The journey of Honda Atlas Cars (Pakistan) Limited has been a journey of progress, growth and prosperity. The visual depicts the very substance of that progress. It shows how things have been moving in the right direction and how the Company has been achieving one milestone after another with consistency.
I feel pleasure to present you the Condensed Interim Financial Information for the half year ended September 30, 2017.

The Economy

Fiscal year 2017-18 started on a positive note with economy continuing to improve on certain economic indicators. Controlled inflation, low interest rates, strong growth in large scale manufacturing, revenue collection and first quarter increase in exports after a long period augured positive prospects for the economy. Exports in the first quarter of FY18 rebounded with an increase of 10.71% to US$ 5.17 billion against US$ 4.67 billion in Q1 of last year. Imports too, recorded higher growth of 22.19% to US$ 14.26 billion against US$ 11.67 billion in the corresponding Q1 of last year. Consequently, the government imposed 5%~25% regulatory duty on more than 250 items to help bring imports down in the coming quarters. Remittances marginally improved by 1% to US$ 4.79 billion and FDI increased by 56.3% to US$ 662 million during the period under review. This, however, was not sufficient to cover the widening trade deficit, which caused the foreign exchange reserves to decline by 14.7% to USD 19.8 billion. Nevertheless, the Rupee remained relatively stable against the US Dollar but continues to be under pressure in the coming days.

The agriculture sector continues to be a cornerstone with contribution of 19.5% to GDP and employment of 42% labor force. Better water flow, subsidy on fertilizers, stable crop prices and expected better results from the Kharif and Rabi crops have contributed positively in improving the future prospects of this sector. Further, National Food Security Policy has also been finalized which is expected to modernize agriculture, augment existing water resource base and develop climate-smart agriculture.

LSM, which is a key contributor to the industrial sector, posted a robust growth of 10% (YOY) in the months of July and August 2017, which is the highest in last 6 years. Major contributions came from iron, steel, automobiles, cement and engineering products. The sector mainly benefited from the expanding domestic demand, sizeable credit off-take, subsiding security concerns and ease in energy supplies.

Automobile Industry

The automobile industry continued to show good performance during the period under review and registered a growth of 18.53% against the first half of last year. The total industry production for the period stood at 102,585 units against 86,546 units in corresponding half year ended September 2017. The demand dynamics have improved due to cheaper financing rates and rise of ride sharing apps have made buying of cars a viable business option in big cities. Consequently,
industry sales improved to 101,081 units against 85,342 units in corresponding period of last year, up by 18.44%.

Your Company
During the first half of FY18, your company production grew by 62.30% to 23,769 units against 14,645 units for same period last year. Correspondingly sales for the half-year also increased to 23,676 units against 15,287 units, an improvement of 54.87%! The driving force for sales was new Honda Civic which posted 103.2% increase over first half of last year, Honda City showed consistent performance whereas newly launched Honda BR-V also hit its sales target set for the quarter.

Financial Results
Sales revenue for the first half of the year improved by 68.9% to Rs 43,948.3 million against Rs 26,015.5 million in first half of last year. Cost of sales also increased to Rs 38,240.4 million against Rs 21,893.5 million. Gross profit showed growth of 38.5% to Rs 5,707.9 million against Rs 4,121.9 million in 1H of last year. Administrative & selling expenses increased in tandem with sales growth to Rs 637.8 million against Rs 440.4 million in the same period last year. However in absolute terms, the administrative & selling expenses reduced from 1.7% of sales in same period last year to 1.4% of sales during the 6 months ended Sep-2017. Operating profit improved to Rs 5,513.9 million against Rs 3,716.8 million. Other income increased to Rs 953.7 million against Rs 353.6 million due to better treasury management. Financial & other charges were Rs 516.4 million against Rs 330.8 million due to higher provisions of WPPF and WWF.

Thus, profit before tax was Rs 5,507.4 million against Rs 3,704.4 million showing an increase of 48.7% over first half of last year. After tax provisions, the net profit for the year improved to Rs 3,704.0 million against Rs 2,523.7 million. Earnings per share improved by 46.8% to Rs 25.94 against Rs 17.67 of the same period, last year. Return on equity was 28.35% for first half of FY18.

Future Outlook
The pursuit of higher economic growth poses growing challenges partly enunciated at the start of FY18. These include those arising from pressures on the external front and an expansive fiscal policy. Government’s response towards these challenges would be important for continuing growth trajectory. Accordingly, timely realization of financial inflows and adoption of structural reforms for improving trade competitiveness are necessary to support external account. In this regard, the exchange rate will be tested as the repayment phase approaches. The main positive factor that may boost Pakistan’s economy is the CPEC and there is a need to proactively monitor and evaluate all activities within this window. Urgent tax reforms are necessary to improve tax to GDP ratio and contain fiscal deficit. On the other hand, an upbeat industrial outlook and a promising assessment of major crops are going to have a positive spillover on the overall economy. The combined effect is expected to sustain the demand of automobiles.

Chairman’s Review
The company will keep focus on product quality and production process efficiency to increase deliveries to customers and reduce waiting period, along with the best after sales back up.

[God helps those who help themselves]

Acknowledgement
I would like to thank our valued customers showing their confidence in the company’s products. I would also like to acknowledge and thank Honda Motor Company, the Atlas Group, our, vendors, dealers, bankers and shareholders for their continued commitment & support. Mr. Toichi Ishiyama & his team also deserve appreciation for the consistent progress achieved during first half and I wish them all the success for the year 2018.

November 22, 2017
Yusuf H. Shirazi
Karachi
Chairman
Auditors’ Report to the Members
on Review of Interim Financial Information

Introduction
We have reviewed the accompanying condensed interim balance sheet of Honda Atlas Cars (Pakistan) Limited as at September 30, 2017 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and the notes forming part thereof for the half year then ended (here-in-after referred to as the “interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended September 30, 2016 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended September 30, 2017.

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

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended September 30, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

A.F. Ferguson & Co.
Chartered Accountants
Lahore: November 22, 2017

Name of engagement partner: Khurram Akbar Khan

Condensed Interim Balance Sheet
As at September 30, 2017

<table>
<thead>
<tr>
<th>Rupees in thousand</th>
<th>Un-audited</th>
<th>Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Note</td>
<td>September 30, 2017</td>
<td>March 31, 2017</td>
</tr>
<tr>
<td>EQUITY AND LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SHARE CAPITAL AND RESERVES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorized share capital (200,000,000 (March 31, 2017: 200,000,000))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ordinary shares of Rs. 10 each</td>
<td>2,000,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid up share capital (142,800,000 (March 31, 2017: 142,800,000))</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ordinary shares of Rs. 10 each</td>
<td>1,428,000</td>
<td>1,428,000</td>
</tr>
<tr>
<td>Reserves</td>
<td>9,706,000</td>
<td>5,506,000</td>
</tr>
<tr>
<td>Un-appropriated profit</td>
<td>14,315,581</td>
<td>13,064,847</td>
</tr>
<tr>
<td>NON-CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deferred liabilities</td>
<td>79,948</td>
<td>61,645</td>
</tr>
<tr>
<td>Deferred taxation</td>
<td>376,644</td>
<td>367,144</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>12,090</td>
<td>10,842</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of deferred revenue</td>
<td>4,688,682</td>
<td>439,631</td>
</tr>
<tr>
<td>Short term borrowings - secured</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued mark up</td>
<td>3,048</td>
<td>4,480</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>100,545</td>
<td>305,126</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>12,090</td>
<td>10,842</td>
</tr>
<tr>
<td>NON-CURRENT ASSETS</td>
<td>42,070,147</td>
<td>37,960,879</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>56,854,410</td>
<td>51,465,357</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>170,408</td>
<td>107,251</td>
</tr>
<tr>
<td>Capital work-in-progress</td>
<td>16,999</td>
<td>4,042</td>
</tr>
<tr>
<td>Long term loans and advances</td>
<td>170,408</td>
<td>107,251</td>
</tr>
<tr>
<td>Long term deposits</td>
<td>16,999</td>
<td>4,042</td>
</tr>
<tr>
<td>CURRENT ASSETS</td>
<td>51,804,788</td>
<td>46,379,778</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

Yusuf H. Shirazi
Chairman
Hironobu Yoshimura
Chief Executive
Ahmad Umair Wajid
Chief Financial Officer
## Condensed Interim Profit and Loss Account

For the quarter and half year ended September 30, 2017 (Un-Audited)

<table>
<thead>
<tr>
<th>Rupees in thousand</th>
<th>July - September</th>
<th>April - September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>22,890,168</td>
<td>15,482,160</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(20,172,498)</td>
<td>(12,977,903)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>2,717,670</td>
<td>2,504,257</td>
</tr>
<tr>
<td>Distribution and marketing costs</td>
<td>(192,645)</td>
<td>(134,964)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(160,074)</td>
<td>(116,172)</td>
</tr>
<tr>
<td>Other income</td>
<td>487,353</td>
<td>225,968</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(256,313)</td>
<td>(177,338)</td>
</tr>
<tr>
<td>Profit from operations</td>
<td>2,595,991</td>
<td>2,301,751</td>
</tr>
<tr>
<td>Finance cost</td>
<td>(3,059)</td>
<td>(10,271)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>2,592,932</td>
<td>2,291,480</td>
</tr>
<tr>
<td>Taxation</td>
<td>(975,165)</td>
<td>(818,486)</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>1,617,767</td>
<td>1,472,994</td>
</tr>
<tr>
<td>Earnings per share- basic and diluted (Rupees)</td>
<td>11.33</td>
<td>10.32</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.

## Condensed Interim Statement of Comprehensive Income

For the quarter and half year ended September 30, 2017 (Un-Audited)

<table>
<thead>
<tr>
<th>Rupees in thousand</th>
<th>July - September</th>
<th>April - September</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after taxation</td>
<td>1,617,767</td>
<td>1,472,994</td>
</tr>
<tr>
<td>Items that may be subsequently reclassified to profit or loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Items that will not be subsequently reclassified to profit or loss</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>1,617,767</td>
<td>1,472,994</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.
Condensed Interim Statement of Changes in Equity
For the half year ended September 30, 2017 (Un-Audited)

<table>
<thead>
<tr>
<th>Rupees in thousand</th>
<th>Share Capital</th>
<th>Revenue Reserves</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Share premium</td>
<td>General Reserve</td>
</tr>
<tr>
<td>Balance as on April 01, 2017 (audited)</td>
<td>1,428,000</td>
<td>76,000</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the period</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total comprehensive income for the period</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Transactions with owners
Final dividend for the year ended March 31, 2017 @ Rupees 13.00 per ordinary share | - | - | - | (4,200,000) | - |

Additional dividend for the year ended March 31, 2017 @ Rupees 4.18 per ordinary share | - | - | (596,904) | (596,904) | - |

Balance as on September 30, 2017 (un-audited) | 1,428,000 | 76,000 | 9,630,000 | 3,181,581 | 14,315,581 |

Balance as on April 01, 2016 (un-audited) | 1,428,000 | 76,000 | 2,880,000 | 3,556,949 | 7,940,949 |
| Transfer to general reserve | - | - | 2,550,000 | (2,550,000) | - |
| Profit for the period | - | - | 2,523,742 | 2,523,742 | - |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | 2,523,742 | 2,523,742 | - |

Transactions with owners
Final dividend for the year ended March 31, 2016 @ Rupees 7.00 per ordinary share | - | - | - | (999,600) | (999,600) |

Balance as on September 30, 2016 (un-audited) | 1,428,000 | 76,000 | 5,430,000 | 2,531,091 | 9,465,091 |

Net cash generated from operating activities | 4,335,261 | 13,012,791 |

Net cash used in investing activities | (1,089,078) | (3,229,966) |

Net cash used in financing activities | (2,440,606) | (994,368) |

Net increase in cash and cash equivalents | 805,577 | 8,788,457 |

Cash and cash equivalents at the beginning of the period | 805,577 | 8,788,457 |

Cash and cash equivalents at the end of the period | 26,218,174 | 15,496,951 |

The annexed notes 1 to 16 form an integral part of this condensed interim financial information.
3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended March 31, 2017.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company’s financial statements covering annual periods, beginning on or after the following dates:

The additional amendments to existing standards that are mandatory for the company’s accounting periods beginning on or after April 01, 2018, but are not been early adopted by the Company

(iii) During the period, the Additional Commissioner Inland Revenue through an amendment order for Tax Year 2016, has disallowed the adjustment of brought forward minimum tax paid by the Company in Tax Years 2011 through 2014 amounting to Rs 844.325 million. The management has assailed the subject order in usual appellate course which is pending adjudication. Based on the advice of the Company’s legal counsel, management considers that there are strong grounds to support the Company’s stance and is hopeful of a favorable decision. Consequently, no provision in respect of the above matter has been made in this condensed interim financial information.

(ii) Refer to matter explained in note 12.1 (iii) of the annual financial statements of the Company for the year ended March 31, 2017, whereby the Honorable Lahore High Court had remanded back to Customs Appellate Tribunal (Appellate Tribunal), certain demands raised against the Company on account of chargability of custom duty, sales tax and income tax on the grounds that ‘license fee’ and ‘royalty’ paid to M/s Honda Motor Co., Ltd., Japan was includable in the ‘import value’ of ‘completely knocked down’ kits of vehicles assembled by the Company and parts thereof. During the current period on June 21, 2017, the Appellate Tribunal has decided the said matter in Company’s favour and has set aside demands of Rs 1,739.69 million earlier raised against the Company.

(iii) During the period, Bank guarantees of Rs 627.089 million (March 31, 2017: Rs 394.32 million) have been issued in favour of third parties.

6.2 Commitments in respect of

Letters of credit and purchases other than capital expenditure

4. Income tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year.

5. The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial statements for the year ended March 31, 2017, with the exception of changes in estimates that are required in determining the provision for income taxes as referred to in note 4.
## PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th></th>
<th>Rupees in thousand</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Opening book value</strong></td>
<td>4,402,000</td>
<td></td>
</tr>
<tr>
<td><strong>Additions during the period / year</strong></td>
<td>150,193</td>
<td>7.1</td>
</tr>
<tr>
<td></td>
<td>4,552,193</td>
<td></td>
</tr>
<tr>
<td><strong>Disposal during the period / year (book value)</strong></td>
<td>(17,353)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(4,972,937)</td>
<td></td>
</tr>
<tr>
<td><strong>Assets written off during the period / year (book value)</strong></td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(1,858)</td>
<td></td>
</tr>
<tr>
<td><strong>Depreciation charged during the period / year</strong></td>
<td>(343,328)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(509,018)</td>
<td></td>
</tr>
<tr>
<td><strong>Closing book value</strong></td>
<td>4,191,512</td>
<td></td>
</tr>
</tbody>
</table>

### 7.1 Additions during the period / year

- **Building on freehold land**: 12,815, 6,485
- **Plant and machinery**: 39,700, 2,098,221
- **Furniture and office equipment**: 15,384, 34,282
- **Vehicles**: 55,398, 256,759
- **Tools and equipment**: 11,527, 23,335
- **Computers**: 15,369, 41,958

### 9. COST OF SALES

<table>
<thead>
<tr>
<th></th>
<th>Rupees in thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own manufactured goods</td>
<td>19,806,208</td>
</tr>
<tr>
<td>Trading goods</td>
<td>336,290</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>20,142,498</td>
</tr>
</tbody>
</table>

### 10. TRANSACTIONS WITH RELATED PARTIES

#### i. Holding company

- **Purchase of goods**: 3,119,003, 2,368,489
- **Purchase of property, plant and equipment**: 1,485, 28,804
- **Purchase of intangible assets**: 1,698, 104,855
- **Technical assistance fee**: 20,638, 652
- **Royalty**: 862,698, 503,190
- **Dividend paid**: 1,251,185, 509,796

#### ii. Associated undertakings

- **Sale of goods**: 71,337, 82,708
- **Sale of property, plant and equipment**: - , 10,877
- **Purchase of goods**: 18,527,786, 10,377,221
- **Purchase of property, plant and equipment**: 53,993, 513,532
- **Technical assistance fee**: 445,497, 204,915
- **Royalty**: 1,495, 1,126
- **Insurance claims**: 16,368, 16,053
- **Dividend paid**: 740,796, 307,788

#### iii. Key management personnel

- **Salaries and other employee benefits**: 127,373, 73,813

#### iv. Post employment benefit plans

- **Expense charged in respect of retirement benefit plans**: 42,723, 37,133
Selected Notes to and Forming Part of the Condensed Interim Financial Information

For the quarter and half year ended September 30, 2017 (Un-Audited)

1. Management / Company's Structure

2. Interim Financial Information

3. Review Report

4. Auditors' Review Report

Period / year end balances are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Rupees in thousand</th>
<th>Un-audited September 30, 2017</th>
<th>Audited March 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable from related parties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Holding company</td>
<td>2,208</td>
<td>526</td>
<td></td>
</tr>
<tr>
<td>- Associated undertakings</td>
<td>105,497</td>
<td>13,468</td>
<td></td>
</tr>
<tr>
<td>Payable to related parties</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Holding company</td>
<td>908,039</td>
<td>1,564,603</td>
<td></td>
</tr>
<tr>
<td>- Associated undertakings</td>
<td>3,944,519</td>
<td>5,022,137</td>
<td></td>
</tr>
</tbody>
</table>

11. CASH GENERATED FROM OPERATIONS

Profit before taxation | 5,507,396 | 3,704,361 |
Adjustment for:         |          |          |
- Depreciation on property, plant and equipment | 343,328 | 219,612 |
- Profit on disposal of property, plant and equipment | (938) | (15,732) |
- Assets written off | - | 1,852 |
- Profit on bank deposits, loans to employees and advances to suppliers | (279,581) | (244,118) |
- Gain on short term investments | (165,067) | (34,360) |
- Finance cost | 700 | 7,715 |
- Provision for employees’ retirement benefits and other obligations | 53,428 | 40,846 |
- Liabilities no longer payable written back | (7,679) | (77) |
- Amortization of intangible assets | 44,342 | 19,398 |
- Amortization of deferred revenue | (2,591) | (3,142) |
- Royalty | 873,372 | 506,719 |
- Working capital changes | 11.1 | | |

11.1 Working capital changes

<table>
<thead>
<tr>
<th></th>
<th>Rupees in thousand</th>
<th>April - September 2017</th>
<th>September 30, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stores and spares</td>
<td>1,555</td>
<td>5,390</td>
<td></td>
</tr>
<tr>
<td>Stock-in-trade</td>
<td>(1,295,251)</td>
<td>(1,736,312)</td>
<td></td>
</tr>
<tr>
<td>Trade debts</td>
<td>10,564</td>
<td>71,137</td>
<td></td>
</tr>
<tr>
<td>Advances, deposits, prepayments and other receivables</td>
<td>(2,062,166)</td>
<td>(2,255,788)</td>
<td></td>
</tr>
<tr>
<td>Increase in current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Trade and other payables</td>
<td>4,540,458</td>
<td>14,184,560</td>
<td></td>
</tr>
</tbody>
</table>

1,195,160 | 10,258,207 |
### Segment Information

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
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<tr>
<td>Trading</td>
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<td></td>
<td></td>
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</tr>
</tbody>
</table>

13.1 Segment-wise assets and liabilities are not being reviewed by the Chief Operating Decision Maker.

### Financial Risk Management

#### 14.1 Financial risk factors

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at March 31, 2017.

There have been no changes in the risk management department or in any risk management policies since the year end March 31, 2017.

#### 14.2 Fair value estimation

The different levels for fair value estimation used by the Company have been explained 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 financial assets and liabilities that are measured at fair value at September 30, 2017.

<table>
<thead>
<tr>
<th>Rupees in thousand</th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>At fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term investments</td>
<td>6,322,043</td>
<td>16,925,109</td>
<td>-</td>
<td>23,247,152</td>
</tr>
<tr>
<td>Total Assets</td>
<td>6,322,043</td>
<td>16,925,109</td>
<td>-</td>
<td>23,247,152</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2017.

<table>
<thead>
<tr>
<th>Rupees in thousand</th>
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</tr>
</thead>
<tbody>
<tr>
<td>At fair value through profit or loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term investments</td>
<td>5,067,128</td>
<td>15,876,217</td>
<td>-</td>
<td>20,943,345</td>
</tr>
<tr>
<td>Total Assets</td>
<td>5,067,128</td>
<td>15,876,217</td>
<td>-</td>
<td>20,943,345</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
Selected Notes to and Forming Part of the Condensed Interim Financial Information
For the quarter and half year ended September 30, 2017 (Un-Audited)

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company’s financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

15. DATE OF AUTHORISATION FOR ISSUE
This condensed interim financial information was authorised for issue on November 22, 2017 by the Board of Directors of the Company.

16. CORRESPONDING FIGURES
In order to comply with the requirements of International Accounting Standard 34 - ‘Interim Financial Reporting’, the condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Yusuf H. Shirazi
Chairman
Hironobu Yoshimura
Chief Executive
Ahmad Umair Wajid
Chief Financial Officer
سال 2017 میں 103.2 لاکھ ایئر کونواٹرز سی گیا کیا جانا جا رہا ہے۔ یہ کام کرکٹ کے کوآرکٹرز کے ساتھ کام کر رہا ہے۔ اس کے ساتھ ساتھ کوآرکٹرز کے ساتھ کام کر رہا ہے۔

## میٹنری

### وی یو اے سی

سال 2017 میں 103.2 لاکھ ایئر کونواٹرز سی گیا کیا جانا جا رہا ہے۔ یہ کام کرکٹ کے کوآرکٹرز کے ساتھ کام کر رہا ہے۔ اس کے ساتھ ساتھ کوآرکٹرز کے ساتھ کام کر رہا ہے۔

### آئوپیک الیون

سال 2017 میں 103.2 لاکھ ایئر کونواٹرز سی گیا کیا جانا جا رہا ہے۔ یہ کام کرکٹ کے کوآرکٹرز کے ساتھ کام کر رہا ہے۔ اس کے ساتھ ساتھ کوآرکٹرز کے ساتھ کام کر رہا ہے۔

### ایپ کلین

سال 2017 میں 103.2 لاکھ ایئر کونواٹرز سی گیا کیا جانا جا رہا ہے۔ یہ کام کرکٹ کے کوآرکٹرز کے ساتھ کام کر رہا ہے۔ اس کے ساتھ ساتھ کوآرکٹرز کے ساتھ کام کر رہا ہے۔
Authorized Sales, Service & Spare Parts
3S Dealers

KARACHI
Honda Shahrah-e-Faisal
13-Banglore Town,
Main Shahrah-e-Faisal
Tel: (021) 3457113-6,
34572070, 34572793,
34527474, 34525755
Fax: (021) 34526758

Honda Defence
67/1, Korangi Road
Near HINO Circle.
Tel: (021) 35805291-4
Fax: (021) 35839648

Honda SITE
C-1, Main Manghopir Road, SITE.
Tel: (021) 32577411-2, 32564926,
32573031, 32569381
Fax: (021) 32577412

Honda South
1-B/1, Sec. 23, Korangi Industrial Area.
Tel: (021) 3509251-4
Fax: (021) 35064399

Honda Drive In
118-C, Rashid Minhas Road.
Tel: (021) 34992832-7, 34992824-5
Fax: (021) 34992823

Honda Quaid geen
233-A-2, PECHS.
Tel: (021) 34554071-3, 34556510-12
Fax: (021) 34554644

HYDERABAD
Honda Palace
Shahbaz Town,
Jamshoro Road.
Tel: (0223) 67178-9, 667032
Fax: (0223) 667519

RAHIM YAR KHAN
Honda Rahim Yar Khan
Shahbazpur Road, Cantt. Chowk.
Tel: (068) 5764446-8
Fax: (068) 5764445

MULTAN
Honda Breeze
63 Abdali Road.
Tel: (061) 4588871-3, 4547484
Fax: (061) 4588874

LAHORE
Honda City Sales
75-B, Block L, Gulberg III,
Ferozepur Road.
Tel: (042) 35841100-06
Fax: (042) 35841107

Honda Fort
32 Queens Road.
Tel: (042) 36314162-3,
3630962-3, 36313925
Fax: (042) 36361076

Honda Point
Main Defence Road.
Tel: (042) 35700994-5, 35700997
Fax: (042) 35700993

Honda Gateway
15 – Km, Multan Road.
Tel: (042) 111 333 789
Fax: (042) 37511075

ISLAMABAD
Honda Classic
Plot 179, I 10/3,
Industrial Area.
Tel: (051) 4438801-5
Fax: (051) 4436446

Honda Avenue
1-Km, Koral Chowk,
Islamabad Highway,
Opp. Judicial Colony.
Tel: (051) 2326121-4, 0320 5007373
Fax: (051) 2326126

RAWALPINDI
Honda Centre
300, Peshawar Road.
Tel: (052) 5125181-5
UAN: (052) 111 300 123
Fax: (052) 5125186

SAHIWAL
Honda Montgomery
Sahiwal Bypass, Lahore Road
Near PSO.
Tel: (040) 111-45-45
Fax: (040) 4502082

SARGODHA
Honda Citrus Fields
7-Km Lahore Road.
Tel: (048) 3225186-7
Fax: (048) 3225869

FAISALABAD
Honda Faisalabad
East Canal Road.
Tel: (041) 8731741-4
Fax: (041) 8524029

Honda Chenab
123 JB Raja Wala,
Green View Colony.
Tel: (041) 2603469, 2603549
Fax: (041) 2603549

GUJRANWALA
Honda Gujranwala
G.T. Road.
Tel: (055) 3893481-3
Fax: (055) 3893484

SIALKOT
Honda Falcon
Pakki Kotli, Daska Road.
Tel: (052) 3252001, 3251251-4
Fax: (052) 3563203

MIRPUR
Honda Empire
Mian Muhammad Road,
Quaid-e-Azam Chowk,
Mirpur Azad Kashmir
Tel: (05827) 451501-3
Fax: (05827) 451500

PESHAWAR
Honda North
Main University Road.
Tel: (091) 5854901, 5700807, 5700808
Fax: (091) 5854763

DERA GHAZI KHAN
Honda HiSun
Multan Road, Dera Ghazi Khan
Tel: (064) 111-45-60
Fax: (064) 2689009