



Half Yearly Report September 30,

2022

2022

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Company Information

Board of Directors

Aamir H. Shirazi
Chairman

Sanallah Qureshi
Director

Abid Naqvi
Director

Mashmooma Zehra Majeed
Director

Susumu Morisawa
Director

Shunsuke Miyazaki
Director

Kazushi Yamanaka
Director

Saqib H. Shirazi
Chief Executive Officer

Maheen Fatima
Company Secretary

Audit Committee

Abid Naqvi
Chairman

Sanallah Qureshi
Member

Mashmooma Zehra Majeed
Member

Muhammad Asim
Head of Internal Audit

Maheen Fatima
Secretary

Human Resource & Remuneration Committee

Abid Naqvi
Chairman

Sanallah Qureshi
Member

Saqib H. Shirazi
Member

Tahir Nazir
Secretary

Management

Saqib H. Shirazi
Chief Executive Officer

Afaq Ahmed
Vice President Marketing

Shunsuke Miyazaki
Vice President Technical

Kazushi Yamanaka
General Manager Technical

Kashif Yasin
Chief Financial Officer

Faisal Mahmud
General Manager New Model Center

Hassan Mushtaq Cheema
General Manager Production, Planning & Control

Muhammad Ammar
General Manager Engineering & Projects

Muhammad Rashad Rashid
General Manager Quality Assurance

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

Tahir Nazir
General Manager Human Resources & Administration

Zia Ul Hassan Khan
General Manager Plants

Company Information

Auditor

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisor

Mohsin Tayebaly & Co.

Tax Advisor

EY Ford Rhodes,
Chartered Accountants

Shares Registrar

Hameed Majeed Associates (Pvt.) Limited
H. M. House, 7-Bank Square,
Shahrah-e-Quaid-e-Azam, Lahore
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Fax: (92-42) 37358817

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

1-McLeod Road, Lahore-54000
Tel: (92-42) 37225015-17, 37233515-17
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E-mail: ahl@atlas.com.pk
Website: www.atlashonda.com.pk

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UAN: (92-21) 111-111-245
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Fax: (92-21) 32563758

26-27 KM, Lahore-Sheikhupura Road,
Sheikhupura-39321
Tel: (92-56) 3406501-8
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Azmat Wasti Road, Multan
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(92-61) 111-112-411
Fax: (92-61) 4541690

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Plot No. 784/785, Golra Road, Islamabad
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Fax: (022) 34113670

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1st Floor, 28-Mozang Road, Lahore
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Showroom

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Tel : (92-21) 32720833, 32727607

Customer Contact Centre

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(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 half year ended September 30, 2022.

MACROECONOMIC OVERVIEW

During the quarter, the Country's economic situation remained fragile. Concerns on the economic front continued to persist on the back of rising inflation and a challenging external outlook. The situation is further affected by recent flooding, which has caused significant damage. This has led the Government to revisit GDP target downward to 2%. On the other hand, the resumption of the IMF program came as a positive development and provided breathing space to the economy.

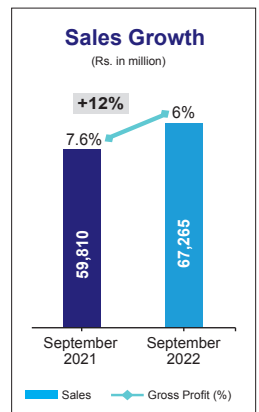
On the external front, the current account recorded a deficit of USD 1.9 Billion for 2M FY23, a decline of 19% over the corresponding period of last year. Balance of trade recorded a deficit of USD 9.2 billion for Q1 FY23, down by 21%. The improvement was majorly driven through reduction in the import bill of 12.7% on account of various measures taken by the Government. Home remittances provided the much needed support and held up well at USD 7.7 billion. However, as of September 2022, the State Bank of Pakistan's (SBP) foreign exchange reserves were reduced to alarmingly low levels of USD 7.9 billion compared to last year's USD 19.3 billion. Reflecting the increasing pressures on external account along with external debt servicing, PKR depreciated by more than 29.3% since January 2022. The net revenue collection increased to Rs. 1,635 billion, up by 27% as compared to same period last year. Inflation is rising and was recorded at 23.2% in September 2022, mainly driven by exchange rate pass through to domestic prices, upward revisions in domestic energy, fuel and food prices. Resultantly, the SBP in its recent monetary policy meeting held on October 10, 2022, maintained the benchmark interest rate at higher level of 15.0%

The agriculture sector is projected to contract for the first time in more than two decades. The torrential monsoon rains and flash floods have damaged an estimated 8.3 million acres of cultivated crops. This has caused substantial damage to the standing cotton, rice and sugar cane harvest. Considering the agricultural damage, the Country may have to resort towards import of cotton to meet domestic requirements. Resultantly, consumption saw an overall slowdown in the rural areas.

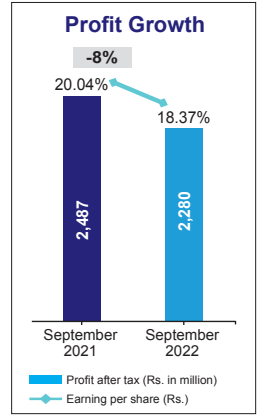
The LSM output contracted by 1.4% in 2M FY23 largely driven by broad based deterioration in domestically oriented sectors. Most demand indicators including sales of cement, POL and automobiles reflected downward trend. The spill-over effects of flood related damages, monetary tightening and higher input cost call for better coordinated actions to ensure sustained growth in this segment.

OPERATING RESULTS

During the half year ended September 30, 2022, the Company achieved net sales of Rs. 67.2 billion, an increase of 12.4% as compared to last year. However, gross profit declined from Rs. 4.5 billion to Rs. 4.1 billion, down by 9.8%. Resultantly, Gross profit percentage recorded at 6.1% as compared to 7.6% of same period last year. The decline in gross profit was due to lower sales volume, increase in material prices, rising energy cost and devaluation of Pak rupee with a less than commensurate increase in selling prices. The key challenge is to improve this over the course of the year. Sales and marketing expenses rose to Rs. 1.3 billion, an increase of 13.6%, which is attributable to promotional activities and increase in fuel cost. Administrative expenses rose by 2.5% mainly due to effects of continued



inflation. Other income, net off other operating expenses and financial charges, contributed an encouraging Rs. 1.4 billion to the bottom line, 141.1% higher than the comparative period. This is on account of efficient treasury operations and increase in policy rate. The above factors supported the Company in achieving highest ever six month profit before tax of Rs. 3.8 billion, up by 5.5% for the half year ended September 30, 2022. However, due to provision for super tax for the current and prior year, the profit after tax for the half year ended registered at Rs. 2.3 billion, down by 8.9%. This translated into Earnings per Share (EPS) of Rs. 18.4 against Rs. 20.0 for the corresponding period of last year.



FUTURE OUTLOOK

The economy, over the years, has shown strong resilience despite unexpected volatility and uncertainty. Recent policy measures and developments including monetary tightening and withdrawal of energy subsidies, are all likely to dampen domestic demand, especially imports. The industrial sector may witness a slowdown due to an expected reduction in consumer demand. Recovery from the current scenario is conditional upon the restoration of macroeconomic stability and supportive external environment. Short term measures for fiscal consolidation need to be complimented with implementation of medium-term structural reforms to lift the economy out of frequent boom-and-bust cycles. Moreover, vigilance is required for assuring that new external liabilities are phased in responsibly. For the Company, continuation of the growth momentum will primarily hinge on the agriculture production due to its impact on the buyer's purchasing power. Higher agri-credit disbursements and increase in support prices are, therefore, expected to provide a positive stimulus. As the economy returns to full capacity and recovery becomes durable, the two- wheeler segment is expected to resume its growth momentum.

While the macroeconomic situation undergoes a re-alignment, the Company remains confident in continuing its journey of sustained long-term growth. The Company is well-poised and has demonstrated its ability to avail new opportunities and handle adversity with an aim to keep building a long term business proposition that increases stakeholder value. In this regard, the "Atlas Way" and "Atlas Systems" continue to remain the corner stone of our business philosophy.

جوئندہ یا بندہ

(Seek and you shall find)

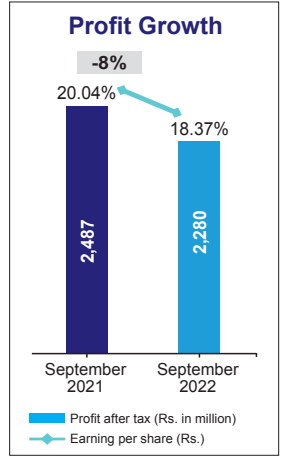
ACKNOWLEDGEMENT

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.

Aamir H. Shirazi

Dated: October 28, 2022
Karachi

دوران اس میں بہتری لانا ایک چیلنج رہے گا۔ سیلز اور مارکیٹنگ کے اخراجات بڑھ کر 1.3 بلین روپے ہو گئے جو کہ 13.6 فیصد کا اضافہ ہے، جس کی وجہ پر موٹیل سرگرمیاں اور ایندھن کی لاگت میں اضافہ ہے۔ انتظامی اخراجات میں 2.5 فیصد اضافہ ہوا ہے جس کا سبب مسلسل بڑھتی ہوئی افراط زر کے اثرات ہیں۔ دیگر آمدنی، نیٹ آف دیگر آپریٹنگ اخراجات اور مالیاتی چارجز سے بائٹ لائن میں 1.4 بلین روپے کا ایک حوصلہ افزا حصہ ڈالا، جو تقابلی مدت سے 141.1 فیصد زیادہ ہے۔ یہ موٹر ٹریڈری آپریٹسز اور پالیسی ریٹ میں اضافے کی وجہ سے ہے۔ مندرجہ بالا عوامل نے 30 ستمبر 2022 کو اختتام پذیر ہونے والے ششماہی میں 5.0 فیصد اضافے کے ساتھ 3.8 بلین روپے کا قبل از ٹیکس نفع جو کمپنی کی تاریخ کا سب سے زیادہ منافع ہے، حاصل کیا۔ تاہم، موجودہ اور گزشتہ سال کے لیے سپر ٹیکس کی فراہمی کی وجہ سے، ختم ہونے والے ششماہی کے لیے بعد از ٹیکس منافع 8.9 فیصد کی کے ساتھ 2.3 بلین روپے پر رجسٹر ہوا جبکہ فی شیئر آمدنی 20.0 روپے رہی جو گزشتہ سال 18.4 روپے فی شیئر تھی۔



مستقبل کے خدوخال

غیر یقینی کی صورتحال کے باوجود معیشت نے کئی سالوں سے جاری چلک دکھائی ہے۔ پالیسی پر ہونے والے حالیہ اقدامات اور پیشرفت بشمول مالیاتی سختی اور توانائی کی سبسڈی کے انقطاع سے ملکی طلب بالخصوص درآمدات میں کمی کا امکان ہے۔ صارفین کی طلب میں متوقع کمی کے باعث صنعتی شعبہ سست روی کا شکار ہو سکتا ہے۔ موجودہ منظر نامے میں بحالی میکرو ایکنامک استحکام اور معاون بیرونی ماحول سے مشروط ہے۔ اس مالیاتی استحکام کے لیے قلیل المدت اقدامات اور درمیانی مدت کے لیے ڈھانچہ جاتی اصلاحات کا نفاذ ضروری ہے تاکہ معیشت کو ہر بار آنے والی تیزی اور ٹوٹ پھوٹ سے محفوظ رکھا جاسکے۔ مزید برآں، بیرونی قرضہ جات کی ذمہ داریوں کو بروقت نبھانے کے لیے کڑی نظر درکار ہے۔ کمپنی کے لیے ترقی کی رفتار کا تسلسل بنیادی طور پر زرعی پیداوار پر انحصار کرے گا جس کا اثر خریداری کی قوت خرید پر پڑے گا۔ بڑھتے ہوئے زرعی قرضوں کی تقسیم اور آمدادی قیمتوں میں اضافے کے باعث مثبت پیش رفت کی توقع ہے۔ جیسے جیسے معیشت بحالی کی طرف بڑھتی ہے، توقع ہے کہ دو پہیوں کی صنعت پائیدار ترقی کی طرف دوبارہ گامزن ہو جائے گی۔

اب جبکہ میکرو اکنامک صورتحال ایک بار پھر اصلاحات کی طرف کوشاں ہے، کمپنی ترقی کے اپنے اس سفر کو جاری رکھنے میں نہایت پر اعتماد ہے۔ کمپنی نئے مواقع سے فائدہ اٹھانے اور مشکلات سے نمٹنے کے لیے مکمل طور پر آراستہ ہے۔ طویل المدت کاروباری ترقی اور اسٹیک ہولڈرز کے لیے قدر میں اضافے کے عزم کے ساتھ آپ کی کمپنی ابھرتے ہوئے مواقعوں سے مستفید ہونے اور بہترین عملیوں کے ذریعے شاندار کارکردگی کا مظاہرہ کرنے کے لیے پوری طرح صلاحیتوں سے لیس ہے اور اس سلسلے میں "Atlas Way" اور "Atlas Systems" ہمارے کاروباری فلسفے کی بنیاد بنے رہیں گے۔

جو سئندہ یا بندہ

(Seek and you shall find)

اظہار تشکر

دی اٹلس 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 جناب ثاقب ایچ شیرازی کو ان کی پراٹریڈر شپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، ایسوسی ایٹس اور شیئرز ہولڈرز کا بے حد ممنون و مشکور ہوں جن کی وجہ سے اٹلس ہنڈاموٹر کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

عامراج شیرازی

تاریخ: 28 اکتوبر 2022

کراچی

چیمبرمین کا جائزہ

میں نہایت مسرت کے ساتھ 30 ستمبر 2022 کو اختتام پذیر ہونے والی ششماہی کے لیے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کر رہا ہوں۔

میکرو اکنامک جائزہ

سہ ماہی کے دوران ملک کی معاشی صورتحال کشمکش کا شکار رہی۔ معاشی محاذ پر بڑھتی ہوئی افراط زر اور بیرونی دباؤ کے باعث خدشات برقرار ہیں۔ حالیہ سیلاب سے صورتحال مزید متاثر ہوئی ہے جس کی کافی تباہ کاریاں دیکھنے میں آئیں اور اس صورتحال کے پیش نظر حکومت نے جی ڈی پی ٹارگٹ پر نظر ثانی کرتے ہوئے 2 فیصد کر دیا ہے۔ دوسری جانب آئی ایم ایف پروگرام کی بحالی ایک مثبت پیش رفت کے طور پر سامنے آئی اور جس نے معیشت پر پڑنے والے دباؤ کو کچھ کم کرنے میں معاونت کی ہے۔

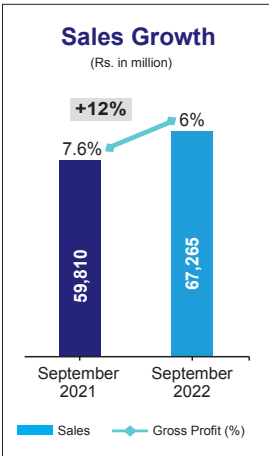
بیرونی سطح پر کرٹ کاؤنٹ خسارہ 2MFY23 کے لیے 1.9 بلین امریکی ڈالر ریکارڈ کیا گیا جو کہ گزشتہ سال کی اسی مدت کے دوران 19 فیصد کمی کو ظاہر کرتا ہے۔ مالی سال 2023 کی پہلی سہ ماہی کے لیے تجارتی توازن میں 9.2 بلین امریکی ڈالر کا خسارہ دیکھنے میں آیا جو 21 فیصد کمی ہے۔ حکومت کی جانب سے اٹھائے گئے مختلف اقدامات کے سبب درآمدی بلوں میں 12.7 فیصد کمی آئی ہے۔ بیرونی ترسیلات ضروری معاونت فراہم کرتے ہوئے 7.7 بلین امریکی ڈالر تک ریکارڈ کیے گئے۔ تاہم، ستمبر 2022 تک، اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر گزشتہ سال کے 19.3 بلین امریکی ڈالر کے مقابلے میں 7.9 بلین امریکی ڈالر کی خطرناک حد تک کم ہو گئے۔ بیرونی قرضوں کی ادائیگیوں کے ساتھ بیرونی اکاؤنٹ پر بڑھتے ہوئے دباؤ کی عکاسی کرتے ہوئے جنوری 2022 سے پاکستانی روپے کی قدر میں 29.3 فیصد سے زیادہ کمی واقع ہوئی۔ خالص ریویونیکیشن بڑھ کر 1,635 بلین ہو گیا جو کہ گزشتہ سال کی اسی مدت کے مقابلے میں 27 فیصد زیادہ ہے۔ افراط زر مسلسل اضافے کے ساتھ ستمبر 2022 میں 23.2 فیصد ریکارڈ کیا گیا۔ یہ اضافہ بنیادی طور پر زرمبادلہ کی شرح، اندرونی توانائی، ایندھن اور خوراک کی قیمتوں میں اضافے کی وجہ سے ہوا۔ نتیجتاً، اسٹیٹ بینک آف پاکستان نے 10 اکتوبر 2022 کو منعقد ہونے والی مانیٹری پالیسی کے اجلاس میں شرح سود کو 15.0 فیصد کی بلند سطح پر برقرار رکھا ہے۔

دودھائیوں سے زائد عرصے میں پہلی بار زرعی شعبے کے سکڑنے کا امکان ہے۔ مون سون کی طوفانی بارشوں اور سیلاب نے اندازاً 8.3 بلین ایکڑ پر کاشت کی گئی فصلوں کو نقصان پہنچایا ہے۔ اس نقصان کے سبب کپاس، چاول اور گنے کی کھڑی فصلیں بے حد متاثر ہوئی ہیں۔ زرعی نقصان کو مد نظر رکھتے ہوئے ملکی ضروریات کو پورا کرنے کے لیے ملک کو کپاس کی درآمد کرنی پرستی ہے۔ نتیجتاً، دیہی علاقوں میں کھپت میں مجموعی طور پر کمی دیکھی گئی ہے۔

2MFY23 میں LSM پیداوار میں 1.4 فیصد کمی واقع ہوئی ہے جس کی بڑی وجہ ملکی کھپت پر منحصر شعبوں میں وسیع الہیاد بگاڑ ہے۔ سینٹ، تیل اور اٹو موبائل کی فروخت سمیت طلب کے زیادہ تر علامات نیچے کی طرف گراؤ کا شکار ہیں۔ سیلاب سے متعلق تباہ کاریوں کے پھیلنے والے اثرات، مانیٹری ٹائٹنگ اور اس طبقے میں زیادہ لاگت پائیدار ترقی کو یقینی بنانے کے لیے بہتر مربوط اقدامات کا مطالبہ کرتی ہے۔

آپریٹنگ نتائج

30 ستمبر 2022 کو اختتام پذیر ہونے والے ششماہی کے دوران، کمپنی نے 67.2 بلین روپے کی نیٹ فروخت حاصل کی، جو گزشتہ سال کے مقابلے میں 12.4 فیصد زیادہ ہے۔ تاہم، مجموعی منافع 4.5 بلین روپے سے کم ہو کر 4.1 بلین روپے ہو گیا جو 9.8 فیصد کمی کو ظاہر کرتا ہے۔ نتیجتاً، مجموعی منافع 6.1 فیصد ریکارڈ کیا گیا جو گزشتہ سال کی اسی مدت کے دوران 7.6 فیصد تھا۔ مجموعی منافع میں یہ نمایاں کمی فروخت کے کم حجم، اشیاء اور توانائی کی قیمتوں میں اضافے کے ساتھ ساتھ قیمت فروخت میں غیر مربوط اضافے اور پاکستانی روپے کی قدر میں کمی کی وجہ سے دیکھنے میں آئی ہے جبکہ سال کے



Independent Auditor's Review Report to the Members of Atlas Honda Limited

Report on review of Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Atlas Honda Limited as at September 30, 2022 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended September 30, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2022.

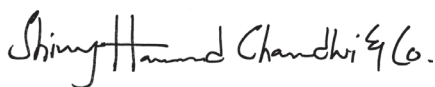
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Osman Hameed Chaudhri.



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

KARACHI;


UDIN: RR202210104gen29Oqzo


Condensed Interim Statement of Financial Position

As at September 30, 2022

ASSETS	Note	(Unaudited) September 30, 2022 ----- (Rupees in '000) -----	(Audited) March 31, 2022 -----
Non current assets			
Property, plant and equipment	5	11,808,851	10,251,485
Intangible assets		51,806	56,255
Long term investments	6	335,788	343,534
Long term loans and advances		63,222	64,159
Long term deposits		41,233	14,077
		<u>12,300,900</u>	<u>10,729,510</u>
Current assets			
Stores, spares and loose tools		1,035,829	998,612
Stock-in-trade	7	8,489,130	6,541,711
Trade debts		913,884	1,126,808
Loans and advances		62,514	59,889
Trade deposits and prepayments	8	2,026,342	1,491,756
Accrued mark-up / interest		57,506	19,540
Other receivables		2,600	2,583
Taxation - net		-	208,547
Short term investments	9	8,887,602	8,819,083
Cash and bank balances		20,494,198	17,424,657
		<u>41,969,605</u>	<u>36,693,186</u>
		<u>54,270,505</u>	<u>47,422,696</u>
EQUITY AND LIABILITIES			
Equity			
Authorized capital			
150,000,000 (March 31, 2022: 150,000,000) ordinary shares of Rs.10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid-up capital			
124,087,935 (March 31, 2022: 124,087,935) ordinary shares of Rs.10 each		1,240,879	1,240,879
Reserves		20,204,988	19,786,759
		<u>21,445,867</u>	<u>21,027,638</u>
Liabilities			
Non current liabilities			
Lease liabilities		158,901	151,561
Staff retirement benefits		514,224	484,855
Deferred taxation		564,742	533,022
		<u>1,237,867</u>	<u>1,169,438</u>
Current liabilities			
Trade and other payables	10	30,457,438	24,886,205
Taxation - net		225,392	-
Unclaimed dividend		125,327	127,191
Dividend payable		661,814	-
Accrued mark-up		157	1,278
Current portion of lease liabilities		54,143	23,446
Current portion of long term borrowings		62,500	183,975
Current portion of deferred income - government grant		-	3,525
		<u>31,586,771</u>	<u>25,225,620</u>
		<u>32,824,638</u>	<u>26,395,058</u>
Contingencies and commitments	11	<u>54,270,505</u>	<u>47,422,696</u>

The annexed notes 1 to 19 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 Half Year Ended September 30, 2022


Note	Quarter ended September 30,		Half year ended September 30,	
	2022	2021	2022	2021
	----- (Rupees in '000) -----			
Sales - net	29,579,632	29,060,801	67,264,712	59,809,687
Cost of sales	12 (28,135,983)	(26,930,964)	(63,197,839)	(55,288,172)
Gross profit	1,443,649	2,129,837	4,066,873	4,521,515
Sales and marketing expenses	(627,933)	(574,640)	(1,270,193)	(1,118,178)
Administrative expenses	(193,451)	(215,827)	(404,851)	(394,779)
Other income	1,068,347	455,389	1,834,158	865,184
Other operating expenses	(262,913)	(140,291)	(443,239)	(284,954)
Share of net (loss) / profit of an Associate	(8,243)	4,087	(4,706)	11,628
Operating profit	1,419,456	1,658,555	3,778,042	3,600,416
Finance cost	(17,660)	(18,831)	(28,559)	(27,987)
Profit before taxation	1,401,796	1,639,724	3,749,483	3,572,429
Income tax expense	13 (624,768)	(486,237)	(1,469,935)	(1,085,376)
Profit for the period	777,028	1,153,487	2,279,548	2,487,053
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	777,028	1,153,487	2,279,548	2,487,053


----- (Rupees) -----

Earnings per share

- basic and diluted	14	6.26	9.30	18.37	20.04
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The annexed notes 1 to 19 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 Half Year Ended September 30, 2022

	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, 2021 (Audited)	1,240,879	39,953	165	9,492,000	7,857,530	18,630,527
Total comprehensive income for the half year ended September 30, 2021						
Profit for the period	-	-	-	-	2,487,053	2,487,053
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	2,487,053	2,487,053
Transactions with owners in their capacity as owners						
Final cash dividend for the year ended March 31, 2021 at the rate of Rs.13.5 per share	-	-	-	-	(1,675,187)	(1,675,187)
Balance as at September 30, 2021 (Unaudited)	1,240,879	39,953	165	9,492,000	8,669,396	19,442,393
Transaction with owners in their capacity as owners						
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 six months period ended March 31, 2022						
Profit for the period	-	-	-	-	3,098,112	3,098,112
Other comprehensive loss	-	-	-	-	(23,811)	(23,811)
	-	-	-	-	3,074,301	3,074,301
Balance as at March 31, 2022 (Audited)	1,240,879	39,953	165	9,492,000	10,254,641	21,027,638
Total comprehensive income for the half year ended September 30, 2022						
Profit for the period	-	-	-	-	2,279,548	2,279,548
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	2,279,548	2,279,548
Transaction with owners in their capacity as owners						
Final cash dividend for the year ended March 31, 2022 at the rate of Rs.15.0 per share	-	-	-	-	(1,861,319)	(1,861,319)
Balance as at September 30, 2022 (Unaudited)	1,240,879	39,953	165	9,492,000	10,672,870	21,445,867

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.


Amir H. Shirazi
Chairman



Saquib H. Shirazi
Chief Executive Officer

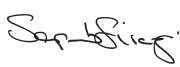

Kashif Yasin
Chief Financial Officer

Condensed Interim Statement of Cash Flows (Unaudited) For the Half Year Ended September 30, 2022

	Note	Half year ended September 30,	
		2022	2021
		----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	6,398,216	5,202,332
Income taxes paid		(1,004,276)	(835,208)
Mark-up / interest paid		(1,121)	(291)
Compensated absences paid		(10,116)	(24,578)
Mark-up / interest received		944,577	443,691
Workers' profit participation fund paid		(424,050)	(280,983)
Long term loans and advances - net		937	(7,126)
Long term deposits - net		(27,156)	(436)
Net cash generated from operating activities		5,877,011	4,497,401
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,210,751)	(1,428,515)
Payments for intangible asset		(15,600)	(6,157)
Proceeds from sale of property, plant and equipment		64,818	55,475
Payments for investments		(6,889,660)	(1,526,615)
Proceeds from sale of investments		6,890,750	1,539,510
Dividend received		724,237	406,587
Net cash used in investing activities		(1,436,206)	(959,715)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease rentals paid		(44,895)	(66,084)
Long term borrowings - repaid		(125,000)	(125,000)
Dividend paid		(1,201,369)	(1,665,079)
Net cash used in financing activities		(1,371,264)	(1,856,163)
Net increase in cash and cash equivalents		3,069,541	1,681,523
Cash and cash equivalents at beginning of the period		17,424,657	14,288,180
Cash and cash equivalents at end of the period		20,494,198	15,969,703

The annexed notes 1 to 19 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 Half Year Ended September 30, 2022

1. THE COMPANY AND ITS ACTIVITIES

Atlas Honda Limited (the Company) is a public limited company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts. The Company is a subsidiary of Shirazi Investments (Private) Limited, which holds 52.43% (March 31, 2022: 52.43%) of issued, subscribed and paid-up capital of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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.

These condensed interim financial statements have been subjected to limited scope review by the auditors, as required under section 237 of Companies Act, 2017 and should be read in conjunction with audited annual financial statements of the Company for the year ended March 31, 2022.

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, 2022.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on April 1, 2022. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements.

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 Actuarial valuations are carried out on annual basis. The last actuarial valuation was carried out on March 31, 2022. The impact of re-measurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements.

4. ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these condensed interim financial statements are 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, 2022.

	Note	(Unaudited) September 30, 2022 ---- (Rupees in '000) ----	(Audited) March 31, 2022
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	11,276,227	9,821,446
Capital work-in-progress	5.2	346,780	291,029
Right of use assets	5.3	185,844	139,010
		<u>11,808,851</u>	<u>10,251,485</u>
5.1 Operating fixed assets			
Book value at beginning of the period / year		9,821,446	9,556,536
Additions during the period / year		2,155,000	1,566,680
Disposals costing Rs.418,411 thousand (March 31, 2022: Rs.660,964 thousand) - at book value		(94,653)	(154,951)
Depreciation charge for the period / year		(605,566)	(1,146,819)
Book value at end of the period / year		<u>11,276,227</u>	<u>9,821,446</u>
5.1.1 Additions to operating fixed assets, including transfer from capital work-in-progress during the period / year were as follows:			
Freehold lands		-	288,163
Buildings on freehold land		196,852	178,687
Buildings on leasehold land		26,714	30,538
Plant and machinery		1,335,072	424,031
Dies and jigs		287,076	191,501
Factory equipment		82,778	84,764
Office equipment		550	5,610
Computers and accessories		27,700	39,732
Furniture and fixtures		3,632	1,748
Electric and gas fittings		60,259	96,567
Vehicles		134,367	225,339
		<u>2,155,000</u>	<u>1,566,680</u>

		(Unaudited) September 30, 2022	(Audited) March 31, 2022
5.2	Capital work-in-progress	---- (Rupees in '000) ----	
	Civil works	79,405	154,081
	Plant and machinery	99,777	48,784
	Factory equipment	13,963	29,426
	Computer and accessories	10,320	16,917
	Furniture and fixtures	-	848
	Electric and gas fittings	22,141	33,957
	Vehicles	121,174	6,604
	Intangible asset - computer software	-	412
		<u>346,780</u>	<u>291,029</u>
5.3	Right of use assets		
	Balance at beginning of the period / year	139,010	185,020
	Acquired during the period	71,529	-
	Less: depreciation charged during the period / year	24,695	46,010
	Net book value at end of the period / year	<u>185,844</u>	<u>139,010</u>
6.	LONG TERM INVESTMENTS		
	Unquoted		
	Associate - equity accounted investment	335,788	343,534
	Others - Available for sale	-	-
		<u>335,788</u>	<u>343,534</u>
6.1	Equity accounted investment - Atlas Hitech (Private) Limited		
	Balance at beginning of the period / year	343,534	329,669
	Share of (loss) / profit for the period / year - net of tax	(4,706)	16,905
	Dividend received during the period / year	(3,040)	(3,040)
	Balance at end of the period / year	<u>335,788</u>	<u>343,534</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 September 30, 2022.		
6.1.2	Investment in Atlas Hitech (Private) Limited (AHTL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (March 31, 2022 : 29.23%) of its issued, subscribed and paid up capital as at September 30, 2022.		
7.	Includes raw material and components aggregating Rs.6,300,995 thousand (March 31, 2022: Rs.4,747,267 thousand)		
8.	Includes margin against letter of credit aggregating Rs.1,772,151 thousand (March 31, 2022: Rs.1,355,095 thousand).		
		(Unaudited) September 30, 2022	(Audited) March 31, 2022
		---- (Rupees in '000) ----	
9.	SHORT TERM INVESTMENTS		
	- At fair value through profit or loss		
	Investments in units of mutual funds:		
	- Related parties	8,126,305	8,103,214
	- Others	761,297	715,869
		<u>8,887,602</u>	<u>8,819,083</u>

10. Includes contract liabilities - advances from customers aggregating Rs.15,866,643 thousand (March 31, 2022: Rs.11,326,035 thousand).

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

11.1.1 There is no change in status of the contingencies as disclosed in note 25.1.1 of the audited annual financial statements of the Company for the year ended March 31, 2022.

	(Unaudited) September 30, 2022	(Audited) March 31, 2022
---- (Rupees in '000) ----		
11.1.2 Guarantees issued by banks on behalf of the Company	1,516,975	1,784,407

11.2 Commitments

11.2.1 Commitments in respect of:

- capital expenditure, raw materials and components through confirmed letters of credit	2,374,612	3,562,052
- capital expenditure other than through letters of credit	79,267	137,971

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

	(Unaudited) September 30, 2022	(Audited) March 31, 2022
---- (Rupees in '000) ----		
Not later than one year	424,518	371,263
Later than one year and not later than five years	1,327,069	1,356,621
More than five years	574,689	532,624
	<u>2,326,276</u>	<u>2,260,508</u>

12. COST OF SALES

	----- (Unaudited) -----			
	Quarter ended September 30,		Half year ended September 30,	
	2022	2021	2022	2021
----- (Rupees in '000) -----				
Opening stock of finished goods	1,367,577	739,263	1,699,558	629,827
Cost of goods manufactured	25,365,182	24,877,757	57,323,917	51,452,172
Purchases during the period	2,674,148	2,208,491	5,445,288	4,100,720
	<u>28,039,330</u>	<u>27,086,248</u>	<u>62,769,205</u>	<u>55,552,892</u>
	29,406,907	27,825,511	64,468,763	56,182,719
Closing stock of finished goods	(1,270,924)	(894,547)	(1,270,924)	(894,547)
	<u>28,135,983</u>	<u>26,930,964</u>	<u>63,197,839</u>	<u>55,288,172</u>

----- (Unaudited) -----			
Quarter ended September 30,		Half year ended September 30,	
2022	2021	2022	2021
----- (Rupees in '000) -----			

13. INCOME TAX EXPENSE

Current and prior tax	593,048	471,119	1,438,215	1,070,258
Deferred tax	31,720	15,118	31,720	15,118
	<u>624,768</u>	<u>486,237</u>	<u>1,469,935</u>	<u>1,085,376</u>

14. EARNINGS PER SHARE

- basic and diluted

Profit for the period	777,028	1,153,487	2,279,548	2,487,053
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----- (Number of shares) -----

Weighted average number of ordinary shares in issue during the period	124,087,935	124,087,935	124,087,935	124,087,935
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----- (Rupees) -----

Basic earnings per share	6.26	9.30	18.37	20.04
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14.1 There is no dilutive effect on the basic earnings per share of the Company.

Note	(Unaudited)	
	Half year ended September 30,	
	2022	2021
---- (Rupees in '000) ----		

15. CASH GENERATED FROM OPERATIONS

Profit before taxation		3,749,483	3,572,429
Adjustments for:			
Depreciation		630,261	589,461
Amortization		20,049	26,010
Provision for compensated absences		39,485	53,824
Provision for gratuity		28,291	20,189
Mark-up / interest on saving deposit accounts, term deposit receipts and treasury bills		(982,543)	(437,650)
Gain on sale of investments at fair value through profit or loss		(48,532)	(4,361)
Fair value loss / (gain) on investments at fair value through profit or loss		(21,077)	16,317
Dividend income		(721,197)	(403,547)
Workers' profit participation fund		201,621	196,508
Workers' welfare fund		76,616	72,668
Loss on disposal of operating fixed assets		29,835	18,234
Share of net loss / (profit) of an Associate		4,706	(11,628)
Interest on lease liabilities		11,403	38,799
Changes in working capital	15.1	3,379,815	1,455,079
		<u>6,398,216</u>	<u>5,202,332</u>

(Unaudited)
Half year ended
September 30,

2022 **2021**

---- (Rupees in '000) ----

15.1 Changes in working capital

Increase in current assets:

- Stores, spares and loose tools	(37,217)	(172,634)
- Stock-in-trade	(1,947,419)	(2,261,097)
- Trade debts	212,924	105,492
- Loans and advances	(2,625)	(5,129)
- Trade deposits and prepayments	(534,586)	(451,960)
- Sales tax receivable - net	-	(1,001,802)
- Other receivables	(17)	(2,384)
	<u>(2,308,940)</u>	<u>(3,789,514)</u>
Increase in trade and other payables	5,688,755	5,244,593
	<u>3,379,815</u>	<u>1,455,079</u>

16. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

16.1 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 statements do 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, 2022.

16.2 Fair value measurement of financial instruments

The carrying values of all financial assets and liabilities reflected in the condensed interim financial statements 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
Assets - Recurring fair value measurement				
		---- (Rupees in '000) ----		
Financial assets at fair value through profit or loss				
September 30, 2022				
Short term investments	<u>8,887,602</u>	<u>-</u>	<u>-</u>	<u>8,887,602</u>
March 31, 2022				
Short term investments	<u>8,819,083</u>	<u>-</u>	<u>-</u>	<u>8,819,083</u>

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

(Unaudited)
Half year ended
September 30,

2022 **2021**
---- (Rupees in '000) ----

17. TRANSACTIONS WITH RELATED PARTIES

17.1 Significant transactions with related parties are as follows:

The Holding Company

Sales of:

- goods and services	370	1,050
- operating fixed assets	-	3,151

Purchases of:

- goods and services	11,123	9,302
- operating fixed assets	7,665	282,296
Rent paid	21,584	20,555
Dividend paid	975,972	878,375

Associated Companies

Sales of:

- goods and services	759,278	950,980
- operating fixed assets	21,762	9,904

Purchases of:

- goods and services	16,476,190	15,296,695
- operating fixed assets	156,134	174,854

Sale of units in mutual funds 5,870,000 1,039,510

Purchase of units in mutual funds 5,276,643 686,714

Royalty paid 1,681,926 2,952,064

Technical assistance fee 7,052 12,975

Commission income 535 477

Lease rentals paid 30,412 27,647

Insurance premium paid 372,215 345,640

Insurance claims received 7,707 10,120

Reimbursement of expenses - net 21,219 16,657

Dividend paid 52,771 633,810

Dividend received 567,537 322,769

Donation paid 78,196 51,524

Other related parties

Contributions paid to provident funds / pension schemes 57,977 50,321

Key Management Personnel

- salaries and other employment benefits 94,698 95,352

- sale of operating fixed assets 6,445 8,853

17.2 Period / year end balances are as follows:

	(Unaudited)	(Audited)
	September 30,	March 31,
	2022	2022
	---- (Rupees in '000) ----	

Receivables from related parties

Long term loans	4,374	9,205
Long term deposits	28,000	-
Trade deposits and prepayments	204,899	80,481

Payable to related parties

Lease liabilities	72,212	53,048
Staff retirement benefits	55,296	43,825
Trade and other payables	3,033,729	1,727,712
	651,462	-


These are settled in ordinary course of business.

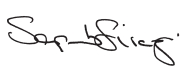
18. CORRESPONDING FIGURES

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, 2022 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 half year ended September 30, 2021.

19. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue on October 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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