراجات میں 896.4 ملین روپے کی شراکت داری کی، جو گزشتہ سال کی اس مدت کے مقابلے میں 34.7 فیصد زیادہ ہے۔ نتیجتاً کمپنی نے بعد از ٹیکس 3.95 بلین روپے کا منافع حاصل کیا جو کہ 81.8 فیصد کے اضافے کو ظاہر کرتا ہے۔ جس سے آمدنی فی حصص 31.84 روپے رہی جو کہ گزشتہ سال کی اسی مدت کے دوران 17.52 روپے تھی۔



مستقبل کے خدو خال

ملک نے مالی سال 2022 کی پہلی ششماہی کو ایک مثبت طور پر مکمل کیا ہے جو مناسب نمو کے امکانات اور بہتر کاروباری جذبات کی ترجمانی کرتا ہے۔ تاہم معاشی اشاریوں نے بڑھتی ہوئی سطح کے آثار دکھانا شروع کر دیے ہیں جو کہ ملکی طلب اور بڑھتی ہوئی عالمی اشیاء کی قیمتوں کی وجہ سے ہے۔ اس سے روپے کی برابری اور ملک میں افراط زر پر دباؤ بڑھنے کا امکان ہے جبکہ مستقبل قریب میں یہ تمام اعداد و شمار بڑھیں گے۔ توقع ہے کہ عالمی اشیاء کی قیمتوں میں کمی کے بعد ان میں بھی بتدریج کمی ہوگی۔ ملک کے لیے ضروری ہے کہ وہ IMF کے EFF پروگرام کا دوبارہ آغاز کرے اور اسے کامیابی سے ہمکنار کرے، جس سے روپے کی قدر کو پھر سے مستحکم کرنے میں مدد ملے گی۔ اس سلسلے میں میکرو واکاؤنک اسٹیبلزیشن کے ساختی ڈھانچے میں تبدیلی کے اقدامات سے معیشت کو ترقی کی راہ پر گامزن کرنے میں مدد ملے گی۔ جبکہ طویل المدتی نمو کو بڑھانے کے لیے یہ ضروری ہے کہ اسے ملکی پیداوار کی توسیع کے ذریعے چلایا جائے۔ اگر یہ تمام اقدامات اسی طرح چلتے رہے تو امید ہے کہ معاشی بحالی اور ٹو ہیلرز کی مانگ میں اضافہ ہوگا۔

سے گیسوئے تابدار کو اور بھی تابدار کر
(Let us continue to brighten the future)

اظہار تشکر

دی ٹلس گروپ ہنڈاموٹر کمپنی سے اپنی شراکت داری پر فخر محسوس کرتا ہے اور اپنے ممتاز حیثیت کے اعلیٰ معیارات کو برقرار رکھنے میں ان کے مسلسل تعاون کا معترف ہے۔ میں اپنے کسٹمرز کے ہم پر اعتماد، ہماری انتظامی ٹیم کی مخلصانہ کوششوں، بورڈ آف ڈائریکٹرز کی رہنمائی اور سی ای او جناب ثاقب ایچ شیرازی کو ان کی پراثر لیڈرشپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، ویڈرز، ایسوسی ایٹس اور شیئر ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے ٹلس ہنڈاموٹر کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

AGT

عامر ایچ شیرازی

بتاریخ: 28 جنوری 2022

کراچی

چیسر میں کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2021 کو ختم ہونے والی نو ماہی کے لیے کمپنی کے فیئر پڑتال شدہ عبوری مالیاتی معلومات پیش کر رہے ہیں۔

مانیجر واکا نوک کا جائزہ

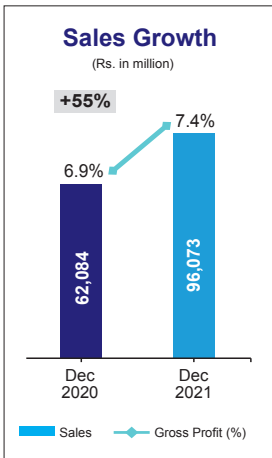
وبائی امراض نے ایک بار پھر سر اٹھایا ہے اور اس کے نئے ویرینٹ کے باعث عالمی اقتصادی امکانات کے گرد غیر یقینی صورتحال میں تیزی سے اضافہ ہوا ہے تاہم پاکستان نے اس عالمی وبا کی پھیلی لہروں کا کامیابی سے مقابلہ کیا اور اب حکومت اس نئی ویرینٹ کے پھیلاؤ کو روکنے کے لیے تیزی سے اقدامات کر رہی ہے۔ معاشی بحالی، جو کہ 2021 سے جاری تھی ملکی طلب سے ظاہر ہوتا ہے کہ اب تک جاری ہے۔ موجودہ رفتار کے ساتھ توقع ہے کہ ملک 4 فیصد سے زیادہ مجموعی ملکی پیداوار حاصل کر لے گا۔ مالیاتی محاذ پر محصولات کی نمو مضبوط رہی جس کی وجہ ٹیکس وصولیوں کے اہداف میں وسیع بنیادوں پر اضافہ ہوا ہے۔ محصولات کی وصولی 2.92 ٹریلین روپے ریکارڈ کی گئی جو 32.5 فیصد کی نمو کو ظاہر کرتی ہے۔ حکومت نے حال ہی میں ’’فنانسنگ (ضمنی) بل‘‘ بھی منظور کیا ہے جس نے ٹیکس کریڈٹس کے خاتمے اور ترقیاتی اخراجات میں کمی کے ذریعے وصولیوں کو بڑھانے کے لیے مزید اقدامات کیے ہیں۔

افراط زر ایک کلیدی چیلنج ہے جو 12.3 فیصد پر پہنچ کر ملکی طلب میں اضافے کو ظاہر کر رہا ہے۔ بیرونی لحاظ پر ایشیا کی مسلسل بڑھتی ہوئی قیمتوں اور ملکی سرگرمیوں نے کرنٹ اکاؤنٹ خسارے کو جون 2022 MFY پر 9.1 بلین امریکی ڈالر بڑھا دیا ہے جو گزشتہ سال کی اس مدت کے دوران سربس 1.9 بلین امریکی ڈالر تھا۔ برآمدات میں 25 فیصد نمایاں اضافہ ہوا ہے جو 15.1 بلین امریکی ڈالر تک پہنچ گیا ہے۔ اس کے مقابلے میں درآمدات 66 فیصد اضافے کے ساتھ 40.7 بلین امریکی ڈالر رہی جس کے نتیجے میں تجارتی خسارہ 100 فیصد سے زیادہ بڑھ کر 25.5 بلین امریکی ڈالر پہنچ گیا ہے۔ بڑھتا ہوا تجارتی خسارہ جزوی طور پر ترسیلات زر سے پورا ہوا جس نے جون 2022 MFY کے لیے 15.8 بلین امریکی ڈالر کا اضافہ کیا ہے جو کہ 11.3 فیصد ہے۔ تاہم ان بیرونی دباؤ کا بوجھ بڑی حد تک روپے پر پڑا ہے جو مالی سال 2022 کے آغاز میں گھٹ کر 158 پر پہنچ گیا ہے جبکہ دسمبر 2021 کے آخر میں یہ 176.5 پر تھا۔ اسٹیٹ بینک آف پاکستان نے افراط زر کا مقابلہ اور ترقی کے استحکام کو برقرار رکھنے کے لئے پالیسی ریٹ میں 250 پوائنٹس کا اضافہ کیا ہے۔

پاکستان کے زرعی شعبے کا کردگی اب بھی امید افزا ہے۔ خرید کی تمام بڑی فصلوں کی پیداوار اب تک کی بلند ترین سطح پر پہنچنے کا امکان ہے۔ زرعی قرضوں کی تقسیم میں 3.9 فیصد کا اضافہ ریکارڈ کیا گیا جو 488.5 بلین روپے ہے۔ سازگار ماحول کے ساتھ بہتر بیجوں کی دستیابی اور قرضوں کی سہولت سے بیج کے موسم میں فصلوں کے امکانات امید افزا ہیں۔ اگر موسمیاتی خرابی نہ ہو تو توقع ہے کہ زرعی شعبہ میں ابتدائی نمونہ کا ہدف 3.5 فیصد سے زیادہ ہوگا۔ یہ عالمی قیمتوں میں نمایاں اضافے کے ساتھ ساتھ زرعی آمدنی میں مسلسل اضافہ کرے گا۔ نتیجتاً دیہی علاقوں میں صارفین کی مانگ مثبت رہتی ہے۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) نے اپریل 2022 MFY میں مناسب نمو 3.6 فیصد درج کی ہے۔ طلب کے اشاریوں بشمول بجلی کی پیداوار، سیمنٹ کی ترسیل، اشیائے خورد و نوش اور پیٹرولیم مصنوعات کی فروخت مثبت ترقی کی رفتار کو ظاہر کر رہی ہے۔ جو درآمدات اور ٹیکس وصولیوں سے ظاہر ہوتا ہے۔ دوسری جانب توانائی کے زرخوں میں اضافہ، خام مال کی قیمت میں اضافہ، عالمی سپلائی چین میں رکاوٹ اور گیس کی قلت نے پیداواری کی لاگت کو نمایاں طور پر متاثر کیا ہے۔

آپریٹنگ نتائج



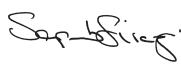
کمپنی نے حوصلہ افزا نتائج شائع کیے جو طے شدہ مقاصد کے مطابق ہیں۔ تیسری سہ ماہی کے دوران کمپنی نے 36.3 بلین روپے کی نیٹ میگز حاصل کی جو کہ گزشتہ سال کے مقابلے میں 27.2 فیصد زیادہ ہے۔ فروخت کے حجم میں اضافے اور بہتر تناسب کے باوجود، عالمی سطح پر مصنوعات کی قیمتوں میں اضافہ اور امریکی ڈالر اور جاپانی ین کے مقابلے میں پاکستانی روپے کی قدر میں کمی کے باعث گراس پرافٹ 7.0 فیصد رہا۔ فروخت کے حجم اور پرموشنل سرگرمیوں کے باعث سبز اور مارکنگ کے اخراجات 628.1 بلین روپے رہے جس میں 24.1 فیصد کا اضافہ ہوا۔ انتظامی اخراجات میں 10.2 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ افراط زر اور افرادی قوت میں اضافہ ہے۔ دیگر آمدنی، آپریٹنگ اخراجات اور مالیاتی چارجز میں 332.5 بلین روپے کی شراکت داری کی جو کہ گزشتہ سال کی اس مدت کے مقابلے میں 41.9 فیصد سے زیادہ ہے۔ نتیجتاً، کمپنی نے بعد از ٹیکس 1,463.9 بلین روپے منافع حاصل کیا جو 13.6 فیصد سے زائد ہے۔ جس سے آمدنی فی حصص 11.80 روپے رہی جو کہ گزشتہ سال کی اس مدت کے دوران 10.38 روپے تھی۔

Condensed Interim Statement of Financial Position (Unaudited) As at December 31, 2021

		(Unaudited) December 31, 2021	(Audited) March 31, 2021
	Note	----- (Rupees in '000) -----	
ASSETS			
Non current assets			
Property, plant and equipment	5	10,075,517	9,788,162
Intangible assets		68,464	101,813
Long term investments	6	343,373	329,669
Long term loans and advances		58,613	48,253
Long term deposits		12,927	12,071
		<u>10,558,894</u>	<u>10,279,968</u>
Current assets			
Stores, spares and loose tools		847,455	647,035
Stock-in-trade	7	7,054,227	4,026,612
Trade debts		1,987,579	1,501,925
Loans and advances		55,083	47,429
Trade deposits and prepayments	8	1,896,229	1,388,594
Sales tax receivable - net		329,300	-
Accrued mark-up / interest		13,264	14,657
Other receivables		7,091	1,754
Taxation - net		224,654	770,419
Short term investments	9	12,672,310	10,063,915
Cash and bank balances		9,252,597	14,288,180
		<u>34,339,789</u>	<u>32,750,520</u>
		<u>44,898,683</u>	<u>43,030,488</u>
EQUITY AND LIABILITIES			
Equity			
Authorized capital			
150,000,000 (March 31, 2021: 150,000,000)			
ordinary shares of Rs.10 each		1,500,000	1,500,000
Issued, subscribed and paid-up capital			
124,087,935 (March 31, 2021: 124,087,935)			
ordinary shares of Rs.10 each		1,240,879	1,240,879
Reserves		18,176,352	17,389,648
		<u>19,417,231</u>	<u>18,630,527</u>
Liabilities			
Non current liabilities			
Lease liabilities		142,567	168,616
Long term borrowings		-	187,382
Deferred income - government grant		-	3,525
Staff retirement benefits		441,544	393,569
Deferred taxation		543,180	528,062
		<u>1,127,291</u>	<u>1,281,154</u>
Current liabilities			
Trade and other payables	10	23,426,852	22,723,173
Dividend payable		540,012	-
Unclaimed dividend		108,352	108,352
Accrued mark-up		973	1,079
Current portion of lease liabilities		27,972	39,610
Current portion of long term borrowings		238,433	226,135
Current portion of deferred income - government grant		11,567	20,458
		<u>24,354,161</u>	<u>23,118,807</u>
		<u>25,481,452</u>	<u>24,399,961</u>
Contingencies and commitments	11	<u>44,898,683</u>	<u>43,030,488</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Amir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer


Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

For the Nine Months Period Ended December 31, 2021

	Note	Quarter ended		Nine months period ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
----- (Rupees in '000) -----					
Sales - net		36,263,281	28,510,278	96,072,968	62,084,118
Cost of sales	12	(33,712,890)	(26,224,547)	(89,001,062)	(57,809,532)
Gross profit		2,550,391	2,285,731	7,071,906	4,274,586
Sales and marketing expenses		(628,054)	(506,981)	(1,746,232)	(1,281,592)
Administrative expenses		(183,081)	(166,123)	(577,860)	(508,382)
Other income		492,314	373,493	1,357,498	969,368
Other operating expenses		(154,419)	(139,196)	(439,373)	(270,889)
Share of net profit of an Associate		5,115	9,787	16,743	4,268
Operating profit		2,082,266	1,856,711	5,682,682	3,187,359
Finance cost		(10,485)	(9,913)	(38,472)	(37,253)
Profit before taxation		2,071,781	1,846,798	5,644,210	3,150,106
Taxation		(607,887)	(558,573)	(1,693,263)	(976,500)
Profit for the period		1,463,894	1,288,225	3,950,947	2,173,606
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		1,463,894	1,288,225	3,950,947	2,173,606
----- (Rupees) -----					
Earnings per share					
- basic and diluted	13	11.80	10.38	31.84	17.52

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Amir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer

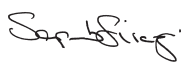
Condensed Interim Statement of Changes in Equity (Unaudited)

For the Nine Months Period Ended December 31, 2021

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Gain on sale of land	General reserve	Unappropriated profit	
----- (Rupees in '000) -----						
Balance as at April 1, 2020 (Audited)	1,240,879	39,953	165	9,492,000	5,807,411	16,580,408
Transaction with owners, recognised directly in equity						
Final dividend for the year ended March 31, 2020 at the rate of Rs.8.5 per share	-	-	-	-	(1,054,747)	(1,054,747)
Interim dividend for the half year ended September 30, 2020 at the rate of Rs.4.0 per share	-	-	-	-	(496,352)	(496,352)
Total comprehensive income for the nine months period ended December 31, 2020						
Profit for the period	-	-	-	-	2,173,606	2,173,606
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	2,173,606	2,173,606
Balance as at December 31, 2020 (Unaudited)	1,240,879	39,953	165	9,492,000	6,429,918	17,202,91
Total comprehensive income for three months period ended March 31, 2021						
Profit for the period	-	-	-	-	1,421,192	1,421,192
Other comprehensive income	-	-	-	-	6,420	6,420
	-	-	-	-	1,427,612	1,427,612
Balance as at March 31, 2021 (Audited)	1,240,879	39,953	165	9,492,000	7,857,530	18,630,527
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2021 at the rate of Rs.13.5 per share	-	-	-	-	(1,675,187)	(1,675,187)
Interim dividend for the half year ended September 30, 2021 at the rate of Rs.12.0 per share	-	-	-	-	(1,489,056)	(1,489,056)
Total comprehensive income for the nine months period ended December 31, 2021						
Profit for the period	-	-	-	-	3,950,947	3,950,947
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	3,950,947	3,950,947
Balance as at December 31, 2021 (Unaudited)	1,240,879	39,953	165	9,492,000	8,644,234	19,417,231

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.


Amir H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer


Kashif Yasin
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited)

For the Nine Months Period Ended December 31, 2021

	Note	Nine months period ended December 31,	
		2021	2020
		----- (Rupees in '000) -----	
Cash Flows from Operating Activities			
Cash generated from operations	14	1,946,510	9,231,410
Interest paid		(2,802)	-
Income taxes paid		(1,132,380)	(729,299)
Compensated absences paid		(27,262)	(6,062)
Mark-up / interest received		709,699	546,105
Workers' profit participation fund paid		(275,710)	(238,371)
Workers' welfare fund paid		(83,779)	(79,960)
Long term loans and advances - net		(10,360)	(6,519)
Long term deposits - net		(856)	(801)
Net cash generated from operating activities		1,123,060	8,716,503
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(1,275,982)	(833,182)
Proceeds from sale of property, plant and equipment		75,695	42,466
Payments for intangible assets		(6,155)	(13,488)
Payments for investments		(4,136,715)	(2,825,675)
Proceeds from sale of investments		2,047,513	1,755,789
Dividend received		3,039	277,575
Net cash used in investing activities		(3,292,605)	(1,596,515)
Cash Flows from Financing Activities			
Lease rentals paid		(54,307)	(49,538)
Long term loan (paid) / received		(187,500)	500,000
Dividend paid		(2,624,231)	(1,269,935)
Net cash used in financing activities		(2,866,038)	(819,473)
Net (decrease) / increase in cash and cash equivalents		(5,035,583)	6,300,515
Cash and cash equivalents at beginning of the period		14,288,180	6,308,616
Cash and cash equivalents at end of the period		9,252,597	12,609,131

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.



Amir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer



Kashif Yasin
Chief Financial Officer

Notes to the Condensed Interim Financial Statements (Unaudited) For the Nine Months Period Ended December 31, 2021

1. THE COMPANY AND ITS ACTIVITIES

1.1 Atlas Honda Limited (the Company) is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 52.43% (March 31, 2021: 52.43%) of issued, subscribed and paid-up capital of the Company.

1.2 Impact of Covid 19 on condensed interim financial statements

The coronavirus outbreak situation is evolving in the country. However, the management of the Company has evaluated and concluded that there are no material implications of COVID 19 that require specific disclosures in these condensed interim financial statements.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, 'Interim Financial Reporting', issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as notified under the Companies Act, 2017; and
- Provision of and directives issued under the Companies Act, 2017.

Where the provision of and directives issues under the Companies Act, 2017 differ with the requirements of IAS 34 or IFAS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

3. ACCOUNTING POLICIES

3.1 The significant accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended March 31, 2021.

3.2 Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected annual profit or loss.

3.3 The Company follows the practice of conducting actuarial valuations annually at the year end. Hence, the impact of remeasurement of post-employment benefit plans has not been incorporated in the condensed interim financial information.

3.4 Application of new standards, amendments and interpretations to the published approved accounting and reporting standards

New accounting standards / amendments and IFRS interpretations that are effective for the year ending March 31, 2021.

The following standards, amendments and interpretation are effective for the year ending March 31, 2022. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements:

**Effective from accounting periods
beginning on or after:**

Amendment to IFRS 16 'Leases' -Covid-19
related rent concessions

June 01, 2020

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements is in conformity with the approved accounting standards requires the use of certain critical accounting estimates. 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 the expectation of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

During the preparation of these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended March 31, 2021.

5. PROPERTY, PLANT AND EQUIPMENT

		(Unaudited) December 31, 2021	(Audited) March 31, 2021
	Note	----- (Rupees in '000) -----	
Operating fixed assets	5.1	9,532,972	9,556,536
Capital work-in-progress		392,032	46,606
Right of use assets		150,513	185,020
		<u>10,075,517</u>	<u>9,788,162</u>
5.1 Operating fixed assets			
Book value at beginning of the period / year		9,556,536	9,748,903
Additions during the period / year		930,556	1,094,827
Disposals costing Rs.329,778 thousand (March 31, 2021: Rs.294,642 thousand) - at book value		(92,731)	(84,690)
Written-off costing Rs. Nil (March 31, 2021: Rs.69,108 thousand) - at book value		-	(30,235)
Depreciation charge for the period / year		(861,389)	(1,172,269)
Book value at end of the period / year		<u>9,532,972</u>	<u>9,556,536</u>

6. LONG TERM INVESTMENTS

Unquoted

Associate - equity accounted investment	6.1	343,373	329,669
Others - available for sale	6.2	-	-
		<u>343,373</u>	<u>329,669</u>
6.1 Equity accounted investment - Atlas Hitec (Private) Limited			
Balance at beginning of the period / year		329,669	322,240
Share of profit for the period / year - net of tax		16,743	9,329
Dividend received during the period / year		(3,039)	(1,900)
Balance at end of the period / year		<u>343,373</u>	<u>329,669</u>

6.1.1 The value of investment in an Associate is based on unaudited condensed interim financial statements of the investee company as at December 31, 2021.

- 6.1.2 Investment in Atlas Hitec (Private) Limited (AHTL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (March 31, 2021 : 29.23%) of its issued, subscribed and paid up capital as at December 31, 2021.

	(Unaudited) December 31, 2021	(Audited) March 31, 2021
	----- (Rupees in '000) -----	
6.2 Others - available for sale		
Arabian Sea Country Club Limited		
200,000 (March 31, 2021: 200,000) ordinary shares of Rs.10 each - cost	2,000	2,000
Less: Impairment in the value of investment	2,000	2,000
	-	-
Automotive Testing & Training Centre (Private) Limited		
50,000 (March 31, 2021: 50,000) ordinary shares of Rs.10 each - cost	500	500
Less: Impairment in the value of investment	500	500
	-	-
	-	-
7. STOCK-IN-TRADE		
Raw material and components	5,597,198	3,036,891
Work in process	33,002	-
Finished goods	996,667	629,827
Items in transit	499,872	431,244
Less: Provision for slowing moving items	(72,512)	(71,350)
	<u>7,054,227</u>	<u>4,026,612</u>
8.		
Includes margin against letter of credit aggregating Rs.1,690,322 thousand (March 31, 2021: Rs. 1,295,286 thousand).		
	(Unaudited) December 31, 2021	(Audited) March 31, 2021
	----- (Rupees in '000) -----	
9. SHORT TERM INVESTMENTS		
- At fair value through profit or loss		
Investments in units of mutual funds:		
- Related parties	11,913,795	9,341,068
- Others	758,515	722,847
	<u>12,672,310</u>	<u>10,063,915</u>
10.		
Includes contract liabilities - advances from customers aggregating Rs.10,779,344 thousand (March 31, 2021: Rs.10,432,420 thousand).		

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 There is no change in status of the contingencies as disclosed in note 26.1.1 of the audited annual financial statements of the Company for the year ended March 31, 2021.

	(Unaudited) December 31, 2021	(Audited) March 31, 2021
	---- (Rupees in '000) ----	
11.1.2 Guarantees issued by banks on behalf of the Company	1,439,264	1,276,706
11.2 Commitments		
11.2.1 Commitments in respect of:		
- capital expenditure, raw materials and components through confirmed letters of credit	2,771,159	2,209,653
- capital expenditure other than through letters of credit	99,933	61,164

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

	(Unaudited) December 31, 2021	(Audited) March 31, 2021
	----- (Rupees in '000) -----	
Not later than one year	227,852	137,848
Later than one year and not later than five years	715,925	247,502
More than five years	370,745	93,134
	1,314,522	478,484

11.2.2.1 Ijarah facilities include Rs.1,000,000 thousand under Islamic Temporary Economic Relief Facility (ITERF). As at December 31, 2021, Rs. 639 million has been utilised from ITERF Facility.

12. COST OF SALES

	(Unaudited)			
	Quarter ended December 31,		Nine months period ended 'December 31,	
	2021	2020	2021	2020
Note	----- (Rupees in '000) -----			
Opening stock of finished goods	894,547	616,534	629,827	864,308
Cost of goods manufactured	31,312,794	24,374,913	82,764,966	53,467,901
Purchases during the period	2,502,216	1,848,530	6,602,936	4,092,753
	33,815,010	26,223,443	89,367,902	57,560,654
	34,709,557	26,839,977	89,997,729	58,424,962
Closing stock of finished goods	(996,667)	(615,430)	(996,667)	(615,430)
	33,712,890	26,224,547	89,001,062	57,809,532

(Unaudited)			
Quarter ended December 31,		Nine months period ended 'December 31,	
2021	2020	2021	2020
----- (Rupees in '000) -----			

12.1 Cost of goods manufactured

Opening stock of work-in-process	741	50,687	-	10,245
Raw materials and components consumed	27,096,570	21,115,850	70,996,723	45,373,842
Factory overheads	4,248,485	3,270,464	11,801,245	8,145,902
	<u>31,345,055</u>	<u>24,386,314</u>	<u>82,797,968</u>	<u>53,519,744</u>
	31,345,796	24,437,001	82,797,968	53,529,989
Closing stock of work-in-process	(33,002)	(62,088)	(33,002)	(62,088)
	<u>31,312,794</u>	<u>24,374,913</u>	<u>82,764,966</u>	<u>53,467,901</u>

13. EARNINGS PER SHARE

- basic and diluted

(Unaudited)			
Quarter ended December 31,		Nine months period ended 'December 31,	
2021	2020	2021	2020
----- (Rupees in '000) -----			

Profit for the period	1,463,894	1,288,225	3,950,947	2,173,606
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----- (Number of shares) -----

Weighted average number of ordinary shares in issue during the period	124,087,93	124,087,93	124,087,93	124,087,93
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----- (Rupees in '000) -----

Basic earning per share	11.80	10.38	31.84	17.52
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13.1 There is no dilutive effect on the basic earnings per share of the Company.

14. CASH GENERATED FROM OPERATIONS

(Unaudited)
Nine months period ended
December 31,

Note	2021	2020
----- (Rupees in '000) -----		
Profit before taxation	5,644,210	3,150,106
Adjustments for:		
Depreciation	895,896	917,290
Amortization	39,504	35,568
Provision for compensated absences	75,237	58,241
Provision for gratuity	(9,352)	27,437
Mark-up / interest on savings deposit accounts and term deposit receipts	(708,306)	(550,924)
Gain on sale of investments at fair value through profit or loss	(9,250)	(8,729)
Fair value gain on investments at fair value through profit or loss	(12,140)	(83,160)
Dividend income	(497,804)	(275,675)
Workers' profit participation fund	303,126	169,179
Workers' welfare fund	115,188	64,288
Loss on disposal and write-off of operating fixed assets	17,036	32,831
Share of net profit of an Associate	(16,743)	(4,268)
Interest on lease liabilities	16,620	19,668
Interest on long term loan	2,696	-
Changes in working capital	14.1 (3,909,408)	5,679,558
	<u>1,946,510</u>	<u>9,231,410</u>

(Unaudited)
Nine months period ended
December 31,
2021 **2020**
----- (Rupees in '000) -----

14.1 Changes in working capital

(Increase) / decrease in current assets:

- Stores, spares and loose tools	(200,420)	(27,019)
- Stock-in-trade	(3,027,615)	588,926
- Trade debts	(485,654)	(812,498)
- Loans and advances	(7,654)	(2,698)
- Trade deposits and prepayments	(507,635)	(441,565)
- Other receivables	(334,637)	326,823
	(4,563,615)	(368,031)
Increase in trade and other payables	654,207	6,047,589
	<u>(3,909,408)</u>	<u>5,679,558</u>

15. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

15.1 Financial risk factors

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

There have been no significant changes in the risk management policies since the year end.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Company's audited annual financial statements for the year ended March 31, 2021.

15.2 Fair value measurement of financial instruments

The carrying values of all financial assets and liabilities reflected in the financial information are a reasonable approximation of their fair values.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities [Level 1].
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) [Level 2].
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) [Level 3].

	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Assets - Recurring fair value measurement				
Financial assets at fair value through profit or loss				
December 31, 2021				
Short term investments	<u>12,672,310</u>	<u>-</u>	<u>-</u>	<u>12,672,310</u>
March 31, 2021				
Short term investments	<u>10,063,915</u>	<u>-</u>	<u>-</u>	<u>10,063,915</u>

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

16. TRANSACTIONS WITH RELATED PARTIES**(Unaudited)**
Nine months period ended
December 31,**2021** **2020****---- (Rupees in '000) ----****16.1 Significant transactions with related parties are as follows:****The Holding Company**

Sales of:

- goods and services	1,771	1,211
- operating fixed assets	3,151	3,466

Purchases of:

- goods and services	9,302	12,074
- operating fixed assets	286,433	287,400

Rent paid

20,555 70,054

Dividend paid

1,659,153 813,310

Reimbursement of expenses - net

81 -

Associated companies

Sales of:

- goods and services	1,414,576	976,335
- operating fixed assets	9,904	7,008

Purchases of:

- goods and services	23,970,598	16,672,123
- operating fixed assets	193,860	91,066

Sale of units in mutual funds

1,039,510 1,200,000

Purchase of units in mutual funds

3,136,714 2,000,000

Royalty paid

4,321,028 2,481,709

Technical assistance fee paid

18,790 35,569

Commission income received

588 30

Lease rental paid

27,647 25,548

Insurance premium paid

459,840 339,336

Insurance claims received

19,474 4,343

Reimbursement of expenses - net

21,963 14,199

Dividend paid

676,026 413,138

Dividend received

463,760 281,237

Donation paid

51,524 64,118

Other related parties

Contributions paid to gratuity funds,

provident funds / pension schemes

76,423 64,351

Key Management Personnel

- salaries and other employment benefits

148,572 137,009

- sale of assets under company policy

8,853 2,654

		(Unaudited)	(Audited)
		December 31,	March 31,
		2021	2021
		----- (Rupees in '000) -----	
16.2	Period / year end balances are as follows:		
	Receivables from related parties		
	Long term loans	7,935	3,893
	Trade deposits and prepayments	134,880	59,734
	Payable to related parties		
	Trade and other payables	1,921,802	1,512,947
	Staff retirement benefits	45,062	47,653
	Dividend payable	521,169	-
	Lease liabilities	51,526	73,049

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

17. CORRESPONDING FIGURES

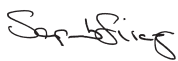
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2021 and the corresponding figures in the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the nine months period ended December 31, 2020.

18. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on January 28, 2022 by the Board of Directors of the Company.



Amir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer



Kashif Yasin
Chief Financial Officer

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