

COVER CONCEPT



EMPOWERING THE GREEN DREAM:

Honda believes in working towards empowering our dream of a cleaner, greener planet. Being environmentally responsible is our core mission. Honda is evolving with time and taking initiatives for a sustainable future by adopting latest technologies which are resulting in reduced carbon emissions. Moreover, Honda has been actively participating in various CSR initiatives by planting trees in order to achieve a sustainable future for the next generation. We are strengthening our dream of building a sustainable future by reducing our carbon footprint and making our way towards a cleaner and greener planet.

COMPANY PROFILE



Honda Atlas Cars (Pakistan) Limited is a joint venture between Honda Motor, Japan and the Atlas Group, Pakistan. The Company is a public limited and listed on Pakistan Stock Exchange Limited.

The Company was incorporated on November 04, 1992 and joint venture agreement was signed on August 05, 1993. The ground breaking ceremony was held on April 17, 1993 and within a record time of 11 months, construction and erection of machinery was completed. The first car rolled off the assembly line on May 26, 1994. Official inauguration was done by the then President of Pakistan, Sardar Farooq Ahmad Khan Leghari. Mr. Nobuhiko Kawamoto, President of Honda Motor, Japan and late Mr. Yusuf H. Shirazi; Founder of Atlas Group were also present to grace the occasion. The Company enlisted on then Karachi & Lahore Stock Exchanges (now Pakistan Stock Exchanges) and Initial Public Offer (IPO) was made in November 1994.

On July 14, 1994, car bookings started at six dealerships in Karachi, Lahore and Islamabad. Since then the dealerships network has expanded and now the Company has thirty-five 3S (Sales, Service and Spare Parts), eighteen 2S (Service and Spare Parts) and six 1S (Spare Parts) authorized dealerships network in all major cities of Pakistan. All dealerships are constructed in accordance with the standards defined by Honda world over.

We started production in 1994, with the launch of 5th generation of Honda Civic model in Pakistan. Later on, the Company enriched the product line with the launch of Honda City in 1997 and Honda BR-V in 2017. Since the start of production, the Company has produced and sold more than 467,000 cars in Pakistan. The Company consistently increased the production with the progress of car market and to meet the growing customer

demand. A major plant expansion was done in 2006 and the production capacity was increased to 50,000 units/vear.

Percentage of local parts conforms to the Government's policy. Local vendors are continuously patronized to develop parts locally. The quality of local parts is thoroughly checked to meet stringent international standards.

We always strive to give outstanding service to our valued customers. In addition to providing regular service to customers, the Company also regularly conducts Service Campaigns to facilitate customer's need for service. This has given our customers absolute confidence in our cars which is clearly evident from the ever increasing sale volumes.

It is the constant endeavor of Honda Atlas Cars (Pakistan) Limited to achieve No.1 Customer satisfaction. The Company is committed to meet customer expectations and to provide good value for money.

The Company believes that human beings are born to think, create and express their individuality, thus realizing their hopes and dreams. We strive to attract individuals who share this belief and who will respect one another's individuality. We pursue to foster an atmosphere of mutual trust & fairness in which our associates are able to realize their potential and creating new value for society by following the Honda Philosophy.

Currently, we are offering imported models of Honda Accord & Honda CR-V and locally manufactured Honda Civic, Honda BR-V and Honda City in different variants and wide range of colors with advanced technological features.

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HONDA
The Power of Dreams

BR-V

DRIVING YOUR

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Aamir H. Shirazi Chairman

Mr. Hironobu Yoshimura

President & CEO

Mr. Saquib H. Shirazi Director & Senior Advisor

Mr. Katsumi Kasai Executive Director & VP (P)

Mr. Eihiko Sato Director

Mr. Kazunori Shibayama *Director*

Mr. Feroz Rizvi Independent Director

Mr. Ariful Islam Independent Director

Ms. Rie Mihara
Independent Director

AUDIT COMMITTEE

Mr. Feroz Rizvi

Mr. Saquib H. Shirazi

Member

Mr. Eihiko Sato

Member

Mr. Kazunori Shibayama

Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Feroz Rizvi Chairman

Mr. Saquib H. Shirazi

Member

Mr. Hironobu Yoshimura

Member

Mr. Katsumi Kasai

Member

Mr. Eihiko Sato

Member

EXECUTIVE COMMITTEE

Mr. Hironobu Yoshimura

Mr. Katsumi Kasai

Mr. Maqsood-ur-Rehman Rehmani

COMPANY SECRETARY

Mr. Maqsood-ur-Rehman Rehmani

CHIEF FINANCIAL OFFICER

Mr. Hamood ur Rahman Qaddafi

HEAD OF INTERNAL AUDIT

Mr. Imran Faroog



BANKERS

Allied Bank Limited
Citibank N.A.
Deutsche Bank AG
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Soneri Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

AUDITORS

M/s A. F. Ferguson & Co. Chartered Accountants

LEGAL ADVISOR

Cornelius, Lane & Mufti Bokhari Aziz & Karim

REGISTERED OFFICE

1-Mcleod Road, Lahore, Pakistan. Tel: +92 42 37225015-17 Fax: +92 42 37233518

FACTORY

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E-mail: info@honda.com.pk

REGIONAL OFFICES

LAHORE

Asia House,19-C&D, Block L, Gulberg III, Main Ferozepur Road. Tel: +92 42 35694851-53 Fax: +92 42 35694854

KARACHI

5th floor, Tower-A, Technology Park, Shahrah-e-Faisal, Tel: +92 21 32785411-14



BOARD OF DIRECTORS



Mr. Aamir H. Shirazi Chairman

Mr. Aamir H. Shirazi is the President of Atlas Group.

He has over 36 years of corporate management experience. He has to his credit, work experience in Honda – America. Besides working at various positions in Atlas Group, he also served as the Chief Executive of Atlas Honda.

He is currently the Chairman of Honda Atlas Cars (Pakistan) Limited, Atlas Honda, Atlas Battery, Atlas Engineering, and Atlas Autos. He serves on the Boards of Shirazi Investments, Shirazi Trading and Murree Brewery. He was appointed as a Director on the Board of Lahore Stock Exchange for two consecutive terms by the Securities & Exchange Commission of Pakistan.

He is currently a member of the Board of Governors of Lahore University of Management Science and University of Engineering & Technology, Lahore. He serves as an Honorary Consul General of Japan and is the Patron-in-Chief of Pakistan Japan Cultural Association in Lahore.

He graduated from the Claremont Mckenna College and completed his OPM from the Harvard Business School.



Mr. Hironobu Yoshimura has been associated with Honda Motor Co., Limited, Japan for more than 33 years. He joined Honda in 1988 and began his career in Service Technology Division, Honda Motor Co., Japan.

Mr. Hironobu Yoshimura has extensive experience in the automobile industry, having worked in several planning divisions.

In his previous assignment, he has worked as Department Manager at Automobile Marketing Planning Office in Honda Motor Co., Japan and General Manager Asian Honda Motor Co. Ltd., Thailand. He has been on the Board of Honda Atlas Cars (Pakistan) Limited as President & Chief Executive Officer from November 2017.

Mr. Yoshimura is graduate from Sophia University, Japan.



Mr. Saquib H. ShiraziDirector & Senior Advisor

Mr. Saquib H. Shirazi is the Chief Executive Officer of Atlas Honda.

He is currently the Chairman of Pakistan Business Council and a Board member of Pakistan Mobile Communications and Tri-Pack Limited. He also serves on the Advisory Boards of the Harvard Business School, Commonwealth Development Corporation (Pakistan) and National School of Public Policy.

In the past, he has served as Chairman of the Pakistan Auto Manufacturers Association as a Board member of Pakistan Petroleum, National Refinery, Sui Southern Gas Company, Pakistan Cables, Cherat Cement, Cherat Packaging, Privatisation Commission and Prime Minister's Business Council. He was President of HBS Global Alumni Board for the years 2006-2008.

He is a graduate of the Wharton School of Finance and did his MBA from the Harvard Business School.



Mr. Katsumi Kasai Executive Director & VP (P)

Mr. Katsumi Kasai has been associated with Honda Motor Co., for last 35 years.

He started his career as Engineer in Automobile Assembly, Honda Motor, Japan and he has vast experience of Automobile Assembly and Business Planning Operations.

He has worked as Asia Oceania Business Planning Manager at Aoyama Head Office for two years.

He has worked as Business Planning Manager of Honda Prospect Motor for three years. He has been Executive Vice President of Honda Cars Philippines for three years before moving to Pakistan.

He has been on the Board of Honda Atlas Cars (Pakistan) Limited on December 07, 2020 as Director & Vice President Production.

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Mr. Eihiko Sato has been associated with Honda Motor Co., Japan for last 32 years.

He has vast experience of Financial Management and Business Planning Operations.

He has been working at Honda Motor, Japan and different Honda subsidiaries in Europe for six years, the United States for three years and Mexico for three years.

He has worked as General Manager for five years in Mexico and Japan before appointment of the current position.

He joined as Director and CFO of Asian Honda Motor Company Limited, Thailand.

Mr. Sato has been elected on the Board of Honda Atlas Cars (Pakistan) Limited from May 2021.



Mr. Kazunori Shibayama Director

Mr. Shibayama has been associated with Honda Motor Co., Japan for last 29 years. He has vast experience of Automobile Business, Product Planning & Marketing, working on different Honda ventures, around the globe.

Mr. Shibayama has also served for two years in American Honda Motor, US and has been associated with Marketing Division of Honda Automobile (Thailand) Co., Limited for two years. He has also experience of working with PT Honda Prospect Motor, Indonesia and Automobile Business Planning Division of Asian Honda Motor Co., Limited.

Mr. Shibayama has been on the Board of Honda Atlas Cars (Pakistan) Limited since April 2019.



Mr. Ariful Islam Independent Director

Mr. Ariful Islam is a senior banker with 36 years experience with various banks in Bahrain and Pakistan.

He is a Chartered Accountant from England and Wales and a Fellow member of the Institute of Chartered Accountants of Pakistan. He worked with Peat, Marwick, Mitchell & Co. (now KPMG) in their main London Office from 1982 – 1985.

He started his banking career with Faysal Islamic Bank of Bahrain, Bahrain in 1985 and after a short stint in Bahrain, he was moved to Pakistan and was a key member of the team that set-up Faysal Islamic Bank of Bahrain in Pakistan (presently known as Faysal Bank). In 1992 he moved to MCB and held various senior positions, lastly as SEVP & Head of Investment Banking. He joined Meezan Bank in April 1999 as the Bank's first Chief Operating Officer.

Currently, Mr. Islam is Deputy CEO & Executive Director of Meezan Bank Limited. He is a 'Certified Director' from IBA, Karachi. He is also the Chairman of the Board of Al Meezan Investment Management Limited - the Bank's asset management subsidiary. He has been on the Board of Honda Atlas Cars (Pakistan) Limited since March 2020 as an Independent Director.



Mr. Feroz Rizvi is a Chartered Accountant, having qualified from England & Wales.

In Pakistan he started his career with ICI Pakistan Ltd. He also spent a period of time in ICI's headquarters in London, where he was involved in ICI's strategic shift from industrial to consumer & specialized chemicals, leading to a major acquisition of four companies from Unilever PLC for USD 8 bln, as part of the group's major strategic move.

He retired from ICI Pakistan Ltd as CFO & Finance Director. He has also been President and Chief Executive of Pakistan Institute of Corporate Governance.

He is an alumnus of INSEAD France and Wharton Business School. He is also on the Boards of Engro Chemicals and Polymers Ltd, Pakistan Oxygen Ltd and Al-Meezan Investment Management Ltd. He lectures on corporate governance, business strategy and related topics to board members and other senior executives.

Mr. Rizvi has been on the board of the Company since 2018.



Ms. Rie Mihara Independent Director

Ms. Mihara is Chief Executive Officer & Founder of Makotoya Co., Limited, Japan since 2008. She is graduate from Tohoku Fukushi University, Miyagi JAPAN in Social Welfare. After study, she joined M/s Recruit Staffing Co., Limited in 2001 as Customer Centre Manager and worked as Director Human Resource Development in Welcome Co., Limited, Japan.

In 2008 she laid the foundation of Makotoya Co., Limited in Japan and worked as CEO & Founder of the Company. In 2016, Ms. Mihara established Makotoya Pakistan (Pvt) Limited and start working as CEO. She has vast experience of Marketing, Human Resources and entrepreneurship. She has been on the Board of Honda Atlas Cars (Pakistan) Limited since May 2018.



Mr. Rehmani has done MBA Marketing, a Law graduate from University of Karachi and Advance Management Course from INSEAD, France.

He has vast experience of Administration, Industrial Relations, Human Resource, Logistics & Supply Chain Operations, Vendor Development and Corporate Affairs. He joined Atlas Honda Limited in 1989 and was transferred to Honda Atlas Cars (Pakistan) Limited in 2008 as GM Logistics.

He was appointed as Vice President and Company Secretary in November 2014.

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KEY MANAGEMENT















MR. MUHAMMAD ASHRAF

Assistant Vice President Model Planning & Production

Mr. Ashraf has more than 39 years experience of automobile production operations and new model development. He started his career with Awami Autos Limited in 1982 and has also worked with Pak Suzuki Motor Co for nine years. He joined Honda Atlas Cars (Pakistan) Limited in 1993 and has qualified Management Courses from AOTS Japan. He has worked in different management capacities and currently he is the Head of Model Planning & Production Division.

MR. IQBAL AHMAD

Senior General Manager After Sales

Mr. Iqbal has BSc in Mechanical Engineering from UET, Lahore and Executive MBA from LUMS. He has more than 29 years experience of production, quality, manufacturing operations, stores and project management. He started his career as trainee engineer with Atlas Honda Limited and served in different management positions. He joined Honda Atlas Cars (Pakistan) Limited in November 2014 as Head of Import Purchase & Logistics Division. Since August 2017, he has been working as Head of After Sales.

MR. ASIF MAHMOOD

Senior General Manager Purchasing

Mr. Asif is Mechanical Engineer, graduated from UET Lahore. Later he did Executive MBA from LUMS. Since joining the Company in 1994, he has held numerous managerial positions in Material Service, Production Planning & Control, ISO, New Model Center and Spec Control. He has successfully accomplished a number of management courses offered by HIDA Japan and ASH Thailand. In 2012, he was assigned the responsibilities in Purchasing and Quality Development departments. In 2015, he was appointed as the Head of Purchasing Division.

MR. AMIR NAZIR

General Manager Sales & Marketing

Mr. Amir is associated with the Company for 20 years. He is graduate from UET Lahore and an Executive MBA from LUMS. He started his career in Technical Purchasing and worked on sourcing, budgeting and costing. In addition, he added his valuable input to, much needed, localization and new model development. His efforts helped in controlling the cost and maintaining a strong brand image.

He has qualified management course from HIDA, Japan. Currently, he is working as General Manager Sales and Marketing.

MR. SHINOBU NAKAMURA

General Manager Production

Mr. Nakamura has been associated with Honda Motor since 1989. He has experience of Welding and Production Process management. He started his career as Process Associate in Honda Suzuka Plant, Japan and served for more than twenty years in different positions. He has also worked in Honda Manufacturing of Alabama., LLC, USA for four years. He has also served as Welding BUKAI Head in Honda Tochigi Plant, Japan.

He has been working with Honda Atlas Cars (Pakistan) Limited since November 2019 as GM Production.

MR. MUHAMMAD AJMAL

General Manager

Chief Engineer Quality (CEQ)

Mr. Ajmal has been associated with the Company for last 27 years. He has vast experience of working in Frame Assembly, Vehicle Quality, Market Quality & Quality Control Department. He has qualified Management course from AOTS, Japan in "Automobile-New Model Development" in 1999, from HIDA, Japan in Production Management in 2017 and Senior Leadership training program from Thailand in 2018. He also did Diploma in Business Management (DBM) from FCCU in 2019. Currently, he is working as Chief Engineer Quality (CEQ) since April 2018.

MR. BASHARAT ALI RANA

General Manager Quality Control

Mr. Rana has more than 36 years experience of automobile production operations. He has been associated with Honda Atlas Cars (Pakistan) Ltd since 1993. He has qualified management courses on Quality, Production Operations & New Model Development from Japan. He has worked for all production & quality control operations. He has also served for more than 3 years as Head of Plant Maintenance Facilities and Engineering department. Currently he is working as Head of Quality Control Division.

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MR. SOHAIL QAISAR

General Manager HR & Administration

Mr. Sohail holds BE Mechanical Engineering from UET, Executive MBA & DBM from LUMS, Lahore. He has more than 27 years experience of Production, Project Management, Supply Chain and Production Planning & Control Operations. He has also attended various management courses from ILO & AOTS, Japan

He started his career as trainee engineer with Atlas Honda Limited and was transferred to Honda Atlas Cars (Pakistan) Limited in April 2019 as General Manager HR & Administration.



MR. MUHAMMAD AKMAL DAR

General Manager

Import, Purchase & Logistics

Mr. Dar has been associated with Atlas Group for last 26 Years. He joined Atlas Honda Limited in 1995 and started his carrier in Production Planning & Control Department. He is an Executive MBA from Punjab University and having Post Graduate Diploma from LUMS. He has vast experience of working in Supply Chain Area at National level, Production, Quality and Project Management. He has qualified Management Courses from HIDA Japan, LUMS and other renowned institutes. In 2016, he became the Management Committee Member of Atlas Honda Limited as GM Production Planning & Control. He was transferred to Honda Atlas Cars (Pakistan) Limited in 2018 as General Manager Import, Purchase and Logistics.



MR. IMRAN FAROOQ

General Manager Head of Internal Audit

Mr. Imran did M. Com from Hailey College of Commerce and Diploma in HR from Punjab University, Lahore. He has been associated with Company for last 26 years and joined as Executive Shares. He has served in Shares Dept., HR & Admin, and Health Safety & Corporate Governance Divisions. He has experience of planning & organizing Secretarial matters, compliance with stock exchanges, SECP,

He has also attended Executive Program on Corporate Management from AOTS, Japan in 2019. From August 2020, he has been assigned responsibilities of Head of Internal Audit Division.



MR. MUHAMMAD ALI

CDC and other regulatory bodies.

General Manager Information Technology

Mr. Ali is associated with the Company for last 6 years. He has previously worked with IBM and other IT companies mainly in the field of SAP implementations, both local & abroad. He has a diverse experience of working in the industry like Chemical, Petrochemical, FMCG, Auto, Textile etc. He is SAP certified consultant and has attended course from AOTS Japan in addition to other Management/ Leadership training programs.

He has been involved in the transformation of ERP systems with SAP and integration of different business operations.



MR. SYED WASEEM HASSAN

General Manager

Safety, Health & Corporate Governance

Mr. Waseem has been associated with the Company for the last 21 years. He has done his MBA in Banking & Finance and started his career with Packages Ltd in the field of (Import/Export). In 1999, he joined Honda Atlas Cars (Pak) Ltd. in Logistic Division, he has worked in Import, Sales tax, Local Purchase, Dispatches, and Corporate Affairs (Regional Office Islamabad). He has also experience of handling Custom matters, Tariff Based System and have been involved in dealings and necessary approvals from the Govt. He has also attended a Management Training course from AOTS Japan. From April 2021, he has been assigned the responsibilities of Safety, Health, and Corporate Governance Division.



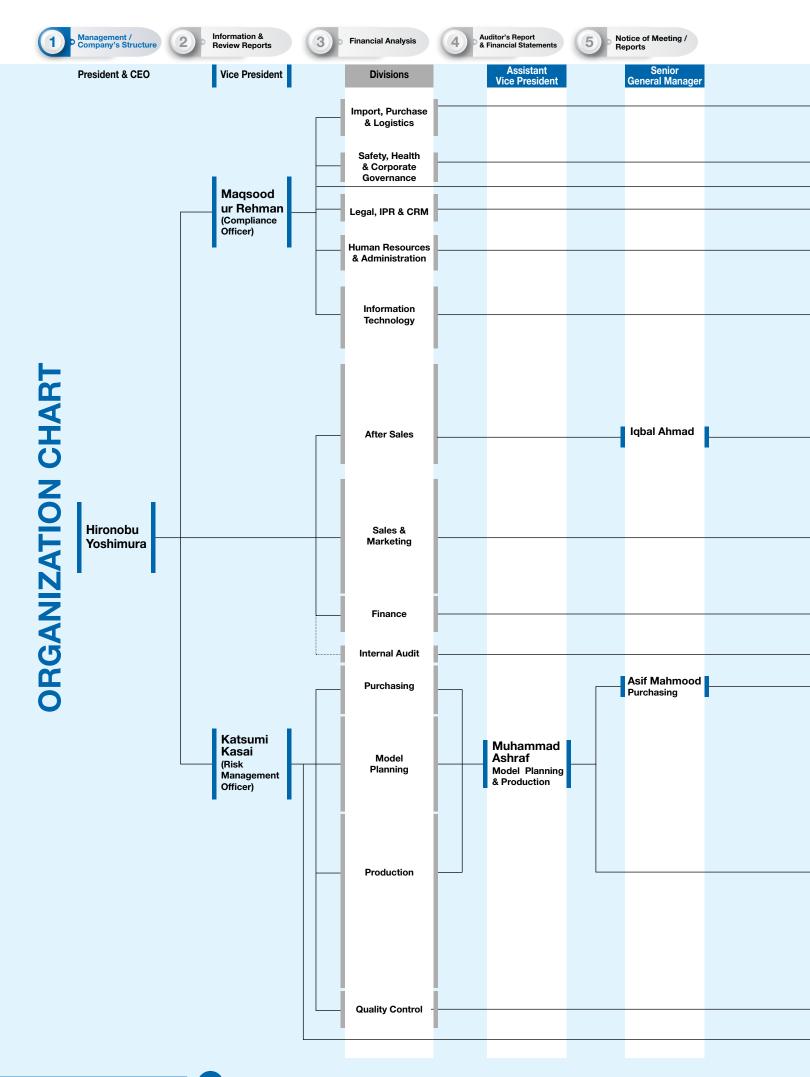
MR. HAMOOD UR RAHMAN QADDAFI

General Manager / CFO

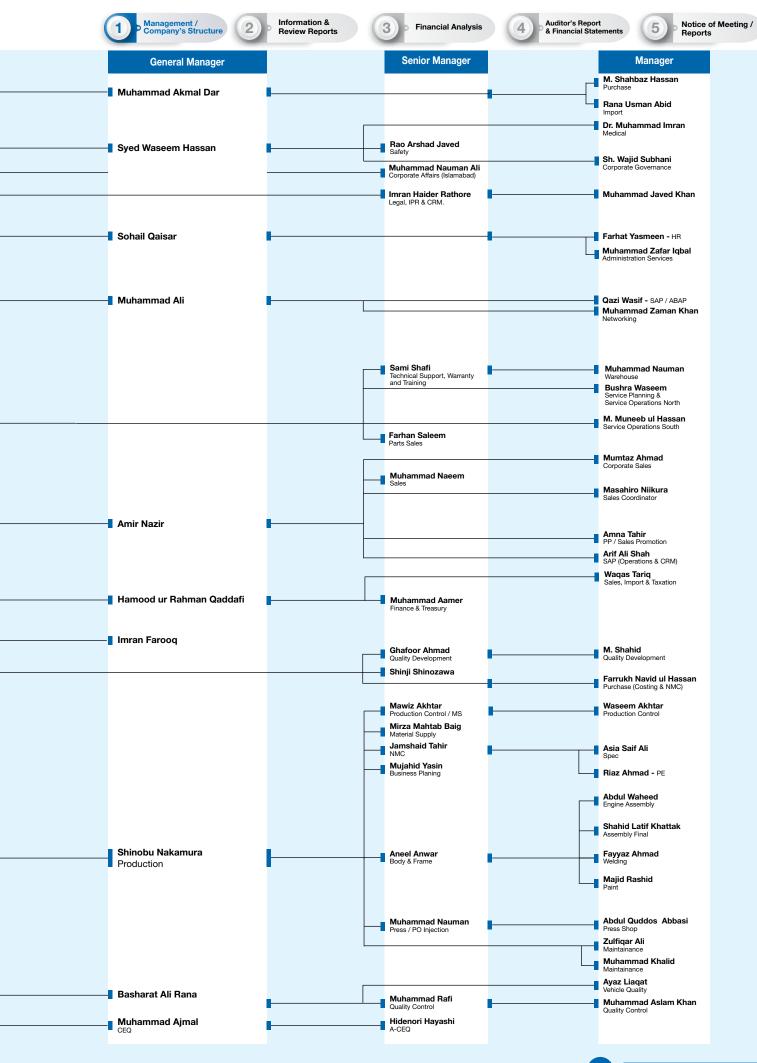
Finance

Mr. Hamood is a Fellow Member of Institute of Cost & Management Accountants of Pakistan and an Executive MBA from LUMS. He joined Honda in 2009 and was involved in establishing and running the Internal Audit division at the Company for over 11 years. He was appointed CFO in August 2020. He has a diversified experience in costing and budgeting, business planning, financial management and internal audit

Mr. Hamood started his career in the year 2000 with Haleeb Foods Ltd and served in Finance and Budgeting & Planning departments for 5 years. He also served in Finance Department of Beaconhouse National University for 2 years. Before joining Honda in 2009, he worked as Manager Costing & Planning in Nimir Chemicals Pakistan Ltd.



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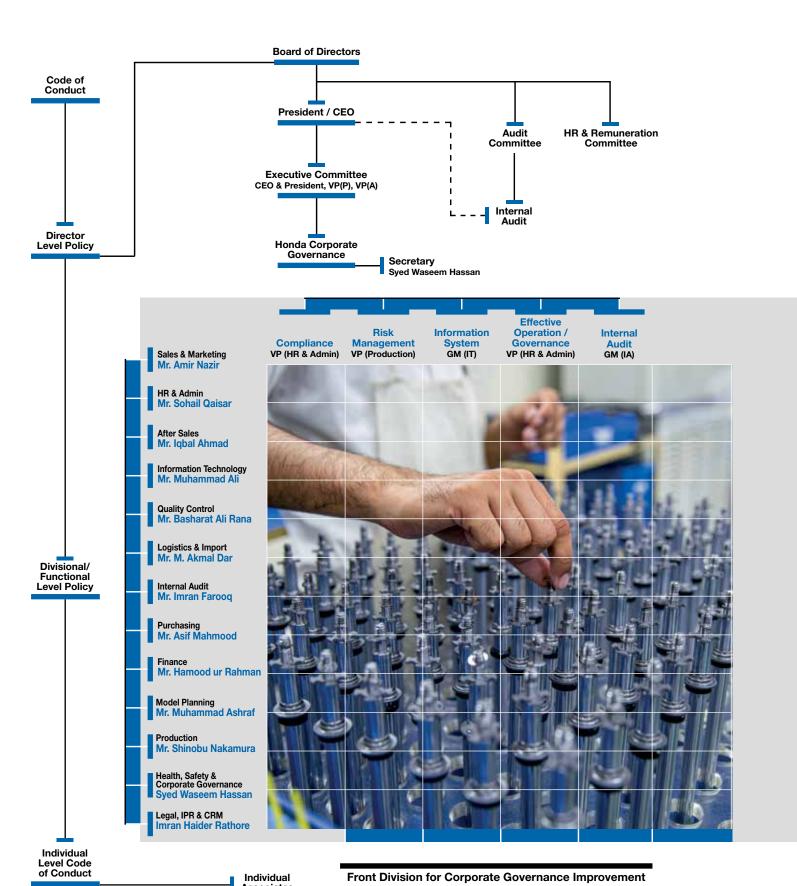






CORPORATE GOVERNANCE

(ORGANIZATION STRUCTURE)



Associates and Suggestions

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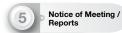














L to R:

Front Row: Mr. Akmal Dar, Mr. Sohail Qaiser, Mr. Iqbal Ahmed, Mr. Muhammad Ashraf, Mr. Asif Mahmood and Mr. Shinobu Nakamura Back Row: Mr. Amir Nazir, Mr. Syed Waseem Hassan, Mr. Basharat Ali Rana, Mr. Imran Farooq, Mr. Muhammad Ali and Mr. Hamood ur Rahman Qaddafi

BUSINESS PRINCIPLES

HONDA MOTOR CO., LIMITED, JAPAN

Corporate Philosophy

Maintaining a global viewpoint, we are dedicated to supplying products of the highest quality, yet at a reasonable price for worldwide customer satisfaction.

Management Policy

- 1. Proceed always with ambition and youthfulness.
- Respect sound theory, develop fresh ideas and make the most effective use of time.
- 3. Enjoy your work and encourage open communications.
- 4. Strive constantly for a harmonious flow of work.
- 5. Be ever mindful of the value of research and endeavor.

HONDA ATLAS CARS (PAKISTAN) LIMITED

Corporate Philosophy

- Dynamic manufacturing and marketing of prestigious products to the entire satisfaction of customers.
- 2. Create ideal working environment for continuous development of products and personnel.
- 3. Provide adequate return to shareholders and fulfill corporate civic obligations.

Management Policy

- 1. Respect for all man has priority over machine.
- 2. Man is the key in controlling i.e. machines, methods and materials.
- 3. Follow 3S spirit i.e. small, smart and speed.
- Believe in 3A "Hands on Approach" i.e. be on Actual Spot, look at the Actual Spot and confront the Actual Situation.
- Be a good corporate citizen; assume a responsible role in the community.

Priority Standards of Conduct

- 1. **Safety:** There can be no production without safety.
- Quality: To achieve complete customers satisfaction by focusing on smart teamwork, meeting all applicable legal and regulatory requirements & continually improving our strategies and goals.
- 3. **Productivity**: With safety and quality, each of us will strive to excel the performance in all fields of our activities i.e Production, Model Planning, Quality Control, Purchasing, Sales & Marketing, After Sales, Finance, Import, Purchase & Logistics, Information Technology, Internal Audit, Health Safety & Corporate Governance, Legal, IPR & CRM and Human Resources & Administration Division.

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Human Resources and Succession Plan

Human Resources Policy is to hire young, fresh, energetic and active associates to meet the existing and future workforce requirements and providing its associates maximum opportunities for internal mobility through personal training and development to enable them to take higher positions.

Human Resource Division has succession plan for each key job/area to make sure the continuity of operations in the relevant division and to fill the temporary/permanent vacancy.

Quality Policy

We at Honda Atlas Cars (Pakistan) Limited, strive for supplying top quality Honda cars to get ultimate customers satisfaction accomplished by focusing on:

- Smart team work
- Meeting all applicable legal and regulatory requirements
- Continually improving our strategies and goals

Environment Policy

Honda Atlas Cars (Pakistan) Ltd; being responsible member of society, considers the preservation of the global environment as a crucial concern.

Our environmental philosophy is firmly based on the following principles:

- 1. Recognize the impact of our activities, products and services on environment;
- 2. Formulate objectives and targets for pollution prevention, environmental impacts mitigation and

resource conservation as far as technically feasible;

- Operate in compliance with applicable legal and other requirements with the commitment to preserve global environment;
- 4. Create awareness and understanding about environmental issues amongst our associates;
- Commitment to continual improvement of the environmental performance and review of the environmental management system to ensure its suitability, adequacy and effectiveness;
- 6. Keep public and other interested parties informed on our environmental performance, if deemed necessary.

Safety, Health and Environment

Honda Atlas Cars (Pakistan) Limited conducts its business responsibly and in a way to make sure health, safety and protection from environmental aspects of its associates and the society. We implement and maintain the programs that provide responsible assurance that the business will do the following:

- 1. To comply with all applicable Government and internal health, safety and environmental requirements;
- 2. Design facilities and conduct operations in a way that avoids risk to human health, safety and the environment;
- To examine and communicate the known hazards of operations with relevant health safety and environmental protection information to potentially affected persons.

Operating Principles

- 1. Always keep the deadline
- 2. Never make excuses
- 3. Team work



L to R

Front Row: Mr. Farhan Saleem, Mr. Sami Shafi, Mr. Muhammad Naeem, Mr. Mawiz Akhtar, Mr. Jamshaid Tahir and Mr. Mujahid Yasin Back Row: Mr. Imran Haider Rathore, Mr. Muhammad Aamer, Mr. Muhammad Arshad Javed, Mr. Aneel Anwar, Mr. Mirza Mahtab Baig,

Mr. Muhammad Nauman and Mr. Shinji Shinozawa

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HONDA PHILOSOPHY

The Honda Philosophy, handed down to the Company by its founders Mr. Soichiro Honda and Mr. Takeo Fujisawa, is composed of Fundamental Beliefs (Respect for the Individual and The Three Joys), the Company Principle and Management Policies. The Philosophy forms the values shared by all Honda Group companies and all of their associates and is the basis for Honda's corporate activities and the associates' behavior and decision-making.

Honda incorporates the Philosophy into educational programs for its associates and gives it life by turning it into action, from everyday business activities to management decision-making, so that every person in the Company can responsibly continue putting the Philosophy into practice.

Additionally, Honda engages in corporate activities under the concept of "Free and Open, Challenge, Co-evolution". Specifically, this concept puts into practice Honda's corporate culture of "taking up the challenge without fear of failure, free from the prejudice of preconceived ideas, and with a foundation of teamwork based on trust".

Society's expectations toward Honda continues to evolve with times. As a responsible company, Honda will resolve problems while listening to the voices of its diverse stakeholders so as to meet their expectations and earn their trust.

Fundamental Beliefs

RESPECT FOR THE INDIVIDUAL



Initiative

Initiative means not to be bound by preconceived ideas but to think creatively and act on your own initiative and judgment, while understanding that you must take responsibility for the results of those actions.



Equality

Equality is at the heart of everything we do. Our people are not employees, they are associates and they all have exactly the same opportunities to progress. We recognize and respect the individual differences in one another and treat each other fairly. An individual's race, gender, age, religion, national origin, educational background, social or economic status has no bearing on the individual's opportunities.



Trust

The relationship among associates at Honda should be based on mutual trust. Trust is created by recognizing each other as individuals, helping out where others are deficient, accepting help where we are deficient, sharing our knowledge and making a sincere effort to fulfill our responsibilities.

THE THREE JOYS



The Joy of Buying

The joy of buying is achieved through providing products and services that exceed the needs and expectations of each customer.



The Joy of Selling

The joy of selling occurs when those who are engaged in selling and servicing Honda products develop relationships with a customer based on mutual trust. Through this relationship, Honda associates, dealers and distributors experience pride and joy in satisfying the customer and in representing Honda to the customer.



The Joy of Creating

The joy of creating occurs when Honda associates and suppliers involved in the design, development, engineering and manufacturing of Honda products recognize a sense of joy in our customers and dealers. The joy of creating occurs when quality products exceed expectations and we experience pride in a job well done.









Stakeholders' Engagement

To be a "Company that society wants to exist", Honda must put into practice a communication cycle. This means appropriately and accurately conveying to society the value that it seeks to provide. It also means to engage in dialogue with diverse stakeholders to grasp and understand the demands and expectations placed on the Company, translate these into concrete measures and implement them and finally listen to stakeholders' evaluations of its activities.

Especially in recent years, the growing scale of the companies in Pakistan, along with the proliferation of IT,

have heightened the impact of companies on society, and vice-versa. As this process continues to accelerate, Honda considers that stakeholder dialogue is a beneficial tool that leads to a proper understanding of stakeholders regarding the Company's initiatives while also giving the Company an understanding of changes and risks in the social environment.

Based on this understanding, the company directly engages with key stakeholders in the diagram and respective divisions within the Company.



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Notice of Meeting / Reports

CHRONICLE OF EVENTS

2013

17th April Launch of Honda City Aspire 1.5

15th June Launch of New Honda Accord

2014

16th October Launch of Evolved Honda City Model

2016

11th January Launch of HR-V (CBU) Model



22nd July Launch of all New Honda Civic

2013

10th December Celebration of 20th Anniversary



2015

6th November Achieved Best Quality Award



2012 18th September Launch of New Honda Civic

2012

1st March Launch of New Honda CRV

29th April Rolling Out of 100,000th Honda City

2nd July Launch of Honda City Aspire 1.3

2008

20th July Launch of New Honda Accord & CRV

2012

12th July Rolling Out of 200,000th Car



31st January

Launch of 3rd Generation Honda City



2009



1993 17th April **Ground Breaking** Ceremony held

1994

13th July Inauguration by President of Pakistan and visit of Mr. N. Kawamoto, President Honda Motor, Japan



1996

10th January New Civic 96 Launched

1992

5th August Joint Venture

Agreement Signed with Honda Motor Co. Ltd., Japan

4th November

Incorporation of Honda Atlas Cars (Pakistan) Limited

1994

31st March

Completion of Civil Work and Installation of Plant & Equipment

26th MayFirst Car Rolling Out Ceremony held

1994

16th July

Commercial Production Commenced



10th October Public Issue of Shares





Information & Review Reports







Notice of Meeting / Reports

2017

31st March Achieved record production & sale



21st April Launch of Honda BR-V Model

2018

4th February 25th Anniversary celebrated



31st March Achieved 50,000 production & sales target

2019 9th April Launch of Honda RS Turbo



Added seven new 3S Dealerships

2016 20th October Rolling Out of 300,000th Car



2006

29th July New Honda Civic Launched in 1800 CC



31st December Capacity Enhancement to 50,000 Units per annum achieved

2017

17th December First Honda Marathon held



2005

11th August Launch of CBU Honda Accord

21st December Rolling Out of 100,000th Car

2018

10th October Celebrated 400,000th unit Production



2007

27th August Issue of 100% Right Shares

2006

14th January Launch of New Model of Honda City

200

23rd August New Honda City Launched



1998

1st October Honda Motor Company's 50th Anniversary

2000

20th January Launch of New City Model with PGM-Fi Technology

1997

22nd January Honda City Launched

1999

28th January Civic Vti Oriel Launched - First Sunroof Car in Pakistan

2001

22nd March Launch of New Honda Civic

Annual Report 2021 Empowering The Green Dream









PATTERN OF SHAREHOLDING

AS ON MARCH 31, 2021

Number of Shareholdings		Total Number of	Percentage		
Shareholders	From		То	Shares Held	of Total Capita
2528	1		100	130,248	0.09
1523	101	_	500	512,436	0.36
2382	501		15000	5,018,151	3.51
	-	-			
73	15001	-	40000	1,887,412	1.32
20	40001	-	80000	1,197,100	0.84
18	85001	-	245000	2,450,300	1.72
1	295001	-	300000	298,200	0.21
1	310001	-	315000	313,300	0.22
2	360001	-	365000	725,705	0.51
1	445001	-	450000	446,200	0.31
1	650001	-	655000	651,400	0.46
1	825001	-	830000	829,466	0.58
1	845001	-	850000	850,000	0.60
1	875001	-	880000	875,643	0.61
1	1375001	-	1380000	1,378,489	0.97
1	1960001	-	1965000	1,961,500	1.37
1	2245001	-	2250000	2,250,000	1.58
1	2345001	-	2350000	2,347,600	1.64
1	2725001	-	2730000	2,729,200	1.91
1	43115001	-	43120000	43,119,650	30.20
1	72825001	-	72830000	72,828,000	51.00
6,560		-		142,800,000	100.00

CATEGORIES OF SHAREHOLDERS

AS ON MARCH 31, 2021

Sr. No.	Description	Number of Shareholders	Shares Held	Percentage of Total Capital
1	Individuals	6,402	9,364,295	6.56
2	Foreign Company	1	72,828,000	51.00
3	Associated Undertakings/Companies	1	43,119,650	30.20
4	Joint Stock Companies	71	1,898,601	1.33
5	Financial Institutions	11	3,188,243	2.23
6	Insurance Companies	8	4,273,900	2.99
7	Investment Companies	10	2,960,920	2.07
8	Mutual Funds	23	2,230,729	1.56
9	Funds	19	738,902	0.52
10	Others	14	2,196,760	1.54
		6,560	142,800,000	100.00







SHAREHOLDING INFORMATION

AS ON MARCH 31, 2021

+ M/s. Honda Motor Company Ltd. 1 72,828,000 # M/s. Shirazi Investments (Pvt) Limited 1 43,119,650 M/s. Atlas Insurance Limited 1 850,000	# M/s. Shirazi Investments (Pvt) Limited M/s. Atlas Insurance Limited utual Funds M/S FIRST CAPITAL MUTUAL FUND CDC - TRUSTEE PICIC INVESTMENT FUND CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1 1 1 1	43,119,650 850,000 170 25,200 33,900 6,770
+ M/s. Honda Motor Company Ltd. 1 72,828,000 # M/s. Shirazi Investments (Pvt) Limited 1 43,119,650 M/s. Atlas Insurance Limited 1 850,000 al Funds M/S FIRST CAPITAL MUTUAL FUND 1 170 CDC - TRUSTEE PICIC INVESTMENT FUND 1 25,200 CDC - TRUSTEE PICIC GROWTH FUND 1 33,900 CDC - TRUSTEE AKD INDEX TRACKER FUND 1 6,770 CDC - TRUSTEE NBP STOCK FUND 1 135,400 CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 50,350 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 50,350 CDC - TRUSTEE NBP ISLAMIC SUND 1 89,000 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1	+ M/s. Honda Motor Company Ltd. # M/s. Shirazi Investments (Pvt) Limited M/s. Atlas Insurance Limited utual Funds M/S FIRST CAPITAL MUTUAL FUND CDC - TRUSTEE PICIC INVESTMENT FUND CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1 1 1 1	43,119,650 850,000 170 25,200 33,900 6,770
# M/s. Shirazi Investments (Pvt) Limited # M/s. Atlas Insurance Limited # M/s. Atlas Insurance Limited # M/s FIRST CAPITAL MUTUAL FUND # M/S FIRST CAPITAL MUTUAL	# M/s. Shirazi Investments (Pvt) Limited M/s. Atlas Insurance Limited utual Funds M/S FIRST CAPITAL MUTUAL FUND CDC - TRUSTEE PICIC INVESTMENT FUND CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1 1 1	43,119,650 850,000 170 25,200 33,900 6,770
M/S FIRST CAPITAL MUTUAL FUND	M/S FIRST CAPITAL MUTUAL FUND CDC - TRUSTEE PICIC INVESTMENT FUND CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1 1 1	170 25,200 33,900 6,770
M/S FIRST CAPITAL MUTUAL FUND 1 170 CDC - TRUSTEE PICIC INVESTMENT FUND 1 25,200 CDC - TRUSTEE PICIC GROWTH FUND 1 33,900 CDC - TRUSTEE AKD INDEX TRACKER FUND 1 6,770 CDC - TRUSTEE NBP STOCK FUND 1 135,400 CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NIT ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	M/S FIRST CAPITAL MUTUAL FUND CDC - TRUSTEE PICIC INVESTMENT FUND CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1 1	25,200 33,900 6,770
CDC - TRUSTEE PICIC INVESTMENT FUND 1 25,200 CDC - TRUSTEE PICIC GROWTH FUND 1 33,900 CDC - TRUSTEE AKD INDEX TRACKER FUND 1 6,770 CDC - TRUSTEE NBP STOCK FUND 1 135,400 CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE PICIC INVESTMENT FUND CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1 1	25,200 33,900 6,770
CDC - TRUSTEE PICIC GROWTH FUND 1 33,900 CDC - TRUSTEE AKD INDEX TRACKER FUND 1 6,770 CDC - TRUSTEE NBP STOCK FUND 1 135,400 CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE PICIC GROWTH FUND CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1 1	33,900 6,770
CDC - TRUSTEE AKD INDEX TRACKER FUND 1 6,770 CDC - TRUSTEE NBP STOCK FUND 1 135,400 CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE AKD INDEX TRACKER FUND CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1 1	6,770
CDC - TRUSTEE NBP STOCK FUND 1 135,400 CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE NBP STOCK FUND CDC - TRUSTEE NBP BALANCED FUND	1	
CDC - TRUSTEE NBP BALANCED FUND 1 3,600 CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE NBP BALANCED FUND		135,400
CDC - TRUSTEE HBL - STOCK FUND 1 41,500 CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900		1	
CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND 1 41,500 CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE HBL - STOCK FUND		3,600
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND 1 50,350 CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900		1	41,500
CDC - TRUSTEE HBL IPF EQUITY SUB FUND 1 2,200 CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE NBP ISLAMIC SARMAYA IZAFA FUND	1	41,500
CDC - TRUSTEE KSE MEEZAN INDEX FUND 1 89,000 CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	50,350
CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND 1 300 CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE HBL IPF EQUITY SUB FUND	1	2,200
CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND 1 900 CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE KSE MEEZAN INDEX FUND	1	89,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST 1 1,378,489 CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE AL-AMEEN ISLAMIC RET. SAV. FUND-EQUITY SUB FUND	1	300
CDC - TRUSTEE NBP ISLAMIC STOCK FUND 1 78,100 CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE UBL RETIREMENT SAVINGS FUND - EQUITY SUB FUND	1	900
CDC - TRUSTEE NIT ISLAMIC EQUITY FUND 1 72,900	CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	1,378,489
	CDC - TRUSTEE NBP ISLAMIC STOCK FUND	1	78,100
CDC - TRUSTEE NITIPF EQUITY SUB-FUND 1 3,000	CDC - TRUSTEE NIT ISLAMIC EQUITY FUND	1	72,900
	CDC - TRUSTEE NITIPF EQUITY SUB-FUND	1	3,000
CDC - TRUSTEE NITPF EQUITY SUB-FUND 1 1,500	CDC - TRUSTEE NITPF EQUITY SUB-FUND	1	1,500
CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND 1 8,300	CDC - TRUSTEE NBP ISLAMIC ACTIVE ALLOCATION EQUITY FUND	1	8,300
CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND 1 3,500	CDC - TRUSTEE HBL ISLAMIC ASSET ALLOCATION FUND	1	3,500
CDC - TRUSTEE NBP ISLAMIC REGULAR INCOME FUND 1 1,400	CDC - TRUSTEE NBP ISLAMIC REGULAR INCOME FUND	1	1,400
CDC - TRUSTEE NIT ASSET ALLOCATION FUND 1 10,000	CDC - TRUSTEE NIT ASSET ALLOCATION FUND	1	10,000
M/S. GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF 1 242,750	M/S. GLOBAL X FUNDS-GLOBAL X MSCI PAKISTAN ETF	1	242,750
tors, CEO, Their Spouse and Minor Children	rectors, CEO, Their Spouse and Minor Children		
Mr. Aamir H. Shirazi 1 #	Mr. Aamir H. Shirazi	1	#
Mr. Saquib H. Shirazi 1 #			
Mr. Katsumi Kasai 1 *			
Mr. Eikiho Sato 1 *			
Wii. I ilionobu Toshiiridia			
Mr. Kazunori Shibayama 1 * Ms. Rie Mihara 1 500			
Mr. Ariful Islam 1 500			
Mr. Feroz Rizvi 1 500			
	ecutives		
	blic Sector Companies & Corporations (Joint Stock Companies)		
	inks, Development Finance Institutions, Non-Banking Finance Companies,	, .	1,000,001
	surance Companies, Takaful, Modarabas and Pension/Other Funds	61	12,508,725
	hers, Individuals		
L: 6,560 142,800,000			142,800,000

Note: + The above mentioned associated companies have 5% or more voting rights.

Mr. Aamir H. Shirazi and Mr. Saquib H. Shirazi holding 500 qualification shares each. The ultimate ownership remains with M/s. Shirazi Investments (Pvt) Limited.
 The shareholding of Honda Motor Co. Limited, Japan include 3 directors holding 525 shares each and 1 director holding 500 shares (Total 2,075) in the name Mr. Hironobu Yoshimura, Mr. Katsumi Kasai, Mr. Eikiho Sato and Mr. Kazunori Shibayama in the capacity of its nominee directors. The ultimate ownership

remains with Honda Motor Co., Limited, Japan.









INVESTOR RELATIONS INFORMATION

COMPANY INFORMATION

Established on

Line of Business

Fiscal Year-End

Auditors

Share Registrar

Web Site

November 4.1992

Manufacturing of Honda Vehicles

March-31

M/s. A.F. Ferguson & Co.

M/s. Hameed Majeed Associates (Pvt.) Ltd.

H.M. House, 7 - Bank Square, Lahore

Phone: +92-42-3723 5081-82 Email: info@hmconsultants.com

www.honda.com.pk

f www.facebook.com/hacpl

STOCK INFORMATION

Security Code

Number of Shares Authorized

Number of Shares Issued

Number of Shareholders

Number of Shares per Trading Unit

Stock Exchange Listing

General Meeting of Shareholders

Book Closing

Next Election of Directors

Dividend

Dividend Payment

HCAR

200,000,000

142,800,000

6,560 (March 31, 2021)

100 Shares

Pakistan Stock Exchange Limited

June 29, 2021

June 18, 2021 to June 29, 2021 (both days inclusive)

April-2024

Rs. 4.52 per share

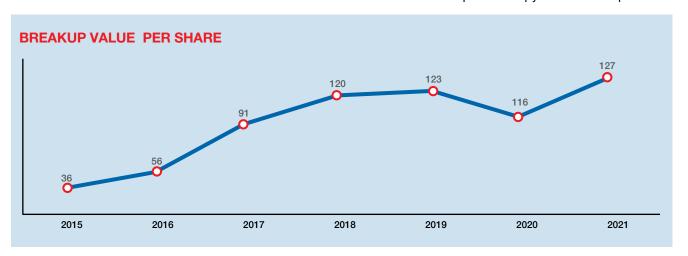
July 2021

SHARE TRANSFER SYSTEM

Physical share transfers received by the Company's Share Registrar are registered within 15 days from the date of receipt, provided the documents are completed in all respects.

COPY OF COMPUTERIZED NATIONAL IDENTIFICATION NUMBER (CNIC) OR NATIONAL TAX NUMBER (NTN)

The shareholders are informed that as per sub Clause 9(i) of Regulation 4 of Companies (Distribution of Dividends) Regulations 2017, the identification of the registered shareholder or its authorized person should be made available with the Company. Therefore, it is requested that shareholders must provide copy of their Computerized











INVESTOR RELATIONS INFORMATION

National Identity Card (in case of individual) or National Tax Number (in case of other than individual) or Passport (in case of foreign individual) shareholder. The shareholders are requested to provide the above documents by mail to the Company Secretary, unless it has already been provided. The members while sending above documents must quote their respective folio number. Shareholders are also requested to immediately notify the change of address, if any.

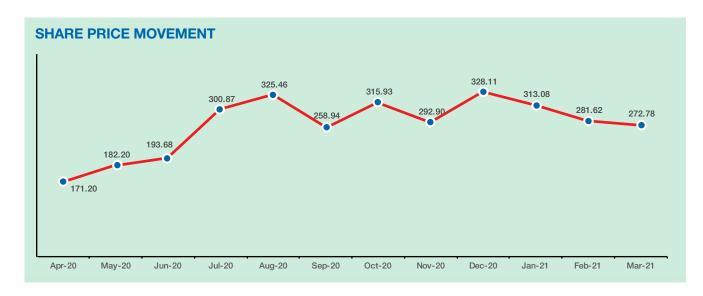
DIVIDEND MANDATE (MANDATORY)

As per Section 242 of Companies Act, 2017 the payment of cash dividend through electronic mode has become mandatory. Therefore, all shareholders are advised to provide valid bank account details (if it is not provided

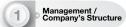
earlier) in the "Dividend Mandate Form", available on Company's website to enable the Company to transfer your cash dividend into your bank account. Shareholders maintaining shareholding under Central Depository System (CDS) are advised to submit their bank mandate information directly to the relevant participant / CDC Investor Account Service.

WEBSITE

Updated information regarding the Company can be accessed at www.honda.com.pk. The website contains latest financial results of the Company together with Company's profile and product range, etc.















SIGNIFICANT EVENTS & HIGHLIGHTS

DURING 2020-21















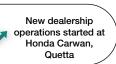
Sep

2020

Sep

2020





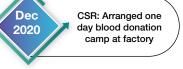










































Sales Revenue Rs. 67,362 million





162.5%

Earning Per Share Rs. 12.6

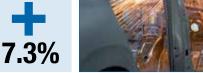
Production 23,479 Units



Sales 24,050 **Units**









Profit After Tax Rs. 1,793 million





Shareholders' Equity Rs. 18,196 million



Dividend Rs. 645 million



CHAIRMAN'S REVIEW

AS ON MARCH 31, 2021



I am pleased to present the 29th Annual Report of the Company for the year ended March 31, 2021.

THE ECONOMY

The COVID-19 pandemic has led to a global crisis of unprecedented reach and proportion. While the global economic growth remained under pressure, Pakistan's economy has regained momentum as COVID-19 related impacts were largely well managed. This was supported by an accommodative monetary policy, introduction of refinancing facilities, targeted fiscal support and other financial initiatives. These created extra impetus for the resumption of economic activity post-lockdown and contraction phase was short-lived. While still modest, at around 3%, growth in FY21 is now projected to be higher due to improved prospects.

During 6M FY21, the fiscal deficit stood at 2.5% of GDP, broadly unchanged from the same period last year despite higher interest and COVID-19 related payments. This mainly reflects healthy growth in revenues, with FBR net tax revenue provisionally growing by 6.0%. The external sector continued to steer through the COVID-19

crisis smoothly, manifesting a surplus of USD 959 million during the 9M FY21 as compared to a deficit of USD 4.1 billion during the corresponding period last year. The surplus is primarily attributed to a healthy increase in remittances, which remained above USD 2 billion per month for the last nine months, growing by 26% year on year. Travel restrictions and supportive policy measures have resulted in increased use of official channels. This has more than offset the impact of rising trade deficit. The country's import stood at USD 39.5 billion for 9M FY21, growing by 13%, while exports stood at USD 18.7 billion, up by 2%.

Following the revival of Extended Fund Facility, IMF released its third tranche of USD 500 million. Further, Pakistan secured debt repayment relief of USD 3.5 billion for the period May 2020 – June 2021 from G-20 creditors and expects another sizable relief from the international community. These favorable developments along with a Eurobond issue of USD 2.5 billion contributed to 8.9% appreciation in the Pak Rupee against US dollar since August 2020. Pursuant to a progressing balance of payments position, State Bank of Pakistan's (SBP) foreign

HONDA Annual Report 2021



exchange reserves closed at USD 13.7 billion by end of March 2021, levels last seen over three years ago. The positive momentum also echoed in the country's capital markets, as the PSX-100 index improved from 34,422 points in June 2020 to 44,587 points in March 2021, an increase of 30%.

AGRICULTURE

Agriculture is by far Pakistan's largest sector which absorbs most of the country's labor force, directly or indirectly. The sector is targeted to grow by 2.7% in FY21. All major Kharif crops except cotton have surpassed production levels in FY20 and targets for FY21. Also, indicators of input variables — such as tractor sales, fertilizer usage, water availability, and weather—suggest strong prospects, especially for wheat. Moreover, the surge in prices of agricultural products and timely subsidies on fertilizer and pesticides have contributed to surplus liquidity with improved farm income. Thus, demand for consumer durables remained upbeat in rural areas.

LARGE SCALE MANUFACTURING

Large Scale Manufacturing (LSM) represents nearly 80% of the country's total manufacturing and accounts for nearly 11% of national output. During 8M FY21, LSM grew by 7.5% in comparison to a contraction of 3.0% during the same period last year. Nevertheless, capacity utilization in number of industries is still lagging. A wide range of high-frequency indicators signal robust progress, including sales of fast-moving consumer goods, automobiles and cement. This was on account of an encouraging pick-up in economic activity driven by various supportive policy measures introduced by the Government and SBP. However, on account of global supply chain disruptions, raw material supply has become increasingly constrained, and prices are on the rise. Thus, forcing businesses to resort to price increases to maintain profitability.

AUTOMOBILE INDUSTRY

The Pakistan automobile industry has shown encouraging performance in FY21 and is heading towards path of recovery. The significant progress on the economic front served as a catalyst in steering the automobile industry to its normal levels. Availability of cheaper financing options

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CHAIRMAN'S REVIEW

AS ON MARCH 31, 2021

and effect of pent-up demand after lockdown provided much anticipated boost to the industry.

With a range of new entrants, the automobile industry is well positioned for a noteworthy expansion. Lately, a visible shift of customer preferences towards SUVs has been observed due to competitive price offerings by different manufacturers. The shift in customer choice is both a challenge and an opportunity for the sedan segment.

Overall, during the financial year under review, industry production declined by 9.2% to 120,588 units as compared to 132,835 units last year. Likewise, sale of cars also witnessed a drop of 4.3% to 131,778 units from 137,707 units in the last year. This was due to the effect of countrywide lockdown during most of the first quarter. In the 1300CC and above segment, in which the Company operates, sales improved by 6.9%, SUV being a major contributor. However, sales in 1000CC & below segment dropped by 11.8% as compared to the last year. Amidst the reasons stated above, new order inflows continue to pour in with several automakers increasing and utilizing their available production capacities to meet the surge in demand.

On the other hand, the industry is facing diversified challenges on the supply chain front. Resumption of post-lockdown business activities has over-run the global suppliers with instant demand of products. This has significantly disrupted the global shipping schedules. Further, due to port congestions and limited availability of containers / shipping lines, the industry is struggling in receiving timely deliveries. Also, the sudden increase in raw material prices has posed new challenges. All these factors are causing constraints to the automobile production in the country.

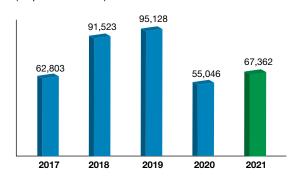
THE COMPANY

The Company continued to conduct business with agility and manage challenges and change. Given the change in social norms with limited public interactions and gatherings, the Company made a shift towards a framework which focuses on maximum digitalization and differentiation. The Company stayed connected with its customers, business partners, employees, communities, and all other stakeholders to help them cope with the situation and eventually proceed forward with a clear roadmap.

During the current financial year, despite the challenges of lockdown and supply chain issue, the Company managed to register an increase of 3.3% in production at 23,479 units as compared to 22,729 units produced last year. Consequently,

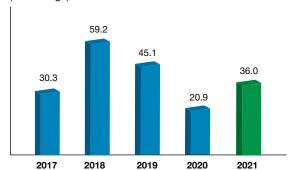
SALES REVENUE

(Rupees in million)



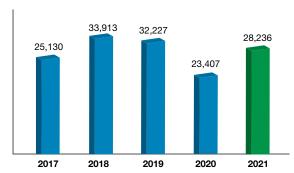
DIVIDEND PAYOUT RATIO

(Percentage)



CONTRIBUTION TO NATIONAL EXCHEQUER

(Rupees in million)



sales volume reflected an encouraging increase of 7.28% at 24,050 units against 22,418 units of last year.

Following are the key highlights for the year ended March 2021:

MOUs with various banks

The Company, partnered with leading banks of the country to offer attractive auto-financing schemes at concessional rates to its customers. Through MOUs with different

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3S Dealership - Honda Carwan, Quetta.

leading banks of Pakistan, all those customers who opted for auto-financing through these banks enjoyed exciting incentives that were never offered before. These were complemented with attractive schemes including waivers in various fees and priority deliveries to provide added benefits to customers.

Addition of New Dealerships

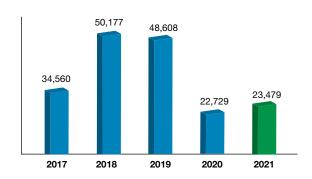
During the year, two new dealerships were added - one each in Quetta and Lahore. With the addition of dealership in Quetta, the Company has established its presence in the largest province of Pakistan. The latest addition has brought the total number of 3S dealers to 35, with coverage in almost all the major consumer markets of the country. The Company believed that enhanced coverage of dealership network will not only provide convenience to the existing customers, but will also tap new customers to Honda fraternity.

FINANCIAL RESULTS

The current financial year started off with a challenge for the Company due to lockdown and suspension of business activities for nearly first two months. As a result, the Company had to suffer loss in the first quarter. The Company addressed these challenges through an effective and agile business strategy for ensuring business continuity in order to achieve improved performance throughout the remaining part of the year. As a result, the Company managed to achieve sales revenue of Rs 67.36 billion in the year under review, representing an increase of 22% as compared to Rs 55.05 billion in the previous year. Although the PKR-USD parity declined towards the end of the year, high fluctuations throughout the year escalated input costs. In addition, incurring of fixed costs at the start of the year where there was no production coupled with underutilization of the production capacity lead to relatively higher cost of sales during

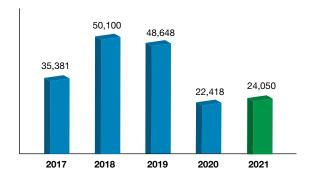
PRODUCTION

(Units)



SALES

(Units)



PKR TO USD MOVEMENT

(Rupees)



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CHAIRMAN'S REVIEW

AS ON MARCH 31, 2021

the current year. Consequently, gross profit dipped by 8% to Rs 3.78 billion, representing a gross margin of only 6%. Selling & General Administrative (SGA) expenses increased by 11% to Rs 1.56 billion against Rs 1.41 billion of last year. Other income witnessed a substantial increase of 46% and was recorded at Rs 0.92 billion. The increase in other income was mainly due to improved liquidity on account of influx in new car bookings and exchange gain on foreign currency balances. Financial & other charges were recorded at Rs 0.35 billion. representing a substantial decline of 80% as compared to the last year. This was primarily due to reduction in interest rates, repayment of borrowings and favorable currency appreciations. Resultantly, profit before tax increased by 80% to Rs 2.78 billion against Rs 1.55 billion achieved last year. Likewise, net profit after tax registered a healthy increase of 163% to Rs 1.79 billion, from Rs 0.68 billion of the corresponding last year. This translated into earnings per share of Rs 12.56 against Rs 4.77 of the last year.

COMPOSITION OF THE BOARD

The following is the composition of the Board of Directors:

Total Number of Directors:

c) Executive Directors

a) Male	8
b) Female	1
Composition of the Board:	
a) Independent Directors	3
b) Non-Executive Directors	4

There was one change on the Board during the year, however, the statutory composition of the Board was maintained.

BOARD OF DIRECTORS

In order to respond to the mandate of the shareholders to achieve sustainable growth and enhance the corporate value of the Company over the medium to long term, the duties of the Board of Directors include making decisions concerning key business matters and strategic guidance. In addition, the Board of Directors discusses and makes decisions concerning matters specified in the Articles of Association of the company and Code of Corporate Governance.

In order to fulfill these roles, the Company focuses on considering the balance in the diverse knowledge and experience of the Board of Directors as a whole. Accordingly, the Company has members on the Board that have diverse knowledge & insight, with high expertise and abundant experience.

BOARD MEETINGS

During the year, four meetings of the Board of Directors were held. The attendance of the Board members was as follows:

Sr. No.	Name of Director	Attendance
1.	Mr. Aamir H. Shirazi	4
2.	Mr. Hironobu Yoshimura	4
3.	Mr. Saquib H. Shirazi	4
4.	Mr. Kenichi Matsuo	3
	Mr. Katsumi Kasai (replaced Mr. Kenichi Matsuo)	1
5.	Mr. Feroz Rizvi	4
6.	Mr. Akira Murayama	4
7.	Mr. Kazunori Shibayama	4
8.	Ms. Rie Mihara	3
9.	Mr. Ariful Islam	4
	Mr. Maqsood ur Rehman (Company Secretary)	4
	Late Ahmad Umair Wajid (CFO)	2
	Mr. Hamood ur Rahman (CFO) (replaced Late Ahmad Umair Wajid)	2

Leave of absence was granted to the members who did not attend the Board meetings

AUDIT COMMITTEE

9

There are four members on the Audit Committee, comprising of three non-executive directors and one independent director. The Chairman of the Audit Committee is an independent director. The Audit Committee was reconstituted in May 2021 after election of Directors. The primary purpose of Audit Committee is to provide oversight of the financial reporting process, the audit process, review internal audit reports, the system of internal controls and compliance with laws and regulations. The committee also meets separately with internal auditor and external auditors to discuss matters that the committee believe should be discussed separately.

During the year under review, four (4) meetings of the Audit Committee were held to review and discuss the financial statements, internal audit reports, compliance with the relevant laws and regulations and other associated matters.

The attendance of the Audit Committee members was as under:

Sr. No.	Name of Committee Member		Attendance
1.	Mr. Feroz Rizvi	Chairman	4
2.	Mr. Saquib H. Shirazi	Member	4
3.	Mr. Akira Murayama	Member	4
4.	Mr. Kazunori Shibayama	Member	4

HUMAN RESOURCE & REMUNERATION COMMITTEE

The Human Resource & Remuneration (HR&R) Committee comprises of five directors, including two executive directors, two non-executive directors and one independent director. The Chairman of the HR&R Committee is an independent director. The HR&R Committee was reconstituted in May 2021 after election of the Board of Directors.

The purpose of the Committee is to provide oversight on the human resource's strategy & policy framework; recommending to the Board the evaluation & compensation of personnel on key management positions and assessing the efficiency of the Company's HR policy.

During the year under review, one meeting of the HR&R Committee was held to discuss & approve the matters falling under the terms of reference of the Committee. The attendance of the HR&R Committee members was as follow:

Sr. No.	Name of Committee Member		Attendance
1.	Mr. Feroz Rizvi	Chairman	1
2.	Mr. Saquib H. Shirazi	Member	1
3.	Mr. Hironobu Yoshimura	Member	1
4.	Mr. Kenichi Matsuo	Member	-
	Mr. Katsumi Kasai (replaced Mr. Kenichi	Member	1
	Matsuo)		
5.	Mr. Akira Murayama	Member	-

Leave of absence was granted to the members who did not attend the HR&R meetings

CHANGES ON THE BOARD

On December 07, 2020, Mr. Kenichi Matsuo, Director and Vice President Production was replaced by Mr. Katsumi Kasai. Mr. Eihiko Sato was elected as part of the Board in place of Mr. Akira Murayama. The Board acknowledges the valuable contributions made by the outgoing directors and welcomes the new members onto the Board.



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CHAIRMAN'S REVIEW

AS ON MARCH 31, 2021

FUTURE OUTLOOK

The COVID-19 pandemic has had a significant impact on the domestic as well as the global economy. The country has dealt reasonably well with the aftermath but maintaining the positive momentum remains critical in the immediate term. On the growth front, risks remain due to the emergence of a third, more virulent wave of COVID-19 even though the vaccine roll-out has begun. Inflation may continue to remain elevated. The path of domestic energy prices and international commodity prices may have an important bearing on the inflation trajectory. The resumption of the IMF program has boosted prospects and guaranteed that external financing needs will be comfortably met. This together with expected private and official inflows should continue to keep Pakistan's external position stable. On the other hand, austerity measures under IMF program may limit Government's ability to expand fiscal support and spending. Accordingly, there is a need to strike an appropriate balance between supporting the economy, ensuring debt sustainability, and advancing structural reforms while maintaining social cohesion. As the economic activity normalizes and effects of the pandemic subside, the country is projected to experience a broad-based recovery. As the economy returns to its full capacity and recovery becomes durable, the automobile industry is expected to grow further.

The Company believes that the fundamental attributes of business operations – sustainability and leadership – have attained more relevance than ever before. While the pandemic shook the world, the Company successfully steered through the uncertain times and adopted the new "normal" with emphasis on health & safety yet ensuring business continuity. This was achieved on the back of the Company's ability to deliver efficient and accessible mobility solutions to the present and future generations.



ACKNOWLEDGEMENT

I would like to thank our valued customers for their trust and confidence in the Company products. I also thank our dealers, vendors, bankers, government institutions and shareholders for their support and Honda Motor Company and Atlas Group for their always guidance. Mr. Hironobu Yoshimura & his team deserve appreciation for their untiring efforts in steering the company through tough times amidst a challenging business environment. I wish the Company all the success in the coming years.

Aamir H. Shirazi Chairman

May 25, 2021 Lahore

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DIRECTORS' REPORT

AS ON MARCH 31, 2021

FINANCIAL RESULTS:

Key financial results for the year are as follows:

Rupees in million	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax for the year	2,780.63	1,547.20
Taxation	(987.42)	(865.45)
Other comprehensive loss for the year	(11.50)	(16.13)
Un-appropriated profit	1,781.71	665.62
Opening retained earnings	30.45	157.63
Total balance available for appropriation	1,812.16	823.25
Appropriations: *		
Transfer to general reserves	(1,000.00)	(650.00)
Proposed dividend 45.2% (2020: 10%)	(645.47)	(142.80)
	(1,645.47)	(792.80)
Earnings per share – basic & diluted (Rs.)	12.56	4.77

^{*} The Board of Directors has proposed these appropriations, which are not reflected in the financial statements in compliance with the Fourth schedule of the Companies Act 2017.

BUSINESS ENVIRONMENT

The year started under the clouds of uncertainty due to two months long Covid-19 lockdown. Post lockdown, the economy started a gradual recovery which restored customers' confidence and the industry witnessed over 30% growth in first 9M of FY21. Your Company achieved 7% growth in unit sales, despite the global supply chain challenges in the last quarter of the year. The Company closed the financial year with profit before tax of Rs 2,780.63 million and net profit after tax of Rs 1,793.21 million, as compared to Rs 1,547.20 million and Rs 681.75 million respectively, in the corresponding last year.

EARNINGS PER SHARE

The basic and diluted earnings per share after tax was Rs.12.56 (2020: Rs. 4.77).

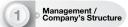
DIVIDEND

The Board of Directors following the policy of fair distribution of profits amongst the shareholders, strengthening the balance sheet and future capital needs, have recommended a dividend of Rs.4.52/- (45.2%) per share for the year ended March 31, 2021, as compared with Re.1/- per share (10%) declared last year.

INTERNAL AUDIT

The Company has an independent Internal Audit function which regularly monitors the internal business transactions based on Company policy and approvals. The primary function of the internal audit is to review the internal controls and risk management system of the Company and critically analysis the accuracy of announcements relating to Company's financial statements. Further any escape in the policy or process are duly identified and recommended for policy improvement. Internal audit reports are reviewed by Audit Committee in its quarterly meetings.

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DIRECTORS' REPORT

AS ON MARCH 31, 2021

DIRECTORS' REMUNERATION:

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except advisory fee for attending the meetings. The remuneration policy has been designed to attract and retain the suitable candidate on the Board. For information on remuneration and meeting fee of directors & CEO in 2020-21, please refer notes to the Financial Statements.

DIRECTORS' TRAINING PROGRAM (DTP)

The Board has ensured the compliance of the requirement of Code of Corporate Governance in respect of directors' training program of the Board members. Currently, the Board fulfills the required condition of the Code through directors' training program and possessing the minimum qualification & experience criteria for the exemption of DTP as stipulated in the Code. The Company intends to arrange the DTP for the newly appointed directors on the Board.

HONDA CODE OF CONDUCT

To earn the trust of the customers & society and grow sustainably, the Company must not only comply with laws and regulations but go beyond those legal structures by practicing ethical corporate conduct. Recognizing this, we have adopted the Honda Code of Conduct, which summarizes the sincere behavior to be practiced by associates working at Honda. The Company works to instill the Honda Code of Conduct in each and every associate through actions such as orientations, the distribution of leaflets, posting of information on its intranet and through training sessions.

RISK MANAGEMENT STRUCTURE

The Company's risk management policy drives from the strategical guidelines from the Board of Directors and from following the risk management structure based on Honda Philosophy. The Company has developed a risk management framework, which is headed by Risk Management Officer. The risk assessment activities are carried out by each Business Operations and Functional Operations. The purpose of these activities is to foresee potential risks surrounding the business and to respond beforehand to minimize these risks. Each department performs risk evaluation using the common risk items and

the evaluation criteria to identify the division priority risks. The Company-wide priority risks are identified by the Risk Management Officer, after giving due consideration to the risk status of each operations. The concerned division then include such risk items in its business plan for continuous monitoring, improvement and risk mitigation.

COMPLIANCE

To improve compliance culture, the Company has nominated a Compliance Officer, designated by the Board of Directors. The Compliance Officer makes decisions regarding important internal control system measures, which include formulating and amending of compliance policies. In addition, the responsibilities of the Compliance Officer encompass from confirming the status of establishment and operation of internal control systems to ensure the appropriate management of the Kaizen (continuous improvement) Proposal Line and deciding measures to prevent recurrences when serious compliance-related matters occur. For matters of compliance that are of particularly high importance, deliberation or reporting at a meeting of the Executive Committee is carried out depending on the details of the matter. There were no such violations of laws or regulations in the year under review.

BUSINESS ETHICS PROPOSAL LINE (BEPL)

The Company has established the Business Ethics Proposal Line (BEPL) as a structure for improving corporate ethics issues. The hotline addresses the issues involving corporate ethics in cases of actions that violate laws or internal rules. This allows the Company to accept proposals and provide consultation, from a fair and neutral standpoint, for associates who face barriers in improving or resolving issues in the workplace for reasons such as difficulties in consulting with seniors. In order to raise internal awareness of the points of contact, Honda provides notice on its intranet, display information cards in all conference rooms and creating awareness amongst the associates through training sessions. These tools clearly state that the Business Ethics proposers are protected. Through BEPL, we encourage our vendors, dealers and suppliers to raise any concern that may affect the best practices of Honda.

INITIATIVES TO PREVENT BRIBERY

The Company always complies with laws and regulations and believe that as an independent corporate entity, it



Two Days Cricket Tournament

must maintains appropriate relationships with political entities and governmental agencies and officials; and interact with political and administrative entities in an appropriate manner in compliance with laws, regulations and the Company policies and will not offer Government officials entertainment or gifts (both monetary and nonmonetary) that are prohibited by laws or policies of the Company. In addition, the Company has also established the Honda Policy on the Prevention of Bribery, it stipulates basic Honda Guideline for the Prevention of Bribery, which specifies compliance items and prohibited items to curb the menace of bribery.

INFORMATION MANAGEMENT

The Company carrys out activities to ensure the safe handling of information generated in business activities such as personal information of its customers and associates, important management information as well as blueprint data of products and facilities. To appropriately supervise the information secrecy activities, a Confidentiality Committee has been set up, comprising of Executive Committee, Head of IT, Human Resource and Production as its members. The Committee has developed and approved an 'Information Secrecy Policy' which have been implemented in each business operations.

HUMAN RESOURCE MANAGEMENT

Honda believes that human beings are born as free and unique individuals with the capacity to think, reason and create – and the ability to dream. The Company's aims to nurture and promote these characteristics by respecting individual differences and trusting each other as equal

partners. From this perspective, the Company adopts Respect for the Individual, consisting of the three elements of initiative, equality and trust, as one of the Company's Fundamental Beliefs. The Company follows the Three Principles of Personnel Management, specifically respecting Initiative, ensuring fairness and encouraging mutual trust, when managing its human resources in areas such as recruitment, training, assignment, evaluation and treatment. At Honda, we seek to create an environment in which each associate's ambitions and abilities can be developed, as well as a workplace where an individual's potential can be actively exercised.

During the year, the company continued to impart quality education to our future leaders and 19 associates completed one-year Diploma and 4 associates accomplished one year Executive MBA from Foreman Christian College University (FCCU). One associate from senior management also completed Executive MBA from LUMS.

OCCUPATIONAL HEALTH AND SAFETY

The Company always efforts to build a safe and secure work environment for associates, based on the Fundamental Beliefs of "Respect for the Individual" and "The Three Joys". Under the fundamental safety principle of "no safety, no production", the Company seeks to realize a work environment that brings the joy that all people can work with a true sense of safety & security. Based on this principle, the Health & Safety Division has established basic policies for preventing industrial accidents and their recurrence, as well as ensuring the health of associates.

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DIRECTORS' REPORT

AS ON MARCH 31, 2021

During the year, the Company gave paramount importance to associates' health in the ongoing pandemic environment. The social distancing, temperature check, walk-through sanitizing gate and basic awareness tips from Covid-19 safety were displayed throughout the Company. All workstations and lunch tables were separated by plastic shields. Wherever possible, the work from home protocols were implemented and e-meetings were preferred instead of face to face meetings to control the spread.

CSR ACTIVITIES

During the year, the Company continued to undertake the different social contribution activities, aiming to share joy with people and to 'become a Company that the society wants to exist'.

Free Medical Camps

The first free medical camp was arranged in 2014 for the Manga Mandi village and since then, it has been a hallmark for the Company's CSR activities. During the year, the Company organized free medical camps at remote unfortunate areas and more than 1,900 patients were given free medical treatment and medicines. Now since the beginning of this activity in 2014, the Company has arranged 38 medical camps, wherein more than 23,000 patients have been provided free medical assistance.

Donation of Used Clothes

The Company associates took initiative to contribute their used/new clothes for the underprivileged with the help of





Akhuwat Foundation. An awareness campaign was run in the factory and associates contributed 1,500 number of used clothes. These donations were then cleaned and packed with care and distributed to the needy families through Akhuwat's network.

Blood Donation Camp

The company also took initiative to arrange a blood donation camp to facilitate the patients of thalassemia in the wake of prevailing lockdown and coronavirus spread. In the prevailing Covid-19 environment, the patients of thalassemia were facing acute shortage of blood, after reduced blood donations were being observed from donors. The Company arranged one-day blood donation camp at its factory premises, in which associates voluntarily donated blood bottles for thalassemia patients.

CORPORATE AND FINANCIAL REPORTING FRAMEWORK

In compliance with the provisions of the listing regulations of the Pakistan Stock Exchange, the Board members are pleased to place the following statements on record:

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- a. The financial statements for the year ended March 31, 2021 present fairly its state of affairs, the results of its operations, cash flow and changes in equity;
- b. Proper books of accounts have been maintained;
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements for the year ended March 31, 2021 and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements:
- e. The systems of internal control are sound in design and have been effectively implemented and monitored;
- f. There are no doubts about the Company's ability to continue as a going concern;
- g. There has been no material departure from the best practices of corporate governance, as detailed in listing regulations;
- h. The book value of investments held by Employees Provident Fund and Employees Gratuity
 Fund as on March 31, 2021 were Rs. 546 million and Rs. 604 million respectively.
- The key operating and financial data for last ten years are given in this report.



Free Medical Camp



Distribution of used clothes to deserving people of society



Blood Donation Camp

MATERIAL CHANGES

There have been no material changes since March 31, 2021 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.

SHARE TRANSFER

During the year, 525 qualification shares were transferred in the name of Mr. Katsumi Kasai from Mr. Kenichi Matsuo who was transferred to Japan on December 07, 2020. There was no other transaction of sale or purchase of shares of the Company by Directors, Company Secretary, Chief Financial Officer and their spouses or minor children during the year under review.

Annual Report 2021 Empowering The Green Dream











DIRECTORS' REPORT

AS ON MARCH 31, 2021

CHAIRMAN'S REVIEW

The Chairman's review included in the Annual Report deals inter alia with the performance of the Company for the year ended March 31, 2021 and the future outlook. The directors endorse the contents of the review.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Company has fully complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. A statement to this effect is annexed with this report.

HOLDING COMPANY

M/s Honda Motor Company Limited, incorporated in Japan, is the holding company with 51% shares.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on March 31, 2021 and its disclosure is annexed with this report.

AUDITORS

M/s A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending March 31, 2022. The Audit Committee has recommended their reappointment to the Board.

For and on behalf of The Board of Directors

Aamir H. Shirazi Chairman

Lahore, May 25, 2021

Hironobu Yoshimura
President/CEO

H. Yoshimum

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STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019



Executive Committee: (L to R) Mr. Maqsood ur Rehman, Mr. Hironobu Yoshimura and Mr. Katsumi Kasai

Name of Company: Honda Atlas Cars (Pakistan) Limited Year ended: March 31, 2021

The company has Complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 9 as per the following:

a. Male 8 b. Female 1

2. The composition of Board of Directors is as follows:

Sr No	Catagory	Names		
1.		Mr. Feroz Rizvi		
2.	Independent Directors	Mr. Ariful Islam		
3.		Ms. Rie Mihara		
4.		Mr. Aamir H. Shirazi		
5.		Mr. Saquib H. Shirazi		
6.	Other Non-Executive Directors	Mr. Akira Murayama		
7.		Mr. Kazunori Shibayama		
8.	Executive Directors	Mr. Hironobu Yoshimura		
9.	Executive Directors	Mr. Katsumi Kasai		

The independent director meets the criteria of independence under the Companies Act, 2017

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
- 4. 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.
- 5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

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STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

- 7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- **8.** The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. Out of the nine, six Directors have either obtained certificate of Directors' Training Program or are exempted from the requirement of Directors' Training Program as per the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year, No Directors' Training Program was arranged.
- 10. The board has approved appointment of the Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
- **11.** Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board.
- **12.** The Board has formed committees comprising of members given below:

<u> </u>			
. <u>4</u> 171.	1. Mr. Feroz Rizvi	Chairman	
	2. Mr. Saquib H. Shirazi		
a) Audit Committee	3. Mr. Akira Murayama		
	4. Mr. Kazunori Shibayama		
	1. Mr. Feroz Rizvi	Chairman	
	1. IVII. I GIOZ I IIZVI	Chairman	
b) Human Resource	2. Mr. Saquib H. Shirazi	Chairman	
b) Human Resource & Remuneration		Chairman	
,	2. Mr. Saquib H. Shirazi	Chairman	

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

- **14.** The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
 - a) Audit Committee

Four quarterly meetings were held during the financial year ended March 31, 2021.

- b) HR & Remuneration Committee One meeting was held during the financial year ended March 31, 2021.
- **15.** The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 16. 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 Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- **18.** We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.









STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

Non-Mandatory Requirement	Reg. No.	Explanation
Representation of Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as director representing minority shareholders.
Responsibilities of the Board and its members: Adoption of the corporate governance practices	10(1)	Non-mandatory provisions of the CCG Regulations are partially complied
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Executive Committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the Board has not constituted a Risk Management Committee and the Company's Risk Management Officer performs the requisite functions and apprises the board accordingly.

Aamir H. Shirazi Chairman

Date: May 25, 2021 Lahore.

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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF HONDA ATLAS CARS (PAKISTAN) LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE

CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Honda Atlas Cars (Pakistan) Limited for the year ended March 31, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a part of our audit of the 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 Regulations require 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, its related party transactions. 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended March 31, 2021.

A. F. FERGUSON & CO. Chartered Accountants

Place: Lahore Date: May 25, 2021

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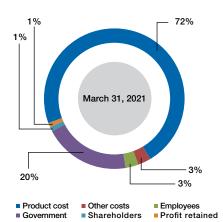


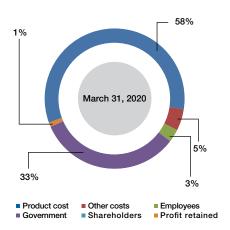






REVENUE APPLICATION





Rupees in thousand	2021	2020
Revenue		
Gross sales	84,208,088	68,384,452
Other income	918,484	638,618
Total	85,126,572	69,023,070
Application		
Product Cost		
Cost of sales	62,236,414	40,093,256
(excluding employees' remuneration and government levies)		
Other Costs		
Operating expenses	874,248	1,698,495
(excluding employees' remuneration)		
Dealers' commission	1,282,062	978,910
Financial charges	116,159	727,444
	2,272,469	3,404,849
Employees		
Workers' profit participation fund	149,647	83,296
Employees' remuneration	2,072,529	1,866,032
	2,222,176	1,949,328
Government		
Workers' welfare fund	62,663	35,423
Sales tax	15,563,719	12,359,278
Custom duties	-	9,649,866
Income tax	987,422	865,448
	16,613,804	22,910,015
Shareholders		
Dividend	645,456	142,800
Retained in Business		
Profit retained	1,136,253	522,822

Percentage	2021	2020
Application		
Product cost	72%	58%
Other costs	3%	5%
Employees	3%	3%
Government	20%	33%
Shareholders	1%	0%
Profit retained	1%	1%
Total	100%	100%

85,126,572

69,023,070

Total







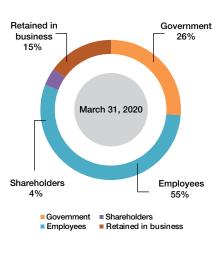




VALUE ADDED AND ITS DISTRIBUTION

Rupees in thousand	2021	2020
Value Added		
Net sales	67,362,307	55,046,264
Other income	918,484	638,618
Cost of sales	(62,236,414)	(49,743,122)
(excluding employees' remuneration)		
Operating expenses	(874,248)	(1,698,495)
(excluding employees' remuneration)		
Finance cost	(116,159)	(727,444)
Total	5,053,970	3,515,821
Distribution		
To Government		
Workers' welfare fund	62,663	35,423
Income tax	987,422	865,448
	1,050,085	900,871
To Employees		
Workers' profit participation fund	149,647	83,296
Employees' remuneration	2,072,529	1,866,032
	2,222,176	1,949,328
To Shareholders		
Dividend	645,456	142,800
Retained In Business		
Profit retained	1,136,253	522,822
Total	5,053,970	3,515,821

Retained in business 22%	rch 31, 2021	Government 22%
Shareholders 13%		Employees 43%
■ Government ■ Employees	■ Shareholders ■ Retained in b	



Percentage	2021	2020	
Distribution			
Government	21%	26%	
Employees	44%	55%	
Shareholders	13%	4%	
Retained in business	22%	15%	
Total	100%	100%	

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FINANCIAL HIGHLIGHTS

		2021	2020	2019	2018	
STATEMENT OF PROFIT OR LOSS	De la salilla a	07.000	55.040	05.400	04 500	
Sales Gross profit / (loss)	Rs in million Rs in million	67,362	55,046	95,128 7,304	91,523	
Operating profit / (loss)	Rs in million	3,776 2,897	4,091 2,275	5,605	10,449 9,493	
_ : _ :	Rs in million				9,493	
Profit / (loss) before tax	Rs in million	2,781	1,547 682	5,594		
Profit / (loss) after tax Proposed dividend	Rs in million	1,793 645	143	3,851 1,735	6,494 3,846	
STATEMENT OF FINANCIAL POSITION		045	143	1,735	3,040	
Share capital	Rs in million	1,428	1,428	1,428	1,428	
Shareholders' equity	Rs in million	18,196	16,557	17,627	17,073	
Capital expenditure	Rs in million	3,895	724	961	1,266	
Fixed assets - at cost	Rs in million	16,613	13,129	12,621	11,961	
Fixed assets - net	Rs in million	7,974	4,905	5,245	5,373	
Non current liabilities	Rs in million	3,053	474	465	540	
Total assets	Rs in million	45,155	31,842	32,101	58,809	
Working capital	Rs in million	13,045	11,792	12,286	12,047	
Capital employed	Rs in million	21,213	18,890	17,627	17,073	
SIGNIFICANT RATIOS	TIO II TIIIIION	21,210	10,000	11,021	17,070	
Profitability						
Gross profit / (loss) margin	%	5.6	7.4	7.7	11.4	
Operating profit / (loss) margin	%	4.3	4.1	5.9	10.3	
Profit / (loss) before tax	%	4.1	2.9	5.9	10.4	
Profit / (loss) after tax	%	2.7	1.2	4.0	7.1	
Liquidity						
Current ratio	Times	1.5	1.8	1.9	1.3	
Quick ratio	Times	1.1	1.0	1.2	1.1	
Long term debt to equity	Times	0.2	-	-	-	
Total liabilities to equity	Times	2.5	1.9	1.8	3.4	
Activity						
Total assets turnover	Times	1.5	1.7	3.0	1.6	
Fixed assets turnover	Times	8.4	11.2	18.1	17.0	
Stock turnover ratio	Times	5.5	5.1	10.4	10.9	
Interest cover (BT)	Times	24.9	3.1	500.9	655.8	
Interest cover (AT)	Times	16.4	1.9	345.2	449.6	
Number of days stock	Days	66	72	35	33	
Earning						
Return on capital employed	%	8.9	3.7	22.2	43.1	
Return on equity (BT)	%	16.0	9.1	32.2	62.9	
Return on equity (AT)	%	10.3	4.0	22.2	43.1	
Earning / (loss) per share (BT)	Rs.	19.5	10.8	39.2	66.4	
Earning / (loss) per share (AT)	Rs.	12.6	4.8	27.0	45.5	
Price earning ratio (AT)	Times	21.7	27.7	8.9	10.5	
Dividend per ordinary share	Rs.	4.5	1.0	12.1	26.9	
Dividend pay out ratio	%	36.0	21.0	45.1	59.2	
OTHER INFORMATION						
Break up value per share	Rs.	127	116	123	120	
Market value per share	Rs.	273	133	240	477	
Contribution to national exchequer	Rs in million	28,236	23,407	32,227	33,913	
Units produced	Units	23,479	22,729	48,608	50,177	
Units sold	Units	24,050	22,418	48,648	50,100	
Manpower (permanent+contractual)	Nos.	1,498	1,483	2,284	2,278	
Exchange rates at year end date	V	440.00	100.00	110.01	100.00	
¥ to \$	¥	110.82	108.29	110.64	106.06	
Rs to \$	Rs.	152.79	166.59	140.51	115.60	
Rs to ¥	Rs.	1.38	1.54	1.27	1.09	

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2012	2013	2014	2015	2016	2017
16,600	30,275	39,153	37,764	40,086	62,803
(44)	1,447	2,857	4,773	6,047	9,122
(347)	716	2,135	3,786	5,186	8,660
(499)	525	2,097	3,767	5,179	8,636
(532)	244	1,074	3,162	3,556	6,135
_	43	428	714	1,000	1,856
1,428	1,428	1,428	1,428	1,428	1,428
1,128	1,365	2,391	5,120	7,941	13,065
397	466	239	662	1,346	1,812
8,202	7,957	8,150	8,531	9,844	11,454
3,668	3,503	3,041	2,933	3,781	4,974
110	43	56	64	226	440
9,489	15,146	12,317	13,926	16,205	51,497
(3,622)	(3,180)	(1,043)	1,806	4,300	8,419
1,294	1,365	2,391	5,120	7,941	13,065
(0.3)	4.8	7.3	12.6	15.1	14.5
(2.1)	2.4	5.5	10.0	12.9	13.8
(3.0)	1.7	5.4	9.9	12.9	13.8
(3.2)	0.8	2.7	8.4	8.9	9.8
0.6	8.0	0.9	1.2	1.5	1.2
0.2	0.4	0.5	0.6	1.0	1.0
0.2	-	-	-	-	<u>-</u>
8.4	11.1	5.2	2.7	2.0	3.9
1.7	2.0	3.2	2.7	2.5	1.2
4.5	8.6	12.9	12.9	10.6	12.6
5.3	8.0	8.9	7.0	7.1	10.1
(2.3)	3.7	56.1	202.8	741.8	369.4
(2.5)	2.3	29.2	170.4	509.6	262.7
69	45	41	52	51	36
(28.0)	18.4	57.2	84.2	54.5	58.4
(35.6)	42.1	111.7	100.3	79.3	82.2
(37.9)	19.6	57.2	84.2	54.5	58.4
(3.5)	3.7	14.7	26.4	36.3	60.5
(3.7)	1.7	7.5	22.1	24.9	43.0
(3.0)	17.1	7.3	8.3	10.1	17.5
	0.3	3.0	5.0	7.0	13.0
-	17.6	39.9	22.6	28.1	30.3
8	10	17	36	56	91
11	29	55	183	252	752
6,281	10,664	13,750	11,758	12,488	25,130
11,040	19,387	23,223	23,320	25,939	34,560
11,406	18,915	23,223	23,311	25,800	35,381
934	1,003	1,122	1,160	1,256	2,033
	.,555	.,	.,100	.,_00	2,000
82 .10	93.97	104.00	119.93	112.74	111.65
90.75	98.57	98.53	101.94	104.85	104.95

Annual Report 2021

Empowering The Green Dream



HORIZONTAL ANALYSIS

	2021	2020	2019	2018	2017	2016	2021 vs 2020	2020 vs 2019	2019 vs 2018	2018 vs 2017	2017 vs 2016
			Ru	pees in thousan	ıd				Percent	age	
STATEMENT OF FINANCIAL POSITION											
EQUITY AND LIABILITIES											
SHARE CAPITAL AND RESERVES											
Issued, subscribed and paid up capital	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	-	-	-	-	-
Reserves	14,956,000	14,306,000	12,306,000	9,706,000	5,506,000	2,956,000	4.54	16.25	26.79	76.28	86.27
Revenue reserve: Unappropriated profit	1,812,163	823,254	3,892,652	5,939,492	6,130,847	3,556,949	120.12	(78.85)	(34.46)	(3.12)	72.36
NON-CURRENT LIABILITIES											
Long-term finances - secured	2,068,693	-	-	-	-	-	100.00	-	-	-	-
Deferred government grant	595,838	-	-	-	-	-	100.00	-	-	-	-
Employee retirment benefits	173,374	187,484	164,766	93,385	61,645	82,824	(7.53)	13.79	76.44	51.49	(25.57)
Deferred taxation	201,780	270,510	288,058	433,591	367,144	134,108	(25.41)	(6.09)	(33.56)	18.10	173.77
Deferred revenue	13,535	16,438	11,829	12,838	10,842	8,835	(17.66)	38.96	(7.86)	18.41	22.72
CURRENT LIABILITIES											
Current portion of non-current liabilities	361,713	20,498	5,232	3,026	4,480	6,194	1,664.63	291.78	72.90	(32.46)	(27.67)
Short term borrowings - secured		-	-	-	-	-		-	-	-	
Short term loan from related party - Unsecured		2,332,246	-	-	_	-	(100)	100	-	-	
Accrued mark-up	6,120	75,547	17	782	14,218	669	(91.90)	444,294.12	(97.83)	(94.50)	2,025.26
Trade, dividend and other payables	23,538,010		14,004,637	41,191,665	37,973,858	8,031,319	90.10	(11.59)	(66.00)	8.47	372.82
	45,155,226		32,101,191	58,808,779	51,497,034	16,204,898	41.81	(0.81)	(45.41)	14.20	217.79
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	4,000,261	4,518,634	4,905,667	4,991,899	4,402,000	2,511,897	(11.47)	(7.89)	(1.73)	13.40	75.25
Intangible assets	186,188	289,015	215,951	305,124	373,092	71,035	(35.58)	33.83	(29.23)	(18.22)	425.22
Capital work-in-progress	3,788,001	97,062	123,487	76,348	199,194	1,198,229	3,802.66	(21.40)	61.74	(61.67)	(83.38)
Long term trade debts	56,157	117,080	208,959	70,040	100,104	1,130,223	(52.04)	(43.97)	100.00	(01.07)	
Long term loans to employees	170,209	213,814	346,959	189,023	107,251	81,547	(20.39)	(38.37)	83.55	76.24	31.52
Long term deposits	4,042	4,042	4,042	4,042	4,042	4,042	(20.00)	(00.07)	-	- 10.24	- 01.02
2009 0000 2017 0000	,,,,,	-,,,,,	.,	.,		,,					
CURRENT ASSETS											
Stores and spares	185,370	194,479	169,004	138,779	134,569	122,954	(4.68)	15.07	21.78	3.13	9.45
Stock-in-trade	11,648,838	11,268,644	8,670,614	8,208,043	6,658,735	4,009,825	3.37	29.96	5.64	23.27	66.06
Trade debts	845,765	868,505	1,122,986	92,441	49,536	86,242	(2.62)	(22.66)	1,114.81	86.61	(42.56)
Loans, advances, deposits, prepayments and other receivables	9,349,859	8,653,570	10,173,428	13,135,180	9,088,890	1,006,233	8.05	(14.94)	(22.55)	44.52	803.26
Derivative finacial instrunments		42,205	-	-	-	-	(100.00)	100.00	-	-	
Short term investments	-	4,053,057	4,768,252	20,674,900	20,943,345	1,149,777	(100.00)	(15.00)	(76.94)	(1.28)	1,721.51
Cash and bank balances	14,920,536	1,521,707	1,391,842	10,993,000	9,536,380	5,963,117	880.51	9.33	(87.34)	15.27	59.92
	45,155,226	31,841,814	32,101,191	58,808,779	51,497,034	16,204,898	41.81	(0.81)	(45.41)	14.20	217.79
						·				'	
STATEMENT OF PROFIT OR LOSS	07.000.00	FF 040 00 :	05 400 000	04 500 077	00 000 755	40.005.507	00.00	(40.10)	0.04	15 =0	50.05
Sales	67,362,307		95,128,289	91,522,872		40,085,521	22.37	(42.13)	3.94	45.73	56.67
Cost of sales	(63,586,363)		(87,824,215)	(81,073,777)			24.79	(41.98)	8.33	51.03	57.71
Gross profit	3,775,944	4,091,222	7,304,074	10,449,095	9,121,692	6,046,780	(7.71)	(43.99)	(30.10)	14.55	50.85
Distribution and marketing costs	(736,974)	(667,901)	(931,787)	(916,906)	(542,321)	(333,046)	10.34	(28.32)	1.62	69.07	62.84
Administrative expenses	(823,588)	(738,757)	(800,040)	(677,602)	(497,269)	(351,863)	11.48	(7.66)	18.07	36.26	41.32
Other income	918,484	638,618	1,313,522	1,883,025	1,115,189	309,777	43.82	(51.38)	(30.24)	68.85	260.00
Other expenses	(237,080)	(1,048,538)	(1,281,007)	(1,244,569)	(537,523)	(485,775)	(77.39)	(18.15)	2.93	131.54	10.65
Profit from operations	2,896,786	2,274,644	5,604,762	9,493,043	8,659,768	5,185,873	27.35	(59.42)	(40.96)	9.62	66.99
Finance cost	(116,159)	(727,444)	(11,189)	(14,476)	(23,443)	(6,991)	(84.03)	6,401.42	(22.71)	(38.25)	235.33
Profit before taxation	2,780,627	1,547,200	5,593,573	9,478,567	8,636,325	5,178,882	79.72	(72.34)	(40.99)	9.75	66.76
Taxation	(987,422)	(865,448)	(1,742,460)	(2,984,117)	(2,501,335)	(1,623,100)	14.09	(50.33)	(41.61)	19.30	54.11
Profit after taxation	1,793,205	681,752	3,851,113	6,494,450	6,134,990	3,555,782	163.03	(82.30)	(40.70)	5.86	72.54

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VERTICAL ANALYSIS

	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
		Rupees in thousand					Percen	tage		
STATEMENT OF FINANCIAL POSITION										
EQUITY AND LIABILITIES										
SHARE CAPITAL AND RESERVES										
Issued, subscribed and paid up capital	1,428,000	1,428,000	1,428,000	1,428,000	1,428,000	3.16	4.48	4.45	2.43	2.77
Reserves	14,956,000	14,306,000	12,306,000	9,706,000	5,506,000	33.12	44.93	38.34	16.50	10.69
Revenue reserve: Unappropriated profit	1,812,163	823,254	3,892,652	5,939,492	6,130,847	4.01	2.59	12.13	10.10	11.91
NON-CURRENT LIABILITIES										
Long-term finances - secured	2,068,693	-	-	-	-	4.58	-	-	-	-
Deferred government grant	595,838	-	-	-	-	1.32	-	-	-	_
Employee retirment benefits	173,374	187,484	164,766	93,385	61,645	0.38	0.59	0.51	0.16	0.12
Deferred taxation	201,780	270,510	288,058	433,591	367,144	0.45	0.85	0.90	0.74	0.71
Deferred revenue	13,535	16,438	11,829	12,838	10,842	0.03	0.05	0.04	0.02	0.02
CURRENT LIABILITIES										
Current portion of non-current liabilities	361,713	20,498	5,232	3,026	4,480	0.80	0.06	0.02	0.01	0.01
Short term borrowings - secured	-	-	-	-	-	-	-	-	-	
Short term loan from related party - Unsecured	-	2,332,246	-	-	-	-	7.32	-	-	
Accrued mark- up	6,120	75,547	17	782	14,218	0.01	0.24	-	-	0.03
Trade, dividend and other payables	23,538,010	12,381,837	14,004,637	41,191,665	37,973,858	52.13	38.89	43.63	70.04	73.74
	45,155,226	31,841,814	32,101,191	58,808,779	51,497,034	100.00	100.00	100.00	100.00	100.00
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	4,000,261	4,518,634	4,905,667	4,991,899	4,402,000	8.86	14.19	15.28	8.49	8.54
Intangible assets	186,188	289,015	215,951	305,124	373,092	0.41	0.91	0.67	0.52	0.72
Capital work-in-progress	3,788,001	97,062	123,487	76,348	199,194	8.39	0.30	0.38	0.13	0.38
Long term trade debts	56,157	117,080	208,959		-	0.12	0.37	0.65	_	_
Long term loans to employees	170,209	213,814	346,959	189,023	107,251	0.38	0.67	1.08	0.32	0.20
Long term deposits	4,042	4,042	4,042	4,042	4,042	0.01	0.01	0.01	0.01	0.00
CURRENT ASSETS										
Stores and spares	185,370	194,479	169,004	138,779	134,569	0.41	0.61	0.53	0.24	0.26
Stock-in-trade	11,648,838	11,268,644	8,670,614	8,208,043	6,658,735	25.80	35.39	27.01	13.96	12.93
Trade debts	845,765	868,505	1,122,986	92,441	49,536	1.87	2.73	3.50	0.16	0.09
Loans, advances, deposits, prepayments and other receivables	9,349,859	8,653,570	10,173,428	13,135,180	9,088,890	20.71	27.18	31.69	22.34	17.64
Derivative financial instruments	-	42,205	-	-	-		0.13	-	-	
Short term investments		4,053,057	4,768,252	20,674,900	20,943,345	-	12.73	14.85	35.16	40.66
Cash and bank balances	14,920,536	1,521,707	1,391,842	10,993,000	9,536,380	33.04	4.78	4.34	18.69	18.51
	45,155,226	31,841,814	32,101,191	58,808,779	51,497,034	100.00	100.00	100.00	100.00	100.00
STATEMENT OF PROFIT OR LOSS										
Sales	67,362,307	55,046,264	95,128,289	91,522,872	62,802,753	100.00	100.00	100.00	100.00	100.00
Cost of sales	(63,586,363)	(50,955,042)	(87,824,215)	(81,073,777)	(53,681,061)	(94.39)	(92.57)	(92.32)	(88.58)	(85.48)
Gross profit	3,775,944	4,091,222	7,304,074	10,449,095	9,121,692	5.61	7.43	7.68	11.42	14.52
Distribution and marketing costs	(736,974)	(667,901)	(931,787)	(916,906)	(542,321)	(1.09)	(1.21)	(0.98)	(1.00)	(0.86)
Administrative expenses	(823,588)	(738,757)	(800,040)	(677,602)	(497,269)	(1.22)	(1.34)	(0.84)	(0.74)	(0.79)
Other income	918,484	638,618	1,313,522	1,883,025	1,115,189	1.36	1.16	1.38	2.06	1.78
Other expenses	(237,080)	(1,048,538)	(1,281,007)	(1,244,569)	(537,523)	(0.35)	(1.90)	(1.35)	(1.36)	(0.86)
Profit from operations	2,896,786	2,274,644	5,604,762	9,493,043	8,659,768	4.30	4.13	5.89	10.37	13.79
Finance cost	(116,159)	(727,444)	(11,189)	(14,476)	(23,443)	(0.17)	(1.32)	(0.01)	(0.02)	(0.04)
Profit before taxation	2,780,627	1,547,200	5,593,573	9,478,567	8,636,325	4.13	2.81	5.88	10.36	13.75
Taxation	(987,422)	(865,448)	(1,742,460)	(2,984,117)	(2,501,335)	(1.47)	(1.57)	(1.83)	(3.26)	(3.98)
Profit after taxation	1,793,205	681,752	3,851,113	6,494,450	6,134,990	2.66	1.24	4.05	7.10	9.77

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FINANCIAL STATEMENTS

For the year ended March 31, 2021









INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HONDA ATLAS CARS (PAKISTAN) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the annexed financial statements of Honda Atlas Cars (Pakistan) Limited (the Company), which comprise the statement of financial position as at March 31, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2021 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Following is a Key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
	Revenue recognition (Refer notes 4.21 and 29 to the annexed financial statements) Revenue is recognized when control of the underlying products has been transferred to the customers. The Company is engaged in the assembling and progressive manufacturing and sale of Honda vehicles and spare parts. The Company recognized revenue from the sales of own manufactured goods measured net of discounts and commissions. We consider revenue recognition as a key audit matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers, inherent risk of material misstatement and significant increase in revenue from last year despite the lockdown due to COVID-19 during the year.	Our audit procedures in relation to the matter, amongst others, included the following: - Assessed the design, implementation and operating effectiveness of the relevant key internal controls over the Company's system which governs revenue recognition; - Understood and evaluated the accounting policies with respect to revenue recognition including those related to discounts and commissions and its compliance with IFRS 15: 'Revenue from Contracts with Customers'; - Performed testing of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices; - Tested on a sample basis, specific revenue transactions recorded before and after the reporting date with underlying documentation to assess whether revenue has been recognized in the correct period; - Checked on a sample basis, approval of sales prices and commissions by the appropriate authority; - Performed recalculation of discounts and commission as per Company's policy on test basis; - Performed audit procedures to analyze
		 Performed audit procedures to analyze variation in the price and quantity sold during the year; and Assessed the adequacy of disclosures made in the financial statements related to revenue.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.











In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND BOARD OF DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

ldentify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
 disclosures, and whether the financial statements represent the underlying transactions and events in a
 manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit, we further report that in our opinion:

 a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);











- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.

Chartered Accountants

Lahore

Date: May 25, 2021

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STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

Rupees in thousand	Note	2021	2020
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
200,000,000 (2020: 200,000,000)			
ordinary shares of Rs 10 each		2,000,000	2,000,000
Issued, subscribed and paid up share capital			
142,800,000 (2020: 142,800,000)			
ordinary shares of Rs 10 each	5	1,428,000	1,428,000
Reserves	6	14,956,000	14,306,000
Revenue reserve: Un-appropriated profits		1,812,163	823,254
		18,196,163	16,557,254
NON-CURRENT LIABILITIES			
Long term finances - secured	7	2,068,693	_
Deferred government grant	8	595,838	-
Employee retirement benefits	9	173,374	187,484
Deferred taxation	10	201,780	270,510
Deferred revenue		13,535	16,438
		3,053,220	474,432
CURRENT LIABILITIES			
Current portion of non-current liabilities	11	361,713	20,498
Short term borrowings - secured	12	-	-
Short term loan from related party - unsecured	13	-	2,332,246
Accrued markup	14	6,120	75,547
Unclaimed dividend		47,141	48,038
Trade and other payables	15	23,490,869	12,333,799
		23,905,843	14,810,128
CONTINGENCIES AND COMMITMENTS	16		
		45,155,226	31,841,814

The annexed notes 1 to 50 form an integral part of these financial statements.













Rupees in thousand	Note	2021	2020
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	17	4,000,261	4,518,634
Intangible assets	18	186,188	289,015
Capital work-in-progress	19	3,788,001	97,062
Long term trade debts	20	56,157	117,080
Long term loans to employees	21	170,209	213,814
Long term deposits		4,042	4,042
		8,204,858	5,239,647
CURRENT ASSETS			
Stores and spares	22	185,370	194,479
Stock-in-trade	23	11,648,838	11,268,644
Trade debts	24	845,765	868,505
Loans, advances, deposits, prepayments			
and other receivables	25	9,349,859	8,653,570
Derivative financial instruments	26	-	42,205
Short term investments	27	-	4,053,057
Cash and bank balances	28	14,920,536	1,521,707
		36,950,368	26,602,167
		45,155,226	31,841,814

The annexed notes 1 to 50 form an integral part of these financial statements.















STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED MARCH 31, 2021

Rupees in thousand	Note	2021	2020
Sales	29	67,362,307	55,046,264
Cost of sales	30	(63,586,363)	(50,955,042)
Gross profit		3,775,944	4,091,222
Distribution and marketing costs	31	(736,974)	(667,901)
Administrative expenses	32	(823,588)	(738,757)
Other income	33	918,484	638,618
Other expenses	34	(237,080)	(1,048,538)
Finance cost	35	(116,159)	(727,444)
Profit before taxation		2,780,627	1,547,200
Taxation	36	(987,422)	(865,448)
Profit for the year		1,793,205	681,752
Earnings per share - basic and diluted (in Rupees)		12.56	4.77

The annexed notes 1 to 50 form an integral part of these financial statements.













STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED MARCH 31, 2021

Rupees in thousand	Note	2021	2020
Profit for the year		1,793,205	681,752
Other comprehensive loss for the year:			
Items that may be reclassified subsequently to profit or loss		-	-
Items that will not be subsequently reclassified to profit or loss:			
- Remeasurement of post retirement benefits obligation	9	(16,192)	(22,718)
- Income tax on remeasurement of post retirement benefits obligation		4,696	6,588
		(11,496)	(16,130)
Total comprehensive income for the year		1,781,709	665,622

The annexed notes 1 to 50 form an integral part of these financial statements.

















STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

	C	apital reserve	Revenue	reserves	
Rupees in thousand	Share capital	Share premium	General reserve	Un-appropri- ated profits	Total
Balance as on April 1, 2019	1,428,000	76,000	12,230,000	3,892,652	17,626,652
Appropriation of reserves					
Transfer to general reserve	-	-	2,000,000	(2,000,000)	-
Total comprehensive income for the year					
Profit for the year	-	-	-	681,752	681,752
Other comprehensive loss for the year	-	-	-	(16,130)	(16,130)
	-	-	-	665,622	665,622
Transactions with owners in their capacity as					
owners recognised directly in equity					
Final dividend for the year ended March 31, 2019					
@ Rs 12.15 per share		-	-	(1,735,020)	(1,735,020)
Balance as on March 31, 2020	1,428,000	76,000	14,230,000	823,254	16,557,254
Appropriation of reserves					
Transfer to general reserve	-	-	650,000	(650,000)	-
Total comprehensive income for the year					
Profit for the year	-	-	-	1,793,205	1,793,205
Other comprehensive loss for the year	-	-	-	(11,496)	(11,496)
	-	-	-	1,781,709	1,781,709
Transactions with owners in their capacity as					
owners recognised directly in equity					
Final dividend for the year ended March 31, 2020					
@ Re 1 per share	-	-	-	(142,800)	(142,800)
Balance as on March 31, 2021	1,428,000	76,000	14,880,000	1,812,163	18,196,163

The annexed notes 1 to 50 form an integral part of these financial statements.

Aamir H. Shirazi Chairman

Hironobu Yoshimura
Chief Executive

Hamood ur Rahman Qaddafi
Chief Financial Officer









STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2021

Rupees in thousand	Note	2021	2020
Cash flows from operating activities			
Cash generated from operations	37	16,085,694	1,697,630
Finance cost paid		(156,060)	(517,318)
Employees' retirement benefits and other obligations paid		(226,929)	(113,128)
Net decrease in loans to employees		53,575	72,155
Income tax paid		(2,305,437)	(645,814)
Royalty paid		(1,348,681)	(1,054,689)
Net (decrease)/increase in deferred revenue		(7,600)	25,681
Net cash inflow/(outflow) from operating activities		12,094,562	(535,483)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,823,355)	(556,363)
Purchase of intangible assets		(71,173)	(168,029)
Proceeds from disposal of property, plant and equipment		22,744	104,652
Proceeds from disposal of short term investments		324,576	332,446
Dividend received		-	4,354
Interest received		496,821	121,894
Net cash outflow from investing activities		(3,050,387)	(161,046)
Cash flows from financing activities			
Short term loan from related party acquired	13	-	2,172,940
Short term loan from related party repaid	13	(2,334,267)	-
Long term finances acquired	7	3,078,852	-
Long term finances repaid	7	(62,490)	-
Dividends paid		(143,697)	(1,733,645)
Net cash inflow from financing activities		538,398	439,295
Net increase/(decrease) in cash and cash equivalents		9,582,573	(257,234)
Cash and cash equivalents at the beginning of the year		5,337,963	5,595,197
Cash and cash equivalents at the end of the year	38	14,920,536	5,337,963

Refer notes 7 and 13 for reconciliation of liabilities arising from financing activities.

The annexed notes 1 to 50 form an integral part of these financial statements.

















NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. LEGAL STATUS AND NATURE OF BUSINESS

Honda Atlas Cars (Pakistan) Limited (the 'Company') is a public company limited by shares incorporated in Pakistan on November 4, 1992 under the repealed Companies Ordinance, 1984 (now, the Companies Act, 2017). It is a subsidiary of Honda Motor Co., Ltd., Japan, (the 'holding company'). The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited.

The registered office of the Company is situated at 1-Mcleod Road, Lahore, and its manufacturing facility is located at 43 km, Multan Road, Manga Mandi, Lahore. The Company also has regional offices situated at Asia House, 19-C&D, Block L, Gulberg III, Main Ferozepur Road, Lahore and Tower-A, Technology Park, Shahrah-e-Faisal, Karachi.

The Company's principal activities are assembling and progressive manufacturing and sale of Honda vehicles and spare parts. The Company commenced commercial production from July 1994.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 (the 'Act'); and
- ii) Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

2.2 Initial application of standards, amendments or interpretations 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:

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current vear

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on April 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after April 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

(a) Classification of liabilities - Amendment to IAS 1: (effective for period beginning on April 01, 2021)

The IASB issued a narrow-scope amendment to IAS 1, 'Presentation of Financial Statements', to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability.











In particular, the amendment clarifies that:

- liabilities are classified as non-current if the entity has a substantive right to defer settlement for at least 12 months at the end of the reporting period. The amendment no longer refers to unconditional rights;
- the assessment determines whether a right exists, but it does not consider whether the entity will exercise the right. So, management's expectations do not affect the classification;
- the right to defer only exists if the entity complies with any relevant conditions at the reporting date. A liability is classified as current if a condition is breached at or before the reporting date and a waiver is obtained after the reporting date; and
- Settlement is defined as the extinguishment of a liability with cash, other economic resources or an entity's own equity instruments.

The Company has assessed that the impact of this amendment is not expected to be significant.

(b) Disclosure of accounting policies and definition of accounting estimates - Amendment to IAS 1 and IAS 8: (effective for period beginning on April 01, 2021)

The IASB amended IAS 1, 'Presentation of Financial Statements', to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment also clarifies that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarifies that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

The amendment to IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company has assessed that the impact of this amendment is not expected to be significant.

3. BASIS OF MEASUREMENT

3.1 These financial statements have been prepared under the historical cost convention except for the recognition of certain employee retirement benefits at present value and certain financial instruments at fair value.

3.2 Critical accounting estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

- a) Employees' retirement benefits gratuity note 4.1
- b) Provision for taxation notes 4.2 and 36
- c) Useful lives and residual values of property, plant and equipment and intangible assets notes 4.3, 4.4, 17 and 18
- d) Impairment of financial assets note 4.8.4
- e) Provision from warranty claims notes 4.16.1

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

- f) Contingent liabilities notes 4.27 and 16
- g) Provision for obsolescence of stock-in-trade notes 4.13 and 23.5
- h) Provision for net realizable value of stock-in-trade notes 4.13 and 23.4

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

3.3 Change in accounting estimate

During the year, as a result of annual assessment of the review of remaining useful lives of the Company's property, plant and equipment and intangible assets, management identified that certain plant and machinery and license fees and drawings require an upward revision in their useful lives. Hence, the remaining useful lives of such plant and machinery and license fees and drawings have been increased. Such change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Had there been no change in the accounting estimate, the profit before tax for the year ended March 31, 2021 would have been lower by Rs 118.273 million and carrying values of property, plant and equipment and intangible assets as at that date would have been lower by Rs 88.954 million and Rs 29.318 million respectively. Consequently, due to the above change in accounting estimate, future profits before tax would decrease by Rs 118.273 million.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted 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 Employee benefits

4.1.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

4.1.2 Post employment benefits

The main features of the schemes operated by the Company for its employees are as follows:

(a) Defined benefit plan - Gratuity

The Company operates a funded defined benefit gratuity scheme for all its local permanent employees having a service period of more than 5 years. Gratuity is payable based on last drawn basic salary multiplied by length of years of service and gratuity factors which increase with completed service. Provisions are made in the financial statements to cover obligations on the basis of actuarial valuations carried out annually. The most recent valuation was carried out as at March 31, 2021 using the "Projected Unit Credit Method". Under the scheme, gratuity is payable on the basis of last drawn basic salary at the following rates:

Service in the Company	Gratuity factor per completed year of service
0 - 4 years and 364 days	Nil
5 - 9 years and 364 days	15 days
10 years or more	30 days

Contributions under the scheme are made to this fund on the basis of actuarial recommendation at the rate of 7.20% (2020: 6.80%) per annum of basic salary.

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the statement of profit or loss.

The amount recognized in the statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

The future contribution rate of the plan includes allowances for deficit and surplus. Projected Unit Credit Method, using the following significant assumptions, is used for valuation of this scheme:

Per annum	2021	2020
Discount rate	10.25%	10.25%
Expected increase in eligible pay	9.25 to 12.00%	9.25 to 12.00%
Expected rate of return on plan assets	10.87%	10.25%

The expected mortality rates assumed are based on the SLIC (2001-05) mortality table.

The Company is expected to contribute Rs 74.98 million to the gratuity fund in the next year.

(b) Defined contribution plan

The Company operates a defined contributory provident fund for all its local permanent employees. Obligations for contributions to defined contribution plan are recognised as an employee benefit expense in the statement of profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available. Contributions are made equally by the Company and the employees at the rate of 10% per annum of the basic salary plus cost of living allowance subject to completion of minimum qualifying period of service as determined under the rules of the fund.

4.2 Taxation

Income tax comprises current and deferred tax. Income tax is recognised in the statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

4.2.1 Current

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability

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4.2.2 Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, 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.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets, except for freehold land, are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss.

Depreciation on all items of operating fixed assets, except for freehold land and model specific plant and machinery, is charged to profit or loss by applying the diminishing balance method so as to write off the depreciable amount of an asset over its useful life. Depreciation on model specific plant and machinery is provided on a straight line basis so as to write off the depreciable amount of an asset over the life of the model. Depreciation is charged at the annual rates given below:

	Rate
Buildings on freehold land	5%
Plant and machinery	7.95% to 34.30%
Furniture and office equipment	20%
Vehicles	20%
Tools and equipment	20%
Computers	35%

Depreciation on additions to operating fixed assets is charged when an asset is available for use while no depreciation is charged when the asset is derecognised.

The assets' residual values and useful lives are continually reviewed by the Company and adjusted if impact on depreciation is significant. The Company's estimate of the residual values and useful lives of its property, plant and equipment during the year has been adjusted as explained in note 3.3.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.6).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only











when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.3.2 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when the Company expects to use them for more than one year. Transfers are made to operating fixed assets category as and when such items are available for use.

4.4 Intangible assets

Intangible assets, which are stated at cost less accumulated amortisation and any identified impairment loss, mainly represent the cost of licenses for the right to manufacture Company's vehicles in Pakistan, technical drawings of certain components and software licenses.

Costs associated with maintaining intangible assets are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Amortisation is charged to profit or loss on a straight line basis so as to write off the cost of an asset over its estimated useful life. Amortisation on additions is charged when an asset is available for use while no amortisation is charged when the asset is derecognised. Amortisation is charged at the annual rates given below:

	Rate
License fees and drawings	11% to 48%
Computer software	20% to 32%

The assets' useful lives are continually reviewed by the Company and adjusted if impact on amortisation is significant. The Company's estimate of the useful lives of its intangible assets during the year has been adjusted as explained in note 3.3.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.6).

4.5 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are

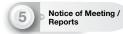
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transferred to property, plant and equipment or intangible assets as and when these are available for use.

4.6 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. 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 costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.7 Leases

The Company is a lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. In case of warehouses, security deposits are made part of the cost of right of use assets and treated as residual value of the warehouses. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.











Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

4.8 Financial assets

4.8.1 Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

4.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.8.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.

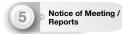
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- ii) Fair value through other comprehensive income ('FVOCI'): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as a separate line item in the statement of profit or loss.
- iii) FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.8.4 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the Company applies IFRS 9 simplified approach to measure the ECL ('loss allowance') which uses a life time expected loss allowance to be recognised from initial recognition of the receivables and contract assets, while general 3-stage approach for long term loans, deposits, other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term trade debts
- Long term loans
- Long term deposits
- Trade debts
- Loans, deposits and other receivables
- Derivative financial instruments
- Bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a

significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 180 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

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Trade debts with individually significant balance are separately assessed for ECL measurement. All other receivables are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- external credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognises an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.8.5 Impairment of financial assets due from Government of Pakistan

Financial assets include trade debts due from government departments. SECP through SRO 985(I)/2019 dated September 2, 2019 has notified that, in respect of companies holding financial assets due from the Government of Pakistan, the requirements contained in IFRS 9 with respect to application of Expected Credit Losses method shall not be applicable till June 30, 2021 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective

interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss.

4.9 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognized 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 the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the statement of profit or loss.

4.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.11 Derivative financial instruments

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 recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company has not designated any derivatives as hedging instruments and accordingly, the changes in fair value re-measurement are recognised in the statement of profit or loss. Trading derivatives are classified as a current asset or liability.

4.12 Stores and spares

Usable stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising of invoice value and other incidental charges paid thereon.

4.13 Stock-in-trade

Stock of raw materials, except for those in transit, work-in-process and finished goods are valued at the lower of weighted average cost and net realisable value. Items in transit are valued at cost comprising of invoice value and other incidental charges paid thereon. Cost of raw materials and trading stock comprises of the invoice value plus other charges paid thereon. Cost of work-in-process and finished goods includes cost of direct materials, labour and appropriate portion of manufacturing overheads.

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

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If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the financial statements for obsolete and slow moving stock-in-trade based on management estimate.

4.14 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the statement of profit or loss in the period in which they are incurred.

4.16 Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.16.1 Provision for service warranties

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period and for which the management does not expect to receive a warranty claim from the respective vendors. Management estimates the related provision for future warranty claims based on historical warranty claim information, as well as recent trends that might suggest that past cost information may differ from future claims. The assumptions made in relation to the current period are consistent with those in the prior year. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives, as well as parts and labour costs.

4.17 Trade debts

Trade debts are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade debts are recognised initially at the amount of consideration that is unconditional, unless they contain significant











financing component in which case such are recognised at fair value. The Company holds the trade debts with the objective of collecting the contractual cash flows and therefore measures the trade debts subsequently at amortised cost using the effective interest rate method.

4.18 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.19 Cash and cash equivalents

For the purpose of presentation in the statement of cashflows, cash and cash equivalents include cash in hand, deposits held at calls with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, bank overdrafts and short term borrowings. Bank overdrafts and short term borrowings are shown in current liabilities on the statement of financial position.

4.20 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets, all other investments are classified as non-current assets. Management determines the appropriate classification of its investments into categories of financial assets at the time of the purchase and re-evaluates such designation on a regular basis.

4.21 Revenue recognition

Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service to a customer, and control either transfers over time or at a point of time. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

In case of vehicles and spare parts, revenue is recognised when goods are dispatched and invoiced to the customers. Revenue is measured at the transaction price agreed under the contract, adjusted for variable consideration such as discount, if any. In most cases, the consideration is received before the goods are dispatched/invoiced. Deferred payment terms may also be agreed in case of sales to certain categories of customers. Transaction price is adjusted for time value of money in case of significant financing component.

The Company's contracts with customers include promises to transfer goods or services without charges such as free inspections. Such promised goods or services are generally considered performance obligations and related sales revenue is deferred under IFRS 15, if it is deemed material.

The Company also has a performance obligation to arrange for delivery of goods at locations specified by the customers. However, the Company acts as an agent in satisfaction of this performance obligation and net income/ (expense) in this respect is recognised in the statement of profit or loss.

Amount received on account of sale of extended warranty is recognised initially as deferred revenue and is credited to the statement of profit or loss in the relevant period covered by the warranty.

4.22 Contract asset and contract liability

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

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A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.23 Dividend and other appropriations

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved and other appropriations are recognised in the period in which these are approved by the Board of Directors of the Company ('BOD').

4.24 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ('CODM'). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as BOD that makes strategic decisions.

4.25 Share capital

Ordinary shares are classified as equity and recognised at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax.

4.26 Earnings per share

The Company presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic 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 year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.27 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the
 occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the
 Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.28 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

4.29 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.







b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

4.30 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

5. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2021	2020		2021	2020
Number o	of shares		Number	of shares
111,400,000	111,400,000	Ordinary shares of Rs 10 each fully paid in cash	1,114,000	1,114,000
31,400,000	31,400,000	Ordinary shares of Rs 10 each issued as		
		fully paid bonus shares	314,000	314,000
142,800,000	142,800,000		1,428,000	1,428,000

- 5.1 72,828,000 (2020: 72,828,000) ordinary shares of the Company which represent 51% (2020: 51%) of the issued, subscribed and paid up share capital of the Company are held by Honda Motor Co., Ltd., Japan, the holding company which is incorporated in Japan. The registered address of the holding company is 1-1, Minami-Aoyama, 2-Chome, Minato-ku, Tokyo, 107-8556, Japan.
- **5.2** Ordinary shares of the Company held by related parties (other than the holding company) as at year end are as follows:

Number of shares Note	2021	2020
Directors		
Mr. Ariful Islam	500	500
Mr. Feroz Rizvi	500	500
Ms. Rie Mihara	500	500
5.2.1	1,500	1,500
Other related parties		
Atlas Insurance Limited	850,000	850,000
Shirazi Investments (Private) Limited	43,119,650	43,119,650
	43,971,150	43,971,150

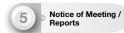
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5.2.1 These represent qualification shares held by the independent directors of the Company.

	Rupees in thousand N	lote	2021	2020
6.	RESERVES			
	Composition of reserves is as follows:			
	Capital			
	Share premium	6.1	76,000	76,000
	Revenue			
	General reserve		14,880,000	14,230,000
			14,956,000	14,306,000

6.1 This reserve can be utilised by the Company only for the purposes specified in section 81 of the Act.

	Rupees in thousand	Note	2021	2020
7.	LONG TERM FINANCES - SECURED			
	Loan under refinance scheme - Conventional Ioan	7.1	417,399	-
	Loan under refinance scheme - Islamic mode of financing	7.2	1,883,959	-
			2,301,358	-
	Current portion shown under current liabilities		(232,665)	_
		7.1 & 7.2	2,068,693	-

7.1 This represents long term financing facility obtained from Standard Chartered Bank (Pakistan) Limited under the State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns, recognised initially at fair value. The total facility amounted to Rs 500 million. As of March 31, 2021, the balance is repayable in seven equal quarterly instalments of Rs 62.49 million each ending in October 2022. The facility is secured against current assets of the Company. The markup on the facility is payable quarterly and the base rate applicable during the year was 1.25% per annum. The effective interest rate during the year was 7.5% per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2021	2020
Balance as at beginning of the year		-	_
Disbursements during the year		499,918	-
Repayments during the year		(62,490)	-
		437,428	_
Discounting adjustment for recognition at fair value - deferred government grant	8	(39,208)	-
Unwinding of discount on liability		19,179	-
Balance as at end of the year		417,399	-
Current portion shown under current liabilities	11	(232,665)	-
		184,734	-









7.2 This represents long term Islamic financing facility (Diminishing Musharakah) obtained from Faysal Bank Limited under State Bank of Pakistan's (SBP) Refinance Scheme for Temporary Economic Refinance Facility ('TERF'), recognised initially at fair value. The total facility available amounts to Rs 5,000 million. The balance is repayable in 32 equal quarterly instalments after a grace period of two years from the date of each disbursement. The facility is secured against a lien over the Company's import documents and first hypothecation charge over its fixed assets, excluding land and buildings, amounting to Rs 6,667 million. The markup on the facility is payable quarterly and the base rate applicable during the year was 1.6% per annum. The effective interest rate during the year was 7.5% per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2021	2020
Balance as at beginning of the year		-	-
Disbursements during the year		2,578,934	-
Repayments during the year		-	-
		2,578,934	-
Discounting adjustment for recognition at fair value - deferred government grant	8	(710,424)	-
Unwinding of discount on liability		15,449	-
Balance as at end of the year		1,883,959	-
Current portion shown under current liabilities		-	<u>-</u> _
		1,883,959	-

8. DEFERRED GOVERNMENT GRANT

This represents deferred government grant recognised in respect of the benefit of below-market interest rate on long term finances as referred to in note 7. The benefit has been measured as the difference between the fair value of the loan and the proceeds received. The Company has used the prevailing market rate of mark-up for similar instruments to calculate fair values of respective loans. The discount rate used is 7.5% per annum. The reconciliation of the carrying amount is as follows:

8.1 The reconciliation of the carrying amount is as follows:

Rupees in thousand Note	2021	2020
Balance as at beginning of the year	-	-
Deferred government grant recognised during the year	749,632	-
Credited to profit or loss - amortised during the year	(34,628)	-
	715,004	-
Current portion shown under current liabilities 11	(119,166)	-
Balance as at end of the year	595,838	-

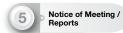
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9. EMPLOYEE RETIREMENT BENEFITS

This represents gratuity. The amounts recognised in the statement of financial position are as follows:

	Rupees in thousand Note	2021	2020
	Present value of defined benefit obligation	777,037	670,361
	Fair value of plan assets	(603,663)	(482,877)
	Liability as at March 31	173,374	187,484
9.1	Movement in net liability of defined benefit obligation		
	Net liability as at beginning of the year	187,484	164,766
	Charged to statement of profit or loss 9.5	70,660	69,060
	Total remeasurements for the year charged to OCI: 9.6	16,192	22,718
	Contributions made by the Company during the year	(100,962)	(69,060)
	Net liability as at end of the year	173,374	187,484
9.2	Movement in the present value of defined benefit obligation		
	Present value of defined benefit obligation as at beginning of the year	670,361	581,862
	Current service cost	51,443	47,229
	Interest cost	67,125	74,244
	Benefits paid during the year	(30,972)	(43,059)
	Remeasurements on obligation recognised in OCI:		
	- Actuarial losses from changes in financial assumptions	19,079	12,033
	- Experience adjustments	1	(1,948)
	Present value of defined benefit obligation as at end of the year	777,037	670,361
9.3	Movement in the fair value of plan assets		
	Fair value of plan assets as at beginning of the year	482,877	417,096
	Interest income on plan assets	47,908	52,413
	Contributions made during the year	100,962	69,060
	Benefits paid during the year	(30,972)	(43,059)
	Remeasurements on fair value of plan assets recognised in OCI	2,888	(12,633)
	Fair value of plan assets as at end of the year	603,663	482,877
9.4	Plan assets are comprised as follows:		
	Debt	3,156	305,467
	Mutual funds	442,057	64,158
	Cash	158,450	113,252
		603,663	482,877











	Rupees in thousand	2021	2020
9.5	Amounts recognised in the statement of profit or loss		
	Current service cost	51,443	47,229
	Interest cost	67,125	74,244
	Interest income on plan assets	(47,908)	(52,413)
	Net expense charged in the statement of profit or loss	70,660	69,060
9.6	Remeasurements charged to other comprehensive income (OCI)		
	Actuarial losses from changes in financial assumptions	19,079	12,033
	Experience adjustments	1	(1,948)
	Remeasurements on fair value of plan assets	(2,888)	12,633
	Total remeasurements charged to OCI	16,192	22,718

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

Impact on defined benefit obligation

Rupees in thousand	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	706,618	858,669
Salary growth rate	1.00%	859,582	704,588

The average duration of the defined benefit obligation is 10 years.

9.8 Risks faced by the Company on account of gratuity obligation

- **Final salary risks** The risk that the final salary at the time of cessation of service is greater than what was assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.
- **Asset volatility** Investments in units of mutual funds are subject to adverse fluctuations as a result of change in the market price.
- **Discount rate fluctuation** The plan liabilities are calculated using a discount rate set with reference to corporate bond yields. A decrease in corporate bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the current plan's bond holdings.
- Investment risks The risk of the investments underperforming and not being sufficient to meet the liabilities. This risk is mitigated by closely monitoring the performance of investments.
- **Risk of insufficiency of assets** This is managed by making regular contribution to the fund as advised by the actuary.

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Rupees in thousand	Note	2021	2020
DEFERRED TAXATION			
The gross movement in net deferred tax liability during the year			
is as follows:			
Opening deferred tax liability		270,510	288,058
Credited to statement of profit or loss	36	(68,730)	(17,548)
Closing deferred tax liability		201,780	270,510
The liability for deferred taxation comprises of taxable/(deductible) temporary differences relating to: Accelerated tax depreciation		227,567	279,932
Unrealised gain on short term investments		-	4,620
Minimum tax available for carry forward	10.1	-	-
Provision for custom duties and warranties		(25,787)	(14,042)
		201,780	270,510

10.1 Deferred tax asset on deductible temporary differences arising due to discounting of long term loans, long term trade debts and provision in respect of stock obsolescence aggregating Rs 71.477 million (2020: Rs 28.733 million) and deferred tax asset on tax credit representing minimum tax available for carry forward under section 113 of the Income Tax Ordinance, 2001 has not been recognised as sufficient taxable profits would not be available for adjustment/ utilisation in the foreseeable future. The minimum tax would expire as follows:

Accounting year to which	Amount of minimum tax	Accounting year in which
minimum tax relates	(Rupees in thousand)	minimum tax will expire
2019	33,621	2024
2020	338,100	2025
2021	145,399	2026
	517,120	

	Rupees in thousand	Note	2021	2020
11.	CURRENT PORTION OF NON-CURRENT LIABILITIES			
	Current portion of long term finances - secured	7	232,665	-
	Current portion of deferred government grant	8	119,166	-
	Current portion of deferred revenue		9,882	20,498
			361,713	20,498









2021

Noto

2020

12. SHORT TERM BORROWINGS - SECURED

12.1 Running finances - secured

Short term borrowings available from commercial banks under mark up arrangements amount to Rs 14,860 million (2020: Rs 13,860 million). These arrangements carry mark up ranging from 7.29% to 12.26% (2020: 11.54% to 14.85%) per annum. The aggregate short term borrowings are secured by first pari passu hypothecation charge over current assets of the Company.

12.2 Letters of credit and guarantees

Punese in thousand

Of the aggregate facility of Rs 2,205 million (2020: Rs 2,267 million) for opening letters of credit, the amount utilized at March 31, 2021 was Rs 190 million (2020: Rs 122 million). The aggregate facility for opening letters of credit is secured by lien over import documents.

Of the aggregate facility of Rs 7,200 million (2020: Rs 3,200 million) for bank guarantees, out of which Rs 4,700 million is available as a sub-limit of the above mentioned facilities for short term borrowings, the amount utilized at March 31, 2021 was Rs 5,739 million (2020: Rs 2,430 million).

13. SHORT TERM LOAN FROM RELATED PARTY - UNSECURED

This represented a short term loan of 14 million United States Dollars ('USD') obtained from Asian Honda Motor Co., Ltd., Thailand (a related party) to meet the working capital requirements of the company and has been repaid during the year as per the terms of the agreement. The loan carried fixed mark up at the rate of 3.2% per annum. The reconciliation of the carrying amount is as follows:

Rupees in thousand	Note	2021	2020
Balance as at beginning of the year		2,332,246	-
Receipts during the year		-	2,172,940
Repayments during the year		(2,334,267)	-
Exchange loss		2,021	159,306
Balance as at end of the year		-	2,332,246
ACCRUED MARKUP			
Accrued mark up on:			
- Short term loan from related party - unsecured	13	-	23,427
- Short term borrowings - secured	12	15	52,119
- long term finances - secured	7	6,105	
		6,120	75,546

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Rupees in thousand	Note	2021	2020
TRADE AND OTHER PAYABLES			
Creditors	15.1	1,460,589	821,700
Accrued liabilities		704,901	551,873
Bills payable	15.2	2,324,255	3,848,587
Deposits against display cars	15.3	2,154,510	2,074,097
Accumulating compensated absences	15.4	84,733	116,091
Contract liabilities	15.5	10,814,600	1,972,510
License fee, technical fee and royalties	15.6	801,605	542,004
Provision for custom duties		32,169	32,169
Punjab sales tax payable		137,114	84,335
Withholding income tax payable		154,537	90,316
Punjab infrastructure development cess payable		631,275	628,188
Sindh development and maintenance of infrastructure cess payable		1,322,666	1,072,332
Workers' Welfare Fund	15.7	63,843	35,587
Custom duty payable		2,563,734	266,422
Payable to provident fund		15,781	14,817
Security deposits	15.8	144,448	139,052
Others		80,109	43,719
		23,490,869	12,333,799
Includes amounts due to the following related parties:			
Holding company		-	1,278
Other related parties		39,957	30,380
		39,957	31,658
Includes amounts due to the following related parties:			
Holding company		199,268	322,693
Other related parties		2,085,179	3,476,943
		2,284,447	3,799,636

15.3 These represent interest free deposits from dealers against display of Company cars at their premises and are repayable on demand. These deposits have been utilised for the purpose of business in accordance with the terms of written agreements with the dealers.









	Rupees in thousand	2021	2020
15.4	Accumulating compensated absences		
	Balance as at beginning of the year	116,091	68,956
	Provision for the year	94,609	91,203
		210,700	160,159
	Payments made during the year	(125,967)	(44,068)
	Balance as at end of the year	84,733	116,091

15.5 This represents contract liabilities of the Company towards customers against the sale of vehicles. Customers who have given these advances, are entitled to discount at the rate of Karachi Inter Bank Offered Rate ('KIBOR') plus 2% per annum, from the date of advance payment to the date of delivery in case the delivery is delayed over two months from the date of advance payment, subject to certain other conditions.

	Rupees in thousand Note	2021	2020
15.6	Includes amounts due to the following related parties:		
	Holding company	507,589	520,174
	Other related parties	73,887	8,400
		581,476	528,574
15.7	Workers' Welfare Fund		
	Balance as at beginning of the year	35,587	82,401
	Provision for the year 34	62,663	35,423
		98,250	117,824
	Payments during the year	(34,407)	(82,237)
	Balance as at end of the year	63,843	35,587

15.8 These represent interest free deposits from dealers and customers of scrap amounting to Rs 135.64 million (2020: Rs 124.59 million) and Rs 8.80 million (2020: Rs 10.40 million) against spare parts sales and scrap sales respectively. These are repayable on demand and cannot be utilised for the purpose of business in accordance with the terms of written agreements with these parties. These have been kept in a separate bank account in accordance with the requirements of section 217 of the Act.

16. CONTINGENCIES AND COMMITMENTS

16.1 Contingencies

(i) In the previous years, the Company received various notices from custom authorities for payment of custom duty and sales tax in respect of certain components of Honda Cars imported during prior years. Custom authorities interpreted that Completely Built Unit ('CBU') rate of duty was applicable on such components and thus raised a demand of Rs 110 million. It included Rs 96 million on account of custom duty and Rs 14 million on account of sales tax.

The Company approached custom authorities on the grounds that the components specified in the above mentioned notices included certain components which were duly appearing in the indigenization program of the Company for the relevant period. Hence, CBU rate of duty was not applicable on import of these components. However, the Customs Appellate Tribunal, Lahore ('CAT'), vide its order dated November 30, 2007, decided the matter against the Company against which references were filed in the Honourable Lahore High Court. The Honourable Lahore High Court remanded back the cases to CAT on December 16, 2016. CAT decided these cases in favour of the Company on July 13, 2017 and consequently, Customs Department filed an appeal against

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judgment of CAT which is pending adjudication in Honourable Lahore High Court. The Company has made a provision of Rs 32 million against the total demand of Rs 110 million. As the management is confident that the matter would be settled in its favour, consequently, no provision for the balance amount has been made in these financial statements in respect of the above mentioned notices.

(ii) The Collector of Customs (Appeals) had endorsed demands aggregating to Rs 3,194.55 million raised against the Company by the Customs Department in respect of imports affected during the period from April 2011 to December 2016, on account 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. The Company has filed an appeal against the decision of Collector of Customs (Appeals) before the Customs Appellate Tribunal which is pending adjudication.

Also, the Collector of Customs (Adjudication) has endorsed the demand of Rs 1,049.28 million on similar grounds in respect of imports affected during the period from April 2017 to December 2017 taking the total amount involved in the matter to Rs 4,243.83 million.

In this respect, it is the Company's contention that subject amount of 'royalty' and 'license fee' were relatable to the Company's manufacturing facilities and not the goods imported by it and hence, such amounts cannot be considered as part and parcel of import value. No provision on this account has been made in these financial statements as the management considers that its stance is founded on meritorious grounds which have been settled in the Company's favour by the Customs Appellate Tribunal in earlier years.

- (iii) The Deputy Commissioner Inland Revenue ('DCIR'), through his order dated October 9, 2015, disallowed input tax credit amounting to Rs 63.60 million claimed by the Company during the sales tax periods from July 2012 to June 2014 on the basis that such input tax related to supply of exempt goods and thus was not recoverable. The Company being aggrieved of the said order filed an appeal before Commissioner Inland Revenue (Appeals) ['CIR(A)'] who upheld the DCIR's decision through his order dated January 28, 2016. The Company further filed an appeal against the CIR(A)'s order before Appellate Tribunal Inland Revenue ('ATIR') which also upheld the original decision against the Company through its order dated January 10, 2019. The Company has now filed an appeal against ATIR's decision before Lahore High Court on February 18, 2019. Lahore High Court, through order dated February 25, 2019 has granted a stay against ATIR's decision while the main appeal is pending adjudication. The Company has not made any provision against the above disallowance as the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the legal counsel and the relevant law and facts.
- (iv) Bank guarantees of Rs 5,738.79 million (2020: Rs 2,430 million) have been issued in favour of third parties.

16.2 Commitments in respect of

- (i) Letters of credit and purchase orders for capital expenditure aggregating Rs 1,893.86 million (2020: Rs 98.57 million).
- (ii) Letters of credit and purchase orders for other than capital expenditure aggregating Rs 1,285.55 million (2020: Rs 1,089.71 million).









17. PROPERTY, PLANT AND EQUIPMENT - OPERATING FIXED ASSETS

Rupees in thousand 2021

	Cost as at April 01, 2020	Additions / (deletions)	Cost as at March 31, 2021	Accumulated depreciation as at April 01, 2020	Depreciation charge / (deletions) for the year	Accumulated depreciation as at March 31, 2021	Book value as at March 31, 2021
Freehold land	417,319	-	417,319	-	-	-	417,319
Buildings on freehold land	2,402,027	988	2,403,015	1,165,004	61,864	1,226,868	1,176,147
Plant and machinery	8,247,630	44,786	7,925,097	6,048,788	479,921	6,161,529	1,763,568
		(367,319)			(367,180)		
Furniture and office equipment	274,562	9,288	283,729	140,860	27,295	168,049	115,680
		(121)			(106)		
Vehicles	578,725	47,743	593,287	189,806	83,571	257,122	336,165
		(33,181)			(16,255)		
Tools and equipment	206,797	4,280	209,771	123,249	16,911	138,992	70,779
		(1,306)			(1,168)		
Computers	205,604	96,504	292,982	146,324	34,111	172,379	120,603
		(9,126)			(8,056)		
Total	12,332,664	203,589	12,125,200	7,814,031	703,673	8,124,939	4,000,261
		(411,053)			(392,765)		

Rupees in thousand 2020

	Cost as at April 01, 2019	Additions / (deletions)	Cost as at March 31, 2020	Accumulated depreciation as at April 01, 2019	Depreciation charge / (deletions) for the year	Accumulated depreciation as at March 31, 2020	Book value as at March 31, 2020
Freehold land	417,319	-	417,319	-	-	-	417,319
Buildings on freehold land	2,396,615	5,412	2,402,027	1,100,018	64,986	1,165,004	1,237,023
Plant and machinery	7,922,245	342,844	8,247,630	5,464,682	584,106	6,048,788	2,198,842
		(17,459)					
Furniture and office equipment	257,338	17,343	274,562	109,554	31,409	140,860	133,702
		(119)			(103)		
Vehicles	608,305	148,806	578,725	188,773	96,406	189,806	388,919
		(178,386)			(95,373)		
Tools and equipment	196,311	10,787	206,797	103,923	19,611	123,249	83,548
		(301)			(285)		
Computers	209,454	16,044	205,604	134,971	30,026	146,324	59,280
		(19,894)			(18,673)		
Total	12,007,587	541,236	12,332,664	7,101,921	826,544	7,814,031	4,518,633
		(216,159)			(114,434)		

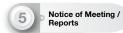
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- 17.1 Plant and machinery includes dies and moulds having book value of Rs 3.91 million (2020: Rs 12.11 million) which are in possession of various vendors of the Company as these dies and moulds are used by the vendors for producing certain parts for supply to the Company.
- **17.2** Freehold land represents 184,000 square meters of land situated at 43 km, Multan Road, Manga Mandi, Lahore out of which approximately 86,000 square meters represents covered area.

	Rupees in thousand		2021	2020
17.3	The depreciation charge has been allocated as follows:			
	Cost of sales - own manufactured	30	595,171	713,429
	Distribution and marketing costs	31	32,799	40,708
	Administrative expenses	32	75,703	72,407
			703,673	826,544

17.4 Property, plant and equipment, excluding land and buildings, amounting to Rs 6,667 million is pledged as security against long term loan as referred to in note 7.2.

17.5 Sale of operating fixed assets

Rupees in thousand 2021

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain /(loss) on sale	Mode of disposal
Vehicles	Employees					
	Qazi Wasif Ali	1,438	522	589	67	As per Company policy
	Sh.Wajid Subhani	2,357	1,974	2,245	271	-do-
	Bushra Waseem	1,472	729	810	81	-do-
	Employees - Key management personnel					
	Ahmad Umair Wajid (ex-employee)	2,895	2,088	2,201	113	As per Company policy
	Related Party					
	Atlas Insurance Limited	2,185	1,799	2,038	239	Total loss-insurance claim
	Outsiders					
	Khalid Ali	2,311	1,545	2,411	866	Auction
	Shahrukh Nabi	11,599	4,540	2,700	(1,840)	Sale
	Augmentec Business Solutions	1,319	646	1,985	1,339	Auction
	Augmentec Business Solutions	1,946	1,125	2,355	1,230	Auction
	Farhan Makhdoom Khan	2,211	1,428	2,351	923	Auction









Rupees in thousand

2020

Particulars of assets	Sold to	Cost	Net book value	Sale price	Gain /(loss) on sale	Mode of disposal
Vehicles	Employees					
	Abdul Quddus Abbasi	1,596	514	547	33	As per Company policy
	Waseem Akhter	1,488	508	558	50	-do-
	Muhammad Shahid	1,488	508	558	50	-do-
	Muhammad Nauman Butt	1,488	508	558	50	-do-
	Majid Rashid	1,495	651	706	55	-do-
	Muhammad Imran	1,569	1,213	1,323	110	-do-
	Syed Awais Ahmed Shah	1,425	912	912	-	-do-
	Ahmad Butt	1,475	554	554	-	-do-
	Khurram Shamim	1,475	554	554	-	-do-
	Muhammad Fahad	1,425	912	912	-	-do-
	Muhammad Aleem	1,364	829	829	-	-do-
	Muhammad Attique Tariq					
	(ex-employee)	1,567	1,212	1,355	143	-do-
	Dr. Mehboob Ur Rehman					
	(ex-employee)	1,732	1,533	1,694	161	-do-
	Mati Ur Rahman	1,495	618	664	46	-do-
	Javed Igbal	1,475	517	592	75	-do-
	Imran Naseem	1,475	517	592	75	-do-
	Muhammad Idrees	1,491	475	533	58	-do-
	Sh. Wajid Subhani	1,477	518	592	74	-do-
	Muhammad Mumtaz Hussain	1,475	517	517	-	-do-
	Muhammad Munir Malik	1,475	517	517	-	-do-
	Muhammad Tanveer	1,475	517	517	_	-do-
	Magbool Ahmad	1,475	517	517	_	-do-
	Subah Sadiq	1,475	517	517	_	-do-
	Imtiaz Hussain Khan	1,475	517	517	_	-do-
	Sher Dil Khan	1,475	517	517	_	-do-
	Muhammad Scheraz (ex-employee)	2,867	2,444	2,513	69	-do-
	Employees - Key management personnel					
	Zia Ul Hassan Khan (ex-employee)	2,472	1,582	1,929	347	As per Company policy
	Outsiders					
	Adnan Naseer Ahmed	2,088	946	2,063	1,117	Auction
	Augmentec Business Solutions	110,603	51,933	56,505	4,572	-do-
	Bilal Nazeer	11,146	5,350	2,151	(3,199)	-do-
Plant and machinery						
	Outsiders					
	Asian Parts Manufacturing	17,459	17,459	12,837	(4,622)	Negotiation

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

18. INTANGIBLE ASSETS

Dunges in thousand

Rupees in thousand	2021						
	Cost as at April 01, 2020	Additions / (deletions)	Cost as at March 31, 2021	Accumulated amortisation as at April 01, 2020	Amortisation charge / (deletions) for the year	Accumulated amortisation as at March 31, 2021	Book value as at March 31, 2021
License fees and drawings	631,895	-	631,895	350,432	98,434	448,866	183,029
Computer softwares	67,454	-	67,454	59,902	4,393	64,295	3,159
Total	699,349	-	699,349	410,334	102,827	513,161	186,188

Rupees in thousand							
	Cost as at April 01, 2019	Additions / (deletions)	Cost as at March 31, 2020	Accumulated amortisation as at April 01, 2019	Amortisation charge / (deletions) for the year	Accumulated amortisation as at March 31, 20220	Book value as at March 31, 2020
License fees and drawings	422,314	209,581	631,895	227,709	122,723	350,432	281,463
Computer softwares	67,454	-	67,454	46,108	13,794	59,902	7,552
Total	489,768	209,581	699,349	273,817	136,517	410,334	289,015

	Rupees in thousand	Note	2021	2020
18.1	The amortisation charge has been allocated as follows:			
	Cost of sales - own manufactured	30	98,434	122,723
	Administrative expenses	32	4,393	13,794
			102,827	136,517

	Rupees in thousand No.	ote	2021	2020
19.	CAPITAL WORK-IN-PROGRESS			
	Plant and machinery [including in transit			
	Rs 532.247 million (2020: Rs 21.674 million)]		3,704,264	84,498
	Intangible assets under development		83,737	12,564
			3,788,001	97,062
19.1	The reconciliation of the carrying amount is as follows:			
	Opening balance		97,062	123,487
	Additions during the year 19	9.1.1	3,916,203	761,300
			4,013,265	884,787
	Transfers during the year		(225,264)	(787,725)
	Closing balance		3,788,001	97,062
			_	

19.1.1 Includes borrowing cost capitalised of Rs 7.602 million (2020: Nil).









	Rupees in thousand	Note	2021	2020
20.	LONG TERM TRADE DEBTS			
	Considered good		116,404	213,055
	Discounting of long term trade debts	35	-	(51,851)
	Unwinding of discount	33	16,902	19,445
			133,306	180,649
	Current portion shown under current assets	24	(77,149)	(63,569)
			56,157	117,080

20.1 These represent interest free receivables in respect of vehicles sold on monthly instalments in accordance with the Company's policy and are recoverable within a period of 3 to 5 years. Included in these receivables is an amount aggregating to Rs 80.39 million (2020: Rs 105.41 million) which is due from employees of related parties (on the basis of common directorship). Long term trade debts have been carried at amortised cost by discounting future cash flows at a rate of 11.5% per annum.

Rupees in thousand	Note	2021	2020
LONG TERM LOANS TO EMPLOYEES			
Loans to employees - considered good			
- Key management personnel	21.1	6,587	10,779
- Others		335,989	400,368
		342,576	411,147
Discounting of long term loans	35	(73,724)	(66,673)
Unwinding of discount	33	29,098	-
		297,950	344,474
Current portion shown under current assets			
- Key management personnel		(3,616)	(4,571)
- Others		(124,125)	(126,089)
	25	(127,741)	(130,660)
		170,209	213,814

Loans to employees mainly comprise of staff welfare loan, associate loan, car loan and house rent loan.

Staff welfare loans carry interest at the rate of 8.3% per annum (2020: 14% per annum) and are recoverable within a period of 7 years commencing from the date of disbursement through monthly deductions from salaries.

Associate loans are interest free and are repayable between 2 to 4 years.

Car loans are interest free and are recoverable within a maximum period of 6 years commencing from the date of disbursement through monthly deductions from salaries.

House rent loans are interest free and are recoverable within a period of 3 years from the date of disbursement through monthly deduction from salaries. Loans other than staff welfare loans, which are interest free have been carried at amortised cost by discounting future cash flows at the market rate prevailing on the date of disbursement of loan which ranges from 7.18% to 12.63% per annum.

All of these loans are secured against retirement benefits of employees and their guarantors, and are granted to the employees of the Company in accordance with the Company's policies.

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FOR THE YEAR ENDED MARCH 31, 2021

21.1 These comprise loans to the following key management personnel: Iqbal Ahmad, Muhammad Ali, Basharat Ali Rana, Asif Mehmood, Imran Farooq and Amir Nazir.

The maximum amount of loan outstanding at the end of any month during the year was Rs 6.25 million (2020: Rs 17.17 million)

The loans to key management personnel of the Company have been granted under the same terms as explained above.

22. STORES AND SPARES

Most of the items of stores and spares are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Further, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

Spares amounting to Rs 12.40 million (2020: Rs 12.40 million) are in the possession of various vendors which relate to the dies and moulds.

Rupees in thousand	Note	2021	2020
STOCK-IN-TRADE			
Raw materials [including in transit Rs 4,888.82 million			
(2020: Rs 3,405.37 million)]	23.1	10,495,368	8,348,583
Work-in-process		619,984	577,187
Finished goods			
- Own manufactured	23.2	63,602	1,467,376
- Trading stock [including in transit Rs 170.87 million			
(2020: Rs 209.89 million)]	23.3	691,726	875,498
		11,870,680	11,268,644
Provision for net realizable value	23.4	(82,367)	-
Provision for obsolescence	23.5	(139,475)	-
		11,648,838	11,268,644

- 23.1 Raw materials amounting to Rs 235.2 million (2020: Rs 173.68 million) are in the possession of various vendors of the Company for further processing into parts to be supplied to the Company.
- 23.2 Own manufactured finished goods amounting to Rs 30.44 million (2020: Rs 861.76 million) are in the possession of various dealers as consignment stock for display at dealerships.
- **23.3** Trading stock amounting to Rs 23 million (2020: Rs 13.91 million) is in possession of various dealers as consignment stock for display at dealerships.







	Rupees in thousand	Note	2021	2020
23.4	The movement in provision for net realisable value is as follows:			
	Balance as at beginning of the year		-	-
	Provision for the year	23.6	82,367	
	Balance as at end of the year		82,367	
23.5	The movement in provision for obsolescence is as follows:			
	Balance as at beginning of the year		-	-
	Provision for the year	23.6	139,475	-
	Balance as at end of the year		139,475	-
23.6	These have been charged to Cost of Sales.			
24.	TRADE DEBTS			
	Considered good			
	- Current portion of long term trade debts	20	77,149	63,569
	- Others	24.1	768,616	804,936
			845,765	868,505
	Considered doubtful		16,142	16,142
	Loss allowance		(16,142)	(16,142)
			-	
			845,765	868,505
24.1	Includes balance receivable from the following related parties:			
	Honda Access Asia Oceania Co. Limited		-	326
	Honda Trading Asia Co. Limited		46	
			46	326

The maximum amount receivable from the related parties at the end of any month during the year was Rs 0.046 million (2020: Rs 1.37 million). The receivables are neither past due, nor impaired.

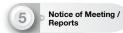
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

Rupees in thousand	Note	2021	2020
LOAN, ADVANCES, DEPOSITS, PREPAYMENTS AND			
OTHER RECEIVABLES			
Current portion of loans to employees	21	127,741	130,660
Advances - considered good:			
- to employees		-	60
- to suppliers and contractors	25.1	1,006,167	656,010
		1,006,167	656,070
Due from related parties	25.2	72,069	190,349
Recoverable from government authorities:			
- Income tax		2,210,858	991,282
- Sales tax		4,730,987	5,635,708
- Custom duty		39,152	39,152
		6,980,997	6,666,142
Prepayments	25.3	246,106	169,057
Margin held against imports		796,278	789,651
Profit receivable on bank deposits		65,482	14,839
Workers' Profit Participation Fund	25.4	353	1,704
Other receivables	25.5	54,666	35,098
		9,349,859	8,653,570

25.1 Includes interest bearing advances to suppliers and contractors aggregating Rs 680.378 million (2020: Rs 10.16 million). Such advances carry markup at the rate of 3 months KIBOR plus 1.25%. Markup rate charged during the year on the outstanding balances ranged from 8.50% to 8.85% (2020: 12.38% to 15.17%) per annum.

	Rupees in thousand	lote	2021	2020
25.2	Due from related parties			
	Holding company			
	Honda Motor Co., Ltd., Japan		1,056	1,867
	Other related parties			
	Honda Automobile (Thailand) Co., Ltd.		68,099	158,205
	Honda Malaysia SDN. BHD. Malaysia		-	28,263
	PT Honda Prospect Motor Indonesia		1,709	1,088
	PT Honda Precision Parts Mfg		1,157	702
	Honda Trading Asia Co., Ltd		48	208
	American Honda Motor Co., Inc.		-	16
	2	25.2.1	72,069	190,349

- 25.2.1 These are in the normal course of business and are interest free.
- **25.2.2** The maximum aggregate amount due from these related parties at the end of any month during the year was Rs 166 million (2020: Rs 386.79 million). These are neither past due nor impaired.











25.3 This includes prepaid insurance to Atlas Insurance Limited, a related party, amounting to Rs 180.95 million (2020: Rs 145.63 million).

	Rupees in thousand	Note	2021	2020
25.4	Workers' Profit Participation Fund			
	Balance (recoverable)/payable as at beginning of the year		(1,704)	2,929
	Provision for the year	34	149,647	83,296
	Interest for the year		-	570
			147,943	86,795
			(4.40.000)	(00, 400)
	Payments during the year		(148,296)	(88,499)
	Balance recoverable as at end of the year		(353)	(1,704)

- 25.5 Other receivables include an amount of Rs 0.117 million (2020: Rs 3.15 million) due from Atlas Insurance Limited, a related party. It is in the normal course of business and is interest free. The maximum aggregate amount due from the related party at the end of any month during the year was Rs 0.696 million (2020: Rs 3.15 million). It is neither past due nor impaired.
- 26. This represented cross currency forward contracts entered into with a commercial bank for the purchase of USD 4.667 million on June 02, 2020 at a rate of PKR 161.91 per USD and USD 2.333 million on July 02, 2020 at a rate of PKR 163.31 per USD.
- 27. This represented investment in 3 and 6 months Government Treasury Bills which bore markup ranging from 7.10% to 13.30% (2020: 10.52% to 13.30%) per annum.

Rupees	s in thousand	Note	2021	2020
. CASH	AND BANK BALANCES			
At bank	s on:			
- Curre	ent accounts		25,129	10,163
- Depo	sit accounts	28.1	2,893,081	1,508,719
			2,918,210	1,518,882
Cash in	hand		2,326	2,825
Term de	eposit receipts	28.2	12,000,000	
·	·	·	14,920,536	1,521,707

- 28.1 Balances in deposit accounts bear mark up which ranges from 5.50% to 6.90% (2020: 8.75% to 12.5%) per annum.
- 28.2 This represents term deposit receipts having maturity of one month from the date of purchase. These bear mark up which ranges from 6.75% to 7.25% (2020: Nil) per annum.

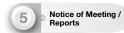
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FOR THE YEAR ENDED MARCH 31, 2021

	Rupees in thousand	Note	2021	2020
29.	SALES			
	Sales - own manufactured goods	29.1 & 29.2	80,919,787	65,068,216
	Sales tax		(11,757,536)	(9,441,641)
	Federal excise duty		(3,275,168)	(2,440,980)
	Commission to dealers	29.3	(1,280,162)	(978,395)
	Discount to customers	29.4	(17,442)	(8,500)
			64,589,479	52,198,700
	Sales - trading goods		3,305,743	3,324,736
	Sales tax		(531,015)	(476,657)
	Commission to dealers		(1,900)	(515)
			2,772,828	2,847,564
			67,362,307	55,046,264

- **29.1** Contract liabilities as at the beginning of the year, aggregating to Rs 1,972.510 million (2020: Rs 3,931.107 million), have been recognized as sales upon dispatch of vehicles against such advances.
- 29.2 Includes amortization of deferred revenue amounting to Rs 15.82 million (2020: Rs 5.81 million) that has been recognised in respect of deferred revenue outstanding as at the beginning of the year.
- **29.3** This includes reversal of provision for commission amounting to Rs 7.70 million (2020: Rs 107.71 million) in respect of prior year.
- 29.4 This represents discount to customers as explained in note 15.5 to these financial statements.







Rupees in thousand	Note	2021	2020
COST OF SALES			
Raw material consumed		56,011,474	46,185,80
Stores and spares consumed		108,616	107,80
Salaries, wages and benefits	30.1	1,349,949	1,211,92
Fuel and power		195,605	172,13
Insurance		139,653	112,48
Travelling and vehicle running		129,055	187,3
Freight and handling		126,936	133,3
Repairs and maintenance		36,671	46,1
Technical assistance		11,542	32,4
Depreciation on property, plant and equipment	17.3	595,171	713,4
Amortisation on intangible assets	18.1	98,434	122,7
Royalty	30.2	1,310,029	1,057,4
Canteen subsidy		39,562	47,7
Cost of providing free goods and services	30.3	140,674	128,0
Provision for net realisable value		72,367	
Other expenses	30.4	42,149	61,0
		60,407,887	50,319,9
Opening stock of work-in-process		577,187	482,3
Closing stock of work-in-process		(619,984)	(577,18
		(42,797)	(94,85
Cost of goods manufactured		60,365,090	50,225,0
Own work capitalized		(36,532)	(100,42
Cost of damaged cars		(2,762)	(1,78
		60,325,796	50,122,8
Opening stock of finished goods		1,467,376	449,6
Closing stock of finished goods		(63,602)	(1,467,37
		1,403,774	(1,017,73
Cost of sales - Own manufactured goods		61,729,570	49,105,1
Cost of sales - Trading goods	30.5	1,856,793	1,849,9
		63,586,363	50,955,0
Salaries, wages and benefits include following amounts in respect of gratuity:			
Current service cost		36,229	33,9
Net interest on defined benefit obligation		13,534	15,7
		49,763	49,6

In addition to above, salaries, wages and benefits include Rs 48.67 million (2020: Rs 45.19 million) on account of provident fund contributions.

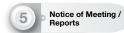
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30.2 Royalty, excluding Punjab Sales Tax on services, includes amounts in respect of the following parties:

Company name	Address	Relationship with Company	2021	2020
			Rupees in	thousand
Honda Motor Co., Ltd., Japan	1-1, Minami-Aoyama, 2-Chome, Minato-ku,Tokyo,107-8556,Japan	Holding company	1,292,419	1,043,521
Honda Lock Mfg. Co. Japan	3700, Shimonaka Sadowara-Cho Miyazaki City Miyazaki Pref, 880-0293 Japan	Group company	3,053	2,277
Honda Access Asia Oceania Co. Limited	2754/1 Soi Sukhumvit 66/1, Sukhumvit Rd; Kwaeng Bangna, Bangkok 10260 Thailand	Group company	8,253	173
Yutaka Giken Co., Ltd.	508-1, Yutaka-cho, Higashi-ku Hamamatsu-Shi SZK 431-3194	Group company	9	5,728
Other parties	Various	None	4,379	3,823
			1,308,113	1,055,522

30.3 This represents cost of various promotional schemes and incentives in relation to cars sold to customers.

30.4 Includes expense in respect of short term leases as per IFRS 16 amounting to Rs 43.61 million (2020: Rs 52.57 million).

30.5 Includes provision for net realisable value amounting to Rs 10 million (2020: Nil).

Rupees in thousand	Note	2021	2020
DISTRIBUTION AND MARKETING COSTS			
Salaries, wages and benefits	31.1	265,668	233,877
Fuel and power		6,844	6,551
Insurance		17,985	16,730
Travelling and vehicle running		20,153	42,434
Freight and handling		17,745	31,080
Repairs and maintenance		5,881	14,031
Printing and stationery		8,174	8,403
Warranty costs - net of claims		66,507	(99,317)
Advertising and sales promotion		178,293	294,725
Depreciation on property, plant and equipment	17.3	32,799	40,708
Training expenses		3,262	175
Canteen subsidy		7,374	9,264
Free service claims		5,200	8,091
Rent, rates and taxes	31.2	25,525	23,368
Fees and subscriptions		71,191	29,696
Others		4,373	8,085
		736,974	667,901

31.1 Salaries, wages and benefits include following amounts in respect of gratuity:

Rupees in thousand	2021	2020
Current service cost	6,498	5,691
Net interest on defined benefit obligation	2,428	2,630
	8,926	8,321

In addition to above, salaries, wages and benefits include Rs 10.63 million (2020: Rs 9.87 million) on account of provident fund contributions.

31.2 This represents expense in respect of short term leases as per IFRS 16.

Rupees in thousand	Note	2021	2020
32. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	32.1	445,417	404,104
Fuel and power		12,276	5,385
Insurance		17,114	14,553
Travelling and vehicle running		49,492	62,505
Repairs and maintenance		65,542	38,417
Printing and stationery		9,179	10,425
Communications		41,939	39,613
Postage		913	734
Auditors' remuneration	32.2	9,866	12,009
Legal and professional charges		18,419	20,284
Depreciation on property, plant an	d equipment 17.3	75,703	72,407
Amortisation on intangible assets	18.1	4,393	13,794
Fees and subscriptions		5,411	5,079
Canteen subsidy		13,866	9,915
Security expenses		49	295
Training expenses		2,118	16,460
Others	32.3	51,891	12,778
		823,588	738,757
2.1 Salaries, wages and benefits inclu in respect of gratuity:	de following amounts		
Current service cost		8,715	7,571
Net interest on defined benefit obl	igation	3,256	3,500
		11,971	11,071

In addition to above, salaries, wages and benefits include Rs 14.78 million (2020: Rs 14.70 million) on account of provident fund contributions.

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	Rupees in thousand	2021	2020
32.2	Auditors' remuneration		
	The charges for professional services (excluding sales tax)		
	consist of the following in respect of auditors' services for:		
	Statutory audit	2,182	1,984
	Half yearly review	644	586
	Taxation services	3,800	6,660
	Certifications and audits required by various regulations	950	925
	Assistance in preparation of statutory documentation	1,597	1,116
	Out of pocket expenses	693	738
		9,866	12,009

32.3 Includes expense in respect of short term leases as per IFRS 16 of Rs 2.78 million (2020: Rs 1.62 million). It also includes expense in respect of advisory fee of a non-executive Director aggregating Rs 28.472 million (2020: Nil).

Rupees in thousand	Note	2021	2020
OTHER INCOME			
Profit on bank deposits		518,229	116,444
Interest on loans to employees		3,973	6,564
Unwinding of discount on long term trade debts	20	16,902	19,445
Unwinding of discount on long term loans to employees	21	29,098	-
Dividend income		-	4,354
Fair value gain on financial assets at fair value through profit or loss:			
- Realised		87,775	79,901
- Unrealised		-	30,801
		87,775	110,702
Net gain on disposal of property, plant and equipment		4,456	2,926
Markup on advances to suppliers		25,262	3,532
Unclaimed liabilities written back	33.1	-	290,264
Gain on derivative financial instruments		-	42,205
Exchange gain - net	37	227,995	-
Others		4,794	42,182
		918,484	638,618

33.1 This primarily includes Nil (2020: Rs 283.634 million) write back of unclaimed discount payable to customers on late deliveries of vehicles.







Rupees in thousand	Note	2021	2020
OTHER EXPENSES			
Workers' Welfare Fund	15.7	62,663	35,423
Workers' Profit Participation Fund	25.4	149,647	83,296
Exchange loss - net		-	928,501
Freight loss - net		8,863	1,318
Loss on derivative financial instruments		15,907	1 040 500
FINANCE COST		237,080	1,048,538
Interest/mark up on:			
- Short term borrowing from related party - unsecured		18,812	23,427
- Short term borrowings - secured		64,079	569,421
- Long term finances - secured		3,742	-
- Workers' Profit Participation Fund		-	570
Discounting of long term trade debts	20	_	51,851
Discounting of long term loans to employees	21	7,051	66,673
Bank charges		22,475	15,502
		116,159	727,444
TAXATION			
Current			
- For the year		1,056,152	873,259
- Prior years		-	9,737
		1,056,152	882,996
Deferred	10	(68,730)	(17,548)
		987,422	865,448
Percentage		2021	2020
Tax charge reconciliation			
Numerical reconciliation between the average effective tax the applicable tax rate	rate and		
Applicable tax rate as per Income Tax Ordinance, 2001		29.00	29.00
Tax effect of:			
- change in prior years' tax		-	0.71
- change in tax rate		-	0.69
- deferred tax asset on tax credit derecognised		- 0.40	2.17
- permanent differences		0.12	0.71
- deferred tax asset not recognised		6.83	23.70
- lower tax rates and final tax regime		(0.44)	(1.04)
Average effective toy rate charged to etclement of another and	loop	6.51	
Average effective tax rate charged to statement of profit or	IUSS	35.51	55.94

37.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

During the year ended March 31, 2021, the Appellate Tribunal Inland Revenue ('ATIR') through its order dated October 21, 2020 has dismissed an appeal made by the Company in favour of the tax authorities in respect of Tax Year 2017, whereby, the ATIR has upheld the disallowance of 'discount to customers', amounting to Rs 179.274 million as an admissible deduction for the purpose of computation of taxable income, under section 21(c) of the Income Tax Ordinance, 2001 ('Ordinance'), as the Company had not withheld income tax while making payments of discount to the customers. Similar order was passed by the Commissioner Inland Revenue (Appeals) ['CIR(A)'] on January 24, 2020 in respect of Tax Year 2018 upon appeal by the Company against the order of the Additional Commissioner Inland Revenue ('ACIR') dated November 05, 2019, whereby, 'discount to customers' amounting to Rs 1,047.986 million was disallowed. Further, another order was passed by the CIR(A) on January 7, 2021 in respect of Tax Year 2019 upon appeal by the Company against the order of the ACIR dated September 30, 2020, whereby, 'discount to customers' amounting to Rs 657.025 million was again disallowed as a deduction. The Company has filed appeals before ATIR against the orders of CIR(A) for Tax Year 2018 and Tax Year 2019. The tax involved in the matter of such discount to customers for all the above mentioned Tax Years aggregates Rs 560.682 million.

Against the judgement of the ATIR in respect of Tax Year 2017, the Company filed a reference before the Lahore High Court ('LHC'), whereby, the LHC has ordered that no coercive action shall be taken, till the next date, which has not yet been set. Further, the Company has also filed a rectification application under section 221 of the Ordinance before the ATIR in respect its aforesaid order which is pending for disposal. Based on the advice of the legal counsel, management strongly believes that there are multiple and substantial questions of law which require determination and that there is every likelihood that the appeal will be decided in favor of the Company and the tax demands that have been raised or will be raised in this respect, shall be finally set aside based on the relevant law and facts, therefore, the Company has not recognised a provision for the abovementioned amount of Rs 560.682 million.

Rupees in thousand	Note	2021	2020
CASH GENERATED FROM OPERATIONS			
Profit before taxation		2,780,627	1,547,200
Adjustments for:			
Depreciation on property, plant and equipment	17.3	703,673	826,544
Net gain on disposal of property, plant and equipment	33	(4,456)	(2,926)
Profit on bank deposits	33	(518,229)	(116,444)
Markup on advances to suppliers	33	(25,262)	(3,532)
Interest on loans to employees	33	(3,973)	(6,564)
Gain on short term investments	33	(87,775)	(4,350)
Unclaimed liabilities written back	33	-	(290,264)
Discounting of trade receivables	35	-	51,851
Discounting of long term loans	35	7,051	66,673
Finance cost		116,159	608,920
Provision for employees' retirement benefits and other obligations		165,269	160,263
Amortisation on intangible assets	18.1	102,827	136,517
Provision for net realizable value	23	82,367	-
Provision for obsolete stock	23	139,475	-
Amortisation of deferred revenue		(5,919)	(5,806)
Royalty	30	1,310,029	1,055,521
Dividend income		-	(4,354)
Exchange (gain) / loss - net	33	(227,995)	928,501
Loss / (gain) on derivative financial instruments	34	15,907	(42,205)
Working capital changes	37.1	11,535,919	(3,207,915)
		16,085,694	1,697,630







	Rupees in thousand	Note	2021	2020
37.1	Working capital changes			
	(Increase)/decrease in current assets			
	- Stores and spares		9,109	(25,475)
	- Stock-in-trade		(602,036)	(2,598,030)
	- Trade debts		83,663	294,509
	- Loans, advances, deposits, prepayments and other receivables		555,104	1,205,991
			45,840	(1,123,005)
	Increase/(decrease) in current liabilities			
	- Trade and other payables		11,490,079	(2,084,910)
			11,535,919	(3,207,915)
38.	CASH AND CASH EQUIVALENTS			
	Cash and cash equivalents included in the statement of			
	cash flows comprise of the following:			
	- Cash and bank balances	28	14,920,536	1,521,707
	- Short term investments - Treasury bills	27	-	3,816,256
			14,920,536	5,337,963

39. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits to the chief executive, certain directors and other executives of the Company is as follows:

	Chief Executive		f Executive Executive Director Non-Executive Directors Executives		Non-Executive Directors		utives	
Rupees in thousand	2021	2020	2021	2020	2021	2020	2021	2020
Short term employee benefits								
Managerial remuneration	1,081	987	1,407	1,374	-	18,516	244,226	212,607
House rent and utilities	3,890	3,537	6,307	3,758	-	10,181	133,946	120,695
Bonus	-	-	-	-	-	3,581	103,080	54,229
Reimbursement of medical								
expenses	7	-	19	-	-	11	6,602	4,865
Meeting fee	-	-	-	-	850	780	-	-
Advisory fee	-	-	-	-	37,227	-	-	-
Other allowances	11,517	9,939	8,710	9,346	-	2,548	38,653	41,536
Post employment benefits								
Contributions to Provident								
and Gratuity Funds	-	-	-	-	-	2,791	40,336	41,488
	16,495	14,463	16,443	14,478	38,077	38,408	566,843	475,420
Number of persons	1	1	1	1	4	4	105	95

39.1 The Chief Executive, certain directors and executives of the Company are provided with Company maintained cars and furnished accommodation.











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Total number of directors of the Company (excluding Chief Executive) is 8 (2020: 8). No remuneration was paid to any of the other directors.

			2021	2020
40.	EARNINGS PER SHARE (EPS)			
40.1	Basic earnings per share			
	Profit for the year	Rupees in thousand	1,793,205	681,752
	Weighted average number of ordinary shares	Number in thousand	142,800	142,800
	Basic EPS	Rupees	12.56	4.77

Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2021 and March 31, 2020 which would have any effect on the earnings per share if the option to convert is exercised.

OPERATING SEGMENTS 41.

Management monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Operating segments are reported in a manner consistent with internal reporting provided to the CODM. Segment performance is generally evaluated based on certain key performance indicators including business volume and gross profit.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The management has determined the operating segments based on the reports reviewed by the CODM that are used 41.1 to make strategic and business decisions.

(a) Manufacturing

This segment relates to the sale of locally manufactured cars and parts.

(b) **Trading**

This segment relates to the trading of CBUs and parts.

41.2 Segment information

	Manufacturing Trading		ing	Tot	tal	
Rupees in thousand	2021	2020	2021	2020	2021	2020
Segment revenue	64,589,479	52,198,700	2,772,828	2,847,564	67,362,307	55,046,264
Segment expenses						
- Cost of sales	(61,729,570)	(49,105,142)	(1,856,793)	(1,849,900)	(63,586,363)	(50,955,042)
Gross profit	2,859,909	3,093,558	916,035	997,664	3,775,944	4,091,222
Distribution and marketing costs					(736,974)	(667,901)
Administrative expenses					(823,588)	(738,757)
Other income					918,484	638,618
Other expenses					(237,080)	(1,048,538)
Finance cost					(116,159)	(727,444)
Profit before taxation					2,780,627	1,547,200
Taxation					(987,422)	(865,448)
Profit for the year					1,793,205	681,752

41.2.1 Segment wise assets and liabilities are not being reviewed by the CODM.

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. 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 the Company's finance department under policies approved by the BOD. The Company's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the USD, Japanese Yen ('JPY') and Thai Baht ('THB'). Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable from / payable to foreign entities. The Company's exposure to currency risk is as follows:









FOR THE YEAR ENDED MARCH 31, 2021

In thousand	2021	2020
In USD		
Cash and bank balances	11	312
Other receivables	11	178
Trade and other payables	(12,777)	(20,108)
Short term loan from related party - unsecured	-	(14,000)
Net exposure	(12,755)	(33,618)
In JPY		
Other receivables	1,795	1,899
Trade and other payables	(372,804)	(256,615)
Net exposure	(371,009)	(254,716)
In THB		
Other receivables	13,138	31,104
Trade and other payables	(30,618)	(27,780)
Net exposure	(17,480)	3,324

As at March 31, 2021, if the Rupee had weakened/strengthened by 5% against the USD with all other variables held constant, the impact on post tax profit for the year would have been Rs 69.35 million (2020: Rs 198.59 million) lower/higher, mainly as a result of exchange losses/gains on translation of USD denominated financial instruments.

As at March 31,2021, if the Rupee had weakened/strengthened by 5% against the JPY with all other variables held constant, the impact on post tax profit for the year would have been Rs 18.18 million (2020: Rs 13.93 million) lower/higher, mainly as a result of exchange losses/gains on translation of JPY denominated financial instruments.

As at March 31,2021, if the Rupee had weakened/strengthened by 5% against the THB with all other variables held constant, the impact on post tax profit for the year would not have been material.

(ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no direct investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

(iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As the Company has no floating interest rate assets, the Company's income is independent of changes in market interest rates. The Company's interest rate risk mainly arises from short term borrowings obtained at variable rates from various financial institutions. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.

The Company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Company calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions.

At the reporting date, the interest rate profile of the Company's significant interest bearing financial instruments was:

Rupees in thousand	Note	2021	2020
Fixed rate instruments			
Financial assets			
Long term loans to employees		58,087	51,455
Short term investments - treasury bills	27	-	4,053,057
Bank balances - term deposit receipts		12,000,000	-
Bank balances - deposit accounts		2,893,081	1,508,719
		14,951,168	5,613,231
Financial liabilities			
Short term loan from related party - unsecured		-	(2,332,246)
Long term finances - secured	7	(2,301,358)	-
Net exposure		12,649,810	3,280,985

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

As at March 31, 2021, the Company does not hold any variable rate financial instruments.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.









FOR THE YEAR ENDED MARCH 31, 2021

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Rupees in thousand	Note	2021	2020
Long term loans to employees		170,209	213,814
Long term deposits		4,042	4,042
Long term trade debts		56,157	117,080
Trade debts		845,765	868,505
Loans, advances and other receivables		988,495	1,029,937
Short term investments		-	4,053,057
Balances with banks	28	14,918,210	1,518,882
		16,982,878	7,805,317

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk as its exposure is spread over a significant number of counter parties.

(ii) Impairment of financial assets

The Company's trade debts against sales of stock-in-trade are subject to the expected credit loss model. While bank balances are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

In respect of trade debts, the Company applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance.

To measure the expected credit losses, trade debts have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before March 31, 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the trade debts. The Company has identified the Gross Domestic Product and the Consumer Price Index of Pakistan i.e. where it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Security deposits pledged by the dealers to Company have been regarded as collateral against trade receivables. These security deposits are in liquid form.

On that basis, the loss allowance as at March 31, 2021 was determined to be immaterial and hence has not been accounted for.

(iii) Credit quality of financial assets

The credit quality of financial assets (mainly bank balances) that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rati	Rating		2021	2020
	Short term	Short term Long term		Rupees in	thousand
Banks					
Citibank N.A.	P-1	AA3	Moody's	38,647	52,428
Deutsche Bank A.G.	A-2	BBB+	S&P	3,629	267
Faysal Bank Limited	A1+	AA	PACRA	1,519,747	1,854
Habib Bank Limited	A-1+	AAA	JCR-VIS	76,863	1,343
MCB Bank Limited	A1+	AAA	PACRA	80,289	89,965
National Bank of Pakistan	A-1+	AAA	JCR-VIS	716	715
Meezan Bank Limited	A-1+	AA+	JCR-VIS	1,710	15
Allied Bank Limited	A-1+	AAA	PACRA	742	47
Standard Chartered Bank					
(Pakistan) Limited	A1+	AAA	PACRA	115,896	280,655
Soneri Bank Limited	A1+	AA-	PACRA	1,077,682	1,089,601
United Bank Limited	A-1+	AAA	JCR-VIS	2,289	1,992
				2,918,210	1,518,882

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Treasury bills are issued by Government of Pakistan ('GoP') and are sold in the primary market through auctions conducted by State Bank of Pakistan ('SBP'). These are sovereign instruments and are backed by credit of the GoP and hence are considered as risk-free securities i.e. without any credit risk. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk represents the risk that the Company shall encounter difficulties in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company's finance department maintains flexibility in funding by maintaining availability under committed credit lines. At March 31, 2021, the Company had Rs 14,860 million available borrowing limits from financial institutions under mark up arrangements and Rs 14,920 million in cash and bank balances.

Management monitors the forecasts of the Company's cash and cash equivalents (note 38 to these financial statements) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. In addition, the Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring statement of financial position liquidity ratios against regulatory requirements and maintaining debt financing plans.

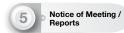
The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.











FOR THE YEAR ENDED MARCH 31, 2021

Rupees in thousand	Less than one year	One to five years	More than five years	Total con- tractual cashflows	Carrying amount
At March 31, 2021					
Accrued markup	6,120	-	-	6,120	6,120
Unclaimed dividend	47,141	-	-	47,141	47,141
Trade and other payables	7,770,931	-	-	7,770,931	7,770,931
Long term finances	594,233	1,799,303	622,826	3,016,362	2,301,358
	8,418,425	1,799,303	622,826	10,840,554	10,125,550
At March 31, 2020					
Accrued markup	75,547	-	-	75,547	75,547
Unclaimed dividend	48,038	-	-	48,038	48,038
Trade and other payables	8,151,940	-	-	8,151,940	8,151,940
Short term loan from related party	2,332,246	-	-	2,332,246	2,332,246
	10,607,771	-	-	10,607,771	10,607,771

42.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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 March 31, 2021:

Rupees in thousand	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Derivative financial instruments	-	-	-	-
Short term investments	-	-	-	-
	-	-	-	-
Liabilities	-	-	-	-











The following table presents the financial assets and liabilities that are measured at fair value at March 31, 2020:

Rupees in thousand	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Derivative financial instruments	-	42,205	-	42,205
Short term investments	-	4,053,057	-	4,053,057
	-	4,095,262	-	4,095,262
	,			
Liabilities	-	-	-	-

There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the annual valuation discussion between the Chief Financial Officer and the investment advisor.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting 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. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise 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.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company has no such type of financial instruments as on March 31, 2021.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.











FOR THE YEAR ENDED MARCH 31, 2021

42.3 Financial instruments by categories

Rupees in thousand	At fair value through profit or loss	At amortised cost	Total
As at March 31, 2021			
Assets as per statement of financial position			
Long term loans to employees	-	170,209	170,209
Long term deposits	-	4,042	4,042
Long term trade debts	-	56,157	56,157
Trade debts	-	845,765	845,765
Loans, advances and other receivables	-	1,116,236	1,116,236
Cash and bank balances	-	14,920,536	14,920,536
	-	17,112,945	17,112,945
Rupees in thousand	At fair value through profit or loss	At amortised cost	Total
As at March 31, 2020			
Assets as per statement of financial position			
Long term loans to employees	-	213,814	213,814
Long term deposits	-	4,042	4,042
Long term trade debts	-	117,080	117,080

	Financial liabilities	5
	at amortized cost	
Rupees in thousand	2021 202	0

4,053,057

4,095,262

42,205

Liabilities as per statement of financial position		
Accrued markup	6,120	75,547
Unclaimed dividend	47,141	48,038
Trade and other payables	7,770,931	8,151,940
Short term loan from related party - unsecured	-	2,332,246
Long term finances - secured	2,301,358	-
	10,125,550	10,607,771

868,505

1,160,597

1,521,707

3,885,745

868,505

1,160,597

4,053,057

7,981,007

42,205 1,521,707

Trade debts

Short term investments

Cash and bank balances

Derivative financial instruments

Loans, deposits and other receivables











42.4 Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

42.5 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances and liquid investments.

Rupees in thousand	Note	2021	2020
Borrowings	7 &13	2,301,358	2,332,246
Less: Cash and cash equivalents	38	(14,920,536)	(5,337,963)
Net debt		(12,619,179)	(3,005,717)
	,		
Total equity		18,196,163	16,557,254

The Company is not exposed to any externally imposed capital requirements.

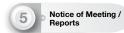
43. Transactions with related parties

43.1 The related parties include the holding company, subsidiaries and associates of the holding company, group companies, related parties on the basis of common directorship, key management personnel of the Company and its holding company and post employment benefit plans (Gratuity Fund and Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:









FOR THE YEAR ENDED MARCH 31, 2021

Rupees in thousand	Holding company	Key management personnel	Entities with significant influence over the Company	Other related parties
For the year ended March 31, 2021				
Purchase of goods	5,515,712	-	-	29,704,505
Purchase of property, plant and equipment	37,355	-	-	2,608,926
Purchase of intangible assets	-	-	-	-
Sale of goods	-	-	12,399	145,311
Insurance premium	-	-	-	616,696
Insurance claims	-	-	-	25,754
Technical assistance and training charges	6,239	-	-	9,869
Sale of property, plant and equipment	-	-	-	-
Dividend paid	72,828	-	43,120	-
Recovery booked against warranty claims	3,963	-	-	420,691
Short-term employment benefits - note 43.1.1	-	217,775	-	-
Post-employment benefits - note 43.1.1	-	9,607	-	-
For the year ended March 31, 2020				
Purchase of goods	4,378,676	-	-	25,198,415
Purchase of property, plant and equipment	5,419	-	-	265,645
Purchase of intangible assets	148,708	-	-	-
Sale of goods	-	-	19,668	225,399
Insurance premium	-	-	-	382,805
Insurance claims	-	-	-	59,489
Technical assistance and training charges	38,735	-	-	46,148
Sale of property, plant and equipment	-	-	-	12,837
Dividend paid	884,860	-	523,904	-
Recovery booked against warranty claims	5,037	-	-	1,244,392
Short-term employment benefits - note 43.1.1	-	209,203	-	-
Post-employment benefits - note 43.1.1	-	13,982	-	-

- **43.1.1** These represent remuneration of the Chief Executive, directors and certain executives that are included in the remuneration disclosed in note 39 to these financial statements.
- **43.2** Following are the related parties with whom the Company had entered into transactions or had arrangements/ agreements in place during the year:

Name	Basis of relationship	Aggregate % of shareholding in the Company
Honda Motor Co. Ltd Japan	Group Company	51%
Shirazi Investments (Private) Limited	Common directorship and Group Company	30%
Atlas Insurance Limited	Group Company	1%
American Honda Motor Company, Inc.	Group Company	None
Asian Honda Motor Co. Ltd., Thailand	Group Company	None
Atlas Asset Management Limited	Group Company	None
Atlas Autos (Private) Limited	Common directorship	None
Atlas Battery Limited	Common directorship	None
Atlas Engineering (Private) Limited	Common directorship	None
Atlas Foundation	Group Company	None
Atlas Hitec (Private) Limited	Common directorship	None
Atlas Honda Limited	Common directorship	None
Atlas Metals (Private) Limited	Group Company	None
Atlas Power Limited	Common directorship	None
Atlas Power Product (Private) Limited	Common directorship	None
Honda Access (Thailand) Co. Ltd	Group Company	None
Honda Access Asia & Oceania Co., Ltd	Group Company	None
Honda Assembly (Malaysia) Sdn. Bhd.	Group Company	None
Honda Automobile Thailand Co. Ltd	Group Company	None
Honda Autoparts Manufacturing M Sdn. Bhd - Malaysia	Group Company	None
Honda Cars Philippines, Inc.	Group Company	None
Honda Lock Mfg. Co Japan	Group Company	None
Honda Malaysia Sdn Bhd	Group Company	None
Honda Motor (China) Co., Ltd.	Group Company	None
Honda Parts Manufacturing Co Ltd	Group Company	None
Honda Trading (South China) Co., Ltd.	Group Company	None
Honda Trading America Corp.	Group Company	None
Honda Trading Asia Co. Ltd.	Group Company	None
Honda Trading Brazil Ltd	Group Company	None
Honda Trading China Co,.Ltd	Group Company	None
Honda Trading Corporation Japan	Group Company	None
Honda Trading Europe Ltd	Group Company	None
Honda Trading Malaysia	Group Company	None
Honda Trading Philippines Corp.	Group Company	None
Honda Trading Viet Nam Co., Ltd.	Group Company	None
P.T Honda Prospect Motor Indonesia	Group Company	None
P.T.Honda Precision Parts	Group Company	None
Pakistan Oxygen Limited	Common directorship	None
Pt. Honda Trading Indonesia	Group Company	None
Shanghai Honda Trading Co., Ltd.	Group Company	None
Shirazi Trading Company (Private) Limited	Common directorship	None
Taiwan Honda Trading Co., Ltd.	Group Company	None
Yutaka Giken Co. Ltd	Group Company	None











FOR THE YEAR ENDED MARCH 31, 2021

Name	Basis of relationship	Aggregate % of shareholding in the Company
Maqsood Ur Rehman	Key Management Personnel	None
Muhammad Ashraf	Key Management Personnel	None
Iqbal Ahmad	Key Management Personnel	None
Asif Mahmood	Key Management Personnel	None
Ahmad Umair Wajid (late)	Key Management Personnel	None
Hamood Ur Rahman Qaddafi	Key Management Personnel	None
Basharat Ali Rana	Key Management Personnel	None
Muhammad Ajmal	Key Management Personnel	None
Muhammad Ali	Key Management Personnel	None
Muhammad Akmal Dar	Key Management Personnel	None
Sohail Qaisar	Key Management Personnel	None
Imran Farooq	Key Management Personnel	None
Shinobu Nakamura	Key Management Personnel	None
Mr. Aamir H. Shirazi	Director	None
Mr. Hironobu Yoshimura	Director	0.0004%
Mr. Saquib H. Shirazi	Director	None
Mr. Katsumi Kasai	Director	0.0004%
Mr. Kazunori Shibayama	Director	0.0004%
Mr. Akira Murayama	Director	0.0004%
Mr. Feroz Rizvi	Director	0.0004%
Ms. Rie Mihara	Director	0.0004%
Mr. Ariful Islam	Director	0.0004%
Company's Employees Provident Fund	Post Employment Benefit Plan	None
Company's Employees Gratuity Fund	Post Employment Benefit Plan	None

44. PLANT CAPACITY AND ACTUAL PRODUCTION

	Сара	acity	Produ	ction
Number	2021	2020	2021	2020
Motor vehicles	50,000	50,000	23,479	22,729

The variance of actual production from capacity is primarily on account of production planned as per market demand. Capacity of plant is mentioned after accounting for double shift.

45. NUMBER OF EMPLOYEES

	2021	2020
Total number of employees (including contractual labour) as at March 31	1,498	1,483
Average number of employees during the year (including contractual labour)	1,480	1,749

46.







Rupees in thousand	2021	2020
DISCLOSURES BY COMPANY LISTED ON ISLAMIC INDEX		
Loans/advances obtained as per Islamic mode:		
Loans obtained as per Islamic mode	1,883,959	-
Shariah compliant bank deposits/bank balances:		
Bank balances	1,710	15
Term deposit receipts	3,500,000	-
Profit earned from shariah compliant bank deposits/bank balances		
Profit on term deposit receipts	24,456	-
Mark-up paid on Islamic mode of financing	2,852	-
Profits earned or interest paid on any conventional loan or advance		
Interest paid on loan from related party	23,427	-
Profit earned on deposits with banks	518,229	517,319
Interest paid on loans	118,571	116,444

Relationship with shariah compliant bank

The Company has obtained long term loans and has maintained bank balances and term deposits with shariah compliant banks.

47. PROVIDENT FUND RELATED DISCLOSURE

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

48. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on May 25, 2021 by the Board of Directors of the Company.

49. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 23, 2020, the Government of the Punjab announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from March 24, 2020. In the Company's case, the lockdown was subsequently relaxed from May 18, 2020. After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity.











FOR THE YEAR ENDED MARCH 31, 2021

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 on these financial statements.

50. EVENTS AFTER THE REPORTING PERIOD

The Board of Directors of the Company has proposed a final cash dividend for the year ended March 31, 2021 of Rs 4.52 per share amounting to Rs 645.456 million and transfer of Rs 1,000 million from 'Un-appropriated profit' to 'General reserve' at their meeting held on May 25, 2021 for approval of the members at the Annual General Meeting to be held on June 29, 2021. These financial statements do not include the effect of the above appropriations which will be accounted for in the period in which they are approved.

Aamir H. Shirazi Chairman

Hironobu Yoshimura
Chief Executive













NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 29th Annual General Meeting of shareholders of Honda Atlas Cars (Pakistan) Limited will be held on Tuesday, June 29, 2021 at 10:30 a.m. at Faletti's Hotel, 24-Egerton Road, The Mall, Lahore to transact the following business:

- 1. To confirm the minutes of the Extraordinary General Meeting held on Tuesday, April 27th, 2021;
- 2. To approve and adopt the annual audited financial statements for the year ended March 31, 2021 together with the Directors' and Auditors' reports thereon;
- 3. To approve cash dividend @ 45.2% (Rs.4.52/- per share) for the year ended March 31, 2021 as recommended by the Board of Directors;
- **4.** To appoint Auditors for the next financial year and fix their remuneration.
- 5. To transact any other business with permission of the Chairman.

By order of the Board

Lahore: June 08, 2021

Maqsood ur Rehman Rehmani
Company Secretary & Vice President (HR & Admin.)

NOTES:

- 1. The share transfer books of the company will remain closed from June 18, 2021 to June 29, 2021 (both days inclusive). Transfers received at Share registrar M/s. Hameed Majeed Associates (Pvt) Ltd., HM House, 7 Bank Squre, Shahrah-e-Quaid-e-Azam, Lahore at the close of business on June 17, 2021 will be treated in time for the purpose of entitlement 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 instrument appointing Proxy 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 dispatched with the Annual Report 2021.
- 3. Any individual Beneficial Owner of Central Depository Company of Pakistan Ltd. (CDC), entitled to attend and vote at this meeting, must bring his/her CNIC or passport along with CDC account number to prove his/her identity and in case of proxy must enclose attested copy of his/her CNIC or passport. Representatives of Corporate members should bring the usual documents required for such purpose. CDC Account Holders will also have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).
- 4. Members are requested to immediately inform company's share registrar "M/s Hameed Majeed Associates, HM-House, 7-Bank Square, Lahore" of any change in their address and provide copy of their CNIC or passport (in case of foreigner) unless it has been provided earlier enabling the company to comply with the relevant laws.
- 5. The shareholders residing in a city and collectively holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting. The demand for video-link facility shall be received by the company at the address given hereinabove at least 7 days prior to the date of the meeting.









AUTHORIZED SALES, SERVICE & SPARE PARTS DEALERS

3S DEALERS

KARACHI

Honda Shahrah-e-Faisal

13-Banglore Town, Main Shahrah-e-Faisal. Tel: (021) 34547113-6, 34527070, 34527373, 34527474, 34527575 Fax: (021) 34526758

Honda Defence

67/1, Korangi Road Near HINO Circle. Tel: (021) 35805291-4 Fax: (021) 35389648

Honda SITE

C-1, Main Manghopir Road, SITE. Tel: (021) 32577411-2, 32564926, 32570301, 32569381 Fax: (021) 32577412

Honda South

1-B/1, Sec. 23, Korangi Industrial Area. Tel: (021) 35050251-4 Fax: (021) 35064599

Honda Drive In

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

Honda Quaideen

233-A-2, PECHS. Tel: (021) 34556071-3, 34556510-12 Fax: (021) 34554644

Honda Port Qasim (Pvt.) Ltd.

Plot No. 3B & 4B, Block-B, Gulshan-e-Benazir Township Scheme, PQA, Bin Qasim. Cell: 0223-6671789, 0333-1025840

Honda Khair

Plot 8B, Corridor Area, near Gulshan e Mayamar Mor, Main Super Highway. UAN 03111-111-772, (021) 36881414-18, (0300) 2006735, (0321) 2005413, (0336) 2323602

Honda United (Pvt.) Ltd.

D-8, Block-B, North Nazimabad, Karachi Central. Tel: (021) 36680551-55

HYDERABAD

Honda Palace

Shahbaz Town, Jamshoro Road. Tel: (0223) 6671789, 667032 Fax: (0223) 667519

RAHIM YAR KHAN

Honda Rahim Yar Khan

Shahbazpur Road, Near Naveena Textile Milss Cantt. Chowk. Tel: (068) 5674446-8 Fax: (068) 5674445

QUETTA

Honda Carwan (Private) Limited

Airport Road, Besides Carwan Fuel Station, Sheikhmanda Tel: (081) 2881001-3

SAHIWAL

Honda Sahiwal

Sahiwal Bypass Lahore Road near PSO Cell: 0300-0668791Tel: (040) 4502081-2

LAHORE

Honda Fort

32 Queens Road. Tel: (042) 36361076, 36313925, 0312-4520900 Fax: (042) 36361076

Honda Point

Main Defence Road. Tel: (042) 35700994-5, Cell: 0333-4087733

Honda Gateway

15 - Km, Multan Road, Tel: (042) 111 333 789 Fax: (042) 37511075

Honda Township

Main Peco Road, Kot Lakhpat. Tel: (042) 111-07-08-06 Cell: 0300-8563978

Honda Ring Road (Pvt) Ltd.

1-K.M, Off Ferozepur Road, Bhullay Shah Interchange, Ring Road, Lahore. Tel: (042) 34510000

ISLAMABAD

Honda Classic

Plot 179, I 10/3, Industrial Area. Tel: (051) 4438801-5 Cell: 0321-5170961

Honda Avenue

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

RAWALPINDI

Honda Centre

300, Peshawar Road. Tel: (051) 5125181-5 UAN: (051) 111 300 123

MULTAN)

Honda Breeze

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

Honda Multan (Pvt.) Ltd.

Northern Bypass Road, Near NCBA Institute. Tel: (061) 8023241-44

JHELUM

Honda Express (Pvt.) Ltd.

Main GT Road, Kala Gujran. Tel: (0544) 272081-83 Fax: (0544) 272086

MARDAN

Honda Mardan (Pvt.) Ltd.

Opposite Industrial Estate, Surkh Dhery, Nowshera Road. Tel: (0937) 881115 UAN: (0937) 111-627-326

FAISALABAD

Honda Faisalabad

Fast Canal Road. Tel: (041) 8731741-4 Fax: (041) 8524029

Honda Chenab

123 JB Raja Wala, Green View Colony. Tel: (041) 2603449, 2603549 Fax: (041) 2603549

Honda Lyallpur

Gattwala Toll Plaza, Sheikhupura Road. Tel: (041) 2423774-9

SARGODHA

Honda Citrus Fields

7-Km Lahore Road. Tel: (048) 3225186-7 Fax: (048) 3225869

GUJRANWALA

Honda Gujranwala

G.T. Road. Tel: (055) 3415401-3 Fax: (055) 3415407

SIALKOTIMAN

Honda Falcon

Pakki Kotli, Daska Road. Tel: (052) 3252000, 3251251-4 Fax: (052) 3563203

MIRPUR

Honda Empire

Mian Muhammad Road, Quaid-e-Azam Chowk, Mirpur Azad Kashmir Tel: (05827) 451501-3 ra Murad Fax: (05827) 451500 Balochistan Jamali

Honda North

Main University Road. Tel: (091) 5854901, 5700807, 5700808 Sukkur

Fax: (091) 5854753

Larkana

ABBOTABAD

Honda Abbott (Pvt.) Ltd.

Kala Pull, Main Mansehra Road, Musa Zai Colony. Tel: (0992) 406991-7

DERA GHAZI KHANNawabshah

Honda HiSun

Multan Road, Dera Ghazi Khan Tel: (064) 111-690-690 Fax: (064) 2689009

Mirpur Khas Hyderabad

Rahimya

Zhob

Karachi











AUTHORIZED SERVICE & SPARE PARTS DEALERS

2S DEALERS

KARACHI

Nazimabad Honda

1-J8/B Muslim League Quarter, Main Road Nazimabad No.1, Tel: 021-36603336-7

LAHORE

Johar Town Honda

892-R-1 Main Boulevard, Johar Town. Tel: 042-35291712 , 35291771

Pakhtunk Aabpara Honda

Aabpara Market. 16-Wahdat Road, Tel: 042-35866932,

Samanabad Honda

Plot No.29/30,

21 Acre Scheme Samanabad. Tel: 042-37530563, 37530579

Muzaffarabad

Rawalpindi (AJI)

Defence Honda

E-105, New Super Town, Near Main Gate Defence Housing, Society, Main Boulevard, DHA Tel: 0321-4466544

Sargodha

Punjab

Bahawalpu

Multan

ır Khan

Mardan

Peshawar

Smart Honda

Lidhar adjacent to Shell Pump, Near Askari-11, Main Bedian Road,

Faisalabad Tel: 0323-4142008

FAISALABAD

Jaranwala Honda

Jaranwala Road.

Tel: 041-8710616, 8541097

Civil Lines Honda

21/1, Jail Road, Civil Lines. Tel: 041-2641925

MIRPURKHAS

Mirpurkhas Honda

Plots # A-3 & A-4, Mustafa Town, Hyderabad Ring Road. Tel: 0334-3301575

SUKKUR

Clock Tower Honda

Jammu and Kaussaini Road, abad. Near Gurdwara. 0579 Tel: 071-5617683

RAWALPINDI

Royal Honda

CB-940/A, Meherabad, Peshawar Road. Tel: 051-5462464

Swan Honda

Swan Camp G.T. Road, Opposite to SOS. Tel: 0300-5550569

ISLAMABAD

Margalla Honda

Service Road, E 11/4, Block B-2, Near Aura Grand Marque. Tel: 051-2318051-52, 051-2318059

AMX Honda

Plot No 141, Opposite Islamabad, Dry Port I-9/2.

Tel: (051) 5617683

BAHAWALPUR

Horizon Honda

Bindra Pully, Multan Road. Tel: 0321-6817729

MULTAN

Prime Honda

1- Mushtaq Colony, Industria Estate Road, Near Nadirabad, Tel: 061-6538112

OKARA

Modern Autos

Near Depalpur Chowk, Depalpur Road. Tel: 044-2528335

GUJRAT

River Edge Honda

Near Science College, G.T. Road.

Tel: 053-3523511

AUTHORIZED SPARE PARTS DEALERS

1S DEALERS

KARACHI

Sugoi Parts Center

Shop No. 1&2 Amber Electronics Market, M.A Jinnah Road, Karachi No. 3, Tel: 021-32778211 & 2

Sugoi Sunset Parts Center

Plot No. 12-C, 12th Commercial Street, Phase II, Extension D.H.A. Tel: 021-35312766

LAHORE

Sugoi Parts Center

Shop No. 4-6, Shumail Center, 4-Montgomery Road. Tel: 042-36370121

Sugoi Defence Parts Center

Shop No. 1 Corner 26/26 Main Walton Road. Lahore Cantt. Tel: 042-36626987

RAWALPINDI

Sugoi Potohar Parts Center

State Life Building, Kashmir Road, Sadar Tel: 051-5580263-64

MULTAN

Sugoi Multan Parts Center

103/9 Iqbal Plaza Opp. RTO Office, Near Feasta Garden, LMQ Road.

Tel: 061-4586160-61

سمینی نے لٹر کمپنیز (کوڈ آف کارپوریٹ گورنس) ریگولیشنز میسرز A.F.Ferguson & Co. چارٹرڈ اکا وَنتنش ریٹائر 2019ء پرمن وعن عمل کیا ہے۔اس ضمن میں تفصیلات اس رپورٹ ہو چکے ہیں اور اہلیت کی بنا پر 31 مارچ 2022ء کو اختیام یذیرسال کے لئے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آ ڈٹ کمیٹی نے ان کی دوباری تقرری کی سفارشات بورڈ کو بھیج دی ہیں۔

كودا فكاربوريك كورنس كانغيل

کے ساتھ منسلک ہے۔

ہولڈ نگ مینی

میسرز ہنڈاموٹر کمپنی لمیٹڈ جاپان میں قائم ہوئی اور کمپنی کے 51 فی صد خصص کی ما لک ہے۔

شيئر مولدنك كاطريقه كار

31 مارچ 2021ء تک شیئر ہولڈنگ کی وضع اوراس کا اظہاراس رپورٹ کے ساتھ منسلک ہے۔

منحانب / برائے بورڈ آف ڈائر یکٹرز

صدرا سی ای او چیئر مین

تاريخ: 25مئي 2021ء

لاہور

HONDA Annual Report 2021

ڈونیشن کیمپ کا انعقاد کیا۔ عالمگیر وبا کے اس ماحول میں تھیلیسیمیا کے مریض خون کی شدید کا کمی کا شکار ہیں اورخون کے عطیات دینے والے افراد کی کمی کا سامنا کررہے ہیں۔ کمپنی نے اپنی فیکٹری کے احاطہ میں ایک روز ہ بلڈ ڈ ونیشن کیمپ لگایا جس میں ملاز مین نے تھیلیسیمیا کے مریضوں کے لئے رضا کارانہ طور پر خون کے عطبات دیئے۔

داری میں کوئی سقم موجود نہ ہے۔

h. 18مارچ 2021ء کوملاز مین کے پراویڈنٹ فنڈ اور گریجوایٹی کے سرمابہ کی بگ ویلیو بالترتیب 546 ملین رویے اور 604 ملین رویےرہی۔

i. گذشته دس برس کااہم آپریٹنگ اور مالیاتی ڈیٹااس رپورٹ کے ساتھ منسلک ہے۔

کاروباری و مالیاتی ریورٹنگ فریم ورک

یا کستان سٹاک کیمیجینج کے کسٹنگر ضوابط کی پیروی میں بورڈ اراکین مندرجه ذيل بيانات ازراه مسرت ريكار درركهنا حايت بين:

- a. 31 مارچ 2021ء کو اختتام پذیر سال کے لئے مالیاتی الشیشنش کاروباری امور،آیریشنز کے نتائج، کیش فلواورا یکویٹی میں تبدیلی کومؤثر انداز میں پیش کیا گیاہے۔
- b. حساب کتاب کے گوشوارے باضابطہ طور پر تیار کئے گئے ہیں۔
- c درچ 2021ء کو اختام پذیر سال کے لئے مالیاتی الشيشنش كى تيار مين موافق اكاؤنٹنگ پاليسيوں كامسلسل اطلاق کیا گیا ہے اور ا کا ؤنٹنگ تخمینہ جات موزوں اورمعقول فیصلوں کی بنیاد پرلگائے گئے ہیں۔
- d. مالیاتی الٹیمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی ریورٹنگ معیارات کی پیروی کی گئی ہے۔
- e. داخلی نظم و ضبط کا ایک مربوط نظام موجود ہے اور اس کا مؤثر اطلاق اورنگرانی کی جاتی ہے۔
- f. تسمینی کی کاروبار جاری رکھنے کی صلاحیت میں کوئی ابہام موجود نہیں ہے۔
- a کسٹنگرریگولیشنز میں بیان کردہ کاروبوریٹ گورننس کی بہترین عمل

مادى تېرىليان

31 مارچ 2021 سے تاحال رپورٹ میں کسی بھی قتم کی مادی تبدیلی سامنے ہیں آئی ہے اور کمپنی اس دورانیہ میں کسی ایسے معاہدے میں شامل نہ ہوئی ہے جس کے کمپنی کی مالیاتی حالت پر برےاثرات مرتب ہول۔

حصص کی منتقلی

سال بھر میں 525 کوالیفکیشن شیئر زمسٹر کیشومی کسائی کے نام پر منتقل ہوئے۔مسٹر کنجی ماٹسو کا تبادلہ 07 دسمبر 2022ء کو جایان میں کر دیا گیا۔ ڈائر یکٹر ز، نمپنی سیکریٹری، چیف فائنشکل آفیسر اوران کے اہلیان یا کم سن بچوں کی جانب سے زیر جائزہ سال میں حصص کی خرید وفروخت کی کوئی ٹرانز کیشن عمل میں نہ لائی گئی ہے۔

چيئر مين كااظهار خيال

سالانه رپورٹ میں شامل چیئر مین کا تجزیہ 31 مارچ 2021ء کو اختتام پذیرسال کے لئے کمپنی کی کارکردگی اورمستقبل کے منظر نامہ کا احاطہ کرناہے۔ ڈائر یکٹرزنے اس نقط نظر کی توثیق کی ہے۔

(FCCU) سے ایک سالہ ایگزیکٹوایم بی اے مکمل کیا۔ سینٹر مینجنٹ سے ایک ایسوی ایٹ نے LUMS سے ایگزیکٹوایم بی اے مکمل كباب

بيشهورانه صحت اور شحفظ

تمپنی ''انفرادی احترام'' اور ''دی تھری جوائز'' کے بنیادی اصولوں اور ایمان پر انحصار کرتے ہوئے اپنے ملاز مین کے لئے ہمیشہ محفوظ اور صحت بخش ماحول قائم کرنے کے لئے کوشاں ہے۔''نو سیفٹی ،نو پروڈکشن' کے بنیادی حفاظتی اصول کو مدنظر رکھتے ہوئے کمپنی کام کا ایبا ماحول قائم کرنے کے لئے کوشاں ہے جس سے مسرت کا پہلوا بھرے تا کہ تمام افراد بحفاظت کام کرسکیں۔اسی اصول کی بنیاد پر حفظان صحت کے ڈویژن نے صنعتی حادثات کی روک تھام کے لئے ایک یالیسی ترتیب دی ہے تا کہ معاونین/ ملاز مین کی صحت کویقینی بنایا جا سکے۔

سال بھر میں تمپنی نے عالمگیر وبا کے دوران معاونین/ملازمین پر بھر پورتوجہ دی ہے۔ ساجی فاصلہ، درجہ حرارت کا معائنہ، واک تھروسینی ٹائزنگ گیٹ اور COVID-19 سے محفوظ رہنے کے لئے آگاہی کے لئے ہدایات ممپنی میں ہرجگہ برآ ویزاں کی گئی ہیں۔کام کی تمام جگہیں اور کھانے کے میز وں کو پلاسٹک شیلڑ سے الگ کیا گیا ہے۔ ہرممکن حد تک گھر سے کام کے بروٹو کول کو نافذ کیا گیا ہے اور پھیلا ؤ کورو کئے کے لئے بالمثافہ اجلاس کی بجائے ای میٹنگ کوتر جے دی گئی۔

CSRسرگرمیاں

سال بھر میں کمپنی نے لوگوں میں خوشاں مانٹنے کے لئے کئی ساجی سرگرمیوں میں اینا کردار ادا کیا تا کہ تمپنی ایک ذمہ دار ادارے کی حیثیت سےاینے وجود کی شناخت برقر ارر کھ سکے۔

فرى مىڈىكل كىمىيس

يبلافري ميڈيكل كيمپ سال 2014ء ميں گاؤں مانگا منڈي ميں لگایا گیااوراس کے بعدسے سیمپنی کی CSR سرگرمیوں کا خاصہ رہا ہے۔سال بھر میں ممپنی نے دور دراز مقامات برکئی فری میڈیکل کیمپ لگائے اور 1900 سے زائد مریضوں کومفت طبی علاج اوراد ویات کی سہولت فراہم کی گئی۔سال 2014ء میں اس سرگرمی کے آغاز ہے کمپنی نے 38 میڈیکل کیمی منعقد کئے جہاں 23,000 سے زا ئدمریضوں کومفت طبی معاونت فراہم کی گئی۔

استعال شده كيرو وا كاعطبه

کمپنی کے ملاز مین نے اینے استعال شدہ / نئے کیڑوں کو اخوت فاؤنڈیشن کی مدد سے محروم طبقہ میں تقسیم کے اقدامات اٹھائے۔ فیکٹری میں ایک آگاہی مہم چلائی گئی اور ملازمین نے 1500 استعال شدہ کیڑوں کا عطبہ کیا۔ان عطبات کوصاف کرنے کے بعد احتباط سے بیک کر کے اخوت نیٹ ورک کے ذریعے ضرورت مند گھرانوں میں تقسیم کیا گیا۔

بلده ونيشن كيمي

لاک ڈاؤن اور کرونا وائرس کے پھیلاؤ کے پیش نظر کمپنی نے تھیلیسیمیا کے مریضوں کوخون کے عطبات دینے کے لئے بلٹہ

معلومات وغیرہ۔ انظامیہ کی اہم معلومات کے ساتھ ساتھ کپنی مصنوعات اور سہولیات کا بلیو پرنٹ ڈیٹا، معلومات کی راز داری کی سرگرمیوں کی مناسب نگرانی اور معلومات کو خفیہ رکھنے کے لئے پر ایگزیکٹو کیٹی ، آئی ٹی، ہیومن ریسورس اور پروڈکشن کے سربراہان پر مشتمل راز داری کمیٹی تشکیل دی گئی ہے۔ کمپنی نے معلومات کوخفیہ رکھنے کی پالیسی مرتب کر کے منظوری دے دی ہے جو ہر کاروباری سرگرمی پرنا فذ العمل ہے۔

رومز میں معلوماتی کارڈ آویزال کرتا ہے اورٹریننگ سیشنز کے ذریعے معاونین الماز مین میں آگاہی کو فروغ دیتا ہے۔ بیرطریقہ ہائے کار واضح کرتے ہیں کہ کاروباری اخلاقیات پرعمل کرنے والے بالکل محفوظ ہیں۔ BEPL کے ذریعے ہم ہنڈا کی بہترین عمل داری پر اثرانداز ہونے والے تحفظات کو اٹھانے میں اپنے وینڈ رز، ڈیلرزاور سیلائرز کی حوصلہ افزائی کرتے ہیں۔

رشوت ستانی رو کنے کے اقدامات

کمپنی ہمہ وقت قوانین وضوابط کی تعمیل کرتی ہے اور یقین رکھتی ہے کہ بطور خود مختار کار وہاری ادارہ اسے سیاسی اداروں اور سرکاری ایجہ بنیوں اور عہدے داروں سے موزوں تعلقات برقرار رکھنے چاہئیں۔ اور قوانین وضوابط اور کمپنی پالیسیوں کی تعمیل میں موزوں انداز میں سیاسی و انتظامی اداروں سے رابطہ رکھنا چاہئے ۔ کمپنی سرکاری عہدے داروں کو کسی بھی قتم کی ضیافت اور تحائف (مالیاتی و غیر مالیاتی) کی پیش کش نہیں کرے گی جس کی قوانین یا کمپنی کی پالیسیوں میں ممانعت ہے۔ علاوہ ازیں کمپنی نے رشوت ستانی کے تدارک کے لئے ہنڈا پالیسی بھی وضع کررکھی ہے۔ اس میں رشوت تدارک کے لئے ہنڈا پالیسی بھی وضع کررکھی ہے۔ اس میں رشوت ستانی کے ستانی کے ندارک کے لئے ہنڈا پالیسی بھی وضع کررکھی ہے۔ اس میں رشوت ستانی کے نیادی ہنڈا ہدایات شامل ہیں۔ رشوت ستانی کے ناسورکو جڑ سے مٹانے کے لئے بنیادی ہنڈا ہدایات شامل ہیں۔ رشوت ستانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور ممنوعدا فعال کی ستانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور ممنوعدا فعال کی ستانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور ممنوعدا فعال کی ستانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور ممنوعدا فعال کی ستانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور ممنوعدا فعال کی ستانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور ممنوعدا فعال کی سیانی کے ناسورکو جڑ سے مٹانے کے لئے تعمیلی قواعداور میں میں نشاند ہی کی گئی ہے۔

انفارمیش مینجمنٹ/اطلاعاتی نظام

سمینی کاروباری سرگرمیوں کے نتیج میں حاصل ہونے والی معلومات کی مکمل راز داری کے ساتھ حفاظت کویقینی بنانے کے لئے اس سے متعلقہ اقدامات کرتی ہے جیسا کہ صارفین اور معاونین کی ذاتی

ہنڈالیقین رکھتا ہے کہ ہرانسان منفر دخصیت کا مالک ہوتا ہے جس میں انفرادی سطح پرتخلیقی اورغور وفکر کرنے کی صلاحیت موجود ہوتی ہے۔ انفرادی تضادات کے احترام اور تمام افراد پر مشتر کہ مساوی اعتماد کے ذریعے کمپنی ان خصوصیات کو پروان چڑھنے کے لئے عمل پیرا ہے۔ اس تناظر میں کمپنی افراد کے احترام سے منسلک تین عوامل نئے خیالات، مساوات اور اعتماد کو کمپنی کا بنیادی عقیدہ قرارد یتی ہے۔ کمپنی نئی افرادی قوت کی تربیت، فرائض کی تفویض، تعین اور حل جیسے نئی افرادی قوت کی تربیت، فرائض کی تفویض، تعین اور حل جیسے اصولوں لیعنی اقدامات کا احترام، شفافیت کو بیتی بنانا اور با ہمی اعتماد کی حصلہ افزائی پڑمل درآ مدکرتی ہے۔ ہنڈ امیں ہم ایساما حول پیدا کرتے موسے میں تمال ملاز مین کے عزائم اور صلاحیتوں کو بھور کو کھوارا جا سکے اور عبی جب بین جس میں تمام ملاز مین کے عزائم اور صلاحیتوں کو بروئے کا رالایا جا سکے اور

سال کے دوران مینی نے ہمارے ستقبل کے لیڈرزکو معیاری تعلیم و آگاہی کا فروغ جاری رکھا۔ ہمارے 19ایسوسی ایٹس نے ایک سالہ ڈیلومہ مکمل کیا اور 4 ایسوسی ایٹس نے فور مین کرچیئن کالج یونیورسٹی

ہنڈاضابطہُ اخلاق

صارفین اور معاشرے کا اعتماد حاصل کرنے اور دیر پاتر تی کے لئے

کمپنی کو نہ صرف قوانین وضوابط کی تعمیل کرنا چاہئے بلکہ اخلاقی

کارپوریٹ طرزعمل کا بہترین عملی مظاہرہ کرنا چاہئے اور اس پریفین

رکھتے ہوئے ہنڈا ضابطۂ اخلاق اپنایا ہے جو ہنڈا میں کام کرنے

والے معاونین کی مخلصانہ کاوشوں کا خلاصہ کرتا ہے۔ تبادلہ خیالات

و معلومات، کتا ہے کی تقسیم، انٹرنیٹ پر معلومات کی اشاعت
اورٹریننگ جیسے کاموں کے ذریعے کمپنی کے تمام ملازمین میں ہنڈا
ضابطۂ اخلاق کی اہمیت اجاگر کی جاتی ہے۔

رسك مينجمنٹ سٹر کچر

ہنڈا فلسفہ کو مدنظر رکھتے ہوئے اور بورڈ آف ڈائر کیٹرز کی ہدایات
سے کمپنی کی رسک مینجمنٹ پالیسی ترتیب دی گئی ہے۔ کمپنی نے
رسک مینجمنٹ فریم ورک بھی مرتب کیا ہے جس کی سربراہی رسک
مینجمنٹ افسر کرتا ہے۔ تمام کاروباری اموراور فنگشنل آپریشنز میں
خطرات کانعین کیا جاتا ہے۔ ان سرگرمیوں کا مقصد کاروبار کے گرد
منڈ لانے والے خطرات کی قبل از وقت نشاندہی اوران خطرات کو
معیار کو مدنظر رکھتے ہوئے ہر شعبہ ان ممکنہ خطرات کا ترجیجی بنیادوں
معیار کو مدنظر رکھتے ہوئے ہر شعبہ ان ممکنہ خطرات کا ترجیجی بنیادوں
کرتا ہے اور تمام آپریشنز کے رسک کی سطح پر نظر رکھتا ہے۔ متعلقہ
ڈویژن کاروباری منصوبہ میں ایسے خطرات کوشامل کرتا ہے۔ متعلقہ
مسلسل نگرانی ، بہتری اور خطرات سے نبرد آزما ہونے کے لئے
مسلسل نگرانی ، بہتری اور خطرات سے نبرد آزما ہونے کے لئے
اقدامات اٹھاتا ہے۔

لغميل وتكميل

تعمیلی کلچری بہتری کے لئے کمپنی نے ایک کمپلائنس آفیسر مقرر کیا ہے جس کی تقرری بورڈ آف ڈائر کیٹرز کرتا ہے۔ کمپلائنس آفیسر تعمیلی پالیسیوں کی تیاری اور ترمیم جیسے داخلی نظم و ضبط کے لئے اقد امات کے ضمن میں فیصلہ سازی کرتا ہے۔ علاوہ ازیں، کمپلائنس آفیسر کے فرائض میں قیام سطح اور داخلی نظم و ضبط کے کمپلائنس آفیسر کے فرائض میں قیام سطح اور داخلی نظم و ضبط کے سسٹم کے کام کی توثیق شامل ہے تا کہ کائزن (مسلسل برتری) پروپوزل لائن کے مناسب انظام کو تینی بنایا جا سکے اور تعمیل کے ضمن میں پیدا ہونے والے مسائل کو دوبارہ وقوع پزیر ہونے سے موکل جا سکے۔ زیادہ ابھیت کے حامل تعمیلی معاملات کے لئے اگر کیٹو کمپٹی کے اجلاس میں بحث یا رپورٹنگ عمل میں لائی جاتی ہے۔ وریہ جائزہ سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون وضوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کے دوران قانون و خوابط کی خلاف ورزی کا کوئی واقعہ پیش سال کی تو کیا کھوٹی کی کوئی واقعہ پیش سال کی دوران قانون و خوابط کی خوابط کی خوابط کی کوئی واقعہ پیش کی کوئی واقعہ پر تو کوئی واقعہ کی کوئی کوئی واقعہ کی کوئی واقعہ کوئی واقعہ کی کوئی واقعہ کوئی واقعہ کی کوئی واقعہ کی کوئی واقعہ کی کوئی واقعہ کوئی واقعہ کوئی واقعہ کی کوئی واقعہ کی کوئی واقعہ کی کوئی واقعہ کوئی واقعہ کوئی واقعہ کی کوئی واقعہ کوئی واقعہ کوئی واقعہ کوئی وا

برنس اینفکس پروپوزل لائن (BEPL)

سمپنی نے کاروباری اخلاقیات سے متعلق معاملات کی بہتری کے لئے کاروباری اخلاقیات کی پروپوزل لائن (BEPL) قائم کی ہے۔ قوانین اور داخلی ضوابط کی خلاف ورزی پرمشمل کاروباری اخلاقیات کے مسائل سے نبردآزما ہونے کے لئے یہ ہاٹ لائن قائم کی گئی ہے۔ اس کی مدد سے کمپنی شفاف اور بلاامتیاز نقطہ نظر سے کام کی جگہ پر درپیش مسائل خصوصاً اعلی افسران سے مشاورت میں رکاوٹ کی بہتری یاحل کی غرض سے معاونین کے لئے پیشکشوں کا خیر مقدم اور مشاورت فراہم کرتی ہے۔ رابط سازی کے نکات پرداخلی سطح مقدم اور مشاورت فراہم کرتی ہے۔ رابط سازی کے نکات پرداخلی سطح پر آگاہی کے لئے ہنڈ اانٹرانیٹ برنوٹس بھیجنا ہے اور تمام کانفرنس

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درج کی۔آپ کی کمپنی نے رواں برس کی آخری سہ ماہی میں عالمی سیلائی چین مسائل کے باوجود پزیش کی فروخت میں 7 فیصداضافہ درج کیا۔ مالیاتی سال کے اختیام پر کمپنی نے 2,780.63 ملین رويے منافع بمعینکس اور 1,793.21 ملین رویے خالص منافع علاوه ٹیکس درج کیا۔ جو گذشتہ برس کی اسی مدت میں بالترتیب 1,547.20 ملين رويهاور 681.75 ملين رويهر با

في خصص آمدني

نیس کے بعد بنیادی اور ڈیویڈنڈ آمدنی منافع فی حصص 12.56 رویے(4.77:2020 کرویے) ہے۔

ڈ بو پٹرنٹر

حصص داران کومنافع کی مساوی تقسیم کی یالیسی بیلنس شیٹ کو شخکم ر کھنے اور مستقبل میں سر مابہ کی ضروریات کو مدنظر رکھتے ہوئے بورڈ آف ڈائر کیٹرزنے 31 مارچ 2021ء کو اختیام پذیرسال کے لئے 45.2رویے(45.2 فیصد) فی حصص تجویز کیا ہے۔ جب كەڭدىشتە برس1 روپيەنى خصص (10 فى صد)منافع منقسمة تجويز كيا گيانھا۔

انٹرنلآ ڈٹ

کمپنی ایک خود مخارانٹرل آ ڈٹ فنکشن کی حامل ہے جو کمپنی کی یالیسی اور منظور یوں کی بنیاد پر داخلی کاروباری لین دین کی با قاعدگی سے نگرانی کرتا ہے۔انٹرنل آ ڈٹ کا اولین کام داخلی نظم وضبط اور کمپنی کے رسک مینجمنٹ سٹم کی گرانی کرنااور مینی کی مالیاتی اشیٹمنٹس کے نیمن میں اظہارات کی درشکی کا جائزہ لینا ہے۔علاوہ ازیں، پالیسی پاممل

سے انحراف کی باضابطہ نشاند ہی کی جاتی ہے اور یالیسی میں بہتری کے لئے سفارشات بھی دی جاتی ہیں۔سہ ماہی اجلاس میں انٹرنل آ ڈٹ ر پورٹ برآ ڈٹ میٹی نظر ثانی کرتی ہے۔

ڈائر بکٹرز کامعاوضہ

بورڈ بذات خود بورڈ اراکین کا معاوضہ منظور کرتا ہے۔ تا ہم کوڈ آف کارپوریٹ گورننس کی پیروی میں پیقینی بنایا جا تا ہے کہ کوئی بھی ڈائر کیٹر اپنا معاوضہ طے کرنے کے فیصلے میں شامل نہ ہو۔ اجلاس میں شرکت کے لئے ایدوائزری فیس کے علاوہ نان ا يگزيکڻو ڈائر يکٹرز کوکوئی معاوضهٰ نہيں دیا جاتا۔ پورڈ میں موزوں امیدوارکو برقر اراور ماکل کرنے کے لئے معاوضہ پالیسی ترتیب دی گئی ہے۔ معاوضہ اور سال 21-2020 میں ڈائز یکٹرز کی اجلاس فیس کی معلومات کے لئے براہ کرم مالیاتی اٹیٹمٹش کے تفصيلات ملاحظه كرس_

ڈائر یکٹرز کاتر بیتی پروگرام (DTP)

بورڈ اراکین کے ڈائر کیٹرزٹریننگ پروگرام (DTP) کے ضمن میں بورڈ نے کوڈ آف کارپوریٹ گورننس کے قواعد برعمل درآ مدکویقنی بنایا ہے۔ بورڈ ڈائر کیٹرزٹریننگ پروگرام ک ذریعے ضابطہ کی مطلوبہ شرائط برعمل کرتا ہے اور ضابطہ میں شامل DTP سے استثنیٰ کے لئے قابلیت اورتج یہ کے کم از کم معیار پر پورااتر تا ہے۔ کمپنی بورڈ میں حال ہی میں تعینات ہونے والے ڈائر یکٹرز کے لئے DTP کا انتظام کرنے کاارادہ رکھتاہے۔

ڈائزیکٹرز کی رپورٹ

31 مارچ 2021ءتک

کمپنی کے ڈائر یکٹرز 31 مارچ 2021ء کواننتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اٹیٹمنٹس کے ہمراہ انتیبویں سالانہ رپورٹ ازراہِ مسرت پیش کرتے ہیں۔

مالى نتائج

سال کے لئے اہم مالیاتی نتائج درج ذیل ہیں:

	برائے اختنام سال	برائے اختنام سال
	31 مارچ 2021ء	و ارچ 2020ء
	(رو	پے ملین میں)
سال کامنافع بمعهٔ میس	2,780.63	1,547.20
<i>طیکسی</i> شن	(987.42)	(865.45)
سال کادیگر جامع خساره	(11.50)	(16.13)
غيرمخض منافع	1,781.71	665.62
آغاز میں زخیرہ شدہ آمدنی	30.45	157.63
تخصیص کے لئے دستیاب کل رقم	1,812.16	823.25
تخصيصات*		
عمومی ذخائر میں منتقلی	(1,000)	(650.00)
تجويز كرده دُيوييُّه نَدْ 45.2 فيصد (2020: %10)	(645.47)	(142.80)
	(1,645.47)	(792.80)
· فی خصص آمدنی – ببیبک اور ڈیویڈنڈ (روپوں میں)	12.56	4.77

*بورڈ آف ڈائر کیٹرزنے ان تخصیصات کی تجویز دی ہے جنہیں کمپینزا کیٹ 2017ء کے چوتھے شیڈول کی پیروی میں مالیاتی اشیٹمنٹس میں ظاہر نہیں کیا گیاہے۔

كاروبارى ماحول

دومہینے کے طویل COVID-19 لاک ڈاؤن کے باعث بے یقینی کے گہرے بادلوں میں سال کا آغاز ہوا۔ لاک ڈاؤن کے بعد معیشت میں متواتر بحالی کی وجہ سے صارفین کے اعتماد میں اضافہ ہوا اور انڈسٹری نے مالیاتی سال 2021ء کی پہلی نوماہی میں 30 فی صد سے زائد کی نمو

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قرضوں میں استحکام اور ٹھوں اصلاحات کی جانب پیش رفت میں حکومت کوتوازن قائم کرنا ہوگا۔معاشی سرگرمیوں کی بحالی اور وبائی اثرات کے خاتمہ فوراً بعد ملک میں وسیع پہانے بریز تی کی تو قع کی جا رہی ہے۔معیشت کی دریااور مکمل بحالی کے بعد آٹوموبائل انڈسٹری اظہارتشکر میں مزیدنکھارآئے گا۔

> سمینی یقین رکھتی ہے کہ کاروباری امور کے یائیداری اور قائدانہ صلاحیت جیسے بنیا دی عوامل نے ماضی کے مقابلہ میں زیادہ توجہ حاصل کی ہے۔ بوری دنیا میں وہا کی پلچل کے دوران کمپنی نے اس بے یقینی کے دورکو کامیا بی گزارا ہے اور کاروبار کی روانی کویقینی بناتے ہوئے حفظان صحت پر بھر پور توجہ دے کر نئے''معیار'' کو اپنایا ہے۔ یہ کامیابی موجوده اور آئنده کی نسلول کومؤثر اور قابل رسائی حل فرا ہم کرنے کے لئے کمپنی کی صلاحیت کی مرہون منت ہے۔

ہے جبتو کہ خوب سے ہے خوب تر کہاں

سمینی کی مصنوعات پر بھروسہ اور اعتاد کے لئے میں اپنے قابل قدر صارفین کاشکر گزار ہوں۔ میں اپنے ڈیلرز، وینڈرز، مینکرز، سرکاری اداروں اور حصص داران کی معاونت اور ہنڈ اموٹر کمپنی اوراٹلس گروپ کی رہنمائی کے لئے شکر یہ ادا کرتا ہوں۔مشکل حالات میں کمپنی کو درست سمت میں برقرار رکھنے کے لئے ان تھک محنت پر ہیرونو بو یوشیمورااوراُن کی ٹیم خراج تحسین کی مستحق ہے۔ میں مستقبل میں نمپنی کی کامیابی کے لئے دعا گوہوں۔

> عامرانچ شیرازی چیئر مین

تارة نُج: 25 مَنُ 2021ء لايهور

Financial Analysis

ہومن ریبورس اینڈ ریمونریش ممیٹی

ہیومن ریسورس اینڈ ریموزیشن (HR&R) کمیٹی یانچ اراکین رخصت عنایت کی گئی۔ یعنی دوا یگزیکٹو، دونان ایگزیکٹوڈ ائریکٹرز اورایک خودمختارڈ ائریکٹریر مشتمل ہے۔ (HR&R) کمیٹی کا چیئر مین خود مختار ڈائر بکٹر ہوتا ہے۔بورڈ آف ڈائر کیٹرز کے انتخاب کے بعد مئی 2021ء میں (HR&R) کمیٹی کی تشکیل نو کی گئی۔

> اس تمیٹی کا مقصد ہیومن ریسورس حکمت عملی اور پالیسی فریم ورک پر غور، اہم عہدوں پر فائز افراد کی تعیناتی اور معاوضہ پر بورڈ کو سفارشات دینا اور کمپنی کی ایچ آر پالیسی کی کارکردگی کا جائزہ لینا شامل ہے۔

ز پر جائز ہ سال کے دوران تمیٹی کی شرائط وضوابط کے دائر ہ کار میں کمیٹی کا ایک اجلاس منعقد ہوا۔ (HR&R) کمیٹی کے اراکین کی حاضری حسب ذیل رہی:

حاضري	عہدہ	نام رکن نمیٹی	نمبرشار
1	چيئر مين	مسٹر فیروز رضوی	.1
1	رکن	مسٹر ثا قب ایچ شیرازی	.2
1	رکن	مسٹر ہیر ونو بو پوشیمو را	.3
-	رکن	مسركنجي مانسو	.4
1	رکن	مسٹرکشومی کسائی (مٹرکنچی ماٹسوی جگه)	
-	رکن	مسٹرا کیرامورایا ما	.5

(HR&R) کے اجلاس میں شرکت نہ کرنے والے اراکین کو

07 دىمبر2020ء كومسركنجي ماڻسو، ڈائر يكٹراور نائب صدريرو ڈکشن کی جگه مسٹرکشومی کسانی کی تقریری ہوئی ۔مسٹرای ہیکو ساٹو کومسٹرا کیرا موراہاما کی جگہ بورڈ میں شامل کیا گیا۔ بورڈ الوداع ہونے والے ڈائر یکٹرز کی گراں قدر خدمات کا اعتراف کرتا ہے اور نئے رکن کو خوش آمرید کہتاہے۔

مستفتل كامنظرنامه

COVID-19 عالمگیر وبا نے ملکی وغیر ملکی معیشت کو بری طرح متاثر کیا ہے۔ پاکستان نے اثرات کو اچھی طرح سنھالا ہے لیکن آنے والے معاملات پر بحث اور منظوری کے لئے (HR&R) مثبت پیش رفت کو برقر اررکھنا انتہائی مشکل ہے۔ ویکسین سامنے آنے کے باوجود COVID-19 کی تیسری مہلک لہر کی وجہ سے نمویر خطرات کے بادل ابھی بھی منڈلا رہے ہیں۔ افراط زربلند سطح پررینے کا بھی خدشہ ہے۔ملکی توانائی اور غیرملکی اشیاء کی قیمتیں افراط زر کے گراف کومزید متاثر کریں گی۔ آئی ایم ایف پروگرام کی بحالی نے مثبت امکانات کو بڑھایا ہے اور تسلی ملی ہے کہ خارجی سطح پر قرضوں کی ضروریات کوآسانی سے پورا کرلیاجائے گا۔علاوہ ازیں، پاکتان نجی وسرکاری سطے پر رقوم کی وصولی ہے یا کتان بیرونی محاذ پر مشحکم یوزیشن حاصل کرلے گا۔ دوسری جانب، آئی ایم ایف پروگرام کے تحت کفایت شعاری اقدام کی وجہ سے مالیاتی امداد اور اخراجات میں توسیع کرنے میں حکومت ہیکھاہٹ کا شکار رہ سکتی ہے۔اس طرح ہے، ساجی ہم آ ہنگی کو برقرار رکھتے ہوئے معیشت کوسہارا دینے ،

اور تبادلہؑ خیال بھی بورڈ آف ڈائر یکٹرز کے فرائض میں شامل ہے۔ فرائض کی انجام دہی کی غرض سے کمپنی مجموعی طور پر بورڈ آف ڈائر یکٹرز کے متنوع علم اور تجربہ میں توازن کو مدنظر رکھتی ہے۔لہذا ہو ہے میٹی سمپنی کے بورڈ میں ایسے ارا کین شامل ہیں جو اعلیٰ مہارت اور وسیع تجربہ کے ہمراہ متنوع علم اور دوراندیثی رکھتے ہیں۔

بورڈ کے اجلاس

کے اراکین کی حاضری حسب ذیل رہی:

حاضري	نام ڈائز یکٹر	نمبرشار
4	مسٹرعامرانچ شیرازی	.1
4	مسٹر ہیر ونو بو پیشیمو را	.2
4	مسٹرثا قبانچ شیرازی	.3
3	مسٹرنسچی ماٹسو	.4
1	مسٹر کشومی کسائی (مٹرننجی اٹسوی جگه)	
4	مسٹر فیروز رضوی	.5
4	مسٹرا کیرامورایا ما	.6
4	مسٹر کز ونوری شایا ہا	.7
3	مس ری محارا	.8
4	مسترعارف الاسلام	.9
4	مسٹر مقصو دالرحمٰن (تمپنی تیریزی)	
2	مرحوم احمد عمير واجد (CFO)	
2	مسٹر حمود الرحمٰن (CFO) (مردم احد عمیر واجد کی جگه)	

یورڈ میٹنگ میں شرکت نہ کرنے والےارا کین کورخصت عنایت کی گئی۔

آڈٹ کمیٹی جار اراکین لینی تین نان ایگزیٹو اور ایک خود مختار ڈائر یکٹر پرشتمل ہے۔آ ڈٹ کمیٹی کا چیئر مین خودمختار ڈائر یکٹر ہے۔ ڈائر کیٹرز کے انتخاب کے بعد مئی 2021ء کوآ ڈٹ کمیٹی کی تشکیل نو كى گئے۔ آ ڈٹ كميٹى كا بنيا دى مقصد مالياتى ريورٹنگ اور آ ڈٹ كے مل سال بھر میں بورڈ آف ڈائر یکٹرز کے جارا جلاس منعقد ہوئے۔ بورڈ پرنگرانی، داخلی آ ڈٹ رپورٹس کا جائزہ ، داخلی نظم وضبط کے سٹم اور قانون وضوابط يومل درآ مدكويقيني بناناہے۔ كميٹي داخلي وخارجي آ ڈيٹرز کے ساتھ الگ الگ ملاقات بھی کرتی ہے تا کہ کمیٹی ایسے معاملات پر جدا گانہ تبادلۂ خبال کر سکے۔

مالياتي الشيمنيس، داخلي آ ڈ پ رپورٹ، متعلقہ قواعد وضوابط کی تنمیل اور دیگر متعلقہ معاملات پر بحث کے لئے زیر جائزہ سال کے دوران آ ڈٹ میٹی کے جار (4) اجلاس منعقد ہوئے۔

آ ڈٹ کمیٹی کے اراکین کی جاضری حسب ذیل رہی:

حاضري	عہدہ	نامرکن نمیٹی	نمبرشار
4	چيئر مين	مسٹر فیروز رضوی	.1
4	رکن	مسٹرثا قبائچ شیرازی	.2
4	رکن	مسٹرا کیرامورایا ما	.3
4	رکن	مسٹر کا زونوری شایا ما	.4

Management / Company's Structure

روال مالياتي سال كا آغاز يهله ده ماه ميس لاك ڈاؤن اور كاروبارى سرگرمیوں کی معطّل کے باعث منفی رجحان سے ہوا۔ نیتجاً بمپنی کو پہلی سہ ماہی میں نقصان برداشت کرنا پڑا۔ مالیاتی سال کے بقیہ دورانیہ میں بہتر کارکردگی حاصل کرنے کی غرض سے کاروباری امور کی روانی کویقینی بنانے کے لئے کمپنی نے مؤثر اور مربوط حکمت عملی اینا کران مشكلات ير قابو پايا-نتجاً، كمپنى گذشته برس ميس 55.05 بلين رویے سلز ریوینیو کی نسبت زیر جائزہ سال میں 22 فیصداضا فہ کے ساتھ 67.36 بلین رویے کاسپزریوینیو حاصل کرنے میں کامیاب ہوئی۔اگر چیسال کے اختتام میں پاکستانی رویے اور ڈالر کی تھینچا تانی میں کی واقع ہوئی لیکن سال بھر میں اتار چڑھاؤ کی وجہ سے پیداواری لاگت میں اضافہ ہوا۔مزید برآں،سال کے آغاز میں متنقل لاگت اور بیداواری صلاحیت کے کم استعال کے ہمراہ صفر پیداوار کی وجہ سے رواں سال کے دوران فروخت پر لاگت نسبتاً زیادہ رہی۔لہذا مجوی منافع 8 نیصد کی کے ساتھ 3.78 بلین رویے رہاجو 6 نیصد نفع کی شرح ظاہر کرتا ہے۔ فروخت اور عمومی انظامی (SGA) اخراجات میں بھی گذشتہ برس 1.41 بلین رویے کے مقابلہ میں 11 فیصد اضافہ کے ساتھ 1.56 بلین رویے ریکارڈ ہوا۔ دیگر آمدنی میں بھی 46 فی صدنمایاں اضافہ ہواجو 0.92 بلین رویے ر یکارڈ ہوا۔ دیگر آمدنی میں اضافہ نئ گاڑیوں کی بکنگ کی مدمیں پیشگی بورڈ آف ڈائر یکٹرز زر اورغیرمککی کرنبی کے ساتھ توازن کے باعث آمدنی کی وجہ سے حاصل رقوم کے باعث دیکھنے میں آیا۔ مالیاتی اور دیگراخراجات میں گذشتہ برس کے مقابلہ میں 80 فیصد یعنی 0.35 بلین رویے کی واقع ہوئی۔اس کمی کوشرح سود میں کمی،قرضوں کی ادائیگی اور کرنسی میں موافق بہتری ہےمنسوب کیا جاتا ہے۔للہذا گذشتہ برس نفع بمعہ

نیکس 1.55 بلین رویے کے مقابلہ میں 80 فیصد کے اضافے کے ساتھ 2.78 بلین رویے ریکارڈ ہوا۔اس طرح سے خالص منافع علاوہ ٹیکس گذشتہ برس میں 0.68 بلین رویے کے مقابلہ میں 163 فصد اضافه کے ساتھ 1.79 بلین رویے درج ہوا۔ نیتجاً گذشته برس 4.77رویے کی نسبت فی حصص آمدنی 12.56 روپےریکارڈ ہوئی۔

بورد کی تشکیل

بورد آف ڈائر یکٹرز کی تشکیل حسب ذیل ہے:

9	ڈائر یکٹرز کی کل تعداد:
8	i. مرد
1	ii. خاتون
	بورد کی تفکیل
3	i. خودمختار ڈائر یکٹرز
4	ii. نان ایگزیپوڈ ائریکٹرز
2	iii. ایگزیکٹوڈ ائریکٹرز

سال بھر میں بورڈ میں ایک تبدیلی کی گئی تاہم بورڈ کی واجبی ترکیب برقر اررہی۔

وسط تا طویل مدت میں کمپنی کی در یا نموحاصل کرنے کی غرض سے حصص داران کے مینڈیٹ کے احترام کے لئے بورڈ آف ڈائریکٹرز كفرائض ميں اہم كاروبارى معاملات اور حكمت عملى ميے متعلق فيصله سازی شامل ہے۔علاوہ ازیں کمپنی کے آرٹیکٹر آف ایسوسی ایشن اور کوڈ آف کارپوریٹ گورننس میں بیان کردہ معاملات پر فیصلہ سازی

دوسری جانب، سپلائی چین کے محاذ پر انڈسٹری متنوع مشکلات سے دو چار ہے۔ لاک ڈاؤن کے بعد کار وباری سرگرمیوں کی بحالی کے باعث مصنوعات کی طلب میں اضافہ کی وجہ سے عالمی سپلائرز شدید دباؤ کا شکار ہیں اور عالمی شپنگ شیڈ ول بھی شدید متاثر ہوا ہے۔ مزید برآں، بندرگا ہوں پر جگہ کی کی اور کنٹینرز/شپنگ لائنز کی محد ود دستیابی کے باعث کمپنی بروقت ڈیلیوری وصول کرنے میں مشکلات کا سامنا کر رہی ہے۔ خام مال کی قیمت میں اچا تک اضافہ سے بھی نئی مشکلات پیدا ہوگئی ہیں۔ یہ تمام عوامل ملک میں آٹو موبائل انڈسٹری کی پیداوار میں رکاوٹ کا باعث ہیں۔

سميني

کمپنی تبدیلیوں کو مد نظر رکھتے ہوئے مشکلات پر قابو پاکر مستعدی سے
اپنے کاروباری ا مور سرانجام دے رہی ہے۔ مختلف محدود ساجی
رابطوں اور اجتماعات کے باعث متغیر ساجی رویوں کی وجہ سے کمپنی
نے جدید ٹیکنالوجی کے استعال کے ذریعے ایک نیااور مختلف لائح عمل
اپنایا ہے۔ کمپنی اپنے صارفین، کاروباری شراکت داروں، ملاز مین،
کمیونٹیز اور تمام دیگر سٹیک ہولڈرز کے ساتھ مسلسل رابطہ میں ہے
تاکہ کمپنی انہیں حالات سے آگاہ رکھ سکے اور ایک واضح لائح عمل کے
ساتھ آگے جل سکے۔

رواں مالیاتی سال کے دوران لاک ڈاؤن اور سپلائی چین مسائل کے باوجود کمپنی گذشتہ برس میں 22,729 یوٹش کی پیداوار کے مقابلہ میں 3.3 فیصداضا فیہ کے ساتھ 23,479 یوٹش کی پیداوار درج

کرنے کے قابل ہوئی ہے۔ نیتجاً ، فروخت کے جم میں 7.28 فیصد کی شرح سے 0 5 0 , 4 کیوٹٹس ریکارڈ ہویں جو گذشتہ برس 22,418 نوٹٹس تھے۔

مارچ 2021ء کواختیام پذیرسال کے دوران اہم پیش رفت:

متعدد بینکول کے ساتھ مفاہمتی معاہدے

کمپنی نے اپنے صارفین کورعایتی نرخوں پر آٹو فائنسنگ سیموں کی پیشش کے لئے معروف بینکوں کے ساتھ شراکت داری کی ہے۔
پاکستان کے معروف بینکوں کے ساتھ معاہدوں کے تحت تمام وہ صارفین جو ان بینکوں کے ذریعے آٹو فائنسنگ کی سہولت حاصل کرنے کا انتخاب کرتے ہیں وہ ماضی کے برعکس پرکشش رعایت حاصل کرستے ہیں۔اس پیشش میں کئی اقسام کی فیس سے چھوٹ اور ترجیحی ترسیل جیسی پرکشش سہولیات شامل ہیں تا کہ صارفین کو اضافی فوائد فراہم کئے جاسکیں۔

• نئى دىلرشپ كااضافه

سال بھر میں کوئے اور لا ہور میں دونی ڈیلرشیس کا اضافہ کیا گیا ہے۔

کوئے میں ڈیلرشپ کے اضافہ سے کمپنی نے پاکستان کے سب سے

بڑے صوبہ میں اپنے قیام کومکن بنایا ہے۔ حالیہ اضافہ سے 35 ڈیلرز

کی کل تعداد 35 تک جا پہنچی ہے جس کے باعث کمپنی نے ملک بھر کی

تقریباً تمام بڑی منڈیوں میں قدم جمالئے ہیں۔ کمپنی یقین رکھتی ہے

کہ ڈیلرشپ کا توسیعی نیٹ ورک نہ صرف موجودہ صارفین کو سہولت
فراہم کرے گا بلکہ ہنڈ افیملی کو نئے صارفین بھی دلائے گا۔

Management / Company's Structure

آ ٹوموہائل انڈسٹری

یا کتان کی آٹو موبائل انڈسٹری نے مالیاتی سال 2021ء کے دوران حوصلہ افزا کارکردگی کا مظاہرہ کیا ہے اور بیصنعت بحالی کی جانب گامزن ہے۔ آٹو موبائل انڈسٹری کومعمول پر لانے کے لئے نمایاں معاثی استحام نے محرک کا کام کیا ہے۔ستے قرضوں کی دستیابی اور لاک ڈاؤن کے بعد طلب میں اضافہ کے باعث اس صنعت كوبے حدفر ورغ ملاب

نے حریفوں کے آنے سے آٹو موہائل انڈسٹری خاطرخواہ توسیع کے لئے بالکل تیار ہے۔حال ہی میں مختلف صنعت کاروں کی جانب سے مسابقی قیمتوں کی پیشکش کے باعث صارفین نے SUV میں اپنی رکچیں کا اظہار کیا ہے۔ صارف کے انتخاب میں تبدیلی شعبے Sedan کے لیے تانے کے ساتھ ساتھ موقع بھی ہے۔

مجموعی طور پررواں مالیاتی سال کے دوران صنعتی پیداوار گذشتہ برس میں 132,835 یوٹٹس کے مقابلہ میں 9.2 فی صد کی کے ساتھ 120,588 ينش ربى - اسى طرح سے، گاڑيوں كى فروخت گذشته برس میں 137,707 پزشس کی نسبت 131,778 پزشس د کیھنے میں آئی۔اس کمی کو پہلی سہ ماہی کے دوران ملک بھر میں لاک ڈاؤن سے منسوب کیا جاتا ہے۔ کمپنی کے سب سے بڑے شعبہ 1300CC اورزا كدصلاحت كى گاڑيوں كى فروخت ميں 6.9 فیصد اضافه هوا اور زیاده دلچین کا مرکز SUV و ربی - تاهم 1000CC میاس سے کم صلاحیت کی گاڑیوں کی فروخت میں گذشته برس کی نسبت 11.8 فیصد کی واقع ہوئی۔ مٰدکورہ بالاعوامل کے باوجود نئے آرڈرز کاحصول جاری ہے کیونکہ کئی آٹو کمینیاں بڑھتی طلب کو بورا کرنے کے لئے دستیاب پیداواری صلاحیت میں اضافہ

ترلیبرفورس بالواسطه یا بلاواسطهاس سے منسلک ہے۔ بہشعبہ مالیاتی سال 2021ء میں 2.7 فی صد تک نمو کا ہدف رکھتا ہے۔ کیاس کے علاوہ خریف کی بڑی فصلیں مالیاتی سال 2020ء میں اینے پیداواری مدف سے تجاوز کر چکی ہیں اور مالیاتی سال2021ء کے ہدف کی جانب گامزن ہیں۔مزید بید کہ سر مابیدداری کے کئی اشاریے یعنی ٹریکٹر کی فروخت، کھادوں کا استعال، یانی کی دستیابی اورموسم خصوصاً گندم کی مشحکم پیداوار کا پیش خیمه ثابت ہوں گے۔مزید برآں، زرعی اجناس کی قیمتوں میں اضافہ اور کھادوں اور کیڑے مار ادویات پر برونت رعایت نے حدسے زیادہ منافع اور زرعی آمدنی میں اہم کر دار ادا کیا ہے۔لہذا دیمی علاقوں میں صنعتی اشیا کی طلب میں کوئی فرق نہیں بڑاہے۔

بڑے یمانے کی صنعت

بڑے یمانے کی صنعت (LSM) کل ملکی صنعت کی تقریباً 80 فی صدنمائندگی کرتی ہےاورکل ملکی پیداوار میں تقریباً 11 فی صد حصہ ر کھتی ہے۔ LSM میں مالیاتی سال 2021ء کی آٹھ ماہی میں گذشتہ برس میں 3.0 فی صد کمی کی نسبت 7.5 فی صد نمو کے ساتھ بہتری آئی ہے۔ کی صنعتوں میں اپنی بھر پورصلاحیت کے عدم استعال کے باوجود کئی شعبوں میں استحام کے اشارے ملتے ہیں جس میں صارف کے روزمرہ کی استعال کی اشیا ، آٹو موہائلز اور سینٹ کی فروخت شامل ہے۔ جو کہ حکومت اور SBP کی جانب سے کئ موافق پالیسیوں کے تعارف سے معاشی سرگرمیوں کی بحالی کے باعث یم مکن ہواہے۔ تاہم، عالمی سطح پرسیلائی چین میں رکاوٹوں کے باعث خام مال کی فراہمی جمود کا شکار ہے اور قیمتوں میں بھی اضافہ ہو ر ہاہے۔للہذا کاروباری شعبہ کواپنامنا فع برقر ارر کھنے کے لئے قیمتوں میں اضافہ پراکتفا کرناپڑا۔

Management / Company's Structure

چيئر مين كانقطه نظر

برائے سال اختتام پذیر 31 مارچ 2021ء

میں 31 مارچ2021ء کو اختتام پذیر سال کے لئے کمپنی کی انتیبویں (29 ویں) سالاندر پورٹ از راہِ مسرت پیش کرتا ہوں۔

معلية...

20VID-19 جیسے موذی مرض نے تمام دنیا کے مما لک کوشد ید بران سے دو چار کر دیا ہے اور دنیا بھر کی اقتصادی نموشد ید دباؤ میں بھران سے دو چار کر دیا ہے اور دنیا بھر کی اقتصادی نموشد ید دباؤ میں ہے۔ موافق مانیٹر کی اور رکی فائنشنگ پالیسی کے اعلان اور مربوط مالیاتی امداد وغیرہ جیسے اقدامات کی بدولت 19-COVID کے اثرات سے موٹر انداز میں نبرد آزما ہونے پر پاکستان کی معیشت نے دوبارہ رفتار پکڑ لی ہے۔ اس میں موافق مالیاتی پالیسیاں، قرضوں کی فراہمی کے لئے سہولیات، طے شدہ مالیاتی امداد اور دیگر اقدامات مددگار ثابت ہویں۔ اس نے لاک ڈاؤن کے بعد معاثی سرگرمیوں کی بحالی میں اضافی کر دار ادا کیا ہے اور معاشی ابتری کا مرحلہ بھی کم ہوا ہے۔ معیشت کے حوصلہ افز ایہلو کے پیش نظر مالیاتی سال 2021ء میں معاشی نمود فی صد کے قریب ہونے کے قوی امکانات ہیں۔

مالیاتی سال 2021ء کی پہلی ششماہی کے دوران مالیاتی خسارہ COVID-19 کا 2.5 فی صدر ہاجوزیادہ شرح سوداور COVID-19 کی مد میں ادائیگیوں کے باوجود گذشتہ برس کی نسبت غیر متغیر رہا۔

بنیادی طور پر بھاری آمدنی کے علاوہ ایف بی آرکی خالص ٹیکس آمدنی میں 6.0 فی صداضا فداس کی عکاسی کرتا ہے۔ COVID-19 بخران کے دوران بیرونی شعبہ میں بھی خاطر خواہ بہتری آئی اور گذشتہ برس کی اسی مدت میں 4.1 بلین ڈالر خسارہ کی نسبت اس میں 959 ملین ڈالر کے سرپلس کے ساتھ بہتری دیکھنے میں آئی۔اس سرپلس کو ملین ڈالر کے سرپلس کے ساتھ بہتری دیکھنے میں آئی۔اس سرپلس کو شریبات زرمیں بھاری اضافہ سے منسوب کیا جاتا ہے۔جوسالانہ کی

بنیاد پر 26 فی صداضافہ کے ساتھ گذشتہ نوماہی کے لئے 2 بلین ڈالر ماہنہ سے زائد اور بڑھتے ہوئے تجارتی خسارہ میں کمی کا باعث بنا ہے۔ سفری پابند یوں اور اضافی پالیسی اقد امات کی بدولت سرکاری وسائل کے استعال میں اضافہ ہوا۔ ملکی درآ مدات مالیاتی سال 2021ء کی نوماہی میں 13 فیصد اضافے کے ساتھ 39.5 بلین ڈالرر ہیں جب کہ برآ مدات فی صداضافہ کے ساتھ 18.7 بلین ڈالرر ہیں۔

قرضوں کی اوائیگی میں توسیع کے بعد آئی ایم الیف نے 500 ملین والر کی قبط جاری کر دی ہے۔ مزید برآں، پاکتان نے 500ء قرض دہندگان کی جانب سے مئی 2020ء سے جون 2021ء کی جاور کئی میں رعایت حاصل کر لی ہے اور بین الاقوامی کمیونٹی سے مزید رعایت کی امید رکھتا ہے۔ 2.5 بلین ڈالر کے بورو بانڈ کے اجرا اور موافق حالات کے باعث اگست 2020ء سے امریکی ڈالر کے مقابلہ میں پاکتانی روپی قدر میں 8.9 فیصد استحکام آیا ہے۔ ادائیگیوں کے توازن میں بہتری کی وجہ نظر مارچ 2021ء میں تین برس کی بلند ترین سطح یعنی آف پاکتان (SBP) کے غیر ملکی مبادلہ کے فائر مارچ 2021ء میں تین برس کی بلند ترین سطح یعنی آب بلین ڈالر تک بینچ گئے ہیں۔ اس مثبت پیش رفت کی گونج ملکی کیپٹل انگیس جون 2020ء میں عاملہ میں مارکیٹ میں بھی محسوس کی جا سکتی ہے جیسا کہ 2010ء میں جون 2020ء میں 34,422 پوائنٹس کے مقابلہ میں 13,58 میں جون 2020ء میں 34,422 پوائنٹس کے مقابلہ میں بوائنٹس پر بند ہوا۔

زراعت

بلا شبہ زراعت یا کتان کا سب سے بڑا شعبہ ہے اور ملک کی زیادہ









DIVIDEND MANDATE FORM

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

1. Kindly direct credit the cash dividend declared, if any, in my below mentioned bank account:

(i)	Shareholder's Detail	
	Name of the shareholder	
	Folio No. /CDC Participants ID	
	A/c. No.	
	CNIC No.*	
	Passport No, (in case of foreign shareholder)**	
	Land Line Phone Number	
	Cell Number	
	Email address (if any)	
(ii)	Shareholder's Bank Detail	
	Title of the Bank Account	
	Bank Account Number	
	Bank's Name	
	Branch Name and Address	

2. It is stated that the above-mentioned information is correct. Further, if there is any change I will intimate the registrar immediately.

Signature of the Shareholder

Note: The shareholder who hold shares in physical form are requested to submit the above-mentioned Dividend Mandate Form after duly filled in to Share Registrar concerned. The Shareholders who hold shares in Central Depository Company are requested to submit the above mentioned Dividend Mandate Form after duly filled in to their Participants/ Investor Account Services of the Central Depository Company Limited.

*Please attach attested photocopy of CNIC

^{**}Please attach attested photocopy of the Passport











FORM OF PROXY

Company Secretary, Honda Atlas Cars (Pakistan) Ltd., 1-Mcleod Road, Lahore.

I/We	being member(s) of Honda Atlas Cars (Pakistan) Ltd., havi			Ltd., having		
Folio No. / CDC Participant I.D No	and having nu		umber of shares, hereby appoint Mr./Ms.			
of			who is al	so a member of	the company	
having Folio No. / CDC Participant I.D No	and	number of shares, as my/our		proxy in my/		
our absence to attend and vote for me/us on	my/our behalf at the An	nual Gener	al Meetin	g of the Compar	ny to be held	
on Tuesday, June 29, 2021 at 10:30 a.m. at Fa	letti's Hotel, 24- Egerto	n Road, Th	e Mall, La	hore and at any	adjournment	
thereof.						
Signed on this day of	2021.					
Witness 1:			Sign	ature of Shareho	older	
Signed:			Signature of shareholder should match the specimen signature registered with the Company			
Name:						
Address:			•	rea with the Cor	. ,	
CNIC / Passport No						
Witness 2:						
Signed:						
Name:				Affix Rs. 5/- Revenue		
Address:				Stamp here		
CNIC / Passport No.						

NOTES:

- 1. A member entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint a proxy to attend and vote instead of his/her. No person shall act, as a proxy who is not a member of the Company except that a corporation may appoint a person who is not a member of the Company.
- 2. The instrument appointing a proxy shall be in writing under the hand on the appointer or his constituted attorney or if such appointer is a corporation or company, under the common seal of such corporation or company.
- 3. The Form of Proxy, duly completed, must be deposited at Company's registered office, 1-Mcleod Road, Lahore not less than 48 hours before the time of holding the meeting.











AFFIX CORRECT POSTAGE

Secretary, **Honda Atlas Cars (Pakistan) Limited** 1-Mcleod Road, Lahore.

HONDA 144 Annual Report 2021

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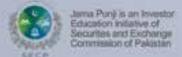
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