



Quarterly Report December 31,

2023

2023

## Table of Contents

---

Company Information	2
Chairman's Review (English)	4
Chairman's Review (Urdu)	7
Condensed Interim Statement of Financial Position	8
Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	9
Condensed Interim Statement of Changes in Equity	10
Condensed Interim Statement of Cash Flows	11
Notes to the Condensed Interim Financial Statements	12

---

# Company Information

## Board of Directors

Aamir H. Shirazi  
Chairperson

Nurul Hoda  
Director

Abid Naqvi  
Director

Mashmooma Zehra Majeed  
Director

Masanori Kito  
Director

Shunsuke Miyazaki  
Director

Kazushi Yamanaka  
Director

Saquib H. Shirazi  
Chief Executive Officer

Maheen Fatima  
Company Secretary

## Audit Committee

Mashmooma Zehra Majeed  
Chairperson

Nurul Hoda  
Member

Abid Naqvi  
Member

Muhammad Asim  
Head of Internal Audit

Maheen Fatima  
Secretary

## Human Resource & Remuneration Committee

Nurul Hoda  
Chairperson

Abid Naqvi  
Member

Saquib H. Shirazi  
Member

Saadullah Ejaz  
Secretary

## Management

Saquib H. Shirazi  
Chief Executive Officer

Afaq Ahmed  
Vice President Marketing

Shunsuke Miyazaki  
Vice President Technical

Kazushi Yamanaka  
General Manager Technical

Danyal Ahmed Rasheed  
Chief Financial Officer

Saadullah Ejaz  
General Manager Human Resources & Administration

Faisal Mahmud  
General Manager New Model Center

Muhammad Ammar  
General Manager Engineering & Projects

Hassan Mushtaq Cheema  
General Manager Production, Planning & Control

Zia Ul Hassan Khan  
General Manager Plants

Muhammad Zafar Iqbal  
General Manager After Sales

Mujahid-ul-Mulk Butt  
General Manager Sales

Rashid Ahmed  
General Manager Commercial & Planning

Tahir Nazir  
General Manager Supply Chain

Muhammad Rashad Rashid  
General Manager Quality Assurance

Mohammad Tahir Khan  
General Manager Information Technology

# 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  
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  
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  
UAN: (92-21) 111-111-245  
Tel: (92-21) 32575561-65  
Fax: (92-21) 32563758

26-27 KM, Lahore-Sheikhupura Road,  
Sheikhupura-39321  
Tel: (92-56) 3406501-8  
Fax: (92-56) 3406009

## Branch Offices & Customer Care Centres

Azmat Wasti Road, Multan

Tel: (92-61) 4570413-14  
(92-61) 111-112-411  
Fax: (92-61) 4541690

Islamabad Corporate Center,  
Plot No. 784/785, Golra Road, Islamabad  
Tel: (92-51) 5495921-7,  
Fax: (92-51) 5475928

Makhdoom Altaf Road, West Sadiq Canal  
Bank, Near City School, Rahimyar Khan  
Tel: (068) 5883415-19,  
Fax: (068) 5883414

2nd Floor, Dawood Centre, Autobhan Road,  
Hyderabad.  
Tel: (022) 3411361-9  
Fax: (022) 34113670

1st Floor, Meezan Executive Tower,  
4 – Liaquat Road, Faisalabad  
Tel: (92-41) 2541011-7, 2541014

1st Floor, 28-Mozang Road, Lahore  
Tel: (92-42) 36361191-5, 36360740-7

## Show Room

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

## Customer Contact Centre

UAN: (92-42) 111-245-222  
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, 2023.

## MACROECONOMIC OVERVIEW

The economy is progressing steadily, although the outlook still remains challenging. The impact of demand compression measures, an improved fiscal position and continued adherence to program policies has supported the economic recovery. This has resulted in activity pick-up and easing of external pressures. An upward revision expected GDP growth of 2.1% for FY 24 is encouraging. However, inflation remains high, mainly due to an upward pressure on food and energy prices, affecting the more vulnerable segment of society.

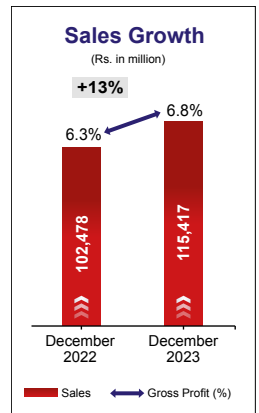
On the external front, the current account posted a deficit of USD 0.8 billion for the period under review, which is a 78% reduction compared to the same period last year. The improvement in the Current Account Deficit (CAD) was mainly driven through a reduction in the import bill of 10% while exports registered a growth of 5%. Another positive development was the resumption of the IMF program when Pakistan's 9-month SBA was approved in July 2023 for an amount of approximately US\$ 3 billion and the 1st review was also successfully completed in November 2023. As a result, the 1st tranche of US\$ 700 million was also received from the IMF. Resultantly, the State Bank of Pakistan's foreign exchange reserves crossed the USD 8 billion mark reaching a 23-week high at USD 8.2 billion level. The stable reserves position helped prevent substantial depreciation in the value of the Rupee, which closed at Rs 281.5. These favorable indicators, along with the expectation of a fall in inflation in the coming months, is expected to lead to a reduction in interest rates in 2024. On the fiscal front, the revenue collection for 6MFY24 exceeded the target with a total of PKR 4.467 trillion, up by PKR 42 billion as compared to assigned target of PKR 4.425 trillion. The overall improving sentiment also boosted confidence in the capital markets, leading to the PSX 100 index surpassing 65,000 points for the first time in its history.

In the agriculture sector, the prospects for achieving production targets are positive. Estimate of the cotton crop indicates a noteworthy improvement, increasing to 8.4 million bales from 5 million bales last year. Similarly, Rice has yielded a bumper crop this year with annual production of 9 million metric tons and more encouragingly rice exports has increased by 76% during the year. A healthy sugar crop is also generating record cashflow for the farmers. The upward revision in support prices, subsidies on fertilizer and timely initiatives by the Central bank, like agriculture credit and insurance as well as credit guarantee scheme, facilitated and reinforced the overall performance of the sector. As a result, demand for consumer durables should remain positive in the rural areas.

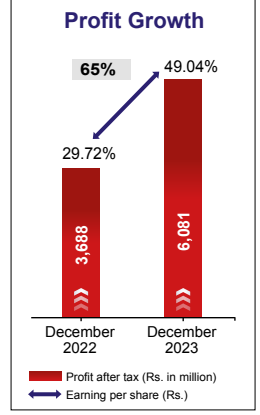
Large Scale Manufacturing (LSM) sector witnessed a minor negative growth of 0.4% during 5MFY24, compared to the contraction of 1.7% same period last year. A mixed trend was observed at the sub-sector level: 12 out of 22 sectors, including Food, Chemicals, Pharmaceuticals & Petroleum Products witnessed positive growth. For sustained growth, regular scheduled adjustments and power sector reforms are vital for improving viability and protecting fiscal sustainability.

## OPERATING RESULTS:

During the nine months period ended December 31, 2023, the Company achieved net sales of Rs. 115.4 billion, an increase of 12.6% as compared to last year. Similarly, gross profit increased



from Rs. 6.4 billion to Rs. 7.8 billion, up by 21.74%. The increase in gross profit was due to a better sales mix, stable exchange rates and other cost reduction measures. Sales and marketing expenses rose to Rs. 2.2 billion, an increase of 15.7%, which is attributable to promotional activities and general inflation. Administrative expenses also rose by 15.7% again mainly due to inflation. Other income, net of other operating expenses and financial charges, contributed an encouraging Rs. 5.4 billion to the bottom line. This is on account of efficient treasury operations and prudent management of enhanced liquidity. The above factors supported the Company in achieving nine months profit before tax of Rs. 10.3 billion. Resultantly, after provision of super tax for the current and prior year, the Company achieved profit after tax of Rs. 6 billion. This translated into Earnings per Share (EPS) of Rs. 49.01 as against Rs. 29.72 for the corresponding period of last year.



## FUTURE OUTLOOK:

The Country has completed the first half of 2024 on a positive note, reflected by decent growth prospects and improved business sentiments. The interim government has undertaken several structural reforms and policy measures to help boost the Country's competitiveness, governance, and social welfare. A pivotal contributor to the economic revitalization is the creation of the Special Investment Facilitation Council (SIFC), a collaborative civil-military forum designed to attract foreign investment and stimulate economic growth. Looking ahead, it is crucial to maintain the ongoing reform efforts and concentrate on strategies that ensure stability and foster sustainable growth. Moreover, the continuation of the IMF program and influx of external funding remain crucial for the economy as external repayments stand close to a daunting USD 25 billion for the year. Privatization, enhanced institutional capabilities and implementation of supply side initiatives can address Country's economic challenges. Above steps will necessitate a consensus among all national stakeholders in helping formulate long term policies for sustainable development.


The Company is determined to keep pace and focus on overcoming challenges by improving its operating results and maintaining market leadership. Being socially responsible, financially strong and operationally smart will remain the key objectives. Following the principles of "The Atlas Way", the Company hopes to create significant value addition for the stakeholders in the years ahead.

ع ہے جستجو کہ خوب سے ہے خوب تر کہاں

## ACKNOWLEDGEMENT

The Atlas Group takes great pride in its partnership 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 26, 2024  
Karachi

  
Aamir H. Shirazi

منوٹر ٹریڈری آپریشنز اور بہتر لیکویڈیٹی کے مناسب انتظام کی وجہ سے ہے۔ مندرجہ بالا عوامل نے کمپنی کو 10.3 بلین روپے کا قبل از ٹیکس نو ماہی منافع حاصل کرنے میں مدد کی۔ نتیجتاً، موجودہ اور گزشتہ سال کے لئے سپر ٹیکس کی فراہمی کے بعد کمپنی نے 6 بلین روپے کا بعد از ٹیکس منافع حاصل کیا۔ اس سے 49.01 روپے کی فی شیئر آمدنی حاصل ہوئی جو گزشتہ سال کی اسی مدت کے دوران 29.72 روپے تھی۔

### مستقبل کے خدو خال

ملک نے 2024 کی ششماہی ایک مثبت نوٹ پر مکمل کی ہے جس کی عکاسی نمایاں ترقی کے امکانات اور بہتر کاروباری جذبات سے ہوتی ہے۔ عبوری حکومت نے ملک کی مسابقت، گورنس اور سماجی، بہبود کو بڑھانے میں مدد کے لئے کئی ساختی اصلاحات اور پالیسی کے سخت اقدامات کیے ہیں۔ معاشی احیاء میں ایک اہم شراکت اسپیشل انویسٹمنٹ فیسی لیبیشن کونسل (SIFC) کی تشکیل ہے جو ایک باہمی تعاون پر مبنی سول ملٹری فورم ہے جو غیر ملکی سرمایہ کاری کو بڑھانے اور اقتصادی ترقی کی حوصلہ افزائی کے لئے ڈیزائن کیا گیا ہے۔ مزید یہ کہ جاری اصلاحاتی کاوشوں کو برقرار رکھنا اور ایسی حکمت عملیوں پر توجہ مرکوز کرنا بہت ضروری ہے جو استحکام کو یقینی بنائیں اور پائیدار ترقی کو فروغ دیں۔

مزید برآں، آئی ایم ایف پروگرام کا تسلسل اور بیرونی فنڈنگ کی آمد معیشت کے لئے بہت اہم ہے کیونکہ بیرونی ادائیگیاں سال کے لئے 25 بلین امریکی ڈالر کی مشکل حد تک ہیں۔ چکاری، ادارہ جاتی صلاحیتوں میں اضافہ اور سلائی سائیز اقدامات پر عمل درآمد ملک کے معاشی چیلنجز سے نمٹ سکتا ہے۔ مندرجہ بالا اقدامات پائیدار ترقی کے لئے طویل مدتی پالیسیاں بنانے میں مدد کرنے کے لئے تمام قومی اسٹیک ہولڈرز کے درمیان اتفاق رائے کی ضرورت ہے۔

کمپنی اپنے آپریٹنگ نتائج کو بہتر بنا کر اور مارکیٹ کی قیادت کو برقرار رکھتے ہوئے چیلنجز پر قابو پانے اور اپنی توجہ مرکوز کرنے کے لئے پرعزم ہے۔ سماجی طور پر ذمہ دار، مالی طور پر بااختیار اور آپریشنل طور پر ہوشیار ہونا اہم مقصد ہے گا جس کے لیے "دی ٹلس وے" کے اصولوں پر عمل کرتے ہوئے کمپنی کو امید ہے کہ آنے والے سالوں میں اسٹیک ہولڈرز کے لئے اہم ویلیو ایڈیشن پیدا کرے گی۔

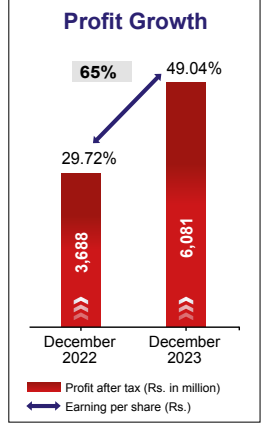
### ع ہے جستجو کہ خوب سے بے خوب تر کہاں

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 جناب ثاقب ایچ شیرازی کو ان کی پرائیویڈر شپ اور اپنے اسٹیک ہولڈرز، بینکرز، ڈیلرز، وینڈرز، ایسوسی ایشن اور شیئرز ہولڈرز کا بے حد ممنون و مشکور ہوں کہ جن کی مدد سے ٹلس ہنڈا لمیٹڈ کو ایک ممتاز کمپنی کی حیثیت حاصل ہے۔

عامراج شیرازی

تاریخ: 26 جنوری 2024  
کراچی



## چیمبر میں کا جائزہ

میں نہایت مسرت کے ساتھ 31 دسمبر 2023 کو ختم ہونے والی نو ماہی کے لیے کمپنی کے غیر آڈٹ شدہ عبوری مالیاتی معلومات پیش کر رہے ہیں۔

میکرو اکنامک جائزہ

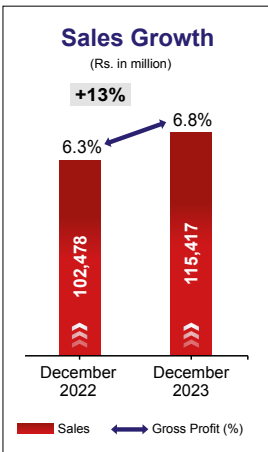
معیشت بتدریج ترقی تو کر رہی ہے لیکن آؤٹ لک اب بھی چیلنجنگ ہے۔ ڈیمانڈ کمپنیشن اقدامات کے اثرات مالیاتی صورتحال میں بہتری اور پروگرام کی پالیسیوں کی مسلسل پابندی سے معاشی بحالی میں معاونت ملی ہے۔ اس کے نتیجے میں معاشی سرگرمیوں میں اضافہ ہوا اور بیرونی دباؤ کو کم کیا گیا ہے۔ مالی سال 2024 کے لئے جی ڈی پی کی شرح نمو متوقع طور پر 2.1 فیصد تک بڑھانا حوصلہ افزا ہے۔ تاہم، افراط زر بدستور بلند ہے جس کی بنیادی وجہ توانائی اور خوراک کی قیمتوں میں اضافہ ہے جو کہ معاشرے کے کمزور طبقے کو متاثر کرتا ہے۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ میں زیر جائزہ مدت کے لئے 0.8 بلین امریکی ڈالر کا خسارہ دیکھنے میں آیا جو گزشتہ سال کی اسی مدت کے مقابلے میں 78 فیصد کمی کا ظاہر کرتا ہے۔ کرنٹ اکاؤنٹ خسارے (CAD) میں بہتری بنیادی طور پر درآمدی بل میں 10 فیصد کمی کے باعث ہوئی جبکہ برآمدات میں 5 فیصد اضافہ ہوا۔ ایک اور مثبت پیش رفت آئی ایم ایف پروگرام کی بحالی تھی جب جولائی 2023 میں پاکستان کے 9 ماہ کے ایس بی اے کو تقریباً 3 بلین امریکی ڈالر کی رقم کے لئے منظور کیا گیا تھا اور پہلا جائزہ بھی نومبر 2023 میں کامیابی کے ساتھ مکمل ہوا تھا۔ اس کے نتیجے میں پہلی قسط کی صورت میں آئی ایم ایف سے 700 بلین امریکی ڈالر بھی وصول ہوئے۔ نتیجتاً، اسٹیٹ بینک آف پاکستان کے زرمبادلہ کے ذخائر 8 بلین امریکی ڈالر سے تجاوز کر گئے اور 23 ہفتوں کی بلند ترین سطح 8.2 بلین امریکی ڈالر کی پہنچ گئے۔ منہجم ذخائر کی پوزیشن سے روپے کی قدر میں خاطر خواہ کمی کو روکنے میں مدد ملی جو 281.5 روپے پر بند ہوا۔ یہ سازگار اشارے، آنے والے مہینوں میں افراط زر میں کمی کی توقع کے ساتھ 2024 میں شرح سود میں بھی کمی کے امکانات کو ظاہر کرتے ہیں مالیاتی محاذ پر مالی سال 2024 کی ششماہی میں محصولات کی وصولی 4,467 ملین روپے کے ساتھ ہدف سے تجاوز کر گئی جو 4.425 ٹریلین روپے کے مقررہ ہدف کے مقابلے میں 42 بلین روپے زیادہ ہے۔ مجموعی طور پر بہتری کی وجہ سے کیمپل مارکیٹوں کے اعتماد میں بھی اضافہ ہوا جس کے نتیجے میں IPSX-100 انڈیکس اپنی تاریخ میں پہلی بار 65,000 پوائنٹس کو عبور کر گیا۔

زرعی شعبے میں پیداواری ہدف کے حصول کے امکانات مثبت ہیں۔ کپاس کی فصل کا تخمینہ ایک نمایاں بہتری کی نشاندہی کرتا ہے جو گزشتہ سال کی 5 بلین ہیلز سے بڑھ کر 8.4 بلین ہیلز تک پہنچ گئی ہے۔ اسی طرح چاول کی سالانہ پیداوار 9 ملین میٹرک ٹن کے ساتھ اس سال بچ فصل ہوئی ہے اور زیادہ حوصلہ افزا بات یہ ہے کہ سال کے دوران چاول کی برآمدات میں 76 فیصد اضافہ ہوا ہے۔ گنے کی صحت مند فصل بھی کسانوں کے لئے ریکارڈ کیش فلو پیدا کر رہی ہے۔ امدادی قیمتوں میں اضافے، کھاد پر سبسڈی اور مرکزی بینک کی جانب سے بروقت اقدامات، جیسے زرعی قرضہ اور انشورنس کے ساتھ ساتھ کریڈٹ گارنٹی اسکیم سے سیکلر کی مجموعی کارکردگی کو بہت اور تقویت ملی۔ اس کے نتیجے میں دیہی علاقوں میں صارفین کی پائیدار ایشیا کی مانگ مثبت رہتی چاہیے۔

بڑے پیمانے پر مینوفیکچرنگ (LSM) کے شعبے میں مالی سال 2024 کے پانچویں مہینے کے دوران 0.4 فیصد کی معمولی منفی نمو دیکھی جو کہ گزشتہ سال کی اسی مدت میں 1.7 فیصد کمی تھی۔ ذیلی شعبے کی سطح پر مل جلار، رحمان دیکھا گیا: خوراک، کیمیکل، دواسازی اور پٹرولیم مصنوعات سمیت 22 شعبوں میں سے 12 نے مثبت نمو دیکھی گئی۔ پائیدار ترقی کے لئے، باقاعدہ طے شدہ ایڈجسٹمنٹ اور پالیسیوں کی اصلاحات عملی قابلیت کو بہتر بنانے اور مالیاتی استحکام کے تحفظ کے لئے بہت ضروری ہیں۔

آپریٹنگ نتائج



31 دسمبر 2023 کو اختتام پذیر ہونے والی نو ماہی کی مدت کے دوران، کمپنی نے 115.4 بلین روپے کی خاص فروخت حاصل کی جو گزشتہ سال کے مقابلے میں 12.6 فیصد زیادہ ہے۔ اسی طرح مجموعی منافع 21.74 فیصد اضافے کے ساتھ 6.4 بلین روپے سے بڑھ کر 7.8 بلین روپے ہو گیا۔ مجموعی منافع میں اضافہ بہتر سیکس، منہجم شرح مبادلہ اور لاگت میں کمی کے دیگر اقدامات کی وجہ سے ہوا۔ سبز اور مارکیٹنگ کے اخراجات بڑھ کر 2.2 بلین روپے ہو گئے جو کہ 15.7 فیصد اضافہ ہے جس کی وجہ پر ڈومیسٹل سرگرمیوں اور عام افراط زر ہے۔ انتظامی اخراجات میں بھی 15.7 فیصد اضافہ ہوا جس کی بنیادی وجہ افراط زر ہے۔ دیگر آمدنی، دوسرے آپریٹنگ اخراجات اور نئی مالیاتی چارجز بائٹ لائن میں 5.4 بلین روپے کا حوصلہ افزا حصہ ڈالا۔ یہ



# Condensed Interim Statement of Financial Position (Unaudited)

## As at December 31, 2023

		(Unaudited) December 31, 2023	(Audited) March 31, 2023
	Note	----- (Rupees in '000) -----	
<b>ASSETS</b>			
<b>Non current assets</b>			
Property, plant and equipment	5	12,747,237	12,158,765
Intangible assets		8,848	35,311
Long term investments	6	346,266	340,816
Long term loans and advances		93,289	75,469
Long term deposits		41,682	41,662
		13,237,322	12,652,023
<b>Current assets</b>			
Stores, spares and loose tools		1,048,862	1,083,666
Stock-in-trade		10,909,672	8,005,452
Trade debts		2,028,542	797,382
Loans and advances		86,439	94,502
Trade deposits and prepayments		323,974	2,242,128
Accrued mark-up / interest		122,866	343,803
Other receivables		3,387	1,874
Short term investments	7	16,669,045	10,114,241
Cash and bank balances		22,287,016	34,702,516
		53,479,803	57,385,564
		66,717,125	70,037,587
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Authorized capital			
150,000,000 (March 31, 2023: 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, 2023: 124,087,935)			
ordinary shares of Rs.10 each		1,240,879	1,240,879
Reserves		23,897,216	21,539,063
		25,138,095	22,779,942
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Lease liabilities		119,879	148,102
Staff retirement benefits		633,994	559,591
Deferred taxation		873,022	633,022
		1,626,895	1,340,715
<b>Current liabilities</b>			
Trade and other payables		38,083,957	44,545,823
Taxation - net		881,745	50,005
Dividend payable		738,323	1,044,510
Unclaimed dividend		159,920	222,975
Current portion of lease liabilities		88,190	53,617
		39,952,135	45,916,930
		41,579,030	47,257,645
Contingencies and commitments	8	66,717,125	70,037,587

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Amir H. Shirazi  
Chairman

Saquib H. Shirazi  
Chief Executive Officer

Danyal Ahmed Rasheed  
Chief Financial Officer

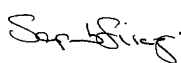
# Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Unaudited)

## For The Nine Months Ended December 31, 2023

	Note	Quarter ended December 31,		Nine months period ended December 31,	
		2023	2022	2023	2022
----- (Rupees in '000) -----					
Sales - net		41,232,056	35,213,696	115,416,812	102,478,408
Cost of sales	9	(37,709,569)	(32,853,909)	(107,592,413)	(96,051,748)
<b>Gross profit</b>		3,522,487	2,359,787	7,824,399	6,426,660
Sales and marketing expenses		(788,711)	(686,140)	(2,263,489)	(1,956,333)
Administrative expenses		(220,208)	(197,799)	(697,256)	(602,650)
Other income		1,977,463	1,084,892	6,240,138	2,919,050
Other operating expenses		(369,824)	(333,128)	(750,371)	(776,367)
Share of net profit / (loss) of an Associate		2,172	3,624	8,149	(1,082)
<b>Operating profit</b>		4,123,379	2,231,236	10,361,570	6,009,278
Finance cost		(18,503)	(14,491)	(55,145)	(43,050)
<b>Profit before taxation</b>		4,104,876	2,216,745	10,306,425	5,966,228
Income tax expense		(1,583,359)	(807,939)	(4,225,634)	(2,277,874)
<b>Profit for the period</b>		2,521,517	1,408,806	6,080,791	3,688,354
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		2,521,517	1,408,806	6,080,791	3,688,354
----- (Rupees) -----					
<b>Earnings per share</b>					
- basic and diluted	10	20.32	11.35	49.01	29.72

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
Amir H. Shirazi  
Chairman

  
Saquib H. Shirazi  
Chief Executive Officer

  
Danyal Ahmed Rasheed  
Chief Financial Officer

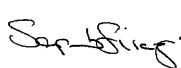
# Condensed Interim Statement of Changes in Equity (Unaudited)

## For the Nine Months Period Ended December 31, 2023

	Issued, subscribed and paid-up capital	Capital reserves		Revenue reserves		Total
		Share premium	Gain on sale of land	General reserve	Un- appropriated profit	
----- (Rupees in '000) -----						
Balance as at April 1, 2022 (Audited)	1,240,879	39,953	165	9,492,000	10,254,641	21,027,638
Transaction with owners, recognised directly in equity						
Final dividend for the year ended March 31, 2022 at the rate of Rs.15 per share	-	-	-	-	(1,861,319)	(1,861,319)
Interim dividend for the half year ended September 30, 2022 at the rate of Rs.11 per share	-	-	-	-	(1,364,967)	(1,364,967)
Total comprehensive income for the nine months ended December 31, 2022						
Profit for the period	-	-	-	-	3,688,354	3,688,354
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	3,688,354	3,688,354
Balance as at December 31, 2022 (Unaudited)	1,240,879	39,953	165	9,492,000	10,716,709	21,489,706
Total comprehensive income for three months ended March 31, 2023						
Profit for the period	-	-	-	-	1,315,801	1,315,801
Other comprehensive loss	-	-	-	-	(25,565)	(25,565)
	-	-	-	-	1,290,236	1,290,236
Balance as at March 31, 2023 (Audited)	1,240,879	39,953	165	9,492,000	12,006,945	22,779,942
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2023 at the rate of Rs.13 per share	-	-	-	-	(1,613,143)	(1,613,143)
Interim dividend for the half year ended September 30, 2023 at the rate of Rs.17 per share	-	-	-	-	(2,109,495)	(2,109,495)
Total comprehensive income for the nine months ended December 31, 2023						
Profit for the period	-	-	-	-	6,080,791	6,080,791
Other comprehensive income	-	-	-	-	-	-
	-	-	-	-	6,080,791	6,080,791
Balance as at December 31, 2023 (Unaudited)	1,240,879	39,953	165	9,492,000	14,366,098	25,138,095

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

  
Amir H. Shirazi  
Chairman

  
Saquib H. Shirazi  
Chief Executive Officer

  
Danyal Ahmed Rasheed  
Chief Financial Officer

# Condensed Interim Statement of Cash Flows (Unaudited)

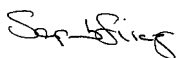
## For the Nine Months Period Ended December 31, 2023

	Note	Nine months period ended December 31,	
		2023	2022
		---- (Rupees in '000) ----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash (used in) / generated from operations	11	(2,035,334)	8,356,959
Interest paid		-	2,071
Income taxes paid		(3,153,893)	(2,079,396)
Mark-up / interest received		4,081,716	1,597,714
Workers' profit participation fund paid		(271,661)	(424,050)
Workers' welfare fund paid		(135,782)	(130,945)
Long term loans and advances - net		(17,820)	(4,402)
Long term deposits - net		(20)	(27,585)
Net cash (used in) / generated from operating activities		(1,532,794)	7,290,366
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(1,764,439)	(2,964,773)
Proceeds from sale of property, plant and equipment		77,675	92,245
Payments for intangible assets		(2,940)	(15,597)
Payments for investments		(15,746,183)	(13,480,097)
Proceeds from sale of investments		10,750,000	10,114,826
Dividend received		2,689	3,040
Net cash used in investing activities		(6,683,198)	(6,250,356)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals paid		(107,628)	(67,677)
Long term loan (paid) / received		-	(187,500)
Dividend paid		(4,091,880)	(2,081,568)
Net cash used in financing activities		(4,199,508)	(2,336,745)
Net decrease in cash and cash equivalents		(12,415,500)	(1,296,735)
Cash and cash equivalents at beginning of the period		34,702,516	17,424,657
Cash and cash equivalents at end of the period		22,287,016	16,127,922

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.



Amir H. Shirazi  
Chairman



Saquib H. Shirazi  
Chief Executive Officer



Danyal Ahmed Rasheed  
Chief Financial Officer

# Notes to the Condensed Interim Financial Statements (Unaudited)

## For the Nine Months Period Ended December 31, 2023

### 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, 2023: 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 as 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 SIGNIFICANT 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, 2023.

There are certain International Financial Reporting Standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on April 1, 2023. These are considered not to be relevant or to have any significant effect on the Company's financial reporting and operation 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, 2023. The impact of re-measurement of post-employment benefit plans has not been incorporated in the condensed interim financial statements.

### 4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements 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 of uncertainty were the same as those that applied to the audited annual financial statements of the Company for the year ended March 31, 2023.

		<b>(Unaudited) December 31, 2023</b>	<b>(Audited) March 31, 2023</b>
	<b>Note</b>	<b>---- (Rupees in '000) ----</b>	
<b>5</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>		
Operating fixed assets	5.1	12,473,935	11,931,412
Capital work-in-progress		75,004	66,930
Right of use assets		198,298	160,423
		<u>12,747,237</u>	<u>12,158,765</u>
<b>5.1</b>	<b>Operating fixed assets</b>		
Book value at beginning of the period / year		11,931,412	9,821,446
Additions during the period / year		1,756,365	3,551,520
Disposals costing Rs.337,468 thousand (March 31, 2023: Rs. 539,752 thousand) - at book value		(144,111)	(144,276)
Depreciation charge for the period / year		(1,069,731)	(1,297,278)
Book value at end of the period / year		<u>12,473,935</u>	<u>11,931,412</u>
		<b>(Unaudited) December 31, 2023</b>	<b>(Audited) March 31, 2023</b>
		<b>---- (Rupees in '000) ----</b>	
<b>6</b>	<b>LONG TERM INVESTMENTS</b>		
Unquoted			
Associate - equity accounted investment	6.1	346,276	340,816
		<u>346,276</u>	<u>340,816</u>
<b>6.1</b>	<b>Equity accounted investment - Atlas Hitec (Private) Limited</b>		
Balance at beginning of the period / year		340,816	343,534
Share of (loss) / profit for the period / year - net of tax		8,149	322
Dividend received during the period / year		(2,689)	(3,040)
Balance at end of the period / year		<u>346,276</u>	<u>340,816</u>
<b>6.1.1</b>	The value of investment in an Associate is based on unaudited condensed interim financial statements of the investee company as at December 31, 2023.		

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, 2023 : 29.23%) of its issued, subscribed and paid up capital as at December 31, 2023.

**(Unaudited)**      **(Audited)**  
**December 31,**      **March 31,**  
**2023**                      **2023**  
---- (Rupees in '000) ----

6.2 Others - available for sale

Arabian Sea Country Club Limited

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 ordinary shares of Rs.10 each - cost	500	500
Less: Impairment in the value of investment	500	500

-	-
-	-

**(Unaudited)**      **(Audited)**  
**December 31,**      **March 31,**  
**2023**                      **2023**  
---- (Rupees in '000) ----

## 7 SHORT TERM INVESTMENTS - at fair value through profit or loss

Investments in units of mutual funds:

- Related parties	16,538,955	9,516,341
- Others	130,090	114,892
	16,669,045	9,631,233

At amortised cost - Treasury bills

-	483,008
16,669,045	10,114,241

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 Contingencies

8.1.1 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, 2023.

**(Unaudited)**      **(Audited)**  
**December 31,**      **March 31,**  
**2023**                      **2023**  
---- (Rupees in '000) ----

8.1.2 Guarantees issued by banks on behalf of the Company	1,983,650	1,742,427
---	-----------	-----------

### 8.2 Commitments

8.2.1 Commitments in respect of:

- capital expenditure, raw materials and components through confirmed letters of credit	4,936,283	3,325,464
---	-----------	-----------

- capital expenditure other than through letters of credit	52,050	172,736
--	--------	---------

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

	<b>(Unaudited) December 31, 2023</b>	<b>(Audited) March 31, 2023</b>
	<b>---- (Rupees in '000) ----</b>	
Not later than one year	450,907	423,630
Over one year and no later than five years	1,293,422	1,153,668
More than five years	322,875	388,849
	<u>2,067,204</u>	<u>1,966,147</u>

----- (Unaudited) -----

	<b>Quarter ended December 31,</b>		<b>Nine months period ended December 31,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>----- (Rupees in '000) -----</b>			

## 9 COST OF SALES

Opening stock of finished goods	1,917,836	1,270,925	1,730,184	1,699,558
Cost of goods manufactured	27,105,078	30,474,231	89,819,123	87,798,149
Purchases during the period	10,786,660	2,652,959	18,143,111	8,098,247
	<u>37,891,738</u>	<u>33,127,190</u>	<u>107,962,234</u>	<u>95,896,396</u>
	39,809,574	34,398,115	109,692,418	97,595,954
Closing stock of finished goods	(2,100,005)	(1,544,206)	(2,100,005)	(1,544,206)
	<u>37,709,569</u>	<u>32,853,909</u>	<u>107,592,413</u>	<u>96,051,748</u>

## 10 EARNINGS PER SHARE - basic and diluted

Profit for the period	<u>2,521,517</u>	<u>1,408,806</u>	<u>6,080,791</u>	<u>3,688,354</u>
-----------------------	------------------	------------------	------------------	------------------

----- (Number of shares) -----

Weighted average number of ordinary shares in issue during the period	<u>124,087,936</u>	<u>124,087,936</u>	<u>124,087,936</u>	<u>124,087,936</u>
---	--------------------	--------------------	--------------------	--------------------

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

Basic earning per share	<u>20.32</u>	<u>11.35</u>	<u>49.01</u>	<u>29.72</u>
-------------------------	--------------	--------------	--------------	--------------

10.1 There is no dilutive effect on the basic earnings per share of the Company.



**11 CASH GENERATED FROM OPERATIONS**

----- (Unaudited) -----

**Nine months ended  
December 31,**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>---- (Rupees in '000) ----</b>	
Profit before taxation		10,306,425	5,966,228
Adjustments for:			
Depreciation		1,123,065	980,987
Amortization		29,403	30,012
Provision for compensated absences		74,403	43,929
Provision for gratuity		53,591	42,436
Mark-up / interest on savings deposit accounts and term deposit receipts		(3,860,779)	(1,596,314)
Gain on sale of investments at fair value through profit or loss		(39,453)	(66,330)
Fair value gain on investments at fair value through profit or loss		154,643	(124,479)
Dividend income		(1,673,811)	(896,513)
Workers' profit participation fund		398,303	319,496
Workers' welfare fund		210,169	121,409
Loss on disposal and write-off of operating fixed assets		66,436	29,419
Share of loss / (profit) of an Associate		(8,149)	1,082
Interest on lease liabilities		22,777	17,785
Interest on long term loan		-	469
Changes in working capital	11.1	(8,892,357)	3,487,343
		<u>(2,035,334)</u>	<u>8,356,959</u>

**11.1 Changes in working capital**

(Increase) / decrease in current assets:

- Stores, spares and loose tools	34,804	32,391
- Stock-in-trade	(2,904,220)	(2,493,247)
- Trade debts	(1,231,160)	(503,580)
- Loans and advances	8,063	(6,895)
- Trade deposits and prepayments	1,918,154	(228,480)
- Other receivables	(1,513)	174
	<u>(2,175,872)</u>	<u>(3,199,637)</u>
(Decrease) / increase in trade and other payables	(6,716,485)	6,686,980
	<u>(8,892,357)</u>	<u>3,487,343</u>

## 12 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 12.1 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, 2023.

### 12.2 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, 2023				
Short term investments	<u>16,669,045</u>	<u>-</u>	<u>-</u>	<u>16,669,045</u>
March 31, 2023				
Short term investments	<u>10,114,241</u>	<u>-</u>	<u>-</u>	<u>10,114,241</u>

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

## 13 TRANSACTIONS WITH RELATED PARTIES

----- (Unaudited) -----  
**Nine months period ended  
 December 31,**  


---

  
**2023                      2022**  
 ---- (Rupees in '000) ----

13.1 Significant transactions with related parties are as follows:

### The Holding Company

#### Sales of:

- goods and services	1,091	806
- operating fixed assets	100	-

#### Purchases of:

- goods and services	26,064	20,326
- operating fixed assets	7,189	7,665

Lease rentals paid	51,447	21,584
--------------------	--------	--------

Dividend paid	1,951,945	1,691,686
---------------	-----------	-----------

### Associated companies

#### Sales of:

- goods and services	1,456,523	1,174,870
- operating fixed assets	16,653	21,936

#### Purchases of:

- goods and services	29,892,646	25,229,623
- operating fixed assets	420,354	147,618

Sale of units in mutual funds	10,739,450	7,921,459
-------------------------------	------------	-----------

Purchase of units in mutual funds	15,500,000	11,980,097
-----------------------------------	------------	------------

Royalty paid	6,902,567	1,681,926
--------------	-----------	-----------

Technical assistance fee paid	65,000	34,584
-------------------------------	--------	--------

Commission income received	116	1,186
----------------------------	-----	-------

Lease rental paid	33,453	30,412
-------------------	--------	--------

Insurance premium paid	686,803	531,413
------------------------	---------	---------

Insurance claims received	14,308	10,414
---------------------------	--------	--------

Reimbursement of expenses - net	14,200	36,912
---------------------------------	--------	--------

Dividend paid	105,542	91,470
---------------	---------	--------

Dividend received	2,098,059	829,524
-------------------	-----------	---------

Donation paid	131,030	78,196
---------------	---------	--------

### Other related parties

Contributions paid to gratuity funds, provident funds / pension schemes	105,107	87,372
--	---------	--------

### Key Management Personnel

- salaries and other employment benefits	189,784	149,510
--	---------	---------

- sale of assets under company policy	6,465	6,445
---------------------------------------	-------	-------

	<b>(Unaudited)</b> <b>December 31,</b> <b>2023</b>	<b>(Audited)</b> <b>March 31,</b> <b>2023</b>
----- (Rupees in '000) -----		

13.2 Period / year end balances are as follows:

Receivables from related parties

Long term loans	6,113	2,193
Long term deposits	28,000	28,000
Trade deposits and prepayments	260,696	130,240

Payable to related parties

Lease liabilities	116,840	43,430
Staff retirement benefits	42,599	46,096
Trade and other payables	5,121,741	7,716,422
Dividend payable	738,323	1,044,510

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

## 14 CORRESPONDING FIGURES

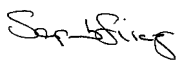
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended March 31, 2023 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, 2022.

## 15 DATE OF AUTHORIZATION

These condensed interim financial information were authorized for issue on January 26, 2024 by the Board of Directors of the Company.



**Amir H. Shirazi**  
Chairman



**Saquib H. Shirazi**  
Chief Executive Officer



**Danyal Ahmed Rasheed**  
Chief Financial Officer

PAGE LEFT BLANK INTENTIONALLY

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](mailto:ahl@atlas.com.pk)

Website: [www.atlashonda.com.pk](http://www.atlashonda.com.pk)