

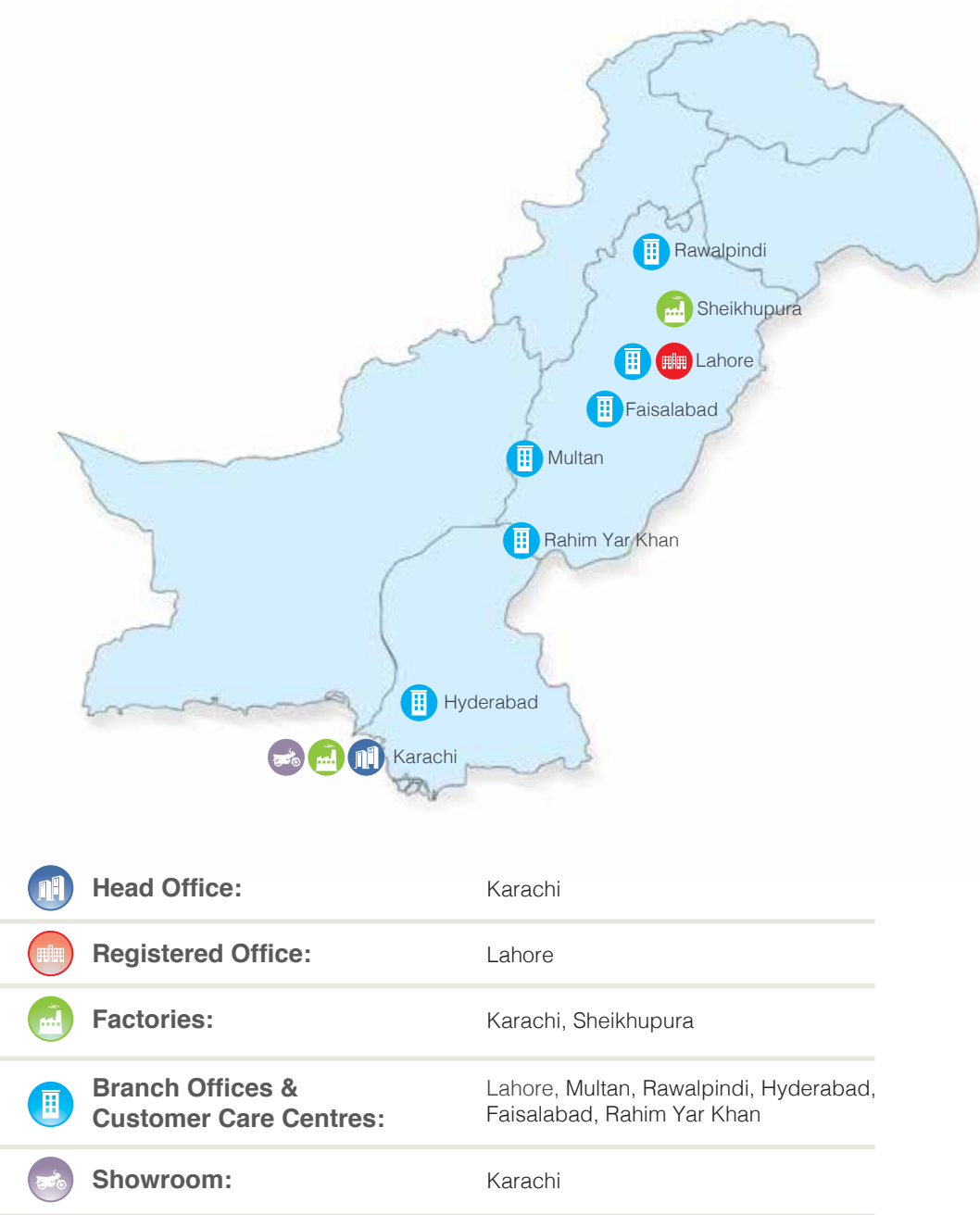




Building Future Competencies

Atlas Honda Limited has long emerged as a national icon of success. Its rising standards encourage its people to give their best, in service and competence. Atlas Honda has introduced new and advanced systems for sustainable profits, expanded manufacturing capacity and a network support to increase market growth. Atlas Honda is geared to continue meeting and exceeding the demands of customers across the nation through building future competencies for a renewed beacon of quality and reliability.

Geographical Presence



Dealerships & Distribution Network

Atlas Honda's Dealerships are spread all over Pakistan.
Complete details are available at www.atlashonda.com.pk

Salient features



Slide out the booklet to read
Atlas Honda Sustainability Report 2016



Invested



Building Future Competencies

Annual Report 2016

Distinction



Expansion



Network



Visionary





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Vision

Market leader in the motorcycle industry, emerging as a global competitive centre of production and exports.

Mission

A dynamic growth oriented company through market leadership, excellent in quality and service and maximizing export, ensuring attractive returns to equity holders, rewarding associates according to their ability and performance, fostering a network of engineers and researchers ensuing unique contribution to the development of the industry, customer satisfaction and protection of the environment by producing emission friendly green products as a good corporate citizen fulfilling its social responsibilities in all respects.

Strategic Goals

Customers

Our Customers are the reason and the source of our business. It is our joint aim with our dealers to ensure that the customers enjoy the highest level of satisfaction from use of Honda motorcycles.

Quality

To ensure that our products and services meet the set standards of excellence.

Local Manufacturing

To be the industry leader in indigenization of motorcycle parts.

Technology

To develop and maintain distinct business advantages through continuous induction of improved hard and soft technologies.

Shareholders

To ensure health and viability of business and thus safeguarding shareholders' interest by maximizing profit. Payment of regular satisfactory dividends and adding value to the shares.

Employees

To enhance and continuously update each member's capabilities and education and to provide an environment which encourages practical expression of the individual potential in goal directed team efforts and compensate them attractively according to their abilities and performance.

Corporate Citizen

To comply with all Government laws, rules and regulations and to maintain a high standard of ethics in all operations and to act as a responsible member of the society.



Quality Policy

Commitment to provide high quality motorcycles and parts.

Right work in first attempt and on time.

Maintain and continuously improve quality.

Training of manpower and acquisition of latest technology.

Safe, clean and healthy environment.

Market leadership and prosperity for all.



A view of AHL Sheikhpura office

About the Company

A journey began five decades ago which revolutionized the two – wheeler industry in Pakistan. It was the beginning of a ride to glory aiming to transform the people’s lives by providing simplistic mobility solutions. It embraced the aspiration to define the quality and set the benchmark of performance for others to follow. That spirit drove the chronicles of the nation’s largest motorcycle manufacturing company, showcasing the **“Power of Dreams, Generation after Generation.”**

Starting with an initial capital of Rs. 500,000 and 2 associates by his side, Mr. Yusuf H. Shirazi, the Chairman Atlas Honda, set up an investment company in 1962 by the name of “Shirazi Investments (Private) Limited”. This event laid the foundation of the Atlas Group. Utilizing the funds generated by Shirazi Investments (Private) Limited, Mr. Yusuf H. Shirazi signed a technical collaboration agreement with Honda Motor Company Limited (HMC) in 1963 for the production and sales of Honda motorcycles in Pakistan. The company that was formed as a result of this joint venture was called “Atlas Autos Limited” with its manufacturing facility located in Karachi.

To expand the reach to new markets, Atlas Epak Limited was formed in 1968 with manufacturing facilities based in East Pakistan. However, calamity struck in 1971 as the war in East Pakistan resulted in loss of the sister concern. Despite this massive financial impediment, Atlas Autos remained steadfast and recovered. Later in 1979, another new motorcycle manufacturing plant at Sheikhpura, namely “Panjdarya Limited” was established.

To enhance the technological and production capabilities, a joint venture agreement was entered into in 1988 with HMC. Both Atlas Autos Limited and Panjdarya Limited operated separately until the two were merged in 1991 and “Atlas Honda Limited” (the Company) came into being.

Over the years, the Company has enjoyed tremendous success. With products of highest quality, state of the art manufacturing facilities, largest dealership network and impeccable after sale service, the Company today is considered the flag bearer of the motorcycle industry in Pakistan and is steadily leaping ahead.

In its endeavor towards enriching journeys, the Company aims to fulfill the demand of high-performing motorcycles by continuing to be the top choice of consumers. The Company remains focused towards enhancing its capacity for manufacturing excellence through sustainable profits, localization of operations, stronger dealer network, support from vendors and enhanced customer engagement. The Company aims to **build upon its competencies** by investing in its scale of operations and generating greater customer value while envisioning and carving out a better future.



The Glorious Ride 1963-2015

The journey of Pakistan's largest motorcycle company is paved with magnificent milestones. This journey of success is built upon competencies adapted to the future of two-wheel transportation. Expansion, financial strength, network support and sustainable profits drive us to transform into a bigger and better entity – the visionary known as Atlas Honda Limited.

1961 - 1970	1971 - 1980	1981 - 1990	1991 - 2000	2001 - 2010	2011 - 2015
<p>Atlas Autos Limited is incorporated as public limited company.</p> <p>First Technical collaboration agreement is signed between Atlas Autos Limited and Honda Motor Company Limited. The historical ceremony takes place in Tokyo, where Mr. Yusuf H. Shirazi and Mr. Soichiro Honda, founder of Honda Motor Company Limited, graces the occasion.</p> <p>Atlas Autos becomes the first two wheeler Company in Pakistan to get listed on Stock Exchange.</p> <p>Commercial production commences with sanctioned annual capacity of 6,000 units.</p> <p>The Company launches a series of new models. Honda C 50, C 90, and S 90 gained immense popularity among the customers.</p> <p>An in-house engineering workshop is set up and Company's dream of developing a completely localized product takes its first place.</p>	<p>A new model, S 110 Deluxe is introduced.</p> <p>The Company launches two of its longest running and most popular production models, the fuel efficient CD 70 and high performance CG 125.</p> <p>The Company sends its key engineers and dealers to Japan for training courses.</p> <p>Panjadarya Limited, an associated Company, is incorporated with its plant facility at Sheikupura. Second Technical Assistance agreement is signed with Honda Motor Company Limited.</p> <p>Relay out, modernization and balancing of manufacturing facility is carried out.</p> <p>Series of technical seminars on motorcycle technology are held in Pakistan in collaboration with the Association of Technical Scholarships of Japan.</p> <p>A motorcycle Technical Training Centre is established in Lahore.</p>	<p>Panjadarya Limited commences commercial production.</p> <p>The 2 stroke MB 100 is launched with a memorable advertising campaign.</p> <p>New CD 70 with econo-power engine is launched.</p> <p>The Company achieved localization level of 50%.</p> <p>A Quality Circle Movement, called "Ala Mayar Circle" is started, aiming at improvement in quality control and manufacturing techniques.</p> <p>The Company organizes the first ever vendor conference.</p> <p>Engine parts manufacturing plant is installed.</p> <p>The Company celebrates its 25th year of incorporation.</p> <p>Honda Motor Company acquires 10% equity in Atlas Autos.</p> <p>Merger of Panjadarya Limited with Atlas Autos takes place.</p>	<p>The name of new merged Company is changed to Atlas Honda Limited.</p> <p>CG 125 engine parts manufacturing plant is installed at Sheikupura plant and new model of CG 125 is launched.</p> <p>New CD 70 model is introduced with latest ignition technology.</p> <p>The Company managed to formalize eight technical assistance agreements between Japanese Companies and vendors. Thus, the Company continues to play a key role in transfer of technology and vendor development in Pakistan.</p> <p>The Company makes its first exports to Bangladesh, Nepal, Sri Lanka, Middle East and Central Asia.</p> <p>The Company received ISO 9002 certification for both Karachi and Sheikupura plants.</p> <p>The Company is ranked among the top ten employers.</p>	<p>Dealer convention of motorcycle industry was held for the first time in Pakistan.</p> <p>The new marketing strategy of "5S" Dealership is introduced under which customers can avail the facilities of sales, service, spare parts, second hand motorcycle exchange and special (credit) sales – all under one roof.</p> <p>The Company achieves localization level of 85%.</p> <p>The Company crosses the barrier of 100,000 units in 2003.</p> <p>The new model CD 100 is launched.</p> <p>The Company extends the capacity at Sheikupura plant by establishing, state of the art, 500k synchronized Assembly Plant.</p> <p>The new model CG 125 Deluxe is launched.</p> <p>Company hosts the 15th NHC Asia-Oceania Bloc Convention.</p> <p>SAP, the leading ERP system, is implemented.</p>	<p>The Company surpasses 90% localization record and crosses the 500,000 units barrier in 2011.</p> <p>The Company becomes the first motorcycle company in Pakistan with all its models are complied with latest emission standards.</p> <p>The Company launches a series of modern & stylish models namely Honda CD70 Dream, CG125 Dream, Pridor and CBR series which became immediate hit among the customers.</p> <p>The Company celebrates 50 years of the nation's ride.</p> <p>Mrs. Yusuf H. Shirazi inaugurated the Company's 50 years Gallery.</p> <p>The Company acquired shares of Atlas Hitec (Private) Limited.</p> <p>The Company's corporate reporting practices were recognized through various awards by ICAP & ICMAP, SAFA, KSE, ACCA & WWF.</p> <p>The Company signed MOU's with leading banks for availability of Atlas Honda motorcycles on credit.</p> <p>The Company announced to increase the engine warranty period and first free service to 3 years and 3 cards respectively.</p>

Company Information

Board of Directors

Yusuf H. Shirazi
Chairman

Abid Naqvi
Director

Hiromitsu Takasaki
Director

Jawaid Iqbal Ahmed
Director

Sanallah Qureshi
Director

Toichi Ishiyama
Director

Yasutaka Uda
Director

Saqib H. Shirazi
Chief Executive Officer

Umair Mukhtar
Company Secretary

Audit Committee

Sanallah Qureshi
Chairman

Abid Naqvi
Member

Jawaid Iqbal Ahmed
Member

Ghazanfar Allah Buksh
Head of Internal Audit

Umair Mukhtar
Secretary

Human Resource & Remuneration Committee

Sanallah Qureshi
Chairman

Jawaid Iqbal Ahmed
Member

Saqib H. Shirazi
Member

Faisal Iqbal
Secretary

Management Committee

Saqib H. Shirazi
Chief Executive Officer

Suhail Ahmed
Vice President Marketing

Yasutaka Uda
Vice President Technical

Kashif Yasin
Chief Financial Officer

Afaq Ahmed
General Manager Plants

Mushtaq Alam
General Manager Information
Technology

Khawaja Shujauddin
General Manager Commercial &
Planning

Shakil Mirza
General Manager Supply Chain

Muhammad Qadeer Khan
General Manager Quality
Assurance

Hiromitsu Takasaki
General Manager Technical

Mujahid-ul-Mulk Butt
General Manager Sales

Tauqeer Rana
General Manager After Sales

Faisal Iqbal
General Manager Human
Resources & Administration

Akmal Dar
General Manager Production,
Planning & Control.

Muhammad Noman Khan
General Manager Engineering &
Projects

Auditors

Shinewing Hameed Chaudhri & Co.
Chartered Accountants

Legal Advisors

Mohsin Tayebaly & Co.
Agha Faisal - Barrister at Law

Tax Advisor

Ernst & Young Ford Rhodes Sidat
Hyder, Chartered Accountants

Shares Registrar

Hameed Majeed Associates (Pvt.)
Limited H. M. House, 7-Bank
Square, Shahrah-e-Quaid-e-Azam,
Lahore.
Tel: (92-42) 37235081-82
Fax: (92-42) 37358817

Bankers

Allied Bank Limited
Bank Al-Habib Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
Khushali Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
NIB Bank Limited
Soneri Bank Limited
Standard Chartered Bank
(Pakistan) Limited
The Bank of Tokyo-Mitsubishi
UFJ Limited
United Bank Limited.

Registered Office

1-McLeod Road, Lahore-54000
Tel: (92-42) 37225015-17,
37233515-17
Fax: (92-42) 37233518, 37351119
E-mail: ahl@atlas.com.pk
Website: www.atlashonda.com.pk

Factories

F-36, Estate Avenue, S.I.T.E.,
Karachi-75730
Tel: (92-21) 32575561-65
Fax: (92-21) 32563758

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

Branch Offices & Customer Care Centres

Azmat Wasti Road, Multan
Tel: (92-61) 4540054, 4571989,
4540028 Fax: (92-61) 4541690

60-Bank Road, Saddar, Rawalpindi
Tel: (92-51) 5120494-6, 5120502
Fax: (92-51) 5120497

House # 7, Atta Road, near Govt.
Girls College, Rahimyar Khan.
Tel: (92-68) 5888809, 5883419,
5883417

391, Block D, Latifabad Unit #6,
Hyderabad
Tel: (99-22) 3864983-4
Fax: (92-22) 3864983

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

Show Room

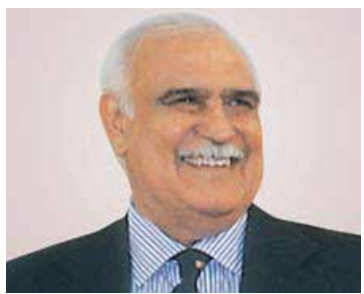
★ West View Building, Preedy Street,
Saddar, Karachi
Tel : (92-21) 32720833, 32727607

★ Customer Care Services are also
available at this location.



A view of AHL Sheikhupura plant

Board of Directors



Yusuf H. Shirazi
Chairman ▲

Mr. Shirazi is a Law graduate (LLB) with BA (Hons.) and JD (Diploma in Journalism) from Punjab University with Role of Honour and AMP Harvard. He served in the Financial Services of the Central Superior Services of Pakistan for eight years where he authored 50 reports as to how the businesses are carried and tax assessed. He was an instructor in the Finance Services Academy on Law and Accounts. He is the author of seven books including “Aid or Trade” adjudged by the Writers Guild as the best book of the year and continues to be a Columnist, particularly on socio-politico-economic matters.

Mr. Shirazi is the Chairman of Atlas Group, which, among others, has Joint Ventures with Honda, GS Yuasa and MAN to name a few. Mr. Shirazi has been the President of Karachi Chamber of Commerce and Industry for two terms. He has also been the Founder Member of Karachi Stock Exchange, Lahore Stock Exchange and International Chamber of Commerce and Industry. He has been on the Board of Harvard Business School Alumni Association and is the Founder President of Harvard Club of Pakistan and Harvard Business School Club of Pakistan. He has also been a visiting Faculty Member at National Defense University, Navy War College and National School of Public Policy. He has been on the Board of Governors of LUMS, GIK and FC College (Chartered University) and Pakistan Institute of Management. Previously, he also served, among others, on the Board of Fauji Foundation, Institute of Management and Computer Sciences (FFIMCS) and Institute of Space Technology – Space & Upper Atmosphere Research Commission (SUPARCO).

Mr. Shirazi has been awarded Sitara-e-Eisaar and Sitara-e-Imtiaz the top Civilian Awards. Sitara-e-Imtiaz conferred by the Government of Pakistan recognizes individuals who have made an "especially meritorious contribution to the security or national interests of Pakistan, world peace, cultural or other significant public endeavors". Sitara-e-Eisaar Award is in recognition of CSR activities in Pakistan. A Distinguished Formanite Award for outstanding achievements as an entrepreneur was awarded by Forman Christian College – University Lahore .

The Government of Japan has also acknowledged Mr. Shirazi’s contributions to promote economic relationship between the two countries by conferring the Japanese National Award.



Sanaullah Qureshi
Director ▲■◆

Mr. Sanaullah Qureshi qualified as a Chartered Accountant from Scotland and joined ICI Pakistan Limited in 1962. He worked in different capacities as General Manager and Director in-charge of Finance, Human Resources and various other businesses of ICI. He retired as the Deputy Chairman of ICI in 1993. Mr. Qureshi joined as CEO of Forbes Forbes Campbell & Co. Limited, an old established Group dealing in shipping, trading and manufacturing. He retired from Forbes in 1995 and has worked in advisory capacity with Captain-PQ Chemicals Industries Limited. He is the former President of Management Association of Pakistan and the Chairman of Gillette Pakistan Limited. He previously held directorship in Linde Pakistan Limited (formerly known as BOC Pakistan Limited), Faysal Bank Limited, SSGCL, Atlas Bank Limited and MYK Associates (Private) Limited. He has been on the Board of Atlas Honda Limited since February 2001.



Jawaid Iqbal Ahmed
Director ▲■◆

Mr. Ahmed is an AMP from Harvard Business School, Boston USA, and IPBM from IMD Lussanne, Switzerland. He is also MBA from IBA Karachi University. He has been working in Atlas Group in various capacities. He has over 50 years of experience in the field of industrial and financial markets of Pakistan. He spearheaded joint venture partnerships of Atlas Group with Honda Japan, JSB Japan, Bank of Tokyo, Asian Development Bank and ING.



Abid Naqvi
Director ▲■✕

Mr. Abid Naqvi is the COO of ACL Capital (Pvt.) Limited, a business development company affiliated with Associated Constructors Ltd. He is also on the Board of Associated Constructors Limited, Alfalah GHP Investment Management Limited and Cherat Packaging Ltd. He has worked in the fields of Commercial and Development Banking and Stock Brokerage for a period of over thirty years. He has also worked as CEO of Taurus Securities Limited, a renowned name in stock brokerage industry. He is a graduate from the University College London, UK in the field of Economics and Finance.



Yasutaka Uda
Director ●

Mr. Yasutaka Uda has vast experience in the automobile industry, having worked with Honda ventures, across the globe. In 2007, he assumed senior management role in the Honda Motor Company Limited, Japan and later on joined Honda South America Limited as the Director. Before taking over his current responsibilities, he was stationed as the Director in the Honda Motorcycle & Scooter India (Private) Limited. He has diversified knowledge of Honda Products and has experience of working in different cultures. He is Vice President – Technical and a member of the Board of Atlas Honda Limited from April 2015.



Mr. Toichi Ishiyama
Director ▲

Mr. Toichi Ishiyama is a Graduate in Economics from Japan. He joined Honda Motor Co., Japan in 1992 and has been associated with Honda Motors Co., for last 24 years. He has a broad experience in the areas of Product / Business Planning, and operations. He has worked in American Honda Motor, U.S.A for two years. He has also served in Asian Honda Motor Co., Ltd., Thailand for three years and Honda Motor (China) Investment Co., Ltd. for four years. He is President/Director of the Honda Atlas Cars (Pakistan) Limited since April 1, 2015. He is also member of the Board of Atlas Honda Limited since April 2016.



Hiromitsu Takasaki
Director ●

Mr. Hiromitsu Takasaki has served at Planning Division of Honda Motor Company (HM), Japan before being appointed to Pakistan. Earlier he was stationed in U.S.A. He has started his career from four wheelers in 1989. He is member of the Board of Atlas Honda Limited since January 2014.

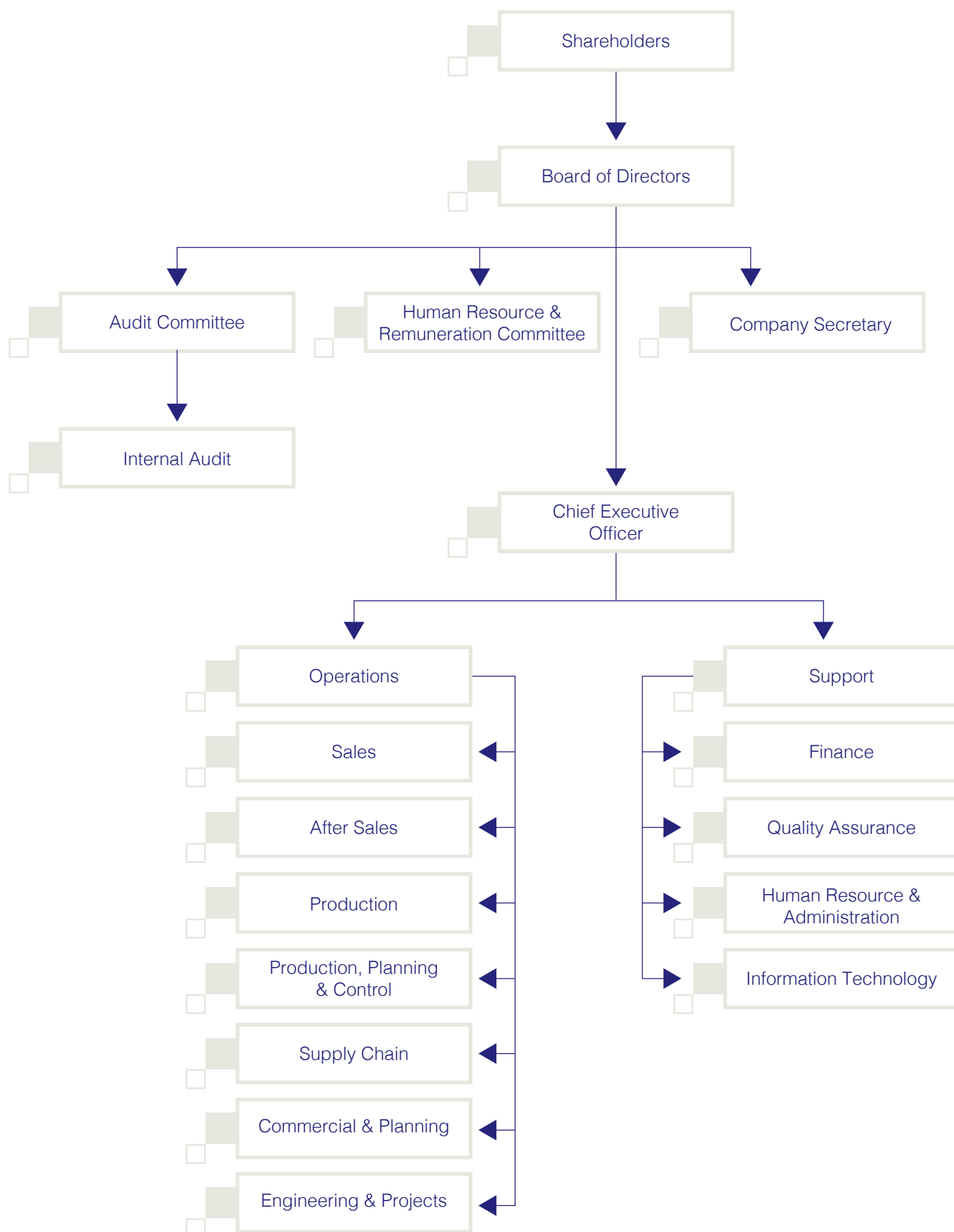


Saquib H. Shirazi
Chief Executive Officer ◆◆

Mr. Saquib Shirazi has been the Chief Executive Officer of Atlas Honda Limited for the last fifteen years. He graduated from the Wharton School of Finance, before completing his Masters from the Harvard Business School. He has previously worked with the Bank of Tokyo and is also the former CEO of Atlas BOT Investment Bank Limited. At present, he is serving as a member on the Boards of Pakistan Cables Limited and Cherat Cement Limited. Previously, he has served on the Boards of Pakistan Petroleum Limited, National Refinery Limited, Sui Southern Gas Company Limited, Cherat Paper and the Privatization Commission of Pakistan. He has also served on Harvard Business School’s Global Alumni Board and was its President for the years 2006-2008. He is currently a member of Harvard Business School’s Advisory Board.

▲ Non-Executive ● Executive ✕ Independent ■ Member Board Audit Committee ◆ Member Human Resource & Remuneration Committee

Organization Chart



Shareholders' Information

REGISTERED OFFICE

1-McLeod Road, Lahore
Tel: (92-42) 37225015-17
(92-42) 37233515-17
Fax: (92-42) 37233518
(92-42) 37351119

EXCHANGE LISTING

The shares of Atlas Honda Limited (the Company) were previously quoted on the Karachi Stock Exchange Limited (KSE) and Lahore Stock Exchange Limited (LSE). However, due to integration of stock exchanges into the Pakistan Stock Exchange Limited (PSX) effective from January 2016, the shares of the Company have been listed on PSX, which now represents the Country's capital market.

STOCK SYMBOL

The stock code for dealing in equity shares of the Company at Pakistan Stock Exchange Limited is ATLN.

LISTING FEES

The annual listing fees for the financial year 2015 - 16 were paid to the KSE and LSE and Central Depository Company of Pakistan Limited within the prescribed time limit.

STATUTORY COMPLIANCE

During the year, the Company has complied with all applicable provisions, filed all returns / forms and furnished all relevant particulars / information as required under the Companies Ordinance, 1984 and allied rules, the listing requirements and any other relevant laws, rules and regulations prescribed by the Securities and Exchange Commission of Pakistan (SECP).

ANNUAL GENERAL MEETING

Date: June 23, 2016
Time: 11:00 A.M.
Venue: Registered Office at 1-McLeod Road, Lahore.

FINANCIAL CALENDAR

April 2016	Audited annual results for the year ended March 31, 2016
June 2016	Mailing of annual reports
June 2016	Annual General Meeting
July 2016	Unaudited first quarter financial results
November 2016	Unaudited half year financial results
January 2017	Unaudited third quarter financial results

DIVIDEND ANNOUNCEMENT

The Board of Directors of the Company has proposed a final cash dividend of Rs. 14.5 per share (145 %) for the year ended March 31, 2016 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting.

Last year, the Company has paid the cash dividend of Rs. 12 per share (120%).

DATES OF BOOK CLOSURE

The register of the members and shares transfer books of the Company will remain closed from June 10, 2016 to June 23, 2016 (both days inclusive).

DATE OF DIVIDEND PAYMENT

The payment of dividend, upon declaration by shareholders at the forthcoming Annual General Meeting, will be made on or after June 23, 2016.

Last year, the Company has dispatched the cash dividend on June 16, 2015 after approval from shareholders at the 51st Annual General Meeting.

PAYMENT OF DIVIDEND

Cash dividends are paid through dividend warrants addressed to shareholders whose names appear in the register of members at the date of book closure. Shareholders are requested to deposit those warrants into their respective bank accounts.

E-DIVIDEND MANDATE (OPTIONAL)

As per the directives issued by the SECP, the shareholders are provided with the opportunity, to authorize the Company, to directly credit the cash dividend in their respective bank accounts. For the aforesaid purpose, the shareholders are requested to provide duly filled dividend mandate forms, which are available on the Company's website. Please note that this electronic dividend mandate is optional and not compulsory. In case, the shareholders do not wish that their dividend is directly credited into their respective bank accounts, then the same shall be paid to them directly.

WITHHOLDING OF TAX & ZAKAT ON DIVIDEND

As per the provisions of Section 150 of the Income Tax Ordinance, 2001, the withholding tax is deductible at source on the amount of dividend paid by the Company at the rate of 12.5% for filers and at the rate of 17.5% for non-filers.

In the light of clarification from Federal Board of Revenue, all the shareholders who intends to seek exemption from withholding of taxes on payment of dividend under clause 47B of Part - IV of the Second Schedule of the Income Tax Ordinance, 2001, are requested to provide the valid Exemption Certificate under section 159(1) of the Income Tax Ordinance, 2001 duly issued by the concerned Commissioner of Inland Revenue in order to claim the said exemption.

Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction of zakat.

SHARE TRANSFER SYSTEM

The Company's shares department is operated by M/s. Hameed Majeed Associates (Pvt.) Limited. It is managed by a team of well-experienced professionals and is equipped with the necessary infrastructure and has in place the comprehensive set of systems and procedures for operational activities pertaining to shares and conducting the Registration function.

Share transfers received at the Share Registrar of the Company are registered within 30 days from the date of receipt, provided the documents are complete in all respects.

ANNUAL GENERAL MEETING

Pursuant to section 158 of the Companies Ordinance, 1984, the Company holds a General Meeting of shareholders at

least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all shareholders at least 21 days before the meeting and also advertised in at least one English and Urdu newspaper.

All shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. The voting by show of hands operates on the principle of "One Member-One Vote". If majority of the shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

PROXIES

According to Section 161 of the Companies Ordinance, 1984 and the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a General Meeting of the Company can appoint another member as his/her proxy to attend and vote instead of him/her. Every notice calling a General Meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who ought to be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the company/share registrar not less than forty eight hours before the meeting.

WEBSITE OF THE COMPANY

The Company is operating website www.atlashonda.com.pk containing updated information regarding the Company. The website contains the financial results of the Company together with the Company's profile, the Atlas group philosophy and products of the Company.

CHANGE OF ADDRESS / E-MAIL ADDRESS

All registered shareholders should send information of changes of addresses and e-mail address, if any to the share registrar of the Company:

M/s. Hameed Majeed Associates (Pvt.) Limited.
H.M. House, 7-Bank Square, Shahrah-e-Quaid-e-Azam,
Lahore

Phone: +92 (42) 37235081-82

Fax : +92 (42) 37358817

MARKET PRICE DATA

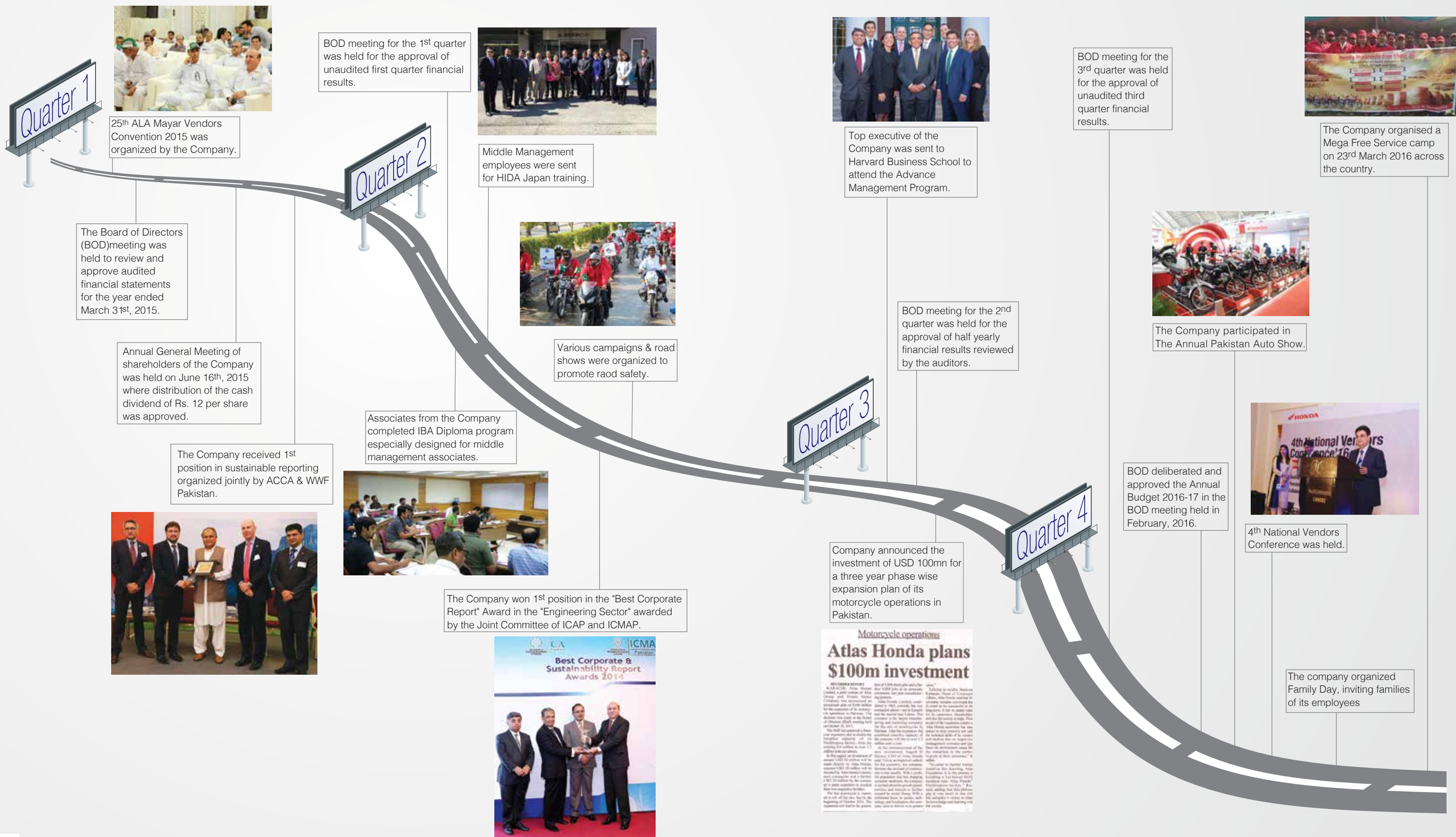
The following table shows the month wise share price of the Company that prevailed during the financial years 2015-16 and 2014-15 in the KSE and LSE:

	KSE				LSE			
Months	High	Low	High	Low	High	Low	High	Low
	2015-16		2014-15		2015-16		2014-15	
April	409.00	335.00	328.00	294.00	399.00	335.00	322.77	298.23
May	374.99	343.05	305.05	248.48	366.00	347.58	305.05	251.00
June	365.00	325.00	276.00	214.01	355.00	329.55	272.02	221.22
July	354.89	330.00	260.10	229.00	354.89	334.98	252.52	229.00
August	364.90	325.00	252.00	209.00	355.00	325.00	252.00	216.87
September	355.00	323.00	328.00	242.22	355.00	326.01	320.82	245.35
October	361.98	320.05	320.00	285.41	358.33	326.01	309.96	288.65
November	414.80	362.00	355.57	285.61	407.11	358.33	338.64	288.63
December	397.50	375.00	343.76	300.00	397.50	380.50	336.87	302.72

The KSE and LSE were integrated into the PSX since January 2016. Accordingly, month wise share price of the Company that prevailed during the period January to March 2016 in PSX and January to March 2015 in the KSE and LSE is presented as follows:

	PSX		KSE		LSE	
Months	High	Low	High	Low	High	Low
	2015-16		2014-15			
January	399.00	349.60	341.25	321.00	336.00	325.00
February	398.99	353.40	405.30	330.01	394.09	330.36
March	384.99	351.00	380.50	311.37	379.00	327.75

Significant events during 2015-16



Chairman’s Review

"The fiscal year 2015 – 16 remained a year of outperformance, with achievement of significant targets ahead of plan. This was primarily driven by the Company’s attractive product range, continuous productivity and efficient cost management. Though the existing capacity constraints present a business challenge, planned capital investments will strengthen the Company’s ability to grow further. All in all, the Company strongly believes that it has now embarked on a path of sustainable growth”

I am pleased to present the 52nd Annual Report of the Company for the year ended March 31, 2016.

Economy

Pakistan’s economy continued to show promising signs of inclusive growth. The headline inflation maintained its downward trajectory and recorded a multi decade low level of 2.64%. This was mainly due to the swift pass through of declining global oil prices to general consumers and adequate food supplies. Lower oil prices also contributed in controlling the deficit in trade account and reduced the import bill by 5.8%, despite higher imports of raw material and machinery. On the other hand, dwindling exports (9.9% year on year decline) on account of weak global demand continued to obscure the performance of the external sector. However, support came from a steady increase in worker remittances, which helped to narrow down the current account deficit to USD 1,859 million, down by 4.5% year on year basis. This, together with, inflows from Euro bond issuance, Coalition Support Fund and receipts from international financial institutions strengthened the forex reserves to USD 20.8 billion. The resulting stability in external account prevented significant depreciation in the Rupee, which remained relatively firm despite weakening of the regional currencies. The comfort at external front and favorable inflationary expectations allowed the central bank to reduce the discount rate by 300 bps to 6.5%.

On the fiscal front, the budgetary deficit remained manageable despite higher development spending. This was due to control over energy subsidies and improved revenue generation. Government revenues increased by 14.6% during July – Dec 15, as compared to 5.0% for the same period last year. The improvement came on the back of additional tax measures which include 1% across-the-board increase in customs duties and additional regulatory and excise duties on various products.

Agriculture

Agriculture sector continues to be under pressure. However, timely rains, adequate availability of inputs and higher agri credit disbursements provide favorable growing conditions, at least, for the Rabi crops. Accordingly, a healthy wheat crop is expected to partly offset the lower outputs of cotton and rice. The government introduced an agriculture relief package in September 2015 that offered cash transfers to growers, tax concessions for imports of agricultural machinery, and subsidies for fertilizers. This should provide support to the declining farmers’ income, amid lower global commodity prices.

Large Scale Manufacturing (LSM)

LSM recorded noticeable improvement in first seven months of FY ’16 (4.35% compared to 2.37% of FY’ 15). Major contribution came from automobiles, fertilizer and construction-allied industries. The improvement was primarily driven by better energy availability, lower international prices of key inputs, higher government spending and monetary easing. Further, improving law and order situation, recent cut in electricity tariff and pick up in development work under China-Pakistan Economic Corridor (CPEC) will also benefit the overall manufacturing sector.

The Two Wheeler Industry

The two wheeler industry posted double digit growth. The improving macroeconomic fundamentals, better security situation and increasing real incomes reflected in rising demand for consumer durables, including two wheelers. A strong consumer appetite for motorcycles in urban areas remained the major growth driver. This was due to softer fuel prices, increasing urbanization and demographic shift towards youth. However, lower farmers’ income continues to restrain new ownership of two wheelers in rural homes. The recent increase in custom duty on imports and imposition of regulatory duty on raw materials has posted upward cost pressures on all manufacturers.

The Company

In the year 2015 – 16, the Company maintained its positive momentum. The ongoing improvements to processes and reductions in costs created the best preconditions for qualitative growth.

Marketing Focus

The Company has surpassed its previous best efforts with retail sales crossing the milestone of 800,000 units for the very first time. By the end of the last financial year, the Company had taken a customer centric initiative of price reduction for its entry-level products. This effort, together with improving macroeconomic conditions and better law and order situation, led to easing the customer’s reach to mobility and precipitated the highest-ever sales demand for Honda bikes.

The 70 cc motorcycles segment continues to constitute the largest chunk of the motorcycle industry. The segment witnessed an overriding demand and therefore, faced intense competition. The Company continued to straddle this segment through its brands “CD 70” and “CD 70 Dream”. The Company achieved new top figures for sales in 70 cc category. This represents an impressive increase of 40% over last year. The momentum generated from price rationalization was further consolidated by introducing minor model changes (MMC) in CD 70 and CD 70 Dream. These MMCs provided customers with a successful blend of modern and traditional features, with an uncompromising everyday usability.

The demand for “Pridor”, the Company’s offering in 100 cc segment, remained promising. Through this model, the Company continues to provide its customers a combination of riding pleasure and comfort, with the highest fuel efficiency. Econo run competitions, free checkup camps and other exciting campaigns were carried out to deepen market penetration in this category.

The 125 cc category continued to gain share in the overall two wheeler industry. This was due to changing customer preferences towards higher engine displacements and strong urban demand. The Company maintained its market leadership by offering products that meet customers’ expectation in terms of design, power and functionality. During the year, the Company launched MMC’s of CG125 & CG125 Dream which were well appreciated by the customers.

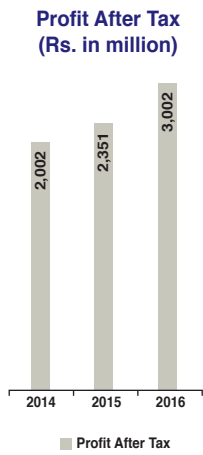
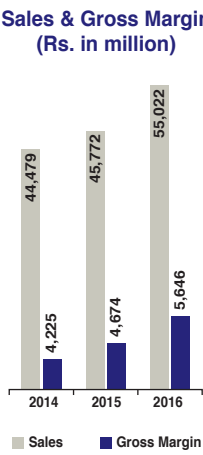
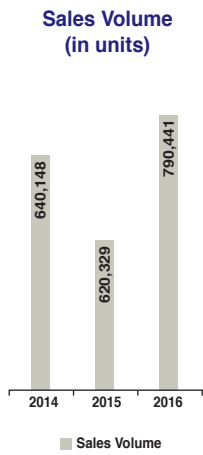
Increased customer appetite for two wheelers also helped boost spares parts revenue. Both, Atlas Honda “Genuine Parts” and “Engine Oil” continue to register growth in sales. The Company was able to enhance sales through innovative marketing ideas, promoting sales through service workshops and a larger and improved product portfolio. During the year, several advertising and customer care campaigns addressed the importance of using genuine parts and engine oil for maintaining the overall health of motorcycles. These efforts, along with a wider distribution network and improved customer accessibility helped to increase revenue to over Rs. 5.0 billion. However, the unabated influx of illegally sourced spare parts, continue to pose a major threat to the business in the organized sector.

Performance Scorecard

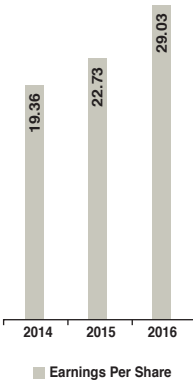
The Company remains committed to deliver on its long term objectives of sustainable growth and maximizing value creation. This is being achieved by concentrating business resources to enhance operating flexibility, optimizing cost structures, advancement of growth projects and strengthening its business foundation.

As a result of these efforts, the Company registered total sales of Rs. 55.0 billion, which is 20.2% higher compared to the previous year. The improvement in sales translated in increased gross profits. Resultantly, gross margin for the year ended March 31, 2016 increased from Rs. 4.7 billion to Rs. 5.6 billion, up by 20.8%. Also, strong contributions came from cost efficiencies, better sales mix, positive exchange rate impacts and other operational measures. Sales, marketing and general administrative expenses rose to Rs. 2.0 billion, a year on year increase of 12%. This was due to higher volumes, increase in personnel cost and effects of general inflation. Other income, net of financial charges, also contributed significantly to the bottom line. It crossed Rs. 0.6 billion which is an encouraging 16% higher than the last year. This was achieved through better treasury management and improved liquidity. As a result, the Company registered the ever highest net profit before tax of Rs. 4.0 billion. Net profit after tax increased to Rs. 3.0 billion from 2.4 billion, an increase of 28% over last year. This translates into Earnings per Share (EPS) of Rs. 29.03 as against Rs. 22.73 of last year.

Atlas Honda Limited has been a debt free Company for the past five years and incurs no borrowing cost. Finance cost represents bank charges on transactional cost paid to banks for collection from customers on behalf of the Company throughout Pakistan. Free cash flow from operations during the year stood at Rs. 7 billion. The cash has been deployed in capital assets, short term investments and payment of dividend. Additions to capital assets mainly represent expansion of production facilities and balancing, modernization and replacement of existing manufacturing facilities.



**Earnings Per Share
-Restated
(Rs. Per Share)**



**Cash Dividend
(Rs. in million)**



During the year, the Company contributed an amount of Rs. 11 billion to the Government and its agencies on account of various taxes and levies. The Atlas Group, of which the Company is a constituent member, contributed Rs.30 billion in all towards the national exchequer. This makes Atlas Group one of the highest tax payers in the country with over 1% of Government's total revenue.

Dividend Policy

Over the years, the Company has followed a consistent policy of paying high dividends. Keeping in view the cash generating capacities, expected capital needs of business and strategic considerations, the Board of Directors is pleased to propose cash dividend of Rs. 14.5 per share for the year 2015 - 16. This amounts to Rs. 1,499 million, which is the highest in the company's history.

Manufacturing Excellence

With growing demand for Honda motorcycles, the Company's capacities were felt to be severally strained. This challenge was addressed by optimizing plant production and installing capacity expansion projects. At the same time, supply chain team impressed upon vendors the need to build flexibilities into their operations. These initiative produced results and, by year end, overall production capacity went up, allowing the Company to produce and deliver over 790,000 units in a year.

Control of in-plant manufacturing costs was another focus area. As a part of sustainable development initiatives, the plants have implemented various breakthrough ideas on energy and fuel consumption which has resulted in savings of 7% of energy cost. Also, the results of "Waste Heat Recovery" system for utilizing heat emission from generators are helping reduce the overall energy bill.

To achieve broader base for its business model and gain flexibility to respond to rising market demand, the Company has announced a three-year phase wise expansion plan to double the installed capacity of its Sheikhpura plant. In this regard, an investment of around USD 50 million will be made directly by the Company. Further, USD 30 million will be invested by associated companies and USD 20 million by parts suppliers to expand their respective facilities. The first motorcycle is expected to roll off a new line by the beginning of October 2016. This expansion will lead to the generation of 1,800 direct jobs and a further 5,000 jobs at associate companies and part manufacturing partners. After this expansion, the combined assembly capacity of both plants will rise to above 1.3 million units a year.

Business Process Re-engineering

A number of Kaizen activities were performed to achieve productivity and cost reduction, some of which are listed below:

Efficient utilization of Waste Heat Recovery System by providing steam to Paint Shops	Tooling modification, material change and resourcing in Engine Plant
Localization of HPDC and GDC dies	In-house refurbishment of GDC dies
Resourcing and localization of Casting and Machining consumables	In-house manufacturing of machine parts and jigs in Die tool shop

Awards

It gives me great pleasure to inform that the following awards were received by the Company during the year:

- 1st position for Best Corporate Report Award in "Engineering Sector" by the Joint Committee of ICAP and ICMAP; and
- Best Sustainability Report Award by the Joint Committee of ACCA & WWF.

Future Look

The recent stability in economic output has set the basis for stronger and sustainable macroeconomic growth. Following the monetary easing, favorable inflation outlook and consistent inflow of remittances, the economy is well positioned to achieve greater competitiveness. Continuing low international oil prices provide a unique opportunity to strengthen foreign exchange reserves. However, the decline in other commodity prices poses challenges to the already subdued commodity-based exports. Resultantly, continued commitment towards fiscal consolidation and industrial & structural reforms is

imperative to continue with this momentum. The fast implementation of China Pakistan Economic Corridor (CPEC) projects and further improvement in security situation will foster investments and also have a positive spillover effect on domestic industrial growth. Unfortunately, the subdued agricultural prospects may continue to weigh down on the overall GDP growth. In this regard, the recently announced government's relief package would support the earnings and consumption potential of rural buyers. This could encourage the demand of two wheelers, due to its role as the main source of motorized transportation in rural areas.

The Company has once again exhibited strong performance and competitiveness. It is passing through a dynamic period where skills, technologies and scales are being developed and getting built for this decade and the next. With a strong pipeline of growth projects, supported by high-performing management, and underpinned by a strong financial position, the Company is well positioned to grow its share in the two-wheeler market. The Company is focused on growth opportunities and is determined to significantly improve its operating results by adding value to its stakeholders' wealth. In this regard, the "Atlas Way" and "Atlas Systems" continue to remain the corner stone of our business philosophy.

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

Acknowledgment

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 its sincere efforts, the Board of Directors for their guidance and Mr. Saquib H. Shirazi - C.E.O. for his inspiring leadership and all stakeholders - Bankers, Dealers, Vendors, Associates and Shareholders for helping to build Atlas Honda Limited into a unique company.

Yusuf H. Shirazi
Chairman

Date: April 29, 2016

Directors' Report to Shareholders

The Directors of the Company are pleased to present their report together with the fifty second Annual Report of the Company along with Audited Financial Statements for the year ended March 31, 2016.

Operating Results

The operating results of the Company are summarized as follows:

	Year ended March 31, 2016 ---- (Rupees in '000) ----	Year ended March 31, 2015
Profit before taxation	4,044,429	3,243,638
Taxation		
Current	1,065,822	942,357
Prior Years	(10,461)	13,765
Deferred	(12,731)	(63,375)
	1,042,630	892,747
Profit after taxation	3,001,799	2,350,891

Dividends and Appropriations

The directors have recommended a final cash dividend of Rs. 14.5 (2015: Rs. 12) per share. Accordingly, the appropriation of profit will be as under:

	Year ended March 31, 2016 ---- (Rupees in '000) ----	Year ended March 31, 2015
Profit available for appropriation	3,765,939	2,832,361
Appropriation:		
Transfer to General Reserves	830,000	830,000
Cash Dividend 145% (2015: 120%)	1,499,396	1,240,879
	2,329,396	2,070,879
Un-appropriate profit carried forward	1,436,543	761,482

Earnings per Share

The Basic and Diluted earnings per share after tax is Rs. 29.03 (2015: Rs. 22.73).

Chairman's Review

The Chairman's review included in the Annual Report deals inter alia with the nature of business, performance of the Company, explanation of significant deviations from last year, future prospects and uncertainties.

Board of Directors

The Board comprises of one independent director, three executive and four non-executive directors. The directors of the Company were elected in Extra Ordinary General meeting of the Company held on March 20, 2014. During the year Mr. Kazuhisa Hirota resigned as Director and in his place, Mr. Toichi Ishiyama was appointed. The Board places on record its appreciation for the valuable contributions made by the outgoing Director and welcome the new Director.

Meetings of the Board and its Committees in 2015-16

During the year, five meetings of Board of Director (BOD), four meetings of Board Audit Committee (BAC) and one meeting of Human Resource & Remuneration (HR&R) committee were held. The attendance of the directors and the number of their directorships in listed companies, including Atlas Honda Limited is as follows:

Sr. #	Director	Director ship	Status	Committee Members		Attendance		
				Board Audit Committee	HR & Remuneration Committee	Board Meetings	Board Audit Committee	HR & Remuneration Committee
1.	Mr. Yusuf H. Shirazi	4	Re-elected on March 20, 2014	-	-	4/5	-	-
2.	Mr. Saquib H. Shirazi	4	-do-	-	✓	5/5	-	1/1
3.	Mr. Sanaullah Qureshi	1	-do-	✓	✓	4/5	3/4	1/1
4.	Mr. Hiromitsu Takasaki	1	-do-	-	-	2/5	-	-
5.	Mr. Abid Naqvi	2	Elected on March 20, 2014	✓	-	5/5	4/4	-
6.	Mr. Javed Iqbal Ahmed	2	Co-opted on March 4, 2015	✓	✓	5/5	3/4	1/1
7.	Mr. Yasutaka Uda	1	Co-opted on March 31, 2015	-	-	4/5	-	-
8.	Mr. Kazuhisa Hirota	2	Resigned on March 31, 2016	-	-	1/5	-	-
9.	Mr. Toichi Ishiyama	2	Co-opted on March 31, 2016	-	-	0/5	-	-

Auditors

The retiring auditors M/s Hameed Chaudhri & Co. Chartered Accountants, being eligible, offered themselves for re-appointment. The Audit Committee has recommended their re-appointment as auditors of the Company for the year 2016 - 17.

Material changes

There have been no material changes since March 31, 2016 to date of the report and the Company has not entered into any commitment during this period, which would have an adverse impact on the financial position of the Company.

Pattern of Shareholding

The pattern of shareholding of the Company is annexed to this report.

Communication

The Company focuses on the importance of the communication with the shareholders. The annual, half yearly and quarterly reports are distributed to them within the time specified in the Companies Ordinance, 1984. The activities of the Company are updated on its web site at www.atlashonda.com.pk, on timely basis.

Safeguarding of Records

The Company puts great emphasis for storage and safe custody of its financial records. The Company is using SAP for recording its financial information. The access to electronic documentation has been secured through implementation of a comprehensive password protected authorization matrix in SAP-ERP system.

Business Continuity Plan

As part of Business Continuity Plan, remote disaster recovery sites have been adequately set up for maintaining backup server and data in case our primary server encounters any issues.

Human Resource Management

Human resource planning and management is one of the most important considerations with the senior management. The Company has established a Human Resource and Remuneration Committee which is involved in the selection, evaluation, compensation and succession planning of key management personnel. It is also involved in recommending improvements in the human resource policies and procedures and their periodic review. The details of human resource policies are presented in the ■Sustainability Report■ which forms an integral part of this Annual Report.

Corporate Social Responsibility

The Company considers social, environmental, and ethical matters in the context of the overall business environment. The Company is committed to work in the best interest of all the stakeholders, in particular the community in which we live and forms our customer base. The report on Corporate Social Responsibilities, including its approach to health and safety, human resources, social, environmental and other related issues are presented in the ■Sustainability Report■, which forms a part of this Annual Report.

Statement of Value Addition and its Distribution and Risk Management

The ■Statement of Value Addition and its Distribution■ and ■Risk and Opportunity Report■ are annexed to this report.

Corporate and Financial reporting framework

The Directors confirm the compliance with Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan and Code of Corporate Governance for the following matters:

- The financial statements, prepared by the management of the Company, fairly present its state of affairs, the results of its operations, cash flows and changes in equity.
- The Company has maintained proper books of account.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgments.
- International Financial Reporting Standards, as applicable in Pakistan, have been duly followed in preparation of the financial statements.
- There has been no material departure from the best practices of Corporate Governance, as detailed in the Listing Regulations.
- The system of internal control is sound in design and has been effectively implemented and monitored. The process of monitoring internal controls will continue as an ongoing process with the objective to further strengthen the controls and bring improvements in the system.
- There is no doubt about the Company's ability to continue as a going concern.
- A summary of key operating and financial data of the Company is annexed.
- Information about taxes and levies is given in notes to the accounts.
- The Company operates a contributory provident fund scheme for all employees and Defined benefit gratuity fund scheme for its management/non-management employees. The value of investments based as at March 31, 2016 are as follows:
 - Provident Fund Rs. 838.73 million
 - Gratuity Fund
 - Management Staff Rs. 237.68 million
 - Non-Management Staff Rs. 79.2 million

On behalf of the Board of Directors



Saqib H. Shirazi
Chief Executive Officer

Karachi: April 29, 2016

ہیومن ریسورس مینجمنٹ

ہیومن ریسورس پلاننگ اور مینجمنٹ کمپنی کی سینئر مینجمنٹ کے اہم تحفظات میں سے ایک ہے۔ کمپنی نے ہیومن ریسورس اور ریمو نیویشن کمیٹی تشکیل دی ہے جو کہ اہم انتظامی اشخاص کے انتخاب، جانچ، مشاہرے اور کامیابی کی منصوبہ بندی کے امور میں شامل ہے۔ یہ ہیومن ریسورس پالیسیوں اور طریقہ کار میں بہتری کی سفارشات اور متواتر جائزے کے عمل میں شامل ہے۔ ہیومن ریسورس پالیسیوں کی تفصیلات سسٹین ایبلٹی رپورٹ میں پیش کی گئی ہیں جو کہ سالانہ رپورٹ کا ایک اہم حصہ ہے۔

کارپوریٹ سوشل رسپانسیبلٹی

کمپنی مجموعی طور پر کاروباری حالات کے تناظر میں سماجی، ماحولیاتی اور اخلاقی معاملات کے بارے میں غور و خوض کرتی ہے۔ کمپنی اپنے تمام اسٹیک ہولڈرز کے بہترین مفاد میں کام کرنے کے لیے پرعزم ہے، خاص طور پر اس کی کمیٹی میں جس میں ہم رہتے ہیں، ہمارے لیے کسٹمر بنانے کا باعث ہے۔ کارپوریٹ سوشل رسپانسیبلٹی پر رپورٹ جس میں کمپنی کی ہیلتھ اینڈ سیفٹی، ہیومن ریسورس، سوشل، انوائرنمنٹل اور دیگر متعلقہ مسائل کی جانب سوچ کی عکاسی کرتی ہے۔ اسے سسٹین ایبلٹی رپورٹ میں پیش کیا گیا ہے جو کہ سالانہ رپورٹ کا ایک حصہ ہے۔

اسٹیمنٹ برائے ویلیو ایڈیشن اور اس کی ڈسٹری بیوشن اور رسک مینجمنٹ

اسٹیمنٹ برائے ویلیو ایڈیشن اور اس کی ڈسٹری بیوشن اور Risk and Opportunity Report اس رپورٹ میں آگے درج ہیں۔


کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

مندرجہ ذیل معاملات کے لیے ڈائریکٹرز نے کوڈ آف کارپوریٹ گورننس اور سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کارپوریٹ اینڈ فنانشل رپورٹنگ فریم ورک کے ساتھ تعمیل کی تصدیق کی ہے۔

- کمپنی کی انتظامیہ کی جانب سے تیار کی جانے والی مالیاتی اسٹیمنٹ شفافیت کے ساتھ کمپنی کے اسٹیٹ آف افیئرز، آپریشنز کے نتائج، کیش کا بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتی ہے۔
- کمپنی کا وٹ کتب کو باقاعدہ برقرار رکھتی ہے۔
- مالیاتی اسٹیمنٹ کی تیاری کے لیے مناسب اکاؤنٹنگ پالیسیاں مسلسل لاگو کی جاتی ہیں اور اکاؤنٹنگ اسٹیٹیمینٹس معقول اور دانشمند فیصلوں پر مبنی ہوتے ہیں۔
- پاکستان میں لاگو ہونے والے انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز پر مالیاتی اسٹیٹیمینٹس کی تیاری میں عمل درآمد کیا جاتا ہے۔
- لسٹنگ ریگولیشنز میں دی گئی تفصیل کے مطابق کارپوریٹ گورننس کے بہترین طریقوں میں کوئی material departure نہیں کیا جاتا۔
- اندرونی کنٹرول کا نظام بہترین انداز میں مرتب کیا گیا، موثر انداز میں لاگو کیا گیا ہے اور ساتھ ساتھ اس کی باقاعدہ نگرانی بھی کی جاتی ہے۔ اندرونی کنٹرول کی نگرانی کا عمل اس مقصد کے ساتھ جاری رہے گا کہ ان کنٹرولز کو مزید مضبوط اور بہتر بنایا جائے۔
- جاری و ساری منصوبوں اور امور کی انجام دہی کے لیے کمپنی کی بہترین صلاحیتوں پر کوئی شک نہیں کیا جاسکتا۔
- کمپنی کے اہم آپرٹنگ اور مالیاتی ڈیٹا کا خلاصہ رپورٹ میں دیا گیا ہے۔
- ٹیکس جات اور levies کے بارے میں معلومات notes to the accounts میں درج کردہ ہیں۔
- کمپنی تمام ملازمین کے لیے سرمایہ کفالت پرووڈنٹ فنڈ اسکیم اور مینجمنٹ / نان مینجمنٹ ملازمین کے لیے گریجویٹ فنڈ اسکیم چلا رہی ہے۔ اس انویسٹمنٹ کی مالیت 31 مارچ 2016 کے مطابق درج ذیل ہے۔

• پرووڈنٹ فنڈ	838.73 ملین روپے
• گریجویٹ فنڈ	
• مینجمنٹ اسٹاف	237.68 ملین
• نان مینجمنٹ اسٹاف	79.2 ملین

بورڈ آف ڈائریکٹرز کی جانب سے



ثاقب ایچ شیرازی
چیف ایگزیکٹو آفیسر

کراچی: 29 اپریل 2016

سال 2015-16 میں بورڈ اور اس کی کمیٹیوں کے اجلاس

سال کے دوران، بورڈ آف ڈائریکٹرز کی پانچ میٹنگز، بورڈ آڈٹ کمیٹی کی چار میٹنگز، ہیومن ریسورس اینڈ ریمونیویشن کی ایک میٹنگ منعقد کی گئی۔ ڈائریکٹرز کی حاضری اور لسٹڈ کمپنیوں، بشمول اٹلس ہنڈلڈ میں ان کی ڈائریکٹر شپس کی تعداد ذیل میں دی گئی ہے۔

نمبر شمار	ڈائریکٹر	ڈائریکٹر شپ	ایٹینس	کمیٹی اراکین		حاضری	
				بورڈ آڈٹ کمیٹی	ایچ آر اینڈ ریمونیویشن کمیٹی	بورڈ میٹنگز	ایچ آر اینڈ ریمونیویشن کمیٹی
1	جناب یوسف ایچ شیرازی	4	دوبارہ منتخب 20 مارچ 2014	-	-	4/5	-
2	جناب ثاقب ایچ شیرازی	4	دوبارہ منتخب 20 مارچ 2014	-	✓	5/5	1/1
3	جناب ثناء اللہ قریشی	1	دوبارہ منتخب 20 مارچ 2014	✓	✓	4/5	3/4
4	جناب ہیرومتھوٹا کاساکی	1	دوبارہ منتخب 20 مارچ 2014	-	-	2/5	-
5	جناب عبدالغفور	2	منتخب ہوئے 20 مارچ 2014	✓	-	5/5	4/4
6	جناب جاوید اقبال احمد	2	Co-opted 4 مارچ 2015	✓	✓	5/5	3/4
7	جناب یاسوٹا کاودا	1	Co-opted 31 مارچ 2015	-	-	4/5	-
8	جناب کازوہسا ہیروتا	2	مستعفی ہوئے 31 مارچ 2016	-	-	1/5	-
9	جناب توچیچی اسہیاما	2	Co-opted 31 مارچ 2016	-	-	0/5	-

آڈیٹرز

سکدوش ہونے والے آڈیٹرز میسرز جمید چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ آڈٹ کمیٹی نے آڈیٹرز کی سال 2016-17 کے لیے دوبارہ تقرری کے لیے سفارش کی ہے۔

مادی تبدیلیاں

31 مارچ 2016 سے رپورٹ کی تیاری تک کسی قسم کی کوئی بھی مادی تبدیلیاں نہیں کی گئی ہیں اور کمپنی نے اس مدت کے دوران ایسا کوئی commitment نہیں کیا ہے جس سے کمپنی کی مالیاتی پوزیشن پر کسی قسم کے منفی اثرات مرتب ہوں گے۔

شیر ہولڈنگ کا طریقہ

کمپنی کی شیر ہولڈنگ کا طریقہ کار اس رپورٹ میں درج ہے۔

مرامعات

کمپنی شیر ہولڈرز کے ساتھ مواصلات قائم رکھنے کی اہمیت پر توجہ مرکوز رکھتی ہے۔ شیر ہولڈرز کو سالانہ، ششماہی اور سہ ماہی رپورٹس کمپنیز آرڈیننس 1984 کے مطابق واضح کردہ وقت کے مطابق ارسال کی جاتی ہیں۔ کمپنی کی سرگرمیاں بروقت ویب سائٹ www.atlashonda.com.pk پر اپ ڈیٹ کی جاتی ہیں۔

ریکارڈز کا تحفظ

کمپنی اپنے مالیاتی ڈیٹا کو محفوظ رکھنے پر نہایت گہری توجہ دیتی ہے۔ کمپنی اپنی مالیاتی معلومات کو ریکارڈ کرنے کے لیے SAP کو استعمال کرتی ہے۔ الیکٹرونک دستاویزات تک رسائی کو SAP-ERP سسٹم میں جامع password protected authorization matrix کے ذریعے محفوظ بنایا گیا ہے۔

کاروبار کے تسلسل کا منصوبہ

کاروبار کے تسلسل کے منصوبے کے طور پر، بیک اپ server اور ڈیٹا کو برقرار رکھنے کے لیے ریڈونڈ ڈیزاسٹر ریکوری سائنس کا قیام عمل میں لایا گیا ہے تاکہ بنیادی server میں کسی قسم کی خرابی کی صورت میں اس سے نمٹا جاسکے۔

شیئر ہولڈرز کے لیے ڈائریکٹر رپورٹ

کمپنی کے ڈائریکٹر نہایت مسرت کے ساتھ اپنی رپورٹ بمعہ 31 مارچ 2016 کو ختم ہونے والے سال کے لیے کمپنی کی 52 ویں سالانہ رپورٹ اور آڈیٹڈ مالیاتی اسٹیٹمنٹ پیش کر رہے ہیں۔

آپریٹنگ نتائج

کمپنی کے آپریٹنگ نتائج مختصراً مندرجہ ذیل ہیں:

سال کا اختتام	سال کا اختتام	قبل از ٹیکس منافع
31 مارچ 2015	31 مارچ 2016	ٹیکس
----- (000 روپے میں) -----		
3,243,638	4,044,429	
942,357	1,065,822	کرنٹ
13,765	(10,461)	گزشتہ سال
(63,375)	(12,731)	ملٹوی / منوخر
892,747	1,042,630	
2,350,891	3,001,799	بعد از ٹیکس منافع

ڈیویڈنڈ اور تصرفات

ڈائریکٹرز نے فائنل کیش ڈیویڈنڈ 14.5 روپے (12 روپے: 2015) فی شیئر بمعہ 145% (2015: 120%) بونس کے اجراء کی سفارش کی ہے۔ اس کے مطابق منافع کا تصرف ذیل کے تحت کیا جائے گا۔

سال کا اختتام	سال کا اختتام	تصرفات کے لیے دستیاب منافع
31 مارچ 2015	31 مارچ 2016	تصرفات
----- (000 روپے میں) -----		عام ذخائر کی منتقلی
2,832,361	3,765,939	کیش ڈیویڈنڈ 145% (2015: 120%)
830,000	830,000	
1,240,879	1,499,396	غیر تصرف شدہ منافع آگے لایا گیا
2,070,879	2,329,396	
761,482	1,436,543	

آمدنی فی شیئر

بعد از ٹیکس بنیادی اور diluted آمدنی فی شیئر 29.03 روپے (22.73 روپے: 2015) ہے۔

چیئر مین کا تجزیہ

چیئر مین کا تجزیہ سالانہ رپورٹ میں کاروبار کی نوعیت، کمپنی کی کارکردگی، گزشتہ سال کی نسبت سے اہم انحراف کی وضاحت، مستقبل کے امکانات اور غیر یقینی صورتحال پر مشتمل ہے۔

بورڈ آف ڈائریکٹرز

بورڈ ایک عدد خود مختار ڈائریکٹر، تین عدد ایگزیکٹو اور چار عدد نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ کمپنی کے ڈائریکٹرز کا انتخاب 20 مارچ 2014 کو منعقدہ غیر معمولی اجلاس عام میں کیا گیا۔ رواں سال جناب کازو ہساہیرو بطور ڈائریکٹر مستعفی ہوئے اور ان کی جگہ جناب توچی اسہیا مکی تقرری کی گئی۔ بورڈ کی جانب سے سبکدوش ہونے والے ڈائریکٹر کی گراں قدر خدمات کو سراہا گیا اور نئے آنے والے ڈائریکٹر کا خیر مقدم کیا گیا۔

اقتصادی حالات میں بہتری نے مستحکم بیکرواکنامک پیداوار کی بنیاد رکھ دی ہے۔ پابندیوں میں نرمی، افراط زر کی بہتری اور بیرون ملک سے آنے والی ترسیلات نے ملکی معیشت کو بہتر پوزیشن لاکھڑا کیا ہے۔ عالمی طور پر تیل کی قیمتوں میں کمی نے فارن ایکسچینج کو مضبوط کرنے کا موقع فراہم کیا ہے۔ جبکہ دیگر ضروریات زندگی کی اشیاء کی قیمتوں میں کمی نے زیر اثر کموڈٹی بیسڈ ایکسپورٹس کے لئے ایک چیلنج کی حیثیت اختیار کر رکھی ہے۔ نتیجے میں اقتصادی استحکام کے لئے جاری اقدامات اور انڈسٹریل واسٹر پچرل اصلاحات کے جاری رہنے سے بہتر پوزیشن برقرار رکھی جاسکتی ہے۔ چائنا پاکستان اکنامک کوریڈور (CPEC) پر ڈیجیٹل سہولتوں کی تعمیر سے عمل درآمد اور ملک کی سیکورٹی صورتحال میں بہتری سے سرمایہ کاری بڑھے گی اور اس کا صنعتی ترقی پر بھی بہت اچھا اثر پڑے گا۔ بدقسمتی سے زراعت کے شعبے میں جاری پستی کے رجحان سے ملک کی مجموعی جی ڈی پی گرتا ہوا متاثر ہو سکتی ہے۔ اس ضمن میں حکومت کی طرف سے اعلانیہ ریلیف پیکیج سے دیہاتی خریداروں کو مدد ملے گی۔ جس سے ڈیل وبلر کی طلب میں اضافہ متوقع ہے کیونکہ دیہی علاقوں میں آمدورفت کا زیادہ تر دار و مدار موٹر سائیکل ہے۔

کمپنی نے ایک بار پھر بہترین کارکردگی دکھاتے ہوئے مقابلے کی فضا قائم کی ہے۔ اس وقت کمپنی ایک زبردست دور میں ہے کہ جب مہارتیں، ٹیکنالوجیز اور ترقی کے معیارات اس طرح قائم کئے جا رہے ہیں کہ جو اس صدی اور آنے والی صدی کی ضروریات کو پورا کرتے ہوں۔ ترقی کرتے مضبوط پروڈیکٹس، بہترین صلاحیتوں کی حامل انتظامیہ اور مضبوط فنانسل پوزیشن کے ساتھ کمپنی ٹو وبلر مارکیٹ شیئر میں اپنا حصہ بڑھانے کی بھرپور صلاحیت رکھتی ہے۔ کمپنی ترقی کے مواقع پر نظر رکھے ہوئے ہے اور اپنے اسٹیک ہولڈرز کے لئے آپرینگ رزلٹس میں بہتری کے ذریعے ان کے سرمایہ میں مزید ترقی کے لئے کوشاں ہے۔ ہمارے ”ٹالس وئے“ اور ”ٹالس سسٹمز“ کمپنی کی کاروباری نقطہ نظر میں لازمی جز کی حیثیت رکھتے ہیں۔

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

توثیقی بیان

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



یوسف ایچ شیرازی
چیئر مین

بتاریخ: 29 اپریل 2016

اٹلس ہنڈ لمیٹڈ گزشتہ پانچ سالوں سے قرضہ جات سے آزاد کمپنی ہے جس پر کسی طرح کی بھی ادائیگیاں باقی نہیں ہیں۔ یہاں مالیاتی اخراجات سے مراد بینکوں کو ادا کی جانے والے ٹرانزیکشن چارجز ہیں جو پاکستان بھر سے ہماری صارفین کی ادائیگیوں پر لاگو اخراجات ہیں۔ اس سال آپریشنز سے فری کیش فلو 7.0 بلین روپے رہا۔ اس کیش کو کیپٹل ایسٹس، کم مدتی سرمایہ کاری اور منافع منقسمہ (ڈیویڈنڈ) پر خرچ کیا گیا۔ کیپٹل ایسٹس میں اضافہ پروڈکشن سہولیات میں توسیع کرنا اور موجودہ مینوفیکچرنگ سہولتوں میں توازن برقرار رکھتے ہوئے جدت اور تبدیلیاں لانے کو ظاہر کرتا ہے۔

گزشتہ سال کے دوران کمپنی نے مختلف ٹیکسز اور ادائیگیوں کی مدد میں حکومت اور اس کی ایجنسیز کو 11 بلین روپے ادا کئے ہیں۔ اٹلس گروپ (کمپنی جس کی قانونی ممبر ہے) نے قومی خزانے میں 30 بلین روپے جمع کرائے۔ جس سے اٹلس گروپ حکومت کے ٹوٹل ریونیو کا 1 فیصد ادا کرتے ہوئے زیادہ سے زیادہ ٹیکس ادا کرنے والوں میں شامل ہو جاتا ہے۔

ڈیویڈنڈ پالیسی

گزشتہ کئی سالوں سے کمپنی نے زیادہ ڈیویڈنڈ ادا کرنے کی اپنی روایت برقرار رکھی ہوئی ہے۔ آمدنی بڑھانے کی صلاحیتوں، کاروبار کی متوقع سرمایہ کاری ضروریات اور منصوبہ جات کے پیش نظر ہمارے بورڈ آف ڈائریکٹرز سال 2015-16 کے لئے پرمیٹرز 14.5 روپے کیش ڈیویڈنڈ فی شیئر تجویز کرتے ہیں۔ یہ گل 1,499 ملین روپے بنتا ہے جو کہ کمپنی کی تاریخ میں ادا کیا جانے والا سب سے زیادہ کیش ڈیویڈنڈ ہے۔

مینوفیکچرنگ ایکسی لینس

ہنڈا موٹر سائیکلز کی بڑھتی ہوئی طلب کے سبب، کمپنی کی مینوفیکچرنگ صلاحیت زبرد باؤ تھی۔ اس چیلنج سے نبڑنا ہونے کے لئے پلانٹ پروڈکشن کو بڑھا گیا اور صلاحیت کو بڑھانے کے پروڈیکشن کی تنصیب کی گئی۔ اس کے ساتھ سپلائی چین ٹیم اپنے وینڈرز پر اپنے آپریشنز میں پبلک پیدا کرنے کی ضرورت پر زور دیتی رہی۔ ان اقدامات سے بہتر نتائج برآمد ہوئے اور سال کے آخر تک مجموعی پیداواری صلاحیت میں اضافہ ہوا، جس نے کمپنی کو ایک سال میں 790,000 یونٹس بنانے کی صلاحیت کا حامل بنادیا۔

ان پلانٹ مینوفیکچرنگ کے اخراجات پر قابو پانا ایک اور توجہ طلب امر تھا۔ مستحکم ترقی کے اقدامات کے پیش نظر، پلانٹس نے توانائی اور فیول کی کھپت کے حوالے سے کئی قابل عمل آئیڈیاز پر پیش رفت کی ہے۔ ان اقدامات کی بدولت توانائی کے اخراجات میں 7 فیصد کمی واقع ہوئی ہے۔ جزیئرز سے خارج ہونے والی گرمی کو ”ویسٹ ہیٹ ریکوری“ سسٹم کے ذریعے جزیئرز بھی بجلی کے بل میں بچت کا سبب بن رہے ہیں۔

کمپنی نے اپنے کاروباری استحکام اور مارکیٹ کی بڑھتی ہوئی ضروریات کو مد نظر رکھتے ہوئے اپنے شیئروں پر پلانٹ کی صلاحیت کو دگنہ کرنے کے لئے تین سالہ بتدریج توسیعی پلانٹ کا اعلان کیا ہے۔ اس مقصد کے لئے 50 ملین امریکی ڈالر کی سرمایہ کاری کمپنی بلا سٹہ کرے گی۔ مزید 30 ملین امریکی ڈالر ایسوسی ایٹڈ مینوفیکچرنگ سرمایہ کاری کریں گی اور پارٹس سے متعلق صلاحیت کو بڑھانے کے منصوبے میں 20 ملین امریکی ڈالر پارٹس پلانٹس پر فراہم کریں گے۔ اکتوبر 2016 شروعات میں نئی لائن کے ساتھ نئی موٹر سائیکل کا اجرا متوقع ہے۔ اس توسیعی منصوبے سے 18 ہزار نئی اسامیاں پیدا ہوں گی جبکہ مزید 5 ہزار اسامیاں ایسوسی ایٹڈ کمپنیوں اور پارٹس بنانے والے اداروں میں پیدا ہوں گی۔ اس توسیع کی تکمیل کے بعد مجموعی طور پر دونوں پلانٹس کی اسمبلی صلاحیت میں 1.3 ملین یونٹس سالانہ کا اضافہ ہوگا۔

بزنس پروسیس ری انجینئرنگ

کاروبار کو مستقل بنیادوں پر ترقی دینے کے لئے کئی طرح کے اقدامات عمل میں لائے گئے جن میں پیداواری صلاحیت میں اضافہ اور اخراجات میں کمی نمایاں ہیں۔ مزید درج ذیل ہیں۔

ویسٹ ہیٹ ریکوری سسٹم سے پینٹ شاپس کو اسٹیم کی فراہمی کا موثر اقدام	انجن پلانٹ میں ٹولنگ موڈیفیکیشن، میٹرل کی تبدیلی اور فراہمی
HPDC اور GDC ڈائریکٹری مقامی پروڈکشن	GDC ڈائریکٹری ان ہاؤس مرمت
کاسٹنگ اور مشیننگ کے مصارف کی ریسورسنگ اور لوکلائزیشن	ڈائریکٹری شاپ میں مشینی پرزوں اور jigs کی تیاری

ایوارڈز

یہ اطلاع دیتے ہوئے مجھے خوشی محسوس ہوتی ہے کہ کمپنی نے سال کے دوران درج ذیل ایوارڈ اپنے نام کئے:

- جوائنٹ کمیٹی آف ICAP اور ICMAP کی جانب سے انجینئرنگ سیکٹر میں بیسٹ کارپوریشن رپورٹ ایوارڈ میں پہلی پوزیشن۔
- ACCA اور WWF کی جوائنٹ کمیٹی کی جانب سے بیسٹ سسٹین ایبلٹی رپورٹ ایوارڈ

Earnings Per Share
-Restated
(Rs. Per Share)



Cash Dividend
(Rs. in million)



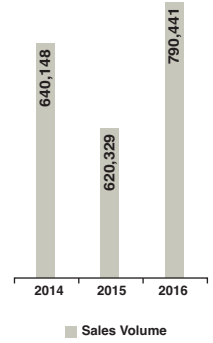
مارکیٹنگ پرتوجہ

کمپنی نے ریٹیل سیلز میں اپنے ہی سابقہ ریکارڈ کو پیچھے چھوڑتے ہوئے پہلی مرتبہ 800,000 یونٹس کی فروخت کا انتہائی اہم سنگ میل عبور کر لیا ہے۔ گزشتہ مالی سال کے اختتام سے ہی کمپنی نے کسٹمر پرتوجہ مرکوز کرتے ہوئے اپنی ابتدائی سطح کی پروڈکٹس کی قیمتیں کم کر دیں۔ اس اقدام کے ساتھ ساتھ بہتر اقتصادی حالات اور امن وامان کی بہتر صورتحال نے کسٹمرز کی موٹر سائیکل تک رسائی کو آسان بنا دیا اور اس طرح ہندو موٹر سائیکل کی مانگ میں سب سے زیادہ اضافہ ہو گیا۔

ہماری 70 cc موٹر سائیکل نے موٹر سائیکل انڈسٹری میں سب سے زیادہ حصہ اپنے نام کرنے کا سلسلہ جاری و ساری رکھا۔ اس موٹر سائیکل کی مانگ سب سے زیادہ ہے اور یہی وجہ ہے کہ اس ماڈل کے اندر مقابلے کا رجحان بھی انتہائی زیادہ ہے۔ کمپنی نے اس کے لیے اپنے شاہکار براڈنڈ ”CD 70“ اور ”CD 70 ڈریم“ کے ذریعے مارکیٹ میں اپنی لیڈر شپ کو برقرار رکھا۔ اس طرح کمپنی نے 70 سی سی کی کیٹیگری میں سیلز کی نئی اعلیٰ منزلیں عبور کر لیں۔ گزشتہ سال کے مقابلے میں اس کیٹیگری کی سیلز میں شاندار 40% اضافہ ریکارڈ کیا گیا۔ ترقی کے رجحان کو مزید فروغ دینے کے لیے CD 70 اور CD 70 ڈریم میں ماسٹر ماڈل چیمپ (MMC) کے ذریعے قیمتوں کے تناسب کو قریب ترین لایا گیا۔ مذکورہ MMCs نے کسٹمرز کو جدید اور روایتی خصوصیات کی کامیاب اور دلکش امتزاج کی حامل موٹر سائیکلیں فراہم کیں، جن کا روزمرہ استعمال میں کوئی غائی نہیں ہے۔

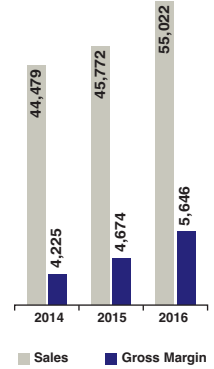
100 cc کی کیٹیگری میں ”کمپنی کی ”پرائڈ“ کی مانگ میں کوئی کمی نہیں آئی بلکہ طلب برقرار رہی۔ اس ماڈل کے ذریعے کمپنی نے اپنے صارفین کو آرام دہ سفر کا مزہ فراہم کرنے کے ساتھ پٹرول کی بچت کو بھی مد نظر رکھا ہے۔ اس کیٹیگری کی مارکیٹ میں اپنے تسلط کو برقرار رکھنے کے لیے ایکو نورن مقابلے، فری چیک اپ کیپس اور تفریح سے بھرپور دیگر مہمات چلائی گئیں۔

Sales Volume
(in units)



125 cc کی کیٹیگری نے بھی دو وہیلر انڈسٹری میں اپنے حصے کی سیل میں اضافہ کو ریکارڈ کر لیا۔ یہ اضافہ صارفین کی جانب سے زیادہ بڑے انجن والی موٹر سائیکل کو ترجیح دینے والے رجحان اور شہروں میں اس ماڈل کی بڑھتی ہوئی طلب کے باعث ریکارڈ کیا گیا۔ کمپنی نے مارکیٹ میں اپنی لیڈر شپ کو قائم رکھنے کے لیے اپنی پروڈکٹس کو صارفین کی توقعات کے عین مطابق ڈیزائن، پاور اور کارکردگی کے اعتبار سے اپنا امتیاز برقرار رکھا۔ اس سال کمپنی کی طرف سے MMC کے تحت متعارف کردہ CG 125 اور CG 125 Dream کو صارفین نے بہت پسند کیا۔

Sales & Gross Margin
(Rs. in million)



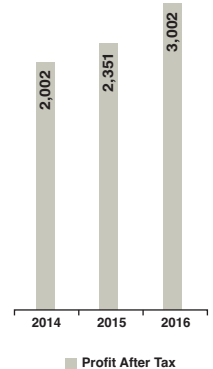
صارفین کی طرف سے دو وہیلر کی مانگ میں اضافہ نے ہمارے اسپئر پارٹس کے کاروبار کو بڑی حد تک ترقی دی جس کی بدولت ہمارے ہنڈا ”جینوئن پارٹس“ اور ”انجن آئل“ کی سیلز میں خاطر خواہ اضافہ ہوا۔ کمپنی جدید مارکیٹنگ آئیڈیاز، سروس ورکشاپس کے ذریعے سیلز کے فروغ اور اپنے بڑے اور بہتر مضبوط پروڈکٹ پورٹ فولیو کی بدولت اپنی سیلز کو بڑھانے میں کامیاب رہی۔ موٹر سائیکل میں جینوئن پارٹس اور انجن آئل استعمال کرنے کی اہمیت سے متعلق کئی ایڈورٹائزنگ اور کسٹمر کیئر کمپین کا اہتمام کیا گیا۔ ان کوششوں کے ساتھ بہت بڑے ڈسٹری بیوشن نیٹ ورک اور کسٹمر تک رسائی میں اضافے سے ہمارے ریونیو میں 5 بلین سے زائد کا اضافہ ہوا۔ حالانکہ غلط ذرائع سے فروخت کے لئے پہنچنے والے اسپئر پارٹس ایک منظم شعبے کے لئے ایک بہت بڑا خطرہ بنے ہوئے ہیں۔

کمپنی مستحکم ترقی اور معیاری مصنوعات میں اضافے کے مقاصد کے ساتھ دیرپا منصوبہ بندی پر یقین رکھتی ہے۔ ان مقاصد کے حصول میں کمپنی اپنے کاروبار میں انتظامی بہتری، اخراجات پر نظر، آگے بڑھنے کے لئے ضروری پروڈیکٹس اور اپنے بزنس فاؤنڈیشن کی ترقی کے لئے کوشاں ہے۔

کارکردگی کا اسکور کارڈ

کمپنی مستحکم ترقی اور معیاری مصنوعات میں اضافے کے مقاصد کے ساتھ دیرپا منصوبہ بندی پر یقین رکھتی ہے۔ ان مقاصد کے حصول میں کمپنی اپنے کاروبار میں انتظامی بہتری، اخراجات پر نظر، آگے بڑھنے کے لئے ضروری پروڈیکٹس اور اپنے بزنس فاؤنڈیشن کی ترقی کے لئے کوشاں ہے۔

Profit After Tax
(Rs. in million)



کمپنی نے مذکورہ کوششوں کی بدولت اپنی ٹوٹل سیلز کو 55 بلین روپے تک پہنچا دیا ہے جو کہ گزشتہ سال کے مقابلے میں 20.2 فیصد زائد ہے۔ سیلز میں اضافہ کا ثبوت اثر ہمارے منافع پر بھی پڑا ہے جس کے نتیجے میں 31 مارچ 2016 کو ختم شدہ سال کے لئے ہمارا گراس مارجن 4.7 بلین روپے سے بڑھ کر 5.6 بلین روپے رہا جو 20.8 فیصد زائد ہے۔ قیمتوں پر کنٹرول، بہتر سیلز کارکردگی، مثبت آپریشننگ ریٹ اور دیگر آپریشنل اقدامات نے بھی اس میں خاطر خواہ مدد دی۔ سیلز، مارکیٹنگ اور عمومی انتظامی اخراجات 2 بلین روپے بڑھ گئے جس میں اضافہ کا تناسب 12 فیصد ہے۔ اہم وجہ بڑھتی ہوئی مہنگائی کے اثرات اور ذاتی اخراجات میں اضافہ ہے۔ مالیاتی ادائیگیوں کے بعد دیگر آمدنی نے بھی ایک بڑی حد تک مدد دی جس نے 0.6 بلین روپے کی حد عبور کرتے ہوئے گزشتہ سال کے مقابلے میں 16 فیصد ترقی کی جس کی اہم وجہ فنڈز کا بہتر انتظام اور لیکوئڈٹی میں بہتری ہے۔ مجموعی طور پر کمپنی نے 4.0 بلین روپے قبل از ٹیکس خالص منافع کمایا جو کہ ایک ریکارڈ ہے۔ گزشتہ سال کے 2.4 بلین کے مقابلے میں 28 فیصد ترقی کی ساتھ اس سال بعد از ٹیکس خالص منافع 3.0 بلین روپے رہا جس کی بدولت ہمارا منافع فی شیئر (EPS) گزشتہ سال کے 22.73 روپے کے مقابلے میں 29.03 روپے رہا۔

”مالی سال 2015-16 کارکردگی کے لحاظ سے بہترین رہا، جس میں ہم نے شاندار کامیابیاں حاصل کی ہیں۔ یہ کامیابیاں کمپنی کی جانب سے پروڈکٹس کی پکچش رینج، پیداواری عمل کے تسلسل اور لاگت کے منوثر انتظام کے مرہون منت ہیں۔ کاروباری اعتبار سے حائل رکاوٹوں کے باوجود، کپٹل سرمایہ کاری کے منصوبے کمپنی کو مزید مستحکم اور ترقی کی نئی منزلوں تک لے جائیں گے۔ سب سے بڑھ کر یہ کہ کمپنی نئی کامیابیوں کی راہ پر مستقل مزاجی کے ساتھ گامزن رہنے کے لیے پرعزم ہے۔“

میں 31 مارچ، 2016 کو ختم ہونے والے سال کے لیے کمپنی کے باڈن ویں سالانہ رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہا ہوں۔

معیشت

پاکستان کی معیشت میں ترقی کی شاندار علامات نظر آتی ہیں۔ مہنگائی کی شرح کئی عشروں کے بعد 2.64% کی سطح پر آگئی ہے۔ مہنگائی کی شرح میں یہ کی عالمی سطح پر تیل کی قیمتیں کم ہونے اور اشیائے خورد و نوش کی وافر مقدار مارکیٹ میں آنے کی وجہ سے رونما ہوئی اور عام صارفین کو بھی اس کا فائدہ حاصل ہوا ہے۔ تیل کی قیمتوں میں کمی کے باعث تجارتی حجم میں خسارے پر بھی قابو پانے میں تعاون حاصل ہوا اور اس درآمدی اخراجات میں 5.8% کمی واقع ہوئی ہے، جبکہ خام مال اور مشینری کی درآمد میں اضافہ ہوا ہے۔ دوسری جانب، عالمی طور پر طلب کمزور ہونے کی وجہ سے درآمدات میں مسلسل کمی (9.9% سال بہ سال کمی) کے باعث بیرونی سیکٹر کی کارکردگی میں مسلسل خرابیاں پیدا ہوئی ہیں البتہ بیرون ملک کام کرنے والوں کی جانب سے ترسیلات زر میں اضافے سے معیشت کو مدد ملی ہے، جس کے باعث کرنٹ اکاؤنٹ خسارہ کم ہو کر 1,859 ملین امریکی ڈالر ہو گیا ہے جو کہ سال بہ سال کی بنیاد پر 4.5% کم ہے۔ اس کے ساتھ ساتھ یورو بانڈ کے اجراء، کولیشن سپورٹ فنڈ اور عالمی مالیاتی اداروں سے موصول ہونے والی رقم نے فارن کرنسی ذخائر کو 20.8 بلین امریکی ڈالر تک پہنچا کر معیشت کو مستحکم بنادیا ہے۔ ترسیلات زر اور فارن کرنسی ذخائر میں استحکام کے نتیجے میں روپے کی شرح قیمت میں زیادہ کمی سے ہونے والے خسارے پر بھی قابو پایا گیا، روپے کی شرح میں کمی کی وجہ سے خطے میں کرنسی کی قیمتوں میں کمی ہے۔ زرمبادلہ اور بیرونی معاونت اور مہنگائی کی شرح میں کمی کی بدولت مرکزی بینک نے قرضے پر 300 bps سے 6.5% کی رعایتی شرح متعارف کر دی ہے۔ مالی سال کے اعتبار سے، ترقیاتی منصوبوں پر زیادہ سرمایہ کاری کے باوجود بجٹ خسارہ قابل انتظام رہا ہے۔ یہ سب توانائی کے شعبے میں سبسڈی پر قابو پانے اور آمدنی کی پیداوار میں اضافے کی وجہ سے ممکن ہوا ہے۔ سرکاری آمدنی میں گزشتہ سال کے 0.5% کے مقابلے میں جولائی 15 دسمبر کے دوران 14.6% تک اضافہ ہوا ہے۔ یہ بہتری اضافی ٹیکس کے لیے اقدامات کی بدولت آئی جس میں کسٹم ڈیوٹیز میں مجموعی طور پر 1% اور مختلف اشیاء پر اضافی ریگولیٹری اور ایکسائیز ڈیوٹیز میں اضافہ شامل ہے۔

زراعت

زرعی شعبہ مسلسل دباؤ کا شکار ہے۔ البتہ، وقت پر بارشوں، سرمائے کی دستیابی اور زیادہ قرضوں کی فراہمی کے باعث رینج کی فصلوں کے لیے حالات سازگار ہو گئے۔ اسی طرح، گندم کی شاندار فصل کی امید ہے تاہم کپاس اور چاول کی پیداوار قدر کم رہی ہے۔ ستمبر 2015 میں حکومت نے زرعی ریلیف پیکیج متعارف کرایا، جس میں کسانوں کی مالی معاونت کے علاوہ زرعی مشینری کی درآمد پر ٹیکس میں رعایت اور فریلا نڈرز کے لیے سبسڈی شامل ہے۔ اس سے کسانوں کی کم ہوتی آمدنی میں اضافہ ہوگا اور عالمی طور اجناس کی قیمتوں میں کمی کے دوران بھی کسانوں کو فائدہ ہوگا۔

بڑے پیمانے پر مینوفیکچرنگ (LSM)

مالی سال 16 کے پہلے سات مہینوں میں LSM میں قابل قدر بہتری آئی ہے (مالی سال 15 کے 2.37% کے مقابلے میں 4.35%)۔ اس میں سب سے زیادہ حصہ آٹوموبائلز، فریلا نڈرز اور تعمیرات سے منسلک انڈسٹری نے شامل کیا۔ ابتدائی طور پر بہتری کی وجوہات میں توانائی کی بہتر دستیابی، اہم عناصر کی عالمی مارکیٹ میں کم قیمتیں، حکومت کی جانب سے زیادہ سرمایہ کاری اور آسان مالی پالیسیاں شامل ہیں۔ اس کے علاوہ، امن و امان کی صورتحال میں بہتری، حالیہ بجلی کے نرخوں میں کمی اور پاک چین اقتصادی راہداری (CPEC) کے تحت ترقیاتی منصوبوں کا آغاز مجموعی طور پر مینوفیکچرنگ کے شعبے کے لیے زیادہ سودمند ثابت ہوگا۔

دو وہیلر انڈسٹری

دو وہیلر انڈسٹری نے دو ہندسی ترقی کی ہے۔ مجموعی طور پر معیشت کے فروغ، سیکورٹی کی بہتر صورتحال اور عام آدمی کی آمدنی میں اضافے کی بدولت دو وہیلر سمیت consumer durables کی طلب بڑھ گئی ہے۔ شہری علاقوں میں موٹر سائیکلز کے استعمال میں زیادہ اضافے کی بدولت طلب میں بھی زیادہ اضافہ ہو گیا ہے۔ اس کی وجوہات میں پٹرولیم مصنوعات کی مناسب قیمتیں، بڑھتی ہوئی شہری آبادی اور جو انوں کی تعداد میں اضافہ شامل ہیں۔ گاؤں دیہات میں چھوٹے کسانوں کے گھروں میں نئی موٹر سائیکل کی طلب بڑھتی جا رہی ہے۔ درآمدات پر کسٹم میں حالیہ اضافہ اور خام مال پر ریگولیٹری ڈیوٹی عائد کرنے سے تمام مینوفیکچررز پر قیمتیں بڑھانے کا دباؤ برقرار ہے۔

کمپنی

سال 2015-16 میں کمپنی نے اپنی ترقی کے رجحان کو قائم رکھا۔ طریقہ کار میں بہتری کے تسلسل اور قیمتوں میں کمی کے باعث معیاری ترقی کے لیے بہترین اور سازگار حالات پیدا کر دیئے ہیں۔

Risk and Opportunity Report

„Operating in many different business environments and territories inevitably entails risks and uncertainties that are not necessarily within our control. Although we cannot eliminate such risks and uncertainties completely, we have established risk management and internal control systems and procedures to manage their impact. The Board believes that our risk management and internal control systems will help us to identify such risks and respond in a timely manner.“

Risk Analysis and Internal Control Framework

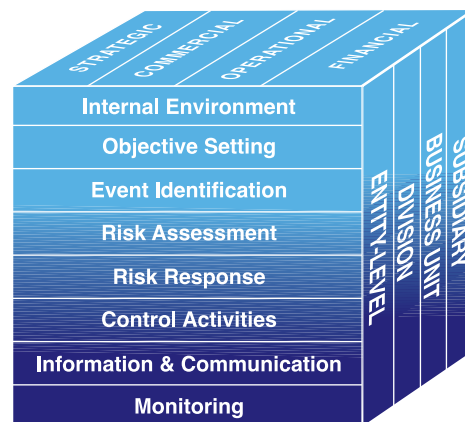
This report will cover Company's strategy formulation methods, opportunity analysis, risk assessment processes and counter measures thereon. The Company has designed a risk management approach and internal control framework based on its business philosophy and corporate objectives, which is explained step by step below:

A) Strategy formulation

Management has developed a set of objectives that represent stakeholders' expectations and are the lead indicators for determining the success level of the Company. In order to ensure the achievement of the set objectives, management adopts certain strategies. These strategies are approved by the Board of Directors and are subject to change, depending upon any changes in the external business environment or internal organizational factors.

B) Risk assessment

Businesses face numerous uncertainties that can pose potential threats to the objectives of the Company and if not addressed, may culminate in loss. Such uncertainties can arise both from external events as well as internal factors within the organization. The Company analyses four types of risks, based on the information collected from various internal and external sources, which are as follows:



Strategic Risks	These risks are related to the business environment including the industry and are beyond Company's control.
Commercial Risks	These risks emanate from commercial substance of the organization and involve decisions which may affect Company's position in the market.
Operational Risks	These risks are related to Company's internal operations, administrative procedures and daily affairs.
Financial Risks	These risks are related with financial matters including profitability, financing, liquidity and credit.

Materiality Approach

Materiality is defined by the management as a degree of measure significant to the interests of the Company and its stakeholders. Determination of when such degree is achieved is a matter of management's best judgement. A risk is considered material if, in management's view, its occurrence is reasonably be expected to prevent the Company from achieving its key objectives and expectations. All identified risks are measured for their materiality impact and are marked for their relative sensitivity as shown in RCSM. The more material the risk, the greater focus is concentrated on development and monitoring of its counter strategies.

C) Developing counter measures

Upon identification of risk factors, counter measures are devised to mitigate their impacts. The severity of the risk will determine the criticality of the counter measure and will accordingly set its priority for action. Risks and their related counter strategies are monitored on continuous basis and evaluated for any changes in related impacts.

The relationship between Company's objectives, risks and counter strategies is given in the Risk and Counter Strategy Matrix (RCSM).

D) Governance

The Board of Directors is responsible for approving Company's risk management policy. The Board of Directors also provides guidelines on strategic matters and organizational objectives. The business units are responsible for managing risks at operational level. However, the Company-level risk management is the responsibility of the Risk Management Function (RMF) which comprises of the Treasury department. RMF reports its results / findings / observations to the Risk Management Committee. The Committee regularly reviews the business risk profile, risk management policy, risk assessment procedures, related counter strategies and also advice on future actions. The Committee then reports the outcomes of their reviews to the CEO. The Board of Audit Committee also reviews and assesses the adequacy of risk management for its effectiveness in risk mitigation.


E) Opportunity analysis


The Company has adequate processes and procedures in place for identifying potential gaps in the external environment which, if Company has adequate resource, may be exploited as opportunities to improve performance. Based on its analysis, the Company has identified the following opportunities in current economic landscape:




- Healthy agriculture cash flows will increase liquidity in rural areas
- Rising foreign remittances
- Increasing Population and emerging youth segment
- Weak transportation infrastructure



Risk and Counter Strategy Matrix





The principal risks that could adversely impact our profitability and ability to achieve our strategic objectives are set out below:


INDUSTRY COMPETITION		
Corporate objective: To maintain Company's market leadership in two wheeler automotive industry		
Risk Description <i>STRATEGIC RISK:</i> There is increasing competition among market participants in the entry level motorcycles segment. Further, new entrants are foreseen in the premium segment. <i>COMMERCIAL RISK:</i> Continued inflation and declining prices of agricultural products may affect the purchasing power of customers.		Risk Profile ▲ ▲
Counter Strategies to Mitigate Risk The Company is committed to make quality products and meeting the demand of its customers while enhancing product innovation and ensuring customer satisfaction to maintain competitive edge in motorcycle segment. The Company places due emphasis on monitoring markets and competitors to be able to understand and pre-empt external dynamics and remain competitive. The Company has six models covering 70CC, 100CC and 125CC segment. It is committed to exacting quality standards by ensuring improved models as per customer preference. Also, it has most lucrative 2nd hand market ensuring optimum resale value for customers. The Company operates the largest dealer network in Pakistan and most efficient after sales services network. These along with financial solutions help boosting customer purchasing power.		Actual Results Total sales for the year: 790,441 units which represent 27% increase from last year. Atlas Honda Limited is the only Company in Pakistan which provides 3 years warranty for all engine parts. The Company has made arrangements with various Banks to promote consumer and dealer financing services at highly competitive prices.

LEGISLATIVE AND LEGAL ENVIRONMENT:		
Corporate objective: To operate in a stable market being compliant with all relevant laws of the Country.		
Risk Description <i>STRATEGIC RISK:</i> Adverse Law and Order situations. <i>COMMERCIAL RISK:</i> Changes and reforms in existing laws & regulations and legal uncertainties. Low entry barriers for new entrants.		Risk Profile ▲ ▲ ▲
Counter Strategies to Mitigate Risk In order to avoid the risk of disruption and fulfill the market demands, the Company operates two production facilities (one at Sheikupura and other at Karachi). A team of qualified and experienced professionals in the management team ensures compliance with all applicable laws, rules and regulations. In order to support the growth of two wheeler industry and protection of local manufacturers, the Company actively participates at various Government level forums for recommending appropriate measures.		Actual Results Both plants were successfully run throughout the year, giving cumulative production of 790,727 units , an increase of 27% from the last year. There were no non-compliances reported by any Government bodies or institutions during the year. The corporate reporting practices was recognized through follwing awards: - Best Corporate Report Award by the Joint Committee of ICAP and ICMAP. - Best Sustainability Report Award by ACCA and WWF Pakistan.

Low 	Medium 	High 
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TECHNOLOGY:		
Corporate objective: To produce the best and highest quality product that meets international standards of fuel efficiency, comfort and reliability.		
Risk Description <i>STRATEGIC RISK:</i> Technological shift may render production process obsolete and cost inefficient.		Risk Profile 
Counter Strategies to Mitigate Risk The Company has in-house facility which regularly monitors any changes in technology and international standards. The Company incurs adequate capital expenditure on expansion of production facilities and balancing, modernization and upgradation of existing manufacturing facilities.	Actual Results The Company has incurred Capital expenditure of Rs. 1.7 billion during the year for the improvement and maintenance of the production facilities. For details please see Note 5 to the Financial Statements.	



OPERATIONS:		
Corporate objective: To ensure continuity of operations without any disruptions in supply and minimize idle time.		
Risk Description <i>OPERATIONAL RISK:</i> The Company relies on third parties for sourcing of utilities. Vendors' operational and financial constraints may affect supply of raw materials and parts used in the manufacturing. Disruption due to data loss from operational failures or natural disasters.		Risk Profile   
Counter Strategies to Mitigate Risk Company's operations are based on usage of alternative energy sources. Further, Company has initiated plans for low cost and environment friendly options for meeting its energy needs. The Company has legal contracts in place with all vendors and continuous assessment of all vendors are made for quality, cost and on time deliveries. In order to ensure uninterrupted and smooth supplies of raw material and components, more than one supplier are inducted which shares its production and delivery plan on B2B network. A business continuity plan is in place for ensuring uninterrupted operations.	Actual Results The Company has achieved uninterrupted production during the year with undisrupted supplies from Vendors. The Company operates a separate Disaster Recovery Site to ensure continuity of operations	



Low 	Medium 	High 
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HUMAN CAPITAL:		
Corporate objective: To recruit and retain the best people and provide adequate training to ensure high quality skilled force.		
Risk Description <i>OPERATIONAL RISK:</i> Availability of sufficient, qualified and competent staff at all levels Operations may be subject to fraudulent activities.		Risk Profile
Counter Strategies to Mitigate Risk The Company has developed comprehensive and well-structured procedures for recruitment, training, compensation, periodic appraisals and succession planning in order to ensure staff development and retention. Various local and Foreign trainings are organized for staff at all hierarchical levels in order to enhance their professional skills and competence for the outstanding career path. Appropriate internal controls and best governance practices are in place to prevent and detect fraudulent activities. An effective Internal audit function is also in place.	Actual Results For details of benefits provided to employees during the year, refer respective notes to the financial statements . External Training Programs: 67 Internal Training Programs: 35 No. of Persons trained in external trainings: 166 No. of Persons trained in internal training: 315 No. of days spent for trainings: 1,621 No. of hours spent for trainings: 12,968 hours Average training days per employee: 3 days	

HEALTH AND SAFETY:		
Corporate objective: To ensure health and safety of employees in workplaces.		
Risk Description <i>OPERATIONAL RISK:</i> Accidents can take place which can cause serious injuries to employees. Elements in workplace that is dangerous to human health.		Risk Profile
Counter Strategies to Mitigate Risk Atlas Honda Limited recognizes the importance of a healthy working environment and therefore safety of employees is its top priority. The Company has developed a documented Health and Safety policy according to which it is mandatory for every employee to go through the Company's safety awareness program. Regular monitoring of the work place is carried out in order to ensure that safety equipments are working properly and procedures are being followed. In order to spread awareness among the employees, regarding accident prevention, accident response and emergency situations, regular trainings are being conducted with the aim of ensuring a safe workplace Medical and health insurance policies are in place for all the employees Extraction and evacuation drills are conducted regularly and staff is frequently trained for crisis management.	Actual Results No majors accidents occurred during the year at any of the Company's facilities, a testament to the effective Company's safety policies. Numerous safety and extraction drills were conducted during the year.	

Low 	Medium 	High 
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ENVIRONMENT:		
Corporate objective: To ensure environment friendly products and processes.		
Risk Description <i>OPERATIONAL RISK:</i> Hazardous emissions and gases discharges into air and water beyond the prescribed limits. There also lies a risk that the waste from operations may be disposed of in an inappropriate manner.		Risk Profile 
Counter Strategies to Mitigate Risk As per the Company's defined policy for the protection of environment from emissions and hazardous discharges, ongoing monitoring and maintenance activities coupled with investment in new technology, efficiency enhancing measures, continuous measurements, follow ups and reporting are carried out to ensure Atlas Honda Limited achieves its desired goals. Solid hazardous waste is disposed-off through Environmental Protection Agency's legitimate contractors. Recycling is also done, to the maximum extent, where possible.	Actual Results For achievements in environmental protection, see the section of "Environment" in the Company's sustainability report.	

FINANCE:		
Corporate objective: To maintain strong financial position and produce financial performance which is reflective of the Company's scale of business and Shareholders' expectations.		
Risk Description <i>FINANCIAL RISK:</i> Increase in commodity prices will increase input costs. Payment defaults of counter parties may leave the Company with inadequate resources for discharging its own liabilities. Devaluation of Pak Rupee against foreign currencies may adversely affect the Company's financial performance.		Risk Profile 
Counter Strategies to Mitigate Risk Agreements are in place with suppliers to counter short term fluctuations in material prices. Atlas Honda restricts its credit provisioning to only Government departments and defense institutions which maintain a good history of timely payments. Sufficient credit lines and financial arrangements are available from various banks to the Company in case sufficient funds are not generated from operations. Foreign currency exposures are monitored by the Treasury Committee. Derivatives such as forward covers and currency options are used for hedging against currency devaluation when considered necessary.	Actual Results For complete disclosure, kindly refer the disclosure on "Financial Risk Management" in notes to the financial statements.	

Low 
 Medium 
 High 

Notice of 52nd Annual General Meeting

Notice is hereby given that the Fifty Second Annual General Meeting of the members of Atlas Honda Limited will be held on Thursday June 23, 2016, at 11:00 A.M., at the registered office of the Company 1-Mcleod Road, Lahore, to transact the following business matters after recitation of the Holy Quran:

ORDINARY BUSINESS

1. To confirm minutes of the Annual General Meeting held on June 16, 2015.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended March 31, 2016, together with the Directors' and Auditors' reports thereon.
3. To appoint auditors and fix their remuneration for the year ending March 31, 2017. The present auditors M/s ShineWing Hameed Chaudhri & Co., Chartered Accountants, retire and being eligible have offered themselves for reappointment.
4. To consider and approve the final cash dividend of Rs.14.5 per share i.e.145% for the year ended March 31, 2016 as recommended by the Board of Directors.
5. To transact any other business as may be placed before the meeting with permission of the Chair.

SPECIAL BUSINESS

6. To consider, approve and adopt the addition of new Article 81A in the Articles of Association and, if thought fit, for this purpose to pass the following resolution as a special resolution, with or without modification:

RESOLVED that the Articles of Association of the Company be amended to add a new Article 81A as follows:

81A. The provisions and requirements for e-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provisions of these Articles of Association and notwithstanding anything contradictory therein.

7. To consider, approve and adopt the change in Article 90 of the Articles of Association and, if thought fit, for this purpose to pass the following resolution as special resolution, with or without modification:

RESOLVED that the Articles of Association of the Company be amended to include Article 90 as under:

90. The qualification shares requirement of a Director shall be the holding of one ordinary share in the Company in his own name. A Director may act before acquiring his qualification shares, but shall in any case acquire the same within two months from his appointment.

In lieu of

90. The qualification shares requirement of a Director shall be the holding of at least 500 ordinary shares in the Company in his own name relaxable in case of Directors representing interest holding of requisite value. A Director may act before acquiring his qualification shares, but shall in any case acquire the same within two months from his appointment.

A statement of material facts as required under section 160(1)(b) of the Companies Ordinance, 1984 in relation to this special business is annexed to this notice of meeting being sent to the members.

By Order of the Board



Umair Mukhtar
Company Secretary

Karachi: June 2, 2016

NOTES:

1. The share transfer books of the Company will remain closed from June 10, 2016 to June 23, 2016 (both days inclusive). The transfers received at Company's Share Registrar namely M/S Hameed Majeed Associates (Private) Limited, H.M House, 7-Bank Square, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan by the close of business on June 09, 2016 will be considered in time for the purpose of payment of final dividend to the transferees.
2. A member entitled to attend, speak and vote at this Annual General Meeting shall be entitled to appoint another member, as a proxy to attend and vote on his / her behalf. The proxies in order to be effective must be received at the Registered Office or Share Registrar of the Company not less than 48 hours before the time of the meeting. For the convenience of the members a Proxy Application Form is attached at the end of the Annual Report 2016.
3. Any individual Beneficial Owner of CDC entitled to attend and vote at this Annual General Meeting must bring the CNIC or Passport along with his / her CDC account number to prove his / her identity and in case of Proxy, must enclose an attested copy of the CNIC or Passport. The representatives of Corporate members should bring the Board of Directors' / Trustees' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.
4. The CDC Account holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP.
 - I. For attending the Meeting:
 - a. In case of individuals, the account holder or subaccount holder and / or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his / her original CNIC or original passport at the time of attending the Meeting.
 - b. Members registered on CDC are also requested to bring their particulars, I.D. Numbers and account numbers in CDS.
 - c. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.
 - II. For appointing proxies:
 - a. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
 - b. The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
 - c. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
 - e. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
5. In compliance with the SECP directives vide SRO 787(1)/ 2014 dated September 8, 2014, soft copies of the Annual Report 2015 are being emailed to the members having opted to receive such communication in electronic format. Other members, who wish to receive the Annual Report in electronic form, may file an application as per the format provided on the Company's website. The members who have provided the consent to receive Annual Report through email can subsequently request a hard copy which shall be provided free of cost within seven days. However, the Company shall continue to send hard copy to all other members as per current practice. The members are also requested to intimate any change in their email addresses on a timely manner, to ensure effective communication.
6. As per the directives by SECP vide its notice number 8(4) SM/CDC 2008 dated April 05, 2013, all shareholders and the Company are encouraged to put in place an effective arrangement for electronic payment of cash dividend. For this purpose, the members are requested to provide duly filled Dividend Mandate forms including Name, Bank Account Number, Bank and respective branch address at the registered address of the Company. The dividend mandate form is available the Company's website.
7. The SRO 831(2)/2012 dated July 5, 2012 read with SRO 19(1)/2014 dated January 10, 2014 issued by SECP, requires printing of CNIC on the dividend warrant, without which no dividend warrant shall be issued. Therefore the individual members who have not yet submitted photocopy of their valid CNICs, are once again reminded to send the same at the earliest directly to the Company's share registrar. The Corporate entities are requested to provide their NTN. Please give folio number with the copy of CNIC / NTN details.

8. Pursuant to the provisions of Finance Act, 2015, different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies, as under:

■Filer■ of Income Tax Return	12.5%
■Non - filer■ of Income Tax Return	17.5%

The ■Filer■ is defined as a taxpayer whose name appears in the Active Tax-payers List (ATL) issued by Federal Board of Revenue (FBR) from time to time. To enable the Company to withhold tax @ 12.5% for filers, all the shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted @ 17.5% for non-filers.

9. All shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them, in writing as follows:

Folio/ CDS	Total Shares	Principal Shareholder		Joint Shareholder	
		Name & CNIC No.	Shareholding proportion (no. of shares)	Name & CNIC No.	Shareholding proportion (no. of shares)

The required information must reach the shares registrar of the Company by the close of business on June 09, 2016 otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint shareholder(s).

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

This statement is annexed to the Notice of the Fifty Second Annual General Meeting of Atlas Honda Limited to be held on June 23, 2016 at which certain special businesses are to be transacted. The purpose of this statement is to set forth the material facts concerning such special businesses.

ITEM NO. 6 OF THE AGENDA

To give effect to the Companies (E-Voting) Regulations 2016, shareholders' approval is being sought to amend the Articles of Association of the Company to enable e-voting.

ITEM NO. 7 OF THE AGENDA

Presently, the requirement of qualification shares of Directors is the holding of at least 500 shares. In order to facilitate the representation of Directors, it is proposed to rationalize the requirement of qualification shares of Directors.

Critical Performance Measures



Sales Rs. 55 BN

The Company has achieved highest ever sales during the year, an increase of **20%** from last year.

Capital Expenditure Rs. 1.7 BN

incurred for capacity expansion & BMR of existing facilities, an increase of **40%** from last year.

Profit Before Tax Rs. 4 BN

Volume growth, effective cost management and improved treasury income increased profits by **24%** from last year.

Wealth Distributed Rs. 18 BN

among employees, Government, providers of capital and retention for future growth, up by **24%** from last year.

Profit After Tax Rs. 3 BN

Improved results & tax efficiency has resulted an encouraging growth in profit after tax, increased by **28%** from last year.

Return on Equity 27.3%

Improving profitability and optimum equity increase Return on Equity by **7.5%** from last year.

Breakup Value Per Share Rs. 106.4

Higher Breakup value providing a stronger financial base for company's future growth.

Proposed Cash Dividend Per Share Rs. 14.5

The Company has followed a consistent policy of paying high dividends, an increase of **21%** from last year.

Cash Generated from Operating Cycle Rs. 5.5 BN

Effective working capital management resulting in higher operating cashflows

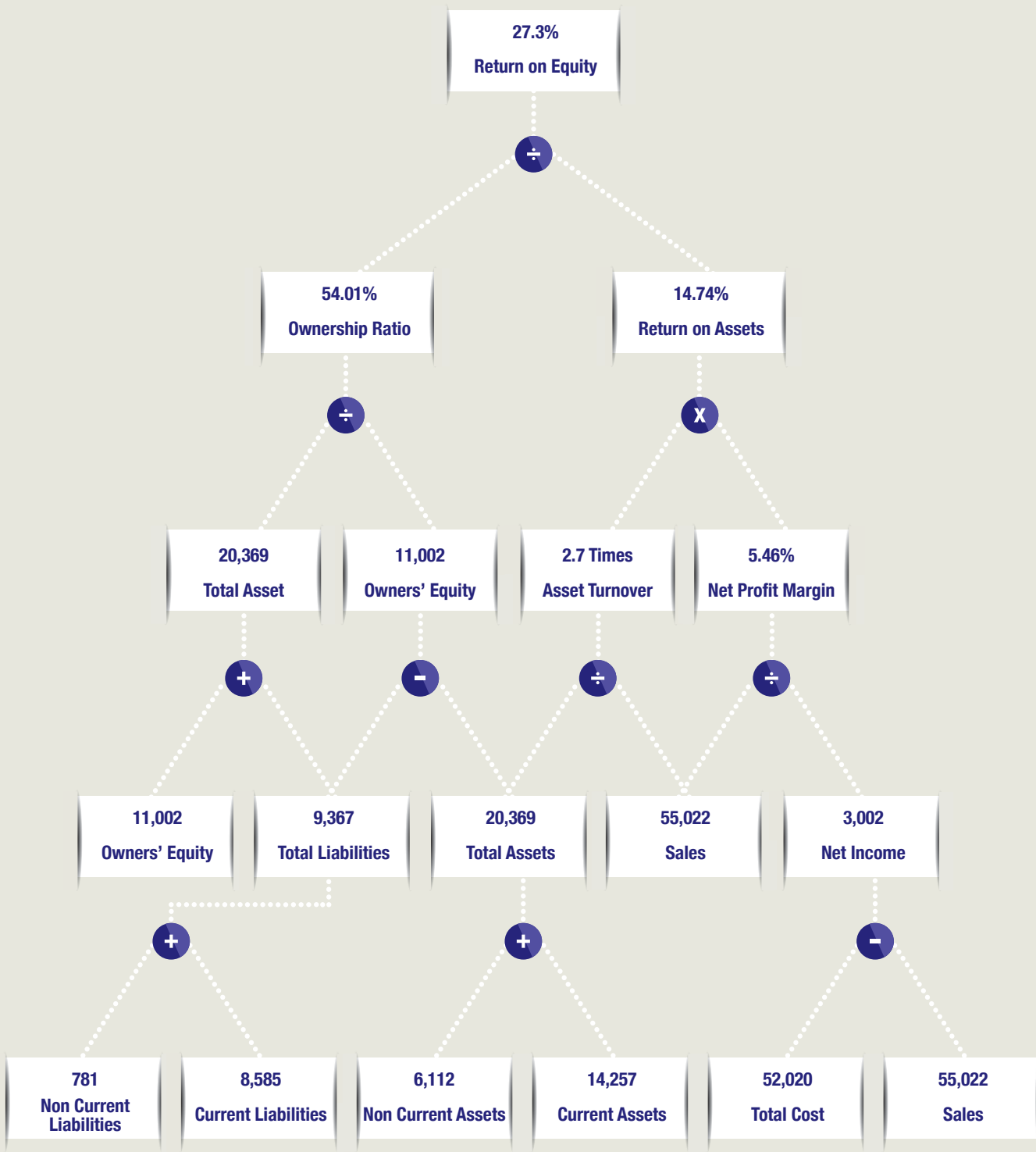
Earning Per Share Rs. 29.03

Improved profitability efforts generate higher EPS for shareholders, an increase of **28%** from last year.

6 Years at a Glance

Particulars		2016	2015	2014	2013	2012	2011
Profitability Ratios							
Gross profit margin	%	10.3	10.2	9.5	8.7	7.3	7.5
Profit before tax margin	%	7.4	7.1	6.0	5.2	4.3	4.3
Net profit margin	%	5.5	5.1	4.5	3.8	3.2	3.1
Return on capital employed	%	37.1	37.9	37.2	36.9	32.3	32.2
Return on equity - before tax	%	36.8	35.1	34.0	33.7	29.9	30.5
Return on equity - after tax	%	27.3	25.4	25.3	24.5	22.2	21.7
Return on assets	%	14.7	14.9	13.9	13.4	11.0	10.4
Earnings before interest, tax, depreciation and amortization (EBITDA)	Rs. In million	4,753.4	3,898.4	3,329.2	2,831.9	2,122.6	1,977.3
EBITDA margin	%	8.6	8.5	7.5	6.7	5.6	6.1
Equity Ratios							
Cash dividend per share (declared)	Rs.	14.5	12.0	10.0	7.5	6.5	6.5
Stock dividend per share (bonus shares declared for the year)	Rs.	-	-	-	2.5	1.5	1.5
Bonus shares declared for the year	No. in '000	-	-	-	20,681	10,790	9,383
Earning per share	Rs.	29.03	22.73	19.36	19.44	16.74	16.03
Price earning ratio	Times	13.26	14.60	15.1	9.9	8.5	8.8
Market price per share for the year	Rs.	385.0	335.0	292.6	191.5	142.2	141.8
- maximum value	Rs.	414.8	405.3	299.0	192.0	160.0	172.5
- minimum value	Rs.	320.1	209.0	171.0	114.0	108.0	92.0
Break up value per share	Rs.	106.4	89.3	76.5	79.3	75.3	73.9
Dividend yield	%	3.8	3.6	3.4	5.2	5.6	5.6
Dividend cover	Times	2.0	1.9	1.9	1.9	2.1	2.0
Dividend pay out	%	49.9	52.8	51.7	51.5	47.8	49.9
Plough back ratio	%	50.5	47.2	48.3	48.5	52.2	50.1
Weighted average cost of debt	%	-	-	-	-	-	14.0
Cost of equity	%	7.5	6.8	6.6	10.1	11.8	11.3
Efficiency Ratios							
Assets turnover	Times	2.7	2.9	3.1	3.5	3.5	3.4
Fixed assets turnover	Times	9.5	9.2	9.8	9.6	9.6	10.0
Inventory turnover	Times	22.3	19.7	16.5	15.1	14.0	12.9
Debtors turnover	Times	83.8	65.0	85.5	82.2	63.5	81.0
Creditors turnover	Times	6.9	7.1	7.2	8.5	7.3	7.1
Capital employed turnover	Times	5.0	5.0	6.2	6.5	7.0	7.0
Operating Cycle							
Period of inventory holding	Days	17	18	22	24	26	28
Period of collection from debtors	Days	4	6	4	4	6	5
Period of payments to creditors	Days	(53)	(51)	(51)	(44)	(50)	(51)
Operating cycle	Days	(32)	(27)	(25)	(16)	(18)	(18)
Liquidity / Leverage Ratios							
Current ratio	Times	1.7	1.8	1.7	1.6	1.5	1.5
Quick ratio	Times	1.4	1.5	1.3	1.1	0.9	0.9
Debt to equity / financial leverage ratio	Times	-	-	-	-	-	0.02
Total liabilities to equity	Times	0.85	0.71	0.82	0.83	1.00	1.1
Interest cover	Times	3,400.3	3,862.5	5,651.0	2,577.3	427.9	18.4
Operating leverage ratio	%	122.2	709.0	427.9	317.2	52.8	98.6
Cash to current liabilities	Times	0.6	0.6	0.5	0.6	0.4	0.5
Cash flow from operations to sales	%	10.0	6.1	7.9	5.2	4.5	6.6

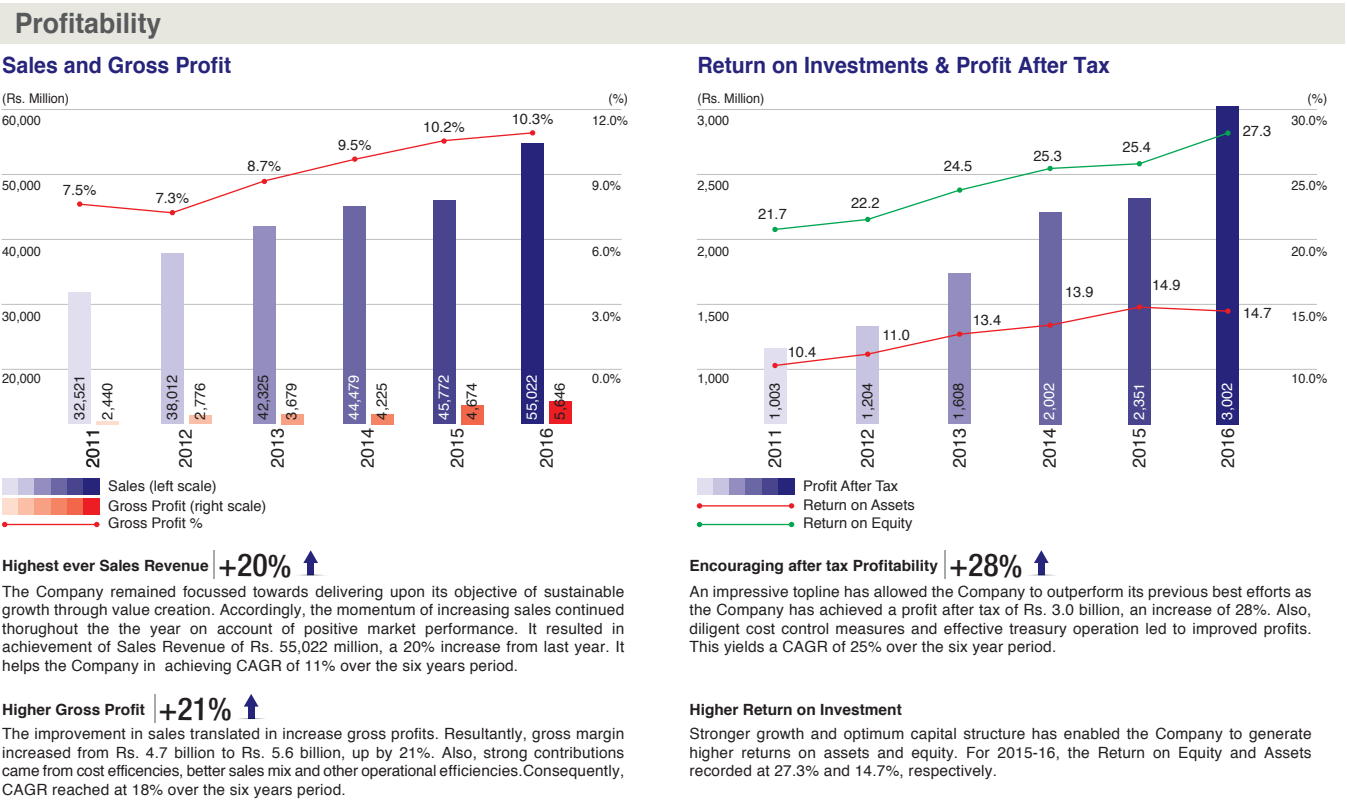
DuPont Analysis



Graphical Presentation

Our performance over the year

The Company's distinguished performance in its operations is attributable to the effective management of controllable factors, measured against key financial indicators. This has resulted in the Company accumulate greater financial strength and continue to grow sustainably over the course of time.



Analysis of the Financial Statements

Balance Sheet

Particulars	2016	2015	2014	2013	2012	2011
	-----Rupees in '000 -----					
Assets						
Non Current Assets						
Property, plant & equipment	5,817,700	4,982,552	4,552,816	4,421,744	3,941,610	3,259,193
Intangible asset	5,379	12,774	4,781	5,555	6,419	7,137
Long term investments	245,508	216,283	-	-	-	-
Long term loans and advances	28,027	27,198	26,396	25,583	20,420	22,403
Long term deposits	14,937	12,986	9,632	8,399	15,728	10,765
Total non current assets	6,111,551	5,251,793	4,593,625	4,461,281	3,984,177	3,299,498
Current Assets						
Stores,spares and loose tools	489,415	421,339	400,424	390,250	348,639	325,891
Stock in trade	1,863,482	1,660,529	2,042,602	2,171,536	2,161,328	2,003,029
Trade debts	608,420	704,597	520,321	514,742	598,265	401,435
Loans and advances	35,877	41,235	35,305	33,253	33,152	33,525
Trade deposits and prepayments	64,770	59,568	50,679	47,722	44,832	36,936
Short term investments	5,876,554	4,119,696	3,691,241	1,635,183	1,460,580	1,338,474
Accrued mark-up/interest	16,842	10,857	11,130	11,603	4,348	8,517
Other receivables	4,910	3,674	4,666	6,302	15,338	15,075
Taxation-net	542,121	99,185	-	2,578	160,604	68,050
Bank balances	4,755,020	3,409,200	2,843,738	2,739,988	2,149,154	2,090,800
Total current assets	14,257,411	10,529,880	9,600,106	7,553,157	6,976,240	6,321,732
Non Current Assets Classified as Held for Sales	-	-	171,459	-	-	-
Total assets	20,368,962	15,781,673	14,365,190	12,014,438	10,960,417	9,621,230
Equity & Liabilities						
Equity						
Share capital	1,034,066	1,034,066	1,034,066	827,253	719,350	625,522
Reserves	9,968,057	8,204,479	6,879,247	5,732,907	4,700,584	3,996,892
Total equity	11,002,123	9,238,545	7,913,313	6,560,160	5,419,934	4,622,414
Non Current Liabilities						
Long term borrowings	-	-	-	-	-	-
Deferred liabilities	781,369	773,394	829,600	866,975	730,315	649,354
Total non current liabilities	781,369	773,394	829,600	866,975	730,315	649,354
Current Liabilities						
Trade and other payables	8,585,470	5,769,734	5,577,694	4,587,303	4,810,168	4,255,584
Accrued mark-up / interest	-	-	-	-	-	6,378
Current portion of long term borrowings	-	-	-	-	-	87,500
Taxation - net	-	-	44,583	-	-	-
Total current liabilities	8,585,470	5,769,734	5,622,277	4,587,303	4,810,168	4,349,462
Total equity and liabilities	20,368,962	15,781,673	14,365,190	12,014,438	10,960,417	9,621,230

Analysis of the Financial Statements

Balance Sheet

Particulars	Vertical Analysis						Horizontal Analysis					
	2016	2015	2014	2013	2012	2011	2016 vs 2015	2015 vs 2014	2014 vs 2013	2013 vs 2012	2012 vs 2011	2011 vs 2010
	%	%	%	%	%	%	%	%	%	%	%	%
Assets												
Non Current Assets												
Property, plant & equipment	28.6	31.6	31.7	36.8	36.0	33.9	16.8	9.4	3.0	12.2	20.9	1.1
Intangible asset	0.0	0.1	0.0	0.0	0.1	0.1	-57.9	167.2	-13.9	-13.5	-10.1	-11.4
Long term investments	1.2	1.4	-	-	-	-	13.5	100.0	0.0	0.0	0.0	0
Long term loans and advances	0.1	0.2	0.2	0.2	0.2	0.2	3.0	3.0	3.2	25.3	-8.9	19.1
Long term deposits	0.1	0.1	0.1	0.1	0.1	0.1	15.0	34.8	14.7	-46.6	46.1	-5
Total non current assets	30.0	33.3	32.0	37.1	36.4	34.3	16.4	14.3	3.0	12.0	20.8	1.1
Current Assets												
Stores,spares and loose tools	2.4	2.7	2.8	3.2	3.2	3.4	16.2	5.2	2.6	11.9	7.0	1
Stock in trade	9.1	10.5	14.2	18.1	19.7	20.8	12.2	-18.7	-5.9	0.5	7.9	20.4
Trade debts	3.0	4.5	3.6	4.3	5.5	4.2	-13.6	35.4	1.1	-14.0	49.0	-9.9
Loans and advances	0.2	0.3	0.2	0.3	0.3	0.3	-13.0	16.8	6.2	0.3	-1.1	-17.2
Trade deposits and prepayments	0.3	0.4	0.4	0.4	0.4	0.4	8.7	17.5	6.2	6.4	21.4	-5.5
Short term investments	28.9	26.1	25.7	13.6	13.3	13.9	42.6	11.6	125.7	12.0	9.1	22.9
Accrued mark-up/interest	0.1	0.1	0.1	0.1	0.0	0.1	55.1	-2.5	-4.1	166.9	-48.9	88.7
Other receivables	0.0	0.0	0.0	0.1	0.1	0.2	33.6	-21.3	-26.0	-58.9	1.7	30.3
Taxation-net	2.7	0.6	-	0.0	1.5	0.7	446.6	100.0	-100.0	-98.4	136.0	100
Bank balances	23.3	21.6	19.8	22.8	19.6	21.7	39.5	19.9	3.8	27.5	2.8	27.3
Total current assets	70.0	66.7	66.8	62.9	63.6	65.7	35.4	9.7	27.1	8.3	10.4	20.2
Non Current Assets Classified as Held for Sales	-	-	1.2	-	-	-	-100.0	-100.0	100.0	0.0	0.0	0.0
Total assets	100.0	100.0	100.0	100.0	100.0	100.0	29.1	9.9	19.6	9.6	13.9	12.9
Equity & Liabilities												
Equity												
Share capital	5.1	6.6	7.2	6.9	6.6	6.5	0.0	0.0	25.0	15.0	15.0	15.0
Reserves	48.9	52.0	47.9	47.7	42.9	41.6	21.5	19.3	20.0	22.0	17.6	19.4
Total equity	54.0	58.5	55.1	54.6	49.5	48.1	19.1	16.7	20.6	21.0	17.3	18.8
Non Current Liabilities												
Compensated absences	1.1	-	-	-	-	-	100.0	-	-	-	-	-
Deferred taxation	2.8	-	-	-	-	-	100.0	-	-	-	-	-
Long term borrowings	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	-100.0
Deferred liabilities	-	4.9	5.8	7.2	6.6	6.7	-100.0	-6.8	-4.3	18.7	12.5	8.2
Total non current liabilities	3.9	4.9	5.8	7.2	6.6	6.7	1.03	-6.8	-4.3	18.7	12.5	-41.6
Current Liabilities												
Trade and other payables	42.1	36.6	38.8	38.2	43.9	44.2	48.8	3.4	21.6	-4.6	13.0	36.8
Accrued mark-up / interest	-	-	-	-	-	0.1	0.0	0.0	0.0	0.0	-100.0	-82.9
Current portion of long term borrowings	-	-	-	-	-	0.9	0.0	0.0	0.0	0.0	-100.0	-75.9
Taxation - net	-	-	0.3	-	-	-	0.0	-100.0	100.0	0.0	0.0	-100.0
Total current liabilities	42.1	36.6	39.1	38.2	43.9	45.2	48.8	2.6	22.6	-4.6	10.6	23.6
Total equity and liabilities	100.0	100.0	100.0	100.0	100.0	100.0	29.1	9.9	19.6	9.6	13.9	12.9

Analysis of the Financial Statements

Profit and Loss Account and Cash Flow Statement

Particulars	2016	2015	2014	2013	2012	2011
----- (Rupees in '000) -----						
Profit and Loss Account						
Sales	55,022,415	45,772,177	44,478,713	42,325,242	38,011,857	32,521,399
Cost of sales	(49,376,506)	(41,098,571)	(40,253,929)	(38,646,049)	(35,235,893)	(30,080,978)
Gross Profit	5,645,909	4,673,606	4,224,784	3,679,193	2,775,964	2,440,421
Sales and marketing expenses	(1,456,152)	(1,314,231)	(1,293,938)	(1,206,648)	(965,883)	(815,463)
Administrative expenses	(499,915)	(432,622)	(430,054)	(387,477)	(335,654)	(310,742)
Other income	637,074	543,924	420,651	322,668	274,453	299,337
Other operating expenses	(310,682)	(245,132)	(223,989)	(190,453)	(117,162)	(109,597)
Share of profit of an Associated Company - net of tax	43,475	26,283	-	-	-	-
Profit from operations	4,059,709	3,251,828	2,697,454	2,217,283	1,631,718	1,503,956
Finance cost	(15,280)	(8,190)	(8,036)	(9,726)	(11,717)	(93,475)
Profit before taxation	4,044,429	3,243,638	2,689,418	2,207,557	1,620,001	1,410,481
Taxation	(1,042,630)	(892,747)	(687,858)	(599,753)	(415,892)	(407,925)
Profit after taxation	3,001,799	2,350,891	2,001,560	1,607,804	1,204,109	1,002,556

Cash Flow Statement

Cash flows from operating activities	5,523,178	2,808,104	3,531,566	2,208,740	1,720,597	2,147,882
Cash flows from investing activities	(2,947,543)	(1,216,243)	(2,813,658)	(1,154,675)	(1,171,217)	(642,540)
Cash flows from financing activities	(1,229,815)	(1,026,399)	(614,158)	(463,231)	(491,026)	(1,056,505)
Net increase / (decrease) in cash & cash equivalent	1,345,820	565,462	103,750	590,834	58,354	448,837

Analysis of the Financial Statements

Profit and Loss Account and Cash Flow Statement

Particulars	Vertical Analysis						Horizontal Analysis					
	2016	2015	2014	2013	2012	2011	2016 vs 2015	2015 vs 2014	2014 vs 2013	2013 vs 2012	2012 vs 2011	2011 vs 2010
	%	%	%	%	%	%	%	%	%	%	%	%

Profit and Loss Account

Sales	100.0	100.0	100.0	100.0	100.0	100.0	20.2	2.9	5.1	11.3	16.9	27.3
Cost of sales	(89.7)	(89.8)	(90.5)	(91.3)	(92.7)	(92.5)	20.1	2.1	4.2	9.7	17.1	27.7
Gross Profit	10.3	10.2	9.5	8.7	7.3	7.5	20.8	10.6	14.8	32.5	13.7	22.1
Sales and marketing expenses	(2.6)	(2.9)	(2.9)	(2.9)	(2.5)	(2.5)	10.8	1.6	7.3	24.9	18.4	18.0
Administrative expenses	(0.9)	(0.9)	(1.0)	(0.9)	(0.9)	(1.0)	15.6	0.6	11.0	15.4	8.0	17.4
Other income	1.2	1.1	0.9	0.8	0.7	0.9	17.1	29.3	30.4	17.6	8.3	25.2
Other operating expenses	(0.6)	(0.5)	(0.5)	(0.4)	(0.3)	(0.3)	26.7	9.4	17.6	62.6	6.9	18.4
Share of profit of an Associated Company - net of tax	0.1	0.1	-	-	-	-	65.4	100.0	-	-	-	-
Profit from operations	7.4	7.1	6.0	5.2	4.3	4.6	24.8	20.6	21.7	35.9	8.5	26.4
Finance cost	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.3)	86.6	1.9	(17.4)	(17.0)	87.5	(17.0)
Profit before taxation	7.4	7.1	6.0	5.2	4.3	4.3	24.7	20.6	21.8	36.3	14.9	30.9
Taxation	(1.9)	(2.0)	(1.5)	(1.4)	(1.1)	(1.3)	16.8	29.8	14.7	44.2	2.0	11.8
Profit after taxation	5.5	5.1	4.5	3.8	3.2	3.1	27.7	17.5	24.5	33.5	20.1	40.7

Cash Flow Statement

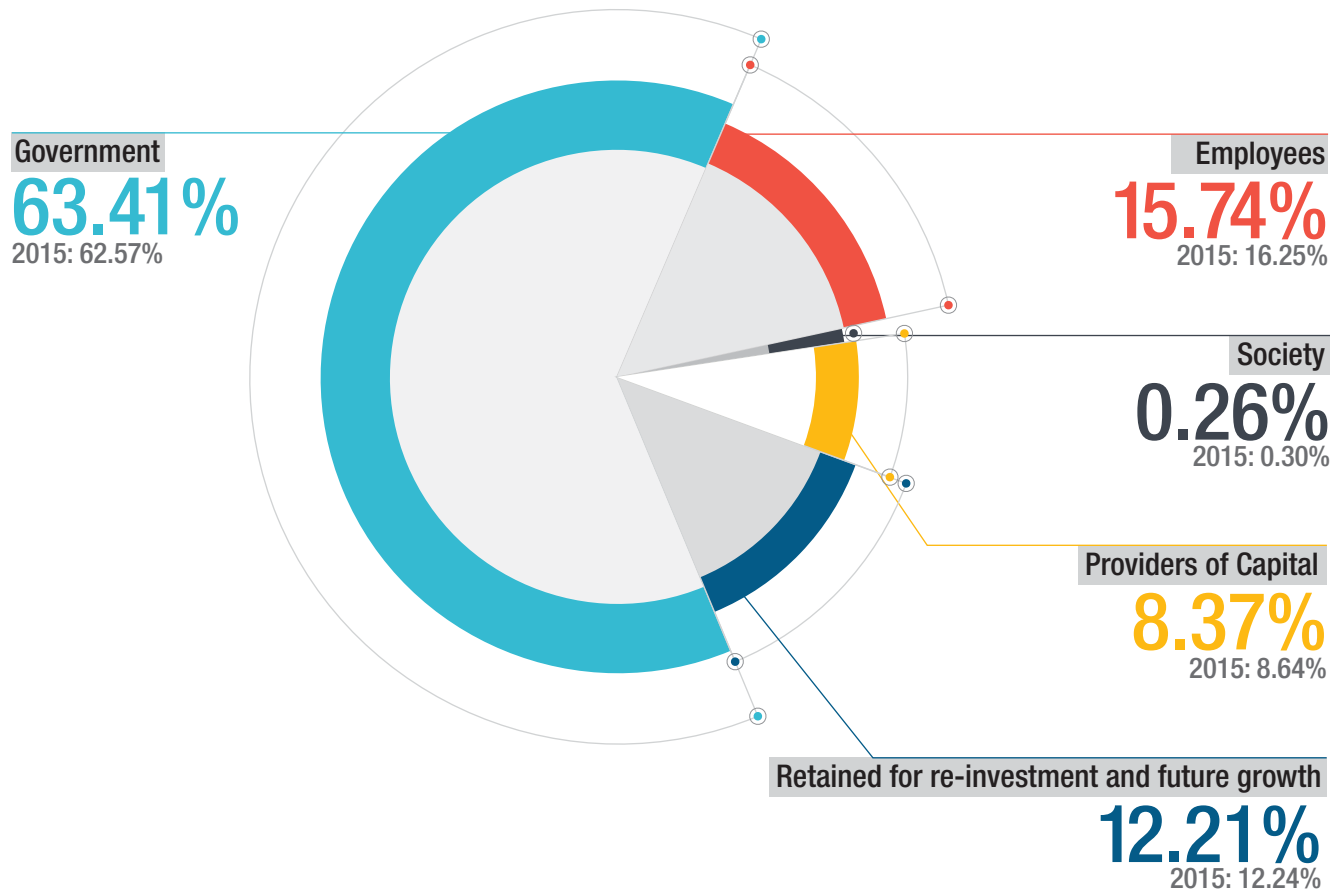
Cash flows from operating activities	410.4	496.6	3,403.9	373.8	2,948.6	478.5	96.7	(20.5)	59.9	28.4	(19.9)	21.5
Cash flows from investing activities	(219.0)	(215.1)	2,711.9	(195.4)	(2,007.1)	(143.1)	142.3	(56.8)	143.7	(1.4)	182.3	(12.1)
Cash flows from financing activities	(91.4)	(181.5)	(592.0)	(78.4)	(841.5)	(235.4)	19.8	67.1	32.6	(5.7)	53.5	3,221.2
Net increase / (decrease) in cash & cash equivalent	100.0	100.0	100.0	100.0	100.0	100.0	138.0	445.0	(82.4)	912.5	(87.0)	(55.4)

Statement of Value Addition and its Distribution

Year ended March 31				
	%	2016	%	2015
		Rs. in '000		Rs. in '000
Value Created				
Net sales including sales tax	99.01%	63,579,041	98.98%	52,885,942
Other operating income	0.99%	637,074	1.02%	543,924
Bought in materials and services	100.00%	64,216,115	100.00%	53,429,866
	-72.09%	(46,295,023)	-73.12%	(39,065,528)
Total	27.91%	17,921,092	26.88%	14,364,338

Value Distribution

To Government				
Income tax, sales tax, custom & excise duties, workers funds, EOBI & social security contribution and local taxes	63.41%	11,364,210	62.57%	8,987,429
To Employees				
Remuneration & benefits	15.74%	2,821,511	16.25%	2,334,806
To Society				
Donations	0.26%	47,436	0.30%	42,394
To Providers of capital				
Financial charges to providers of finance	0.00%	341	0.00%	601
Dividends for shareholders	8.37%	1,499,396	8.64%	1,240,879
Retained for re-investment and future growth	12.21%	2,188,198	12.24%	1,758,809
Total Value Distributed	100.00%	17,921,092	100.00%	14,364,338



Quarterly Performance Analysis

Sales



The Company witnessed an increasing sales trend through every quarter of the fiscal year. Higher sales volume remained attributable to the increase in market demand of the Company's products, particularly in the classic series i.e. CD-70 and CG-125. Improving law and order situation across the country and positive economic sentiments contributed to the achievement of ever highest sales, with retail sales crossing the 800,000 units level for the first time.

Gross Profit



The Company achieved increasing gross profits during the year inline with the increasing sales trend, posting an increase of 21% from last year. This was achieved through volume gains, cost reduction measures and other operational improvements.

Profit Before Taxation



PBT remained consistent with Gross Profit. Effective controls over operating expenses and higher treasury income enabled the company to arrive at Profit margin of 7.4%.

Profit After Taxation



Net profit after tax increased to Rs 3 billion, an increase of 28% from last year. The improving profitability generated an EPS of Rs. 29.03 per share which is the highest ever in the Company's history.

Share Price Sensitivity

Company's Share price is interlinked with the Company's financial performance and has positive correlation with the factors influencing the Company's performance.

In the prevailing business scenario, management considers the following factors to which the performance and share price of the Company may be sensitive.

Agriculture

Agriculture sector is one of the largest contributor to our economy. Majority of the population, directly or indirectly, dependent on this sector. It contributes about 24 percent of Gross Domestic Product (GDP) and accounts for half of employed labour force. Therefore, the Company's performance is strongly linked with the performance of Agriculture sector. The years which see good crop acreage, adequate rainfall and healthy support prices also witness increase in motorcycle sales. Conversely, the years of water mismanagement, fertilizer crises, floods and low prices also witness lower growth in two-wheeler market.

Law and Order

Unstable Law and order situation often results in disruption of business activities. Transportation strikes, sit in protests, hindrance in supply chain and restrictions on public's use of motorcycle that negatively impacts on Company's sales. However, the current year has witnessed improved law and order situation in the country due to successful operations and strict measures taken by law and enforcement agencies.

Plant Operations

Stable plant operations lead to higher production and better production efficiencies. Disruptions at production facilities negatively affect the financial performance of the Company and therefore, may affect the share price.

Capital and Money Markets

Major portion of Company's liquid investments are in open-ended mutual funds. These funds heavily invest in capital, money market and equity instruments. The fluctuating trends in these markets determine the Net Asset Value (NAV) of these funds and as a result, also affect Company's financial performance.

Energy Crisis

Due to the on-going energy crisis, supply of gas and electricity is often disrupted to industrial undertakings. Accordingly, the entire manufacturing industry is facing severe operational and financial difficulties. This forced Companies to resort to expensive alternative like diesel generators to run operations which directly affects the Company's financial performance. However, the supply during the current year has been improved which has resulted in positive impact on the performance of LSM Index.

Exchange Fluctuations

Due to imports of raw materials, plant and machinery, motorcycle parts and other related items, Company is sensitive to fluctuation in foreign currency. Accordingly, weakened Pak Rupee against US Dollar and Japanese Yen brought negative impacts on the import cost.

Material Price Volatility

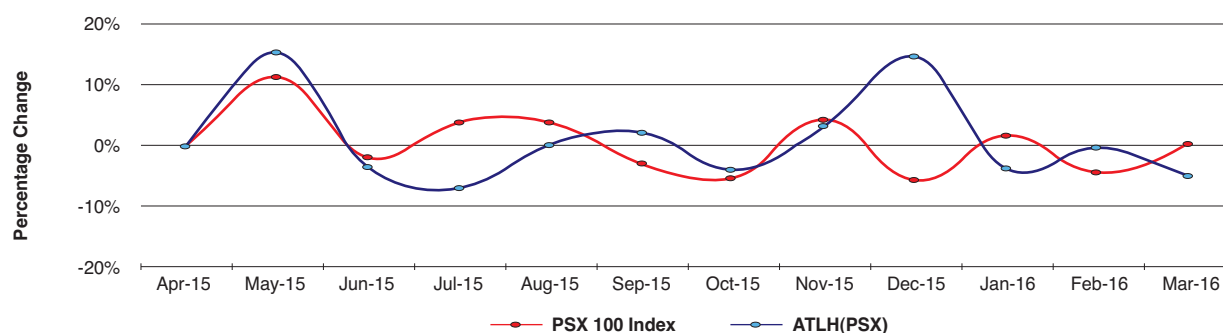
As a manufacturing concern, Company's financial performance is sensitive to fluctuation in various imported and locally sourced material prices used in the production of motorcycles. These include CKD kits, steel sheets, aluminum, paints etc. Accordingly, volatility in material prices affects the financial performance which in turn affects the share price of the Company.

Interest Rates

As on March 31, 2016, Company has bank balances in saving accounts and term deposit receipts of Rs. 4,596 million. With no debt on the balance sheet, rise in interest rates improves Company's treasury income and decline in interest rates accordingly reduces it. Such changes in interest rates affects the Company's financial performance and may also result in share price fluctuation.

Low Medium High

Atlas Honda Limited Market Performance Summary



Winning Accolades

For Corporate Credibility

Atlas Honda Limited prides itself for winning the “Best Sustainability Report” award for 2014, presented by WWF and ACCA. The award celebrates Honda’s commitment to transparency in reporting environmental practices while maintaining completeness, credibility and communication of information.

Atlas Honda Limited also stood first in the Engineering sector for its Annual Report and Sustainability Report for the year 2014 at the “Best Corporate and Sustainability Reporting Awards 2014”, jointly organized by ICAP and ICMA. Atlas Honda won the award for identifying, measuring and reporting key financial data and other information with utmost transparency and credibility.





Financial Statements

- Statement of Company with Code of Corporate Governance
- Review Report to the Members on Code of Corporate Governance
- Auditors' Report to the Members
- Balance Sheet
- Profit and Loss Account
- Cash Flow Statement
- Statement of Changes in Equity
- Notes to the Financial Statements

Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in Regulation No. 5.19 of the Rule Book of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited, in which Lahore and Islamabad stock exchanges have merged) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages the representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes one independent director, three executive and four non executive directors.

Category	Names
Independent Director	Abid Naqvi
Executive Directors	Saquib H. Shirazi Yasutaka Uda Hiromitsu Takasaki
Non Executive Directors	Yusuf H. Shirazi Toichi Ishiyama Sanaullah Qureshi Jawaid Iqbal Ahmed

The independent director meets the criteria of independence under clause i(b) of the Code.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including Atlas Honda Limited.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, DFI or NBFIs. or, being a member of stock exchange, has been declared as a defaulter by that stock exchange.
4. The casual vacancy occurring on the Board on March 31, 2016 was duly filled on March 31, 2016 by the directors.
5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board has developed vision and mission statements, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the date on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings to all the directors. The minutes of the meetings were appropriately recorded and circulated.

9. During the year, three directors have obtained certificate of directors' training course from the University of Lahore. One director has already completed this course earlier, while remaining four directors are exempted from the requirement of directors' training program as per the proviso to clause 7 of the Code.
10. The Board has approved the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The Directors' report for the year ended March 31, 2016 has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CFO and CEO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has already formed an Audit Committee. It comprises of three members of whom two are non-executive directors and one is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to the approval of interim and final results of the Company, as required by the Code. The terms of reference of the Committee have been prepared and advised to the Committee for compliance.
17. The Board has already formed Human Resource and Remuneration Committee. It comprises of three members of whom two are non-executive and one is executive director.
18. The Board has set up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accounts of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to directors, employees and stock exchanges.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchanges.
23. All related party transactions during the year were on arm's length basis and these have been placed before the Audit Committee and Board of Directors. These transactions are duly reviewed and approved by the Audit Committee and Board of Directors along with pricing method.
24. We confirm that all other material principles enshrined in the Code have also been complied with.

On behalf of the Board of Directors



Saquib H. Shirazi
Chief Executive Officer

Karachi: April 29, 2016

Review Report to the Members on Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Atlas Honda Limited (the Company) for the year ended March 31, 2016 to comply with the Code contained in regulation No.5.19 of the Pakistan Stock Exchange Limited.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As a part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended March 31, 2016.

Karachi: April 29, 2016
Engagement Partner: Muhammad Ali



SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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Auditors' Report to the Members

We have audited the annexed balance sheet of Atlas Honda Limited as at March 31, 2016 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at March 31, 2016 and of the profit, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in Central Zakat Fund established under section 7 of that Ordinance.

Shinewing Hameed Chaudhri

Karachi: April 29, 2016
Engagement Partner: Muhammad Ali

SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT FIRMS

Balance Sheet

As at March 31, 2016

	Note	2016 ----- (Rupees in '000) -----	2015
Assets			
Non current assets			
Property, plant and equipment	5	5,817,700	4,982,552
Intangible assets	6	5,379	12,774
Long term investments	7	245,508	216,283
Long term loans and advances	8	28,027	27,198
Long term deposits		14,937	12,986
		6,111,551	5,251,793
Current assets			
Stores, spares and loose tools	9	489,415	421,339
Stock-in-trade	10	1,863,482	1,660,529
Trade debts	11	608,420	704,597
Loans and advances	12	35,877	41,235
Trade deposits and prepayments	13	64,770	59,568
Accrued mark-up / interest		16,842	10,857
Other receivables	14	4,910	3,674
Taxation - net		542,121	99,185
Short term investments	15	5,876,554	4,119,696
Bank balances	16	4,755,020	3,409,200
		14,257,411	10,529,880
		20,368,962	15,781,673
Equity and Liabilities			
Equity			
Share capital	17	1,034,066	1,034,066
Reserves	18	9,968,057	8,204,479
		11,002,123	9,238,545
Liabilities			
Non Current Liabilities			
Compensated absences	19	214,620	195,145
Deferred taxation	20	566,749	578,249
		781,369	773,394
Current Liabilities			
Trade and other payables	21	8,585,470	5,769,734
		9,366,839	6,543,128
Contingencies and commitments	23		
		20,368,962	15,781,673

The annexed notes 1 to 42 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman




Saquib H. Shirazi
Chief Executive Officer


Profit and Loss Account

For the Year Ended March 31, 2016

	Note	2016 ----- (Rupees in '000) -----	2015 ----- (Rupees in '000) -----
Sales	24	55,022,415	45,772,177
Cost of sales	25	(49,376,506)	(41,098,571)
Gross profit		5,645,909	4,673,606
Sales and marketing expenses	26	(1,456,152)	(1,314,231)
Administrative expenses	27	(499,915)	(432,622)
Other income	28	637,074	543,924
Other operating expenses	29	(310,682)	(245,132)
Share of net profit of an Associate		43,475	26,283
Operating profit		4,059,709	3,251,828
Finance costs	30	(15,280)	(8,190)
Profit before taxation		4,044,429	3,243,638
Income tax expense	31	(1,042,630)	(892,747)
Profit for the year		3,001,799	2,350,891
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of staff retirement benefit obligation		3,889	12,473
Income tax relating to this remeasurment		(1,231)	(4,066)
Other comprehensive income for the year - net of tax		2,658	8,407
Total comprehensive income for the year		3,004,457	2,359,298
----- (Rupees) -----			
Earnings per share - basic and diluted	32	29.03	22.73

The annexed notes 1 to 42 form an integral part of these financial statements.


Yusuf H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer

Cash Flow Statement

For the Year Ended March 31, 2016

	Note	2016 ----- (Rupees in '000) -----	2015
Cash Flows from Operating Activities			
Cash generated from operations	33	7,027,897	3,963,512
Mark-up / interest paid		(341)	(601)
Income taxes paid		(1,498,297)	(1,099,890)
Contribution made to gratuity funds		(26,765)	(23,452)
Compensated absences paid		(12,566)	(13,891)
Mark-up / interest received		274,534	181,520
Workers' profit participation fund paid		(172,514)	(144,583)
Workers' welfare fund paid		(65,990)	(50,355)
Long term loans and advances - net		(829)	(802)
Long term deposits - net		(1,951)	(3,354)
Net cash generated from operating activities		5,523,178	2,808,104
Cash Flows from Investing Activities			
Payments for property, plant and equipment		(1,650,424)	(1,165,608)
Proceeds from sale of property, plant and equipment		113,720	72,233
Payments for intangible assets		(459)	(13,143)
Payments for investments		(10,937,058)	(4,323,889)
Proceeds from sale of investments		9,470,806	4,214,164
Dividend received		55,872	-
Net cash used in investing activities		(2,947,543)	(1,216,243)
Cash Used in Financing Activities			
Dividend paid		(1,229,815)	(1,026,399)
Net increase in cash and cash equivalents		1,345,820	565,462
Cash and cash equivalents at beginning of the year		3,409,200	2,843,738
Cash and cash equivalents at end of the year	16	4,755,020	3,409,200

The annexed notes 1 to 42 form an integral part of these financial statements.



Yusuf H. Shirazi
Chairman





Saquib H. Shirazi
Chief Executive Officer

Statement of Changes in Equity For the Year Ended March 31, 2016

	Share Capital	Capital Reserves Share Premium	Gain on Sale of Land	Revenue Reserves General Reserve	Unappro- priated Profit	Total
	(Rupees in '000)					
Balance as at April 1, 2014	1,034,066	39,953	165	4,702,000	2,137,129	7,913,313
Transfer to general reserve	-	-	-	630,000	(630,000)	-
Total comprehensive income for the year ended March 31, 2015						
Profit for the year	-	-	-	-	2,350,891	2,350,891
Other comprehensive income	-	-	-	-	8,407	8,407
	-	-	-	-	2,359,298	2,359,298
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2014 at the rate of Rs.10 per share	-	-	-	-	(1,034,066)	(1,034,066)
Balance as at March 31, 2015	1,034,066	39,953	165	5,332,000	2,832,361	9,238,545
Transfer to general reserve	-	-	-	830,000	(830,000)	-
Total comprehensive income for the year ended March 31, 2016						
Profit for the year	-	-	-	-	3,001,799	3,001,799
Other comprehensive income	-	-	-	-	2,658	2,658
	-	-	-	-	3,004,457	3,004,457
Transaction with owners in their capacity as owners						
Final dividend for the year ended March 31, 2015 at the rate of Rs.12 per share	-	-	-	-	(1,240,879)	(1,240,879)
Balance as at March 31, 2016	1,034,066	39,953	165	6,162,000	3,765,939	11,002,123

The annexed notes 1 to 42 form an integral part of these financial statements.


Yusuf H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer

Notes to the Financial Statements

For the Year Ended March 31, 2016

1. LEGAL STATUS AND OPERATIONS

Atlas Honda Limited (the Company) was incorporated as a public limited company on October 16, 1962 under the Companies Act, 1913 (now Companies Ordinance, 1984) and its shares are quoted on Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited, into which the Lahore and Islamabad stock exchanges have merged). The registered office is located at 1 - McLeod Road, Lahore. The Company is principally engaged in progressive manufacturing and marketing of motorcycles and spare parts. The manufacturing and assembling facilities of the Company are located at Karachi and Sheikhupura, with branches, customer care centres, warranty & training centres and other offices located in Karachi, Hyderabad, Multan, Lahore, Faisalabad, Rahim Yar Khan and Rawalpindi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for certain financial instruments, which are carried at fair values and staff retirement benefit - gratuity which is carried at present value of defined benefit obligation net of fair value of plan assets.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the functional currency of the Company and figures are rounded off to the nearest thousand of Rupees.

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgements made by management in application of the approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustments in the next year are discussed in respective policy note. The areas involving significant estimates or judgements are:

- (i) Estimated useful life of property, plant and equipment and intangible assets [notes 4.1 and 4.2];
- (ii) Provision for slow moving inventories [notes 4.9 and 4.10];
- (iii) Estimate of payables and receivables in respect of staff retirement benefit schemes [notes 4.15 and 21.7];
- (iv) Estimate of provision for warranty [note 4.20]; and
- (v) Estimation of current and deferred tax [note 4.21].

3. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

3.1 Standards, amendments to approved accounting standards and interpretations effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning April 1, 2015:

- (a) IFRS 12 ■Disclosure of interests in other entities■. The standard includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance sheet vehicles. The Company's accounting policy is in line with the requirements of this standard.
- (b) IFRS 13 ■Fair value measurement■. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard only affects the disclosures in the Company's financial statements.

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on April 1, 2015 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards and amendments to approved accounting standards are not effective for the financial year beginning on April 1, 2015 and have not been early adopted by the Company:

- (a) IFRS 9, ■Financial instruments■ is applicable on accounting periods beginning on or after January 1, 2018. IASB has published the complete version of IFRS 9, ■Financial instruments■, which replaces the guidance in IAS 39. This final version includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the incurred loss impairment model used today. This IFRS is under consideration of the relevant Committee of the Institute of Chartered Accountants of Pakistan. The Company has yet to assess the impact of these changes on its financial statements.
- (b) IFRS 15, ■Revenue from contracts with customers■ is applicable on accounting periods beginning on or after January 1, 2017. The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer ■ so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (e.g. April 1, 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. The Company has yet to assess the impact of this standard on its financial statements.
- (c) Annual improvements 2014 applicable for annual periods beginning on or after January 1, 2016. These amendments include changes from the 2012-2014 cycle of annual improvements project that affect four standards: IFRS 5, ■Non current assets held for sale and discontinued operations■, IFRS 7 ■Financial instruments: disclosures■, IAS 19 ■Employee benefits■, and IAS 34, ■Interim financial reporting■. The Company does not expect to have a material impact on its financial statements due to application of these amendments.
- (d) Amendments to IAS 38 ■Intangible assets■ and IAS 16 ■Property, plant and equipment■ are applicable for annual periods beginning on or after January 1, 2016 introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-base methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible assets are ■highly correlated■, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on the Company's financial statements.
- (e) Amendments to IAS 1, ■Presentation of financial statements■ on the disclosure initiative are applicable on annual periods beginning on or after January 1, 2016. The amendments are made in the context of the IASB's Disclosure Initiative, which explores how financial statement disclosures can be improved. The amendments provide clarifications on a number of issues, including: Materiality ■ an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Notes ■ confirmation that the notes do not need to be presented in a particular order. Other comprehensive income (OCI) arising from investments accounted for under the equity method ■ the share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. According to the transitional provisions, the disclosures in IAS 8 regarding the adoption of new standards / accounting policies are not required for these amendments. These amendments are likely to only affect the disclosures in the Company's financial statements.
- (f) Amendments to IAS 7, ■Statement of cash flows■ are applicable for annual periods beginning on or after January 1, 2017. The amendment requires disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are not likely to have material impact on the Company's financial statements.

- (g) Amendment to IAS 12, ■Income taxes■ is applicable on annual periods beginning on or after January 1, 2017. The amendment clarifies deferred tax treatment for debt instrument and also addresses questions regarding determination of future taxable profit for the recognition test of deferred tax. The amendments are not likely to have material impact on the Company■s financial statements.

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Company and therefore, have not been presented here.

4. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Property, plant and equipment

Owned assets

The Company has adopted cost model for its property, plant and equipment. Property, plant and equipment except for freehold land and capital work-in-progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at cost less impairment loss, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset, including any borrowing cost (note 4.24). The cost of a self constructed asset includes cost of materials, labour and other overheads that are directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling / removing the asset and restoring the site on which it is located. Items of property, plant and equipment individually costing Rs.25,000 or less are charged to the profit and loss account as and when purchased.

Capital work-in-progress is stated at cost accumulated upto the balance sheet date less accumulated impairment loss, if any. Capital work-in-progress is recognised as an operating fixed asset when it is made available for its intended use.

Where major components of an item of property, plant and equipment have different useful lives, they are accounted for in the books of account as separate items of property, plant and equipment.

Subsequent costs including major renewals and improvements are included in the carrying amount of the asset or are recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised at the time of replacement. Normal repair and maintenance and day-to-day servicing are charged to the profit and loss account as and when incurred.

Depreciation is charged to the profit and loss account using reducing balance method except for dies and jigs, office equipment, computers and accessories and furniture & fixtures, without considering extra shifts. Depreciation on dies and jigs, office equipment, computers and accessories and furniture & fixtures is charged to the profit and loss account using straight line method. Depreciation on additions is charged from the month in which the asset is available for use while no depreciation is charged for the month in which the asset is disposed-off.

The depreciation methods, useful lives and residual values of items of property, plant and equipment are reviewed periodically and altered if circumstances or expectations have changed significantly. Any change or adjustment in depreciation method, useful lives and residual values is accounted for as a change in accounting estimate under IAS 8, ■Accounting policies, changes in accounting estimates and errors■ and is applied prospectively in the financial statements by adjusting the depreciation charge for the period in which the amendment or change has been made and for future periods.

Disposal of an item of property, plant and equipment is recognised when significant risk and rewards, incidental to the ownership of that asset, have been transferred to the buyer. Gains and losses on disposals are determined by comparing the carrying amount of that asset with the realised sales proceeds and are recognised within ■Other income / other operating expenses■ in the profit and loss account.

Leased assets

Lease that substantially transfers all the risks and rewards incidental to the ownership of an asset to the Company is classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable for owned assets.

4.2 Intangible assets

These are stated at cost less accumulated amortisation and impairment losses, if any and represent cost of software licenses, SAP implementation & support cost and license fee of certain components that are being manufactured by the Company under technology transfer arrangements.

Costs associated with maintaining these assets are charged to the profit and loss account as and when incurred, however, costs that are directly attributable to the identifiable asset and have probable economic benefits exceeding one year, are recognised as intangible asset. Direct costs include purchase cost of the asset, salaries and other service benefits of staff deployed towards development of the asset and other related overheads. Expenditure incurred in respect of design, construction and testing of an intangible asset are also added to the carrying amount of that asset.

Expenditure which enhances or extends the performance of the asset beyond its original specifications is recognised as a capital improvement and added to the original cost of the asset.

All intangible assets are estimated to have definite useful lives and are amortised from the month the software / license is acquired, made available for use or extended support cost is incurred, using the straight line method over a period of 2 to 5 years.

4.3 Impairment of non-financial assets

Non-financial assets are reviewed at each balance sheet date to identify circumstances indicating occurrence of impairment loss or reversal of previous impairment losses, if any. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Reversal of impairment loss is restricted to the original cost of the asset.

4.4 Investments in equity instruments of an Associate

Investment in an Associate is accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the Company's share of profit or loss of the Investee after the date of acquisition.

The Company's share of post acquisition profit or loss is recognised in the profit and loss account, and its share of post acquisition movements in other comprehensive income is recognised in other comprehensive income with the corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an Associate equals or exceeds its interest in the Associate the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the Associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the Associate and its carrying value and recognises the amount adjacent to share of profit / loss of an Associate in the profit and loss account.

4.5 Financial assets

4.5.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held to maturity and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period, in which case, these are classified as non-current assets.

(c) Held to maturity financial assets

Held to maturity financial assets are non derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity.

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose-off it within 12 months of the end of the reporting date.

4.5.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date ■ the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held to maturity investments are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in fair value of the ■financial assets at fair value through profit or loss■ category are presented in the profit and loss account within ■Other income / other operating expenses■ in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of ■Other income■ when the Company's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in ■Other comprehensive income■.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as ■Gains / losses from investment securities■.

Interest on available-for-sale securities and held to maturity investments is calculated using the effective interest method is recognised in the profit and loss account as part of ■Other income■. Dividend income from available-for-sale equity instruments is recognised in the profit and loss account as part of ■Other income■ when the Company's right to receive payments is established.

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in profit or loss account. Impairment losses recognised in profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of other receivables is described in note 4.11.

4.6 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the profit and loss account.

4.7 Off setting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counter party.

4.8 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair values. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, if so, the nature of the item being hedged. The Company designates certain derivatives as either fair value hedge or cash flow hedge.

(a) Fair value hedge

Fair value hedge represents a hedge of the fair value of a recognised asset or liability or a firm commitment. Changes in the fair value of a derivative that is designated and qualify as fair value hedge is recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The carrying value of the hedged item is adjusted accordingly.

(b) Cash flow hedge

Cash flow hedge represents a hedge of a highly probable forecast transaction. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account. Amounts accumulated in equity are reclassified to the profit and loss account in the periods when the hedged item affects profit and loss account.

4.9 Stores, spares and loose tools

Stores, spares and loose tools are stated at lower of cost and net realisable value. The cost of inventory is based on weighted average cost. Items-in-transit are stated at cost accumulated upto the balance sheet date. The Company reviews the carrying amounts of stores, spares and loose tools on an on-going basis and provision is made for obsolescence if there is any change in usage pattern and physical form. Impairment is also made for slow moving items.

4.10 Stock-in-trade

Stock-in-trade are stated at the lower of cost and net realisable value. Cost of raw materials and components represent invoice values plus other charges incurred thereon. Cost of inventory is based on weighted average cost. Cost in relation to work-in-process and finished goods represent direct cost of raw materials, wages and appropriate manufacturing overheads. Goods in transit are valued at cost accumulated upto the balance sheet date.

The Company reviews the carrying amount of stock-in-trade on an on-going basis and as appropriate, inventory is written down to its net realisable value or provision is made for obsolescence if there is any change in usage pattern and physical form of related inventory.

Net realisable value is the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.11 Trade debts and other receivables

Trade and other receivables are initially recognised at original invoice amount which is the fair value of consideration to be received in future and subsequently measured at cost as reduced by appropriate provision for receivables considered to be doubtful. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of provision is charged to profit and loss. Trade and other receivables considered irrecoverable are written-off.

Exchange gains and losses arising in respect of trade and other receivables in foreign currency are added to the carrying amount of the receivables.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents represent balances with banks.

4.13 Non current assets held for sale

Non current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use and sale is considered highly probable. They are stated at the lower of carrying amount and fair value less cost to sell.

4.14 Share capital

Ordinary shares are classified as equity and recognised at their face value.

4.15 Retirement and other service benefit obligations

4.15.1 Defined contribution plans

A defined contribution plan is a post employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligation for contribution to a defined contribution plan is recognised as an employee service benefit expense in the profit and loss account when it is due.

The Company operates defined contribution plans for its permanent employees excluding ex-patriates, through either one of the following ways:

- a recognised provident fund; or
- voluntary pension schemes managed by Atlas Asset Management Limited, a related party, under the Voluntary Pension System Rules, 2005, viz, Atlas Pension Fund and Atlas Pension Islamic Fund.

All the newly appointed employees are offered voluntary pension scheme only. However, those employees who are provident fund trust members, have the option to opt for either of two above-mentioned defined contribution plans.

Equal monthly contributions at the rate of 11% of the basic salary are made to the fund / scheme both by the Company and the employees. The fund is a separate legal entity and its assets are being held separately under the control of its Trustees.

4.15.2 Defined benefit plans

Defined benefit plan is a post-employment benefit plan other than the defined contribution plan. Defined benefit plans define an amount of gratuity that an employee will receive on retirement, usually dependent on one or more factors such as age and years of service. The liability recognised in the balance sheet is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets.

The Company has established separate funded gratuity schemes for its management and non-management staff who completes qualifying period of service. Contributions under the schemes are made on the basis of actuarial valuation using Projected Unit Credit Method, related details of which are given in note 21.7 to the financial statements.

The amount arising as a result of remeasurements are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income in the periods in which they occur. Past-service cost are recognised immediately in profit and loss account.

4.15.3 Compensated absences

Employees' entitlement to annual leaves is recognised when they accrue to the employees. A provision is made for the estimated liability for annual leaves as a result of services rendered by employees upto the balance sheet date.

4.16 Trade and other payables

Liabilities for trade and other payables are carried at their amortised cost, which approximate fair value of the consideration to be paid in future for goods and services received, whether or not billed to the Company.

4.17 Obligation under finance lease

Total outstanding obligation under the lease arrangements less finance cost attributable to future periods is presented as liability. Finance cost under the lease arrangements is distributed over the lease term so as to produce a constant periodic rate of finance cost on the balance of principal liability outstanding at the end of each period.

4.18 Operating leases / Ijarah

Operating leases / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muja'ir (lessor) are classified as operating leases / Ijarah. Payments made during the year are charged to the profit and loss account on a straight-line basis over the period of the lease / Ijarah.

4.19 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

4.20 Warranty

The Company recognises the estimated liability to repair or replace damaged parts of products still under warranty at the balance sheet date on the basis of historical claim information. The Company offers 3 years' warranty on all engine spare parts and six months warranty on all other spare parts of its motorcycles. The ratio of warranty claims filed during the year to previous year's sales is taken into account for determining the estimated liability.

4.21 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in the previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is recognised using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

4.22 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of transactions. The closing balance of non-monetary items is included at the exchange rate prevailing on the date of transaction and monetary items are translated using the exchange rate prevailing on the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss account.

4.23 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at fair value of the consideration received or receivable and is reduced for allowances such as taxes, duties, commission, sales returns and discounts. Revenue from different sources is recognised on the following basis:

- Revenue from sales of motorcycles and spare parts is recognised when goods are dispatched and invoiced to customers.
- Interest income on deposits with banks and other financial assets is recognised on accrual basis.
- Dividend income is recognised when the right to receive payment is established.

4.24 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalised as part of the cost of that asset.

4.25 Research and development costs

Research and development costs are recognised in profit and loss account as and when incurred.

4.26 Earnings per share

The Company presents earnings per share (EPS) data for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

4.27 Segment reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be a single reportable segment.

4.28 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

5. Property, Plant and Equipment

	Note	2016 ----- (Rupees in '000) -----	2015
Operating fixed assets	5.1	5,305,997	4,752,195
Capital work-in-progress	5.4	511,703	230,357
		<u>5,817,700</u>	<u>4,982,552</u>

5.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings on freehold land	Buildings on leasehold land	Plant and machinery	Dies and jigs	Factory equipment	Office equipment	Computers and accessories	Furniture and fixtures	Electric and gas fittings	Vehicles	Total
(Rupees in '000)													
As at April 1, 2014													
Cost	5,112	34,132	505,070	227,003	5,632,635	1,392,450	252,866	29,697	139,775	42,950	391,956	262,608	8,916,254
Accumulated depreciation	-	(10,014)	(221,946)	(73,597)	(2,656,867)	(989,715)	(120,435)	(20,109)	(113,092)	(22,795)	(173,618)	(107,401)	(4,509,589)
Net book value	5,112	24,118	283,124	153,406	2,975,768	402,735	132,431	9,588	26,683	20,155	218,338	155,207	4,406,665
Year ended March 31, 2015													
Opening net book value	5,112	24,118	283,124	153,406	2,975,768	402,735	132,431	9,588	26,683	20,155	218,338	155,207	4,406,665
Additions	-	-	136,473	30,224	625,858	162,786	13,286	1,115	4,756	21,687	12,930	72,287	1,081,402
Disposals													
Cost	-	-	-	-	(65,887)	(165,286)	-	(647)	(271)	(450)	(1,292)	(61,113)	(294,946)
Accumulated depreciation	-	-	-	-	30,803	148,039	-	647	271	258	1,085	26,768	207,871
Written-off	-	-	-	-	(35,084)	(17,247)	-	-	-	(192)	(207)	(34,345)	(87,075)
Cost	-	-	-	-	-	(37,906)	-	-	-	-	-	-	(37,906)
Accumulated depreciation	-	-	-	-	-	37,906	-	-	-	-	-	-	37,906
Depreciation charge	-	(513)	(30,581)	(16,159)	(325,574)	(181,988)	(14,038)	(2,879)	(10,922)	(8,713)	(22,448)	(34,982)	(648,797)
Closing net book value	5,112	23,605	389,016	167,471	3,240,968	366,286	131,679	7,824	20,517	32,937	208,613	158,167	4,752,195
At March 31, 2015													
Cost	5,112	34,132	641,543	257,227	6,192,606	1,352,044	266,152	30,165	144,260	64,187	403,594	273,782	9,664,804
Accumulated depreciation	-	(10,527)	(252,527)	(89,756)	(2,951,638)	(985,758)	(134,473)	(22,341)	(123,743)	(31,250)	(194,981)	(115,615)	(4,912,609)
Net book amount	5,112	23,605	389,016	167,471	3,240,968	366,286	131,679	7,824	20,517	32,937	208,613	158,167	4,752,195
Year ended March 31, 2016													
Opening net book value	5,112	23,605	389,016	167,471	3,240,968	366,286	131,679	7,824	20,517	32,937	208,613	158,167	4,752,195
Additions	219,970	-	64,214	1,627	729,310	195,248	25,578	3,722	29,565	4,870	19,002	75,972	1,369,078
Disposals (note 5.3)													
Cost	-	-	(5,250)	(1,054)	(181,372)	(217,608)	(5,872)	(1,281)	-	(440)	(12,466)	(56,765)	(482,108)
Accumulated depreciation	-	-	3,823	350	108,259	199,951	3,574	1,281	-	416	11,491	24,414	353,559
Written-off	-	-	(1,427)	(704)	(73,113)	(17,657)	(2,298)	-	-	(24)	(975)	(32,351)	(128,549)
Cost	-	-	-	(1,011)	(1,450)	(2,850)	(278)	-	-	-	(58)	-	(5,647)
Accumulated depreciation	-	-	-	755	1,101	2,567	257	-	-	-	35	-	4,715
Depreciation charge (note 5.2)	-	(513)	(44,272)	(16,876)	(347,218)	(177,061)	(14,025)	(3,115)	(15,120)	(10,749)	(21,375)	(35,471)	(685,795)
Closing net book value	225,082	23,092	407,531	151,262	3,549,598	366,533	140,913	8,431	34,962	27,034	205,242	166,317	5,305,997
At March 31, 2016													
Cost	225,082	34,132	700,507	256,789	6,739,094	1,326,834	285,580	32,606	173,825	68,617	410,072	292,989	10,546,127
Accumulated depreciation	-	(11,040)	(292,976)	(105,527)	(3,189,496)	(960,301)	(144,667)	(24,175)	(138,863)	(41,583)	(204,830)	(126,672)	(5,240,130)
Net book value	225,082	23,092	407,531	151,262	3,549,598	366,533	140,913	8,431	34,962	27,034	205,242	166,317	5,305,997
Annual rate of depreciation (%)		1.79	10	10	10	25	10	20	25	20	10	20	

5.2 Depreciation expense of Rs. 636,176 thousand (2015: Rs.607,623 thousand) has been charged in ■Cost of sales■ and Rs. 49,619 thousand (2015: Rs. 41,174 thousand) in ■Administrative expenses■.

5.3 The details of operating fixed assets disposed-off during the year:

Depreciation	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Method of disposal	Sold to
(Rupees in '000)						
Items with individual net book amount exceeding Rs.50,000 each						
Buildings on freehold land						
	2,363	(2,010)	353	444	Negotiation	M/s. Contractor Haji Muhammad, Nawaz Street # 11, Hussain Abad, Gulberg, Lahore.
	1,811	(863)	948	123	Negotiation	M/s. Kamboh Construction Services, Lamboh Market Housing Colony, Sheikhpura.
	4,174	(2,873)	1,301	567		
Buildings on leasehold land						
	1,054	(349)	705	34	Negotiation	M/s. Roshan Traders, Bawa Da Kutia Near Dawood Hercules, Sheikhpura.
Plant and machinery						
	16,463	(11,242)	5,221	5,451	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	43,899	(23,639)	20,260	21,152	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	9,638	(5,087)	4,551	4,751	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	10,324	(7,050)	3,274	3,418	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	9,734	(6,647)	3,087	3,223	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	9,734	(6,647)	3,087	3,223	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	875	(561)	314	328	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	1,589	(1,008)	581	606	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	830	(535)	295	308	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	850	(493)	357	80	Negotiation	Mr. Siddiq Awan, N/P 12/47 Muhammad Shah Street, Jodia Bazar, Karachi
	9,142	(4,732)	4,410	4,604	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	10,349	(5,292)	5,057	5,279	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	9,823	(6,115)	3,708	3,871	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	8,994	(6,141)	2,853	2,978	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	6,762	(4,617)	2,145	2,239	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	21,934	(11,578)	10,356	10,812	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	4,062	(2,774)	1,288	1,345	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	4,526	(3,091)	1,435	1,499	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	326	(141)	185	42	Negotiation	Mr. Siddiq Awan, N/P 12/47 Muhammad Shah Street, Jodia Bazar, Karachi
	460	(147)	313	71	Negotiation	Mr. Siddiq Awan, N/P 12/47 Muhammad Shah Street, Jodia Bazar, Karachi
	397	(254)	143	15	Negotiation	M/s. Roshan Traders, Bawa Da Kutia Near Dawood Hercules, Sheikhpura.
	140	(84)	56	15	Negotiation	M/s. Roshan Traders, Bawa Da Kutia Near Dawood Hercules, Sheikhpura.
	140	(84)	56	15	Negotiation	M/s. Roshan Traders, Bawa Da Kutia Near Dawood Hercules, Sheikhpura.
	180,991	(107,959)	73,032	75,325		

Depreciation	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Method of disposal	Sold to
(Rupees in '000)						
Dies and Jigs						
	13,756	(12,323)	1,433	43	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	13,756	(12,323)	1,433	43	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	675	(605)	70	2	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	5,723	(4,650)	1,073	18	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	2,310	(1,733)	577	7	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	6,317	(4,080)	2,237	20	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	2,310	(1,251)	1,059	7	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	2,236	(1,211)	1,025	7	Negotiation	M/s. Bismillah Waste , Feroze Park, Shahdra Lahore.
	2,310	(1,107)	1,203	7	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	14,802	(12,952)	1,850	56	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	11,462	(9,551)	1,911	43	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	7,121	(5,193)	1,928	27	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	2,118	(1,324)	794	8	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	401	(209)	192	2	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	1,469	(765)	704	6	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	321	(154)	167	1	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	87,087	(69,431)	17,656	297		
Factory equipment						
	675	(219)	456	476	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	900	(22)	878	916	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	760	-	760	793	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	595	(405)	190	2	Negotiation	M/s. Roshan Traders, Bawa Da Kutia Near Dawood Hercules, Sheikhpura.
	2,930	(646)	2,284	2,187		
Electric and gas fittings						
	2,320	(2,096)	224	234	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	820	(348)	472	493	Negotiation	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	1,901	(1,728)	173	50	Negotiation	M/s. Rehman Taj Scrap Traders ,Kot Pindi Das Road, 25 Stop Shahdra, Lahore.
	5,041	(4,172)	869	777		

Depreciation	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Method of disposal	Sold to
(Rupees in '000)						
Vehicles						
	1,260	(1,194)	66	653	Negotiation	Mr. Waqar Ahmed Khan, West point Tower, B-307, DHA Phase 2 Ext, Karachi.
	754	(400)	354	354	Company Policy	Mr. Kashif Aqil (Employee)
	1,494	(886)	608	608	Company Policy	Mr. Izhar Ahmed (Employee)
	1,679	(996)	683	683	Company Policy	Mr. Faisal Iqbal (Employee)
	970	(449)	521	521	Company Policy	Mr. Mustafa Mushtaq (Employee)
	612	(265)	347	347	Company Policy	Mr. Ameeruddin Siddiqui (Employee)
	93	(34)	59	59	Company Policy	Mr. Ali Gohar (Employee)
	1,019	(346)	673	673	Insurance Claim	Atlas Insurance Limited, a related party, Federation House, Clifton, Karachi.
	1,019	(245)	774	774	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	1,034	(340)	694	694	Company Policy	Mr. Zeeshan Haris (Employee)
	688	(219)	469	469	Company Policy	Mr. Shahabuddin (Employee)
	1,044	(223)	821	821	Company Policy	Atlas Autos (Pvt.) Ltd, a related party, Federation House, Clifton, Karachi.
	683	(80)	603	603	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	1,039	(214)	825	825	Company Policy	Mrs. Urooj Raheel (Ex-Employee)
	82	(13)	69	69	Company Policy	Atlas Hitec (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	583	(10)	573	573	Company Policy	Mr. Nofel Zia Siddiqui (Ex-Employee)
	683	(57)	626	626	Insurance Claim	Atlas Insurance Limited, a related party, Federation House, Clifton, Karachi.
	683	-	683	683	Company Policy	Shirazi Investments (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	754	(447)	307	307	Company Policy	Mr. Muhammad Faheem (Employee)
	754	(430)	324	324	Company Policy	Mr. Vajiuddin Ahmed Khalid (Employee)
	652	(255)	397	397	Company Policy	Atlas Hitec (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	1,667	(442)	1,225	1,225	Company Policy	Mr. Zulfiqar Abbas (Ex-Employee)
	98	(19)	79	79	Company Policy	Atlas Hitec (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	66	(11)	55	55	Insurance Claim	Atlas Insurance Limited, a related party, Federation House, Clifton, Karachi.
	82	(3)	79	79	Company Policy	Atlas Hitec (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	118	(20)	98	98	Insurance Claim	Atlas Insurance Limited, a related party, Federation House, Clifton, Karachi.
	678	(68)	610	610	Insurance Claim	Atlas Insurance Limited, a related party, Federation House, Clifton, Karachi.
	98	(20)	78	78	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	98	(2)	96	96	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	93	(37)	56	56	Company Policy	Mr. Sher Dil Khan (Employee)
	93	(35)	58	58	Company Policy	Mr. Abdullah Qamar (Employee)
	783	(428)	355	355	Company Policy	Mr. Anzar Iqbal (Employee)
	1,753	(621)	1,132	1,132	Company Policy	Atlas Power Ltd, a related party, 26-27 Km Lahore Sheikhpura Road, Sheikhpura
	1,810	(1,046)	764	764	Company Policy	Mr. Muhammad Khalid Aziz (Employee)
	94	(34)	60	60	Company Policy	Mr. Rafaqat Hussain (Employee)
	82	(25)	57	57	Company Policy	Mr. Badar Rizwan Qamar (Employee)
	1,353	(802)	551	551	Company Policy	Mr. Zia Ul Islam (Employee)
	1,052	(216)	836	836	Company Policy	Mr. Syed Mohsin Raza Zaidi (Employee)
	1,047	(215)	832	832	Company Policy	Mr. Nazeer Hussain (Employee)
	1,665	(987)	678	678	Company Policy	Mr. M. Tahir Naseem (Employee)
	694	(212)	482	482	Company Policy	Mr. Shahid Subhan (Employee)
	98	(29)	69	69	Company Policy	Ms. Tabassum Altaf (Ex-Employee)
	1,353	(823)	530	530	Company Policy	Mr. Ahsan Younas (Employee)
	1,353	(813)	540	540	Company Policy	Mr. Ahmad Ali (Employee)
	1,353	(813)	540	540	Company Policy	Mr. Majid Saleem (Employee)
	98	(11)	87	87	Company Policy	Mr. Muhammad Gulraiz Khan (Ex-Employee)
	98	(8)	90	90	Company Policy	Mr. Osama Zahid Butt (Employee)
Balance carried forward	35,356	(14,843)	20,513	21,100		

Depreciation	Cost	Accumulated depreciation	Net book amount	Sale proceeds	Method of disposal	Sold to
(Rupees in '000)						
Balance brought forward	35,356	(14,843)	20,513	21,100		
Vehicles						
	596	(321)	275	275	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	111	(46)	65	65	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	1,997	(559)	1,438	1,438	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	96	(26)	70	70	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	116	(29)	87	87	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	695	(81)	614	614	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	118	(12)	106	106	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi
	118	(30)	88	88	Company Policy	Ms. Kulsoom Zuhra (Ex-Employee)
	1,487	(813)	674	674	Company Policy	Mr. Wadood Ahmad (Ex-Employee)
	118	(31)	87	87	Company Policy	Mr. Ahmed Javed Rana (Employee)
	592	(338)	254	254	Company Policy	Mr. Syed Adeel Mashkoor (Ex-Employee)
	574	(345)	229	229	Company Policy	Mr. Faisal Naveed (Employee)
	1,677	(468)	1,209	1,209	Company Policy	Mr. Majid Shami (Employee)
	98	(19)	79	79	Company Policy	Mr. M. Jamil Amanat (Employee)
	100	(14)	86	86	Company Policy	Mr. Awais Younas (Employee)
	1,052	(200)	852	852	Company Policy	Mr. Javedan Arshad (Ex-Employee)
	93	(38)	55	55	Company Policy	Mr. M. Saad Saleem (Employee)
	94	(37)	57	57	Company Policy	Mr. Abdul Hannan (Employee)
	94	(37)	57	57	Company Policy	Mr. Talal Ahmad (Employee)
	591	(355)	236	236	Company Policy	Mr. Shahbaz Ahmad (Employee)
	1,487	(893)	594	594	Company Policy	Mr. Ghulam Jellani Chatta (Employee)
	572	(352)	220	220	Company Policy	Mr. Ahmad Zia Ch. (Employee)
	96	(37)	59	59	Company Policy	Mr. M. Rizwan Aslam (Employee)
	96	(37)	59	59	Company Policy	Mr. Sufyan Khalid (Employee)
	96	(36)	60	60	Company Policy	Mr. M. Taimoor Hassan (Employee)
	116	(45)	71	71	Company Policy	Mr. Sohlab Qamar (Employee)
	98	(22)	76	76	Company Policy	Mr. Saqlain Abbas (Employee)
	1,735	(1,029)	706	706	Company Policy	Mr. Mujahid-Ul-Mulk Butt (Employee)
	1,487	(905)	582	582	Company Policy	Mr. Ghulam Mujtaba (Employee)
	1,039	(139)	900	900	Company Policy	Atlas Autos (Pvt.) Ltd., a related party, Federation House, Clifton, Karachi.
	52,595	(22,137)	30,458	31,045		
	333,872	(207,567)	126,305	110,232		
Aggregate of other Items with individual net book amount not exceeding Rs.50,000 each	148,236	(145,992)	2,244	3,488		
Year ended March 31, 2016	482,108	(353,559)	128,549	113,720		
Year ended March 31, 2015	294,947	(207,871)	87,076	72,233		

	Note	2016 ----- (Rupees in '000) -----	2015
5.4 Capital work-in-progress			
Civil works	5.4.1	296,299	37,653
Plant and machinery	5.4.1	189,766	167,218
Dies and jigs		993	-
Factory equipment		2,280	1,198
Computers and accessories		-	21,550
Furniture and fixtures		10,236	419
Vehicles	5.4.2	12,129	2,319
		<u>511,703</u>	<u>230,357</u>
5.4.1	Includes advances of Rs. 20,163 thousand made to Pakistan Cables Limited [2015: Rs.11,375 thousand made to Shirazi Trading Company (Private) Limited] - related parties.		
5.4.2	Includes advance of Rs.Nil (2015: Rs.1,641 thousand) made to Honda Atlas Cars (Pakistan) Limited - a related party.		

Software licences	SAP implementation and support cost	Licence fee	Total
----- (Rupees in '000) -----			

6. INTANGIBLE ASSETS

At April 1, 2014

Cost	44,379	38,041	5,216	87,636
Accumulated amortisation	(42,011)	(37,628)	(3,216)	(82,855)
Net book amount	2,368	413	2,000	4,781

Year ended March 31, 2015

Opening net book amount	2,368	413	2,000	4,781
Additions	13,143	-	-	13,143
Amortisation charge	(3,694)	(413)	(1,043)	(5,150)
Closing net book amount	11,817	-	957	12,774

At March 31, 2015

Cost	57,522	38,041	5,216	100,779
Accumulated amortisation	(45,705)	(38,041)	(4,259)	(88,005)
Net book amount	11,817	-	957	12,774

Year ended March 31, 2016

Opening net book amount	11,817	-	957	12,774
Additions	459	-	-	459
Amortisation charge (note 25.1)	(6,898)	-	(956)	(7,854)
Closing net book amount	5,378	-	1	5,379

At March 31, 2016

Cost	57,981	38,041	5,216	101,238
Accumulated amortisation	(52,603)	(38,041)	(5,215)	(95,859)
Net book amount	5,378	-	1	5,379
Annual rate of amortisation (%)	50	20	20	

Note

2016
----- (Rupees in '000) -----
2015

7. LONG TERM INVESTMENTS

Unquoted

Associate - equity accounted investment	7.1	245,508	216,283
Others - available for sale	7.2	-	-
		245,508	216,283

7.1 Equity accounted investment - Atlas Hitec (Private) Limited

Balance as at April 1	216,283	-
Shares acquired during the year	-	190,000
Share of profit for the year / period - net of tax	43,475	26,283
Dividend received during the year	(14,250)	-
Balance as at March 31	245,508	216,283

7.1.1 Investment in Atlas Hitec (Private) Limited (AHPL) represents 19,000,000 fully paid ordinary shares of Rs.10 each representing 29.23% (2015: 29.23%) of its issued, subscribed and paid-up capital as at March 31, 2016. AHPL was incorporated in Pakistan as a private limited company on September 13, 2012 and its principal activity is to manufacture and sale any kind of automobile parts and allied products.

7.1.2 The summary of financial information / reconciliation of AHPL as of March 31, 2016 is as follows:

	2016 ---- (Rupees in '000) ----	2015
Summarised Balance Sheet		
Non current assets	325,300	359,100
Current assets	571,300	467,400
	896,600	826,500
Current liabilities	72,000	101,900
Net assets	824,600	724,600
Reconciliation to carrying amount		
Opening net assets	724,600	442,583
Profit for the year	128,600	92,017
Other adjustments	20,150	-
Shares issued during the year	-	190,000
Dividend paid during the year	(48,750)	-
Closing net assets	824,600	724,600
Company's share (Percentage)	29.23%	29.23%
Company's share (Rupees in '000)	241,037	211,812
Goodwill	4,471	4,471
Carrying amount of investment	245,508	216,283
Summarised Profit and Loss Account		
Revenue	1,543,200	917,100
Profit before tax	153,900	111,800
Profit after tax	128,600	92,017

7.1.3 The financial information of AHPL is based on unaudited financial statements for the year ended March 31, 2016.

	2016 ---- (Rupees in '000) ----	2015
7.2 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
	-	-
	-	-

	Note	2016 ----- (Rupees in '000) -----	2015
8. LONG TERM LOANS AND ADVANCES			
Considered good			
Loans and advances to:			
Executives	8.1 & 8.2	10,210	9,062
Other employees		50,437	49,826
		<hr/> 60,647	<hr/> 58,888
Less: amounts due within twelve months and shown under current assets:	12		
Executives		9,001	8,085
Other employees		23,619	23,605
		<hr/> 32,620	<hr/> 31,690
		<hr/> 28,027	<hr/> 27,198

- 8.1** These represent interest free loans and advances provided to executives and other employees as per the terms of employment. Loans aggregating Rs.43,559 thousand (2015: Rs.42,558 thousand) are provided for purchase of motorcycles and are repayable in forty eight equal monthly instalments for management staff and forty equal monthly instalments for non-management staff. These loans are secured against respective motorcycles and employees' vested retirement benefits. Advances are unsecured and are repayable in eighteen equal monthly instalments.

8.2 Reconciliation of the carrying amount of loans and advances to executives:

	Note	2016 ----- (Rupees in '000) -----	2015
Balance as at April 1		9,062	9,363
Disbursements		15,287	12,804
		<hr/> 24,349	<hr/> 22,167
Repayments		(14,139)	(13,105)
Balance as at March 31		<hr/> 10,210	<hr/> 9,062

- 8.3** The maximum amount of loans and advances to the executives outstanding at the end of any month during the year ended March 31, 2016 was Rs.11,841 thousand (2015: Rs.10,435 thousand).
- 8.4** The carrying values of these loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.

	Note	2016 ----- (Rupees in '000) -----	2015
9. STORES, SPARES AND LOOSE TOOLS			
Consumable stores		83,079	75,415
Maintenance spares		273,315	217,573
Loose tools		200,090	197,416
		<hr/> 556,484	<hr/> 490,404
Provision for slow moving items	10.2	(67,069)	(69,065)
		<hr/> 489,415	<hr/> 421,339

	Note	2016 ----- (Rupees in '000) -----	2015 ----- (Rupees in '000) -----
10. STOCK-IN-TRADE			
Raw materials and components			
- in hand		1,279,775	1,102,250
- held with vendors	10.1	85,684	72,182
		<u>1,365,459</u>	<u>1,174,432</u>
Work-in-process		2,858	25,131
Finished goods			
- motorcycles		78,510	55,603
- spare parts		312,862	255,616
		<u>391,372</u>	<u>311,219</u>
Items in transit		156,126	186,980
		<u>1,915,815</u>	<u>1,697,762</u>
Provision for slow moving items	10.2	(52,333)	(37,233)
		<u>1,863,482</u>	<u>1,660,529</u>

10.1 Includes raw materials amounting Rs.6,866 thousand (2015: Rs.8,510 thousand) held with Atlas Autos (Private) Limited (a related party) for further processing into parts to be supplied to the Company.

	2016 ----- (Rupees in '000) -----	2015 ----- (Rupees in '000) -----	2016 ----- (Rupees in '000) -----	2015 ----- (Rupees in '000) -----
	Stores, spares & loose tools		Stock-in-trade	
10.2 Movement of provision for slow moving inventories				
Balance as at April 1	69,065	67,063	37,233	18,784
Provision made during the year	-	2,002	15,100	18,449
Reversal during the year	(1,996)	-	-	-
Balance as at March 31	<u>67,069</u>	<u>69,065</u>	<u>52,333</u>	<u>37,233</u>

10.3 Stock-in-trade and trade debts upto a maximum amount of Rs.4,058,000 thousand (2015: Rs.4,058,000 thousand) are under hypothecation of commercial banks as security for short term finance facilities (note 22).

	Note	2016 ----- (Rupees in '000) -----	2015 ----- (Rupees in '000) -----
11. TRADE DEBTS			
Considered good			
Export - secured	11.1	1,555	7,659
Local - unsecured		606,865	696,938
		<u>608,420</u>	<u>704,597</u>

11.1 These trade debts are secured against letters of credit issued by customers in favour of the Company.

11.2 At March 31, 2016, trade debts aggregating to Rs.58,698 thousand (2015: Rs.123,471 thousand) were past due but not impaired. These relate to various customers for which there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2016 ----- (Rupees in '000) -----	2015 ----- (Rupees in '000) -----
Past due within 30 days	55,152	85,976
Past due beyond 30 days	3,546	37,495
	<u>58,698</u>	<u>123,471</u>

	Note	2016 ----- (Rupees in '000) -----	2015
12. LOANS AND ADVANCES			
Considered good			
Current portion of long term loans and advances to executives and other employees	8	32,620	31,690
Loans to employees other than executives	12.1	579	511
Advances to suppliers, contractors and others		2,678	9,034
		<u>35,877</u>	<u>41,235</u>
12.1	These represent interest free welfare and festival loans provided to employees in accordance with Company's policy and have maturities upto ten months.		
12.2	The carrying values of loans and advances are neither past due nor impaired. The credit quality of these financial assets can be assessed with reference to negligible defaults in recent history.		

	2016 ----- (Rupees in '000) -----	2015
13. TRADE DEPOSITS AND PREPAYMENTS		
Trade deposits - unsecured and considered good	5,400	4,504
Prepayments	59,370	55,064
	<u>64,770</u>	<u>59,568</u>
14. OTHER RECEIVABLES		
Considered good and unsecured		
Duty drawback receivable	3,631	2,775
Others	1,279	899
	<u>4,910</u>	<u>3,674</u>
15. SHORT TERM INVESTMENTS - At fair value through profit or loss		

2016 ----- Number of units -----	2015	Related parties		
4,947,290	2,916,041	Atlas Income Fund	2,672,823	1,616,070
-	138,839	Atlas Islamic Income Fund	-	73,892
3,093,041	2,456,022	Atlas Money Market Fund	1,628,981	1,313,923
486,522	486,522	Atlas Gold Fund	50,593	47,533
721,453	405,510	Atlas Islamic Stock Fund	311,545	174,028
3,640,771	1,960,784	Atlas Sovereign Liquid Fund	380,206	200,765
218,972	-	Atlas Stock Market Fund	99,994	-
			<u>5,144,142</u>	<u>3,426,211</u>
		Others		
2,375,296	2,236,323	Lakson Money Market Fund	247,882	238,393
3,064,733	2,758,088	Lakson Income Fund	330,276	306,659
9,831,295	13,159,807	NIT Government Bond Fund	103,904	148,433
5,000,000	-	NIT Islamic Equity Fund	50,350	-
			<u>732,412</u>	<u>693,485</u>
			<u>5,876,554</u>	<u>4,119,696</u>

	Note	2016 ----- (Rupees in '000) -----	2015
16. BANK BALANCES			
Cash at banks in:			
- current accounts		158,702	285,779
- savings deposit accounts	16.1	896,318	1,023,421
- term deposit receipts	16.2	3,700,000	2,100,000
		<u>4,755,020</u>	<u>3,409,200</u>
16.1 Savings deposit accounts carry mark-up upto 6.5% (2015: 7.80%) per annum.			
16.2 Term deposit receipts (TDR) have maturity of 30 days (2015: ranged from 3 to 31 days) from respective date of acquisition. These TDRs carry mark-up at the rates ranging from 6.40% to 6.65% (2015: 7.10% to 8.25%) per annum.			
17. SHARE CAPITAL			
17.1 Authorized capital			
		2016 ----- Number of shares -----	2015 ----- (Rupees in '000) -----
		<u>150,000,000</u>	<u>150,000,000</u>
		Ordinary shares of Rs.10 each	<u>1,500,000</u>
17.2 Issued, subscribed and paid-up capital			
		2016 ----- Number of shares -----	2015 ----- (Rupees in '000) -----
		<u>6,352,748</u>	<u>6,352,748</u>
		Ordinary shares of Rs.10 each fully paid in cash	63,528
		<u>96,794,565</u>	<u>96,794,565</u>
		Ordinary shares of Rs.10 each issued as fully paid bonus shares	967,945
		<u>259,300</u>	<u>259,300</u>
		Ordinary shares of Rs.10 each issued as fully paid for consideration other than cash	2,593
		<u>103,406,613</u>	<u>103,406,613</u>
17.3 Ordinary shares of the Company held by the related parties as at March 31			
Atlas Insurance Limited		2,931,728	2,931,728
Honda Motor Company Limited, Japan		36,192,315	36,192,315
Shirazi Investments (Private) Limited		25,265,858	25,265,858
Shirazi Capital (Private) Limited		25,359,715	25,359,715
Shirazi (Private) Limited		3,595,120	3,595,120
		<u>93,344,736</u>	<u>93,344,736</u>
18. RESERVES			
Capital reserves			
Share premium		39,953	39,953
Gain on sale of land		165	165
		<u>40,118</u>	<u>40,118</u>
Revenue reserves			
General reserve:			
- at April 1		5,332,000	4,702,000
- transferred from unappropriated profit		830,000	630,000
		<u>6,162,000</u>	<u>5,332,000</u>
- at March 31		3,765,939	2,832,361
Unappropriated profit		<u>9,927,939</u>	<u>8,164,361</u>
		<u>9,968,057</u>	<u>8,204,479</u>

	Note	2016 ----- (Rupees in '000) -----	2015
19. COMPENSATED ABSENCES			
Balance as at April 1		195,145	192,042
Provision for the year		32,041	16,994
		227,186	209,036
Encashed during the year		(12,566)	(13,891)
Balance as at March 31		214,620	195,145
20. DEFERRED TAXATION - Net			
The liability for deferred taxation comprises temporary differences relating to:			
Accelerated tax depreciation		662,717	704,604
Unrealized gain on investments		28,902	-
Provision for slow moving inventories		(35,433)	(34,656)
Compensated absences		(63,690)	(63,622)
Warranty obligations		(13,399)	(11,542)
Staff retirement benefit - gratuity		(12,348)	(16,535)
		566,749	578,249
21. TRADE AND OTHER PAYABLES			
Creditors	21.1	2,411,945	2,185,464
Accrued liabilities	21.2	1,643,251	1,200,383
Royalty payable	21.3	665,055	567,264
Warranty obligations		40,269	35,402
Advances from customers	21.4	3,214,454	1,229,212
Retention money		3,379	14,343
Sales tax payable - net		117,232	149,405
Workers' profit participation fund	21.5	215,727	172,514
Workers' welfare fund	21.6	81,652	69,995
Payable to staff retirement benefit funds - gratuity	21.7	43,694	50,718
Provision for Sind government infrastructure fee		78,285	37,899
Unclaimed dividend		48,703	37,639
Others	21.8	21,824	19,496
		8,585,470	5,769,734
21.1 Includes Rs.44,136 thousand (2015: Rs.25,995 thousand) and Rs.56 thousand (2015: Rs.Nil) due to Atlas Hitec (Private) Limited and Pakistan Cables Limited [related parties] respectively.			
21.2 Includes Rs.940 thousand (2015: Rs.521 thousand) due to Honda Motor Company Limited, Japan - a related party.			
21.3 Includes Rs.660,195 thousand (2015: Rs.563,437 thousand) due to Honda Motor Company Limited, Japan - a related party.			
21.4 These represent advances from customers against sale of motorcycles & parts and carry no mark-up. These advances include Rs.4,694 thousand (2015: Rs.Nil) due to Honda Atlas Cars (Pakistan) Limited.			
21.5 Workers' profit participation fund (the Fund)			
Balance as at April 1		172,514	144,583
Allocation for the year	29	214,874	172,275
Interest on funds utilised in the Company's business	30	853	239
		388,241	317,097
Paid to trustees of the Fund		(172,514)	(144,583)
Balance as at March 31		215,727	172,514

	Note	2016 ---- (Rupees in '000) ----	2015
21.6 Workers' welfare fund			
Balance as at April 1		69,995	64,476
Charge for the year		81,652	65,465
Adjustment for prior year		(4,005)	(9,591)
	29	77,647	55,874
		147,642	120,350
Payment made during the year		(65,990)	(50,355)
Balance as at March 31		81,652	69,995

21.7 Staff retirement benefit - gratuity

- 21.7.1** The Company has established two separate funded gratuity schemes for its management and non-management staff, who completes qualifying period of service.
- 21.7.2** These benefit plans are trustee-administered funds and are governed by local regulations which mainly includes Trust Act, 1882, Companies Ordinance, 1984, Income Tax Rules, 2002 and Rules under the Trust deed of the Plans. Responsibility for governance of the Plans, including investment decisions and contributions schedules lies with the board of trustees. The Company appoints the trustees and all trustees are employees of the Company.
- 21.7.3** The latest actuarial valuations of the Funds as at March 31, 2016 were carried out using the 'Projected Unit Credit Method'. Details of the Funds as per the actuarial valuations are as follows:

	Management		Non-management		Total	
	2016	2015	2016	2015	2016	2015
	----- (Rupees in '000) -----					
21.7.4 Balance sheet reconciliation						
Present value of defined benefit obligation at March 31 - note 21.7.5	309,560	289,018	35,699	35,865	345,259	324,883
Fair value of plan assets at March 31 - note 21.7.6	(237,680)	(214,977)	(79,199)	(69,030)	(316,879)	(284,007)
Payable to related parties in respect of transferees	15,314	9,842	-	-	15,314	9,842
	87,194	83,883	(43,500)	(33,165)	43,694	50,718
21.7.5 Movement in the present value of defined benefit obligation						
Balance as at April 1	289,018	271,797	35,865	33,526	324,883	305,323
Benefits paid	(10,320)	(13,749)	(2,809)	(1,916)	(13,129)	(15,665)
Current service cost	17,061	14,229	1,210	1,154	18,271	15,383
Interest expense	26,581	33,576	3,228	4,214	29,809	37,790
Remeasurement on obligation	3,628	(5,899)	(1,795)	(1,113)	1,833	(7,012)
Payable to related parties in respect of transferees	(16,408)	(10,936)	-	-	(16,408)	(10,936)
Balance as at March 31	309,560	289,018	35,699	35,865	345,259	324,883
21.7.6 Movement in the fair value of plan assets						
Balance as at April 1	214,977	202,433	69,030	58,667	284,007	261,100
Contributions	26,765	23,452	-	-	26,765	23,452
Benefits paid	(10,320)	(13,749)	(2,809)	(1,916)	(13,129)	(15,665)
Interest income	18,287	21,040	6,163	7,232	24,450	28,272
Remeasurement	(1,093)	414	6,815	5,047	5,722	5,461
Payable to related parties in respect of transferees	(10,936)	(18,613)	-	-	(10,936)	(18,613)
Balance as at March 31	237,680	214,977	79,199	69,030	316,879	284,007

	Management		Non-management		Total	
	2016	2015	2016	2015	2016	2015
	(Rupees in '000)					
21.7.7 Expense / income recognised in profit and loss account						
Current service costs	17,061	14,229	1,210	1,154	18,271	15,383
Net interest expense / (income)	8,294	12,536	(2,935)	(3,018)	5,359	9,518
	<u>25,355</u>	<u>26,765</u>	<u>(1,725)</u>	<u>(1,864)</u>	<u>23,630</u>	<u>24,901</u>
21.7.8 Remeasurement recognised in other comprehensive income						
Loss / (gain) from change in financial assumptions	1,819	(676)	218	(66)	2,037	(742)
Experience (gain) / loss	1,809	(5,223)	(2,013)	(1,047)	(204)	(6,270)
Loss / (gain) on remeasurement of plan assets	1,093	(414)	(6,815)	(5,047)	(5,722)	(5,461)
Net remeasurements	<u>4,721</u>	<u>(6,313)</u>	<u>(8,610)</u>	<u>(6,160)</u>	<u>(3,889)</u>	<u>(12,473)</u>
21.7.9 Net recognised liability						
Net liability / (asset) at beginning of the year	83,883	86,883	(33,165)	(25,141)	50,718	61,742
Charge / (income) for the year	25,355	26,765	(1,725)	(1,864)	23,630	24,901
Contributions made during the year	(26,765)	(23,452)	-	-	(26,765)	(23,452)
Remeasurement recognised in other comprehensive income	4,721	(6,313)	(8,610)	(6,160)	(3,889)	(12,473)
Recognised liability / (asset) as at March 31	<u>87,194</u>	<u>83,883</u>	<u>(43,500)</u>	<u>(33,165)</u>	<u>43,694</u>	<u>50,718</u>
21.7.10 Actual return on planned assets	<u>17,194</u>	<u>18,574</u>	<u>10,562</u>	<u>6,557</u>	<u>27,756</u>	<u>25,131</u>
21.7.11 Plan assets comprise of:						
Fixed income instruments	108,679	92,203	43,329	37,704	152,008	129,907
Mutual fund securities	126,760	119,459	28,567	30,226	155,327	149,685
Others	2,241	3,315	7,303	1,100	9,544	4,415
	<u>237,680</u>	<u>214,977</u>	<u>79,199</u>	<u>69,030</u>	<u>316,879</u>	<u>284,007</u>

21.7.12 The expected return on plan assets was determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date.

Management		Non management	
2016	2015	2016	2015
% per annum			

21.7.13 Significant actuarial assumptions and sensitivity:

Discount rate at March 31	7.75	9.25	7.75	9.25
Expected rate of increase in future salaries - first year	10.00	10.00	10.00	10.00
- long term	6.75	8.25	6.75	8.25
Expected rate of return on plan assets	7.75	9.25	7.75	9.25
Demographic assumptions				
- Mortality rates (for death in service)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)	SLIC (2001-05)
- Rates of employee turnover	Moderate	Moderate	Moderate	Moderate

The sensitivity of the defined benefit obligation to changes in principal assumptions is:

	Impact on Defined Benefit Obligation		
	Change in assumptions	Increase in assumptions ----- (Rupees in '000) -----	Decrease in assumptions ----- (Rupees in '000) -----
Discount rate	1.00%	320,628	375,166
Future salary increase	1.00%	375,344	318,690
Withdrawal rates : light		342,584	
Withdrawal rates : heavy		345,572	

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constants. In practice, this is unlikely to occur, and change in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of defined benefit obligation calculated with the projected unit credit method at the end of reporting period) has been applied as when calculating the defined benefit liability recognised within the balance sheet.

The method and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

21.7.14 Expected charge and income to management and non-management gratuity plans for the year ending March 31, 2017 are Rs.25,492 thousand and Rs.2,060 thousand respectively.

21.7.15 The weighted average duration of defined benefit obligation for management and non-management plans is 7.85 years and 6.13 years respectively. The expected maturity analysis of undiscounted retirement benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
March 31, 2016			Rupees in '000		
Management staff	36,355	31,452	88,614	1,461,354	1,617,775
Non-management staff	3,138	3,797	10,596	63,173	80,704
Total	33,217	27,655	99,210	1,524,527	1,698,479

21.7.16 Historical Information

	2016	2015	2014	2013	2012
			Rupees in '000		
Present value of defined benefit obligation	345,259	324,883	305,323	281,568	264,471
Fair value of plan assets	316,879	284,007	261,100	212,932	195,437
Deficit provided in financial statements	28,380	40,876	44,223	68,636	69,034

21.8 Other liabilities include vehicle deposits under Company's vehicle policy aggregating Rs.12,574 thousand (2015: Rs.12,662 thousand).

22. SHORT TERM BORROWINGS - Secured

Short term finance facilities available from various commercial banks under mark-up arrangements aggregate to Rs.2,740,000 thousand (2015: Rs.2,865,000 thousand) and are secured against pari passu hypothecation charge over the Company's stock-in-trade and trade debts to extent of Rs.4,058,000 thousand (2015: Rs.4,058,000 thousand). The rates of mark-up of these facilities during the year ranged from 7.01% to 8.99% (2015: 9.25% to 11.33%) per annum. These facilities are expiring on various dates by December 31, 2016.

The facilities for opening letters of credit as at March 31, 2016 aggregated to Rs.3,530,000 thousand (2015: Rs.3,560,000 thousand) of which the amount remained unutilised at year end was Rs.2,320,035 thousand (2015: Rs.2,632,908 thousand). These finance facilities are also secured against pari passu joint hypothecation charge on stocks-in-trade and trade debts of the Company.

23. CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 Various cases have been filed against the Company by some former employees for reinstatement of service and are pending in different courts of Pakistan. The management is confident that outcome of these cases will be in favour of the Company and hence no provision is made in these financial statements.

23.1.2 Guarantees aggregating to Rs.386,196 thousand (2015: Rs.172,868 thousand) have been issued by commercial banks to government and semi government institutions for import of raw materials and supply of goods.

23.2 Commitments

23.2.1 Commitments outstanding for letters of credit relating to capital expenditure, raw materials and components as at March 31, 2016 aggregated to Rs.1,209,965 thousand (2015: Rs.927,092 thousand).

23.2.2 Commitments outstanding for capital expenditure other than through letters of credit as at March 31, 2016 aggregated to Rs.239,842 thousand (2015: Rs.42,257 thousand).

23.2.3 The Company has entered into Ijarah arrangements for electric & gas fittings and vehicles with various banks. Aggregate commitments for these Ijarah arrangements as at March 31, are as follows:

	Note	2016 ---- (Rupees in '000) ----	2015
Not later than one year		26,574	24,425
Later than one year and not later than five years		46,489	20,924
		<u>73,063</u>	<u>45,349</u>
24. SALES - Net			
Gross sales			
- Local		63,459,888	52,537,558
- Export		405,150	465,414
		<u>63,865,038</u>	<u>53,002,972</u>
Less:			
- trade discount and commission		285,997	117,030
- sales tax		8,556,626	7,113,765
		<u>8,842,623</u>	<u>7,230,795</u>
		<u>55,022,415</u>	<u>45,772,177</u>
25. COST OF SALES			
Opening stock of finished goods		311,219	311,075
Cost of goods manufactured	25.1	45,730,387	38,269,352
Purchases during the year		<u>3,726,272</u>	<u>2,829,363</u>
		49,456,659	41,098,715
		<u>(391,372)</u>	<u>(311,219)</u>
		<u>49,376,506</u>	<u>41,098,571</u>
25.1 Cost of goods manufactured			
Opening stock of work-in-process		25,131	4,549
Raw materials and components consumed	25.2	38,581,898	32,061,982
Direct labour	25.3	981,971	776,679
Technical directors' remuneration		1,908	2,134
Staff salaries, wages and other benefits	25.3	994,034	848,767
Stores consumed		590,287	514,100
Fuel and power		545,655	661,364
Insurance		78,032	78,530
Rent, rates and taxes		83,696	64,434
Ijarah rentals		32,078	34,148
Repair and maintenance		376,606	304,896
Royalty		2,503,107	2,051,918
Technical assistance fee		35,122	27,894
Travelling, conveyance and entertainment		53,937	50,898
Postage and telephone		6,785	6,446
Printing and stationery		13,826	11,919
Vehicle running expenses		22,199	26,079
Depreciation	5.2	636,176	607,623
Canteen		97,298	86,495
Newspapers, magazines and subscriptions		2,204	5,770
Amortisation	6	7,854	5,150
Provision for slow moving inventories	10.2	13,104	20,451
Marking fee		50,121	41,868
Other manufacturing expenses		216	389
		<u>45,733,245</u>	<u>38,294,483</u>
		<u>(2,858)</u>	<u>(25,131)</u>
		<u>45,730,387</u>	<u>38,269,352</u>

	Note	2016 ----- (Rupees in '000) -----	2015
25.2 Raw materials and components consumed			
Opening stock		1,174,432	1,609,754
Purchases during the year	25.4	38,772,925	31,626,660
		39,947,357	33,236,414
Closing stock		(1,365,459)	(1,174,432)
		38,581,898	32,061,982

25.3 Direct labour and staff salaries, wages & other benefits include Rs.68,437 thousand (2015: Rs.53,746 thousand) in respect of staff retirement benefits.

25.4 Purchases include government rebates netted-off aggregating Rs.6,409 thousand (2015: Rs.7,485 thousand).

	Note	2016 ----- (Rupees in '000) -----	2015
26. SALES AND MARKETING EXPENSES			
Directors' remuneration		35,311	29,297
Staff salaries and other benefits	26.1	296,995	255,900
Travelling, conveyance and entertainment		81,360	86,800
Vehicle running expenses		15,436	16,801
Rent, rates and taxes		34,948	37,019
Advertisement and sales promotion		406,082	427,866
Repairs and maintenance		5,939	7,949
Gas and electricity		9,020	10,477
Freight outward		434,202	354,160
Printing and stationery		2,919	3,212
Postage and telephone		13,134	16,365
First free service charges		106,859	54,274
Insurance		12,324	12,876
Newspapers, magazines and subscriptions		1,259	1,114
Others		364	121
		1,456,152	1,314,231

26.1 Staff salaries and other benefits include Rs.22,944 thousand (2015: Rs.21,578 thousand) in respect of staff retirement benefits.

	Note	2016 ----- (Rupees in '000) -----	2015
27. ADMINISTRATIVE EXPENSES			
Non executive directors' fee		20,798	20,842
Staff salaries and other benefits	27.1	274,767	228,093
Travelling, conveyance and entertainment		17,551	16,277
Rent, rates and taxes		6,119	7,834
Insurance		3,787	6,777
Repairs and maintenance		12,657	13,401
Legal and professional charges		14,292	8,010
Gas and electricity		2,049	1,907
Newspapers, magazines, fees and subscriptions		5,097	3,376
Postage and telephone		2,673	2,182
Printing and stationery		11,935	9,595
Vehicle running expenses		7,869	9,828
Staff training		23,152	20,783
Depreciation	5.2	49,619	41,174
Donation	27.2	47,436	42,394
Others		114	149
		499,915	432,622

- 27.1 Staff salaries and other benefits include Rs.18,390 thousand (2015: Rs.15,983 thousand) in respect of staff retirement benefits.
- 27.2 Donation of Rs.47,436 thousand (2015: Rs.42,144 thousand) charged in these financial statements is paid to Atlas Foundation, 2nd Floor, Federation House, Shara-e-Firdousi, Clifton, Karachi (the Foundation). Mr. Yusuf H. Shirazi, Chairman and Mr. Jawaid Iqbal Ahmed, Director of the Company are Directors of the Foundation.

	Note	2016 ---- (Rupees in '000) ----	2015
28. OTHER INCOME			
Income from financial assets			
Mark-up / interest on savings deposit accounts and term deposit receipts	28.1	280,519	181,247
Gain on sale of investments at fair value through profit or loss		10,243	8,751
Fair value gain on investments at fair value through profit or loss		35,610	59,985
Net foreign exchange gains		54	1,242
Income from investments in related parties			
Gain on sale of investments at fair value through profit or loss		66,277	77,446
Fair value gain on investments at fair value through profit or loss		178,476	172,549
Dividend income		41,622	-
Income from assets other than financial assets			
Gain on disposal of non current assets classified as held for sale		-	18,541
Commission income		1,822	2,622
Scrap sales		20,070	19,491
Others		2,381	2,050
		<u>637,074</u>	<u>543,924</u>

- 28.1 Mark-up / interest at the rates ranged from 4.13% to 8.25% (2015: 7.00% to 10.10%) per annum has been earned during the year on savings deposit accounts and term deposit receipts.

	Note	2016 ---- (Rupees in '000) ----	2015
29. OTHER OPERATING EXPENSES			
Workers' profit participation fund	21.5	214,874	172,275
Workers' welfare fund	21.6	77,647	55,874
Auditors' remuneration	29.1	2,400	2,140
Loss on disposal and write-off of operating fixed assets		15,761	14,843
		<u>310,682</u>	<u>245,132</u>
29.1 Auditors' remuneration			
Fee for:			
- audit of annual financial statements		1,000	1,000
- review of half yearly financial information		212	212
- review of Code of Corporate Governance		91	91
- audits of retirement funds and workers' profit participation fund		250	202
- certifications for payment of royalty, technical fee and dividend		550	438
- out of pocket expenses		297	197
		<u>2,400</u>	<u>2,140</u>
30. FINANCE COSTS			
Mark-up / interest on short term borrowings		341	601
Interest on workers' profit participation fund	21.5	853	239
Bank and other financial charges		14,086	7,350
		<u>15,280</u>	<u>8,190</u>

	2016 ----- (Rupees in '000) -----	2015
31. INCOME TAX EXPENSE		
Current tax		
Current tax on profits for the year	1,065,822	942,357
Adjustments for current tax of prior years	(10,461)	13,765
	<u>1,055,361</u>	<u>956,122</u>
Deferred tax		
Origination and reversal of temporary differences	40,688	(44,623)
Impact of change in tax rate	(53,419)	(18,752)
	<u>(12,731)</u>	<u>(63,375)</u>
	<u>1,042,630</u>	<u>892,747</u>
31.1 Numerical reconciliation of income tax expense to prima facie tax		
Profit before income tax expense	<u>4,044,429</u>	<u>3,243,638</u>
Tax at the applicable rate of 32% (2015: 33%)	1,294,217	1,070,401
Tax effect of:		
- amounts not deductible for tax purposes	281,966	300,989
- amounts deductible for tax purposes but not taken to profit and loss account	(278,964)	(220,376)
- income not subject to tax / income subject to final tax regime / tax credits	(219,266)	(199,984)
- Associate's result reported net of tax	(12,131)	(8,673)
Adjustments for current tax of prior years	(10,461)	13,765
Deferred tax	(12,731)	(63,375)
Income tax expense	<u>1,042,630</u>	<u>892,747</u>

- 31.2 Section 5A of the Income Tax Ordinance, 2001 imposes tax at the rate of ten percent on every public company other than a scheduled bank or modaraba, that derives profits for tax a year but does not distribute cash dividend within six months of the end of said tax year or distribute dividends to such an extent that its reserves, after such distribution, are in excess of 100% of its paid-up capital. However, this tax on undistributed reserves is not applicable to a public company which distributes profit equal to either 40% of its after tax profits or 50% of its issued, subscribed and paid-up capital, whichever is less, within six months of the end of the tax year.

The Board of Directors in their meeting held on April 29, 2016 has distributed sufficient cash dividend for the year ended March 31, 2016 (refer note 41) which complies with the above stated requirements. Accordingly, no provision for tax on undistributed reserves has been recognised in the financial statements for the year ended March 31, 2016.

32. EARNINGS PER SHARE

	2016 ----- (Rupees in '000) -----	2015
32.1 Basic earnings per share		
Net profit for the year	<u>3,001,799</u>	<u>2,350,891</u>
	<u>----- (Number of shares) -----</u>	
Weighted average ordinary shares in issue	<u>103,406,613</u>	<u>103,406,613</u>
	<u>----- (Rupees) -----</u>	
Earnings per share	<u>29.03</u>	<u>22.73</u>
32.2 Diluted earnings per share		

No figures for diluted earnings per share have been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

	Note	2016 ---- (Rupees in '000) ----	2015
33. CASH GENERATED FROM OPERATIONS			
Profit before taxation		4,044,429	3,243,638
Adjustments for:			
Depreciation		685,795	648,797
Amortisation		7,854	5,150
Provision for compensated absences		32,041	16,994
Provision for gratuity		23,630	24,901
Provision for slow moving inventories		13,104	20,451
Mark-up / interest on savings deposit accounts and term deposit receipts		(280,519)	(181,247)
Gain on sale of investments at fair value through profit or loss		(76,520)	(86,197)
Fair value gain on investments at fair value through profit or loss		(214,086)	(232,534)
Net foreign exchange gains		(54)	(1,242)
Dividend income		(41,622)	-
Gain on disposal of non current assets classified as held for sale		-	(18,541)
Workers' profit participation fund		215,727	172,514
Workers' welfare fund		77,647	55,874
Loss on disposal and write-off of operating fixed assets		15,761	14,843
Mark-up / interest on short term borrowings		341	601
Share of net profit of an Associate		(43,475)	(26,283)
Changes in working capital	33.1	2,567,844	305,793
		<u>7,027,897</u>	<u>3,963,512</u>
33.1 Changes in working capital (Increase) / decrease in current assets			
- Stores, spares and loose tools		(66,080)	(22,917)
- Stock-in-trade		(218,053)	363,624
- Trade debts		96,177	(184,276)
- Loans and advances		5,358	(5,930)
- Trade deposits and prepayments		(5,202)	(8,889)
- Other receivables		(1,236)	992
		<u>(189,036)</u>	<u>142,604</u>
Increase in current liabilities:			
- Trade and other payables		2,756,880	163,189
		<u>2,567,844</u>	<u>305,793</u>
33.2 Cash flows from operating activities - Direct method			
Receipts from customers		57,103,834	46,188,345
Mark-up / interest received		274,534	181,520
Payments to trade suppliers, service providers and employees		(50,078,717)	(42,228,989)
Mark-up / interest paid		(341)	(601)
Income taxes paid		(1,498,297)	(1,099,890)
Contributions made to gratuity funds		(26,765)	(23,452)
Compensated absences paid		(12,566)	(13,891)
Workers' profit participation fund paid		(172,514)	(144,583)
Workers' welfare fund paid		(65,990)	(50,355)
		<u>5,523,178</u>	<u>2,808,104</u>

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amounts charged during year in respect of remuneration and fee, including certain benefits, to the Chief Executive Officer, Directors and Executives of the Company are given below:

	Directors		Executives	
	Chief Executive Officer	Others	2016	2015
	2016	2015	2016	2015
	(Rupees in '000)			
Managerial remuneration and fee	16,443	15,150	22,706	22,976
Rent and utilities	7,864	7,246	-	-
Bonus	8,452	4,794	-	-
Retirement benefits	1,573	1,449	-	-
Medical and other reimbursable expenses	979	658	-	-
	35,311	29,297	22,706	22,976
	566,836	499,523		
Number of persons	1	1	5	6
	217	230		

- 34.1 The Chief Executive Officer, three Directors and two ex-patriate executives are provided with free use of Company maintained cars and telephones at residences. Two Directors and two ex-patriate executives are also provided with furnished accommodation.

35. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of Associated Companies, staff retirement funds, directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	2016	2015
	(Rupees in '000)	
Associated companies		
Sales of:		
- goods and services	615,651	753,568
- operating fixed assets	99,010	26,171
- non current assets classified as held for sale	-	190,000
Purchases of:		
- goods and services	11,569,759	8,838,949
- operating fixed assets	60,013	87,402
Sale of units in mutual funds	8,167,623	3,560,034
Purchase of units in mutual funds	9,640,800	3,670,389
Investments made in associates	-	190,000
Royalty	2,510,161	2,083,860
Export commission	3,539	3,254
Technical assistance fee	14,172	11,925
Commission income	1,822	2,622
Rent	90,907	83,608
Insurance premium paid	239,991	207,399
Insurance claims received	17,952	8,214
Reimbursement of expenses - net	2,500	2,113
Dividend paid	1,120,137	933,447
Donation paid	47,436	42,144
Dividend received	55,872	-
Other related parties		
Contributions paid to:		
- gratuity funds	26,765	23,452
- provident funds / pension schemes	54,100	49,414
Salaries and other employment benefits to key management personnel	132,688	108,260

The related party status of outstanding balances as at March 31, 2016 is included in ■Capital work-in-progress - note 5.4■ and ■Trade and other payables - note 21■ respectively. These are settled in ordinary course of business.

36. FINANCIAL RISK MANAGEMENT

36.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- market risk (including foreign exchange risk, interest rate risk and price risk);
- credit risk; and
- liquidity risk.

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. Risk management is carried out by a treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment of excess liquidity.

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument shall fluctuate because of changes in foreign exchange rates.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Japanese Yen and the US Dollar. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities. The Company's exposure to foreign currency risk at the reporting date is as follows:

	2016		2015	
	Japanese Yen	US Dollar	Japanese Yen	US Dollar
	(Amounts in '000)			
Trade debts	-	15	-	75
Trade and other payables	(711,165)	(155)	(679,530)	(34)
Net balance sheet exposure	(711,165)	(140)	(679,530)	41

The following significant exchange rates have been applied:

	2016 Average rate	2015	2016 Balance sheet date rate	2015
	(Rupees)			
Pakistani Rupee to Japanese Yen	0.86	0.91	0.93	0.85
Pakistani Rupee to U.S. Dollar	104.25	100.37	104.80	102.20

At March 31, 2016, if the Pakistani Rupee had strengthened / weakened by 5% against Japanese Yen and U.S. Dollar with all other variables held constant, profit before tax for the year would have been higher / (lower) by the amount shown below mainly as a result of net foreign exchange gains / (losses) on translation of foreign denominated financial assets and liabilities.

	2016 ---- (Rupees in '000) ----	2015
Effect on profit for the year:		
Pakistani Rupee to Japanese Yen	33,069	28,880
Pakistani Rupee to U.S. Dollar	734	(210)
	<u>33,803</u>	<u>28,670</u>

Interest rate risk

Interest rate risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of change in market interest rates.

The Company is exposed to interest rate risk on balances with banks in savings deposit accounts and term deposit receipts. Deposits in bank savings accounts held at variable interest rate expose the Company to cash flow interest rate risk and term deposit receipts issued by the banks at fixed interest rates give rise to fair value interest rate risk. Significant interest rate risk exposures are primarily managed by a suitable mix of deposits. At March 31, 2016, the Company's interest bearing financial assets amounted to Rs.4,596,318 thousand (2015: Rs.3,123,421 thousand).

At March 31, 2016, if the interest rate on the Company's deposits had been 1% higher / lower with other variables held constant, profit before tax for the year would have been higher / (lower) by Rs.8,963 thousand (2015: Rs.10,234 thousand) mainly as a result of higher / (lower) interest income.

Price risk

Price risk represents the risk that the fair values or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors effecting all similar financial instruments traded in the market.

The Company is exposed to price risk because of investments in mutual fund securities aggregating to Rs.5,876,554 thousand (2015: Rs.4,119,696 thousand) as changes in Net Asset Value (NAV) of mutual funds affects the Company. The Company is not exposed to commodity price risk. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolios.

At March 31, 2016, if fair value (NAV) had been 5% higher / lower with all other variables held constant profit before tax for the year would have higher / (lower) by Rs.293,828 thousand (2015: Rs.205,985 thousand).

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to perform as contracted or discharge an obligation. The Company's credit risk arises from deposits with banks & financial institutions, loans & advances, deposits, trade debts, investments, accrued mark-up / interest and other receivables.

The carrying amounts of financial assets represent the maximum credit exposure. The financial assets exposed to credit risk amounted to Rs.11,339,678 thousand (2015: Rs.8,322,138 thousand) as at March 31, 2016 and are as follows:

	2016 ---- (Rupees in '000) ----	2015
Long term loans and advances	28,027	27,198
Long term deposits	14,937	12,986
Trade debts	608,420	704,597
Loans and advances	33,199	32,201
Trade deposits	5,400	4,504
Accrued mark-up / interest	16,842	10,857
Other receivables	1,279	899
Short term investments	5,876,554	4,119,696
Bank balances	4,755,020	3,409,200
	<u>11,339,678</u>	<u>8,322,138</u>

The maximum exposure to credit risk for trade debts at the balance sheet date by geographic region is as follows:

	2016 ---- (Rupees in '000) ----	2015
Pakistan	606,865	696,938
Bangladesh	1,555	7,659
	<u>608,420</u>	<u>704,597</u>

The maximum exposure to credit risk for trade debts by type of counter party as at balance sheet date is as follows:

	2016 ---- (Rupees in '000) ----	2015
Government departments	1,009	50,054
Defence institutions	557,629	602,917
Others (including exports)	49,782	51,626
	<u>608,420</u>	<u>704,597</u>

Out of the total financial assets credit risk is concentrated in trade debts, investments in mutual funds securities and deposits with banks as they constitute 99% (2015: 99%) of the total financial assets. Significant part of sales of the Company occurs against advance payments, therefore, trade debts mainly arise from export sales and local sales that were made to Government and Defence Institutions. The Company believes that it is not exposed to any specific credit risk in respect of those trade debts.

The credit quality of loans and receivables can be assessed with reference to their historical performance with no or negligible defaults in recent history and no losses incurred. The credit quality of Company's bank balances and investments in mutual funds securities can be assessed with reference to the external credit ratings as follows:

Banks	Rating		
	Short term	Long term	Agency
Allied Bank Limited	A1+	AA+	PACRA
Askari Bank Limited	A-1+	AA	JCR-VIS
Bank Al Habib Limited	A1+	AA+	PACRA
Bank Alfalah Limited	A1+	AA	PACRA
BankIslami Pakistan Limited	A1	A+	PACRA
Deutsche Bank AG	P-2	A3	MOODY's
Faysal Bank Limited	A1+	AA	PACRA
Habib Bank Limited	A-1+	AAA	JCR-VIS
Habib Metropolitan Bank Limited	A1+	AA+	PACRA
Khushhali Bank Limited	A-1	A+	JCR-VIS
MCB Bank Limited	A1+	AAA	PACRA
Meezan Bank Limited	A-1+	AA	JCR-VIS
National Bank of Pakistan	A1+	AAA	PACRA
NIB Bank Limited	A1+	AA-	PACRA
Soneri Bank Limited	A1+	AA-	PACRA
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA
The Bank of Tokyo - Mitsubishi UFJ, Limited	P-1	A1	MOODY'S
United Bank Limited	A-1+	AA+	JCR-VIS

Mutual Funds	Rating	Agency
Atlas Income Fund	AA-(f)	PACRA
Atlas Islamic Income Fund	AA-(f)	PACRA
Atlas Money Market Fund	AA(f)	PACRA
Atlas Gold Fund	4-Star	PACRA
Atlas Islamic Stock Fund	3-Star	PACRA
Atlas Sovereign Liquid Fund	AA(f)	PACRA
Atlas Stock Market Fund	3-Star	PACRA
Lakson Money Market Fund	AA(f)	PACRA
Lakson Income Fund	A+(f)	PACRA
NIT Government Bond Fund	AA-(f)	PACRA

(c) **Liquidity risk**

Liquidity risk reflects the Company's inability in raising funds to meet commitments. The Company manages liquidity risk by maintaining sufficient balances with banks. At March 31, 2016 there is no maturity mismatch between financial assets and liabilities that exposes the Company to liquidity risk.

36.2 Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. The capital structure of the Company is equity based with no financing through long term or short term borrowings.

Loans and receivables		At fair value through profit and loss	
2016	2015	2016	2015
----- Rupees in '000 -----			

36.3 Financial instruments by category

Financial assets as per balance sheet

Long term loans and advances	28,027	27,198	-	-
Long term deposits	14,937	12,986	-	-
Trade debts	608,420	704,597	-	-
Loans and advances	33,199	32,201	-	-
Trade deposits	5,400	4,504	-	-
Accrued mark-up / interest	16,842	10,857	-	-
Other receivables	1,279	899	-	-
Short term investments	-	-	5,876,554	4,119,696
Bank balances	4,755,020	3,409,200	-	-
	<u>5,463,124</u>	<u>4,202,442</u>	<u>5,876,554</u>	<u>4,119,696</u>

Financial liabilities measured at amortised cost

2016 2015

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

Financial liabilities as per balance sheet

Trade and other payables	<u>4,878,120</u>	<u>4,110,709</u>
--------------------------	------------------	------------------

36.4 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirement to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the 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].

The following table presents the Company's financial assets that are measured at fair value at March 31, 2016 and March 31, 2015.

March 31, 2016			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
Assets - Recurring fair value measurement			
Financial assets at fair value through profit or loss			
Short term investments	5,876,554	-	5,876,554
March 31, 2015			
Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----			
Assets - Recurring fair value measurement			
Financial assets at fair value through profit or loss			
Short term investments	4,119,696	-	4,119,696

There were no transfers amongst the levels during the current and preceding year. The Company's policy is to recognise transfer into and transfers out of fair value hierarchy levels as at the end of the reporting periods

Valuation techniques used to determine fair values

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no other material Level 1, 2 or 3 assets or liabilities during the current and preceding year.

37. ENTITY-WIDE INFORMATION

37.1 The Company markets and sells motorcycles and spare parts. Breakdown of net revenues for both the products of the Company is as follows:

	2016	2015
	----- (Rupees in '000) -----	
Motorcycles	49,932,568	41,690,121
Spare parts	5,089,847	4,082,056
	55,022,415	45,772,177

37.2 Export sales are made to Afghanistan and Bangladesh. Result of the Company's revenue from external customers in Pakistan is Rs.54,620,804 thousand (2015: Rs.45,310,017 thousand) and total revenue from external customers from other countries is Rs.401,610 thousand (2015: Rs.462,160 thousand).

37.3 All the non-current assets of the Company are located in Pakistan.

37.4 The Company's customer base is diverse with no single customer accounting for more than 10% of net revenue.

38. PLANT CAPACITY AND ACTUAL PRODUCTION

The production capacity of the Company's plant cannot be determined as this depends upon relative proportion of various types of motorcycles and motorcycle components produced.

39. NUMBER OF EMPLOYEES

The number of employees as at March 31, 2016 were 1,569 (2015: 1,553). Average number of employees during the year were 1,589 (2015: 1,572).

40. PROVIDENT FUND RELATED DISCLOSURE

The Company operates defined contribution provident fund (the Fund) maintained for its permanent employees. Equal monthly contributions at the rate of 11% of the basic salary are made to the Fund both by the Company and the employees. The following information is based on un-audited financial statements of the Fund for the year ended March 31, 2016:

	2016 ---- (Rupees in '000) ----	2015 ---- (Rupees in '000) ----
Size of the Fund - Total assets	866,350	859,193
Fair value of investments	838,730	833,024
Percentage of investments made	96.81%	96.95%

40.1 The cost of above investments amounted to Rs.753,643 thousand (2015: Rs.749,833 thousand).

40.2 The break-up of fair value of investments is as follow:

	2016 --- Percentage ---	2015 --- Percentage ---	2016 --- Rupees in '000 ---	2015 --- Rupees in '000 ---
Debt securities	12.21	8.69	105,771	74,633
Government securities	47.82	53.15	414,303	456,667
Mutual funds securities	33.02	33.17	286,084	285,014
Special accounts in schedule banks	3.76	1.94	32,572	16,710
	96.81	96.95	838,730	833,024

40.3 The investments out of provident fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.


41. EVENT AFTER REPORTING PERIOD

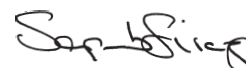
The Board of Directors, in their meeting held on April 29, 2016, (i) approved the transfer of Rs. 830,000 thousand (2015: Rs. 830,000 thousand) from unappropriated profit to general reserve and (ii) proposed a final cash dividend of Rs.14.5 (2015: Rs.12) per share amounting to Rs.1,499,396 thousand (2015: Rs.1,240,879 thousand) for approval of the members at the Annual General Meeting to be held on June 23, 2016.

The financial statements for the year ended March 31, 2016 do not include the effect of the proposed appropriations, which will be accounted for in the financial statements for year ending March 31, 2017.

42. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorised for issue on April 29, 2016 by the Board of Directors of the Company.


Yusuf H. Shirazi
Chairman


Saquib H. Shirazi
Chief Executive Officer

Pattern of Shareholding Additional Information As at March 31, 2016

Shareholders' Category	Number of Shareholders	Number of Shares held	Percentage
Associated Companies, Undertakings and Related Parties			
Atlas Insurance Limited	1	2,931,728	2.84%
Honda Motor Company Limited	1	36,192,315	35.00%
Shirazi Investments (Pvt) Limited	1	25,265,858	24.43%
Shirazi Capital (Pvt) Limited	1	25,359,715	24.52%
Shirazi (Pvt) Ltd	1	3,595,120	3.48%
	5	93,344,736	90.27%
NIT and ICP:			
National Bank of Pakistan Trustee Department	1	26,421	0.03%
IDBP (ICP Unit)	1	762	0.00%
	2	27,183	0.03%
Directors, CEO and their Spouses and minor children and Associates:			
Mr. Yusuf H. Shirazi & Associates	3	3	0.00%
Mr. Saqib H. Shirazi (CEO)	1	1	0.00%
Mr. Sanaullah Qureshi	1	400	0.00%
Mr. Toichi Ishiyama	1	1	0.00%
Mr. Hiromitsu Takasaki	1	1	0.00%
Mr. Yasutaka Uda	1	1	0.00%
Mr. Abid Naqvi	1	501	0.00%
Mr. Jawaid Iqbal Ahmed	1	1	0.00%
	10	909	0.00%
Executives		-	0.00%
Public Sector Companies and Corporations		-	0.00%
Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modaraba and Mutual Funds.	7	679,117	0.66%
Individuals	1,389	9,159,749	8.86%
Others	23	194,919	0.19%
Total	1,436	103,406,613	100.00%
Shareholders holding 10% or more voting interest			
Honda Motor Company Limited		36,192,315	35.00
Shirazi Investments (Pvt) Limited		25,265,858	24.43
Shirazi Capital (Pvt) Limited		25,359,715	24.52

Details of trading in the shares of the Company by Directors, their Spouses and Minor children

Name	Designation	No. of Shares Purchased	No. of Shares Sold
			-
			-

Pattern of Shareholding As at March 31, 2016

Number of Shareholders	Shareholdings				Total Shares Held
490	From	1	To	100	15,742
313	From	101	To	500	85,178
141	From	501	To	1,000	105,522
266	From	1,001	To	5,000	628,526
80	From	5,001	To	10,000	584,349
41	From	10,001	To	15,000	492,250
27	From	15,001	To	20,000	466,325
8	From	20,001	To	25,000	169,637
11	From	25,001	To	30,000	293,706
7	From	30,001	To	35,000	227,333
1	From	35,001	To	40,000	39,245
4	From	40,001	To	45,000	174,104
4	From	45,001	To	50,000	183,289
1	From	50,001	To	55,000	52,900
1	From	55,001	To	60,000	55,126
3	From	65,001	To	70,000	203,423
1	From	70,001	To	75,000	71,562
2	From	75,001	To	80,000	155,503
3	From	80,001	To	85,000	248,042
2	From	85,001	To	90,000	173,374
2	From	90,001	To	95,000	184,451
2	From	95,001	To	100,000	195,751
2	From	110,001	To	115,000	227,696
2	From	120,001	To	125,000	244,698
2	From	125,001	To	130,000	254,154
1	From	135,001	To	140,000	137,000
1	From	150,001	To	155,000	151,715
1	From	160,001	To	165,000	162,011
2	From	175,001	To	180,000	353,041
1	From	195,001	To	200,000	199,459
1	From	215,001	To	220,000	218,625
1	From	225,001	To	230,000	227,627
2	From	245,001	To	250,000	490,956
1	From	275,001	To	280,000	277,566
1	From	330,001	To	335,000	330,750
1	From	460,001	To	465,000	461,500
1	From	490,001	To	495,000	491,833
1	From	1,025,001	To	1,030,000	1,027,908
1	From	2,930,001	To	2,935,000	2,931,728
1	From	3,595,001	To	3,600,000	3,595,120
1	From	25,265,001	To	25,270,000	25,265,858
1	From	25,355,001	To	25,360,000	25,359,715
1	From	36,190,001	To	36,195,000	36,192,315
1,436					103,406,613

Pattern of Shareholding As at March 31, 2016

Shareholders' Category	Number of Shareholders	Shares held	Percentage
Directors, CEO their spouse and minor children and Associates	10	909	0.00
* Associated Companies, undertakings and related parties	5	93,344,736	90.27
NIT and ICP	2	27,183	0.03
Banks, Development Finance Institutions, Non-Banking Finance Institutions			
Insurance Companies			
Modarabas and Mutual Funds	7	679,117	0.67
General Public			
Local	1389	9,159,749	8.87
Foreign			
Others			
Joint Stock Companies	21	193,947	0.19
Cooperative Society	1	971	0.00
Trustee of Iftikhar Shirazi Family Trust	1	1	0.00
	1436	103,406,613	100.00

* Note: Included in Associated Companies


Atlas Insurance Ltd. 2,931,728 shares

Honda Motor Company Ltd. 36,192,315 shares,

Shirazi Investments (Pvt) Ltd. 25,265,858 shares,

Shirazi Capital (Pvt) Ltd. 25,359,715 shares,

Shirazi (Pvt) Limited 3,595,120 shares.

 Shirazi Investments **1962**
 Atlas Honda **1962**
 Atlas Battery **1966**
 Shirazi Trading **1975**
 Atlas Insurance **1980***
 Atlas Engineering **1981***
HONDA Honda Atlas Cars **1992**
HONDA Honda Atlas Power Product **1997**
 Atlas Asset Management **2002**
 Shirazi Capital **2005**
 Atlas Power **2007**
 Atlas World Wide **2007**
 Atlas Venture **2008**
 Atlas Autos **2011**
 Atlas Hitec **2012**
 Atlas Metals **2012**
 Atlas Global **2015**

Glossary of Terms

Acronym	Description
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
AHL	Atlas Honda Limited
AHTL	Atlas Hitec (Private) Limited
AMP	Advance Management Program
ATL	Active Tax-payers List
B2B	Business to Business
BOD	Board of Director
CAGR	Compounded Annual Growth Rate
CCG	Code of Corporate Governance
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CKD	Completely Knocked Down
CNIC	Computerized National Identity Card
COO	Chief Operating Officer
CPEC	China - Pakistan Economic Corridor
CSR	Corporate Social Responsibility
DFI	Development Finance Institutions
EOBI	Employee Old-Age Benefits Institution
EPS	Earnings per Share
ERP	Entity Resource Planner- software
FBR	Federal Board of Revenue
GAAP	Generally Accepted Accounting Principles
GDC	Gravity Die Casting
GDP	Gross Domestic Product
HPDC	High Pressure Die Casting
IAS	International Accounting Standards

Acronym	Description
ICAP	Institute of Chartered Accountants of Pakistan
ICMAP	Institute of Cost Management Accountants of Pakistan
IFAC	International Federation of Accountants
IFAS	Islamic Financial Accounting Standards
IFRS	International Financial Reporting Standards
ISO	International Standardization Organization
KSE	Karachi Stock Exchange
LLB	Bachelor of Law
LNG	Liquefied Natural Gas
LTD	Limited
LSE	Lahore Stock Exchange
LSM	Large Scale Manufacturing
MOU	Memorandum of Understanding
MMC	Minor Model Change
NAV	Net Asset Value
NBFI	Non-Banking Finance Institutions
NHC	New Honda Circle
PBT	Profit Before Taxation
PERAC	Public Employee Retirement Administration Commission
PSX	Pakistan Stock Exchange
RCSM	Risk and Counter Strategy Matrix
RMF	Risk Management Function
SAFA	South Asian Federation of Accountants
SAP	Standard Application Protocol - ERP system
SECP	Securities and Exchange Commission of Pakistan
SRO	Statutory Regulatory Order
SSGC	Sui Southern Gas Company Limited
TDR	Term Deposit Receipt
WWF	World Wildlife Fund

Investors' Education

In pursuance of SRO 924(1)/2015 dated September 9th, 2015 issued by the Securities and Exchange Commission of Pakistan (SECP), the following informational message has been reproduced to educate investors.

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- Knowledge center
- Risk profiler*
- Financial calculator
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The Company Secretary
Atlas Honda Limited,
1-Mcleod Road,
Lahore-54000

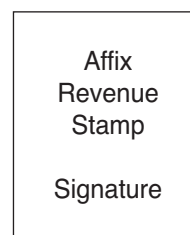
PROXY FORM

I/We _____
of _____
being member(s) of Atlas Honda Limited and holder(s) of _____
Ordinary Shares as per Register Folio No. _____ and / or CDC Participant
I.D. No. _____ and Sub Account No. _____ hereby
appoint _____
of _____
or failing him / her _____
of _____ as my/our Proxy to attend, act and vote for me/us and on my/our
behalf at the 52nd Annual General Meeting of the Company to be held at the Registered Office of the Company at 1-Mcleod
Road, Lahore, on Thursday, June 23, 2016 at 11:00 a.m. and at every adjournment thereof.

As witness my/our hand this _____ day of _____ 2016
signed by the Said _____ in the presence of

(Witness)

(Signature must agree with the
specimen signature registered
with the Company)



NOTE:

- Proxies, in order to be effective, must be received at the Company's Registered Office or Shares Registrar not less than 48 hours before the meeting and must be duly stamped, signed and witnessed.
- CDC shareholders and their proxies are requested to attach an attested photocopy of their CNIC or Passport with this proxy form before submission to the Company.

The Company Secretary
Atlas Honda Limited
1 - McLeod Road,
Lahore ■ 54000

AFFIX
POSTAGE

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پراکسی فارم

میں / ہم۔

ساکن

بحیثیت ممبر (ز) ٹلس ہنڈالینڈ اور حق ملکیت رکھتے ہوئے

عمومی شیئرز جس کا اندراج رجسٹر فوئیو نمبر۔۔۔۔۔ اور ذیلی اکاؤنٹ نمبر۔۔۔۔۔ اپنی جانب سے نامزد کرتا ہوں

کو

ساکن سے

اور ان کے ناجانے پر رسمی / مسماۃ۔۔۔۔۔

ساکن۔۔۔۔۔ بطور پراکسی مقرر کرنا / کرتے ہیں تاکہ وہ میری / ہماری جگہ اور میری / ہماری طرف سے کمپنی کے 52 ویں سالانہ عام اجلاس بمقام رجسٹر آفس 1- میکگو روڈ، لاہور بتاریخ 23 جون 2016 بوقت دن 11:00 بجے منعقد ہو رہا ہے، اس میں یا اس کے کسی ملوث شدہ اجلاس میں شرکت کرے اور ووٹ ڈالے۔

2016 _____ بطور میرے / ہمارے گواہ _____ کو بتاریخ _____
 _____ کو مندرجہ بالا کے لیے نامزد کیا گیا ہے۔ _____ موجودگی میں _____

(گواہ)

درست رقم کا ٹکٹ

چسپاں کریں

دستخط

(دستخط کا کمپنی میں رجسٹرڈ نمونے سے مماثلت رکھنا ضروری ہے)

نوٹ:

- پراکسیز کے موثر ہونے کے لیے لازمی ہے کہ وہ کمپنی کے رجسٹرڈ آفس یا شیئر رجسٹرار کو مہر شدہ اور دستخط کے ساتھ اجلاس سے کم از کم 48 گھنٹے قبل موصول ہو جائیں۔
- سی ڈی سی شیئر ہولڈرز اور ان کی پراکسیز سے درخواست کی جاتی ہے کہ کمپنی کو جمع کروانے سے قبل اس پر کسی فارم کے ساتھ اپنا کمپیوٹر انڈیوڈ قومی شناختی کارڈ یا پاسپورٹ کی نقل جمع کروائیں۔

درست رقم کا ٹکٹ
چسپاں کریں

کمپنی سیکریٹری
اٹلس ہنڈال میٹڈ

1- میکلوڈ روڈ، لاہور - 54000

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Atlas Honda Limited

1-McLeod Road, Lahore-54000

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Fax: (92-42) 37233518, 37351119

E-mail: ahl@atlas.com.pk

Website: www.atlashonda.com.pk